

OUR PROCESS FOR DEALING WITH POTENTIALLY VULNERABLE CUSTOMERS

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, as set out in the Principles for Businesses module of the FCA Handbook, and specific conduct rules that apply to the Firm's regulated activities.

A person is unable to make a specific decision 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.

A person with mental health problems who is in debt is particularly vulnerable due to their (potential):

- Lack of money management skills
- A reliance on benefit income
- Fluctuations in income or inability to work
- Unmet housing, care or treatment needs
- Poor communication skills
- A relationship breakdown

Assessing a person's mental health is complex but needs to be recognised in early contact and addressed appropriately. If we believe a person may be vulnerable, we will ask 3 key questions:

1. **Does your mental health affect your financial situations?**
2. **Does it affect your ability to deal with or communicate with us?**
3. **Does anyone help you to manage your finances such as a family member?**

Signs we look out for when identifying vulnerability in customers:

- Do they ask you to speak up or speak more slowly?
- Do they understand what you are saying, or do they miss important bits?
- Do they appear confused about what is being offered?
- Do they ask any unrelated questions?

- Do they keep wandering off the point in the discussion and talk about irrelevant things or things that don't make sense?
- Do they keep repeating themselves?
- Do they take a long time to answer questions or say that someone else deals with these things for them?
- Do they have a language barrier?
- Do they say they don't understand their bank statements, a previous phone conversation or recent written correspondence?

Steps we take if we believe a customer may be vulnerable:

- We speak slowly, clearly and explain fully
- We are patient and empathise where appropriate
- We don't rush as it may sometimes take the customer time to get relevant information together such as account details
- We keep on the subject under discussion
- We do not make assumptions about a customer's needs
- We clarify understanding at every point and always ask if there is anything else he would like us to explain
- We ask the consumer to explain to us what he understands the agreement to be
- We offer alternative types of communication – phone, post, email, in person
- We do not make assumptions that the person we are dealing with is sighted as he may be unable to read or understand serial numbers or account numbers
- We do not make assumptions that the customer we are talking to can hear everything we say as he may have a hearing impairment
- We always remember that the customer we are speaking to may sometimes be forgetful or overly trusting and believe that a sales representative is always acting in his best interest
- We understand that some customers may be lonely and welcome the opportunity just to talk to someone
- We give the customer time to explain his circumstances fully and don't interrupt or appear impatient
- We also listen for what is **NOT** being said, for example, lack of questions about price, lack of commitment, timing of responses, extended silences

- We always ask if there is a better time to discuss matters as some customers may perform better at different times of the day
- We ask if there is anyone else the customer may need to talk to before making the decision

Prior to forming the contract:

- We ensure that the consumer demonstrates that the customer has an understanding of the decision they need to make, why they may need to make it and that they understand the consequences of making, or not making that decision.
- We ask if the customer needs to discuss the matter with anyone else, or if they would like us to explain anything else, or if there anything else we can do further to help
- We are always prepared to repeat anything to clarify understanding
- We do not assume that the customer fully understands all the implications of the agreement and explicitly and clearly confirm all the key features
- We suggest that the customer talks it through with someone else and offer to re-contact the customer. If appropriate we suggest that a third person could be present

Post Contract:

- If we identify particular communication needs, we store that information so future contacts are handled appropriately with his permission
- We record that we are satisfied that the customer completely understood everything that was discussed
- We allow customers to make a personal declaration about their capabilities or communication needs and store this information with the customers permission
- Any records that are held are with the full knowledge and consent of the customer and are deleted when the relationship no longer exists in accordance with GDPR.

If we identify a customer who may be in need of specialist advice which we are unable to offer:

- We may refer the customer to, or we will seek guidance from an appropriate organisation such as:
Stepchange
Money Advice Trust
CAB
Samaritans
Age UK
Alzheimers Society
Mind

Sources of guidance we refer to:

Equality Act 2010

Mental Capacity Act 2005

CONC 2.10 Contact with customers

Mental Capacity Guidance

Irresponsible Lending Guidance

MALG Consumers with mental health problems & debt

MALG 12 steps to treating vulnerable consumers fairly