Vulnerable Consumers Policy

15th June 2025

Purpose

1. The purpose of this policy is to ensure that the operations of the Firm do not have any negative impact upon vulnerable consumers.

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

Identifying a vulnerable consumer

3. When engaging with customers over the phone it is often difficult to identify a Vulnerable Consumer because it is not possible to see many of the characteristics, such as body language and facial expressions, which may identify whether the prospective customer requires additional information and guidance to enable them to make an informed decision. For this reason, it is critically important to listen carefully to all customers and to identify people who may be classed as a Vulnerable Consumer.

4. Typical telephone characteristics include:

   4.1. An inability to hear or understand what is being said
   4.2. Repeated questions of a similar nature
   4.3. Comments or answers which are inconsistent with the telephone discussion or which indicate they have not understood the information which has been provided.
   4.4. Verbal confirmation that they don't understand or that they require the assistance of somebody else in making a decision.

5. Agents who are assisting with signing up consumers will regularly engage with customers face to face. When doing this the same characteristics are likely to

be evident but body language and facial expressions may also assist in identifying the vulnerability.

6. When speaking to the Vulnerable Consumer we should:

   6.1. Provide additional opportunities for the customer to ask questions about the information we have provided.
   6.2. Continuously seek confirmation that they have understood the information that has been provided.
   6.3. Ask if there is anybody with them who is able to assist them.
   6.4. Offer them the opportunity to complete the transaction after a period of further consideration.

7. If for any reason we think the customer does not understand the service which is being offered to them we must not proceed with the transaction and advise them that we will write to them with further information about the product or services they are seeking.

What is mental capacity?

Mental capacity is a person's ability to make a decision. Whether or not a person has the ability to understand, remember, and weigh-up relevant information will determine whether he is able to make a decision based on that information. The person will also need to be able to communicate his decision.

The mental capacity of a person may be limited in a way which prevents him from being able to make certain decisions because of an impairment of, or disturbance in the functioning of, his mind or brain.

Making decisions

Mental capacity is always defined in relation to a specific decision at a specific time.

Consequently, when considering an application for a product, or change in product factors, the Firm should take account of the customer's circumstances at the time at which the application or request is made.

The Firm should take appropriate steps identify whether or not the 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.

Mental capacity limitations can be either permanent or temporary (including fluctuating over time).
Consequently, the fact that a person may not have had the mental capacity to make a particular type of decision in the past, does not necessarily mean that they currently do not have, or will never have, the capacity to make such a decision.

Mental capacity limitations may also be partial. Under such circumstances the person concerned is likely to be able to make certain decisions but not others. Decisions, that may require the understanding, remembering and weighing-up of relatively complex information, are likely to be more challenging for many individuals with mental capacity limitations than more straightforward spending decisions.

Amongst the most common potential causes of mental capacity limitations are the following (this is a non-exhaustive list):

- mental health condition
- dementia
- learning disability
- developmental disorder
- neuro-disability/brain injury
- alcohol or drug (including prescribed drugs) induced intoxication.

A customer may be understood to have, or suspected of having, any of these (or other) conditions which are potential causes of mental capacity limitation (for example, a mental health condition) - but that does not necessarily mean that they do not have the mental capacity to make an informed decision.
In some instances, it may constitute disability discrimination for the purposes of the Equality Act 2010 (EA) to decline a customer's application for a product on a presumption that he doesn't have the mental capacity to make a particular decision based solely on the knowledge that he has a condition of the type listed above).

Financial literacy

Mental capacity is not the same as financial literacy
– although, in practice, it may often be difficult for the firm to differentiate a limitation of one from a limitation of the other. In terms of a limitation of mental capacity, the customer has some impairment
of mind or brain function.