

CONSUMER VULNERABILITY



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Definition of Vulnerability

The FCA 2015 Definition

“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”.

GHG Definition of Vulnerability

“Vulnerability is when a person’s circumstances and characteristics mean that they are significantly less able than a typical consumer to protect or represent their interest and they are, as a result significantly more likely than a typical consumer to suffer detriment. It is also likely that any detriment will be more substantial than average.”

Examples of Risk Factors for vulnerability. (FCA 2015)

- Low literacy, numeracy and financial capability skills.
- Physical disability.
- Severe or long term illness.
- Mental health problems.
- Low income and / or debt.
- Caring responsibilities (including operating a Power of Attorney)
- Being “older old” for example over 80, although this is not absolute (may be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill health, not being comfortable with new technology).
- Being young (associated with less experience).
- Change in circumstances (e.g. job loss, bereavement, divorce).
- Lack of English language skills.
- Nonstandard requirements or credit history (e.g. Armed Forces personnel returning from abroad, ex-offenders, care home leavers, recent immigrants),

Some interesting statistics.

- 1 in 7 adults has literacy skills that are expected of a child aged 11 or below.
- Nearly 5 out of 10 UK adults have a numeracy attainment age of 11 or below.
- Over 1.4 million people in the UK are aged 85 or over.
- There are 800 thousand people in the UK living with varying degrees of dementia.
- More than 8.9 million people are deaf or hard of hearing.
- Of the 7.1 million adults in the UK that had never used the internet in May 2013 over half were disabled (3.7 million) and nearly half was 75 years of age (3.1 million) – Office for National Statistics 2013.

What additional support will The Graham High Group Limited provide to vulnerable people?

- Listen for key indicators “trigger words”. Illness, bereavement, doctors, disability, moving, divorce etc.
- Be open, sympathetic and caring from the first contact.
- Ensure your engagement with customers is “flexible” avoid responses such as we cannot do that, or “the computer says no”.
- What is the customer actually seeking? Are they embarrassed by something? Try to be understanding.
- If someone is not responding either verbally or to written communication is it because they do not understand? Try a different approach.
- Offer different methods of communication. What will suit the customer best? Telephone contact? Written communication? Emails? Referral to a website or perhaps a personal visit. Would they like us to speak to someone on their behalf? A carer, a parent, a child?

Consider the possibility of a vulnerable customer in all communications.

- Supposing it was someone you know.
- How would you like them to be treated?