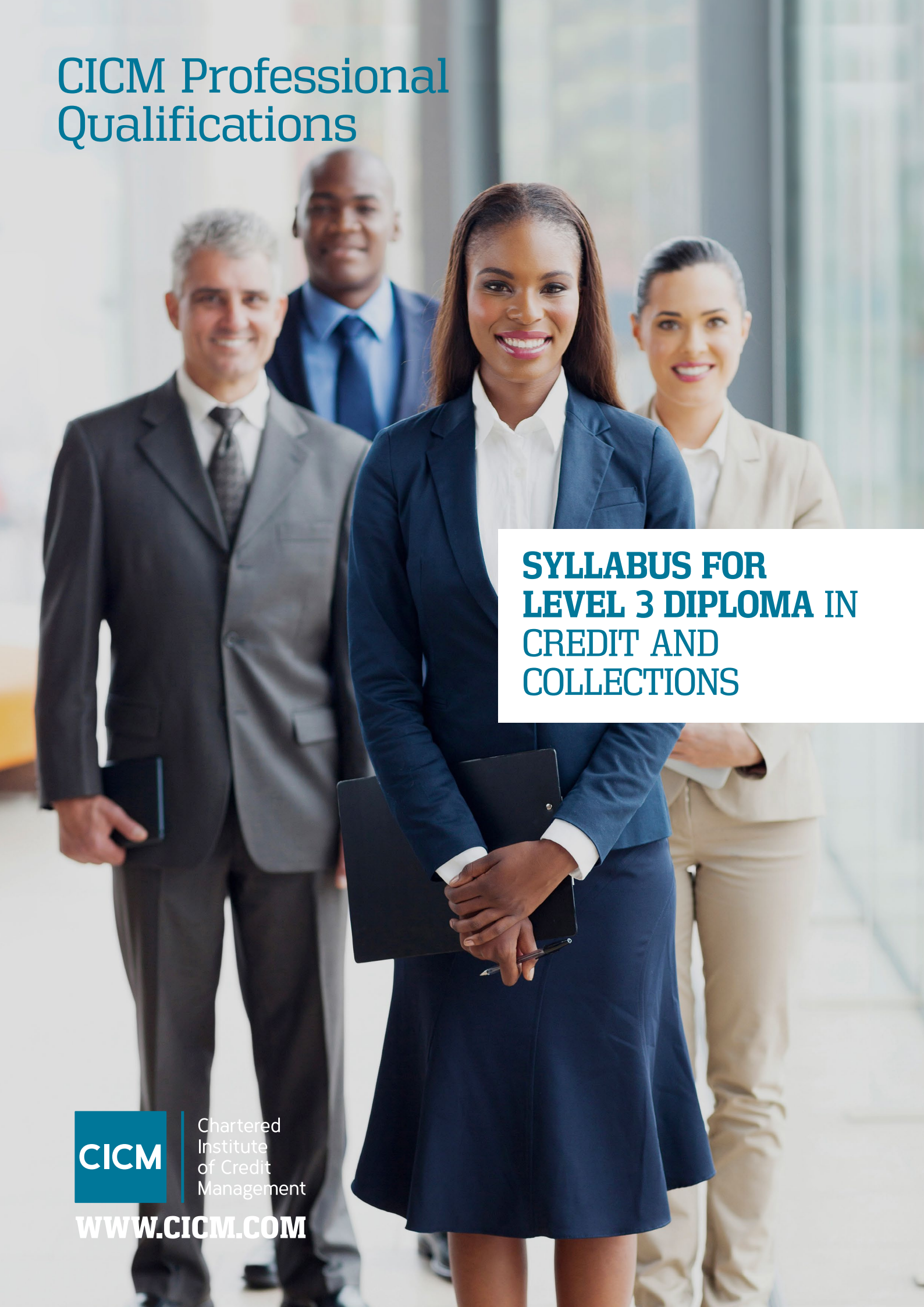


# CICM Professional Qualifications



## SYLLABUS FOR LEVEL 3 DIPLOMA IN CREDIT AND COLLECTIONS

**CICM**

Chartered  
Institute  
of Credit  
Management

**WWW.CICM.COM**

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## **CICM Level 3 Awards and Diplomas in Credit Control & Collections**

*For advanced skills and knowledge*

The Chartered Institute of Credit Management's (CICM) Level 3 Diploma provides advanced knowledge and skills for professionals working in or towards senior operational roles in credit, collections, or enforcement. Awarded by the largest recognised professional body for the credit management community in the world, the CICM Level 3 Diploma in Credit Control & Collections is internationally recognised and regulated by the Office of Qualifications and Examination Regulations (Ofqual), CCEA (Northern Ireland) and Qualifications Wales. CICM also holds End Point Assessment Organisation status for Level 3 Advanced Credit Controller/Debt Collection Specialist apprenticeships.

### **Awards in Credit and Collections**

Level 3-unit awards demonstrate knowledge and skills in a specific area of credit control /collections. Learners gain a unit award certificate following successful completion of an examination or assignment. Unit awards can be used towards a Diploma in Credit Control and Collections.

### **Level 3 Diploma in Credit and Collections**

The CICM Level 3 Diploma demonstrates expertise and detailed knowledge in credit management, collections or enforcement. The qualification is an optional part of the Level 3 Advanced Credit Controller/Collector apprenticeship.

The Diploma is designed for roles such as credit control seniors, team leaders, collections specialists, credit analysts, enforcement agents and people for whom credit management, collections and/or enforcement forms a prominent part of their role.

The qualification is pitched at Level 3 on the Regulated Qualification Framework for England, Wales and Northern Ireland and is mapped to the [CICM Professional Standards](#). (See Appendix A: 83) for confirmation of mapping to Professional Standards. See [www.gov.uk](http://www.gov.uk) to compare qualification levels in different countries.

## **CERTIFICATE AND DIPLOMA IN CREDIT AND COLLECTIONS**

For professionals working at operational level or looking for an introduction to credit management, collections or enforcement

**Level 2**

## **DIPLOMA IN CREDIT AND COLLECTIONS**

For professionals working in, or working towards, senior operational roles in credit management, collections or enforcement

**Level 3**

## **DIPLOMA IN CREDIT AND COLLECTIONS MANAGEMENT**

For professionals working in, or working towards, managerial or leadership roles in credit management, collections or enforcement

**Level 5**

### **Progression**

Learners can progress onto the Level 5 Diploma in Credit and Collections and the entry requirements are:

- Level 3 Diploma in Credit and Collections
- and/or
- Minimum CICM Associate Membership grade

CICM strongly recommends the completion of Level 3 passes or exemptions in credit management, accounting principles, business environment and business law because the programme assumes robust knowledge of these areas.

Also please note that holders of the Level 5 Diploma would only gain Graduate Membership of the Chartered Institute of Credit Management – MCICM(Grad) if they had achieved, in addition, a CICM Level 3 Diploma ACICM(Dip) and/or Professional Membership (MCICM) or Fellowship (FCICM) through the membership experience assessment route.

## Entry requirements

There are no minimum Level 3 entry requirements, however CICM strongly recommends that candidates hold Level 2 qualifications in Math and English before they commence the Level 3 Diploma programme. Also, learners should have a strong command of English if this is their second language.

If learners are unsure if the Level is suitable for them, they are encouraged to contact CICM for assistance. Useful contact details can be found at the end of this syllabus.

Candidates need to decide whether they are aiming for the Level 2 qualifications or Level 3 Diploma. CICM strongly recommends that learners first take either the credit management or consumer collections online exam as results from these units can be used towards a Level 2 or a Level 3 qualification, depending on the level of pass achieved.

Learners must include a credit management principles or consumer collections unit in their selection to gain a CICM Level 3 Diploma.

For these units, Level 2 and Level 3 learners often study from the same learning materials and results depend on the level of attainment in an examination or assignment. The level of the final qualification will depend on the level of units that are passed. The Level 3 Diploma in Credit and Collections requires four Level 3 passes.

## Structure

Learners can complete any number of units in any order. Each unit award is individually certificated.

Learners need to complete **four units** to gain a Level 3 Diploma in Credit and Collections. This must include at least one mandatory unit of which only one of Credit Management (trade, export, and consumer), Trade Credit Management, Export Credit Management or Consumer Credit Management is allowed. All passes must be at Level 3.

See table below:

| Level 3 mandatory units (assessed by exam)   |
|--|
| <ul style="list-style-type: none"><li>• Credit Management (trade, export, consumer)</li><li>• Trade Credit Management</li><li>• Export Credit Management</li><li>• Consumer Credit Management</li><li>• Consumer Collections</li></ul> |



|   |
|---|
| Level 3 optional units (assessed by exam)   |
| <ul style="list-style-type: none"> <li>• Accounting Principles</li> <li>• Business Law</li> <li>• Business Environment</li> </ul>   |
| Level 3 optional units (assessed by assignment)   |
| <ul style="list-style-type: none"> <li>• Advanced Business Communications and Personal Skills</li> <li>• Credit Risk Management</li> <li>• Advanced Collections</li> <li>• Debt Recovery Management</li> <li>• Advanced Enforcement</li> <li>• Vulnerability Support</li> </ul> |

See page 11 onwards for unit learning outcomes, assessment criteria and indicative content.

## Learning hours

CICM currently recommends a total qualification time of between 75 and 104 learning hours per award, depending on the unit chosen. You will find the total qualification time for each award in the unit content, found from page 11 onwards.

A CICM Diploma takes about two years to complete, depending on how many awards a learner takes at one time and whether any awards are exempted because of prior qualifications.

| Qualification                           | Accreditation Code                                    | GLH | TQT |
|---|---|-----|-----|
| Level 3 Diploma in Credit & Collections | Ofqual: 603/3993/7<br>Qualification Wales: C00/3784/2 | 154 | 411 |

## Ofqual Level 3 descriptors

The following summarises the level of achievement required to pass these qualifications:

|                                    |   |
|------------------------------------|---|
| <b>Knowledge and understanding</b> | <ul style="list-style-type: none"> <li>• Use factual, procedural, and theoretical understanding to complete tasks and address problems that while well-defined may be complex and non-routine.</li> <li>• Interpret and evaluate relevant information and ideas.</li> <li>• Be aware of the nature of the area of study or work.</li> <li>• Have awareness of different perspectives or approaches within the area of study or work.</li> </ul> |
|------------------------------------|---|

|                                    |  |
|------------------------------------|--|
| <b>Application and action</b>      | <ul style="list-style-type: none"> <li>• Address problems that while well-defined may be complex and non-routine.</li> <li>• Identify, select, and use appropriate skills, methods and procedures.</li> <li>• Use appropriate investigation to inform actions.</li> <li>• Review how effective methods and actions have been.</li> </ul>   |
| <b>Autonomy and accountability</b> | <ul style="list-style-type: none"> <li>• Take responsibility for initiating and completing tasks and procedures, including where relevant, responsibility for supervising or guiding others.</li> <li>• Exercise autonomy and judgement within limited parameters.</li> </ul>  |
| <b>Summary Level 3</b>             | Achievement at Level 3 reflects the ability to identify and use relevant understanding, methods and skills to complete tasks and address problems that while well-defined have a measure of complexity. It includes taking responsibility for initiating and completing tasks and procedures as well as exercising autonomy and judgement within limited parameters. It also reflects awareness of different perspectives or approaches within an area of study or work. |

## Study methods

There are a range of study methods and learning providers for each award: home study, supported distance learning, evening classes, online courses, or virtual classrooms. Classes tend to start in January, June, and September (see CICM website for details) although supported distance learning learners can start at any time.

## Learning resources

CICM publishes study guides for several units and the CICM Awarding Body supplies the current assignments, where relevant. In addition, learners can download the following from the CICM website ([www.cicm.com](http://www.cicm.com)):

- Syllabus
- Moderator reports for written assessments
- Level 3 learner guidance booklet
- Online exam guidance
- Sample online questions



## Registration with the CICM

Learners are required to register with CICM in order to take the Chartered Institute's assessments because teaching centres do not handle this process. Fees are split into registration fees and assessment entry fees to enable CICM to provide additional learner support and effectively monitor the quality of provision of learning providers.

The Chartered Institute has an open entry policy and to register, learners just need to complete and return a registration application form with appropriate fees. Contact CICM Awarding Body for information. E: [awardingbody@cicm.com](mailto:awardingbody@cicm.com) or T: +44 (0)1780 727272.

Study methods, resources, assessments and the Chartered Institute's customer service policy and complaints procedure are explained on the CICM website [www.cicm.com](http://www.cicm.com).

## CICM Professional Qualifications and membership

On registration with the CICM Awarding Body learners automatically receive studying member membership of the Chartered Institute of Credit Management (non-designatory grade). This provides a range of support (see website for details). On achievement of the Level 3 Diploma, learners are eligible to Associate Membership ACICM(Dip) and the Chartered Institute offers Graduate membership MCICM(Grad) following completion of the CICM Level 5 Diploma.

## Assessment methodology

Some awards involve an online or written examination and CICM assesses other awards by a written assignment which requires work-based evidence. CICM assesses written assessments in January, March, June and October. Online exams can be taken on demand at a convenient test centre or at home. Assessment is available in the English language.

For Level 3 awards, candidates will receive a 'Level 3 pass' or 'fail/refer' grade for each unit, depending upon their level of achievement in the assessment. Additionally, for every award candidates will receive a percentage mark. Candidates must achieve all learning outcomes to gain a pass.

## Assessment standard

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate

information and ideas to form actions and assess how effective applied methods are.

## Grading

The Level 3 Diploma has pass/fail grades only. Unit award grade bands are:

| Written Examinations and Assignments |            |
|--------------------------------------|------------|
| Fail/Refer                           | Pass       |
| 0% – 49%                             | 50% – 100% |

| Online Examinations   |          |            |
|---|----------|------------|
|   | Fail     | Pass       |
| Credit Management/<br>Consumer Collections/<br>Business Environment | 0% – 64% | 65% – 100% |
| Business Law  | 0% - 59% | 60% - 100% |

## Assessment re-sits/resubmissions

There are no restrictions on the number of times a student can re-sit or resubmit an assignment for an award they have failed.

## Results and certification

CICM notifies grades in a results letter and candidates can access results online on the published results day. Candidates usually receive a certificate for unit award passes and a final qualification certificate if they have achieved the Level 3 Diploma with their result letter.

## Exemptions

The Chartered Institute assesses exemptions for awards on an individual basis, following standard exemption arrangements (see CICM website).

CICM will arrange exemptions from previous CICM awards, where relevant, for learners who are part way through the Level 3 Diploma in Credit Management. Please contact CICM to investigate this option.

## Arrangements for adjustments

The CICM will make adjustments to assessments to ensure equality of opportunity and to enable learners with particular conditions to demonstrate their knowledge, skills or understanding. Please contact CICM for the guidance booklet which explains how a learner qualifies for an adjustment and what adjustments will be made.

## **Credit Management (trade, export and consumer)**

46 Guided Learning Hours 101 Total Qualification Time

### **Aim**

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across a range of credit environments.

### **Syllabus topics**

1. **Value of credit** (10%)
  - Definition of credit.
  - Cost of credit.
2. **Organisation of the credit function** (15%)
  - The credit department.
  - Credit policy.
3. **Credit customers and arrangements** (35%)
  - Customers.
  - Credit agreements.
  - Documents.
4. **Credit risk control** (15%)
  - Risk assessment and control.
  - Information sources and their value.
  - Scoring.
  - Insurance.
5. **Credit documents and systems** (10%)
  - Customer master file.
  - Sales ledger system.
  - Computerised systems.
6. **Collections methods and legal action** (15%)
  - Targets and use of resources.
  - Methods.
  - Dealing with problems.
  - Legal procedures and use of third parties.

### **Assessment**

One-hour online examination involving 60 multiple choice questions.

## Credit Management (trade, export, consumer)

46 Guided Learning Hours 101 Total Qualification Time

| <b>Learning outcomes</b><br><b>The learner will:</b> |  | <b>Assessment criteria LEVEL 3 D/502/0131</b><br><b>The learner can:</b> |   |
|--|--|--|---|
| 1.   | Understand the role of credit management within the business environment.  | 1.1  | Explain the importance of providing credit within the business environment.   |
|  |  | 1.2  | Analyse the differences between trade, export and consumer credit.  |
|  |  | 1.3  | Quantify the impact of offering credit on cost, profitability and liquidity.  |
| 2.   | Understand the organisational requirements of credit management functions. | 2.1  | Explain how the credit management function and its personnel fit into the overall structure of an organisation.                   |
|  |  | 2.2  | Explain how potential areas of conflict between the credit function and other areas of business can be resolved.                  |
|  |  | 2.3  | Explain how customer service can be achieved within the credit function.  |
|  |  | 2.4  | Explain the importance and use of credit policies and procedures.   |
|  |  | 2.5  | Evaluate the usefulness of credit management performance measurements and targets.  |
| 3.   | Understand the impact of legislation on the credit function.               | 3.1  | In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers and territories. |
|  |  | 3.2  | Explain the impact of current legislation on the decision-making process when dealing with credit applications.                   |
|  |  | 3.3  | Assess the advantages and disadvantages of different credit arrangements in a range of circumstances.                             |

|    |  |     |  |
|----|--|-----|--|
| 4. | Understand how to assess and control risk.   | 4.1 | Assess the risks associated with credit provision in export, trade and consumer environments.                                  |
|    |  | 4.2 | Assess the advantages and disadvantages of different sources of information used in credit assessment.                         |
|    |  | 4.3 | Explain the characteristics and importance of risk control methods.  |
|    |  | 4.4 | Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.                  |
|    |  | 4.5 | Evaluate sources of finance for credit.  |
| 5. | Understand the different documents and systems used for trade, export and consumer credit. | 5.1 | Assess the design and purpose of documents used in trade, export and consumer credit.  |
|    |  | 5.2 | Evaluate the importance of a customer master file.   |
|    |  | 5.3 | Explain how the principal features of a sales ledger/ accounts receivable system assists the operation of the credit function. |
| 6. | Understand collection and recovery methods.  | 6.1 | Assess the advantages and disadvantages of different collection methods.   |
|    |  | 6.2 | Assess the effectiveness of methods used in collections letters and telephone collections work.                                |
|    |  | 6.3 | Explain how to manage reasons for non-payment and disputes.  |
|    |  | 6.4 | Explain the steps for debt recovery and enforcement through the County Court and High Court in a range of circumstances.       |

## Indicative content

|    |   |
|----|---|
| 1. | <ul style="list-style-type: none"> <li>• Provision of credit.</li> <li>• Control of credit.</li> <li>• Differences and features of trade, export and consumer credit.</li> <li>• Working capital.</li> <li>• Impact of offering credit.</li> </ul>  |
| 2. | <ul style="list-style-type: none"> <li>• How the credit function fits into the overall organisation of a company.</li> <li>• Functions and structure of a credit department.</li> <li>• The relationships of a credit department with other departments.</li> <li>• Key measures of credit department performance and target setting.</li> <li>• The role of the credit manager and the qualities you would expect them to possess.</li> <li>• Value of good customer service and how this can be achieved in a credit department.</li> </ul>   |
| 3. | <ul style="list-style-type: none"> <li>• Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer.</li> <li>• Financial advantages and disadvantages of granting credit to different types of customers.</li> <li>• Anti-discrimination legislation.</li> <li>• Key provisions of the Consumer Credit Act and Data Protection Act.</li> <li>• Main features of credit arrangements, including HP, credit sale, credit cards, mortgages and credit unions.</li> <li>• Appropriateness of various types of credit agreements in a range of circumstances.</li> <li>• Advantages and disadvantages of credit agreements to the credit supplier and the customer.</li> </ul>                        |
| 4. | <ul style="list-style-type: none"> <li>• Features of different payment terms and methods of payment.</li> <li>• Advantages and disadvantages of offering discount for early payment and charging interest on overdue accounts.</li> <li>• Importance of initial and continuous risk assessment and control.</li> <li>• Sources and value of information available to assess applications for trade, export and consumer credit.</li> <li>• Purpose and operation of a risk category system.</li> <li>• Calculation and use of credit limits.</li> <li>• Use of credit scoring for the processing of consumer credit application.</li> <li>• How credit insurance and CPI works.</li> <li>• The key provisions of Money Laundering Regulations.</li> </ul> |
| 5. | <ul style="list-style-type: none"> <li>• The purpose and features of credit application forms, invoices, credit notes, statements and other documents for trade, export and consumer credit.</li> <li>• Meaning and purpose of various INCOTERMS used in export.</li> <li>• The content and purpose of a customer master file.</li> <li>• Principal features of a sales ledger system.</li> <li>• Computerised systems and the benefit to the credit management function.</li> </ul>  |

|   |  |
|---|--|
| 6 | <ul style="list-style-type: none"> <li>• Techniques necessary for effective collection letters and telephone collection work.</li> <li>• Advantages and disadvantages of methods of collection activity.</li> <li>• Use of predictive dialing in the collection process.</li> <li>• Methods for dealing effectively with queries and non-payment effectively.</li> <li>• Circumstances for withholding supplies or services.</li> <li>• Basic steps for debt recovery in the High and County Courts.</li> <li>• Advantages and disadvantages of using third parties.</li> <li>• Methods for evaluating a third party before entering into a service agreement.</li> <li>• Involvement and role of third-party debt advisors in consumer credit matters.</li> <li>• Legislation relating to the harassment of debtors.</li> <li>• Personal and corporate insolvency.</li> </ul> |
|---|--|

### **Assessment**

One-hour online examination involving 60 multiple choice questions.



## Trade Credit Management

46 Guided Learning Hours 91 Total Qualification Time

### Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across the trade credit environment.

### Syllabus topics

1. **Value of credit** (10%)
  - Definition of credit.
  - Cost of credit.
2. **Organisation of the credit function** (15%)
  - The credit department.
  - Credit policy.
3. **Credit customers and arrangements** (35%)
  - Customers.
  - Credit agreements.
  - Documents.
4. **Credit risk control** (15%)
  - Risk assessment and control.
  - Information sources and their value.
  - Scoring.
  - Insurance.
5. **Credit documents and systems** (10%)
  - Customer master file.
  - Sales ledger system.
  - Computerised systems.
6. **Collections methods and legal action** (15%)
  - Targets and use of resources.
  - Methods.
  - Dealing with problems.
  - Legal procedures and use of third parties.

### Assessment

One-hour online examination involving 60 multiple choice questions.

## Trade Credit Management

46 Guided Learning Hours 91 Total Qualification Time

| <b>Learning outcomes</b><br><b>The learner will:</b> |  | <b>Assessment criteria LEVEL 3 J/502/0205</b><br><b>The learner can:</b> |   |
|--|--|--|---|
| 1.   | Understand the role of credit management within the business environment.  | 1.1  | Explain the importance of providing credit within the business environment.                                       |
|  |  | 1.2  | Analyse the differences between trade, export and consumer credit.  |
|  |  | 1.3  | Quantify the impact of offering credit on cost, profitability and liquidity.                                      |
| 2.   | Understand the organisational requirements of credit management functions. | 2.1  | Explain how the credit management function and its personnel fit into the overall structure of an organisation.   |
|  |  | 2.2  | Explain how potential areas of conflict between the credit function and other areas of business can be resolved.  |
|  |  | 2.3  | Explain how customer service can be achieved within the credit function.  |
|  |  | 2.4  | Explain the importance and use of credit policies and procedures.   |
|  |  | 2.5  | Evaluate the usefulness of credit management performance measurements and targets.                                |
| 3.   | Understand the impact of legislation on the credit function.               | 3.1  | In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers. |
|  |  | 3.2  | Explain the impact of current legislation on the decision-making process when dealing with credit applications.   |

|    |   |     |  |
|----|---|-----|--|
| 4. | Understand how to assess and control risk.                            | 4.1 | Assess the risks associated with the provision of trade credit.  |
|    |   | 4.2 | Assess the advantages and disadvantages of different sources of information used in credit assessment.                         |
|    |   | 4.3 | Explain the characteristics and importance of risk control methods.  |
|    |   | 4.4 | Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.                  |
|    |   | 4.5 | Evaluate sources of finance for credit.  |
| 5. | Understand the different documents and systems used for trade credit. | 5.1 | Assess the design and the purpose of documents for trade credit.   |
|    |   | 5.2 | Evaluate the importance of a customer master file.   |
|    |   | 5.3 | Explain how the principal features of a sales ledger/accounts receivable system, assists the operation of the credit function. |
| 6. | Understand collection and recovery methods.                           | 6.1 | Assess the advantages and disadvantages of different collection methods.   |
|    |   | 6.2 | Assess the effectiveness of methods used in collections letters and telephone collections work.                                |
|    |   | 6.3 | Explain how to manage reasons for non-payment and disputes.  |
|    |   | 6.4 | Explain the steps for debt recovery and enforcement through the County Court and High Court.                                   |

## Indicative content

|    |   |
|----|---|
| 1. | <ul style="list-style-type: none"> <li>• Provision of credit.</li> <li>• Control of credit.</li> <li>• Differences and features of trade, export and consumer credit.</li> <li>• Working capital.</li> <li>• Impact of offering credit.</li> </ul>  |
| 2. | <ul style="list-style-type: none"> <li>• How the credit function fits into the overall organisation of a company.</li> <li>• Functions and structure of a credit department.</li> <li>• The relationships of a credit department with other departments.</li> <li>• Key measures of credit department performance and target setting.</li> <li>• The role and qualities of the credit manager.</li> <li>• Value of good customer service and how this can be achieved in a credit department.</li> <li>• Why it is important for a company to have a credit policy.</li> </ul>  |
| 3. | <ul style="list-style-type: none"> <li>• Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer.</li> <li>• Financial advantages and disadvantages of granting credit to different types of customer.</li> <li>• Key provisions of the Data Protection Act.</li> <li>• Main features of credit arrangements, including HP, credit sale, credit cards, mortgages and credit unions.</li> <li>• Appropriateness of various types of credit agreements in a range of circumstances.</li> <li>• Advantages and disadvantages of credit agreements to the credit supplier and the customer.</li> </ul> |
| 4. | <ul style="list-style-type: none"> <li>• Features of different payment terms and methods of payment.</li> <li>• Advantages and disadvantages of offering discount for early payment and charging interest on overdue accounts.</li> <li>• Importance of initial and continuous risk assessment and control.</li> <li>• Sources and value of information available to assess applications for trade credit.</li> <li>• Purpose and operation of a risk category system.</li> <li>• Calculation and use of credit limits.</li> <li>• How credit insurance works.</li> <li>• The key provisions of Money Laundering Regulations.</li> </ul>                      |
| 5. | <ul style="list-style-type: none"> <li>• Designing credit application forms, invoices, credit notes, statements and other documents.</li> <li>• The content and purpose of a customer master file.</li> <li>• Principal features of a sales ledger system.</li> <li>• Computerised systems and their benefit.</li> </ul>  |

|   |   |
|---|---|
| 6 | <ul style="list-style-type: none"> <li>• Techniques necessary for effective collection letters and telephone collection work.</li> <li>• Advantages and disadvantages of methods of collection activity.</li> <li>• Methods for dealing effectively with queries and non-payment.</li> <li>• Circumstances for withholding supplies or services.</li> <li>• Basic steps for debt recovery in the High and County Courts.</li> <li>• Advantages and disadvantages of using third parties.</li> <li>• Methods for evaluating a third party before entering into a service agreement.</li> <li>• Personal and corporate insolvency.</li> </ul> |
|---|---|

### **Assessment**

One-hour online examination involving 60 multiple choice questions

# Export Credit Management

46 Guided Learning Hours 91 Total Qualification Time

## Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across the export credit environment.

## Syllabus topics

1. **Value of credit** (10%)
  - Definition of credit.
  - Cost of credit.
2. **Organisation of the credit function** (15%)
  - The credit department.
  - Credit policy.
3. **Credit customers and arrangements** (35%)
  - Customers.
  - Credit agreements.
  - Documents.
4. **Credit risk control** (15%)
  - Risk assessment and control.
  - Information sources and their value.
  - Scoring.
  - Insurance.
5. **Credit documents and systems** (10%)
  - Customer master file.
  - Sales ledger system.
  - Computerised systems.
6. **Collections methods and legal action** (15%)
  - Targets and use of resources.
  - Methods.
  - Dealing with problems.
  - Legal procedures and use of third parties.

## Assessment

One-hour online examination involving 60 multiple choice questions.

## Export Credit Management

46 Guided Learning Hours 91 Total Qualification Time

| <b>Learning outcomes, The learner will:</b> |   | <b>Assessment criteria LEVEL 3</b><br>R/502/0207<br><b>The learner can:</b> |   |
|---|---|---|---|
| 1.  | Understand the role and effect of credit management within the global business environment. | 1.1   | Explain the importance of providing credit within the global business environment.  |
|   |   | 1.2   | Analyse the differences between trade, export and consumer credit.  |
|   |   | 1.3   | Quantify the impact of offering credit on cost, profitability and liquidity.  |
| 2.  | Understand the organisational requirements of credit management functions.                  | 2.1   | Explain how the credit management function and its personnel fit into the overall structure of an organisation.   |
|   |   | 2.2   | Explain how potential areas of conflict between the credit function and other areas of business can be resolved.  |
|   |   | 2.3   | Explain how customer service can be achieved within the credit function.  |
|   |   | 2.4   | Explain the importance and use of credit policies and procedures.   |
|   |   | 2.5   | Evaluate the usefulness of credit management performance measurements, and targets.   |
| 3.  | Understand the impact of legislation and country culture on the credit function.            | 3.1   | In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers and territories.                       |
|   |   | 3.2   | Explain the impact of current international legislation and cultural differences on the decision- making process when dealing with credit applications. |
|   |   | 3.3   | Assess the advantages and disadvantages of different credit arrangements in different regions.  |



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| 4. | Understand how to assess and control risk.                         | 4.1 | Assess the risks associated with credit provision in the export environment.  |
|    |  | 4.2 | Assess the advantages and disadvantages of different sources of information used in credit assessment.                        |
|    |  | 4.3 | Explain the characteristics and importance of risk control methods.   |
|    |  | 4.4 | Explain the factors that influence the choice of incoterms, payment terms and methods of payment in the control of risk.      |
| 5. | Understand different documents and systems used for export credit. | 5.1 | Assess the design and purpose and features of documents used in export credit.  |
|    |  | 5.2 | Evaluate the importance of a customer master file.  |
|    |  | 5.3 | Explain how the principal features of a sales ledger/accounts receivable system assists the operation of the credit function. |
| 6. | Understand collection and recovery methods for export debt.        | 6.1 | Assess the advantages and disadvantages of different collection methods.  |
|    |  | 6.2 | Assess the effectiveness of methods used in collections letters and telephone collections work.                               |
|    |  | 6.3 | Explain how to manage reasons for non-payment and disputes.   |
|    |  | 6.4 | Assess the advantages and disadvantages of different external recovery routes for export debt.                                |

### Indicative content

|   |   |
|---|---|
| 1 | <ul style="list-style-type: none"> <li>• Provision of credit.</li> <li>• Effect of credit on the global economy.</li> <li>• Control of credit.</li> <li>• Differences and features of trade, export and consumer credit.</li> <li>• Working capital.</li> <li>• Impact of offering credit.</li> </ul> |
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| 2. | <ul style="list-style-type: none"> <li>• How the credit function fits into the overall organisation of a company.</li> <li>• Functions and structure of a credit department.</li> <li>• The relationships of a credit department with other departments.</li> <li>• Key measures of credit department performance and target setting.</li> <li>• The role and qualities of the credit manager.</li> <li>• Value of good customer service and how this can be achieved in a credit department.</li> <li>• The importance of a credit policy.</li> </ul>   |
| 3. | <ul style="list-style-type: none"> <li>• Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer.</li> <li>• Relevant cultural differences of customers in the export market.</li> <li>• Financial advantages and disadvantages of granting credit to different types of customers, and countries.</li> <li>• Appropriateness of various types of credit agreements in a range of circumstances.</li> <li>• Advantages and disadvantages of credit agreements to the credit supplier and the customer.</li> </ul>                                 |
| 4. | <ul style="list-style-type: none"> <li>• Features of different INCOTERMS, payment terms and methods of payment, including letters of credit and bills of exchange.</li> <li>• Importance of initial and continuous risk assessment and control.</li> <li>• Sources and value of information available to assess applications for export credit.</li> <li>• Purpose and operation of a risk category system.</li> <li>• Calculation and use of credit limits.</li> <li>• How credit insurance works.</li> <li>• The key provisions of Money Laundering Regulations.</li> <li>• Sources of finance.</li> </ul> |
| 5. | <ul style="list-style-type: none"> <li>• The purpose and features of export payment documents, including bill of exchange, letter of credit and promissory note.</li> <li>• The purpose and features of export transport documents, including export invoice, bill of lading, CMR, CIF, airway/seaway bill and certificate of origin.</li> <li>• The content and purpose of a customer master file.</li> <li>• Principal features of a sales ledger system.</li> <li>• Computerised systems and the benefit to the credit management function.</li> </ul>  |
| 6. | <ul style="list-style-type: none"> <li>• Techniques necessary for effective collection work.</li> <li>• Advantages and disadvantages of methods of collection activity.</li> <li>• Methods of dealing effectively with queries and non-payment.</li> <li>• Circumstances for withholding supplies or services.</li> <li>• Basic steps for debt recovery in the international courts.</li> <li>• Advantages and disadvantages of using third parties and agents abroad.</li> <li>• Methods for evaluating a third party before entering into a service agreement.</li> </ul>                                  |

### Assessment

One-hour online examination involving 60 multiple choice questions

# Consumer Credit Management

46 Guided Learning Hours 91 Total Qualification Time

## Aim

This unit provides an understanding of the concepts, processes and techniques that underpin best practice within consumer credit management.

## Syllabus topics

### 1. Role and effect of consumer credit (15%)

- Purpose of controlling credit.
- Differentiation of consumer markets compared with export and trade.
- Effect on costs, profits & liquidity.

### 2. Organisation of the credit function (25%)

- Management function & personnel.
- Conflict: credit and other departments.
- Customer service and credit.
- Credit policy and procedures.
- Measurement of credit performance and targets.

### 3. Regulation and marketing of consumer credit (15%)

- Promotion and sale of credit as a product.
- Marketing strategies and regulations in consumer credit.
- Consumer credit products.

### 4. Credit risk control (20%)

- Customer credit risk.
- Sources of information.
- Risk control via assessment and via payment.
- Financing credit.

### 5. Credit documents and systems (10%)

- Purpose and features of consumer credit documents.
- Master files.
- Credit scoring and predictive dialing.

### 6. Collections methods and recovery methods (15%)

- Methods and techniques: letters and telephone.
- Non-payment and disputes.
- Debt recovery.
- Third Party debt advisors.
- Tracing absconders.

**Assessment** One-hour online examination involving 60 multiple choice questions.

## Consumer Credit Management

46 Guided Learning Hours 91 Total Qualification Time

| <b>Learning outcomes, The learner will:</b> |  | <b>Assessment criteria LEVEL 3</b><br>A/508/2796<br><b>The learner can:</b> |   |
|---|--|---|---|
| 1.  | Understand the role and effect of consumer credit within the business environment. | 1.1   | Explain the importance of providing credit within the business environment.   |
|   |  | 1.2   | Analyse the differences between trade, export and consumer credit.  |
|   |  | 1.3   | Quantify the impact of offering credit on cost, profitability and liquidity.  |
| 2.  | Understand the organisational requirements of credit management functions.         | 2.1   | Explain how the credit management function and its personnel fit into the overall structure of an organisation.           |
|   |  | 2.2   | Explain how potential areas of conflict between the credit function and other areas of business can be resolved.          |
|   |  | 2.3   | Explain how customer service can be achieved within the credit function.  |
|   |  | 2.4   | Explain the importance and use of credit policies and procedures.   |
|   |  | 2.5   | Evaluate the usefulness of credit management performance measurements and targets.  |
| 3.  | Understand the marketing and sale of a range of consumer credit products.          | 3.1   | Evaluate the positive and negative impact of the promotion and sale of credit as a consumer product.                      |
|   |  | 3.2   | Assess strategies available to market credit products, whilst complying with regulation.                                  |
|   |  | 3.3   | Evaluate the advantages and disadvantages of different types of consumer credit products and select the most appropriate. |

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| 4. | Understand how to assess and control risk.                           | 4.1 | Assess how to manage risks associated with credit provision in the consumer sector.  |
|    |  | 4.2 | Assess the advantages and disadvantages of different sources of information used in credit assessment.                           |
|    |  | 4.3 | Explain the characteristics and importance of risk control methods.  |
|    |  | 4.4 | Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.                    |
|    |  | 4.5 | Evaluate sources of finance for credit.  |
| 5. | Understand different documents and systems used for consumer credit. | 5.1 | Assess the design and purpose of documents used in consumer credit.  |
|    |  | 5.2 | Evaluate the importance of a customer master file.   |
|    |  | 5.3 | Explain how the principal features of credit scoring and predictive dialing systems assist the operation of the credit function. |
| 6. | Understand collection and recovery methods.                          | 6.1 | Assess the advantages and disadvantages of different collection strategies and methods.  |
|    |  | 6.2 | Assess the effectiveness of methods used in collections letters and telephone collections work.                                  |
|    |  | 6.3 | Explain how to manage reasons for non-payment and disputes.  |
|    |  | 6.4 | Explain the steps for debt recovery and enforcement through the County Court and High Court.                                     |
|    |  | 6.5 | Evaluate the role of third-party debt advisors in consumer credit.   |
|    |  | 6.6 | Assess the advantages and disadvantages of internal and external tracing procedures and choose the most appropriate available.   |

## Indicative content

|    |  |
|----|--|
| 1. | <ul style="list-style-type: none"> <li>• Provision of credit.</li> <li>• Control of credit.</li> <li>• Differences and features of trade, export and consumer credit.</li> <li>• Working capital.</li> <li>• Impact of offering credit.</li> </ul>   |
| 2. | <ul style="list-style-type: none"> <li>• How the credit function fits into the overall organisation of a company.</li> <li>• Functions and structure of a credit department.</li> <li>• The relationships of a credit department with other departments.</li> <li>• Key measures of credit department performance and target setting.</li> <li>• The role and qualities of the credit manager.</li> <li>• Value of good customer service and how this can be achieved in a credit department.</li> <li>• The importance of a credit policy.</li> </ul>   |
| 3. | <ul style="list-style-type: none"> <li>• Promotion and sale of consumer credit.</li> <li>• How organisations market credit as a product.</li> <li>• Marketing strategies available to organisations that use credit as a product.</li> <li>• Advantages and disadvantages of different types of consumer credit products from the perspective of the customer as well as the supplier.</li> </ul>  |
| 4. | <ul style="list-style-type: none"> <li>• Features of different payment terms and methods of payment.</li> <li>• Why initial and continuous risk assessment and control is necessary.</li> <li>• Identifying credit qualities (the 4 C's) that should be investigated.</li> <li>• Sources and value of information available to assess applications for consumer credit.</li> <li>• Calculation of credit limits and how credit scoring can be used in the processing of consumer credit applications and the monitoring of consumer creditworthiness.</li> <li>• How credit insurance protection works.</li> <li>• The key provisions of Money Laundering Regulations and the Data Protection Act.</li> <li>• Sources of finance.</li> </ul> |
| 5. | <ul style="list-style-type: none"> <li>• Design of credit application forms, statements and other documents for consumer credit.</li> <li>• The purpose and features of these documents.</li> <li>• The content and purpose of a customer master file.</li> <li>• Principal features of a credit scoring system.</li> <li>• The importance of monitoring the performance of credit application systems and scorecards and the various ways they can be adjusted.</li> <li>• Principle features of a telephone predictive dialer.</li> <li>• Computerised systems and the benefit to the credit management function.</li> </ul>   |

|    |  |
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| 6. | <ul style="list-style-type: none"> <li>• Techniques necessary for effective collection letters and telephone collection work.</li> <li>• Advantages and disadvantages of strategies and methods of collection activity.</li> <li>• Methods of dealing effectively with queries and non-payment.</li> <li>• Basic steps for debt recovery in the High and County Courts.</li> <li>• Advantages and disadvantages of using third parties.</li> <li>• Evaluating a third party before entering into a service agreement.</li> <li>• Involvement and role of third-party debt advisors.</li> <li>• Procedures for in-house and external tracing of absconders.</li> <li>• Consumer Credit Act 2006 and legislation relating to the harassment of debtors.</li> <li>• Personal insolvency.</li> </ul> |
|----|--|

### **Assessment**

One-hour online examination involving 60 multiple choice questions



## Consumer Collections

26 Guided Learning Hours 104 Total Qualification Time

### Aim

To develop the knowledge and skills required for advanced consumer collections work.

### Syllabus topics

#### 1. Principles of consumer collections (18%)

- Evolution of debt collection as a function.
- Identification of why customers fall into arrears.
- Collection life cycle.
- Key systems and technology.
- Common debt repayment arrangements.

#### 2. Regulation and industry frameworks for consumer collections (9%)

- Risks associated with consumer collections.
- Legal, regulatory and industry frameworks.
- Impact of frameworks on collections work.

#### 3. Commencement of consumer collections (12%)

- Types of financial and non-financial information required.
- Validation of accuracy of customer information.
- Locating missing information.
- Customer segmentation.

#### 4. Consumer collection contact (22%)

- Plan for outbound calls.
- Appropriate methods of building accurate picture of customers' situation.
- Techniques for identifying vulnerable customers.
- Communicating with and supporting vulnerable customers.
- Establishing repayment plans.
- Disputes and conflicts.

#### 5. Action in response to continued non-payment (9%)

- Taking appropriate action toward non-payment.
- Affordability of repayment plans.
- Negotiation of revised repayment arrangements.

**6. Preparation for legal proceedings (12%)**

- Documents used in the debt collection process.
- Accuracy and timeliness of documentation.
- Third party assistance in legal recovery.
- Writing off debts.

**7. Effective consumer collection processes (18%)**

- Maintenance of compliant collection processes.
- Methods of checking quality and integrity of work.
- Training and support for collection teams.
- Setting and monitoring effective operational targets.
- Partnership maximisation.

**Assessment**

One-hour online examination involving 60 multiple choice questions.

## Consumer Collections

26 Guided Learning Hours    104 Total Qualification Time

### Aim

To develop the knowledge and skills required for advanced consumer collections work.

| <b>Learning outcomes</b><br><b>The learning will:</b> |  | <b>Level 3 Assessment criteria</b><br><b>The learner can:</b> |  |
|---|--|---|--|
| 1   | Know the principles of consumer collections.   | 1.1   | Explain the evolution of debt collection as a function.  |
|   |  | 1.2   | Assess reasons why customers fall into arrears.  |
|   |  | 1.3   | Summarise the steps involved in the collection life cycle from collections to recoveries.                          |
|   |  | 1.4   | Explain common consumer collection methods for main customer types, including deceased customers.                  |
|   |  | 1.5   | Explain key systems and technology which support consumer telephone collections.                                   |
|   |  | 1.6   | Explain common debt repayment arrangements.  |
| 2   | Know the legal, regulatory and industry frameworks which relate to consumer collections. | 2.1   | Explain the risks associated with consumer collections.  |
|   |  | 2.2   | Interpret legal, regulatory and industry frameworks which relate to consumer collections.                          |
|   |  | 2.3   | Explain the impact of legal, regulatory and industry frameworks on consumer collections                            |
| 3   | Understand how to obtain sufficient information to commence collections.                 | 3.1   | Explain the types of financial and non-financial information required before the commencement of debt collections. |
|   |  | 3.2   | Explain the importance of validating the accuracy of financial accurate, customer information.                     |
|   |  | 3.3   | Explain how missing information about customers can be located.  |
|   |  | 3.4   | Explain customer information which helps segment customers into main types and inform the collections process.     |
| 4   | Know how to carry out consumer collection contact.                                       | 4.1   | Explain how to plan for outbound telephone calls or visits (to a range of customers – Level 3) in arrears.         |
|   |  | 4.2   | Explain appropriate methods for building an accurate picture of the customer's situation.                          |
|   |  | 4.3   | Describe techniques for identifying and communicating with customers in vulnerable circumstances.                  |

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|   |  | 4.4 | Explain arrangements that should be put in place to support customers in vulnerable circumstances.  |
|   |  | 4.5 | Explain how to establish a repayment plan and record a customer's ability and willingness to pay.   |
|   |  | 4.6 | Explain the importance of recording and tracking progress with any disputes or complaints   |
|   |  | 4.7 | Explain the skills required to communicate with a range of customers in arrears, including abusive ones, in order to meet the needs of the customer and business. |
| 5 | Understand how to instigate action in response to continued non-payment. | 5.1 | Explain how to instigate action appropriate to the customer circumstance, in response to continued non-repayment.   |
|   |  | 5.2 | Explain how to check the affordability of repayment plans.  |
|   |  | 5.3 | Explain how to negotiate and agree revised repayment arrangements.  |
| 6 | Understand how to prepare for legal proceedings.                         | 6.1 | Explain the documents used in the debt collection process.  |
|   |  | 6.2 | Explain the importance of ensuring the accuracy and timeliness of documentation.  |
|   |  | 6.3 | Explain the types of external stakeholders that can offer assistance in the debt recovery process.  |
|   |  | 6.4 | Explain circumstances when it would be in the interests of the creditor to write off a debt.  |
| 7 | Understand effective consumer collection processes are maintained.       | 7.1 | Explain collection processes are maintained to ensure compliance with legal, regulatory and industry frameworks.  |
|   |  | 7.2 | Explain methods for checking the quality and integrity of work.   |
|   |  | 7.3 | Explain collection team are trained and supported.  |
|   |  | 7.4 | Explain the effects for operational targets on collections activities.  |
|   |  | 7.5 | Explain how to monitor targets in order to improve performance.   |
|   |  | 7.6 | Explain how to maximise partnerships with a range of expert third party intermediaries.   |

**Assessment** 1-hour online examination (60 multiple choice questions).

### Indicative content

|     |   |
|-----|---|
| 1.1 | <p>Evolution of debt collection globally as a function into a significant business area (exemplified by UK journey) including:</p> <ul style="list-style-type: none"> <li>• rise of third-party debt collection agencies</li> <li>• increased role and impact of technology</li> <li>• debt sale/purchase.</li> <li>• credit reference agencies.</li> <li>• impact of third-party consumer support groups.</li> </ul> |
|-----|---|

|     |   |
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|     | <ul style="list-style-type: none"> <li>• impact of increased regulation.</li> <li>• growing distinction between concepts of consumer and commercial debt collection, private and public, regulated and non-regulated.</li> <li>• growth of debt management services.</li> <li>• in-house recoveries.</li> <li>• increasing focus on positive outcomes for all customers and debt prevention.</li> <li>• growth of clear company collection policies and philosophy linked to company's vision, mission and value statements.</li> </ul>   |
| 1.2 | <p>Reasons why customers fall into arrears including:</p> <p><b>Macro trends</b></p> <ul style="list-style-type: none"> <li>– rise of consumer credit, expansion of credit products.</li> <li>– increased consumerism.</li> <li>– increased lending and excessive borrowing.</li> </ul> <p><b>Personal circumstances</b></p> <ul style="list-style-type: none"> <li>– Changes to benefits.</li> <li>– Common issues resulting from billing.</li> <li>– Change in circumstances.</li> <li>– Life events.</li> <li>– Non-standard requirements or credit history.</li> </ul> <p><b>Health conditions which potentially makes a customer financially vulnerable</b></p> <ul style="list-style-type: none"> <li>• Severe or long-term illness.</li> <li>• Medical conditions.</li> <li>• Mental health problems.</li> <li>• Alcohol or drug abuse.</li> </ul> <p><b>Limited capacity</b><br/>Being young, 'old', significant learning disabilities.</p> <p><b>Communication difficulties</b><br/>Lack of English language skills.</p> <p><b>Organisational action (or inaction)</b> contributing to a vulnerable situation.</p> |
| 1.3 | <p>Steps involved in the collection life cycle from collections to recoveries:</p> <ul style="list-style-type: none"> <li>• proactive collections.</li> <li>• early delinquency.</li> <li>• post default.</li> </ul>  |
| 1.4 | <ul style="list-style-type: none"> <li>• Common consumer collection methods including collections letters or written communications, telephone calls, home visits, transfer to debt collection agencies, legal action.</li> <li>• Grant of probate, Letters of Administration.</li> <li>• Insolvency options: <ul style="list-style-type: none"> <li>– Petition for Bankruptcy.</li> <li>– Individual Voluntary Arrangement (IVA)</li> <li>– Debt relief order (DEO)</li> <li>– Administration order in England and Wales (Sequestration (Bankruptcy) and Trust Deeds – Scotland).</li> </ul> </li> </ul>   |
| 1.5 | <p>Collections systems, master files, flags, e.g., to identify customers in vulnerable circumstances, dialler, automated voice messages, email and text.</p>  |
| 1.6 | <ul style="list-style-type: none"> <li>• Tailored options offered, e.g., freezing orders, winding back charges and payment holidays.</li> <li>• Flexible payment arrangements or social tariffs for customers in vulnerable circumstances.</li> </ul>   |

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| 2.1 | <p>Key risks associated with debt collections:</p> <ul style="list-style-type: none"> <li>• financial impact of uncollected debt on business.</li> <li>• effect of different debt collection strategies and timeframes on the customer's ability to self-manage debt.</li> <li>• customer harassment.</li> <li>• customer data risks.</li> <li>• customer redress.</li> <li>• organisation's reputation and brand.</li> <li>• potential fraud.</li> </ul>  |
| 2.2 | <p>Ways that government and sector bodies control debt collection in order to protect consumers. Legal, regulatory and industry frameworks:</p> <ul style="list-style-type: none"> <li>• Government <ul style="list-style-type: none"> <li>– Data-protection.</li> <li>– Anti-harassment.</li> <li>– Consumer Rights legislation.</li> </ul> </li> <li>• Regulatory bodies - Role, statutory powers, complaint-handling and sanctions for non-compliance e.g. <ul style="list-style-type: none"> <li>– Financial Conduct Authority (FCA) principles and regulations in UK (principles-based regulation)</li> <li>– Consumer Duty.</li> <li>– Sector regulation.</li> </ul> <p>Overarching principles:</p> <ul style="list-style-type: none"> <li>– Treating customers fairly.</li> <li>– Business practice rules – e.g., FCA Principles.</li> <li>– Rules of business practice (PRIN)</li> <li>– Characteristics of improper business practice.</li> </ul> </li> <li>• Industry frameworks<br/>e.g., Credit Services Association Code of Practice, Chartered Institute of Credit Management (CICM) Vulnerability Framework.</li> </ul> |
| 2.3 | <p>Impact of legal, regulatory and industry frameworks on consumer collection:</p> <ul style="list-style-type: none"> <li>• Implications of non-compliance on business.</li> <li>• Identifying fraudulent activity.</li> <li>• Focus on individual circumstances.</li> <li>• Responsible lending.</li> <li>• Code of practice for accurate utility bills.</li> <li>• Different types of customer solutions.</li> <li>• Affordability.</li> <li>• Identification and support for people in vulnerable circumstances.</li> <li>• Increasing focus on positive outcomes for all customers and debt prevention.</li> </ul>   |
| 3.1 | Types of financial and non-financial information required before commencement of debt collections.   |
| 3.2 | Importance of accurate, customer information before debt collection commences and accurate collection and recording during collection process.   |
| 3.3 | <ul style="list-style-type: none"> <li>• Locating missing information. Validation and verification requirements.</li> <li>• Locating a 'gone away' customer – tracing and investigation techniques.</li> <li>• Credit reference agency searches.</li> <li>• Alternative non-credit reference agency data sources: telephone, letter and field tracing techniques, use of external tracing and investigation services.</li> </ul>   |

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| 3.4 | <ul style="list-style-type: none"> <li>• Customer types: customer (will pay but don't, can't pay but could, and can't pay but wish to) financial difficulties, vulnerable customer, deceased – key elements and impact on collection process.</li> <li>• Segmentation and profiling information including <ul style="list-style-type: none"> <li>– customer availability.</li> <li>– payment behaviour.</li> <li>– information about any legal action or insolvency.</li> <li>– queries.</li> </ul> </li> <li>• Impact of customer type on recovery process.</li> <li>• Collections procedures including dynamic, tailored pathways for a full range of customer circumstances.</li> <li>• Pathways have clear, simple information and advice; appropriate internal and external communication and signposting; and a clear escalation process.</li> <li>• Best practice is to tailor approach offered to customers without seeing and treating customers in situations of vulnerability as a different group.</li> <li>• Types of debt (consumer debt – sole trader, partnership, limited companies, limited companies, joint/several liability; and consumer debt including sole and joint personal accounts, joint and several liability and deceased debtors).</li> </ul> |
| 4.1 | <ul style="list-style-type: none"> <li>• Call and customer visit preparation.</li> <li>• Legal and organisational requirements for contact methods e.g. <ul style="list-style-type: none"> <li>– Timing.</li> <li>– Advice to customer about quality checks and recordings made during a call</li> <li>– Verification of identity of a caller.</li> <li>– Information which is confidential to the organisation and the customer.</li> </ul> </li> <li>• Techniques for effective customer contact – know your customer.</li> <li>• How to make appropriate contact with customers, evidence to authenticate collectors' relations and explain their debt obligation.</li> <li>• Action when unable to make contact with customer.</li> </ul>   |
| 4.2 | <ul style="list-style-type: none"> <li>• Appropriate methods to establish customer's ability and willingness to pay e.g., income and expenditure statements.</li> <li>• Methods for confirming customer details. Validating authenticity and accuracy of customer information.</li> <li>• Questioning techniques to build an accurate picture of customer's situation.</li> </ul>   |
| 4.3 | <p>Methods for identifying and signposting customers in vulnerable circumstances including:</p> <ul style="list-style-type: none"> <li>• Triggers – behaviours and what customer says on call to indicate potential vulnerability.</li> <li>• Use of red flags.</li> <li>• use of conversation tools: TEXAS, BLAKE, IDEA, SPIDER, BRUCE</li> <li>• Consent arrangements are established to enable third parties.</li> <li>• Consistent advice and treatment provided to those who are recently bereaved, have power of attorney or a third-party mandate.</li> </ul>  |
| 4.4 | <ul style="list-style-type: none"> <li>• Methods for supporting customers who struggle to pay e.g., forbearance and due consideration, affordable repayments, appropriate payments for customer type, social responsibility funds.</li> <li>• Departments/external agencies which can provide debt advice.</li> <li>• Disclosure policy, compliant with data protection requirements.</li> <li>• Use of collections experts with time, authority and discretion to take a tailored approach for vulnerable customers.</li> </ul>  |



|     |   |
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|     | <ul style="list-style-type: none"> <li>• Partnership with third parties for money advice.</li> <li>• Handling enquiries from third parties.</li> </ul>  |
| 4.5 | <ul style="list-style-type: none"> <li>• How to establish affordable repayment plans.</li> <li>• How to close the call.</li> <li>• Referrals.</li> <li>• Maintenance of customer records.</li> </ul>  |
| 4.6 | <ul style="list-style-type: none"> <li>• Dispute and complaint investigation and management.</li> </ul>   |
| 4.7 | <ul style="list-style-type: none"> <li>• Empathy, active listening, probing, vocal techniques for conveying clear and coherent information.</li> <li>• Negotiation and influencing skills.</li> <li>• Handling of abusive or threatening calls.</li> <li>• Best practice customer communication.</li> <li>• Tailored communication methods and service delivery.</li> </ul> |
| 5.1 | <ul style="list-style-type: none"> <li>• Consequences of non-payment.</li> <li>• How to review customer accounts in an ethical manner.</li> <li>• How computerised systems help review payment settlements and instances of non-payment.</li> <li>• Action agreed with any relevant third parties.</li> </ul>   |
| 5.2 | <ul style="list-style-type: none"> <li>• Affordability checks that identify priority debts.</li> <li>• Using the Common Financial Statement.</li> </ul>   |
| 5.3 | <ul style="list-style-type: none"> <li>• Notification of relevant third parties.</li> <li>• Customer knows how to pay.</li> <li>• Consequences of non-payment.</li> </ul>   |
| 6.1 | <p>Legal proceedings documentation: e.g.</p> <ul style="list-style-type: none"> <li>• Letter before action.</li> <li>• Default notice.</li> <li>• Pre-action Protocol documents.</li> </ul>   |
| 6.2 | Legal proceedings process rules: Civil Procedure Rules, Limitation Act  |
| 6.3 | <ul style="list-style-type: none"> <li>• Legal firms which specialise in debt recovery.</li> <li>• Alternative Dispute Resolution specialists.</li> <li>• Money and Debt Advise organisations.</li> </ul>   |
| 6.5 | <ul style="list-style-type: none"> <li>• Age of overdue balance.</li> <li>• Long term vulnerability.</li> <li>• Contested/disputed debt.</li> <li>• Customer identified as deceased where no estate to claim against.</li> </ul>  |
| 7.1 | <ul style="list-style-type: none"> <li>• Compliance monitoring.</li> <li>• Service level agreement.</li> <li>• Record maintenance.</li> <li>• How to identify, record and investigate suspicions of fraudulent activity/money laundering.</li> </ul>  |
| 7.3 | <ul style="list-style-type: none"> <li>• How quality of debt collection work is checked.</li> <li>• Speech analytics software help audit all calls.</li> </ul>  |

|     |  |
|-----|--|
| 7.4 | <ul style="list-style-type: none"> <li>• Induction and refresher training.</li> <li>• Team training and qualifications.</li> <li>• Regular one-to-one meetings, individual support and feedback on call handling</li> <li>• Best practice call guidance and sufficient time allowed for calls.</li> <li>• Flexibility given to allow conversation to develop naturally if sense that customer is experiencing difficulties.</li> <li>• Use of techniques e.g., 'word-scrubbing' account notes, flags and speech analytics to identify vulnerable customers.</li> <li>• Emotional health and professional well-being support.</li> <li>• Use of peer and team support.</li> </ul> |
| 7.5 | <ul style="list-style-type: none"> <li>• Effects of operational targets on collection activity.</li> <li>• Alignment of targets and incentives to correct identification and referral of potentially vulnerable people and building long-term sustainable relationships.</li> <li>• Frontline team empowered and incentivised to use their judgement.</li> </ul>   |
| 7.6 | <ul style="list-style-type: none"> <li>• Importance of accuracy management information systems.</li> <li>• Arrangements to improve customer outcomes.</li> <li>• Customer feedback.</li> <li>• Dashboards with key statistics.</li> </ul>  |
| 7.7 | <ul style="list-style-type: none"> <li>• Best practice partnership with third party organisations.</li> <li>• Clarification of level of partnership.</li> </ul>  |

## Assessment

One-hour online examination involving 60 multiple choice questions

## Elective Awards

### Exam assessed units

- Level 3 Accounting Principles
- Level 3 Business Law
- Level 3 Business Environment

Learning tends to take place over fifteen weeks via 3-hour evening classes; over ten weeks in the CICM online Virtual Classroom or over the course of a year. There are six different ways you can study, including distance learning options. Contact the CICM to discuss your options.

The Chartered Institute assesses the Accounting Principles unit by a 3½-hour exam. Assessment for Business Law and Business Environment involves a 1-hour online exam which contains 60 multiple choice questions. Learners can purchase 60 sample online questions from CICM Learning Support Service.

### Assignment based units

- Level 3 Advanced Business Communications and Personal Skills
- Level 3 Advanced Collections
- Level 3 Advanced Enforcement
- Level 3 Credit Risk Management
- Level 3 Debt Recovery Management

Learning for these units tends to be 'on the job'. Candidates complete a short assignment to demonstrate their level of competency.

CICM assignment-based units do not involve examinations, instead you complete a written assignment which help improve effectiveness, in more distinct areas of credit management practice for example, credit risk management. These help to build knowledge of how your employer expects work to be carried out and helps develop your skills through reflective practice.

Each unit is individually certificated. Additionally, it gives credits towards a CICM Diploma in Credit and Collections. You will need to find a coach to help you with the assignment and act as your mentor. This could be your line manager, a tutor or another person with experience in training or credit management. Your coach will provide advice, check that you have completed fully each section and verify that the assignment is your own work.

# Accounting Principles

48 Guided Learning Hours 103 Total Qualification Time

## Aim

This unit aims to develop a good understanding of fundamental accounting principles and techniques for those working credit management related areas.

## Syllabus topics

1. **Accounting principles and techniques (30%)**
  - Reasons for keeping accounts.
  - Account, ledger and transaction types.
  - The accounting equation.
  - Rules of double entry, cash and credit transactions, VAT, and discounts.
  - Use of control accounts to ensure ledger accuracy.
2. **Trial balance and financial statements (20%)**
  - Trial balances as platform for financial statements.
  - Error correction, undetected errors and suspense account.
  - Statements: Income, Financial Position and Retained Earnings Reconciliation.
  - Adjustments to monetary values (incl. accrued/prepaid items, depreciation, bad debts, allowance for doubtful debt)
  - Concepts, conventions and accounting standards.
3. **Differences in financial reporting (10%)**
  - Sole trader and micro, small, medium, and large company reporting.
  - Regulatory/legal requirements (FRS/UK Companies Act)
  - Company report content by management and auditors.
  - Relative usefulness to credit managers.
4. **Budgetary control (20%)**
  - Budgetary control process.
  - Different budget types.
  - Cash budgets and relevance.
  - Variance analysis.
5. **Business performance (20%)**
  - Working capital.
  - Cash operating cycle.
  - Ratio calculation and meaning.
  - Business performance measurement.

## Assessment

Learners will sit a 3.5-hour examination and be required to answer all questions set. All ledger accounts must be prepared in continuous running account balance format. Financial statements must be prepared in vertical format using recognised Financial Reporting Standards (FRS) terminology. Credit balances should be clearly shown in brackets ( ) or with the suffix 'Cr.' for clarity.

## Accounting Principles

48 Guided Learning Hours 103 Total Qualification Time

| Learning outcomes<br>The learner will: |  | Assessment criteria LEVEL 3<br>F/615/2289<br>The learner can: |  |
|--|--|---|--|
| 1.                                     | Understand accounting principles, the reasons for keeping accounts and the documents involved in financial transactions. | 1.1   | Explain the reasons for keeping accounts.  |
|  |  | 1.2   | Construct and use the accounting equation in various forms.                                      |
|  |  | 1.3   | Explain how the dual aspect concept underpins double entry book keeping.                         |
|  |  | 1.4   | Apply the rules of double entry book keeping, using a continuous balance format.                 |
|  |  | 1.5   | Explain use of sales ledger control accounts.  |
| 2                                      | Understand how a trial balance and adjustments are used to prepare financial statements                                  | 2.1   | Construct a trial balance from given information.  |
|  |  | 2.2   | Explain and use accounting concepts in the preparation of financial statements.                  |
|  |  | 2.3   | Calculate and explain different levels of profit for an organisation.                            |
|  |  | 2.4   | Prepare an Income Statement making any necessary adjustments.                                    |
|  |  | 2.5   | Prepare a Statement of Financial Position taking any adjustments into account.                   |
| 3                                      | Understand the differences in financial reporting between various sized companies and non-incorporated traders.          | 3.1   | Explain differences in financial reporting for unincorporated sole traders and companies.        |
|  |  | 3.2   | Explain how auditors' reports can benefit a credit manager.                                      |
| 4                                      | Understand the principles of budgetary control.  | 4.1   | Explain the reasons for and process of budgetary control.  |
|  |  | 4.2   | Prepare and interpret a cash budget.   |
| 5                                      | Understand how to assess business performance using financial statements   | 5.1   | Explain the importance of working capital and calculate the cash operating cycle for a business. |
|  |  | 5.2   | Use ratio analysis to review business performance.   |

## Indicative content

|    |  |
|----|--|
| 1. | <ul style="list-style-type: none"> <li>• Principal reasons for maintaining financial records and accounts.</li> <li>• Accounting records for sole traders and companies.</li> <li>• Users of financial and accounting information.</li> <li>• Requirements of different users.</li> <li>• Assets, expenses, capital, liabilities.</li> <li>• Accounting equations.</li> <li>• Capital and revenue expenditure.</li> <li>• Continuous (running account) balance format.</li> <li>• Double entry and the dual aspect concept.</li> <li>• Purchase, sales, nominal and cash book as ledgers.</li> <li>• Cash transactions and treatment and recording of VAT.</li> <li>• Recording trade and cash/settlement discounts (no VAT re-calculation expected).</li> <li>• Posting payments and receipts.</li> <li>• Use of sales ledger control account to ensure ledger accuracy (no preparation of control account expected).</li> <li>• Creditors and debtors [trade payables and trade receivables].</li> <li>• Credit transactions.</li> <li>• CICM use of financial reporting terminology (Financial Reporting Standards (FRS) and International Financial Reporting Standards (IFRS))</li> </ul> |
| 2. | <ul style="list-style-type: none"> <li>• Trial balance.</li> <li>• Trial balance errors.</li> <li>• Use of suspense account to correct trial balance errors. (Journals not required)</li> <li>• Calculation of profit.</li> <li>• Income statement.</li> <li>• Statement of Financial Position.</li> <li>• Retained Earnings Reconciliation Statement (companies only).</li> <li>• Principal methods of depreciating non-current assets and reasons for depreciation.</li> <li>• Accounting concepts: duality/dual aspect (as in 1 above), business entity, going concern, accruals, consistency and materiality.</li> <li>• Different accounting treatments on monetary values contained in the financial statements.</li> <li>• Accrued payables and prepaid receivables.</li> <li>• Current and non-current asset and liability sections of a Statement of Financial Position.</li> <li>• Bad debts and possible reasons including necessary entries in the ledger accounts to write off a bad debt.</li> <li>• Impairment of trade receivables as allowance for doubtful debt.</li> </ul>  |

|    |  |
|----|--|
| 3. | <ul style="list-style-type: none"> <li>• Internal and external auditors.</li> <li>• How auditors' reports can benefit a credit manager.</li> <li>• Differences in financial reporting for unincorporated sole traders and companies.</li> <li>• Corporate Annual Reports.</li> <li>• Sections of the Annual Report that must be included under the Companies Act.</li> <li>• Directors' Report and Chairman's Report.</li> <li>• Requirements of the Companies Act 2006, Financial Reporting Standards (2015) and International Financial Reporting Standards relating to the publication of financial information by UK micro-entity, small entity, medium and large private limited companies, and listed/quoted UK public limited companies.</li> <li>• Terminology and format used in published accounts.</li> </ul> |
| 4. | <ul style="list-style-type: none"> <li>• Purpose of budgetary control and the budget process.</li> <li>• Relationship between the principal types of budget.</li> <li>• Monitoring and analysing budgets.</li> <li>• Cash budgets – preparation, contents, amending and interpreting.</li> </ul>   |
| 5  | <ul style="list-style-type: none"> <li>• Working capital and the availability of cash to a business organisation.</li> <li>• Reasons for the main shortages of working capital.</li> <li>• Consequences to a firm of a shortage of working capital.</li> <li>• Cash operating cycle.</li> <li>• Significance to credit management of working capital.</li> <li>• Ratio calculations and comparison.</li> <li>• Financial analysis.</li> </ul>  |

## Additional notes for teachers and learners

The following notes are included for guidance and should be read in conjunction with the learning objectives. **This unit has been prepared specifically for learners engaged in the credit management function rather than in accountancy.** As a consequence:

- Certain technical details, which might be included in GCSE, A-Level, or professional accounting courses at this level, have been omitted e.g., while ledger divisions should be explained, there is no requirement to use folio numbers. It is sufficient to identify ledger accounts by name and resident ledger.
- The T account format and 'balancing' accounts should not be taught. Ledger accounts should be explained and presented instead using the continuous running account balance format. As computerised accounts are produced in this way CICM learners are already likely to have some experience of the continuous balance format before starting the course. Learners are required to prepare and recognise ledger accounts in this format in the examination and there will be no need for them to undertake the balancing off of accounts. Tutors might like to refer to the Study Text for this unit which has been written using the continuous running balance format, for advice if necessary.
- There should be no reference to day books or to the journal. All transactions should be posted directly to their respective accounts. Again, this practice is in line with computerised accounting.
- All Financial Statements should be produced in vertical format in keeping with current practice and corporate legal/regulatory requirements. Learners will be required to prepare, use and recognise vertical format statements in the examination.
- Where possible attention should be drawn to the significance of particular topics to those engaged in credit management. Some objectives have been written specifically with the credit practitioner in mind.
- CICM now uses UK and Ireland Financial Reporting Standards (FRS) terminology, which is based upon International Accounting Standards (IAS), and for consistency in approach may use particular terminology where alternatives exist.

## Assessment

3.35 hour assessment delivered online



## Business Law

46 Guided Learning Hours    101 Total Qualification Time

### Aim

The unit provides a broad understanding of the legal context and structures in which business operates through the development of knowledge about the English legal system, contract law, agency, and sales and supply of goods legislation.

### Syllabus topics

1. **The English legal system** (15%)
  - Common law.
  - Statute law.
  - Delegated legislation.
  - Jurisdiction of the courts.
2. **Law of contract** (35%)
  - Essentials of a binding contract.
  - Terms.
  - Validity.
  - Guarantees and Indemnities.
  - Privity and Assignment.
  - Discharge.
  - Remedies.
3. **Sale and supply of goods, services and related topics** (25%)
  - Sale of Goods Act 1979 (as amended)
  - Supply of Goods and Services Act 1982 (as amended)
  - Consumer Rights Act 2015.
  - Unfair contract terms and legislation.
4. **Agency** (15%)
  - Formation.
  - Duties of an agent.
  - Duties of a principal.
  - The agent's authority.
  - The agent's liability.
  - Termination.
  - Bailment.

5. **Other contractual matters** (10%)

- Guarantees.
- Indemnities.
- Bailment.
- Liens.

**Assessment**

Assessment will be by a one-hour online examination involving 60 multiple choice questions.

## Business Law

46 Guided Learning Hours    101 Total Qualification Time

| <b>Learning outcomes, The learner will:</b> |   | <b>Assessment criteria LEVEL 3</b><br>F/502/0123<br><b>The learner can:</b> |  |
|---|---|---|--|
| 1.  | Understand the basic principles and procedures of the English legal system. | 1.1   | Describe the principles of the English legal system.   |
|   |   | 1.2   | Describe the structure of the English court system.  |
| 2.  | Understand the main principles of English contractual law.                  | 2.1   | Assess the validity of a contract.   |
|   |   | 2.2   | Explain the application of remedies for breach of contract.  |
| 3.  | Understand the legislation governing the supply of goods and services.      | 3.1   | Assess the application of legislation governing the supply of goods and services.                    |
|   |   | 3.2   | Explain the application of implied terms relating to the supply of goods and services.               |
|   |   | 3.3   | Explain remedies for non- delivery and non-payment.  |
|   |   | 3.4   | Explain the nature of unfair terms.  |
|   |   | 3.5   | Outline the effects of breaches of legislation.  |
|   |   | 3.6   | Explain the effect of the Unfair Contract Terms Act 1977 and Part 2 of the Consumer Rights Act 2015. |
| 4.  | Understand the principles of agency.  | 4.1   | Explain how to create an agency agreement.   |
|   |   | 4.2   | Explain the rights and duties of a principal and agent.  |
|   |   | 4.3   | Explain the liability of an agent to a third party.  |
| 5.  | Understand the principles of bailor/bailee relationships and line.          | 5.1   | Describe the rights and duties of bailor and bailee and the remedies for breach.                     |
|   |   | 5.2   | Explain the remedies for breach of bailor and bailee duties.   |

## Indicative content

|    |  |
|----|--|
| 1. | <ul style="list-style-type: none"> <li>• Development of Common Law and the operation of judicial precedent.</li> <li>• Creation of statute law and the rules governing statutory interpretation.</li> <li>• Origins, purpose, operational characteristics and types of delegate legislation.</li> <li>• Structure of the courts system and the division between civil and criminal.</li> <li>• County Court and Small Claims track.</li> <li>• Jurisdiction of the High Court and the role of each division and court.</li> <li>• Roles of the Court of Appeal (Civil Division) and the UK Supreme Court.</li> <li>• The different personnel who preside over the various courts.</li> </ul>   |
| 2. | <ul style="list-style-type: none"> <li>• Essential elements of a binding contract.</li> <li>• Offers, invitations to treat and mere requests for information.</li> <li>• Rules relating to acceptance and application of rules by objective meaning.</li> <li>• Consideration within a contractual framework and distinction between executed, executory and past consideration.</li> <li>• Intention to create legal relations and social, domestic and business agreements.</li> <li>• Capacity relating to minors' contracts, beneficial contracts of service and contracts entered into by those of unsound mind, habitual drunkards etc.</li> <li>• Effect of exemption, limitation and exclusion from liability clauses.</li> <li>• Effect of the Part 2 of the Consumer Rights Act 2015 on unfair terms.</li> <li>• The requirement of reasonableness.</li> <li>• Scope and effect of the Unfair Terms in Consumer Contracts Regulations 1999.</li> <li>• Contracts which must be evidenced or made in writing in order to be valid.</li> <li>• Guarantees and indemnities and the importance of the distinction in the context of the credit industry.</li> <li>• Rules relating to mistake.</li> <li>• Misrepresentation – fraudulent, negligent and innocent.</li> <li>• Undue influence – actual and presumed.</li> <li>• Duress including economic duress.</li> <li>• Doctrine of privity of contract.</li> <li>• Effects of the Contracts (Rights of Third Parties) Act 1999.</li> <li>• Circumstances in which contractual rights are assigned voluntarily and involuntarily.</li> <li>• Rules relating to common methods of contract discharge, including breach.</li> <li>• Breach of condition and breach of warranty.</li> <li>• Remedies for breach of contract in common law and equity.</li> <li>• Remedy of line, rules governing the rights and duties of parties.</li> </ul> |

|    |  |
|----|--|
| 3. | <ul style="list-style-type: none"> <li>Principles underpinning specific provisions of the Sales of Goods Act 1979, the Supply of Goods and Services Act 1982, the Consumer Rights Act 2015 and their effects.</li> <li>Application of the principles of underpinning to business transactions.</li> <li>Areas covered by the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982 and the Consumer Rights Act 2015.</li> <li>Methods of price and payment determination arising from proper application of statutes.</li> <li>Implied terms and infringement of implied terms.</li> <li>Exclusion of statutory rights under the Unfair Contract Terms Act 1977 and Consumer Rights Act 2015.</li> <li>Consumer sales and non-consumer sales.</li> </ul>   |
| 4. | <ul style="list-style-type: none"> <li>The circumstances where exclusion of the seller's liability is impossible and application of the 'reasonableness' test and the 'unfairness' test to an exclusion clause supported by relevant case and statute law.</li> <li>The scope and effect of the Consumer Rights Act 2015.</li> <li>Rules on the passing of property in the goods of the contract.</li> <li>Differences between specific goods, unascertained goods and future goods.</li> <li>'Nemo dat quod non habet' principle and effect.</li> <li>Exceptions contained in Sections 21-25 Sale of Goods Act 1979, Section 2 Factors Act 1889 and Part III, Hire Purchase Act 1964.</li> <li>Passing of risk and the reservation of title to the goods.</li> <li>Rules relating to delivery and acceptance of the goods comprised in the contract.</li> <li>Remedies for non-compliance with statutory implied terms in consumer contracts.</li> </ul>  |
| 5. | <ul style="list-style-type: none"> <li>The principles of the law of agency and the reasons for appointing agents.</li> <li>Methods by which agency is created.</li> <li>Various types of authority which agents may possess; application of these to a factual matrix and assessment of their legal effects.</li> <li>The duties of an agent and the rules relating to situations where the principal is either disclosed or undisclosed.</li> <li>The liability of the agent for breach of warranty of authority to a third party and application of these criteria correctly to conflicts between parties and assessment of their legal effect.</li> <li>The provisions of the Commercial Agents (Council Directive) Regulations 1993.</li> <li>The rights and liabilities of different types of agent.</li> <li>The law of bailment with particular reference to the rights and duties of bailor and bailee.</li> <li>Respective remedies for breach of rights and duties in bailment on either side.</li> <li>The liability or otherwise of the principal, agent and third-party in a tripartite agreement.</li> </ul> |

**Assessment** - Assessment will be by a one-hour online examination involving 60 multiple choice questions.

## Business Environment

46 Guided Learning Hours    101 Total Qualification Time

### Aim

The unit places the working environment in context through the development of an understanding of four elements, the structure and function of organisations, organisational management, marketing and the external environment such as the economy and markets.

### Syllabus topics

1. **The economy** (10%)
  - The British economy.
  - Nature of industry.
  - Employment patterns and population trends in the UK.
2. **The organisation** (15%)
  - Types of business organisation.
  - Organisational objectives.
  - Stakeholders.
  - Growth and development and change in organisation.
  - PESTEL analysis.
3. **Organisational management** (15%)
  - Management and leadership.
  - Groups and teams within the organisation.
  - Motivation and job satisfaction.
  - Communication in organisations.
  - Communication system.
4. **The market environment** (15%)
  - Marketing management.
  - Elements of marketing.
  - The product life cycle.
  - Promotion.
  - Pricing strategies.

5. **The competitive environment** (25%)
- Market structures and behaviour.
  - Costs and economies of scale.
  - Supply, demand and pricing.
  - Determination of exchange rates.
  - Elasticity.
  - Effects of government intervention and regulation.
6. **The macro-economic influences on the organisation** (20%)
- Circular flow of income.
  - The business cycle and the multiplier.
  - Economic growth.
  - Inflation and deflation.
  - Unemployment.
  - Government economic policies and their effects.

### **Assessment**

Assessment will be by a one-hour online examination involving 60 multiple choice questions.

## Business Environment

46 Guided Learning Hours    101 Total Qualification Time

| <b>Learning outcomes The learner will:</b> |   | <b>Assessment criteria LEVEL 3</b><br>Y/502/0127<br><b>The learner can:</b> |   |
|--|---|---|---|
| 1.   | Understand the structure of the UK economy.                                 | 1.1   | Explain the structure of the UK economy.  |
| 2.   | Understand the structure of business organisations.                         | 2.1   | Assess the advantages and disadvantages of different types of business organisation                       |
|  |   | 2.2   | Explain how different objectives impact on a business organisation.                                       |
|  |   | 2.3   | Assess factors which cause change in organisations and how these are managed.                             |
|  |   | 2.4   | Use PESTLE analysis, to explain the impact of internal and external factors on the business organisation. |
| 3.   | Understand the factors influencing the operation of business organisations. | 3.1   | Assess the impact of management styles on the operation and culture of business organisations.            |
|  |   | 3.2   | Assess factors which influence effective team working.  |
|  |   | 3.3   | Assess the effectiveness of different types of business communication.                                    |
| 4.   | Understand how marketing concepts impact on business activity               | 4.1   | Explain how the marketing mix influences marketing activity.  |
|  |   | 4.2   | Assess the role of market segmentation in marketing management.   |
|  |   | 4.3   | Explain the impact of the product life cycle on marketing decisions.                                      |
| 5.   | Understand the factors that impact on the competitive market.               | 5.1   | Explain how the structure and behaviour of firms influences the competitive market.                       |
|  |   | 5.2   | Assess the impact of costs and economies of scale on the competitive market.                              |
|  |   | 5.3   | Explain the impact of supply and demand on business organisations.  |
|  |   | 5.4   | Explain how Governments implement competition policy.   |



|    |   |     |  |
|----|---|-----|--|
| 6. | Understand the macro-economic influences on the organisation. | 6.1 | Explain how the business cycle impacts on business decision making.                      |
|    |   | 6.2 | Explain how the circular flow model of the economy shows the level of economic activity. |
|    |   | 6.3 | Explain the main macro-economic objectives of Governments and how these may conflict.    |
|    |   | 6.4 | Explain how government policies influence the business environment.                      |

## Indicative content

|    |  |
|----|--|
| 1. | <ul style="list-style-type: none"> <li>• Up-to-date outline of the British economy.</li> <li>• Changes between primary, secondary and tertiary sectors of industry.</li> <li>• Changing pattern of employment within the UK.</li> <li>• Economic effects of changes in size, geographical distribution, gender, ethnicity and age composition of the population.</li> <li>• Need for provision of merit and collective (public) goods and of welfare services.</li> </ul>  |
| 2. | <ul style="list-style-type: none"> <li>• Main types of business organisation and advantages and disadvantages.</li> <li>• Different objectives.</li> <li>• Types of objectives that a firm might choose and the factors influencing their choice.</li> <li>• Main stakeholder groups, and how they judge an organisation.</li> <li>• Conflicts that arise between different stakeholder groups.</li> <li>• Development of multinational companies, growth, objectives, management and problems of different growth strategies.</li> <li>• External factors influencing the business environment (PESTEL) and their impact on the organisation.</li> <li>• Barriers to successful change.</li> <li>• Organisational development approach and the management of change.</li> </ul> |
| 3  | <ul style="list-style-type: none"> <li>• Main styles of leadership, and the personal and organisational factors which influence the choice and effectiveness.</li> <li>• Organisational culture and ways in which organisations can change.</li> <li>• Employee motivation and job design.</li> <li>• Performance appraisal.</li> <li>• The development of people within an organisation.</li> <li>• Nature of groups and teams within an organisation.</li> <li>• Communication process and flow of information.</li> <li>• Main barriers to communication and how these can be overcome.</li> </ul>  |
| 4. | <ul style="list-style-type: none"> <li>• The marketing concept and the importance of marketing within the business environment.</li> <li>• The principles of marketing and marketing management.</li> <li>• Market segmentation – the methods and advantages.</li> <li>• The marketing mix.</li> <li>• Concept of the product life cycle.</li> </ul>   |
| 5. | <ul style="list-style-type: none"> <li>• Structure and behaviour of imperfectly competitive firms including monopolies.</li> <li>• Internal and external economies of scale.</li> <li>• Effect of variations in supply and unit cost on revenue and profit/supply and demand.</li> <li>• How exchange rates are determined by the interaction of supply and demand.</li> <li>• The importance of price elasticity of demand in relation to pricing strategies.</li> <li>• Key features of competition policy and Government intervention.</li> </ul>   |

|    |   |
|----|---|
| 6. | <ul style="list-style-type: none"> <li>• The macro-economic influences on the organisation.</li> <li>• The business cycle and how fluctuations can impact upon organisations.</li> <li>• Aims of government economic policy and how these can sometimes be in conflict.</li> <li>• How inflation is measured and its impact upon organisations.</li> <li>• The principles of monetary policy.</li> <li>• Basic principles of fiscal policy.</li> <li>• The government's supply side policies relating to labour and capital markets.</li> <li>• How changes in economic measures affect markets and organisations.</li> </ul> |
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**Assessment** - Assessment will be by a one-hour online examination involving 60 multiple choice questions.

## Advanced Business Communications and Personal Skills

32 Guided Learning Hours 104 Total Qualification Time

### Aim

The unit develops the advanced business communications and personal skills required for advanced credit controller, debt collection specialist and enforcement work.

### Syllabus topics

1. **Development of customer relationships** (22%)
  - Meaning of excellent customer service.
  - Internal and external stakeholders.
2. **Range of communication and negotiation skills** (22%)
  - Effective negotiation with customers/colleagues at all levels.
  - Sensitive negotiations.
  - Effective communication skills using a range of media.
3. **Working relationships** (14%)
  - Build and maintenance of good working relationships.
  - Effective working with other business areas.
4. **Meeting commitments/targets and improvement to working practices** (21%)
  - Organisation of work.
  - Improvement to working practices.
  - Ownership of specific changes through to implementation.
5. **Reflective practice** (21%)
  - Evaluation of communication and personal skills performance.
  - Assessment of changes in approach and outcome.
  - Action planning to improve performance.

### Assessment

Assignment.

## Advanced Business Communications and Personal Skills

32 Guided Learning Hours 104 Total Qualification Time

### Unit aim

To develop the advanced business communications and personal skills required for advanced credit controller, debt collection specialist and enforcement work.

| Learning outcomes<br>The learner will: |  | Assessment criteria<br>The learner can: |  |
|--|--|---|--|
| 1                                      | Know how to develop positive and sustained relationships while dealing with a difficult topic.                                 | 1.1                                     | Explain the meaning of excellent customer service for their area of work with reference to internal and external stakeholders.   |
|  |  | 1.2                                     | Explain questioning techniques used to fully understand a customer's situation, specialist needs or requirements and develop acceptable solutions.   |
|  |  | 1.3                                     | Use examples of internal or external stakeholders in own practice to explain how to identify, defuse and resolve difficult and sensitive situations in a way which maintains positive relationships. |
| 2                                      | Know a range of communication and negotiation skills which are in line with legal, regulatory and organisational requirements. | 2.1                                     | Use examples from own practice to explain how to negotiate effectively with customers/colleagues at all levels.  |
|  |  | 2.2                                     | Use examples from own practice to negotiate sensitively in difficult situations.   |
|  |  | 2.3                                     | Use examples from own practice to explain effective communication skills using a range of media.   |
| 3                                      | Be able to build and maintain good working relationships within teams and with other business areas to achieve results.        | 3.1                                     | Use examples from own practice to explain how to build and maintain good working relationships within teams to achieve results.  |
|  |  | 3.2                                     | Use examples from own practice to explain how to work effectively with other business areas to achieve results.  |
| 4                                      | Be able to use effective personal skills to meet commitments/targets and find time to improve working practices.               | 4.1                                     | Explain how they have organised work to meet commitments / targets, including finding time to improve working practices.   |
|  |  | 4.2                                     | Explain how they have supported the identification of improvements to working practices.   |
|  |  | 4.3                                     | Explain how they have taken ownership of specific changes through to implementation.   |

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| 5 | Be able to reflect on business communications and personal skills over a period of time. | 5.1 | Evaluate their overall business communications and personal skills performance over at least three months. |
|   |  | 5.2 | Assess how approaches and outcomes have evolved based on this experience.                                  |
|   |  | 5.3 | Develop an action plan to improve business communications and personal skills.                             |

## Assessment Assignment

### Indicative content

|     |   |
|-----|---|
| 1.1 | <ul style="list-style-type: none"> <li>• Range of internal and external stakeholders e.g., consumer, sole trader, employee of business, team members, cross departmental colleagues, external organisations.</li> <li>• Meaning of excellent customer service of their area of work (organisational values, Corporate Social Responsibility statement, adherence to customer focused benchmark e.g., Customer Service Excellence)</li> <li>• Identification and implementation of customer needs.</li> </ul>  |
| 1.2 | <ul style="list-style-type: none"> <li>• Questioning techniques, for example: <ul style="list-style-type: none"> <li>– Funnelling</li> <li>– Probing</li> <li>– Open / Closed questioning</li> <li>– Salami technique</li> </ul> </li> <li>• Application of forbearance and due consideration</li> <li>• How to develop acceptable solutions, e.g.: <ul style="list-style-type: none"> <li>– Flexibility within parameters</li> <li>– BATNA (best alternative to a negotiated agreement)</li> <li>– Referral processes</li> </ul> </li> </ul>   |
| 1.3 | <ul style="list-style-type: none"> <li>• Appropriate techniques for identifying, defusing and resolving difficult and sensitive/vulnerable situations professionally, e.g., relationship breakdowns, fraud, disputes, mental health problems, insolvencies <ul style="list-style-type: none"> <li>– Active listening</li> <li>– Mirroring</li> <li>– Empathy</li> <li>– Vulnerability techniques e.g. <ul style="list-style-type: none"> <li>▪ TEXAS</li> <li>▪ BLAKE</li> <li>▪ IDEA following TEXAS</li> <li>▪ SPIDER</li> <li>▪ BRUCE.</li> </ul> </li> </ul> </li> <li>• How to maintain positive relationships with customers <ul style="list-style-type: none"> <li>– Compromise</li> <li>– Treating the customer not the problem</li> <li>– Ownership of issues</li> </ul> </li> </ul> |

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| 2.1 | <p>How to communicate effectively with customers/colleagues at all levels.</p> <ul style="list-style-type: none"> <li>• Two ways medium.</li> <li>• Communication styles.</li> <li>• Communication channels.</li> <li>• Clarity and speed.</li> <li>• Noise.</li> <li>• Adherence to legal requirements, e.g., GDPR, anti-harassment legislation, AML anti money laundering and fraud prevention, Consumer Credit Act, Consumer Rights Act.</li> <li>• Adherence to regulatory requirements e.g., FCA handbook, Consumer Duty, codes of practice, professional standards, sector bodies, industry benchmarks, CICM vulnerability framework.</li> </ul>   |
| 2.2 | <p>How to follow up a customer and re-negotiate sensitively in difficult situations, e.g., default on repayment; request for credit refused; solution to query rejected.</p> <ul style="list-style-type: none"> <li>• Preparing the listener for bad news.</li> <li>• Leaving room for reaction and venting.</li> <li>• Having BATNA and alternatives.</li> <li>• Win – win.</li> <li>• Adherence to legal requirements, e.g., GDPR, anti-harassment legislation, AML anti money laundering and fraud prevention, Consumer Credit Act, Consumer Rights Act.</li> <li>• Adherence to regulatory requirements e.g., FCA handbook, Consumer Duty, codes of practice, professional standards, sector bodies, industry benchmarks, CICM vulnerability framework.</li> </ul> |
| 2.3 | <ul style="list-style-type: none"> <li>• Effective communication using a range of media, e.g., phone, email, SMS, letter and face-to-face.</li> <li>• Appropriate language, e.g., avoidance of jargon.</li> <li>• Adherence to legal requirements, e.g., GDPR, anti-harassment legislation, AML anti money laundering and fraud prevention, Consumer Credit Act, Consumer Rights Act.</li> <li>• Adherence to regulatory requirements e.g., FCA handbook, Consumer Duty, codes of practice, professional standards, sector bodies, industry benchmarks, CICM vulnerability framework.</li> </ul>   |
| 3.1 | <p>How to build and maintain good working relationships within teams to achieve results.</p> <ul style="list-style-type: none"> <li>• Team mission.</li> <li>• Performance targets.</li> <li>• Buddy up systems.</li> <li>• Incentives.</li> <li>• Golden rule.</li> </ul>   |
| 3.2 | <p>How to work with other business areas, e.g., sales and compliance/quality team to achieve results.</p> <ul style="list-style-type: none"> <li>• Education.</li> <li>• Co-operation.</li> <li>• Communication.</li> </ul>  |

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| 4.1 | <p>Effective time management techniques, e.g.</p> <ul style="list-style-type: none"> <li>• Covey's four quadrant matrix.</li> <li>• Task blocking with cut offs.</li> <li>• Time outs and distraction limits.</li> <li>• Maximising quick wins.</li> <li>• Awareness of own peaks and troughs.</li> </ul>                                       |
| 4.2 | <p>How to identify opportunities to improve work practices.</p> <ul style="list-style-type: none"> <li>• Process improvement programme e.g., Six Sigma or similar.</li> <li>• Flagging ideas – route to referral.</li> <li>• Continual Professional Development.</li> </ul>   |
| 4.3 | <ul style="list-style-type: none"> <li>• How to take ownership of specific changes e.g., personal changes, changes affecting team, changes affecting organisation.</li> <li>• Taking through to implementation, e.g., personal application, referral to line manager, inclusion on project team, heading up change.</li> </ul>                  |
| 5.1 | <p>Reflective consideration of personal skills and abilities in collections work; keeping up to date with relevant changes to approach; supporting others in their development through mentoring/coaching.</p>  |
| 5.2 | <ul style="list-style-type: none"> <li>• Performance results based on business communications and personal skills, e.g customer care, communication (written and oral), time management, team-working)</li> <li>• Improved skills and abilities.</li> <li>• Change in approach, attitude, confidence.</li> <li>• Reasons for change.</li> </ul> |
| 5.3 | <p>Reflective consideration of gaps in business communications and personal skills; seeking feedback and acting on it to improve performance; building capability through ownership of own development; identifying opportunities to improve work practices using SMART goals.</p>  |

### **Assessment - Assignment**

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.



## Advanced Collections

32 Guided Learning Hours 104 Total Qualification Time

### Aim

The unit develops the advanced collection knowledge and skills required for advanced credit controller and debt collection specialist work.

### Syllabus topics

1. **Organisation of collections work** (22%)
  - Organisation's collections strategy.
  - Group, prioritization and monitor of collections work.
  - Collections cycle.
2. **Collection skills and tools** (22%)
  - Different methods of contact.
  - Range of effective communication skills.
  - Collection tools.
3. **Working relationships** (14%)
  - Challenges of managing internal and external relationships.
  - Achievement of positive outcomes for a range of stakeholders.
4. **Collections work** (21%)
  - Handling of collections work including complex customer requirements.
  - Handling customers with disputes or complaints.
  - Handling challenging customer behaviour.
5. **Reflective practice** (21%)
  - Evaluation of collections performance.
  - Assessment of changes in approach and outcome.
  - Action planning to improve performance.

### Assessment

Assignment.

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.

## Advanced Collections

32 Guided Learning Hours 104 Total Qualification Time

### Aim

To develop the advanced collections knowledge and skills required for advanced credit controllers and debt collection specialist work.

| Learning outcomes<br>The learner will: |   | Assessment criteria<br>The learner can: |  |
|--|---|---|--|
| 1                                      | Know how to organise and manage collections work in line with legal, regulatory and organisational requirements.  | 1.1                                     | Explain your organisation's collections strategy in line with legal, regulatory and organisational requirements.                   |
|  |   | 1.2                                     | Explain how to group, prioritise and monitor collections work to meet a range of targets.  |
|  |   | 1.3                                     | Explain how to adjust the management of collections activity at different stages of the collections cycle.                         |
| 2                                      | Understand the range of skills and tools necessary to achieve successful collections for their area of work in line with legal, regulatory and organisational requirements. | 2.1                                     | Explain different methods of contact and when each is effective in the collection of debt.   |
|  |   | 2.2                                     | Explain a range of communication skills and how they can be effective in negotiating repayment.                                    |
|  |   | 2.3                                     | Explain the collections tools they use to maximise collections without damaging customer goodwill.                                 |
| 3                                      | Know how to manage relationships during collections.  | 3.1                                     | Explain the challenges of managing internal and external relationships during collections activity.                                |
|  |   | 3.2                                     | Explain how to achieve positive outcomes for a range of stakeholders during collections activity.                                  |
| 4                                      | Be able to carry out collections work for range of customers in line with legal, regulatory and industry frameworks.  | 4.1                                     | Evidence how they have handled collections work over a period of at least 3 months, including customers with complex requirements. |
|  |   | 4.2                                     | Exemplify their ability to handle customers with disputes or complaints.   |
|  |   | 4.3                                     | Exemplify their ability to handle challenging behaviour.   |

|   |   |     |  |
|---|---|-----|--|
| 5 | Be able to reflect on collections work they have carried out over a period of time. | 5.1 | Evaluate their overall collections performance over a period of at least 3 months. |
|   |   | 5.2 | Assess how approaches and outcomes have evolved based on this experience.          |
|   |   | 5.3 | Develop an action plan to improve personal collections skills.                     |

## Assessment Assignment

### Indicative content

|     |   |
|-----|---|
| 1.1 | <ul style="list-style-type: none"> <li>• Pre and post default collection strategies.</li> <li>• Consideration of different approaches to collections, e.g., using risk categorisation / collection segmentation.</li> <li>• Adherence to legal requirements, e.g., GDPR, anti-harassment legislation, AML anti money laundering and fraud prevention, Consumer Credit Act, Consumer Rights Act, Late Payment of Commercial Debts (Interest) Act.</li> <li>• Adherence to regulatory requirements e.g., FCA handbook, codes of practice, professional standards, sector bodies, industry benchmarks, CICM vulnerability framework.</li> <li>• Alignment to organisational risk strategy – incorporating risk appetite / risk-reward ratio, commercial context and cashflow, departmental policies and procedures.</li> <li>• Balancing Return on Investment (ROI) against customer satisfaction/retention.</li> </ul>            |
| 1.2 | <p><b>Group</b> – identify, act on, manage with flexibility:</p> <ul style="list-style-type: none"> <li>• ‘will pays – but don’t’</li> <li>• ‘won’t pays – but could’</li> <li>• ‘can’t pays – but wish to’</li> <li>• Deceased</li> <li>• Vulnerable</li> </ul> <p><b>Prioritise</b> –<br/>Pareto analysis; aligning to KPIs and target groups</p> <p><b>Monitor</b> – relevant performance checks by, for example:<br/>internal audits, spot checks, buddy systems, call monitoring, speech analytics, huddles, one-on-ones, peer feedback, self-evaluation, staff questionnaires, service audits, customer feedback surveys, mystery shoppers, social media commentary.</p> <p><b>Relevant targets</b>, e.g.</p> <ul style="list-style-type: none"> <li>• Collections targets.</li> <li>• Handling vulnerability.</li> <li>• Staff performance.</li> <li>• Compliance.</li> <li>• Quality of customer engagement.</li> </ul> |

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| 1.3 | <p>Stages:</p> <ul style="list-style-type: none"> <li>• Proactive collection.</li> <li>• Early delinquency.</li> <li>• Default.</li> <li>• Protracted default.</li> <li>• Recoveries (covered in 'Debt Recovery' unit)</li> <li>• Defined process with fixed start and end.</li> <li>• Flexibility within process.</li> <li>• Recommendations outside of standard process.</li> </ul>  |
| 2.1 | <p>Advantages and disadvantages of:</p> <ul style="list-style-type: none"> <li>• Written communications (letter, SMS, email)</li> <li>• Telephone calls.</li> <li>• Home visits.</li> <li>• Outsource contact (e.g., after transfer to a collection agency, sale of debt or court action)</li> </ul>   |
| 2.2 | <p><b>Relevant communication skills</b> e.g., empathy, active listening (e.g., for triggers), clarity, flexibility, questioning, positive and appropriate language, vocal adjustment; building rapport; avoiding jargon.</p> <p><b>Conversation frameworks:</b> TEXAS, IDEA, BLAKE, SPIDER, BRUCE</p> <p><b>Relevant negotiation skills</b> e.g.</p> <ul style="list-style-type: none"> <li>• Win – win for mutually acceptable outcome.</li> <li>• Best Alternative to a Negotiated Agreement (BATNA)</li> <li>• Mirroring.</li> <li>• Funnel technique.</li> <li>• Push – Pull theory.</li> <li>• Benefits versus consequences.</li> </ul>   |
| 2.3 | <p><b>Relevant positive tools</b> e.g.</p> <ul style="list-style-type: none"> <li>• Budgeting advice specialists.</li> <li>• Standard Financial Statement / budget calculator / income and expenditure form.</li> <li>• More affordable tariffs.</li> <li>• Simplified bills with 'help' section.</li> <li>• Smart metering (e.g., in the utilities sector)</li> <li>• Pre-payment metering to avoid spiralling indebtedness.</li> <li>• Affordable payment methods such as direct debit or payment card.</li> <li>• Support schemes.</li> <li>• Social responsibility funds.</li> </ul> <p><b>Relevant consequence tools</b> e.g.</p> <ul style="list-style-type: none"> <li>• Suspension of service.</li> <li>• Default notice/Letter before Action.</li> <li>• Transfer to a collection agency.</li> <li>• Commencement of legal action.</li> <li>• Damage to credit record.</li> </ul> |
| 3.1 | <p><b>Internal relationships</b> e.g.</p> <ul style="list-style-type: none"> <li>• Sales/Marketing.</li> <li>• Credit risk / new business.</li> <li>• Accounts Payable / treasury.</li> <li>• Financial Director.</li> <li>• Customer services.</li> </ul>   |

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|     | <ul style="list-style-type: none"> <li>• Benefit delivery.</li> <li>• Social fund.</li> </ul> <p><b>External relationships</b> e.g.</p> <ul style="list-style-type: none"> <li>• Third party debt collection agencies.</li> <li>• Debt purchasers.</li> <li>• Debt management services.</li> <li>• Credit bureaux / credit reference agencies.</li> <li>• Consumer support groups / debt advice organisations.</li> <li>• Third party debt management services.</li> <li>• Credit insurers.</li> <li>• Credit / Trade circles.</li> <li>• Other competitors and creditors.</li> </ul>   |
| 3.2 | <ul style="list-style-type: none"> <li>• Customer relationship management – maintaining strong, positive and sustained relationships.</li> <li>• Service Level Agreements and contractual clarity.</li> <li>• Policy and procedures.</li> <li>• Communication.</li> <li>• Reporting.</li> </ul>   |
| 4.1 | <ul style="list-style-type: none"> <li>• Case evidence of activity.</li> <li>• Explanation of approach.</li> <li>• Assessment of outcomes.</li> </ul> <p>Examples of customers with complexity e.g.</p> <ul style="list-style-type: none"> <li>• Customers in vulnerable circumstances (physical incapacity, mental health, age, carer obligations).</li> <li>• Financially vulnerable (over-extended; cases of multiple debt).</li> <li>• Suicidal customers.</li> <li>• Deceased customers and their next of kin.</li> <li>• Customers requiring education in money management.</li> <li>• Business customers across multiple sites.</li> </ul> |
| 4.2 | <ul style="list-style-type: none"> <li>• Genuine disputes and query resolution.</li> <li>• Complaints and excuses used to evade payment.</li> <li>• How to identify, defuse and resolve or refer.</li> </ul>  |
| 4.3 | <ul style="list-style-type: none"> <li>• Threats from argumentative and abusive callers.</li> <li>• Customers evading collection activity and conversation.</li> </ul>  |
| 5.1 | Reflective consideration of personal skills and abilities in collections work; keeping up to date with relevant changes to approach; supporting others in their development through mentoring/coaching.   |
| 5.2 | <ul style="list-style-type: none"> <li>• Performance results based on financial and qualitative targets (e.g., sustainable repayment and customer retention)</li> <li>• Improved skills and abilities.</li> <li>• Change in approach, attitude, confidence.</li> <li>• Reasons for change.</li> </ul>   |
| 5.3 | Reflective consideration of gaps in personal skills and abilities in collections work; seeking feedback and acting on it to improve performance; building capability through ownership of own development; identifying opportunities to improve work practices using SMART goals.   |

## Advanced Enforcement

32 Guided Learning Hours 104 Total Qualification Time

### Aim

The unit develops and assesses the advanced knowledge, skills and behaviours of senior enforcement agents.

### Syllabus topics

1. **Roles and responsibilities** (22%)
  - Powers of enforcement agents.
  - Obligations of enforcement agents.
  - Risks associated with enforcement.
2. **Taking Control of Goods** (22%)
  - Impact of legal, regulatory and industry frameworks on enforcement.
  - Prescribed forms for each stage of the Taking Control of Goods procedure.
  - Key risks of non-compliance associated with form completion.
  - Relative methods of four ways of Taking Control of Goods.
3. **Customer relationship management** (14%)
  - Challenges of managing internal and external relationships.
  - Positive outcomes for a range of stakeholders.
4. **Advanced enforcement work** (21%)
  - Handling enforcement work including customers with complex requirements.
  - Handling customers with disputes or complaints.
  - Handling challenging customer behaviour.
5. **Reflective practice** (21%)
  - Evaluation of skills and practice.
  - Assessment of changes in approach and outcome.
  - Action planning to improve performance.

### Assessment

One written assignment which requires work-based evidence.

## Advanced Enforcement

32 Guided Learning Hours 104 Total Qualification Time

### Aim

The unit aims to develop and assess the advanced knowledge, skills and behaviours of senior enforcement agents.

| Learning outcomes<br>The learner will: |   | Assessment criteria<br>The learner can: |   |
|--|---|---|---|
| 1                                      | Know the role and responsibilities of enforcement agents.                                     | 1.1                                     | Explain the powers of enforcement agents and where they derive.   |
|  |   | 1.2                                     | Explain the obligations of enforcement agents.  |
|  |   | 1.3                                     | Explain the main risks associated with enforcement.   |
| 2                                      | Know the practice of Taking Control of Goods procedure.                                       | 2.1                                     | Explain the impact of legal, regulatory and industry frameworks on enforcement.                                     |
|  |   | 2.2                                     | Identify the prescribed forms required at each stage of the Taking Control of Goods procedure.                      |
|  |   | 2.3                                     | Explain key risks of non-compliance associated with form completion.  |
|  |   | 2.4                                     | Assess the relative merits of the four ways of Taking Control of Goods.   |
| 3                                      | Know how to deliver customer care during enforcement work.                                    | 3.1                                     | Exemplify their ability to deliver customer care during enforcement work.   |
|  |   | 3.2                                     | Exemplify techniques used to identify and communicate with customers in vulnerable circumstances.                   |
|  |   | 3.3                                     | Explain a range of arrangements to support customers in vulnerable circumstances.                                   |
|  |   | 3.4                                     | Exemplify their ability to use a range of effective negotiation and influencing techniques during enforcement work. |
|  |   | 3.5                                     | Exemplify their ability to handle verbal abuse and aggressive behaviour.  |
| 4                                      | Be able to carry out enforcement work in line with legal, regulatory and industry frameworks. | 4.1                                     | Exemplify their ability to carry out enforcement work, including complex and/or difficult cases.                    |
|  |   | 4.2                                     | Exemplify their ability to handle disputes or complaints.   |
| 5                                      | Be able to reflect on enforcement work they have carried out over a period of time.           | 5.1                                     | Evaluate their overall enforcement performance over the last three months.  |
|  |   | 5.2                                     | Assess how approaches have evolved based on this experience.  |
|  |   | 5.3                                     | Develop an action plan to improve personal enforcement skills.  |

**Assessment** One written assignment which requires work-based evidence. Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.

## Indicative content

|     |  |
|-----|--|
| 1.1 | <ul style="list-style-type: none"> <li>• Key developments of enforcement profession.</li> <li>• Importance of enforcement sector.</li> <li>• Structure of enforcement sector.</li> <li>• Powers of enforcement agent and where they derive, including: <ul style="list-style-type: none"> <li>• Processes leading to the enforcement of areas subject to the Taking Control of Goods procedure for relevant debt streams, e.g. <ul style="list-style-type: none"> <li>– High Court Writ of Control</li> <li>– County Court Warrant of Control</li> <li>– Council Tax</li> <li>– Non-Domestic Rates</li> <li>– Parking Fine</li> <li>– Commercial Rent Arrears</li> <li>– Magistrates Fine</li> </ul> </li> </ul> </li> <li>• Rights and powers of entry in a range of circumstances.</li> <li>• Role of police.</li> <li>• Obligations of the debtor during the taking control of goods procedure.</li> <li>• Fee structure and importance of correct payment handling.</li> </ul> |
| 1.2 | <p>Obligations of enforcement agents, where relevant, including:</p> <ul style="list-style-type: none"> <li>• Training and certification process - Form EAC1</li> <li>• Taking Control of Goods: National Standards 2014</li> <li>• Information and confidentiality.</li> <li>• Following correct procedures, including identification, documentation supplied and form completion.</li> <li>• When and where taking control of goods can be conducted.</li> <li>• Restrictions where a child or vulnerable person is involved.</li> <li>• Avoidance of action likely to result in a breach of the peace.</li> <li>• Handling of relevant goods found on a highway, e.g., hazardous materials or livestock.</li> <li>• Duty of care when removing and selling controlled goods, e.g., getting the best price and managing any claims appropriately.</li> </ul>   |
| 1.3 | <p>Main risks associated with enforcement, for example:</p> <ul style="list-style-type: none"> <li>• Correct inputting of data.</li> <li>• Expiry dates of notice of enforcement.</li> <li>• Attendance at correct address.</li> <li>• Health and Safety/Risk Assessments.</li> <li>• Identification of a child or vulnerable person.</li> <li>• Following process in Tribunals, Courts and Enforcement Act for each specific debt type.</li> <li>• Correct charging of fees.</li> </ul>   |
| 2.1 | <p><b>Impact of legal, regulatory and industry frameworks on enforcement</b></p> <p><b>Legal and regulatory frameworks relevant to enforcement agents, including</b></p> <ul style="list-style-type: none"> <li>• Powers and obligations conferred by the Tribunals, Courts and Enforcement Act 2007 and associated regulations, including Commercial Rent Arrears Recoveries (CRAR).</li> <li>• Relevant aspects of Human Rights legislation.</li> <li>• Data protection obligations, General Data Protection Regulations GDPR.</li> <li>• <b>Other relevant legal frameworks</b>, e.g., Insolvency rules and Civil Procedure</li> </ul>  |



|     |   |
|-----|---|
|     | <p>Rules 1998 Parts 55, 70, 83, 84, &amp; 85</p> <ul style="list-style-type: none"> <li>• <b>Other relevant regulatory frameworks</b>, e.g., Treating Customers Fairly and Financial Conduct Authority rules</li> </ul> <p><b>Industry frameworks</b></p> <ul style="list-style-type: none"> <li>• Enforcement Agents National Standards</li> <li>• Other relevant industry frameworks, e.g. <ul style="list-style-type: none"> <li>– CICM Vulnerability Framework</li> <li>– HCEOA Best Practice &amp; Best Practice on Fees</li> <li>– CIVEA Code of Conduct &amp; Good Practice Guide</li> <li>– CEAA Purpose &amp; Mission Statements</li> </ul> </li> </ul> <p><b>Impact of legal, regulatory and industry frameworks on enforcement:</b></p> <ul style="list-style-type: none"> <li>• Implications of non-compliance.</li> <li>• Increased expectations to identify fraudulent activity, whistle-blowing</li> <li>• Changed client expectations about how enforcement work is carried out with increased focus on: <ul style="list-style-type: none"> <li>– customer care and increased monitoring of customer experience</li> <li>– debt prevention – responsible lending, involvement in identifying early warning signals for client, building awareness of affordability schemes, smart meters, making bills more affordable, energy efficiency schemes.</li> </ul> </li> <li>• Clients and enforcement organisations differentiating on the quality customer care, including: <ul style="list-style-type: none"> <li>– Service Level Agreements (SLAs)/targets for completion of key activities</li> <li>– Focus on individual customer circumstances, positive outcomes for all customers, tailored customer solutions, identification and support for people in vulnerable circumstances.</li> </ul> </li> </ul> |
| 2.2 | <p>Prescribed forms as listed in Taking Control of Goods Practice Direction 84: CPR Part 84PD.3—2.1 Rule 84.18</p> <ul style="list-style-type: none"> <li>• Notice of Enforcement (Reg 7)</li> <li>• Controlled Goods Agreement (Reg 15)</li> <li>• Warning of Immobilisation (Reg 16(3))</li> <li>• The Inventory</li> </ul> <p><b>Removal and Sale of Goods forms:</b></p> <ul style="list-style-type: none"> <li>• Notice of Intention</li> <li>• Notice of Sale</li> <li>• Notice that goods have been removed for storage or sale</li> <li>• Itemised statement of goods sold and details of sale proceeds</li> </ul>  |
| 2.3 | <ul style="list-style-type: none"> <li>• Key risks of non-compliance associated with form completion, e.g., incorrect form used, illegibility, missing, inaccurate or incomplete information.</li> <li>• Process invalidated if non-compliant.</li> </ul>   |
| 2.4 | <p>Relative merits of the four ways of Taking Control of Goods:</p> <ul style="list-style-type: none"> <li>• Secure goods on premises where found.</li> <li>• Secure on highway where found or within a reasonable distance.</li> <li>• Remove and secure elsewhere.</li> <li>• Enter into a controlled goods agreement with debtor.</li> </ul>   |
| 3.1 | <p>Customer care during enforcement work towards clients, debtor or any other third party, including:</p> <ul style="list-style-type: none"> <li>• For client: clear case reports, prompt and regular payment of funds, access to information by web or telephone.</li> <li>• For debtor: clear guidance, answers to queries, clearly completed form</li> </ul>   |

|     |   |
|-----|---|
|     | <p>and notices.</p> <ul style="list-style-type: none"> <li>• Following National Standards regarding professionalism and conduct.</li> <li>• Written complaints procedure.</li> <li>• Confidentiality.</li> <li>• Time and hours of attendance.</li> <li>• Care of people who might be vulnerable, including children.</li> </ul>  |
| 3.2 | Negotiation and influencing techniques, including assertiveness, win: win.  |
| 3.3 | <p>Identification and communication with customers in vulnerable circumstances, including</p> <ul style="list-style-type: none"> <li>• Triggers – behaviours and what is said during enforcement or call with a judgment debtor to indicate potential vulnerability.</li> <li>• Use of conversation tools: TEXAS, BLAKE, IDEA, SPIDER, BRUCE.</li> <li>• Actions to take in situations where vulnerable people are involved.</li> </ul>   |
| 3.4 | <p>Arrangements to support customers in vulnerable circumstances, including</p> <ul style="list-style-type: none"> <li>• Any safeguarding policies.</li> <li>• Support options, departments/external agencies providing debt advice.</li> <li>• Self-disclosure about needs.</li> <li>• Consent arrangements.</li> <li>• Protocols for handling enquiries from third parties.</li> <li>• Appropriate communication methods.</li> </ul>  |
| 3.5 | <p>How to handle verbal abuse or aggressive behaviour, including</p> <ul style="list-style-type: none"> <li>• How to recognise and assess conflict situations, duty of care of employer and employee, risk assessment.</li> <li>• How to handle verbal abuse and aggressive behavior, including triggers; body language; attitudes and behaviours; communication; avoiding conflict; understanding signs of aggression.</li> <li>• How to defuse and resolve conflict situations.</li> <li>• How to reduce risks associated with potential conflict situations, including exit strategies.</li> </ul> |
| 4.1 | Handling complex and difficult cases, e.g., ownership and/or exemption disputes, including time management; case reports, guidance to debtor and accurate form completion.  |
| 4.2 | <ul style="list-style-type: none"> <li>• Enforcement agent's obligations for dealing with real and potential complaints.</li> <li>• Complaint handling – where complaints can be escalated.</li> <li>• Report writing.</li> </ul>   |
| 5.1 | Reflective consideration of personal skills and abilities in collections work; keeping up to date with relevant changes to approach; supporting others in their development through mentoring/coaching.   |
| 5.2 | <ul style="list-style-type: none"> <li>• Performance results based on financial and qualitative targets, e.g., prompt and regular payments of funds received, prescribed form accuracy, clear case reports, identification and correct handling of cases involving vulnerable customers.</li> <li>• Improved skills and abilities.</li> <li>• Change in approach, attitude, confidence.</li> <li>• Reasons for change.</li> </ul>   |
| 5.3 | Reflective consideration of gaps in personal skills and abilities in enforcement work; seeking feedback and acting on it to improve performance; building capability through ownership of own development; identifying opportunities to improve work practices using SMART goals.   |

# Credit Risk Management

32 Guided Learning Hours 104 Total Qualification Time

## Aim

To develop the credit risk management knowledge and skills of advanced credit controller and debt collection specialists.

## Syllabus topics

1. **Credit risks of an organisation** (8%)
  - Factors that affect credit risk.
2. **Organisational management of credit risk** (25%)
  - Legal and regulatory requirements to reduce credit risk.
  - Organisational policies and procedures framework.
  - Tools and systems available.
3. **Stakeholder contribution to credit risk process** (17%)
  - Role of internal and external stakeholders.
  - Different stakeholder requirements.
4. **Credit risk assessment work** (25%)
  - Assessment of credit risk.
  - Justification of credit decisions or recommendations.
  - Handling customer complaints or disputes.
5. **Reflective practice** (25%)
  - Evaluation of credit risk performance.
  - Assessment of changes in approach and outcome.
  - Action planning to improve performance.

## Assessment

One written assignment.

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.

## Credit Risk Management

32 Guided Learning Hours    104 Total Qualification Time

### Aim

To develop the credit risk management knowledge and skills of advanced credit controller and debt collection specialists.

| Learning outcomes<br>The learner will: |  | Assessment criteria<br>The learner can: |  |
|--|--|---|--|
| 1                                      | Understand the credit risks of an organisation.  | 1.1                                     | Explain the factors that affect the credit risk of an organisation.                                  |
| 2                                      | Know how an organisation can manage credit risk.   | 2.1                                     | Explain the legal and regulatory requirements in place to reduce credit risk for their area of work. |
|  |  | 2.2                                     | Explain how organisational policies and procedures provide a framework for managing credit risk.     |
|  |  | 2.3                                     | Explain the tools and systems available to assist credit risk management.                            |
| 3                                      | Understand the contribution of a range of stakeholders to the credit risk process.                       | 3.1                                     | Explain the role of internal and external stakeholders used in credit risk assessment work.          |
|  |  | 3.2                                     | Explain how they balance different stakeholder requirements in their credit risk work.               |
| 4                                      | Be able to carry out credit risk assessment work in line with legal, regulatory and industry frameworks. | 4.1                                     | Assess credit risk using tools, systems and relevant stakeholders.                                   |
|  |  | 4.2                                     | Evidence their ability to make justified credit decisions or recommendations.                        |
|  |  | 4.3                                     | Deal with complaints regarding credit decisions, using referral or resolution.                       |
| 5                                      | Be able to reflect on credit risk work they have carried out over a period of time.                      | 5.1                                     | Evaluate their overall credit risk performance over the last three months.                           |
|  |  | 5.2                                     | Assess how approaches, working practices and outcomes have evolved based on this experience.         |
|  |  | 5.3                                     | Develop an action plan to improve their personal skills in the area of credit risk.                  |

### Assessment Assignment

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.

## Indicative content

|     |   |
|-----|---|
| 1.1 | <p>External business environment, including economic change and financial risk.</p> <p>The end-to-end customer journey and processes to resolve credit management and debt collection issues</p> <p>Overall customer portfolio, including propensity to default / bad debt risk ratio.</p> <p>Individual customer risk, including over-indebtedness, slow payment, bad debt and abscondment.</p> <p>Risk of fraud including cyber security and money laundering.</p> <p>Repercussions of non-compliance toward legal and regulatory obligations.</p>  |
| 2.1 | <p>Applicable legislation and regulation, e.g.</p> <ul style="list-style-type: none"> <li>• GDPR /data protection including profiling</li> <li>• Consumer Credit Act.</li> <li>• Anti-harassment laws.</li> <li>• Credit card regulation (e.g., PCI/DSS)</li> <li>• Basel IV.</li> <li>• Financial Conduct Authority including TCF and Consumer Duty.</li> <li>• Sarbanes Oxley.</li> <li>• Sector/regulatory requirements.</li> <li>• Professional standards.</li> <li>• Guidance for the fair treatment of customers and support of those in vulnerable circumstances.</li> <li>• External credit risk audits.</li> </ul>   |
| 2.2 | <p>Organisational requirements, policies and procedures which provide the framework for assessing credit risk, e.g.,</p> <ul style="list-style-type: none"> <li>• Organisational risk strategy.</li> <li>• Organisational 'values'</li> <li>• Professional and organisational standards.</li> <li>• Credit policy.</li> <li>• Risk policy.</li> <li>• Vulnerability frameworks.</li> <li>• Compliance framework.</li> <li>• Scorecard metrics, including behavioural scoring and cohort analysis.</li> <li>• Internal credit risk audits.</li> <li>• Departmental procedures for managing credit risk including segregation of duties and referral process.</li> </ul>  |
| 2.3 | <p>The systems, tools and practices for identifying and assessing credit including specialist digital tools and searches, such as digital technology and data analytics, and their secure and ethical use.</p> <p><b>Systems</b> to identify and assess risk, e.g., order control systems; automated allocation and reconciliation; interface with third party systems (e.g., credit bureau); credit reference agency use of big data (public / private / derived data); robotic automation.</p> <p><b>Tools</b> to identify and assess risk, e.g., credit limits; credit risk categories; payment terms; methods of payment; risk-reward ratio; score-card algorithms, programs and cut-off score; judgmental decision making.</p> <p><b>Practices</b> to identify and assess risk, e.g., digital technology, data analytics, risk assessment automation, governance of use including security features and ethical application.</p> |

|     |  |
|-----|--|
| 3.1 | <p>How the credit management / debt recovery / enforcement role interacts with other areas of the business in relation to credit risk, for example:</p> <p><b>Internal stakeholders</b> e.g., Sales and marketing teams; customer relationship/customer service agents; finance department; logistics; objectives of Board; own team including risk analysis, new business, credit admin and control.</p> <p><b>External stakeholders</b> e.g., Credit bureau/credit reference agency; Financial Conduct Authority; customer; guarantor; credit circle; credit organisation; bank; credit insurer.</p>   |
| 3.2 | <p>How to balance different stakeholder requirements when managing credit risk, for example:</p> <p>Applicable stakeholder requirements, for example:</p> <p><b>Financial</b> requirements of organisation – cash flow (gearing), profit, bad debt provisioning, restrictions of insurer, team targets/Key Performance Indicators and reporting.</p> <p><b>Customer</b> focused objectives – customer experience, quality control, codes of practice (e.g., Credit Services Association, guide to credit scoring).</p> <p><b>Sales</b> objectives – marketing drives, target audience, risk/reward balance.</p> <p><b>Logistics</b> – shipping (inco) terms, documentation, and insurance.</p> <p><b>Credit team</b> – risk analyst parameters, new business take up rates and timing, credit control view, Quality Assurance.</p>   |
| 4.1 | <ul style="list-style-type: none"> <li>• Credit risk analysis and assessment of customer application.</li> <li>• justification of use of additional information to aid assessment process.</li> <li>• how to obtain and assess additional financial and non-financial information.</li> <li>• assessment review of existing customers using historical and behavioural data including cohort analysis.</li> <li>• how to monitor customer account trends to identify emerging risks.</li> <li>• how to identify high risk accounts and the strategies that can be applied to resolve high risk account issues.</li> <li>• engagement with stakeholders on accounts, for example to resolve issues, leverage payment, support business growth.</li> <li>• how to use questioning techniques to acquire information from customers to understand the customer's financial situation or specialist needs/requirements and develop acceptable solutions.</li> <li>• adherence to risk assessment protocols, including legal and regulatory requirements, organisational policies and procedures.</li> <li>• how to follow a risk aware, inquiring and future focused ethos.</li> <li>• how to assist with the reporting of credit checks and credit limits.</li> </ul> |
| 4.2 | <ul style="list-style-type: none"> <li>• Examples of accounts that have been assessed for creditworthiness and affordability.</li> <li>• evidence-based decisions on credit and debit cases, based on customer risk analysis.</li> <li>• negotiation of fair outcomes to reach mutually acceptable solutions.</li> <li>• verbal and written communication with own team and other stakeholders, adapting communication style as appropriate.</li> <li>• recommendations and decisions on credit lines, limits, terms and methods, and re-negotiated repayments.</li> <li>• selection of risk categories; decisions, referrals or recommendations made and the reason behind them.</li> <li>• how to use legal, regulatory and organisational in the analysis and decision making process.</li> </ul>   |
| 4.3 | <ul style="list-style-type: none"> <li>• Evidence of how complaint cases are handled.</li> <li>• how to identify, defuse and resolve issues which have multiple strands or involve</li> </ul>  |

|     |  |
|-----|--|
|     | <p>sensitive situations.</p> <ul style="list-style-type: none"> <li>• how internal process of customer complaint resolution, re-negotiation, referral and escalation policies are followed.</li> <li>• selection of credit management or debt collection strategies to resolve complaints concerning credit decisions.</li> <li>• adherence to appropriate external requirements e.g., FCA/credit scoring guidelines and best practice.</li> <li>• GDPR auto-profiling and Subject Access Rights.</li> <li>• how support and influencing techniques are used, for example in identifying and handling vulnerability.</li> <li>• how to take ownership through to resolution.</li> <li>• how to interpret and apply the legal and regulatory framework to resolve issues.</li> <li>• how to monitor complaints trends to identify emerging risks.</li> </ul>  |
| 5.1 | <ul style="list-style-type: none"> <li>• Evidenced assessment of individual targets and results, in relation to credit/debt risk and team performance KPIs.</li> <li>• how management information tools are used to prioritise high risk accounts and plan workload.</li> <li>• ethical and secure use of a range of systems, tools and processes including digital technology and data analytics to deliver services to customers.</li> <li>• how management information ensures compliance with risk and collections policies, regulatory requirements and performance measures.</li> <li>• reflective consideration of personal skills and abilities in assessing and managing credit risk, e.g., taking ownership of specific changes through to implementation.</li> <li>• keeping up to date with relevant changes.</li> <li>• supporting others in their development through mentoring/coaching; resilience and enthusiasm and staying positive when under pressure.</li> </ul> |
| 5.2 | <ul style="list-style-type: none"> <li>• Review of personal and business working practices to identify changes (e.g., in approach, attitude, skills, abilities, confidence and outcomes)</li> <li>• assessment of the reasons for change.</li> <li>• performance results based on financial and qualitative targets, e.g., sustainable repayment and customer retention.</li> <li>• mapped evolution of changes, linked to development of credit risk skills.</li> <li>• use of feedback, consistent decision-making and interpretation of policies, to identify areas for personal and team development.</li> <li>• use of professional standards to improve own working practices and those of others.</li> </ul>  |
| 5.3 | <ul style="list-style-type: none"> <li>• Plan of action in recognised structure.</li> <li>• plan addresses identified gaps in personal skills and abilities in credit risk work.</li> <li>• actions linked to feedback which identifies areas for personal development.</li> <li>• plan constructed with clear measures to reflect ways it will improve performance.</li> <li>• building capability through ownership of own development.</li> <li>• identifying opportunities to improve personal working practices using SMART goals.</li> </ul>   |

## Assessment Assignment

## Debt Recovery Management

32 Guided Learning Hours 104 Total Qualification Time

### Aim

To develop advanced knowledge and skills required for debt recovery management work.

### Syllabus topics

1. **Debt recovery options** (10%)
  - Different options available in the recovery of debt.
2. **Preparation for debt recovery** (20%)
  - Liaison with relevant parties.
  - Debtor case review.
3. **Management of debt recovery procedures** (30%)
  - Monitor progress of debt recovery cases.
  - Maintain customer records in accordance with organisational legal and regulatory requirements.
  - Work with stakeholders.
4. **Debt recovery in line with legal, regulatory and industry frameworks** (20%)
  - Debt recovery case management including customers with complex requirements.
5. **Reflective practice** (20%)
  - Evaluation of oversight of debt recovery options.
  - Assessment of changes in approach and outcome.
  - Action planning to improve personal skills.

### Assessment

One written assignment.

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.



## Debt Recovery Management

32 Guided Learning Hours 104 Total Qualification Time

### Aim

To develop advanced knowledge and skills units required for debt recovery management work.

| Learning outcomes<br>The learner will: |  | Assessment criteria<br>The learner can: |   |
|--|--|---|---|
| 1                                      | Understand the options available in the recovery of debt.  | 1.1                                     | Explain the different options available in the recovery of debt.  |
| 2                                      | Know how to prepare for selected debt recovery actions.  | 2.1                                     | Explain how to liaise with relevant parties before taking any form of debt recovery action.   |
|  |  | 2.2                                     | Explain how to review debtor cases in preparation for selected debt recovery options.   |
| 3                                      | Know how to manage debt recovery procedures.   | 3.1                                     | Explain how to monitor the progress of debt recovery cases in line with organisational, legal and regulatory timescales and requirements. |
|  |  | 3.2                                     | Explain how to maintain customer records in accordance with organisational, legal and regulatory requirements.                            |
|  |  | 3.3                                     | Explain how to work with stakeholders to manage the progress of recovery procedures   |
| 4                                      | Be able to oversee debt recovery work for range of customers in line with legal, regulatory and industry frameworks. | 4.1                                     | Evidence how they have managed debt recovery cases over a financial quarter, including customers with complex requirements.               |
| 5                                      | Be able to reflect on their oversight of debt recovery cases they have carried out over a period of time.            | 5.1                                     | Evaluate their overall oversight of debt recovery options over a period of at least 3 months.   |
|  |  | 5.2                                     | Assess how approaches have evolved based on this experience.  |
|  |  | 5.3                                     | Develop an action plan to improve personal skills in the area of debt recovery management.  |

### Assessment Assignment

## Indicative content

|     |   |
|-----|---|
| 1.1 | <p>Options relevant for area of work, for example:</p> <ul style="list-style-type: none"> <li>• Forbearance and due consideration (FCA)</li> <li>• Direct earnings attachment.</li> <li>• Continued collection activity.</li> <li>• Internal transfer or escalation.</li> <li>• Credit insurance (if applicable)</li> <li>• Write off.</li> <li>• Transfer to external collection agency.</li> <li>• Legal action / insolvency proceedings.</li> </ul>  |
| 2.1 | <ul style="list-style-type: none"> <li>• Maintaining contractual relationships.</li> <li>• Two-way disclosure obligations of parties.</li> <li>• Progress reporting.</li> </ul> <p>Examples of relevant parties:</p> <ul style="list-style-type: none"> <li>• Internal stakeholders: <ul style="list-style-type: none"> <li>– Sales (B2B)</li> <li>– Shipping departments.</li> <li>– Credit control.</li> <li>– Finance for bad debt provision.</li> </ul> </li> <li>• External stakeholders: <ul style="list-style-type: none"> <li>– Money advice organisations (Consumer).</li> <li>– External collection agency / creditor if case transferred.</li> </ul> </li> </ul>   |
| 2.2 | <ul style="list-style-type: none"> <li>• Check up to date records: <ul style="list-style-type: none"> <li>– Documentation.</li> <li>– Chase records.</li> <li>– Payment records.</li> <li>– Customer flags (e.g., vulnerability)</li> <li>– Dispute resolution.</li> </ul> </li> <li>• Issue relevant notices: <ul style="list-style-type: none"> <li>– Final demand (B2B).</li> <li>– Default Notice (consumer).</li> <li>– Letter before Action if considering legal action follow.</li> <li>– Pre Action-Protocols under CPR.</li> <li>– Internal notice of intent.</li> </ul> </li> <li>• Compile evidence in support. <ul style="list-style-type: none"> <li>– Bills / invoices.</li> <li>– Chase history.</li> <li>– Proof of delivery of goods/service.</li> <li>– Proof of action within timelines.</li> </ul> </li> <li>• Review financial viability. <ul style="list-style-type: none"> <li>– Customer solvency /assets (B2B)</li> <li>– Affordability (Consumer)</li> <li>– Other commitments/debts.</li> <li>– Cost effectiveness to business.</li> </ul> </li> <li>• Recovery strategy of organisation.</li> </ul> |
| 3.1 | <ul style="list-style-type: none"> <li>• Debt recovery strategies.</li> <li>• Organisational process.</li> <li>• Treating Customers Fairly (FCA)</li> </ul>   |

|     |   |
|-----|---|
|     | <ul style="list-style-type: none"> <li>• Adherence to timelines (e.g., court rules)</li> <li>• Systems to progress and review cases.</li> <li>• Referral and escalation.</li> <li>• Considered outcome for the organisation.</li> <li>• Level of customer engagement.</li> </ul>  |
| 3.2 | <ul style="list-style-type: none"> <li>• Security.</li> <li>• Accuracy.</li> <li>• Timeliness.</li> <li>• Adherence to: <ul style="list-style-type: none"> <li>– Data Protection / GDPR.</li> <li>– FCA handbook protocols.</li> <li>– Pre Action-Protocol under CPR.</li> <li>– Reference to internal policy and process.</li> </ul> </li> </ul>   |
| 3.3 | <p>Liaison with:</p> <ul style="list-style-type: none"> <li>• Customer (including vulnerable situations)</li> <li>• Money advice organisations.</li> <li>• Other debt collection/recovery agencies.</li> <li>• Tracing agencies.</li> <li>• Solicitors.</li> <li>• Credit insurers.</li> <li>• Court officials – <ul style="list-style-type: none"> <li>○ Court officer.</li> <li>○ Bailiff.</li> <li>○ HCEOA.</li> <li>○ District Judge.</li> </ul> </li> </ul>  |
| 4.1 | <ul style="list-style-type: none"> <li>• Working within legal, regulatory and organisational parameters</li> <li>• Resolving or refuting disputes.</li> <li>• Handling customers in vulnerable circumstances (physical incapacity, mental health, age, carer obligations; financially vulnerable)</li> <li>• Calculating repayment for customers of multiple debt; over-trading businesses.</li> <li>• Handling sensitive cases e.g., suicidal customers; next of kin for deceased customers; genuine disputes.</li> <li>• Customers requiring education in money management.</li> <li>• Business customers across multiple sites / entities.</li> <li>• Cross border customers.</li> </ul> |
| 5.1 | <ul style="list-style-type: none"> <li>• Reflective consideration of personal skills and abilities in recoveries work.</li> <li>• Keeping up to date with relevant changes to approach.</li> <li>• Supporting others in their development through mentoring/coaching.</li> </ul>  |
| 5.2 | <ul style="list-style-type: none"> <li>• Performance results based on financial and qualitative targets (e.g., sustainable repayment and customer retention)</li> <li>• Improved skills and abilities.</li> <li>• Change in approach, attitude, confidence.</li> <li>• Reasons for change.</li> </ul>   |
| 5.3 | <ul style="list-style-type: none"> <li>• Reflective consideration of gaps in personal skills and abilities in recoveries work.</li> <li>• Seeking feedback and acting on it to improve performance.</li> <li>• Building capability through ownership of own development.</li> <li>• Identifying opportunities to improve work practices using SMART goals.</li> </ul>   |

## Vulnerability Support

32 Guided Learning Hours    104 Total Qualification Time

### Aim

To develop the knowledge and skills needed to identify and support customers in vulnerable circumstances.

### Syllabus topics

1. **Understanding vulnerability** (16%)
  - Identify reasons for vulnerabilities.
  - Identify a range of vulnerabilities.
  - Assess the extent and impact of different vulnerabilities on stakeholders.
2. **Identification and recording of vulnerability** (20%)
  - Identify vulnerability within stakeholder groups.
  - Obtain consent to record vulnerabilities.
  - Organisational process for managing vulnerability records.
3. **Supporting those in vulnerable circumstances** (24%)
  - Organisational mechanisms to support and assist those in vulnerable circumstances.
  - Provide of effective support to those in vulnerable situations using a range of skills and qualities.
4. **Contact with customers in vulnerable circumstances** (15%)
  - Evaluate tools used to identify and investigate vulnerabilities.
  - Assess skills used to obtain successful outcomes.
  - Assess performance and any changes in approach and outcome.
5. **Embedding vulnerability awareness into working practices** (20%)
  - Evaluation of personal skills in relation to vulnerability.
  - Create ways to champion vulnerability awareness in an organization.

### Assessment

One written assignment.

Please note that when completing assignments, learners should be working within the areas under consideration and able to demonstrate practical application at Level 3. Level 3 writing requires skills sets that expect you to apply your knowledge, demonstrate your understanding of the subject, show how well you handle well defined tasks and problems, investigate information and ideas to form actions and assess how effective applied methods are.

## Vulnerability Support

32 Guided Learning Hours 104 Total Qualification Time

### Aim

To develop the knowledge and skills needed to identify and support customers in vulnerable circumstances.

| Learning outcomes<br>The learner will: |   | Assessment criteria<br>The learner can: |   |
|--|---|---|---|
| 1                                      | Understand vulnerability.   | 1.1                                     | Identify a range of vulnerabilities and explain reasons they may occur.   |
|  |   | 1.2                                     | Assess the extent of customer vulnerability within a sector or industry.  |
|  |   | 1.3                                     | Assess the impact of different vulnerabilities on stakeholders.   |
| 2                                      | Understand how to identify and record vulnerability.                    | 2.1                                     | Explain how to identify vulnerability within stakeholder groups.  |
|  |   | 2.2                                     | Explain how to obtain consent to hold a record of vulnerability.  |
|  |   | 2.3                                     | Explain an organisation's process for flagging, accessing and updating a record of vulnerability.   |
| 3                                      | Understand how to support those in vulnerable circumstances.            | 3.1                                     | Explain the mechanisms in place within an organisation, to support and assist those in vulnerable circumstances.                                      |
|  |   | 3.2                                     | Explain the skills and qualities necessary to deliver effective support to those in vulnerable situations.  |
| 4                                      | Show how to handle contact with customers in vulnerable circumstances.  | 4.1                                     | Demonstrate over a period of 3 months, how you have successfully used tools to identify and investigate vulnerability in your contact with customers. |
|  |   | 4.2                                     | Demonstrate the skills you have used to obtain successful outcomes with vulnerable customers.   |
|  |   | 4.3                                     | Reflect on your performance in relation to vulnerability and how skills and abilities have evolved over time.   |
| 5                                      | Understand how to embed vulnerability awareness into working practices. | 5.1                                     | Create an action plan to further enhance your personal skills in relation to vulnerability.   |
|  |   | 5.2                                     | Devise ways an organisation could champion vulnerability within their processes.  |

### Assessment Assignment

## Indicative content

|   |   |
|---|---|
| 1 | <ul style="list-style-type: none"> <li>• Types of financial and non-financial vulnerability</li> <li>• Prioritisation of debt.</li> <li>• Common causes of vulnerability.</li> <li>• Importance of establishing cause and extent of problem.</li> <li>• Nature and scope of vulnerability.</li> <li>• Temporary and permanent vulnerabilities.</li> <li>• Complexities of multiple vulnerabilities.</li> <li>• Wellbeing support following difficult cases.</li> </ul>  |
| 2 | <ul style="list-style-type: none"> <li>• Active listening.</li> <li>• True empathy.</li> <li>• Conversational tools - TEXAS, BRUCE, SPIDER; trigger words and phrases.</li> <li>• Indications of reassurance.</li> <li>• Identification and verification process.</li> <li>• Referrals.</li> <li>• Process to record, access and update systems.</li> <li>• Equality, diversity and inclusion.</li> <li>• Data protection protocols.</li> </ul>   |
| 3 | <ul style="list-style-type: none"> <li>• Tools to progress conversation - IDEA, BLAKE, BRUCE, SPIDER</li> <li>• Budgeting tools - common financial statement.</li> <li>• Spending diary, repayment calculator.</li> <li>• Financial support - repayment schedule, payment holiday, settlement discount; legal and regulatory support - breathing space, forbearance and due consideration, FCA treating customers fairly, Consumer Duty.</li> <li>• Interpersonal skills and personal qualities; techniques for effective call control - helping customer feel comfortable, positive language, space for thought.</li> <li>• Offering appropriate advice and debt solutions; financial education and customer empowerment.</li> <li>• Signposting to specialist third party assistance (e.g., StepChange, Shelter, Mind).</li> </ul>  |
| 4 | <ul style="list-style-type: none"> <li>• Case studies of work with vulnerable clients/customers</li> <li>• Range of examples including emergency cases, sensitive situations, e.g. self-harm or suicide, mental and social illness, complex medical conditions and dependencies, domestic abuse; challenging behaviours, e.g. verbal abuse, distressed, angry or highly emotional clients, volatile reactions.</li> <li>• Difficult conversations, e.g. explaining financial liability, addressing sanctions and repossessions, negotiating repayment agreement, responding to objections, handling dissatisfaction and complaints, explaining consequences, restricted ability of customer to process information; maintaining open dialogue and ongoing communication; customer feedback.</li> <li>• Performance results.</li> <li>• QA outcomes; reflective assessment; evidence of evolved skills.</li> </ul> |

|   |   |
|---|---|
| 5 | <ul style="list-style-type: none"> <li>• Vulnerable-aware culture.</li> <li>• Customer care outcomes.</li> <li>• Organisational goals, values, strategy, policy and procedures.</li> <li>• Guidelines and codes of practice.</li> <li>• Pro-active assessment.</li> <li>• Pre-set support mechanisms.</li> <li>• Multiple channels of contact and enhanced customer choice.</li> <li>• Matching client needs to provision.</li> <li>• Staff training.</li> <li>• Post-conversation wellbeing support and mental self-care for staff.</li> </ul> |
|---|---|

## Appendix A Map to CICM Professional Standards

| CICM Diploma units                     | Strategy & policy | Business & regulatory acumen | Know your customer /client | Financial & data interpretation | Innovation & change | Comms & relationship building | Problem-solving and decision-making | Support and influencing | Passion for learning & drive for results | Team building & leadership | Brave      | Curious | Resilient | Ethical |
|--|-------------------|------------------------------|----------------------------|---------------------------------|---------------------|-------------------------------|-------------------------------------|-------------------------|--|----------------------------|------------|---------|-----------|---------|
|  | CORE              | CORE                         | CORE                       | CORE                            | CORE                | CORE                          | CORE                                | CORE                    | CORE                                     | CORE                       | CORE       | CORE    | CORE      | CORE    |
|  | Business skills   |                              |                            |                                 |                     | Personal skills               |                                     |                         |  |                            | Behaviours |         |           |         |
| Vulnerability Support L3               | x                 | x                            | x                          | x                               | x                   | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Credit Mgt (Trade, Export Consumer) L3 | x                 | x                            | x                          | x                               | x                   | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Consumer collections L3                | x                 | x                            | x                          | x                               | x                   |                               | x                                   | x                       | x  |                            | x          | x       | x         | x       |
| Business Law L3                        | x                 | x                            |                            |                                 |                     |                               | x                                   | x                       |  |                            | x          | x       | x         | x       |
| Business Environ L3                    | x                 | x                            | x                          | x                               | x                   | x                             |                                     |                         | x  | x                          | x          | x       | x         | x       |
| Accounting Principles L3               | x                 | x                            | x                          | x                               | Narrow focus        |                               | x                                   |                         | x  |                            | x          | x       | x         | x       |
| Advanced Bus Comms L3                  | x                 | x                            | x                          | x                               | x                   | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Credit Risk Mgt L3                     | x                 | x                            | x                          | x                               | Narrow focus        | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Advanced Collections L3                | x                 | x                            | x                          | x                               | Narrow focus        | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Debt Recovery L3                       | x                 | x                            | x                          | x                               | Narrow focus        | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |
| Advanced Enforcement L3                | x                 | x                            | x                          | x                               | Narrow focus        | x                             | x                                   | x                       | x  | x                          | x          | x       | x         | x       |



## Useful contacts

|  |   |
|--|---|
| Learner study advice service<br>9:00 – 17:00 (UK time) Monday - Friday | T: +44 (0)1780 722900   |
| Advice on studying for CICM qualifications                             | E: <a href="mailto:info@cicm.com">info@cicm.com</a>   |
| Advice on any aspect of the assessment process                         | E: <a href="mailto:awardingbody@cicm.com">awardingbody@cicm.com</a>                             |
| Advice on CICM membership  | T: +44(0)1780 722900<br>E: <a href="mailto:cicmmembership@cicm.com">cicmmembership@cicm.com</a> |
| Subscriptions and accounts department                                  | T: +44 (0)1780 722900   |
| CICM website   | <a href="http://www.cicm.com">www.cicm.com</a>  |

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### Chartered Institute of Credit Management

The Chartered Institute of Credit Management (CICM) is the largest recognised professional body in the world for the credit management community. Formed over 85 years ago, the Institute was granted its Royal Charter in 2014. Representing all areas of the credit and collections lifecycle, it is the trusted leader and expert in its field providing its members with support, resources, advice, and career development as well as a networking and interactive community. In addition to its comprehensive suite of qualifications and learning opportunities, events and magazine 'Credit Management', it provides vital advice to businesses of all sizes on how best to manage cashflow and credit.