

## **‘My debt rose £20,000 to £77,000 even though I’m paying’**

Rupert Jones, [www.theguardian.com](http://www.theguardian.com), January 2026

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Helen Lambert borrowed £57,000 to go to university and began repaying her student loan in 2021. Since then she has repaid more than £5,000, typically having about £145 a month taken from her pay packet. But everything she hands over is dwarfed by the £400-plus of interest that is added to her debt every month, thanks to rates that have been as high as 8%. Her total outstanding debt had ballooned to more than £77,000 by the end of November, and it is set to get a lot bigger as there are another 25 years left of the 30-year repayment period.

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Lambert does not think her studies should have been free, but she says: “It is so disheartening to have this level of debt hanging over you with no achievable way to clear it or even reduce it while they add on upwards of £400 a month in interest.”

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It was not until September 2020, after she had graduated, that the government introduced a partial replacement in the form of a grant worth at least £5,000 a year to help with living costs.

Lambert is one of millions of graduates who have a plan 2 student loan. They include the 29-year-old Labour MP Nadia Whittome, who this month posted on Instagram that she had left university in 2019 with debt and then a few months later became an MP, giving her a salary “that puts me in the top 5% in the country”. Six years on, her repayments have shaved just £1,000 off that debt. “If MPs are barely making a dent in their student loan debt after six years of repayments, what chance do other graduates have?” she said.

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There are fresh calls for student loan debt to be rebranded as a graduate tax. It certainly works like one: graduates simply pay 9% of everything they earn over the threshold, regardless of how much they owe, and it is collected through the payroll, just like income tax. Crucially, the loans are written off after 30 years, and most plan 2 borrowers will never repay their loans in full.

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The interest rate on plan 2 loans is linked to the RPI rate of inflation and can vary from month to month: in August 2024 it hit 8%. The loans are written off 30 years after you were first due to start making repayments, which is the April after you leave university. The debt is wiped even if you haven’t paid anything.

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“My student loan is not ‘bad debt’ – it would not go against me if I apply for financial loans etc,” she says. “It will also be wiped after 30 years regardless of the remaining balance, which I will never clear, but ... each month I’m forced to pay a sizeable sum to a pointless debt.

She adds: “I don’t know anyone in my situation who is ever going to be able to pay that sort of sum off.” (489 words)

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