



Moderator's Assignment Feedback – Non Statutory Solutions & Budgeting Advice Principles and Practice

After each series, we ask our moderators to provide a report on each assignment-based unit to identify

- any questions which were usually answered particularly well, including main points and qualities that characterised good answers.
- any questions which were usually answered badly and main weaknesses in candidates' answers.
- common errors or misconceptions made by candidates.

We hope that this will be of assistance when completing your assignment.

General feedback to candidates

Candidates clearly have sound theoretical knowledge of the subject. Higher marks were awarded where candidates had carefully answered all parts of the question, and had considered the mark scheme.

Candidates are strongly advised to use questions as a guide to structuring their responses. Many questions have several elements to them. Ensuring you cover all aspects of a question and referring to the mark schemes will enable higher marks.

Feedback for each assignment question

Part A Principles

Q1. Describe and explain the following non-statutory debt solutions. Cover the key features and principles of each, including:

- **potential impact of the solution for a range of clients.**
- **typical situations when each solutions may be appropriate.**
- **details of records and supporting documentation likely to be required.**
- **advice on consequences of not complying with requirements.**

Write your response so that it could be used as reference material by your colleagues when they advise clients.

a) Debt Management Plan (DMP)

Q1a – Generally well answered; the best responses gave a clear definition of the debt solution and went on to cover a wide range of features. Mention of appropriate timescales for a DMP, exactly when it is best advice, and the FCA guidelines, gained some candidates higher marks for this question. The additional requirements were generally well covered, although the final bullet point was often covered in less detail.

Stronger responses tend to break down the answer into sub-headings ensuring a comprehensive response and one that could be used as reference material.

b) Token Payments

Q1b The best responses explained the difference between self-administered and managed arrangements and went on to highlight the fact that this is not a long-term measure. Some answers were able to demonstrate wider awareness by explaining why the token payment is important albeit nominal.

Stronger responses tended to break down the answer into sub-headings ensuring a comprehensive response and one that could be used as reference material.

C) Full and Final Settlements

Q1c - Most answers gave an explanation of the basic principles of the solution. The best answers provided wider context by considering the client's circumstances e.g. does the client have any priority bills or a deficit situation to be addressed first.

Stronger responses also highlighted that settlements can also be creditor-led and covered how the payment offers should be calculated and presented if more than one creditor.

Several responses missed the importance of gaining acceptance prior to sending funds.

Q2. A personal budget is a key tool for delivering effective money and debt advice. Explain why this is the case.

Q2 - Some good answers regarding how the budget helps and empowers the client. Some answers did not mention the obvious purpose of the budget in calculating the surplus.

Weaker answers focused too heavily on making budget reductions, and a few did not address the wider use of the budget as an important tool.

Stronger responses looked at this question from several perspectives i.e. client, advisor and creditor.

Q3. Explain how to compile, review and agree an effective personal budget. Include in your answer an explanation about how you would respond to any questions about banking options and payment arrangements.

Q3 - Many candidates thoroughly answered the first part of the question and then only a little on reviewing and agreeing a budget. Those who gave a more balanced answer gained higher marks.

Some answers did not consider the relevance of household composition or budget guidelines. SMART goals were sometimes mentioned but not fully explained.

The best answers contained a full explanation of how to agree the budget. Candidates are advised to follow the mark scheme closely and structure their answer accordingly.

Q4. With reference to organisational procedures, explain how to enable people to act on their own behalf.

Q4a - The best answers were those that specifically considered the question, and gave suitable techniques for empowering the client to act on their own behalf. Several responses cover the techniques and strategies adopted but didn't specifically relate back to how these help to empower clients. Some answers forgot to consider the range of people who might need enabling.

Section B Practice

This section of your assignment aims to demonstrate that you can deliver effective advice on Non-Statutory Debt solutions and Budgeting, based on reflective practice.

Q5. Critically analyse the budget in Appendix 1 to:

a) identify and quantify potential additional areas of expenditure

Q5a – Some candidates failed to quantify their answers, or gave figures and referred to guidelines, but did not explain what these were. The best answers contained careful consideration of the various essential living costs which are not currently included in the budget, and answers were strengthened by considering the context of family life.

b) explain how you would advise the client on possible ways to reduce expenditure

Q5b - Generally well answered with key areas identified by most candidates. Some good suggestions regarding smoking costs. Higher marks were awarded when candidates gave practical suggestions which could be used by the client.

c) explain how you would create a revised budget tailored to the client, and the importance of aligning this to SMART goals

Q5c - A mixed standard of responses. Some candidates just mentioned the use of SMART goals without actually explaining or demonstrating their own understanding of what these are.

The best responses gave an example aligned to the SMART rule. More marks could be awarded when candidates had fully considered 'how' to create a revised budget (techniques etc.) and 'why' SMART goals are useful.

d) explain potential ways of maximising the client's income

Q5d - Some really good ideas, but not all candidates put these into context and mentioned other relevant considerations for this client. Generally answered with good knowledge of the subject. Stronger answers considered feasibility for this particular client.

e) explain how and when you would review the budget on an on going basis

Q5e - Generally well answered. Some candidates failed to specifically consider the case study budget, giving only a general answer.

Stronger answers gave ideas of both when and how to review and related their answer back to the specifics in the case study and any SMART goals discussed in the previous answers.

3. Q6. Explain at least five cases where you have delivered advice about non-statutory debt solutions or budgeting. Include examples of both and for each case:

- Explain your general approach
- Outline the content of your calls and/or correspondence with the client
- Summarise outcomes

Q6 – A varied standard of response. Some answers were too generic and did not demonstrate tailored advice for the client, making it difficult to gain higher marks.

Candidates should take care to cover all aspects of the question and not to cover too much solely background information regarding the case. Limited marks available for these responses.

Stronger answers were able to demonstrate a variety of advice within the topic. Candidates should take care to explain the actual advice given in some detail. Several responses use phrases such as 'gave DMP advice..' without explaining exactly what information was given.

Q7. In relation to the calls in the previous question, evaluate the extent that you have helped clients to act on their own behalf to plan, implement and review their action plans. Highlight techniques which worked well and any areas for development.

Q7 - The best answers followed the mark scheme guidance but many candidates struggle with the evaluation element of the question.

Several responses did not cover areas for development in sufficient detail. Some candidates simply summarised the advice given in the previous question, and some gave a very general overview of their own performance, which was not tailored to the calls evidenced.