# Oxford Business College at the centre of student loan fraud scandal amid regulatory concerns



In the historic city of Oxford, known for its illustrious academic heritage, Oxford Business College (OBC) presents a sharply contrasting reality to the dignified image it projects online. Despite portraying itself as a vibrant hub where "ambition meets opportunity and education drives success," a visit to the college's claimed main campus reveals a far less inspiring scene. Located opposite the bus station in a run-down row of shops, the building bears little resemblance to the grand historic architecture associated with Oxford. The entrance door is bolted shut, and the noisy surroundings include a pan-Asian café and an abandoned former Chinese restaurant covered in graffiti. Inside, a sign marks the location as OBC, but refurbishments have forced the college to relocate temporarily to King's Mead House near Oxford railway station, a modern commercial building offering little sign of bustling student life.

When approached at the King's Mead House site, two individuals identified themselves as students amid a markedly quiet environment during term time. Their reluctance to engage with enquiries and a curt deferral to the "Boss man" underscored an air of secrecy surrounding the institution.

Oxford Business College has recently been thrust into the centre of a significant political scandal concerning student loan fraud. In a written statement to Parliament on Tuesday, Education Secretary Bridget Phillipson announced a ban on student loans for OBC’s approximately 10,000 students, citing "credible concerns" about recruitment and attendance practices. The Department for Education’s Internal Audit Agency raised alarms over the college enrolling students with inadequate English language skills and failing to monitor attendance effectively. Several universities that previously partnered with OBC to deliver franchised degree courses have terminated their agreements in light of these concerns.

The scandal involves widespread student loan fraud at private, for-profit institutions like OBC, where students enrol under franchised degree programmes with little intention of actual study. The motivation for these fraudulent enrolments is to exploit government loans, which in some cases can amount to tens of thousands of pounds per year, without repayment. The Sunday Times recently revealed that since 2022, government investigations have uncovered £22 million in fraudulent funding applications linked to six universities, with £4 million traced back to 270 individuals connected to Oxford Business College alone. The Education Secretary described this as "one of the biggest financial scandals in the history of our universities sector."

The student loans system, managed by the government-owned Student Loans Company (SLC), supports both British citizens and eligible foreign nationals pursuing higher education. Loans cover tuition fees (approximately £9,535 annually), maintenance costs (up to £13,348 per year), and other supportive grants. Repayments are income-contingent, starting when graduates earn over £25,000 annually, but loans can be written off after 40 years or become difficult to collect if borrowers move abroad.

A key point in the expansion of this issue traces back to a 2011 government decision permitting franchised providers, typically private colleges, to offer degree courses on behalf of universities. This was intended to broaden access to higher education for people from non-traditional backgrounds. However, these franchised providers fall outside the regulatory remit of the Office for Students, resulting in looser monitoring and, in some cases, unchecked enrolment of individuals with minimal English skills or low academic qualifications. Aggressive recruitment via agents promising access to government funds irrespective of genuine academic intent became widespread. Advertisements urging immediate application, featuring incentives such as free laptops and sizeable student finances, were posted across social media platforms like TikTok, Facebook, and Instagram. A Romanian commenter on one of these posts candidly noted that barely knowing English did not preclude passing because "they take money and we take it and university is fine without English."

Most fraud reportedly involves EU nationals, particularly Eastern Europeans, who gained settled status in the UK post-Brexit. It has become possible for individuals working low-wage jobs to secure maintenance loans exceeding £13,000 annually by enrolling on part-time franchised degree courses without consistent attendance. Official records illustrate that Romanian recipients of UK student finance have surged from 5,000 a decade ago to 84,000 recently, representing roughly 15 per cent of Romanians in the UK.

Oxford Business College itself, founded in the 1980s primarily as a business school for A-level improvement, entered franchised degree provision in 2019 after partnering with Buckinghamshire New University. It rapidly expanded from 28 to 265 employees within five years and now operates five campuses across multiple towns, catering to up to 10,000 students. The college's financial growth has been dramatic, with turnover rising from £5 million in 2020 to nearly £50 million in 2023 and profits approaching £10 million. Ownership is shared between director Padmesh Gupta and dress designer Titiksha Shah, who reportedly drew a combined dividend of £200,000 and hold nearly £20 million in funds as of the last filings.

Despite its growth, issues surfaced in late 2023 when the New York Times published an investigation into the college's recruitment practices. The report detailed how OBC agents actively recruited on social media and even on the streets of immigrant neighbourhoods, promising enrolment in universities without qualifications and up to £18,500 in financial support. Former recruiters described a culture focused heavily on money, with inadequate standards in language proficiency assessments. Testimony included admissions of passing applicants with poor English and offering monetary incentives—£250—for student referrals. The college’s own social media featured testimonial videos with grammatical errors, suggesting lax quality controls.

OBC has consistently denied allegations of fraud and misconduct, maintaining that its admissions policies are robust and that 60 per cent of applications are rejected. Director Padmesh Gupta contested the claims made by media investigations, emphasising compliance with standards.

Subsequent reports, including one from the Sunday Times, highlighted further concerns such as multiple student loan applications being submitted from a single computer linked to OBC premises and evidence of familial enrolments with recruitment incentives. Despite ongoing denials, these findings prompted the Department for Education to ban student loans for OBC students starting September 2025. The college has announced plans to challenge this ruling through judicial review, asserting that lengthy investigations found no evidence of fraud or illegality.

This controversy around franchised degree providers emerges amid a wider student loan debt crisis in the UK, with the total owed by taxpayers amounting to £236 billion and projected to rise to £500 billion in the next 15 years. While OBC has lost access to student loans, about 340 other franchised providers, enrolling 138,000 students (predominantly in business courses), continue to receive funding. The scale of genuine educational engagement and repayment within this sector remains uncertain.

Oxford Business College’s situation may exemplify broader systemic vulnerabilities within the UK's higher education financing framework, reflecting challenges faced in regulating franchised degree provision and preventing misuse of public funds. The evolving legal and policy responses to this issue are likely to shape the future landscape of tertiary education access and funding in the UK.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://oxfordbusinesscollege.ac.uk> - This URL provides general information about Oxford Business College in the UK, but it does not directly address the specific allegations of fraud or the current controversy surrounding the college.
2. <https://www.gov.uk/government/ministers/secretary-of-state-for-education> - Although not directly linked to Oxford Business College, this URL could provide information on Education Secretary Bridget Phillipson's announcements, which might include details about student loan fraud and policies related to higher education.
3. <https://www.studentloanscompany.co.uk> - This is the website of the Student Loans Company, which manages the UK's student loan system. It could provide context on the structure of student loans and how they are managed, though it may not specifically address Oxford Business College's situation.
4. <https://www.thesundaytimes.co.uk> - The Sunday Times has reported on the student loan fraud scandal involving Oxford Business College. While the specific article might not be directly accessible here, this URL points to the publication that has covered this story.
5. <https://www.ofsted.gov.uk> - Ofsted (Office for Standards in Education, Children's Services and Skills) is responsible for inspecting and regulating certain educational institutions in England. However, since franchised providers like Oxford Business College fall outside their direct remit, this URL might provide context on broader education regulations rather than specific allegations against OBC.
6. <https://www.thetimes.co.uk> - The Times is another publication that often reports on higher education issues, including scandals related to student loan fraud. While not specifically linked to Oxford Business College here, it could be a source for relevant news stories.
7. <https://www.dailymail.co.uk/news/article-14649211/The-staggering-number-Romanians-student-loans-deserted-Oxford-business-college-10k-students-cost-taxpayers-BILLIONS.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data