

A degree of value

Value for money
from the student
perspective

November 2014



Which?

Contents

Executive Summary	3
1 The evolving market in higher education	6
2 Value for money from the student perspective	8
3 Students' concerns about value for money	11
4 Problems in the higher education market	17
5 Conclusions and recommendations	26

Executive Summary

Higher education has expanded from being an elite market to one that caters for the masses. Fifty years ago only 5% of people went to university, that figure is now over 40%. The UK has higher education institutions that are regarded among the best in the world. It is a sector that we are rightfully proud of and, when it is operating at its best, holds considerable value for individuals, the economy and society.

Over the past two decades, government policy has supported the development of a market in higher education: incrementally at first, but more rapidly over the last couple of years. This has been done to expand the sector, making it available to more students, but also with the intention of enhancing quality. Reforms set out in the 2011 White Paper have resulted in significant changes to the landscape that students and providers operate within, including changes to funding, with students making higher contributions to the cost of their degree, and reforms to allow providers to recruit as many of the best-performing students as they wish.

While these reforms have delivered benefits to students, in terms of access and choice, they have also increased costs and introduced new risks. It was in recognition of these combination of factors - greater access and choice, combined with increased costs for students - that we launched Which? University in 2012, a free online comparison website to help prospective students make the right choice for them. But while some aspects of higher education have undergone reform, the regulatory

system, which was designed for a more homogenous sector, has remained largely the same, raising questions as to whether it is fit-for-purpose.

We know that higher education is not a traditional consumer market; students play an important role in co-producing their own value - for example, they are responsible for completing the required amount of self-study. However, the application of some consumer principles - in a way that recognises the unique characteristics of higher education and takes account of 'real' over 'rational' student behaviours - can help to identify where improvements are needed.

With more market reforms to come next year when the student number cap is lifted, this is a timely point to consider whether the market is delivering value from the students' perspective, which is too often missing in the debate around higher education reform. We conducted research to explore what students think about their higher education experiences, which has revealed a number of areas of concern.

Key findings

There are rising concerns about the value of higher education: while the majority of students say that they are satisfied with their course, one-third of students disagree that their course is good value, and these figures have been rising over time. And over one-third of graduates say that they would be unlikely to attend higher education faced with higher fees.

The cost of higher education: over half of undergraduate students are worried about how long it will take them to repay their loans and, for many, the cost won't end there: 53% say that an undergraduate degree is no longer enough, a post-graduate qualification is necessary. The majority of students (92%) were also advised or required to cover additional costs associated with the course, such as field-trips or equipment, and seven in ten found out about at least one of these after they had started, which can make them more difficult to budget for.

Students raise concerns about the quality of the academic offer: three in ten students think that their academic experience is poor value, with students raising issues with the amount, and quality, of teaching that they receive and the extent to which they are academically challenged. Half (49%) said that they found the amount of work they had to do demanding, and less than half (45%) feel that seminars are generally worth attending.

Students don't feel that they receive sufficient support to help them in the labour market: improving future job prospects, or pursuing a specific vocation, is the number one reason students give for applying to university but nearly half of graduates say that the support that they received to enter the labour market is poor value; and a quarter say that higher education has not helped them to develop the skills needed for work.

Changes to courses: 58% of all students reported experiencing a change to their course, such as a change to the course content, the location that the course was being taught, or an increase in fees. A third of students experienced one or more changes that they thought were unfair, and a fifth did not know that their provider was allowed to make the change.

Students are reluctant to complain: 17% of students reported that they had experienced a problem in this academic year and yet only half had complained to their university about it. Of those that did complain, six in ten (58%) were dissatisfied with the way the complaint was handled, and half felt that the complaint was ignored.

Students do not research key aspects of their course, and many do not receive advice: prospective students are not acting as rational consumers when researching higher education. Many do not research teaching quality or employment outcomes at the time of making their choice and yet, with hindsight, many say that they would have conducted more research into these aspects. This raises questions about the quality of information and advice that they have access to. Only 36% of prospective students aged 19 and under said they had received one-to-one advice at the time of making their higher education choices.

Conclusions

1. Value for money in higher education is complex and while overall satisfaction is high, many students also report concerns. The financial cost of university means that making the right choice has taken on much greater importance than for previous generations of students, but without reform, it will be increasingly difficult to guard against students' feeling that they have had a poor value experience.
2. Choosing the right course will always be a complex and difficult decision, and individuals will never really know if they've made the correct decision until they commence their studies, or perhaps later. However, with access to better advice at an early stage, and directed towards meaningful information, the overall quality of those choices can be improved.
3. Information, to inform choice, is not a panacea but it can change the culture in higher education. By making higher education more transparent on the measures that matter to students, such as the academic experience, providers will naturally come under greater

scrutiny. This will not only be of value to some students, but it will greatly strengthen the hand of the regulator(s) in overseeing overall standards.

4. Higher education is not a typical market, and it should not be assumed that students are acting 'rationally' within it, but this should not absolve providers of adhering to consumer protection law. It is important that students understand the terms of their agreement to study at a provider, and it is important that providers ensure these terms are compliant with consumer regulations.

5. The regulatory system, which was designed for a more homogenous sector, is no longer fit for purpose. With students now taking on tens of thousands of pounds worth of debt to complete their studies, there needs to be a strong regulator to protect students. Regulation should not be seen as a threat to institutions but as a means to strengthen and secure the reputation of UK higher education.

Recommendations

Our research has led us to identify recommendations across three key areas aimed at addressing students' worsening perceptions of value for money. We believe these should be central to a next phase of higher education reform, building on the policies of successive governments.

To improve information and advice:

- The Government should release better comparable information on the academic offer, costs and financial support, support to enter employment and longer-term employment outcomes, and complaints. The Key Information Set needs to be revised to provide access to these variables.
- New legislation should be brought forward to enable the linking of HMRC with Student Loans Company data to provide anonymised information on longer-term employment outcomes to support student choice.
- There is a clear need, identified by the Sutton Trust among others, to improve access to careers advice for students as a means to support informed choice.

To improve consumer protection:

- Minimum standards for complaints should be introduced, and these should be enforced by the regulator.
- New legislation should be brought forward within the Consumer Rights Bill to provide all students with access to the Office of the Independent Adjudicator. We also support the establishment of super-complaint powers for designated representative bodies, as currently exists in private markets.
- The sector should work together, with student representatives, to produce a standard format for higher education contracts. The Competition and Markets Authority (CMA) should carry out a compliance check no later than 12 months after issuing its revised guidance, and take immediate action where providers are found to be breaching consumer legislation.

To improve regulation in the market:

- In the short term there are changes to the regulation of quality and standards that the Quality Assurance Agency (QAA) could implement now, in response to concerns raised by students about quality, including making use of a revised Key Information Set to inform inspections and focusing more squarely on standards as part of its inspection activity.
- In the longer term there is also a good case for making it easier for the QAA to recommend that degree-awarding powers are removed, for action by Privy Council.
- The forthcoming CMA review of higher education should inform potential changes to the regulatory landscape.

1. The evolving market in higher education

The market in higher education has been evolving incrementally since fees were originally introduced in the late 1990s, but accelerated over recent years, following Lord Browne's review¹ and the subsequent 2011 White Paper 'Students at the heart of the system'.² This has brought benefits to students, but also greater costs and new and emerging risks. Despite significant changes to the landscape there has been little reform to date of the regulatory system, leaving some key gaps and questions about the extent to which the current system is fit for purpose.

Increased access and choice

There has been an increase in access, with 43% of young people participating in higher education today,³ up from 5% 50 years ago.⁴ Higher education has moved from an elite, to a mass, market.

Students are also increasingly able to access their preferred provider, as a result of the liberalisation of student number controls enabling providers to expand to take on an unlimited number of the highest performing students. As a result of these reforms University College London, the University of Bristol and the University of Exeter have all increased their intake by more than 35% in the last two years.⁵ Further liberalisation will come next year when the cap on student numbers will be lifted altogether, enabling providers to accept as many undergraduate students as they can attract.

The market has also delivered greater choice over the type of provider for students to study at, with an increase in locally-provided courses delivered by further education colleges, and in specialist provision delivered by private providers. This has been facilitated through a relaxation of rules on entry to the market and easier access to public funds for those providers. There are approximately 130 HEFCE-funded higher education institutions in England and 202 further education colleges⁶ and an estimated 674 privately funded providers.⁷

A number of information providers have entered the market over time to support students in this choice. This has been further facilitated over the last few years through the introduction of a Key Information Set, a set of standardised and comparable information that all publicly-funded providers submit to.

¹ Lord Browne (2012) 'Securing a sustainable future for higher education'

² Department for Business Innovation and Skills (2011) 'Higher education: students at the heart of the system'

³ Department for Business, Innovation and Skills (August 2014) 'Participation rates in higher education: Academic years 2006/07 - 2012/13'

⁴ Willetts, D. (2013) 'Robbins revisited'

⁵ See <http://www.timeshighereducation.co.uk/news/revealed-winners-and-losers-in-student-numbers-game/2010734.article>

⁶ See <http://www.hefce.ac.uk/news/newsarchive/2014/news86801.html>

⁷ Department for Business Innovation and Skills (2013) 'Privately funded providers in higher education in the UK'

Consumer protection and the student experience

In addition, the trend towards marketisation and the introduction of fees has brought some protection for students. For example, there is greater clarity relating to whether, and how, students are able to access rights that derive from consumer protection legislation. And, students at publicly-funded institutions are able to seek independent redress via the Office of the Independent Adjudicator (OIA) when they have been subject to poor treatment. There are more than 600 student unions which represent the interests of students and provide advocacy for students when they experience problems.

There has been an increase in the use of Student Charters, setting out students' rights and responsibilities in the market. However, a report for the Department for Innovation Business and Skills in 2011 found that many providers were not using these and, where they were, they varied significantly in format.⁸ As the research highlights (Section 3), many students have experienced changes to their courses, an increase in fees during term, which raises questions about the extent to which consumer rights are being applied in the higher education market.

The increase in fees and competition has also resulted in a keener focus on accountability and the student experience, facilitated by the development of The National Student Survey in 2005 to track student perceptions of the quality of their offer.

Costs and risks

However, the reforms have also brought increased costs and new risks. The maximum fee that publicly-funded providers can charge is now £9,000 per annum, up from over £3,000 in 2012. Students receive support from a well-subsidised loan system, but a Business Innovation and Skills (BIS) Select Committee inquiry,⁹ among others, has raised concerns about the sustainability of the system within which government is currently losing 45p in every £1 it lends out. This could result in students bearing greater debt if there is a change to repayment terms in the future.

There is also greater risk of a decline in quality and standards in a competitive system where providers will be under greater pressure to award better class degrees and will be able to expand more quickly. These concerns have been well documented,¹⁰ and ongoing before the

Government's 2011 market reforms, with the Innovation, Universities, Science and Skills Select Committee raising concerns in 2009 pointing to evidence of grade inflation and low total workloads among students.¹¹ And emerging findings from a survey of academics in the Times Higher Education Supplement has revealed that four in ten believe that pressure to give students better marks has increased at their institution, with about a third saying that their university has compromised on student quality in a bid to increase or preserve student numbers.¹² A report by the Higher Education Policy Institute (HEPI) has also highlighted some of the potential risks that might follow next year when the number cap is lifted, based on Australia's experience where there has been significant expansion of places to students with lower prior attainment¹³ who face a greater risk of non-continuation.

Many more universities are experiencing income volatility in the new funding arrangements, with some institutions losing up to 20% of their places over the last few years,¹⁴ increasing the risk of financial failure. While not related to market proposals, two universities have been at risk of financial failure, including London Metropolitan University and, more recently, Glyndwr University.¹⁵

Despite the introduction of these new risks, the regulatory landscape has remained largely unchanged. The current system is based on a high degree of self- and co-regulation reflecting government and sectorial concerns to maintain institutional autonomy, and designed with a more homogenous sector in mind. The Government recognised this and promised to bring forward legislation to reform the regulatory context in its 2011 White Paper. However, this has not yet materialised and in the absence of firm proposals there is now a degree of consensus that the current system is not fit for purpose.

⁸ Student charter group for BIS (2011) 'Final report'

⁹ Business, Innovation and Skills Committee (2014) 'Student loans: third report of session 2014-15'

¹⁰ Brown, R (2013) 'Everything for sale? The marketisation of UK Higher Education'

¹¹ Innovation, Universities and Skills Select Committee (2009) 'Students and Universities'

¹² See <http://www.timeshighereducation.co.uk/story.aspx?storyCode=2016517>

¹³ Norton, A. for HEPI (2014) 'Unleashing student demand by ending number controls in Australia: an incomplete experiment'

¹⁴ See <http://www.timeshighereducation.co.uk/news/revealed-winners-and-losers-in-student-numbers-game/2010734.article>

¹⁵ See <http://www.timeshighereducation.co.uk/news/glyndwr-planted-the-seeds-of-its-financial-woe-some-time-ago/2014550.article>

2. Value for money from the student perspective

Viewed together, the changes described in Section 1 represent an enormous change in the provision of higher education in the UK. The shift towards a mass market means many more people are experiencing higher education; and the increase in costs, and difficulties in switching, mean that it has become more important that students are making the right choice for themselves. Which? conducted research to consider what students think about value and the factors that influence it. This section explores the overall findings from that, before moving on to consider students' concerns with value.

Measuring the value of higher education from the student perspective is complex. Students go to university for many different reasons: not just for the knowledge and academic skills they acquire, but also to help them get a good job and for the social experience and personal development that come with studying for a degree. Students also have very different capabilities, which affect the outcomes that they achieve and mean that measurement must include inputs as well as outcomes. They also play an important role in co-producing the value that they achieve; all higher education requires a certain amount of self-discipline from students in order to complete the required amount of study. Higher education is also a post-experience good, which means that the benefits may not be fully known until some time after graduation.

Which? conducted research to consider value from the student perspective, and changes over time. This included qualitative focus groups and surveys to explore perceptions of value for money; diary research and analysis of the Higher Education Policy Institute/Higher Education Academy 2014 Student Academic Experience Survey to consider the academic offer; and secondary research of the literature to consider the objective evidence.

Figure 1: The multi-dimensional nature of value in higher education



Our research

Which? conducted a programme of research between January 2014 and October 2014, consisting of:

Qualitative focus groups

We conducted eight focus groups: four in Manchester and four in Bristol in March 2014, with a total of 32 current undergraduates and 32 graduates who graduated in the last seven years. Participants were drawn from a mix of old and new institutions.¹⁶

Quantitative survey of prospective students, undergraduates and graduates

- Youthsight, on behalf of Which? surveyed 1,003 UK applicants intending to start university in September 2014, online between 7 and 24 February 2014.
- YouthSight, on behalf of Which?, surveyed 1,023 first and second-year undergraduates online between 5 and 10 June 2014.
- YouthSight, on behalf of Which?, surveyed 997 graduates, who had graduated with an undergraduate degree in the last five years, online between 10 and 15 June 2014.
- YouthSight, on behalf of Which?, surveyed 4,519 students in the second year and above, online between 9 and 29 October 2014.

Qualitative diaries

14 second-year psychology students from five universities completed a one-week diary recording their academic experience between March and May 2014.

Quantitative analysis

In May 2014 Which? conducted institutional-level analysis of the Higher Education Policy Institute/Higher Education Academy 2014 Student Academic Experience Survey. The results from the 2012, 2013 and 2014 survey were combined to produce a sample size of around 41,000, covering higher education institutions across all regions and all years of study. Institutions where the sample size was less than 20 were discounted.

Overall we found from our survey that seven in ten undergraduates (68%) who were paying higher fees, and eight in ten graduates (81%) who paid lower fees under the previous system, thought that their university experience was good value for money. However, a significant number reported views that we think are concerning:

- Three in ten undergraduates thought that their experience was poor value.
- 35% of graduates said that they are unlikely to have attended university faced with higher fees.

The complexity of measuring value came through strongly from the qualitative research. At every stage of their journey students found it difficult to reflect on value (see figure 2). Which?'s work in other complex markets, including the health and social care sector, has revealed similar findings where high-headline satisfaction scores can obscure concerns that sit beneath these – even in markets where the observed levels of detriment can be high.

Many undergraduates in our focus groups recalled that, as **prospective students**, applying to university was not an active choice, but something that they felt that they had to do to get a good job and enhance their career prospects. They often expressed that university was simply the 'next step', and some mentioned experiencing pressure from school and parents to attend. This meant that they had not previously considered whether university would be value for money.

When students got to university, as **undergraduates**, they often spoke passionately about the wider personal and social benefits of university: the experience of living independently, meeting new people and developing a sense of identity. This 'transformative' element of the university experience meant that while students might identify aspects of the academic experience, or the accommodation as poor value, this was often overshadowed by the wider benefits. And, because payment is deferred, and they received support from the student loans system, the costs were not as visible – in fact they felt a financial benefit.

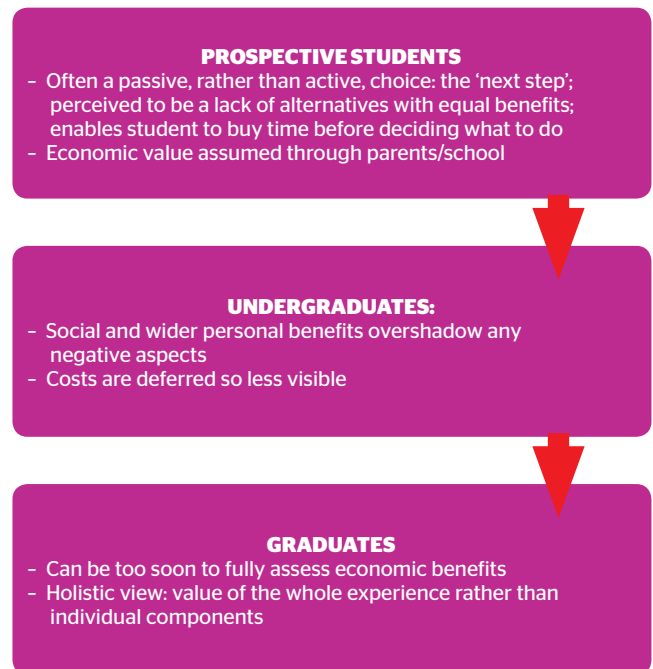
¹⁶ This included a mix of pre and post-1992 institutions.

"You don't really care about being in debt while you're there. It doesn't come out of your bank account saying minus £30,000, it says plus because you've got a student loan"
Recent graduate

"It makes you grow up so much, it changes you and shapes you for life. It's priceless...you'll just pay it because you're not going to get these experiences anywhere else"
Current undergraduate

On leaving university, as **graduates**, students took a holistic view describing the value of the whole experience. Even if they had been in work for a number of years, and were discontent with their situation, they were confident that having a degree had been a form of insurance and that they would reap the benefits in the future.

Figure 2: The student journey and factors that affect views on value



3. Students' concerns about value for money

As we have seen, perspectives on value change as students move through the higher education system. While overall satisfaction is high, a significant number of undergraduates (three in ten) report concerns about the value of their higher education experience. In this section we explore some of the underlying factors that are driving concerns about value for money, based on our primary research and the secondary evidence.

A. The cost

Tuition fees will average £8,600 this year, close to the £9,000 cap, and much higher than the £3,000 plus fees in place pre-2012. In addition, students also have to cover wider living costs, including halls of residence fees, which a third (32%) of students in our survey thought were poor value. The majority (92%) were also required or advised to cover additional course costs, such as field trips or equipment. One fifth of students reported that the additional course costs were over £200 in the past year. Of those who were advised or required to purchase extra items, seven in ten were told about at least one of these items after they arrived at university which students in our qualitative research said made them difficult to budget for.

All in all, this means that students will graduate with debts in the region of £45,000. More than half (55%) of students said that they were worried about how long it will take them to pay their loan back, and for many the costs will not end there: 53% think it is no longer enough to have an undergraduate degree - a postgraduate qualification is necessary. And while many students were accessing student loan finance to fund their time in higher education, others were also drawing on support from family and paid work.

Roughly three in ten undergraduates said they would be interested in replacing some teaching with online alternatives if it would make fees cheaper. The same

proportion were interested in two-year accelerated degrees (with the benefit of being cheaper than a three-year course).

B. The quality of the academic offer

Assessing the quality of the academic offer is complex, but there are some established proxies that can be used as measures of quality. Graham Gibbs has identified the following factors as important: class size, which impacts the amount of close contact students have with staff; who does the teaching - whether they are a full-time academic member of staff, and whether they have a teaching qualification; learning resources; feedback on assignments; extent of collaborative learning and engagement, including the total number of hours committed to study; and the extent to which a deep, over a shallow, approach to learning is supported.¹⁷

Given students' roles in co-producing value, there are also some measures which, while not proxies for quality, are important for them to consider when thinking about which course will suit their preferred learning style. For example, while some students will need and prefer more teaching hours, others will be more confident in private study.

Overall, from our survey, three in ten undergraduate students thought that their experience was poor value. We explore some of the potential reasons for this in relation to some of the measures of quality identified above.

¹⁷ Gibbs, G. (2012) 'Implications of dimensions of quality in a market environment'

o Amount of contact with staff

Where students receive less than nine hours of teaching time they are (at least) twice as likely as other students to say that their course is poor value for money,¹⁸ and students say that they benefit more from teaching in smaller groups.¹⁹

Our analysis of the Higher Education Policy Institute/ Higher Education Academy 2014 Student Academic Experience data found that there are significant variations in the amount of contact students have with staff at different institutions, and this applies across a number of subject areas. Among respondents studying psychology, at institutions where we achieved an adequate sample, teaching time ranged from approximately seven hours at the University of Reading, to 14 hours at the University of Roehampton; and the average number of teaching hours in small groups (fewer than 16 students), ranged from approximately 35 minutes per week at the University of Hull, to over three hours at Staffordshire University.

o Quality of teaching sessions

Students often express dissatisfaction with the quality of their teaching sessions. In the results from last year's Student Academic Experience Survey, 47% of students said that half or fewer teachers motivated them to do their best and a quarter (25%) said that half or more of the teaching they experienced in the past year was taught in an unstructured and disorganised way. In our undergraduate survey this year, less than half (45%) of undergraduate students reported that they generally come out of seminars feeling that they were worth going to.

The quality of teaching sessions partly rests on the other students in the session, and how much they contribute, but also on the teachers' ability to facilitate discussion, which a number of our diary research participants reflected on.

"Many lectures are extremely formal and dictatorial, with what seems a lack of passion. There is also a general absence of interaction in lectures. Even in our tutorials (groups of 12ish) many members of the group won't contribute. It should be up to the tutorial leader to ensure that every member of the group participates to enhance their understanding of the topic"

(Psychology student, The University of York)

While students did not seem to mind teaching from PhD students, and often said that they were easier to relate to because they had recently been through the process, their experience and knowledge is likely to be more limited than a full-time academic member of staff. And yet there are significant variations in who does the teaching across different institutions. For example, the number of hours of teaching from an academic ranged from four hours at the University of Exeter to over 10 hours at the University of Glasgow. And, we know from data that the Higher Education Statistics Agency (HESA) has just begun to collect, some 38% of academic staff in institutions do not have a teaching qualification.²⁰

o Feedback

The speed, frequency and volume of feedback that students receive is an indicator of teaching quality²¹ and something that students often complain about, reflected in lower overall National Student Survey Scores on this particular indicator. While institutions have put a lot of effort into improving practices, there is still evidence of problems. Which?'s analysis of the HEPI-HEA data found that the average time it took for students to receive feedback on their assignments ranged from just under two weeks at Durham University to nearly four weeks at the University of Hull. And, while four in ten of students at Reading University said that they mainly receive feedback face-to-face (42%), which is considered best practice, 35% of students at Glasgow University reported mainly receiving feedback as just a grade with no written comments.

Issues with feedback are also reflected in student views, with one-quarter of students in last year's Student Academic Experience Survey (22%) agreeing that feedback was prompt, and a similar proportion saying that staff put a lot of effort into commenting on their work.²²

o Private study and total workloads

The intensity of student workloads is also a recognised proxy of quality, and yet we know that students' total workloads average less than 30 hours per week, and constitute a quarter fewer hours than recommended in quality guidelines.²³ Time spent working will vary widely between individuals: we found from our diary research that the number of private study hours that individuals reported doing ranged from zero hours to 45 hours that week. Just a third of students in our survey reported doing the recommended reading throughout the term; 28% of

¹⁸ Youthsight on behalf of Which? surveyed 17,090 full-time undergraduate students in their first, second, third and fourth years at UK institutions. The fieldwork took place between the 26 February and 21 March 2013. When we combined this year's results with last we achieved a sample of 26,000 students.

¹⁹ Higher Education Policy Institute and Higher Education Academy (2014) 'The Student Academic Experience Survey'.

²⁰ Data request submitted to HESA, June 2014. Academic staff are defined as staff at least one of whose contracts of employment was for an academic function and whose contract activity can be categorised as 'Managers, directors and senior officials', 'Professional occupations' or 'Associate professional and technical occupations' as defined by the 2010 Standard Occupational Classification (SOC) major groups 1, 2 or 3.

²¹ Gibbs, G. (2012) 'Implications of dimensions of quality in a market environment'.

²² Which?/HEPI (2013) 'The Student Academic Experience Survey'.

²³ Ibid.

Table 1: Variations in the academic experience among psychology student: analysis of HEPI-HEA 2014 Student Academic Experience Survey

University ²⁴	Teaching time (hours/ mins)	Teaching by an academic (hours/mins)	Teaching in groups of <16	Feedback mainly as grade, no comments (%) ²⁵	Feedback mainly in person (%)	Average mark time, (days)	Sample Size
Anglia Ruskin University	10.08	7.56	2.27	12.5	9.4	19.1	32
Bangor University	11.04	6.48	2.35	16.7	7.4	23.0	54
Bath, The University of	10.28	8.59	1.31	4.9	7.3	18.8	41
Birmingham, The University of	9.35	6.21	1.36	16.7	30.6	22.3	36
Brunel University	10.09	8.00	0.38	19.0	4.8	25.1	21
Cardiff University	9.34	7.18	2.23	8.0	16.0	13.3	25
Durham University	11.02	10.11	2.06	3.8	11.5	13.1	26
Exeter, The University of	7.55	4.16	1.33	0.0	8.0	18.0	25
Glasgow, The University of	13.50	10.14	2.23	34.8	4.3	20.1	23
Huddersfield, The University of	11.35	8.17	3.02	0.0	0.0	16.3	22
Hull, The University of	9.00	7.57	0.34	4.5	4.5	26.6	22
Lancaster University	11.47	9.01	1.49	4.3	0.0	25.2	23
Leicester, The University of	9.54	6.45	1.45	4.8	0.0	15.9	21
Lincoln, The University of	9.09	8.23	1.41	5.9	11.8	22.5	34
Manchester, University of	10.31	7.45	1.36	0.0	0.0	19.6	21
Nottingham, The University of	10.55	8.50	1.23	2.9	14.7	18.0	34
Plymouth University	13.08	9.43	2.25	3.1	15.6	18.9	32
Reading, The University of	7.09	5.37	0.43	9.5	42.9	12.8	21
Roehampton University	14.00	9.06	2.52	10.0	15.0	14.4	20
Royal Holloway, University of London	10.43	8.19	1.26	0.0	0.0	19.6	35
Sheffield, The University of	9.16	6.53	1.18	11.5	26.9	22.9	26
Staffordshire University	9.33	8.45	3.11	15.0	10.0	19.4	20
Surrey, The University of	11.24	9.40	1.13	5.0	15.0	22.6	20
Sussex, The University of	9.11	5.25	2.48	3.0	3.0	17.0	33
York, The University of	10.54	8.37	1.33	7.1	11.9	18.9	42

undergraduate students agreed that they had a lot of free time, and 29% said that they were doing fewer hours or less work than they did at school.

"It's a lot like college...a bit harder, but I haven't had that huge leap...I feel like I'm missing something...academically it's not that challenging"
(Undergraduate, Wolverhampton University)

"The lecture content is usually very good, however often I don't feel stretched enough - last term I missed quite a lot of lectures but still managed 2.1s in all my exams. It sometimes feels like the step up from school to university hasn't been as significant as expected. This does not help with my personal

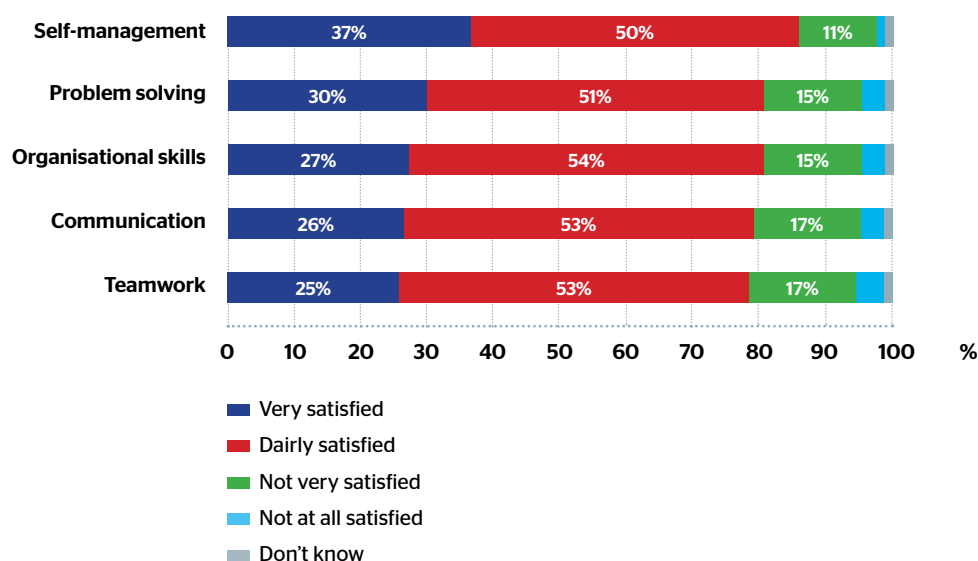
motivation at times, as I feel as if I don't necessarily need to go to lectures."
(Undergraduate, York University)

The amount of private study students undertake is partly dependent on how motivated and conscientious they are, and their capability. However, it is also connected to the amount of work that is set, and whether or not the structure of the course enables students to get away with doing little. This came through in what students told us in our undergraduate survey. Half (49%) said that they found the amount of work they had to do demanding, and 39% say that the content of the work was stretching. A quarter (26%) of students say that you can get away with doing little private study and still get good marks.

²⁴ In May 2014 Which? conducted institutional level analysis of the Higher Education Policy Institute-Higher Education Academy 2014 Student Academic Experience Survey. The results from the 2012, 2013 and 2014 survey were combined to produce a sample size of around 41,000, covering higher education institutions across all regions.

²⁵ In addition students were asked if they received feedback mainly as written comments only or written comments and a grade.

Chart 1: Graduate satisfaction with the help they received to develop each of the following employability skills



Question: And to what extent are you satisfied, or not, that your university helped you to develop each of the following skills? Base: all respondents (997)

C. Support to become job-ready and employment outcomes

'Improving employment prospects, or pursuing a specific vocation' is the number one reason that students give for applying to university. Therefore, measuring the value that students receive from higher education in this respect is important. Within our survey of graduates, half (49%) said the support that they received to enter employment was poor value. We explore some of the reasons for this below.

o Work placements and careers session

The benefits of work placements, in particular, are widely documented in terms of their impact on academic performance, but also in developing the soft and technical skills needed for employment,²⁶ and research suggests that the salaries of graduates who have completed a sandwich placement are 8% higher six months after graduating than those who had not.²⁷

And yet, many graduates in our survey reported that they leave university without having received support to help them find suitable work. Some 42% had attended a work placement or internship, and one in ten had undertaken a sandwich placement; 47% had sought careers advice;

43% had been to a careers fair; 43% had attended careers talks and 30% had attended work preparation sessions. This might reflect student uptake, rather than the support on offer, but it does suggest that providers could do more to promote these services. In hindsight, 29% of graduates said that they would have taken greater advantage of the careers advice on offer or employment support.

o Transferable skills

Eight in ten (81%) employers cite employability skills as among the top three most important considerations when deciding which graduates to employ.²⁸ A quarter (23%) of graduates in our survey said they felt their university had not helped them to develop all the skills they needed for employment. A fifth (20%) said they weren't satisfied that their university had helped them to develop communication skills, and a similar percentage (21%) said this about teamwork skills. 54% of graduates in our survey said they would have welcomed a greater focus, in their course, on the practical skills needed for work.

This is also a concern that is echoed among employers, with 20% reporting shortcomings in graduates' use of literacy and use of English; 27% in problem solving and

²⁶ Wilson (2012) 'A review of business-university collaboration'

²⁷ Department for Business, Universities and Skills (2012), 'Following up the Wilson review of business-university collaboration'

²⁸ CBI (2012) 'Learning to grow: what employers need from education and skills'

32% in self-management skills.²⁹ And OECD³⁰ research has found that the UK is faring badly compared to its international counterparts, with 25% of those with a university or college education in England and Northern Ireland reaching top attainment levels in literacy, in contrast to 32% of equivalent Australians and 37% of Japanese and Finnish graduates.

o Employment outcomes

A number of factors impact on employment outcomes, which makes them difficult to measure: students are not always motivated by earnings, so higher earnings will not necessarily reflect better outcomes; better outcomes can also be a reflection of pre-existing abilities before starting university; and outcomes can also be impacted by local and national labour market trends which will affect the demand for graduate skills.

However, official, as well as our own, research suggests that a significant minority of graduates are faring less well: a quarter of graduates in our survey reported that their existing job did not require a graduate qualification, and we know from the official data that the same proportion are not in professional jobs six months post-graduation.³¹ Students in our survey also reported that their experience does not match the expectations that they had before starting university. Four in ten graduates in our survey said that their earnings fell below expectations, and 47% said that university had not opened the door to jobs in the way that they were expecting.

D. Course organisation and management

Poor course organisation, or management, is also a common complaint among students. A fifth (20%) of all students who said that their course had been worse than expected in some way attributed this to poor course management.

Some 58% of students also reported experiencing one or more change to their course; with 20% experiencing an advertised module no longer being available, or the content of the course changing significantly; and 12% reporting an increase in fees between or part-way through the year. While in many cases this had little impact, 26% reported that the change had a significant impact on them. This rose to four in ten (40%) students who experienced fees increasing part-way through the year, or teaching being held at weekends rather than the week, as advertised (42%), and three in ten (27%) experienced an advertised module no longer being available, as presented in the table on p16.

Overall 24% of students reported experiencing a change in the location where teaching was delivered, but just 7% reported that this had a significant impact on them. However, we identified some cases where this could have a very significant impact, including having to travel to another city to receive teaching. Similarly a BBC Radio 4 File on Four documentary found a case where a change to teaching location resulted in students having to travel 40 miles from campus.³²

"The University decided to move many courses to a different campus, citing 'better facilities for students' as an excuse. Neither I nor anyone else I know asked for better facilities; we all feel that the facilities we have are more than excellent and that the facilities in the campus we are moving to are far inferior and are extremely cramped, forcing too many students into one place. We were not asked about our opinion on the move before it was decided, and this is very likely to prevent me from being able to progress onto my third year as I paid to go to Newport City campus for a reason. I am unable to go to Cardiff without significant help."

(Undergraduate from University of Wales, Newport)

"I am a biomedical science student and when I started my course it was accredited by the Institute of Biomedical Science; this meant I was able to access more jobs. However, then they removed the haematology module, which is a requirement for working in labs owned by the NHS, so now I can't get a job in one of the largest areas of biomedical science without spending 7k on tuition for an accredited masters degree."

(Undergraduate from Edinburgh Napier University)

"We're already paying too much, but then to put it up £500 each year is something that I feel was sneaky. I obviously wasn't going to drop out of university, so I really was left with no choice."

(Undergraduate from Portsmouth University)

Of those who experienced a change, a third had experienced at least one change they felt was not fair, and this rose to half of students (52%) who experienced a fee increase between years or who experienced a module no longer being available (47%).

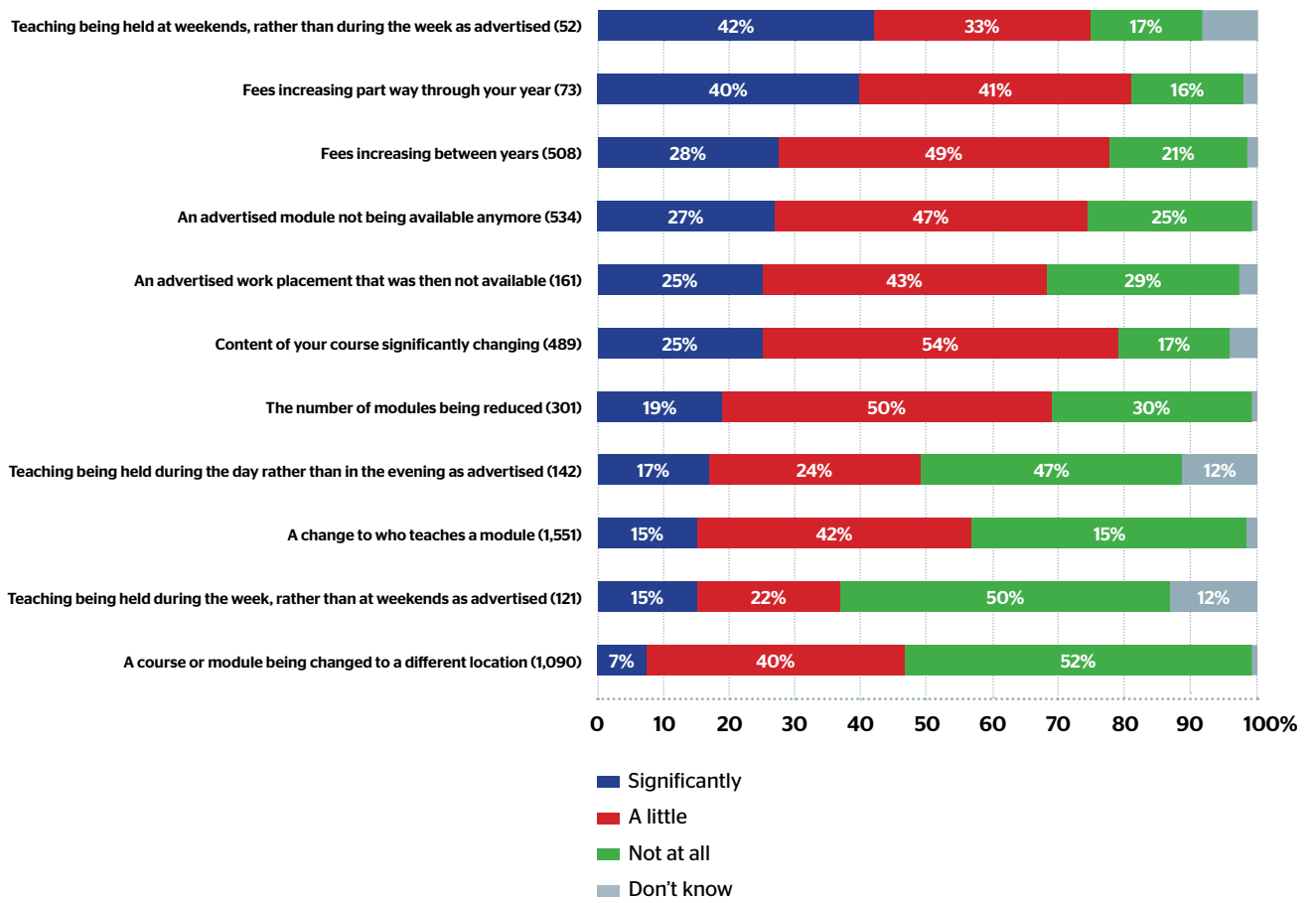
²⁹ Ibid.

³⁰ OECD (2014) 'Education at a glance'

³¹ See <https://www.hesa.ac.uk/stats-dl/he>

³² See <http://www.bbc.co.uk/programmes/b045bqtd>

Chart 2: The impact of changes to courses on students



Question: To what extent did the following impact you, if at all?
 Base: all respondents (4519)

4. Problems in the higher education market

In the previous section we explored a number of ways in which the market is not currently delivering for students which is in turn contributing to concerns about value for money. In this section we explore the supply and demand-side dynamics that are contributing to this, and identify three areas where the market mechanisms to support students to get value for money are lacking.

A combination of supply and demand-side factors are contributing to the issues that students are reporting. On the supply-side, strong overall demand means that there is less incentive for providers to respond. Some 55% of undergraduate students in our survey said that if you want a good job you have to go to university; and students do not always get accepted on courses they apply for with the London School of Economics accepting just 8% of all their applicants and London Metropolitan University, where entry requirements are lower,³³ accepting 23% of applicants.³⁴ The difficulties switching can also mean that there is less incentive for institutions to respond but also means that students who discover that they made the wrong choice may be forced to drop out. According to our research with freshers one-fifth have considered switching courses.³⁵

On the demand side, students are not 'rational consumers' in the way that traditional economic theory suggests. There was an inbuilt assumption within recent reforms that, armed with information and paying higher fees, students would become more demanding of what is offered by institutions and courses, would make informed choices based on information about the quality of the academic offer, and complain where they experience a problem. Our behavioural research finds that, much like other markets we work in at Which?, this is not borne out in reality.

These market dynamics make it all the more important that the right mechanisms are in place to ensure that the market delivers value from the students perspective, and that these are designed with an understanding of real consumer behaviours in mind. These area lacking in three key areas.

Information and advice

Limitations of the existing information

An effective market relies on the availability of good quality and transparent information. In higher education, information should reflect the quality of the academic experience; the support students receive to enter employment, and graduate outcomes in the labour market; information on complaints; and more comprehensive information on costs. The absence of this information, and high demand in some parts of the market, has meant that there has been less incentive for some providers to compete on these factors. Quality has, for some time, been associated with high entry requirements and research excellence, and is increasingly associated now with high fees. This is evident from recent ESRC-funded research which found that overall quality did not match with prestige and league table position.³⁶

³³ Taken from figures in the Complete University Guide <http://www.thecompleteuniversityguide.co.uk/league-tables/rankings>

³⁴ UCAS, 'Applications (choices) and accepted applicants by institution, 2013 cycle'

³⁵ An online survey of 1200 undergraduate students, who have just completed their first semester of University, between 11 Dec and 19 Dec 2012

³⁶ The University of Nottingham, led by Mclean; M (2008-11) 'The Pedagogic Quality and Inequality in University First Degrees'

The Key Information Set (KIS) is a significant step forward, and something that students tell us that they really value, but the information within it is limited for a number of reasons.

- **Academic quality:** there is currently no information on academic inputs, which are also proxies for teaching quality, including: class size; the qualifications and experience of staff doing the teaching and the intensity of the workload; as well as inputs that help students assess value based on their preferred learning style such as the number of teaching hours.

Information is limited to the proportion of time that students can expect to receive in scheduled learning and teaching, rather than the actual number of hours. Students in our user-testing commented that presentation in this format was unclear and confusing.³⁷

The KIS also draws heavily on students' views of quality, and includes information on degree classifications which suggest that the system is standardised when it is not.

- **Employment support and outcomes:** information on employment outcomes is limited to performance six months post-graduation which may be too soon to assess outcomes, particularly where graduates initially undertake on-the-job training, and earnings rise considerably after this.

There is also no information on the level of support that institutions provide to help students succeed in employment, for example the availability of work placements.

- **Fees:** there is no information on the wider costs associated with courses and there is limited information on the financial support that institutions make available to students. The KIS currently contains information on whether students might receive financial or in-kind support, but not the amount, which is particularly limited given that most will offer some form of support and amounts will vary widely.
- **Complaints:** there is no transparent information on the number of complaints that are received across different

institutions, or how satisfied users are with how they are handled. And yet a recent freedom of Information request undertaken by the BBC found that the number of complaints in some universities was double that in others.³⁸ The Government has moved towards making this information available in health to help incentivise and monitor complaints, and complaint handling practices.

Our research has also found that institutions are often not providing this information themselves. Which? conducted a review of twenty university websites and prospectuses last year³⁹ looking in particular at information on the academic experience in relation to English courses. This found that:

- Only two provided comprehensive information on the total number of contact hours per week, but this was not broken down by lectures or tutorials.
- Only two of the twenty gave an indication of the amount of private study that was required.
- Six out of twenty gave an idea of the size of the seminar or tutorial class.
- No single institution provided information on all of these things.

Some providers, however, are leading the way. For example, Coventry University provides information on the number of hours of small, medium and large group teaching that students will receive and includes all mandatory fees in the headline price.⁴⁰

Students do not research aspects of the experience

Contrary to traditional economic theory many prospective students do not base their choice of provider on the quality of the offer. This affects the extent to which the market can operate as intended, but also means that some students report that they may have done more research or made a different choice in hindsight.

Employment performance

Despite 'improving employment prospects, or to pursue a specific vocation' being the number one reason for applying to university, just 38% had researched employment outcomes at the time of making their choice. And yet, a quarter (25%) of graduates and one fifth (19%) of undergraduates said that they would have researched this in hindsight.

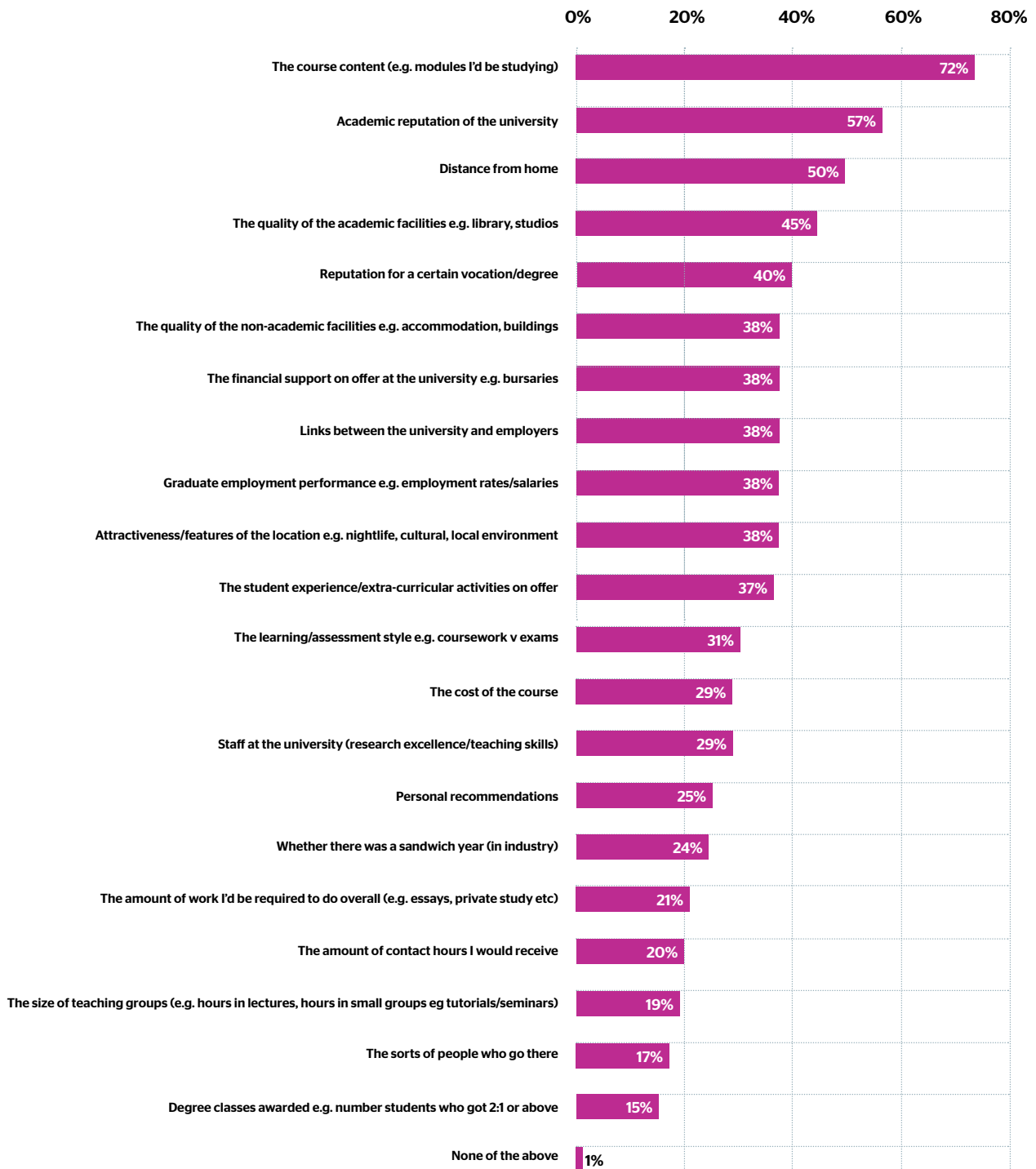
³⁷ Which? conducted 16 qualitative interviews with undergraduates and prospective students to understand the decision-making process. The research took place in September 2013.

³⁸ See <http://www.bbc.co.uk/news/education-27640303>

³⁹ Sample included a mix of pre and post-1992 institutions

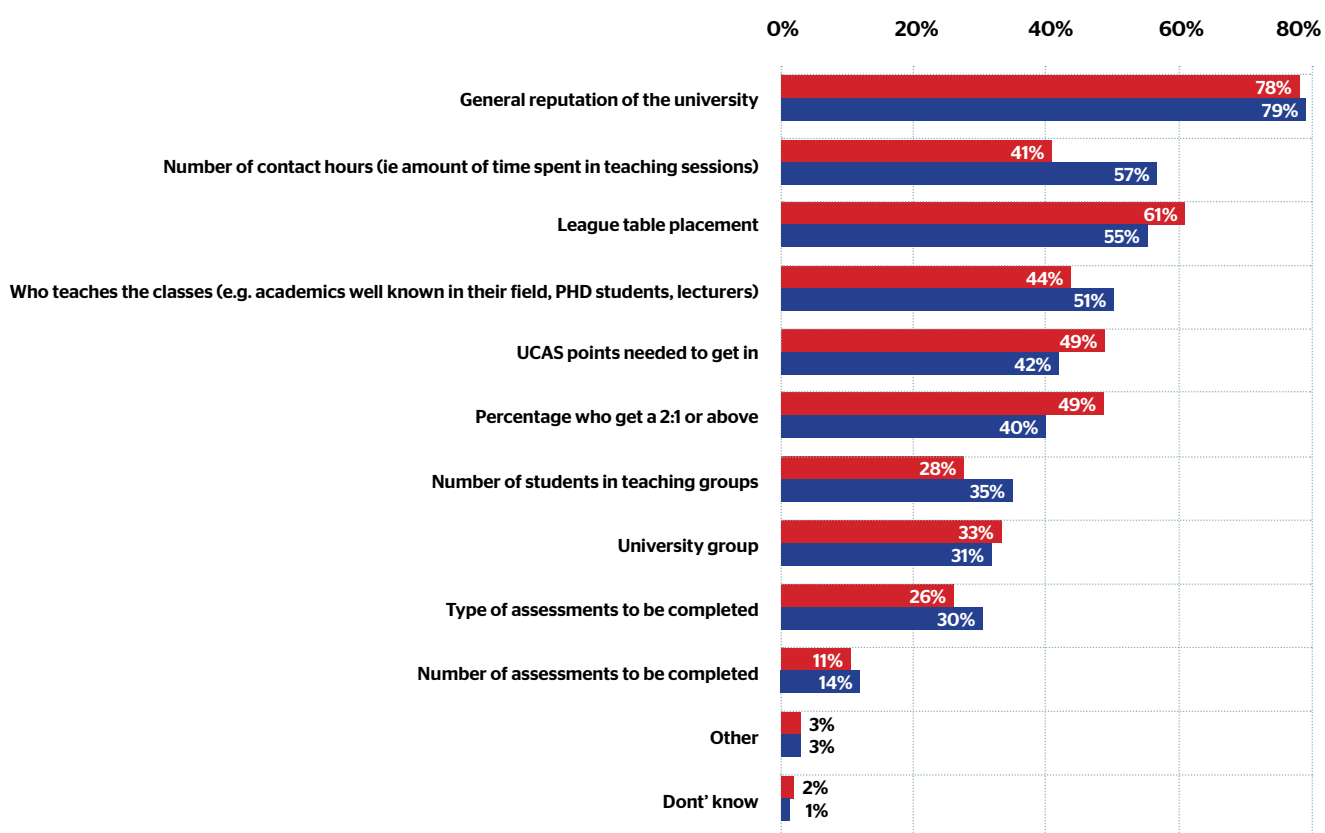
⁴⁰ See <http://www.coventry.ac.uk/course-structure/2014/faculty-of-business-environment-and-society/undergraduate/english-ba-hons/?theme=main>

Chart 3: Factors prospective students' research at the time of making their choice



Q10. Other than entry requirements, what factors did you research when you were making your choice of course/ university? Base: all respondents (1003)

Chart 4: Factors that undergraduate and graduates would use to assess whether a university course is high quality or not



If you were currently trying to assess whether a university undergraduate course was high quality or not, which of the following, if any, would you use as indicators?

■ Graduates, 997
■ Undergraduates, 1,023

The academic offer

Six in 10 (57%) prospective students researched the academic reputation of the university at the time of making their choice, but less than one-third of prospective students considered aspects that are recognised as being proxies for quality such as the staff at the university (29%) and amount of small-group teaching (19%). And yet a quarter of graduates (24%) and undergraduates (25%) would have researched teaching quality in hindsight. We also know from the HEPI-HEA Student Academic Experience Survey that one-third of students may or would have chosen a different course in hindsight if they knew then what they do now about their academic experience.

Students' understanding of quality

This reflects students' understanding of what 'good' looks like in higher education. Eight in ten graduates (79%) and undergraduates (78%) identified reputation as a factor

that they would associate with course quality; and 40% of graduates in our survey, and half of undergraduates, thought that the proportion of students who get a 2:1 and above was an indication of quality, despite standards differing across different institutions.⁴¹

We also found through our user-testing that many students did not research aspects of the academic experience, such as the number of hours of teaching, because they did not know that teaching varied across different institutions; they were used to a standardised school system where you get what you are given.

Lack of advice

Access to careers advice and education pre-university is also vital in supporting students to make informed choices. It can help students consider whether university is the right option for them and what they are looking for

⁴¹ Quality Assurance Agency for Higher Education (2006) 'Background Briefing Note: The classification of degree awards'

from their experience, but also support them to develop the literacy skills to critically assess the information that is available. This is an important life-skill which we know from our wider research that many young people lack, and can result in young people experiencing high levels of consumer detriment.⁴²

However, only 36% of prospective students aged 19 and under said they had received one-to-one advice at the time of making their choice and just 56% had received scheduled sessions or class discussions. Our research suggests that many would have benefitted from having access to advice earlier: 25% said that they wish that they had given more consideration to what qualifications would help them get into university when they were choosing their A-Level options.

At the same time that students are bearing more responsibility for their choices, access to good quality advice has been declining. Schools now have a duty to deliver careers advice but are doing so poorly. An Ofsted⁴³ report last year found that 75% were failing to meet their duty. And a recent report for the Sutton Trust has found that access to careers advice can result in students experiencing better educational outcomes, and yet young people experience a postcode lottery in terms of the access and quality of advice they receive.⁴⁴ Young people also have more limited access to the National Careers Service than older people with those under the age of 19 not able to access face-to-face advice.

Consumer Protection

Higher education providers' terms and conditions

A providers' terms and conditions are unlikely to be a deciding factor for students when making their choice: in our research, of those who experienced changes to courses one in ten said that if they had known about the change before applying they would have considered choosing a different course. However, it is still important that students are provided with timely access to terms to help provide clarity about what they can reasonably expect; to identify where a provider is not meeting their terms and where they have a right to complain; but also to ensure that they are aware of their responsibilities, for example, paying fees on time or undertaking required private study.

Within our research we have found some evidence that students might not be accessing clear information on the terms of their offer. Of those students who had experienced

changes to their course one-fifth did not know that the university had the right to make the change that they experienced, and this rose to one-third where the change related to fee increases.

When we conducted our own legal analysis of terms of the 10 largest universities, and 10 highest-ranked universities according to the Times league table, to look specifically at providers' terms in relation to their right to make changes to courses we found that:

- Terms were difficult to find, and often in different formats. 14 of the universities in our sample did not have contracts on their websites that we could easily find by browsing or searching. Of those 14, only three provided a contract or other document setting out the university's rights and obligations around varying courses when this information was requested by Which?
- Some universities retain high levels of discretion to make changes, even where these could reasonably have been planned for. This included discretion to remove modules due to a lack of demand, funding or staff illness.
- Universities vary in the compensation and support they will provide where unreasonable changes are made - in cases where a student can end the contract they might only be eligible to receive compensation for teaching that they have paid for but not received, rather than for previous terms, which is particularly important given the difficulties switching and that the value of a degree is, largely, the final outcome not individual components.

There is also some evidence that providers have been slow to respond to the new obligations that are placed on them under consumer protection legislation, with an investigation by the Office of Fair Trading last year into academic sanctions in response to non-tuition fee debt finding that three-quarters of contracts contained terms that unfairly permitted this.⁴⁵ And within our research, many students reported experiencing additional course costs which they found out about after starting at university, which could be a potential breach of the Consumer Contract Regulations 2013.

Student complaints

Another important aspect of consumer protection in a market is an effective system for handling complaints and culture that encourages feedback. Where students experience problems, including unexpected and detrimental changes to courses, it is important that they complain and that this results in action by the provider or regulator. However, we found in our research that

⁴² Which? (2014) 'Forever young? How current social, economic and technological trends are impacting on today's 18-29 year olds'

⁴³ Ofsted (2013) 'Going in the right direction? Careers guidance in schools from September 2012'

⁴⁴ Watts, A.G.; Mattheson, J.; Hooley, T. for the Sutton Trust (2014) 'Advancing ambitions: the role of careers guidance in supporting social mobility'

⁴⁵ http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.offt.gov.uk/shared_offt/consumer-enforcement/OFT1522.pdf

many students do not complain where they experience a problem: nearly one-fifth (17%) of students said that they had experienced a problem in the last academic year, but just half (48%) had complained to staff at the university about it; and 16% to their student representative. We know from previous research that the top reasons students give for not complaining include not feeling that it was worth the effort; not feeling anything would or could be done; and concern that it might lead to a negative reaction or the situation becoming worse.

Our research also found that, of those who complained to university staff, six in ten (58%) were dissatisfied with the way the complaint was handled and half (48%) felt like the complaint was ignored. Only 21% said they felt like their complaint was resolved at the earliest opportunity. Research by the Office of the Independent Adjudicator⁴⁶ into internal complaints procedures also found that 60% took more than four months, and 20% took more than a year, to complete.

Students studying at alternative providers also often do not have access to the Ombudsman; a basic consumer right. By law, providers that are not publicly-funded higher education institutions in England and Wales are not required to sign up to the OIA but can choose to. Just six non-qualifying providers have signed up to the scheme to date, but there are further applications in the pipeline.⁴⁷

The role of regulators

Regulation of quality

Our research has identified evidence of concerns in relation to quality and standards:

- Students are working, on average, for a quarter fewer hours than recommended in quality guidelines.
- Only half report that they find the amount of work they have to do demanding, a quarter (26%) say that they can get away with doing little private study and still get good marks, and 29% say that they are doing fewer hours or less work than they did at school.
- And there are significant variations in proxies for quality across different institutions.

A comprehensive, and effective, quality and standards regulation system in higher education is essential to respond to this, especially given that student behaviour is unlikely to drive, or protect, quality and standards; and risks in a market context where providers will be able to expand more quickly, and where there will be greater pressure on institutions to award more good degrees to attract students.

There are a number of issues with the current system, which was designed with a homogenous sector in mind; and which, in some respects, has become lighter touch over time.

Degree-awarding powers

Under the current system the bar for entry is high with the Privy Council, on the advice of the Quality Assurance Agency, granting degree-awarding status. However, powers are granted in perpetuity for the publicly-funded part of the sector (alternative providers have to reapply on a six-year basis) and are very difficult to remove.

Whereas in the past the QAA could recommend that HEFCE launch their 'unsatisfactory quality policy' which could result in the withholding of grant, this is no longer viable given the shift away from funding by government direct grant and towards individual loans, and also creates a gap in relation to privately-funded providers. The powers that HEFCE, and the QAA, have to intervene are also more limited in relation to other regulators, as demonstrated in the table 3.

A 2009 Innovation and Skills Select Committee⁴⁸ called for all higher education institutions to have their powers reviewed every ten years and, more recently, the Government's White Paper consultation⁴⁹ contained a proposal to make it easier to remove degree-awarding powers, but the legislation to allow for this has not yet been pursued. While removing degree-awarding powers would be a last resort, it would ensure that there was greater incentive on providers to co-operate with the regulators' recommendations.

⁴⁶ OIA (2011), 'Pathway 3 consultation: towards early resolution and more effective complaint handling'.

⁴⁷ Information request to the OIA, November 2014.

⁴⁸ Innovation, Universities and Skills Select Committee (2009) 'Students and Universities'

⁴⁹ BIS (2011) 'A new fit-for-purpose regulatory framework for the higher education sector'

Table 3: Powers to intervene across different public service regulators⁵⁰

	Powers to intervene
Schools	<p>The local authority can intervene to:</p> <ul style="list-style-type: none"> - Strip the governing body of a maintained school of its financial powers - Appoint additional governors or an interim executive board - Mandate the school to enter into arrangements with other schools <p>The Secretary of State can:</p> <ul style="list-style-type: none"> - Appoint additional governors or an interim executive board - Convert the school into an academy - Close the school
Further education colleges	<p>Further Education Commissioner intervenes on behalf of government and recommends one or more of the following:</p> <ul style="list-style-type: none"> - Ascribe Administered College status - Appoint new governors - Tender for new providers or management - Dissolve the college
Higher Education	<p>There are no formal powers to intervene in higher education. OFFA and QAA can recommend that HEFCE launch their 'unsatisfactory quality policy'. In this event HEFCE will:</p> <ul style="list-style-type: none"> - Assess the risk and award a risk rating - Devise a recovery plan and send a notice to improve to the governing body <p>In the past HEFCE could also decide to withhold grant, but that it is no longer viable. It can also publish the university's risk status and recommend the removal of designated status.</p>
Health: Hospital Foundation Trusts	<p>Interventions will vary in their aims and methods. In cases of interventions to improve provision, or realign finances Monitor can:</p> <ul style="list-style-type: none"> - Request the board to develop a recovery plan - Request co-operation with third parties - Instigate a governance review <p>Monitor can also remove or appoint governors, or impose further conditions on the foundation's license. In cases where a hospital faces serious financial difficulties Monitor may appoint a Trust Special Administrator to take control of the foundation which will ultimately result in a report to Monitor and the Secretary of State.</p>

Standards and teaching quality

Primary responsibility for academic standards and quality rests with individual institutions which develop their own courses, set the outcomes students are required to meet, and the assessment processes used to judge whether these have been achieved. The Quality Code, created by the QAA in consultation with the sector, sets out expectations that providers are required to meet in relation to a number of factors, including teaching quality, assessment and standards.

In relation to standards, providers have to meet basic threshold standards, set at an overall and at a subject level, which outline the learning outcomes that students are expected to demonstrate in order to be awarded a degree. However, there is no guidance on the outcomes that need to be met in order to be awarded specific classes of degrees. This was a concern raised by the 2009 Select Committee which called for the QAA to define the characteristics of each class of honours degree.

Accountability for standards

Providers are required to appoint external examiners to act as 'critical friends' and advise on whether institutions are meeting basic threshold standards and, more broadly, whether standards are comparable with other institutions they come into contact with. However, a number of issues have been raised with the system:

- In relation to examiners' role in advising on whether basic threshold standards are being met, research findings suggest that examiners interpret their roles very differently; some do not see their roles as being to assure standards;⁵¹ and, even where they do, can come to very different judgements.
- In relation to their role in advising on comparability of standards: it has become more challenging in a diverse system where students have very different capabilities.⁵² The QAA itself recognise that standards are not comparable, despite the system suggesting that they are.

⁵⁰ Adapted from Policy Connect Skills Commission (2013) 'The move to improve: an analysis of intervention in further education and skills and the wider public sector'

⁵¹ See QAA/HEA/University of Cumbria/ University of Oxford Brookes, 'External examiners understanding and use of academic standards'

⁵² Brown, R. for HEPI (2010) 'Comparability of degree standards?'

Some students also think that standards are comparable: three in ten (27%) students in our survey agree that a 2:1 in a subject is the same across institutions, and 40% think that the proportion of students receiving a 2:1 or above is a mark of quality.

“It cannot be assumed that, irrespective of the subject studied, that students graduating with the same classified degree at different times from the same institutions, or from different institutions, will have achieved similar academic standards” (QAA,2006⁵³)

The QAA, through its inspections, checks that institutions have the processes in place to meet the requirements of the Quality Code and award institutions a judgement of confidence in whether or not these processes are in place. However, this is fairly limited information for students, given that it relates to processes rather than actual standards: it would theoretically be possible to have good processes in place but poor quality standards.

It is also a very different approach than was undertaken in the past where the Council for National Academic Awards carried out inspections of new institutions to ensure comparability in standards with old institutions; and under Teaching Quality Assessment, which was introduced in 1992 by the Funding Councils, where both new and old institutions were subject to classroom observations, which resulted in published graded outcomes of teaching quality following visits.

Concerns about the limitations of the QAA's approach to assuring standards resulted in the Innovation and Universities Select Committee calling for the QAA to be re-established as a Quality and Standards Agency with the responsibility for maintaining consistent, national standards and accountable on this to Parliament. Similarly the Science and Technology Select Committee, in 2012, called for the remit of the Quality Assurance Agency to be revised with a view to introducing a system to assure quality, standards and benchmarks that is fit-for-purpose;⁵⁴ and an Institute for Public Policy Research higher education commission also called for the regulator to focus more acutely on standards.⁵⁵

Wider issues within the regulatory system

In addition to issues relating to the regulation of quality and standards in the market, there are wider issues that have been highlighted by others particularly with the advent of new market reforms which have meant that HEFCE has more limited power to tie conditions to teaching grant; and as a result of the increased risk of future provider financial failure.

Financial failure

Concerns have been raised about the existing measures that are in place to protect students against financial failure in light of future risks. In the past HEFCE has provided financial support to universities that experienced financial difficulties to support students to transfer to another university, and to meet the cost of new accommodation.⁵⁶ However, a report by the National Audit Office⁵⁷ questioned whether HEFCE would have the capacity to support a more substantial caseload without stronger powers to intervene or more regulatory resources. Similarly the Office of Fair Trading⁵⁸ in their report earlier this year noted concerns within the sector that there is a lack of exit regimes in place; and a report by the Policy Connect Higher Education Commission⁵⁹ called for an insurance scheme in higher education to be brought forward to support students in this event.

Different regulatory rules apply to different providers

Different rules now apply to different types of providers, as highlighted in a report by HEPI.⁶⁰ This means that depending on the type of provider a student studies at they will receive access to different tuition fee loans and fee caps; they may not be guaranteed access to the Office of the Independent Adjudicator; and they may not be able to access Key Information Set data on their provider.

A fragmented landscape

Within higher education the Higher Education Funding Council for England (HEFCE) acts as a lead regulator, accountable to the Department for Business Innovation and Skills, but with the support of the Quality Assurance Agency; Office of the Independent Adjudicator; Higher Education Statistics Agency; Office for Fair Access; UCAS; and the Student Loans Company. This fragmented landscape makes it more difficult for students to navigate, and to know where

⁵³ QAA (2006) 'Background briefing note: the classification of degree awards'

⁵⁴ Science and Technology Committee (2012) 'Higher education in science, technology, engineering and mathematics'

⁵⁵ Institute for Public Policy Research (2013) 'A Critical Path: Securing the Future of Higher Education in England'

⁵⁶ See The Higher Education Commission (2013) 'Regulating higher education'

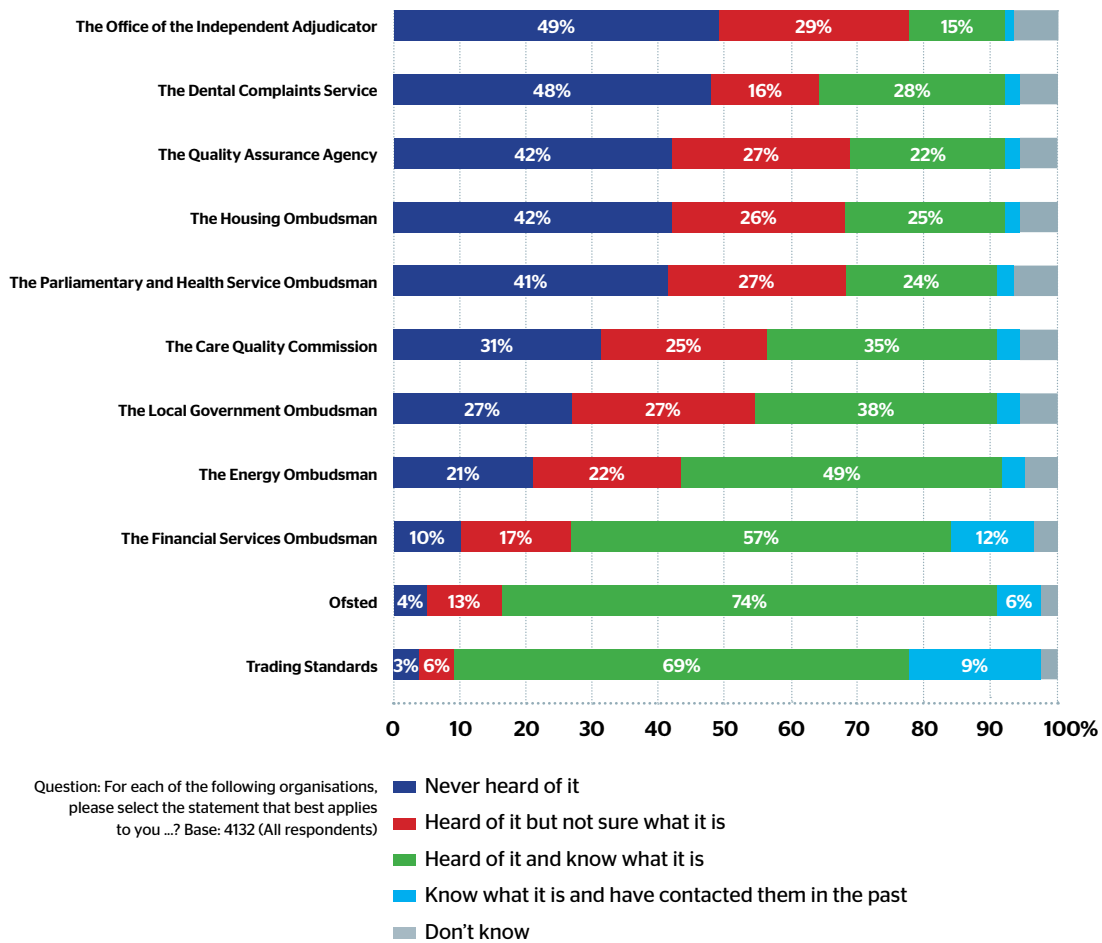
⁵⁷ NAO (2011) 'Regulating financial sustainability in higher education'

⁵⁸ Office of Fair Trading (2014) 'Higher education in England: and OFT call for information'

⁵⁹ The Higher Education Commission (2013) 'Regulating higher education'

⁶⁰ Hillman, N (2014) 'Unfinished business?: Higher education legislation'

Chart 3: Public awareness of regulators and ombudsmen



to go when they experience problems. For example students can currently raise a complaint about an individual issue to the OIA but must raise a systemic issue through the Quality Assurance Agency's Cause for Concern Scheme.

When we asked members of the general public whether they had heard of a series of regulatory bodies around half, or fewer, respondents were aware of the OIA or QAA compared to 93% who were aware of Ofsted and 86% the Financial Service Ombudsman. Some of this relates to the different level of detriment in these markets, and size of

the population who might need to access these providers, but nevertheless it suggests that the higher education regulators suffer from low awareness rates.

There have been a number of calls from others for reform to the regulatory architecture including proposals to create one regulator that would include bodies like the OIA and QAA,⁶¹ proposals to create a lead regulator that contracts out responsibilities to QAA, UCAS and HESA,⁶² and a proposal for two separate funding and quality regulators.⁶³

⁶¹ A Institute for Public Policy Research (2013) 'A Critical Path: Securing the Future of Higher Education in England'

⁶² The Higher Education Commission (2013) 'Regulating higher education'

⁶³ Brown, R. and Bekhradnia, B. (2013) 'The Future Regulation of UK Higher Education'

5. Conclusions and recommendations

Our research has led us to conclude that, while value for money in higher education is complex and while overall satisfaction is high, many students also report concerns. The financial cost of university means making the right choice has taken on much greater importance than for previous generations of students but, without reform, it will be increasingly difficult to guard against students feeling that they have had a poor value experience.

Choosing the right course will always be a complex and difficult decision, and individuals will never really know if they've made the correct decision until they commence their studies or perhaps later. However, with access to better advice at an early stage, and directed towards meaningful information, the overall quality of those choices can be improved.

Information, to inform choice, is not a panacea but it can change the culture in higher education. By making higher education more transparent on the measures that matter, such as the academic experience, universities and colleges will naturally come under greater scrutiny. This will not only be of value to some students, but it will greatly strengthen the hand of the regulator(s) in policing overall standards.

Higher education is not a typical market, and it should not be assumed that students are acting 'rationally' in this market, but this should not absolve universities of adhering to consumer protection law. It is important that students understand the terms of their agreement to study at a provider, and it is important that providers ensure these terms are compliant with consumer regulations.

The regulatory system, which was designed for a more homogenous sector, is no longer fit for purpose. With students now taking on tens of thousands of pounds worth of debt to complete their studies, there needs to be a strong regulator to protect students. Regulation should not be

seen as a threat to institutions but as a means to strengthen and secure the reputation of UK higher education.

Our recommendations are designed to address these issues. We believe these should be central to a next phase of higher education reform, building on the policies of successive governments.

Information and advice

As we have discussed, students do not always act as rational consumers when presented with information on higher education. This does not mean there is not a role for information, particularly given that a significant minority of students express that they would have done more research in hindsight. It does, however, mean that it needs to be designed with real consumer behaviour in mind.

Which? has identified a set of revised information to support choice, but which can also help to drive good market behaviour through use by regulators and student representatives to hold the sector to account. This latter purpose is particularly important given what we know about how students make decisions in choosing courses and institutions.

Which? proposes that the KIS is reformed, and that the Government mandate in legislation the information that it should include. This should be introduced before the

removal of the cap in students numbers comes into effect. A reformed KIS should include:

- Better information on the academic offer based on proxies for quality but also, given students role as co-producers of value, information to support students to make choices based on their preferred learning style.
- Better information on employment support and outcomes. Access to longer-term information on earnings outcomes could be facilitated through the linking up of HMRC and Student Loans Company data to provide anonymised information.
- Better information on costs.
- Better information on complaints.

Some of the pieces of information identified in **Table 2** are new, and would need to be collected and provided; other pieces are already included in the KIS or already collected. This should help ensure that the costs are not disproportionate. Some information pieces currently included in the KIS have been discounted. These include:

- o The proportion of students who receive a 2:1 or above, which is a less useful measure of quality.
- o Some National Student Survey scores on students' perceptions of course quality, which are also limited in informing choice because of the challenges students face in critically evaluating their course.
- o Information on entry requirements, because students are more likely to consider this unprompted as part of the application process.

Providing key comparable information in this way will help students initially compare the diversity of courses available and consider what is right for them. But it is not intended that this replaces other forms of information. Rather, in addition to information from prospectuses and open days, it will enable them to begin a more meaningful dialogue with providers. Careful presentation of this information, and the contextual advice provided around it are as important as the type of information itself, in order to maximise its use and to inform students what the data can and cannot tell them. The behavioural literature is informative in this respect.⁶⁴ Students also need access to careers advice to help them consider whether higher education is the right option for them and, if it is, what they are looking for from their experience.

It is also important that, particularly when used by regulators, the information is adjusted to take account of the diversity of the student profile at a particular institution.

Summary of recommendations on information and advice

- The Government should mandate that all providers are required to provide information in a reformed Key Information Set, with the information that providers must submit set out in legislation.
- In order to provide longer-term, anonymised, employment outcomes data the Government should bring forward legislation to allow for HMRC data to be linked with Student Loans Company data.
- The Department for Education should, working with the Department for Business Innovation and Skills, ensure that prospective higher education students can access quality careers advice. To support this:
 - o The remit of the National Careers Service should be broadened to ensure that young people under the age of 19 can access specialist face-to-face advice, and Ofsted should make sure they are giving oversight of careers sufficient prominence as part of their inspections, as called for by the Sutton Trust.

Consumer Protection

As the market for higher education continues to evolve, it is increasingly important that students are offered basic consumer rights.

Increase the transparency of terms and monitoring compliance with consumer law

Providers need to set out their terms transparently and clearly and these need to be made available to students and/or their parents before they accept the course. Greater consistency between contracts would facilitate this, making terms easier to navigate and supporting outside bodies to consider where unfair terms are being utilised. A model contract has been advocated by the authors of 'The Law of Higher Education,'⁶⁵ but might be challenging to agree in a diverse sector. In the absence of this a standard format for student contracts could also be effective.

It is also important that providers are adhering to consumer protection law including Unfair Terms in Consumer Contracts Regulations and the Consumer Protection Regulations. The Competition and Markets Authority is soon to issue guidance to the sector on this and it is important that providers draw on this, and update their terms where necessary. In relation to providers' rights to make changes to courses, we think that these should only be made where reasonable: where the change is in response to an event outside the university's control that it

⁶⁴ See Lowenstein, G. (2013) 'Disclosure: Psychology changes everything', Harvard Public Law Working Paper No. 13-30

⁶⁵ Farrington, P. and Palfreyman, D. (2012) 'the Law of Higher Education: second edition'

could not plan for. The Competition and Markets Authority should carry out a compliance check within 12 months of issuing their guidance and take action where providers are found to be breaching the legislation.

Complaint processes and super-complaint powers

Effective complaint handling processes are essential to ensure that users are able to voice a concern, and obtain a response - even if this is an apology over a financial remedy, but also to help drive service improvements by alerting providers and regulators to potentially systemic issues in the market. Where processes are simple and user-friendly, and where users are confident that their complaint will make a difference, people are more likely to come forward with issues. We know from our research at Which? that 75% of users of public services said that they would be more likely to complain if they knew it would result in a direct action, for example triggering an inspection.⁶⁶

The QAA currently sets out some high level expectations of local complaint-handling practices within the Quality Code. To complement this we would support the introduction of minimum standards for complaint-handling practices, including timescales within which complaints are handled, which are enforced by the regulator. The OIA is soon to issue guidance for providers, and this may go some way to delivering this.

In addition, where students are not satisfied with the way their complaint was handled, all students should be able to access independent redress where they have been subject to poor practice.

Given that students will not always complain when they experience a problem, there should also be a mechanism in place to support student representative bodies to raise issues with the regulator, that require a response. In private markets, super-complaints have been an effective fast-track way for consumer bodies to get systemic market issues that are causing considerable consumer detriment addressed by regulators. However, there is no equivalent super-complaint power in relation to regulators of quality and financial sustainability in higher education.

Summary of recommendation on Consumer Protection

- Providers should ensure that they have transparent terms and that these, and their practices, are in line with consumer protection regulations.

- The Competition and Markets Authority should carry out a compliance check no later than 12 months after issuing their revised guidance, and take immediate action where providers are found to be breaching consumer legislation.
- The sector should work together to develop a standard format for student contracts in higher education to ensure that students and their representative bodies can easily find and compare terms.
- Minimum standards for local complaint-handling practices should be introduced, and this should be enforced by the QAA.
- All students of higher education should be able to access an independent complaints process through the OIA, including students studying at alternative providers.
- A super-complaint power should be established in higher education for designated representative bodies as exists in private markets.

Regulation

In order to ensure that the value of a UK degree is maintained, students, employers and others need to have confidence that quality standards are being maintained. There are a number of changes that could be implemented in the short-term to help ensure this.

While there is a lot of merit in the external examining system, particularly in supporting peer review, students, their parents and employers need to have greater confidence that it is working. In order to ensure that basic threshold standards are being upheld, the QAA should more actively assess actual standards as part of their inspections. This would help identify where examiners need further support to consistently apply basic standards.

While ensuring comparability in standards above basic threshold standards is not possible or desirable in a market where students have very different capabilities and given objectives to widen participation in higher education, it is important that there are checks in place to oversee the award of different degree classes. In order to support examiners in this role, and in their role in applying basic threshold standards, the QAA could facilitate networks of examiners to come together to assure standards among institutions where there are similar profiles of students.

⁶⁶ Populus, on behalf of Which? conducted an online poll of UK adults asking about their experiences of the following services over the last twelve months: GP, hospital, care home, home care services, childcare, schools and higher education. The data was collected in two waves, totaling 4132 consumers, and took place between 19th - 23rd February 2014. Data were weighted to be representative of all UK adults. Populus are a member of UK the British Polling Council and abide by their rules.

Table 2: Which? proposal for reformed Key Information Set

Academic offer	In the KIS currently?	Rationale
Proportion of teaching staff with a teaching qualification and proportion of teaching by academic members of staff.	×	Proxy for teaching quality. This is not to discourage teaching from Phd students, but it should be combined with relevant training.
Number of hours in small-, medium- and large-group teaching; and number of hours private study time expected per week.	×	Amount of close contact with staff, and total workloads, are proxies for quality. Some students will also prefer, or need, more teaching time than others. Information on private study time expected will also help raise awareness of students' responsibilities.
Spend per pupil at the institution on academic services (for example, libraries and IT) and student services (for example, careers and athletic).	×	Proxy for quality. This does not include spend on teaching, which is reflected more accurately through the amount of contact with staff that they receive.
Assessment style: proportion of assessment by coursework versus exams.	✓	Important to support students to consider based on students preferred learning style.
Proportion of students who agree that feedback has been useful.	✓	Proxy for teaching quality. Objective information on is difficult to capture and present. Satisfaction with feedback is useful in the absence of more objective data.
Employment support and outcomes		
Longer-term earnings data, for example at 6 months, 3.5 years and 7 years post-graduation.	×	Provides more accurate information on earnings than six-month data alone.
The destinations of graduates six months post-graduation - including the proportion in employment and, of those, the proportion in graduate level jobs; the proportion in further study and who are unemployed.	✓	Helpful in assessing how students might fare in the early stages of their career.
Proportion of students who attend a work placement.	×	Gives an indication of the support that the institution provides to help students succeed in the labour market.
Professional, statutory and regulatory bodies that recognise the course.	✓	Recognition from a professional, statutory or regulatory body is essential for some professions. Where it is not essential, it can be a mark of quality.
Retention		
Proportion of students who continue into the second year of higher education at the same or another institution.	✓	Useful to monitor high non-continuation rates in some institutions. It could also make it easier to assess how many institutions are supporting students to switch.
Complaints		
Proportion of students who complained, and proportion of students who were satisfied with the complaint handling process.	×	Gives an indication of how well the university is responding to student's concerns. In order to present regulators with an accurate reflection of issues in the market, it should be combined with information on complaints escalated to the ombudsman and raised through the QAA's concern scheme.
Costs		
Fees and average additional costs per student.	×	Important in assessing value and to help student manage their costs.
Proportion of additional fee income spent on widening access, and proportion of students that received a fee-waiver/ other in-kind/ cash award in the previous year, the average amount received, and average household income of those students.	×	Useful information for regulators in assessing value given access agreement requirements. Information on the in-kind or financial support that is made available to students is also useful for students in thinking about total costs.
Cost of institution-owned accommodation, and the number of units, and average private rented sector rents.	✓	University-owned accommodation is cheaper, on average, and can be particularly important in the first year of university in helping students settle into university life. Others, particularly mature students, in contrast might prefer to rent privately.

In order to support the QAA to have good oversight of teaching quality, and to help inform their inspection activity in a risk-based system, they should draw on the reformed Key Information Set that we are calling for which would include better information on the academic offer as well as information on local-level complaints.

In the longer-term, there is also a good case for making it easier for the QAA to recommend that degree-awarding powers are removed for action by Privy Council.

However, there are also wider regulatory issues that need to be considered and addressed. The CMA is currently undertaking a review, and should consider these within it.

Summary of recommendations on regulation

- In the short-term the QAA should draw on information on complaints and the academic offer, in a revised Key Information Set to inform their inspection activity and give them better oversight of issues in the market.
- The QAA should focus more squarely on standards as part of their inspection processes.
- In the longer-term new legislation should be introduced to make it easier for degree-awarding powers to be removed.
- The forthcoming CMA review of higher education should include the following aspects and inform potential changes to the regulatory structure:
 - o the powers that regulators hold.
 - o how different providers are covered by the arrangements.
 - o the independence of regulators.
 - o the arrangements to protect quality and standards in the market.
 - o the arrangements in place to protect students in light of financial failure.
 - o students' awareness of the regulators in the market and how this can be supported.
 - o the extent to which the system supports innovation and switching.

Louisa Darian | Principal Policy Adviser
Which? | 2 Marylebone Road London NW1 4DF
T: +44 (0)20 7770 7561 | E: louisa.darian@which.co.uk
[wwwwhich.co.uk/policy](http://www.which.co.uk/policy)

Which?