

Vulnerable Customers Policy

Regulatory requirements

Consumers are placed at the centre of the FCA's regulatory regime and their protection is one of the FCA's operational objectives. The FCA advances its consumer protection objective through its high-level principles and specific conduct rules that apply to claims management firms.

Principle 6 of the FCA's Principles for Businesses requires the Firm to pay due regard to the interests of its customers and treat them fairly.

CMCOB 2.1.2 requires the Firm to implement clear, effective and appropriate policies to identify and protect vulnerable customers.

Definition

The FCA define a vulnerable consumer as someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.

Susceptible to harm includes the risk that the customers may not understand the terms of the Firm's service and not make an informed engagement decision. Susceptibility to harm may also arise from the fact that vulnerable customers can be more trusting and believe that the Firm's representative is acting in their best interests which exposes them to harm if the Firm does not conduct its business with care.

Equality

The Equality Act 2010 it is illegal to discriminate against an individual because of their age, disability and race. In the context of providing the Firm's services it would be illegal to withhold its services to individuals because they are vulnerable. The Firm is required to make reasonable adjustments to its services to accommodate vulnerable customers. In other words, the Firm must be proactive in finding solutions to accommodate vulnerable customers and help vulnerable customers make informed choices (i.e. focusing on how the Firm can help the customer rather than focusing on the apparent barrier the customer's vulnerability presents).

Types of vulnerabilities

Vulnerability can come in a range of guises, and can be temporary, sporadic or permanent in nature. A number of people who are vulnerable may not consider themselves to be vulnerable.

Vulnerability can be caused by mental incapacity which affects an individual's ability to

make an informed decision. The Mental Capacity Act 2005 states that a person lacks mental capacity if they cannot understand information about the decision to be made, cannot retain that information in their mind, cannot use or weigh that information as part of the decision-making process, or cannot communicate their decision.

Types of characteristics and circumstances that can render individuals vulnerable include:

Permanent	Temporary	Sporadic
Physical disability	Physical disability	
Mental disability	Mental disability	Mental disability
Medical conditions (e.g. dementia)	Medical conditions (e.g. depression)	Medical conditions (e.g. severe anxiety)
Illiteracy		
Language barrier	Language barrier	
	Bereavement	
	Relationship breakdown	
Financially illiteracy		
	Customers in arrears	

Identifying vulnerabilities

Vulnerability can be more easily identified by the Firm's staff using the existing customer service skills of listening, identifying needs and adjusting their approach accordingly.

The Firm's customer facing staff should be alert to the following indicators of vulnerability:

Customer Actions	Staff Action
The customer asks that you speak up or more slowly.	Check that the customer can hear the complete conversations and is not missing important bits. Speak clearly and enunciate.
The customer appears confused.	Check whether the customer understands what is being discussed. Set expectations for the call – outline all the information that will be required and how long the call is likely to last.
The customer asks unrelated questions.	Check whether the customer understands what is being discussed. Be patient and empathetic
The customer keeps wandering off the point in discussion and talking about irrelevancies or things that don't make sense.	Check whether the customer understands what is being discussed. Guide the call to keep it 'on topic.'

<p>The customer keeps repeating themselves.</p>	<p>Check whether the customer understands what is being discussed.</p> <p>Clarify understanding at every point posing the question “is there anything you’d like me to explain?”</p> <p>Ask the customer to explain to you what they understand the agreement to be.</p>
<p>The customer says ‘yes’ to questions when it is clear they haven’t listened or understood.</p>	<p>Check whether the customer understands what is being discussed.</p> <p>Ask the customer to explain to you what they understand the agreement to be.</p>
<p>The customer takes a long time to get to the phone and sound flustered or out of breath, indicating they may have a lack of mobility due to age or illness.</p>	<p>Don’t rush the customer.</p> <p>Give the customer time to explain fully – don’t interrupt or show impatience.</p>
<p>The customer takes a long time to answer questions. They say “My son/daughter/wife/husband deals with these things for me.”</p>	<p>Ask whether you can speak to the third party that deals with the customer’s affairs – obtain the customers consent before sharing any information with the third party.</p>
<p>The customer clearly is not fluent in English.</p>	<p>Ask the customer to explain to you what they understand the agreement to be.</p> <p>Give the customer time to explain fully – don’t interrupt or show impatience.</p> <p>Consider transferring the customer to a multi-lingual colleague.</p>

Assumptions

To ensure that the Firm consistently identifies vulnerable customers and provides a quality service to the same it is important that the Firm’s representative do not have assumptions when interacting with customers which could impair the Firm’s ability to identify vulnerabilities. Common assumptions that can undermine the ability to identify vulnerabilities include:

- Customers will tell you that they are vulnerable;
- Customers who are not fluent in speaking English are not fluent in reading and understanding English either;
- The person you are talking to can hear everything you are saying – they may have a hearing impairment; and
- The person you are talking to is sighted.

The Firm’s representatives should not be assumptive and should be attentive and look out for any signs of vulnerability and adjust their interaction accordingly.

Customer engagement

Where a customer decides to engage the Firm's services the Firm's representatives should honestly ask whether a 'yes' is a real agreement or just submission.

The Firm must be careful to distinguish between verbal cues and agreements. For example, 'oh yes' could mean 'I'm listening' not 'I'd like to go ahead.'

The Firm should ensure that the customer is not flustered, agitated or in an emotional state when they communicate their decision to engage the Firm's services.

Record keeping

The Firm will enter a record on a vulnerable customers' account to flag the customer as being vulnerable to ensure that future communications and engagements with the customer are tailored to their needs.

Data protection

Personal information that relates to an individual's health, ethnicity or race is considered sensitive and should be handled with particular care. The Firm will obtain the customer's consent to record their vulnerability on its system to facilitate future contact.

Review

The Firm will conduct a review of this policy on an annual basis, or sooner, if triggered by internal changes (e.g. business process changes) or external changes (e.g. changes in law).