

Information for international students: refunds of pre-paid course fees

This factsheet is about **refund terms** that apply **when an international student withdraws** from their studies. The information in this factsheet is a guide only, not legal advice. Please seek independent legal advice if you need it.

When you accept your education provider's letter of offer, a written agreement (also known as a 'contract') is formed. This agreement should include terms that say how much money the provider will refund you, and in what circumstances, if you withdraw from your studies. These are referred to in this factsheet as "refund terms".

If you withdraw from your studies your provider may not refund your pre-paid fees, or they may refund an amount that is less than you expect.

This factsheet may help you to understand why this can happen, and what to do when you think it is unfair.

Why would an education provider refuse to refund an international student's money?

When you accept a provider's offer, you make a legal promise to study that course. The provider is also making a legal promise to deliver that course to you.

To be ready to teach students, the provider must do a lot of preparation. They may pay for classrooms, equipment and teaching materials. They may also hire teachers and student support staff. These are only some examples of many costs involved in making sure providers are ready to teach you.

When you withdraw before the course starts you do not receive any teaching, but the provider may have already incurred costs because you had agreed to study with them. This means the provider may not be able to refund all your pre-paid fees.

What can international students do to make sure they don't lose money if they need to withdraw?

Before you accept

1. Choose your education provider and course carefully. This can reduce the chance you later change your mind and withdraw. Have you done all the research you can about the provider, course, and location? Is it right for you?
2. Make sure you read and understand the terms of your letter of offer before accepting. Understand **when** you must tell the provider about withdrawing before the course starts, and how much of your pre-paid fees your provider will keep and how much they will refund. If you don't think the refund terms are right for you, don't sign the agreement. Also, remember you must keep a copy of the agreement.

Contact us

ombudsman.gov.au
1300 362 072

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International students should read and understand the terms of their letter of offer before signing and accepting.

The terms will tell a student if they can get a refund if they need to withdraw.

If a student thinks a refund term is unfair, they may be protected by the Australian Consumer Law.

After you accept

3. If you decide to withdraw from a course, tell your provider as soon as possible. The later you withdraw from a course and apply for a refund, the less the provider is likely to refund.
4. If your provider has made their decision and you are not happy with the amount of the refund, ask for a review of the decision, using the provider's 'complaints and appeals' process. If you are not satisfied, you can access an external process such as making a complaint to our office (outlined below).

What does Australian law say about international student course refunds?

The Australian Consumer Law

International students are protected by the Australian Consumer Law, which has rules about [Unfair Contract Terms](#). This means that the refund terms in your written agreement need to be fair according to the law. If you have agreed to terms which are unfair under the Australian Consumer Law, education providers can't rely on those terms.

Unfair contract terms

Not all contract terms are 'legally' unfair just because you think they are unfair. For written agreements between international students and Australian education providers, a contract term may be unfair if the provider **doesn't really need** it to protect its business and it would cause or has caused you harm for the provider to use that term. This could be because the provider is trying to keep more money than they would have spent on a student withdrawing in your situation, or because the provider has other ways to protect themselves.

Whether a term is unfair will vary in different situations.

The special case of visa refusals

International students are also protected by a law called the *Education Services for Overseas Students Act 2000*. This law says that education providers must give refunds to international students who withdraw because their visa was refused.

The amount of the refund may be different depending on which situation below applies to you:

- If your visa is refused before you start your course, your provider should give you a full refund of your course fees, except for an administrative fee of no more than 5 percent or \$500 (whichever is lower).
- If your visa is refused after you start your course, your provider should give you a refund of the fees paid for the part of your course after the date of your withdrawal. Your provider can also keep an administrative fee of no more than 5 percent or \$500 (whichever is lower).

This law applies for all visa refusals regardless of the reasons that your visa was refused.

What can international students do if they can't resolve their refund problem with their education provider?

International students should try to resolve their complaint with their education provider first. This includes finishing all steps of the provider's internal complaints and appeals process.

If you have done that and you're still not satisfied, you can try:

- **Consumer protection bodies:** each state and territory in Australia has a consumer protection body. They are sometimes called 'Consumer Affairs' or 'Fair Trading.' They may be able to negotiate with your education provider.

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- **Small claims tribunals:** states and territories also have “small claims tribunals” or magistrates’ courts that look at small financial disputes, usually valued at below \$100,000.
 - **Ombudsman offices:** international students who have disputes with **private** education providers can make an external complaint to this Office (the Office of the Commonwealth Ombudsman). International students who have disputes with **public** education providers should contact the ombudsman for the state or territory in which their provider operates.

You can find information about consumer protection bodies and small claims tribunals on the website of the Australian Competition and Consumer Commission:

www.accc.gov.au

If you complain to the Office of the Commonwealth Ombudsman about a dispute with your education provider over a refund, our investigation will involve an assessment of the following:

- Has the provider applied its fee and refund policies correctly?
- Was the provider’s application of its policies fair and in line with the Australian Consumer Law and education regulations?

How can I make a complaint to the Office of the Commonwealth Ombudsman?

If you are an international student studying with a **private education provider**, you can complain to the [Commonwealth Ombudsman](#).

The Ombudsman investigates complaints about problems that intending, current or former students may have with private schools, colleges, and some universities (education providers) in Australia.

You can fill out our [online form](#) or phone us 1300 362 072.

For more information about how to complain and how to contact us, visit www.ombudsman.gov.au

If you are an international student or a domestic student studying with a public (government) education provider, you can complain to the ombudsman for your state or territory.

Please note: This document is intended as a guide only. For this reason, the information should not be relied on as legal advice or regarded as a substitute for legal advice in individual cases. For the most up-to-date versions of cited Acts, please refer to the [Federal Register of Legislation](#).