

Over-repayment of income contingent loans through PAYE Financial years 2015-16 to 2023-24

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 2023-24. 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 2023-24. This data includes Plan 1, Plan 2, Plan 3 (postgraduate loans) and Plan 4 (Scotland loans post-April 2021) 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

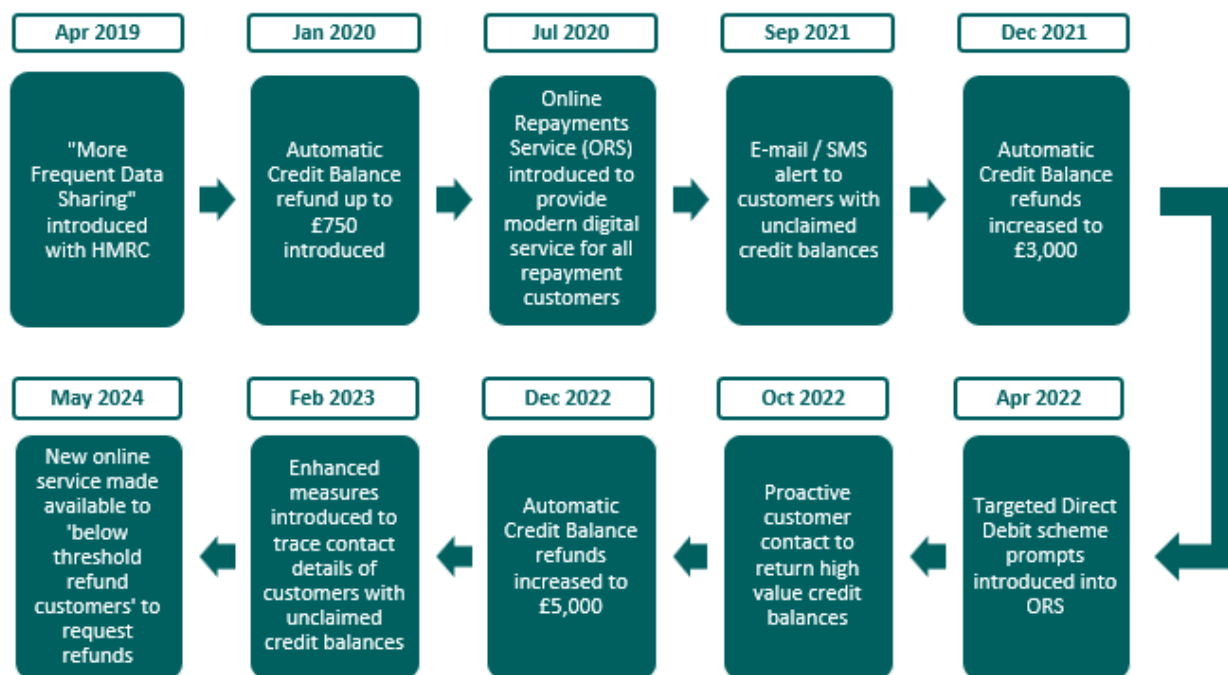
The total amount over-repaid in financial year (FY) 2023-24 was £23.3 million, of which £21.7 million (93.0%) has been refunded to the customer (an average of £920 per customer). Of the remaining refunds pending, the average refund is £50.

The total over-repaid amount represents 0.4% of the total repayments made in FY 2023-24 and 0.01% of the total loan book balance at 31 March 2024, with the amount over-repaid being reduced by 56.5% in six year period.

Over-repayments are entirely avoidable if customers join the [direct debit scheme](#) in the final stages of their loan term.

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 improvements across the Repayment customer journey and a timeline of these activities across all repayment scenarios is shown below:



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

Online service for below threshold repayments - In May 2024, SLC introduced a simple, easy to use service to allow customers to request a 'below threshold refund' using their online account. A below threshold refund is a correct repayment that may be taken if a customer's earnings are above the pay period threshold (e.g. due to overtime or bonus) but their total income for the year is below the annual threshold. To support the introduction of the online service, SLC now proactively contacts customers who are eligible for a below threshold refund* following the end of the tax year. Annual earnings information is received from HMRC throughout the year, and SLC will continue to proactively communicate with customers as eligible refunds are identified.

In the communication, SLC invites customers to request a refund via their online account. Customers are reminded that they must keep their contact and banking details up to date in their online account.

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 receives information on a weekly basis allowing the Online Repayment Service to maintain a near real time balance, which enables customers to view their account balance and take action on an over-repayment. This timelier receipt of information from HMRC enables SLC to advise HMRC to stop repayments via the employer as soon as a repayment clears the customers outstanding balance. This means customers accrue smaller credit balances and are 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 to join the direct debit scheme in the final months prior to repaying their loan. SLC issues a communication to every customer when they are within 12 months of 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 customers keep their contact details up to date to ensure they receive these communications. Customers are required to keep their details 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.

SLC introduced a feature in April 2022 to help encourage customers to move to the Direct Debit Scheme. Every time a customer logs into ORS, an eligibility check runs in the background. If the customer meets the necessary criteria for the scheme, a ‘Switch to DDS’ banner appears at the top of their landing page. By clicking on ‘find out more’ link, they are taken through the process of setting up their Direct Debit online.

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 2023-24, 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 2023-24 – All domiciles

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

Effective date: 31 January 2025

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	£ 53,573,080	88,443	£ 606	£ 2,674,653	4,611	83,832
2016-17	£ 51,744,032	87,246	£ 593	£ 2,382,674	4,654	82,592
2017-18	£ 38,743,161	69,871	£ 554	£ 1,970,998	3,668	66,203
2018-19	£ 29,354,224	52,265	£ 562	£ 1,887,102	3,165	49,100
2019-20	£ 23,259,041	54,697	£ 425	£ 1,316,124	3,947	50,750
2020-21	£ 17,085,223	45,392	£ 376	£ 724,424	3,133	42,259
2021-22	£ 20,657,114	52,417	£ 394	£ 1,044,337	4,002	48,415
2022-23	£ 23,539,603	57,958	£ 406	£ 1,172,448	11,812	46,146
2023-24	£ 23,319,455	59,482	£ 392	£ 1,625,990	36,000*	23,482

* For FY 2023-24, there has been a shorter period since the customer has gone into over-repayment. Therefore, the number of customers pending a refund is higher in comparison to previous years. This number will considerably reduce over the coming year. For example, in the 2024 version of this publication the data showed that 33,400 were pending a refund from FY 2022-23. Figures in this publication show that this has since reduced down to 11,800 (- 65%) and will continue to reduce.

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 2023-24 - by domicile

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

Effective date: 31 January 2025

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	£ 42,621,979	67,549	£ 631	£ 1,976,988	3,148	64,401
	2016-17	£ 40,243,835	65,228	£ 617	£ 1,647,805	3,085	62,143
	2017-18	£ 27,727,659	48,202	£ 575	£ 1,160,154	2,177	46,025
	2018-19	£ 19,189,614	32,333	£ 593	£ 1,038,889	1,736	30,597
	2019-20	£ 15,844,420	34,275	£ 462	£ 698,786	2,191	32,084
	2020-21	£ 12,108,410	30,037	£ 403	£ 420,039	1,938	28,099
	2021-22	£ 15,140,445	36,967	£ 410	£ 752,813	2,639	34,328
	2022-23	£ 17,499,973	41,856	£ 418	£ 870,360	8,311	33,545
2023-24	£ 16,990,306	43,717	£ 389	£ 1,273,897	26,599	17,118	
Northern Ireland	2015-16	£ 1,754,797	3,020	£ 581	£ 73,279	200	2,820
	2016-17	£ 1,999,956	3,347	£ 598	£ 97,754	223	3,124
	2017-18	£ 1,994,774	3,345	£ 596	£ 102,322	217	3,128
	2018-19	£ 1,776,747	2,996	£ 593	£ 89,427	179	2,817
	2019-20	£ 1,515,184	3,116	£ 486	£ 88,967	267	2,849
	2020-21	£ 1,228,690	2,735	£ 449	£ 30,259	193	2,542
	2021-22	£ 1,486,033	3,157	£ 471	£ 41,055	230	2,927
	2022-23	£ 1,725,531	3,442	£ 501	£ 40,826	688	2,754
2023-24	£ 1,636,062	3,190	£ 513	£ 62,312	1,816	1,374	
Scotland	2015-16	£ 6,297,347	13,071	£ 482	£ 476,961	972	12,099
	2016-17	£ 6,329,094	13,423	£ 472	£ 506,870	1,030	12,393
	2017-18	£ 5,696,476	12,958	£ 440	£ 538,531	960	11,998
	2018-19	£ 5,163,254	11,854	£ 436	£ 559,901	950	10,904
	2019-20	£ 3,396,630	11,898	£ 285	£ 382,692	1,098	10,800
	2020-21	£ 1,713,647	8,070	£ 212	£ 194,595	678	7,392
	2021-22	£ 1,607,080	7,006	£ 229	£ 163,143	694	6,312
	2022-23	£ 1,551,856	6,893	£ 225	£ 184,141	1,627	5,266
2023-24	£ 1,471,887	6,619	£ 222	£ 138,867	4,170	2,449	
Wales	2015-16	£ 2,370,184	4,046	£ 586	£ 106,476	245	3,801
	2016-17	£ 2,515,137	4,292	£ 586	£ 83,361	244	4,048
	2017-18	£ 2,537,259	4,313	£ 588	£ 124,596	263	4,050
	2018-19	£ 2,388,852	3,959	£ 603	£ 153,280	244	3,715
	2019-20	£ 1,820,388	4,135	£ 440	£ 101,995	297	3,838
	2020-21	£ 1,508,644	3,281	£ 460	£ 44,962	233	3,048
	2021-22	£ 1,768,885	3,865	£ 458	£ 43,720	319	3,546
	2022-23	£ 2,052,787	4,135	£ 496	£ 55,860	845	3,290
2023-24	£ 2,209,997	4,344	£ 509	£ 80,552	2,377	1,967	
EU (outside UK)	2015-16	£ 464,817	663	£ 701	£ 34,777	41	622
	2016-17	£ 596,363	844	£ 707	£ 43,360	59	785
	2017-18	£ 719,073	940	£ 765	£ 42,902	44	896
	2018-19	£ 733,302	1,000	£ 733	£ 42,496	47	953
	2019-20	£ 590,251	1,120	£ 527	£ 39,797	78	1,042
	2020-21	£ 448,987	1,104	£ 407	£ 32,581	78	1,026
	2021-22	£ 529,261	1,221	£ 433	£ 42,102	96	1,125
	2022-23	£ 553,293	1,384	£ 400	£ 19,505	284	1,100
2023-24	£ 566,232	1,305	£ 434	£ 55,884	857	448	
Mixed	2015-16	£ 63,956	94	£ 680	£ 6,172	5	89
	2016-17	£ 59,648	112	£ 533	£ 3,523	13	99
	2017-18	£ 67,920	113	£ 601	£ 2,494	7	106
	2018-19	£ 102,455	123	£ 833	£ 3,108	9	114
	2019-20	£ 92,169	153	£ 602	£ 3,888	16	137
	2020-21	£ 76,845	165	£ 466	£ 1,988	13	152
	2021-22	£ 125,410	201	£ 624	£ 1,505	24	177
	2022-23	£ 156,163	248	£ 630	£ 1,756	57	191
2023-24	£ 444,971	307	£ 1,449	£ 14,478	181	126	

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.

As a supplement to this publication, we have provided additional summary and domicile tables. Within the accompanying [excel file](#), you will find:

- **Over-repayment of income contingent loans through PAYE - in bands of £250**

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 2023-24, published on 20 June 2024.

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