



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 a good, basic 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 able to demonstrate their practical experience in the field through their answers, giving some good suggestions. Some candidates have not fully addressed many of the questions though, and could have gained additional marks by taking a little more time to give additional detail and showed consideration of the mark scheme.

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. 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.

b) Token Payments

Q1b – Many answers did not explain the difference between self-administration and administered plans, and so did not fully grasp the concept of token payments as a solution (due to forming their answer around the requirements of their own organisation).

The importance of/benefits of actually making payments was only covered in the higher level answers. Some candidates did not consider all of the bullet points attached to the question. In particular appropriate records and supporting documentation and also consequences of non-compliance with requirements. Few responses went into detail as to why this should not be considered a long term debt solution.

C) Full and Final Settlements

Q1c - Most answers gave the basic principles of the solution. The best answers provided context by considering the creditor response, e.g. circumstances when they are more/less likely to accept, and ensured that the client's living costs were adequately covered.

Some confusion over how this is marked on credit file/impacts client's credit rating. Some candidates did not consider all of the bullet points attached to the question. In particular appropriate records and supporting documentation and also consequences of non-compliance with requirements.

The best answers also considered potential creditor responses and next steps.

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 really address "why" the budget is important at all.

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 which demonstrated factors to be considered.

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.

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 take control of their situation.

Q5. Critically analyse the budget in Appendix 1 to:

a) identify and quantify potential additional areas of expenditure

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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 to this one. Some candidates just mentioned the use of SMART goals without actually explaining or applying them to the case in question. 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. The stronger answers considered context of the client actually taking up the suggestions.

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

Q5e - Generally answered moderately well, but "how" not addressed as well as "when" in some answers. A varied standard of answers. Some candidates did not specifically consider the case study budget, but gave a general answer only.

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 – Some answers provided too much anecdotal background detail, which did not help to demonstrate their ability to advise the client. Some answers were also too generic and did not demonstrate tailored advice for the client, making it difficult to gain higher marks. Candidates should also ensure they cover both parts of the question.

Stronger answers were able to demonstrate a wider range of cases. Some of these answers listed information obtained from clients, and process followed, but no actual advice/information to the client regarding 'why' this was the recommended course of action.

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 as in previous series, many candidates struggled to evaluate, and did not give enough detail of their methods and results. 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.

