



Are Students Protected? An In-depth Look Into Overseas Education Advisory Services

27 June 2018



A right choice of post-secondary education impacts on





- Life development and career prospects
- The quality of citizenry

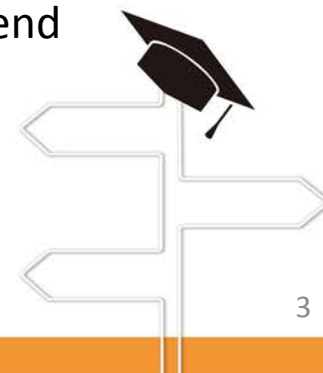
Consumers' concerns

- Huge investment
- Usually no experience in engaging overseas education advisory services
- Aggressive marketplace

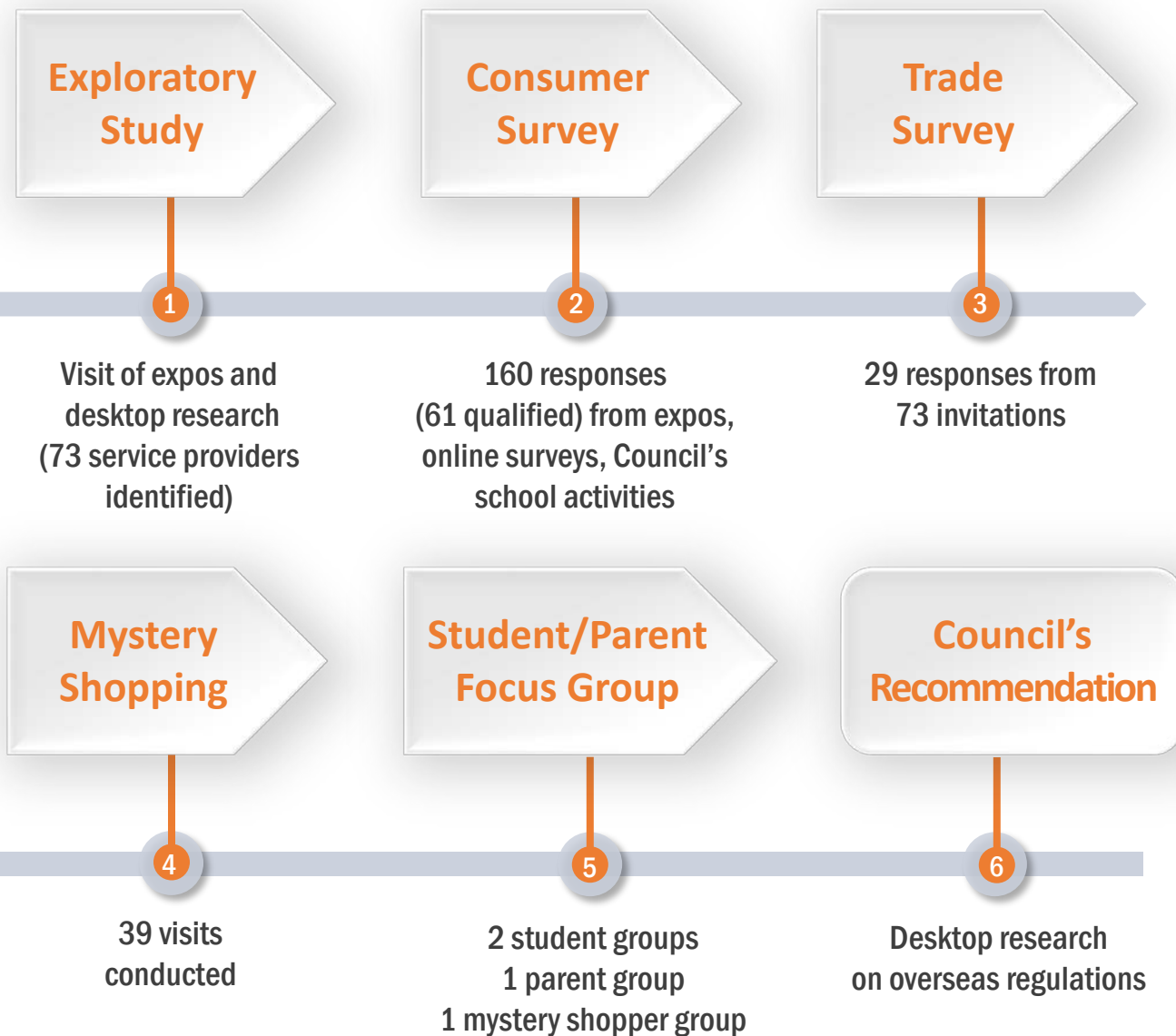


Study Objectives

-  1 To assess the adequacy of information provided to consumers by the advisory service providers on overseas education options
-  2 To gauge the understanding and the satisfaction of consumers on the services
-  3 To examine the presence of malpractices in overseas education advisory services which could cause harm to consumers or limit consumers' choices
-  4 To assess the dispute resolution mechanism and to recommend measures to strengthen protection to consumers



Methodology (July 2017 to Mar 2018)

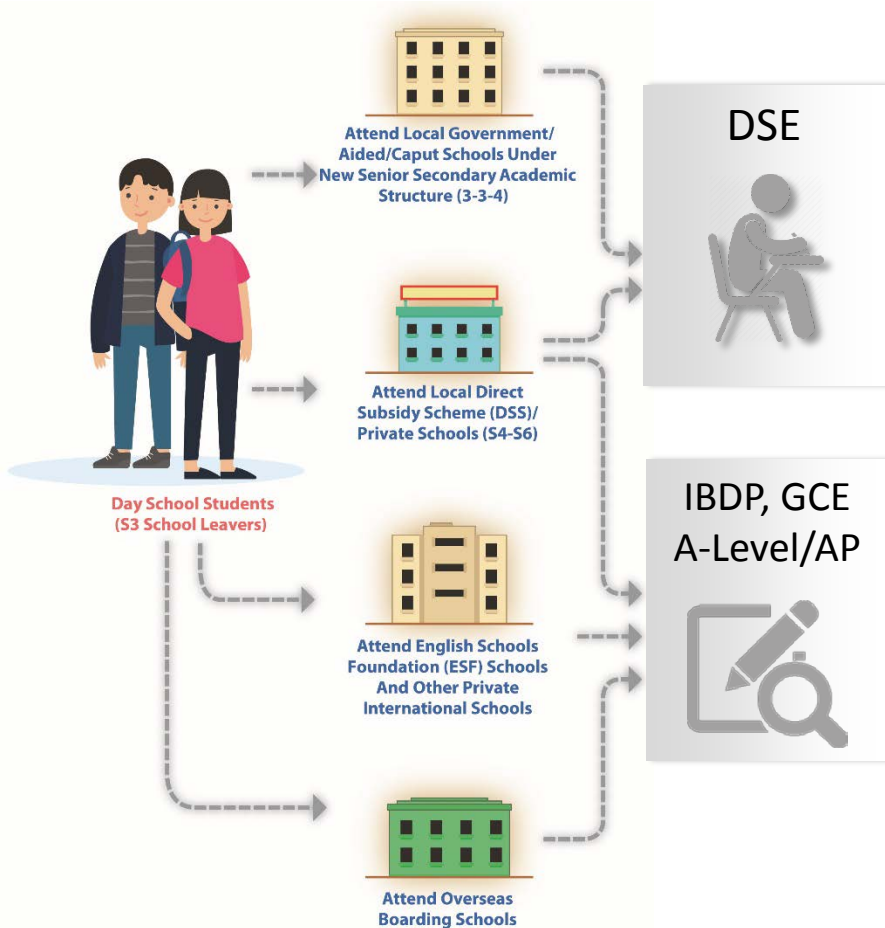


Stakeholders engaged:

- Education Bureau
- HKIECA
- HKACMGM



Pathways for Hong Kong junior secondary (S3) school leavers (1)



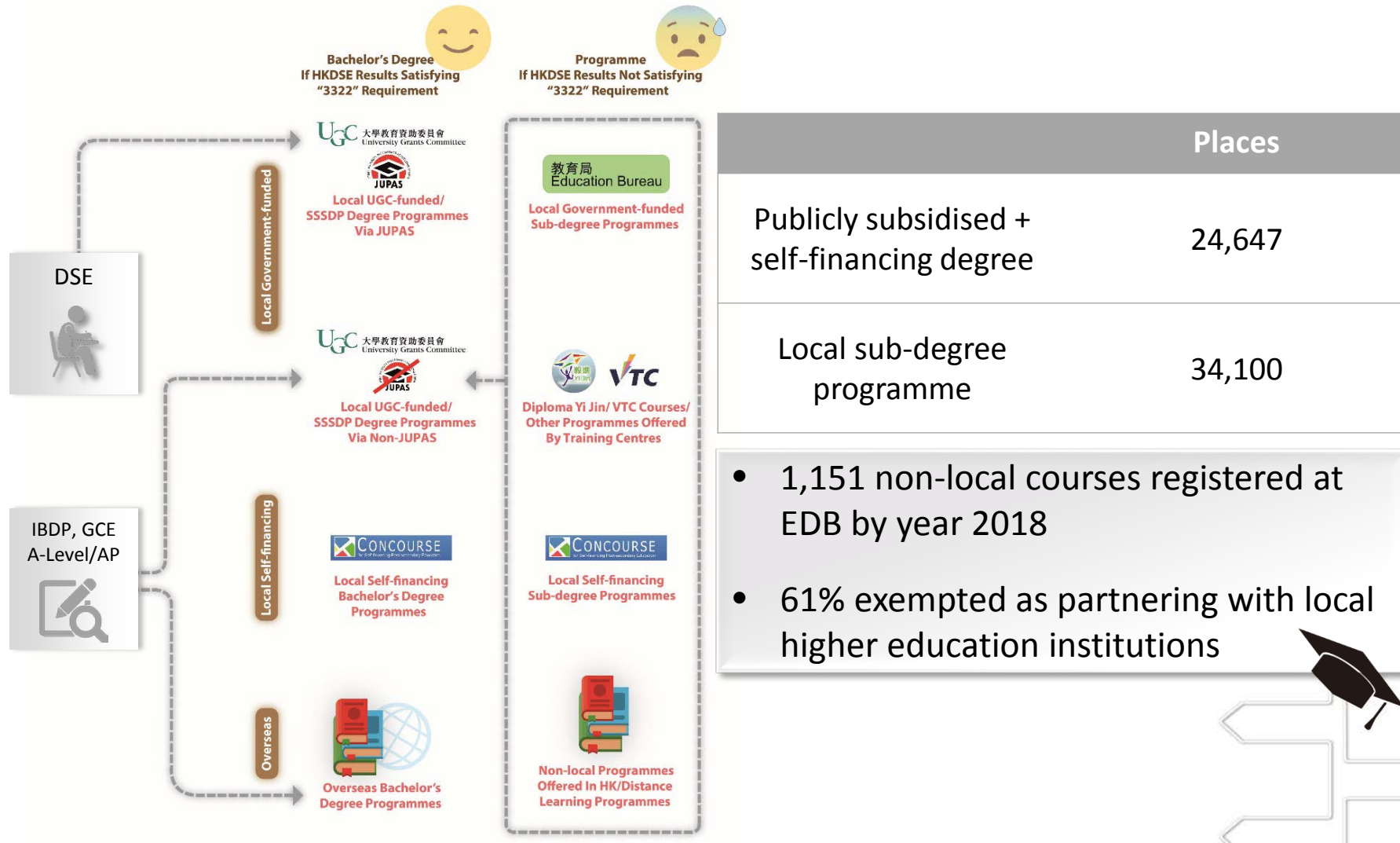
	No. of students who Sat the DSE Exam.	Eligible to 4-yr. undergraduate programmes	Eligible for Sub-degree programmes
2017	60,349	21,593	35,990
5-year cumulative change	-12,271 (-16.9%)	-5,043 (-18.9%)	-12,308 (-25.5%)

- IBDP (2,235 in 2017)
- GCE A-Level, AP or others*

* (no public data on the number of students participated)



Pathways for Hong Kong junior secondary (S3) school leavers (2)



Exploratory
Study

1

Consumer
Survey

2

Trade
Survey

3

Mystery
Shopping

4

Student/Parent
Focus Group

5

Council's
Recommendation

6



Reasons for studying outside Hong Kong

The most commonly cited reasons in the Council's consumer survey were

17.2%

Better learning atmosphere outside Hong Kong



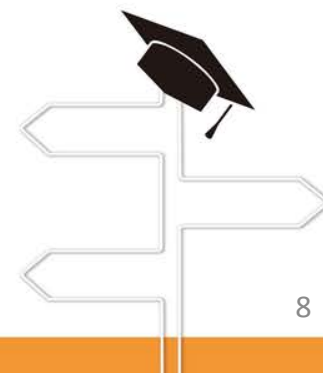
14.2%

To learn to be independent



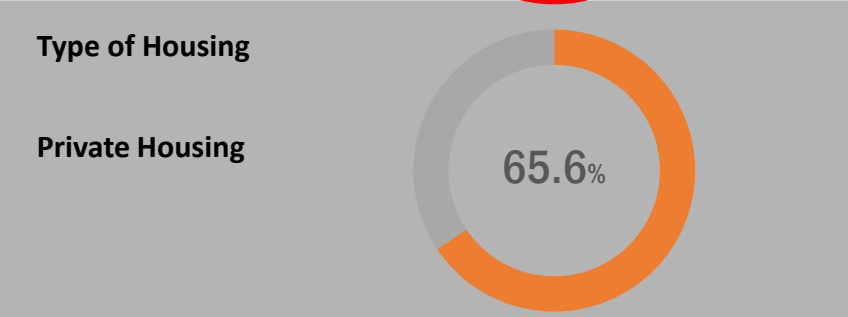
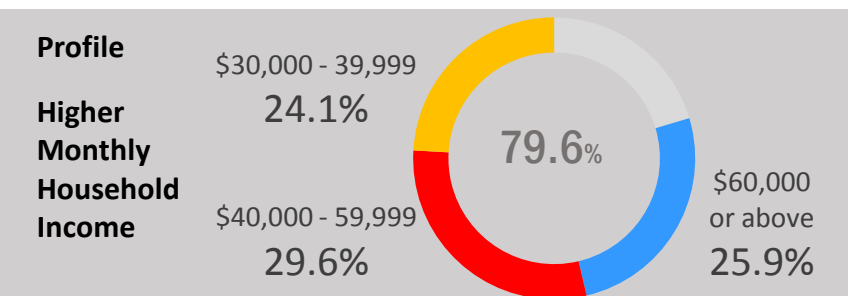
13.0%

Studies outside Hong Kong will provide better job prospects



Who intended to study abroad and key considerations

- Findings of recent consumer survey very similar to that in Thematic Household Surveys 2011 (THRS-46)



Preferred Destination		Top Factors for Decision
U.K.	33.9%	Expected HKDSE Results
Australia	23.2%	Expected HKDSE Results
U.S.A.	10.7%	Family Financial/ Personal Ability
Taiwan	8.9%	Family Financial Ability
Canada	7.1%	Subject of Studies/ Family Members' Suggestions
New Zealand	5.4%	N/A
Mainland China	1.8%	N/A
Others	9.0%	

Sources of Information	Accuracy	Sufficiency
1. Overseas Education Institutions (Internet Search)	4.28	3.72
2. Overseas Education Agencies	3.92	3.85
3. Local school attending	3.89	3.56

Services Most Needed		
1. To provide overseas study information		4.24
2. To arrange interviews and admission tests		4
3. To send application documents on behalf of the students		3.93

Awareness of Fees and Charges on different services

- Majority didn't know the answer
- A small percentage responded "free of charge" on different items

> 80%

a range of
8.2%

to
16.4%



Exploratory
Study

1

Consumer
Survey

2

Trade
Survey

3

Mystery
Shopping

4

Student/Parent
Focus Group

5

Council's
Recommendation

6



Overseas Education Advisory Services – Value to Consumers

Huge cost of investment

A complicated research process

- Vast amount of information
- Geographical distance

Pre-experience observations of the campus/teaching method difficult

No regulations or guidelines governing information and materials provided by overseas education advisory service providers, difficult to assess the information accuracy

- Support the parent in identifying suitable programmes
- Save time in completing the necessary formalities
- Help to meet the entrance requirements of the targeted course
- The appointed agencies in Hong Kong



Types of Overseas Education Advisory Service Providers in Hong Kong

Agents

- Act as representative or free-lance agent of the overseas education institution
- Commission usually 10-15% of the tuition fee for the first academic year
- Focus on certain destinations/programmes
- Organise or participate in expos or seminars to attract potential customers

Consultants

- Offer long-term and/or customer-centric services, e.g. planning of study pathway
- Usually represent the student/parent via referral
- Higher consultant fee

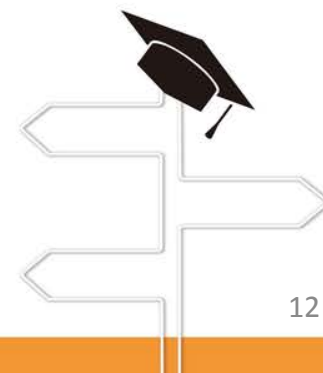
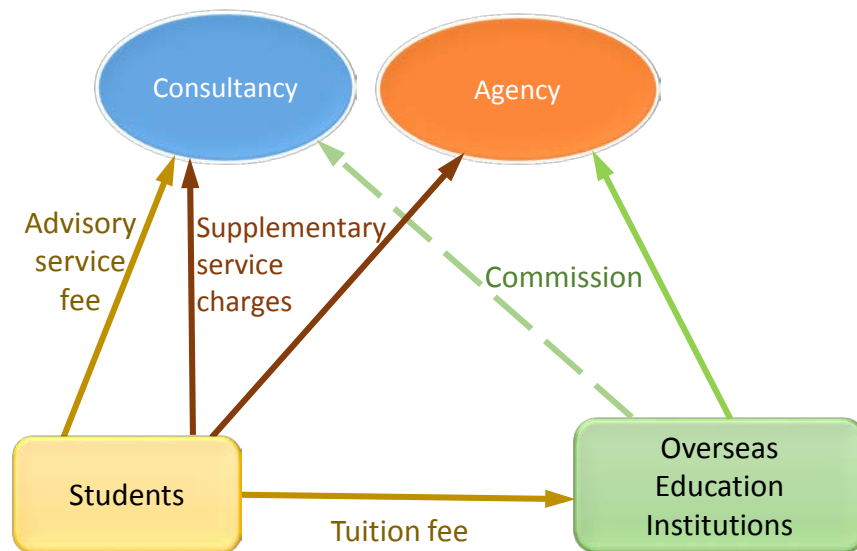
Immigration Agents

- Overseas education advisory as a side business to attract immigration business opportunities

Language Teaching Institutions

- Overseas education advisory as a side business to support students on their language courses

Income Source of Overseas Education Consultancies/Agencies

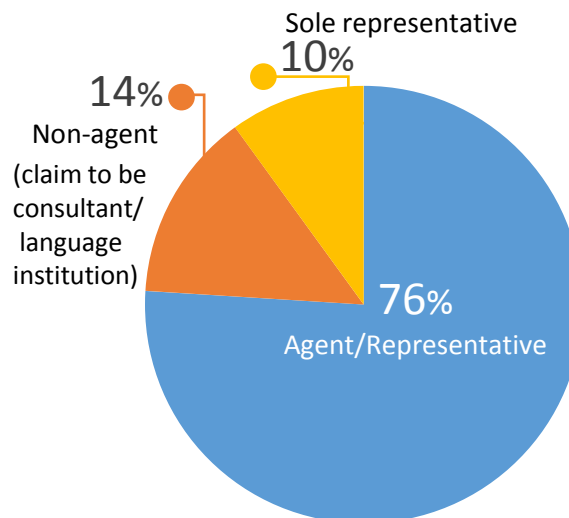


Findings of Service Providers' Survey (1)

Market Representation

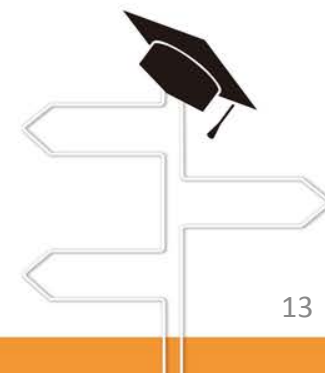
No. of Markets	No. of Service Providers	Examples of Destination
Single Market	6	The U.K. The U.S.A. Australia
2-5 Markets	18	Canada New Zealand Switzerland
6-10 Markets	3	The Mainland China Japan South Korea Singapore
11 Markets or More	2	Ireland Germany France

Representation of Overseas Education Institutions



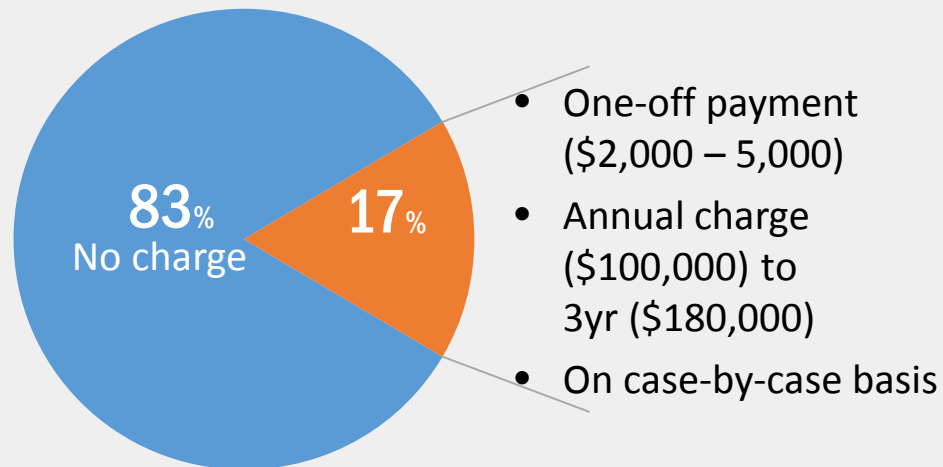
What do Service Providers do?

- Provide supplementary services
- Organise/participate in education expos
- Give preferential offerings
 - Priority in accommodation arrangements (14%)
 - Grant admission priority (14%)
 - Provision of scholarships (17%)
 - Follow-up service: academic reports to parents (45%)



Finding of Service Providers' Survey (2)

Service Charges



Supplementary Services

35% no charge **66%** depends on type of services and destination

How about service contracts and redress systems?

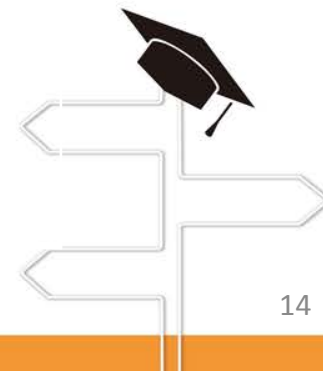
- Only 2 provided sample agreements
- Lack of written or oral agreement with consumers
- No formal redress mechanism found
 - 45% would offer assistance
 - only 14% mentioned the possibility of a refund

What if preferred institution/programme not represented?

- 24%** would make the request to the target education institution
- 3%** try to offer as alternatives programmes conducted by their partner institutions
- 17%** refer to another service provider
- 7%** inform the client that they cannot provide the required service

How would conflicting opinions be handled between the parent and student?

- Most said they would rely on their own professional judgement to advise
- One said will further consider student's view



Exploratory
Study

1

Consumer
Survey

2

Trade
Survey

3

Mystery
Shopping

4

Student/Parent
Focus Group

5

Council's
Recommendation

6





Enquiry

- Phone
- Face-to-face



- Limited and general information based on desired destinations, study programmes or education institutions
- Majority accepted walk-in, 23% required appointment
- 85% required provision of personal information

**customer
journey**









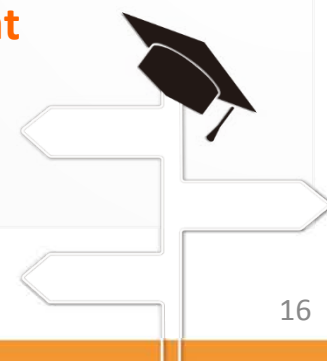
**Engagement
Experience**

- 4 Visits required financial statements – claimed some education institutions required financial proof

Why home address, HKID and passport at the preliminary stage of engagement?

Is there a privacy concern?

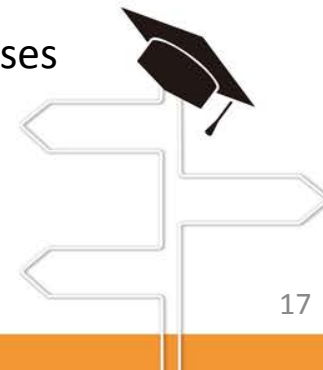
Info Required	 Tel No.	 Name	 Email	Public Exam. Result	School Transcripts	 Address	 Passport	 HKID
No. of Consultant Requested	27	24	17	15	8	5	5	3
% of Visits	69.2	61.5	43.6	38.5	20.5	12.8	12.8	7.7



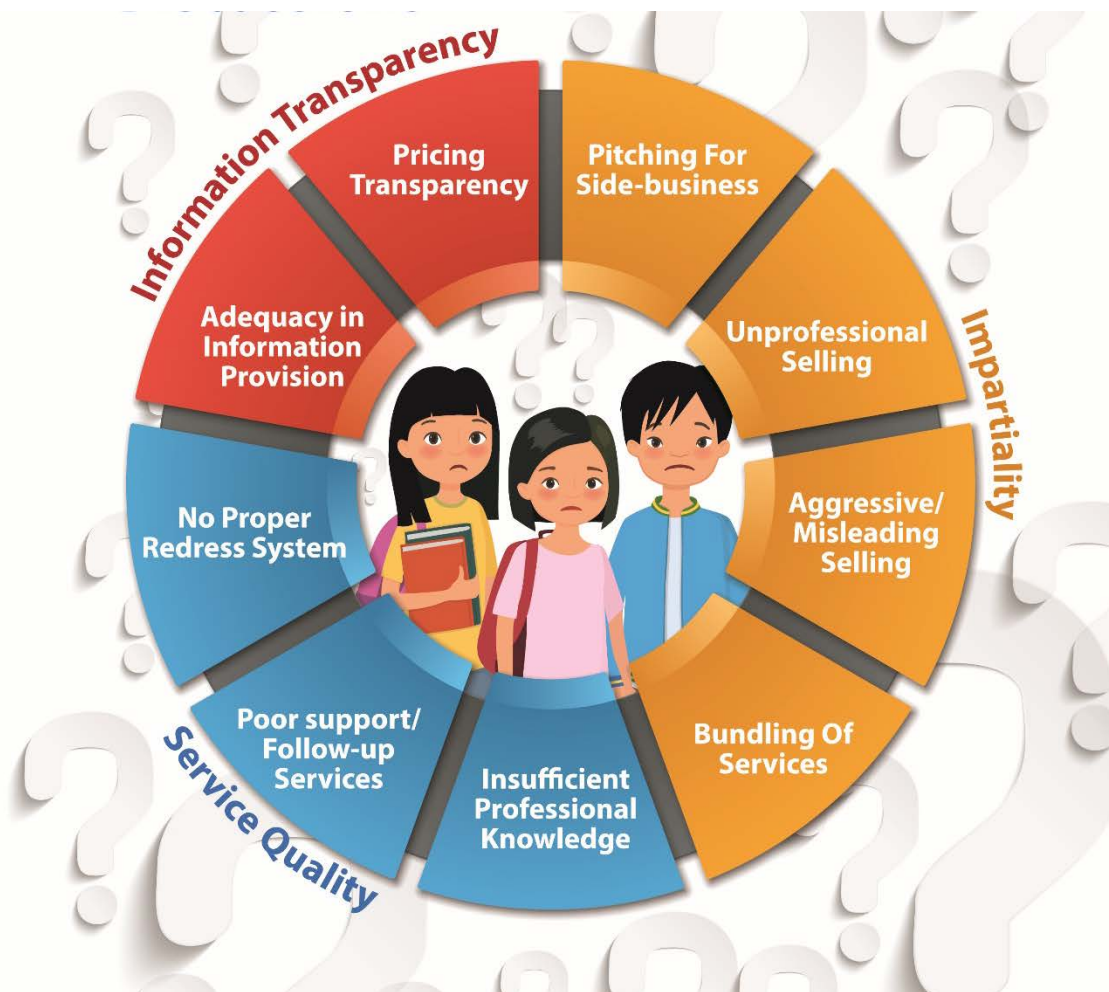
Observations from Mystery Shopping and Consumer Focus Group Discussions (1)

Positive Comments

- Majority of the mystery shoppers found that the consultants were clear in providing information on
 - The education institutions
 - The courses recommended
 - Application procedures
 - Visa Application procedures and requirements
 - Public examination results needed
 - Other supplementary services
- Some focus groups participants complemented their consultants on their competence and professionalism
 - Good matching of their public examination results with the right courses
 - Effective facilitation in communication with the overseas institution
 - Useful guidance obtained from information provided



Observations from Mystery Shopping and Consumer Focus Group Discussions (2)



Inadequate disclosure and transparency

1 Many didn't explain the terms and conditions of using the advisory services (32 visits), only 1 consultant made available a service application form to the mystery student from the Mainland.

2 None disclosed to the mystery shoppers that they were the agents or representatives of the proposed overseas education institutions. Despite some admitted after prompting, no one disclosed the rate of commission.

3 Floating service charge and lack of transparency of pricing

- No price list on consultancy fees was displayed
- Revealed pricing information only when engagement of service was confirmed
- Presence of floating service charge
e.g. in a visit involving a Mainland student, \$12,000 was first quoted during the face-to-face enquiry but it was later raised to \$20,000, claiming \$12,000 was the rate for referral only.



Impartiality under question (1)

1. Have their own preference of countries and education institutions when providing advice

Examples:

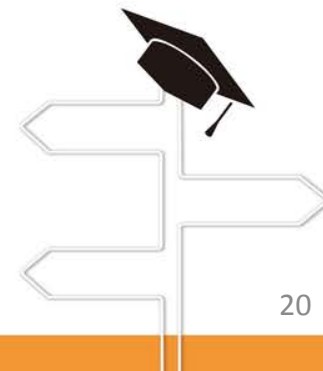
From the U.S.A. to Canada

The consultant only offered degree courses in Canada notwithstanding the mystery shopper's preference to study in the U.S.A.. Instead of withdrawing from the enquiry, the consultant persuaded the mystery shopper's child to complete a degree in Canada first and then apply for the universities in the U.S.A. via the consultant's connection in the U.S.A.

Culinary programme

One student desired to pursue a culinary career in France was unable to obtain a student visa to France despite the consultant promising her a guaranteed success. Discovered that the consultant didn't partner with the culinary school she applied for. The consultant refused to offer further assistance but persuaded her to take up a 2-year language course in the U.S.A. organised by the consultant, instead of searching for another culinary course to meet her career aspiration.

2. Many hinted that convenience or benefits would be provided if application through them but no details offered (26 visits), some offered discount on tuition fee (2 visits), and a guaranteed offer (1 visit)



Impartiality under question (2)

3. Pitching of side-business

Example

Pitching to join investment immigration programme to the U.S.A. while advising on overseas education option.

4. Aggressive/misleading selling

Example 1

Some of the focus group participants who were persuaded into taking foundation or bridging courses subsequently found out that those courses were not a pre-requisite of the target degree courses as the foundation courses were not organised by the target education institution.

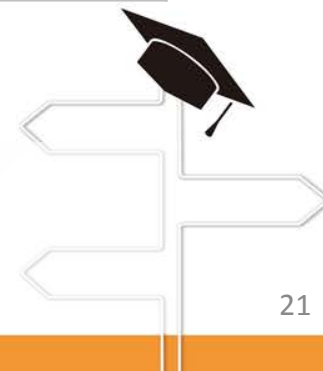
Example 2

A participant took a foundation course as advised by his consultant but later in his sophomore year, found out that there was no requirement for the completion of a foundation course at all.

5. Bundling of services

Example

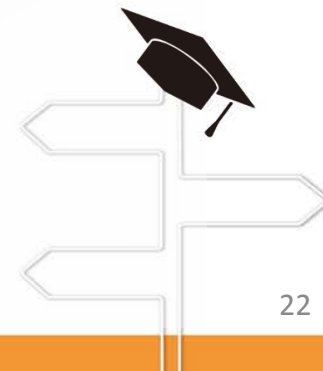
One participant who studied in Japan said after he received an offer from a university, the consultant required him to take a Japanese language course provided by his company otherwise the university offer would be withdrawn.



Poor Quality of Services (1)

1. Adequacy and reliability of information provided

- Some consultants (13 visits) promised to offer a place at the education institutions if the mystery shoppers met the public examination requirement. In some scenarios, mystery shoppers had to undertake remedial courses e.g. foundation/bridging/diplomas courses. Of those who agreed to the suggestion, assuming academic results meet standards, only some consultants guaranteed that completion of these courses would assure them of admission to their preferred courses.
- Recommended alternative courses with reasons that were difficult to validate e.g.
 - A better career/study path
 - The preferred courses were only for local students
 - Ease of gaining admission into other courses or the same course in other destinations
- Safety information not disclosed by the consultants
Example:
 - One participant was recommended to study in the U.S.A. and the agent didn't mention that there were safety issues surrounding the hostel of the institution, which was located some distance away from town. After settling in, the student found that the security in and around her student hostels was very weak, and the neighbourhood had frequent reports of armed robbery and gun firing incidents.



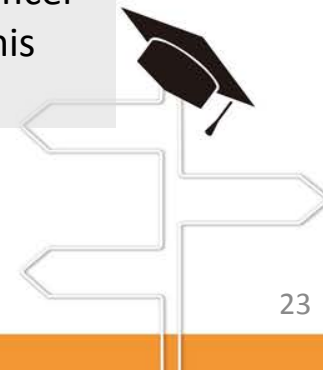
Poor Quality of Services (2)

2. Insufficient knowledge and poor follow-up service

- Most consultants could not provide essential information such as:
 - Practicum provided to international students (e.g. the study of medicine in some destinations)
 - Steps required to convert overseas professional qualifications for local recognition
 - Qualification accreditation
 - The possibility of working in the country after graduation
 - Safety level of the proposed destinations

Examples:

- A participant found that the consultant could not provide him with answers to the ranking, transportation, facilities and accommodation arrangements of his favourite school, thus he had to search for them via the Internet.
- A participant was left with no contact with the consultancy after the officer who assisted him left, and no substitute being appointed to follow up his case.



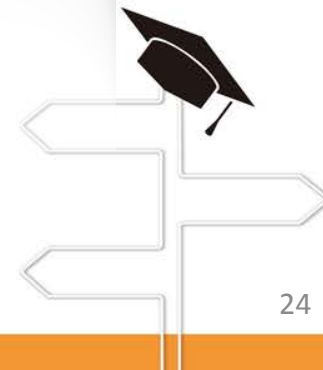
Legal obligations of the Consultants

Protection under the contract law and law of tort

- Without consideration, a contract may not have been formed to bind the consultant when substandard services occur.
- The aggrieved consumer, without a contractual relationship, can only look to the common law of tort, to seek redress.
- Negligent mis-statement has not yet been tested in Hong Kong for cases involving overseas education consultants. The consumer has to establish:
 - The existence of a special relationship between the consumer and the consultant, involving a kind of responsibility by the consultant to the consumer
 - The relationship has prompted reasonable reliance by the consumer on the consultant

Protection under the Trade Description Ordinance

- The standard of proof is beyond reasonable doubt
- Willingness of the consumer to act as witness to the prosecution
- The civil action still has to be pursued for damages



Exploratory
Study

1

Consumer
Survey

2

Trade
Survey

3

Mystery
Shopping

4

Student/Parent
Focus Group

5

Council's
Recommendation

6



Overseas Regulations & Codes (1)

Mandatory

Australia

- The Education Services for Overseas Student Act 2000
- National Code of Practice for Providers of Education and Training to Overseas Students 2018
- Australian International Education and Training Agent Code of Ethics

Voluntary compliance

- The London Statement

Canada

- Regulations at provincial/ territorial levels require education institutions to obtain government approval to recruit international students

Voluntary compliance

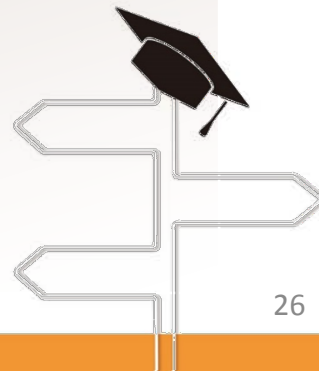
- Canadian Bureau for International Education Code of Ethical Practice

U.S.A.

- Higher Education Act

Voluntary compliance

- American International Recruitment Council Certification
- The National Association for College Admission Counseling's Statement of Principles and Good Practice
- The Independent Educational Consultant Association's Principle of Good Practice



Overseas Regulations & Codes (2)

Self-regulatory

Mainland China

- Contract template for consumers to validate the contract content is legitimate

Compulsory compliance on National Standards

- Specification for Overseas Education Agency Service
- Overseas Education Service Terminology

New Zealand

- Education (Pastoral Care of International Students) Code of Practice

Voluntary compliance

- Education New Zealand's Code of Conduct
- The London Statement

Taiwan

- Contract template for consumers to validate the contract content is legitimate

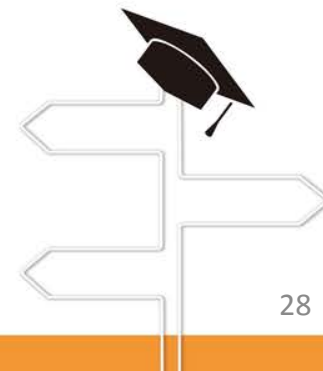
U.K.

Voluntary compliance

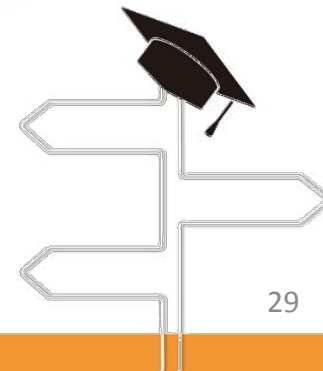
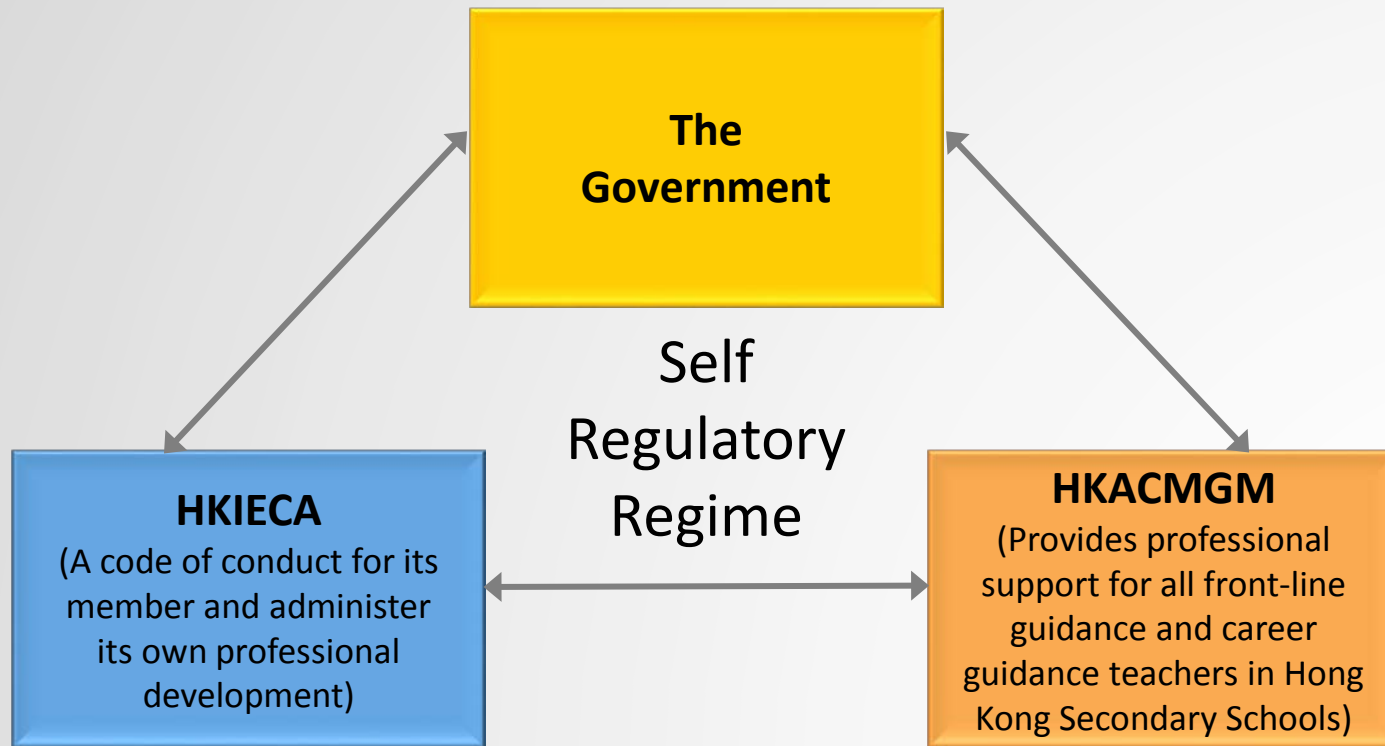
- The London Statement
- British Council Guide to Good Practice for Education Agents



Observations From Mystery Shopping And Consumer Focus Group Discussions



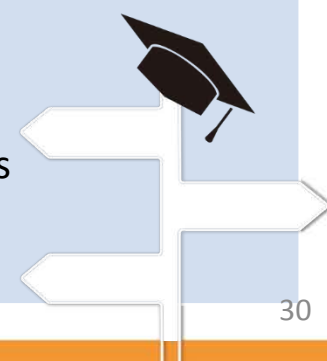
Referencing overseas experience, for the enhancement of consumer protection and the sustainable development of the overseas education advisory market, in view of the long lead-time and public resources involved, it would serve consumers better to strengthen the industry's self-regulatory regime instead of pursuing a legislative approach.



Recommendations to Industry

- To strengthen the HKIECA's Code of Conduct to cover:

1	2	3
<p>Ethical standards and good industry practices in accordance with international best practices and momentum</p>	<p>Guidelines to cover relevant regulations for consumer protection, especially</p> <ul style="list-style-type: none"> • Trade Description Ordinance • The Misrepresentation Ordinance • The Supply of Service (Implied Terms) Ordinance • The Personal Data (Privacy) Ordinance 	<p>Disclosure of representation and the commission for making referral</p> <ul style="list-style-type: none"> • Obligatory disclosure of representation and/or commission • A price list to be properly displayed for easy reference <p>4</p> <p>Qualifications of consultants</p> <ul style="list-style-type: none"> • Guideline on types of qualifications to be advertised and the form of display • Offer an easy avenue for the consumers to validate their qualifications/their claims <p>5</p> <p>Professional training requirements</p> <ul style="list-style-type: none"> • Put in place requirement stipulating a standard number of training hours • Step up regular training on key legislations relevant to the industry



Recommendations to Industry

- To implement new initiatives to increase information transparency and channel for redress

1

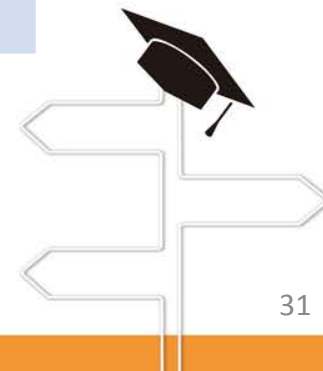
Promoting the use of service contracts – terms and conditions should be explicitly set out for both parties to understand their obligations and responsibilities

2

Provide a list of service providers for public reference – with verification of individual membership profile by HKIECA

3

Establish a redress mechanism for dispute resolution – an independent complaint review committee to handle unresolved complaints from consumers



1

Develop decision-making tools

- Increasing subsidy to Career and Life Planning Grant and the Funding Scheme for Youth Life Planning Activities, to raise the support capabilities of career masters in local secondary schools
- Better and more accessible aptitude tests to help students gauge their suitability for aspired career, and to offer more guidance in the search for education options

2

Provide a signpost for consumers

- Develop consumer information guides to offer vital tips and links to key professional bodies on qualification conversion and recognition in Hong Kong

3

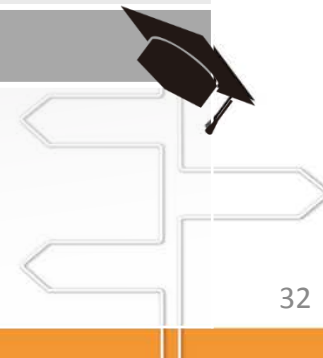
Increase funding support to HKIECA and HKACMGM

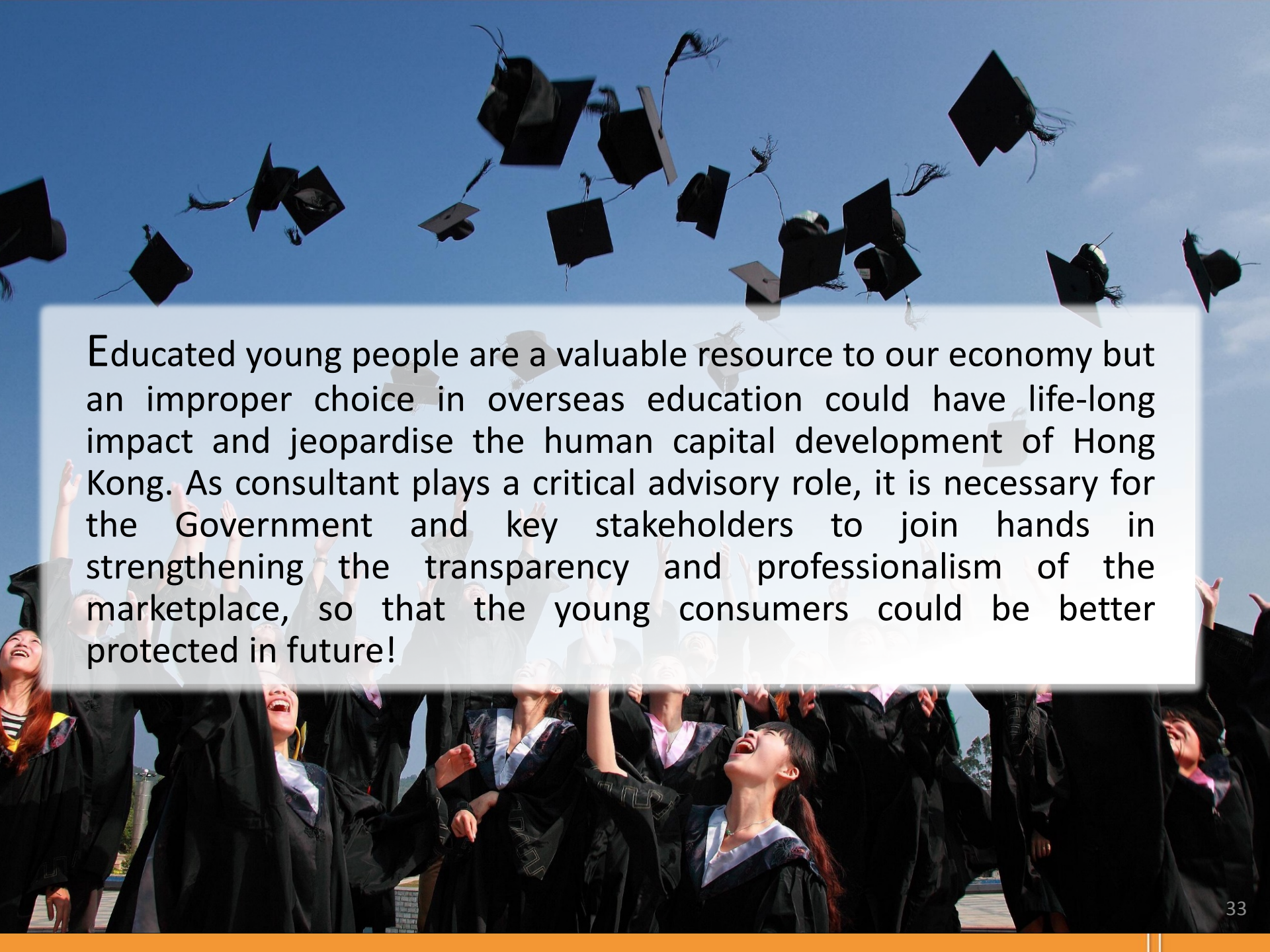
- To expedite the implementation of proposed measures in order to address the issues and concerns identified

4

Develop guidelines on promotional materials in order to enhance student protection

- Co-operate with industry to develop guidelines for service providers against misleading and deceptive advertising



A photograph of graduates in black gowns and caps, celebrating with their arms raised and caps tossed into the air against a clear blue sky. The scene is filled with joy and excitement.

Educated young people are a valuable resource to our economy but an improper choice in overseas education could have life-long impact and jeopardise the human capital development of Hong Kong. As consultant plays a critical advisory role, it is necessary for the Government and key stakeholders to join hands in strengthening the transparency and professionalism of the marketplace, so that the young consumers could be better protected in future!

Thank you

