



Vulnerable Client Policy

Overview

This policy sets out how we aim to identify and treat clients and prospective clients who may be considered as being vulnerable by virtue of their personal circumstances. These circumstances might include health, financial capability, age, financial/emotional resilience, or exposure to key life events such as retirement or bereavement.

These circumstances may be temporary, sporadic, or permanent.

Although vulnerability can come in many forms, it is important that such individuals are dealt with appropriately, fairly, and consistently.

We recognise that many of our clients within our target market are elderly and can be particularly vulnerable in various ways due to a combination of factors related to age, physical health and social circumstances.

We also recognise that some clients may initially be identified as Potentially Vulnerable.

We are committed to making sure that all clients, regardless of their situation receive good experiences and outcomes.

We will do this by:

- Considering the needs of vulnerable (inc potentially vulnerable) as part of the design and delivery of our services.
- Equipping staff to recognise and respond to the needs of vulnerable clients.
- Having processes in place to support and enable vulnerable clients to disclose their needs.
- Being empathetic to specific needs or concerns vulnerable clients may have and be flexible in our approach to client support and communication.
- Monitoring whether we are meeting and responding to the needs of clients with characteristics of vulnerability and make improvements when this is not happening.

We will provide training to all our staff to identify the key indicators of vulnerability and to providing appropriate support and good outcomes for our vulnerable clients.

What is a vulnerable client?

The FCA defines a vulnerable client 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’.

A vulnerable client may be less able than others to:

- Realistically and objectively identify and prioritise their own needs.
- Fully understand the risk, cost or implications of any advice provided.
- Assess information in the usual format, for example, orally during meetings or visually in respect of written advice.

We are mindful that many clients in vulnerable situations may not think of themselves as being vulnerable (or potentially vulnerable). Where possible, we will not refer to vulnerability in our interactions with clients but explain that we need to know what their needs are so that we can provide the most appropriate service in the best way to suit them.

Considering the needs of vulnerable clients as part of the design and delivery of our services

When designing our services or making changes to existing services, we will:

- Ensure a consistent approach is embedded across all operations & functions.
- Ensure processes are subject to ongoing reviews.
- Design, deliver & evaluate tailored training to all staff, regardless of role.
- Provide clear terms & conditions for all products & services.
- Design & provide services that avoid harmful consequences for all customers.
- Consider & review policies in line with market & regulatory changes.

Equipping staff to recognise and respond to the needs of vulnerable clients

Types of vulnerability

There are a number of factors that could result in a client being deemed vulnerable on a temporary, sporadic, or permanent basis. We would consider individuals affected by the following to be potentially vulnerable:

Health	Life Events	Resilience	Capability
Addiction	Retirement	Inadequate or erratic income	Low knowledge of confidence in managing finances.
Physical Disability	Bereavement	Over indebtedness	Poor literacy and/or numeracy skills
Severe or long-term illness	Income Shock	Low / no savings	Poor English language skills
Hearing or visual impairment	Relationship breakdown	Exposure to fraud or a scam, financial or otherwise	Poor or no digital skills
Mental health condition or disability	Domestic abuse (including economic control)		Learning difficulties
	Caring responsibilities		Low or no access to help or support eg family assistance
	Other circumstances that affect people's experiences of financial services eg leaving care, migration.		

The table above is not exhaustive, but for example purposes only.

Advisers should also be aware of high-risk scenario's such as for example, clients aged 90 or more, large releases (£250k or more) and re-mortgage / further advances.

Training

We will make staff aware of this policy when they join the firm, and on an annual basis.

All staff will also be given training in identifying and dealing with vulnerable & potentially vulnerable clients when joining, and on an annual basis. The training will be refreshed when needed.

Our training will include:

- The FCA's definition of vulnerability and our responsibilities under Consumer Duty.
- Vulnerabilities typical to our target market.
- The 4 factors that could result in a client being deemed as vulnerable.
- Understanding of Powers of Attorney.
- How we can support clients. For example, having family or friends present at appointments.
- Our process for recording vulnerable & potentially vulnerable clients.
- Annual testing & access to training material via BAT.
- Annual validation of our vulnerability policy & process with a 10-question test.

We will monitor the effectiveness of our vulnerability training, process and policy by referring to data from all advisers & lenders.

The data will be reviewed regularly by the firm's senior management function.

Examples of data that could flag vulnerability business issues could be:

- Early (within 12 months) redemption of lifetime mortgage plans.
- Early (within 12 months) exhaustion of drawdown reserves.
- Early re-mortgage to another lifetime mortgage lender.
- Complaints.
- Clients who are victims of fraud or a scam.

Data protection

The firm is committed to ensuring that we abide by the data protection laws whilst delivering good client outcomes.

As a result, there are two forms of legitimate interest that may be relied upon for processing client's sensitive data depending on the particular circumstances of each & every client.

1. Our default approach is to obtain explicit consent in order to record client's health information. Gaining consent is included as part of our advice process and is captured during the completion of the fact find where clients are asked a series of personal health & lifestyle questions.
2. In other instances, vulnerability might be observed during our interaction with the client both during the advice process, or in subsequent post sale processes. In some instances, it may not be appropriate to obtain explicit consent in order to do the right thing for the client eg coercion concern, or through disclosure of other information such as bereavement, scam or fraud. In these instances, we will rely upon the legal basis under Article 6 of the UK GDPR (g) Substantial Public Interest condition 19, 'safeguarding of economic well-being'. We will ensure that our approach is in line with expectations under Consumer Duty and is designed to safeguard clients from foreseeable harm.

Client vulnerability policy in practice

Central to embedding our approach to client vulnerability into One Stop's activities are the following 7 principles:

- All staff are given initial training in identifying and dealing with vulnerable & potentially vulnerable clients.
- All staff are given ongoing training at least on an annual basis, in identifying and dealing with vulnerable & potentially vulnerable clients, and the firm's record keeping processes.
- Our systems and processes are aimed to facilitate the identification of and record keeping of vulnerable & potentially vulnerable clients.
- The needs of vulnerable clients will be factored into the service provision and design of products we offer, and subject to regular review.

- Our systems will enable us to deal with vulnerable clients in the most appropriate manner.
- Our policies & process will be clear for our staff to follow. We invite feedback to improve our practices.
- Management Information will be used regularly to review & improve our policies and procedures.

One Stop has appointed a Client Vulnerability Champion (Paul Friedrich) who is on hand to provide support to all staff to discuss vulnerable & potentially vulnerable clients circumstances. Our Client Vulnerability Champion will provide suggestions to ensure that good client outcomes are achieved.

Such actions could include:

- Requiring a family member or friend to attend the appointment.
- Gaining further clarification of situations or circumstances.
- Asking a supervisor to attend the client appointment.
- Seeking clarification from a medical practitioner regarding the client's situation.
- Taking the decision not to proceed.
- Escalating the case to the firm's senior management for further support.
- Signposting the client to external organisations for additional assistance.

Sometimes vulnerabilities are not always apparent or disclosed during initial contact with clients and therefore referrals back to advisers may arise mid – application process from a solicitor or a lender.

These situations must be referred to the Client Vulnerability Champion and the firm's Senior Management who will ensure that the vulnerability is correctly logged along with the agreed actions & client outcome.

Situations of such cases could be, but not limited to, concerns over coercion, capacity, or welfare.

Record keeping

A log of both potentially vulnerable & vulnerable clients is maintained by the firm.

On a weekly basis, all advisers must provide details of both:

Potentially Vulnerable Clients

Vulnerable Clients

as identified using the BAT questionnaire, along with the actions taken and client outcomes.

This information will be discussed regularly by the firm's senior management.

Below is our example guidance/practical support on how to deal with the 4 risk factors

Health

Health	What does it mean?	What to do
Physical Disability	A deterioration in physical health can impact individuals in a number of ways, such as emotionally and mentally. It's important to understand to what extent the deterioration is affecting the clients physically, mentally & emotionally.	Explore with the client how their health has deteriorated and how this affects their ability to undertake and engage in different tasks. Are they taking medication? Are they feeling better at different times of the day?

Health	What does it mean?	What to do
Mental health condition or disability	There is a well-documented link between mental ill health and financial vulnerability. Approximately 1 in 4 people in the UK experience mental health problems each year, with a combination of depression and anxiety being the most frequently experienced type of mental health problem. People with mental health problems are 3.5 x more likely to have a problem with debt, while half of all people in 'problem debt' have a mental health problem.	Clients with mental health problems are often willing to talk about the impact of their illness. If they are reluctant to discuss it with you, then do not insist that they must do so. Also, the client may not be able to give you an accurate insight into how they are affected by their illness. It is important that you can get the clients view in their own words, or you may need to ask for permission to speak to family members to obtain their views on how the client has been impacted. When gathering 3 rd party information, it is often preferable to do this in private so as to not impact upon their relationship with the client. Finally, in these situations, you must always be aware of any conflicts of interest.

Life events

Life events	What does it mean?	What to do?
Bereavement	Bereavement affects everyone in different ways, and a range of differing emotions can be experienced. Often, the more important the person was to us, the more traumatic and emotionally devastating is their loss.	Try to identify how close they were to the individual who passed. Was it a sudden passing and unforeseen? Generally, the longer the length of time since the bereavement the easier people find to manage. Be Aware of the grief cycle – Denial, Anger, Bargaining, Depression & Acceptance.

Life events	What does it mean?	What to do?
Income Shock/Retirement	A sudden and significant change to an individual or households' income. This can either be negative or positive such as losing a job or inheriting money.	Try to identify how the income shock has been created. For example, has a change in health taken place? Explore the impact of the identified change(s) and whether these are temporary or permanent. Is the situation having any other impact on them, such as emotional or physical.

Resilience

Resilience	What does it mean?	What to do?
Over indebtedness	Having more debt than an individual can reasonably manage. This can lead to no disposable income or missed payments impacting on credit worthiness and/or court orders.	Explore how the debt has come about and over what period of time. Was it due to an event? Identify the levels of interest being charged. Has the client sought assistance from elsewhere for example from debt charities.

Resilience	What does it mean?	What to do?
No or low savings	Low savings can make an individual vulnerable to unexpected bills or a rise in the cost of living. The use of loans and/or credit cards could be used more frequently than desired. Other plans may be put on hold, and consideration should be given to stress, mental health, worry & anxiety.	Explore the client's current circumstances and future plans. Explore their history of having savings and have these been exhausted, and if so, why. Consideration should be given to holding an emergency fund and this should be personal to the client and linked to their income and outgoings.

Resilience	What does it mean?	What to do?
Exposure to a scam or fraud	Many people have been victims of scams and fraud. Scams can be financial, romantic, and potentially as a result of the client being in a vulnerable position.	Try to be non-judgemental and allow your client to tell you about their experience. It's important to understand how they succumbed to the scam/fraud. You must be sure that by providing the client with further funds these will be used as discussed and agreed.

Capability

Capability	What does it mean?	What to do?
Low knowledge / confidence in managing finances.	This can lead to hasty decisions that have not been well thought out. Clients may be susceptible to scams & fraud.	Try to discuss previous financial decisions and whether these negatively impacted on any financial circumstances. Consider longer breaks between meetings. Ask the client to recap on previous meetings to check their understanding.

Capability	What does it mean?	What to do?
Learning difficulties.	According to research around 16% of the UK population suffer from Dyslexia. The effects of dyslexia differ from person to person. People with this condition generally have trouble reading quickly and reading without making mistakes.	Take time to understand how your client is impacted by this condition. Take your time within client meetings when reading through important documentation. Consider holding a further client meeting after leaving documentation with the client to read through in their own time.

Vulnerability & Scams / Fraud

In addition, we have included the following so that all of our staff are ‘scam’ and ‘fraud’ aware.

The Equity Release Council has commented on Equity Release being a target for fraudsters or scammers.

Details of their views can be found via the following link:

<https://www.equityreleasecouncil.com/what-is-equity-release/faq/can-equity-release-be-a-target-for-fraudsters/>

We strongly recommend that consumers be scam aware and where they are able to access the internet, visit the Friends Against Scams website at

www.friendsagainstscams.org.uk

...where they will find a wealth of information in relation to scams & fraud.

Friends Against Scams is a National Trading Standards initiative, which aims to protect and prevent people from becoming victims of scams.

Monitoring outcomes for vulnerable clients

We will collect management information at potentially various points in the client journey to allow us to understand the experiences of vulnerable clients and to monitor the outcomes we are delivering.

This information will be analysed at the firm’s Senior Management Meetings.

Our aim is to ensure that our vulnerable clients experience outcomes as good as those experienced by our other clients.

We will refer to the following data sources to analyse our vulnerable client experiences:

- Our vulnerable client log. We will use this to identify characteristics and outcomes of our vulnerable clients.
- Business persistence. We will analyse client retention records, for example,

- Early (within 12 months) redemption of lifetime mortgage plans.
- Early (within 12 months) exhaustion of drawdown reserves.
- Early re-mortgage to another lifetime mortgage lender.
- Complaints.
- Clients who are victims of fraud or a scam.
- Complaints & root cause analysis.
- Client feedback.
- File check records & reviews.

Support for staff

We will

- Ensure all staff can support their clients.
- Equip our staff with the necessary tools and resources to effectively support vulnerable clients.
- Offer supervision and guidance to staff who need it.

Process for helping to identify vulnerable & potentially vulnerable clients

Our advisers will follow the firm's process to help to identify vulnerable & potentially vulnerable clients and ensure that good client outcomes are always achieved.

- To complete the firm's vulnerable client training on joining and then at least annually. In addition, an annual generic vulnerable client test is taken by all staff within BAT.
- Your client's vulnerability/potential vulnerability must be recorded as it is at the time of completing the Fact Find. Examples are provided at the end of this section.

- For all clients, the Vulnerable Client questionnaire within BAT must be completed. The completed questionnaire must be consistent with the information gathered in the client Fact Find.
- The BAT questionnaire will generate a R A G report.
- Amber is for potentially vulnerable clients.
- Red is for vulnerable clients.
- The completed questionnaire must be saved within the client file document section of BAT as a PDF document.
- Any additional documentation or file notes should also be saved within the client file.
- On a weekly basis, each adviser must send a Vulnerable Client return to the firm's management.
- Nil returns must also be sent.

An example weekly return is below:

Date (Week commencing)	Adviser Name	Client Name	Client Post Code	Vulnerable or Potentially Vulnerable	Reason for V or PV	Outcome

Examples of identifying client vulnerability or potential vulnerability at the time of completing the Fact Find.

Below are examples of how client vulnerability / potential vulnerability should be recorded. It must be noted that these are examples only, and that every client must be considered on an individual basis.

You must record your client's vulnerability / potential vulnerability as it is at the time of completing your Fact Find.

So, for example;

A client has an existing personal loan. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' as this could have an impact on their financial resilience.

A client has balances outstanding on credit cards. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' as this could impact on their financial resilience.

A client has no savings. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' as this could impact upon their financial resilience.

A client has recently experienced a change to their income. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' as it could impact upon their life events and plans.

A client has disclosed that they have learning difficulties. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' due to their capability to understand important information.

A client has disclosed that they have hearing difficulties. This would be recorded as 'potentially vulnerable' or possibly 'vulnerable' due to their health impacting upon their ability to communicate effectively.

Your identification of client vulnerability / potential vulnerability as per your Fact Find must then be mirrored within the BAT Vulnerability questionnaire.

EG, Your Fact Find identifies your client as vulnerable your BAT questionnaire must record the client as vulnerable.

Reviewing this policy

To ensure that this policy continues to accurately reflect the process we have in place, the Vulnerable Client champion will review this document at least annually.

The policy will be reviewed in line with monitoring outcomes for vulnerable clients and any regulatory changes.

If any updates are required, these will be made within a reasonable timescale.

All staff will be notified of any changes made.

Review & update dates will be recorded on the front page of this policy.

DOCUMENT CONTROL

Date	Author	Section	Details of Change
January 2025 V1.0	Paul Friedrich	Full Document	Full review
March 2025 V2.0	Paul Friedrich	FF process - identify potential/actual vulnerability	Use of Fact Find to identify potential/actual vulnerability