



**Student**  
Loans Company

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# **Work Instruction**

## **Recovery of Grant Overpayment (RGO)**

## VERSION CONTROL

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## **Background**

Student grants are generally non-repayable; however they are paid on one important assumption - that the information provided is correct at the time of application and does not change at any point, or events do not occur, which can result in a student's entitlement to student support being re-assessed. Where reassessment does occur, this may result in a grant overpayment to the student.

Grants funding is awarded to assist with the following;

- Maintenance
- Adult Dependents
- Parental Living Allowance
- Child Care
- Travel
- \*Disabled Living Allowance

There are various circumstances that can result in a student's entitlement to a grant being reassessed, which may result in a grant overpayment, such as:

- Withdrawals from course
- Change of circumstances (COC):
  - Change in financial circumstance
  - Incorrect assessments
  - Non return of evidence
  - Actual childcare costs differ from advised

SLC is under a statutory obligation to recover any grant overpayment which is identified. The current statutory provisions can be found in Regulation 119 of The Education (Student Support) Regulations 2011, with similar provisions being in previous Student Support Regulations.

SLC seeks to recover all grant overpayments from all customers identified as receiving a grant overpayment. Grant overpayments can be recovered by recouping the overpayment from any future grant entitlement awarded to a customer who is still in Higher Education and receiving student support or if they have finished their course by repaying this directly to SLC.

## **Purpose**

This work instruction details the recovery process for grant overpayments which have occurred due to one of the circumstances as mentioned above. It will describe the way in which funds are recovered either from future grant awards or where the repayment of the overpaid amount is made via direct repayments from the customer to SLC.

*\*This recovery process detailed in this document does cover process for the recovery of Disabled Living Allowance*

## **RGO Reasons and Recovery Process**

### **RGO due to Withdrawal**

A student may withdraw from their course at any point throughout the Academic Year. When this occurs, repayment of the overpaid amount will be made via direct repayments from the customer to SLC. The below procedure is followed by SLC to recover these funds:

1. Higher Education Provider (HEP) informs Student Finance England, Wales & Northern Ireland via a portal known as the Local Authority (LA) Portal the date a student withdrew from their course;
2. A reassessment is carried out on the customer's account resulting in an overpayment of grant;
3. The LA portal issues a Notification of Entitlement letter to the customer providing information on how their student finance will be recalculated;
4. SLC's main billing system Class automatically picks up the overpayment amount as an arrears balance and generates the "*Grant overpayment as a result of withdrawal*" letter. This is the 1<sup>st</sup> Collections letter in the recovery process;
5. Overnight the accounts come across to the collections system, Tallyman, where it is held for 7 days;
6. If after 7 days there has been no contact or repayment arrangement made by the customer, the customer's account will qualify to be sent to an automated dialler for a period of 28 days. Where SLC have been unable to obtain a valid telephone number for a customer, the account will be held in the route for the equivalent amount of time. The account will then proceed along the recovery route similarly to an account with a telephone number;
7. If after 28 days there has been no contact or repayment arrangement made by the customer, the 2nd Collections letter is issued. The account will qualify for a further dialler campaign of 28 days;

8. If after a further 28 days there has been no contact or repayment arrangement made by the customer, the 3rd and final Collections letter will be issued. The account will qualify for a final dialler campaign of 14 days;
9. If after 14 days there has still been no contact from the customer, the contacts on their account will be issued with a letter requesting information on the customer's whereabouts and the account held for 10 days;
10. If after 10 days there has been no contact with the customer, the account will move to the Agency work lists where if the account meets the criteria it will be sent to a Debt Collection Agency (DCA). The DCAs will either Trace and Collect or Collect only depending on the instruction from SLC;
11. Throughout the recovery process, where a customer has made an arrangement to repay, this arrangement is automatically monitored. Where a customer does not maintain their arrangement, a broken promise/arrangement letter is issued and dialler contact is attempted for 14 days. The account also automatically reverts to the point it was at on the process when the arrangement was made and continues to proceed along the recovery process.
12. Throughout the recovery process, where SLC have identified that the contact information for the customer is no longer valid, the customer's account is identified as "gone away" and qualifies to be fast tracked to be sent to a DCA
13. The automated selection criteria for an account to be issued to a DCA are:
  - No Dormant Accts
  - Accounts in the DCA Routes in Collections system
  - Only RGO Account
  - Overpayment of grant balance > £50
  - No repayment made in last 60 days
  - Residential addresses only exclude others i.e. c/o, Prison, YMCA, SLC etc
14. A Notice of Assignment Letter will be issued to the customer informing them that their account has been passed to a DCA, with details of who the DCA is.
15. Where the DCA has been unsuccessful collecting on an account, the account is returned to SLC. A Notice of Assignment letter will be issued to the customer informing them that their account has been passed back to SLC.
16. Accounts returned from DCAs with all efforts exhausted are reviewed and where the criteria for litigation are met action may be considered.
17. Unresolved Debt - When an account has exhausted all internal and external efforts to collect, a rest period is applied after which the account will be reissued to a DCA.

## **RGO whilst Student Remains in Study (In Course)**

Where a student's entitlement to a grant has been reassessed resulting in an overpayment and the student remains in study, the recovery method of the overpaid grant is known as "in course" recovery. For this group of customers the overpayment has generally occurred as a result of:

- Change of circumstances (COC) for Dependents grants due to:
  - Over-estimation of obligations/under-estimation of income for Dependents' Grants
  - Under-estimation of income for Current Year Income Assessments
  - Incorrect assessments

The overpaid amount is recorded in Class and the student will receive the "Revised Payment Schedule" letter if there are further Grant instalments scheduled for that academic year.

If there are no further grant instalments scheduled for that AY the student will receive the "***In course grant overpayment***" recovery letter advising that the overpayment will be deducted from following year's entitlement.

The overpaid amount will then be automatically deducted from any future entitlement either in full where possible, or in part if the future entitlement is less than the overpayment amount.

Attempts to recover the overpaid grant from a student's future entitlement occurs each Academic Year that they remain in study.

## **RGO – On Graduation (End of Course and After end of Course)**

It is not always possible to recover the overpaid amount from a student's future grant entitlement whilst they remained in study as the student may not have been be entitled to future grant awards or not apply for this.

When this occurs, SLC systems will identify an overpayment of grant on a student's accounts at the point of graduation.

The RGO recovery process followed on graduation where an overpayment remains is the same as the recovery process for withdrawal detailed previously on Pg. 4 from step 4 onwards. The 1<sup>st</sup> Collections letter sent to the customer in this instance will be the "***Grant overpayment outstanding at end of course***" letter

If a COC is reported after the point of graduation the RGO recovery process followed is the same as the recovery process for withdrawal detailed previously on Pg. 4 from step 2 onwards. The 1<sup>st</sup> Collections letter sent to the customer in this instance will be the

***“After end of course grant overpayment”*** letter advising that the overpayment is due to be repaid.