





The content

Debt Advice Handbook 15th edition

Description

With living costs and unemployment rising, budgets squeezed and problem debt on the increase, no adviser should be without this essential guide to the practice and process of giving money advice in England and Wales.

Who's this book for?

It is essential for debt advisers, welfare rights advisers, lawyers, local authority and housing association staff, social workers and union official.

What does it do?

The handbook provides the most comprehensive information needed by advisers on the key stages of money advice, including interviewing clients, establishing liability, prioritising debts, preparing a financial statement, negotiating with creditors and dealing with bailiffs. Fully indexed and cross-referenced to law, regulations and official guidance, and to court and tribunal decisions Includes tactical guidance and examples

What's new?

Fully updated to cover all recent changes to legislation, caselaw and court procedure and practice Emphasis is placed on taking due care of vulnerable clients and making sure that any payment arrangements agreed are appropriate. There is a focus on sustainable credit arrangements that do not affect a client's abilities to pay essential living expenses and priority debts.

Properties

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1. Financial support for higher education students

Advising students

Most students graduate with some level of debt. In England, the average student loan debt is likely to exceed £50,000 by graduation. Many students, especially those from less wealthy backgrounds, also expect to accumulate some commercial debt during study, most commonly

bank overdrafts.

The student finance system has become increasingly complex. The current arrangements were introduced in 2016 in England and in 2018 in Wales, but students generally continue to study under the rules applicable when they started. While the last students funded under the 'mandatory grants' system available between 1962 and 1997 graduated in 2008, and those funded under the system of fixed fees available between 1998 and 2005 in 2015, advisers may encounter students funded under the various iterations of the systems introduced since, especially the post-2012 arrangements.

There are different arrangements in England and Wales (and also in Scotland and Northern Ireland). English and Welsh universities and colleges can charge new, full-time students up to £9,250 per year in 2023/24, but there are different rates of student loans and grants in each country.

Undergraduate students can generally access a mixture of grants and loans to pay for the cost of tuition and maintenance. Entitlement depends on whether the student is domiciled in England or Wales, whether they study full or part time, and the year of entry.

Welsh-domiciled students on specific healthcare-related courses, such as nursing, midwifery, occupational therapy, and English- and Welsh-domiciled students in the later years of medicine and dentistry courses, are funded by the NHS under a separate scheme. They do not pay tuition fees. The equivalent system for English-domiciled students studying non-medicine and dentistry healthcare courses was scrapped in 2017, and such students are now funded under the standard undergraduate rules, with the addition of an NHS training grant and some additional elements in certain circumstances.

Postgraduate students on taught master's courses can get a student loan to help with their fees and/or maintenance. Separate funding arrangements exist for teacher training students on Postgraduate Certificate in Education courses and social work students on taught master's programmes. Doctoral degree students can access a student loan to help with the cost of their fees and/or maintenance, or may be able to access funding from research councils via their institution. Students who want to study for a second (or subsequent) undergraduate course will find their access to funding severely restricted, with two main exceptions: full- or part-time nursing, midwifery or other healthcare subjects, and some part-time courses in science, technology, engineering and maths.

Student loans are also available for certain further education courses in England, with the same repayment conditions as in higher education. Other funding for further education courses is limited.

English-domiciled students applying for financial support must apply to Student Finance

England, part of the Student Loans Company. Students in Wales apply to Student Finance Wales. Those funded under the separate healthcare-related system must usually apply for support from the NHS in England or Wales and also to Student Finance England and Student Finance Wales.

Advising students

When advising students and ex-students about debt, you may need to adopt different strategies and should be aware that students expect to owe money before and at the end of their studies. Most creditors (banks and the Student Loans Company) have structured repayment programmes for 'normal' student debt once the student starts earning. Such indebtedness should not adversely affect the student's creditworthiness (eg, for obtaining a mortgage), although any repayments made (or due to be made) are listed as outgoings in affordability calculations in future credit applications.

Most of this chapter follows the structure of the rest of this *Handbook*. Issues are discussed only if the position of the students differs from that of other clients. Refer to the main text if an issue is not covered in this section.

The student finance rules discussed in this chapter are generally those available to new students in England or Wales in 2023/24, except where stated. For detailed information on previous iterations of the rules, see previous editions of this *Handbook* or the Student Finance England or Student Finance Wales websites.

Definitions – for students on courses starting in 2023/24

Home student. This chapter covers only home students in higher education living in England and Wales. A 'home student' is defined as someone who is settled in the UK within the meaning of the Immigration Act 1971, and is ordinarily resident in England or Wales on the first day of the first academic year of the course, and has been ordinarily resident in the UK, the Channel Islands or the Isle of Man throughout the three-year period preceding the first day of the course. ¹ The residence must not have been wholly or mainly for the purpose of receiving full-time education.

'Ordinary residence' was defined in the case of *Shah and Others v Barnet and Others* in 1982 as: 'habitual and normal residence in the United Kingdom from choice or settled purpose throughout the prescribed period apart from temporary or occasional absences'. ²

In addition, a student may be regarded as a home student if they (or a certain member of their family) meet other criteria – eg, they:

- have refugee status;
- have been granted humanitarian protection or, in Wales, discretionary leave to remain in the UK;
- are a European Union (EU) citizen who has pre-settled or settled status under the EU–UK Withdrawal Agreement;
- are a migrant worker from the European Economic Area with settled or pre-settled status;
- are the child of a Turkish migrant worker with settled or pre-settled status;
- have been granted leave to enter or remain or are the family member of a person granted leave under certain schemes – eg, ‘Calais leave to remain’, the Afghan Relocations and Assistance Policy or the Ukraine Family Scheme.

This is not an exhaustive list of additional categories of students who qualify. Further details can be found on the Student Finance England and Student Finance Wales websites. A student who comes into one of the above categories must still be ordinarily resident in England or Wales to be treated as a home student.

Note: residency rules are complex, and a student may be eligible for home student fee rates but still be ineligible for student support. The financial position of international students is not discussed in this chapter. You should contact UKCISA (see Appendix 1). Changes to the residency rules were introduced for courses that started in 2021/22 or later, arising from the UK’s departure from the EU, and they resulted in much less support available for EU nationals than under the previous rules. Some exceptions still apply, for example, for Irish nationals. Check the Student Finance England and Student Finance Wales websites for more information and also for details about residency rules for students whose courses started before 2021/22.

Full-time student. A student is eligible for support for a full-time course provided the course is ‘designated’. It must be a full-time course, a sandwich course or a part-time course for the initial training of teachers, be at least one year and be wholly provided by a publicly funded educational institution.

A ‘designated course’ includes: 3

- a first degree;
- a higher education diploma;

- a Higher National Certificate or Higher National Diploma;
- initial teacher training;
- a course for the further training of teachers or youth and community workers;
- a course to prepare for certain professional examinations of a standard higher than A levels or Scottish Highers, or Higher National Certificate/Higher National Diploma, where a first degree is not required for entry;
- a course not higher than a first degree, but higher than those described in the above bullet point – eg, a foundation degree.

Part-time student. A student is part-time if the course has been designated as part time. There is not a more precise definition; usually a course is deemed part time if it does not meet the criteria to be classed as full time.

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- 1** Sch 1 E(SS) Regs; Sch 1 E(SS)(W) Regs
 - 2** For the extract of the judgment, see notes for guidance in Sch 1 E(SS) Regs or Sch1 E(SS) (W) Regs
 - 3** Sch 2 E(SS) Regs

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Please be aware that welfare rights law and guidance change frequently. This page was printed on Friday, October 17, 2025 and may go out of date.