



Australian Government

FNSMCA411 Evaluate debt collection actions and develop recommendations

Release: 1

FNSMCA411 Evaluate debt collection actions and develop recommendations

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 6.0.

Application

This unit describes the skills and knowledge required to review debtor information, evaluate past debt collection activities and develop recommendations on future debt collection activities.

The unit applies to individuals who are required to develop and document debt collection case recommendations as part of their role as a mercantile agent in debt management and recovery.

Note

The term “debtor” in this unit relates to any customer who may have a debt to an organisation.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those requirements.

Unit Sector

Mercantile agents

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. Review debtor information and previous collections activity	1.1 Identify and confirm client requirements 1.2 Gather and review debt collection case information according to client requirements 1.3 Confirm debt collection case information is accurate and compliant with legislative and regulatory requirements 1.4 Identify and evaluate past debt collection activities related to the debtor

ELEMENT	PERFORMANCE CRITERIA
	1.5 Analyse debt levels, costs of future enforcement actions, security and asset position of debtor for possible legal recovery action
2. Develop recommendations for future debt collection activity	2.1 Identify recommendations for actions according to client requirements and debt collection information 2.2 Determine cost effectiveness and legal basis of recommended actions 2.3 Determine changes to future debt collection activities based on recommended actions
3. Verify recommendations with client	3.1 Discuss recommendations with client 3.2 Negotiate and agree on recommendations with client 3.3 Develop report of agreed recommendations and present to client

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
Oral communication	• Uses language and concepts appropriate to the audience and purpose to convey and clarify information • Uses clear and appropriate language to present or explain recommendations • Uses careful listening and questioning techniques to clarify understanding and elicit required information
Reading	• Interprets, analyses and consolidates information from a variety of sources to determine and confirm relevance
Initiative and enterprise	• Selects the appropriate form, channel and mode of communication to liaise with required stakeholders, gain agreement and share information • Uses formal processes to monitor implementation of solutions, reflect on outcomes and finalise documentation
Problem solving	• Clearly and thoroughly analyses and synthesises information to compile reports and make decisions about appropriate recommendations for clients
Self-management	• Adopts efficient and effective organisational and time management skills to sequence tasks, meet timelines and arrange meetings • Takes responsibility for complying with organisational policies and procedures, legislative and regulatory requirements and ethical codes of conduct

SKILL	DESCRIPTION
Technology	Uses digitally based technologies and software packages to complete work requirements

Unit Mapping Information

No equivalent unit. Supersedes and is not equivalent to FNSMCA401 Develop and document case recommendations.

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 FNSMCA411 Evaluate debt collection actions and develop recommendations

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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:

- evaluate debt collection actions and develop recommendations for at least three different debtor cases.

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:

- organisational policies and procedures, legislative and regulatory requirements, and ethical codes of conduct for evaluating debt collection actions and developing recommendations, including those relating to:
 - privacy and confidentiality
 - gathering and reviewing debt collection case information
 - analysis of debt levels
- recommendation report formats
- alternative actions and their rationales, including:
 - not pursuing debt further
 - extending credit terms
 - consolidating loans
 - reduced repayments
 - extended terms
 - repayment pauses
- characteristics and evaluation techniques of debt collection activities
- negotiation techniques.

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:

- organisational policies and procedures related to mercantile agents
- organisational equipment, technology and software.

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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