



National Audit Office

# The Customer First Programme: Delivery of student finance

## Summary results of the student survey

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**MARCH 2010**

- 1 This document provides a summary of the results of the National Audit Office survey of students that formed part of the fieldwork for the report, *The Customer First Programme: Delivery of student finance* (HC 296, Session 2009-2010).
- 2 We commissioned Opinionpanel Research, a research company which specialises in the views of students in higher education, to carry out an online survey of new students whose finance applications would have been processed by the Student Loans Company (the Company) in 2009. The fieldwork for the survey took place between 7 and 15 December 2009 and responses were received from 1,004 English-domiciled first-year undergraduates, attending 119 higher education institutions. The sample was drawn from an existing panel of students assembled by Opinionpanel Research for the purposes of carrying out surveys of students for a variety of clients. In order to assure the validity and robustness of the survey, the NAO carried out quality checks on how the panel is recruited and maintained. The sample achieved was representative of the UK first-year student population in terms of gender, age, and university type.
- 3 The overall response rate was 38 per cent (questionnaires were sent to 2,652 students; 1,004 complete responses were received). A further 52 students were screened out because they had not applied for any student funding, while 183 were unable to complete because the specific quota group they were in (i.e. to maintain the representativeness of the sample) was full.
- 4 All analysis of the data received was carried out by the National Audit Office. A summary of key findings from this analysis is below.

### Information, Advice and Guidance (IAG)

- One-third (32 per cent) of all respondents said they had not been aware of the deadlines for making applications for funding. Students who applied for targeted support (i.e. Disabled Students' Allowances, Childcare Grant, etc.) were less certain of application deadlines, with only 43 per cent of them being aware of the deadlines.
- More students thought the IAG provided by the directgov website, and from schools, was good than thought it poor; but this was reversed when it came to the Company's contact centre. Some 40 per cent thought the information, advice and guidance provided by the Company's contact centre was fairly or very poor.

### Posting documents to the Student Loans Company

- Half of all respondents (51 per cent) said they were asked by the Company to send in paperwork more than once. Proof of income documentation was the main item (33 per cent said they were told to send this in more than once), followed by the main application form (15 per cent), and birth certificate (10 per cent).
- Seventeen per cent said that the Company had told them it had lost some of their documents.

- Those who applied for targeted support were worse affected, with 65 per cent saying they were told to send in documents more than once, and 25 per cent saying they had been told the Company had lost some of their documents.
- There was little difference in the proportions of online applicants (52 per cent) and postal applicants (47 per cent) that had been told to send in the same documents more than once.

### Student Loans Company contact centre

- The main reason (52 per cent) why respondents called the helpline was because they had not heard information on their application; the next reason (44 per cent) was that the Company had sent them a confusing message; then (42 per cent) it was because they could not find the answer to their query on the website.
- Of those who submitted a query by letter or email, 50 per cent waited more than three weeks for a substantive response, with a further 22 per cent saying they had not yet received a substantive response (although we do not know in these cases how long they had been waiting).
- On the most recent occasion that respondents called the Company, a third (31 per cent) had to ring more than five times before they got through to someone, while a further 10 per cent said they did not get through to someone.

### Payment of maintenance grants and loans

- A third (33 per cent) of respondents who had applied for maintenance grant or loan did not receive their payment letter in time for the start of term.
- Of these respondents, two-thirds (69 per cent) received their payment letter more than three weeks after the start of term or had still not received it at the time of our survey.
- Early applicants (those who said they applied in February, March, or April) were more likely to receive their payment letter on time for the start of term: 79 per cent said they received it in time, against 67 per cent of all respondents. Even so, this meant 21 per cent of early applicants said they received their payment letter after the start of term or had still not received it.
- Fifty nine per cent of respondents who applied by post received their payment letter in time for the start of term, against 69 per cent of respondents who applied online.
- Once they had received their payment letter, over a third (38 per cent) of respondents said they had received their first actual payment after the scheduled period of five working days, or had still not received payment at the time of our survey.
- Of all respondents who received their payment late, nearly a third (30 per cent) had to wait more than three weeks.
- Those who applied for targeted support were worse affected, with half (48 per cent) saying their maintenance payment letter had not been received in time for the start of term or it had not arrived by the time of our survey.

## Financial impact on students

- Three hundred and fifty seven respondents said their first maintenance payment was late or had still not been made at the time of our survey. We asked them how they had supported themselves financially while waiting for this payment:<sup>1</sup>
  - Drew on own savings: 195 respondents (55 per cent of those whose payment was late/had not yet been received).
  - Bank overdraft/credit cards: 157 (44 per cent).
  - Support from parents or guardians: 157 (44 per cent).
  - Had enough money to tide them over: 60 (17 per cent).
  - Paid employment: 54 (15 per cent).
  - Support from friends or partner: 44 (12 per cent).
  - Other:<sup>2</sup> 19 (5 per cent).
  - Loan from university: 16 (4 per cent).
  - Bursary from university: 8 (2 per cent).

## Impact on student retention

- Eleven per cent of all respondents said that their experiences with the Company meant they were more likely to drop out from university.
- These figures increased for those who come from areas that do not traditionally send many people to university. Of those students from the lowest quintile of neighbourhoods in England by rates of participation in higher education,<sup>3</sup> 14 per cent said their experiences with the Company meant they were more likely to drop out.
- Of those who applied for targeted support, 18 per cent said they were more likely to drop out as a result of their experiences with the Company, and a further 4 per cent said they were about to drop out.
- Of those who did not receive their payment letter in time for the start of term, 20 per cent said they were more likely to drop out, and a further 2 per cent said they were about to drop out or had already dropped out.
- Nine per cent of non-white students said they were more likely to drop out, a lower proportion than from the sample as a whole.

<sup>1</sup> Respondents were able to select as many options as applied, hence totals sum to more than 100 per cent.

<sup>2</sup> "Other" responses included deferring rent or childcare fees and cutting down on food and household expenditure.

<sup>3</sup> In other words, the 20 per cent of neighbourhoods in England with the lowest proportion of 18 and 19 year olds who go to university. We matched the home post codes given by respondents to the banding of areas by university participation compiled by the Higher Education Funding Council for England and used by the Higher Education Statistics Agency. For more details see: <http://www.hefce.ac.uk/widen/polar/polar2/>.

## Overall impressions

- Fifty seven per cent of respondents said the whole application and payment process was fairly or very difficult.
- Those from areas where fewer young people go to university were more likely to say the process was difficult. Seventy per cent of students from the bottom quintile of areas by participation in higher education said it was fairly or very difficult.
- Those students who did not receive their maintenance grant or loan payment letter by the start of term were even more likely to say the process was difficult. Some 241 (78 per cent) of these students said the process was fairly or very difficult.

## What students wanted to see improved<sup>4</sup>

The main thing respondents wanted improved were:

- Keep students better informed about their application (58 per cent).
- Process applications faster (56 per cent).
- Simplify application forms and rules (40 per cent).
- Improve help available on the phone (36 per cent).
- Make the process fully online (26 per cent).
- Pay money faster (25 per cent).
- Improve information and advice on the website (24 per cent).
- Improve information and advice in schools (14 per cent).
- Other (6 per cent).

“Other” comments included:

- “All of the above”.
- Employ more contact centre and processing staff.
- Handle paperwork better/stop losing it.
- Make the website more user-friendly (e.g. allow users to correct mistakes after submission).
- Improve contact centre service (e.g. having one operator deal with a whole problem in one call).
- Improve information about eligibility.

<sup>4</sup> Respondents were able to select up to three options, hence total will sum to more than 100 per cent.