

## **FINANCIAL PROCEDURES**

### **Section 17 – Student Debt Collection Procedures**

<b>Approving Body:</b>	Senior Executive Committee
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<b>Policy Owner:</b>	Finance
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## 17. Section 17: Student Debt Collection Procedures

### 17.1. Objectives

At all times, all outstanding debts should be under control and subject to standard collection procedures. Older debt will progress to a status of either:

- active with debt collection agents
- with active instalment plan in place
- with County Court Judgement obtained for applicable values or
- written-off.

### 17.2. Authorisations

Authorisation for arranging instalment plans, imposing, and reversing of sanctions and debt write-off is documented in Appendix A.

### 17.3. Student Interaction

Formal documents such as invoices, credit notes, statements and reminders will normally be sent electronically to the student's university email address. To ensure that contact can be made with the student the university will on occasion contact students by:

- any phone number provided by the student for calls and text messages.
- any alternative email address provided by the student.
- letter to the term and /or home address provided by the student.

### 17.4. Accommodation Fees

17.4.1. Students are required to choose a Recurring Card Payment (RCP) instalment plan in respect of payment of accommodation fees as part of the accommodation application process.

17.4.2. An instalment plan can be cancelled if:

- the accommodation fees are funded internally by AU (Aberystwyth University); or
- the accommodation fees are funded by an official sponsor; or
- full payment of the accommodation fees due for the contract period is received in sufficient time prior to the first instalment due date.

17.4.3. Communication to Students: Full academic year

The communications stipulated below relate to the standard payment terms for the three instalments for full academic year students. A similar process with differing dates will apply for single semester or other non-standard contract periods. Electronic notices are sent to cardholders via the recurring card payment prior to the communications sent by the Finance Department, which would include advance notification of instalments due, notification of a failed instalment and expired card.

#### 17.4.4. First term arrears or any failed instalments

Where any invoice remains outstanding and no instalment plan has been agreed or an instalment has failed, communications giving full and fair notice of any action to be taken or sanction imposed will be sent immediately to the student concerned. If an instalment payment has failed, the University may deny the option of further instalment plans and fees would have to be paid in full.

Reminder letters will be sent 30 days following the invoice date, or after the failure of an RCP instalment and then two further reminder letters seven days apart. If there is no engagement, and the account remains unpaid, sanctions will be imposed as detailed in section 17.4.6 below.

Accommodation fee debtors will also be contacted by phone as the letter communications continue and debt progresses. Estates, Facilities and Residences may also visit accommodation fee debtors.

#### 17.4.5 Summer Accommodation

Summer accommodation requires an advance payment of 21 days which equates to the minimum contract period for summer accommodation. Students staying longer than the minimum contract period are required to select a recurring card instalment plan as part of the accommodation occupation contract process. Depending on the contract period students can pay via a maximum of three instalments. All instalments are adjusted in accordance with the contract period. Due to the time constraints, it is not possible to send the full suite of reminder notices, but individuals will be contacted immediately on the default of an agreed payment plan, or if the debt is still outstanding after the invoice due date.

#### 17.4.6 Sanctions - Accommodation

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|-------------------|--|
| <b>Sanction 1</b> | Loss of right to receive future University accommodation by updating the accommodation debt flag on AStRA. The accommodation office will run a debtors' report from StarRez. This can occur at various times during the contract period depending on future application timelines. |
| <b>Sanction 2</b> | If the amount due remains unpaid and at least one quarter's rent is more than three months in arrears, in accordance with the Renting Homes (Wales) Act, the student will be issued with a Notice of Possession and a Notice of Court Proceedings.                                 |
| <b>Sanction 3</b> | If the amount due remains unpaid and the student has vacated the accommodation, the debt will be considered for referral to an external Debt Collection Agency.  |
| <b>Sanction 4</b> | If the student does not vacate the accommodation at the end of the notice period, an application to the court for a possession order will be made and once the student has vacated, any outstanding debt will be referred to an external Debt Collection Agency.                   |

Any additional costs incurred by the University will be passed onto the student concerned.

## 17.5. Tuition Fees

### UK Students

17.5.1. Students who have applied for tuition fee support via Student Finance should have completed their application by the required deadline to ensure funding is in place by the commencement of the academic year. The University receives electronic confirmation of tuition fee funding for eligible students. Where the University has not received funding confirmation for a student, or where a student has been deemed ineligible for tuition fee support, the student will be considered self-funding and be subject to the standard tuition fee collection processes and sanctions as detailed below. Where there is a problem or delay, the student will provide full details to Finance and provide regular updates on the progression of their application. Students will be considered SLC funded until such time as it has been confirmed that the application has been unsuccessful.

17.5.2. Postgraduate students who have applied for a tuition fee loan will be considered self-funding as the loan payments are issued to the student as opposed to loan payments which are issued directly to the university (as they are for undergraduate and PGCE tuition fee support).

17.5.3. Self-funded students are required either

- to pay the annual tuition fees either in full in line with the 30-day invoicing policy,
- or
- to set up a recurring card payment instalment plan with a maximum of 3 or 4 instalments depending on the student and course category.

. Postgraduate students in receipt of quarterly funding may pay in four instalments. Those in receipt of a tuition fee loan should pay via three instalments, dates are tailored accordingly. If an instalment payment fails, the University may deny the option of further instalment plans and fees would have to be paid in full. Should a deposit be required to secure a place, the balance of the fees due at time of registration will fall under the collection procedure above.

17.5.4. Tuition fee sponsors are invoiced and subject to the 30-day payment terms. However, should the sponsor default on the payment arrangement, responsibility for payment of the debt will revert to the student who will be subject to the standard tuition fee collection processes and sanctions.

### International Students

17.5.5 International Students will be split into two categories. The category of the student will be determined by the UK Government Student Visa list of [“differential evidence requirement”](#). If the student’s country of residence is on the list they will be known as “Listed” and if not on the list, “Non-Listed”. Each category has differing payment terms.

- 17.5.6 The University may permit a three-instalment plan payable over three set dates (via RCP) for students where applicable on acceptance of their offer to attend the University. If an instalment payment fails, the University may deny the option of further instalment plans and fees would have to be paid in full.

To attend University the student **must** pay a deposit as specified in the Student Fee Operations Document. Deposit levels may be subject to change based on prevailing market conditions.

AND

- Pay the remaining outstanding tuition fee balance in full by 30 days after the invoice date

OR

Set up a Recurring Card Payment Plan to pay the remaining outstanding balance of the tuition fee in termly instalments.

The University's decision is final on the application of these terms and conditions and the eligibility criteria.

## All Students

- 17.5.7 Unpaid fees, no instalment plan or failed instalments.

Where fees remain outstanding, and no instalment plan has been agreed or an instalment has failed, communications giving full and fair notice of any action to be taken or sanction imposed will be sent to the student.

Where an instalment payment has failed, the student may be denied the option of a further instalment plan.

It is the responsibility of the student to ensure that they are aware of all payment amounts and due dates for payment. It is also the responsibility of the student to ensure that payments are received no later than the period specified considering any processing times that may be required.

- 17.5.8 Sanctions – Tuition

If the student has failed to pay fees on time the student will have the following sanctions imposed:

### **Sanction 1. Current Students**

If the student has failed to pay their tuition fees, as per the instalment payment plan, they will receive reminder letters informing them the importance to pay outstanding debt immediately.

Reminder letters will be sent 30 days following the invoice date or after the 2<sup>nd</sup> failed attempt of an instalment and then two further reminder letters seven days apart. Further non-engagement will result in students' accounts being locked. When a student's account is locked it means:

- i. They cannot login to their AU email account;
- ii. They cannot login to BlackBoard or submit assignments via Turnitin;
- iii. They cannot borrow books;
- iv. They cannot access the University's Wi-Fi; and
- v. They cannot access their Student Record (including Timetable).

However, students will still be able to use the University's online booking systems to make appointments to see the FinOps Team and Student Services Teams. They will also still be able to access Teams and scan attendance at classes.

If a student continues to not engage with the Finance Operations Team, two weeks' notice will be served of the University's intention to withdraw the student's registration. If the outstanding payments are still not paid, the student's registration will be terminated. If resident in Aberystwyth University accommodation, access to accommodation during this time will be permitted. However, on cancellation of registration, the individual will no longer be classed as a student at Aberystwyth University and will be required to leave the University and vacate University accommodation within 28 days. The University will also withdraw its Student Visa sponsorship at this time.

This is in line with student registration terms and conditions. It should be noted that non-payment of outstanding fees may affect a student's visa status and their right to gain entry or to stay in the UK.

Students have a right to request a final review of their exclusion on financial grounds for non-payment of fees. The grounds for the final review procedure are set out here <https://www.aber.ac.uk/en/academic-registry/handbook/fr/> and can only be on the basis either that the University's records are incorrect and that no fee is owed, or that the student had extenuating circumstances that they were unable, for valid reasons, to divulge before exclusion had taken place. Any final review must be made in writing with appropriate evidence in accordance with the following timeframe:

- Student to submit appeal to Registry within 48 hours of receiving notification of the exclusion on financial grounds;
- Decision to refuse or uphold the final review to be made within 5 working days.

The final review process will be handled by Registry and the final decision made by the Pro Vice Chancellor for Education and Student Experience (or their nominee).

If the final review is unsuccessful and debt remains outstanding, the exclusion on financial grounds will be confirmed, and the individual will no longer be classed as a student of Aberystwyth University and will be required to leave the University. The University will withdraw its Student Visa sponsorship at this time.

## **Sanction 2. Graduating Students**

Wherever possible, debtors will not be considered for an award until a debt is completely paid. Examination Boards will be asked to withhold consideration of any results; the student will lose the right to attend the degree ceremony until debt is paid in full; any degree certificate will be withheld until all debt is paid in full.

## **Sanction 3. Returning Students**

The student will lose the right to progress to the next academic year until debt is paid in full. The student will not be allowed to begin a new course unless all prior course debt is paid in full.

#### **Sanction 4. Non-returning /completed Students**

The former student will be referred to an external debt collecting agency via the non-registered student's collection process.

Any additional costs the University incurs when imposing sanctions will be passed onto the student concerned. The University reserves the right to charge students interest on any debt outstanding.

#### **Sanction 5. Registered Students**

Registered students who have been released early from their Occupational Contract but have accommodation fee arrears should be contacted as per the Non-Registered Students process above. The current residences collection process is not applicable to them.

Registered students who have tuition fee arrears from previous sessions who have been permitted to progress with a debt need to be monitored. If the student or sponsor defaults on any arrangement made the standard current tuition fee collection process should apply, and sanctions imposed accordingly.

If the tuition fee debt remains unpaid at the end of the process they will not be permitted to graduate or register for any subsequent academic year.

#### **Sanction 6. Non-Registered Students**

When a student is no longer registered at the University due to withdrawal or any other reason and fees remain outstanding, they will initially be contacted by email to confirm the balance due. The student can request the provision of a copy of an invoice or statement with a breakdown of the fees due. Where payment is not forthcoming, they will receive a pre referral letter as they will have previously received several reminder notices as part of the standard collection process whilst a registered student.

Debtors will also be contacted by phone as the letter references and debt progresses.

If the amount due remains unpaid at the end of the process and a suitable arrangement is not in place, the debt will be considered for referral to the University's external debt collection agency. Any additional charges the University incurs will be passed onto the student concerned to pay in full as well as their existing charges.

### **17.6 Expired cards**

Automated e-mails are sent to cardholders in the two months leading to expiration. In the event of the cardholder failing to renew the card details, a standard card expiration letter is sent. Subsequent communications will correspond with the above standard communications dependent on when in the academic year the card expired.

## 17.7 Other Fees and Charges

17.7.1 Payment for the use of other University facilities or provision of resources must be paid in accordance with the agreed payment terms and conditions, normally within 30 days of invoice. These include (but are not limited to) library debts and fines, re-sit assessments and supplementary examination charges. These charges cannot be paid in instalments, however where possible they could be added to an active payment plan for other fees or offset against Aberystwyth University bursaries or scholarships due to the student.

17.7.2 Debtors will also be contacted by phone as the letter references and debt progresses.

### 17.7.3 Sanctions - Other Fees and Charges

If the amount due remains unpaid at the end of this process and a suitable arrangement is not in place, the debt will be considered for referral to the University's external debt collection agency. Any additional charges the University incurs will be passed onto the student concerned to pay in full as well as their existing charges.

Reminder letters will be sent 30 days after invoice date, then 3 further reminders at 14 days, 14 days and 7 days. Accounts still outstanding may be referred to an external Debt Collection Agency.

## 17.8. Referrals to Debt Collection Agents

17.8.1 All debts above the de minimis level, that have not been collected through the standard collection processes, will usually be referred to the University's external debt collection agency. All debtor correspondence in relation to the debt will be sent from and should be directed to the agency.

17.8.2. The debt collection agency has the authority to enter into instalment arrangements with the debtor without reference to the University, however the debt collection agency may refer to the University for verification purposes. If the initial contact fails to secure settlement, the University will instruct the commencement of legal proceedings to include obtaining a county court judgement (CCJ) for debt of applicable value, including any additional costs the University will incur to recover this debt.

17.8.3. If the debt collection agency has not been able to establish the whereabouts of a debtor, a trace will by default be initiated in each case. Where the debtor is not based in the UK, a trace will be initiated with local agents in the country of the debtor. If the initial contact from local agents fails to secure settlement, a judgement will be issued at their last known UK address.

17.8.4. Where the collection of sums due results in increased cost to the University, the debtor shall be responsible for paying the full cost incurred to recover the amount. The University will seek to recover all costs or fees that are legitimately due from a debtor. Any costs or fees due will be reasonable and will reflect the actual cost incurred.

17.8.5. Where applicable, the University will instruct the enforcement of judgements via High Court Enforcement Officers (Bailiffs). Should this prove unsuccessful, the account will be placed on hold for a period of two years at which time a further attempt at enforcement will be made.



## 17.9. Student Debtors – Write-off

17.9.1. Where the University has been unsuccessful in securing payment, the Finance Department will propose writing off debts, subject to appropriate approval in accordance with the schedule of Financial Delegations of Authority. These are detailed in Appendix A.

Writing off debts can be considered where one of the following criteria has been met:

- The total value of the debt is considered small value, standard collection processes have been completed and the debtor is no longer a student at Aberystwyth University.
- The debt has been referred and all their efforts prior to commencing legal action have failed to secure payment.
- A County Court Judgement has been obtained however, the debtor's whereabouts are unknown, and a legal trace has proved unsuccessful. The judgement will remain in place and in the event of the debtor contacting the University in future to arrange a settlement, the debt will be resurrected.
- A County Court Judgement has been obtained however the total debt is below the threshold for enforcement by the High Court Enforcement Officers.
- A County Court Judgement has been obtained, the total debt is equal to or greater than the threshold for enforcement by the High Court Enforcement Officers. Their efforts have proved unsuccessful in two attempts over a two-year period. The judgement will remain in place and in the event of the debtor contacting the University in future to arrange a settlement, the debt will be resurrected.
- Any ad-hoc reasons subject to appropriate approval.

17.9.2. Any small balances resulting from bank charges or differences in exchange can be credited subject to approval from the Finance Operations Team Leader.

17.9.3. Notification Checklist – Details of proposed write-offs will be notified as follows:

### **Tuition Fees**

- Pro-Vice Chancellor for the Faculty
- Faculty Manager
- Head of Department

### **Accommodation Fees**

- Director Estates, Facilities and Residences

### **Student Sundry Invoices/charges**

- Invoice issuing department.

## Appendices

Appendix A	Authorisation Procedures
Instalment plans	<p>Any request to change a Payment Plan to be reviewed and processed by Finance Operations Team Leader within the Finance Department. An internal form is available to send to the student to negotiate payment plan terms. Proof of ability to pay will be required. Any outstanding student fee debts will not be permitted to roll into the following academic year.</p> <p>Any non-standard instalment arrangements must be approved by the Finance Operations Team Leader or their line manager. Cancellation of a card payment instalment plan or overriding the system requirement to set up an instalment plan can be arranged by other staff members where the purpose for either is evidenced e.g., confirmation of full payment or sponsorship.</p>
Imposing tuition fee sanctions	<p>The decision to impose tuition fee sanctions lies with the Finance Department. However, stakeholders such as Academic Departments, UKVI Compliance Manager, Student Services and Careers and other relevant service departments will be provided with lists of students at the pre-sanction and sanction stage for information purposes.</p> <p>The Finance Department should allow 1 week between Reminder 3 and the sanction being applied.</p>
Imposing accommodation fee sanctions	<p>The decision to impose accommodation fee sanctions such as issuing a breach of contract notice for serious rent arrears, or blocking future application, lies with Estates, Facilities and Residences.</p> <p>The Finance Department, however, will flag accommodation debtors as part of the reminder process and liaise closely with Estates, Facilities and Residences at all stages.</p>
Reversing sanctions	<p>Sanctions may be reversed where suitable payment arrangements are in place or evidence confirming student finance application or funding is provided. Reversing of sanctions for any other reason must be approved by the Finance Operations Team Leader or their line manager.</p>
Write-off	<p>Appendix B of the Financial Delegations of Authority states that the Director of Finance &amp; Planning has delegated authority to approve debtor write-off up to the value of £5K and the Vice-Chancellor/Executive has the delegated authority to approve debtor write-off up to the value of £100K. The Resources and Performance Committee approve debtor write-off over the value of £100K.</p>