



Australian Government

FNSCRD403 Manage and recover bad and doubtful debts

Release: 1

FNSCRD403 Manage and recover bad and doubtful debts

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to correctly identify bad debts, negotiate with customers and ascertain means of recovery using actions in line with relevant credit policy.

It applies to individuals who work cooperatively with others using a range of managerial and negotiation techniques to facilitate debt recovery processes.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Implement appropriate course of action to recover outstanding debt	1.1 Review account history and determine appropriate recovery action based on account history 1.2 Advise customers promptly of possible implications of outstanding debts and deal with any objections according to organisational guidelines and legislative requirements 1.3 Document agreed payment arrangements accurately according to organisational system requirements
2. Monitor and review effectiveness of recovery action	2.1 Review customer accounts for their adherence to agreed payment arrangements 2.2 Identify customers' non-compliance with agreed arrangements

ELEMENT	PERFORMANCE CRITERIA
	and manage in accordance with organisational guidelines 2.3 Involve internal stakeholders in review and monitoring process as required
3. Re-assess account to determine eligibility for write-off	3.1 Re-assess account to determine if it is appropriate for write-off as agreed payment arrangements have not been met 3.2 Document recommendations for write-off and account closure, complying with legislation and organisational guidelines, that authorised personnel can action

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1, 2.1, 3.3	Accesses, manages and evaluates textual information from a variety of sources to identify relevant information
Writing	1.2, 1.3, 3.2	- Addresses context and purpose when generating texts for internal and external stakeholders - Selects appropriate vocabulary and terminology to elicit information, convey instructions and document recommendations clearly and accurately
Oral Communication	1.1,1.2, 2.2, 2.3,	- Engages in complex negotiations to elicit and clarify the viewpoints of others using careful listening and questioning - Uses clear and detailed language to express requirements and to reach agreement with others
Numeracy	1.1, 1.3, 2.1, 3.1, 3.3	- Evaluates and reviews numerically expressed information to inform action - Uses medium level mathematical calculations to establish and monitor requirements for compliance or further action as required
Navigate the world of work	3.2, 3.3	- Takes personal responsibility for following explicit and implicit policies, procedures and legislative requirements - Identifies and acts on issues that contravene relevant policies, procedures and legal requirements

Interact with others	1.2, 2.2, 2.3, 3.2	- Identifies and explores differences in a diverse range of people in the work context and makes adjustments to communication in recognition of these differences - Recognises behaviours and triggers that contribute to conflict and implements strategies to moderate conflict - Selects and uses appropriate conventions and protocols when communicating to customers and co-workers in a range of work contexts
Get the work done	1.1, 2.1, 3.1, 3.3	- Makes routine decisions and implements standard procedures for routine tasks, using formal decision-making processes for more complex and non-routine situations - Takes responsibility for planning, sequencing and prioritising tasks and own workload for efficiency and effective outcomes - Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSCRD403 Manage and recover bad and doubtful debts	FNSCRD403A Manage and recover bad and doubtful debts	Updated to meet Standards for Training Packages Changes performance criteria for clarification	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSCRD403 Manage and recover bad and doubtful debts

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Performance Evidence

Evidence of the ability to:

- communicate effectively with customers, following organisational guidelines and legislative requirements in explaining the implications of outstanding debt and alternative payment arrangement options
- apply strong negotiation skills to resolve disputes, queries and problems
- use data entry and recording systems accurately.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- explain the key steps or actions in the legal debt recovery process
- outline the key features of organisational credit policy
- identify and explain legislative requirements relevant to debt recovery
- describe the key features of complaint resolution processes and complaint handling procedures
- outline the roles of the various alternative dispute resolution schemes and services
- explain the key requirements of legislation relating to credit and recovery of bad debts.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the credit management field of work and include access to:

- common office equipment, technology and consumables
- credit product information

- relevant software systems and data
- organisational policy and procedures relating to debt recovery.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>