



VULNERABLE PERSON'S POLICY

AIM OF THIS POLICY

The aim of this policy is to outline the practice and procedures for staff to contribute to the prevention of detriment to 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.

The way an agent of Scott and Mears Credit Services Limited deals with a customer who may be vulnerable is likely to vary from one customer to another. How each customer is managed is dependent on the individual's circumstances and the severity of the vulnerability.

In all cases of vulnerability our agents adopt the established principle of Treating Customers Fairly alongside the guidelines relating to consumer Duty which is the FCA framework that dictates the level of care regulated firms must provide whilst ensuring they act in the interests of consumers through the full life cycle of the services we offer.

DEFINITION 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 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 not be simply due to the situation of the consumer but caused or aggravated by the actions or processes of the firms they may deal with.

We recognise that clients who might be considered as being in vulnerable circumstances could include clients with:

1. mental capacity deficiencies (including language or communication), including mental illness and dementia.
2. stress or subject to financial shock of all types, such as employment concerns, bereavement (or potential bereavement), marital or relationship difficulties.

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3. a physical impairment that may not allow them to engage with automated, or other standard process requirements (such as photographic ID, phone keypad recognition, or internet applications);
4. severe and long-term illness (both life-limiting and where recovery is expected).
5. little or no financial experience or have no access to mainstream financial services.
6. low income.
7. an existing distressed financial situation.
8. responsibilities for others, such as 'carers' or acting as power of attorney.
9. no access to the internet or other digital media.
10. poor language skills.
11. a general vulnerability due to being aged 75 and over or aged 18 years and under
12. Who is unable to take care of his or herself or unable to protect themselves against significant harm or exploitation.
13. A person who may have served and been recently discharged from HM Forces.
14. A person who is either long term or has just become unemployed.
15. A person whose circumstances have changed because of the cost-of-living crisis.
16. A general vulnerability due to being aged 75 or over, or aged 18 years or 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.

IDENTIFICATION OF CLIENTS IN VULNERABLE CIRCUMSTANCES

Vulnerability is broad and may occur at any time. It will usually involve the interplay of characteristics of the individual, their circumstances, and static or transitory status.

We only deal with customers in vulnerable circumstances where we are aware of their needs:

1. mental capacity deficiencies – the FCA provides clear guidance on the identification of mental capacity limitation issues in their Handbook.
2. stress or financial shock – may be identifiable (facial expression, posture, or stance etc.), but otherwise may be revealed through conversation before and during interview.
3. physical impairment – may be identified visually, or through interview.
4. severe and long-term illness – may be identifiable through conversation or through interview.
5. financial inexperience – may be identified through the fact find process and their credit profile.
6. low income – may be identified through interview and credit profile.
7. in financial distress – may be identified through interview and credit profile.
8. carers – may be identified through interview or conversation.
9. digital exclusion – identifiable through interview or via routes of engagement (or non-engagement) with the firm
10. poor language skills – may be audible or identifiable via routes of engagement with firm.
11. clients aged 75 and over or clients aged 18 years and under – should be offered the opportunity to have a relative or friend accompany the client to a meeting.

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The nature of the need area to be addressed may also indicate vulnerability. For example, people wanting to arrange:

- An equity release product
- Right-to-buy.
- A first-time buyer mortgage.
- Debt consolidation or further credit
- Debt management
- The provision of long-term care
- Excessive monetary withdrawals from investments

These could be some indicators of vulnerability, but this is not designed as an exhaustive list. In the circumstances that apply to our firm we will apply additional safeguards, as appropriate, to ensure fair treatment. This will apply to each individual but where we identify groups of the same people, we may establish a process aligned to the needs and circumstances of that group.

ASSESSMENT AND MANAGEMENT OF RISK

Just because somebody is vulnerable does not automatically mean that they are unsuitable for the advice and services our firm supplies. As soon as we think we may be engaging with a vulnerable consumer we will make a record of this and ensure we adhere to this policy.

When speaking to the vulnerable consumer we will:

- Provide additional opportunities for the customer to ask questions about the information we have provided.
- Continuously seek confirmation that they have understood the information that has been provided.
- Ask if there is anybody with them who is able to assist them and offer them the opportunity to have a family member or friend present during the conversation.

We will not discriminate against clients in vulnerable circumstances. Where the vulnerability is mutually recognised, we will only adjust our fees where our services require extra resource to treat the client fairly. Any additional costs will not seek to profiteer from the situation and will be fully disclosed to the client before any subsequent work is conducted.

Where we feel we do not have the expertise to deal with the client due to their personal situation we will make every attempt to refer them to another firm or third party for the appropriate level of support to be provided.

Protocol that we will adopt when there is a possibility that a customer is vulnerable.

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- If an agent believes a customer falls into the above categories or the customer requests a grace period due to physical or mental health issues, the account will immediately be moved to Management review.
- The account will be bought to the attention of a senior Manager or Director.
- The account will be reviewed by the senior management and all contact with the customer will be at a senior level.
- A letter or email will be sent to the customer seeking information concerning their vulnerability. This letter will be sensitive in content and will seek supporting documentation.
- The client must be notified of the development and the fact the account is on hold and will remain on hold until information is provided.
- When the information is received it will be evaluated by a senior manager or director who will make recommendations on how the vulnerable customer can be supported. These recommendations may include referral to an appropriate charity, extended deferral of collection activities or a recommendation to the client that the debt should be written off.
- If no information is received the account will be returned to the client for instructions.
- Whilst waiting for a response the account will remain on hold.

WHAT IS INITIALLY REQUIRED FOR US TO ASSESS?

- When we are advised that a customer has mental health illness or is a vulnerable person, we will request documentation to enable us to evaluate the position.
- This documentation may include:
 - Authorisation confirming third party is the approved carer or social worker to act on customers behalf.
 - In cases of terminal or serious illness medical confirmation from hospital consultant or General practitioners.
 - Third part authorisation enabling us to communicate with that third party rather than the customer.

WHAT ARE THEIR CURRENT CIRCUMSTANCES?

- Are they employed or unemployed/ unemployable?
- Is there any likelihood of the debt being repaid within the remaining term of the debt.
- Were they vulnerable when the debt was initially incurred?
- If not under a carer or social worker, is the customer able to seek help from a free debt advice organisation who could provide them with guidance.

CLIENT INSTRUCTIONS/ DEBT WRITE OFF.

The ultimate decision to write off a debt lies with our client who will make the decision based upon the information provided to us and pass to them as part of this process. Write off may occur in the following circumstances.

If there are serious health issues (mental health/ terminal illness) that are supported with medical evidence.



It has been judged by management, based upon the evidence produced, that the customer has no means or is incapable to repaying the debt.

RESPECT

In all our dealings with vulnerable customers we will show respect and fairness whilst gathering all requisite information upon which our clients may then make a decision.

UNDERSTANDING THE BENEFITS TO OUR FIRM

Supporting customers and clients who are in a vulnerable position is not just a regulatory but is also a moral responsibility. We intend to fulfil our duties in this area and as a firm we see the benefits in adopting the right approach. These include:

- Reduction in complaints
- Greater client satisfaction
- Engagement from a particular client set
- Reputational benefits
- Good publicity
- Improvement of overall “culture”

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. Legal agreement must be reached outside of any period of incapacity.



		<p>Client should be encouraged to seek independent professional advice.</p> <p>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.</p>
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.

RIGHTS & RESPONSIBILITY

Our responsibilities:

- To abide by the FCA’s principles and rules in this area
 FCA Principles for Business 2,3,6,7 & 9.
 TCF Outcomes 1,2 & 4.
 Conduct of Business Rules.
 DEPP 6.5A.2 (calculation of enforcement fines).
 Senior Manager Conduct Rules.
 Individual Conduct Rules.
- 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 our employees:

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

Identification of and treatment of vulnerable clients – Client Evaluation

The table below sets out our approach to dealing with all individuals and help us to determine their circumstances and if they are in a permanent or temporary vulnerable situation. These guidelines will be distributed to all staff, and each will be trained on the areas relevant to their role.



CLIENT EVALUATION

All clients will be assessed, as a minimum, against the following criteria. This is in addition to any processes we have in place for different vulnerability groups.



O U R C L I E N T S B E S T I N T E R E S T S	Assess the client against our vulnerability policy
	Actively seek to encourage disclosure about potential vulnerability
	Ensure the approach taken is accurately reflected in the business records
	Consider whether to discuss the approach with colleagues/other professionals
	Ensure the know your client information gathers sufficient details to support the advice and uses additional questioning where appropriate
	Consider any unusual aspects – e.g., if someone else is accompanying a client, is there the potential for undue influence from that person
	Understand who the client is, and the extent of the instructions needed to act on e.g., Power of Attorney
	Consider whether the client is acting differently/showing signs of a change of character
	Set a list of questions to check client memory recollection, where appropriate
	When working with more than one person, is there the potential for any conflict of interest or undue influence
	Confirm any change in circumstances which might lead to vulnerability e.g., taking on caring responsibilities
	Establish whether the client’s stated needs and objectives align with their current circumstances
	Consider whether the standard sales process or specific vulnerability group process is appropriate to the client’s needs
	Identify products/solutions that are clear and easy to understand for those showing signs of vulnerability
	Consider whether there is a need to adjust the delivery and format of communications e.g., providing a report in large print
	Explain all matters with no or limited use of jargon
	Try to accommodate flexibility around appointment locations and times e.g., visiting the client at their home at their preferred time of the day
	Try to determine if the duration of the meeting will need extending to accommodate more detailed explanations and delivery of information
	Determine if the complexity of the advice will require delivery over a greater number of meetings
	Considered the accessibility of office visits for those with health conditions/disabilities

