

# Vulnerable Customer Policy

## How to use this document:

- This template is intended to help retailers without an existing vulnerable customer policy to create one. If you already have an existing policy, you can use this document to add content to your current policy.
- Remove all references to Consumer Credit Solutions by deleting this cover page.
- Any text highlighted yellow needs an action completing.

## Vulnerable Customers Statement

### 1. Policy statement

We are committed to identifying, assessing, and managing vulnerable customers in accordance with our own objectives and policy, as well as any regulations and guidelines set out by our regulators.

Implemented are several identification and assessment tools within the procedure section of this document, aimed at identifying, assessing, and dealing with all Vulnerable Customer situations and to consistently ensure that our staff are aware of, and knowledgeable about Vulnerable Customers, including how to handle all situations.

### 2. Regulatory References

PRIN 2.1.1, FG21/1 Guidance for firms on the fair treatment of vulnerable customers

### 3. Purpose

We are committed to ensuring that all our customers are treated fairly, and we meet all of their needs to the best of our ability.

We appreciate that sometimes our customers may be vulnerable because of a physical or mental health condition suffered by themselves or a family member, age, illiteracy, or if their first language is not English.

This means that we may have to treat vulnerable customers according to their individual circumstances. In order to do so we have employed staff with experience of sales and customer service and given them the necessary training to enable them to identify the signs of vulnerability and how to proceed with that customer.

We ensure that our staff have the necessary training, knowledge, understanding and support to be able to identify the potential signs of a vulnerable customer in their dealings with them, and then tailor their approach accordingly.

## 4. Scope and definition

Vulnerability is an extremely subjective area, however our staff are constantly on the lookout for potential signs, such as, a lack of understanding, communication issues and unusual or erratic behaviour.

The FCA defines a Vulnerable Customer 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.”

The vast majority of our communication with customers is face to face and, in some instances, over the phone, which does however make it easier for our staff to be able to identify both short term causes of vulnerability, such as short-term illnesses or a bereavement, as well as long-term causes, such as mental illness or a disability.

There are several risk factors that contribute to consumer vulnerability so these should be considered whenever dealing with an existing or potential customer.

The nature and scale of characteristics of vulnerability that exist in our customer base are:

**Low literacy & numeracy skills** – unable to complete forms or read/understand information.

- **Communication difficulties** – struggle with speech or hearing, or English is not their first language.
- **A clear lack of understanding** – ask you to repeat yourself or ask questions out of context.
- **Appearing confused.**
- **Advanced age** – unfamiliar with finance or finance applications.
- **Low income and high value purchases/ finance applications.**
- **A change in circumstances** – e.g. pregnancy or bereavement.
- **Under the influence of alcohol and drugs**
- **Physical disability**
- **Severe or long-term illness**
- **Mental health problems**
- **Low income and/or debt**
- **associated with cognitive or dexterity impairment, sensory impairments such as**
- **hearing or sight, onset of ill-health, not being comfortable with new technology)**
- **being young (associated with less experience)**
- **change in circumstances (e.g. job loss, bereavement, divorce)**

These characteristics may affect the customer's ability to make informed decisions and knowingly enter into a contract or credit agreement.

## 5. Processes and procedures

If a member of staff believes that a customer could potentially be vulnerable then they will ask non-intrusive questions to understand the customer's circumstances, allowing them to identify if the customer is in fact vulnerable and how our approach will need to be tailored for that customer.

Any information gathered will be processed in line with GDPR and the Data Protection Act 2018. Where necessary, explicit consent will be obtained from a customer to enable us to process the details of their vulnerability accordingly. Customers will also be fully informed of how we will process this information.

We will always:

- Ask for a customer's explicit consent to record, store or process the details of their vulnerability, where it is necessary and appropriate to do so.
- Clearly explain to the customer why we need to record, store, or process the details of their vulnerability.
- Clearly explain who we may share their vulnerability details with, and why.

To assist with obtaining consent, we will use the TEXAS model:

T	E	X	A	S
Thank the customer for providing you with the information relating to their vulnerability.	Explain to them how you are going to use this information (it will assist you in processing their order and meeting their needs, etc).	Explicit consent – you need to obtain their consent to store the information relating to their vulnerability. Ask for permission to store it, explain who will have access to it and how long you will store it for.	Ask how their vulnerability affects their ability to understand the information you are providing, their ability to manage their own finances and if they need a friend or family member present.	Signpost – if you have any concerns or believe that the customer needs expert help or support then signpost them to the relevant help, or advise them to talk to a friend or family member.

To allow us to tailor the needs of the customer we have adopted IDEA to allow us to manage more in-depth conversation:

I	D	E	A
<b>Impact</b> Ask what they are finding hard. What the impact does it have on their personal and financial situation.	<b>Duration</b> When did this start to happen?	<b>Experiences</b> How is the client experiencing this vulnerability? Is it something that fluctuates?	<b>Assistance</b> Is there anything else we should know about support, treatment or care you are receiving?  Does the customer need any further support from us or from a third party to ensure they have the right support in place when making a decision.

Typically, we would only look to process the details of a customer's vulnerability where we may need to tailor our approach during our communications with them, or when we are entering their home for the purposes of a sales consultation or installation. We would therefore only share the details of the vulnerability with the relevant staff and representatives.

The various methods for customers to contact us consider the product designs and are clearly visible on all communications and our website and provide a choice of ways to communicate with us,

- o Post
- o Email
- o Face to Face
- o Telephone

All our communications verbally or written material is clear, to the point and jargon free.

Where applicable, we try our best to ensure the products/services that we offer are flexible and made to suit the customers' needs and requirements and where possible deal with the customer's authorised third-party in a helpful and transparent manner.

All sales visits are followed up with a telephone call and in writing and the benefits and consequences of any product/service are fully explained along with any legal implications.

Where we feel it is needed, additional time is provided between the sales call, written follow up and contractual agreement to allow the customer time to communicate with a third-party and understand the content of the product/service offered.

We ensure that all of our customers do not make a purchase with us or enter into a credit agreement with one of our lender partners without fully understanding what they are entering in to.

When presenting finance options to our customers we do so using our electronic choice of funding software (eCOF) which describes the products clearly and displays the breakdown of each product to the customer. A copy of the bespoke choice of funding is emailed directly to the customer. Sales representatives also talk through this with customers and explain verbally the information which has been emailed to them.

If we believe that the customer is not fully aware of what they are entering in to then we will:

- Not continue with the sale of any products or services.
- Not continue with any application for credit to fund a purchase.
- If a friend or family member is available to assist the customer, or we will arrange a follow-up appointment when a friend or family member is available.
- Provide the customer with all relevant information in a clear, fair and not misleading manner, allowing them to make an informed decision.

- Not refuse to deal with an individual due to their vulnerability. Instead, we will aim to understand the customer's need to enable us to work with them, tailor our approach, and ensure they are treated fairly.
- We may tailor our communication to meet the customer's needs, for example, increasing the font size on our written communications.
- Not label different demographics or individuals as vulnerable without understanding their situation. We accept that no two people are the same and each individual should be handled on a case-by-case basis.
- Where appropriate, we may also signpost customers to agencies such as Citizens Advice or Age Concern UK to seek further guidance and support.
- Should we be made aware via a third party that a customer has passed away we will act with empathy and respect. We will then decide on the best way for all parties involved how to move forward.

## 6. Monitoring and reviews

As per our compliance monitoring plan, the Company carries out regular internal audits and gap analysis monitoring to understand if we have met the needs of customers with characteristics of vulnerability on all business practices and procedures to ensure that our customers, not just those of vulnerable customers objectives are being met.

Regular reviews of the audit results are held with senior management and an ongoing record of gaps, actions and improvements are maintained. We analyse if we have met the needs of our vulnerable customers through identifying common trends and making changes where applicable.

## 7. Product Design

When it comes to product design, the financial products will be available to all customers and when making changes to any financial products, we will ensure this is in line with customer needs.

When creating or amending any informative or promotional material, we will ensure that we that the needs of our vulnerable customers are considered.

## **8. Responsibilities**

The Company ensure that all staff are provided with the time, resources, and support to learn, understand and implement the Vulnerable Customers procedures and associated policy into their business practices. Senior Management are responsible for a top-down approach and in ensuring that all staff are included.

All staff are provided with the training and tools to identify, understand, and deal with vulnerabilities and vulnerable customers, this training is delivered on commencement of employment and is refreshed annually.

We understand that at times, employees may experience situations with vulnerable customers which affect them emotionally, for example if they have suffered from a similar experience with a family member or themselves. In these scenarios, we will offer support to the individual and make considerations with regards to their exposure to such situations moving forward.