



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■



# Credit Management Policy 2024/25



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# Section 1: Introduction

The term “customer” includes a student, individual, company, partnership or organisation that has outstanding fees or charges owed to the School.

This document sets out the School’s policy for dealing with students and customers who fail to pay any fees or charges due to the School in accordance with the payment terms applicable to the service or product provided.





# Section 2: Background

The policy covers the School's debt collection activities in following main areas:

## **2.1 Student debt collection:**

- Tuition fees and tuition related debt including sponsorship
- Accommodation fees and related debt
- Library debt and related services

## **2.2 Commercial debt collection:**

- Non student customers and organisations
- Not included in item 2.1 above.

## **2.3 Other debt collection:**

- Any other projects, ventures, partnerships or agreements that require payment to the School for services or goods supplied.

Any goods or services supplied or provided by the School outside of these areas, or where an invoice has not been issued or is not required, will be dealt with under separate procedures relevant to the individual item and the nature of the contract or service provided.

In such cases, payment arrangements and recovery will initially be applied in accordance with the contract or agreement and debt recovery will be the responsibility of the department or area providing the service in the first instance. In the event of non-payment, requests for official School recovery action should be referred to the Head of Fees, Income and Credit Control for consideration and advice.



# Section 3: General principles

- 3.1 The term “debt(s)” refers to unpaid fees, charges, product(s) or service(s) provided by the School, its subsidiaries, staff, approved representatives or agents instructed by the School.
- 3.2 The School will actively pursue all debts due and payable in accordance with the payment terms applicable to the customer, debt, product or service provided. For payment terms please refer to our **Payment Policy**
- 3.3 The Fees, Income and Credit Control team will attempt to collect all debts owed to the School using recovery options available to them in accordance with current and acceptable practice. In the event of non-payment the School reserves the right to consult and appoint solicitors, debt collection agents or external organisations to undertake and implement recovery action in accordance with the School’s instructions.
- 3.4 Where debts remain outstanding and overdue, the School reserves the right to withdraw or suspend services, apply restrictions to accounts and withdraw or suspend access to facilities, suspend or prevent registration and suspend future trading as applicable to the customer type.

For students, these restrictions are referred to as “debt penalties” and the application of these may affect all or part of the service(s) provided by the School until all debts have been paid or a payment arrangement has been agreed. Full details of penalties can be found in section 4.

## 3.5 Process and Procedures:

All students and customers will be notified of payment due dates and requested to settle debts due in accordance with the product or service.

- An invoice, letter or request for payment, issued electronically or otherwise
- Reminders or requests for payment at regular intervals when overdue
- Notification if penalties are pending or have been imposed
- Confirmation of advance notice when debts are referred to partners for further recovery or legal collection activity..

- 3.6 We reserve the right to continue with recovery where there are ongoing disputes or investigations in progress until the outcome has been finalised.



# Section 4: Student debt Collection

## 4.1 Penalties applied for tuition fees and related charges

The School will apply penalties, referred to as “Debt Flags” where students are in default of payment terms as specified in the Tuition Fee Policy [lse.ac.uk/feespolicy](https://www.lse.ac.uk/feespolicy)

The penalties may be applied at various stages of the recovery cycle imposing differing levels of penalty as the debt ages. The School reserves the right to waiver or postpone the application of penalties if appropriate to do so. Refer to [section 7](#) for details.

## 4.2 Debt flags

Penalties or “debt flags” affecting and restricting tuition and tuition support services provision will be applied and escalated whilst payment for these services remains overdue and unpaid. This will impact on service provision and access to LSE resources in one or many ways depending on the level of penalties applied. The School will give advance notice warning students prior to penalty application and will apply full penalties if all other payment requests have failed to result in full settlement of the debt(s) due.





### 4.3 Debt Flag summary

<b>D01</b>	Level 1	Initial penalties, applied at any point where payment terms have been exceeded.
<b>D02</b>	Level 2	Intermediate penalties, applied at any point exceeding D01 settlement date.
<b>D02</b>	Level 3	Full penalties, applied at any point exceeding D02 settlement date.
<b>D04</b>	Debt with an external Debt Collection Agency	Full penalties applied, debt has been placed with an external agency to undertake collection activity and legal action, where required.
<b>D05</b>	Historical Tuition Fee Debt	Full penalties, applied when recovery was unsuccessful, but fees were not settled in full.
<b>D98</b>	Approved Payment Arrangement - enrollment not allowed	Intermediate penalties, applied at any point where an exceptional payment arrangement is made with the Fees, Income and Credit Control team only, outside of standard terms based on exceptional circumstances until fees are settled in full. Failure to comply with the payment terms of an approved payment arrangement or instalment plan and settle instalments on the due date(s) will terminate the agreement and may lead to the application of D03 full penalty restrictions or D04 as required.
<b>D99</b>	Approved Payment Arrangement enrollment allowed	Intermediate penalties, applied at any point where an exceptional payment arrangement is made with the Fees, Income and Credit Control team only, outside of standard terms based on exceptional circumstances until fees are settled in full. Failure to comply with the payment terms of an approved payment arrangement or instalment plan and settle instalments on the due date(s) will terminate the agreement and may lead to the application of D03 full penalty restrictions or D04 as required.

A full breakdown of the debt flag codes and how these affect various resources, services and delivery can be found on [Annex A](#).

If fees remain unpaid after full penalties have been applied the debt may be referred for further collection activity including legal proceedings as detailed in [section 3.4](#).

Failure to pay the fees due may ultimately result in a student being withdrawn from their course or study programme. For those students studying with a student visa application the School is required to inform UK Visas and Immigration of this breach. This will have serious consequences on the student's ability to remain in the UK

Penalties applied will remain in place until fees have been settled in full and cleared funds are in the School's bank account.<sup>1</sup>

A summary of the penalties can be found on [Annex A](#).

<sup>1</sup> Subject access rights under Data Protection legislation still apply. Information supplied under subject access cannot be used as an official LSE transcript.



#### 4.4 Student entitlement when penalties applied

If penalties have been applied at any of the levels **D01, D02, D03, D04, D98** or **D99** the following services will remain available to students, D05 students are excluded from the following:

- 4.4.1 Where a student has submitted work, sat an examination or has assessment results pending, limited information and results will be available via face to face meetings (This includes e-meetings, eg. Zoom, Teams). **Note:** electronic access will not be permitted to students with a **D03** penalty.
- 4.4.2 Students may be advised of pending results and whether the outcome is a pass or a fail only, details of the grade, mark or level of achievement will not be disclosed.
- 4.4.3 Students will be required to provide proof of identity to be validated against the student record system for face to face enquiries; third party enquiries will not be permitted.
- 4.4.4 Students will be advised of any module, course work, project or assessment that needs to be retaken and of the relevant times and submission dates of re-assessment(s).
- 4.4.5 Students will be permitted to submit work for initial assessment or re-assessment.
- 4.4.6 Students will be permitted to sit examinations, give presentations or take part in other initiatives that comprise part of their overall submission of work for the purpose of course completion.
- 4.4.7 Students will retain access to their LSE email account
- 4.4.8 Penalties will be applied on the basis of the debt position regardless of your enrolment status. Students should be aware that in some situations your enrolment status could be affected and changed in the event of withdrawal or when re-enrolment is required.
- 4.4.9 If a student has an approved Payment Arrangement any variation to entitlement or deviation from this policy will be detailed in the agreement.
- 4.4.10 In the event of an approved payment agreement failing, full penalties will be applied until the debt has been settled in full, which may impact on the entitlement contained in this section.

**Note:** These entitlements only apply within the same academic year of enrollment or until the study period for that part of the course, module or programme has expired, unless specifically referenced or included in a payment agreement.





#### **4.5 Accommodation fees and related charges**

- 4.5.1** Students who accept School accommodation agree to comply with the terms and conditions of their licence agreement. Additional guidance can also be found via the **LSE Student Accommodation Disciplinary Code** which further sets out acceptable and unacceptable behaviour.
- 4.5.2** For general information regarding other residential information, please refer to the **Student Halls Handbook**.
- 4.5.3** Students who have not made full payment in accordance with the payment terms specified in the Licence Agreement and the current year Accommodation Services Guide may be affected by some or all of the following actions:
- 4.5.4** The School reserves the right to terminate the Accommodation Licence Agreement and implement legal proceedings to recover outstanding fees at any point during the academic year that fees become overdue.
- 4.5.5** The Fees, Income and Credit Control team will attempt to collect all debts owed to the School using recovery options available to them in accordance with current and acceptable practice. In the event of non-payment the School reserves the right to seek advice and consult and appoint solicitors, debt collection agents and external organisations to undertake and implement debt recovery action.
- 4.5.6** Students who remain in default of their accommodation licence will not be entitled to apply for further accommodation with the School and will not be referred by the School to any of the School's appointed accommodation agents or providers.

#### **4.6 Library service charges and fines**

Users of the School's library facilities, resources and materials are deemed to be members and subject to the terms and conditions determined by membership rules.

- 4.6.1** Students who fail to return materials will be unable to access any resources or facilities and prevented from further lending until all materials have been returned.
- 4.6.2** Students who fail to return materials will be invoiced for the costs of replacement materials.

#### **4.7 Other student debt**

Any debts incurred by students for services or products provided that do not directly relate to tuition, accommodation or library fees are subject to the payment terms specified in accordance with the service or product supplied. In the absence of specific terms, settlement within 30 days will be required. Any payment default for these items will result in debt collection activity as detailed under **section 3**. For details of all payment options and methods please refer to **this webpage**.



# Section 5: Payment options

- 5.1 Please note it is the School's policy not to accept cash, cheques or draft payments.
- 5.2 Payment options can be found on the **Make a payment** webpage.
- 5.3 Students wishing to settle a debt prior to graduation are required to pay through the **Student Payment Portal** or the family or sponsor payment portals, as required.

Please allow enough time for your payment to be reach us. Card payments normally take 3-4 business days and wire/alternative payment methods can take 5-10 working days depending on the payment option. Please refer to our Payment Policy and "Make a Payment" webpage for further information.





# Section 6: Commercial and non student debt

## 6.1 Payment terms

Non student customers detailed in **section 3.1** will be pursued for payment in accordance with **section 3** of this policy. For full details please refer to **Payment policy**. Payment is due 30 days from date of invoice; if invoices remain unpaid customers will be pursued for payment. Should litigation proceedings be required, the School will seek to recover all reasonable legal costs and court fees incurred and will apply to the Court for statutory interest to be paid if judgement is awarded to the School.

## 6.2 Credit searches and risk assessment – new customers

Requests for credit references should be forwarded to the Deputy Head of Fees, Income and Credit Control with the details and value of the customer and proposed contract. Requests should be submitted as soon as initial discussions begin with the customer and before any agreement or contract is made.

The results of the search must be taken into account by the service provider along with any recommendations provided by the Fees, Income and Credit team prior to agreeing to the contract. The consideration should include exercising caution, amending the contract or payment terms, or refrain from trading where the report indicates a negative reply or highlights potential exposure to bad debt risk.

## 6.3 High value invoices

Where contracts, services, goods or sales are undertaken by the School that are of a significant value whether for new or existing customers, it is recommended the customer is checked via a credit search or credit reference prior to accepting the contract and undertaking the work.

Standard processing time for credit searches and risk assessment is within 48 hours from request; however requests for non UK searches will take longer. Please submit details and your request to [credit.control@lse.ac.uk](mailto:credit.control@lse.ac.uk)



# Section 7: Exceptions to recovery

Circumstances where the School may choose not to pursue debt or implement penalties include:

- 7.1 Where items are of a nominal or residual value and when it is not viable to pursue the debt cost-effectively.
- 7.2 Where the School considers recovery action would be unfounded or inappropriate, or where extenuating circumstances apply.
- 7.3 The School will release information withheld and subject to the penalties applied in **section 4** when required to do so in a legal capacity, or in response to a criminal enquiry in accordance with UK and EU legislation.

Any items considered to fall within this category should be referred to the Head of Fees, Income and Credit Control for consideration.





# Section 8: Summary

The School will implement this policy equally and consistently to all students and customers who default on payment and exceed agreed payment terms. The School will review all debts prior to implementing any of the above penalties or sanctions and will ensure every reasonable attempt to collect debts due has been exhausted prior to implementation.

This policy will be implemented in conjunction with our **Customer Charter**.

Our Customer Charter details how to contact us, our commitment to you and how escalated enquiries and informal complaints will be handled.





# Section 9: Debt – Help and Advice

Being in debt can have serious effects on a person's well-being and can have long term implications on a practical level too. It's important to get in touch with us as soon as you can if you are experiencing financial difficulty. The earlier we know the more opportunity there is to help you and reach an agreement that will be acceptable to both parties.

## Help For Students

The School's Financial Support Office (FSO) are available to offer help and advice if you are seeking financial assistance, awards, bursaries access to hardship funds, and can advise you what help you may be eligible for and how to apply. They can also provide details of external help or charities that may be able to offer support.

## General Help

### National Debtline

<https://www.nationaldebtline.org>

Telephone: 0808 808 4000

### Citizens Advice

<https://www.citizensadvice.org.uk>

Adviceline (England): 0800 144 8848

### Step Change Debt Charity

<https://www.stepchange.org>

Telephone: 0800 138 1111



# Annex A: Debt penalties and debt flag summary

Debt flag code Description and penalty level	D01 Level 1	D02 Level 2	D03 Level 3	D04 Debt with an external Debt Collection Agency	D05 Historical Tuition Fee Debt	D98 Approved payment Arrangement – Enrollment not allowed	D99 Approved Payment Arrangement – enrollment allowed
Excluded from course, programme, module, project or study of any kind			•	•	•		
No access to tutorials or any method of teaching support			•	•	•		
No research permitted, no thesis or work will be accepted for assessment			•	•	•		
IT access restricted			•	•	•		
No Library borrowing			•	•	•		
Certificates, Awards and Transcripts withheld		•	•	•	•	•	•
No invitation to awards ceremonies			•	•	•	•	•
No attendance at awards ceremonies			•	•	•	•	•
No re-enrolment			•	•	•	•	•
Applications for executive education or short courses will not be processed	•	•	•	•	•	•	•
Written results from exam / assessment boards delayed		•	•	•	•	•	•
LSE references and validation of student status withheld	•		•	•	•	•	•
Written evidence of achievements or studies withheld		•	•	•	•	•	•
No visa, UKBA endorsement and applications or CAS requests will be provided or supported (if applicable)	•	•	•	•	•	•	•
No arrangement, supervision or validation of placements			•	•	•		



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