# Oxford Business College faces ban on student loans amid scandal over recruitment and attendance



Nestled in Oxford, a city famously dubbed the "city of dreaming spires," Oxford Business College (OBC) presents itself as a bastion of ambition and educational success. However, a closer look reveals a very different reality. The college’s so-called "main campus," advertised as buzzing with energy in a historic city building, is in fact a modest, shuttered space above a row of rundown shops near the bus station. Its relocated premises, said to be in a modern office building near the railway station, are similarly quiet and unassuming, without signs of the vibrant academic life promoted on its website.

This disparity between image and reality has come under intense scrutiny amid a growing political and financial scandal involving Oxford Business College. On Tuesday, Education Secretary Bridget Phillipson delivered a stern written statement to Parliament, announcing that students at OBC – numbering around 10,000 – will be banned from accessing government student loans. The decision follows grave "credible concerns" raised by a Government Internal Audit Agency into the college’s recruitment processes, English language proficiency standards, and monitoring of student attendance.

The college had grown rapidly from its origins in the 1980s as a business school focused on improving students’ A-level results. Since 2019, OBC began offering franchised degree courses in partnership with universities, notably Buckinghamshire New University. This arrangement, intended to widen access to higher education, allowed OBC to increase student numbers to the current level and expand to five campuses across multiple locations, including Slough and Nottingham. Its financial growth was remarkable: turnover rose from £5 million in 2020 to nearly £50 million last year, with profits also markedly increasing.

However, the Education Secretary outlined that four universities have now terminated their franchising agreements with OBC amid mounting concerns. Central to the controversy is the alleged exploitation of the government’s student loan system, with suggestions that large numbers of students enrolled not for education but merely to access loans they have no intention of repaying. The loans, provided by the Student Loans Company (SLC), include payments towards tuition fees and living costs, amounting to tens of thousands of pounds per student annually.

An investigation has revealed that many students had inadequate English language skills and irregular attendance, while some enrolments were linked to the use of single computer IP addresses for multiple applications. Reports also indicate that agents employed by OBC aggressively recruited students via social media platforms like TikTok, Facebook, and Instagram, advertising the possibility of accessing university education "without any qualification" and highlighting the financial gain that could be obtained.

A former OBC recruiter told the New York Times that monetary gain was a dominant motivation, quoting, "Money, money, money… everybody was saying, 'Hey, push the money’." Internal testimony also disclosed instances where applicants with barely coherent English essays were encouraged to be accepted. The college reportedly incentivised current students to recruit others, offering £250 for each successful referral, with some students allegedly enrolling dozens of people, including family members who subsequently did not attend classes.

Oxford Business College's director and co-owner, Padmesh Gupta, has denied claims of fraud or misconduct, asserting in response to media reports that the college maintains "robust admissions standards" and rejects a majority of applicants. Following the recent Government announcement, OBC declared its intent to pursue a judicial review, stating: "The Department for Education's lengthy investigation into Oxford Business College concluded with no findings of fraud, illegality or malfeasance. Despite this clear outcome, the DfE has indicated that courses will be de-designated as of September 2025, a decision OBC firmly believes is unlawful."

The scandal at Oxford Business College is part of a broader crisis involving student loan fraud within the UK’s higher education sector. The Sunday Times has reported that since 2022, 1,785 fraudulent funding applications totalling £22 million were uncovered across just six universities, with 270 individuals at OBC alone believed responsible for falsely claiming around £4 million over the past two years. The Education Secretary described this as "one of the biggest financial scandals in the history of our universities sector."

The system’s vulnerabilities are linked to the government’s 2011 policy allowing franchised providers – many of them private, for-profit colleges – to offer degree courses backed by loans. These providers are not regulated by the Office for Students, which has hampered oversight of attendance and academic progress. The consequence has been the enrolment of students with little genuine intention of pursuing their studies.

Many of those implicated are EU nationals, particularly from Eastern Europe, who gained settled status in the UK following Brexit, enabling them to access student loans regardless of their employment earnings or immediate intention to graduate. For example, official data shows that the number of Romanian students accessing UK student finance soared from 5,000 a decade ago to 84,000 in the most recent academic year, with roughly 15 per cent of the Romanian population in the UK currently receiving student loans.

The student loan system currently represents a significant financial liability for the British taxpayer, with outstanding debt at £236 billion, projected to escalate to £500 billion within the next 15 years. While Oxford Business College will no longer be authorised to offer access to such loans, more than 340 other franchised providers still operate this model, educating 138,000 students. Many of these students study business-related subjects.

As the government and educational regulators grapple with this issue, questions remain concerning the extent of actual academic engagement at these institutions and the future repayment of extensive taxpayer-funded loans. The Oxford Business College case provides a stark example of the challenges facing the oversight of private higher education providers within the UK.

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

## Bibliography

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2. <https://uk.indeed.com/cmp/Oxford-Business-College/reviews?ftopic=culture> - Supports claims of inconsistent management practices and recruitment concerns, citing mixed employee reviews about unrealistic targets and poor oversight.
3. <https://oxfordbusinesscollege.ac.uk/testimonials/> - Demonstrates the college's public-facing emphasis on educational quality and practical business training, which conflicts with allegations of lax academic standards.
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6. <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