

## Over-repayment of income contingent loans through PAYE Financial years 2015-16 to 2022-23

### Introduction and context

The Student Loans Company (SLC) publishes official statistics about the financial support received by students / learners and the progress of student loan balances and repayments. To supplement this information, given the level of public interest in this area, an ad hoc publication regarding over-repayment of Income Contingent Loans was added to our official statistics collection on 27 May 2021. SLC has since published this on an annual basis.

Student loan over-repayments occur due to the nature of the Income Contingent Repayment (“ICR”) (post-1998) student loan repayment scheme, where repayments are made through the UK tax system via PAYE.

This is an ad hoc publication from SLC to provide the number of customers who have over-repaid their student loan at the end of their repayment term and the total amount over-repaid. The average over-repayment amount, the amount over-repaid pending a refund, the number of customers pending a refund and the number of customers refunded has also been provided.

The data covers full financial years 2015-16 to 2022-23. The data represents those repaying via Pay-As-You-Earn (“PAYE”) only and not those customers with a Self-Assessment repayment within the financial year, as this data is received from HMRC at a later point. This data excludes Mortgage Style Loan balances, ICR Advanced Learner Loans and Repayment of Teacher Loans (RTL).

The data shows a total count for UK domiciled students funded by Student Finance England, Student Finance Wales, Student Finance Northern Ireland and the Student Awards Agency Scotland. The time period covered by the publication is from 2015-16 to 2022-23. This data includes Plan 1, Plan 2 and Postgraduate Loan repayment plans. Plan 2 customers entered repayment in 2016. Information on which repayment plan you are on can be found in the [repaying your student loan](#) section of GOV.UK.

### Overview

The total amount over-repaid in financial year (FY) 2022-23 was £23.5 million, of which £21.9 million (93.4%) has been refunded to the customer (an average of £900 [r] per customer). Of the remaining refunds pending, the average refund is £50.

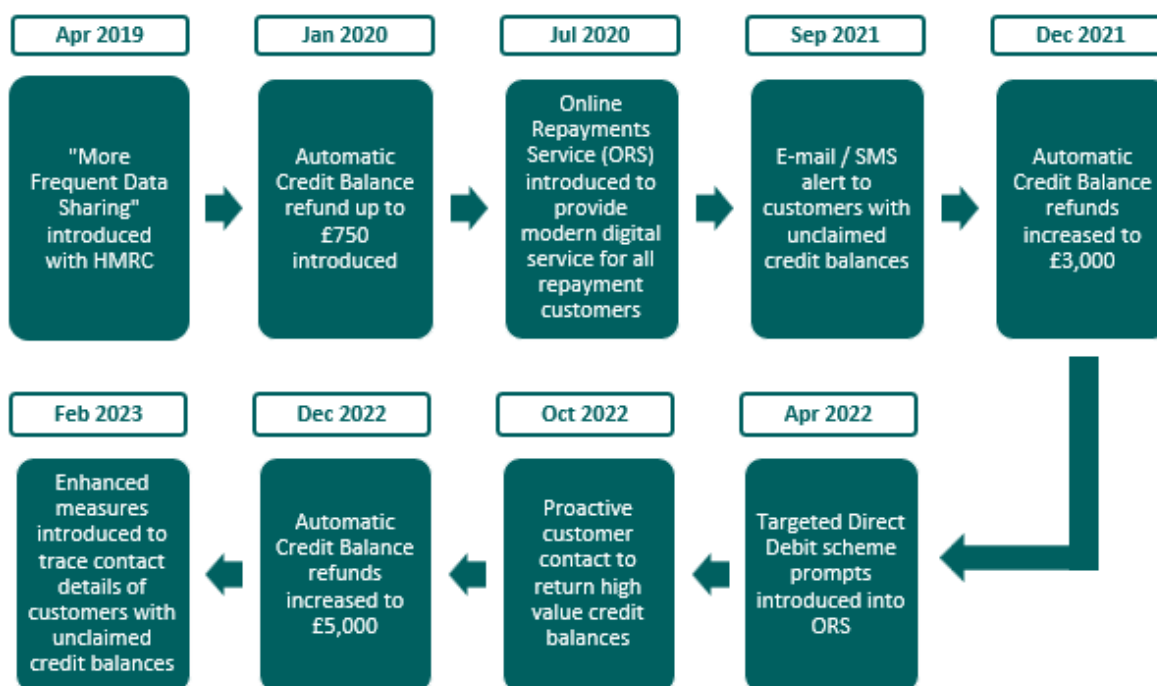
The total over-repaid amount represents 0.5% of the total repayments made in FY 2022-23 (and 0.01% of the total loan book balance at 31 March 2023, with the amount over-repaid being reduced by 56% in five year period.

**Over-repayments are entirely avoidable if customers join the [direct debit scheme](#).**

[r] An average of £406 was previously published, in error. This figure relates to the average over-repayment, not the average refund. It has been corrected to £900.

## Improving customer experience

A wide range of improvements have been made to the journey and experience of customers as they move through the final stages of loan repayment. SLC is committed to the ongoing improvement of this particular part of the customer journey. A timeline of these is shown below:



For further detail on these improvements, please refer to the relevant section below.

**More Frequent Data Sharing (MFDS):** Prior to April 2019, SLC received repayment information from HMRC on an annual basis. This prevented SLC from maintaining an in-year view on the repayments customers were making through their salaries and as a result deductions would only be stopped for customers who had fully repaid once the annual update had been received from HMRC. SLC now receive information on a weekly basis allowing SLC to maintain a near real time balance in the Online Repayment Service which enables customers to view their account balance and take action on over-repayment. This more timely receipt of information from HMRC enables SLC to advise HMRC to stop repayments via the employer as soon as a repayment is received that clears the customers outstanding balance. This means customers accrue smaller credit balances and will be able to be refunded far quicker than previously.

**Automatic Credit Balance refunds:** Previously when customers over-repaid and went into credit, they had to contact SLC for a refund. In January 2020, SLC introduced automatic credit balance refunds. SLC validates the bank account held on the customer account and automatically refunds any credit balance, removing the need for the customer to contact SLC. The maximum automatic credit balance refund was initially £750, this has now increased to £5,000. Auto refunding will become the default mode of refunding for all customers. SLC requires customers to keep their details up to date. **If a customer does not notify SLC of any changes to their contact details, this results in a delay of any refunds being issued.**

**Online Repayment Service ("ORS")** - SLC launched this digital service in July 2020, which is designed to enable customers to better manage the end of their repayment journey. Customers can access ORS on GOV.UK. Through ORS, customers can update their contact details and will have greater visibility of the final stages of their loan repayment. This enables them to make the decision to join the direct debit scheme at the right time. Customers can see whether they have over-repaid/are in credit by visiting ORS. Further information on claiming a refund can be found on [GOV.UK](https://www.gov.uk).

**Direct Debit Scheme:** Over-repayments are entirely avoidable. SLC routinely advises customers join the direct debit scheme when they become eligible to do so, 23 months prior to the repayment of their loan. SLC writes to every customer when they are within 12 months from repaying their balance inviting them to switch to direct debit payments to avoid over-repaying. At four and seven weeks later, a reminder email and SMS message will be sent to the customer. Therefore, it is important that contact details are kept up to date to allow this (customers are required to keep these up to date under the terms and conditions of their loans).

Once the customer has repaid the set amount over the agreed time via direct debit, the balance will be cleared, and an over-repayment avoided.

If a customer does not respond to the offer of the direct debit scheme, they will be sent another letter 3 months from the date they will repay in full, advising them to contact SLC and repay the remainder of their loan. Otherwise, when the next or subsequent repayment file received from HMRC is applied to their account it can create a credit balance. SLC will then instruct HMRC to issue a Stop Notice to the employer to advise them to stop taking deductions.

Every time a customer logs into ORS, an eligibility check will run in the background. If the customer meets the necessary criteria, they will see a 'Switch to DDS' banner at the top of their landing page. By clicking on 'Find out more' they will be taken through the process of setting up their Direct Debit online. This feature was introduced in April 2022.

**Additional campaigns:** In September 2021 a new initiative was introduced where a designated team at SLC were tasked with e-mailing / SMS messaging customers with unclaimed credit balance. In October 2022, proactive customer contact was introduced to return unclaimed and high value credit balances. In February 2023, enhanced measures were introduced to trace customers with outdated contact details. Customers are then contacted via all available methods e.g. telephone call, SMS and/or via letter.

## What can you use these statistics for?

These statistics can be used as a reference to the number of Student Loans Company (SLC) customers who made over-repayments at the end of the financial years 2015-16 to 2022-23, the total amount over-repaid, the average over-repayment, the amount pending a refund, the number of SLC customers pending a refund and the number of customers refunded.

The data used in this publication is sourced from Student Loans Company's 'Customer Ledger Account Servicing System' (CLASS). This system only holds information on customers who have received funding from SLC. Due to this, these statistics cannot be used to analyse trends or to draw conclusions regarding the full UK education funding landscape.

## Caveats and data definitions

- The data excludes Mortgage Style loan balances, ICR Advanced Learner Loans, Repayment of Teacher Loans (RTL) and customers with a Self-Assessment repayment within the financial year.
- Balances at the start of the financial year are based on customer's interest transactions records and balances across the financial year are calculated from the starting balance along with the customer's account transactions. This means that where the 'Total Over-Repaid Amount' and 'Over-Repaid Pending Refund' figures are quoted, the difference is not necessarily the refund amount. All other account activity will be captured including write-offs, other payments etc.
- Customers are only counted as over-repaying when their credit balance exceeds £5 and so if a customer goes further into credit by more than £5 within a financial year then they will be included.

- A customer is only counted once in each financial year.
- Customers who are in credit by at least £5 and who over-repay by more than £5 in successive years will be counted in each of those years.
- Customers must have made a PAYE repayment within the financial year.
- The 'Total Over-Repaid Amount' is the total PAYE repaid amount causing a customer's balance to go into/further into credit. Where a customer's balance is in debit & a PAYE puts them into credit, only the credit causing part of the repayment is included.
- The 'Average Over-Repayment' is the mean given by 'Total Over-Repaid Amount' divided by 'No. of Customers'.

## Results

**Figure 1: Total over-repayment amount, total number of customers who made an over-repayment, average over-repayment amount, total amount over-repaid pending refund, total number of customers pending a refund and total number of customers refunded for financial years 2015-16 to 2022-23 – All domiciles**

*Coverage: Students domiciled in the UK and EU in repayment of a student loan(s)*

Effective date: 31 January 2024

Financial year of repayment	Total over-repaid amount	No. of customers	Average over-repayment	Over-repaid pending refund	No. of customers pending refund	No. of customers refunded
2015-16	£ 53,577,923	88,455	£ 606	£ 3,012,610	4,933	83,522
2016-17	£ 51,740,534	87,244	£ 593	£ 2,768,392	5,074	82,170
2017-18	£ 38,737,057	69,865	£ 554	£ 2,312,194	4,083	65,782
2018-19	£ 29,341,421	52,252	£ 562	£ 2,173,873	3,509	48,743
2019-20	£ 23,259,720	54,684	£ 425	£ 1,525,232	4,310	50,374
2020-21	£ 17,066,913	45,353	£ 376	£ 873,009	3,506	41,847
2021-22	£ 20,531,353	52,380	£ 392	£ 1,132,535	8,809	43,571
2022-23	£ 23,461,633	57,814	£ 406	£ 1,555,978	33,421*	24,393

\* For FY 2022-23, there has been a shorter period since the customer has gone into over-repayment. Therefore, the number of customers pending a refund is still very high in comparison to previous years. This number will considerably reduce over the coming year. For example, in the 2023 version of this publication the data showed that 25,800 were pending a refund from FY 2021-22. Figures in this publication show that this has since reduced down to 8,800 (- 66%).

**Note:**

Domiciles included: England, EU (Outside UK), Northern Ireland, Scotland, Wales and Mixed.

Mixed domiciled refers to customers who have received funding through two or more funding bodies.

Any movement from previously released figures in this area are resulting from late posting of transactions, adjustments or reversals occurring after run date.

Constituent parts (Figure 2) may not add to totals due to rounding.

**Figure 2: Total over-repayment amount, total number of customers who made an over-repayment, average over-repayment amount, total amount over-repaid pending refund, total number of customers pending a refund and total number of customers refunded for financial years 2015-16 to 2022-23 - by domicile**

Coverage: Students domiciled in UK and EU in repayment of a student loan(s) – by domicile

Effective date: 31 January 2024

Domicile	Financial year of repayment	Total over-repaid amount	No. of customers	Average over-repayment	Over-repaid pending refund	No. of customers pending refund	No. of customers refunded
England	2015-16	£ 42,625,273	67,557	£ 631	£ 2,206,757	3,346	64,211
	2016-17	£ 40,239,884	65,226	£ 617	£ 1,885,523	3,318	61,908
	2017-18	£ 27,722,340	48,196	£ 575	£ 1,378,805	2,413	45,783
	2018-19	£ 19,185,533	32,325	£ 594	£ 1,204,045	1,911	30,414
	2019-20	£ 15,849,325	34,266	£ 463	£ 804,112	2,358	31,908
	2020-21	£ 12,097,701	30,002	£ 403	£ 536,724	2,168	27,834
	2021-22	£ 15,041,946	36,948	£ 407	£ 780,200	6,039	30,909
	2022-23	£ 17,457,302	41,764	£ 418	£ 1,167,081	24,130	17,634
Northern Ireland	2015-16	£ 1,756,015	3,024	£ 581	£ 82,640	209	2,815
	2016-17	£ 2,001,468	3,348	£ 598	£ 122,193	237	3,111
	2017-18	£ 1,997,012	3,346	£ 597	£ 121,566	235	3,111
	2018-19	£ 1,778,402	2,996	£ 594	£ 105,926	197	2,799
	2019-20	£ 1,516,848	3,118	£ 486	£ 105,210	290	2,828
	2020-21	£ 1,227,911	2,731	£ 450	£ 45,107	212	2,519
	2021-22	£ 1,483,814	3,156	£ 470	£ 53,492	513	2,643
	2022-23	£ 1,725,737	3,441	£ 502	£ 49,302	1,906	1,535
Scotland	2015-16	£ 6,297,636	13,071	£ 482	£ 549,780	1,069	12,002
	2016-17	£ 6,329,176	13,423	£ 472	£ 604,760	1,178	12,245
	2017-18	£ 5,695,358	12,955	£ 440	£ 610,298	1,085	11,870
	2018-19	£ 5,162,722	11,851	£ 436	£ 637,391	1,056	10,795
	2019-20	£ 3,395,610	11,895	£ 285	£ 444,367	1,215	10,680
	2020-21	£ 1,713,665	8,067	£ 212	£ 197,935	745	7,322
	2021-22	£ 1,600,226	6,990	£ 229	£ 174,263	1,302	5,688
	2022-23	£ 1,539,716	6,861	£ 224	£ 236,091	4,138	2,723
Wales	2015-16	£ 2,370,322	4,047	£ 586	£ 131,737	262	3,785
	2016-17	£ 2,513,970	4,291	£ 586	£ 107,060	267	4,024
	2017-18	£ 2,535,368	4,315	£ 588	£ 154,989	297	4,018
	2018-19	£ 2,384,007	3,958	£ 602	£ 172,429	282	3,676
	2019-20	£ 1,816,818	4,134	£ 439	£ 119,019	338	3,796
	2020-21	£ 1,501,001	3,280	£ 458	£ 58,254	279	3,001
	2021-22	£ 1,759,362	3,863	£ 455	£ 72,852	670	3,193
	2022-23	£ 2,032,212	4,122	£ 493	£ 74,539	2,247	1,875
EU (outside UK)	2015-16	£ 464,819	663	£ 701	£ 35,525	42	621
	2016-17	£ 596,386	844	£ 707	£ 45,333	61	783
	2017-18	£ 719,060	940	£ 765	£ 43,771	45	895
	2018-19	£ 733,284	1,000	£ 733	£ 48,283	50	950
	2019-20	£ 588,950	1,118	£ 527	£ 46,684	89	1,029
	2020-21	£ 449,622	1,107	£ 406	£ 33,825	88	1,019
	2021-22	£ 520,753	1,222	£ 426	£ 50,120	240	982
	2022-23	£ 551,305	1,379	£ 400	£ 27,498	866	513
Mixed	2015-16	£ 63,858	93	£ 687	£ 6,172	5	88
	2016-17	£ 59,650	112	£ 533	£ 3,523	13	99
	2017-18	£ 67,919	113	£ 601	£ 2,765	8	105
	2018-19	£ 97,472	122	£ 799	£ 5,798	13	109
	2019-20	£ 92,169	153	£ 602	£ 5,840	20	133
	2020-21	£ 77,012	166	£ 464	£ 1,163	14	152
	2021-22	£ 125,252	201	£ 623	£ 1,608	45	156
	2022-23	£ 155,361	247	£ 629	£ 1,467	134	113

**Note:**

Mixed domiciled refers to customers who have received funding through two or more funding bodies.

Any movement from previously released figures in this area are resulting from late posting of transactions, adjustments or reversals occurring after run date.

## Definitions

Domicile	The country in which the applicant would normally reside in the three years prior to the start of the course.
Over-Repayment	Over-repayment occurs when a customer is repaying through the PAYE system and their balance goes into/further into credit.

## Data sources

This publication uses data from SLC's administrative systems. For details of the administrative data sources used in our publications refer to the [Statement of administrative sources](#).

## Data quality

SLC has published the Quality Guidelines that it follows. As per those guidelines a Quality Plan is produced for each publication. The Quality Plan stipulates two stages of Quality Assurance. Data is extracted from the administrative systems then reviewed using a standard Quality Assurance checklist. The statistical tables created using that data are quality assured using the Statistical Quality guidelines. Please refer to our [Quality guidelines](#) for further information.

## Related statistics publications

SLC publish statistics on student loans for higher and further education for England, Wales, Northern Ireland and Scotland, which includes further details about repayments. These are published at the same time as part of the series [Student loans for higher and further education](#). The latest release of this series covers financial years up to and including 2022-23, published on 15 June 2023.

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