

## **Transcript - Treating vulnerable customers fairly**

### **Treating vulnerable customers fairly**

Protecting vulnerable consumers is a key focus for the FCA.

We want vulnerable consumers to experience outcomes as good as other consumers and to receive consistently fair treatment across the firms and sectors we regulate.

### **What we mean by vulnerability**

“Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.”

Anyone can find themselves in vulnerable circumstances at any time – this makes it relevant to firms serving most types of retail customers.

Key drivers of vulnerability in financial services are: health, life events, capability and resilience.

### **What this means for firms**

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.

Firms should take particular care to ensure they meet the needs of vulnerable consumers at the greatest risk of harm.

Our Guidance shows firms the types of actions to take to understand and respond to vulnerable customers' needs.

Our Guidance applies to firms serving most types of retail customers, regardless of firm size or sector.

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 vulnerable customers avoidable harm.

### **What firms should do**

Understand the needs of their target market/customer base.

Ensure staff can recognise and respond to the needs of vulnerable customers.

Respond to customer needs through customer service and product design and communications.

Monitor whether they are meeting the needs of vulnerable customers and take action.

We 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.

END