

# Overseas Students Ombudsman

*Complaints trends, issues and lessons learnt*



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# Context

- In 2015, there were 645,000 international students studying in Australia
- The student experience is partly determined by their relationship with their education provider and agent
- Problems will arise so an independent and impartial complaints and appeals body is critical for
  - resolving problems
  - restoring confidence in Australia's international education services

# What the OSO does

- We were established in 2011 to hear complaints from international students in the **private** sector
- We investigate complaints and appeals (3,000 since 2011)
- We help private providers improve their internal complaints and appeals processes
- We report on trends and systemic issues which helps the whole sector

# Why? - The value of complaints

- Many problems can be identified and resolved early by providers when they have and promote a good internal complaints and appeals process
- Complaints provide free market research to organisations on areas of weakness and possible improvements
- Complaints provide opportunities to re-engage customers who might otherwise go elsewhere

# Research on complaints\*

- For every customer who complains, there are 26 other unhappy customers who haven't complained
- 96% of unhappy customers don't complain, however 91% of those will simply leave and never come back
- A dissatisfied customer will tell between 9-15 people about their experience, around 13% of dissatisfied customers tell more than 20 people
- Customers who get their issue resolved tell about 4-6 people about their experience

\*Value of complaints statistics

[www.beyondphilosophy.com/blog/the-value-of-complaints/](http://www.beyondphilosophy.com/blog/the-value-of-complaints/)

# Research on complaints (2)\*

- Dissatisfied customers whose complaints are taken care of are more likely to remain loyal satisfied customers
- A customer is 4 times more likely to defect to a competitor if the problem is service related rather than if it is price or product related
- It costs 6 – 7 times more to acquire a new customer than retain an existing one

\*Value of complaints statistics

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# How - Best practice complaints handling

1. **Recognise** that there is a complaint
2. **Acknowledge** the complaint quickly
3. **Assess** the complaint complexity
4. **Resolve** the complaint if possible
5. **Plan** the investigation (if more complex)
6. **Investigate** the complaint
7. **Respond** to the complaint
8. **Provide** access to external complaints/appeals process
9. **Improve/Address** systemic issues

# OSO first five years

- Received 2150 complaints and appeals about 2465 issues
- From students from 68 countries
- About 50% of the 965 private providers in our jurisdiction
- Complaint numbers are increasing:  
14% increase 2013-14 / 33% in 2014-15,



# What are the top 4 complaint issues?

1. Refunds and fees (Standard 3)
2. Provider transfer refusals (Standard 7)
3. Unsatisfactory attendance appeals (Standard 11)
4. Unsatisfactory course progress appeals (Standard 10)

# Complaint outcomes

- We find in support of:
  - providers - 41% of cases
  - students - 40% of cases
- providers reconsider their decision in 10% of cases while we are still investigating
- the remainder are otherwise finalised (withdrawn, transferred to another agency)

# Provider analysis project

- Since 2013, providers have improved their practices in course progress and provider transfers, resulting in more decisions in support of providers
- We have increasingly found in support of students in attendance, fee and refund complaints due to provider errors
- We are analysing the providers we most often receive complaints and appeals about to determine the reasons behind these trends

# Reports on systemic issues

Apart from our *Report on the First Four Years of Operation* (Nov 2015) we published issues papers highlighting systemic issues arising from complaints:

- Overseas Students Health Cover (August 2014)
- Written Agreements (March 2015)
- Course Progress and Attendance (May 2015)

# Overseas Students Health Cover

- problems with some private providers taking the money but not arranging the cover for the student
- Some providers start the cover too late – placing the student in breach of their student visa condition
- We worked with the Departments of Education, Immigration, Health, the Private Health Insurance Ombudsman and the OSHC Insurers to explore OSHC administration issues
- We published an Issues Paper with recommendations for Education, Health and Immigration

# Written Agreements

- Clear written agreement with course name, itemised list of fees and refund policy (not a link or reference to it elsewhere, such as the student handbook)
- Cancellation fee policy included if charging cancellation fee
- Clear terms and conditions
- Signed or otherwise accepted by student or parent/legal guardian if under 18 years
- Fees paid concurrently with or after agreement signed
- Refunds owed paid within provider obligation period either under the written agreement or s 47E of ESOS Act

# Course Progress

- Best practice:
  - Having a course progress policy that clearly defines
    - satisfactory and unsatisfactory course progress
    - when the student is deemed to be ‘at risk of not meeting satisfactory course progress’
    - the point at which the student will be determined to have failed to meet satisfactory course progress
  - The course progress policy includes an intervention strategy designed to assist students to improve to satisfactory levels

# Course Progress

- The intervention strategy is implemented as soon as the student is identified as being 'at risk'
- If the student still fails to meet satisfactory course progress, the provider sends the notice of intention to report with appeal rights
- The student has the opportunity to lodge an internal and external appeal, and the provider awaits the outcomes, before reporting the student



# Attendance

- Best practice:
  - A clear attendance policy that states the attendance requirements (80% or higher)
  - Policy states the period over which the provider will monitor and report on attendance (one study period, length of course or Confirmation of Enrolment (CoE)?)
  - Policy states when and how the provider will contact the student to warn them if they are at risk of falling below 80% projected attendance or absent for 5 consecutive days

# Attendance

- Best practice:
  - Policy states how attendance will be recorded and calculated including how the provider counts absences covered/not covered by a medical certificate; e.g. lateness or early departures from class etc.
  - Attendance policy available to students and explained at orientation
  - Provider keeps accurate attendance records and calculations which can be replicated by an external appeal body

# Attendance

- Best practice:
  - Provider records attendance over stated reporting period
  - Provider sends warnings/counsels students as soon as identified as being 'at risk' and before below 80%
  - Provider contacts student if absent for 5 consecutive days
  - Parents/legal guardian involved if under 18 years
  - If student never commences at all, reported under s19(1)(c) rather than poor attendance

# Attendance

- Best practice:
  - Notice of intention sent at right time to correct address
  - Provider advises student of their internal appeal rights
  - Provider considers at appeal if it has followed its policy and Standard 11 correctly at each step
  - Provider gives written internal appeal outcome with details of reasons for decision and external appeal rights
  - Provider awaits outcome of the external appeal before reporting on the intended grounds

# Provider Transfers

- Best practice:
  - Having a transfer policy that clearly defines
    - the circumstances in which a transfer will be granted
    - the circumstances the provider considers provide reasonable grounds for refusing the student's request, including when a transfer can be considered detrimental to the student
    - only includes relevant grounds
  - Preamble to Standard 7 states:

'It is expected that the student's request will be granted where the transfer will not be to the detriment of the student'

# Provider Transfers

- Best practice:
  - All transfer requests properly considered and refusal based on detriment/grounds listed in policy
  - Written refusal with reasons why the provider considers the transfer would be to the student's detriment, taking into account the student's individual circumstances
  - Student advised of internal appeal right
  - Internal appeals considers any new information and addresses this in the written outcome with advice of external appeal rights

# Internal Appeal & Complaints

- Best practice:
  - Provider's internal complaints and appeals policy readily available e.g. on its website
  - Provider helps students access the appeal process when problems/disagreements arise
  - Provider deals with complaints/appeals objectively based on relevant facts and applicable policy/legislation
  - Provider identifies any errors made and remedies them
  - Internal appeal written outcome details reasons for the decision and external appeal rights

# OSO Better Practice Complaint Handling Guide



## Better Practice Complaint Handling for Education Providers

February 2011

### Complaint Handlers' Checklist

- Do you have written complaint handling procedures? Are they easy to understand and apply?
- Do you acknowledge complaints promptly?

**ACKNOWLEDGE**  
all complaints quickly



# OSO publications and resources

- Better practice complaints handling guide
- Presentations on a range of topics
- Issues papers and submissions
- Annual report and quarterly statistical reports
- Brochures in English and 21 other languages
- Provider and student e-newsletters
- Subscribe:

[www.ombudsman.gov.au/about/overseas-students/oso-publications](http://www.ombudsman.gov.au/about/overseas-students/oso-publications)

# Questions?

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