



Investigation focus: Issues of standards, consenting and contractual arrangements at a private rehabilitation facility (September 2025).

Wider learnings and recommendations for service improvements

The investigation identified opportunities for improvement and proposed recommendations. The investigation highlighted:

- Information provided to consumers to enable them to provide their informed consent to treatment needs to be understandable, transparent and provided in a form which is appropriate for the consumer.
- Those seeking treatment for drug and alcohol addiction represent a vulnerable patient group and accordingly, there is increased risk of consumers not fully understanding the services offered before signing the contract for services with the provider.
- The role of the next of kin as set out in the provider's contract can be confusing when the consumer has capacity at the time of signing the contract. This should be clearly explained to everyone involved in the process.
- Consumers should be encouraged to seek independent advice before accessing funds from superannuation to pay for services and providers should ensure appropriate safeguards and there are no conflicts of interest in information that is provided to consumers about the processes for requesting a release of superannuation funds.

Background

The Office of the Health Ombudsman (OHO) received a complaint regarding the treatment the consumer received at a private rehabilitation facility which specialised in drug and alcohol addiction. These residential facilities are not generally subject to the same level of regulation and oversight as private and public hospitals. Transparency and accountability for processes is particularly important when treatment is being provided to vulnerable consumers.

Issues investigated

The main concerns raised by the complainant related to:

- Advertising of services
- Consenting processes and contractual agreements
- Transparency of costs and access to superannuation funds

Key findings

The investigation highlighted a number of significant issues in relation to the health services provided, which may be relevant to other facilities providing similar services.

- Regulation: Private rehabilitation treatment facilities are not subject to the same regulation as private hospitals. The National Safety and Quality Health Service Standards do not apply unless the particular facility is accredited against these standards. The lack of regulation presents potential risks for consumers, and little scope for recourse if things go wrong.
- Advertising: it is essential that the consumer is provided with accurate



information about the services being provided and the quality of facilities, otherwise the consumer may be misled about what they are paying for. In this investigation the OHO found that the health service's website was confusing, it was not clear to potential consumers what type of accommodation and activities were being provided, and raised questions of compliance with relevant requirements of the Australian Consumer Law. The images used in the advertising material did not match the consumer's experience.

- Consent is crucial to any treatment. The consumer needs to understand the treatment being provided and the full costs involved. In this investigation, the consenting process lacked transparency, and the consumer was unclear about what had been agreed to and the services which would be supplied for the costs outlined in the contract. This represents a significant gap in consumer protection.
- Anyone signing a contract must have sufficient information to understand what they are agreeing to and must meet the relevant requirements of the Australian Consumer Law.
- The role and responsibilities of the next of kin and/or guardian were not clearly defined within the contract, particularly where the consumer had capacity to make their own decisions about their treatment. It was not clear whether the next of kin would bear responsibility for any costs incurred under the contract, and why they were tied into a contractual relationship with the health service.
- The consumer was directed to a company to facilitate the release of their superannuation. This raised significant questions about a potential conflict of interest, particularly given the consumer was not directed to obtain independent legal advice, and the adequacy of

safeguards for vulnerable consumers accessing superannuation funds for treatment'.

When consumers are seeking treatment for conditions such as drug and alcohol addiction, it is essential that information is presented in a way that is easily understood and is transparent about the services provided and the associated costs. The consumer may be in a vulnerable position, and the imbalance of power between the individual and the facility needs to be properly addressed, ensuring that fully informed consent is obtained before the contract is signed.

Recommendations

The OHO made a number of recommendations to address the identified gaps in service provision and to better protect consumers.

- Information supplied to consumers should be clear and transparent about the environment where the treatment is to be provided, the type of treatment and the nature of the programs offered. The website should contain photographs of the facility.
- A consumer fact sheet should explain key information to ensure that consumers can make an informed decision before paying for the treatment.
- The consumer, next of kin and/or guardian should be provided with information about their respective roles and responsibilities to ensure that this is understood before the contract for services is signed.
- Consumers should be encouraged to seek independent advice and support regarding accessing superannuation funds to pay for treatment.

The issues of the facility's potential compliance with advertising standards and consumer law, have been actively followed up with other relevant agencies.



Improvements being made to the service

As a result of this investigation, the health service advised that they have commenced a comprehensive review and update of all content on their website to ensure that the photographs accurately reflect the facility where services are provided and that marketing materials align with the programs being offered and compliance standards.

Work is also underway in relation to the review of all policies and procedures relevant to involvement of the next of kin and/or guardian, to ensure that they are accurate, up to date and compliant with all relevant legislative and regulatory requirements.

The OHO will be monitoring the work being undertaken by the health service to ensure that the recommendations that have been made are appropriately implemented, enhancing the safety of this vulnerable consumer group.