

Specification of Competency Standards for the Retail Banking

Unit of Competency

Credit Management > 3.4 Debt Collections

Title	Collect bad and doubtful debts
Code	107378L4
Range	Collect payment from delinquent accounts of different kinds
Level	4
Credit	3
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Understand methods in collecting bad and doubtful debts Be able to: <ul style="list-style-type: none"> • Understand the bank's policies and procedures in collecting bad and doubtful debts in order select an appropriate action according to different situations 2. Select appropriate follow-up actions Be able to: <ul style="list-style-type: none"> • Review records of the delinquent account and decide on appropriate actions to minimize potential loss to the bank • Manage resources effectively and ensure expenses incurred by the collection methods can be covered by the potential credit losses associated 3. Use external resources to deal with problem loans Be able to: <ul style="list-style-type: none"> • Source, select and recruit suitable agencies or solicitors to collect bad and doubtful debts • Monitor the services of the collection agencies or solicitors to ensure the fulfilment of the bank's requirement • Ensure the actions taken by bad debt collection agencies or solicitors that are in accordance with the bank's policies • Conduct service audits on appointed bad debt collection agencies or solicitors and guide them to follow the bank's collection policies and standards when necessary
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Arrangement of collection of bad debts to keep credit losses and collection expenses within budget of the bank and actions executed are in accordance with the bank's collection policies and standards • Monitoring of services of external collection agencies or solicitors in order to ensure compliance with the bank's standards
Remark	