

Refund reality

Disputes about refunds can quickly turn a business partnership between schools and agents sour, which is why it is important that both parties understand each other's policy. GILLIAN EVANS reports.

As Michael Gerber, Chairperson of the Association of Language Travel Organisations (Alto), puts it, 'Refunds can be a bone of contention between buyers and sellers of language products - and in the end, it is often the client who suffers.'

Refund policies in certain countries may adhere to national regulations - such as the Esos Act and the National Code of Practice in Australia - but in most countries, the actual details of refund policies can differ from one company to another. Pascal Carré of Languages & Travel agency, which has branches in France and Belgium, points out that because an agent is usually liable for any damages in their own country, through the national consumer protection law, schools must take their agents' refund policies into consideration.

'We insist to schools that it is not their [refund] policies that count but our policies as the contract is signed between the client and us,' he says. 'The language travel agents are the schools' clients, not our clients/their students.'

The agent has an important role in ensuring that students know about refund policy. 'By communicating openly about the refund policy, agents ensure that, if a student should need to cancel his course, he knows what fees will be refunded to him and what date he

should cancel by in order to receive them,' says Martha Hall, Academic Director at New England School of English in the USA.

For agencies in some countries, the most common reason for cancellation prior to departure is visa denial. At Learning agency in Colombia, a US\$30 consultation fee and an additional enrolment fee are charged to the student, both of which are non-refundable. Students are then given a letter of acceptance and letter of accommodation, which they require for their visa application. Henry Caro at the agency explains, 'As Colombians don't get visas very easily, the students [only] have to pay the tuition fees when they get the visa.'

If course fees are paid up front, schools usually refund students most of their fees in the event of cancellation through visa denial. Not being able to get a visa is one of the most common reasons for refund at Avalon School of English in the UK, for students who have not yet arrived. 'For those who are already here, the main cause [for refund] is family problems or health problems,' adds Gayle Montgomery at the school. Many students take out an insurance policy to cover such an event.

Agents and schools agree that there are rarely reasons for refund once a student is at a school. When there are, it is usually due to the

accommodation. 'In our case, when we have had clients asking for a refund, there was a real reason for it,' says Vytas Rimkus, Director of Kalba in Lithuania. 'For instance, two junior girls were placed in one double [bed] because the host family did not have another bed.'

Where the refund issue can become particularly sticky is if schools and agents disagree. 'If a student cancels, then [generally] the agent loses the commission. This is why agents can get really upset if a school allows a big cancellation - for example of an academic year course - without reference to them,' reports Brian Brownlee of Anglo European School of English in the UK.

On some occasions there may be a dispute over who is responsible for the refund. For example, if a school feels an agent has misrepresented them or an agent believes the school has not delivered what they promised. 'We've cracked down on agents, and checked the information they're giving students so that a student cannot complain [about] a promise the agent made,' asserts Montgomery.

There is no easy solution to the contentious issue of refunds. But a clear policy must be negotiated between agents and schools, and this can only work through the establishment of a partnership with a firm foundation of trust.

Refund problems and advice offered by impartial sources

CASE STUDY 1	A school received a direct booking from a student overseas and the course was paid in full. However, the student was unable to obtain a visa. He applied for a refund and was told by the school that he	would have to pay an extra US\$100 cancellation fee, which he did. After the school had deducted a number of other fees from the original fee, the student only received eight per cent of his original costs.	This appears to be quite unusual, as most of the language schools contacted by <i>Language Travel Magazine</i> reported that they refund students the majority of their costs in these cases, providing	that the course has not already begun. Agents also stressed that, apart from their consultation fee, any course fees were paid back to the client in the event of visa denial. At New England School of English in the USA,	Martha Hall typically reports, 'As long as the student cancels before the session starts, all fees except the US\$100 application fee and the US\$150 tuition deposit will be refunded.'
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CASE STUDY 2	An agent sent two students to a school. The students were dissatisfied with their living arrangements, as they had wanted five-star accommodation. The school gave them a partial refund and helped them	find other accommodation. The agent claimed he was not given his commission for the booking, but the school argued that he had not told them that the students wanted executive standard accommodation.	This problem seems to have arisen through a lack of communication between the agent and school, with the school not aware of the students' request. Henry Caro of Learning agency in Colombia comments, '[This	dispute may be because of] the school, if they didn't give the accommodation [requested] or the agent, if he didn't give the students the correct information. If the agent was not clear about the accommodation	[available], I think the school should pay a partial commission but in agreement with the agent in order to preserve a future commercial relationship.'
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CASE STUDY 3	An agent's client chose a junior residential language course. Although the school brochure said they would be in dormitories, the picture was of a double room. The client was put in a room with six people and	later claimed the agent was responsible for the accuracy of the school's brochure and took them to court. If found guilty, the agent will be liable to pay damages of up to two full package prices.	Both schools and agents stress the importance of students telling the school about any problems while they are there so the school can act quickly to solve them. 'We would expect a student who was	not happy with their course or accommodation to let us know while they are at the school so we can try to solve the problem,' says Brian Brownlee at Anglo European school in the UK. 'If they do not feel happy speaking to	someone at the school they [should] contact the agent. If we gave refunds to students who [said nothing] at the time, it would open the door to anyone who felt like it to get a free course.'
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