



VULNERABLE CONSUMER POLICY FOR FINANCIAL GOAL ATTAINMENT LTD

AIM OF THIS POLICY

The aim of this policy is to outline the practice and procedures for staff to assist clients who find themselves in vulnerable circumstances.

The policy covers all staff within the firm, and in particular those operating in areas that deal directly with customers.

DEFINITION AND IDENTIFICATION OF VULNERABILITY

The Financial Conduct Authority (FCA) has developed the following definition to guide work in this area:

“A vulnerable consumer to be someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with the appropriate levels of care.”

Vulnerability occurs in a variety of ways which may be permanent, temporary, or even sporadic, dependent on its nature. In many circumstances the individual may not recognise themselves as ‘vulnerable’.

We recognise that vulnerability may be aggravated by the actions or processes of the firms they deal with.

We only deal with customers in vulnerable circumstances where we are aware of their needs and will be identified during conversation, interview and additional evidence.

A relative or friend should be given the opportunity to accompany the client to a meeting.

Such clients could include those with:

1. mental capacity deficiencies (including language or communication), including mental illness and dementia. Clear guidance on identification of mental capacity limitation is available in FCA Handbook – CONC2.10.8.
2. stress or subject to financial shock of all types, such as employment concerns, bereavement (or potential bereavement), marital or relationship difficulties. This may only be revealed through conversation before and during interview.
3. a physical impairment that may not allow them to engage with automated, or other standard process requirements (such as photographic ID, phone key pad recognition, internet applications, poor sight and hearing);
4. severe and long-term illness; may be identified through conversation or through interview.
5. little or no financial experience (financially unsophisticated); May be identified through the factfind process and credit profile.
6. low income
7. responsibilities for others, such as 'carers' or acting as Power of Attorney.
8. no access to the internet or other digital media.
9. a general vulnerability due to being aged 75 and over or aged 18 and under.

As a firm we must remain mindful of the potential for enquiry by these clients and the potential for any change of circumstance in respect of existing customers.

The nature of the need area to be addressed may also indicate vulnerability. For example, in connection with arranging mortgages and/or home finance, equity release, sale and rentback, right-to-buy, or where the main purpose of raising funds is to consolidate debt, or advising on and/or facilitating the provision of long-term care may be such indicators. In these circumstances we will apply additional safeguards, as appropriate, to ensure fair treatment.

ASSESSMENT AND MANAGEMENT OF RISK

We will not discriminate against clients in vulnerable circumstances by way of adjustment to fees or any refusal to assist purely on the grounds of the client's circumstances (unless that circumstance creates a situation which is likely to lead to detriment or a risk that removes the availability of any finance facility).

We will review our practices periodically for consistency and to determine adherence to the stated policy.

The following table illustrates mitigating actions for clients with mental capacity deficiencies (for the avoidance of confusion “competent person” means an individual without the limitation presented by the client):

Capacity Issue	Risk	Mitigation
Language	Client cannot fully understand important features of their agreement with us, their recommendation or the consequences of that recommendation	Client to instruct a competent person to act as interpreter.
Other communication problem created by disability	As above	Client to instruct a competent person to act as interpreter. Client to nominate a reasonable communication medium suitable for their disability.
Mental incapacity (temporary) e.g. intoxication, mental illness	As above plus the potential for reckless disregard for consequence	Client to instruct a competent person to communicate on their behalf. Such as a friend or relative. Legal agreement must be reached outside of any period of inactivity. Client should be encouraged to seek independent medical advice. If legal agreement cannot be reached outside of any incapacity, client must provide “Power of Attorney” for a competent individual to act on their behalf.
Mental incapacity (Permanent)	As above plus the possibility that any agreement might be unenforceable as a result of known incapacity	Client must provide “Power of Attorney” to a competent individual to act on their behalf.

RIGHT & RESPONSIBILITIES

Our responsibilities:

- to abide by the FCA's principle and rules in this area
FCA Principles for Business 6 & 7
ICOBS 2.2.2R; and 6.1.5R;
CONC 8.2.7;
DEPP 6.5A.2 (calculation of enforcement fines): and
Individual conduct rules (treating customers fairly).
- To ensure staff are aware of this policy and are adequately trained to identify and deal with clients who are or may appear "vulnerable"
- To support individuals in relation to identified risk and vulnerability
- To provide means of reporting any instance where they believe that a client might be in vulnerable circumstances

Responsibilities of all FGA Persons:

- To be familiar with this policy and procedures, and be able to recognise where additional support or sign-posting to other agencies may be required
- To take appropriate action in line with this policy
- To report any instances where they believe that a client might be in a vulnerable circumstance, and act accordingly in line with the policy.

Declaration

I confirm I have read and understood the above document

Signed _____

Date ____ / ____ / ____

Appendix: FCA Handbook CONC2.10.8

Indications that a person may have some form of mental capacity limitation

CONC 2.10.8 G01/04/2014RP

A *firm* is likely to have reasonable grounds to suspect a *customer* may have some form of mental capacity limitation if the *firm* observes a specific indication (behavioural or otherwise) that could be indicative of some form of limitation of the *customer's* mental capacity. Examples (amongst others) of indications might include:

1. (1)
where a *firm* has an existing relationship with a *customer*, the *customer* making a decision that appears to the *firm* to be unexpected or out of character;
2. (2)
a *person* who is likely to have an informed view of the matter, such as a relative, close friend, carer or clinician raising a concern with the *firm* as to the capacity of the *customer* to make a decision about borrowing;
3. (3)
the *firm* understands or has reason to believe the *customer* has been diagnosed as having an impairment which led to the *customer* not having had mental capacity for similar decisions in the past;
4. (4)
the *firm* understands or has reason to believe the *customer* does not understand what the *customer* is applying for;
5. (5)
the *firm* understands or has reason to believe the *customer* is unable to understand the information and explanations provided by the *firm*, in particular concerning the key risks of entering into the agreement;
6. (6)
the *firm* understands or has reason to believe the *customer* is unable to retain information and explanations provided by the *firm* to enable the *customer* to make the decision to borrow;
7. (7)
the *firm* understands or has reason to believe the *customer* is unable to weigh up the information and explanations provided by the *firm* to enable the *customer* to make the decision to borrow;
8. (8)
the *customer* is unable to communicate a decision to borrow by any reasonable means;
9. (9)
the *customer* being confused about the personal information that the *firm* requires, such as date of birth or address.