

FSPDC03 – SQA Unit Code H5HP 04

Negotiate repayment solutions to outstanding debts



Overview

This unit relates to the actions that must be taken where a debtor is unable to make full and immediate repayment. You must work with the debtor to understand their financial circumstances and negotiate a repayment plan that is acceptable to both the debtor and the creditor. If an agreement is reached, you must implement the repayment plan and advise relevant stakeholders. If an agreement is not reached, or you are suspicious of fraudulent activity/money laundering, you must inform the relevant parties. You will need to show consistency at decision-making and act with integrity at all times.

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Performance criteria

You must be able to:

- P1 Identify and investigate the reasons for arrears
- P2 Work with the debtor to identify an acceptable strategy to achieve full repayment
- P3 Set out realistic options for eliminating arrears that are appropriate to the debtor's circumstances and the creditor's collection policy
- P4 Agree and confirm with the debtor an achievable repayment plan
- P5 Seek supporting evidence in accordance with local requirements where the debtor requests special payment arrangements
- P6 Accurately prepare and implement the repayment agreement
- P7 Ensure you communicate the required details of the repayment agreement to all relevant parties, including appropriate documentation
- P8 Communicate failure to reach an agreement to the relevant parties and initiate appropriate action
- P9 Report suspicions of fraudulent activity/money laundering to the appropriate parties in line with your organisation's procedures
- P10 Keep accurate and up-to-date records in line with your organisation's requirements
- P11 Comply with legal requirements, industry regulations, ethical standards, organisational policies and professional codes
- P12 Identify potential risks, including fraudulent activity

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Knowledge and understanding

You need to know and understand:

- K1 The sources of problems debtors may have in maintaining agreed payments
- K2 How to investigate the potential impact there may be from problems in meeting repayments
- K3 Possible solutions for the repayment of the debt
- K4 How to evaluate the most appropriate solution to meet different types of financial circumstances
- K5 How to negotiate for an effective outcome
- K6 Types of supporting evidence acceptable to your organisation
- K7 How to prepare and implement a repayment plan, and the documentation to be issued
- K8 The relevant parties to whom you must provide copies of the repayment agreement
- K9 The relevant parties that should be informed if a repayment agreement cannot be reached
- K10 How to identify and report suspicions of fraud/money laundering
- K11 The legal rights and jurisdictions applicable to different types of creditors and debtors
- K12 Your organisation's procedures for recording and storing information
- K13 Your organisation's requirements relating to the application of laws, licences, regulations, health and safety and codes as they impact on your activities
- K14 Your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards

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Additional Information

Behaviours

1. You are adept at problem solving
2. You consider what is reasonable, given the prevailing circumstances
3. You articulate complex information in a clear way
4. You remain composed when dealing with challenging situations
5. You show assertiveness and confidence in your actions
6. You are organised in the approach to your work
7. You conduct yourself professionally and courteously when dealing with others

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