

## Level 2 Consumer Credit Management

### Indicative content

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

1.	<ul style="list-style-type: none"> <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>
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.