

Guide to dealing with vulnerable customers

Introduction

Vulnerable customers are those whose ability or circumstances require us all to take extra care in the way that we market, sell and provide services in order to ensure that they are not disadvantaged in any way.

Protecting vulnerable customers is a priority for Golden Charter and for all those who promote and sell our funeral plans.

The purpose of these guidelines is to support those who promote and sell our funeral plans in identifying and responding appropriately to any potential or actual customer vulnerabilities. By following these guidelines firms can also be confident of meeting their obligations under consumer protection legislation and the Funeral Planning Authority (FPA) Code of Practice.

Identifying vulnerable consumers

The FPA defines a vulnerable customer as *'someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care'*.

This risk may not develop into actual harm. But if it does, the impact on vulnerable individuals is likely to be greater than for others. It is therefore important to be able to identify those who are or may be vulnerable.

That might not always be easy – a customer in a position of actual or potential vulnerability may not identify themselves as such. Similarly, the characteristics of vulnerability are not always obvious.

There are certain characteristics and behaviours to look out for when identifying customers who may be vulnerable, however. For example:

- They disclose information, such as being unable to afford a product or having been recently bereaved.
- A relative, friend or representative advises of a customer's vulnerability/illness.
- You notice unusual or sudden changes in behaviour, such as sudden crying, shouting.
- You observe unusual activity, e.g. purchasing and cancelling more than one plan.
- They don't appear able to hear or understand what is being said.
- They repeat words or phrases, or questions of a similar nature.
- Their comments or answers suggest they have not understood the information provided.
- They tell you they don't understand or that they need help in making a decision.



Dealing with vulnerable customers

A vulnerable customer may struggle to engage with or understand the information they are given. The approach to communicating with and supporting them should be adapted accordingly. For example:

- Provide additional opportunities for the customer to ask questions about the information provided.
- Seek regular confirmation that they understand the information provided.
- Use plain, simple language and reword anything the customer doesn't seem to understand.
- Speak at a pace the customer can understand, especially if English is not their first language.
- Ask if there is anybody who is able to assist them, and offer them the opportunity to have a family member or friend present during the conversation.
- Replay their decision back to them, including what they have bought and what it costs.
- Offer the opportunity to complete the sale after a period of further consideration.
- Build a rapport with the customer by discussing current events or family history, for example, to make it easier to identify a potential vulnerability.

How vulnerability can affect decision making

Mental capacity is an individual's ability to make a decision. Their ability to understand, remember and weigh up the relevant information will determine whether they are able to make a decision based on that information. They will also need to be able to communicate their decision.

Mental capacity limitations can be either permanent or temporary (or change over time). The most common causes include mental health conditions, dementia, cognitive decline (in older customers), learning disabilities, developmental disorders, neuro-disabilities/brain injuries and alcohol or drug induced intoxication.

The presence of one or more of these (or other) conditions does not automatically mean they do not have the mental capacity to make an informed decision.

Appropriate steps should be taken to identify whether or not a customer appears able to understand, remember, and weigh up the information and explanations provided to them, and, when having done so, make an informed decision.

If a customer provides information indicating that they do, or may, have some form of vulnerability that might impact their ability to make an informed decision, this should not lead to them being automatically denied access to the product or service being sought. In addition, declining a product or service application on the basis of an assumption that a customer does not have the mental capacity to make a particular decision may constitute disability discrimination for the purposes of the Equality Act 2010.





Summary

Any indication, identification or disclosure of vulnerability should be considered a trigger for you to consider how behaviours and processes can be adapted to ensure that the customer is treated fairly.

This is a potentially complex area and it won't be possible to get it right every time. But by following these guidelines, businesses can feel confident that they are able to provide a consistent and appropriate approach to identifying and managing the needs of vulnerable customers.

Who does this apply to?

It is relevant to all third parties who promote and sell Golden Charter funeral plans. Any breach of this policy will be managed under the contractual arrangements in place between Golden Charter and the third party.

This document is provided by Golden Charter. It is based on policy requirements and subject to annual review.

Potential causes of vulnerability

- Loss of employment – financial stress
- Disabilities
- Mental health issues including anxiety and depression
- Mental capacity limitations such as dementia or Alzheimer's
- Substance misuse problems, e.g. alcohol or drugs
- Serious or terminal illness
- Hospice care (palliative end of life care)
- Long stay hospital stays
- Unmet housing, care, or treatment needs
- Relationship breakdown
- Death of a partner or other loved one
- Starting a lower paid job
- Language difficulties
- Parental/care or leave
- Leaving the Armed Forces
- Imprisonment