



Australian Government

Department of Education, Employment and Workplace Relations

FNSCRD405A Manage overdue customer accounts

Revision Number: 1

FNSCRD405A Manage overdue customer accounts

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 management of customer accounts which have outstanding payments.</p> <p>This unit has application to a variety of financial services sectors and is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements so the varying 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. Identify customers requiring collection activity	1.1. Organisation overdue account reporting system is regularly monitored for possible collection action 1.2. Relevant customer information is accessed and records retrieved 1.3. Overdue debtors are reviewed in accordance with <i>organisation policy and procedures</i> and relevant <i>legislation</i>
2. Establish contact with customer and attempt to resolve outstanding payment matters	2.1. Proposed communication with customer to collect outstanding payments is determined and confirmed with authorised personnel in the organisation and the correct entity in the outstanding payment matter 2.2. Rapport with the customer is established and all communication is in accordance with relevant legislation and company policy and procedures 2.3. The purpose of contact is clearly and comprehensively advised to the organisation in accordance with legislative requirements
3. Negotiate resolution of outstanding payments	3.1. Debtors are advised of the possibility of <i>legal action</i> and any other implications of not resolving outstanding payments 3.2. <i>Appropriate techniques</i> are used to achieve resolution and the outcomes of negotiation are accurately recorded 3.3. Further action to be undertaken in relation to outstanding payment matters is diarised
4. Agreement is monitored to ensure adherence	4.1. Account is regularly reviewed to ensure that payments are received in accordance with the negotiated arrangement 4.2. Breaches of agreement are addressed in accordance with organisation policy and procedures and legislative requirements 4.3. Outstanding payment matters are referred to appropriate personnel as required

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication and interpersonal skills to:
 - determine and confirm outstanding payment status, using questioning and active listening as required
 - tactfully negotiate payment options with customers by advocating strategies and outcomes
 - 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 outstanding payment calculations
 - access and update account records electronically
 - access web based information services
- literacy skills to:
 - read and interpret documentation from a variety of sources
 - provide written documentation to customers on payment options and agreements
 - provide advice to debt recovery agencies and authorising personnel
- research and analysis for accessing, interpreting and managing information and to ensure compliance with relevant legislation
- judgement skills for making outstanding payment decisions
- organisational skills, including the ability to plan and sequence work

Required knowledge

- all current developments in the credit management sector and organisation policy
- all current and legal means of debt recovery action and processes
- relevant legislative requirements

Evidence Guide

EVIDENCE GUIDE

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.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- interpret and apply appropriate legislation
- implement organisation outstanding payments policy
- use liaison skills to clarify information for all credit accounts and interpersonal skills to achieve positive outcomes
- apply effective negotiation skills to resolve customer outstanding payment matters
- accurately use data entry and recording systems.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the 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 policies and procedures relating to outstanding payment recovery.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- observing processes and procedures in workplaces or role plays
- verbal or written questioning on underpinning knowledge and
- setting and reviewing scenarios
- 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>Organisation policy and procedures</i> may cover:</p>	<ul style="list-style-type: none"> • assistance to be provided to customers on billing and collection problems • collecting monies owed to the organisation • gathering information and its evaluation • legal obligations and framework • maintenance of customer account files • maintenance of security of invoice and other appropriate files • organisation procedures may include: <ul style="list-style-type: none"> • consideration of customer circumstances • ongoing support and negotiation with customers • referral to external organisations for advice • settlement schedules • recovery costs • suspension of credit facilities.
<p><i>Legislation</i> may include:</p>	<ul style="list-style-type: none"> • Bankruptcy Act • Bills of Sale and Other Instruments Act • Cheques and Payment Orders Act • consumer credit laws • Corporations Act • Criminal Act • Door to Door Sales Act or equivalent • Evidence Reproduction Act or equivalent • Fair Trading Acts • Magistrates' Court Act • National Consumer Credit Protection Acts • Partnership Act • Privacy Act • Small Debts Court Act or equivalent • Tax Acts and taxation law • Trade Practices Act.
<p><i>Legal actions</i> may</p>	<ul style="list-style-type: none"> • court action:

RANGE STATEMENT	
include:	<ul style="list-style-type: none"> • statement of claim (summons) • statement of liquidated claim • letter of demand.
<i>Appropriate techniques</i> for negotiation include:	<ul style="list-style-type: none"> • setting clear objectives • controlling the meeting or interview • listening and questioning to confirm understanding • offering and expecting commitment • knowing when to compromise • closing with confirmation of agreement.

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		