



PRINCIPALS

Vulnerable Customers Policy

Dated [18/07/2024]

Objectives of this policy

This policy sets out the firm's approach to dealing with vulnerable customers and highlights the processes and procedures that will be needed by the firm to ensure that the firm acts to deliver good outcomes for vulnerable customers in line with principle 12 of the firm's principles for business (Consumer Duty).

This policy will apply to all employees within the business, including any individuals within other entities who are conducting work on behalf of the firm e.g. outsourcers

Definition of a vulnerable customer

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

FCA research through their Financial Lives' surveys, shows that the characteristics of vulnerability are both widely spread and diverse in nature and that many customers will demonstrate more than one characteristic of vulnerability.

The FCA has determined that there are 4 key drivers of vulnerability which can lead to customers having additional or different needs to other customers. These are:-

- Health characteristics – for example, physical or mental health disability
- Life Events – for example, retirement or relationship breakdown
- Resilience – for example, over indebtedness or low income
- Capability – for example, low knowledge of financial matters or English language skills

The firm will use these categories to identify its vulnerable customers as well as the sub-categories listed in table 1 of the [FCAs Finalised Guidance Paper FG21/1](#).

The firm will regularly review these sub-categories and where necessary include additional sub-categories where this enables the firm to identify additional and specific needs.

Scope of services

This policy applies to all of the firm's regulated activities which includes its mortgage and general insurance and protection .

The firm will include all types of customer within scope of its vulnerable customer policy, including company representatives acting on behalf of a corporate customer.

Understanding the needs of the firms' vulnerable customers

The firm will ensure that it has appropriate processes and procedures in place to enable the firms' employees to be able to identify and recognize the vulnerabilities of customers both at the outset of any business relationship with that customer and on an ongoing basis.

To achieve this objective the firm will have in place the following:-

- Fact finding processes that captures information on customer vulnerabilities
- Disclosure documentation and communications that are designed to encourage customers to disclose any vulnerabilities and specific needs that they may have

- Written sales processes that prompt employees in client facing roles to deal with vulnerable customers appropriately
- Record keeping processes that enable employees at all levels within the firm the facility to both record and access information on customer vulnerabilities, in a manner that is relevant to their role
- Processes that capture relevant management information data on vulnerable customers that is regularly analysed and used to improve the service provided. This will include feedback processes that will enable employees within the firm to feed back on any vulnerabilities they may encounter in their day to day duties
- Reporting processes to highlight any issues with both internal processes and procedures but also any issues with third party distribution partners' treatment of vulnerable customers. For example, where a product provider's literature provides inaccurate target market information that may be leading to detrimental outcomes for vulnerable customers.

Skills and capability of staff

All employees from senior management through to frontline and relevant back-office staff, can influence outcomes for vulnerable consumers. The firm will ensure that all relevant employees have the appropriate skills and capability, as well as support from appropriate systems and processes, to understand and take into account the needs of vulnerable customers relevant to the roles that they perform.

To ensure that all employees have appropriate skills for the roles that they perform, the firm will regularly undertake skills gap and training needs analysis of its employees to identify the training and development program needed for each employee. This analysis will be informed by the results of both personal assessments of employees through the firms' training and competence scheme and any other relevant information (including management information) that the firm has gathered regarding the firms' vulnerable customers.

The firm will provide a wide range of training activities to support its employees including both internally and externally sourced training activity where required. E.g. external support could include but not be limited to training support provided by charities, trade bodies or other industry specialists. Full details of the training and development that the firm will undertake will be documented in the firm's training and competence scheme.

The firm will regularly assess the training and development programs annually, that it has designed for employees to ensure that they remain appropriate and relevant to address the needs of their vulnerable customers.

Service and proposition design

The firm will ensure that it takes vulnerable customers needs into account at all stages of the service design process, including idea generation, development, testing, launch and review, to ensure its services meet their needs.

The firm will ensure that its product governance and research processes consider the needs of its vulnerable customers when determining target markets.

The firm is committed to ensuring that all of its communication channels and methods of service provision take into account the needs of its vulnerable customers. This will include but not be limited to:-

- Financial Promotions
- Disclosure Documents / Client Agreements
- Other service and proposition material e.g. brochures
- Sales processes including scripts
- Suitability Reports / Demands and Needs Statements
- Complaints processes
- Website and electronic communications

As far as possible, the firm will offer multiple channels of communication for its customers and which will give them a choice appropriate to their needs. For example, sight impaired customers may be given the options of large print or audio.

The firm will regularly review its services and communications to ensure that they remain appropriate for their vulnerable customers over time. This review will consider the outputs from its analysis of management information and other compliance reporting.

Monitoring and oversight

The firm will regularly monitor the actions it is undertaking to determine whether it is achieving good outcomes for vulnerable customers and understand which activities and processes work well, and which ones need to be adapted to improve the outcomes for its vulnerable consumers.

The firm will gather data from all relevant points of the customer journey including all key points of interaction with customers. This data will be analyzed to identify weaknesses in any aspect of the service proposition and used to make improvements.

The types of management information that will be gathered may include but not be limited to:-

- Key Performance indicators – For example, are there any trends in terms of policies being cancelled by vulnerable customers? Under the Consumer Duty price and value outcome is there any evidence of vulnerable customers receiving poorer value from products (e.g. being recommended products that exclude conditions related to their vulnerability) or being charged higher fees than non-vulnerable customers?
- Training and competence records – Analysis of records of staff training should identify individual weaknesses as well as trends across the firm.
- File reviews – This may identify individual weaknesses as well as weaknesses in sales processes. Any weaknesses in process should be used to improve sales processes. Reviews should be undertaken for all stages of the customer journey including initial sales and ongoing services (where relevant).
- Product Governance reviews – Are all sales within the identified target market?
- Complaints - Do these highlight any process issues, for example in terms of whether vulnerable client situations are being identified and whether necessary adjustments are being made to accommodate vulnerabilities? Root cause analysis will determine whether any improvements can be made to sales processes and procedures.
- Customer questionnaires / surveys – These will help to identify and concerns over service provision from vulnerable customers.

- Customer Understanding – In line with the Consumer Duty consumer understanding outcome is the firm ensuring that all customer facing communications are understood by the firm's customers? E.g. the firm's suitability letters/demands and needs statements/complaints process etc. Where necessary are communications being tested before they are used?
- Feedback from employees – This will enable employees – particularly front-line staff to highlight any weaknesses in firm processes and procedures from practical experiences of dealing with vulnerable customers.
- Compliance reports – Internal or external reports should be used to identify and address any weaknesses in relevant vulnerable policies and procedures.

This vulnerable customers' policy will be the responsibility of the senior management of the firm.

Review of vulnerable customers policy

This policy will be reviewed annually unless if there are changes in guidelines issued by FCA which needs to be implemented immediately policy will be reviewed to ensure we comply with guidelines issued by regulatory body. The individual performing the Compliance Oversight Function (SMF16) in the firm will conduct this review and report to the senior management of the firm on the findings of the review and make recommendations for any changes that are required to this policy.

The senior management team must consider the changes and make any recommendations for revision if required.

Final sign off for the policy will be granted by the senior management team following review and any revisions (if required).