

Level 3 Consumer Credit Management Indicative content

NOTE : Whilst not exhaustive this document provides an illustration of topics and themes in this unit.

1.	<ul style="list-style-type: none"> • Provision of credit. • Control of credit. • Differences and features of trade, export and consumer credit. • Working capital. • Impact of offering credit.
2.	<ul style="list-style-type: none"> • How the credit function fits into the overall organisation of a company. • Functions and structure of a credit department. • The relationships of a credit department with other departments. • Key measures of credit department performance and target setting. • The role and qualities of the credit manager. • Value of good customer service and how this can be achieved in a credit department. • The importance of a credit policy.
3.	<ul style="list-style-type: none"> • Promotion and sale of consumer credit. • How organisations market credit as a product. • Marketing strategies available to organisations that use credit as a product. • Advantages and disadvantages of different types of consumer credit products from the perspective of the customer as well as the supplier.
4.	<ul style="list-style-type: none"> • Features of different payment terms and methods of payment. • Why initial and continuous risk assessment and control is necessary. • Identifying credit qualities (the 4 C's) that should be investigated. • Sources and value of information available to assess applications for consumer credit. • Calculation of credit limits and how credit scoring can be used in the processing of consumer credit applications and the monitoring of consumer creditworthiness. • How credit insurance protection works. • The key provisions of Money Laundering Regulations and the Data Protection Act.

5.	<ul style="list-style-type: none"> • Design of credit application forms, statements and other documents for consumer credit. • The purpose and features of these documents. • The content and purpose of a customer master file. • Principal features of a credit scoring system. • The importance of monitoring the performance of credit application systems and scorecards and the various ways they can be adjusted. • Principle features of a telephone predictive dialer. • Computerised systems and the benefit to the credit management function.
6.	<ul style="list-style-type: none"> • Techniques necessary for effective collection letters and telephone collection work. • Advantages and disadvantages of strategies and methods of collection activity. • Methods of dealing effectively with queries and non-payment. • Basic steps for debt recovery in the High and County Courts. • Advantages and disadvantages of using third parties. • Evaluating a third party before entering into a service agreement. • Involvement and role of third-party debt advisors. • Procedures for in-house and external tracing of absconders. • Consumer Credit Act 2006 and legislation relating to the harassment of debtors. • Personal insolvency.

Assessment

One-hour online examination involving 60 multiple choice questions