



Financial Planning Ltd

IAS Financial Planning Ltd
Rosedale Studios, Rosedale Road
Richmond, TW9 2SX
Telephone: +44 (0) 208 434 3559
Email: iasifa@btconnect.com

IAS Financial Planning Ltd

Vulnerable Customers Policy

Contents

- 1 Introduction
- 2 IAS Financial Planning Ltd Policy
- 3 Who may be vulnerable?
- 4 How to identify a “vulnerable customer”
 - 4.1 Additional support indicators
- 5 When may a customer need additional support?
- 6 Examples and relevant support
 - 6.1 Elderly customers
 - 6.2 Students and very young customers
 - 6.3 Recently bereaved customers or those diagnosed with serious illness
 - 6.4 Customer dealing with major life changes
 - 6.5 Customers with conditions or disabilities
 - 6.6 Customers whose first language is not English
- 7 Methods of support
- 8 Documentation
 - 8.1 Fact find, suitability report and CRM
 - 8.2 Other documentation

1 Introduction

The FCA aims to make financial advice accessible to everyone regardless of their financial and personal circumstances.

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’

IAS Financial Planning Ltd (IAS) recognises its responsibility to identify and appropriately support customers who may be vulnerable, to ensure good outcomes in line with the FCA Consumer Duty and the FCA’s Guidance on the Fair Treatment of Vulnerable Customers.

We maintain training, processes and controls to identify vulnerability indicators and ensure customers receive fair, appropriate support.

2 IAS Financial Planning Ltd’s Policy

It is our policy to conduct all business in an honest, ethical and customer-focused manner. It is important to have in place appropriate processes, training and policies to protect vulnerable customers and prevent foreseeable harm.

Where a customer’s vulnerability means they require significantly more time, communication in alternative formats, or additional administrative support, the firm will not charge supplementary fees for these adjustments.

All staff have a responsibility to identify potential vulnerability and applying appropriate support. It is the firm maintains systems and controls to ensure vulnerable customers are treated consistently and in line with regulatory expectations.

3 Who may be vulnerable?

There are 4 key drivers which may increase the risk of customer 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, job loss or relationship breakdown
- **Resilience:** low ability to withstand emotional or financial shocks
- **Capability:** low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills

Characteristics of the 4 key drivers are shown in the table below. We understand that these may well overlap and become more complex.

- **Health** – Physical Disability, Short or Long Term illness, Hearing or visual impairment, Mental Health condition, Addiction, Low Mental Capacity.

- **Life events** – Retirement, Bereavement, Income Shock, Relationship Breakdown, Domestic Abuse (including economic control), Caring responsibility, Other circumstances (Care/Asylum/Human trafficking/Slavery/Convictions)
- **Resilience** – Inadequate or erratic income, Over indebtedness, Low savings, Low emotional resilience
- **Capability** – Low knowledge or confidence in managing finance, Poor literacy/numeracy skills, Poor English Language, Poor digital skills, Learning Difficulties, No or low access to help and support

Anyone may become vulnerable at different stages in life depending on their circumstances and vulnerability may be temporary, situational or permanent. Vulnerable customers may therefore require varying levels of support at different life stages.

There is no exhaustive list of customers who are vulnerable and we need to be observant for indications of where our customers may need support. Examples of customers who may potentially be vulnerable include:

- The elderly, including those suffering from dementia
- The very young, and students with limited financial experience
- The recently bereaved
- Customers who have been diagnosed with serious and/or life-threatening conditions
- Customers experiencing major life events (e.g. divorce, moving home, job changes, financial pressures)
- Customers with physical or mental disabilities
- Customers who do not have a full understanding of the English language
- Customers with low financial capability or resilience

4 How to identify a “vulnerable customer”

It may be quickly evident that some customers require additional support (for example, a customer with a guide dog, or a customer using a wheelchair). It is important for all customer-facing colleagues to be conscious of the indicators that may suggest they would benefit from additional support. For example, a customer may indicate to a receptionist that they cannot use the stairs to a first floor office; a colleague processing financial information may identify that a customer has cancelled several policies. These could be indicators of physical disabilities or financial pressures respectively.

Some other common indicators may include:

- Changes in personal or financial circumstances for existing customers
- Verbal indications – e.g. “can’t come into office”; “are there any stairs”
- Communication difficulties – e.g. customers who are uncomfortable with email or computer, or asking for help reading documents
- Changes in client paying premiums, payments stopping suddenly, late or missed payments

- Physical indications – e.g. shortness of breath or signs of agitation, or mention of medication
- Customer understanding – e.g. customer asking for repetition (a sign that the customer is not retaining information), other signs that the consumer has not understood, or signs of confusion.

When indicators are observed, staff must explore sensitively whether the customer needs additional support.

5 When may a customer need additional support?

We may identify that the customer needs additional support at any time during the relationship with the customer. It is not solely during the advice process. For example:

- First contact – prior to any advice
- Throughout the advice process during discussions and meetings
- Post Sale – for example, if a policy has lapsed or premiums have been missed
- Claims – a stressful time when the customer may need support
- Dealing with Correspondence – for example, if a customer has difficulty understanding

Details

6 Examples and relevant support

Below are typical scenarios and the support that may be appropriate. These examples are illustrative, not exhaustive.

6.1 Elderly customers

Why may a customer be vulnerable?

As customers reach key stages in life and their circumstances change, they may need additional support to understand the implications of the advice given to them.

In particular when customers reach retirement age additional support is commonly required. We need to pay particular attention to the customer's individual circumstances as retirement ages vary.

State retirement age (SRA) has undergone review for a number of years, firstly to equalise the female/male SRA to 65, and then to further raise the SRA.

It is also possible elderly customers may require support to deal with conditions or illnesses which become more common with age. For example, customers may require assistance due to poor hearing or eyesight. Customers who may be suffering from the early stages of dementia could have difficulty recalling facts or understanding advice.

What support may be required?

For customers with hearing, sight or any mental impairment, we should ask for an independent person to be present at the meetings. This could be a close relative or a responsible person (for example, a nursing home representative).

For customers dealing with changes to circumstances (e.g. retirement), we may need to allocate additional time to appointments to ensure all circumstances are fully discussed and the customer has sufficient time to carefully consider our advice, and decide if any of the advice should be deferred until circumstances are more settled.

6.2 Students and very young customers

Why may a customer be vulnerable?

Generally speaking, customers who have just started earning and students have modest income and little (if any) experience in organising their finances. For example, students may be dealing with student loans and living expenses; customers in their first jobs are dealing with new levels of income, emergency tax codes and often paying their first rent; funding their first home and may be considering things such as car finance.

Although younger customers rarely have long-term protection needs, they will commonly need advice for such things as contents cover – and often have little knowledge or experience with insurance.

What support may be required?

For customers with limited or no experience of dealing with insurance we may ask for an independent person to be present at the meetings – for example a parent of the customer.

6.3 Recently bereaved customers or those diagnosed with serious illness

Why may a customer be vulnerable?

Customers who have been recently bereaved or diagnosed with serious/life-threatening illnesses are often not able to consider long term planning objectively. The customer may be dealing with their own grief or the implications of a diagnosis. Understandably, customers often find it difficult to focus on technical information, facts/figures or to make decisions for their future.

What support may be required?

Often the involvement of a third party is essential. This helps both support the customer and enables us to double check that the customer can understand and deal with information.

Scheduling of advice and appointments should be carefully undertaken – and it is advisable to consider deferring any decision which does not need immediate action.

6.4 Customer dealing with major life changes

Why may a customer be vulnerable?

Customers may suffer from stress because of the pressures of major life events and find it difficult to deal with the complexities of financial advice. Everyone deals with situations differently and we should consider what support the customer may need if they are dealing with stress. For example:

- Divorce – We may be advising a customer on the purchase of a new home, or transfers of equity for existing mortgages/homes moving home, transfer of investment assets or pension decisions
- Job changes – customers may be taking advice regarding replacing protection benefits which were provided by previous employers; perhaps moving pensions as a result of a new employer. There may be additional pressures on a customer if job changes are as a result of redundancy.
- Moving home – moving home can be a very stressful experience. At this time of stress to understand a detailed mortgage illustration, all of the relevant insurances which may be required, and deal with the costs involved, can be daunting.
- Financial pressures—a customer may be in arrears with a mortgage/ rent, or lapse an insurance policy due to financial pressures.

What support may be required?

Consider how much information can be comfortably covered during an appointment. Rather than one long meeting lasting a few hours, would it be in the interests of the customer to have a series of shorter meetings?

- Throughout the discussions we will regularly confirm the customer's understanding.
- Consider whether the customer may be more at ease in their home environment rather than an office.

6.5 Customers with conditions or disabilities

Why may a customer be vulnerable?

We will ensure that we are aware of requirements under the Disability Discrimination Act. This obligates giving equal access to services irrespective of an individual's disability.

Customers with physical disabilities (for example, restricted mobility) may have difficulty travelling to our offices, accessing offices that have access via stairs, or may require disabled parking facilities.

Customers with conditions such as dyslexia or dyscalculia may have difficulty in dealing with the considerable written and numerical information that is involved in any advice process.

6.5.1 Not all disabilities are visible

Some disabilities are more easily identified, and we will be able to quickly determine if the customer requires additional support – for example, blind or deaf customers. In these circumstances communication may be restricted, and the methods of presentation and explanation of advice will need to be reconsidered.

Where disabilities are not evident or visible it can sometimes be more difficult to identify where the customer may need additional support – for example, if a customer has learning difficulties. We will our judgement on a case-by-case basis when considering if customers would benefit from additional support.

What support may be required?

The support required will, of course, depend on the individual customer's requirements. Considerations for customers with conditions or disabilities include:

- Providing relevant documents in Braille.
- A qualified sign-language interpreter for customers with impaired hearing.
- Arrange for a third party, such as a friend or relative of the customer, to be present. This can help with explanations, interpretations and to gain confirmation of understanding. It can also be of great reassurance to both the customer and their chosen third party that we are ensuring the customer is receiving the full benefit of our advice, and they are not being excluded because of their disability. Any third party may be asked to review the fact find, and documents used in the presentation, with the customer. The third party should confirm (preferably in writing) that All appropriate information has been conveyed to the customer, and this has been fully understood by them

6.6 Customers whose first language is not English

Why may a customer be vulnerable?

We may advise customers whose first language is not English. We will make a judgement on whether the customer's command of English is sufficient to understand the advice we will provide, or whether additional support is needed.

Where we decide that the customer's English is sufficient to understand the advice then will proceed as normal.

Where we are unsure about a customer's ability to understand the advice process in English then further action will be needed. Without additional support we would not be able to confirm that we have accurate 'know your customer' information or demonstrate the accuracy of the advice. The customer may not be sufficiently informed and may then make decisions based on misunderstanding or misinterpretation. This scenario would not be treating the customer fairly.

What support may be required?

6.6.1 Where we are fluent in the customer's own language

Where we are able to communicate fully in the customer's first language, we will provide information or advice to the customer in this language.

We will also try to obtain literature from the product provider in the customer's language. If the product provider does not produce literature in that language, we will discuss the contents of the product literature with the customer fully to ensure they understand all aspects of the product or service before they purchase.

6.6.2 Where we are not fluent in the customer's own language

Where we are not able to communicate fully in the customer's first language we will consider whether we can arrange for an individual fluent in both languages to act as an interpreter. This could either be a professional interpreter, a friend or a relative of the customer.

In these circumstances, the interpreter should confirm (preferably in writing) that all appropriate information has been conveyed to the customer, and this has been fully understood by them.

Where we do not feel confident in a customer's ability to understand the advice after the above options have been explored, it may be necessary for us to refer the customer to another firm that is better equipped to cater for their specific needs. This would help to ensure that the customer receives a good outcome.

6.6.3 Correspondence

Written correspondence with the customer (for example, the suitability report) should be in English in the first instance. It is important to encourage all customers to ask any questions they may have or seek clarification on anything they do not understand.

Where our customer has English as a second language, and we are unsure that the customer's command of English is sufficient to understand the advice, the encouragement to seek clarification should be confirmed in the suitability report in the customer's first language. This should also offer either to provide a translation of the report or suggests they obtain a translation from a third-party.

7 Methods of support

The support required will of course depend on the individual customer and their circumstances. Solutions may include:

- Arranging for a third party to be present at the meetings (e.g. family member, companion).
- Obtaining relevant documents in Braille for customers with vision impairment
- Organising for a qualified 'signer' for customers with impaired hearing.
- Allocating additional time for appointments; spreading the advice process over several shorter appointments
- Deferring a review of your customer's circumstances until they have had time to come to terms with their situation.
- Changing the venue of meetings to assist customers who have difficulty with mobility.
- Post sale contact to ensure the customer understands the suitability report and other post-sale documentation and to offer further explanations or support as required.

8 Documentation

8.1 Fact find, suitability report and CRM

We will ensure that the fact-finding is thorough enough to be able to identify any vulnerability the customer(s) may have. We will document within the fact find and suitability report any vulnerabilities identified and how these have overcome these (for example, if a third party was present or if we have provided information in Braille etc)

We will also confirm any actions we have taken in a suitability report.

Any identified vulnerabilities and the additional support provided will also be recorded in the CRM for regular monitoring and oversight.

8.2 Other documentation

In addition, where a customer has executed a Power of Attorney, a copy of this will be obtained and retained on the customer's file.

It is important to check that the power of attorney deed is valid and does not contain any restrictions that would prevent us from advising the attorney. It's also important to ensure that nothing has happened which would have the effect of revoking the arrangement, such as mental incapacity of the donor under a general power of attorney.