

## *National Occupational Standards for the Financial Services Sector*

### **Debt Collections**

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## DC01: Obtain and validate credit information to instigate debt collections

### 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.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. ensure that clear arrangements are in place for collecting the debt</li> <li>2. ensure you have sufficient information to confirm the identity and contact details of the debtor or their nominated representative</li> <li>3. obtain missing identity and contact details in line with your organisation's procedures</li> <li>4. take prompt action to track down missing key financial information in accordance with your organisation's procedures</li> <li>5. validate the authenticity and accuracy of financial information received from all relevant third parties</li> <li>6. ensure that debt collections procedures are appropriate to the type of debt, whether commercial or non-commercial</li> <li>7. establish whether securities are held over the debt and carry out debt collections procedures accordingly</li> <li>8. analyse financial and credit information to confirm that debt collections procedures need to commence</li> <li>9. keep accurate and up-to-date records in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• you show consistency at decision-making</li> <li>• you act with integrity at all times</li> <li>• you are vigilant for potential risks, including fraudulent activity</li> <li>• you are organised in your approach to work</li> <li>• you articulate information in a clear manner</li> <li>• you conduct yourself professionally and courteously when dealing with others</li> <li>• you carry out tasks with due regard to your organisation's policies and procedures</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. your organisation's debt collections business procedures including fees/costs associated with debt collections</li> <li>2. the types of financial and non-financial information that you will require about the debtor to expedite collection arrangements</li> <li>3. how to validate the authenticity and accuracy of financial information received, and how to obtain missing information</li> <li>4. your organisation's procedures in respect of debtors that cannot be contacted</li> <li>5. relevant rules regarding insolvency, including Individual Voluntary Arrangements (IVAs) and bankruptcy</li> <li>6. relevant rules regarding Grant of Probate</li> <li>7. the different business legal entities, and the legislation that affects their liabilities</li> <li>8. the different types of security that may be held over a debt and your organisation's procedures relating to the realisation of security</li> <li>9. relevant rules regarding representation in the event of physical and mental incapacity</li> <li>10. how to analyse relevant financial and credit information</li> <li>11. your organisation's procedures for recording and storing information</li> <li>12. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>13. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>

## DC02: Agree a way forward on repayments with the debtor

### Overview

This unit is about establishing whether the debtor is in a position to make full and immediate repayment, including resolving any issues the debtor has in acknowledging the debt. This is achieved through establishing the debtor profile. You must be able to refer the debtor to other departments/external agencies when appropriate. In the event that the debtor disputes the amount owed, you must be able to take appropriate action to either validate or counter this position. You must take care at all times not to prejudice the legal position.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. use a method to make contact with the debtor appropriate to their individual situation and your organisation's procedures</li> <li>2. ensure the debtor is able to authenticate your relationship with the organisation with which the debt is linked</li> <li>3. provide the debtor with information that clearly explains their debt obligations, their legal position and addresses queries they raise</li> <li>4. establish the debtor profile</li> <li>5. record details of the debtor's agreement to a way forward on making repayment of the amount owed</li> <li>6. refer the debtor to other departments/external agencies where appropriate</li> <li>7. where there is a dispute for all or part of the debt, clarify and record details of the reasons for the dispute</li> <li>8. carry out a full investigation of disputes including acquiring corroborative or countering evidence from appropriate parties</li> <li>9. take action appropriate to the outcome of the investigation</li> <li>10. ensure all non-standard written communications are clear, accurate and do not prejudice the legal position of the organisation you represent</li> <li>11. ensure accurate and up-to-date records are kept in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• you articulate complex information in a clear way</li> <li>• you show assertiveness and confidence in your actions</li> <li>• you show consistency at decision-making</li> <li>• you act with integrity at all times</li> <li>• you are vigilant for potential risks, including fraudulent activity</li> <li>• you are organised in the approach to your work</li> <li>• you remain diplomatic and composed when dealing with challenging situations</li> <li>• you are sensitive to cultural differences, health and well-being issues</li> <li>• you conduct yourself professionally and courteously when dealing with others</li> <li>• you carry out tasks with due regard to your organisation's policies and procedures</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. factors influencing the choice of contact methods</li> <li>2. the information that you are required to disclose to the debtor to meet your organisation's regulatory obligations</li> <li>3. the obligations that the debtor is bound by, and the possible consequences to the debtor of not meeting these obligations</li> <li>4. the legal rights and jurisdictions applicable to different types of creditors and debtors</li> <li>5. what is meant by the 'debtor profile' and how it is established</li> <li>6. the different departments/external advice agencies to which the debtor can be referred for advice and help</li> <li>7. how to source, gather and evaluate evidence as part of a dispute investigation</li> <li>8. actions available to undertake following a dispute investigation</li> <li>9. appropriate methods of communication, including non-standard forms, which are effective and non-prejudicial to the creditor organisation's legal position</li> <li>10. your organisation's procedures for recording and storing information</li> <li>11. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>12. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>

### DC03: 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.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. identify and investigate the reasons for arrears</li> <li>2. work with the debtor to identify an acceptable strategy to achieve full repayment</li> <li>3. set out realistic options for eliminating arrears that are appropriate to the debtor's circumstances and the creditor's collection policy</li> <li>4. agree and confirm with the debtor an achievable repayment plan</li> <li>5. seek supporting evidence in accordance with local requirements where the debtor requests special payment arrangements</li> <li>6. accurately prepare and implement the repayment agreement</li> <li>7. ensure you communicate the required details of the repayment agreement to all relevant parties, including appropriate documentation</li> <li>8. communicate failure to reach an agreement to the relevant parties and initiate appropriate action</li> <li>9. report suspicions of fraudulent activity/money laundering to the appropriate parties in line with your organisation's procedures</li> <li>10. keep accurate and up-to-date records in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• You are adept at problem solving</li> <li>• You consider what is reasonable, given the prevailing circumstances</li> <li>• You articulate complex information in a clear way</li> <li>• You remain composed when dealing with challenging situations</li> <li>• You show assertiveness and confidence in your actions</li> <li>• You show consistency at decision-making</li> <li>• You act with integrity at all times</li> <li>• You are vigilant for potential risks, including fraudulent activity</li> <li>• You are organised in the approach to your work</li> <li>• You conduct yourself professionally and courteously when dealing with others</li> <li>• You carry out tasks with due regard to your organisation's policies and procedures</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. the sources of problems debtors may have in maintaining agreed payments</li> <li>2. how to investigate the potential impact there may be from problems in meeting repayments</li> <li>3. possible solutions for the repayment of the debt</li> <li>4. how to evaluate the most appropriate solution to meet different types of financial circumstances</li> <li>5. how to negotiate for an effective outcome</li> <li>6. types of supporting evidence acceptable to your organisation</li> <li>7. how to prepare and implement a repayment plan, and the documentation to be issued</li> <li>8. the relevant parties to whom you must provide copies of the repayment agreement</li> <li>9. the relevant parties that should be informed if a repayment agreement cannot be reached</li> <li>10. how to identify and report suspicions of fraud/money laundering</li> <li>11. the legal rights and jurisdictions applicable to different types of creditors and debtors</li> <li>12. your organisation's procedures for recording and storing information</li> <li>13. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>14. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>

## DC04: Authorise financial transactions using telecommunications

### Overview

This unit is about accepting, and validating, payments from customers over the telephone. You must be able to take details of the transactions and authorise the payment by the customer's chosen method, where acceptable to your organisation. You must be alert for fraudulent activity at all times. Details of transactions must be recorded accurately and passed to the relevant people. You are required to act professionally at all times, taking into account the communication needs of the customer.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"><li>1. obtain all necessary details for the transaction to be processed</li><li>2. check that the information supplied by the customer is correct and, where necessary, validated</li><li>3. compare the details of the transaction with your organisation's authorisation criteria</li><li>4. seek further information where discrepancies in the information provided are identified</li><li>5. inform the customer of the results of the authorisation procedures</li><li>6. confirm the transaction with the customer when the authorisation criteria have been met</li><li>7. follow your organisation's procedures when transactions cannot be approved</li><li>8. identify and report to the appropriate authority, suspicions of fraudulent activity</li><li>9. ensure that all details of transactions are recorded accurately</li><li>10. comply with legal requirements, industry regulations, organisational policies and professional codes</li></ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"><li>• you show understanding of others and deal with them in a professional manner</li><li>• you articulate complex information in a clear way</li><li>• you use communication styles that are appropriate to different people and situations</li><li>• you are vigilant for potential risks, including fraudulent activity</li><li>• you carry out tasks with due regard to your organisation's policies and procedures</li></ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"><li>1. the details required for transactions to be processed</li><li>2. the validation and authorisation procedures that apply to transactions</li><li>3. the codes of practice relating to the authorisation of transactions</li><li>4. the people to whom information should be passed, including problematic transactions or suspicions of fraudulent activity</li><li>5. how to establish productive relationships with telephone customers, including dealing with uncooperative, angry and/or abusive customers</li><li>6. the purpose of checking and validating information supplied by customers</li><li>7. how to collect details of transactions, taking the various needs of customers into account</li><li>8. procedures for referring matters to your line manager</li><li>9. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li><li>10. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li></ol>

## DC05: Handle telephone calls with debtors in an effective way

### Overview

This unit is about handling incoming or outgoing telephone calls with debtors. It is important that the identity of the debtor is established, confidentiality is maintained and that the purpose of the call is clear to both parties. You should handle calls according to organisational procedures, ensuring that any information exchanged is accurate and complete. You must take care not to prejudice the legal position when in conversation with debtors.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. plan the objectives and intended outcomes of telephone calls to debtors</li> <li>2. assemble all relevant information and evidence you may need to refer to during telephone calls to debtors</li> <li>3. make information available only to those who need it and have a right to it</li> <li>4. where you are unable to identify, or make direct contact with, the debtor, ensure that information exchanged remains confidential in line with your organisation's procedures</li> <li>5. inform the debtor when a telephone call is due to be recorded, in line with your organisation's procedures</li> <li>6. use effective vocal techniques to ensure the information you convey to debtors is clear and coherent</li> <li>7. ask appropriate questions to build up an accurate picture of the debtor's financial circumstances, exercising due judgment in respect of extenuating circumstances</li> <li>8. deal satisfactorily with objections raised during telephone conversations with debtors</li> <li>9. establish the precise reasons for, and expected outcomes of, telephone contact initiated by debtors</li> <li>10. summarise the outcomes of telephone calls and all agreed actions</li> <li>11. operate telephone equipment effectively and take appropriate action where there are disruptions to any call</li> <li>12. keep accurate and up-to-date records in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• you present information clearly, concisely and positively</li> <li>• you demonstrate an appropriate mix of diplomacy and understanding, where required</li> <li>• you deal with debtors in a professional manner</li> <li>• you use communication styles that are sensitive to cultural differences and appropriate to different people and situations</li> <li>• you remain composed when dealing with challenging situations</li> <li>• you carry out tasks with due regard to your organisation's policies and procedures</li> <li>• you comply with legal requirements, industry regulations and professional codes</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. how to prepare for a telephone call including types of information and evidence that may need to be referred to during the call</li> <li>2. your organisation's guidelines and procedures for verifying the identity of respondents to your call</li> <li>3. the types of information considered confidential to both the debtor and to your organisation</li> <li>4. your organisation's guidelines for handling telephone conversations with debtors</li> <li>5. how to conduct an effective conversation with the debtor to establish their financial circumstances</li> <li>6. the importance of keeping the debtor informed about quality checks and recordings made during the call</li> <li>7. your organisation's guidelines for handling abusive calls</li> <li>8. how to operate your organisation's telephone equipment</li> <li>9. your organisation's procedures for recording calls</li> <li>10. your organisation's procedures for recording and storing information</li> <li>11. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>12. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>

## DC06: Monitor and safeguard debt repayment arrangements

### Overview

This unit is about effectively using your organisation's information relating to repayment arrangements, to check for accounts that have become regularised, as well as instances of non-repayment that may require further action by you. Appropriate levels of contact should be maintained between the creditor and the debtor, or their nominated representative, to safeguard and maintain satisfactory future repayments.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. ensure procedures are in place to review cases, and follow your organisation's requirements</li> <li>2. identify instances in the debtor's accounts of regularisation, settlement, non-repayment and continued non-repayment</li> <li>3. prioritise cases where further action is required</li> <li>4. instigate action in response to continued non-repayment appropriate to the circumstances of the debtor</li> <li>5. keep repayment arrangements under review and negotiate and agree suitable revised repayment arrangements with the debtor, where necessary</li> <li>6. ensure legal notices are served promptly when required</li> <li>7. check that revised repayment calculations are correct, and that they take into account the organisation's agreed rate of interest</li> <li>8. monitor levels of repayments and any shortfalls, and maintain appropriate levels of contact with the debtor</li> <li>9. maintain contact with the organisation you represent to ensure current repayment levels are adequate and take appropriate action where this is no longer the case</li> <li>10. ensure monitoring and safeguarding activities are undertaken in line with your organisation's operational targets</li> <li>11. ensure that accurate and up-to-date records of changes to the debtor's financial circumstances are kept in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• you show assertiveness and confidence in your actions</li> <li>• you show consistency at decision-making</li> <li>• you act with integrity at all times</li> <li>• you are vigilant for potential risks, including fraudulent activity</li> <li>• you are organised in the approach to your work</li> <li>• you conduct yourself professionally and courteously when dealing with others</li> <li>• you carry out tasks with due regard to your organisation's policies and procedures</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. your organisation's procedures for monitoring cases and levels of communications with relevant parties</li> <li>2. the use of computerised systems and when they may need overriding</li> <li>3. how to identify account regularisation, settlement non-repayment and continued non-repayment</li> <li>4. how to prioritise cases for further action</li> <li>5. the actions you are required to take, and when, within the limits of your authority, in respect of continued non-repayment</li> <li>6. how to identify when revised repayment negotiations are appropriate / not appropriate</li> <li>7. how to negotiate for an effective outcome</li> <li>8. the types of legal notices that are served in relation to debt collections</li> <li>9. how to check the accuracy and validity of repayment calculations</li> <li>10. how to identify potential problems with the debtor that might impact on future repayments being made</li> <li>11. the legal rights of different types of creditors and debtors</li> <li>12. your organisation's operational targets as they impact on your activities</li> <li>13. your organisation's procedures for recording and storing information</li> <li>14. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>15. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>

## DC07: Administer the debt collections process

### Overview

This unit is about ensuring that the administrative processes within debt collections are effective, accord with the policies and procedures of the organisation you represent, and do not hinder the repayment process. All relevant information should be recorded and disseminated to relevant parties promptly. Where it is a requirement of your organisation, you should ensure that your records are accurate and up-to date so that legal proceedings can be initiated, when required.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"><li>1. monitor the progress of debt collections procedures on an agreed basis to ensure the accuracy and timeliness of documents issued and documents received</li><li>2. liaise with relevant parties to obtain advice and assistance in the debt collections process as required by your organisation</li><li>3. ensure relevant parties are kept informed about payments received directly from the debtor and all other relevant circumstances</li><li>4. ensure all documentation and payment records are up-to-date and appropriate in readiness for any follow-up legal processes and proceedings</li><li>5. ensure debtor accounts are escalated for legal proceedings in line with your organisation's requirements</li><li>6. confirm that debt collections procedures and timescales have been followed to support the case for legal proceedings, and take appropriate action where this is not the case</li><li>7. compile all required evidence in accordance with case law and published guidelines for expert witnesses</li><li>8. take reasonable measures to access additional material in support of your evidence and in preparation for legal proceedings</li><li>9. keep accurate and up-to-date records of correspondence received and shared with relevant parties in line with your organisation's requirements</li></ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"><li>• you act with integrity at all times</li><li>• you are vigilant for potential risks, including fraudulent activity</li><li>• you are organised in the approach to your work</li><li>• you conduct yourself professionally and courteously when dealing with others</li><li>• you carry out tasks with due regard to your organisation's policies and procedures</li></ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"><li>1. suitable methods for monitoring debt collections procedures, and how regularly these methods should be used</li><li>2. the purpose and legal status of documents that may be issued and received as part of the debt collections process</li><li>3. the types of external stakeholders that can offer support to the debt collections process</li><li>4. the types of information that should be provided to relevant parties in the event of extenuating personal circumstances, such as health and wellbeing issues, debtor insolvency and death</li><li>5. when it would be in the interests of the creditor to write off the debt</li><li>6. your organisation's procedures for instigating legal proceedings, including when it is appropriate to do so</li><li>7. how to determine whether debt collections procedures have been followed correctly and according to your organisation's procedures</li><li>8. where to source information relating to case law and guidelines for expert witnesses</li><li>9. how to compile evidence and other material required to support legal proceedings</li><li>10. your organisation's procedures for recording and storing information</li><li>11. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li><li>12. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li></ol>

## DC08: Oversee and maintain the effectiveness of the debt collections process

### Overview

This unit is aimed at individuals who hold supervisory or management responsibilities within Debt Collections. It is about ensuring the effectiveness of the debt collections process. This includes the support provided to staff in respect of complex cases, and the monitoring of service level agreements and targets to maintain performance levels and operational efficiency. It covers the monitoring of processes to ensure they comply with relevant legislation, and that they demonstrate quality and integrity.

Performance	Behaviours	Knowledge and understanding
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. ensure that decisions are taken at appropriate junctures and with the correct authority, in respect of debtor accounts</li> <li>2. monitor and maintain service level agreements for an effective debt collections process</li> <li>3. ensure appropriate targets are in place to monitor the performance of debt collections processes</li> <li>4. identify and record staff training needs and arrange training appropriate to those needs</li> <li>5. provide appropriate support to staff dealing with complex cases that require escalation</li> <li>6. ensure that all necessary quality checks are properly carried out</li> <li>7. assist with the introduction and testing of new debt collections improvement processes</li> <li>8. ensure the availability and maintenance of appropriate management information and statistics</li> <li>9. ensure that debt collections processes conform with all legal requirements, industry licences and regulations, organisational policies and professional codes</li> <li>10. keep accurate and up-to-date records in line with your organisation's requirements</li> </ol>	<p>You must demonstrate that:</p> <ul style="list-style-type: none"> <li>• you communicate in a clear way</li> <li>• you inspire others to achieve their objectives</li> <li>• you are responsive to the needs of others</li> <li>• you show assertiveness and confidence in your actions</li> <li>• you show consistency at decision-making</li> <li>• you act with integrity at all times</li> <li>• you are vigilant for potential risks, including fraudulent activity</li> <li>• you are organised in the approach to your work</li> <li>• you conduct yourself professionally and courteously when dealing with others</li> <li>• you carry out tasks with due regard to your organisation's policies and procedures</li> </ul>	<p>You need to know and understand:</p> <ol style="list-style-type: none"> <li>1. who the decision makers within your organisation are, and their associated authority levels</li> <li>2. how to measure service level agreements</li> <li>3. how to implement and monitor targets</li> <li>4. how to identify training needs, and the most appropriate training solutions available</li> <li>5. methods of providing supervision and support, and when it is appropriate to deploy them</li> <li>6. the types of complex cases you may be required to deal with, and the options available to resolve them</li> <li>7. methods of checking quality and integrity of work undertaken</li> <li>8. when to implement new systems, and how to do so effectively</li> <li>9. how to use and interpret management information effectively</li> <li>10. your organisation's procedures for recording and storing information</li> <li>11. your organisation's requirements relating to the application of laws, licences, regulations and codes as they impact on your activities</li> <li>12. your organisation's practice and procedures relating to the recognition, promotion and application of ethical standards</li> </ol>