

Supporting vulnerable customers and delivering good outcomes


The scale of vulnerability across the UK means that any firm dealing with retail customers needs an effective approach to identifying and dealing with customers in vulnerable circumstances.


The FCA has set out clear guidance in FG 21/1 Guidance for firms on the fair treatment of vulnerable customers, which is reinforced through Consumer Duty. Now, in 2024, FCA is assessing how firms are supporting customers through a broad ranging request for information and looking specifically at the measures firms have taken to deliver good outcomes for vulnerable customers.


In this brochure, Protiviti outlines the key considerations and good practices for your vulnerable customers policy, process and approach and how we can support a critical assessment for you. With the FCA active testing the industry now is the time to get an independent challenge on what should be a strategic approach to supporting customers in vulnerable situations.


VULNERABILITY IN THE UK


Recent research highlights the significant scale of vulnerability across consumers in the UK:

 | **29.5m** Around half of all UK adults are vulnerable in some way*

 | **1 in 2** Will be diagnosed with cancer in their lifetime**

 | **1 in 4** Will experience a mental health problem this year***


 | **12.9m** UK adults with low financial resilience*

 | **Between 2020-2022:** An increase of 1 million UK adults with characteristics of low financial resilience.

An increase of 2 million UK adults say keeping up with domestic and credit commitments is a heavy burden*


*FCA Financial Lives Survey 2022 **World Cancer Research Fund
***Mind


KEY QUESTIONS FOR FIRMS


 | What is the scale of vulnerability in our customer base?
Is our approach to recording vulnerability capturing the right level of information?


REGULATORY EXPECTATIONS


FG21/1 and FG22/5 set clear expectations that will be tested by FCA thematic activity in 2024 and beyond:


 | **Understand** the nature and scale of vulnerability characteristics in the target market.

 | **Ensure** staff have the right skills and capability to recognise and support vulnerable customers.

 | **Respond** to needs through product design, flexible customer service and clear communications.

 | **Monitor** vulnerable customer outcomes and continuously improve.

 | Do staff receive the right training to help them identify and support customers?

 | Do processes support customers, including referring to third parties where needed?

Assessing your Vulnerable Customer Framework Maturity



PROTIVITI'S VULNERABLE CUSTOMERS ASSESSMENT APPROACH

Protiviti implements a repeatable approach to assessing the strength and maturity of your vulnerable customer framework, leveraging the approach below and our insights and extensive work in this area to quantify and score components. This benchmarks your framework and identifies areas for improvement tactically and strategically.

Step 1 - Protiviti Initial Review Activity

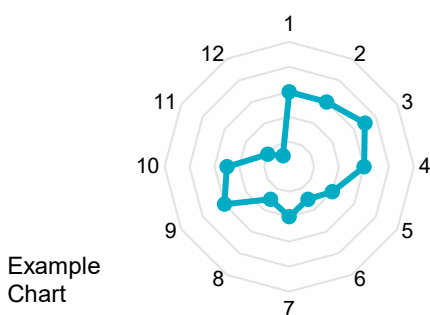


Step 2 - Apply Vulnerable Customers Maturity Assessment Model*



*Example components of assessment areas

OUTPUT - QUANTIFIABLE RESULTS



OUTPUT - REPORTING

- A** Detailed maturity assessment
- B** Industry benchmarking
- C** Prioritised list of activities

CONTACT US

Bernadine Reese

Managing Director

London, UK

Bernadine.Reese@protiviti.co.uk

+44 (0)7802 895 348

Stuart O'Sullivan

Associate Director

London, UK

Stuart.O'Sullivan@protiviti.co.uk

+44 (0)7920 006 125

George Sakwa

Senior Manager

London, UK

George.Sakwa@protiviti.co.uk

+44 (0)7766 943 123