



Australian Government

Department of Education, Employment and Workplace Relations

FNSCRD404A Utilise the legal process to recover outstanding debt

Revision Number: 1

FNSCRD404A Utilise the legal process to recover outstanding debt

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to correctly initiate and complete the legal process relating to the recovery of outstanding debt when briefing legal practitioners.</p> <p>This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.</p>
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Application of the Unit

Application of the unit	This unit may be adapted to meet a range of debt recovery and debt management job roles.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine appropriateness of legal recovery	1.1. History of account and previous attempts and recovery of debt is reviewed to determine status 1.2. All documentation is analysed to confirm it is accurate and complete
2. Instigate legal process	2.1. An appropriate <i>jurisdiction and court for debt recovery action</i> is determined 2.2. All necessary documentation is completed accurately and in accordance with <i>organisation policies and procedures</i> 2.3. The timeframe for progress of legal proceedings is estimated 2.4. Reports from <i>service providers</i> are monitored and accurate records to reflect progress of legal action are maintained
3. Implement actions arising from legal process	3.1. <i>Outcomes of legal proceedings</i> in accordance with decision and legislation are recorded 3.2. Where appropriate matters are referred to authorised personnel for further action 3.3. All involved stakeholders are fully informed of the outcome of legal proceedings

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm outstanding debt situation, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences, comprehension, age, possible disability and language level of the customer
- numeracy and IT skills to:
 - perform debt related calculations
 - access and update account records electronically
 - access web based information services
- well-developed literacy skills to:
 - draft documentation for service providers
 - read and interpret documentation from a variety of sources
 - complete complex records
- research and analysis skills or:
 - risk assessment
 - accessing, interpreting and managing information
 - ensuring compliance with relevant legislation
- judgement skills for making debt recovery decisions
- organisational skills, including the ability to plan and sequence work

Required knowledge

- all current developments in the credit management sector and all relevant organisation policy
- current full range of legal options for debt recovery
- current credit industry development
- relevant legislative requirements

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • interpret and implement organisation debt recovery policy • analyse and clarify information for debt recovery actions • accurately prepare debt recovery briefs for legal practitioners • use sound judgement to determine appropriate legal actions that can be taken.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to organisational policy and procedures and legislative information for debt recovery.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • setting and reviewing business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<p><i>Jurisdiction and court</i> for debt recovery (depending on the amount of debt to be recovered) may include:</p>	<ul style="list-style-type: none"> • State and Territory: <ul style="list-style-type: none"> • County Court • District Court • Family Court • local court • Magistrates Court • Supreme Court • Tribunals • Commonwealth Court • High Court.
<p><i>Debt recovery action</i> may include:</p>	<ul style="list-style-type: none"> • court action: <ul style="list-style-type: none"> • statement of claim (summons) • statement of liquidated claim • letter of demand.
<p><i>Organisation policies and procedures</i> may cover:</p>	<ul style="list-style-type: none"> • gathering information and its evaluation • legal obligations and framework • maintenance of customer account files • minimising risk • referral to appropriate departments or individuals • safe storage of security documentation.
<p><i>Service providers</i> may be:</p>	<ul style="list-style-type: none"> • barristers • lawyers • mercantile agents • solicitors.
<p><i>Outcomes of legal proceedings</i> may include:</p>	<ul style="list-style-type: none"> • agreed settlement and conditions • dismissal of the claim • court order: <ul style="list-style-type: none"> • recovery of assets • garnishee order • bankruptcy • court examination of assets.

Unit Sector(s)

Unit sector	Credit management
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		