

## FSPDC01 – SQA Unit Code H5HM 04

### Obtain and validate credit information to instigate debt collections



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#### Overview

This unit is about establishing the requirements for debt collections. In addition to obtaining sufficient information to enable you to enter into collection arrangements with the debtor, you must obtain and validate the amount owed, and confirm the debtor's identity and contact details. You will need to consider factors that may impact on procedures and regulations for debt collections. You will need to show consistency at decision-making and will need to act with integrity at all times.

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### Performance criteria

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*You must be able to:*

- P1 Ensure that clear arrangements are in place for collecting the debt
- P2 Ensure you have sufficient information to confirm the identity and contact details of the debtor or their nominated representative
- P3 Obtain missing identity and contact details in line with your organisation's procedures
- P4 Take prompt action to track down missing key financial information in accordance with your organisation's procedures
- P5 Validate the authenticity and accuracy of financial information received from all relevant third parties
- P6 Ensure that debt collections procedures are appropriate to the type of debt, whether commercial or non-commercial
- P7 Establish whether securities are held over the debt and carry out debt collections procedures accordingly
- P8 Analyse financial and credit information to confirm that debt collections procedures need to commence
- P9 Keep accurate and up-to-date records in line with your organisation's requirements
- P10 Comply with legal requirements, industry regulations, ethical standards, organisational policies and professional codes
- P11 Identify potential risks, including fraudulent activity

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### Knowledge and understanding

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*You need to know and understand:*

- K1 Your organisation's debt collections business procedures including fees/costs associated with debt collections
- K2 The types of financial and non-financial information that you will require about the debtor to expedite collection arrangements
- K3 How to validate the authenticity and accuracy of financial information received, and how to obtain missing information
- K4 Your organisation's procedures in respect of debtors that cannot be contacted
- K5 Relevant rules regarding insolvency, including Individual Voluntary Arrangements (IVAs) and bankruptcy
- K6 Relevant rules regarding Grant of Probate
- K7 The different business legal entities, and the legislation that affects their liabilities
- K8 The different types of security that may be held over a debt and your organisation's procedures relating to the realisation of security relevant rules regarding representation in the event of physical and mental incapacity
- K9 How to analyse relevant financial and credit information
- K10 Your organisation's procedures for recording and storing information
- K11 Your organisation's requirements relating to the application of laws, licences, regulations, health and safety and codes as they impact on your activities
- K12 Your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards

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### **Additional Information**

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#### **Behaviours**

1. You are organised in your approach to work
2. You articulate information in a clear manner
3. You conduct yourself professionally and courteously when dealing with others

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