



Australian Government

Department of Education, Employment and Workplace Relations

BSBCCO305A Process credit applications

Revision Number: 1

BSBCCO305A Process credit applications

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to handle credit applications or arrangements for customers with no credit rating or a poor credit rating and as required by an organisation. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit applies in a customer contact environment where the assessment of credit risk and application of debt recovery is either the core function or an element of broader customer service and sales delivery. Competence in this unit requires sound credit assessment outcomes, arrangement of effective debt recovery initiatives or programs, and the negotiation of various outcomes with customers. This work is undertaken with some supervision and guidance.
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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. Review and evaluate credit application	1.1. Review application to determine customer details and amount of credit required 1.2. Check existing customer records for payment history and credit standing 1.3. Obtain customer credit rating in accordance with <i>credit management procedures</i> 1.4. Establish credit rating and customer's ability to repay any credit advances 1.5. Observe <i>relevant legislation, codes, regulations and standards</i> 1.6. Approve or decline application in accordance with organisational policy
2. Decline credit application	2.1. Explain the decision to decline credit application to the customer 2.2. Offer and discuss alternative arrangements as necessary 2.3. Advise customer of appeal rights where appeal provisions exist
3. Negotiate credit application details with customer	3.1. Negotiate and agree <i>payment arrangements</i> with customer where approval granted 3.2. Escalate difficulties experienced in customer negotiations in accordance with enterprise policy
4. Complete administrative arrangements	4.1. Complete and forward appropriate documentation to customer 4.2. Organise credit arrangements and record details in accordance with enterprise policy and legislative requirements 4.3. Clearly notify customer of payment arrangements in accordance with enterprise procedures 4.4. Regularly monitor and follow-up customer commitments 4.5. Resolve any outstanding issues relating to credit application in an efficient and timely manner

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication and negotiation skills to effectively and clearly communicate with customers at all levels
- conflict resolution skills to effectively and calmly manage and resolve conflict situations
- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- listening and questioning skills to understand and clarify the needs of internal and external customers
- literacy skills to clearly articulate information and advice via all contact media
- numeracy skills including budgeting and financial management skills to solve credit issues and problems
- problem-solving skills applying a range of strategies
- self-management skills to effectively manage personal stress during difficult customer contact.

Required knowledge

- conflict resolution and negotiation techniques
- credit and debt recovery principles and techniques
- financial delegations and limits applied within organisation and specific to role
- legislative , regulatory and industry code requirements
- organisational credit management policies and procedures
- stress management techniques.

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 following is essential:

- application of enterprise credit procedures
- determination of customer capacity to pay
- discussion and explanation to customer of non-approval
- negotiation of credit terms and payment arrangements with customers
- knowledge of legislative , regulatory and industry code requirements.

Context of and specific resources for assessment

Assessment must ensure:

- access to enterprise credit policies and standard operating procedures
- access to workplace information and data
- access to relevant information on legislation, regulations, codes of practice, hardship programs, standards.

Method of assessment

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

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- oral and/or written questioning to assess knowledge of credit policies and procedures
- review of calculations of capacity to pay and payment arrangements
- review of quality assurance and performance management records
- review of notes on accounts
- review of customer's adherence to payment arrangements or arrears history
- direct observation during credit application contact.

Guidance information for

Holistic assessment with other units relevant to the

EVIDENCE GUIDE**assessment**

industry sector, workplace and job role is recommended, for example:

- BSBCUS301A Deliver and monitor a service to customers
- BSBWOR201A Manage personal stress in the workplace.

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.

Credit management procedures may include:

- call handling processes
- escalation process
- financial delegation and authorisation limits
- hardship policies
- internally developed guidelines
- referral to specialist group

Relevant legislation, codes, regulations and standards may include:

- credit and finance acts and codes
- Consumer Credit Code
- Do Not Call Register
- equal employment opportunity and anti-discrimination legislation
- Freedom of Information
- hardship policies
- industry specific codes, regulations and legislation
- occupational health and safety legislation
- Privacy Act
- Trade Practices Act

Payment arrangements may include:

- agreed instalments
- cash
- cheque
- credit card
- direct debit
- EFTPOS
- electronic payment (e.g. Bpay)

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Stakeholder Relations - Contact Centre Operations
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Co-requisite units

Co-requisite units		