

FSPFC08 – SQA Unit Code H5H6 04

Investigate arrears and recover debts



Overview

This unit is about identifying arrears in accounts and implementing measures with the customer to put the repayments back on track. You will need to pay attention to details that are critical to your work and need to investigate the causes of the problem and to develop a clear picture about whether or not further action may be required. Throughout the process you need to be aware of the delicate aspects of relationship management so that you maintain goodwill, but do not jeopardise your organisation's position. You will also be required to make arrangements, within the limits of your authority, to implement the arrears recovery processes on behalf of your organisation. You will be involved in making agreements for revised repayment schedules. You will be involved in the identification and recovery of debt, including where customers exceed credit limits and fail to make agreed payments.

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Performance criteria

- You must be able to:*
- P1 Identify and investigate problems in customer repayments for their potential impact on the account
 - P2 Investigate the source of the problems in accounts with the customer
 - P3 Invite your customer to provide an explanation for the problems they have in meeting the terms and conditions of their account
 - P4 Ensure written communication with customers is clear and accurate and does not prejudice your organisation's legal position
 - P5 Inform customers clearly of your organisation's policy in respect of debt recovery
 - P6 Seek solutions for the payment of arrears that are acceptable to both your customer and your organisation
 - P7 Agree and confirm revised repayment schedules with your customer
 - P8 Inform all relevant people of revised payment agreements
 - P9 Refer any instances of failure to make agreements which are outside your authority to the appropriate person
 - P10 Keep accurate and complete records of all stages
 - P11 Comply with legal requirements, industry regulations, including ethical standards and health and safety, organisational policies and professional codes
 - P12 Identify potential risks

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Knowledge and understanding

You need to know and understand:

- K1 The records that you need to maintain
- K2 Your organisation's requirements for dealing with arrears and the recovery of debt
- K3 Your limits of your authority for dealing with arrears
- K4 The procedures for referring arrears which are outside your authority.
- K5 The terms and conditions of the accounts offered by your organisation
- K6 The sources of problems customers may have in maintaining agreed payments
- K7 How to investigate the potential impact there may be from problems in customer repayments
- K8 How to investigate the sources of problems with customers sensitively
- K9 The implications of not inviting customers to discuss their problems with accounts
- K10 Solutions that are available for the payment of arrears
- K11 The purpose of seeking solutions for the payment of arrears which are agreeable to both your customer and your organisation
- K12 The people who need to be informed of revised payment agreements
- K13 Your organisation's requirements relating to the application of codes, laws and regulatory requirements, including ethical standards and health and safety as they impact on your activities

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Additional Information

Behaviours

1. You present information clearly and concisely
2. You show integrity, fairness and consistency in the decisions you make
3. You show respect for others in your dealings with them
4. You explain things so others will understand
5. You respond quickly to potential problems

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