

Supporting clients with vulnerabilities

from Coventry for intermediaries

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COVENTRY
for intermediaries



All together, better

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Introduction

Over half of UK adults are said to have one or more characteristics of vulnerability, the Financial Conduct Authority (FCA) reports*. And after the Coronavirus pandemic, it's thought that around 27.7 million adults are considered to have a vulnerability.

Having a vulnerability is now more commonplace than ever, so the FCA has introduced guidance for firms on how to treat all customers and clients fairly.

Vulnerability can affect any of us, at any time. We, our family and friends, can all face times of stress and difficulty, when our abilities to cope or make important decisions are negatively affected. For example, we may experience a change in circumstances such as job loss, bereavement, or illness.

In some cases, these difficulties may be short lived, but for many they may be longer term or permanent.

We know you care and want to find the right outcome for all of your clients. Thinking about what your clients end goal is and removing any obstacles in their way will help you to do so.

In this guide we'll help you identify who may be vulnerable and what extra steps you can take to help those who need it.

* <https://www.fca.org.uk/data/financial-lives-2022-early-survey-insights-vulnerability-financial-resilience#:~:text=In%20May%202022%2C%2047%25%20of,24.9%20million%20over%20that%20period.>

What is a vulnerability?

The FCA describes a person with a vulnerability 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’.

All clients are at risk of becoming vulnerable and this risk is increased by the following 4 drivers of vulnerability:

Health

Physical disability, severe or long-term illness, hearing or visual impairment, mental health condition or disability, addiction, low mental capacity or cognitive ability

Life events

Change in financial circumstances, bereavement, relationship breakdown, domestic abuse (including financial abuse), caring responsibilities

Resilience

Lack of savings, unable to afford an unexpected event, low emotional resilience

Capability

Low knowledge or confidence in finance, poor literacy and numeracy skills, poor digital skills, poor English Language skills, learning difficulties, no support network.





They say we should consider this as a ‘spectrum of vulnerability’.

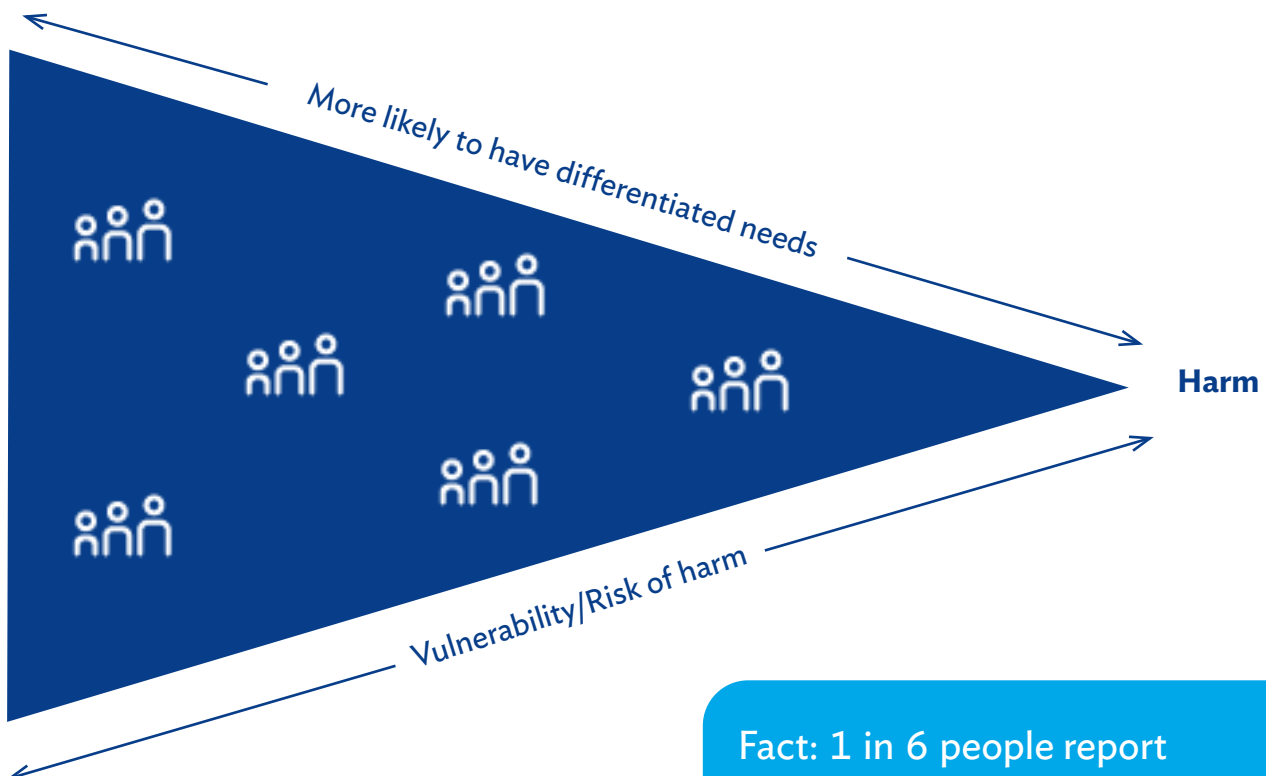
Often, if an individual experiences just one of these vulnerabilities, they’re likely to be experiencing others at the same time.

For example, a person with anxiety (a Health driver) will sit on the spectrum of vulnerability, although they might not be vulnerable if they’re managing their condition.

However, if they lost their job (Life Event driver) they would move further down the spectrum and closer to harm, where they will be at risk of a poor outcome if we don’t recognise this.

So, a customer might demonstrate some characteristics of vulnerability, but may not be vulnerable. We need to understand each client’s personal circumstances to be able to deliver a good outcome.

Figure 2: Spectrum of vulnerability



Fact: 1 in 6 people report experiencing a **common** mental health issue (like anxiety and depression) in any given week in England.



Identifying vulnerabilities

To identify if someone might be at risk of being vulnerable, it's important to look out for clues.

Visible vulnerabilities are typically easier to recognise e.g., blindness or motor disabilities.

Others are harder to identify, so depending on whether you're face-to-face, on the phone or talking through email, here's some clues to look out for.

Auditory clues

Clients that say the following:

- I can't understand the information/email you have sent me
- I can't hold on all day
- I can't afford those mortgage payments
- My partner has been ill
- I'm having some problems
- My circumstances have changed

Other Auditory clues

- Asking for repetition
- Keep repeating themselves
- Become upset
- Taking a long time to give answers to questions
- Mention medication

Visual clues

- Shortness of breath
- Body language which suggests the client is confused
- The client becoming upset or distressed

Other clues

- Not remembering past conversations
- Struggling to understand information they've been given
- Inexperience with finance

Written clues

- Writing unclearly, or inconsistently
- Making a request that would incur a financial penalty, without acknowledging the penalty
- Their letter is written by somebody else on their behalf.

An FCA survey showed in February 2020 46% of UK adults had characteristics of vulnerability. This increased to 53% post pandemic a similar survey revealed.

Source: <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>



If a client does show signs like those previously mentioned, it's important to consider whether this vulnerability could impact their decision-making. Are they able to manage their mortgage on a long-term basis? Do they fully understand what they are agreeing to? Is there a risk that they will make a poor financial decision?



Key considerations



There are many vulnerabilities and the list here covers a small proportion



Remember it's likely if a client has one vulnerability they will have multiple.



Listen to your client and be alert for any indications of vulnerability



Building a rapport is key to understanding your client's needs.

How to start the conversation

Opening up about vulnerabilities can be hard and those who are vulnerable may not see themselves that way.

So, consider asking all clients **‘is there anything extra you might need to help you through this application?’**.

If your client seems upset or agitated, ask them **‘is there a better time to talk?’**.

If your client seems uncomfortable talking face-to-face, think about what can be discussed over the phone or through email; ask them **‘how would you prefer I contact you?’**.

To give all of your client’s the best service and the right outcome, you don’t need to know what their vulnerability is if they don’t wish to discuss it.

For example, a client might not want to discuss their recent cancer diagnosis, but you may notice they are struggling with fatigue. Take steps to minimise the risk to the client, such as, pacing yourself, checking your clients understanding regularly, ask for their best time to speak and when you can, split long meetings into shorter ones.

Remember: Mortgages are a foreign language to many people. Checking all of your clients’ understanding throughout the process will help prevent any client (vulnerable or not) from having a poor outcome.

It’s important NOT to:

- Call clients ‘vulnerable’
- Make assumptions
- Patronise
- Rush them

You CAN:

- Ask if they need any extra support
- Be empathetic
- Speak clearly
- Be patient

1 in 3 in the UK are not financially experienced and 1 in 2 have low confidence making financial decisions.

Source: One-third of adults ‘financially illiterate’ | Financial Times (ft.com)

Polite phrases: ‘Am I making sense?’, ‘Is that okay?’, ‘Are you comfortable with that?’, ‘I know that was a lot of complicated information, would you like me to go over anything again?’.



Making it accessible

For clients to make the decision that's right for them, they need to understand the information you give them. If a client is struggling to absorb information, they may require further assistance.

Here are some simple steps you can take to make the process easier:

- Use clear language;
- Use plain, non-technical English;
- Slow your delivery speed;
- Offer information in small chunks so you don't give too much information in one go;

Politely check your client understands each step of the process by:

- Contacting them regularly so they feel well-informed
- Asking them if they would appreciate having a friend or family member join them in meetings
- Being prepared to spend more time with clients who require additional assistance

If your client needs help accessing information of any kind, please let us know. We can quickly arrange additional tools to help them read or hear important material (please see 'How can Coventry for intermediaries help' section).

When a client requires further support to access information, it's important that you offer a range of contact options. Whether a face-to-face meeting, telephone call or email exchange works best, all clients must be confident that they will be able to access and understand all of the information that they need.

If you have any written material, such as letters, leaflets or emails, it's important these are written in clear and simple language so they are easy for everyone to understand. This will help all clients feel more confident throughout the process and help them get the best outcomes.

Fact: 1 in 7 adults have literacy skills at or below those expected of a 9 to 11 year-old

Source infographicop8.pdf (fca.org.uk)



How can Coventry for intermediaries help?

We want everyone to be able to access our services and have a good outcome. When we're aware of your client's needs, we can help serve them better. Vulnerabilities will never have a negative impact on a client's application.

Here at the Coventry, we can make our services more accessible by:

Talking

Typetalk calls - the national relay service, enabling deaf, deafblind, speech impaired individuals to communicate via BT TextDirect.

British Sign Language, BSL - for those making complicated transactions in branch (i.e. account opening) and Deaf or hearing impaired.

Next Generation Text, NGT - similar to Typetalk where messages are relayed.

Hearing loop - a sound system that can be picked up by hearing aids.

Reading

Audio letters - for those who are blind, deafblind or struggle to read.

Braille letters - mainly used by those who are blind or deafblind and read through touch.

Yellow Perspex/filters - can help with reading disorders like dyslexia.

Magnifying glasses - can be provided in branch for those struggling to read.

Large print letters - increases letter size and font.

Writing (provided when in branch)

Signature guide - to support those who need help signing their name.

Pen grips - mainly used by people with arthritis or impaired motor function.



We can also add the following indicators to the client account:

- May require increased time/explanation
- May require support in managing money
- Reduce noise levels where possible
- May require the support of a third party
- Physical assistance may be required
- May require written communication
- Hearing loop
- Lip reads
- Disabled access required
- May require support with reading or completing forms
- User of type-talk, Text-phone, next generations text
- May require verbal instructions
- Seated area may be required
- May benefit from the use of pen grip
- Don't assume my title/identity based on appearance/voice
- Speak slowly/clearly to me
- When speaking with me, give me more time to answer/respond
- Don't give me multiple tasks/ask multiple questions in one go
- May require a colour film sleeve
- Magnifying glass required
- May require support with numbers
- May benefit from dimming lighting
- Customer is partially sighted/sight impaired
- Customer is blind
- May have difficulty hearing/hard of hearing
- Office may be required
- May benefit from the use of a signature template
- Customer uses a signature stamp
- I find social interactions difficult



You must have your client's agreement before requesting any of the above indicators.

If any of your clients need help, or you recognise a client as possibly being vulnerable, please check first that they're happy for you to notify us. If they are, then please call our team to:

- Add an account indicator. So our branch and call centre staff know how to adapt their service to suit your client's needs.
- Let us know if your client needs any letters in a different format.
- If your client asks, we can register a **Power of Attorney** if they have one in place and would like their attorney to act on their behalf.
- We also have a dedicated **bereavement team** if they've lost a loved one who holds an account with us.



Remember: Letting us know a client may have a vulnerability will not negatively affect their application, it will only help us to support them appropriately now and in the future.

We'll always work hard to support your clients, but sometimes other organisations may be better placed to provide expert support. Please find some relevant contacts below:

Independent organisations

These organisations may be able to provide further support for those suffering from financial difficulties, or physical and mental health issues:

- **Citizens advice**
<https://www.citizensadvice.org.uk/>
03444 111 444
- **Cruse Bereavement Care**
<https://www.cruse.org.uk/>
0808 808 1677
- **Samaritans**
<https://www.samaritans.org/>
116 123
- **Mind**
www.mind.org.uk
0300 123 3393

For a more exhaustive list of institutions available to offer assistance for those in need of free, independent advice please visit our **website**.

Important things to consider

- We're all at risk of being vulnerable.
- Clients with a vulnerability are more at risk of making a poor financial decision.
- Letting us know a client has additional needs will not negatively impact their application.
- Don't expect that your clients have in-depth knowledge about mortgages, even if they have one already.
- Vulnerabilities can come and go, or they can last a lifetime.
- If you have a spare minute, reach out to past clients, and see if their mortgage is still suitable for them. A broker who cares for their client is invaluable, you'll be doing right by your client and it will help with your retention.
- More isn't always better. Clients don't need to know everything about mortgages (unless they want to), let them know just what they need to and in the simplest way you can.
- Keep in contact and keep clients updated. All clients love a trustworthy broker who lets them know where their application is at each stage, but for those who may be vulnerable it can also help them to understand better and feel in control.
- We're here for you, we all need help at some point, whether it's help providing your clients the right tools or questions you have about what's in this guide. Contact our intermediary support team on **0800 121 7788** and select option 4.





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