

# The Franchise Cliff: Hidden Financial Risk in English Higher Education

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HE ADVISORY

## Executive Summary

Over the past four years, a group of English universities has quietly built a business model that would be unrecognisable to most people who think they understand how higher education works. They register students, collect tuition fees, award degrees, and receive public funding. They do not, in any meaningful sense, teach.

Between 2021-22 and 2024-25, the number of students subcontracted from registered universities to private colleges grew from 107,000 to 167,000: a 56 per cent increase in three years. At least 113,000 of those students are taught by organisations entirely invisible to the Office for Students, which file no data and are subject to no direct regulatory oversight. One private company, Global Banking School, owned by a single UAE-based individual, now delivers degrees on behalf of five registered universities and accounts for 22 per cent of all subcontracted undergraduate students in England.

This report argues that the risk this poses has not been priced into the financial positions of the universities involved, disclosed to their lenders, or communicated to the students whose money funds it.

Three regulatory events, all dated and confirmed from primary sources, will force a reckoning before 2028. When they do, the providers most exposed will face acute income shocks with no time to adapt. Some will not survive them.

The analysis draws on OfS published data, HESA statutory financial returns, Companies House filings, and primary regulatory documents. Every figure cited is sourced. No claim is made that cannot be verified independently.

## About This Analysis

The information needed to understand this problem is public. Regulators have published it. Universities have disclosed it in their audited accounts. It sits in spreadsheets on government websites, available to anyone who looks.

The problem is not access. It is that the data exists in separate places, published by separate bodies for separate purposes, and almost always read in isolation. A journalist covering franchise growth reads the OfS partnership data. A bank analyst reviewing a university loan reads the HESA finance tables. A policy researcher examining student outcomes reads the B3 data. Each sees a piece. No one has been reading all of them at once, against the same set of institutions, in the same analytical framework.

Blairgowrie built that framework. Six datasets, assembled from public sources, cross-referenced into a single picture. This report is what that picture shows.

## The Franchise Market: Scale, Growth and Concentration

### How It Works

Under the current regulatory framework, any provider on the OfS register can subcontract the delivery of its courses to a separate organisation, a college, a private training provider, or an overseas campus, without that organisation itself being registered with OfS. The registered provider (the “*lead provider*”) issues the offer, collects the tuition fee via the Student Loans Company, and confers the degree. The delivery partner handles everything else: recruiting students, employing teaching staff, running classes, and managing the day-to-day student experience. The lead provider retains a share of the fee. The delivery partner keeps the rest.

The arrangement is legal. It has existed in various forms for decades. What changed after 2019 was the scale.

### The Numbers

Data published by the OfS and checked against HESA student records show the following sector-wide picture for students taught in subcontracted arrangements:

Academic Year	Students Subcontracted Out	Growth
2021-22	107,050	—
2022-23	123,320	+15%
2023-24	147,360	+20%
2024-25	167,440	+14%

*Table 1: Source: OfS Size and Shape of Provision data, 2026-1 release (May 2026); Blairgowrie panel analysis.*

The growth is not evenly distributed. Ten providers account for the majority of subcontracted volume. Five of them, Canterbury Christ Church University, Bath Spa University, University of Suffolk, University for the Creative Arts, and Leeds Trinity University, together with Oxford Brookes University, Buckinghamshire New University, and a small number of others, have built franchise operations that now dwarf their own directly-delivered provision.

## The Dependency Ratios

The figures below show the number of students subcontracted by each lead provider, as a percentage of their total registered student population, based on OfS data for 2024-25.

Lead Provider	Students subcontracted out	% of total population	Change since 2021-22
University of Suffolk	10,310	77%	Stable
Canterbury Christ Church	28,310	74%	+142%
Bath Spa University	21,100	73%	+325%
Leeds Trinity University	9,520	69%	+31%
University for the Creative Arts	9,850	65%	+415%
Plymouth Marjon University	2,850	59%	+319%
Buckinghamshire New University	10,010	57%	-18%
Oxford Brookes University	10,480	42%	+1,105%

Table 2: Source: OfS Size and Shape of Provision, 2026-1; Blairgowrie panel analysis.

For the top four providers on this list, the franchise operation is not a supplement to their core business. It is their core business.

## The Missing 113,000

The OfS data records subcontracting only from the lead provider's perspective. When the same data is read from the delivery side, counting students reported as "subcontracted in" by OfS-registered delivery partners, the total is 54,180. The difference, approximately 113,000 students, is taught by organisations that are not OfS-registered, file no data to any regulator, and are subject only to whatever contractual arrangements their lead provider has chosen to impose.

This is not a data anomaly. It is a structural feature of the regulatory framework as it stands.

## One Company at the Centre of It All

### Global Banking School

Global Banking School Limited (UKPRN: 10042500; Companies House number: 07165333) is the dominant private provider of higher education in England. By its own HESA return, 38,740 students were subcontracted into GBS in 2024-25: 71 per cent of all students recorded as subcontracted into OfS-registered delivery partners. Its estimated annual revenue for 2024-25 is approximately £300 million. It operates from a network of campuses in London, Birmingham, Leeds, and Manchester.

GBS is itself OfS-registered in the “*Approved*” category, meaning it can charge the basic tuition fee rather than the higher regulated fee. It has no degree-awarding powers. Every degree earned by a GBS student is conferred by one of its partner universities: Canterbury Christ Church, Bath Spa, Oxford Brookes, University for the Creative Arts, and University of Suffolk.

### Ownership and Financial Structure

GBS was incorporated in February 2010 as Green Business College London Limited and was renamed in 2012. It is wholly owned by Global Education Holdings Limited (Companies House registration number 10723430), incorporated in April 2017. The sole Person with Significant Control of the holding company is Dr Vishwajeet Rana, an Indian national residing in the UAE and a former structured finance professional at HSBC in New York.

There is no external institutional investor, no private equity, and no public listing. Dr Rana controls the company entirely.

The company’s revenue trajectory is without parallel in English higher education:

Year to February	Revenue
2019	£4 million
2024	£233 million
2025 (estimated)	£300 million

Table 3: Source: Manchester Mill, 26 September 2025, citing GBS annual accounts; Times Higher Education, 12 December 2025.

Net profit in the year to February 2024: £47 million. Dividends paid that year: £23 million.

Source: Manchester Mill (*ibid*).

## The Fee Split

According to the Manchester Mill investigation (26 September 2025), the income from each student's tuition fee is divided approximately as follows: 50 per cent to GBS, 25 per cent to the partner university, and 25 per cent to the recruitment agent who enrolled the student. Based on a basic tuition fee of £7,000, the partner university receives approximately £1,750 per franchise student; a directly taught student generates approximately £9,535.

This figure has not been confirmed by a university-audited account and should be treated as reported rather than verified. Condition E10, in force since 31 March 2026, will, for the first time, require lead providers to publicly disclose fee-retention percentages for each partnership. The first disclosures are expected in accounts published in early 2027.

## What Happens if GBS Stops Operating

GBS has no degree-awarding powers. If it were to cease operating today, 38,740 students would be mid-course at an institution that cannot confer their degrees. The five partner universities that registered those students could not absorb them; they lack the staff, space, or financial capacity to teach an additional 38,740 students.

The published Student Protection Plans of the relevant universities address the termination of partnerships in principle. None has been tested against failure at this scale.

## The Regulatory Framework: Three Cliff Edges

The regulatory direction on franchise arrangements has been unambiguous since the OfS published its key insight brief on subcontractual arrangements in September 2024. Three specific regulatory mechanisms now create dated, concrete cliff-edge events for lead providers with material franchise exposure.

### Cliff Edge 1: Condition E10 (in force 31 March 2026)

The OfS published a new ongoing condition of registration, Condition E10, on 12 March 2026, taking effect on 31 March 2026. It applies to all registered providers with 100 or more students in sub-contractual arrangements.<sup>1</sup>

E10 does two things that previous conditions did not. First, it requires each lead provider to maintain and operate in accordance with a Subcontracting Information Source: a formal governance document covering strategic rationale, partner assessment methodology, board

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<sup>1</sup> Source: OfS press release, "New tighter controls of sub-contractual courses to protect the interests of students and taxpayer money," 12 March 2026. <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/new-tighter-controls-of-subcontractual-courses-to-protect-the-interests-of-students-and-taxpayer-money/>

oversight, and risk management, including partner failure. Second, it gives the OfS the power to compel a lead provider to terminate or materially amend a subcontractual arrangement, even where the existing contract does not permit termination.

Legal commentary from Pinsent Masons (published following the consultation on E10) confirmed this power: “the OfS could compel a university to terminate or amend a sub-contractual arrangement, even if the contract doesn’t allow for it.”<sup>2</sup>

A lead provider compelled to terminate its GBS arrangement under E10 loses its franchise income immediately. There is no transition period, no revenue replacement mechanism, and no compensation.

## **Cliff Edge 2: Mandatory Registration for Delivery Partners (effective 2028-29)**

On 9 December 2025, the UK Government announced that delivery partners with 300 or more students must register with OfS for their courses to remain designated for student finance.<sup>3</sup>

The key dates confirmed from primary government sources:

- Rules come into force: May 2026
- Application deadline for currently unregistered providers: 30 June 2026
- OfS registration decisions: September 2027
- First year of effect on student finance designation: 2028-29 academic year

An unregistered delivery partner that fails to apply, or whose application is rejected, will have its courses de-designated for student loans for new students from 2028-29. This is not a process with an appeal stage that pauses the effect; a missed designation year cannot be recovered. For lead providers whose franchise income depends on an unregistered delivery partner, de-designation is a hard revenue event with a known date.

The approximately 113,000 students currently taught by unregistered providers are precisely the population at risk. Their delivery partners must now either register with OfS and meet its conditions, or those students’ successors will not be able to access student finance.

The OfS's own annual financial return data confirms the income consequences of this transition. In its financial sustainability report published on 14 May 2026, the OfS noted that the specialist creative provider group is projecting a 14.1 per cent decline in UK tuition fee income between

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<sup>2</sup> Source: Pinsent Masons Out-Law, <https://www.pinsentmasons.com/out-law/news/of-s-shifts-registration-responsibility-universities>.

<sup>3</sup> Source: GOV.UK press release, “Government crackdown on rogue university franchises,” 9 December 2025. <https://www.gov.uk/government/news/government-crackdown-on-rogue-university-franchises>

2027-28 and 2028-29, "primarily due to an anticipated change in the way that subcontractual partnerships are managed at these providers, resulting in those students they currently subcontract out to delivery partners instead registering directly with the delivery partner and resulting in a loss of tuition fee income."<sup>4</sup>

The OfS frames this as a sector-level accounting transition. For providers with 65 to 77 per cent of their student population in franchise arrangements, it is a solvency question.

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<sup>4</sup> Source: OfS, *Financial sustainability of higher education providers in England: 2026*, paragraph 104, published 14 May 2026.

### Cliff Edge 3: Demonstrated Enforcement Precedent

On 23 May 2025, the OfS published the outcome of its investigation into Leeds Trinity University.<sup>5</sup>

Leeds Trinity's subcontracted student numbers had grown from 3,600 in 2020-21 to 9,400 in 2022-23, a trajectory consistent with that of several other providers examined in this report. The OfS found that the university had breached Condition E2 (management and governance) by failing to maintain oversight capacity commensurate with franchise scale. The penalty was £115,000, reduced by 30 per cent for early settlement: the first monetary penalty imposed on a UK university specifically for franchise failures.

More consequential than the fine were the operational restrictions: Leeds Trinity must now obtain OfS approval before entering into any new partnership or expanding any existing one. The university's ability to grow or replace franchise income is constrained by regulatory permission.

A further enforcement precedent was established in February 2026. The OfS imposed quality conditions on RTC Education Ltd (trading as Regent College London) under Conditions B1 (academic experience), B2 (resources and support), and B4 (assessment and awards), following a quality assessment that found a three-year average student-to-academic-staff ratio of approximately 44:1, outdated reading lists, and systematic inconsistency in module delivery and organisation. The University of Greater Manchester, which had become RTC's awarding partner for its BSc Business Management programme after the quality assessment was published in October 2024, received a separate ongoing registration condition for failing to provide adequate oversight of that delivery arrangement — not for any teaching failure in its own directly delivered provision, but for what it accepted responsibility for and then failed to govern. Buckinghamshire New University, found in breach of Conditions B2 and B4 in the same assessment, received no further regulatory action: it had already terminated its partnership with RTC in May 2025.

The RTC case establishes that liability for awarding-body franchise quality failures is not theoretical. A registered university can receive a registration condition for failing to oversee a partner relationship it inherited.<sup>6</sup>

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<sup>5</sup> Source: OfS press release, 23 May 2025.

<https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/leeds-trinity-university-settlement-agreed-after-b-reaches-of-requirements-relating-to-oversight-of-subcontractual-partnerships/>

<sup>6</sup> Source: OfS, "RTC Education Ltd and University of Greater Manchester subject to additional regulatory requirements," 13 February 2026. [RTC Education Ltd and University of Greater Manchester subject to additional regulatory requirements - Office for Students](#); OfS, Quality assessment report: RTC Education Limited, October 2024. [Quality assessment report: RTC Education Limited - Office for Students](#)

The enforcement pattern is consistent: growth-led franchise models attract investigation; investigation produces conditions and restrictions; conditions constrain the income model. The scope of that enforcement is expanding — from governance failures to quality failures, and from delivery partners to awarding institutions.

## Provider Financial Exposure

The following analysis draws on HESA statutory financial returns for the years 2020-21 to 2023-24. All figures are in thousands of pounds unless stated.

### Bath Spa University

Bath Spa's financial trajectory over four years is the most striking in this dataset.

Year	Total income	Tuition fee income	Total expenditure
2020-21	£80,454	£64,730	£81,894
2021-22	£98,792	£78,160	£103,154
2022-23	£145,760	£125,293	£144,601
2023-24	£203,252	£176,557	£192,817

Table 4: Source: HESA Finance Statistics, *finance\_t1* table, release April 2026.

Tuition fee income grew from £64.7 million to £176.6 million: an increase of £111.9 million in three years. Bath Spa's subcontracted student numbers over the same period grew from approximately 4,970 to 21,100. The income growth and the franchise expansion are the same event recorded in two different datasets.

The university's cost base has grown to match. An institution that operated with an income of £80 million in 2020-21 now has expenditure of £192 million. If franchise income contracts materially, the cost base has no mechanism to reduce it rapidly.

Bath Spa's primary lender is Lloyds Bank PLC. Total outstanding loans at 31 July 2025: £12.944 million, comprising three Lloyds facilities drawn between June 2013 and August 2014, at fixed rates between 3.268 and 4.765 per cent, with final repayment dates of May 2027 and February 2034. Historical borrowings from Santander UK plc and the European Investment Bank have been fully repaid.<sup>7</sup>

The sale of Green Park House in January 2022 for more than £80 million materially reduced the debt position, which stood at approximately £52.7 million in July 2021. The university used a

<sup>7</sup> Source: Bath Spa University Annual Report and Financial Statements, year ended 31 July 2025, Note 19.

period of peak franchise income to extinguish external debt. It now carries a cost base of £263 million against loans of £12.9 million. The financial exposure is not leveraged. It is the cost structure built to service an income stream that regulatory action can remove.

The university's own accounts make this explicit. The 2024-25 going concern assessment identifies student recruitment as the greatest financial uncertainty and notes that partnership income is "highly material." The five-year financial plan, signed off by the Board in July 2025, was stress-tested against adverse scenarios. The Vice-Chancellor's foreword states that the university's strategy now includes "reducing our reliance on private provider franchise student numbers." That sentence, in the accounts of a university whose 2024-25 income grew from £80 million to £268 million primarily through franchise expansion, is the clearest available statement of the institution's own assessment of its position.<sup>8</sup>

### Canterbury Christ Church University

Year	Total income	Tuition fee income	Total expenditure	Interest costs
2020-21	£152,126	£104,169	£141,196	£2,218
2021-22	£185,834	£151,422	£191,206	£2,523
2022-23	£263,808	£224,103	£260,420	£2,658
2023-24	£319,115	£277,704	£311,870	£3,582

Table 5: Source: HESA Finance Statistics, finance\_t1 table, release April 2026.

Canterbury Christ Church's 2023-24 audited accounts explicitly name its delivery partners: Global Banking School, London School of Commerce, Elizabeth School of London, UK Management College, and Stratford College London. The accounts state that total income growth of 21 per cent was "in part as a result of the growth in tuition fees from partnership activity." Source: CCCU Annual Report and Financial Statements, year ended 31 July 2024.

With 74 per cent of total students now subcontracted, Canterbury Christ Church's fee income is structurally dependent on the continuation of these arrangements. Its outstanding bank debt of £54.041 million (July 2024) is held jointly by Lloyds Bank PLC and National Westminster Bank PLC, secured on the Verena Holmes building and constituted as a 20-year amortising term loan with 82 per cent at variable rate.<sup>9</sup>

<sup>8</sup> Source: Bath Spa University Annual Report and Financial Statements, year ended 31 July 2025, Basis of Preparation and Foreword.

<sup>9</sup> Source: CCCU Annual Report and Financial Statements, year ended 31 July 2024, Note on borrowings.

## Oxford Brookes University

Oxford Brookes is the most financially leveraged provider in this analysis.

Year	Total income	Tuition fee income	Total expenditure	Interest costs
2020-21	£207,164	£142,757	£210,673	£8,169
2021-22	£216,558	£136,959	£232,269	£8,081
2022-23	£238,030	£143,721	£238,124	£5,674
2023-24	£273,861	£181,267	£257,661	£4,859

Table 6: Source: HESA Finance Statistics, finance\_t1 table, release April 2026.

The 2023-24 accounts state: “This growth is primarily attributed to the inclusion of students from the Global Banking School (GBS) in the HESA return. Through this partnership, nearly 7,000 students enrolled in Health and Business degree courses during 2023/24.”<sup>10</sup>

Total outstanding loans on 31 July 2024: £193.715 million. The lender base includes Barclays, Lloyds, and Santander for bank loans; the remaining £135 million is held in private placements by eight US insurance companies: MassMutual, PRICOA, Great-West, Allianz, Hermit, Pensionkasse, Pruco, and C.M. Life Insurance. Those instruments carry fixed rates between 3.08 and 3.94 per cent for terms of 15 to 30 years<sup>11</sup>.

All loans are unsecured. None of the loan documentation is publicly accessible. There is no public disclosure indicating that Oxford Brookes’ income base includes a material dependency on franchise income.

## Leeds Trinity University

Leeds Trinity is the warning already given concrete form.

Year	Total income	Tuition fee income	Total expenditure
2020-21	£45,655	£40,529	£41,122
2021-22	£54,559	£47,637	£47,984
2022-23	£64,230	£53,319	£59,795
2023-24	£70,122	£57,300	£68,169

Table 7: Source: HESA Finance Statistics, finance\_t1 table, release April 2026.

<sup>10</sup> Source: Oxford Brookes University Financial Statements 2023-24.

<sup>11</sup> Source: Oxford Brookes University Financial Statements 2023-24, Note 19.

By 2024-25, with franchise income constrained by OfS restrictions following the May 2025 settlement, the university reported a total income of £61.6 million and an operating deficit of £13.3 million. EBITDA moved from +£5.5 million to -£7.2 million. The university experienced a technical breach of its Barclays debt service covenant, requiring refinancing via a new £16.5 million revolving credit facility with Santander UK plc. Source: Leeds Trinity University Annual Report and Financial Statements, year ended 31 July 2025<sup>12</sup>.

Headroom against the Santander debt service cost covenant is approximately £2 million for 2026-27 before any mitigating actions. At 72 liquidity days and with 72.5 per cent of income consumed by staff costs, against a target of 59 per cent, Leeds Trinity's financial position reflects, directly and causally, the loss of franchise income following regulatory action. This is the trajectory other providers face if franchise arrangements are curtailed.

### University of Suffolk

Year	Total income	Tuition fee income	Total expenditure
2020-21	£97,451	£88,139	£86,723
2021-22	£135,223	£122,393	£131,920
2022-23	£144,399	£120,263	£128,496
2023-24	£136,716	£112,832	£110,033

Table 8: Source: HESA Finance Statistics, finance\_t1 table, release April 2026.

Suffolk's income peaked in 2022-23 and has since declined, with tuition fee income falling by £7.4 million. With 77 per cent of students subcontracted, the university has the highest franchise dependency ratio among providers in this analysis. It was named among the five universities that accounted for half of all subcontracted students in England in 2023-24.<sup>13</sup>

### Creditor Exposure and the Disclosure Gap

No provider in this analysis has issued publicly listed bonds. The risk is carried in bank lending and private placements: instruments that are real, material, and opaque.

The confirmed lender map, drawn from audited financial statements, is as follows.

<sup>12</sup>

<https://www.leadstrinity.ac.uk/media/site-assets/documents/key-documents/pdfs/Financial-Statements-and-Annual-Report-2025.pdf>

<sup>13</sup> Source: Times Higher Education, 12 December 2025, "Genie out of the bottle' on franchising despite new rules." <https://www.timeshighereducation.com/news/genie-out-bottle-franchising-despite-new-rules>

Lloyds Bank PLC is the primary lender to both Canterbury Christ Church University (jointly with NatWest, £54 million term loan) and Bath Spa University (three facilities totalling £12.944 million, drawn 2013-14, fixed rates 3.268-4.765 per cent, final maturity 2034).

A single bank is simultaneously exposed to the two largest franchise-dependent institutions.

National Westminster Bank PLC is a joint lender with Lloyds for Canterbury Christ Church.

Barclays Bank PLC is a lender to Oxford Brookes (one of multiple lenders) and to Anglia Ruskin University (a £45 million revolving credit facility). In 2025, Barclays experienced a Leeds Trinity covenant breach: the first confirmed instance of franchise income contraction triggering a debt covenant event.

Santander UK plc was a historical lender to Bath Spa (in 2016, £35 million) and remains a lender to Oxford Brookes. In 2025, it became the new lender to Leeds Trinity (£16.5 million revolving credit facility) following the Barclays covenant breach.

Scottish Widows holds two long-dated fixed-rate loans to Anglia Ruskin University totalling approximately £34 million.

Eight US insurance companies, MassMutual, PRICOA, Great-West, Allianz, Hermit, Pensionkasse, Pruco, and C.M. Life Insurance, together hold approximately £135 million in private placements at Oxford Brookes at fixed rates for terms of 15 to 30 years. These are long-dated instruments, written against an income base that has materially changed since their issuance.

The counterparties are large institutional investors in a different jurisdiction, lending against a UK university whose income statements show a step-change increase attributable, by the university's own accounts, to a single franchise arrangement. The private placement documentation is not publicly accessible. Whether franchise income concentration was disclosed as a risk factor in those agreements is unknown.

The disclosure problem is this: no lender to any provider in this analysis has, based on publicly accessible documents, received a disclosure indicating that franchise income represents a material and concentrated risk to the borrower's revenue base. Audited accounts acknowledge franchise activity. None frames it as a specific going concern risk, a covenant sensitivity, or a scenario requiring stress testing.

This opacity is operating in a materially tighter lending environment. Finance directors who participated in OfS roundtable discussions in February 2026 reported that "lenders appear more risk-averse, and that the sector is not as attractive to lenders as it once was. Borrowing has become more expensive due to higher interest rates and the sector's perceived increased risk profile. Loan approvals are said to be taking longer, and providers suggested that this reflects

lenders requiring greater assurances and attaching more stringent borrowing covenants when loans are agreed."<sup>14</sup>

Leeds Trinity's 2025 covenant breach was the first confirmed instance in which a contraction in franchise income triggered a debt covenant event. In a market where lenders are already tightening terms, it will not be the last.

## The Student in the Middle

### Who These Students Are

The common assumption about franchise students is that they are predominantly international, recruited from overseas by agents operating outside the domestic admissions process. The data does not support that. It reveals something more specific and, from a policy perspective, more significant.

The OfS Size and Shape of Provision data (2026-1 release) records the domicile and deprivation profile of students at every registered provider, including GBS and the lead institutions examined in this report. Across the franchise-heavy providers, the student population is overwhelmingly UK-domiciled: GBS at 99.8 per cent, Leeds Trinity at 99.7 per cent, Canterbury Christ Church at 98.4 per cent, University of Suffolk at 98.7 per cent, and Bath Spa at 97.5 per cent. The sector average is 84.1 per cent. These are not international students on study visas. They are UK residents, eligible for domestic tuition fees and funding from the Student Loans Company.

What distinguishes them from the sector average is their location within the UK. The IMD (Index of Multiple Deprivation) measures the relative deprivation of the area in which a student lives, from Quintile 1 (the most deprived fifth of areas in England) to Quintile 5 (the least deprived). The following table sets out the proportion of students from the two most-deprived quintiles at each franchise-heavy provider, compared with the sector average.

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<sup>14</sup> Source: OfS, *Financial sustainability of higher education providers in England: 2026, Annex A, paragraph 38, published 14 May 2026.*

Provider	IMD Quintile 1	IMD Quintile 2	Q1+Q2 combined
Sector average	20.5%	17.3%	37.8%
Global Banking School	49.7%	26.9%	76.6%
Leeds Trinity University	56.2%	21.5%	77.7%
Canterbury Christ Church	39.3%	28.8%	68.1%
University of Suffolk	39.7%	27.9%	67.6%
Bath Spa University	34.5%	25.1%	59.6%
Oxford Brookes University	29.1%	16.6%	45.7%

Table 9: Source: OfS Size and Shape of Provision, 2026-1 release; Blairgowrie panel analysis (ofs\_provision.db, size\_shape table, base\_year 2024, cohort All students, characteristic Deprivation quintile (IMD)).

At GBS and Leeds Trinity, more than three in four students come from the two most deprived quintiles of areas in England. That is double the sector rate. Bath Spa and Canterbury Christ Church are at roughly 60-68 per cent, compared with a sector average of 38 per cent. Every franchise-heavy provider in this analysis is a significant outlier with respect to deprivation.

The ethnicity data adds a further dimension. At GBS, 22.1 per cent of students are Asian, and 15.3 per cent are Black, compared with sector averages of 14.6 per cent and 9.4 per cent, respectively. At Leeds Trinity, 31.8 per cent of students are Asian: more than double the sector rate.

Provider	Asian	Black	White
Sector average	14.6%	9.4%	50.2%
Global Banking School	22.1%	15.3%	46.7%
Leeds Trinity University	31.8%	10.4%	40.5%
Canterbury Christ Church	13.7%	9.6%	54.7%
Oxford Brookes University	18.7%	12.7%	50.1%
Bath Spa University	8.6%	8.8%	64.7%

Table 10: Source: OfS Size and Shape of Provision, 2026-1 release; Blairgowrie panel analysis (ofs\_provision.db, size\_shape table, base\_year 2024, cohort All students, characteristic Ethnicity).

These students are UK residents, but the communities from which they are being recruited have strong ties to the countries that send the highest volumes of study visa students to the UK. In the year to December 2025, the top nationalities for UK-sponsored study visas were India (95,231 grants), China (89,019), Pakistan (30,781), Nigeria (30,204), Nepal (19,553), and Bangladesh (10,828).<sup>15</sup>

GBS operates from London, Birmingham, Leeds, and Manchester: cities with large, settled communities from exactly those countries. The franchise recruitment model, with agents receiving 25 per cent of each tuition fee, is operating pipelines into those communities. The students at the end of those pipelines are domestic for fee and regulatory purposes. Their social and economic profile is not.

A note on the deprivation measure used: the OfS Size and Shape dataset reports the IMD quintile, which broadly measures area-level deprivation. POLAR4, the measure most often cited in discussions of widening access and which specifically tracks historical higher-education participation rates among young people in an area, is not available in this dataset. The IMD findings are strongly evidenced by the source data cited above. A POLAR4-specific analysis would require data from the OfS Access and Participation plan or UCAS applicant records and is not reproduced here.

<sup>15</sup> Source: Home Office entry clearance visa outcomes data, YE December 2025, Vis\_D02 dataset; Blairgowrie panel analysis (ukvi\_provider\_panel.db).

The significance of this demographic picture is not that these students should not be in higher education. The opposite: widening access to people from deprived communities is a stated policy objective. The significance is that the mechanism delivering that access, the franchise model as currently operating, produces outcomes and experiences that are systematically below the sector average, carries the most acute regulatory risk of any provision model in English higher education, and serves a student population with the least capacity to absorb the consequences if that mechanism fails.

## Outcome Harm

The OfS publishes B3 student outcome data by provider. For Global Banking School, the 2022 cohort data (the most recent available) shows<sup>16</sup>:

- Continuation rate: 76.4 per cent against a benchmark of 76.9 per cent, at the threshold, with 100 per cent probability of being at or below it.
- Progression rate: 41.8 per cent against a benchmark of 54.2 per cent: 12.4 percentage points below benchmark, with 100 per cent probability of being materially below threshold.

The progression gap is the more consequential figure. Roughly 41 per cent of GBS students who complete a degree progress to professional employment or further study, against a sector expectation of 54 per cent. Across a population of nearly 40,000 students, more than three-quarters of whom are from the two most deprived area quintiles in England, approximately 4,800 additional students each year fail to progress who would otherwise have done so at the sector average rate. Each of them has taken on £21,000 or more in student loan debt for a qualification that, by the data, does not deliver what sector norms suggest it should.

The public lending behind these students is substantial. In 2023/24 alone, students at the six institutions examined in this report received £1.08 billion in maintenance loans and £928 million in tuition fee loans: £2.0 billion in a single academic year, from a standing start of £450 million in 2019/20.

Average maintenance loans at Canterbury Christ Church, Suffolk, Bath Spa and Leeds Trinity run 28 to 40 per cent above the sector average of £7,694, reflecting the concentration of GBS delivery in London, where students are entitled to the higher London maintenance loan rate. The data needed to establish how much of that lending was issued to students who did not continue — which would require cross-referencing SLC loan records against OfS delivery UKPRN — is not currently published. Both datasets exist. The join has not been made.

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<sup>16</sup> Source: *OfS B3 student outcomes data (ofs-panel).db, Blairgowrie panel analysis.*

For context, the OfS's own insight brief (September 2024) recorded sector-wide completion rates for subcontracted students at 75.7 per cent, compared with 88.5 per cent for directly taught students: a 12.8-percentage-point gap.<sup>17</sup>

Navitas UK Holdings, another OfS-registered delivery partner, shows a continuation rate of 61.8 per cent against a benchmark of 83.1 per cent: 21.3 percentage points below, 100 per cent probability below threshold.<sup>18</sup>

## Experience

The National Student Survey 2025 includes GBS and Regent College London (RTC Education) as respondents. GBS's overall scores are consistently 1 to 2 points below the benchmark across most themes. The largest gaps are in Theme 5 (Organisation and management, -1.5 points), Q18 on communication of teaching changes (-2.3 points, 43 per cent probability of being materially below benchmark), and Q24 on how student feedback was acted on (-1.5 points, 25 per cent probability of being materially below benchmark).

Regent College London's Q13 (feedback received on time) shows -4.4 points against the benchmark, with a 91 per cent probability of being materially below. Theme 6 (Learning resources) is at -3.0 points, with a 65 per cent probability of being materially below.<sup>19</sup>

These are not catastrophic numbers. They do not describe students in crisis. They describe a systematic, consistent underperformance across multiple quality dimensions: a pattern that, sustained at scale and at the volume at which GBS operates, represents a material and documented quality deficit in the student experience.

## Information Harm

The CMA's guidance on consumer protection in higher education (CMA182, updated 31 May 2023) requires providers to "make clear to students who they are contracting with for delivery of their educational services." Pre-contract information, including prospectuses, website content, and course offer letters, is legally binding as part of the student contract under section 50 of the Consumer Rights Act 2015.<sup>20</sup>

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<sup>17</sup> Source: *OfS Insight Brief 22, "Subcontractual arrangements in higher education," 3 September 2024*

<sup>18</sup> Source: *OfS B3 data, Blairgowrie panel analysis.*

<sup>19</sup> Source: *NSS 2025, ofs-panel.db, Blairgowrie panel analysis.*

<sup>20</sup> Source: *CMA182, "UK higher education providers: advice on consumer protection law," updated 31 May 2023.*  
<https://www.gov.uk/government/publications/higher-education-consumer-law-advice-for-providers>

A student who applies to and enrolls at Canterbury Christ Church University, Bath Spa University, or Oxford Brookes University on the basis of information about those institutions' campuses, staff, facilities, and academic community, and is then taught at a GBS campus by GBS staff, has received educational delivery that differs materially from what was represented. The degree is conferred by the university. The experience is GBS.

Whether that constitutes a misleading omission under the Digital Markets, Competition and Consumers Act 2024 (in force 6 April 2025) depends on whether the identity and nature of the delivery partner were adequately disclosed prior to the contract being entered. No enforcement action has yet been brought on this specific ground. The framework for such an action now exists.

From 6 April 2025, the CMA has administrative powers to fine organisations up to 10 per cent of their global annual turnover without court proceedings<sup>21</sup>.

### **Consumer Law Breaches Already on Record**

In April 2024, the OfS referred both the London School of Science and Technology and Fairfield School of Business to National Trading Standards for unfair contract terms. In both cases, seven and five categories of breach were found, respectively: overbroad variation clauses, liability caps, entire agreement clauses, and inadequate fee disclosure. Both providers revised their terms. Source: OfS case pages, published April 2024 and April 2025.<sup>22</sup>

Fairfield is a delivery partner operating in Bath Spa's franchise network. The OfS opened a parallel quality investigation into the Fairfield and Bath Spa arrangement on 28 February 2025.<sup>23</sup>

Oxford Brookes was itself referred to NTS in 2023 for three unfair terms, including a 150 per cent liability cap and an entire agreement clause. All three were removed.<sup>24</sup>

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<sup>21</sup> Source: Digital Markets, Competition and Consumers Act 2024. <https://www.legislation.gov.uk/ukpga/2024/13>

<sup>22</sup> <https://www.officeforstudents.org.uk/for-providers/student-protection-and-support/students-as-consumers/>

<sup>23</sup> Source: OfS press release, 28 February 2025. <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/investigation-into-fairfield-school-of-business-and-bath-spa-university/>

<sup>24</sup> Source: OfS case page. <https://www.officeforstudents.org.uk/for-providers/student-protection-and-choice/students-as-consumers/of-s-referral-to-trading-standards-oxford-brookes-university/>

## Continuity Risk

Under OfS Condition C3, lead providers are required to have Student Protection Plans covering delivery partner failure. Oxford Brookes has published a joint OBU/GBS Student Protection Plan. The published plan has been reviewed. It is a four-page document of generic framework commitments, revised in name in May 2026 following the commencement of Condition E10, but unchanged in substance. It contains no reference to E10, no scenario analysis for regulatory-compelled termination, and no financial commitments beyond supporting students to "find a similar course." The risk assessment section consists of one sentence. The document addresses the orderly closure of a manageable partnership. It does not address the simultaneous displacement of 38,740 students.<sup>25</sup>

The plan cannot, in any realistic scenario, provide for the simultaneous displacement of 38,740 students. Oxford Brookes' directly taught student population is approximately 14,000. Canterbury Christ Church is approximately 10,000. Bath Spa is approximately 8,000. None of these institutions could absorb GBS's student body. The Student Protection Plan addresses an orderly wind-down of a manageable partnership. It does not address a catastrophic single-point failure.

## What Should Happen Now?

This report does not advocate ending subcontracted delivery in higher education. Partnership models serve genuine purposes: widening access for students who cannot reach campus-based provision, building specialist skills not available within a single institution, and extending geographic reach. The problem is not partnership. It is concentration without oversight, scale without transparency, and income dependency without disclosure.

Governing bodies of lead providers with franchise dependency above 50 per cent of the total student population should commission scenario analyses showing the financial impact of a 50 per cent and a 100 per cent reduction in franchise income under the now-confirmed regulatory timeline. This is a basic fiduciary obligation. Lenders should be informed. Stress tests should appear in published accounts.

The Committee of University Chairs is currently consulting on a revised Code of Governance. The code is the direct mechanism by which scenario-analysis requirements of this kind can become a standard expectation of governing-body practice, rather than a voluntary response to a specific crisis. The draft should say so explicitly.

The pattern of governance failure that produces undisclosed income concentration risk is not hypothetical. The Gillies Report, published by the Scottish Funding Council in June 2025

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<sup>25</sup> Source: GBS/OBU Joint Student Protection Plan, retrieved May 2026 from [globalbanking.ac.uk](http://globalbanking.ac.uk).

following an independent investigation into the University of Dundee, provides a forensic post-mortem of exactly this failure mode. It found that governing bodies were repeatedly presented with positive narratives about financial health, even as a single income source contracted.

It found that a reasonable person with access to the available management information could have identified the deteriorating position as early as March 2024 — eight months before it was disclosed to the institution's Court. It found that lenders were holding covenants against an income base that was already impaired. The report draws eighteen lessons for the wider sector. Several are indistinguishable from what this report is asking franchise-dependent universities and their lenders to do now.

Lenders to the institutions identified in this report should request those same scenario analyses. Interest rate covenant tests and debt service ratios calculated against franchise-inflated income bases will fail when franchise income contracts. Leeds Trinity's 2025 covenant breach is the first instance of this mechanism operating in practice. It will not be the last.

GBS's governing body and its sole owner face a direct obligation under Condition E10, which has been in force since 31 March 2026. The Subcontracting Information Source requirements apply to GBS as a registered provider with 100 or more students in subcontractual arrangements. Fee retention percentages must be disclosed. Risk management plans for partner failure must be documented. These are not optional.

Policymakers have already moved in the right direction. The June 2026 registration deadline, the 2028-29 de-designation date, and the E10 enforcement powers together constitute a coherent response to a documented problem. The remaining gap is speed: the 2028-29 timeline gives poorly governed franchise operations two more admissions cycles to operate. Whether that is the right balance between market stability and student protection deserves direct examination by parliament.

OfS is also consulting on a proposed new ongoing condition — "A new approach to consumer and student protection" — which would require all registered providers to treat students fairly and to publish student contracts, course change policies, complaints procedures, refund policies, and recruitment agent lists on a single accessible webpage. The consultation closes on 9 July 2026. If adopted, it would extend transparency requirements to the commercial structure of franchise arrangements — including agent fee arrangements and contractual obligations to delivery partners — in ways that current conditions do not require.<sup>26</sup>

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<sup>26</sup> Source: OfS, "A new approach to consumer and student protection," 16 April 2026. <https://www.officeforstudents.org.uk/reforms-to-student-and-consumer-protection>

Students applying to institutions with large franchise operations have a right to know, before they commit, where they will be taught, by whom, under what quality framework, and what happens to their degree if that arrangement ends. The CMA guidance already requires this. It should be enforced.

## Data Sources and Methodology

All quantitative analysis in this report was conducted by Blairgowrie HE Intelligence using the following primary data sources.

OfS Size and Shape of Provision, 2026-1 release (published 12 May 2026). Three CSV files: Size\_and\_shape\_all\_providers\_2026\_1.csv, Partnerships\_all\_providers\_2026\_1.csv, Student\_numbers\_all\_providers\_2026\_1.csv. Sourced from the OfS data dashboard. Loaded into a purpose-built SQLite panel database (ofs\_provision.db) covering 421 providers and 2021-22 to 2024-25.

HESA Finance Statistics, release 2026-04. Table finance\_t1 from the Blairgowrie HESA statutory panel database (hesa-panel.db). Income and expenditure figures for all providers in thousands of pounds sterling, financial years 2020-21 to 2023-24. Source: HESA statutory collection.

OfS B3 student outcomes data. Table b3\_student\_outcomes from the Blairgowrie OfS panel database (ofs-panel.db). Indicators for continuation, completion, and progression by provider, with benchmarks and threshold probabilities.

National Student Survey 2025. Table nss from the Blairgowrie OfS panel database (ofs-panel.db). Positivity scores, benchmarks, and threshold probabilities for all providers with sufficient responses.

Companies House. Company filings for Global Banking School Limited (07165333) and Global Education Holdings Limited (10723430). Filing history, officer records, and PSC register.

Audited financial statements. Canterbury Christ Church University (year ended 31 July 2024); Oxford Brookes University (year ended 31 July 2024); Anglia Ruskin University (year ended 31 July 2025); Leeds Trinity University (years ended 31 July 2024 and 31 July 2025); Bath Spa University (year ended 31 July 2025). Accessed from institutional websites.

OfS financial sustainability report 2026. Office for Students, Financial sustainability of higher education providers in England: 2026, published 14 May 2026. Draws on Annual Financial Return data from 279 registered providers, covering 2023-24 and 2024-25 actuals and forecast data to 2028-29. Cited for contracted-out income sector data (paragraph 112), specialist creative provider projected income decline (paragraph 104), and finance director roundtable evidence on lender behaviour (Annex A, paragraph 38). Available at [www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2026/](http://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2026/)

OBU/GBS Student Protection Plan. Joint Oxford Brookes/Global Banking School Student Protection Plan, revised May 2026. Retrieved from the GBS website at [globalbanking.ac.uk](http://globalbanking.ac.uk), May 2026. Cited for assessment of continuity planning adequacy in section 6.

Primary regulatory documents. All OfS press releases, case reports, and policy documents cited in the text were accessed directly from [www.officeforstudents.org.uk](http://www.officeforstudents.org.uk). All Government and DfE documents were accessed from [www.gov.uk](http://www.gov.uk). All URLs were live at the time of research (May 2026).

OfS Size and Shape of Provision, student characteristics. The `size_shape` table in `ofs_provision.db` also records student characteristics, including domicile, IMD deprivation quintile, and ethnicity, for each provider, academic year, and cohort. The demographic analysis in Section 6 draws on the base year 2024, cohort: All students. Sector averages are calculated across all providers in the same table using the same filters. IMD Quintile 1 denotes the most deprived fifth of areas in England by the Index of Multiple Deprivation. POLAR4 is not available in this dataset; an IMD-based analysis is used throughout. Source: OfS Size and Shape of Provision, 2026-1 release.

UKVI nationality data, YE December 2025. Table `ukvi_nationality` from the Blairgowrie UKVI panel database (`ukvi_provider_panel.db`). Study visa grants by nationality, drawn from the Home Office entry clearance visa outcomes dataset (`Vis_D02`) for the year ending December 2025. Used to contextualise the nationality background of communities from which franchise providers recruit. This dataset records visa grants, not provider-level enrolments; there is no direct linkage between individual nationalities and specific franchise providers. Source: Home Office, `entry-clearance-visa-outcomes-datasets-dec-2025.xlsx`.

Gillies, P. (2025). Investigation into financial oversight and decision-making at the University of Dundee. Report presented to the Scottish Funding Council. 19 June 2025. Available at: <https://www.sfc.ac.uk/assurance-accountability/institutional-sustainability-and-governance/institutional-governance/university-of-dundee/gillies-report/> (Accessed: May 2026)

Student Loans Company, Student Support for Higher Education in England, supplementary tables (ODS), releases 2022–2025. Provider-level maintenance loan and tuition fee loan disbursements by UKPRN, academic years 2019/20 to 2024/25. Published annually on GOV.UK. Loaded into a purpose-built SQLite panel database (`slc_panel.db`) covering 454 providers. Used in Section 6 to establish total public lending at franchise-exposed institutions.

## What Blairgowrie HE Intelligence Does

The analysis in this report draws on public data. Regulators have published it. Universities have disclosed it in their audited accounts. Government bodies have released it in statutory collections. It is available to anyone who looks.

The problem is not access. It is that the data exists in separate places, published by separate bodies for separate purposes, and almost always read in isolation. A policy researcher reads the outcomes data. A bank analyst reads the financial tables. A journalist reads the admissions figures. Each sees a piece. The picture only exists when you read all of them at once, against the same institutions, in the same analytical framework.

Blairgowrie HE Intelligence builds and maintains longitudinal panel databases from public sources, which are updated as new data are released, covering student demand, financial performance, regulatory compliance, quality outcomes, staff and cost structures, and recruitment patterns. The infrastructure that produced this analysis runs continuously. This report is one of its outputs.

For institutions, we do the same work at the individual level.

A vice-chancellor briefing a governing body wants to know what the numbers mean for their specific financial position, their regulatory standing, and the realistic options available to them. A registrar facing a recruitment shortfall wants to know whether the market has moved or whether the institution has. A finance director stress-testing income projections wants to see the sensitivity analysis, not the headline figure. These are not questions a single dataset can answer.

We take data from multiple public sources, read it together against a single institution, and give executive teams analysis they can take into the boardroom and act on.

We work with universities across England on demand forecasting, financial and regulatory risk, access and participation performance, competitive positioning, and workforce cost analysis.

If this report has raised questions about your institution's position, we would be glad to talk.

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*This report was produced by Blairgowrie HE Intelligence. Blairgowrie HE provides data-driven analysis and advisory services to the higher education sector. The analysis reflects only publicly available information. No information was obtained from any source under an obligation of confidence.*

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