

HOW EFFECTIVE IS YOUR VULNERABILITY POLICY?

The questions below are intended to help assess vulnerable client activity within advisory firms from a variety of perspectives and identify any potential areas of improvement.

They're grouped into sections aligned to the four key areas highlighted by the FCA's Finalised Guidance (FG21/1):

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| <p>1. Understanding vulnerability</p> <ul style="list-style-type: none"> A. Policy B. Approach | <p>3. Taking practical action</p> <ul style="list-style-type: none"> E. Systems, process and reporting |
| <p>2. The skills and capability of staff</p> <ul style="list-style-type: none"> C. Training our teams D. Effective client communication | <p>4. Monitoring and evaluation</p> <ul style="list-style-type: none"> F. Recognising vulnerability |

The following summary tables list areas for potential review. Simply mark areas requiring attention in the 'Action needed' column to identify areas for improvement.

1. UNDERSTANDING VULNERABILITY

Policy	Action needed
1. How is vulnerability viewed within your business?	<input type="radio"/>
2. Where is your Vulnerable Client Policy (VCP) kept?	<input type="radio"/>
3. How old is your policy and how frequently is it reviewed / updated?	<input type="radio"/>
4. Do you have a VCP owner?	<input type="radio"/>
5. How do you demonstrate the effectiveness of your VCP?	<input type="radio"/>
6. How well is it embedded within your business process and at board level?	<input type="radio"/>
7. Is your VCP personalised to your client bank demographic?	<input type="radio"/>
8. How often do you review, audit and conduct a gap analysis on your VCP to ensure that: <ul style="list-style-type: none"> • It continues to meet your clients' needs? • Your service and interaction covers the wide range of vulnerabilities? 	<input type="radio"/>
9. How do you measure the success of how the business recognises and looks after vulnerable clients?	<input type="radio"/>

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Approach	Action needed
1. How do you identify vulnerability in a client?	<input type="radio"/>
2. Is there a fixed framework for dealing with vulnerable clients to help take the emotion out of decisions and actions?	<input type="radio"/>
3. How does your business demonstrate client focus and centrality?	<input type="radio"/>
4. Do you solicit regular client feedback to substantiate the individual service to support your policy?	<input type="radio"/>
5. Is there a consistent approach across all parts of your business? Are any assumptions or generalisations made about health which could be discriminatory or inappropriate?	<input type="radio"/>
6. Do you cater for potential vulnerable clients who are in denial? How do you actively seek to encourage disclosure about potential vulnerability?	<input type="radio"/>
7. Do you share best practice with other intermediaries and professional connections?	<input type="radio"/>
8. Do you host any events for vulnerable clients who may be isolated or lonely?	<input type="radio"/>
9. Could a reduction in operational loss be made through reduction in potential future complaints?	<input type="radio"/>

2. THE SKILLS AND CAPABILITY OF STAFF

Training your teams	Action needed
1. Are all staff aware of the policy contents, conversant with its principles and aware of its location?	<input type="radio"/>
2. How aware are staff of the many different types of vulnerability?	<input type="radio"/>
3. Would it help to provide your frontline staff with real life case studies for familiarity and awareness of the variety of vulnerabilities with best client treatment and outcomes?	<input type="radio"/>
4. Are your team empowered to make a difference to clients and how the business is represented/perceived?	<input type="radio"/>
5. How reassured are staff, clients and carers in relation to Data Protection/GDPR?	<input type="radio"/>
6. Do your frontline staff have any additional requirements:	<input type="radio"/>
<ul style="list-style-type: none"> • Training • Guidance • Process outline • Judgement • Empowerment • Are they equipped to handle POA, wills and trusts, expression of wishes, etc? 	
7. Do you have specialists or vulnerability champions within your business to bring the policy to life and act in an advisory capacity?	<input type="radio"/>
8. Do you have training modules for staff development: Data Protection, Dignity and Respect, Equality and Diversity, Vulnerability, Mental Health?	<input type="radio"/>
9. Is vulnerability covered within your recruitment, induction, training programmes and processes to highlight its importance?	<input type="radio"/>
10. Do staff have vulnerability incorporated into their reviews/key performance indicators?	<input type="radio"/>

11. Do you have a decision tree, or equivalent, to help staff assess vulnerability in a consistent way?	<input type="radio"/>
12. Where a client has suffered a bereavement, how are frontline staff made aware to limit further upset or distress?	<input type="radio"/>
13. Are your frontline/client facing staff aware of potential behavioural biases such as persuasion and framing with vulnerable clients?	<input type="radio"/>
14. Are any of your staff experiencing vulnerability? How is it identified, reported and managed?	<input type="radio"/>
15. Would your business benefit from having an internal Vulnerable Client Working Group?	<input type="radio"/>

Effective client communication	Action needed
1. Do you support vulnerable clients with consistency of staff/adviser contact?	<input type="radio"/>
2. How many communication styles and options do you offer to your clients? <ul style="list-style-type: none"> • Braille • Plain English • Large font • Open dyslexia font • Audio • Mini white board or iPad to help a client with verbal communication challenges • Speech recognition telephonics • Specific words/language to identify: vulnerability, repetition, hard of hearing, misunderstanding, confusion • Regular and consistent contact • Face-to-face • Accompanied meetings • Extended meeting/call time for reflection and reiteration • Quiet areas • Client collection and drop off for disabled • Flexible locations for meetings? • Do you offer a translator/sign language/deaf or blind interpreter to appropriately vulnerable clients? 	<input type="radio"/>
3. Is your vocabulary style and language consistent across the business and its communications?	<input type="radio"/>
4. How do you evaluate where a client is experiencing literacy challenges and the best form of communication for them to avoid misunderstanding or a lack of understanding?	<input type="radio"/>
5. Does your office have: <ul style="list-style-type: none"> • Mobility access into office and sufficient space in meeting rooms for disabled clients? • Recognisable welcome into unfamiliar surroundings? • Space for accompanied meetings? 	<input type="radio"/>
6. How do you assure your clients' confidentiality of sensitive information?	<input type="radio"/>
7. Are all your external communications clear, easy to understand and inclusive? For example: <ul style="list-style-type: none"> • Are your telephony menus and routing systems easy to navigate and client friendly or a barrier to vulnerability/deafness, etc.? • Is your website vulnerable client clear, friendly and easy to navigate with opportunity to hand off to human interaction? • Is vulnerability covered within your company website or documentation to provide reassurance to potentially vulnerable clients? Also, consider whether any of your elderly or vulnerable clients feel digitally excluded or alienated? 	<input type="radio"/>

8. What style of wording do you use within communications and client files? 'Vulnerable', 'extra care requirements', 'lacking capacity', 'susceptible to detriment' 'safeguarding requirements'.	<input type="radio"/>
9. How do you support clients overwhelmed by complex information?	<input type="radio"/>
10. Does client vulnerability affect your technological strategy?	<input type="radio"/>
11. How do you advise a vulnerable client if you intend to share sensitive information with other parties?	<input type="radio"/>
12. Do you offer a service to meet elderly or disabled clients at their home?	<input type="radio"/>

3. TAKING PRACTICAL ACTION

Systems, process and reporting	Action needed
1. How is assessment of vulnerability recorded on client files?	<input type="radio"/>
2. How supportive are your systems and processes in the treatment of vulnerable clients? How do you measure how fully staff are aware of the reporting process? How does your back office system record levels of vulnerability?	<input type="radio"/>
3. Is vulnerability sufficiently included within your risk framework and on board meeting agendas?	<input type="radio"/>
4. How easy is it to establish the cause of client difficulties? Is a consistent process embedded throughout the business?	<input type="radio"/>
5. Are processes and services equipped to record and review clients' individual needs and range of circumstances/requirements? How do you monitor and assess changes in vulnerability?	<input type="radio"/>
6. How do you reflect your approach to the disclosure of vulnerability in your documentation and processes?	<input type="radio"/>
7. Are staff aware of what should and should not be recorded in relation to client accessibility to files?	<input type="radio"/>
8. Are your systems able to record important, non-standard or sensitive information and is it shared with appropriate staff? How do you balance over recording of sensitive information with comprehensive record keeping? How are sensitive conversations logged and reported?	<input type="radio"/>
9. Is priority given to protecting the safety of a vulnerable client?	<input type="radio"/>
10. Can your systems record client communication changing preferences including:	<input type="radio"/>
<ul style="list-style-type: none"> • Length and layout of documents • Simplicity • Font size • Inclusive types of communication • Clear distinction between marketing material and important information (requiring action) 	
11. How do your processes cater for overlapping vulnerabilities? For example:	<input type="radio"/>
<ul style="list-style-type: none"> • Elderly / bereavement / hearing loss / long term illness / physical disability, etc. • Low basic skills potential unemployment / divorce / bereavement / reduced income 	
12. What is your process for recording complaints from vulnerable clients? Do you record client conversations 'in their own words'? How easy is it to record whether the client would or would not like family representation for future protection? How are vulnerability issues escalated?	<input type="radio"/>

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13. How do you monitor and assess the potential risks of not safeguarding vulnerable clients?	<input type="radio"/>
<ul style="list-style-type: none"> Client detriment Business reputational damage Loss of client trust Legal action 	
14. What is your process for referring vulnerable clients to your specialist team? Is there a process for safeguarding referrals?	<input type="radio"/>
15. How do you handle potential vulnerability with execution only cases?	<input type="radio"/>

4. MONITORING AND EVALUATION

Recognising vulnerability	Action needed
1. Is your client demographic linked with increased likelihood of vulnerability?	<input type="radio"/>
2. Are your clients coherent and fluent in English?	<input type="radio"/>
3. Do your systems and processes tend to streamline clients?	<input type="radio"/>
4. Do your frontline staff know when to escalate a vulnerability issue? <ul style="list-style-type: none"> Out of character behaviours Report of sudden stopping / lateness of premiums Shortness of breath Agitation/stress Repetition – concealing lack of understanding Confusion, distraction, being upset Conflicting responses Mention of newly prescribed/existing medication Memory challenges/difficulty understanding instruction Unexpected/uncharacteristic decision making History of physical or mental impairment Uncommunicative 	<input type="radio"/>

Summary – in each section, how many potential areas for review have been identified?	Action needed
Policy	/9
Approach	/9
Training your teams	/15
Effective client communication	/12
Systems, processes and reporting	/15
Recognising vulnerability	/4
TOTAL	/64

FT ADVISER

FOR MORE INFORMATION

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