



Vulnerability Conference

09:30 - 15:00 | Thursday 2nd December 2021

Thank you for joining

The event will commence shortly at 9:30 AM



Customer vulnerability

2nd December 2021

Quilter

Introduction to me and what I'll cover today

- About me!
- The TISA Vulnerable Customer Working Group
- A Quilter perspective

TISA working group

- Established approx. 3.5 years ago
- Comprises 38 firms and growing!
- Meets on a 6 weekly basis
- Format:
 - Guest speakers from charities/trade bodies
 - 'In the spotlight'
 - Themes/topics
 - 'Guardians' of the TISA/Altus 'Vulnerability Radar' tool

Radar tool : 2021 focus

All questions, responses and weightings reviewed against latest FCA guidance

Questions have been remapped against the following areas linked to the guidance:

- Culture and governance
- Understanding customers' needs
- Skills and capability of staff
- Monitoring and evaluation
- Product and service design
- Customer service
- Communications

Jonathan will show the power of the tool later in the day!

Working group key themes

Using the radar data, we have identified the following key themes to consider further and develop best practice guides for:

- Identifying and managing vulnerability in digital channels
- Recording vulnerability with GDPR in mind
- Training and accreditation
- MI and metrics – best practice ideas
- Technology solutions

Best practice guides and charity fact sheets

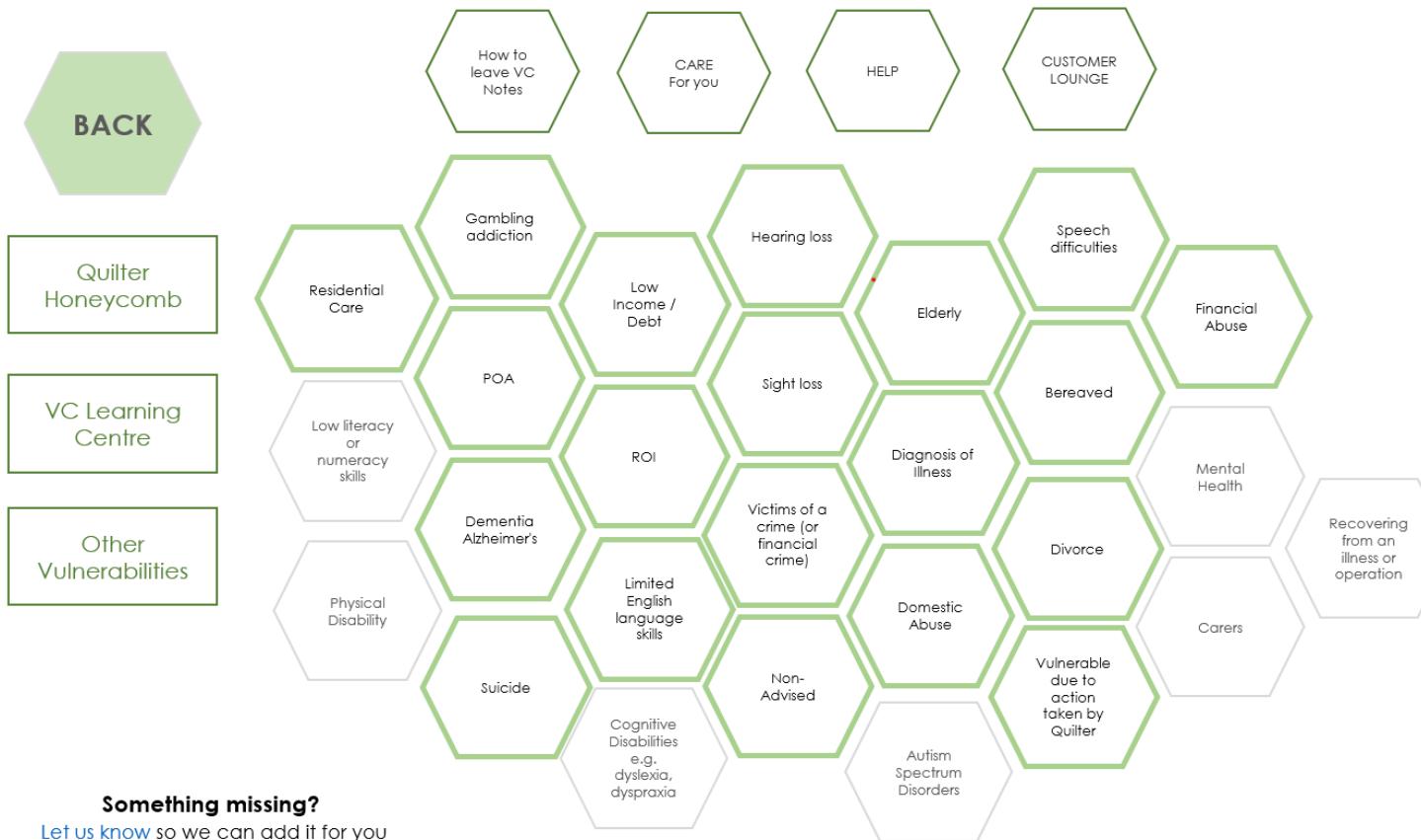
Title	Key issues
Ascertaining & Recording vulnerability needs	Navigating GDPR constraints, technology & system requirements, empathy & skills required of front-office staff, ensuring accurate records are maintained
Catering for vulnerable customers in an online journey	Identifying a customer as vulnerable, how to adapt the online journey to cater for the needs of vulnerable customers, what questions should be asked, what “gate-out” processes ought to be provided
Making sure your website caters for the needs of vulnerable customers	Colour schemes, font sizes, terminology, routes made available for vulnerable customers to get support, mouse vs keyboard requirements to navigate the website
Assessing systems and processes for the needs of vulnerable customers	Correspondence, terminology, routes that ought to be offered (e.g. braille, written, voice options)
Training of back-office staff to support needs of vulnerable customers	Helping back-office staff identify needs of vulnerable customers, linking all business functions to customer vulnerability, how to overcome / compensate for the lack of client interaction inherent with back-office staff
Ensuring products are suitable for vulnerable customers	How best to test products do work for vulnerable customers, how best to validate understanding of the product by a vulnerable customer
Measuring the outcomes experienced by vulnerable customers	How to measure the outcomes experienced by vulnerable customers, MI and metrics that should be used (at time of interaction vs at time of purchase vs use of product during its life)
Use of technology alternatives to better support vulnerable customers	What choices should firms offer
Catering for vulnerable customers in the financial advice process	What is the required empathy & skill required to ascertain the needs of vulnerable customers, considerations for advising a vulnerable customer, implications on the advice process, ensuring incentive structures are appropriate
Ensuring your vulnerable customer corporate policy is fit-for-purpose	Ensuring adherence to the FCA's finalised guidance, what areas should be covered
National charities that vulnerable customers can be signpost to	Listing of national charities that can be used to signpost a vulnerable customer to

Quilter considerations

Training and accreditation

Built around the Honeycomb for all staff at induction and more comprehensive training for client services staff.

Considerable focus on maintaining external view and approaches.



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BACK

BEREAVED

SPOT IT

Sentences such as:

'I'm calling to close my partner's account'
'I'm calling on behalf of my late partner'
'I'm calling to let you know about a death'

Also tone of voice such as:

Muffled
Upset
Broken voice
Low tone

On average a bereaved customer has to contact approx. 21 companies to make a death notification.

RESPOND

Listen carefully and with empathy.

Give space for them to express their feelings if they want to, you can offer sympathy.

Summarise and recap to check understanding.

Ask if there's anything we can be doing to make things easier for them.

If appropriate offer them the below resources who offer guidance, support and solutions:

<https://www.cruse.org.uk>

[Helpline
0808 808 1677](#)

Make sure you [take care of yourself](#) during and after the interaction

SUPPORT

Be extra vigilant not to cause additional stress with complicated paperwork, delays in responding or incorrect information; make sure you understand the claims process.

Use the DPA – Email and Secure Email Guidance under useful links on Knowledge base to follow the correct technical process

If they would like to talk to a financial adviser but they do not have one then they can find one using the find an adviser tool:

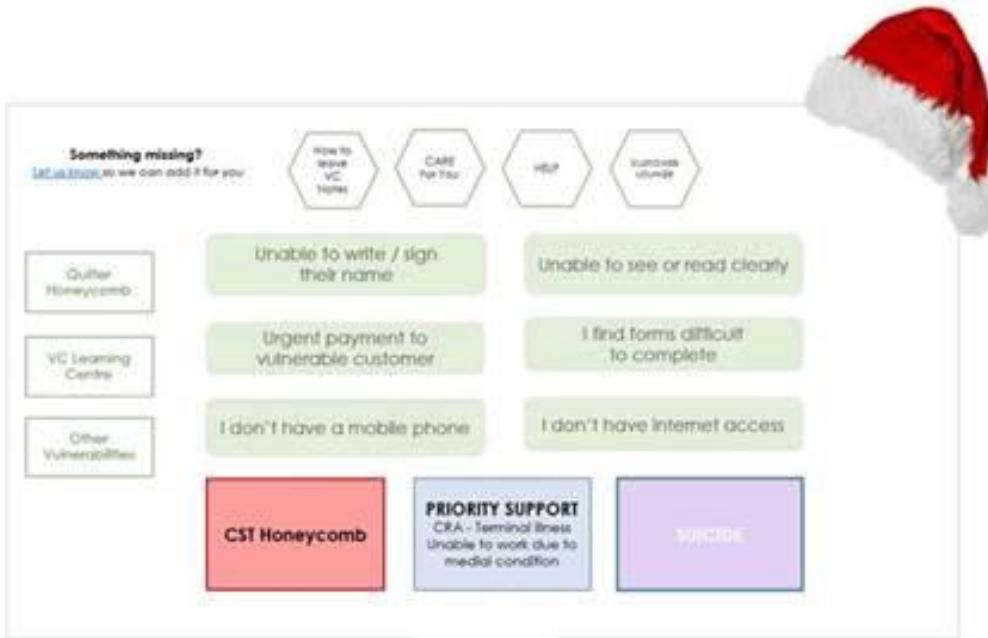
[Find an adviser](#)

Effect of pandemic on both customers and colleagues

The pandemic has had a massive impact on our customers ...

- 14m people in poverty in the UK, including 4.2m children
- 9m people are lonely
- 2m people over 75 years old live alone
- 1 in 4 people experiencing mental health issues
- 1 in 6 people report experiencing common mental health problems, such as anxiety and depression, in any given week
- 20% of people have suicidal thoughts

This impacts both the types of calls we receive and the emotional state of the callers



Ho Ho Ho... neycomb!

Not quite what you had in mind?

The reality is, for many of our customers the sparkle could be too expensive, the magic of friends and family may not be there, and Christmas may be a very difficult time.

Read on to see how you can support our vulnerable customers at Christmas, and also, one more person...yourself.

Christmas being difficult for some instead of magical has of course been magnified by the ongoing ripple effects of the pandemic, that have created increases in the numbers of our most vulnerable.

These include:

- Fourteen million people in the UK living in poverty, including 4.2 million children
- Over 9 million people in the UK are often or always lonely
- More than 2 million people in England over the age of 75 live alone

Let's take a look at three vulnerabilities on our Vulnerable Customer Honeycomb that may find Christmas an especially difficult time of year. There is a fourth, that although does not feature as a stand-alone yet, does thread between them all, loneliness.

What support can we offer?



There is likely to be an increase in withdrawals at this time of year. This could be to fund some winter sun, which had always been the intention, or it could be to take funds that were not intended to be spent on gifts. As Christmas approaches and the familiar adverts jingle their way into our homes, some will feel pressured to spend beyond their means and can fall either into debt, or further into it if they were already struggling.

Click the red CST Honeycomb button on the [Vulnerable Customer Honeycomb](#) and then select Low Income/Debt to find out what to listen out for, and help that's available.



Something that is easy to give is time. You could be the only point of contact for some of our elderly customers during a time well known for celebrations with family and friends. So, listen, stay present (pun intended) in the moment with them and make sure they do not feel rushed. Take the opportunity to get to know them a little better. A bit of conversation is a lovely gift.

Have the [Vulnerable Customer Honeycomb](#) open and select Elderly for information about what to listen out for, how to support a helpful conversation, and signposting to Age UK.

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Effect of pandemic on both customers and colleagues

And we shouldn't under estimate the significant emotional strain it puts on our colleagues, particularly front line staff who may be working from home.

So for us, increased effort in colleague wellbeing and check-ins via our mental health first-aiders and management team.

CARE for you

Supporting vulnerable customers can be difficult and challenging

It is **really important** that you are supported and **looking after yourself**

- Make sure that you check in on how you are feeling
- Ask for a de-brief with your manager / mental health first aider after an interaction



121 support

WeCare

0208 068 0035 24/7 access to support
Quote access code:H32997
More info on second page of [Thrive hub](#)

Steps to Wellbeing Free therapy services
More info [here](#)

ITalk Free tools, guided self-help and talking therapy. More info [here](#)

Mental health helplines

Anxiety UK

Telephone: 0344 775 774 (Monday – Friday 9:30 – 5:30)
Website: www.anxietyuk.org.uk

Samaritans

Telephone: 116 123 (24/7 everyday)
Website:

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Other areas of consideration for us right now ...

- How do we map the work we've done with our telephone and email teams into digital channels?
- How do we effectively look for the signs of vulnerability, record and monitor for these?
- What does good really look like? Are we doing enough, or indeed the right things?

Questions?!

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“How to effectively assess
your firm when dealing with
vulnerable customers”

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1B KELLY	C 369
A. MURRAY	CF 359
S. ESCOBAR	SB 328
J. HUTCHINSON	1B 314
14. CARRERA	DH 250
22. REDDICK	1B 248
13. MANNERS	SS 238
16. LOCASTRO	SS 228
19. VARGAS	OF 218
P. MANNERS	OF 200
LEADERS - ALL COUPLES	ERA 3.00
DEVENS	BB 105
1-B ROUNDS	0 0
2-B ROUNDS	0 1
3-B ROUNDS	1 1
4-B ROUNDS	0 1
HOME OF JUNE DAZZLER	0 1
MONTH OF JUNE CAREER	0 1
AVG	0.265
HR	0 2
RBI	0 10
SB	0 272
CS	0 210
BB	0 215
K	0 210
ERA	0 3.22
WHIP	0 1.87
ERA	3.00
WHIP	1.87

9	24	43
JACKSON	HENDERSON	ECKERSLEY
34	27	HUNTER
FINGERS		
34	27	HUNTER

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Moneyball



Warren Buffett

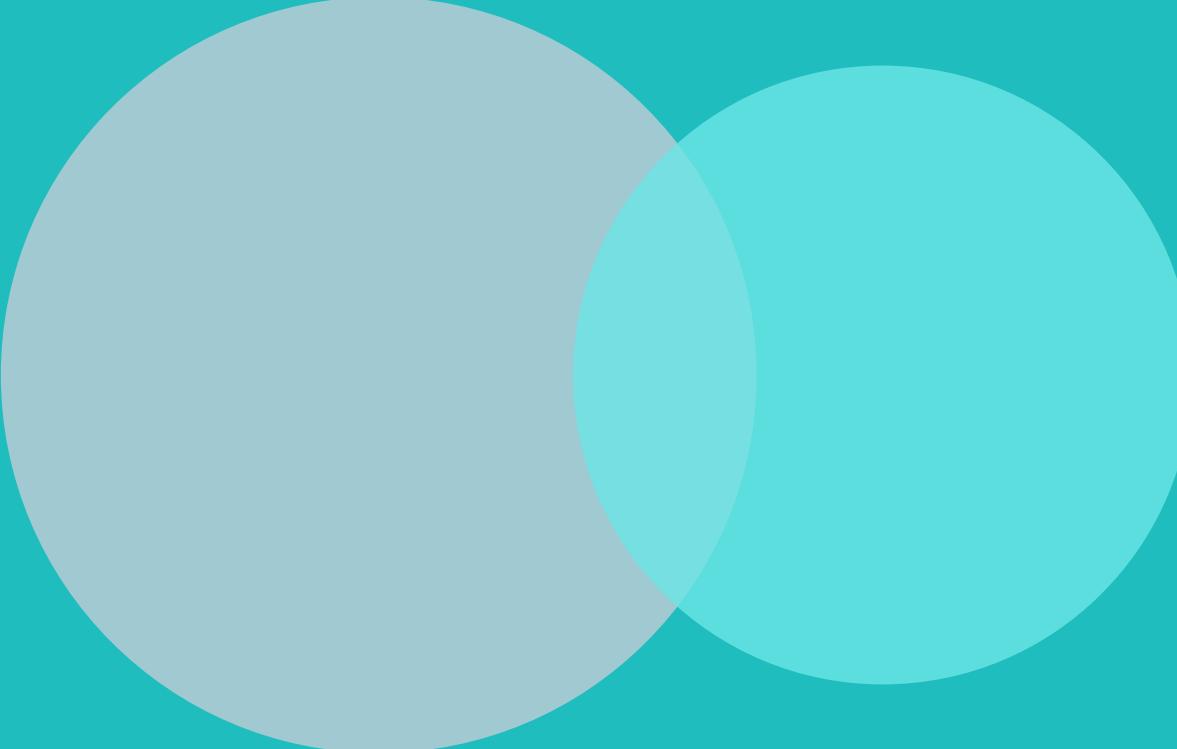
Chairman and CEO of Berkshire Hathaway



Sir Arthur Conan Doyle

“It is a capital mistake to theorize before one has data.
Insensibly one begins to twist facts to suit theories,
instead of theories to suit facts”



A Venn diagram consisting of two overlapping circles. The left circle is light blue and labeled 'Macro'. The right circle is teal and labeled 'Micro'. The overlapping area between them is white.

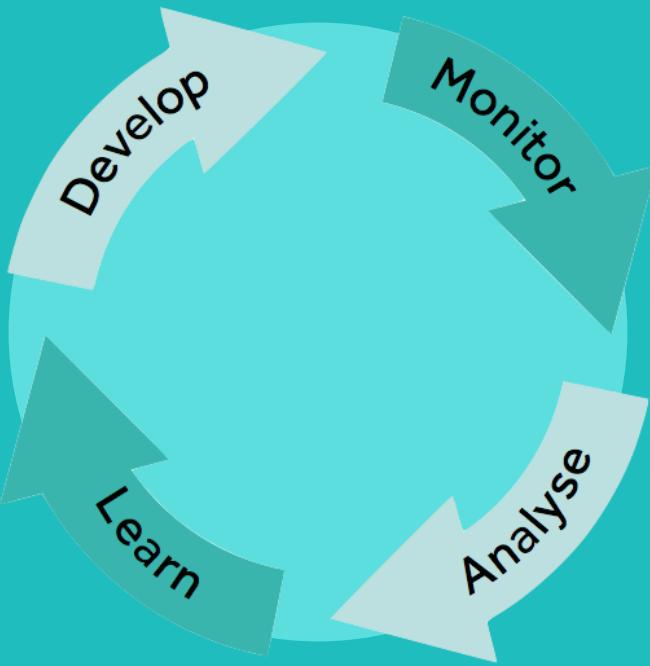
Macro

Vulnerability Radar
Benchmark

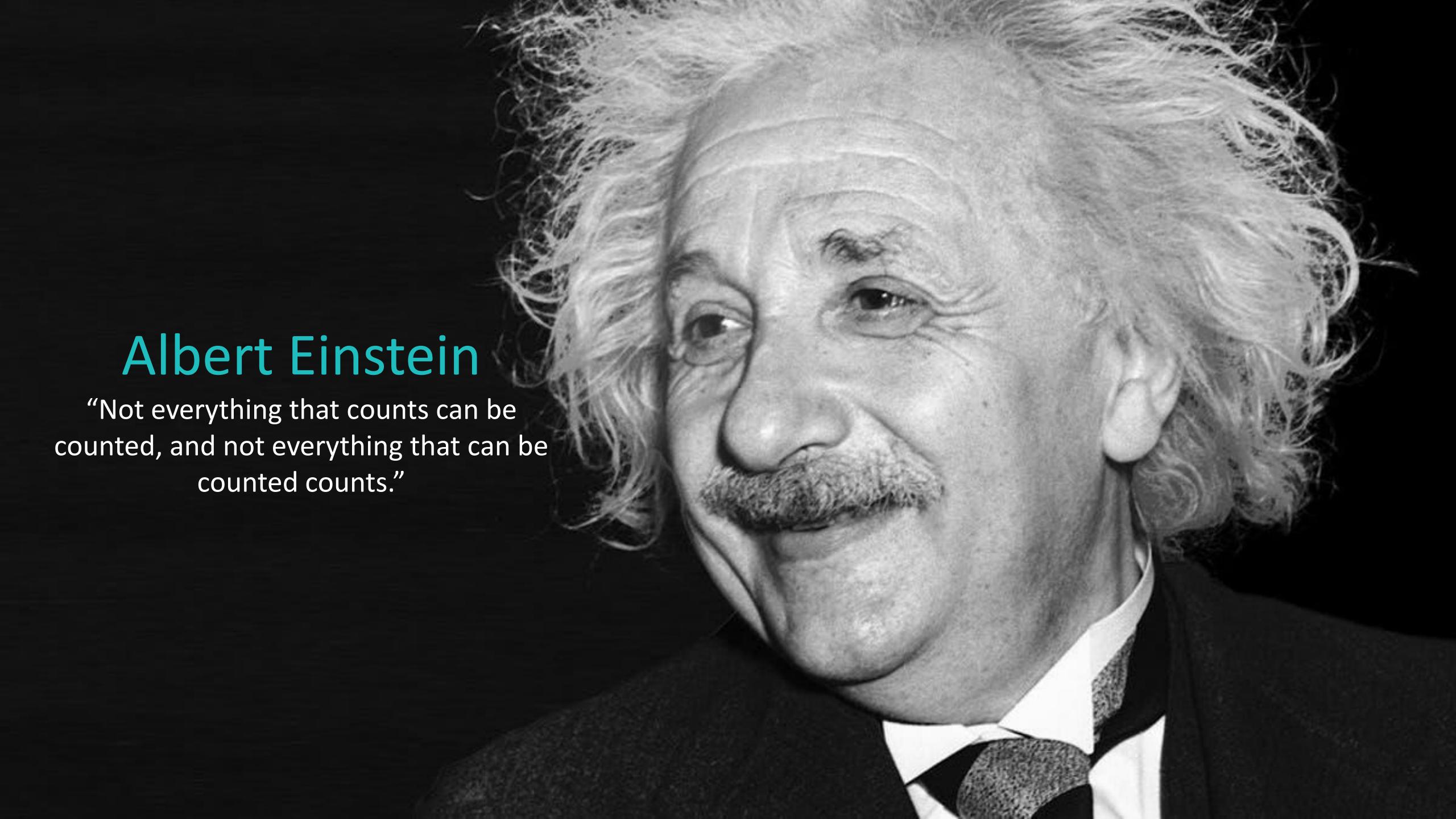
Micro

Management Info
KPIs

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A black and white close-up portrait of Albert Einstein. He has his characteristic wild, grey hair and a well-groomed, bushy mustache. He is looking slightly to the left of the camera with a thoughtful expression. He is wearing a dark suit jacket over a white shirt and a dark tie.

Albert Einstein

“Not everything that counts can be counted, and not everything that can be counted counts.”

Thank you

Email: jonathan.warren@altus.co.uk

Twitter: [@JonathanAltus_](https://twitter.com/JonathanAltus_)

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IDENTIFYING NON-CAPACITOUS AND VULNERABLE CUSTOMERS

TIM FARMER, CO-FOUNDER & CLINICAL DIRECTOR

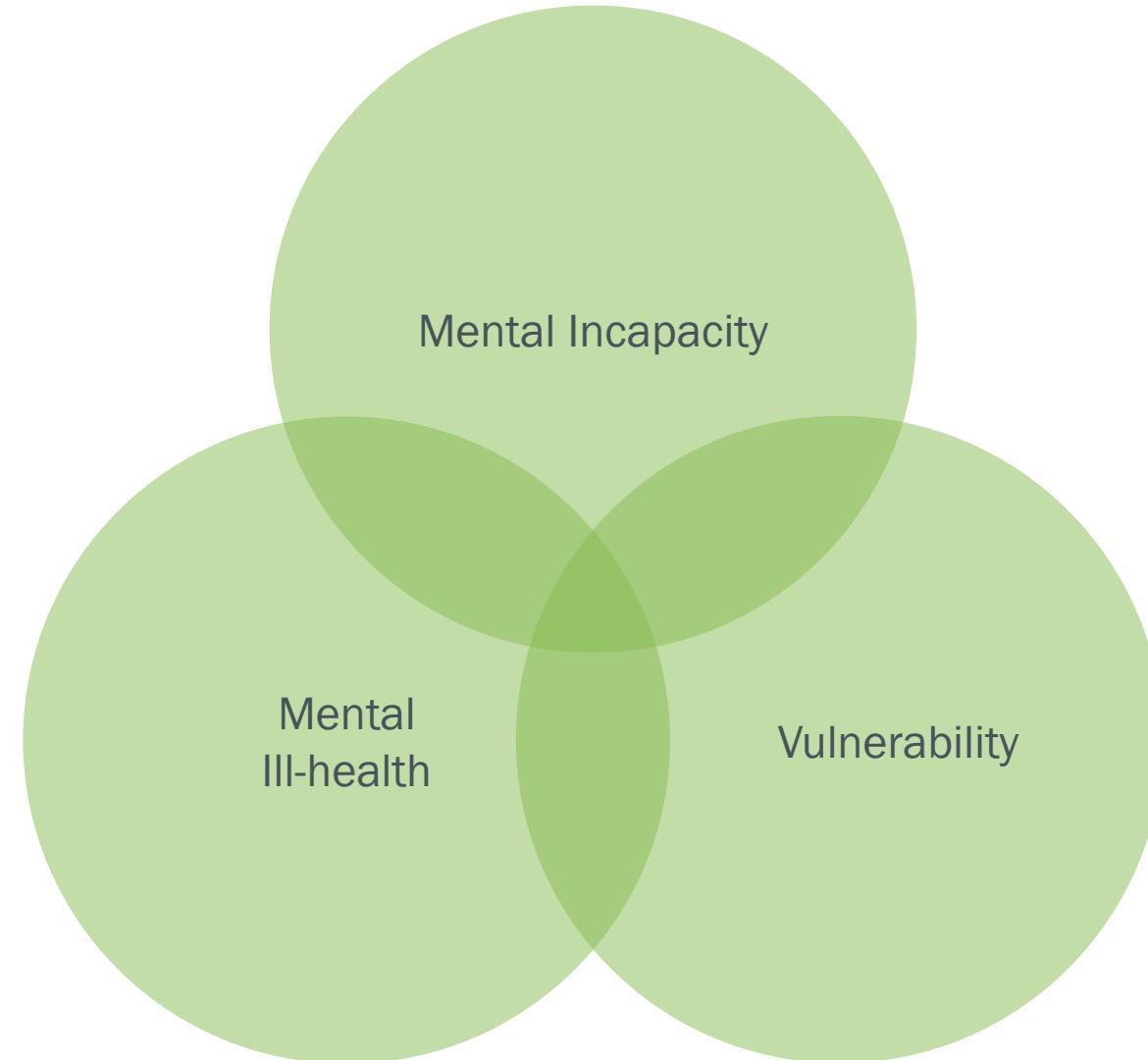


MENTAL CAPACITY & VULNERABILITY

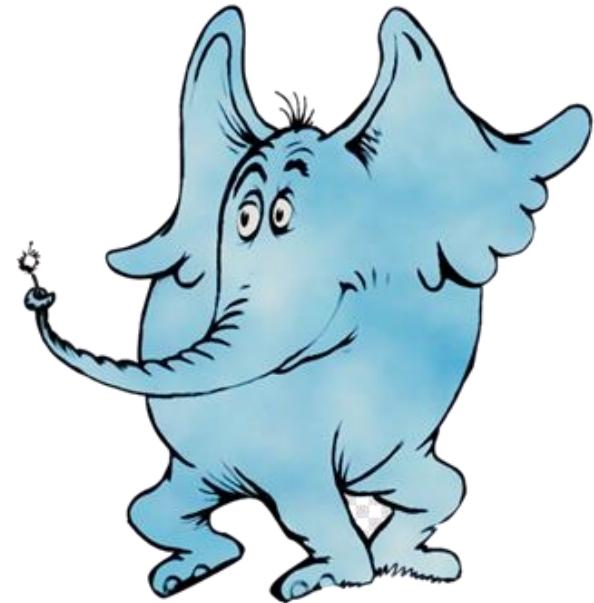
Mental capacity is just another way of describing a person's ability to make a decision

It is different to mental ill-health

Is it also different to vulnerability



DECISIONS ARE BASED ON EXPERIENCE



A person's a person,
no matter how small.

-- Dr. Seuss

ASSESSMENT CRITERIA

‘Mental Capacity’ is a legal term which is defined by the Mental Capacity Act (2005).

The Act provides a framework for assessment – although it should be noted that not all decisions are covered by the Mental Capacity Act (2005).

The MCA 2-Stage Test

- In order to assess capacity, the following 2-stage test must have been followed
- The first stage (or diagnostic test) asks the following questions:
- Is there any impairment or disturbance in the functioning of the persons mind or brain?
- Is the impairment or disturbance sufficient that the person lacks the capacity to make that particular decision?

THE SECOND STAGE OR ‘FUNCTIONAL TEST’

The second stage of the test (or functional test) dictates that the person is unable to make a decision if they cannot:

- Understand information about the decision to be made
- Retain that information in their mind
- Use or weigh-up the information as part of the decision process
- Communicate their decision

If a person lacks capacity in any of these areas, then this represents a lack of capacity

THE THRESHOLD OF UNDERSTANDING

Fundamental to any assessment of capacity is the correct identification of the threshold of understanding

- This is what makes capacity item specific
- It identifies what the individual actually needs to understand, retain, weigh up and use
- It must be as specific as possible
- We must not set it too high or too low
- It determines the questions we ask and the answers we expect

THE CAUSATIVE NEXUS

This is a concept that is key for both Mental Capacity and Financial Vulnerability.

- With Mental Capacity it is the link between the impairment and the person's ability to make the decision in question.
- If there is no causative nexus the person is assumed to have capacity

- With Financial Vulnerability it is the link between the circumstance and the vulnerability
- If there is no causative nexus the circumstance does not impact upon the person's level of vulnerability

DEFINING A VULNERABLE CUSTOMER

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

FCA (2015)

VULNERABILITY DRIVERS

In the FCA's 'Approach to Consumers', they identified 4 factors that act as drivers to actual or potential vulnerability



Health – health conditions or illnesses that affect the ability to carry out day to day tasks



Life events – major life events such as bereavement or relationship breakdown



Resilience – low ability to withstand financial or emotional shocks



Capability – low knowledge of financial matters or low confidence in managing money

DEFINING RESILIENCE



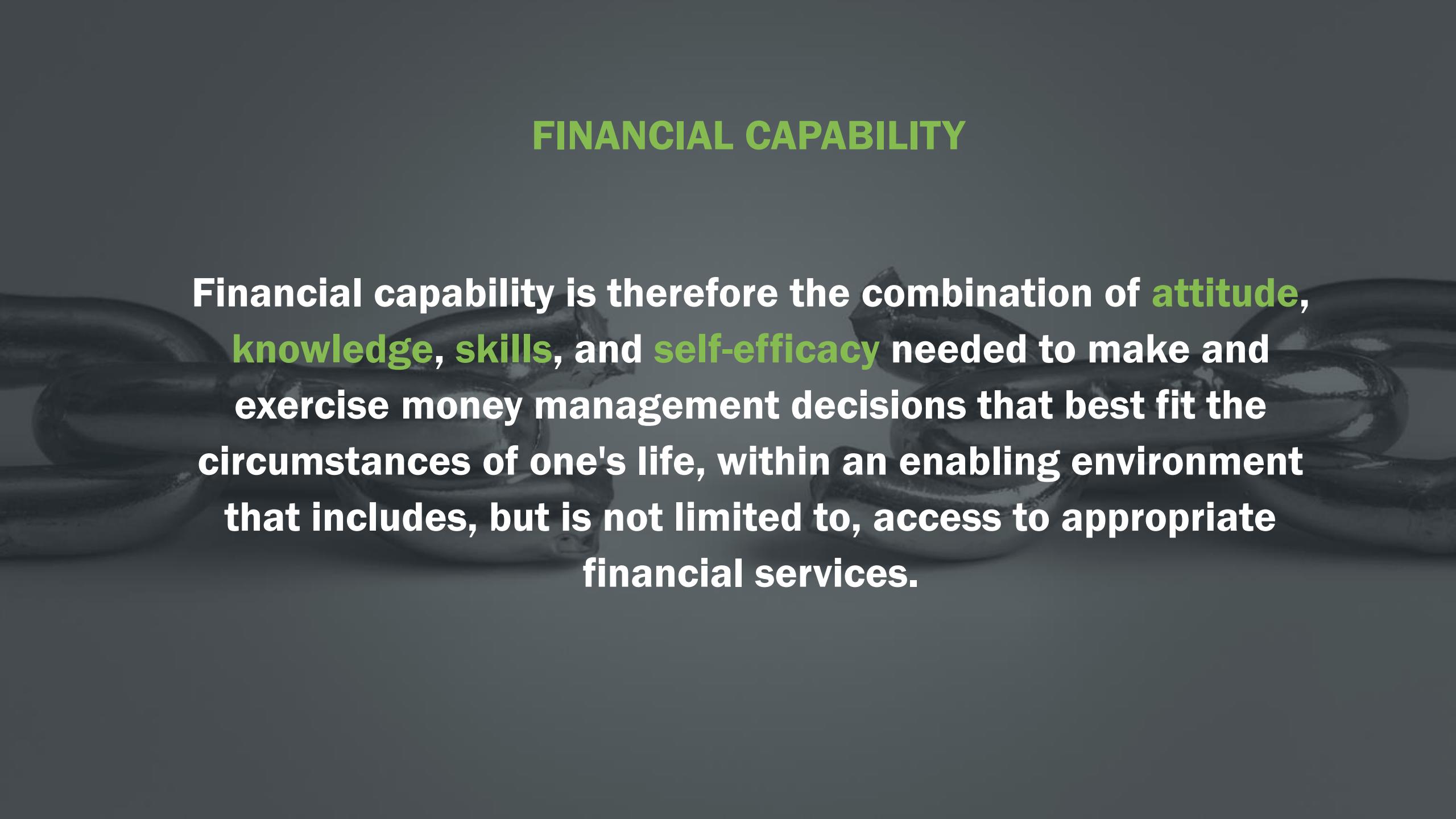
- Psychologists define resilience as the process of adapting well in the face of **adversity, trauma, tragedy, threats**, or significant sources of **stress** - such as family and relationship problems, serious health problems, or workplace and financial stressors. It is more than just financial resilience.
- Being resilient does not mean that people don't experience stress, emotional upheaval, and suffering. Some people equate resilience with **mental toughness**, but demonstrating resilience includes **working through** emotional pain and suffering.
- People who lack resilience are more likely to feel overwhelmed or helpless, and rely on unhealthy coping strategies (such as **avoidance, isolation, and self-medication**).

DEFINING CAPABILITY



- If you have the capability or the capabilities to do something, you have the ability or the qualities that are necessary to do it.
- Mental capability often equated with intelligence that, among other things, involves the ability to **reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly** and **learn from experience**. It is not merely book learning, a narrow academic skill, or test-taking smarts. Rather, it reflects a broader and deeper capability for comprehending our surroundings -"catching on," "making sense" of things, or "figuring out" what to do.

FINANCIAL CAPABILITY



Financial capability is therefore the combination of attitude, knowledge, skills, and self-efficacy needed to make and exercise money management decisions that best fit the circumstances of one's life, within an enabling environment that includes, but is not limited to, access to appropriate financial services.

PSYCHOLOGY AND ‘BIG DATA’

- Both resilience and Capability are **psychological** factors
- Understanding these factors enable us to predict how individuals will respond to changes in their circumstances
- Most technology focuses on **data gathering** that addresses the health and life events but not the psychological ones
- If ‘big data’ was sufficient then all elite sports teams that use it would be equal – but they are not
- If we only gather half the information we are only getting half the picture

ABOUT US

Comentis provides regulated business with the ability to identify financially vulnerable clients through the use of our ground breaking App.

By combining clinical and technical experience, we ensure advisers can consistently and objectively identify at-risk clients and meet growing FCA reporting requirements.

CONTACT

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Co-founder & Clinical Director

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+44 7886 688 030

www.comentis.co.uk





Panel discussion

Industry perspective



Peter Hamilton,
Head of Market
Engagement,
Zurich



Nicki Osborne, Senior
Customer Experience
Manager, **M&G plc**



Dimpel Patel, Head of
Client Services,
Brewin Dolphin



Panel discussion

Achieving cross-sector collaboration



James Shafe, Head
of Payments,
Crypto & Consumer
Policy, **FCA**



Meghna Tewari, Head
of Vulnerability and
Consumer Policy,
Ofgem



Vulnerability
Registration
Service

The Vulnerability Registration Service

www.vulnerabilityregistrationservice.co.uk

Helen Lord

helen@vregservice.co.uk



Data sources and definitions

Sources of data

- **Self-registration:** Individuals can register themselves with VRS providing a minimal amount of contact details and the option to select sub-flags that are relevant to their situation.
- **Power of Attorney:** An individual can register on someone else's behalf where they hold a Power of Attorney, once we have validated that POA.
- **Court of Protection Order:** VRS obtains registrations from local authorities, solicitors and estate management companies where a Court of Protection is in place and the individual lacks the mental capacity to manage their own financial affairs.
- **Charities / debt management companies:** Charities and debt management companies can provide data to VRS where they have a legal basis to do so.
- **VRS users / clients:** VRS has reciprocal data sharing agreements in place with its clients in order that organisations can share data where they have identified vulnerability.

Definitions of vulnerability

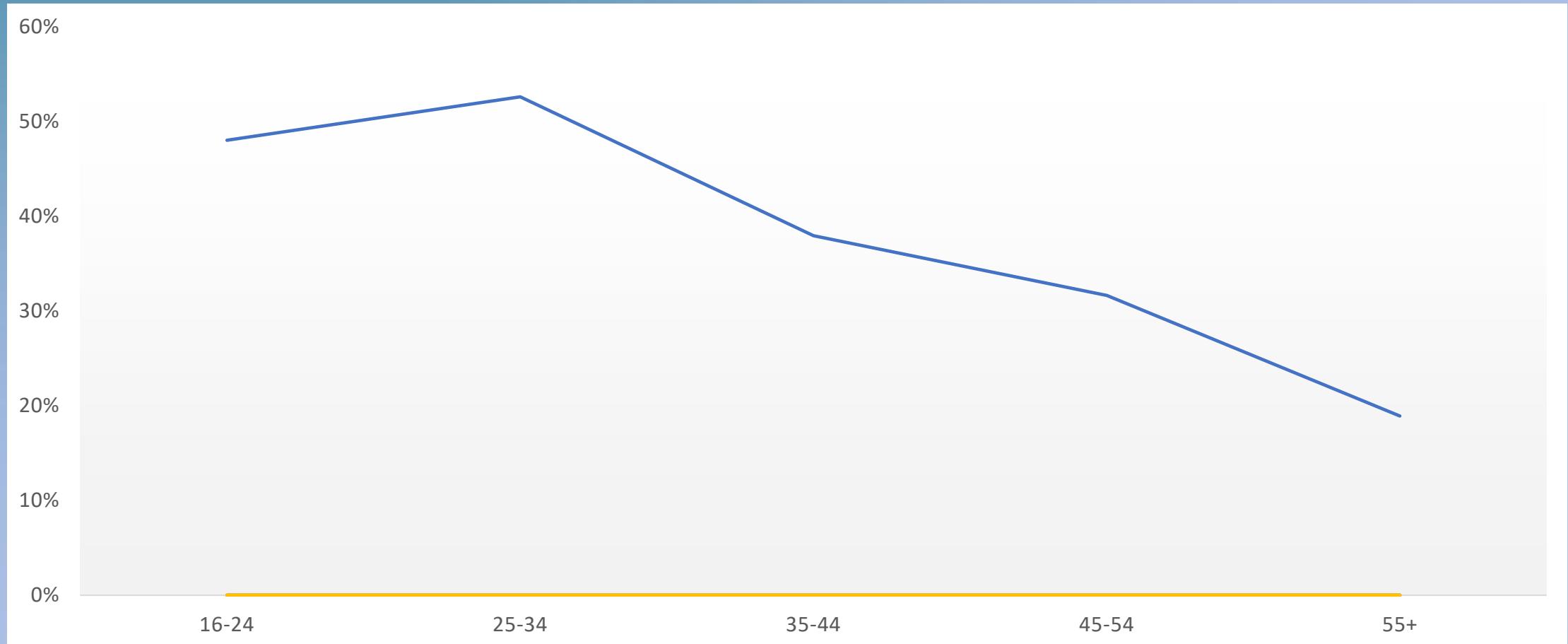
VRS have developed a number of sub-flags to help provide insight into an individuals vulnerability and to be compatible with regulators, sector or individual organisations own vulnerability definitions:

Physical disability	Mental health
Cognitive disorder	Life event
Financial hardship	Financial capacity
Debt Management Programme	Coronavirus
Risk of Coercion	Accessibility
Physical health	Gambling addiction
	Deceased

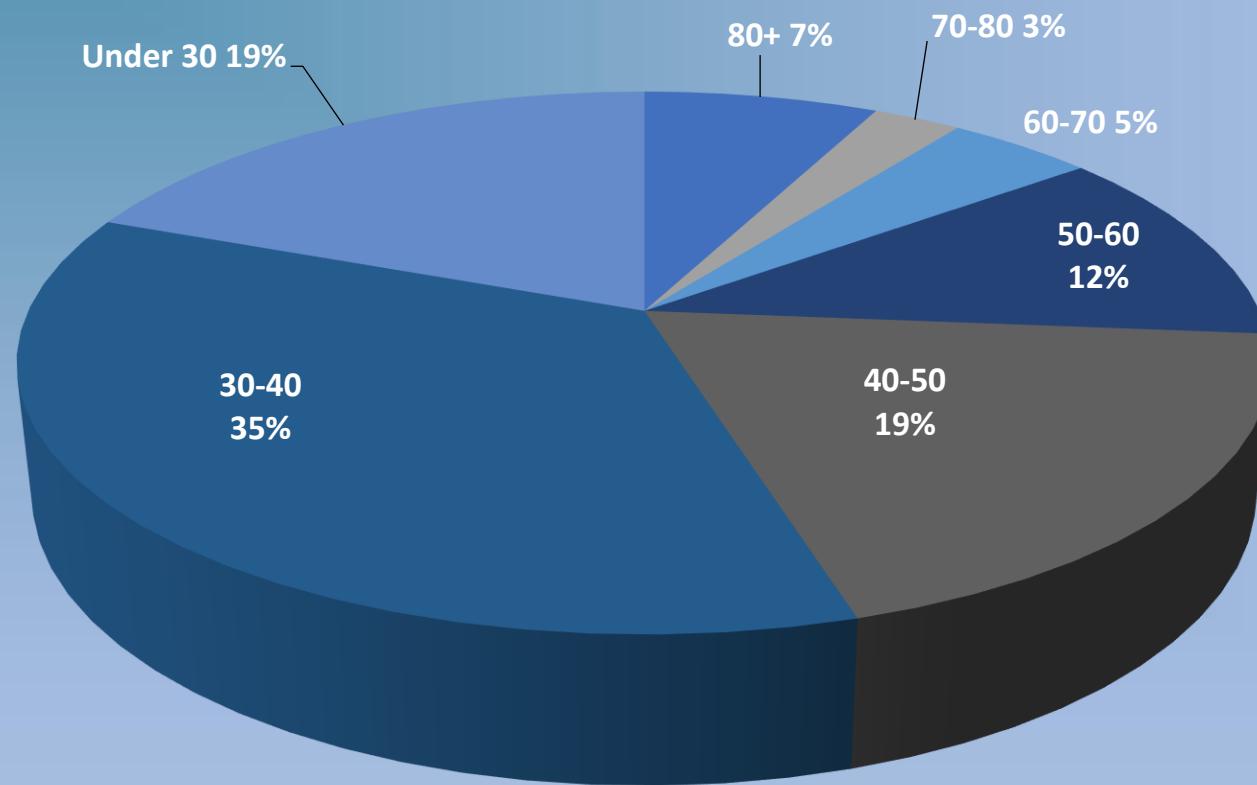
Do you consider yourself to be vulnerable?



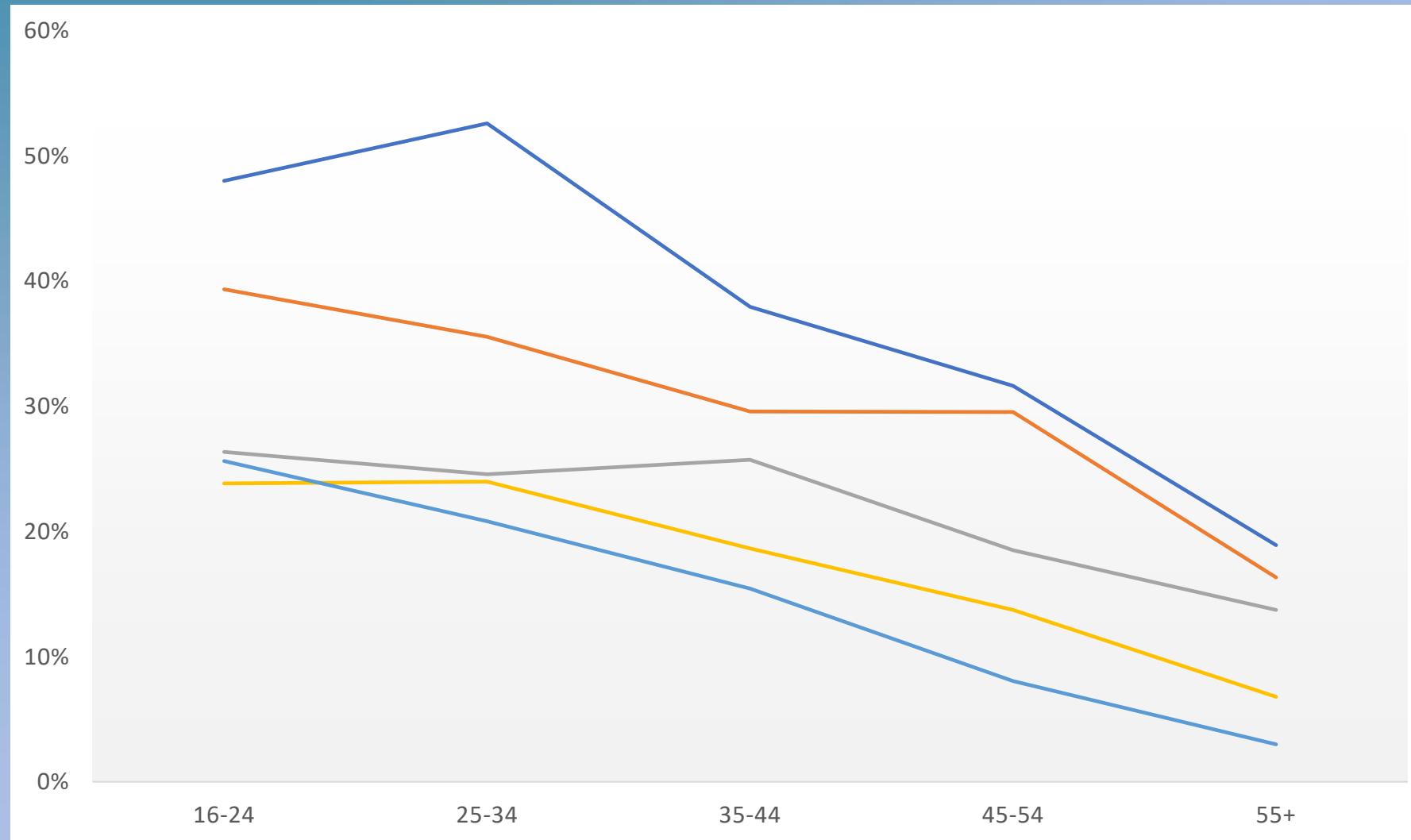
34% of people considered themselves to be vulnerable



Age Breakdown



Do you consider yourself to be vulnerable?



Protecting vulnerable consumers is a key priority for us. We want to see firms explicitly embedding the fair treatment of vulnerable consumers in their culture. Where we find that firms are not doing enough to ensure that consumers are treated fairly, we will take action. We expect firms to take particular care to ensure that vulnerable consumers are treated fairly as they may be more likely to experience harm.

FCA: Financial Lives. July 2020

Our [Vulnerability Focus Report](#) identified the transient nature of vulnerability and the subsequent importance of companies having accurate, good quality information about their customers' circumstances in order to understand their needs and be able to support them effectively. Our Report also noted that data sharing may help companies to recognise affordability issues much earlier – it is usually the case that if a customer is struggling to pay their water bill, they will likely have trouble paying other bills.

Ofwat – January 2017

Remote gambling operators already have the capability of identifying customers who may be harmed by gambling. Our evidence shows that the industry has not used this capability sufficiently to reduce harms. We are therefore consulting on stronger requirements that will help ensure remote gambling operators do more to identify consumers who may be harmed by gambling and to interact and take action sufficiently early and effectively to prevent harm.

Gambling Commission – November 2020

People in vulnerable situations, should not be asked to submit the same information, for similar purposes, multiple times. The process of registering for support should make the best use of this data the first time it is submitted. Consumers should be able to use permissions to keep all their essential service providers updated of their status, through secure data sharing.

Citizens Advice - Getting support to those who need it – October 2020

At present, organisations usually only become aware of such situations if the customer (or a third party acting on their behalf) tells them about it. This means that if a customer doesn't disclose the situation to any, or all, of the organisations they encounter they will not receive support they may be eligible for. Data-sharing between organisations may offer a way to ensure the customer gets all the support they need, without requiring them to have the same conversation with multiple different organisations.

Sharing is Caring. University of Bristol – Personal Finance Research Centre. April 2018

There are many facets and forms of vulnerability. Firms should consider all contributors and circumstances that may make a customer vulnerable. Whilst some vulnerabilities are permanent, others can be fluid, temporary or occur at changing intervals, or lead to other or enhanced levels of vulnerability. Firms should be alert to changes in an individual's circumstances and handle these changes sensitively.



Communicating vulnerability

56% would tell of vulnerable circumstances if asked

67% believe organisations should put checks in place to identify vulnerability

64% would share details of vulnerability if it means that they will receive better support from organisations

41% feel they have been unfairly treated with regard to their vulnerability in the last 12 months

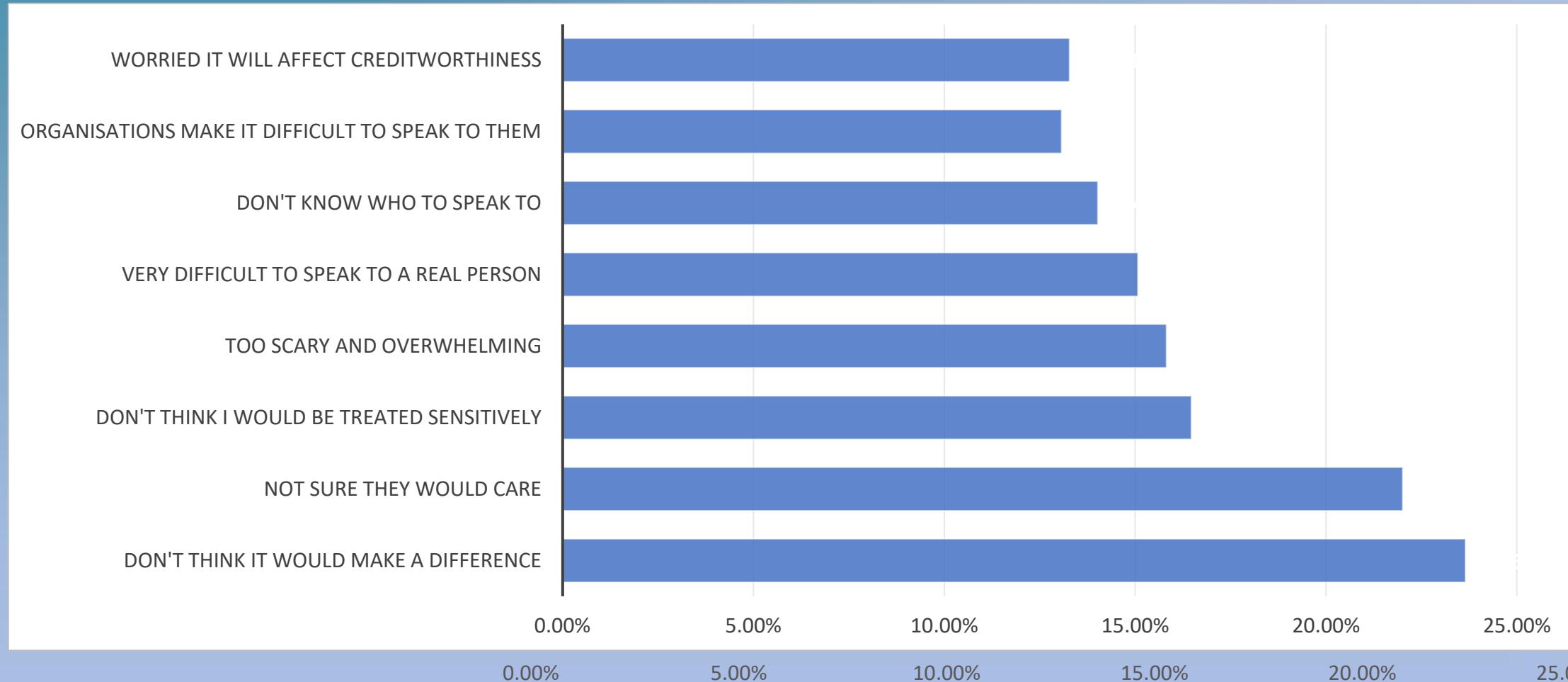
45% have had deal with an organisation on behalf of a vulnerable family member or friend

8% have been trying to communicate their health issues for over 10 years

25% of people experiencing a life event are still trying to get it taken into consideration after six months



Reasons for not disclosing vulnerability



Two in five have felt unfairly treated by organisations not taking their circumstances into account in the last 12 months



Experience of discussing vulnerability

35% found repeating circumstances to different departments difficult

32% felt they were passed around to different people / left on hold / left with automated messages

29% found it difficult to find the right person or the right department to speak to

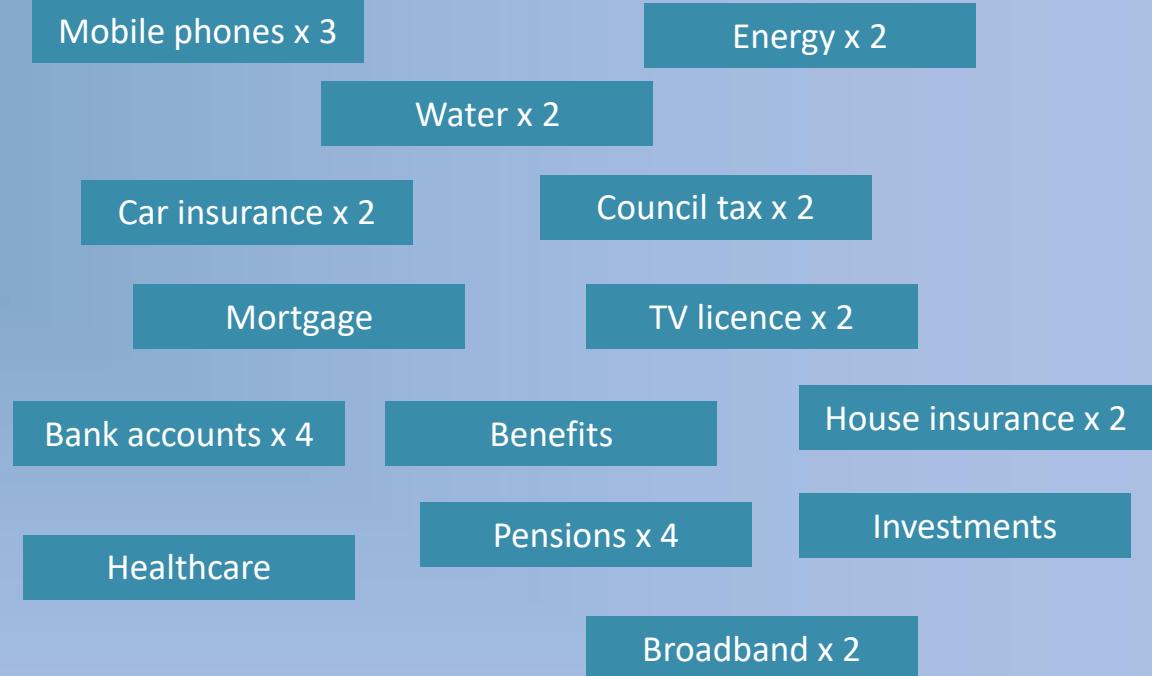
30% felt that they had been treated with empathy

29% felt that the organisation acted upon what they had been told and they received help and support



Vulnerability is multi-faceted

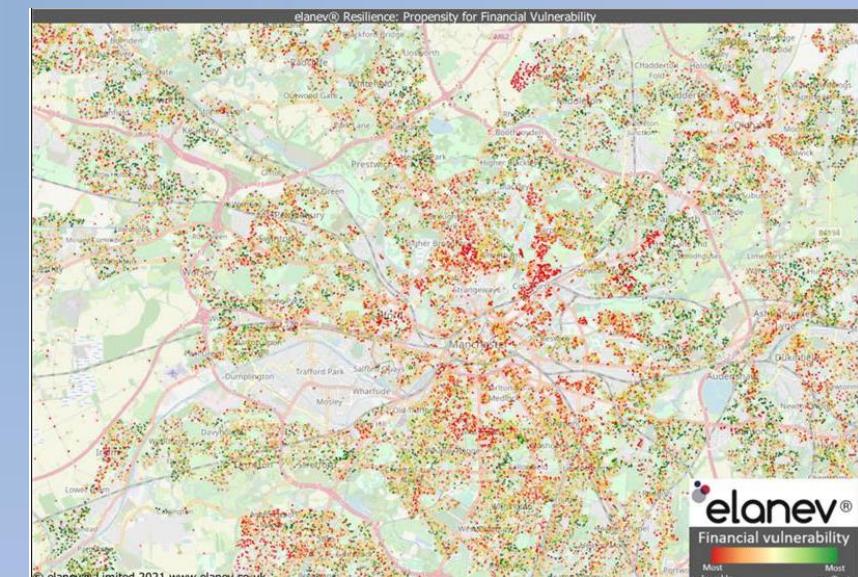
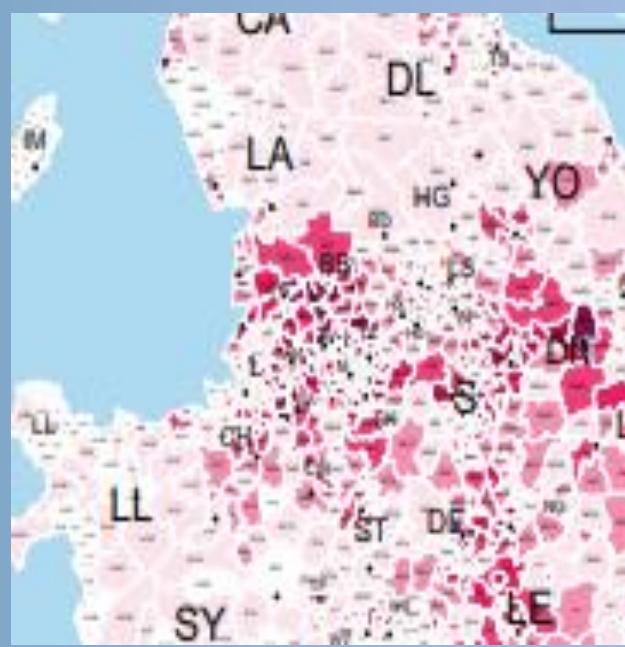
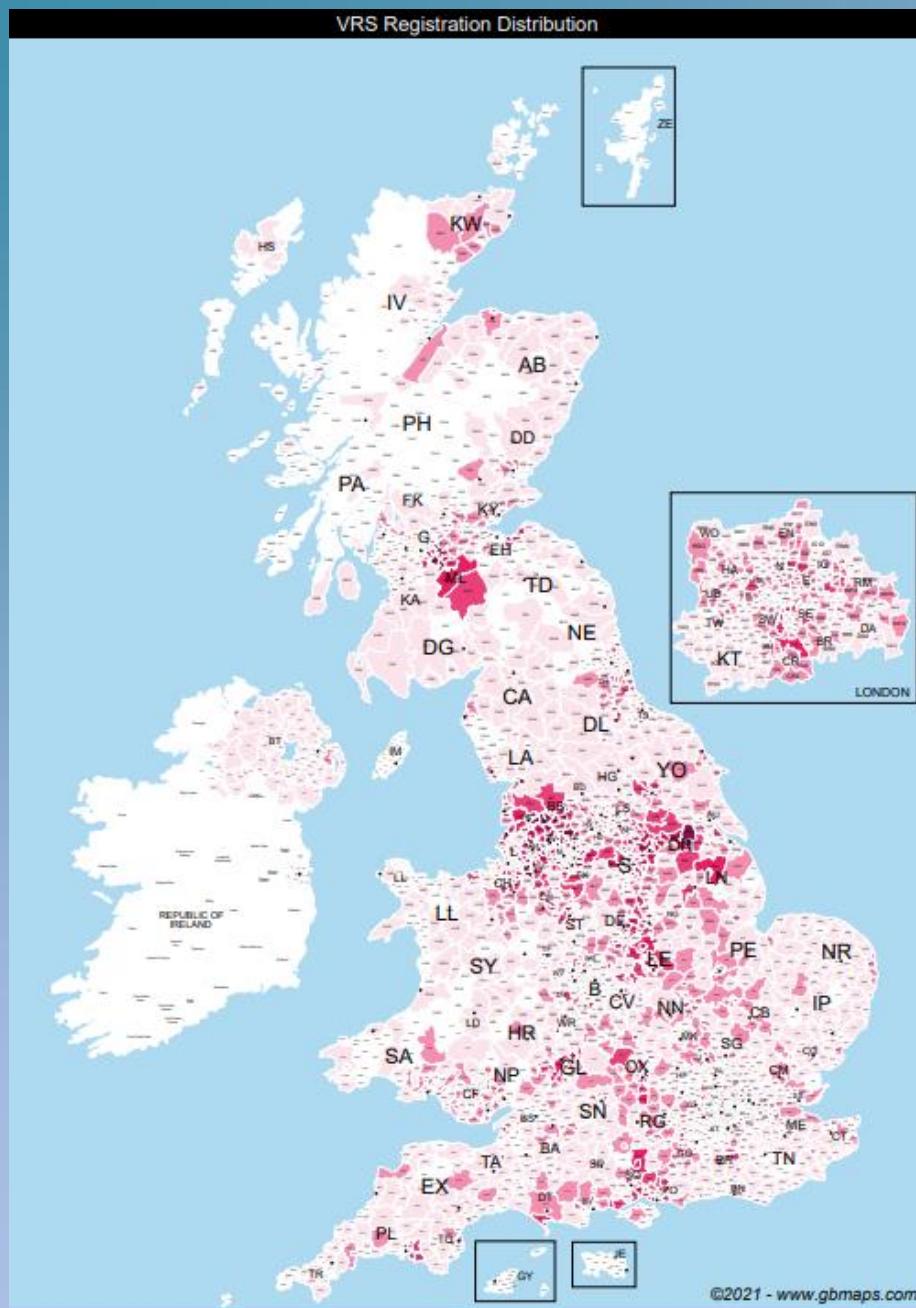
- 38% said that mental health suffered because of vulnerable circumstances
- 27% say that mental health affects their ability to carry out day to day tasks
- 44% of people with mental health issues have debt crises





Postcode breakdown

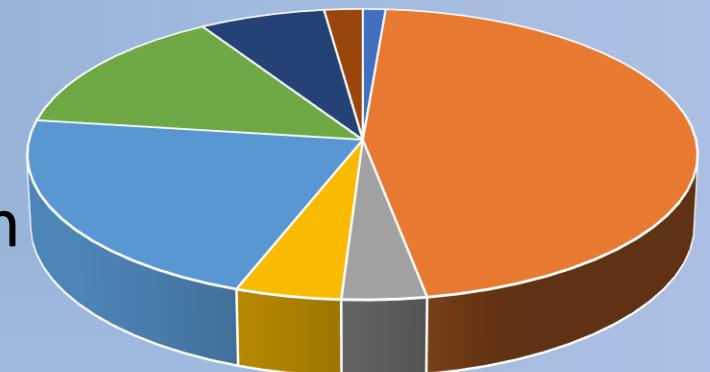
- PR1 ,PR2
 - WA7,WA8
 - BB1,BB2
 - BL1,BL3,BL4,BL9
 - L4, L9, L13, L14 L20, L21
 - SK5
 - OL11, OL12
 - DN4, DN15
 - WN2
 - ML3
 - M26, M40
 - S5
 - CH41, CH42
- Preston, Leyland, Southport, Chorley
 - Warrington, Widnes, Runcorn
 - Blackburn, Burnley, Accrington, Clitheroe
 - Bolton, Bury
 - Liverpool, Bootle, Ormskirk, Prescott
 - Stockport, Macclesfield, Cheadle
 - Oldham, Rochdale
 - Doncaster, Scunthorpe, Grimsby, Gainsborough
 - Wigan, Skelmersdale
 - Motherwell, Hamilton, Wishaw, Lanark
 - Manchester, Sale, Salford
 - Sheffield, Rotherham, Chesterfield
 - Birkenhead, Chester





Registrations on VRS

- A significant minority are from 'comfortable' households – 14%
- Typically, very little savings
- Income lower than average
- High occupancy family areas
- Lower representation from rural communities
- High dependency on benefits
- Council or housing association accommodation
- High occupancy
- Low internet use



- Accessibility
- Cognitive Disorder
- Financial Capability
- Lifecycle event
- Mental Health
- Physical Health
- Physical Disability



Poorer pensioners

- Registrations from older people come from poorer areas
- Social rented flats; sheltered or retirement accommodation
- Often claiming benefits
- Low chance of savings on investments
- Low internet use – prefer traditional methods of communication
- Traditional approach to finances
- Focus on utilities
- Risk of coercion and scams

3.2 million people over 80

1.6 million people over 85

418K people in care

2.8 million elderly with care-related needs

Over 900K living with dementia

16% of pensioners in relative income poverty

13.6 million unpaid carers in UK

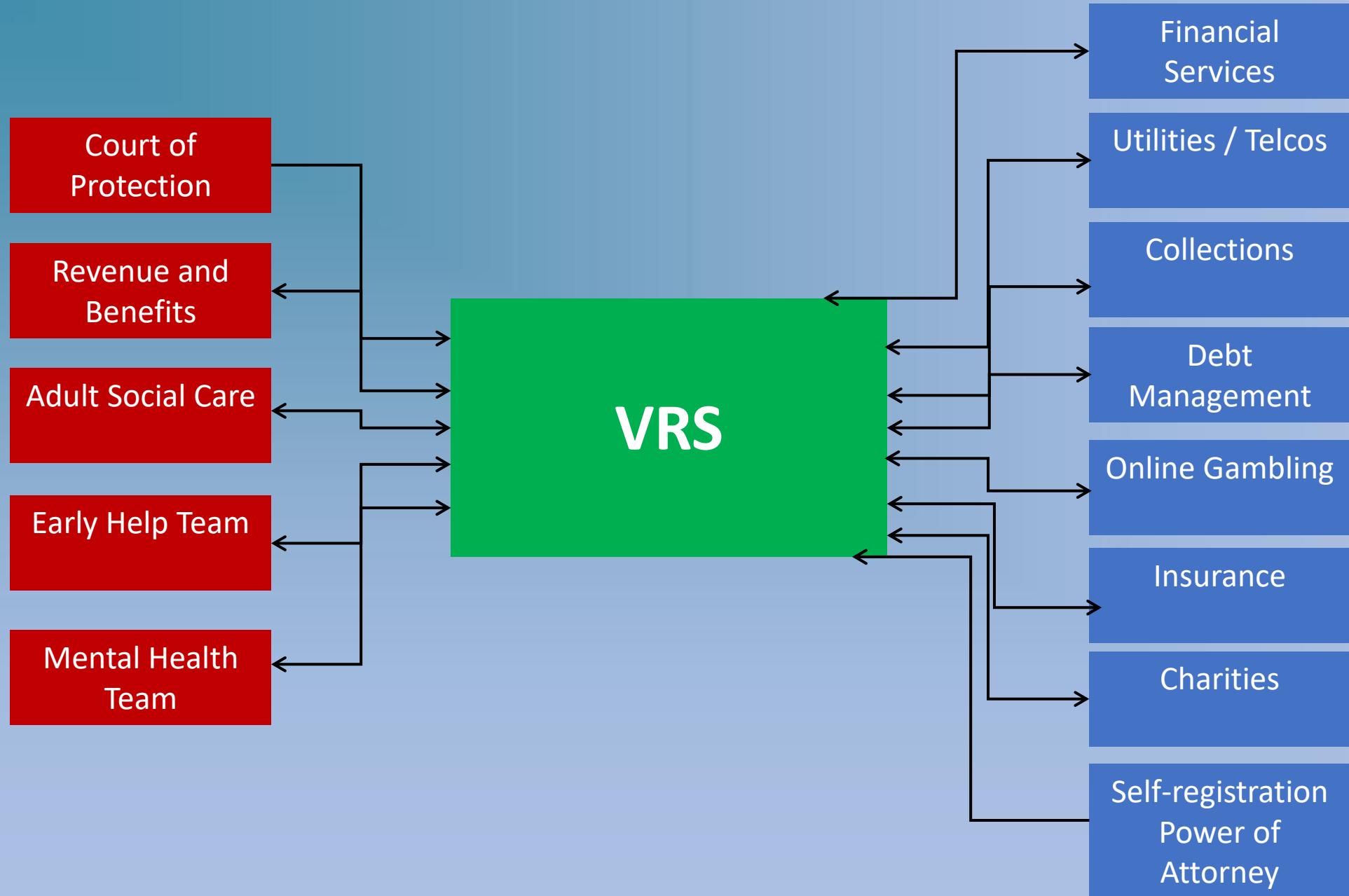
£1.8 billion in unclaimed pension credit

3.4 million pensioners missing out on Attendance Allowance



Low income

- Large families surviving on benefits
- Council or housing accommodation
- Social rented terraced housing
- Some first time buyers – mortgage with a long period to run
- Young adults
- Single parents
- Under 35s with young children
- Often benefit claimants
- High proportion of health problems
- Indebtedness





Vulnerability
Registration
Service

The Vulnerability Registration Service

www.vulnerabilityregistrationservice.co.uk

Helen Lord

helen@vregservice.co.uk



TISA



www.tisa.uk.com



Tisa UK