



**VULNERABLE CUSTOMER POLICY**

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## Vulnerable Customer Policy

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### 1 POLICY STATEMENT & PURPOSE

The purpose of this policy is to ensure that the operations of PFK Ling Limited do not have any negative impact upon vulnerable customers.

For the purposes of this policy vulnerable customers are current or prospective customers whose ability or circumstances require us to take extra precautions in the way that we sell and provide our products or services in order to ensure that they are not disadvantaged in any way.

### 2 SCOPE

This policy applies to all employees involved in regulated activities within PFK Ling Limited.

### 3 LEGAL CONTEXT

The FCA (Financial Conduct Authority) 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”**.

An understanding of a customer’s circumstances is integral to the ability to deliver fair customer outcomes as detailed in FCA principle 6, referred to as ‘Treating Customers Fairly’. This is particularly true where a customer is in circumstances that could potentially make them vulnerable.

The FCA have identified the following key drivers of vulnerability:

Health	Life events	Resilience	Capability
Physical disability	Caring responsibilities	Low or erratic income	Low knowledge or confidence in managing financial matters
Severe or long-term illness	Bereavement	Over indebtedness	Poor literacy or numeracy skills
Hearing or visual impairments	Income shock	Low savings	Low English language skills
Poor mental health	Relationship breakdown	Low emotional resilience	Poor or non-existent digital skills
Low mental capacity or cognitive impairment	Having non-standard requirements such as ex-offenders, care leavers, refugees	Lack of support structure	Learning impairments

### 4 APPLICATION

4.1 **Objective:** The objective is to treat vulnerable customers fairly and sensitively and ensure positive outcome.

4.2 **Vulnerability:** We recognise that customers may be vulnerable or potentially vulnerable for a number of reasons. The following summarise common forms of vulnerability but should not be seen as an exhaustive list:

- Customers with communication difficulties (including learning difficulties and English not being their first language, dyslexia)
- A customer with a reduction in physical or mental capacity
- Customers with health issues – illness, whether physical or mental illness, severe or long term
- A sudden diagnosis of serious illness to the customer or close family member
- Personal circumstances of the customer – factors such as financial difficulties, bereavement, caring responsibilities, or redundancy
- The customer's age, particularly older and younger people. For example, a younger person may be considered inexperienced and the older person may be less technologically able

**Potential Indicators:** Firstly, if you think a customer has a potential vulnerability, check if any vulnerability was identified in any prior dealings with the customer.

Vulnerability often affects a customer's ability to make an informed decision. Typical characteristics include the following: -

- An inability to hear or understand what is being said
- A need for questions to be repeated
- An apparent difficulty in retaining information
- Comments or answers, which appear to be inconsistent with the context of the discussion
- Verbal confirmation that they do not understand or that they require the assistance of somebody else in making a decision

Body language and facial expressions can often assist us in identifying a potential vulnerability.

**Key Actions:** As soon as we suspect or have concern that we may be engaging with a vulnerable customer, whether this is through or identification or information provided to us, we will:

- Provide additional opportunities for the customer to ask questions about the information they have been given
- Continuously seek confirmation that they have understood the information that has been provided
- Ask if there is anybody with them who is able to assist them e.g. in a situation where there is a language barrier or where you are dealing with a young person with limited financial literacy, and offer them the opportunity to have a family member or friend present during the discussions

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- Offer them the opportunity to complete the deal after a period of further consideration.
- Inform a line manager and ask for assistance
- Inform any relevant finance or insurance provider following communicated process and request assistance

**If for any reason you believe that a customer does not understand the product or service being offered to them, you must not proceed with the sale until further assistance is sought.**

**Simply experiencing one or more of the circumstances above does not mean that the customer is vulnerable. It is important not to make assumptions as you may offend a customer.**

**Just because a person is identified as vulnerable does not automatically mean that they are unsuitable for the product or service.**

**Vulnerability Identified Post Sale:** If, once the sale is complete you believe the customer is vulnerable in any way, appropriate steps should be taken to support the customer as much as possible. Consideration as to required action will be made on a case-by-case basis, each case should be referred to Branch Manager. Immediate activities such as discussing specifics of an agreement to review if a customer is fully aware of their commitments should be considered are encouraged and should be included in referral.

**Third Party Companies:** Where the activity with the potentially vulnerable customer has the direct involvement of a third-party provider, such as lenders of general insurance providers. We will follow the procedural guidance issued by those companies. Procedures for each relevant third party are in the appendix of this policy.

**Record Keeping:** If a customer discloses a mental health problem or vulnerability, permission to record that information must be obtained from the customer or authorised Power of Attorney, or similar. The information must be treated as “sensitive personal data” and logged, please refer to the GDPR policy and procedures.

In all circumstances, and as per the Data Protection Act, you should explain to the customer how their information will be used, stored, and shared internally.

## 5 TRAINING

All members of staff who are, or manage those who are, customer facing will be trained appropriately in the recognition of potential vulnerability and processes to assist vulnerable customers. This training will be revisited on a regular basis.

## 6 IMPLEMENTATION

This policy takes effect immediately. All managers should ensure that staff are aware of this policy and its requirements. If staff have any queries in relation to the policy, they should discuss this with their line manager.

## 7 RETENTION

This policy will be reviewed periodically and historical records retained for 6 years.

## **8 DOCUMENT CONTROL**

This document supersedes all previous documents provided by PFK Ling Limited

### **SUPERSEDED DOCUMENTS**



### **RELATED DOCUMENTS**



### **DOCUMENT HISTORY**



### **DOCUMENT AUTHORISATION**