

## **28 TFA Vulnerable Client Policy**

### **Key Details**

Policy Prepared by	Theresa Atal
Policy Owner	Theresa Atal
Approved by board on	11 <sup>th</sup> July 2018
Policy became operational on	11th July 2018
Next Review date	1 <sup>st</sup> January 2023

### **1. Principles**

1.1 All employees, advisers, consultants, officers, contractors, agency and casual workers are covered by this policy. It does not form part of the contract you have with us, but applies regardless of how long you have been with us.

1.2 This policy outlines what you should do if you suspect your client or potential client may be “vulnerable”.

### **The Objectives of this Vulnerable Client Policy**

This policy sets out how we aim to identify and treat clients and prospective clients who may be considered as being vulnerable by virtue of their age, disability or circumstances. Although vulnerability can come in many forms, it is important that such individuals are dealt with appropriately, fairly and consistently.

We are committed to making sure that we treat any vulnerable client as an individual. We will do this by being:

- Flexible in our approach to client communications
- Empathetic to any specific needs or concerns they have

### **Definition of a Vulnerable Client**

The FCA define a Vulnerable Client as: *“someone due to their personal circumstances is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.”*

### **What is detriment?**

Detriment is essentially any disadvantage a client could suffer, for example this could range from being treated unsympathetically by your firm or choosing the wrong investment

product. This can occur in particular with vulnerable clients because financial products can be relatively complex and, in certain cases, may not be optional.

We are mindful that many clients in vulnerable situations may not think of themselves as being “vulnerable”.

### **Types of vulnerability**

There are a number of factors that could result in a client being deemed vulnerable on a temporary or sporadic basis.

A vulnerable client could be considered to be anyone who by virtue of their health, age or circumstances may be less able than others to:

- Realistically and objectively identify and prioritise their own needs
- Fully understand the risk, cost or implications of any advice provided
- Assess information in the usual format, for example, orally during meetings or visually in respect of written advice

This policy sets out how TFA will recognise and treat those people with an appropriate level of care to ensure that we are acting in their best interests at all times.

We will be pro-active in looking for clues from the client that may lead us to determine that they should be treated as “Vulnerable”.

We believe that this is most likely to be from the information gathered during our Fact Finding process; we will be listening and looking for any clue as to the client being vulnerable.

We will class the following clients as Vulnerable:

- Equity Release Clients
- Debt Consolidation Clients
- Right to Buy Clients

TFA also recommends that these customers are treated as “Vulnerable”, as best practice:

- Clients who take their mortgage term past their scheduled retirement date

In addition, clients who may have any of the following circumstances, permanently or on a temporary basis, will also be treated as Vulnerable by us:

- The elderly

- Anyone with sensory issues e.g. impaired vision or hearing
- Anyone with little or no understanding of English
- Those with learning difficulties or mental incapacity
- Anyone who has recently experienced major life changes such as bereavement or divorce or job loss
- Students or unemployed
- Recently independent or self-employed
- First time or inexperienced clients
- Anyone who has recently become responsible for (for them) an unusually large amount of money e.g. trustees or beneficiaries of a trust
- Those who rely heavily on others for support and care
- Clients with physical or brain disability
- Being 'older old' (for example over 80) although this is not absolute – this could be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill-health, not being comfortable with technology)
- Being young (associated with less experience)
- Clients with low income or debt
- Those who indicate that they are stressed due to their debt issues or concerns
- Those experiencing mental health problems/ dementia or other memory loss
- Those who have caring responsibilities (including operating a power of attorney)
- Armed forces personnel returning from abroad

**Where we have designated a Client as Vulnerable we will:**

- Listen to the client's needs and if relevant any special or additional needs that they may require in order for them to make any financial decisions.
- Invite the client to be accompanied with someone they trust and who can assist the client in making decisions, if appropriate.
- Take care to ensure that the features and risks of all our advice are explained in a manner and in a format that the client may understand.
- If you feel that the client is mentally incapacitated and not able to make a decision for themselves approach the Compliance Director for advice and guidance.

- Where advice is given to the attorney or deputy, the file will evidence that the advice is based on the requirements, circumstances and assumed risk profile/ capacity for loss of the client.
- Identify clients who may be acting under duress, i.e. a third party may be pressuring them to complete/set up a transaction for their gain. For example-changing will, life assurance beneficiaries, remortgage from joint to sole (divorce), remortgage sole to joint. Where we have identified this to be the case we will strongly suggest that the client/s takes independent legal advice away from the third party and transaction.
- Ensure that the IO client file fully evidences the steps we have taken to ensure we have treated the Vulnerable Client in accordance with this Policy.

At all times the firm is mindful of FCA requirements, in particular Principles for Business 6 and 7:

*A firm must pay due regard to the information needs of its clients, and communicate information to them in a way that is clear, fair and not misleading.*

### **How we will communicate this policy to our staff and advisers**

All new staff and advisers at TFA will be issued with a copy of this policy upon Induction, and asked to sign the staff/adviser declaration below.

We will ensure all existing staff and advisers are fully aware of this policy and ask them to sign the staff declaration below on an annual basis.

In addition, we will:

- Carry out additional bespoke training to all members of staff to ensure that they understand how they may identify and deal with a vulnerable client when performing their specific role within the business.
- Seek feedback on the policy and its effectiveness from clients, staff and advisers.

### **Reviewing this policy**

To ensure this policy continues to accurately reflect the process we have in place, Theresa Atal, Compliance Director, will review this policy on an annual basis.

If any updates are required, these will be made within 5 business days following the latest review and all staff will be notified via the TFA Newsletter.

This policy was last reviewed by Theresa Atal on 01/07/2019 and she is to be the champion of this policy who will ensure that training is evidenced and updates are based on changes in compliance standards as well as from experience using the policy.

### **How we will communicate this policy to our clients**

Information on our Vulnerable Client Policy is in the disclosure documentation section on the TFA website.

Where appropriate, we have the following tools to assist our clients: large print/ braille/ audio.

### **Data Protection**

As part of delivering financial services to vulnerable clients, we will gather detailed information from them, especially about their physical and/or mental health. This information will be dealt with in accordance with our Data Protection Policy.

### **Further Guidance for firms:**

There are many organisations that can provide help and support to vulnerable clients. Where appropriate, we will provide client relevant contact details, as noted below.

Additional sources of information on Vulnerable Clients to assist you in can be found at:

- FCA Occasional papers No. 8 and 31

<https://www.fca.org.uk/publication/occasional-papers/occasional-paper-8.pdf>

<https://www.fca.org.uk/publication/occasional-papers/occasional-paper-31.pdf>

- Citizens Advice

<https://www.citizensadvice.org.uk/resources-and-tools/search-navigation-tools/Search/?q=vulnerability&c=TOP-PUBLIC>

- A google search will also reveal many other sources of help and tools

### **TFA Staff/Adviser/Non TFA employed Administrator Declaration**

I have read the TFA's Vulnerable Client Policy.

I have been given every opportunity to read and digest this, in my own time and to ask any questions that I have around how the policy works. I also know that I may ask any questions on this policy in the future.

I confirm that I recognise that this policy places a responsibility on me to act at all times to all customers in a manner that is in line with and in keeping to the spirit and requirements of the Vulnerable Client Policy.

**Please email Theresa Atal to confirm you have read and fully understood your responsibility in relation to the TFA Vulnerable Client Policy.**