

## Vulnerable client policy

Last reviewed: **24/08/2021**

### Introduction

This policy sets out how all staff within our practice will identify our clients who, due to temporary or permanent financial circumstances, may be classed as “vulnerable”.

### Our policy

We have appointed a “Champion” within the practice to be available to discuss and promote cases involving vulnerability and to promote staff awareness, staff training and a pro-active approach within the practice to this issue. The champion is Claire Adams, Company Director.

We will be undertaking additional CPD activity to keep our knowledge of vulnerable clients up to date including:

- Holding regular team meetings to discuss cases and outcomes from dealing with vulnerable clients.

We will be pro-active in looking for clues from the client that may lead us to determine that they should be treated as “vulnerable”. We believe that this is most likely to be from the information gathered during our Fact Finding process; but all staff will be listening and looking for any indicators that may lead us to the conclusion that our client is/may be vulnerable.

In particular we will listen and look out for signs such as clients having:

- Heightened stress levels due to difficult, or different, personal circumstances.
- Increasing time pressures due to additional responsibilities.
- Increasing pre-occupation (“brain is elsewhere”) limiting their ability to manage.
- Processing power and ability decreasing due to competing pressure, for example due to the side effects, or emotional toll, of receiving medical treatment.
- Lack of perspective, especially when experiencing something for the first time, not fully understanding the broader implications, being unable to make comparisons, or seeing the big picture.
- Changing attitudes toward taking risks; people often become more reckless and / or careless under stress.
- Payments missed, late or stopped suddenly.
- Used phrases such as “I can’t pay”, “I am having trouble paying”, “I don’t understand what you have sent me”.
- Shortness of breath or signs of agitation.
- Signs of confusion, or where they are asking us to repeat information.
- Mentioned that they are taking medication.

### Clients designated as vulnerable

Where we have designated a client as vulnerable, we will (as appropriate) :

- Listen to the client's needs and if relevant any special or additional needs that they may require in order them to take any financial decisions.
- Invite the client to be accompanied with someone they trust and who can assist the client in making decisions.
- Take care to ensure that the features and risks of all our advice are explained in a manner and in a format that the client may understand.
- If the client is mentally incapacitated and not able to make a decision for themselves, advice will be given to a verifiable attorney or court appointed deputy and a full copy of the paperwork (e.g. lasting power of attorney) will be maintained on file.
- Where advice is given to the attorney or deputy, the file will evidence that the advice is based on the requirements, circumstances and assumed risk profile/ capacity for loss of the customer.
- Ensure that the file fully evidences the steps we have taken.
- Each piece of advice will be pre-advised and checked by Anthony Pomphrett.
- Offer shorter meetings to break down our advice process into more manageable steps.
- Discuss and agree the most appropriate form(s) of communication that we might use with the client to be most effective (for example, braille, large print, email (which could be turned into voice) text, video chat/ online conference.

### Clients automatically categorised as vulnerable

As well as those clients we may assess as vulnerable/potentially vulnerable, the FCA requires the mandatory categorisation of some clients as vulnerable. As such, we will automatically categorise the following clients as vulnerable clients:

- Equity Release Clients
  - These will be referred to our preferred specialist in this area
- Debt consolidation
- Right to buy clients
- Clients who take their mortgage term past their scheduled retirement date
- Clients with interest only mortgages without a repayment vehicle

### **How we will communicate this policy to our staff**

All new staff will be issued with a copy of this policy upon Induction and asked to sign the staff declaration below.

We will ensure all existing staff are fully aware of this policy and ask them to sign the staff declaration below on an annual basis.

In addition, we will

- Discuss the effectiveness of the policy at team meetings
- Carry out additional bespoke training for each member of staff to ensure that they understand how they may identify and deal with a vulnerable client when performing their specific role within the business
- Seek feedback on the policy and its effectiveness from customers/ staff/ product providers/ other third parties
- We will review and update the policy each year reflecting on experience gained from using the policy
- Appoint Claire Adams to be the champion of this policy who will ensure that training is evidenced, and updates are based on changes in compliance standards as well as from experience using the policy
- Use the MI within our business (e.g. vulnerable client register)

### **How we will communicate this policy to our clients**

We will inform our clients that we follow such a policy and invite them to ask for a copy. We will do this via our website and within each of our Suitability Reports.

Where appropriate, we have the following tools to assist our clients: large print/ braille/ audio