



Absolute Sense Independent Financial Advisers Ltd

Vulnerable Client Policy

Last Updated:	November 2023
Next Review Due:	September 2024
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1.0 Policy Statement

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.

The policy has been updated to reflect the introduction of The Consumer Duty which comes into force on 31 July 2023, especially PS22/9 para 10.19 of the Guidance –

‘We want vulnerable consumers to experience outcomes as good as those for other consumers and to receive consistently fair treatment.’

We are committed to making sure that we treat any vulnerable client as an individual. We will do this by being:

- Flexible in our approach to client communications
- Empathetic to any specific needs or concerns they have

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

2.0 Reviewing this policy

To ensure this policy continues to accurately reflect the process we will review this policy on an annual basis or when a material change to the FCA’s policy is introduced.

Any updated policy that includes material changes will be distributed to all individuals within the business.

3.0 What is a vulnerable client?

Paragraph 1.1. of the Guidance explains that ‘

- a vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care’.

Characteristics of vulnerability may result in consumers having additional or different needs and may limit their ability or willingness to make decisions and choices, or to represent their own interests. Vulnerable consumers may be at greater risk of harm, particularly if things go wrong. So, the level of care that is appropriate for these consumers may be different from that for others.

Principle 6 underpins the need for firms to take particular care in the treatment of vulnerable customers.

- Customers' interests: A firm must pay due regard to the interests of its customers and treat them fairly

When working with customers who seek to access our services, we treat all fairly, regardless of their identity, age, gender, race, sexual orientation, disability, gender reassignment, religion or belief, and guard against making assumptions about individuals.

We are mindful that many clients in vulnerable situations may not think of themselves as being ‘vulnerable’. We need to assess whether the client falls into the FCA’s definition of vulnerability rather solely being reliant on the client’s perception.

A trigger to vulnerability doesn’t automatically make someone vulnerable.

4.0 Which customers does the Guidance apply to?

Paragraphs 1.11 and 1.17 of the Guidance explain that it applies to firms' dealings with retail customers who are natural persons. This includes individuals as well as businesses or charities which are not incorporated.

It does not apply where businesses or charities are incorporated because in that case, it is the corporate body, not any natural persons running it, that is the firm's customer.

5.0 Types of vulnerability

There are a number of drivers of vulnerability:

Drivers of Vulnerability. There 4 drivers of vulnerability:

Health – health conditions or illnesses that affect the ability to carry out day to day tasks such as physical disability, severe or long-term illness, hearing or visual impairments, poor mental health, addiction, and low mental capacity or cognitive disabilities.

Life events – major life events such as caring responsibilities, bereavement, income shock, relationship breakdown, domestic abuse, and retirement.

Resilience – low ability to withstand financial or emotional shocks such as low or erratic income, over-indebtedness, low savings, and low emotional resilience.

Capability – low knowledge or confidence in managing finances, poor literacy or numeracy skills, low English language skills, learning impairments, and no or low access to help and support.

These drivers can impact people of all ages and wealth.

We also need to consider the temporal nature of vulnerability as vulnerability can be fluid.

The Temporal Nature of Vulnerability.

Temporary – It is a one-off occurrence that will resolve itself in time. This may be something like divorce or bereavement.

Sporadic – It fluctuates. So a specific circumstance reoccurs making the individual vulnerable at certain points in time (for example fluctuating mood).

Permanent – The circumstance that leads to vulnerability is always there, for example dementia or a brain injury.

A vulnerable client could be considered to be anyone who by virtue of their personal circumstances 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

6.0 Factfinding vulnerability

We would consider individuals affected by the following factors to potentially be vulnerable in the following scenarios:

- 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 – this could be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill-health, not being comfortable with technology)
- Being young (associated with less experience)
- Lack of English language skills
- Not possessing standard documents or credit history (for example armed forces personnel returning from abroad, ex-offenders, care-home leavers).

The presence of one or more of the above factors does not necessarily mean that the client is vulnerable. Each adviser will need to assess their client's personal circumstances and ensure that every client is treated individually and with respect and empathy.

There may also be a change in the client's circumstance that would make the client potentially vulnerable, such as divorce, or redundancy. In most cases any change in circumstance is unlikely to result in the client being vulnerable but the role of the professional adviser is to identify those rare occasions when the client is likely to be vulnerable and tailor the advice needs accordingly.

Any concerns around the assessment of clients should be referred as follows:

1st Instance Administration Team Lead

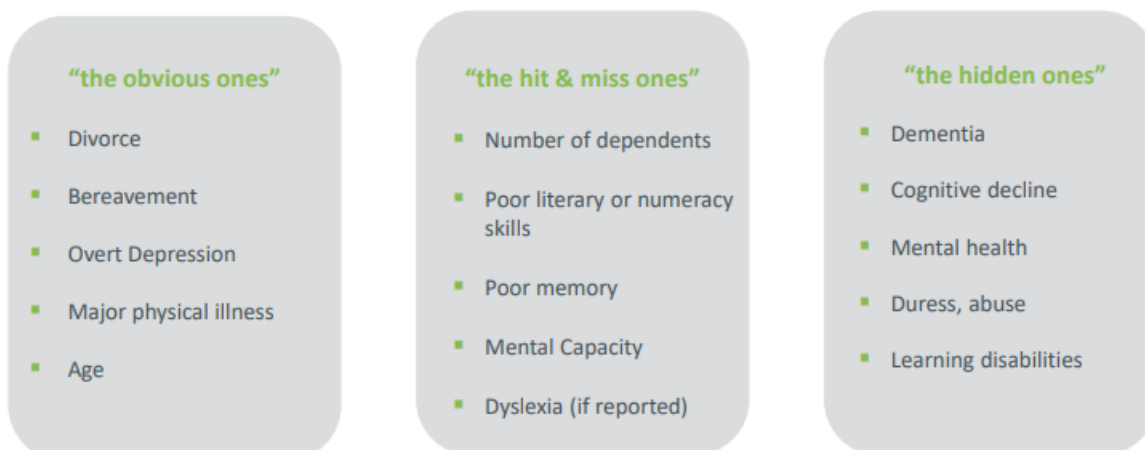
2nd Instance Company Director

7.0 Identifying a vulnerable client

To be in a position to identify if an existing or potential client falls within our definition of a vulnerable client, we would expect this to be explored during the factfinding stage. Use of the Additional Needs Assessment Form is required. We also need to record if a client is not vulnerable and why we have come to this conclusion. This will be added to our back office system – intelligent office where the client vulnerability can be tracked when users log into the system.

There should be detailed meeting notes which demonstrate that the client's motives have been fully explored in a sensitive manner and that this is an early opportunity to reinforce the benefits of involving additional individuals to help with any decision making process.

We will be proactive in identifying Vulnerable Clients's and not reactive i.e., just picking up the obvious vulnerabilities.



If we identify a client as being vulnerable, we will treat them in line with the steps noted below under the heading 'Dealing with a vulnerable client'.

8.0 Dealing with a vulnerable client

We will make sure that in all cases, a client has the capacity to understand the advice they are being given. If they don't and there is no attorney or deputy in place, the advice process is unlikely to be able to proceed.

If we identify a potential client as being vulnerable, we will:

Vulnerability	Points to consider
All types	<ul style="list-style-type: none"> We will invite the client to have a family member or third party accompany them to meetings or participate in phone calls/web meetings. We will consider separate meetings with the client if we feel that they are being pressured by a separate individual, or family member. We will encourage staff to signpost vulnerable clients to relevant organisations Useful organisations that can provide free advice include Age UK, https://www.ageuk.org.uk/ Alzheimer's Society, https://www.alzheimers.org.uk Citizens Advice Bureau https://www.citizensadvice.org.uk , Dementia UK https://www.dementiauk.org/, Mind https://www.mind.org.uk , Samaritans https://www.samaritans.org StepChange https://www.stepchange.org and the Money Advice Trust https://www.moneyadvicetrust.org We will consider the length of meeting, the format and the location to suit the specific needs of the individual. Clearly different vulnerabilities have different needs. We will offer home appointments, and outside of office hours where appropriate to do so. We will tailor the method of communication to the individual so that they have the best chance of understanding the information provided. We will give the opportunity to have a further meeting if the client is not sure of the information provided.

	<ul style="list-style-type: none"> We will liaise with any Deputies, or Attorneys but also encourage the clients to be included in any decision making as much as possible and communicate in a manner which we consider appropriate to achieve the best understanding for the individual.
Physical disabilities	<ul style="list-style-type: none"> We will discuss alternative options for communicating information which suits any physical disabilities. We do not consider there to be a 'one-size fits all approach here' as many individuals wish to retain independence.
Where English is not the client's first language	<ul style="list-style-type: none"> A translator/ translation facility is mandatory and this would be down to the client to source and pay for this. The advisor would have to weigh up the issues/risks with regards to communication/understanding to determine if appropriate to take such a client on in the first instance.
Not being computer literate	<ul style="list-style-type: none"> We will look at options to minimise the use of technology to deliver our service and discuss this with the clients.

9.0 Managing Data and Data Protection

As part of delivering financial services to vulnerable clients, we will gather detailed information from them, especially about their physical and/or mental health. This information will be dealt with in accordance with our data protection policy.

The vulnerable client list will be circulated within the organisation so that the team are aware of those clients that have vulnerability issues with a report list being circulated at least annually. The focus will be on those clients classed as vulnerable rather than potentially vulnerable.

10.0 Training

We will make all staff aware of this policy when they join our firm and they will sign to confirm that they have reviewed this policy.

All staff will also be given training on dealing with vulnerable clients upon joining as part of their Training and Competence arrangement.

This training will include online tests and study modules on the subject of vulnerability. More importantly it will include 'talk me through' type activities to share experiences within the business.

The Training and Competence in this area will develop over time and staff will be actively encouraged to develop their CPD on this area.

