



Moderator's Assignment Feedback – Debt Prioritisation & Collections Process Advice Principles and Practice assignment

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 Prioritisation & Collections Process Advice Principles and Practice assignment.

General feedback to candidates

A generally high standard of assignments, with candidates demonstrating their own experience in both the Principles and Practice sections. Candidates should take care to remember that this subject relates to the prioritisation of debt, and thus answers should focus on this, rather than on general money advice. More variation of examples in the practice section would lead to an improvement of marks in this area.

Some candidates could have gained higher marks by ensuring their answers gave a little more detail, which would indicate to the examiner their confident understanding of the topic.

All questions were attempted, and candidates seemed to be aware of what was expected of them.

The best marks were awarded where candidates were able to reflect on the wider context in their answers and displayed a sound understanding of the subject.

Candidates who relied heavily on sourced text, such as internal training documents, gained few marks for this because they failed to demonstrate their own knowledge of the subject. Candidates are encouraged to reference external sources but to use these to answer the question in their own words.

Feedback for each assignment question

Part A Principles

Q1. With regard to the common types of priority debts:

a) Identify the most common and briefly explain their characteristics

Q1a – Generally well answered, with many candidates including a wide variety of priority debts. A few candidates began to overlap with the next questions. Some answers gave only 5-6 different priority debts whilst stronger answers gave a fuller list with clear explanation of what that type of debt was for. In Contrast, some learners attempted to list so many priority debts that they left themselves with little room for explanation and their answer read more like a list restricting them to a lower mark.

b) Explain the possible sanctions for non-payment of each

Q1b – Again a generally good answer, with the majority of relevant sanctions included. Some candidates could show more context/understanding by slightly more detailed explanation.

Where there was more than one possible sanction, these were not all always discussed thoroughly, often missing a more common outcome, e.g. how hire purchase works. Stronger answers considered all the possible sanctions for each type of priority debt.

c) Within the remit of your job role, explain how you would advise a client in arrears with each priority debt type

Q1c – All candidates were able to provide at least a basic overview, but the best answers provided much more detail to show candidates' competency in advising a client in this situation. In particular there was a lot of variation with how well this question was answered relating to mortgage arrears. The best answers were those that considered technical details such as the recommended timeline to clear the priority arrears for each area. Highest marks were awarded where the candidate also discussed the budget and how to share out the surplus so that these debts were prioritised. The better answers were those where there was little repetition and each priority debt type had a tailored answer.

di) List and describe key external organisations able to offer specialist advice on priority arrears

Q1di – Generally well answered and showed wider reading. The best answers were where the organisations detailed specifically gave specialist advice on priority areas rather than general money and debt advice.

ii) Explain how to evaluate the suitability of another service in meeting a person's needs

Q1dii – A mixture in strength of responses to this question. Some answers given were brief of combined with the answer to diii). The strongest answers were where candidates showed their decision making process when they selected which organisation to refer a client to.

iii) Explain the referral process, including how it is reviewed to ensure effectiveness

Q1diii – Answers to this section were often brief. Stronger answers mentioned which area of the organisation was responsible for reviewing referral organisations and also key traits that they'd look for in a referral organisation.

Most candidates were able to explain the methods of referral available to them. Very few candidates explained the importance of reviewing this process.

Q2. Using several examples to illustrate explain:

a) The characteristics of key non-priority debts

Q2a – Generally answered in an accurate, but brief and non-explanatory way, meaning few candidates achieved Level 3 Good Pass or Excellent Pass. The explanation of the characteristics of key non-priority debts could be clearer (both as a general overview of the debt category and as individual descriptions) to gain additional marks.

Many candidates gave valid advice for clients, but again this could have been explained in a little more detail keeping in mind that the question asks for advice that can be given to clients in arrears for each non-priority debt type.

b) General advice that can be given to clients in arrears for each non-priority debt type

Q2b – Again, stronger answers were where candidates approached this question in a general manner as to advice that can be given to clients with non-priority debts.

Q3. Explain the typical non-priority creditor’s collections process when a customer falls into arrears. Include in your answer:

a) Special reference to any guidelines

b) Advice that you would give any client who alleges harassment by the creditor

Q3 – This was generally answered well. Candidates are clear on the general process followed, but not all were able to concisely give the individual stages of the process – particularly the start of the process. Some answers focused too heavily on harassment and gave only brief overview of collections process. A better balance would benefit responses and some only considered what a creditor cannot do and didn’t explain what they can do. Stronger answers specifically mentioned FCA guidelines, some did not or made a vague reference to guidelines.

Section B Practice

This section of your assignment aims to demonstrate that you can deliver effective advice on debt prioritisation and the collections process, based on reflective practice.

Q4. Default notices and collections letters are often mistaken for legal paperwork.

a) Describe why you think this is the case

Q4a – Strongest part of most answers, with good details regarding the appearance of the letters plus the clients’ likely state of mind. The best answers considered the context and the client’s emotions and understanding of the collections process.

b) Explain how you check with your client exactly what documents they have received

Q4b – Most candidates did not provide enough detail to gain the highest mark, and some candidates only concentrated on checking for one/two types of document. Candidates often gave a good explanation of how to check for a default notice and a county court claim form. Stronger answers went a step further and explained how they would generally check what paperwork the client had received.

c) Explain why it is important to check this documentation

Q4c – Generally answered well although some answers were a little brief. The best answers were where candidates considered various implications of the client should they not identify the paperwork correctly.

Q5. Produce reference material that could be used when advising a client who has received a default notice. Answer this question within the remit of your job role and present your answer in a format that would be beneficial to you and/or your organisation

Q5 - Several answers gave too much detail on the content of the DN, which was not particularly relevant here, stronger answers considered impact on and advice for the client.

The question asks for the answer to be presented for use “when advising a client” – and some answers did not consider relevant advice such as impact on credit file, continued use of the account etc.

Some candidates relied to heavily on source materials, answers that reached Level 3 were where the majority of the answer was in learner’s own wording to demonstrate their understanding.

Q6. Explain the term ‘Social Policy’ and outline in what circumstances it may be appropriate to make use of this

Q6 - Some answers struggled to define what the policy actually is within the debt advice environment. Stronger answers showed candidates understanding by clearly explaining how the policy works within their organisation and how change can be effected.

Q7. Compile evidence of a range of 5 cases where you have delivered advice on debt prioritisation or the collections process and in each case:

- **Justify your general approach to the giving of the advice**
- **Explain approach and reasoning regarding any referrals to other specialist services.**
- **Summarise the content of your records, calls/correspondence and outcomes.**

Q7 - The best answers were specific to the question and showed how their examples related to debt prioritisation/collections, did not give too much lengthy and unnecessary background detail, and focussed on specific advice given. Some candidates included general advice calls which were not relevant enough to the assignment or question.

Q8. a) Evaluate your performance in relation to the calls that you have evidenced in the previous question. Work with your line manager, if appropriate, but answer in your own words.

Include in your answer an assessment of how well you handled any cases which required a referral and how you have helped clients to act on their own

Q8a – Some evaluation evidenced in answers. The best responses were where the candidate took care to relate this back to calls details in question 7.

b) Produce an action plan to address any areas for development. Refer, where relevant, to any organisational or legal requirements

Q8b –Most candidates produced a basic action plan. The stronger answers were where the candidate was able to explain how they planned to further their development in each area in relation to coaching, training courses, wider reading etc.