# Oxford Business College student loan fraud allegations lead to loan restrictions



Nestled in Oxford, a city renowned for its historic university, Oxford Business College (OBC) has recently been thrust into the spotlight amid serious allegations concerning student loan fraud and recruitment practices. Once founded in the 1980s as a business school aimed at helping young people improve their A-levels, the college has dramatically expanded its operations, now offering franchised degrees and catering to around 10,000 students across multiple campuses in cities such as Slough and Nottingham.

A glimpse behind the polished website videos paints a markedly different picture. Instead of bustling historic buildings filled with eager students, visits to OBC’s main campus reveal a modest premises above a row of shops near Oxford’s bus station, somewhat removed from the idyllic academic image promoted online. The ‘main campus’ itself is housed above a Royal Mail sorting office, featuring little visible activity, with just a few individuals seen arriving sporadically during term time.

In a stark development on Tuesday, Education Secretary Bridget Phillipson delivered a critical written statement to Parliament, announcing that OBC’s student body—numbering around 10,000—will be barred from accessing student loans. This follows a government Internal Audit Agency investigation which raised “credible concerns” about OBC’s recruitment standards and student attendance monitoring. Phillipson highlighted that students with inadequate English language competence were reportedly being enrolled and attendance was not being sufficiently tracked.

The college’s franchising partners, four universities that previously awarded degrees delivered at OBC, have since terminated their agreements, severing ties amidst the controversy. This unraveling is part of a broader scandal involving student loan misuse nationwide, with fraud involving false enrolments on franchised degree courses at private, for-profit colleges causing substantial financial losses to taxpayers.

An investigation by the Sunday Times revealed alarming figures: since 2022, 1,785 fraudulent funding applications worth £22 million were linked to just six universities. Specifically, approximately 270 individuals at Oxford Business College are believed to have falsely claimed around £4 million over two years. The Education Secretary described the issue as “one of the biggest financial scandals in the history of our universities sector.”

Under the UK’s student finance system, students at approved institutions can access substantial loans: up to £9,535 per year in tuition fees paid directly to the institution, and maintenance loans of up to £13,348 annually to cover living costs. Additional grants and hardship funds may also be available. While loans are repayable once graduates earn above £25,000, debts are written off after 40 years if the threshold is not met, or become hard to recover if the individual leaves the UK.

The student loan fraud has been facilitated in part by changes dating back to 2011, when ‘franchised’ providers were allowed to deliver university degrees in exchange for fees. These providers, like OBC, are not regulated by the Office for Students, enabling some to admit students with little academic qualification or English fluency without strict attendance enforcement. Agents, often paid commission, have aggressively recruited prospective students, many reportedly Eastern European nationals with settled UK status following Brexit, who have little intention of completing courses but seek access to government loans.

Social media advertisements have openly offered “full student finance” and “free laptops”, encouraging quick enrolment even for those with minimal English skills. One comment cited by the Sunday Times was from a Romanian speaking about passing courses despite barely knowing English, facilitated by cash incentives. Alongside online marketing, recruiters apparently canvassed immigrant neighbourhoods and shopping centres to sign up enrollees.

OBC’s rapid expansion since introducing franchised degrees in 2019—growing from 28 to 265 staff within five years and reporting annual turnover approaching £50 million—has raised eyebrows. Company filings show significant profits, with £9.5 million reported most recently and nearly £20 million held in company funds. Ownership lies with director Padmesh Gupta and Titiksha Shah, a dress designer, who reportedly share dividends.

Despite allegations and investigative reports, OBC has consistently denied any wrongdoing, claiming its admissions standards are robust and that 60% of applications are rejected. The college insists that no fraud or illegality was found in the Department for Education’s investigation and plans to challenge the decision to de-designate its courses and restrict access to loans through judicial review.

The concerns surrounding Oxford Business College exemplify a larger issue within UK higher education funding. Whilst OBC’s students have now lost access to student loans, hundreds of other franchised providers continue to operate, educating over 138,000 students, more than 60% in business studies. The scale of unrepayable student debt in the UK currently exceeds £236 billion, expected to rise to £500 billion in the next 15 years.

Government probes continue into practices such as multiple loan applications from single IP addresses, and reports of families enrolling en masse to exploit finances. Whether such measures can stem the tide of potentially fraudulent enrolments remains to be seen. The Oxford Business College case highlights how complexities in higher education and loan frameworks intersect with recruitment practices, raising significant questions about oversight, regulation, and financial accountability.

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