



Treasury Committee

Chris Larmer
Chief Executive
Student Loans Company
By e-mail

Thursday, 14 May 2026

Student loans and taxation of graduates inquiry

Dear Mr Larmer,

The Treasury Committee has opened an inquiry into student loans and the taxation of graduates. Thank you for the Student Loan Company's (SLC) written evidence submission. Given the submission, the Committee would like to seek clarification on the following matters.

Terms and conditions

Within your submission you state that:

All loans issued by SLC on behalf of the Department for Education (DfE) are subject to 'terms and conditions', as set out in relevant regulations; these detail the terms and conditions associated with student loans, including repayment thresholds, interest rates and income-contingent repayment obligations.

As a customer completes the application, they are presented with a series of 'speedbumps' – which are designed to ensure that customers read supplementary information about repayment terms and conditions, including interest chargeable.

Customers are presented with the Terms and Conditions on the Gov.uk website before they submit their online application.

They are advised that they 'need to read, understand and agree to the Terms and Conditions'.

They are also invited to download a copy of the Terms and Conditions for their records and to refer to later.

The screenshots your submission provided highlight a link to Student Finance Terms and Conditions. This link leads to the following document: Student loans: a guide to terms and conditions 2026 to 2027 ([link](#)).



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This document does not appear to show the full terms and conditions for a student loan. It is a guide to the terms and conditions of the loan, and while this document names the legislation¹, it does not provide a direct link to a webpage which includes the full terms and conditions.

Q1. Can you confirm whether at any point in taking out a student loan, you actively provide a customer with the full terms and conditions of their loan, as correct at that time?

Q2. Can you confirm that the guide to the terms and conditions provided to prospective customers does not contain information on the following matters:

- What happens to a student loan in the event of death
- What happens to a student loan in the event that a course provider closes down having not delivered the course
- What happens to a student loan in the event of the provider stopping the course before it has been fully delivered
- What happens if a loan was issued in error by the SLC
- What would happen if a loan was incorrectly taken out for a course or with an institution which did not actually qualify for a loan
- What would happen if a provider altered a course in a material way (for example no longer provided remote learning as promised)
- How many student loans an individual is entitled to in their lifetime
- What would happen should it be discovered that a student applied for a loan in error for which they were not entitled
- That the amount of money you are entitled to be loaned may be dependent on the household income of the adults with whom you live

Q3. In which documentation that you actively provide to your prospective customers before they take out their loan are the above terms and conditions explained?

¹ The Education (Student Loans) (Repayment) Regulations 2009 as amended ([link](#))



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Information provided during the application phase

The screenshots your submission provided show the “speedbumps” students must acknowledge, which are that:

- 1) [The Student Loan company] will charge you interest on your loan as soon as [the SLC] makes the first payment.
- 2) [The Student Loan company] will charge interest until you’ve repaid all the money or the SLC cancel your loan.
- 3) You’ll be due to start making repayments the April after you finish or leave your course.
- 4) You’ll only repay when your income is over the repayment threshold.
- 5) You’ll repay 9% of your income over your repayment threshold.

Q4. Can you explain why the statement “The regulations may change from time to time, which means the terms of your loan may also change”, set out in plain text in your guide to the terms and conditions, is not signposted as one of these “speedbumps”, given that this is very important information that could also affect all the existing speedbumps you have chosen to list?

Q5. In choosing not to include the potential for ongoing changes to the terms and conditions of the loans as a “speedbump”, what consideration has the Student Loan Company given to the Lord Denning’s “red hand rule”?²

In line with the Committee’s usual practice, I will be placing this letter and your response in the public domain. I would be grateful for a reply by 29 May 2026.

Yours sincerely

**Dame Meg Hillier MP,
Chair of the Treasury Committee**

² J Spurling Ltd v Bradshaw [1956] – Extract from Lord Denning’s judgement: “the more unreasonable a clause is, the greater the notice which must be given of it. Some clauses I have seen would need to be printed in red ink on the face of the document with a red hand pointing to it before the notice could be held to be sufficient.”