Moderator's Assignment Feedback – Preparation for Debt Collection

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 Collection Operations Management assignment.

General feedback to candidates

Most candidates in this session were able to achieve a Level 3 Pass or better on Part A Principles, but fared less well on Part B Practice, with most achieving a Level 2 Pass.

This difference was for two primary reasons:
- The candidate did not supply evidence of their ability to use a relevant approach in Part B, sometimes simply repeating content from Part A.
- Evidence of ability to use a relevant approach was present, but did not show an ability to operate in situations with a measure of complexity - a requirement of the Level 3 grade criteria

Candidates are therefore advised to carefully select the examples used for evidence in Part B. If suitable examples are not available, candidates need to show that they can act effectively

On Part A Principle, candidates are advised to pay attention to the question wording and mark scheme to maximise marks - this is especially relevant in the scenarios outlined in Question 9.

Feedback for each assignment question

Q1. Explain the types of financial and non financial information required before commencing debt collection

Q1 – Most candidates gave satisfactory answers, explaining the information required. A few only described the information to achieve a Level 2 Pass.

Q2. Explain how to confirm the details of the debtor or their nominated representative with reference to any legal requirements

Q3. Explain how to locate missing information in accordance with legal requirements

Q4. Explain how to locate debtors who cannot be contacted with reference to any legal requirements

Q2 – Q4 - These question's saw the best overall performance on this Part, with all candidates achieving Level 3 Pass or higher and a few Excellent Level 3 answers.

Q5. Explain how to validate the authenticity and accuracy of financial information received from third parties

Q5 - This question produced a range of answers, although most met the Level 3 grade criteria. The weaker answers did not relate the process to financial information or give good explanatory examples.

Q6. Explain debt collection options available for main debtor types, including deceased debtors

Q6 **-** Most candidates were able to describe a range of relevant options to achieve a Level 3 Pass. The weaker answers gave lists with only brief explanations or left out some options.

Q7. - **Describe the insolvency options available for different debtor types**

Q7 - A few candidates covered a good range of debtor types, but candidates who only explained personal insolvency limited the range of possible debtor types, and so earned fewer marks.

Q8 - Explain how to manage the collection of debt from vulnerable debtors.

Q8 - Overall, candidates showed a good understanding of recovery from vulnerable debtors, and the result was a Level 3 Pass or Good Level 3 Pass

Q9 - Advise if debt collection should commence in the following circumstances. Give reasons for your choice in each case:

Scenario A
   The debt is for £500.

The debtor is an individual who is unemployed and living in local authority accommodation. The creditor has no information regarding the financial position of the debtor in respect of ownership of vehicles or bank accounts.

Scenario B
   The debt is for £2,500.

The debtor is a limited company that operates a printing business. The creditor has retained copies of cheques on their files from previous payments made by the debtor. The creditor is also aware that the debtor company owns a fleet of vehicles which they use for deliveries.

Scenario C
   The debt amount is £15,000.

   The debtor is a sole trader and this is a business debt.

The debtor carries on business as a self-employed builder working from home. The creditor is not aware of any building yard or trading address for the debtor. The creditor does know that the debtor owns his own home with his wife and has a van that he uses for work.

Q9 **-** There was a range of answers to this question. Weaker candidates either misread the scenario or did not consider all the information provided to give relevant advice based on the evidence.

Part B Practice

Q1 - Describe the organisation that you work for and explain your role and function

Q1 - Few candidates found this question difficult to answer, providing a reasonable explanation to achieve a Level 3 Pass.

Q2 - Demonstrate how you carry out the following work:

   a) Obtain financial and non-financial information required to commence debt collection
   b) Confirm details of the debtor or their nominated representative.
   c) Locate missing information
   d) Locate debtors

Q2a-d - Most candidates were able to show their ability to make relevant decisions depending on the situation to earn a Level 3 Pass or better. The weaker answers used examples that were narrow in scope or did not explain their actions.

Q3 - Confirm whether debt collection should commence in a range of circumstances.

Q3 - Most candidates achieved a Level 2 Pass on this question because their evidence did not show the ability to perform beyond a narrow range of circumstances.

Q4 - Validate the authenticity and accuracy of financial information received from third parties.

Q4 - Candidates that either repeated content from Question 4 of Part A Principles that did not show ability, or limited their activities to internal checks, achieved a Level 2 Pass. Candidates who made use of a wider range of checks achieved a Level 3 Pass.

Q5 - Analyse information including securities in order to advise if debt collection should commence.

Q5 - Generally, this saw the weakest performance on this part, with some candidates not supplying evidence of their ability to analyse (Refer), or only the ability to perform basic checks (Level 2 Pass).

Q6 - Advise on the method of debt collection for a range of debtor types

Q6 - On this question, most candidates achieved a Level 2 Pass. This was because the situations they outlined were simple in nature and could be resolved using policy and guidance.