

Access to market-leading talent and committed to the best outcomes for our clients...

Find out more >

EducationInvestor

news and views on the business of learning

Hello sunniva2014
86.140.209.75
[Edit Profile](#)
[Logout](#)

Menu

- Home
- News and features
- Deals archive
- Awards
- Executive moves
- Conferences
- Education Summit
- Round table
- Advertising
- Subscribe
- Contact us
- About us
- Admin

El article

Agents of change

Overseas student recruitment agents are vital to providers, but allegations of fraud blight the industry. Sunniva Davies-Rommetveit investigates

International student recruitment agents have always represented something of a paradox. On the one hand they shepherd hundreds of thousands of international students into our independent schools and HEIs every year, mentoring them through their course and visa applications. On the other, fraudulent agents are regularly exposed, tarnishing the industry as a whole.

A report from the Observatory on Borderless Higher Education (OBHE) published last month has crystallised this quandary. While agents are indeed vital to UK institutions, it says, there is also "no question that suspect and outright fraudulent practice exists, and may be relatively extensive, particularly in some countries".



The risks connected to using bad agents are huge, it adds. London Metropolitan University, to use the most striking example, was temporarily banned from recruiting international students in 2012, after the government found "insufficient oversight over the origins, recruitment and qualifications of its international students".

But just how widespread is fraudulent practice in the agent industry, and can it ever really be stamped out?

'Complex, fragmented and dynamic'

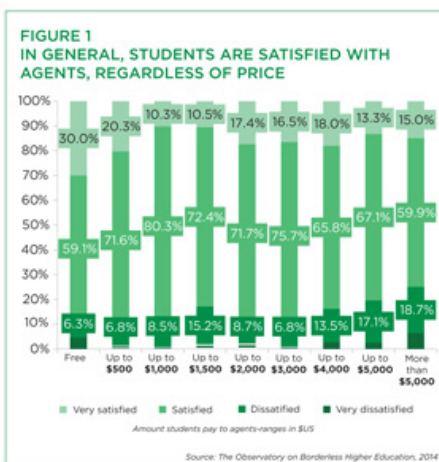
There has been a mixed reaction to the OBHE report's findings. Some in the education sector say that they have personally experienced bad practice among agents – from fraudulent scores on students' English language tests, to the overpricing of services.

Yet the report also found that the majority of both institutions and students are satisfied with agents. Graham Able, deputy chairman of for-profit school chain Alpha Plus, points to these figures. The few bad apples in the sector should not distract from the fact that the majority are happy with the agents they use, he says.

"The overall tenor of the report is that agents are doing a reasonably good job. There are fraudulent agents in any walk of life, so it's misleading to focus on that. In our experience, we haven't come across them, because we interview our agents carefully."

However, many agree that institutions and students alike should be careful when approaching agents; especially when they are very small mom and pop-type businesses. International education consultant Stuart Rennie points to the fact that there are now a few global, super-brand agent organisations – for instance companies like Study Overseas and IDP. However, he says that there is also "a significant emerging market where there are unreliable and unprofessional agents".

Getting to the bottom of this problem is easier said than done. The OBHE attributes fraudulent practices to the fact that the industry is "young, complex, fragmented and dynamic, not to mention thoroughly commercial". But it also claims that industry consolidation will eventually mean that underhand practices largely become a thing of the past.



Search news and features

- Match all
- Match any

Go >

FREE
trial
click for details >

In this issue

Stars, stripes and start-ups

Latest headlines

[acquires BlikBook](#)

[Philippines: Ayala Education invests \\$9.9m in University of Nueva Caceres](#)

[Exclusive: Sovereign Capital to buy recruitment agency Synarbor](#)

THE SPENCER GROUP
Bringing more to the table



More >

EducationInvestor Awards 2015



[Click for more information](#)

Ashwin Assomull and Amit Garga, partners at The Parthenon Group, say that market consolidation in China – the largest sender of students abroad – is indeed happening. They believe the “top five or six firms” now take about 40-45% of the business. “This is because of parental desire to work with agents that have good credentials and expertise. The more established the agent company, the less likely it is to engage in bad practice,” Assomull says.

Yet he believes consolidation will only be one part of the solution. More needs to be done by educational institutions themselves to ensure that their agents are the real deal. Assomull suggests that many institutions in the UK have no oversight of their agents’ credentials whatsoever: “Given that information asymmetry, it’s not hard for a small mom and pop agent to rope in a few universities and get going.”

Rennie agrees that being vigilant about what qualifications agents have is, and always will be, key. But we shouldn’t forget the many providers that do thorough background checks on their agents already. Able says that Alpha Plus always ensures there are rigorous checks conducted before employing an agent.

Call the council

A UK accreditation scheme for overseas agents has been touted as a potential way of eradicating the bad eggs. Indeed unlike Australia or China (where in the latter agents need licenses), the UK does not have a government-backed agent-specific regime.

The British Council does offer an agent training course, along with a global agent-searchable list that parents and institutions alike can access. Helen Obaje, professional development manager for higher education agents at the British Council, welcomes the OBHE findings. “The OBHE report found that our programme was one of the biggest in the world, and we hope that it will make a difference towards ensuring that institutions, potential students and their families who choose to use agents can do so with greater confidence.”

While search databases like the British Council’s do shine a light on reliable agents, the internet is reducing the need to use them in the first place. Cairmeagle partner Ian Koxvold points to a Hobsons survey published in May, which revealed a startling figure. Out of 18,390 prospective international students, 60% said that they would not use an agent during the application process, and 70% said that an institution’s website was key to making a decision to apply.

While the proportion who say they won’t use agents is high, the report goes on to say that many will end up doing so anyway. It adds: “We recommend that institutions consider those markets where agents are important and if there are strategies to make students more self-reliant... we recommend that institutions evaluate the nature of the service provided by agents when compared to the costs.”

Universities have begun to pay heed to such advice. Increasingly, they are focusing on search engine optimisation and search engine marketing to increase the number of international student applications; some interesting players have found success in direct telemarketing. For Koxvold, this is the way of the future. “The overseas agent market is consolidating and professionalising, but in many markets this is necessary for agents to stay relevant. There’s a strong analogy to the travel agent industry which has developed under similar pressures – self-booking has increased, the share of online service has grown, and in the US the top four agencies make up over 75% of the revenue.”

The OBHE report highlights the fact that the international agent industry must “step fully into the light”. Market consolidation, an overarching accreditation scheme and increased institutional awareness will do a lot to confront the sector’s underbelly in the UK. However, as the internet spreads its tentacles, it’s not unfeasible that an international course listings site takes flight, cutting out the need for agents altogether. (In fact Hotcourses is making good ground in this area, see page 13) Perhaps if a threat like that appears, consolidation in the industry will happen much faster.



Posted on: 07/10/2014

Latest news

South Africa: Curro drops Advtech takeover bid 31/07/2015

South African schools group Curro Holdings has dropped a R6 billion (£300 million) takeover bid for smaller rival Advtech.

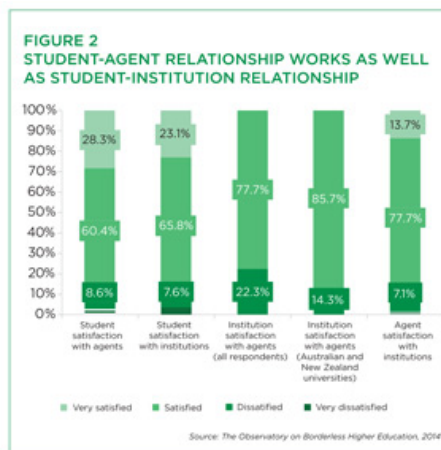
Learning Technologies Group acquires Eukleia for £7.5m 31/07/2015

Corporate training firm Learning Technologies Group (LTG) has acquired Eukleia, a provider of e-learning to the financial services industry.

Civitas Learning acquires BlikBook 31/07/2015

US-based software provider Civitas Learning has acquired British learning platform BlikBook for an undisclosed sum.

Philippines: Ayala Education invests \$9.9m in University of Nueva Caceres



THE SPENCER GROUP
Bringing more to the table



More

DAC beachcroft

Leading provider of legal services to the education sector

www.dacbeachcroft.com

31/07/2015

The education branch of conglomerate Ayala Corp, Ayala Education, has invested \$9.9 million (£6.3 million) for a 60% stake in the University of Nueva Caceres (UNC) in the Philippines.

Exclusive: Sovereign Capital to buy recruitment agency Synarbor

31/07/2015

Private Equity firm Sovereign Capital has made an offer to buy teacher recruitment agency Synarbor PLC, EducationInvestor understands.

UK: Zondle to stay open after funding lifeline

30/07/2015

Games-based learning business Zondle is to stay open after an eleventh hour intervention by an "anonymous donor".

Exclusive: Bridges Ventures brings forward Babington sale

30/07/2015

Bridges Ventures has brought forward its sale of apprenticeships business Babington Group, EducationInvestor understands.

University of South Wales closes London branch

29/07/2015

The University of South Wales has closed its London campus after failing to enrol a single student.

Cognita schools roadshows £280m bond

29/07/2015

International schools operator Cognita has begun road-showing a £280 million bond to fund its expansion.

US: Providence Equity Partners seeks up to \$3.4bn for Blackboard sale

29/07/2015

Learning management system (LMS) provider Blackboard has been put on the market by its owner Providence Equity Partners, Reuters has reported.

Features and analysis

Realising the potential of student-led innovation

When it comes to developing ed tech, students and teachers are our secret weapons, argues Jisc's Martin Hamilton

Watching the watchdogs

New European Union data protection laws could cause headaches in the education sector. Kirsten Noben investigates

Tribal's war

Profits at Tribal Group took a hit last year following the non-renewal of a major Ofsted contract. Can the firm make up the lost ground, asks Daniel Thomas

Top marks

Dan Sandhu is betting big on the assessment market with his firm Digital Assess. Julian Hall meets the tech impresario to find out more

Gravy train?

Several trends bode well for an active training deal environment in Europe in the second half, argues Martin Luen

Stars, stripes and start-ups

M&A activity in the US education industry is hotter than ever. Kirsten Noben looks at what's driving the trend and the subsectors getting most love

The name's bond...

Social impact bonds offer an innovative way of channelling private investment into public services. But can the market's limitations be overcome, asks Daniel Thomas

A tottering policy

The government's plan to double free childcare hours is in danger of derailing, finds Sunniva Davies-Rommetveit