

## Responding to financial challenges: Student perspectives on cost-saving measures

The Office for Students (OfS) has undertaken exploratory research to understand the changes higher education providers are making in response to ongoing financial challenges, and students' perceptions of these changes.

A large majority of final-year students reported receiving high quality education and experiences in the 2025 National Student Survey (NSS), as demonstrated by the positive response to questions relating to 'teaching on my course' (86.9 per cent of respondents).<sup>1</sup> This provides some reassurance that providers have been generally navigating financial challenges well, protecting key elements of students' academic and broader experiences.

In addition to this, we have undertaken exploratory research to better understand the actions providers are taking to respond to the financial challenges and related student perspectives and concerns. Current students have told us how they consider that course delivery and choice may be affected by the changes providers are making, as well as access to financial support and other support services, which we explore below.

This report summarises the outcomes of independent student polling and interviews with providers undertaken earlier this year. While the research aimed to reflect a broad mix of students and providers, the findings should be seen as indicative rather than definitive because of sample and design limitations.

### Insights

The interviews with providers demonstrate that many are taking steps to 'right-size' in line with their income base and reducing costs where necessary to ensure that they remain financially viable and sustainable. Many providers confirmed that they are reviewing and making changes to the following areas to ensure that the offering is well targeted to student demand, scaling back and refocusing as needed:

- academic portfolios, reducing the availability of courses and modules, particularly where enrolment is low
- student services, including exploring the use of artificial intelligence to provide front line support
- overall levels and approach to staffing and resourcing
- selling teaching, office and accommodation spaces to reduce estates expenditure.

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<sup>1</sup> See OfS, [National Student Survey data: Provider-level dashboard](#).

Half of responding students reported noticing cost-saving measures at their institution. Among those students, the most commonly noticed changes were to staffing and increased class sizes. In addition:

1. Around two in five of those who had noticed changes reported impacts on access to academic resources and the quality of teaching, and a reduction in extracurricular activities. They also observed reductions in availability of financial support, alongside other services.
2. A large majority of those who had noticed cost-cutting measures considered that these had changed their higher education experience, often through larger class sizes than expected, greater use of online learning, or reduced access to academic resources and student support.
3. Around a quarter of students who noticed cost-cutting measures reported changes in support services, including services offered by student unions, IT and technical support, and academic support services. Many providers acknowledged that, while some services, particularly mental health support, were being protected from cuts, these would be unlikely to expand to meet growing needs.
4. For financial support, most providers reported no changes to their access and participation plan (APP) commitments. However, a small number reported tightening bursary eligibility criteria or not delivering the support as committed.
5. There was some concern from students about course and department closures. Nearly half of those polled expressed concern about the potential closure of their course or department, yet nearly half were also unaware of what their options would be if this occurred.
6. Students reported they would expect practical help to navigate disruption, with a majority expecting to receive help transferring to another provider and support to complete their studies in the current year of term or transfer credits in the case of a provider closure. Around half expected clear, proactive guidance, and assistance with complaints or compensation processes.

When asked what should be prioritised during times of financial difficulty, students were clear: maintaining the quality of teaching, and access to financial support, including bursaries.

Some providers reported engaging in open dialogue with student unions to ensure student perspectives were heard but were less clear on how these views might have influenced final decisions.

## **Conclusion**

It is important that providers take necessary action to remain financially viable and sustainable. However, these insights suggest that students are keenly aware of financial pressures facing higher education providers and are concerned about the impact on their education. Cost-cutting measures have the potential to impact students in tangible ways, most visibly through changes to their academic experiences in the form of staff availability and capacity, larger class sizes, and access to student support services.

We are therefore reminding providers to:

1. **Consider the potential effects of changes to provision on different student groups** and on different courses before implementation, review their impact over time and address issues as they arise. They should consult with students and provide clear, accurate and timely information about proposed changes, demonstrate they have understood the impact of the changes on students, and taken all reasonable steps to minimise any disruption.
2. **Ensure students are aware of and receive what was promised** in relation to their consumer rights. This should include promises made at the time of application and when the offer of a place was made. They should also ensure that where this is not delivered, they take prompt action to put things right and provide appropriate redress to students. They should ensure students are made aware of the provider's complaint handling system, which should be accessible, clear, fair and timely, and are able to seek prompt redress when issues arise as a result of changes to provision. They should signpost students to the Office of the Independent Adjudicator for Higher Education if they are dissatisfied with the outcome of the complaint.
3. Ensure that they are **meeting our broader regulatory expectations** including in relation to quality and equality of opportunity while securing their financial resilience:
  - a. Where providers need to discuss making changes to the delivery of their approved APP, they should seek a variation before implementing changes. We generally would not be minded to approve plan changes that reduce financial support to students, so any planned changes to bursaries would need to be evidence-based with a clear rationale.
  - b. Changes to courses, assessment, learning resources or academic support must continue to meet the requirements relating to quality and standards set out in our B conditions.

In response to these emerging findings, the OfS will be:

1. **Vigilant:** We will further engage with students and providers through our existing mechanisms, and our new provider panel and student interest panel, to build a more detailed understanding of the nature of these risks and how they change or develop over time, and work with providers to ensure sustainability in the future. We will engage with providers that are most exposed to financial pressures and support them to take the steps necessary to build a sustainable future.
2. **Ambitious:** We will maintain high standards of student access and successful participation in high quality, diverse provision, along with strong expectations that providers work together with their students to effectively navigate any financial challenges. We will monitor how these issues evolve using regulatory intelligence and data, including whether over time these impacts are reflected in APP expenditure, the NSS, size and shape or outcomes data, and take action where necessary. We will also harness new technologies and in-year and alternative data sources to gain further leading indicator insights.
3. **Collaborative:** We will encourage the sector to work together to respond to the financial challenges and explore alternative business models and ways of working. We will collaborate with the sector to explore how best we can facilitate this and share best practice, as well as working with the sector and others to understand how student choice and course availability develops and changes over time.
4. **Vocal:** We will communicate clearly to the sector and the government about the implications of financial pressures for quality, equality and student choice, without undermining providers that

are making difficult decisions as part of their transformation. We will support providers to meet our regulatory expectations within a difficult financial context by being clear about our requirements.