



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSFLT504A Facilitate customer understanding of personal financial statements**

**Revision Number: 1**

## FNSFLT504A Facilitate customer understanding of personal financial statements

### Modification History

Not applicable.

### Unit Descriptor

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>Unit descriptor</b> | <p>This unit describes the performance outcomes, skills and knowledge required to educate customers in understanding and interpreting information contained in personal financial Statements including bank and credit card statements, utility bills and Statements from superannuation funds.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p> |
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### Application of the Unit

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| <b>Application of the unit</b> | <p>This unit may be applied within the context of a financial counselling role or in educational programs facilitated by financial counsellors or financial institutions within the context of improving consumer financial literacy.</p> |
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

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| <b>Prerequisite units</b> |  |  |
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## Employability Skills Information

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| <b>Employability skills</b> | This unit contains employability skills. |
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## Elements and Performance Criteria Pre-Content

|                                                                   |                                                                                                                                                                                                                                                                                                                  |
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| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| 1. Discuss customer's responsibilities in relation to personal financial statements | <p>1.1. The range and frequency of <b>personal financial statements</b> that are received by the customer are identified</p> <p>1.2. The <b>different purposes of financial statements</b> and the need to retain certain financial statements for tax or other purposes is discussed with the customer</p>                                                                                                                                                                                                                                                                                                                       |
| 2. Explain specific information contained in a range of financial statements        | <p>2.1. A range of terminology used in financial Statements is explained to the customer</p> <p>2.2. <b>Common items listed on a credit card statement</b> are identified and explained in plain language to the customer</p> <p>2.3. <b>Common items listed on a superannuation fund statement</b> are identified and explained in plain language to the customer</p> <p>2.4. <b>Fees and charges</b> applicable to superannuation are identified and explained to the customer</p> <p>2.5. <b>Contact details</b> for advice on information contained within financial Statements are provided to the customer as necessary</p> |
| 3. Identify and explain ways of managing personal financial statements              | <p>3.1. The importance and means of <b>checking financial statements</b> for accuracy is explained and demonstrated to the customer</p> <p>3.2. Ways to estimate and plan for regular payments and the appropriateness of <b>different repayment options</b> for the customer are identified and discussed</p> <p>3.3. Options available to the consumer in case of inability to pay amounts owed in financial statements are explained to the customer</p>                                                                                                                                                                       |

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- communication skills to:
  - clearly explain financial statements and their use to customers, using questioning and active listening as required and responding with empathy in sensitive cases
  - liaise with others, share information, listen and understand
  - use language and concepts appropriate to cultural differences
- IT skills to use internet information
- literacy skills for:
  - analysing information to ensure appropriateness to customer or customer needs, currency and accuracy
  - drafting documents for customers and customers
- problem solving skills to identify any issues that have the potential to impact on the customer's understanding and develop options
- organisational skills, including the ability to plan and sequence work

#### Required knowledge

- consumer issues relating to superannuation information
- personal financial Statements received by consumers, the terminology used and layout of statements
- relevant industry codes of practice including:
  - Consumer Credit Code
  - Privacy Act
  - Credit Act
- relevant State and Territory legislation regarding consumer credit issues
- roles and relationships between participants within the Australian financial services industry, including banks and other financial intermediaries

## 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:

- explain terminology used within a range of personal financial statements received by a range of customers
- use high level communication skills in providing relevant information to customers in need of assistance in understanding personal financial statements
- identify and present to customers effective methods of managing personal financial statements including the importance of verifying accuracy of information received.

#### Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services 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 financial services product information.

#### 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 skills
- setting and reviewing workplace projects and business simulations or scenarios.

#### 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.

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| Range of <b><i>personal financial statements</i></b> received may include: | <ul style="list-style-type: none"> <li>• bank statements including:               <ul style="list-style-type: none"> <li>• credit card statements</li> <li>• savings account statements</li> <li>• investment statements</li> <li>• loan account statements</li> </ul> </li> <li>• finance company statements</li> <li>• payslips</li> <li>• statements from utility providers</li> <li>• superannuation statements.</li> </ul>                                                                                                                                                                                              |
| <b><i>Different purposes of financial statements</i></b> may include:      | <ul style="list-style-type: none"> <li>• informing consumers of funds debited or credited to their accounts such as payslips showing amounts paid to nominated accounts</li> <li>• informing consumers of interest earned on investments</li> <li>• invoicing consumer for services rendered such as amounts owed on:               <ul style="list-style-type: none"> <li>• utility bills</li> <li>• credit cards</li> <li>• loans</li> </ul> </li> <li>• providing consumers with information necessary for consumer to make informed decisions including statements regarding performance of investment funds.</li> </ul> |
| <b><i>Common items listed on a credit card statement</i></b> may include:  | <ul style="list-style-type: none"> <li>• closing balance</li> <li>• fees and charges for the period including annual account fees</li> <li>• list of any cash advances made during the statement period</li> <li>• list of purchases made during the statement period</li> <li>• minimum amount due and date owed</li> <li>• payments made during the statement period</li> <li>• period of time the statement represents</li> <li>• previous account balance.</li> </ul>                                                                                                                                                    |
| <b><i>Common items listed on a superannuation fund</i></b>                 | <ul style="list-style-type: none"> <li>• general details including:</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| <b>RANGE STATEMENT</b>                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <b>statement</b> may include:                                  | <ul style="list-style-type: none"> <li>• confirmation tax file number received</li> <li>• date the member joined the fund</li> <li>• fund name</li> <li>• member name and date of birth</li> <li>• summary of account details including:               <ul style="list-style-type: none"> <li>• benefit details</li> <li>• closing balance</li> <li>• deductions including fees and withdrawals by the member</li> <li>• investment earnings</li> <li>• list of contributions</li> <li>• opening balance</li> <li>• rebates.</li> </ul> </li> </ul> |
| Superannuation <b>fees and charges</b> may include:            | <ul style="list-style-type: none"> <li>• adviser service fees</li> <li>• annual fees</li> <li>• commissions</li> <li>• deposit fees</li> <li>• early termination fees</li> <li>• fund management fees</li> <li>• member fees</li> <li>• switching fees</li> <li>• trustee levy.</li> </ul>                                                                                                                                                                                                                                                          |
| Providing <b>contact details</b> may include:                  | <ul style="list-style-type: none"> <li>• contact details of the appropriate institution and its regulating body</li> <li>• customer service number of the relevant institution</li> <li>• interpreter services</li> <li>• providing large print services and hearing impaired services.</li> </ul>                                                                                                                                                                                                                                                  |
| <b>Checking financial statements</b> for accuracy may include: | <ul style="list-style-type: none"> <li>• checking receipts</li> <li>• comparing meter readings to a utility bill</li> <li>• keeping a record of telephone calls made.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Different repayment options</b> may include:                | <ul style="list-style-type: none"> <li>• prepayment of account</li> <li>• methods of how to pay the account, including:               <ul style="list-style-type: none"> <li>• at a post office</li> <li>• B-Pay</li> <li>• by credit card</li> <li>• by mail</li> <li>• by direct debit</li> </ul> </li> </ul>                                                                                                                                                                                                                                     |

**RANGE STATEMENT**

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|  | <ul style="list-style-type: none"><li>• in person</li><li>• regular instalments.</li></ul> |
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**Unit Sector(s)**

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| <b>Unit sector</b> | Financial literacy |
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**Competency field**

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| <b>Competency field</b> |  |
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**Co-requisite units**

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|---------------------------|--|--|
| <b>Co-requisite units</b> |  |  |
|                           |  |  |