

Level 3 Advanced Collections Indicative content

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

NOTE: *When completing CICM assignment units it is not intended that learners include **ALL** the suggested areas below, rather, they are intended as guidance on the type of content you may study and include.*

CICM assignments require a high level of personal application. Therefore, when completing them careful consideration needs to be given to the relevance within your organisation, industry and your specific role.

1.1	<ul style="list-style-type: none"> • Pre and post default collection strategies. • Consideration of different approaches to collections, e.g., using risk categorisation / collection segmentation. • 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. • Adherence to regulatory requirements e.g., FCA handbook, codes of practice, professional standards, sector bodies, industry benchmarks, CICM vulnerability framework. • Alignment to organisational risk strategy – incorporating risk appetite / risk-reward ratio, commercial context and cashflow, departmental policies and procedures. • Balancing Return on Investment (ROI) against customer satisfaction/retention.
1.2	<p>Group – identify, act on, manage with flexibility:</p> <ul style="list-style-type: none"> • ‘will pays – but don’t’ • ‘won’t pays – but could’ • ‘can’t pays – but wish to’ • Deceased • Vulnerable <p>Prioritise – Pareto analysis; aligning to KPIs and target groups</p> <p>Monitor – relevant performance checks by, for example: 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>Relevant targets, e.g.</p> <ul style="list-style-type: none"> • Collections targets. • Handling vulnerability. • Staff performance. • Compliance. • Quality of customer engagement.

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

	<ul style="list-style-type: none"> • Benefit delivery. • Social fund. <p>External relationships e.g.</p> <ul style="list-style-type: none"> • Third party debt collection agencies. • Debt purchasers. • Debt management services. • Credit bureaux / credit reference agencies. • Consumer support groups / debt advice organisations. • Third party debt management services. • Credit insurers. • Credit / Trade circles. • Other competitors and creditors.
3.2	<ul style="list-style-type: none"> • Customer relationship management – maintaining strong, positive and sustained relationships. • Service Level Agreements and contractual clarity. • Policy and procedures. • Communication. • Reporting.
4.1	<ul style="list-style-type: none"> • Case evidence of activity. • Explanation of approach. • Assessment of outcomes. <p>Examples of customers with complexity e.g.</p> <ul style="list-style-type: none"> • Customers in vulnerable circumstances (physical incapacity, mental health, age, carer obligations). • Financially vulnerable (over-extended; cases of multiple debt). • Suicidal customers. • Deceased customers and their next of kin. • Customers requiring education in money management. • Business customers across multiple sites.
4.2	<ul style="list-style-type: none"> • Genuine disputes and query resolution. • Complaints and excuses used to evade payment. • How to identify, defuse and resolve or refer.
4.3	<ul style="list-style-type: none"> • Threats from argumentative and abusive callers. • Customers evading collection activity and conversation.
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"> • Performance results based on financial and qualitative targets (e.g., sustainable repayment and customer retention) • Improved skills and abilities. • Change in approach, attitude, confidence. • Reasons for change.
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.