Australian Government

FNSCRD513 Promote client understanding of the role and effective use of consumer credit

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSCRD503 Promote understanding of the role and effective use of consumer credit.

Application

This unit describes the skills and knowledge required to develop clients' financial skills and literacy by explaining the functions and implications of different forms of consumer credit.

The unit applies to individuals who use a range of communication styles and techniques to provide comprehensive analysis of information in managerial support or service roles, particularly to clients with minimal financial awareness.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	*Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Identify types of appropriate consumer credit options for clients	1.1 Identify clients' financial situations, requirements and objectives regarding consumer credit 1.2 Explain consumer credit facilities to clients 1.3 Provide clients with written supporting documentation and explain its key aspects
2. Identify and discuss costs of using credit to clients	2.1 Explain features, terms and conditions of consumer credit facilities appropriate to client's financial situation, and disclose impacts and possible risks in a clear and concise

ELEMENT	PERFORMANCE CRITERIA
	manner 2.2 Explain fees and costs associated with different types of credit options for clients 2.3 Demonstrate how to interpret differences between advertised interest rates and comparison rates
3. Promote effective management of consumer credit	3.1 Discuss strategies to avoid excessive or unmanageable debt with clients in relation to their financial situations 3.2 Discuss strategies to minimise fees and cost of credit with clients
4. Provide clients with information regarding credit reference reports	4.1 Explain role of credit reference agencies to clients 4.2 Emphasise purpose and use of credit reference reports in assessing loan applications and explain implications of establishing a poor credit history to clients 4.3 Explain right to access and methods of obtaining own credit reference report, and provide relevant contact details to clients for follow-up if required

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	• Uses mathematical equations to compare and accurately demonstrate key features of financial information to others
Oral communication	• Considers the context and selects vocabulary, grammar and structure to suit a wide range of individuals and to convey details of consumer credit choices and outcomes of individual credit history • Uses active questioning and listening techniques, initiates points of clarification and uses clear and direct language to establish client credit requirements and convey strategic advice and support
Technology	• Completes work tasks and provides information using the main features and functions of organisation-supported digital tools

Unit Mapping Information

Supersedes and is equivalent to FNSCRD503 Promote understanding of the role and effective use of consumer credit.

Links

Companion Volume Implementation Guide is found on VETNet - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe

