

COMPETITION COMMISSION OF PAKISTAN

ENQUIRY REPORT

Under the provisions of Section 37(2) of the Competition Act, 2010)

**IN THE MATTER OF COMPLAINT FILED
AGAINST
M/S UNIVERSITY OF MANAGEMENT & TECHNOLOGY, LAHORE
FOR
DECEPTIVE MARKETING PRACTICES**

BY

Faiz ur Rehman & Urooj Azeem Awan

Dated: March 22, 2018

1. BACKGROUND

- 1.1 Mr. M. Akram Qureshi (hereinafter referred to as the ‘**Complainant**’) filed a complaint against the University of Management & Technology, Lahore (hereinafter referred to as the ‘**Respondent**’), with the Competition Commission of Pakistan (hereinafter referred to as the ‘**Commission**’) for alleged violation of Section 10 of the Competition Act, 2010 (the ‘**Act**’), pertaining to Deceptive Marketing Practices.
- 1.2 The Complainant alleged that the Respondent claimed through its prospectus, for the year 2014-2015, that it is “*Top Ten in South Asia*” and “*Best Accredited in Pakistan*”. It has been alleged by the Complainant that by doing so the Respondent has involved in the Deceptive Marketing Practices.
- 1.3 On the basis of the information in the complaint, it appeared that there was a possible prima facie violation of Section 10 of the Act. The allegations seemed to be of serious nature which needed to be investigated thoroughly. Since the information was received from an anonymous informant, therefore, it was treated under Regulation 58, 59 & 60 of Competition Commission (General Enforcement) Regulations, 2007.
- 1.4 Keeping in view the forgoing, the Commission initiated an enquiry in accordance with sub section (2) of Section 37 of the Act by appointing Mr. Faiz ur Rehman, Assistant Director (OFT) and Ms. Urooj Azeem Awan, Management Executive (OFT), as enquiry officers (collectively referred to as the ‘**Enquiry Committee**’) to conduct the enquiry into the matter.
- 1.5 The Enquiry Committee was directed to conduct the enquiry on the issues raised in the Complaint and to submit the enquiry report by giving their findings and recommendations *inter alia* on the following issues;
 - a) Whether the Respondent is *distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to character, properties and quality of services*, in violation of Section 10 (2) (b) of the Act?; and
 - b) Whether the conduct of the Respondent *is capable of harming the business interest* of other undertakings, in violation of Section 10 (2) (a) of the Act?

2. SUMMARY OF THE COMPLAINT

- 2.1 A complaint was received by the Commission from the Complainant wherein it had been alleged that the Respondent claimed through its prospectus for the year 2014-2015 that it is “*Top Ten in South Asia*” and “*Best Accredited in Pakistan*”.
- 2.2 It was further alleged by the Complainant that his nephew took an admission in the programs offered by the Respondent after reading the claims on the prospectus. However, after the student had joined, the Complainant came to know that the Respondent was ranked at number 43 in Pakistan by HEC Rankings. The Complainant

further alleged that the information distributed via prospectus of the Respondent is misleading and tends to deceive the general public.

- 2.3 The Complainant has sought relief against the aforementioned deceptive practices by the Respondent in terms of Section 10 of the Act.

3. SUBMISSIONS OF THE RESPONDENT

- 3.1 The Respondent was asked to substantiate the claims made through its Prospectus of 2014-15 along with supporting material and to clarify its position regarding the alleged contentions raised within the complaint, in terms of Section 10 of the Act, vide letter dated 30th of September, 2016, before the initiation of enquiry.
- 3.2 The Respondent submitted a reply vide letter dated 18th of October, 2016, wherein all the allegations against it were denied. The Respondent submitted that a prospectus is the only document which details information on diverse degree programs offered by the institute. The information contained is targeted towards an ordinary consumer who is a graduate of at least an intermediate degree. It is expected of an intermediate graduate, seeking admission into higher education program, to carefully go through the prospectus so as to gain relevant information to the programs to which it is interested in. The Prospectus in this case clearly states that specific information relating to any aspect of the Prospectus or clarifications may be obtained from Office of Information and Admissions. Similarly, it was also submitted that a prominent disclaimer contained within the Prospectus made it clear that the Prospectus is for information and promotion purposes only.
- 3.3 The Respondent also submitted that the cover of the Prospectus only represents the highlights and any further information related to the highlights can be found within the Prospectus.
- 3.4 It was further submitted that the Prospectus showcases the label of South Asian Quality Assurance System (SAQS) Accreditation and then in furtherance states “*Top Ten in South Asia and Best Accredited in Pakistan*”. The Respondent submitted that it has not claimed rankings by the Higher Education Commission (HEC) anywhere within the Prospectus or have used the word ‘ranking’ in relation to the aforementioned claim.
- 3.5 The Respondent submitted that the only reference made within the prospectus is to the SAQS Accreditation. Association of Management Development Institutions in South Asia (AMDISA) is a SAARC recognized body which awards SAQS accreditation to universities that meet the ‘internationally accepted quality standards’ as understood by AMDISA. It submitted that the SAQS Label awarded to the Respondent was the basis for it to make a claim concerning its position vis-à-vis other universities, i.e., ‘Top 10 in South Asia’.
- 3.6 It was further submitted that HEC itself acknowledges the difficulty with university rankings in *5th Ranking of Pakistani Higher Education Institutions (HEIs) 2015*, announced on 23rd of February, 2016. Different organizations around the world have different ranking criterion, which inevitably leads to different rankings of universities

by different institutions. Therefore, the rankings of universities are invariably subjective from organization to organization. It was submitted that when rankings are provided by universities, they are supposed to provide basis for such claims as well. However, the Respondent has not provided any claim of rankings on the cover of 2014-15 Prospectus. Instead, the Respondent has only claimed the position it enjoys due the SAQS accreditation awarded to it.

- 3.7 Furthermore, it was submitted that HEC does not provide rankings within South Asia and therefore the claim of 'Top 10 in South Asia' had no relation to the rankings issued by HEC. Moreover, in the year 2013-14, on which the Prospectus of 2014-15 is based, the Respondent was amongst the only ten business schools in South Asia that had been granted a full 5 years SAQS accreditation by AMDISA. Thus the claim of being 'Top 10 in South Asia' was in fact true at the time the claim was made and cannot be regarded as 'false' or 'misleading'.
- 3.8 The Respondent submitted with regards to its claim of 'Best Accredited in Pakistan' that unlike other universities in Pakistan at the time, it had full 5 years SAQS accreditation as well as accreditation from NBEAC, National Accreditation Council for Teacher Education, National Computing Education Accreditation Council (NCEAC), Pakistan Council of Architects & Town Planners and Pakistan Engineering Council (PEC) for its respective programs.
- 3.9 Furthermore, a reference was made to the HEC rankings on Page 5 of the Prospectus of 2014-15 and it was clearly stated that the Respondent is ranked by HEC amongst the top universities in the 'general category medium sized universities' within Pakistan (in the national HEC ranking for year 2013 it was ranked at Number 9).
- 3.10 Therefore, no false or misleading information had been distributed regarding ranking of the Respondent related to HEC or within claims of being 'Top 10 in South Asia' or 'Best Accredited in Pakistan'. The information provided was true to fact and additional information was provided to prevent any type of confusion to an ordinary consumer.
- 3.11 The Respondent had prayed that the complaint may be set aside based on the submissions above.
- 3.12 The submissions of the Respondent were found unsatisfactory as it failed to substantiate its aforementioned claims and therefore, an enquiry under Section 37(2) of the Act was initiated, whereby, the Respondent was given another opportunity to substantiate its claims vide letter dated 2nd of December, 2016.
- 3.13 The Respondent requested for extension in time period for submitting its reply/comments to the complaint vide letter dated 13th of December, 2016, which was granted vide letter dated 19th of December, 2016.
- 3.14 A reply was submitted by the Respondent vide letter dated 29th of December, 2016, wherein it was stated that the Respondent was ranked at Number 9 among business schools of South Asia by AMDISA vide accreditation dated 11-01-2013, being legally entitled to use the "SAQS Accredited" quality label.

- 3.15 It was also explicitly stated in the reply that AMDISA awards accreditations to South Asian Business Schools and is not a ranking awarded to institutes. It was also submitted that the Prospectus also contained a disclaimer that clearly stated that information within the Prospectus was correct at the time of going to the press and for more specific information the Office of Admissions & Information could be contacted.
- 3.16 The Respondent submitted that the SAQS accreditation to the Respondent is still in force legally and that the same can be verified from the website of AMDISA. It submitted that it had never claimed on its Prospectus to be top ten with regard to the rankings made by the HEC and therefore the complaint may be dismissed.

4. ANALYSIS

- 4.1 In the following paragraphs the facts and evidence submitted by the Complainant and Respondent are analyzed and discussed in order to reach a conclusion regarding the issues at hand, which are;
- I. Whether the Respondent is *distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to character, properties and quality of services*, in violation of Section 10 (2) (b) of the Act?; and
 - II. Whether the conduct of the Respondent *is capable of harming the business interest* of other undertakings, in violation of Section 10 (2) (a) of the Act?
- 4.2 For the purposes of this enquiry report, ‘goods’ shall be taken in the meaning of ‘services’, defined under Section 2 (o) of the Act as;
- (o) “services” means a service of any description whether industrial, trade, professional or otherwise;*
- 4.3 For the purposes of ease of analysis, each issue is discussed individually hereunder.
- I. **Whether the Respondent is *distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to character, properties and quality of services*, in violation of Section 10 (2) (b) of the Act;**
- 4.4 The Respondent is a project of Institute of Leadership and Management (ILM) Trust. ILM was established in 1990 by leading educationists, professionals, and industrialists with an aim to enhance the organizational and individual effectiveness. The Respondent received its degree-granting charter as the Institute of Management and Technology (IMT) in 2002 through an Act of the Assembly of the Punjab. Later, on 16 June 2004, IMT became University of Management and Technology through the passing of a similar Act by the Punjab Assembly. The Respondent is recognized by the Higher Education Commission (HEC) as a “W4” category (highest rank) university. The

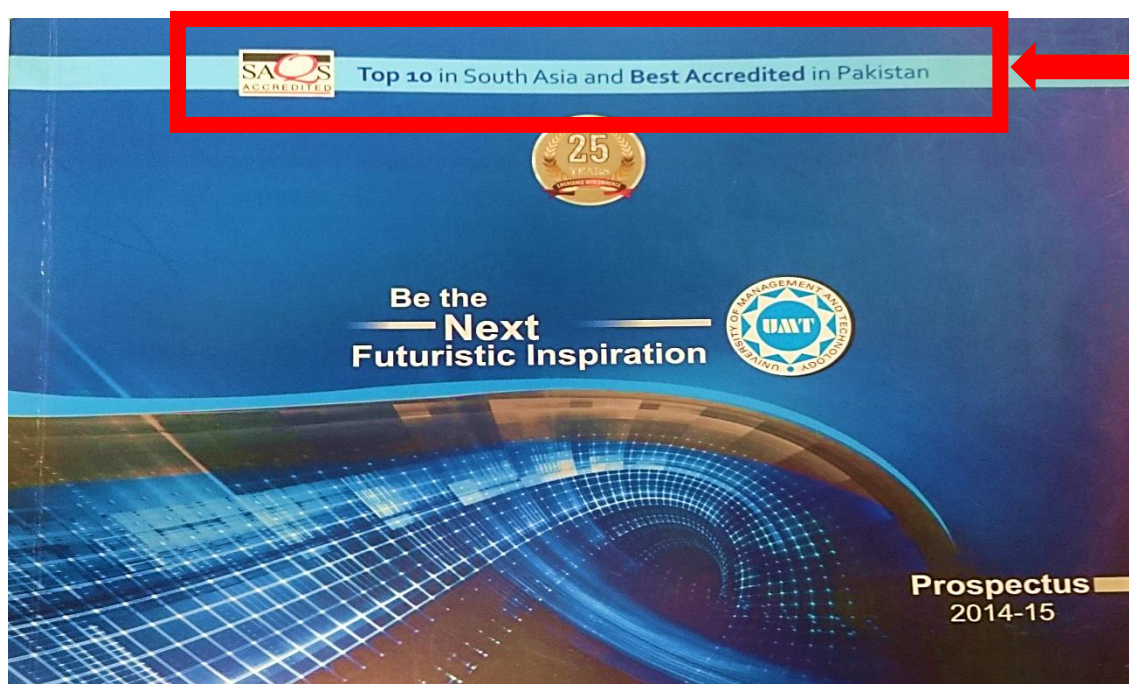
Respondent claims that it is also the first in Punjab amongst medium sized universities in the general category.

- 4.5 At present, fourteen schools and five institutes are operating under the umbrella of the Respondent, namely¹: School of Business and Economics (SBE), School of Systems and Technology (SST), School of Social Sciences and Humanities (SSS&H), School of Professional Advancement (SPA), School of Law and Policy (SLP), School of Textiles and Design (STD), School of Commerce and Accountancy (SCA), School of Engineering (SEN), School of Governance and Society (SGS), School of Advanced Studies (SAS), School of Health Sciences (SHS), School of Architecture and Planning (SAP), School of Science (SSC), School of Food and Agricultural Sciences, Institute of Islamic Banking (IIB), Institute of Aviation Studies (IAS), Institute of Communication and Cultural Studies (ICCS), Institute of Clinical Psychology (ICP), and Institute of Trade and Competitiveness.
- 4.6 The Respondent is engaged in the business of provision of educational services to the general public in various diverse faculties as mentioned above. For this purpose, the Respondent claims that its various faculties are duly accredited by the following relevant accreditation bodies;
- a. National Accreditation Council for Teacher Education
 - b. National Business Education Accreditation Council (NBEAC)
 - c. National Computing Education Accreditation Council (NCEAC)
 - d. Pakistan Council of Architects and Town Planners
 - e. Pakistan Engineering Council (PEC)
 - f. South Asian Quality Assurance System
- 4.7 All of the aforementioned accrediting bodies are mandated by the Higher Education Commission (HEC) to accredit the quality of the educational services provided by institutions in their respective faculties.
- 4.8 In order to promote its educational services, each educational institution issues an annual prospectus which contains basic information about the institution and the academic programs it offers at its facility. The same is the case with the Respondent where it issued an annual prospectus for the year of 2014-15 for admissions and the Complainant obtained an admission for its nephew on the basis of the information contained therein.
- 4.9 In order to discuss the issues at length, it is important to discuss the contents of the prospectus in light of Section 10 of the Act.

¹ <http://www.umt.edu.pk/About-UMT/UMT-at-a-Glance.aspx>

PROSPECTUS 2014-15

- 4.10 On the cover page of the prospectus of 2014-15 a label on the top reads “*Top 10 in South Asia and Best Accredited in Pakistan*” with a logo of SAQS Accreditation on the left hand side of the label.
- 4.11 Below the label is an excellence symbol aligned centrally, reading “*25 Years Emergence with Eminence*”. Below this symbol is text reading “*Be The Next Futuristic Inspiration*” with the logo of the Respondent. The cover is reproduced hereunder for reference:



- 4.12 It is important to consider that the Complainant had raised its concerns over the label on the prospectus referred to in Para No. 4.10 above.
- 4.13 The label refers to the Respondent being Top 10 in South Asia based on an accreditation received from SAQS. SAQS is a quality assurance scheme run by Association of Management Development Institutions in South Asia (AMDISA) as a service to the management education profession worldwide².
- 4.14 AMDISA is a SAARC recognized body. It is a network of Management Education and Management Development Institutions in South Asia which has 251 members from the SAARC region. Its mission is to “*Promote management education and management development activities in South Asia, taking into account the economic, social and cultural context of the Region, with the firm dedication to world-wide exchange of experience and ideas in the fields concerned.*”

² <http://www.amdisa.org/about>

- 4.15 SAQS Quality Label is a recognition to the institution's commitment to quality and quality assurance through continuous improvement. So far 38 schools have entered the SAQS process since inception, of which 18 have been awarded Accreditation. 20 are in various stages of the process.
- 4.16 Out of the list of 18 Schools³ that have been granted SAQS accreditation, only 3 are Pakistani Institutes, which are namely:
- a) Institute of Business Administration (IBA), Karachi, Pakistan
 - b) School of Business Economics, University of Management & Technology, Lahore, Pakistan
 - c) Suleman Dawood School of Business, Lahore University of Management Sciences, Lahore, Pakistan.
- 4.17 It is pertinent to consider here that AMDISA only offers an accreditation under SAQS Quality Label but does not rank institutions in the region. Therefore claiming as being top 10 in South Asia based on SAQS Accreditation is a misleading claim relating to character, properties and quality of services.
- 4.18 Furthermore, it is also important to consider that AMDISA awards SAQS Quality Label only to schools offering business education. Therefore, if the Respondent has been able to obtain a SAQS Label, it is only valid for its business school and not for other faculties at the institution. Therefore, labelling the cover of the prospectus with claims such as “*Top 10 in South Asia*” based on SAQS accreditation is also misleading as it portrays that the institution as a whole has been ranked top 10 in South Asia which is not the fact in this case.
- 4.19 Moreover, the AMDISA accreditation is a voluntary subscription/enrollment accreditation for business institutes who are willing to obtain a SAQS Quality Label.
- 4.20 The Enquiry Committee deemed it appropriate to bring into consideration the ranking of institutions by HEC within Pakistan to draw a relative comparison of the Respondent’s position within the industry. According to the HEC’s Quality and Research based ranking of the Business Education Institutes in 2013⁴, the Respondent’s name did not make it to the list. However, the Respondent had a normalized score of 60.633 in the General – Medium category in the HEC’s Quality and Research based ranking in 2013.
- 4.21 In the year 2014, the Respondent was ranked at number 23 in the General Category⁵ with a normalized score of 51.745.
- 4.22 It is evident from the available information in coordination with HEC’s rankings for the year 2013 that the Respondent could not have been among the top 10 institutes in

³ http://www.amdisa.org/b-schools_granted_sags_accreditation_24042015.pdf

⁴ <http://hec.gov.pk/english/services/universities/Ranking/2013/Documents/FinalRankingListdated2013.pdf>

⁵ <http://hec.gov.pk/english/services/universities/Ranking/2014/Documents/2014%20doc.pdf>

South Asia since the Respondent was not able to make it up to the HEC's list by ranking of business education institutes within Pakistan. Moreover, SAQS accreditation is a voluntary procedure that does not account for quality of business education among all operating institutes within South Asia.

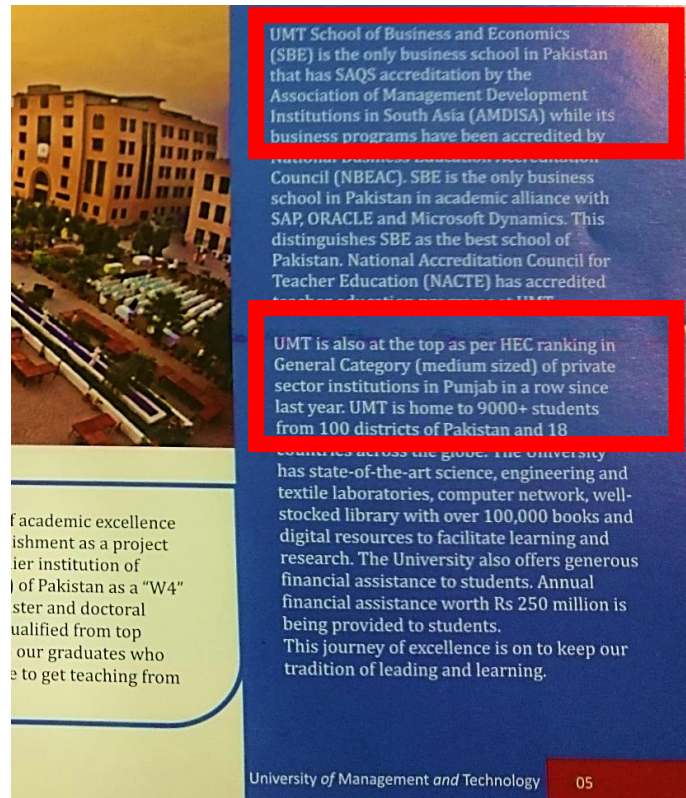
4.23 The Respondent was also directed to substantiate the claim of "*Best Accredited in Pakistan*" to which the Respondent submitted that unlike other universities in Pakistan, it had a 5 years SAQS Accreditation along with accreditation from NBEAC, National Accreditation Council for Teacher Education, NCEAC, Pakistan Council of Architects and Town Planners and PEC for its respective faculties. In light of this the Respondent had therefore claimed that it was best accredited in Pakistan unlike other educational institutes.

4.24 However, when taking the claim of "*Best Accredited in Pakistan*" at face value, it gives a net impression that the Respondent has been accredited as the best institute within Pakistan. Therefore, the claims do appear misleading and violate Section 10 (1) of the Act in terms of Section 10 (2) (b) of the Act.

4.25 Similarly, on Page No. 05 of the prospectus of the Respondent it is written that:

"UMT School of Business and Economics (SBE) is the only business school in Pakistan that has SAQS Accreditation by the Association of Management Development Institutions in South Asia (AMDISA)..."

From this statement it can clearly be perceived as if the Respondent's institute is the only institute accredited with a SAQS Quality Label whereas there are two other business schools as mentioned in Para No. 4.16 above that have been awarded with the same. An image of Page No. 05 of the prospectus is given hereunder for reference:



4.26 On the same Page No. 05 of the prospectus of the Respondent it is further written:

“UMT is also at the top as per HEC ranking in the General Category (medium sized) of private sector institutions in Punjab in a row since last year.”

However, as discussed above, the Respondent had a normalized score of 60.633 in the General – Medium category in 2013, making it the 9th institute on a list of 18 institutes from all over Pakistan. Further downsizing the list to include institutes only from Punjab would automatically bring the Respondent to one of the top institutes in the list but would in actual be only an overstatement of the position of the institute.

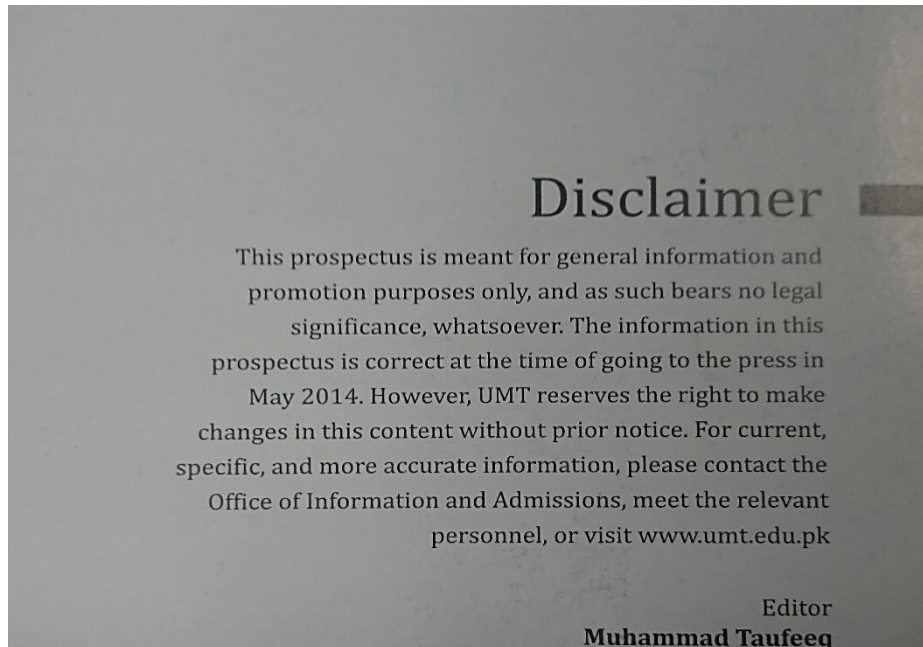
4.27 The Respondent had submitted in its reply that the information contained within prospectus is targeted towards an ordinary consumer who is a graduate of at least an intermediate degree. It is expected of an intermediate graduate, seeking admission into higher education program, to carefully go through the prospectus so as to gain relevant information to the programs it is interested in.

4.28 Therefore, on the last page of the prospectus of 2014-2015, a disclaimer had been given by the Respondent which read:

“This prospectus is meant for general information and promotion purposes only, and as such bears no legal significance, whatsoever. The information in this prospectus is correct at the time of going to the press in May 2014. However, UMT reserves the right to make changes in this content without prior notice. For current, specific, and more accurate information, please

contact the Office of Information and Admissions, meet the relevant personnel, or visit www.umt.edu.pk.”

An image of the disclaimer is given hereunder for reference:



- 4.29 However, in reference to Para No. 4.27 and 4.28 above, before commenting on the content of the prospectus, it is important to note that The Honorable Commission has held in its order *In the Matter of M/s China Mobile Pak Limited and M/s Pakistan Telecom Mobile Limited*⁶ (hereinafter referred to as the ‘**Zong Order**’) that the term consumer, as referred to in Section 10 of the Act, has to be construed in the widest sense so as to refer to the ‘ordinary consumer,’ which is distinct from the concept of the ‘ordinary prudent man,’ as evolved under Contract Law. In the Commission’s view, an ordinary consumer is not expected to act even with ordinary diligence when making a buying decision.
- 4.30 Furthermore, the decision to enroll into a specific program is not commonly a decision a student takes singularly. Instead, the parents actively contribute in the decision of enrolling their child into higher education and pay for it. It is possible that even if a student has gone through intermediate education before pursuing a higher degree, the parents might not be diligent enough to tell right from the wrong.
- 4.31 Since choosing a higher degree is a decision that shapes the future of a student, it is extremely important to be able to make the right decision which is only possible if a person has honest and truthful information. The information related to the ranking and position of an institute within the industry is an indicator of the quality of services it is providing and its characteristics and properties.

⁶ <http://www.cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%2029-09-09%20.pdf>

4.32 In reference to the disclaimer given by the Respondent, it is evident that the Respondent has not given false statements regarding its accreditation status. However, the Respondent has attempted to misrepresent its accreditations with exaggerated claims which resulted in creating confusion in the minds of consumers. Furthermore, the Respondent urged the consumers through its disclaimer to proceed to relevant people for specific information is deceptive in itself, where in actual the right information should be communicated right away.

4.33 It is pertinent to mention here that there is nothing wrong in creative marketing and advertising as long as the claims are substantiated with evidence and the creative content does not lead the consumer away from the truth. Therefore, in issues regarding deceptive marketing practices, the overall net general impression is taken into account instead of meaning of isolated excerpts.

4.34 As it was observed in the case of Standard Oil of Calif, 84 F.T.C 1401 (1974) at pg. 1471 by the FTC that:

“[i]n evaluating representations, we are required to look at the complete advertisement and formulate our opinions on them on the basis of the net general impression conveyed by them and not on isolated excerpts.”

Subsequently this view was upheld by the U.S. Court of Appeals in the matter of Beneficial Corp v. FTC, 542 F. 2d 611 (3rd Circuit, 1976) in the following terms:

“The tendency of the advertising to deceive must be judged by viewing it as a whole, without emphasizing isolated words or phrases apart from their context.” (at pg. 617)

4.35 Furthermore, the fact that the Respondent had made an effort into obtaining all relevant accreditations for its various faculties is appreciable.

4.36 However, in this case, it appears that the Respondent has attempted to exaggerate the facts of its accreditations status in a way so as to profit the most from it but in the process has resulted in disseminating claims that misrepresent its ranking and position among other institutes, thereby violating Section 10 (1) of the Act in terms of Section 10 (2) (b) of the Act.

4.37 The Enquiry Committee further deemed it appropriate to analyze the Respondent’s prospectus of 2015-2016 as well. The analysis of prospectus of 2015-2016 is given in the following paragraphs.

PROSPECTUS 2015-16

4.38 On the top of the cover page of prospectus of 2015-16 is printed a text that reads;

“Ranked as 2nd Best by HEC and Top 10 in South Asia”*

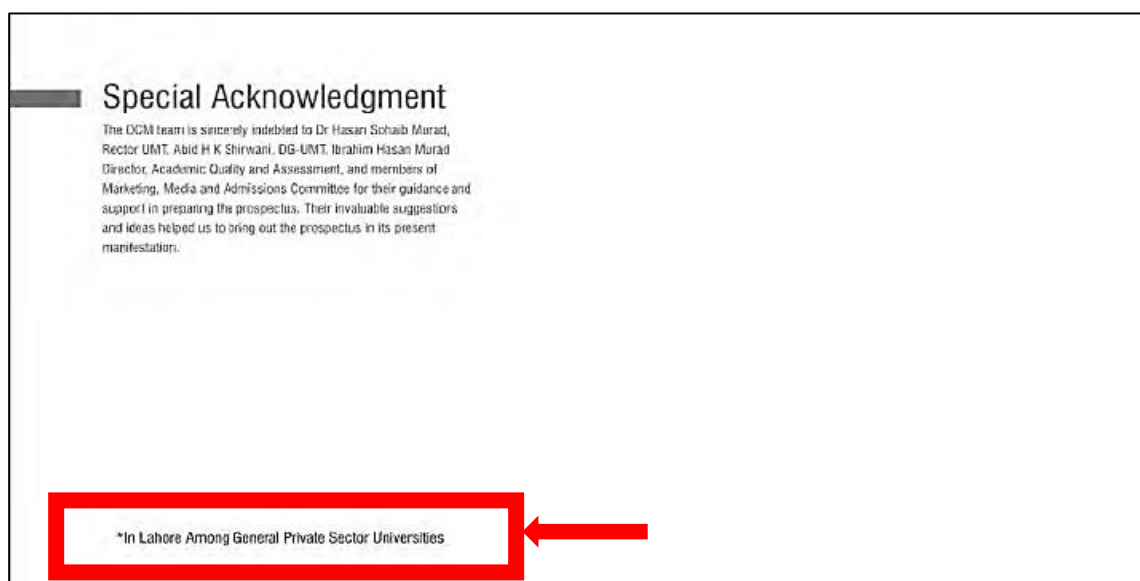
Below this text is a label in red that reads “Great Place. Great Learning. Great Future.” with the Respondent’s logo on the left side and the seal of celebrating 25 years on the right. No further explanations in relevance to the asterisk on the text at the top of cover page is given. An image of the cover page is reproduced hereunder for reference:



- 4.39 On continuing to the 2nd page of the prospectus, under the special acknowledgements, at the bottom is given text in continuation of the asterisk on the cover page that reads:


*“*In Lahore Among General Private Sector Universities”*

A image of the 2nd page is given hereunder:



- 4.40 In reference to Para No. 4.38 above, it is important to discuss here that the Respondent has again made the claim of being *Top 10 in South Asia*. Unlike the prospectus of 2014-15, the Respondent has not even displayed the SAQS Quality Label on the prospectus of 2015-16 in relevance to the claim of being top 10 in South Asia.
- 4.41 Therefore, the claim does not explain as to what authority had declared the Respondent one of the top 10 institutes of not only Pakistan but of South Asia. Furthermore, the claim does not even explain that the accreditation by AMDISA was only for business school of the Respondent and not for all the faculties in general. Therefore, the claim of “*Top 10 in South Asia*” in the absence of relevant context is highly misleading.
- 4.42 Moreover, the first part of the claim, i.e., “*Ranked as 2nd Best by HEC**”, gives an overall impression that the institute as a whole has been awarded the position of being 2nd best in Pakistan. Whereas contrary to the claim, the Respondent was ranked at number 23 in the General Category⁷ with a normalized score of 51.745 in the year 2014⁸.
- 4.43 Furthermore, adding the disclaimer on the 2nd page in continuation of the claim is also deceptive. The disclaimer in itself greatly limits the scope of ranking by HEC by only taking into account privately owned universities in Lahore.
- 4.44 When reading the claim on the cover page with the disclaimer on the 2nd page, it is evident that the Respondent has attempted to misleadingly portray itself as the 2nd best institute in Pakistan.
- 4.45 Similarly, on Page No. 09 of the prospectus of 2015-16 it is written;

Message from the Dean



Welcome to the best ranked and best accredited School of Business and Economics (SBE) at the University of Management and Technology. The School is accredited by South Asian Quality Assurance System (SAQS) and National Business Education Accreditation Council (NBEAC). SBE is also a member of the Association of Management Development Institutions in South Asia (AMDISA), Association of Management Development Institutions in Pakistan (AMDIP), Asia Pacific Quality Network (APQN), European Foundation for Management Development (EFMD), and the Association to Advance Collegiate Schools of Business (AACSB)

International. A variety of undergraduate and graduate programs including PhD programs are offered by the SBE. Being industry specific, innovative, creative and unique in its kind, the programs offered by SBE are challenging, competitive, and provoke the enthusiasm to learn and lead. All the degrees offered by SBE are recognized around the world.

Students at SBE are motivated to utilize their intellectual potential to the maximum to understand and face the business challenges in the global world. All departments and centers at SBE work hand in hand in developing entrepreneurial and leadership skills among students. These endeavors aim to bridge the gap between academia and corporate world by building a strong industrial linkage through industrial visits, seminars and workshops. The distinguished feature of the school is the high world class faculty devoted to disseminating knowledge blending theory and practice. The class environment is conducive to critical thinking and you will deal with global themes and issues in both core and elective courses. As a student, you will be constantly exposed to multiple and varied perspectives on management provided by a high caliber faculty. Once you join SBE you become part of a community closely knitted together, ready to counsel and guide whenever it is required. The hallmark of SBE is creativity, innovative ideas, and research.

I am proud to share that many of our students are being selected by the international institutions on merit alone.

⁷ <http://hec.gov.pk/english/services/universities/Ranking/2014/Documents/2014%20doc.pdf>

⁸ <http://hec.gov.pk/english/services/universities/Ranking/2014/Documents/2014%20doc.pdf>

*“Welcome to the best ranked and best accredited School of Business and Economics (SBE) at the University of Management and Technology. ...”*An image of the page is given hereunder for reference:

- 4.46 In reference to paragraph above, it is clear that the Respondent has referred to its business school as the best institute whereas the SAQS accreditation does not provide ranking of institutes. Furthermore, it was ranked 23rd by HEC in the preceding year. Moreover, according to the HEC’s Quality and Research based ranking of the Business Education Institutes in 2013⁹, the Respondent’s name did not even make it to the list.
- 4.47 Therefore, calling its business school as the best ranked and best accredited school is an overstatement of the facts in view of rankings both within Pakistan and in South Asia.
- 4.48 A similar disclaimer, as referred to in Para No. 4.28 above, is reproduced at the end of the prospectus for 2015-16. In this regard Para No.4.28 to 4.36 is reiterated for the sake of brevity in analysis.
- 4.49 A similar case was filed by the Federal Trade Commission (FTC) in the federal court in California against DeVry University on 27th of January, 2016¹⁰. FTC alleged that DeVry made marketing claims – which ran on television, radio, online, print and other media – that were deceptive. Specifically, it was alleged that DeVry deceptively claimed that 90 percent of DeVry graduates actively seeking employment landed jobs in their fields within six months of graduation.
- 4.50 According to the remarks of the FTC Chairwoman Edith Ramirez¹¹, FTC found out that there were many instances where DeVry graduates were not working in their fields of study despite DeVry counting them as doing so – including from the 2012 graduating class where, for example, a business administration graduate with a human resources specialization was working as a delivery driver and another graduate with a specialization in health services management was working as a restaurant server.
- 4.51 FTC also alleged that DeVry claimed that one year after graduation its graduates had 15 percent higher incomes than graduates from other schools. FTC alleged that DeVry made this claim even though its own internal data showed no meaningful difference between the salaries of DeVry graduates and those of all other schools.
- 4.52 FTC was of the view that when prospective students are weighing whether to attend a particular university, they often base their decision on an institution’s claims and literature – including its marketing materials – to assess whether that school will help them further their career goals.

⁹ <http://hec.gov.pk/english/services/universities/Ranking/2013/Documents/FinalRankingListdated2013.pdf>

¹⁰ <https://www.ftc.gov/system/files/documents/cases/160127devrycmpt.pdf>

¹¹ https://www.ftc.gov/system/files/documents/public_statements/911003/ramirez_-_devry_opening_remarks_1-27-16.pdf

- 4.53 DeVry University and its parent company agreed to a \$100 million settlement of the FTC lawsuit¹². The FTC settlement secures significant financial redress for tens of thousands of students harmed by DeVry’s conduct. DeVry will pay \$49.4 million in cash to be distributed to qualifying students who were harmed by the deceptive ads, as well as \$50.6 million in debt relief. The debt being forgiven includes the full balance owed—\$30.35 million—on all private unpaid student loans that DeVry issued to undergraduates between September 2008 and September 2015, and \$20.25 million in student debts for items such as tuition, books and lab fees.
- 4.54 Through the means described in Para No. 4.10 to 4.48 above, the Respondent has in this case represented expressly that University of Management and Technology is:
- a. *“Top 10 in South Asia and best accredited in Pakistan.”*
 - b. *“UMT School of Business and Economics (SBE) is the only business school in Pakistan that has SAQS Accreditation by the Association of Management Development Institutions in South Asia (AMDISA).”*
 - c. *“UMT is also at the top as per HEC ranking in the General Category (medium sized) of private sector institutions in Punjab in a row since last year.”*
 - d. *“Ranked as 2nd Best by HEC* and Top 10 in South Asia.”*
 - e. *“...the best ranked and best accredited School of Business and Economics (SBE) at the University of Management and Technology.”*
- 4.55 Each representation set forth in Para No. 4.54 above is misleading in terms of properties, characteristics and quality of educational services being provided. Therefore, the making of each representation as set forth in this Enquiry Report constitutes a deceptive act or practice, in violation of Section 10 (1) of the Act in terms of Section 10 (2) (b) of the Act.

II. Whether the conduct of the Respondent is capable of harming the business interests of other undertakings, in violation of Section 10 (2) (a) of the Act;

- 4.56 As per the analysis presented in Para No.4.10 to 4.55 of this report, the Respondent is, *prima facie*, violating Section 10 of the Act through distribution of misleading information to the general public. Similarly, where there is a notion of harm caused to the general public at large through deceptive marketing practices, there is a possibility of harm being caused to other undertakings engaged in similar business within the same industry. The Respondent has unjustly enriched through admissions of students in its educational services and is likely to continue to injure consumers and resultantly reap unjust enrichment through its deceptive practices.

¹² <https://www.ftc.gov/news-events/press-releases/2016/12/devry-university-agrees-100-million-settlement-ftc>

- 4.57 Therefore, in view of the above, the Respondent is found distributing misleading information that is capable of harming the business interest of other undertakings, *prima facie*, in violation of Section 10 (1) of the Act, in terms of Section 10 (2) (a) of the Act.

5. COCNLUSION AND RECOMMENDATIONS

- 5.1 After careful examination of allegations levelled by the Complainant and analyzing the information, documents and materials collected in the case under report, it appears that the conduct of the Respondent has the potential to cause confusion among customers through dissemination of misleading information related to character, properties and quality of its services via claims of being “*Top 10 in South Asia and best accredited in Pakistan*”, “*UMT School of Business and Economics (SBE) is the only business school in Pakistan that has SAQS Accreditation by the Association of Management Development Institutions in South Asia (AMDISA)*”, “*UMT is also at the top as per HEC ranking in the General Category (medium sized) of private sector institutions in Punjab in a row since last year*”, “*Ranked as 2nd Best by HEC* and Top 10 in South Asia.*” and “*...the best ranked and best accredited School of Business and Economics (SBE) at the University of Management and Technology*”, in violation of Section 10 (1) of the Act, in terms of Section 10 (2) (b) of the Act.
- 5.2 The Respondent is also found disseminating misleading information that is capable of harming the business interest of other undertakings, in violation of Section 10 (1) of the Act, in terms of Section 10 (2) (a) of the Act.
- 5.3 In view of the above the Respondent has entered into deceptive marketing practices thereby violating the provisions of Section 10 (1) in terms of Section 10 (2) (a) & (b) of the Act. Therefore, it is recommended that, in the interest of the public at large, proceedings may be initiated against M/s University of Management & Technology, Lahore under provisions of Section 30 of the Act for, *prima facie*, violation of Section 10 of the Act.

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Enquiry Officer

Urooj Azeem Awan
Management Executive
Enquiry Officer