



Moderator's Assignment Feedback – Debt Collection Negotiations

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 Debt Collections Negotiations assignment.

General feedback to candidates

Section A principles: All candidates showed an understanding of the subject area to meet at least the level 2 pass criteria. Candidates that showed awareness of both legal and the organisation context for their approach achieved a Level 3 Pass.

Section B: Almost all candidates showed the ability to act appropriate in straightforward situations to achieve a Level 2 pass. Candidates that showed an ability to assess their approach and vary it in response to a range of situations achieved a Level 3 pass.

A few candidates showed poor use of appendices, referring to appendices that were not attached or using vague reference such as 'see appendices'. Candidates should note the rubric on appendices they must be clearly referenced and support the body of the answer.

Feedback for each assignment question

Part A Principles

Q1. Explain how to make appropriate contact with a debtor in accordance with legal and organisational requirements

Q1 – All candidates were able to show appropriate contact with reference to legal and organisational requirements, with stronger answers giving details of the steps involved.

Q2. Explain the information you can provide to a debtor in order to:

- a) authenticate a collector's relationship to the creditor**
- b) explain the debtor's legal position, debt obligation and any consequences of non-compliance**

Q2a/b - Almost every candidate gave a reasonable list of the required items with explanations of why they were provided therefore gained fewer marks. A few candidates lacked coverage of all the areas listed in 2b).

Q3. With reference to a debtor's profile, and in accordance with organisational requirements:

a) Explain the elements required when profiling a debtor

Q3a – Most candidates gave a clear explanation of how specific debtor profiles were established. The weaker answers lacked reference to what debtor profiles could be established.

b) Explain the impact of a debtor's profile on the collection process

Q3b – All candidates were able to describe appropriate collection processes within an organisation context. Candidates who because they could link the collections process to a debtor profile.

c) Explain how to identify and report suspicions of fraudulent activity and/or money laundering

Q3c – Most candidates showed a reasonable awareness of this area and the organisational context.

Q4. Explain how you should investigate disputes. Consider the actions you should take to source, gather and analyse evidence and how to liaise with other departments and/or organisations

Q4 – Candidates whose answers covered all the steps of the investigation process listed in the question achieved higher marks. However, many candidates missed at least one action, which meant fewer marks could be awarded.

Q5. With reference to organisational and legal requirements, explain how you should record disputes. Consider in your answer, how customer records should be maintained

Q5 – All candidates were able to provide with an explanation and the legal/organisational context. Answers that achieved higher marks included discussion of both recording of disputes and record maintenance.

Q6. Explain the strategies available to you, in order to achieve full payment of a debt in accordance with organisational and legal requirements

Q6 – Stronger answers explained a range of strategies with context, while the weaker ones gave a brief outline of a limited range of strategies.

Q7. Explain how to prepare, implement and communicate a repayment plan

Q7 – Several candidates gave a balanced answer covering all the stages listed in the question and mark scheme. The weaker answers either missed a stage or were too brief in explanation of one or more stages.

Q8. What appropriate action can you take if there is failure to reach agreement for payment? Consider the involvement of third party advisors in your answer.

Q8 – All candidates gave a reasonable response to payment default. The better answers ensured adequate discussion of the role of third parties that showed knowledge of how to involve them.

Part B Practice 4 credits

This assignment gives you the opportunity to show that you are able to undertake debt collection negotiation.

Q1. Demonstrate how you make appropriate contact with your debtors. Include in your answer, how to authenticate your relationship to the creditor and how to explain the debtor's obligations and legal position

Q1 – This question prompted a range of answers. Most candidates could demonstrate appropriate contact however, only a few were able to explain why it was appropriate and supply more than basic references to legal and organisational requirements.

Q2. Show how you have been able to establish and record debtor ability and willingness to pay, in accordance with debtor profiles

Q2 – Most candidates were able to show an ability to establish and record what the question required. Some candidates, who considered a range of debtor profiles so that they could show the different approach gained higher marks.

Q3. Using examples, demonstrate how you take appropriate action in the following situations. Consider how you identify, record, investigate, report and refer in each case:

a) There is suspicion of fraudulent activity and/or money laundering

Q3a – Candidates generally mirrored their performance on Q3c Principles, giving reasonable examples of appropriate action in at least one of these situations.

b) There is a dispute for all or part of the debt

Q3b – Most candidates were able to show an approach and relate these to a legal and organisational context. The weaker answers had limited reference to the context for their actions.

c) A debtor is in financial distress

Q3c – This question saw the best overall performance on this assignment. Candidates showed a clear awareness of how to vary their approach to meet the needs of debtor and creditor in this situation.

Q4. Demonstrate how you review and maintain customer records in accordance with organisational and legal requirements

Q4 – Overall, this produced the lowest performance on this assignment. A common cause was that the candidate discussed the legal and organisational context, and gave limited details of the steps they took to show their ability.

Q5. Provide cases to demonstrate effective repayment negotiations over the course of a month, showing specifically how you: (we would expect to appendices for this question)

a) achieved full repayment

Q5a – Generally, this was answered. Candidates gave a reasonable explanation of their actions, and would have achieved a higher marks by evaluating their approach.

b) established a realistic repayment plan

Q5b – Most candidates showed the ability to set up realistic levels of repayment using valid tools such as an income and expenditure form, with some achieving higher marks showing awareness of different approaches.

c) communicated agreed repayments and consequences of default

Q5c - Most answers showed candidates' awareness of potential post-default actions and ability to communicate it.

Q6. With examples, explain how you identify and, where possible, implement appropriate action following default of a repayment plan.

Q6 – Candidates' performance on this question generally followed the pattern set by their answers to Q5b and Q5c. Candidates provided and gained higher marks with examples that showed they understood what they needed to do.