

# Student Non-tuition Debt Collection Policy

June, 2017 v14.8

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Approving authority:	UE
Consultation via:	Professional Services Leadership Board, Fees Working Group, Head of Student Support and Accommodation.
Approval date:	TBC
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Review period:	Periodically from date of approval
Responsible Executive:	Secretary of the University
Responsible Office:	Finance

**HERIOT-WATT UNIVERSITY**  
**STUDENT NON-TUITION DEBT COLLECTION POLICY**

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## 1. INTRODUCTION

Heriot-Watt University's Charter and Ordinances allows it to charge for social and recreational amenities and services, and to levy library and disciplinary fines<sup>1</sup>. These are defined in its Ordinances<sup>2</sup>:

*3.2. Charges are the various sums which are levied in respect of the social and recreational amenities and services provided by the University and which are determined by the Court. These charges include residence charges, Student Union fee, catering prices and locker deposits.*

*3.3. Fines are the various penalties which are imposed on Students found to be in breach of discipline and Library fines. These fines include requirements to make good any damage or injury caused to the property of the University.*

The University must collect the charges and fines it levies. Collection must comply with the University's Charter and Ordinances, and all other applicable laws and regulations.

## 2. PURPOSE

This policy sets out the principles that the University will follow collecting charges and fines. These principles agree with the framework of Ordinance 1.

## 3. OBJECTIVES

The University will seek to maximise collection of all charges and fines levied.

The University will also be guided by the principle that its actions are:

- clear and consistent
- fair and reasonable
- open and transparent
- legally compliant

## 4. SCOPE

This policy covers all charges and fines set out under Ordinance 1, paragraphs 3.2 and 3.3 (see above).

This policy applies to University staff and students (at its campuses in Scotland, both on- and off-campus. It does not apply to staff or students at the Edinburgh Business School; or at the University's international campuses, where different legal jurisdictions apply; or at Approved Learning Partners. These campuses and Partners have their own policies.

## 5. LINES OF RESPONSIBILITY

The University Executive has responsibility for ensuring that the University meets the commitments detailed in this Policy.

The Director of Finance, as head of the Finance Office, is responsible for the day-to-day

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<sup>1</sup> Heriot-Watt University Charter Articles 4.3, 4.6 and 4.7.3

<sup>2</sup> Heriot-Watt University Ordinance 1 Fees, Charges, Fines and Debts, paragraph 3.1

management and implementation of this Policy.

Schools and Departments of the University who levy the charges and/or fines set out in 1. above, or administer or manage them, are responsible for ensuring that they are in compliance with this policy.

## **6. MONITORING AND EVALUATION**

Monitoring and review of this policy is the responsibility of the Director of Finance. This policy will be reviewed periodically to ensure continued compliance with legislation, effectiveness, and equality impact.

## **7. IMPLEMENTATION**

### **Standard Terms and Conditions**

Ordinance 1, paragraph 5 states that:

*All fees and charges due to the University are payable in advance and except in exceptional circumstances shall not be returned.*

The University currently waives strict compliance with this Ordinance with regard to residence charges. Instead residence charges are payable as set out in the specific terms and conditions for managed accommodation and leased flats.

The University must not convert charges or fines into a loan.

The University may require students applying for accommodation to pay a reservation fee. These are not affected by any terms and conditions in this policy.

All students who are not paying any charges themselves must provide proof of sponsorship.

Sponsors include companies or foreign government agencies. Third parties who are not being invoiced directly by the University are not sponsors.

### **Payment Methods**

The University offers students several payment methods, including:

- Online recurring payment scheme
- Payment via Western Union
- Debit and credit card
- Bankers draft
- Cheque
- Cash

### **Additional Payment Information**

Students should be notified in advance of changes to payment methods unless changing economic conditions, new regulatory requirements or fraud prevention mean this is not possible.

Additional charges for bank fees and administration should only be charged when students have been notified in advance.

Students making payment from a non-UK bank must pay for all currency translation, conversion and bank charges incurred by the University.

The University may require students to pay bank charges incurred by the University from processing payments by debit or credit card.

The University accepts no liability for cash, paper documentation or any other form of payment which is lost in the post or in transit.

### **Variation of Standard Terms and Conditions**

The University is under no obligation to extend payment terms beyond its standard terms and conditions or those specified in the specific terms and conditions for managed accommodation and leased flats.

However, the University recognises that major events can occur, which:

- i. are beyond foresight and control, and
- ii. create an ongoing disruption to a student's flow of funds, and
- iii. limit or constrain the student's ability to pay fees when they fall due.

In these exceptional circumstances, and at its own discretion, the University may extend payment terms beyond its standard terms and conditions.

In determining a request to extend payment terms the University may require the student to provide documentation to support the request.

### **Refunds**

Ordinance 1, paragraph 5 states that:

*All fees and charges due to the University are payable in advance and except in exceptional circumstances shall not be returned.*

However, at the University's discretion, refunds may be given.

Students requiring refunds to a non-UK bank must pay for all currency translation, conversion and bank charges incurred by the University

### **Non-Payment of Charges or Fines**

If charges or fines are not paid when due sanctions will be applied. Sanctions which can be applied by the University are set out on Ordinance 2, paragraphs 7 and 8. The University waives the use of sanctions 7.3, 7.4, 8.2 and 8.3 for non-payment of charges or fines, as it is deemed to be incompatible with guidance issued by the Competition and Markets Authority:

7. *On the direction of the Court and after reasonable notice has been given, a Student who is in debt to the University in respect of charges shall be liable to one or more of the following:*
  - 7.1 *he or she shall be required to pay any costs of debt collection incurred by the University in recovering charges;*

- 7.2 *he or she shall be required to withdraw from the amenity or service in respect of which the charge is due;*
- 7.3 *he or she shall not be eligible to register as a Student; and*
- 7.4 *he or she shall not be eligible to receive a degree or other award.*

8. *On the direction of the Court and after reasonable notice has been given, a Student who is in debt to the University in respect of fines or other debts covered by paragraphs 3.3 or 3.4 shall be liable to one or more of the following:*
  - 8.1 *he or she shall be required to pay any costs of debt collection incurred by the University in recovering fines or other debts covered by paragraphs 3.3 or 3.4;*
  - 8.2 *he or she shall not be eligible to register as a Student; and*
  - 8.3 *he or she shall not be eligible to receive a degree or other award.*

Practical application of these sanctions includes:

- i. for residence charges: the sanctions set out in the specific terms and conditions for managed accommodation and leased flats, including eviction
- ii. for all other charges: removal of access to the amenity or service
- iii. starting legal proceedings for recovery of debt, where the University will apply for its legal costs to be paid by the student – if the court decides in favour of the University then this can negatively affect the student's credit rating, which may limit their ability to take out loans or mortgages at a future date.

## Communication

The University undertakes to communicate charge and fine information to students in the fullest possible way:

- students should be notified of any charges or fines
- monthly statements should be sent to students with any unpaid charges or fines
- reminder (dunning) letters should be sent to students with overdue charges or fines

Additionally, to recover overdue charges or fines the University may:

- contact students by telephone, email or other electronic means
- require students to provide evidence of means (income, expenditure, assets and liabilities)
- require students to provide evidence of changes in their circumstances
- require students attend interviews to facilitate payment of charges or fines

The University will primarily contact students using the Heriot-Watt University email account that the University issues to each student on enrolment (account ending hw.ac.uk). Students agree to check this email account regularly as part of the terms and conditions they agree to before enrolling.

The University may also contact students using the contact details students themselves have given to the University.

## Data Protection

Under the current Data Protection Act 1998 the University is legally prohibited from giving information concerning a student's financial situation to any individual/organisation with which it does not have a direct business relationship. This includes individuals and organisations who have agreed to fund that student's fees and extends to a student's family members.

The University must not release this information to such individuals/organisations unless specifically authorised to do so in writing by the student themselves.

However, the University may share information concerning a student's financial situation amongst its own staff and individuals who are contracted to work for it, where it has a business need to do so.

Where debt has been passed for legal action, the University may release any personal data it holds on the defaulting student to its solicitors or collecting agents which is deemed necessary to facilitate collection. Under these circumstances the University's solicitors or collecting agents will be contracted to act as data processors for the University and a data sharing agreement will be in place between the University and the solicitors or collecting agents.

### **Fraudulent Activity**

Fraud is defined as including any of the following: theft, false accounting, bribery, corruption, money laundering, forgery, deception and collusion or other financial malpractice.

Where fraud is suspected or discovered immediate action must be taken under the Fraud Prevention and Response Plan (<https://www.hw.ac.uk/documents/fraud-prevention-plan.pdf>).

Where, as a result of fraud, the University has, or is at risk of, suffering a financial loss it may take immediate steps, without further reference to minimise the risk and/or recover any funds advanced or debts outstanding.

## **8. RELATED POLICIES, PROCEDURES AND FURTHER REFERENCE**

### **Policies**

Student Tuition Fee Debt Collection Policy v14.7 DRAFT

Supersedes <http://www.hw.ac.uk/documents/student-fees-policy.pdf> (v12.1)

### **Procedures**

N/A – the related procedures constitute information within section 43(2) of the Freedom of Information Act 2000.

### **Further reference**

Universities' Terms and Conditions, An OFT report, February 2014

[http://webarchive.nationalarchives.gov.uk/20140402142426/http://oft.gov.uk/shared\\_oft/consumer-enforcement/OFT1522.pdf](http://webarchive.nationalarchives.gov.uk/20140402142426/http://oft.gov.uk/shared_oft/consumer-enforcement/OFT1522.pdf)

## **9. DEFINITIONS**

N/A

## **10. FURTHER HELP AND ADVICE**

Further help and advice on this policy is available from the Accounts Receivable team, Finance Office, Edinburgh Campus.

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**11. POLICY VERSION AND HISTORY**

<b>Version No</b>	<b>Date of Approval</b>	<b>Approving Authority</b>	<b>Brief Description of Amendment</b>
V. 14.2 (Draft for consultation)	xx.xx.xxxx	e.g. UE	(include a broad summary of changes and detail any policies that have been superseded by the new document)
V. 14.3 (Draft for consultation)	xx.xx.xxxx	TBC	Completion of sections 5, 6, 7, 8, 9 and 10
V. 14.4 (Draft for consultation)	xx.xx.xxxx	UE via Professional Services Leadership Board	Re-dating of draft policy from May 2015 to February 2017 and change Secretary's Board to Professional Services Leadership Board
V. 14.5 (Draft for consultation)	xx.xx.xxxx	UE via i) Fees Working Group and ii) Professional Services Leadership Board	Changes to text following a review by Information Governance.
V. 14.6 (Draft for Approval)			Changes to use of sanctions 7.3 and 7.4, Ordinance 2. Greater detail on consequences of legal action.
V.14.7 (Draft for Approval)			Removes EBS from scope, updates references to Charter and Ordinances
V.14.8			Fraud Prevention Policy Link Updated

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