

Level 3 Award, Certificate and Diploma for the Debt Collection Industry

Learning Guide and Syllabus



Contents

Qualification Overview	2
About this Qualification.....	4
Award.....	4
Certificate	5
Diploma.....	6
Learner Entry Guidance	7
Equal Opportunities Statement.....	7
Recognition of Prior Learning.....	8
Qualification Review Date	8
Resources and Learning Materials	8
Assessment.....	9
Referral Policy.....	10
Unit 1: Working in the Debt Collection Industry	11
Unit 2: Legislation and Regulation that Governs the Debt Collection Industry	14
Unit 3: Compliance Process Systems and Working Practices in the Debt Collection Industry	17
Unit 4: The Consumer Debt Collection Business Environment	21
Unit 5: The Commercial Debt Collection Business Environment	26
Unit 6: The Debt Sale and Purchase Business Environment	30
Unit 7: Trace and Investigation Techniques used in the Debt Collection Industry.....	35
Unit 8: Leading a Team in a Debt Collection Organisation.....	38
Unit 9: Managing Third Party Relationships in the Debt Collection Industry	42
Unit 10: Debt Collection and Back Office Administration	45
Unit 11: The Utility Industry, Billing and Debt Collection.....	49

Qualification Overview

This Level 3 Award, Certificate and Diploma has been created by the Credit Services Association (CSA) and accredited by our awarding organisation partner NOCN and meets the requirements set by the qualifications regulators in England (Ofqual), Wales (DCELLS) and Northern Ireland (CCEA) and is part of the Qualifications and Credit Framework (QCF).

This Learning Guide and Syllabus provides employers and learners with everything you need to know about this qualification, which includes an overview regarding the expected learning outcomes and assessment criteria that learners will be expected to achieve in order to pass this qualification.

The National Occupational Standards (NOS) and the Financial and Legal Skills Partnership (Sector Skills Council for our industry) has been considered and mapped against the development of these units of study.

NOCN

NOCN is a leading UK awarding organisation, offering high quality, flexible, credit-based qualifications and is accredited by the Regulatory Authorities in England, Wales, Scotland and Northern Ireland.

NOCN accredited qualifications are delivered through further education and sixth form colleges, higher education institutions, trade unions, employers, local education authorities, training organisations, community education centres, and voluntary community organisations.

Ofqual

The Office of Qualifications and Examinations Regulation (Ofqual) is the regulator of qualifications and is an independent non-ministerial government department accountable to Parliament. Ofqual has been the regulator of all approved qualifications, examinations and assessments in England since 2009. Together with its partner regulators in Wales (DCELLS) and Northern Ireland (CCEA), Ofqual is responsible for the regulation of the Qualifications and Credit Framework (QCF).

About this Qualification

Award

This Level 3 Award provides industrial recognised qualifications that offer proof of knowledge and the skills required to function as a proficient professional within the Debt Collection Industry.

This qualification has been designed to provide the learner with a wide scope of knowledge regarding the Debt Collection Industry and understanding of how legislation and the regulatory framework underpin compliance requirements.

Every learner must successfully achieve a total of 12 credits from two mandatory units of study.

Unit No	Title	Level	Credits	GHL
Unit 1	Working in the Debt Collection Industry	3	6	42
Unit 2	Legislation and Regulation that Governs the Debt Collection Industry	3	6	42

Certificate

This Level 3 Certificate has been designed as a standalone qualification or provides a progression route for learners that have previously completed the NOCN Level 3 Award. This qualification is an industrial recognised qualification that offers proof of knowledge and the skills required to function as a proficient professional within the Debt Collection Industry.

This qualification has been designed to provide the learner with a wide scope of knowledge regarding the entire Debt Collection Industry and an in-depth understanding of how legislation, industry regulations, standards and guidance embodies a framework for compliance.

Every learner must successfully achieve a total of 26 credits from three mandatory units plus one optional unit.

This Level 3 Certificate consists of the following three **mandatory** units of study:

Unit No	Title	Level	Credits	GHL
Unit 1	Working in the Debt Collection Industry	3	6	42
Unit 2	Legislation and Regulation that Governs the Debt Collection Industry	3	6	42
Unit 3	Compliance Process Systems and Working Practices for the Debt Collection Industry	3	7	50

Plus any one of the following **optional** units

Unit No	Title	Level	Credits	GHL
Unit 4	The Consumer Debt Collection Business Environment	3	7	50
Unit 5	The Commercial Debt Collection Business Environment	3	7	50

Diploma

Unit No	Title	Level	Credits	GHL
Unit 1	Working in the Debt Collection Industry	3	6	42
Unit 2	Legislation and Regulation that Governs the Debt Collection Industry	3	6	42
Unit 3	Compliance Process Systems and Working Practices for the Debt Collection Industry	3	7	50

Plus any three of the following **optional** units

Unit No	Title	Level	Credits	GHL
Unit 4	The Consumer Debt Collection Business Environment	3	7	50
Unit 5	The Commercial Debt Collection Business Environment	3	7	50
Unit 6	The Debt Sale and Purchase Business Environment	3	7	50
Unit 7	Trace and Investigation Techniques used in the Debt Collection Industry	3	6	42
Unit 8	Leading a Team in a Debt Collection Organisation	3	7	50
Unit 9	Managing Third Party Relationships in the Debt Collection Industry	3	6	42
Unit 10	Debt Collection and Back Office Administration	3	7	50
Unit 11	The Utility Industry, Billing and Debt Collection	3	6	42

Learner Entry Guidance

This level 3 Award, Certificate and Diploma is appropriate for learners aged 18+ and is on offer for anyone new to the Debt Collection Industry or as a route for the on-going continuous professional development of existing employees within the industry.

The CSA does not set entry requirements for this qualification. However, employers (sponsors) must ensure that learners have the potential and opportunity to achieve this qualification. In addition, the nature of both the learning and the assessment methods required for this qualification is such that learners should be at a relevant literacy level with the ability to manage the requirements of a level 3 qualification. The learner must be able to read and interpret written tasks, and write answers in a legible and understandable form.

It is the employers or sponsors responsibility to ensure that the learner has been appropriately identified and selected to take this qualification. Any identified learning needs should be communicated to the CSA at time of enrolment so we can provide any additional support or accommodate any specific development needs of the student.

Equal Opportunities Statement

The Credit Services Association does not discriminate against any learner on the grounds of race, gender, disability, religious beliefs, or role within any member organisation. If any learner has been diagnosed with any type of disability that may impact on the successful completion of this Level 3 Award, Certificate or Diploma then please inform us immediately and we will do the utmost to accommodate any special requirements or needs.

Recognition of Prior Learning

Recognition of Prior Learning (RPL) means if a learner has previously successfully completed the previous accredited CSA Diploma or another similar recognised accredited qualification and can provide evidence of a full certificate then RPL may be available but evidence must be provided and this is at the discretion of NOCN.

Learners may be exempt from attending classes; however it will be expected that the learner will be required to complete some additional work to ensure that all learning outcomes and assessment criteria have been covered satisfactorily.

Qualification Review Date

All qualifications on the QCF have review dates and expiry dates. This Level 3 Award, Certificate and Diploma will be reviewed on 31/08/2019 and the process for this review will start approximately 18 months prior to this date.

However, due to nature of this sector and the legislative framework that the Debt Collection Industry must adhere to, any unit of study may be amended to reflect any new developments or changes in regulatory requirements. If this is the case then we will set a new date. Equally, if a decision is made to withdraw a unit we will, in partnership with NOCN, set a new operational review and review end date.

Resources and Learning Materials

All resources and learning materials will be provided as part of this course. However, the CSA expects learners to have access to appropriate IT equipment to conduct additional research and meet the assessment methods associated with each unit of study.

Additionally, it may be expected for the learner to carry out work based learning activities within their business to meet the requirements of the assessment methods associated with individual units of study.

Assessment

National standards and rigorous quality assurance are maintained by the use of assessments. Each unit of study within this Level 3 Award, Certificate and Diploma will be holistically assessed by appropriate assessment methods, which are to be marked by nominated CSA professional tutors. Quality assurance is monitored internally by the CSA Assessment Steering Group and externally by NOCN verification systems, to ensure that national standards are maintained.

All assessments will be graded as a Referral or Pass. If a student is 'referred' and does not meet the assessment requirement then they will have the opportunity to retake the assessment within 6 weeks from the referral notification. The student has the right to appeal against any decisions as outlined in the referral policy.

If the student fails to submit assessments within the allotted deadline then a referral grade will be given. However, the student can apply for 'Extenuating Circumstances' for the mitigation panel to consider (this form can be obtained by contacting the CSA Assessment Team). The CSA defines extenuating circumstances as: *"Significant, unforeseen personal or operational business matters that result in a major impact on a learner's ability to complete, or submit an assessment within the allotted timeframe."*

Learners will be expected to submit all assessment in a word processed format using the Harvard Referencing method. Instructions how to use this referencing system will be provided in your study pack.

Referral Policy

If a student appeals against the result of an assessment, the Programme Tutor will make all endeavours to resolve the problem in the first instance. It should then be referred to the CSA Assessment Steering Group, and following that, the CSA Head of Learning and Development. If the problem cannot be satisfactorily resolved, then a NOCN External Verifier should be approached, to offer independent advice.

All appeals will be clearly documented by the CSA Head of Learning and Development acting in the capacity of Qualifications and Quality Assurance Co-ordinator and made available to NOCN External Verifier.

Unit 1: Working in the Debt Collection Industry

Introduction

This unit is designed to enhance the students' practical knowledge and understanding of the entire Debt Collection Industry. The student will cover and explore a number of key concepts that will provide them with a deeper understanding of the different types of organisations and consumers associated within the breadth of the industry.

Aim

The aim of this unit is to develop a greater understanding and appreciation of the complexities of the Debt Collection Industry by learning about the different business sectors, consumer base, and the range of services the industry provides.

This unit has four broad learning outcomes:

- 1 Understanding the historical development of the Debt Collection Industry.
- 2 Understand the primary businesses involved in debt recovery.
- 3 Understanding the different techniques and collection methods used across the Debt Collection Industry.
- 4 Understanding the inherent challenges within the Debt Collection Industry.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the historical development of the debt collection industry.

Understand the primary businesses involved in debt recovery.

Understand the different techniques and collection methods used across the debt collection industry.

Assessment Criteria:

On completion of this unit the learner can:

1.1 Summarise how the debt recovery industry has evolved into a multi-million pound business sector in relation to the UK economy.

1.2 Explain how the emergence of credit has given rise to the notion of consumerism.

1.3 Evaluate how changing attitudes to debt has impacted on consumer protection.

1.4 Explain the role of the Credit Services Association, its principles, and services it provides.

1.5 Summarise how the Credit Services Association influences the industry.

2.1 Critically compare the different types of debt collection sectors.

2.2 Explain the different types of businesses involved in the recovery of debt.

2.3 Summarise the diversity of businesses involved in debt collection.

2.4 Explain how the size of organisations can impact on the services it offers.

3.1 Identify the different collection options available for different types of debt.

3.2 Explain the role of technology and its impact on collection methods.

3.3 Summarise the steps involved in the collection life cycle from collections to recoveries.

3.4 Explain the procedures involved in the recovery of debt from vulnerable customers.

Understand the inherent challenges within the debt collection industry.

4.1 Explain the impact of Consumer Action Groups on the industry

4.2 Analyse the challenges for debt collection agencies using third parties to recover debt.

4.3 Explain the impact that third party organisations have on the Debt Collection Industry.

Unit 2: Legislation and Regulation that Governs the Debt Collection Industry

Introduction

This unit is designed to provide the student with an in-depth knowledge and understanding regarding the importance of compliance to the Debt Collection Industry. On completion of this unit the student will have explored a number of key legal aspects in relation to the industry and be able to explain how various regulations and industry standards impact on the Debt Collection Industry. In addition, the student will be able to interpret the consequences of being non-compliant on their business, and how best practices can ensure that their organisation maintains a healthy compliant ethos.

Aim

The aim of this unit is to enable the learner to develop an understanding of compliance issues and how this impacts on the Debt Collection Industry and the working environment. The learner will develop knowledge of the legal and regulatory frameworks which define the Debt Collection Industry and how the Credit Services Association Code of Practice sets out a professional benchmark for the industry.

This unit has four broad learning outcomes:

- 1 Understand the scope of the legal framework that governs the debt collection industry.
- 2 Understand the regulatory environment and its impact on the debt collection industry.
- 3 Understand how to meet debt collection industry standards and requirements.
- 4 Understand the relationship between the regulatory environment and the customer.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the scope of the legal framework that governs the debt collection industry.

Understand the regulatory environment and its impact on the debt collection industry.

Assessment Criteria:

On completion of this unit the learner can:

1.1 Explain the different Legislative Acts which impact on the debt collection industry.

1.2 Identify the different regulatory bodies that are responsible for the enforcement of legislation.

1.3 Explain the statutory requirements in which debt collection agencies must operate.

1.4 Analyse the legal consequences of non-compliance on own business.

2.1 Analyse how regulatory reform has impacted on the debt collection industry.

2.2 Explain the main regulators that influence the debt collection industry.

2.3 Summarise the difference between principle and rule based regulation.

2.4 Explain how regulatory bodies impact on debt collection activities.

- Understand how to meet debt collection industry standards and requirements.
- 3.1 Interpret how the CSA Code of Practice reflects the standard for the debt collection industry.
 - 3.2 Identify other standards/codes of practice that have a direct and indirect impact on the industry.
 - 3.3 Explain the consequences of non-compliance to industry standards.
- Understand the relationship between the regulatory environment and the customer.
- 4.1 Describe how the regulatory framework protects the customer.
 - 4.2 Explain how the regulators directly or indirectly deal with customer complaints.
 - 4.3 Explain the business compliance processes as set by the regulator when dealing with customers.

Unit 3: Compliance Process Systems and Working Practices in the Debt Collection Industry

Introduction

This unit builds on the learner's knowledge and understanding of compliance issues and further explores how a debt recovery organisation ensures that the ethos of compliance is embedded into working practices. This unit focuses on exploring how areas of a business can demonstrate to customer and external stakeholders that it is fully compliant with legislation and the process systems that can support a business to manage its risk of non-compliance.

Aim

The aim of this unit is to enable the learner to develop an understanding of compliance process systems and how this impacts on all areas of a debt recovery business. The learner will develop knowledge of how business systems can ensure that a debt collection organisation business practices is fully compliant with statutory and regulatory frameworks that govern the Debt Collection Industry.

This unit has five broad learning outcomes:

1. Understand why it is important that a debt recovery business has to have appropriate compliance process systems in place.
2. Understand how compliance process systems can safeguard against external complaints from regulatory bodies.
3. Understand the key elements that impact on compliance process systems in relation to data protection that is required by legislation.
4. Understand how compliance process systems can help a debt recovery organisation identify any criminal or suspicious activities.
5. Understand the impact of the Limitation Act on compliance process systems when dealing with Statute Barred Cases.

Assessment

This unit will be assessed by a work-based assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:	Assessment Criteria:
By the end of this unit the learner will:	On completion of this unit the learner can:
Understand why it is important that a debt recovery business has to have appropriate compliance process systems in place.	<p>1.1 Explain how a debt recovery organisation adheres to statutory and regulatory requirements through compliance process systems.</p> <p>1.2 Analyse different policies and procedures that can create a compliance framework for the organisation.</p> <p>1.3 Summarise why internal policies and procedures can ensure that business practices are compliant.</p> <p>1.4 Summarise how compliance process systems are required to manage different functions.</p> <p>1.5 Explain how the Credit Services Association published Code of Practice provides compliance guidance for member organisations.</p>
Understand how compliance process systems can safeguard against external complaints from regulatory bodies.	2.1 Explain how compliance process systems can support external investigations from regulators.

Understand the key elements that impact on compliance process systems in relation to data protection that is required by legislation.

2.2 Summarise the support that the Credit Services Association can provide members regarding compliance disputes.

3.1 Interpret the eight principles of the Data Protection Act and their practical application in relation to organisations compliance processes.

3.2 Explain the data security processes and procedures that a business must follow in relation to working practices.

3.3 Explain the data security processes and procedures that each employee must follow in relation to working practices.

3.4 Explain how an organisation can ensure that information held on a data subject meets legal requirements.

3.5 Explain the data security processes in relation to subject access requests and third party disclosures.

3.6 Summarise how compliance process systems impact on how an organisation uses technology, including external data verification systems.

Understand how compliance process systems can help a debt recovery organisation identify any criminal or suspicious activities.

4.1 Explain the purpose of a business having an internal compliance process that demonstrates an awareness of financial criminal activities.

4.2 Explain how compliance procedures can identify, record and investigate suspicious fraudulent activities.

4.3 Summarise the Money Laundering Regulations that a debt collection agency must legally abide by.

Understand the impact of the Limitation Act on compliance process systems when dealing with Statute Barred Cases.

5.1 Analyse how a compliance process can help to identify a statute barred case.

5.2 Summarise the legal requirements of recovering debt on statute barred cases.

5.3 Describe what constitutes an unfair compliance process for collecting a statute barred debt.

5.4 Explain the process of recovering debt on a statute barred case.

Unit 4: The Consumer Debt Collection Business Environment

Introduction

This unit is designed to provide the student with an in-depth knowledge and understanding of the consumer debt collection business environment. The learner will cover and explore a number of key concepts that will provide them with a deeper understanding of the consumer debt collection sector and understand how this differs from the recovery of commercial debt.

Aim

The aim of this unit is to enable the learner to develop an understanding of the consumer debt collection marketplace and the business environment in which operates. The learner will develop knowledge of how this sector functions and core elements associated with the recovery of consumer debt.

This unit has six broad learning outcomes:

1. Understand the diversity of the consumer debt collection sector and the importance of the customers profile on the collection process.
2. Know how to obtain sufficient information to commence the debt collection cycle in accordance with legislation.
3. Identify legal proceedings that can be implemented to recover the debt from a consumer who may not pay their debts.
4. Understand the importance of effective communications involved in the consumer debt recovery process to ensure compliance.
5. Know why certain third party relationships within the consumer debt collection industry are necessary.
6. Understand the impact that 'Money Advice' organisations have on the recovery of consumer debt.

Assessment

This unit will be assessed by a work-based assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the diversity of the consumer debt collection sector.

Know how to obtain sufficient information to commence the consumer debt collection cycle in accordance with legislation.

Assessment Criteria:

On completion of this unit the learner can:

- 1.1 Evaluate the impact of the consumer debt collection sector on the UK economy.
 - 1.2 Explain why creditors use Debt Collection Agencies to recover debt.
 - 1.3 Distinguish between secured and unsecured debt and its implications on the recovery of outstanding debt.
 - 1.4 Explain the common business activities of organisations involved in the recovery of consumer debt.
 - 1.5 Identify the different departments and roles within an organisation involved with the recovery of consumer debt.
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- 2.1 Explain the importance of establishing the customer's profile and how this can have an impact on the collection process.
 - 2.2 Summarise the importance of validating the accuracy of financial information received from the customer, their

nominated person and the third party representative.

2.3 Explain the main regulations associated with the recovery of debt in relation to the consumer.

2.4 Explain the process for reporting suspicions of fraudulent activities in accordance with legislation.

Identify legal proceedings that can be implemented to recover the debt from a consumer who may not pay their debts.

3.1 Analyse the most commonly used motivators to describe why a consumer may default on paying debts.

3.2 Explain the process for issuing notifications when default timescales are exceeded.

3.3 Summarise the strategies that can be implemented to obtain the customer's agreement in accordance with legal requirements to pay an outstanding debt.

3.4 Explain the legal options available to an organisation to enforce the recovery of debt.

Understand the importance of effective communications involved in the consumer debt recovery process to ensure compliance.

4.1 Analyse the relationship between effective communications and compliance.

4.2 Critically compare the traditional methods of communication used by a debt recovery organisation and their effectiveness.

4.3 Explain how a barrier to effective communications can be overcome.

4.4 Review the key principles of negotiation techniques in relation to effective communications.

Know why certain third party relationships within the consumer debt collection industry are necessary.

5.1 Explain why an organisation may outsource its debt recovery function to a third party.

5.2 Explain how an organisation would create a third party relationship.

5.3 Summarise how an organisation could ensure that the third party debt recovery function is compliant with legislation.

Understand the impact that 'Money Advice' organisations have on the recovery of consumer debt.

- 6.1 Compare the level of support provided to the consumer by free and fee charging debt advice agencies.
- 6.2 Explain how the debtor can utilise different sources of advice in order to resolve their financial problems.
- 6.3 Summarise the effect that generalised consumer advice through the media could have on the debt collection industry.
- 6.4 Explain the options available to a customer who is in severe financial hardship.

Unit 5: The Commercial Debt Collection Business Environment

Introduction

This unit is designed to provide the learner with an in-depth knowledge and understanding of the commercial debt collection business environment. Throughout this unit the learner will explore a number of key concepts which define the commercial debt collection sector and establishes the major differences between the recovery of commercial and consumer debt.

Aim

The aim of this unit is to enable the learner to develop an understanding of the commercial debt collection sector and the business environment in which operates. The learner will develop knowledge of the how this sector functions and core elements associated with the recovery of commercial debt.

This unit has six broad learning outcomes:

1. Understand the diversity of the commercial debt collection sector.
2. Understand the factors that influence the commercial debt marketplace.
3. Understand the importance of identifying the decision maker in the payment process.
4. Identify factors that impact on the commercial debt recovery process
5. Understand the litigation process that a commercial debt collection organisation can take to recover an outstanding debt.
6. Understand why third party relationships within the commercial debt collection may be necessary.

Assessment

This unit will be assessed by a work-based assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the diversity of the commercial debt collection sector.

Understand the factors that influence the commercial debt marketplace.

Understand the importance of identifying the decision maker in the payment process.

Assessment Criteria:

On completion of this unit the learner can:

1.1 Explain the breath of the commercial sector.

1.2 Summarise how statutory requirements which govern the recovery of commercial debt differs from consumer debt collection.

1.3 Identify the debtor within different legal commercial entities.

1.4 Explain the different services that commercial debt collection organisations can provide.

2.1 Summarise how privatisation has had an impact on the recovery of debt within the commercial sector.

2.2 Explain how commercial debt can be affected by the economic climate.

2.3 Explain the European influence on the commercial debt collection sector.

2.4 Analyse the competitiveness of the commercial market.

2.5 Identify the main competitors against which a traditional Debt Collection Agency competes.

3.1 Evaluate the different sources of information for establishing the

debtor's financial profile.

3.2 Summarise how the validation of the debtor's financial profile will help to identify the decision maker.

3.3 Analyse how different business sectors can impact on the debtor's ability to repay the debt.

Identify factors that impact on the commercial debt recovery process.

4.1 Evaluate the main business documents that support the efficiency of the collection process.

4.2 Distinguish the difference between secured and unsecured commercial debt and the implications this has on the payment process.

4.3 Explain how bankruptcy and liquidation situations can influence the collections cycle.

4.4 Explain how situations may make the recovery of commercial debt unattainable.

4.5 Explain what actions a commercial debt collection agency can take to assist the organisation in avoiding formal insolvency.

Understand the litigation process that a commercial debt collection organisation can take to recover an outstanding debt.

5.1 Explain a situation when litigation becomes the optional route to recover outstanding debt.

- Understand why third party relationships within the commercial debt collection industry may be necessary.
- 5.2 Summarise what pre-action a commercial debt collection organisation must take prior to court action including timescale and potential costs.
 - 5.3 Summarise the claim process through the judicial system.
 - 5.4 Explain the measures that a commercial debt collection organisation can take to enforce the court judgement.
 - 6.1 Explain why a business situation would need to create a relationship between a commercial Debt Collection Agency and other agencies.
 - 6.2 Identify the agencies with which a relationship might need to be established.

Unit 6: The Debt Sale and Purchase Business Environment

Introduction

This unit will introduce the learner to the debt sale and purchase financial sector. Throughout this unit the learner will explore a number of key concepts which define the market conditions for selling and purchasing debt and how this business function differs from traditional debt recovery activities.

Aim

The aim of this unit is to enable the learner to develop an understanding of the debt sale and purchase financial sector and its business environment and function. The learner will develop knowledge of the how this sector was developed and the core elements associated with sale and purchase transactions and the contractual obligations imposed on the seller and buyer of debt.

This unit has six broad learning outcomes:

1. Know how the debt sale and purchase financial industry originated in the UK.
2. Understand the market conditions for selling and buying different types of debt.
3. Understand the sale and purchase transaction process.
4. Understand how pricing methodology is used for creating the right sale value for purchase.
5. Understand the factors that impact on the contractual obligations of selling debt.
6. Understanding post-sale contractual agreements of the seller and purchaser.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Know how the debt sale and purchase financial industry originated in the UK.

Understand the market conditions for selling and buying different types of debt.

Assessment Criteria:

On completion of this unit the learner can:

- 1.1 Summarise the historical development of the debt sale and purchase financial sector.
- 1.2 Compare the difference between the US and UK model for selling and purchasing debt.
- 1.3 Explain how the Credit Services Association outlines best practice for debt sale and purchase.
- 1.4 Summarise the common terminology associated with selling and purchasing debt.
- 1.5 Explain how the regulatory framework impacts on the sale and purchase of debt.
- 2.1 Analyse the market conditions and motivations for selling and buying debt.
- 2.2 Summarise the ways in which sellers bring their debts to the marketplace.
- 2.3 Explain the role of the broker in the sale of debt process.
- 2.4 Summarise the different categories of debt which are offered for sale.
- 2.5 Explain the potential investment process for purchasing debt.
- 2.6 Explain the different purchase options

for buying debt.

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| <p>Understand the sale and purchase transaction process.</p> | <p>3.1 Explain the factors involved in the bidder selection process for selling debt.</p> <p>3.2 Summarise the information that should be included in the data file which is provided for pricing analysis and modelling.</p> <p>3.3 Explain the due diligence process for verifying the accuracy of data included in the data file.</p> <p>3.4 Explain the process for second round bids and the purpose of issuing second data.</p> |
| <p>Understand how pricing methodology is used for creating the right sale value for purchase.</p> | <p>4.1 Summarise the data requirements that need to be considered for valuating a pricing structure of a debt sale.</p> <p>4.2 Explain why liquidation curves are important</p> <p>4.3 Explain how debt purchase differs from contingency.</p> <p>4.4 Analyse different external data sources that impact on the pricing methodology.</p> |
| <p>Understand the factors that impact on the contractual obligations of selling debt.</p> | <p>5.1 Explain 'Spot Sale' and 'Forward Flow' principal contract structures which are</p> |

utilised in the debt sale process.

- 5.2 Explain the different key elements of buyer and seller warranties including how these can impact on the contractual obligations.
- 5.3 Explain the importance of indemnities and insurance in relation to contractual requirements.
- 5.4 Summarise the importance of 'recourse' and its potential implications on a contract of sale.
- 5.5 Explain how the determination date impacts on the sale contract.
- 5.6 Summarise why the seller contract may place restrictions on the assignment of rights and responsibilities and on subcontracting.

- Understand post-sale contractual agreements of the seller and purchaser.
- 6.1 Summarise how buyer is required to take over the seller's responsibilities to maintain credit files and notifications of the purchased debts.
 - 6.2 Explain how indemnities can provide the seller with right to audit future collection activities of the purchaser.
 - 6.3 Evaluate reasons why some sellers may request regular management information (MI) regarding the portfolio purchased.
 - 6.4 Explain the payment process after the debt has been purchased.
 - 6.5 Explain the restrictions that the seller can impose on the purchaser regarding the resale of the debt.

Unit 7: Trace and Investigation Techniques used in the Debt Collection Industry

Introduction

This unit has been designed to provide the learner with a greater exposure to the trace and investigation activities and techniques commonly used or outsourced by an organisation involved in the recovery of debt.

Aim

The aim of this unit is to provide the learner with a deeper understanding and knowledge of the trace and investigative operations and requirements of a debt collection organisation and how these methods are used to locate a data subject. The learner will explore best practices that underpin tracing and investigations techniques and why an organisation may outsource this requirement.

This unit has four broad learning outcomes:

1. Understand how industry best practice can demonstrate compliance to statutory requirements.
2. Know the different sources of trace related data that are available from credit and non-credit reference agencies.
3. Know how to apply different tracing methods and techniques commonly used in trace operations.
4. Understand why a debt collection organisation may use outsource its trace and investigation business requirements.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand how industry best practice can demonstrate compliance to statutory requirements.

Know the different sources of trace related data that are available from credit and non-credit reference agencies.

Know how to apply different tracing methods and techniques commonly used in trace operations.

Assessment Criteria:

On completion of this unit the learner can:

1.1 Explain how an organisation can demonstrate that its trace and investigation activities are compliant to statutory requirements.

1.2 Demonstrate how an organisation adheres to the trace section of the CSA Code of Practice.

1.3 Distinguish between validation and verification requirements for trace compliance.

2.1 Explain the different types of data available from the credit reference agencies.

2.2 Explain the verification requirements necessary for validating credit reference agency data.

2.3 Summarise how the use of data can be utilised in tracing activities

2.4 Explain alternative non-credit reference agency data sources that are available for tracing a data subject whereabouts.

3.1 Clarify the key aspects of telephone trace techniques.

3.2 Explain common techniques used in

letter tracing.

3.3 Analyse the effectiveness of different types of written correspondence

3.4 Explain the compliance requirements for written correspondence.

3.5 Analyse the difference between field tracing techniques and internal tracing methods.

3.6 Explain when field tracing methods should be used.

3.7 Summarise the different types of field trace services that are available to an organisation.

Understand why a debt collection organisation may use outsource its trace and investigation business requirements.

4.1 Explain the reasons why a business may employ the services of an external agent.

4.2 Analyse the difference between an external agent services in relation to trace and investigation services.

4.3 Explain how external agents can be audited prior to instructions.

4.4 Analyse different ways in which an organisation can manage and incentivise performance of external agents.

4.5 Develop 'Key Performance Indicators' (KPI's) for measuring the effectiveness of external agents.

Unit 8: Leading a Team in a Debt Collection Organisation

Introduction

This unit is designed specifically for existing or aspiring team leaders, seeking to improve their team leadership skills to help them reach their full potential in their business environment of debt collection. The learner will explore a useful mix of theory and practical explanation of team leading concepts.

This unit will be of great benefit to anyone whose primary role is, or will be, to lead a team within debt collection industry.

Aim

The aim of this unit is to provide the learner with a wide variety of skills required by effective team leaders. Throughout this unit the learner will study a number of key principles that enable them to build and broaden the skills and knowledge of team leading including practical techniques in motivating teams, planning and monitoring their work.

This unit has five broad learning outcomes:

1. Understand the key principles of leading an effective team.
2. Understand the significance of managing professional working relationships with team members.
3. Understand the importance delivering productive team communications.
4. Understand how to monitor and improve team and individual performance.
5. Understand the importance of recognising when team members require further training or support.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:	Assessment Criteria:
<p>By the end of this unit the learner will:</p> <p>Understand the key principles of leading an effective team.</p>	<p>On completion of this unit the learner can:</p> <ul style="list-style-type: none"> 1.1 Explain the role of a team leader. 1.2 Summarise the purpose of teamwork within a debt recovery organisation. 1.3 Summarise the key characteristics of effective team leadership. 1.4 Analyse the theoretical concepts of team development and team roles. 1.5 Explain how to lead a team through a time of change. 1.6 Summarise the compliance responsibilities of a team leader in a debt recovery organisation.
<p>Understand the significance of managing professional working relationships with team members.</p>	<ul style="list-style-type: none"> 2.1 Explain how team building activities can strengthen and maintain good relationships. 2.2 Explain the internal and external influences that may impact on good working relationships within a team. 2.3 Summarise the process integrating new team members and the potential impact this can have on the group

dynamics.

2.4 Explain the legal and organisational requirements when dealing with HR issues, such as conflict, within a team.

Understand the importance delivering productive team communications.

3.1 Explain the different methods and techniques commonly used for team communications.

3.2 Evaluate the main principles of providing and delivering effective team communications.

3.3 Explain the importance of disseminating company information. Including setting team objectives and targets.

3.4 Analyse the key elements of providing constructive verbal or written feedback.

3.5 Summarise how to communicate compliance processes and procedures across your area of responsibility.

Understand how to monitor and improve team and individual performance.

4.1 Explain how key performance indicators (KPIs) are used to monitor the team and individual member performance.

4.2 Explain how SMART objectives support a team in attaining its goals.

4.3 Summarise how the results of monitoring a team performance can ensure that work objectives have been met.

- 4.4 Explain how to provide feedback to an individual team member to ensure work objectives are maintained. Including conducting appraisals.
- 4.5 Evaluate how motivational techniques can incentivise a team to produce results.
- 4.6 Explain the importance of recognising team and individual achievements.

Understand the importance of recognising when team members require further training or support.

- 5.1 Explain the situation when a review of individual training needs is necessary or appropriate.
- 5.2 Analyse how coaching techniques can support the on-going development of a team member.
- 5.3 Analyse the benefits of additional training and support for the individual.
- 5.4 Explain the organisational benefits of on-going training. Including potential compliance issues.

Unit 9: Managing Third Party Relationships in the Debt Collection Industry

Introduction

This unit is designed to introduce the learner to the concepts and compliance principles required to effectively manage a third party relationship with external agents contracted by a debt collection organisation. Throughout this unit the learner will explore the specific requirements for outsourcing work and investigate the processes for selection and contractual arrangements for measuring the effectiveness of the agreement.

Aim

The aim of this unit is enhance the learner knowledge and understanding of outsourcing work and how relationship with external agents can be effectively introduced and managed. The learner will gain a deeper understanding of contractual arrangements for ensuring that an outsourced service is 'fit for purpose' and the on-going process for measuring the success and effectiveness of the relationship.

This unit has four broad learning outcomes:

1. Understand why a debt collection organisation may outsource a specific service.
2. Know the process for selecting the most appropriate third party supplier to fit the level of service required.
3. Know how to ensure that a third party supplier is fit for purpose prior to placement.
4. Understand the post-contractual arrangements for managing third party performance.

Assessment

This unit will be assessed by an assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand why a debt collection organisation may outsource a specific service.

Know the process for selecting the most appropriate third party supplier to fit the level of service required.

Know how to ensure that a third party supplier is fit for purpose prior to placement.

Assessment Criteria:

On completion of this unit the learner can:

1.1 Explain the specific outsourcing needs of a debt collection organisation and the type of service that may be required.

1.2 Summarise how long an outsourced service may be required for.

1.3 Explain why company reputation and brand awareness is important when deciding to outsource a service.

2.1 Analyse how to ascertain the level of service required prior to outsourcing.

2.2 Explain why cost/benefit analysis including profitability modelling is an important of the selection process.

2.3 Summarise the importance of market research in the supplier selection process.

2.4 Explain the decision making process for deciding if the level of outsourced service should be an open or closed tender.

3.1 Explain what supplier background checks need to be undertaken prior to placement.

3.2 Summarise the due diligence process prior to placement.

3.3 Explain the contractual arrangement

prior to employing the service of a third party.

- Understand the post-contractual arrangements for managing third party performance.
- 4.1 Explain the on-going process for monitoring the level of service. Including: Reporting and data requirements.
 - 4.2 Summarise the importance of carrying out audits. Including onsite and remote audits.
 - 4.3 Analyse the process to ensure that the third party is compliant with statutory requirements.
 - 4.4 Ensure that all documentation and payment records are up-to-date and appropriate in accordance with legal and organisational requirements.
 - 4.5 Summarise best practice for maintaining a positive working relationship.
 - 4.6 Explain the process for measuring the effectiveness of the contract.

Unit 10: Debt Collection and Back Office Administration

Introduction

The unit has been created to provide the learner with a deeper appreciation of how an organisations back office administration activities plays an important role in supporting the recovery of debt and how this function contributes to the overall success of the business. Throughout this unit the learner will explore a number of activities essential for managing the debt recovery cycle.

Aim

This aim of this unit is to provide the learner with the key skills, knowledge and understanding of working within an administrative role designed to support the business debt collection activities. The learner will investigate a number of business back office administrative principles involved in communicating with the hardship and vulnerable customers and the process for issuing legal binding contracts with external agents.

This unit has five broad learning outcomes:

1. Understand the importance of back office administration on the debt collection function.
2. Understand the principles of 'recourse' business processes and how this administered.
3. Understand the administration process in developing legally binding business contracts.
4. Understanding the back office administration process for managing an outsourced account.
5. Understanding how the back office administration process deals with identified hardship and vulnerable customers.

Assessment

This unit will be assessed by a work based assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the importance of back office administration on the debt collection function.

Assessment Criteria:

On completion of this unit the learner can:

- 1.1 Explain the importance of ensuring the accuracy of management information systems on the debt recovery cycle.
- 1.2 Analyse the significance of written correspondence as a financial support function on the recovery of debt.
- 1.3 Evaluate the different methods of communication commonly used within a back office administrative function.
- 1.4 Explain the legalities involved when processing subject access request (SAR).
- 1.5 Summarise the principles of administration involved in the processing of documents issued and received.
- 1.6 Explain how to monitor the progress of debt collections to ensure compliance within legal and organisational requirements.

Understand the principles of 'recourse' business processes and how this

- 2.1 Summarise the importance of 'recourse' and how this principle impacts on the

administered.

debt collection cycle.

2.2 Explain the common contract terms associated with the administration of 'recourse'.

2.3 Interpret how 'recourse' disputes can be resolved.

2.4 Evaluate the financial implications of 'recourse' not being appropriately administered or managed.

Understand the administration process in developing legally binding business contracts.

3.1 Critically compare the different types of contracts commonly used by a debt recovery organisation.

3.2 Summarise the key items that a legal binding business contract must contain.

3.3 Explain the legal terminology which is commonly used within a standard business contract.

3.4 Summarise the execution and on-going administration process of a standard business contract.

Understand the back office administration process for managing an outsourced account.

4.1 Summarise a situation when it may be appropriate for a debt recovery organisation to outsource an account.

4.2 Explain the common business standards and protocols involved in outsourcing accounts.

4.3 Analyse how the administration

function of a debt recovery organisation can support commercial negotiations.

4.4 Explain the business administration process for onsite and remote auditing of outsourced accounts.

4.5 Evaluate the reporting and payment administration processes regarding outsourced accounts.

4.6 Summarise the legal framework for administrating and managing outsourced accounts.

Understand how the back office administration process deals with identified hardship and vulnerable customers.

5.1 Explain how the regulators guidelines in relation to hardship cases and vulnerable customer.

5.2 Summarise how the customer is protected under regulatory framework.

5.3 Explain the 30 day breathing space and how this is administered.

5.4 Summarise the processing of a default notice and how a back office operation liaises with credit reference agencies.

Unit 11: The Utility Industry, Billing and Debt Collection

Introduction

This unit is designed to provide the student with an in-depth knowledge of the utility, billing and debt collection sector and understand how this differs from the recovery of consumer and commercial debt.

Aim

The aim of this unit is to enable the learner to develop an understanding of the utility debt collection marketplace and the business environment in which operates. The learner will develop knowledge of how the utility industry debt collection activities are influenced by billing and UK regulation and the core challenges associated with the recovery of consumer and commercial debt.

This unit has four broad learning outcomes:

1. Understand the historical development of debt collection in the utility industry.
2. Understand the primary mechanisms for billing and collections for each sector in the Utility Industry.
3. Understand the key factors that influence the recovery of utility debt.
4. Understand the key challenges within the Utility Industry exploring the impact of these on the recovery of debt.

Assessment

This unit will be assessed by a work based assignment set by the Credit Services Association, which will be marked by the course tutor/nominated assessor and moderated by the Credit Services Association.

Learning Outcomes:

By the end of this unit the learner will:

Understand the historical development of debt collection in the utility industry.

Understand the primary mechanisms for billing and collections for each sector in the Utility Industry.

Assessment Criteria:

On completion of this unit the learner can:

- 1.1 Explain how debt collection has evolved in the 'Utility Industry'.
- 1.2 Explain the key elements that have driven change in the 'water' sector.
- 1.3 Summarise how the Gas and Electricity sector has evolved throughout the 21st century.
- 1.4 Analyse the key changes that transformed the Utility Industry since the 1990s.
- 2.1 Explain the basic billing and collection methods used in the Utility Industry.
- 2.2 Explain the common issues affecting billing for utility services.
- 2.3 Summarise the different options for collecting utility debt.
- 2.4 Evaluate the different payment options for a consumer.
- 2.5 Critically compare the different debt recovery methods for utility collections.
- 2.6 Explain the difference between domestic and commercial utility collections.
- 2.7 Evaluate the main differences and restrictions of collecting utility debt compared to traditional consumer debt.

- Understand the key factors that influence the recovery of utility debt.
- 3.1 Explain the regulatory environment including its impact on the collection of utility debt.
 - 3.2 Explain the role of OFWAT in the Water Industry.
 - 3.3 Explain the role of OFGEM in the Gas and Electricity Industry.
 - 3.4 Evaluate the key differences between FCA, OFWAT and OFGEM in relation to the recovery of debt.
 - 3.5 Summarise the impact that the 'Code of Practice for Accurate Bills' has on the Utility Industry.
 - 3.6 Evaluate other organisations that influence the billing and collection of utility debt.
 - 3.7 Summarise the main ways the Utility Industry helps vulnerable customers.

Understand the key challenges within the Utility Industry exploring the impact of these on the recovery of debt.

4.1 Evaluate how the economic landscape can influence the recovery of utility debt.

4.2 Summarise the key challenges of collecting outstanding debt in relation to the Utility Industry.

4.3 Analyse the key factors that will influence the future billing and collection of utility services.

4.4 Evaluate the possible impact that future changes in the Utility Industry may have on the consumer.

Notes

Notes

For further information contact:

Fiona Macaskill

Head of Learning and Development

T: +44 (0) 191 217 3072

E: fiona.macaskill@csa-uk.com

Credit Services Association

Esh Plaza

Sir Bobby Robson Way

Great Park

Newcastle upon Tyne

NE13 9BA