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# Financial Hardship Process Guidance

**Support available to students who are in financial hardship**

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|-------------------------|----------------------|
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## 1 Introduction

### 1.1 Table of abbreviations

|                     |   |
|---------------------|---|
| <b>Abbreviation</b> |   |
| <b>AY</b>           | <b>Academic Year</b>                                  |
| <b>HEP</b>          | <b>Higher Education Provider</b>                      |
| <b>FHC</b>          | <b>Financial Hardship Confirmation Form</b>           |
| <b>FH2</b>          | <b>Financial Hardship Update Form</b>                 |
| <b>FH3</b>          | <b>Financial Hardship Suspension of Students Form</b> |
| <b>SFW</b>          | <b>Student Finance Wales</b>                          |

### 1.2 Scope

|                    |  |
|--------------------|--|
| <b>Services</b>    | <i>HE Undergraduate, HE Postgraduate, Further Education</i>            |
| <b>Products</b>    | <i>All</i>   |
| <b>Mode</b>        | <i>All (full-time, part-time, in attendance and distance learning)</i> |
| <b>Cohort</b>      | <i>New and continuing students</i>                                     |
| <b>Domicile</b>    | <i>Wales</i>   |
| <b>Destination</b> | <i>UK</i>  |

## 2 Higher Education Providers

HEPs have skilled welfare and money advisors who can provide both guidance and, in some instances, financial help to students in financial hardship; therefore, students are encouraged to speak to their HEP in the first instance.

## 3 Charities

Students can also be directed towards charities who may be able to offer assistance and advice while waiting for financial hardship payment claims to be processed.

- [www.citizensadvice.org.uk/debt-and-money/](http://www.citizensadvice.org.uk/debt-and-money/) - for impartial money and debt advice;

- [www.turn2us.org.uk](http://www.turn2us.org.uk) - a good source of information regarding charities that help people with additional funds. It is not targeted at students. Refer to the 'find benefits and grants' section;
- [www.prospects.ac.uk](http://www.prospects.ac.uk) - in the 'Applying for University' section of this website advice is given on Student Loans and finance. This includes tuition fee loans, loans for living costs, hardship funds and student bank accounts. This is aimed at postgraduate students;
- [www.stepchange.org](http://www.stepchange.org) - an online debt advice organisation with phone and online help tools.

The above organisations operate at a national level, students and HEPs can also look into what local charities or organisations may be able to assist the student.

## 4 Other Organisations

Students can also be directed towards other organisations who may be able to offer information and advice while waiting for financial hardship payment claims to be processed, some examples of which are below:

- <https://www.officeforstudents.org.uk/> - work with HEPs in England to ensure students succeed in higher education;
- <https://www.ucas.com/> - provides information and advice to students on a range of topics;
- <https://www.nus.org.uk/en/advice/money-and-funding/> - provide advice and information on financial support, services and discounts available to students.
- <https://www.nhsbsa.nhs.uk/learning-support-fund> - the NHS learning support fund can provide additional assistance to those studying healthcare courses in England.
- [Student Awards Services - NHS Wales Shared Services Partnership](#) – NHS Wales information for students
- [University Ready - OpenLearn - Open University](#) - A collection of resources from all of Wales' universities to help you get started with higher education.
- <https://www.nasma.org.uk/page.php?categoryID=student-money-matters> - NASMA Wales – Money Matters Magazine

## 5 Student Finance Wales (SFW) and hardship

### 5.1 When can SFW consider a hardship application

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Students can apply for a financial hardship review in certain situations. The student in question must already have had their application for student support approved before an application for hardship can be considered.

Students applying for hardship can be vulnerable. This guidance must be read in conjunction with the Vulnerable Student Policy guidance.

The most common scenarios for financial hardship reviews are covered in subsections [5.1.1](#) and [5.1.2](#) and those scenarios less common are covered in subsections [5.1.3](#) to 5.1.8:

#### 5.1.1 Deferral of the automatic full recovery of loan and grant overpayments

Where students have an overpayment due to be collected from their entitlement in a particular academic year this can be deferred either fully or partially if they demonstrate that its collection would result in financial hardship. SFW can consider this request where the student is fully aware of what their financial situation will be for the relevant period.

##### Eligibility:

- Student must have an approved application for the current Academic Year which has an overpayment being deducted from their funding.
- Student must be able to demonstrate that they are in financial hardship.
- Students applying for a deferral of overpayment after the academic year has finished can be considered but we will only consider expenditure and debts that were accrued within the academic year only.
- If the student is applying for the forthcoming academic year, they must apply to us no earlier than 6 weeks prior to the start of their course. There are exceptions to this, [please see below examples](#).

#### 5.1.2 Early payment of already approved student support in that academic year

SFW can release a payment before the scheduled payment date in cases where financial hardship has been demonstrated; this can be done after the course start date has passed and registration has been confirmed by the HEP. It should be noted that typically In order for the Financial Hardship Team to consider an Early payment request, we need to receive this request at least two weeks prior to the scheduled payment date, this is due to the processing times of the Financial Hardship Team and allowing sufficient time to review the request.

**Eligibility:**

- Student needs to be in attendance on their course.
- Student must have explored all other avenues before applying to ourselves.
- First instalments are only brought forward in extreme circumstances, see below examples.
- SFW will decline early payment requests if this could lead to future financial hardship, see below examples.

**5.1.3 Extended support through a period of suspension**

In exceptional circumstances SFW can extend support through periods of suspension where students can demonstrate they are in financial hardship. This support can be awarded fully or partially dependent on the student's circumstances and the result of the hardship assessment. The following are some examples of circumstances that can be considered:

- Illness extending beyond 60 days;
- Student is shielding or extenuating circumstances related to illness.
- Student is unable to take up a position on or complete a placement through no fault of their own.

SFW will consider each case on its own merits, including the reasons for the absence, whether the student will face financial hardship during their absence, whether the student has dependants, and the prospect of the student returning to the course. SFW will also take account of how the provider treats the student's absence, particularly if the provider has given the student permission to be absent, and on what terms.

**Eligibility:**

- Student must have suspended for reasons beyond their control e.g. health suspension, bereavement, caring responsibility etc.
- Note – SFW are not able to consider extending support for external students submitting coursework only.
- This does **not** include part year repeat students because a student repeating part of the academic year will have had this agreed in advance by HEP, so were never intended to be in attendance for the full academic year. **Therefore, part year repeat students are not eligible to apply for Payment through suspension.**
- If returning students have taken a full year suspension, meets the above criteria and their outgoings exceeding their income after SFW review, then we can award part/full year support through suspension. This will **not** be deemed as a year of previous study for student support purposes unless the HEP charge tuition fees for the suspended year.
- If the student is suspending for more than one academic year, we can consider review of each academic year separately.

**What HEPs should do:**

- HEPs should advise SFW of the student's suspension at the earliest opportunity.
- Students should speak to their HEP if they are experiencing hardship in the first instance. HEPs can direct students to available sources including SFW if they believe the student may be eligible for payment through suspension. A form can be issued via the HEP in these instances.

**5.1.4 Extended support after the student has withdrawn from study (grants only)**

SFW can extend payment of grant support to the end of the term in which a student has withdrawn where hardship has been demonstrated.

**Eligibility:**

- Students must not be in receipt of any means tested benefits that have been awarded as the student has informed the DWP that they are no longer a student.
- We will only consider expenditure/debts accrued whilst the student was in study.
- Withdrawal must be for student health reasons only.

**5.1.5 60 days of health suspension support at the beginning of the AY (UG courses)**

SFW extend support to continuing undergraduate students for an extra sixty days if they have suspended their studies for health reasons at the beginning of the AY. As long as the student does not return at any point during the academic year, then this will not count as a year of previous study and will not be included in any previous study calculations.

If SFW receive a notice from the students HEP that the student has suspended for health reasons, support will be extended automatically for 60 days without the need for an application and associated evidence detailed in section 5.3.

**Eligibility:**

- This is for returning students only with an active application for the suspended year.

**5.1.6 60 days of health suspension support during the AY (UG courses)**

SFW extend support to undergraduate students (new and continuing) for an extra sixty days if they have suspended their studies for health reasons at the beginning of the AY.

If SFW receive a notice from the students HEP that the student has suspended for health reasons, support will be extended automatically for 60 days without the need for an application and associated evidence detailed in [section 5.3](#).

**Eligibility:**

- If suspension task states 'Health' reasons, this will automatically be awarded.
- If the suspension task was for any other reason than 'health', then the Financial Hardship Team can review this in light of possibly awarding the extra sixty days support.

**5.1.7 Extended support for repeat study on Postgraduate courses**

Typically, Postgraduate Masters Finance or Postgraduate loans for Doctoral Degrees do not attract funding for repeat years of study, SFW may exercise discretion to continue to pay a student throughout a period of repeat study if it is determined that non-payment would place the student in financial hardship. Any funding paid in this manner would reduce the remaining entitlement for their course and would not be paid as an additional loan. It is important that students understand the implications of this, it may mean that, if they return to complete their studies the following academic year, they will not receive any funding at all causing even greater hardship.

**5.2 Hardship Application Forms**

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**5.2.1 The Financial Hardship Confirmation Form (FHC)**

In most cases where a student contacts SFW to advise they are experiencing financial hardship through their study, and they have exhausted other avenues of support they will be asked to complete the FHC. This can be posted to the student; more information can be found here:

<https://www.studentfinancewales.co.uk>

**5.2.2 Other information and next steps**

The purpose of this form is to allow SFW to review a student's circumstances and consider what funds they have available to them (their income) alongside the financial obligations they have to pay every month (their essential expenditure).

**Once completed, the form should be returned with appropriate evidence ([section 5.3](#)) to the following address or uploaded digitally on their online account:**



Student Finance Wales  
PO Box 211  
Llandudno Junction  
LL30 9FU

## 5.3 Evidencing Hardship

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When completing the form, students should provide details of the circumstances surrounding their financial hardship. Students will also be expected to provide details of their monthly income and expenditure to determine if hardship assistance can be granted.

Students with partners are not required to declare or evidence their partner's income.

### 5.3.1 Bank statements

Students will be required to provide evidence of their income and expenditure by submitting three months of bank statements for **all bank accounts they hold** including savings accounts.

Any savings that students hold that are earmarked for a specific purpose, for example to purchase property, will not be taken into consideration by SFW when calculating income. Students will need to declare what the savings are intended for in order for SFW to determine if they should be included when calculating the student's monthly income.

Students should annotate the statement with additional information where required, for example to show where they are receiving support from or sharing expenditure with friends or family.

### 5.3.2 Other financial evidence

Students will be asked to provide evidence of other income or expenditure they have that is not contained within their bank statements. Details of all required income and expenditure information can be found on the relevant forms. Not all expenses need to be evidenced – the additional expenses which do not require evidence are detailed on the FHC.

### 5.3.3 Health and exception case evidence

There are other forms of evidence SFW may request, depending on the type of hardship application a student is making. For example:

- Migrant workers will be required to provide evidence of their continued employment.

- Students requesting 60 days of extra funding where they have suspended their study due to health reasons will be asked to provide evidence of those reasons.

It is important that students send SFW as much relevant evidence as possible with their initial application for hardship and evidence should be dated as recently as is possible. This will allow SFW to process their application with as few further evidence requests as possible.

## 5.4 Determining Hardship

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Once a student has submitted their FHC, SFW will review the information detailed on the form and the evidence received in support of their application.

In order to determine if the student meets the criteria to apply for hardship, the student's monthly income and expenditure is assessed. Expenditure is broken down into three main spending categories:

- Communication and leisure
- Personal costs
- Food and housekeeping

The monthly amounts for each expenditure category are then compared to the monthly "Trigger Figures" amounts. The "Trigger Figures" are the agreed expenditure levels that are set by The Money Advice Trust and are used by most creditors to fairly assess household expenditure. Further information can be found at the below link:

<http://www.moneyadvicetrust.org/Pages/default.aspx>

Should SFW require further information or need to discuss a student's claim for hardship they will contact students via their preferred contact method to obtain further details to help reach a decision on the hardship claim.

In addition, should the level of expenditure exceed the trigger amount for an expenditure category, SFW may contact the student via their preferred contact method to discuss this to ensure the expenditure amounts declared are accurate. If a student's preferred method is by post or e-mail, it may take SFW longer to contact them than by discussing the application over the telephone.

Once SFW has all of the required information from the student, assessors will determine if a hardship claim can be approved or not. It is important to note that SFW will consider each claim on a case-by-case basis and can apply discretion if it is warranted.

Currently it can take up to two weeks for a decision to be reached in relation to a claim for hardship, with no guarantee of a successful claim. Forms must also be signed, dated and for the correct domicile to be approved.

Finally, it should be noted that the hardship process should not be used as a means of changing a student's payment schedule, for example to release payments early in each year of study or defer overpayments fully in each year of study. This process should be used for claims for financial hardship where students genuinely need financial assistance.

## 6 Appealing Financial Hardship Team decision

If a student wishes to appeal our decision, they should do so via the normal process, please see how website page below:

[Complaints and appeals | Student Finance Wales](#)

## 7 Annexes

### 7.1 Annex A – Spending Categories

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Below is a list of what should be included in each of the three main spending categories on the hardship application forms.

#### 7.1.1 Communications and leisure

##### **Home phone, internet, TV package (including film subscriptions)**

- Telephone account
- Telephone purchase
- Answering machine, fax machine etc
- Telephone coin and other payments
- Satellite subscription
- Rental for TV/Satellite/DVD players
- Cable subscription
- TV slot meter payments
- Entertainment rental (video cassettes, DVD rental, library hire)
- Internet subscription fees

##### **Mobile phone**

- Mobile phone purchase
- Mobile phone - other payments
- Mobile telephone account

##### **Hobbies, leisure or sport (including socialising, outings and clubs)**

- Spectator sports, participant sports, equipment hire
- Subscriptions to sports and social clubs
- Leisure class fees
- Cinemas and live entertainment: theatre, concerts, shows

- Museums, theme parks, houses and gardens
- Social events and gatherings
- Subscriptions for leisure activities and other subscriptions
- Eating out
- Games, toys and hobbies
- Computer software, consoles and games
- Gardening materials

**Gifts (including birthdays, festivals and charitable donations)**

- Money/presents given

**Pocket money**

- Money given to children for specific purposes

**Newspapers, stationary and postage**

- Diaries, address books, cards etc.
- Cards, calendars, posters
- Newspapers
- Postage

**7.1.2 Food and housekeeping**

**Groceries (including food, pet food, non-alcoholic drinks and cleaning)**

- Food and non-alcoholic drinks
- Pet food
- Hot / cold takeaway meal eaten at home

**Nappies and baby items**

- Baby toiletries and accessories

**School meals and meals at work**

- School meals
- Meals bought and eaten at workplace

**Laundry and dry cleaning**

- Dry cleaners
- Laundry, laundrettes
- Detergents, washing-up liquid and washing powder

**Alcohol (consumed at home)**

- Spirits and liqueurs
- Wine
- Beer and lager

- Ciders
- Alcopops

#### **Smoking products**

- Cigarettes
- Cigars
- Other products

#### **Vet bills & pet insurance**

- Veterinary and other services for pets

#### **Maintenance and repair of dwelling**

- Central heating repairs
- House maintenance
- Other services for the maintenance and repair of the dwelling
- Paint, wallpaper, timber etc.

### **7.1.3 Personal costs**

#### **Clothing and footwear (for men, women, children and infants)**

- Clothing and underwear
- Footwear
- Repair and hire of footwear
- Accessories

#### **Hairdressing**

- Hairdressing and beauty treatment
- Hair products

#### **Toiletries**

- Toilet paper
- Toiletries
- Cosmetics and related accessories
- Electrical appliances

## **7.2 Annex B - Examples**

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### **7.2.1 Example - Deferral of overpayment:**

Student applying for a deferral for their upcoming academic year prior to 6 weeks before the start of their course.

- Student is estranged from parents and has been accepted as an independent student.

- They have applied to SFW 8 weeks prior to the start of their course for a deferral.
- They are a second-year student.
- Student has agreed their second-year rent agreement.
- SFW can look at this deferral as student is classed as a vulnerable student and knows their upcoming outgoings.
- Decision can be made now based on their income/outgoings for the upcoming academic year.

Student applying for a deferral for their upcoming academic year prior to 6 weeks before the start of their course.

- Student is assessed based on their parental household income.
- They have applied to SFW 8 weeks prior to the start of their course for a deferral.
- They are a second-year student.
- Student will be living at the parental home for the upcoming academic year.
- As the student is not classed being vulnerable as they are living at the parental home, SFW will therefore decline the deferral request and will ask the student to reapply within the 6-week timescale.

### **7.2.2 Example - Early payment:**

Student has applied for an early payment for their first upcoming academic year instalment.

- Student has applied for an early payment because they are fleeing domestic violence.
- Student has paid their first month's rent and deposit, however, do not have sufficient funds to pay their next month's rent which is due prior to their first payment from SFW.
- As student is vulnerable, we are able to make this payment request early, however this will only be a partial early payment to cover the rent amount.
- We can only make this payment a maximum of 30 days prior to the start of term, and this will be reliant on the HEP confirming registration.

Student has applied for an early payment for their first upcoming academic year instalment.

- Student has applied for an early payment because they are required to pay their first instalment of rent.
- Student is over 25 with no dependents.
- Student needs an early payment to help cover their new accommodation deposit and first month's rent as they have moved closer to campus.
- As the student is not classed being vulnerable, we would therefore decline their early payment request.

### 7.2.3 Example - Extending Withdrawal Support.

Student has withdrawn during the second term for health reasons and has applied to have their Parents Learning Allowance extended.

- Student withdrew during term two as they need to have an operation and would be a lengthy recovery time.
- Student is in receipt of child benefit but has always received this during their studies.
- Student has had to hand their notice in at work due to upcoming operation.
- Student has applied to SFW as they are in financial hardship.
- Following review their outgoings exceed their income so extending Parents Learning Allowance until the end of term two has been granted.

Student has withdrawn during the second term for health reasons and has applied to have their Adult Dependents Grant extended.

- Student withdrew during term one as they are suffering from mental health issues.
- Student has started to receive universal credit now they are no longer classed as a student.
- Student has applied to SFW as they are in financial hardship.
- Following review as SFW can see that student is now in receipt of Universal Credit, the request for extending Adult Dependant Grant has been declined.

### 7.2.4 Example - 60 days of health suspension support at the beginning of the AY (UG courses)

Student has applied for student finance for their second year of university but has been unable to commence the year due to ill health.

- The university supplies SFW with a suspension COC confirming that the student has suspended their studies due to ill health.
- Because the student would have been returning to study, we are able to award 60 days' support from the first day of term (for loans) and from the first day of the academic year (for grants).
- As the university have not confirmed registration this will be paid to the student by a manual payment.
- This will not be classed as a year of study as no fees were requested by the university.

Student has applied for student finance for their first year of university but has been unable to commence the year due to ill health.

- The university supplies SFW with a suspension COC confirming that the student has suspended their studies due to ill health.
- Because the student has not commenced their course, we will not award 60 days’ support and the application will be cancelled.

**7.2.5 Example - 60 days of health suspension support during the AY (UG courses)**

Student has applied for deferral of their overpayment, the overpayment was as a result of a previous academic year suspension.

- The suspension task received from HEP states ‘other’.
- The student has put on their financial hardship form that they suspended for health reasons, and we have a doctor’s note to support this.
- SFW can therefore award an extra 60 days funding for the suspended year as well as review the current academic year for deferral of the remaining overpayment.

**Please note:** 60 days support can also be awarded on its own if student does not apply for deferral of overpayment, so long as we have acceptable evidence to support this.

Student has applied for deferral of their overpayment, the overpayment was as a result of a previous academic year suspension.

- The suspension task received from HEP states ‘other’.
- Student has stated on their financial hardship form that they suspended for mental health reasons, however they have also confirmed that they did not seek any medical advice for this and also did not make HEP aware of this.
- As SFW are unable to obtain evidence to support the mental health reasons, unfortunately 60 extra days support cannot be awarded.
- SFW can still go ahead and review for deferral of overpayment for the current academic year.

**7.3 Annex C – Updates Log**

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| Date           | Version | Updates to document   |
|----------------|---------|---|
| September 2022 | 2.1     | Whole document updated with current processes and examples added. |
| 28/09/2022     | 3.0     | Added page numbers and finalised version.                         |
| 12/10/2022     | 4.0     | Minor text adjustments and acceptance of track changes.           |



## 7.4 Annex D - Revision, Sign Off and Review

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### Revision History

| Date       | Version | Author               | Comments                                |
|------------|---------|----------------------|---|
| 28/09/2022 | 3.0     | Christopher Anderton | Finalised version sent for publication. |