

# Vulnerability Support Framework

July 2024 Edition



**Comentis**  
The duty of care assessment company

# Foreword



As the work to identify vulnerability in customers advances, so too do the complexities involved in knowing how to advise them appropriately. The Financial Conduct Authority's (FCA) guidance on this and the importance of getting the best outcomes for vulnerable customers through Consumer Duty has made this work more important than ever. I have worked with Comentis on various presentations, webinars and discussions over the past few years and was always immediately struck by how heartfelt their work is when it comes to vulnerability – and knowing their clinical background has helped me to understand this subject in a much deeper way.

This Support Framework not only helps advisers understand the complexities of vulnerability, but it has been designed to give them practical steps in finding working solutions that will help their clients' overall wellbeing for the longer term. As a working document, its objectives will stand advisers in good stead to develop their skills and rethink their approach if they are struggling to find solutions in certain circumstances.

John Somerville  
Head of Financial Services, Professional Education  
London Institute of Banking and Finance

# Contents

- Welcome 03
- Defining Financial Vulnerability 05
- Identification 07
- Causative Nexus 10
- Support 10
- Comentis Vulnerability Quadrant 11
- Framework 13
- Conclusion and Supporters 17

# Welcome to our Vulnerability Support Framework

Since the FCA's Guidance for firms on the fair treatment of vulnerable customers was published in 2021, individuals and firms have been grappling with the issues around the correct identification of vulnerable customers and how to support them.

The need for firms and professionals to do this has been further amplified by the FCA's Consumer Duty. This comes into effect on the 31st July 2023, and not only places the issues of identification and support of vulnerable customers firmly at the centre of the regulation, but also come with potential sanctions for those who are not complying.

Over the last couple of years tools, such as those built by Comentis, have emerged to support professionals and firms to meet these regulatory obligations. But one area that professionals still seem to struggle with is 'How do I actually support my vulnerable customer?'.

In response to this, we at Comentis have created this framework, bringing together best practices from a range of vulnerability specialists, to help determine those crucial next steps.

We hope that this will enable those that fall under the regulation of the FCA to support their vulnerable clients more effectively, providing the best outcome for both firms and their clients.

## New Expectations



Protecting vulnerable consumers is a key focus for the Financial Conduct Authority. They want vulnerable consumers to experience outcomes as good as other consumers and to receive consistently fair treatment across all firms and sectors.

The regulator knows that anyone can find themselves in vulnerable circumstances at any time and this makes it relevant to firms serving most types of retail customers. Under the FCA's landmark introduction of The Consumer Duty, firms must treat vulnerable customers fairly to comply with the Principles for Businesses. Vulnerable consumers may be more likely to have additional or different needs which, if not met by firms, could limit their ability to make decisions or to represent their own interests. So, the level of care that is appropriate for these consumers may be different from that for others. The FCA says "Firms should take particular care to ensure they meet the needs of vulnerable consumers at the greatest risk of harm."

Firms need to do the right thing for vulnerable consumers and embed this in their business model, culture, policies and processes. If firms do not take action to respond to customers' needs appropriately, for example in their customer service and product design, it could cause avoidable harm to vulnerable customers.

The regulator expects that staff can recognise and respond to the needs of vulnerable customers, responding to customer needs through customer service and product design and communications. They must also monitor whether they are meeting the needs of vulnerable customers and take action.

The FCA, in turn, will monitor how firms are treating vulnerable customers and hold them to account. Firms can expect to be asked to demonstrate how their business model, their culture, and the actions they have taken ensure the fair treatment of all customers, including vulnerable customers.

Richard Farr  
Chair of APCC Vulnerability Working Group

“A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to harm”

## Defining Financial Vulnerability

The FCA estimate that at any one time, over 50% of the adult population are experiencing circumstances that could result in a vulnerability.

The FCA definition reads “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”. From this we can draw a number of different conclusions:

- That everybody can become vulnerable at any time if their personal circumstances change for the worse
- That vulnerability is directly linked to detriment or harm
- That firms can create something known as ‘institutionalised vulnerability’, whereby their actions create a circumstance that makes the customer or client vulnerable – for example, only communicating over the phone when their customer is deaf or hard of hearing.

Vulnerability should not be seen as a ‘computer says no’ situation, but rather the question ‘how can I help?’. The FCA are clear that it is the responsibility of a firm or adviser to identify any circumstance that may be making their customer vulnerable, and support them appropriately to ensure they are not disadvantaged by their vulnerability.

There is a 3-step process to getting the right outcomes for the vulnerable individual:

**1.** Identification of the relevant triggers (drivers)

**2.** Understanding the **causative nexus** (or impact) - the link between the specific circumstance and its impact on the individual

**3.** Implementing the appropriate **support**

# 1. Identification

In their guidance on financially vulnerable customers, the FCA identified 4 key drivers, or triggers that may result in a customer experiencing vulnerable circumstances:



There's a tendency to see these triggers as fixed, both in terms of them all needing to affect a customer and in the same way for vulnerability to be identified. But the reality is that they all change depending on factors such as age, and no two people will have exactly the same combination of triggers. Their emotional, psychological and mental health responses to each will also vary.

When seeking to identify the potential impact of these triggers, it's important to understand that both capability and resilience are very much psychological in nature.

### Resilience

This is more than just having enough money in the bank to endure any financial shocks. Psychologists define resilience as the process of adapting well in the face of adversity, trauma, tragedy, threats, or significant sources of stress - such as family and relationship problems, serious health problems, or workplace and financial stressors.

Being resilient doesn't mean that people don't experience stress, emotional upheaval, and suffering. Rather, demonstrating resilience includes working through these things; some people equate resilience with 'mental toughness'.

### Capability

This refers to the ability or the qualities that are necessary to do something or achieve an outcome. Mental capability is often equated with intelligence levels, but it goes beyond that. Among other things, it involves the ability to reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly and learn from experience.

It's not merely book-learning, a narrow academic skill, or test-taking ability. It reflects a broader and deeper capability for understanding our surroundings; 'catching on', 'making sense' of things, or 'figuring out' what to do.

### Life events

Often when we think of life events we think of things such as divorce, job loss, marriage etc. The reality however is that whilst these may apply to someone in their 30s they may not necessarily apply to someone in their 70s.

When considering life events, it's important we attempt to identify those that are relevant to the demographic we're dealing with.

### Health events

It's easy to understand that any major health event such as a heart attack or cancer would impact a person's financial vulnerability, but we also need to consider that health conditions or illnesses that affect the ability to carry out day to day tasks can also come into play.

As we age throughout adulthood, the chances of us having a chronic disease increase considerably, but yet the chances of having a mental health disorder diminishes as we get older.

## 2. Causative Nexus

This concept is fundamental to helping us understand whether a vulnerability exists and how best to support the individual concerned. Central to this concept is the understanding that it's not the circumstance or trigger that actually creates the vulnerability, rather the individual's emotional, physical, psychological or mental response to it. The causative nexus is the reason that one person is affected by a certain situation (such as bereavement) whilst another individual is not. A good rule of thumb is that the greater the causative nexus, the greater the extent of the vulnerability.

Once you understand the impact of the circumstance on the individual (for example, low mood resulting in reduced concentration) you can then use this information to begin identifying how to best support your customer.

## 3. Supporting Vulnerable Clients

The level of support that you're able to provide to a customer will be dependent on a number of factors which determine your 'boundaries' or 'reach'. These factors include the following:

Channels of engagement  
e.g. face to face, telephone, email

Company policy

Type of relationship  
e.g. transactional or on-going relationship

Existing links with third parties  
e.g. charities such as The Samaritans

Understanding these boundary factors form the first part of devising a support framework.

The reality is that when it comes to supporting a vulnerable customer, there are going to be things that you or your firm can do at the point of client contact, whereas other support mechanisms may take longer to implement. Equally, there will be steps that you can take internally within your organisation, and others that you might need to refer on to other parties.

## Disclosure and disclosure environments

Being a consumer in a vulnerable situation can be difficult. Organisations don't always know or understand the additional support needs such consumers can have. Consequently, this can make it much harder for these consumers to get what they need from these organisations in terms of service and experience.



Disclosure is one way to change this, based on the logic that if consumers simply told firms about their additional support needs, those firms would have the information needed to deliver relevant help and support. However, only a minority of vulnerable consumers disclose their additional support needs.

Disclosure environments can help overcome this challenge by achieving three crucial objectives:

1.2.3. **1.**

Lifting barriers to disclosure by routinely sending signals to consumers that indicate both that disclosure is welcome and show how disclosed information will be used.

**2.**

Building-in simple opportunities for disclosure across their channels, journeys and platforms to make it easier for consumers to make disclosures at any point.

**3.**

Encouraging and facilitating disclosure from first point of contact onwards (so support needs are known and met from the outset), enabling organisations to prevent difficulty and harm, as well as effectively and consistently support consumers.

The first step in building a disclosure environment is for firms to identify and appreciate the reasons why consumers do not disclose, then to use this insight to remove those barriers. These may include fear of financial harm, a lack of opportunities to disclose, concern about how disclosed data might be used and shared, worries about being judged, disbelieved or pitied by staff, or a perception that 'nothing will come' from a disclosure.

Once identified, firms can secondly take steps (such as identifying what support can be provided) to create and improve pathways to disclosure. Then, organisations can focus on offering opportunities for disclosure from first point of contact/onboarding onwards, as well as within routine contact and review points.

Finally, firms can ensure that staff remember that creating a disclosure environment is not simply a technical project. Instead, staff should all recognise their role in not only encouraging disclosure, but also making disclosure a human, meaningful, and positive interaction.

Consumer disclosure of vulnerability is not something that simply 'happens', that firms can wait for, or which remains the responsibility of consumers. Instead, disclosure is made to happen through the creation of disclosure environments, overcoming key barriers, and building pathways and opportunities.

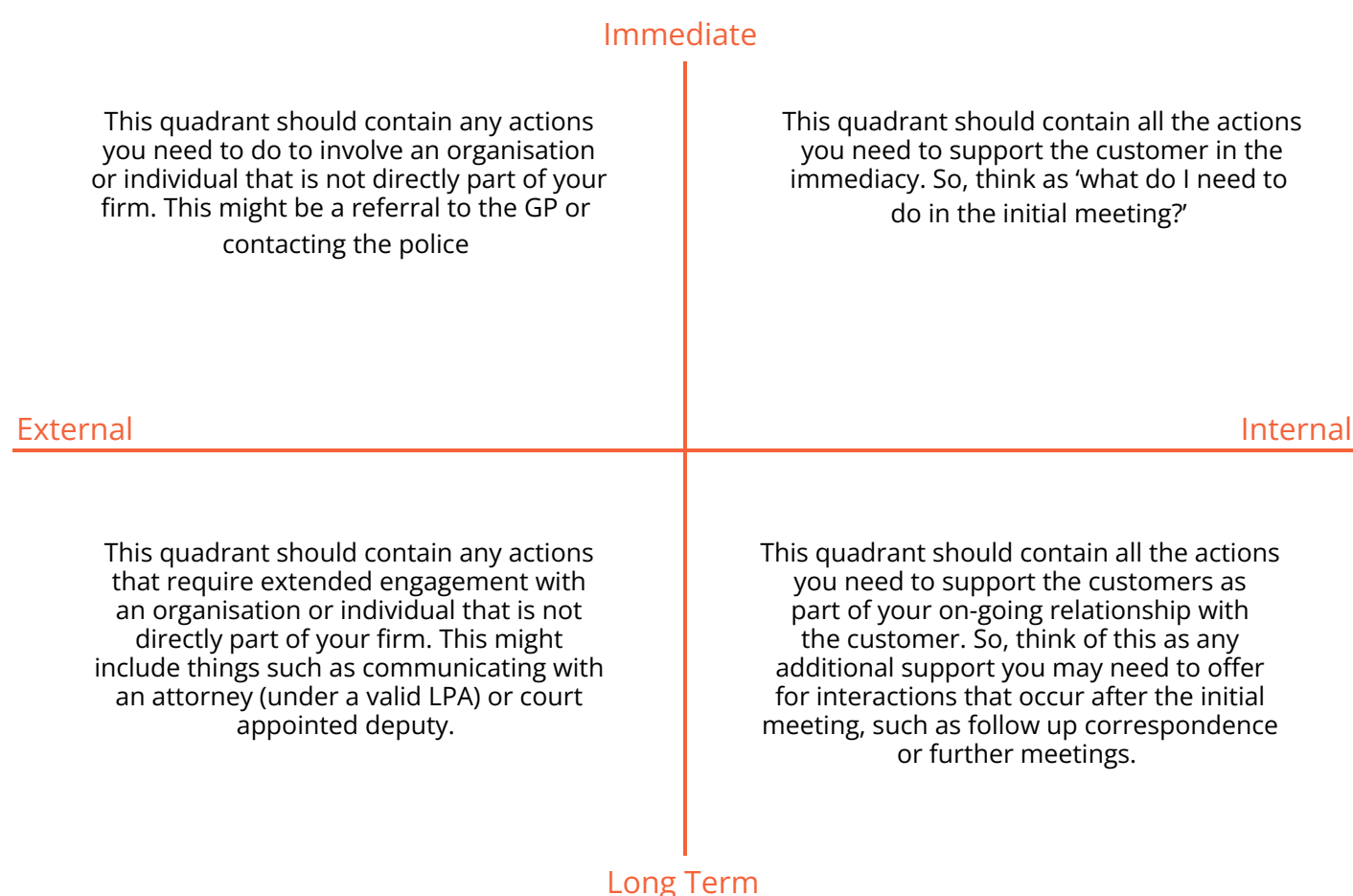
Dr Christopher Fitch (Research Fellow, University of Bristol; Fellow Royal Society for Public Health; Vulnerability Lead, Money Advice Trust)

# Comentis Vulnerability Quadrant

Once you've been able to identify a vulnerable circumstance, providing the correct support for your client can seem a daunting task. To help with this, we've created the Vulnerability Quadrant. This is designed to help you structure what support steps need to be identified and implemented, and at what point.

As we've mentioned before, these steps will vary in terms of both timing and what you and your organisation can reasonably offer. They might be when you're talking with your client, ('immediate') or take longer to get set up, ('long term'), and could be things you're able to offer yourselves, ('internal') or may need a referral to a third party, ('external').

To create a Vulnerability Quadrant, draw two lines, one horizontal and one vertical that intersect at the midway point, and label them like this:



**Important note:** Ensure that you don't map more than one vulnerability at a time. For example, if someone is suffering with dyslexia and low mood, map each one separately. This will help clarify which actions relate to which vulnerability. It will also enable you to be clear about the actions you've taken and why you took them, should you ever have to justify them to the FCA.

# Using the Quadrant in practice

To demonstrate the Quadrant in practice, let's use the example of someone with dementia. The quadrants may be filled as follows (please note, the actions listed below are not exhaustive):



Not every sector, or even firm within a sector, will necessarily have the same support actions or outcomes. These will be determined by a combination of the boundary factors such as the nature of the sector, the relationship between firm and client, the relationship between adviser/frontline staff and client and also the identified outcomes of the firm/sector.

However, when aligning to the four sections of the quadrant, we're able to identify a range of vulnerable circumstances and support actions which we have outlined in our Vulnerability Framework overleaf. Some of these circumstances are common, others are less so, and some are incredibly difficult to identify.

# Framework

The circumstances identified below are just some of the possible examples - there could be many others. Please note, the actions listed are not exhaustive.

Risk Factor Identified	Overview	Suggested immediate/internal actions	Suggested longer term/internal actions	Suggested immediate/external actions	Suggested longer term/external action
Age (>80)	Due to their age, the client is more likely to be experiencing age related cognitive difficulties such as reduced recall or poor concentration. Research shows that there is a clear decline in processing speed in advancing age with older adults performing these activities more slowly than younger adults. In addition to this, they may be experiencing a decline in their hearing or eyesight which will further impact upon their cognitive abilities.	<p>Check for cognitive decline.</p> <p>Consider if a face to face or video link meeting is appropriate.</p> <p>Help support the client's memory by providing them with written information as well as oral information.</p> <p>Provide information one bit at a time and check they have understood it before moving to the next bit.</p> <p>Allow additional time for the client to process information. Do not hurry them.</p> <p>If they are struggling with concentration take regular breaks (on average about every 20-30 minutes).</p> <p>If requested, have shorter meetings.</p> <p>Check whether an appropriate Power of Attorney is in place and whether you need to speak to the attorney(s).</p> <p>If indicated, consider the use of a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p> <p>Ensure any letter of authority or LPA is registered on the account.</p> <p>If no appropriate 3rd party or there are welfare concerns, refer to your Vulnerable Customer Champion/ lead.</p>	<p>If appropriate you can signpost to external support groups such as Age UK (<a href="https://www.ageuk.org.uk/">https://www.ageuk.org.uk/</a>).</p>	<p>Adviser to liaise with Attorney and keep informed of any changes to situation and ensure the best interests of the donor are met.</p>
Moving Home	Moving house can be a significant challenge, both physically and mentally and requires considerable effort. Everyone reacts differently to it, however, research indicates that the larger the family, the more stressful it is to move. Things tend to get lost or misplaced, there is an increase in stress levels with people often feeling time poor. For many people it can feel 'out of control'. There is also the additional stress of possibly needing to find a new job, new schools and create a new support network.	<p>If stress is impacting negatively on your customer consider:</p> <p>Shorter meetings.</p> <p>If this is not possible, ensure the client takes breaks every 20-30 minutes.</p> <p>Check their recall of key information prior to making any final decisions.</p> <p>If appropriate, suggest using a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>Provide information via a number of different channels as it is less likely to be misplaced this way.</p>		
Divorce	While for some divorce is a relieving end to a dissatisfying relationship, for others, the disintegration of the relationship and the divorce itself cause deep psychological distress. In this case, people who undergo divorce can face a variety of psychological issues including increased stress, lower life satisfaction, depression and an increase in physical ailments.	<p>Check whether the client is experiencing any low mood as a result of the divorce and how that might be affecting their ability to engage with the process.</p> <p>If mood is impacting negatively on your client, consider:</p> <p>Shorter meetings.</p> <p>If this is not possible, ensure the client takes breaks every 20-30 minutes.</p> <p>Check their recall of key information prior to making any final decisions.</p> <p>If appropriate, suggest using a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>If no appropriate 3rd party or there are welfare concerns refer to your Vulnerable Customer Champion/ lead.</p> <p>Review regularly to check whether the impact of the divorce has lessened or increased.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p>	<p>If it's appropriate, you can signpost the customer to a mental health charity e.g. Mind (<a href="https://www.mind.org.uk/">https://www.mind.org.uk/</a>) if they want to talk about the emotional impact of the divorce.</p> <p>You may also consider encouraging them to speak to their GP about how they're feeling. If you have concerns about your client's safety, contact the police.</p>	
Bereavement	Bereavement affects everyone in different ways, and it's possible to experience any range of emotions. The more important the person was to us, and the more traumatic their death, the more emotionally devastating their loss is likely to be.	<p>Avoid booking meetings on any important dates that you know about e.g. anniversary of death.</p> <p>Check whether they are experiencing any low mood as a result of the bereavement and how that might be affecting their ability to engage with the process. If mood is impacting negatively on your customer consider:</p> <p>Shorter meetings.</p> <p>If this is not possible, ensure the client takes breaks every 20-30 minutes.</p> <p>Check their recall of key information prior to making any final decisions.</p> <p>If appropriate suggest using a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p> <p>Review regularly to check whether the impact of the bereavement has lessened or increased.</p> <p>If no appropriate 3rd party or there are welfare concerns refer to your Vulnerable Customer Champion/ lead.</p>	<p>If appropriate you can signpost to external support groups such as CRUSE (<a href="https://www.cruse.org.uk/">https://www.cruse.org.uk/</a>).</p> <p>Other organisations that may be useful for the customer to know about is the Death Notification Service (<a href="https://www.deathnotificationsservice.co.uk/">https://www.deathnotificationsservice.co.uk/</a>) and the Tell us Once service operated by the Government (<a href="https://www.gov.uk/when-someone-dies">https://www.gov.uk/when-someone-dies</a>).</p> <p>If appropriate, you may also consider encouraging them to speak to their GP about how they're feeling.</p> <p>If you have concerns about your client's safety, contact the police.</p>	



Risk Factor Identified	Overview	Suggested immediate/internal actions	Suggested longer term/internal actions	Suggested immediate/external actions	Suggested longer term/external action
Dementia	<p>Different types of dementia can affect people differently, and everyone will experience symptoms in their own way.</p> <p>However, there are some common symptoms that which include memory loss, difficulty concentrating or finding it hard to carry out familiar daily tasks. Examples include getting confused over the correct change when shopping, struggling to follow a conversation or find the right word or being confused about the time and place.</p>	<p>Identify the impact of the dementia symptoms upon the client's level of functioning, specifically memory, communication, concentration and engagement. Utilise any existing coping strategies.</p> <p>If appropriate, help support the client's memory by providing them with written information as well as oral information.</p> <p>Provide information one bit at a time and check they have understood it before moving to the next bit.</p> <p>Allow additional time for the client to process information. Do not hurry them.</p> <p>Offer shorter meetings with breaks every 20-30 minutes.</p> <p>Where appropriate recommend that the client gets an LPA in situ.</p> <p>If there are concerns about client's mental capacity, pause the application.</p> <p>If appropriate suggest using a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p> <p>If no appropriate 3rd party or there are welfare concerns, refer to your Vulnerable Customer Champion/lead.</p> <p>Ensure any letter of authority or LPA is registered on the account.</p>	<p>If appropriate, you can sign post to Alzheimer's UK (<a href="https://www.alzheimers.org.uk/">https://www.alzheimers.org.uk/</a>). Signpost customer to their solicitor.</p> <p>If appropriate, share information with external 3rd party such as other lender.</p> <p>If concerns about mental capacity refer to GP for confirmation.</p>	<p>Adviser to liaise with Attorney and keep informed of any changes to situation and ensure the best interests of the donor are met.</p>
Dyslexia	<p>According to research around 16% of the UK population suffers from Dyslexia.</p> <p>This will affect their ability to recognise, spell, and decode words. The effects of dyslexia vary from person to person.</p> <p>People with the condition generally have trouble reading quickly and reading without making mistakes.</p>	<p>Utilise any existing coping strategies. Provide information one bit at a time and check they have understood it before moving to the next bit.</p> <p>Allow additional time for the client to process information. Do not hurry them.</p> <p>If appropriate, recommend that a trusted 3rd party goes through any written documentation with the client, in advance of meetings.</p>	<p>Provide all future documentation in dyslexia friendly format.</p> <p>Provide verbal information as well as written.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p>		
Engagement with Subject Matter	<p>The responses from your client indicate that they are less likely to be able to identify the potential risks involved with their decision and they may struggle to be able to independently identify alternative solutions and outcomes.</p> <p>It is important that you ensure they fully understand the potential risks and the various options available to them.</p>	<p>Provide information one bit at a time and check they have understood it before moving to the next bit.</p> <p>Allow additional time for the client to process information. Do not hurry them.</p> <p>Avoid becoming the decision maker for them.</p> <p>Present information in different ways.</p> <p>Consider the use of a trusted 3rd party.</p>	<p>Provide written confirmation of everything that you have discussed.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p> <p>Use a number of different communication channels, such as post, phone and email.</p>		
Motivational Disorder	<p>The client's response indicates that they have a higher-than-expected level of optimism regarding their ability to manage well in financially stressful situations.</p> <p>This may be due to factors such as education, job role and experience. However, it may also be due to a lack of these factors.</p>	<p>Explore with them the source of their knowledge and experience.</p> <p>Check they have understood the associated risks and consequences of their decision.</p>	<p>Always double check your client has fully understood the relevant information and all the associated risks before making any further decisions.</p>		
Low Mood	<p>Low mood can be notoriously difficult to spot but it's impact upon the individual can be wide ranging.</p> <p>Decreased mood will affect things such as sleep, concentration, recall, motivation and resilience to future.</p>	<p>Avoid becoming the decision maker. Identify any known coping strategies.</p> <p>Where possible help them identify the areas of the decision making that they are in control of.</p> <p>Allow additional time for the client to process information. Do not hurry them.</p> <p>Consider the use of a trusted 3rd party.</p>	<p>Always double check their mood levels and what impact it is having on them and their ability to engage and make decisions.</p>	<p>Where appropriate utilise a trusted 3rd party for future meetings, such as CalmZone <a href="https://www.thecalmzone.net/get-support">https://www.thecalmzone.net/get-support</a> or visit helpful websites such as <a href="https://www.nhs.uk/every-mind-matters">https://www.nhs.uk/every-mind-matters</a></p> <p>If you have concerns about their mental health, refer to GP.</p>	
Low Resilience	<p>Resilience is more than just whether a person has enough money in the bank to withstand financial shocks.</p> <p>Resilience is all about how we react and respond to the tough times.</p> <p>Will your customer withdraw? Will they hunker down and work out a plan? Will they look to you for all the answers?</p>	<p>Allow additional time for customers to respond to correspondence.</p> <p>Provide written confirmation of everything that you have discussed.</p> <p>Consider the use of a number of different channels to engage them.</p> <p>Where appropriate utilise a trusted 3rd party for future meetings.</p>	<p>Where appropriate utilise a trusted 3rd party for future meetings.</p>		

## Conclusion

As outlined earlier, implementation of the FCA’s Consumer Duty will place both the issue of identification and support of vulnerable customers firmly at the centre of its regulation. We therefore created this guide to help you with a process to determine the ‘what next?’ and show you how to support your clients after you have identified a vulnerability or vulnerable circumstance.

Of course, the first two steps to assessing an individual’s financial vulnerability still remain – the need to identify at-risk clients in the first place, and the causative nexus, the link between the specific circumstance and its impact on the individual – but help is at hand as there are technical solutions available that ensure you can consistently and objectively identify vulnerabilities and robustly document them. We hope you find this guide helpful.

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## About Us

Comentis is the duty of care assessment company. Established in 2021, we uniquely combine years of clinical and technical expertise to create an easy-to-use digital assessment platform which enables advisers to consistently and objectively identify and support financially vulnerable clients who would otherwise go undetected.

Our digital vulnerability assessments ensure clients across a full range of financial services verticals including wealth, automotive finance and consumer finance can flag those individuals who are at risk and its cause, highlight suggested support interventions in a timely and effective manner and produce a detailed and auditable vulnerability report for the client file at the touch of a button.

In so doing, firms are able to comply with growing regulatory requirements associated with Consumer Duty under the Financial Conduct Authority (FCA), deliver good outcomes for their clients and mitigate future risk.

We work with some of the leading financial institutions and trade bodies and, as the market leader in this field and winner of the Later Life Lending Award for Innovation (2022) and Highly Commended (2023), Comentis is best placed to help organisations with a cost effective and efficient solution which has minimal impact on the advice journey.

If you have any questions, or require any help with identifying financial vulnerability, supporting your clients and documenting the outcomes, please don’t hesitate to contact us:



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