

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/

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

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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

Questions?

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