

**Doing the right
thing for vulnerable
customers.**



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Aldermore


TMAclub

We're committed to dealing fairly with all of our customers, including those who are considered vulnerable.

Vulnerability is a complex issue with many underlying causes to think about, ranging from age and mental health to the impact of major events such as redundancy or bereavement.

By understanding the signs to look out for and knowing how to respond, we can make sure we are delivering the right support to every one of our customers.



What is a vulnerable customer?

This is the Financial Conduct Authority's (FCA) definition of a vulnerable customer:

“ Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care. ”

Understanding vulnerability

We can all become vulnerable at some point in our lives. It can be a temporary or permanent situation, and it can be caused by a range of factors.

These are some of the most common:



1. Mental and physical health

For some people, health problems impact their ability to carry out day-to-day activities.



2. Financial insecurity

A lack of financial security means that things like interest changes or a small change in circumstances can lead to serious problems.



3. Major life events

Events such as divorce, redundancy or the death of a close family member can lead someone to become vulnerable and in need of extra support.



4. Age

Younger people, due to inexperience, and 'older' old people who may struggle with modern technologies, can often have a low knowledge of financial matters or low confidence in managing money.



5. Language/education

Not speaking English as a first language or having a limited education can make it difficult to understand financial information.

Consumer vulnerability in the UK



1 in 7

working age adults have the literacy skills expected of children aged 11 or under

Source: Full Facts 2015

3.4M

people in the UK are over 80 – a number that is expected to double over the next 20 years

Source: iNews



1 in 4

adults with a mental health problem is living in debt or arrears

Source: Mind 2011



7.5%

7.5% of adults had never used the internet in 2019, down from 8.4% in 2018

Source: Office for National Statistics

A third of Brits have less than

£600
in savings

Source: Finder.com

1 in 4 adults

experience a mental disorder in any given year

Source: NHS Digital 2009



4.1M

disabled people are in work

Source: Scope

Consumer vulnerability in the UK



Every 2 minutes, someone is diagnosed with cancer in the UK

Source: Cancer Research UK 2014



2mins

As of 2020, Carers UK estimates there are around **13.6 million people** caring through the pandemic

Source: Carers UK

13.6M

58% of carers are women

Source: Carers UK

42% of carers are men

Source: Carers UK

1.3M

people provide over 50 hours of care per week

Source: Carers UK



1M

The number of people with dementia in the UK is forecast to increase to over 1 million by 2021 and over 2 million by 2051

Source: Alzheimer's Society

Every day another **6,000**

people take on a caring responsibility – that equals over 2 million people each year

Source: Carers UK

Over **1M**

people care for more than one person

Source: Carers UK

Recognising vulnerability

We've seen that there are lots of factors that can lead to a customer being considered vulnerable, but they affect everyone in different ways and to different degrees.

That's why it's important to focus on the areas where a customer's actions can signal that they need extra support, even if they don't know it themselves.

These include:

1. **Account activity**
2. **Behaviour**
3. **Comments**



Spotting the signs

Here's what we look out for:



1. Account activity to look out for:

- Changes in payment behaviour or the way an account is managed
- Change of communication channel
- Benefits crediting the account/Disability living allowance
- Fraudulent transactions and/or Direct Debit indemnities
- Notes – including previous vulnerability disclosures
- Address history e.g. hospital address
- Contact from concerned 3rd parties
- Authentication problems



2. Behaviour to look out for:

- Appearing distressed, disturbed or distracted
- Incoherent speech/slurring words
- Extreme emotions – easily irritable/becoming angry or aggressive/crying
- Illogical/irrational thought processes
- Limited understanding of English
- Mention of medication
- Sounding dazed, withdrawn or switched off
- Pausing for long periods of time
- Forgetfulness or not understanding the information provided



3. Comments to listen out for:

- “I can't cope.”
- “I don't understand.”
- “Can I ask my family/friend?”
- “I can't pay – I need more time.”
- “I've had lots of problems recently.”
- “I can't read my statement.”
- “I've recently lost a family member.”
- “My husband/wife/carer normally does that for me.”
- “I don't remember that.”

Responding to vulnerable customers once we have identified them

Before we look at ways of supporting vulnerable customers, it's worth focusing on our guiding principles in this area:

We must:

- Consider reasonable adjustments to our process
- Help our customers to make better informed financial decisions
- Comply with the Data Protection Act when handling disclosures of vulnerability

We mustn't:

- Compromise or bypass key fraud or risk management controls

Some general tips on talking to customers

This is what we'd recommend:



Do's

- Take your time and be patient
- Let the customer speak and say whatever is on their mind
- Be respectful at all times, be empathetic
- Say sorry if we're at fault
- Stay calm and in control, regardless of any provocation. Consider your own body language, even when on the phone
- Actively listen, re-state what you've understood and paraphrase
- Check the customer's understanding and be prepared to repeat information and explanations
- Focus on what you can do for the customer, rather than what you can't do
- Ask them what they would like to happen next
- There are a number of external bodies that offer useful advice and support (some of these are detailed overleaf on page 9)



Don'ts

- Try to be an expert – it isn't your role to be an expert on different illnesses and vulnerabilities. External specialist help might be needed
- Argue about beliefs or challenge the customer
- Interrupt – let the customer tell you about their situation
- Be patronising or 'talk down' to the customer
- Jump to conclusions or make assumptions
- Use jargon or complicated language/terminology
- Promise something you can't deliver

Useful information

Debt Management

Money Advice Service

Free confidential advice to improve finances, keep track and plan ahead

0300 500 5000

www.moneyadvice.service.org.uk

Money Advice Scotland

Free confidential debt advice for customers that live in Scotland:

0141 572 0237

www.moneyadvice.scotland.org.uk

Advice NI – Debt Action NI

Free confidential debt advice for customers in Northern Ireland:

0800 917 4607

www.debtaction-ni.net

Suicidal / Distressed

Samaritans

Free confidential service that helps people experiencing tough times

116 123

www.samaritans.org

StepChange Debt Charity

Free confidential debt advice and debt management

0800 138 1111

www.stepchange.org

National Debtline

Free confidential advice service run by charity the Money Advice Trust

0808 808 4000

www.nationaldebtline.co.uk

Christians Against Poverty (CAP)

Working with the church to release people of debt and poverty

0800 328 0006

www.capuk.org

Disability / Minority

AdviceUK

Specialist advice for people with disabilities and minority communities

0300 777 0107

www.adviceuk.org.uk

Legal Advice

Civil Legal Advice

Help meet the costs of legal advice and representation in court, if eligible

0845 345 4345

www.gov.uk/legal-aid

General Advice & Support

Citizens Advice

Free confidential advice whatever the issue (not just debt)

www.adviceguide.org.uk

Or visit local Citizens Advice Bureau

Complaints

Financial Ombudsman Service

Free review of complaints that businesses are not able to resolve

0300 123 9123 / 0800 023 4567

www.financial-ombudsman.org.uk

Royal National Institute of Blind People (RNIB)

Offers practical and emotional support for people losing their sight, blind or partially sighted

0303 123 9999

www.rnib.org.uk

Aldermore

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