

MoneySavingExpert.com

Campaigning for students

MSE strives to empower students by explaining money at uni in a no nonsense way. We've also been campaigning on behalf of students for years, enjoying a huge win for students last year, when the Government backtracked on its outrageous decision to retrospectively hike loan repayments.

MSE campaign victory as student loan repayment threshold raised

- Last year, the Prime Minister announced the student loan repayment threshold for post-2012 loans will rise to £25,000 and will increase with earnings annually. The announcement will save many lower- and middle-earning graduates £1,000s.
- This follows Martin Lewis and MSE campaigning to get the Government to keep a promise it made in 2010 to increase the threshold annually by average earnings. The promise meant graduates would have been spared having to repay more of their income towards their student loans, and fewer would have had to start repaying them in the first place.
- However in 2015 the Government had backtracked on this promise, freezing the threshold and effectively hiking costs retrospectively.

The expected parental contribution to students must be defined

- The amount of student loan for living (the maintenance loan) is dictated by parental income, not the student. Many don't get the full loan, and parents are meant to fill the gap.
- Nowhere in the main Student Loans Company communications does it say this – merely a statement that “depending on their income, parents may have to contribute towards the living costs of their student children”.
- Parents need to be explicitly told how much they are expected to contribute towards their children's university education.

Student loans should be renamed as a 'graduate contribution system'

- Student loans aren't repaid like commercial loans.
- Graduates pay back at 9% above the repayment threshold, and after 30 years, what they haven't paid back is wiped.
- Yet language is powerful – using the word 'loans' and telling people that they're £50,000 in debt strikes fear in many and puts people off going to university, particularly if they're from non-traditional university backgrounds.
- The system should be renamed as a 'graduate contribution system'.
- The Universities Minister agreed that student loans “should be seen best as a graduate contribution” at a Conservative Party Conference fringe event organised by MoneySavingExpert.com in October 2017.