

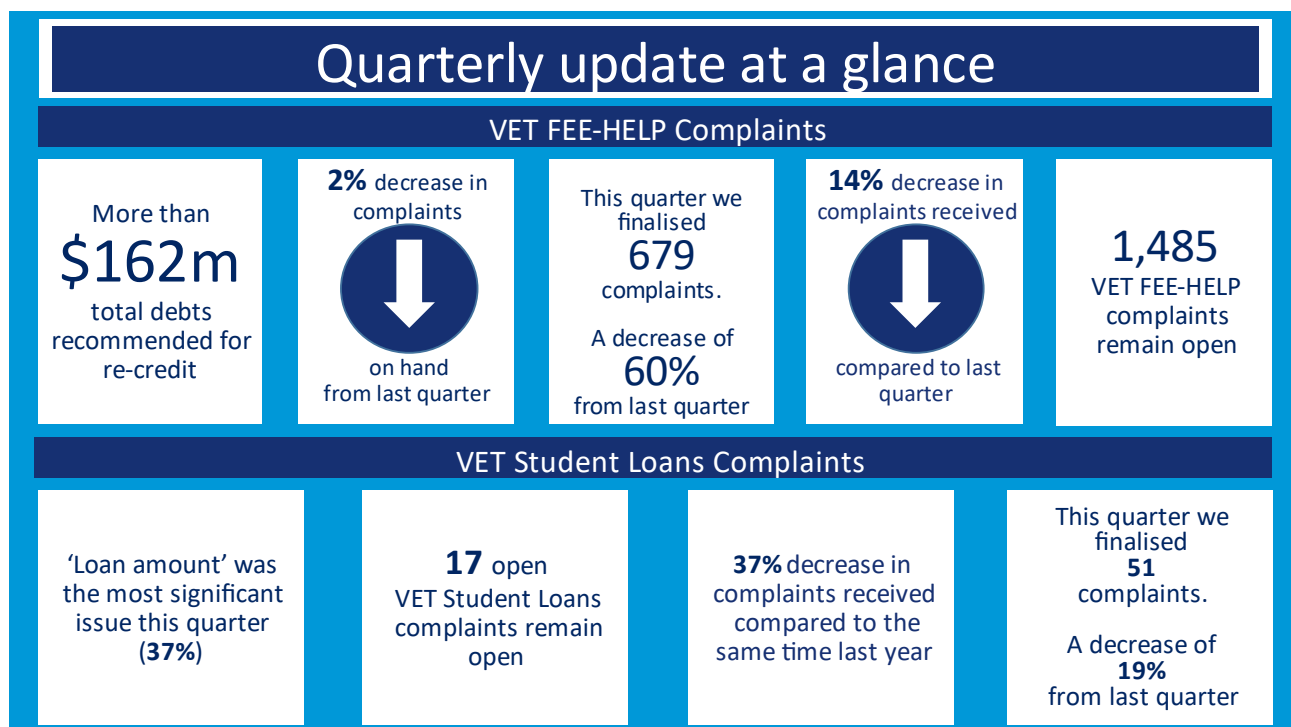
Quarterly Update 15: 1 January–31 March 2021

Executive Summary

This is the 15th quarterly update for the Office of the Commonwealth Ombudsman’s (the Office) VET Student Loans Ombudsman function. The function commenced on 1 July 2017 and assesses complaints about the former VET FEE-HELP scheme and the current VET Student Loans program.

This update covers the quarter 1 January–31 March 2021 and:

- provides statistical data on complaints received, finalised and open about the VET FEE-HELP scheme and VET Student Loans program
- compares complaint data from 1 January–31 March 2021 to previous quarters’ complaints about the VET FEE-HELP scheme and VET Student Loans program
- includes provider statistics for VET FEE-HELP complaints.



Quarterly results–VET FEE-HELP complaints

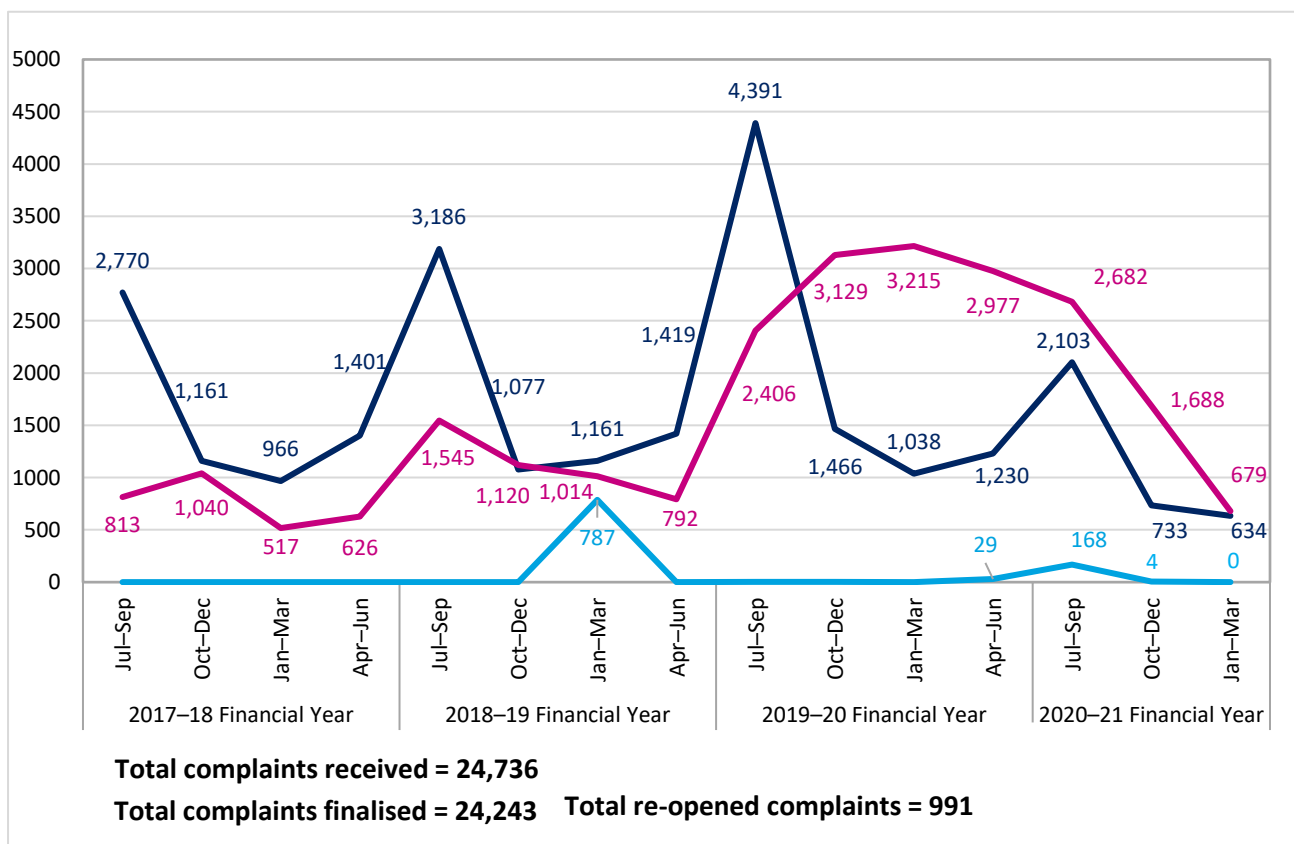
VET FEE-HELP complaints received and finalised

We received 634 VET FEE-HELP complaints during 1 January–31 March 2021, a 14 per cent decrease compared to the previous quarter (733). This was anticipated as complaint numbers decreased during the January–March quarter for the past two years, as depicted in Figure 1 below. We received 404 fewer VET FEE-HELP complaints this quarter than the same period last year—a 39 per cent decrease.

We finalised 679 complaints during 1 January–31 March 2021, a 60 per cent decrease compared to complaints finalised during the previous quarter (1,688). As our current caseload includes complaints about providers which are still operating, the need to obtain information from the provider means that complaints can take longer to assess. Most complaint finalisations are achieved through the VET FEE-HELP Student Redress Measures (redress measures) and involve the following:

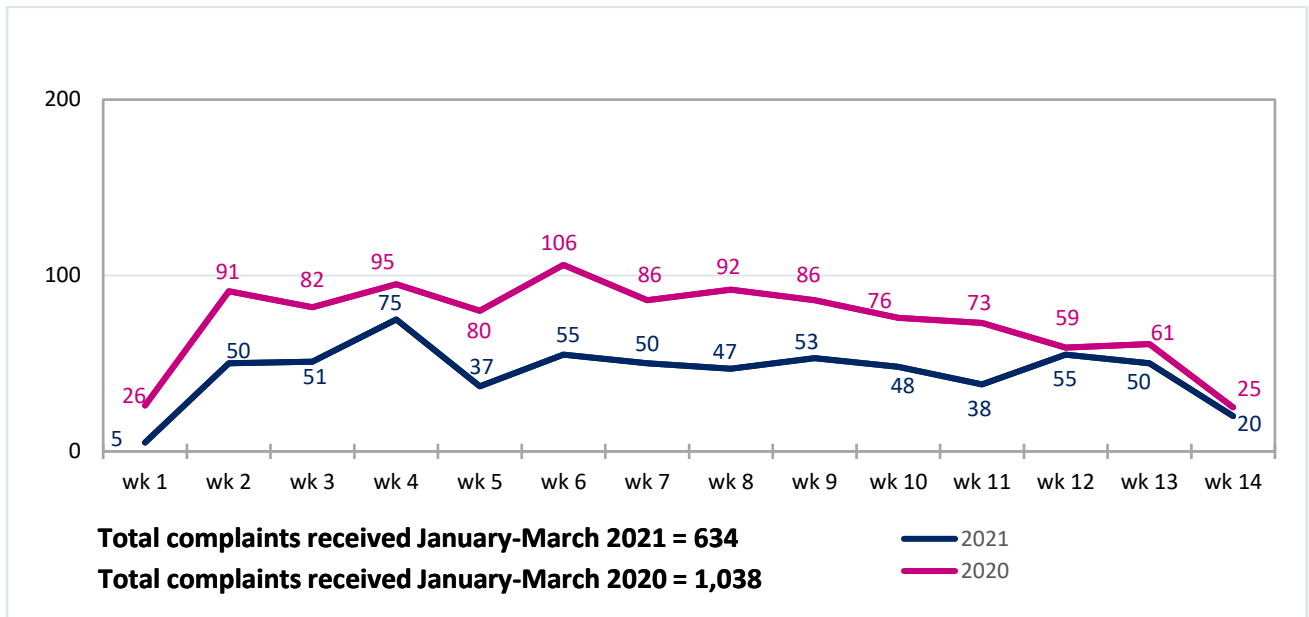
- the Department of Education, Skills and Employment (the department) accepting our recommendation relating to VET FEE-HELP debts (we do not finalise complaints until we are advised of the department’s decision)
- the department’s [Secretary Initiated Actions](#) (SIAs) and [tuition assurance](#) activities
- complainants referred to their provider for consideration through the provider’s grievance procedures
- other actions as detailed in [Table 1 on page five](#).

Figure 1—VET FEE-HELP complaints received, re-opened¹ and finalised during 1 July 2017–31 March 2021



¹ In January 2019, April, September and October 2020 we revisited complaints finalised in previous quarters that were eligible for consideration under the VET FEE-HELP Student Redress Measures. We identified (991 in total) eligible complaints and subsequently re-opened these complaints for assessment under the redress measures.

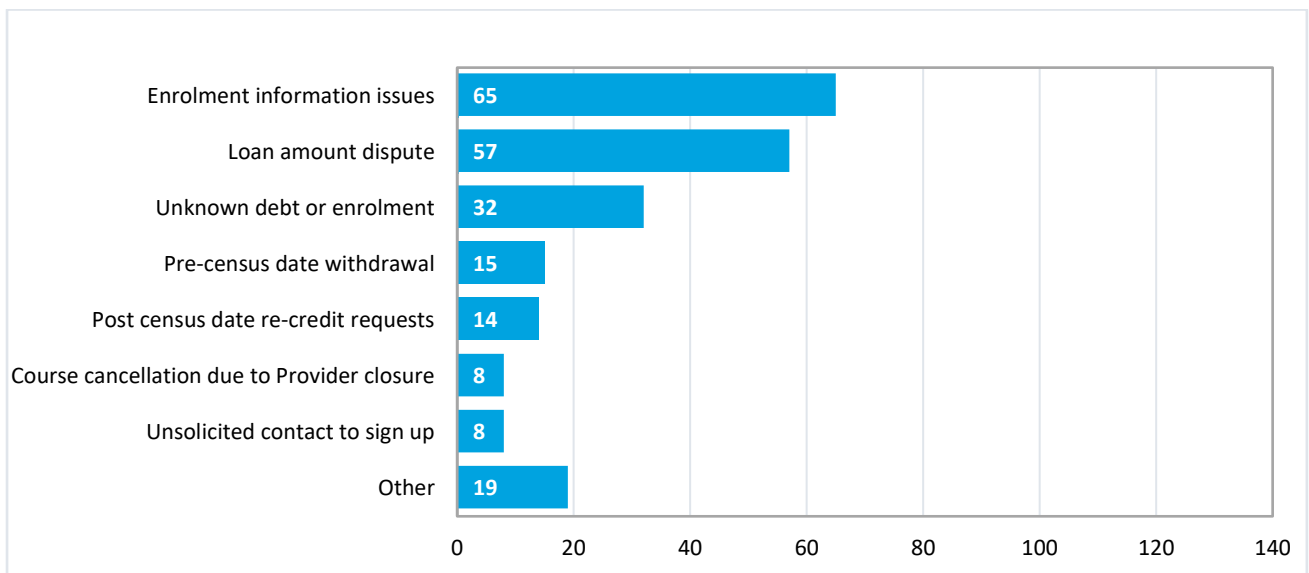
Figure 2—VET FEE-HELP complaints received weekly during 1 January–31 March 2020 and 1 January–31 March 2021



VET FEE-HELP complaint issues

Figure 3 below shows the issues identified in VET FEE-HELP complaints received and assessed during 1 January–31 March 2021. From the complaints received that have been assessed, there were 218 issues identified.

Figure 3—Issues in VET FEE-HELP complaints received and assessed during 1 January–31 March 2021



Actions taken to finalise VET FEE-HELP complaints

There can be more than one action taken to resolve a complaint, as some complaints have multiple issues. Our Office finalises complaints when:

- the issue can be directed to an external outcome pathway either with the provider or with another oversight agency, particularly where there is a reasonable prospect of the complainant securing a positive outcome
- we decide to not assess or investigate the issue further because:
 - the action taken was open to the provider
 - the complainant was referred to the tuition assurance operator to seek redress
 - the provider has agreed to re-credit all or part of the student loan
 - the department removes all or part of the student loan because of a Secretary Initiated Action (SIA) under the redress measures
- the department makes a decision on our recommendation to remove (or not remove) a VET FEE-HELP debt under the redress measures
- the complaint is withdrawn or is not within our jurisdiction to investigate.

Table 1 below includes data for the 740 issues identified within the 679 complaints finalised during 1 January–31 March 2021 and the actions taken to finalise the issues of those complaints. It shows that the Office finalised 15.1 per cent of complaints on the grounds that complainants had not exhausted their provider's internal grievance process or internal review process (in cases where the provider was still available).

We consider that providers are best placed to handle complaints in the first instance for the following reasons:

- providers have access to student information which may result in a timelier outcome
- providers should be aware of students' academic progress and specific student circumstances
- in order to be a registered training organisation, providers are required to have a complaints process —it is important that this process is exhausted before we investigate.

If a complainant returns to our Office because they are dissatisfied with the outcome given by their provider, we will register a new complaint for assessment.

There was a 45 per cent reduction in complaints finalised this quarter due to department SIAs. This was anticipated as the focus of earlier SIA was on larger providers for which there was a higher volume of evidence available through audits or legal proceedings and the majority of these have now been completed. The Office is working with the department to explore outreach and data driven alternatives to gather the data required to consider future SIAs.

Table 1—Actions taken in relation to the issues raised within complaints finalised during 1 January–31 March 2021

Actions taken in relation to 740 issues raised within 679 complaints finalised	Total number of issues	% of finalised complaints
The Office finalised the complaint issue after the department accepted our recommendation under the redress measures.	428	56.1%
The Office finalised the complaint issue and identified the complaint was impacted in part or in full by the department’s SIA, tuition assurance or other re-credits. ²	61	8.5%
The complainant had not yet followed the provider’s complaint handling or grievance procedures in relation to the issue and as a result we decided not to investigate.	108	15.1%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue the issue in their complaint.	95	13.4%
The Office finalised the complaint issue when: <ul style="list-style-type: none"> we referred it to a tuition assurance operator to seek redress a provider agreed to re-credit a complainant’s student loan a provider provided an appropriate remedy an investigation would not lead to a different result an action was reasonably open to a provider to take. 	30	4.4%
The complaint issue could be better dealt with through an external avenue such as the department, the Administrative Appeals Tribunal (AAT) or the complainant was referred to an advice or advocacy body, and as a result we decided not to investigate.	18	2.5%
Total	740	100%

VET FEE-HELP Student Redress Measures

Information on the redress measures can be found [here](#). As of 31 March 2021, we had recommended the re-credit of VET FEE-HELP debts for 10,400 complaints, comprising 60,800 units of study. The total value of this debt was \$162.54 million, comprising \$135.58 million in tuition fees and \$26.97 million in loan fees.

In addition to the above recommendations, we collaborated with the department in the development of SIAs under the redress measures that resulted in the removal of VET FEE-HELP debts of over \$2 billion in tuition fees. More than 11,500 complaints had some or all units re-credited because of SIAs, which has helped us to reduce our backlog.

On 31 March 2021, we had 1,485 open VET FEE-HELP complaints. We reduced our complaints on hand by two per cent during the quarter, down from 1,511 open complaints as of 31 December 2020.

The reduction in open complaints is smaller this quarter due to the increasing complexity of the remaining caseload which increases the length of time it takes to finalise these complaints. We made 143 ‘block’ recommendations during the quarter, comprising 861 units of study. We continued to work closely with the department on the development of SIAs. While SIA re-credits are more efficient than individual complaint

² Any issues assigned to a complaint the VSLO identifies as having been impacted by a SIA or re-credited by DESE for other reasons are included in these figures. This includes where a complaint has been partially re-credited by a SIA and the VSLO has gone on to make a recommendation for remaining units of study.

assessments, they still require us to confirm the debt has been re-credited, record the details of the re-credit, assess any units not covered by the SIA and contact the complainant before finalising their complaint.

The redress measures which were due to cease at the end of 2020 have been extended for two years to 31 December 2022.

VET FEE-HELP complaints by provider

The graphs below outline, by provider, VET FEE-HELP complaints received during the quarter (Figure 4), the complaints finalised during the quarter (Figure 5) and the total number of complaints that remain open at the end of the quarter (Figure 6). Most complaints relate to providers who are no longer trading or are no longer a VET loan approved provider.

Figure 4—VET FEE-HELP complaints received during 1 January–31 March 2021, by provider

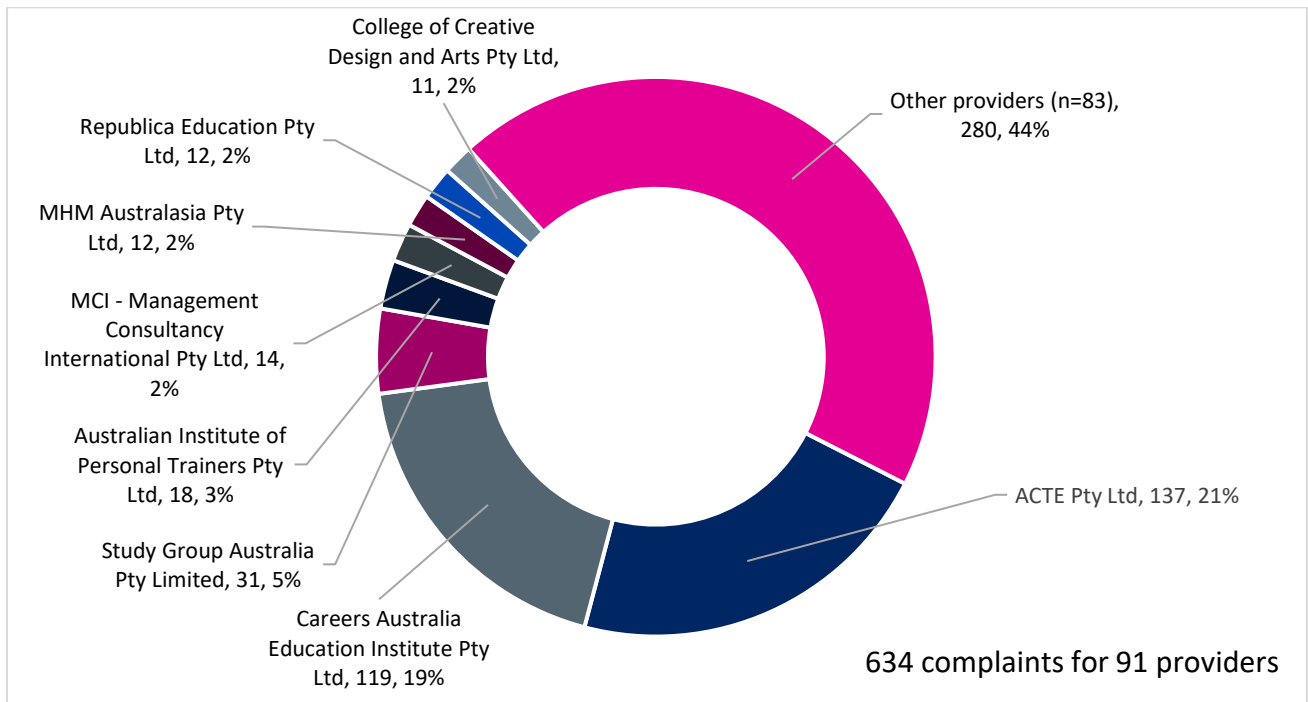


Figure 5—VET FEE-HELP complaints finalised during 1 January–31 March 2021, by provider

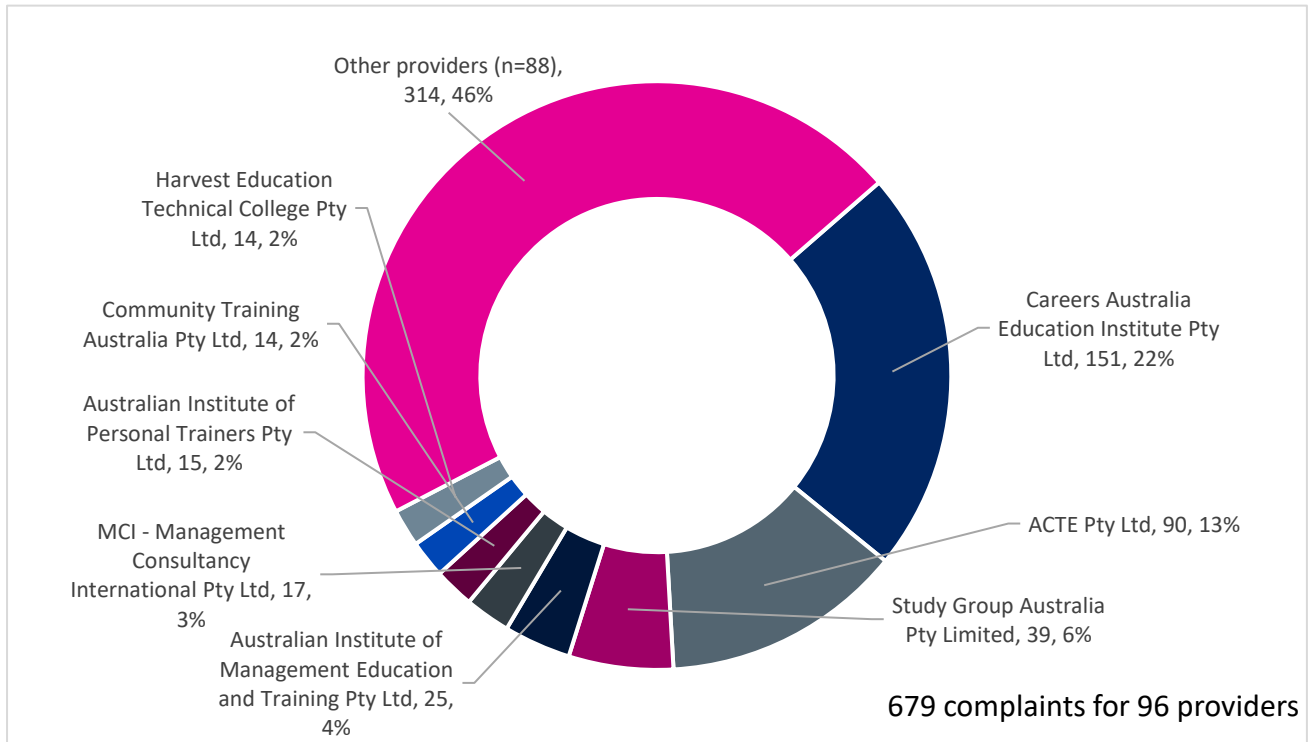
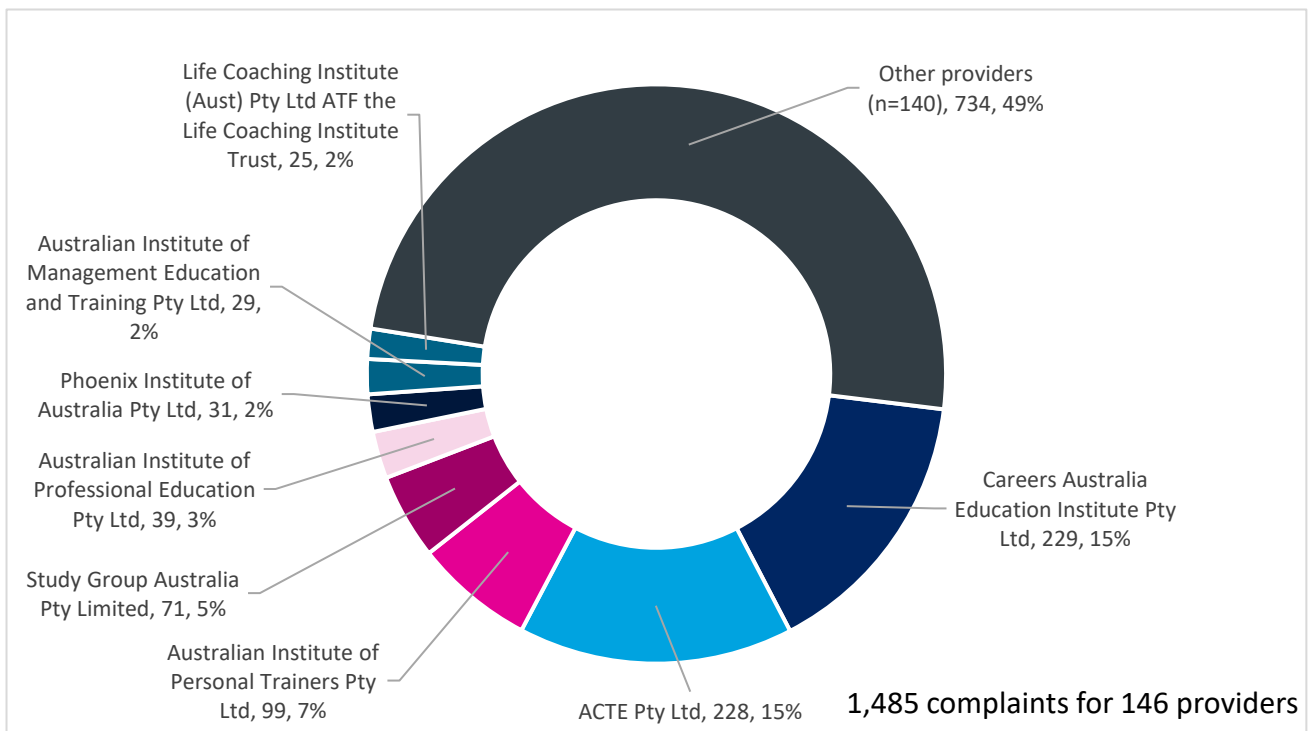


Figure 6—Total VET FEE-HELP complaints that remain open as of 31 March 2021, by provider



Case Study

Our Office received a complaint from a student about their provider enticing them with a laptop to enrol into a Diploma of Photo Imaging and apply for VET FEE-HELP assistance. The complainant also explained to our Office that they only engaged in the course for a couple of months and then withdrew by email, after the death of a family member.

We contacted the provider to request evidence of information and documents given to the student regarding their enrolment. We also requested evidence of the student's withdrawal or ongoing engagement after the first census date.

In response to our requests, the provider advised that they had never offered any type of inducements to encourage students to enrol in their courses and they supplied us with enrolment correspondence and documents. The provider informed us that they had no record of the student's request to withdraw, gave us evidence of the student's engagement in the course for a period of approximately 18 months and advised that they had cancelled the student's enrolment after they failed to re-enrol.

In assessing this complaint, we considered whether there was any inappropriate conduct by the provider regarding the provision of an inappropriate inducement and charging of fees after the complainant stated they withdrew.

We found that there was insufficient evidence that the complainant had incurred the debt due to inappropriate conduct by the provider. There was no evidence supplied that the provider had offered an inducement and the provider had no history of this behaviour in the complaints received by our Office. There was also evidence given that the student had engaged in the course for more than two months and they were appropriately charged.

We made a recommendation to the department that the debt was not suitable for re-crediting under the redress measures, which it accepted.

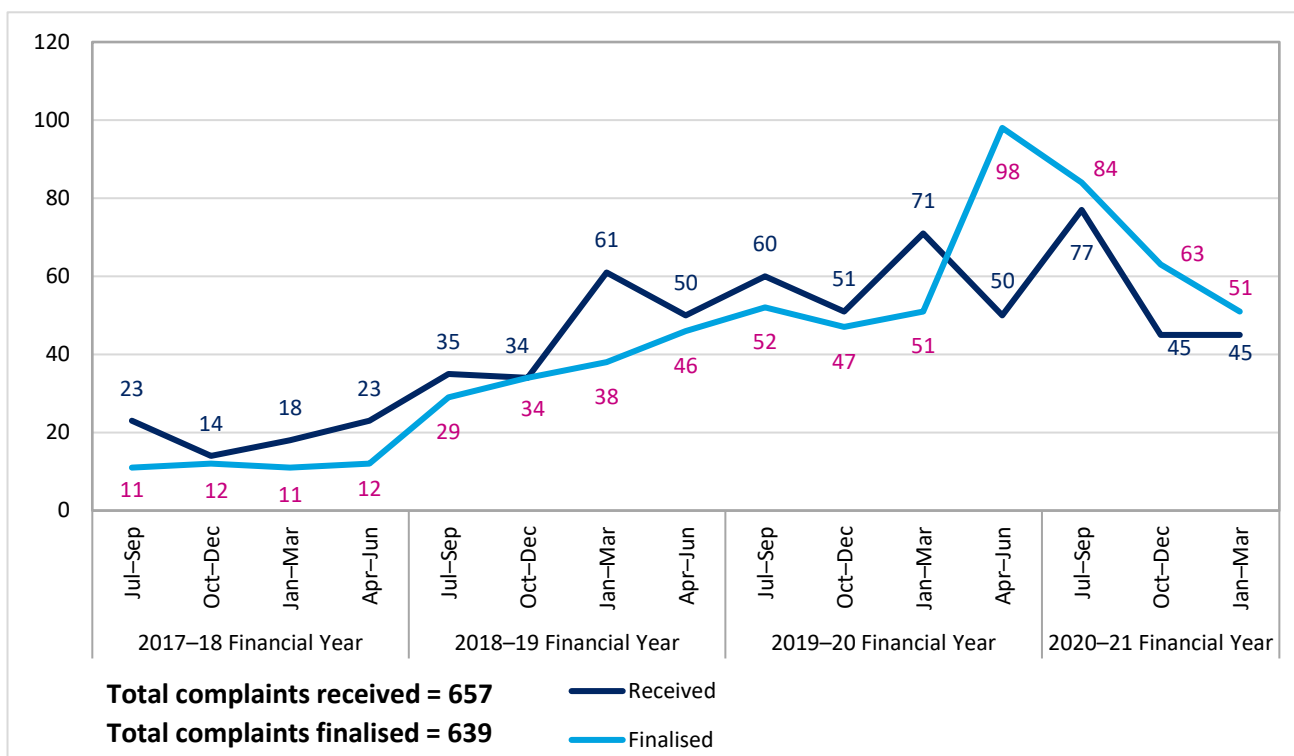
Quarterly results—VET Student Loans program complaints

VET Student Loans complaints received and finalised

During 1 January–31 March 2021, we received 45 complaints relating to the VET Student Loans program. This compares with 71 complaints received during the same quarter in 2020. Figure 7 below shows the VET Student Loans complaints received and finalised since 1 July 2017.

Complaints to the Office about VET Student Loans approved providers include complaints about providers that are open and providers that have ceased trading. Due to this, our approach to assessing and attempting to resolve complaints can vary.

Figure 7—VET Student Loans complaints received and finalised during 1 January–31 March 2021



In this quarter we finalised 51 complaints. In the last four quarters we finalised more complaints than we received. This rate of finalisations is due to a focus on complaints about closed providers and collaboration with the department to develop pathways for resolution.

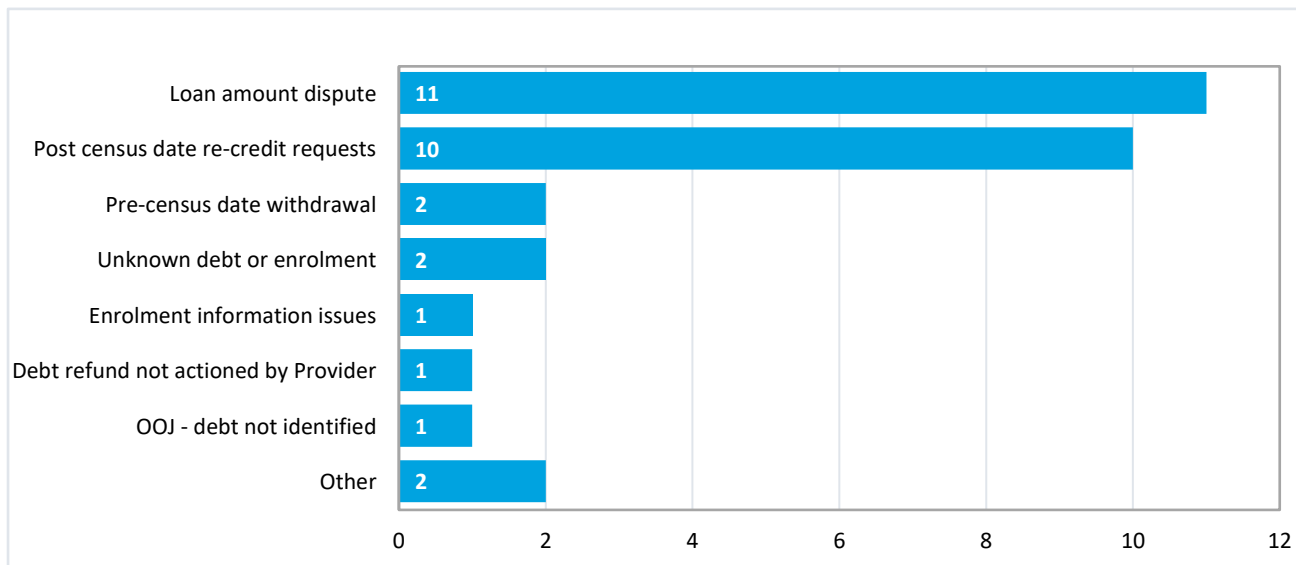
To date, we have not investigated many complaints regarding VET Student Loans providers who are still operating because, in the majority of complaints received about these providers, the complainant had not yet followed the provider’s complaint handling or grievance procedure.

VET Student Loans complaint issues

Figure 8 on page ten shows the issues identified in VET Student Loans complaints received and assessed during 1 January–31 March 2021. From the complaints received that have been assessed, there were 30 issues identified.

The most common issues raised in complaints about the VET Student Loans program relate to loan amount disputes (37 per cent) and post census date re-credit requests (33 per cent).

Figure 8—Issues in VET Student Loans complaints received and assessed during 1 January–31 March 2021



VET Student Loans Preliminary inquiries

We conduct preliminary inquiries to establish whether a complaint warrants an investigation. We do this by asking providers some simple questions to assist in our assessment of a complaint.

As of 31 March 2021, the Office has made 29 preliminary inquiries of providers under s 7A of the *Ombudsman Act 1976*. Table 2 provides the outcomes of our preliminary inquiries as of 31 March 2021.

Table 2—Preliminary inquiry outcomes as of 31 March 2021³

Outcome of preliminary inquiry	Total
No investigation required following preliminary inquiry response. This is due to the provider confirming the student had not complained to them in the first instance or providing evidence that suggests our Office does not need to investigate.	18
Investigation commenced following preliminary inquiry response. This is due to the provider’s response confirming the student has complained to them already or we deem that circumstances of the complaint warrants investigation by our Office.	6

VET Student Loans complaint investigations

As of 31 March 2021, the Office had sent 24 notices under s 8 of the *Ombudsman Act 1976* to providers or liquidators/administrators to notify them of our intention to investigate and ask questions about the complaint circumstances. As of 31 March 2021, we had finalised 20 complaints following investigation, with three investigations resulting in full or partial re-credit of a student’s VETStudent Loans debt. Four investigations remained open as of 31 March 2021.

Actions taken to finalise VET Student Loans complaints

Table 3 below includes data for actions taken regarding 64 issues identified within the 51 complaints finalised during 1 January–31 March 2021. It shows that the Office finalised 50.9 per cent of complaints because complainants had not exhausted their provider’s internal grievance process or internal review

³ Prior reports included a statistic for preliminary inquiries that are ‘still being assessed’. We omitted this statistic in this update, as the preliminary inquiries reported under that statistic were not responded to by providers, and complaints were therefore finalised without receiving a response. This was again the case with five of the 29 inquiries referred to in this update.

process. We consider that providers are best placed to handle complaints in the first instance for the same reasons that apply to VET FEE-HELP complaints, as outlined page four of this update.

If a complainant returns to our Office because they are dissatisfied with the outcome given by their provider, we will register a new complaint for assessment.

Table 3—Actions taken in relation to the issues within complaints finalised during 1 January–31 March 2021

Actions taken in relation to 64 issues raised within the 51 complaints finalised	Total number of issues	% of finalised complaints
The Office finalised the complaint issue when: <ul style="list-style-type: none"> • the issue of a complaint was referred to a tuition assurance operator to seek redress • a provider agreed to re-credit a complainant’s student loan • a provider provided an appropriate remedy • an investigation would not lead to a different result • an action was reasonably open to a provider to take. 	12	17.0%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue the issue of their complaint.	4	7.6%
The complainant had not yet followed the provider’s complaint handling or grievance procedures in relation to the issue and as a result we decided not to investigate.	28	50.9%
After commencing an investigation or further assessment of a complaint, we decided that further investigation was not warranted, including if the provider had provided an appropriate remedy or the issue could be referred to the department for consideration for a re-credit.	15	15.1%
The issue of a complaint could be better dealt with by another oversight body and as a result we decided not to investigate.	5	9.4%
Total	64	100%

Data and glossary of terms

This update provides data for the period 1 July 2017 to 31 March 2021. Our data is dynamic and may be updated as new information comes to light. For this reason, there may be minor differences in data when compared to what was reported in annual reports, previous quarterly updates or our other publications. Previous quarterly updates are available on our [website](#).

An explanation of the data presented in this update and a glossary of terms can also be found on our [website](#).

More information is available at <https://vet.ombudsman.gov.au/how-we-can-help>