



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
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
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>

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

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- identify and promote the role and effective use of consumer credit for at least two clients with different financial situations and levels of financial literacy.

In the course of the above, the candidate must:

- comply with legislative requirements, industry regulations and code of conduct when identifying types of appropriate consumer credit options for clients and providing documentation
- consider client needs when explaining to them the features, terms and conditions of the appropriate consumer credit facilities
- provide each client with a detailed analysis of the fees, costs and risks of appropriate consumer credit facilities.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- effects of the current economic environment on an individual's credit and debt options
- advantages and disadvantages of credit
- principles of lending and credit
- key differences between secured and unsecured loans
- legislative requirements, industry regulations and codes of conduct relevant to own role, and how they impact on dealings with clients
- roles and relationships between participants in the financial services industry, including banks and credit reference agencies

- key features, terms and conditions and risks of a range of consumer credit facilities, including fees and costs.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, consumables and technology, including software systems
- financial services product information and data
- clients requiring an understanding of the role and effective use of consumer credit
- organisational policies and procedures.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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