DEALING WITH VULNERABLE CUSTOMERS:

THE INDUSTRY RESPONSE

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ANNUAL SUMMIT
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FOREWORD

A warm welcome to Just Group's Retirement Leaders Annual Summit 2019. This is the third time we have brought together delegates from across financial services, politics and academia to focus on a single, pressing topic for our industry. This year we are exploring the theme of 'dealing with vulnerable customers'.

We are now four years on from the publication by the Financial Conduct Authority of its Occasional Paper No.8 *Consumer Vulnerability*. This highlighted the fact that while much consumer protection is underpinned by how an average customer may be expected to behave, consumers in vulnerable circumstances were more likely than average to suffer harm.

In an increasingly complex financial world where individuals are expected to take more responsibility for their own financial well-being, it threw down the momentous challenge to firms to identify clients unable to represent their own interests and ensure those clients are adequately protected.

To help understand the industry's response so far, we commissioned a new research study, covering providers, advisory firms and a trade organisation. It assesses progress so far, highlights gaps in knowledge and practice and also identifies areas where the industry could work together to provide consistent treatment and raise standards across the board.

This report shares the insight gleaned from that research. It is being launched at this year's summit and sets the scene for the day.

Vulnerability is an issue where the best solution will undoubtedly require us to work together, not just within financial services, but across industry, policy makers, the third sector and academia.

The Just Group 2019 Retirement Leaders Annual Summit is an opportunity for a diverse group of policy makers, regulators, industry decision-makers, influencers and academics to understand organisational preparedness and how to getter better equipped. It's not a passive catch up, but a chance to be enlightened, to challenge and be challenged, enthused and encouraged, and most importantly, to have your ideas heard. Please do speak up!

During the day you will hear from Janette Weir at Ignition House who led the research study – I would like to thank Janette and her team for using their knowledge and experience to provide us with such an insightful report.

To all the delegates, presenters and facilitators, thank you for joining us and sharing your expertise and ideas. We expect the FCA will publish guidance in 2019 on dealing with consumer vulnerability – we hope this summit is the perfect preparation.

Stephen Lowe
Conference Chair
Just Group plc

1. EXECUTIVE SUMMARY

Vulnerability is a high profile policy issue – but what progress has the industry made to date?

Vulnerability is a complex area, tackling fundamental questions about access and exclusion, social inequality, and individual cognitive capability. It is, quite rightly, a high-profile policy issue receiving considerable regulatory, political, industry and media attention. The FCA continues to show its commitment to build on the momentum already gained by retaining its original definition of vulnerability, and we anticipate it will publish guidance for firms. This increased regulatory scrutiny has certainly sharpened the industry's focus.

In this report we present a directional snapshot of how 'vulnerability' is being interpreted by the industry, and assess the industry's response to vulnerability across four key areas: Recognise, Record, Respond and Report. We identify key gaps and identify areas where the industry can work together.

The views presented in this report represent 18 diverse firms from across the UK life and pensions, lifetime mortgages and advisory markets and also includes one trade association. We wanted to hear a range of views, from those who could give more of a strategic perspective to those who have day-to-day dealings with vulnerable customers at the coalface. In total, we had feedback from 10 strategic interviews and 9 operational interviews. Qualitative respondents were sourced with the help of the Association of British Insurers (ABI) and Just, who asked firms to volunteer to take part in the study. To this extent, respondents are somewhat self-selecting and therefore may not be representative of the broader market.

To supplement the qualitative discussions with robust data on some key findings, Just sent a short survey to the attendees of the Retirement Summit and the financial services client base of Owen James, a strategic event management company. In total, 102 firms gave their views, of which the majority (61%) were representatives of financial intermediaries. In contrast to the qualitative element, the survey gives a flavour of the activities being undertaken by smaller firms. Here, 56% had less than 50 employees and 78% had under 250 employees; 70% had been in business for less than 25 years.

Defining vulnerability is very difficult

The starting point on any organisational journey is to define the problem that you are trying to solve. The first question we posed to our respondents was about how their organisation defines vulnerability. Across the board there was a recognition that this is very challenging, as there are so many facets to consider regarding vulnerability. It is the sheer scope which makes it such a difficult topic for firms to pin down.

The adoption of the FCA's definition as an industry-wide standard has been helpful to create common ground for those working in the area. The respondents we spoke to recognised that using such a wide-ranging definition, meant that a customer in a vulnerable situation may be treated differently by different firms, or may even be treated differently by the same firm over time.

Transient vulnerability is particularly difficult for firms to embrace, and some were keen to stress that using a definition based on the consumer's *situation* rather than their *inherent characteristics,* has been very helpful to them when thinking about this issue. However, in practice this is proving to be difficult.

There was universal agreement that the subject of vulnerability is very sensitive and, as such, the language used internally within the organisations and externally with customers is very problematic. There is a wealth of experience outside of the financial services sector and many organisations have been forging close ties with charities and others in the third sector to leverage their expertise in recognising a particular vulnerability and dealing with it.

The vast majority of organisations are taking vulnerability very seriously

All of the firms we spoke to said that their organisation was taking the issue of vulnerability very seriously. This view was very much supported by the result of our survey, where 94% of firms reported that the issue of vulnerable customers is being treated seriously or very seriously by their organisation.

All who took part in our discussions also agreed that the issue of vulnerability now sits firmly on their senior management, if not Board, agenda. The vast majority had a dedicated update slot every quarter; only a couple had discussed their vulnerability strategy and plans only once. These findings were very much in line with the results from our survey, which is more reflective of the actions being taken by financial intermediary firms. Here, just over six in ten firms said that vulnerability was a regular feature on their agenda, and had been for some time.

The industry is following a common adoption path, but some firms are further down it than others

There is no doubt that the FCA's Occasional Paper 8 (OP8)[1], and its subsequent publications, have crystallised industry thinking and spurred organisations into taking formal action. Most firms have built a solid foundation, but even amongst our self-selected group of respondents we found that some are more advanced than others.

In line with the ABI's guidelines, all of the organisations we spoke to (recognising that this is a somewhat self-selecting sample) now have a policy in place and are at various stages of embedding vulnerability into their systems and processes. Beyond this, the organisations who took part in the study were at very different stages of their journey, reflecting the diverse range of firms we spoke to. Many smaller organisations were still struggling with corporate definitions, considering what the most appropriate operating model(s) might be, and understanding how capable front and back office staff are at identifying and dealing with vulnerability. Some of the larger firms we spoke to have already implemented extensive staff training, new call centre protocols and have amended systems to record vulnerability, but are not yet at the stage of formally assessing how successful these initiatives have been.

Even within organisations there was widespread agreement that some business units are further advanced than others, and that this poses issues for the consistency of customer experience.

Assignment of a dedicated budget is typically a sign of the maturity of any initiative. Usually this happens when an initiative ceases to be a project and becomes 'business as usual'. However, only one of the firms we spoke to currently has a dedicated budget for vulnerability. This finding was supported by our survey, which indicated that just two firms had taken this step.

We observed that activity to date has rightly focused on the customer facing areas, as the front-line staff are responsible for identifying and dealing appropriately with vulnerable customers. Far fewer firms have fully embedded best practice in product development, despite this being explicitly highlighted by the FCA (OP8 cited concerns about complex and confusing communications and inflexible products designed 'for the average customer'). This finding was supported by the survey, where just 26% of firms say they have fully embedded addressing customer vulnerability into product service and design.

Infrequent customer contact means that the number of vulnerable customers presenting are very low compared to the overall customer base

This is a sector characterised by long term products and an inert customer base. Even in the largest firms, only a tiny fraction of the overall customer base make contact with their provider each year, resulting in very limited opportunities to identify areas of actual or potential vulnerability. We found very limited evidence that firms are introducing additional touchpoints into the life of products to encourage contact in order to assess whether a customer is vulnerable or has certain support requirements.

Across all firms, we heard that responsibility for recognising a vulnerability lies entirely with the front-line staff. This is a big ask given that these people, however highly trained, are by no means experts in diagnosis. As a result, our respondents agreed that staff are generally picking up the most obvious vulnerabilities, but that there is a vast swathe of the more difficult cases that are going un-recorded.

Consequently, at best, the number of recorded vulnerable customers amongst firms who took part in our discussion is less than 5%, and for some firms it is less than 1% of the overall customer base. The majority of respondents in our survey are financial intermediaries, and therefore have much more regular contact with their clients. But even amongst this group, recognising that people have vulnerabilities is still regarded as the most difficult area. Of those respondents who formally recorded vulnerability, most had flagged less than 5% of their bank of customers as exhibiting a vulnerability.

In contrast, the FCA believe that around 50% of consumers are *potentially* vulnerable.

Customers are not proactively disclosing vulnerabilities, and this is a major issue for the industry

Our respondents agreed that identification is further hindered as customers themselves may not know they are vulnerable, nor are they particularly forthcoming in disclosing what can be very personal information. In part, this was attributed to consumer ignorance – they do not realise that the information could be important, nor do they understand how disclosure could benefit them. Firms also recognised that there is a distinct lack of trust in the industry, which may be preventing consumers from taking a proactive role in disclosing important information.

1. Occasional Paper No. 8: Consumer Vulnerability, FCA, 2015
www.fca.org.uk/publications/occasional-papers/occasional-paper-no-8-consumer-vulnerability

No firm mentioned linking with current self-reporting initiatives such as the Vulnerability Registration Service (a platform providing vulnerable consumers with a single reference point for recording their personal circumstances at a given point in time, when they are looking to protect themselves against further debt or related financial problems), and indeed awareness of such platforms was very low. There was a sense that if too many of these platforms emerge without any consistency it will be counter-productive and lead to confusion amongst vulnerable consumers and the industry.

We also heard that the industry alone cannot 'normalise' self-reporting; at the minimum this must be done as part of a broader financial services initiative, and preferably in conjunction with other sectors.

The industry has no systematic approach to recording vulnerable customers, and system issues mean that practices can vary enormously even within firms

Firms recognised that recording vulnerability is a huge challenge; vulnerability is often not easily categorisable and that different 'types' of vulnerability are frequently overlapping and closely interconnected in practice.

We found evidence of patchy and inconsistent use of vulnerability coding across the industry, usually driven by the limitations of legacy systems. In some cases, the very oldest systems were not able to record vulnerability at all. In others, system issues meant that a vulnerable person was 'flagged' but any details of what that meant were captured in the accompanying notes. This means that organisations will struggle to capture and share data about vulnerability even within their existing systems, especially where there are different systems within one parent company due to mergers and acquisitions. Some of the larger organisations are in the process of overlaying a 'single customer view' on top of these legacy systems, but progress on this is somewhat patchy.

Furthermore, there is no consistency in approach across the sector; each of the firms who took part in this study have introduced their own definitions and means of identifying and recording vulnerability. Going forward, there may be lessons to be learned from the energy sector who have come together to develop a set of standardised vulnerability 'Needs Codes' (the categories that allow customers to register on the Priority Services Register for non-financial support) that are being rolled out across electricity and gas companies.

Data recording issues were very much recognised by our survey respondents. Despite this group being heavily dominated by the financial advisory sector (who are less likely to have multiple legacy systems), less than half disagreed with the statement that system changes will present a serious issue for their organisation. Furthermore, just 49% of our survey respondents currently identify multiple vulnerabilities on their systems.

All reported difficulty understanding what to do about people with transient vulnerabilities under GDPR

It was common to hear firms expressing severe concerns about how to deal with customers presenting transient vulnerabilities - not only in terms of how to record this, but also in terms of when and how often the customer would need to be contacted under GDPR requirements (to demine whether the 'flag' was still relevant). For some, this meant that very detailed recording would result in an onerous re-contact programme, and so they had opted to keep vulnerability flags at a high level to avoid this situation and record the detail in the call notes.

Concerns about data protection mean that very little information is currently shared, even when this is obviously in the customer's interest

In our detailed discussions, the vast majority of firms expressed concerns about recording and sharing details of customer vulnerability, as this is very sensitive data. However, in our survey we had more mixed views, where around a quarter (24%) agreed or strongly agreed that data security issues are hampering their firm's ability to deal effectively with vulnerable customers. It is difficult to say from this result whether financial intermediaries genuinely have less concerns, or whether they are simply less aware of the implications. Further work will be needed to clarify their position.

Firms have focused attention and resources on training and empowering front-line staff to respond to vulnerable customers

Front-line staff are generally responding well to the small number of customers who are presenting as 'vulnerable'. In our detailed discussions with larger firms, we heard that it was very difficult to embed a consistent approach across all areas of the business, and that this was still taking up a significant amount of organisational time and effort. Firms who responded to our survey reflect much smaller organisations, typically with less than 50 employees. Nevertheless, this is still recognised as a challenge by a significant proportion, and specifically raised as an issue by those who are members of networks.

Partnerships and alliances with third sector organisations to deliver training, and to act as handover points, are working well, but there is room for more industry co-ordination. A centralised list of third sector bodies and standardised training would deliver cost efficiencies for firms and industry-wide initiatives to leverage the knowledge and experience of the third sector will help reduce pressure on third sector resources.

Inconsistency of arrangements around temporary delegation and Lasting Power of Attorney are identified as key areas of weakness across the sector

When thinking about their ability to respond to vulnerable customers, many respondents talked specifically about issues with Lasting Power Of Attorney (LPA), both in terms of inconsistent practices across firms and sectors, and the fact that there is no 'once and done' policy. Several firms mentioned that they would also welcome an industry-wide initiative to clarify and create a consistent process in cases where a customer is identified as having limited mental capacity but where there is no LPA, nor any family member for the adviser to revert to.

There are also times when enabling a family member or carer to manage a vulnerable customer's affairs for a short time is required. For example, measures should be in place to support friends and family when there is a need to assist a customer during emergencies such as hospitalisation or other short-term situations of need. However, firms reported that current processes are not sufficiently developed or flexible enough to enable family and carers to help, nor are practices consistent across firms – resulting in unnecessary stress for customers and their carers in this particular situation.

Reporting practices vary enormously from firm to firm, but tend to focus on identification metrics rather than outcomes

Where reporting did occur, this tended to be at the very basic 'identification' level – for example, how many new cases had been identified, what proportion of the overall customer base is vulnerable. Some were able to present data at a more granular level – for example the types of vulnerability that were being recorded, but this was the exception rather than the rule. That said – not all were convinced that collecting and reporting top-level data is useful; it is more important to ensure that vulnerability is being properly dealt with on a case-by-case basis.

Evaluation and measurement of 'success' was the weakest area amongst the firms we spoke to. The vast majority have a multitude of systems in place to monitor call quality and are able to pick up where obvious cases of vulnerability are being missed or mishandled. However, firms did not have a quality assurance process in place to monitor 'success' and were not always clear what 'success' would look like, beyond monitoring customer satisfaction scores, complaints, and movements in overall metrics such as Net Promoter Scores.

Firms have no idea whether they are doing well or badly compared to their peers, or compared to the best in class. They are gravely concerned that they are simply picking up the most obvious vulnerabilities and missing many others. Currently, there is no formal mechanism for them to compare their results against peers; an information gap they would very much like to see filled by an independent body.

FCA's activities are expected to be the key driver for change

There was a strong expectation amongst the firms we spoke to that the FCA will retain a broad definition of vulnerability. There was common agreement that whilst this lack of prescription is more difficult for the industry to deal with, in the long run it will avoid the temptation to create restrictive 'tick box' practices and processes. None expected the FCA to narrow their definition of vulnerability, but further clarity on 'harm' and poor customer outcomes arising from vulnerability would be useful.

The larger firms noted that the FCA is increasingly entrenching vulnerability as a conduct obligation – with higher expectations around the proactive identification and support of vulnerable customers. Equally, they had high expectations that there would be some form of redress where firms have failed to meet the FCA's standards. All expected levels of supervisory activity to increase in the next few years. In contrast, the financial adviser firms who took part in our survey were slightly more uncertain of the FCA's direction of travel.

Calls for consistency of experience as the industry's response to vulnerable customers matures

Many of those we spoke to identified that, to date, the industry has been taking a somewhat piecemeal approach to tackling vulnerable customers, with each firm working independently on their own initiatives. However, there is a growing recognition that vulnerable customers span multiple financial services providers, and are also the customers for many other sectors, pointing to the need for a consistent approach.

Several sectors are further ahead on this, and there would appear to be lessons to be learned from global experience.

Larger firms believe there is no competitive advantage to vulnerability, financial intermediaries are a little more unsure

Not one of the organisations we spoke to felt that dealing well with vulnerable customers was something that would deliver a competitive advantage, at least not over the next five to ten years. Conversely, there was general agreement that this was an area where the industry should work together to raise standards across the board.

The results of our survey, which is dominated by financial intermediaries, gives a more mixed view. Here, just over half agree, and a further 32% are not sure. However, very few disagree.

2. BACKGROUND & RESEARCH METHODOLOGY

The Financial Conduct Authority (FCA) defines a vulnerable consumer 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."* According to the FCA, 50% of the UK adult population show one or more characteristics of *potential vulnerability*[2]. These characteristics may be related to low financial resilience, a recent experience such as divorce or bereavement, low financial capability and/or a health issue that affects their day-to-day activities significantly.

Vulnerability is a complex area, tackling fundamental questions about access and exclusion, social inequality, and individual cognitive capability. It is, quite rightly, a high-profile policy issue; receiving considerable regulatory, political, industry and media attention.

"We will take any exploitation of vulnerable consumers very seriously, including using the toughest enforcement action open to us." *FCA, Future Approach to Consumers*[3]

The FCA continues to show its commitment to build on the momentum already gained by retaining its original definition of vulnerability, and announcing new guidance for firms to be published next year.

It was clear from our discussions with firms in the life and pensions market that tackling vulnerability was happening long before the FCA interventions, but the increased regulatory scrutiny has certainly sharpened the industry's focus. Firms must be careful not to discriminate, nor make generalisations, yet they must also tread a fine line to identify and respond to vulnerable customers' differing requirements. In this report, we explore how firms are tackling this important issue.

The key objectives of this research are:

1. To understand how vulnerability is being interpreted by the industry.
2. To assess the industry's response to vulnerability across four key areas:
   - Recognise
   - Record
   - Respond
   - Report
3. To identify potential calls to action where the industry can work together.

Methodology

Ignition House's senior directors conducted in-depth interviews with representatives of 18 firms from across the UK life and pensions, lifetime mortgages and advisory markets and one trade association. Reflecting this diverse mix, firms ranged in size and complexity, from mono-line firms with under 50 employees all based in a single location, to organisations with multiple product lines and multiple business units across multiple locations. Some firms retained all of their customer facing functions in-house, and some outsourced parts of this business to third parties; adding an extra layer of complexity. We spoke to firms who had been in business for several hundred years and those who had started up in the last decade.

We wanted to hear a range of views, from those who could give more of a strategic perspective to those who have day-to-day dealings with vulnerable customers at the 'coalface'. In total, we had feedback from 10 strategic interviews and nine operational interviews. For the strategic perspective, we spoke to Chief Executive Officers, Managing Directors, Chief Operating Officers and Heads of Risk and Customer Experience. For the more operational perspective, we spoke to those heading up the customer facing teams within their organisations.

Qualitative respondents were sourced with the help of the Association of British Insurers (ABI) and Just who asked firms to volunteer to take part in the study. To this extent, respondents are somewhat self-selecting and therefore may not be representative of the broader market.

To supplement the qualitative discussion with robust data on some key findings, Just sent a short quantitative survey to the attendees of the Retirement Summit and the financial services client base of Owen James, a strategic event management company. In total, 102 firms gave their views, of which the majority (61%) were representatives of financial intermediaries. The charts in this report reflect the findings from this quantitative survey, unless stated otherwise.

2. Understanding the financial lives of UK adults: Findings from the FCA's Financial Lives Survey 2017, FCA, October 2017 www.fca.org.uk/publication/research/financial-lives-survey-2017.pdf

3. FCA Mission: Our Future Approach to Consumers, FCA, 2017 www.fca.org.uk/publication/corporate/our-future-approach-consumers.pdf

In contrast to the qualitative element, the survey gives a flavour of the activities being undertaken by smaller, less mature firms. Here, 56% had less than 50 employees and 78% had under 250 employees; 70% had been in business for less than 25 years. Not all firms gave a response to each question, so the bases will vary from question to question. Again, these are firms with an interest in the topic area, and therefore may not be representative of the wider industry.

We collectively thank all those who gave their time to take part in this study, and to the ABI and Owen James for their support.

Throughout the report we present verbatim quotations from our respondents, which have been anonymised to protect respondent confidentiality. Quotes from the qualitative interviews have been labelled 'Expert interview', quotes from the survey have been labelled 'Survey respondent'.

Janette Weir authored the report, with analytical support from Joseph Birch. The views expressed in this report are those of the authors and not necessarily those of Just. Any errors are the responsibility of the authors.

The 4 Rs framework was used to get a deep understanding of industry activities

The ABI's vulnerability guidance[4] states that *"the mere existence of a company-wide commitment to better supporting vulnerability can help to create a culture across the firm which encourages staff to better empathise with their vulnerable client base"*; a view which was firmly supported by those we spoke to.

However, we wanted to burrow beneath top-level policies to see what firms have been doing in practice. To do this, we structured our discussion around the 4 R's framework, adapted by Just from a similar model used by organisations in the utilities sector. (See figure 1).

Figure 1: 4 R's framework

4. Addressing customer vulnerability: A guide to identifying and supporting vulnerable customers in the long term savings market, Association of British Insurers (ABI), 2017

3. DEFINING AND UNDERSTANDING VULNERABILITY

Summary

Defining vulnerability can be very challenging given that it is multi-faceted, and many firms are using the experience of third sector organisations to help them define their response.

Most firms have adopted the FCA's definition, with some placing emphasis on an individual's *circumstances* rather than their inherent *characteristics.*

Defining vulnerability is very difficult

The starting point on any organisational journey is to define the problem that you are trying to solve. The first question we posed to our respondents was about how their organisation defines vulnerability. Across the board there was a recognition that this is very challenging, as there are so many facets to consider regarding vulnerability. It is the sheer scope which makes it such a difficult topic for firms to pin down.

"When we first started we failed to appreciate the breadth and complexity of vulnerability, and the challenge of identifying it in clients. This complexity means it is difficult to not only define vulnerability, but also to build customer service models which include flexible processes to help them." ***Expert interview***

The FCA definition is now the de facto industry standard

Most organisations took their lead from the Regulator. The FCA defines a vulnerable consumer 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."* The adoption of this definition as an industry-wide standard has been helpful to creating common ground for those working in the area. The respondents we spoke to recognised that using such a wide-ranging definition, meant that a customer in a vulnerable situation may be treated differently by different firms, or may even be treated differently by the same firm over time.

"We have used the FCA definition. It is helpful when they don't change it as a number of people who join the organisation have worked in financial services before and it has helped with familiarity and just keeping it simple." ***Expert interview***

When translating this into a practical application, organisations tended to focus on the 'obvious' manifestations of vulnerability - mental and physical health issues, and the more sudden and unexpected instances such as illness, divorce, bereavement or job loss. However, in some organisations the definition has been extended to cover broader areas such as financial capability or lack of financial awareness, which they believe effectively means that practically every customer should be treated as being potentially vulnerable. In some cases, this has been extended to thinking about the needs of particular groups, such as ex-armed forces, those with an addiction or ex-offenders.

"At the start we thought vulnerability was around age and maybe extreme mental health things and it stopped there. But we've built on that and opened the staff's minds to vulnerability and what we do about it." ***Expert interview***

Focusing on a person's situation rather than their inherent characteristics is important

The FCA has continuously placed emphasis on the fluid nature of vulnerability, stressing that any consumer can become vulnerable at any time, and that vulnerability can be temporary, sporadic or permanent. As a result, there is no 'one size fits all' approach to managing all customer vulnerabilities. This means that treating vulnerable customers as a 'tick box' exercise will not work, as each case will be very different. This was fully recognised by respondents we spoke to.

"Vulnerability appears differently for each individual, so having set rules and rigidity is often inappropriate as this needs human empathy as opposed to system delivered solutions." ***Survey respondent***

Transient vulnerability is particularly difficult for firms to embrace, and some were keen to stress that using a definition based on the consumer's *situation*, rather than their inherent *characteristics* has been very helpful to them when thinking about this issue.

"We are trying to get away from labels. We think about customers with vulnerable circumstances as opposed to vulnerable customers." ***Expert interview***

Several frameworks have been useful to help firms understand vulnerability

Once the scope of vulnerability is extended beyond the obvious manifestations, several respondents spoke about how challenging it becomes to manage such a wide-ranging issue. Some have found frameworks such as Huntswood's "The Three C's" (Channel and Access, Comprehension and Circumstance), for example used by the PFS in their guidance document[5], or the FCA's four subgroups of its Vulnerability Framework to be useful. (See figure 2).

Figure 2: FCA's Vulnerability Framework

1. HEALTH

Adults who say their ability to carry out day-to-day activities is reduced a lot through health conditions or illness.

2. RESILIENCE

Adults who lack or have low financial resilience, which indicates how exposed some consumers are to possible increases in interest rates and prices or a small change in their circumstances.

3. LIFE EVENTS

These are major events happening in the last twelve months, such as divorce, redundancy or the death of a close family member.

4. CAPABILITY

Defined as very low knowledge of financial matters or low confidence in managing money.

5. https://www.thepfs.org/media/7774414/good-practice-guide-addressing-needs-of-clients-in-vulnerable-circumstances.pdf

Many firms have successfully used the third sector to help them understand vulnerability

There is a wealth of experience outside of the financial services sector and many organisations have been forging close ties with charities and others in the third sector to better understand vulnerability. Common partnerships include Age UK, Samaritans, MIND, Money and Mental Health, Dementia UK, Citizen's Advice, Money Advice Trust, Alzheimer's UK, and StepChange. Beyond these nationally recognised organisation, many larger firms were leveraging local charities and third sector organisations forming part of their Corporate Social Responsibility (CSR) agenda.

Respondents who had already gone down this partnership route spoke very highly of the level of skills and knowledge offered by these types of organisations. Several of the smaller firms we spoke to were just starting to formulate their thinking in this area. They felt that this was an area where the industry could easily come together to share best practices and to create a list of potential partners to avoid each firm having to re-invent the wheel.

CALL TO ACTION

Industry to work together to formulate a list of stakeholder organisations with which to form potential partnerships/alliances.

Firms find the language of vulnerability difficult and, again, third sector organisations can help

There was universal agreement that the subject of vulnerability is very sensitive and, as such, the language used internally within organisations and externally with customers is very problematic. Although 'vulnerable customer' is commonly used as shorthand within organisations, it is not a term which would ever be used when dealing with the public.

"The biggest challenge is not identifying somebody who could be vulnerable but who is very good at hiding it, or identifying somebody as vulnerable who would be seriously affronted if they knew this to be the case!" ***Survey respondent***

Many organisations reported that helping staff understand how to talk about potential and actual vulnerabilities with customers is an area where external help can be invaluable, particularly leveraging the body of experience built up over the years in the charity and third sector. Across the board, we heard that a number of communication frameworks are being used to ensure consistency of approach across organisations. (See figure 3).

Figure 3: Common Communication Frameworks

T → THANKS
E → EXPLAIN
X → EXPLICIT
A → ASK
S → SIGNPOST

B → BREATHE
L → LISTEN
A → ASK
K → KEEP SAFE
E → END

B → BEHAVIOUR & TALK
R → REMEMBERING
U → UNDERSTANDING
C → COMMUNICATING
E → EVALUATING

I → IMPACT
D → DURATION
E → EPISODES
A → ASSISTANCE

Again, this is an area where the industry can work together to share best practices and experiences. Many commented positively on the work of the financial services trade bodies to date, and were strongly supportive of that work continuing. In particular, they pointed to the work that had been done by the ABI to create a common language around pension freedoms and felt this model could usefully be employed to ensure a consistent industry wide experience for vulnerable customers.

CALL TO ACTION

Sharing communication frameworks and creating an industry lexicon to ensure vulnerable consumers have a common experience.

4. TEMPERATURE CHECK: PROGRESS TO DATE

Summary

Many firms have built a solid foundation but some are more advanced than others.

The main driver is not compliance, but a sense that this is the right thing to do for customers.

The FCA's actions have crystallised thinking and resulted in a more formal, consistent approach to dealing with vulnerable customers

Before the FCA's Occasional Paper 8, vulnerability was being recognised by organisations, particularly by employees at the coalface who were identifying a growing number of customers presenting the most obvious vulnerabilities, for example physical disabilities, bereavement, late stage dementia, suicidal tendencies and financial difficulties.

Our respondents consistently felt that the organisational response to these cases was patchy and not consistent and that responsibility for dealing with these issues was usually taken on by those who simply had an interest, rather than in any centralised way. Few had formal policies in place. At the time OP8 was published, the consultancy firm Huntswood conducted a survey which found that just under half (47%) of financial services firms did not have a clear vulnerability policy.

"If I am honest, at the start it was a bit hobbyist. There were a couple of individuals who were keen and set up a working group or governance group where they were identifying opportunities and driving through low level and not scalable changes. And it generally focused in the operational call centre environment and didn't extend into product design or the more mechanistic part of the manufacturing process." ***Expert interview***

Following OP8 firms have recognised the need to bring best practice and consistency to bear across organisations and to have a more formal response. The FCA has also published a number of other reports which have added clarity to how firms should respond to this issue. (See figure 4).

"We brought together all the different parts of the business to identify existing areas of best practice and to roll those out across all of the business units." ***Expert interview***

Figure 4: Regulatory timeline

FEBRUARY 2015
The FCA published Occasional Paper 8

FEBRUARY 2016
The FCA Financial Services Vulnerability Taskforce publishes its report outlining best practice recommendations for the industry to improve the experience and outcomes of customers who may be facing challenging personal circumstances

MAY 2016
The FCA published OP17 - Access to Financial Services in the UK

SEPTEMBER 2017
The FCA published OP31 - Ageing Population and Financial Services

NOVEMBER 2018
The FCA publishes its Future Approach to Consumers and sets out clearer definitions of vulnerability with the view of being able to better target consumer interventions

The main driver is not compliance, but a sense that this is the right thing to do for customers

All of the firms we spoke to said that their organisation was taking the issue of vulnerability very seriously. This was very much supported by the results of our survey.

94% OF FIRMS REPORTED THAT THE ISSUE OF VULNERABLE CUSTOMERS IS BEING TREATED QUITE SERIOUSLY OR VERY SERIOUSLY BY THEIR ORGANISATION.

Despite increased organisational attention following the FCA's OP8, this is not an issue that is typically being driven by compliance. Rather, it was common to hear from our respondents that this is about achieving the right customer outcomes. There was an overarching recognition that vulnerability can happen to anyone of us, at any time, and therefore the issue is very real and relatable to all members of staff within an organisation, from the CEO down to the call centre staff. In the organisations we spoke to, vulnerability is fully supported from the top down, whether that be by having a senior-level champion or commitment from the whole of the top management tier. That said, we are mindful that this is a self-selecting sample, and that these views may not be representative of the broader market.

"Dealing with vulnerable customers is about human decency." ***Expert interview***

"I would say it is really important to us. Firstly, to have a culture that behaves with compassion to all customers and (secondly), treating customers when they are in a vulnerable situation well." ***Expert interview***

Beyond this, organisations recognised that there are business benefits in dealing with vulnerable customers effectively, including better customer outcomes, fewer complaints, and empowered front-line staff. There was a strong sense that making things work for vulnerable customers will have a positive impact for all customers.

As a result, we found that responsibility for vulnerable customers, more often than not, sits within customer experience rather than risk and compliance.

The industry is following a common adoption path, but some firms are further down it than others

There is no doubt that the FCA's OP8 and its subsequent publications have crystallised industry thinking and spurred organisations into taking formal action. In line with the ABI's guidelines, all of the organisations we spoke to now have a policy in place and are at various stages of embedding 'vulnerability' into their systems and processes. (See figure 5).

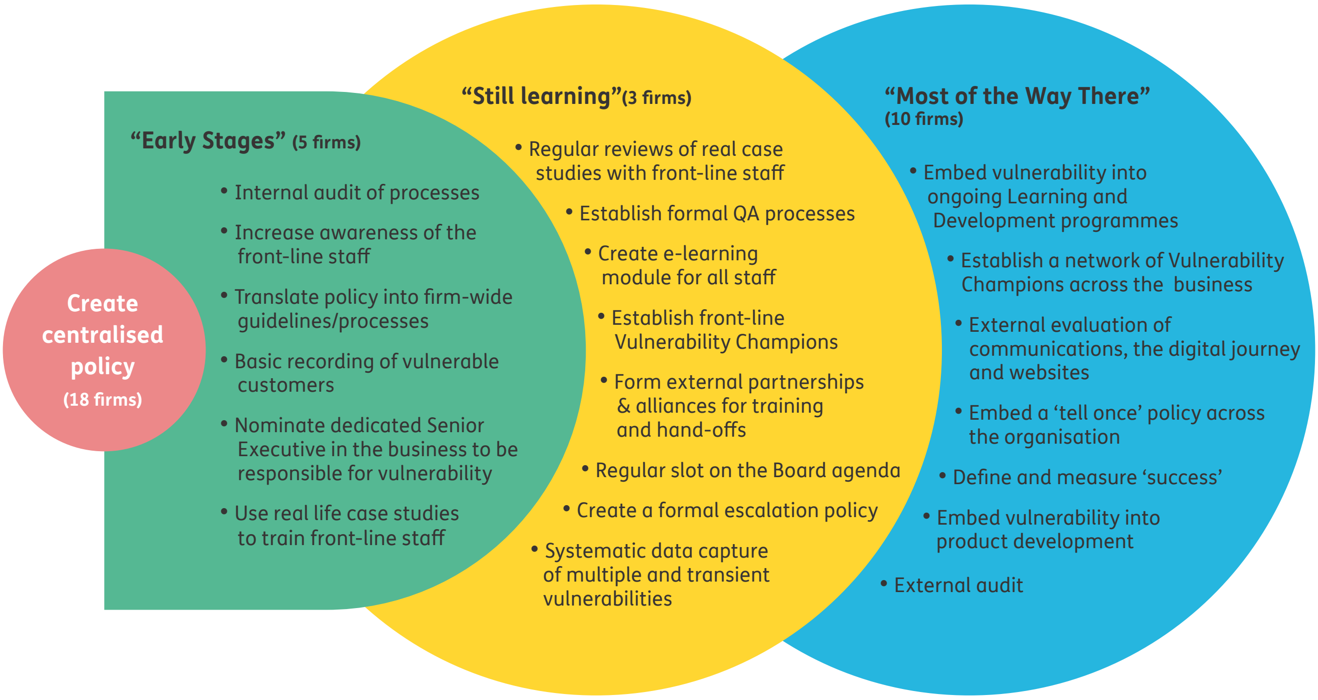
Beyond this, the organisations who took part in the study were at very different stages of their journey, reflecting the diverse range of firms we spoke to. Many smaller organisations were still struggling with corporate definitions, considering the most appropriate operating model(s), and understanding how capable front and back office staff are at identifying and dealing with vulnerability.

"Our biggest challenges are ensuring there are methods in place to consistently recognise vulnerable clients and adopting suitable processes across the firm to advise them accordingly in a manner they can understand." ***Survey respondent***

Some of the larger firms we spoke to had already implemented extensive staff training, new call centre protocols and have amended systems to record vulnerability, but are not yet at the stage of formally assessing how successful these initiatives have been.

Even within organisations there was widespread agreement that some business units are further advanced than others, and that this poses issues for the consistency of customer experience.

Figure 5: Summary of progress to date



Note: Based on moderator impressions from the expert interviews

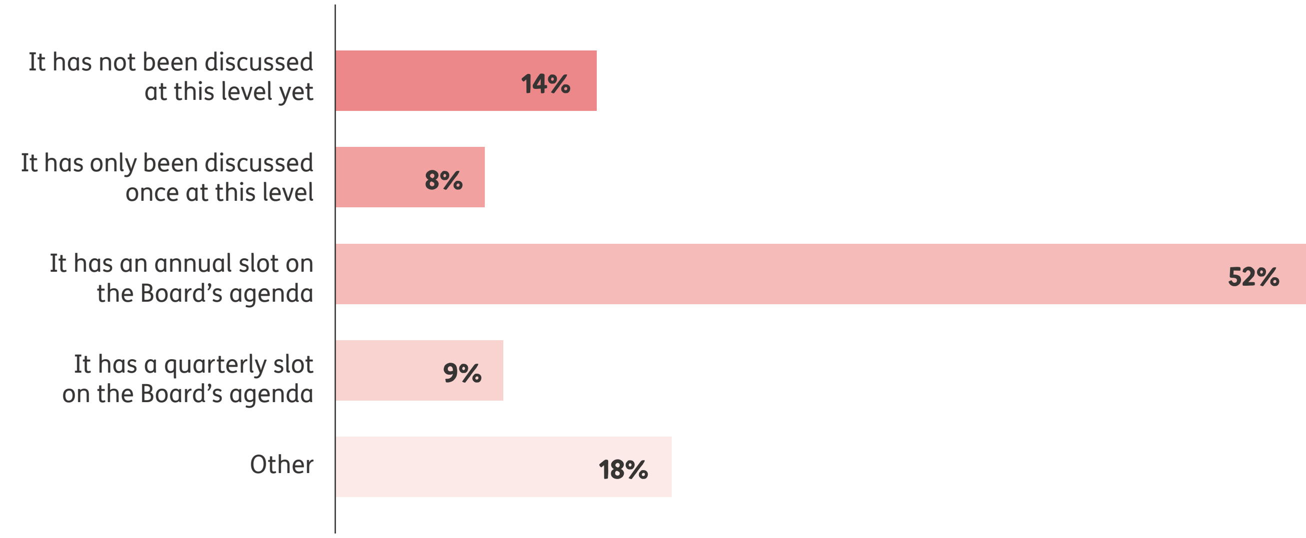
In our survey, which is more reflective of smaller, financial advisory firms, we also found that the vast majority of firms (88%) felt that their organisation had responded well or very well to putting in place measures to deal with vulnerable customers.

Vulnerability now sits firmly at Board level

All who took part in our discussions agreed that the issue of vulnerability now sits firmly on their senior management, if not Board, agenda. The vast majority had a regular update slot every quarter; only a couple had discussed their vulnerability strategy and plans only once.

These findings were very much in line with the results from our survey. Here, just over six in ten said that vulnerability was a regular feature on their agenda, and had been for some time. That said, 14% of firms in the survey said that this issue was yet to feature at the most senior level discussions. (See chart 1).

Chart 1: How often is vulnerability discussed at the Board/Executive Committee level in your organisation?

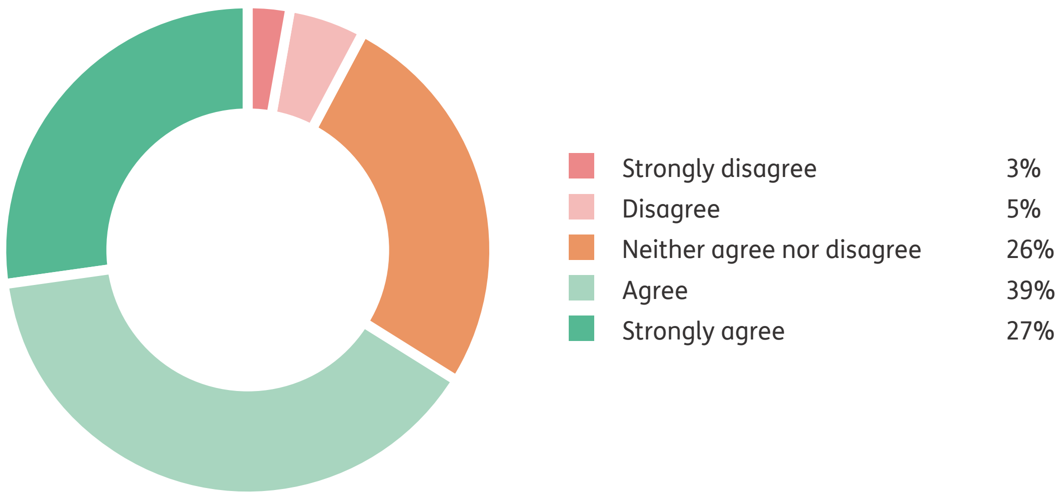


Base = 66 respondents

A couple of larger firms mentioned that they had held dedicated training sessions to help bring the issue of vulnerability to life for their Board members. One had partnered with a charity to run an away-day session, which included the use of vision impairment goggles and other devices which simulate the experience of having a disability. Others had members of the Board listen to anonymised vulnerable customer calls on a regular basis. There was agreement that these types of exercises are very useful to help bring to life problems faced by vulnerable customers, and to help senior executives understand the challenges faced by customer-facing staff.

There was general agreement amongst all those we spoke to that this issue is being taken seriously by both the Board and senior management and that it is taking up a fair amount of a senior executive's time. Most felt that senior management time dedicated to 'vulnerability' would increase over the coming years; no respondent said that their firm would spend less time on it. These views were also reflected in the survey, where less than 10% felt that the issue would become less important over time. (See chart 2).

Chart 2: I expect vulnerability to increase in importance over the next 5 years for my organisation



Base = 62 respondents

Most firms had 'Vulnerability Champions' in place

Vulnerability Champions across organisations of all sizes tend to be in front-line customer service roles and are simply more highly trained, experienced front-line staff. The exact role and responsibilities of the Vulnerability Champion varies from firm to firm but, in essence, they are the more senior members of staff who act as escalation points, and who have the authority and discretion to take a tailored approach to the situation and to offer flexible solutions.

"I am a Vulnerable Client Champion so I have been working with other team leaders and with our compliance department. We are trying to work out what the right things are to do for our clients and how these solutions will work in our business. Once we have some answers, we can look to take these solutions to the management level and make sure that they are comfortable with the actions we are taking." ***Expert interview***

In larger firms, there is often a formal escalation process to a network of specialised staff in risk and compliance, new product development, finance, underwriting and communications. These people have responsibility for taking decisions on the most difficult cases. In the organisations, furthest down the adoption path where vulnerability is fully embedded in the organisation, they do not feel the need to have designated 'Champions', but have retained specialist vulnerable customer teams. In smaller firms, members of the most senior management team take on this responsibility.

"We have a vulnerability team within the business and a disability team, and the work across the organisation looks at how we can support our customers who – in any shape or form – are using the welfare state. We have gone past the stage of having designated vulnerable customer champions as such, although we still have a vulnerable customer team. Because of where we now are, supporting vulnerable customers is ingrained into what we do across the group, it is not something special in that regard." ***Expert interview***

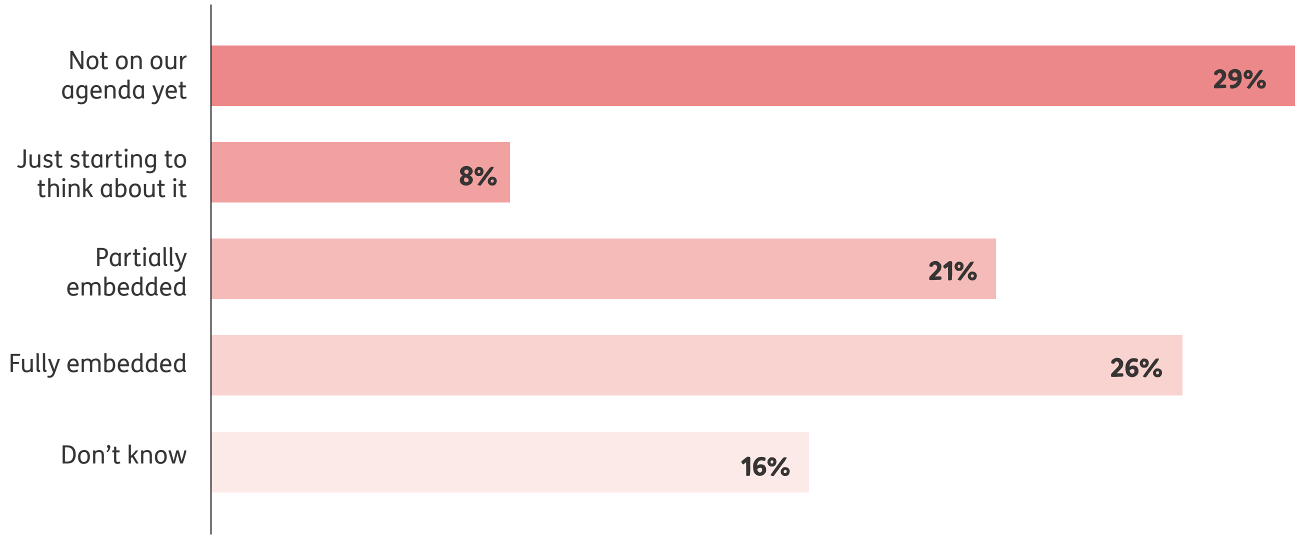
Not all firms have a formal budget dedicated to vulnerability

Assignment of a dedicated budget is typically a sign of the maturity of any initiative. Usually this happens when an initiative ceases to be a project and becomes 'business as usual'. Only one of the firms we spoke to had a dedicated budget for vulnerability. This finding was supported by our survey, which indicated that just two firms had taken this step.

Few firms have fully embedded vulnerability into product development

We observed that activity to date has rightly focused on the customer-facing areas, as the front-line staff are responsible for identifying and dealing appropriately with vulnerable customers. Far fewer firms have fully embedded best practice in product development, despite this being explicitly highlighted by the FCA (OP8 cited concerns about complex and confusing communications and inflexible products designed 'for the average customer'). This finding was supported by the survey, where just 26% of firms say they have fully embedded addressing customer vulnerability into product service and design. (See chart 3).

Chart 3: Have your product development teams embedded vulnerability into product design?



Base = 62 respondents

Current activities related to product development reported to us in our qualitative discussions included measures such as:

- Ensuring all customer research includes vulnerable groups
- Third party audits of websites and/or communications, typically by specialist charities such as Alzheimer's UK and Age UK
- Introducing firm-wide e-learning to help promote understanding of vulnerability across the organisation, including among product teams and technical specialists
- Working from the baseline assumption that *all* future customers will be cognitively challenged.

There was widespread agreement that this is an area where firms will need to do more in the future, and one which is expected to get more regulatory attention in the near future.

"I think the focus will shift away from identification of vulnerability within an existing customer base, into engaging with considerations of customer vulnerability as an inherent factor within product and proposition design." ***Expert interview***

"I suspect this will be a long-term product design issue, but in the shorter term it's another compliance process." ***Survey respondent***

Mixed experiences of tackling technological innovation and digital exclusion

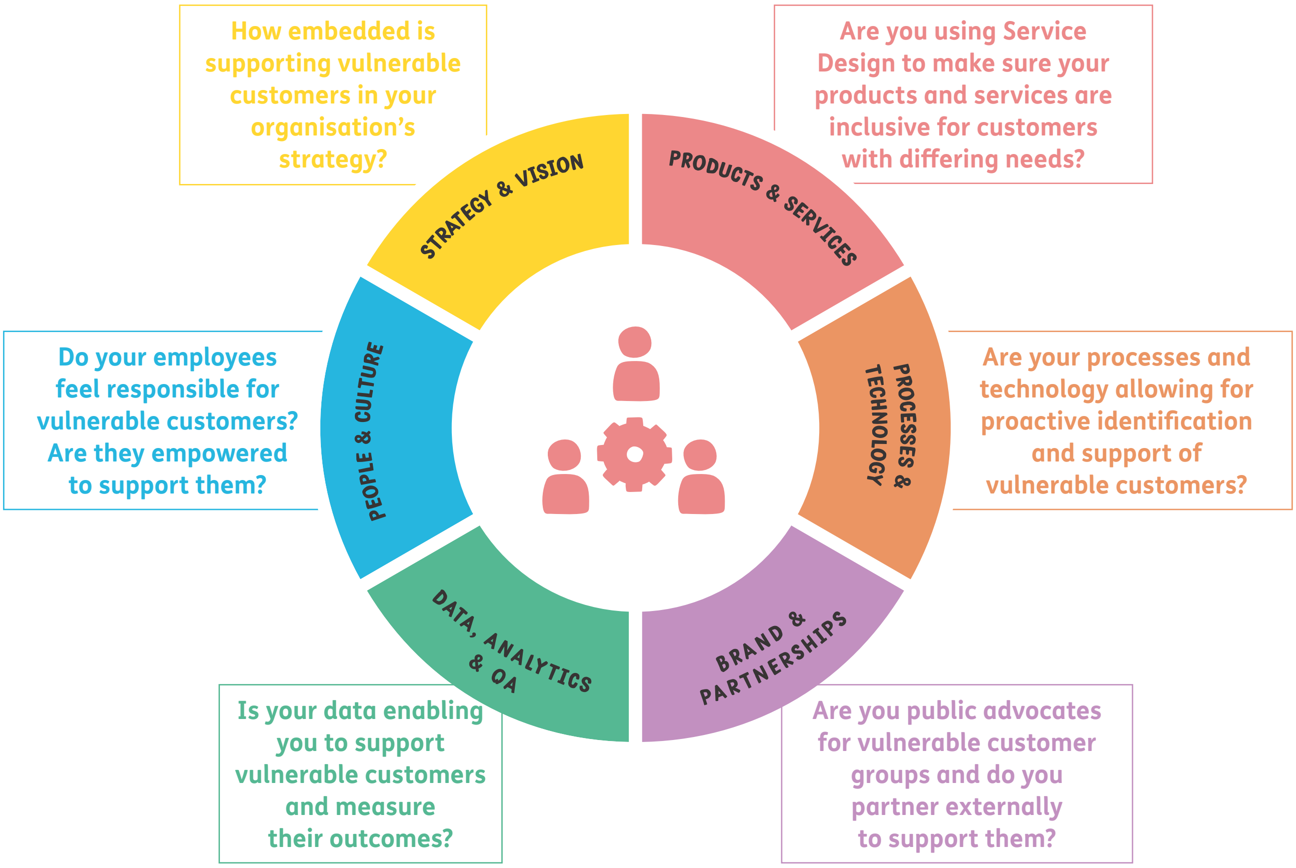
Whilst firms clearly recognise the challenge that digital journeys present to many customers with different types of vulnerability, they have yet to find the right solutions. We heard sporadic use of techniques such as:

- Voice recognition systems which can identify emotional stress
- Voice biometrics
- Building in triage points which filter a customer out of the digital journey into a phone or face-to-face interaction
- Working with the third sector to spot any issues early in the digital design phase.

A small number of firms have hired external agencies to conduct performance audits of their policies and processes

Several larger firms reported asking the Money Advice Trust to conduct an audit of their policies and procedures to assess how effective the measures have been and to identify any gaps. Others have worked with management consultancies, such as Baringa who have been developing new tools including their Vulnerable Customer maturity model. (See figure 6).

Figure 6: Baringa's Vulnerable Customer maturity model



Source: Baringa Partners LLP

There was very low awareness amongst our respondents of BSI's vulnerability standard: *BS 18477:2010 Inclusive service provision*[6], despite many of the leading energy companies taking up this formal accreditation.

Tackling vulnerability will be an evolving process for many years

Organisations who are further advanced on their journey recognise that they have really only just started to tackle the low-hanging fruit, and that this is an area which will continue to evolve over time. They fully expect that their organisation will still be responding to the challenge of how to deal with vulnerable customers for many years to come.

"Things will continue to come up. We didn't know what we didn't know, we know what we know now, but I don't think we know everything, and things will emerge which we didn't spot. There is an ongoing challenge there and I can see the industry has to take it seriously." ***Expert interview***

"Sometimes I look at what we have achieved and I feel very proud. Other days I think we have only just started to scratch the surface. This is such a huge area, it will go on for years and years" ***Expert interview***

6. BS 18477:2010 Inclusive service provision. Requirements for identifying and responding to consumer vulnerability, BSI

5. RECOGNISING VULNERABLE CUSTOMERS

Summary

Infrequent customer contact means the number of vulnerable customers presenting are very low compared to the overall customer base.

Firms are recognising the obvious vulnerabilities amongst customers, but there are concerns that the more esoteric types of vulnerability are being missed.

Limited customer touchpoints in the product lifecycle, makes identification very difficult

This is a sector characterised by long-term products and an inert customer base. Even in the largest firms, only a tiny fraction of the overall customer base make contact with their provider each year, resulting in very limited opportunities to identify areas of actual or potential vulnerability.

We found very limited evidence that firms are introducing additional touchpoints into the life of products to encourage contact in order to assess whether a customer is vulnerable or has certain support requirements.

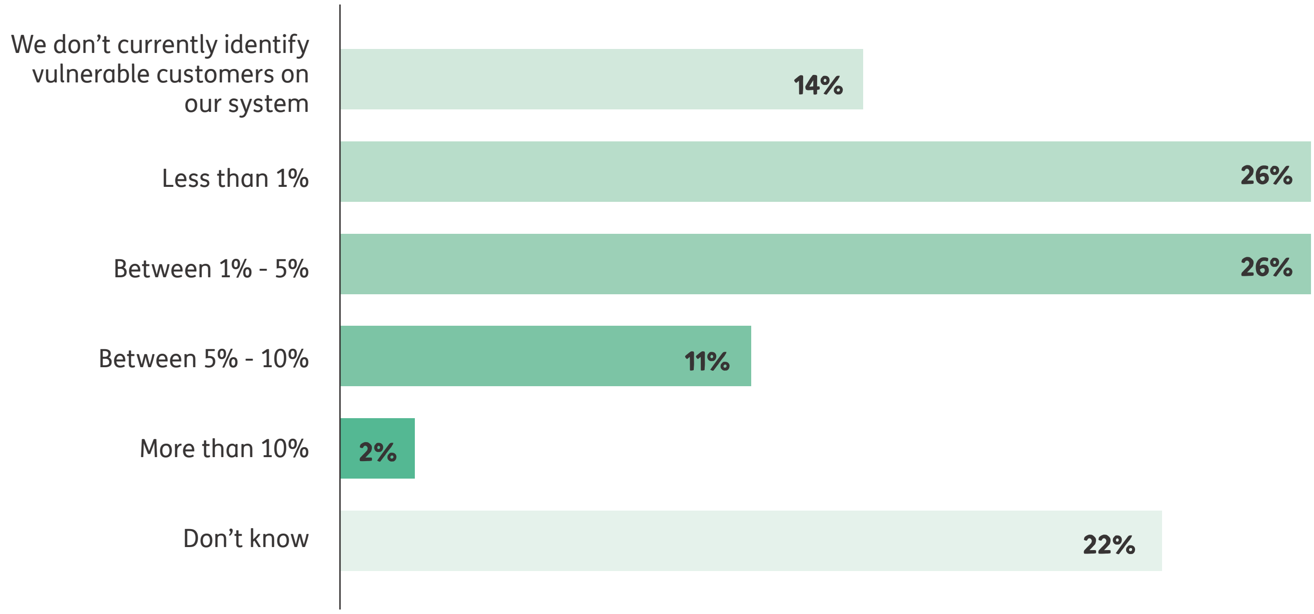
As a result, at best the number of recorded vulnerable customers in firms who took part in our discussion is less than 5%, and for some firms it is less than 1%, of their overall customer base. (See chart 4).

The majority of respondents in our survey are financial intermediaries, and therefore have regular contact with their clients. But even amongst this group, recognising that people have vulnerabilities is still regarded as the most difficult area.

As a result, most of the respondents who recorded vulnerability had flagged less than 5% of their customer base as exhibiting a vulnerability. In contrast, the FCA believe that around 50% of consumers are potentially vulnerable.

"Recognising vulnerability, such as early stage dementia, is difficult as many of our clients are C-suite type individuals who are assertive and strong minded, and have a history of challenging the views of others. Recognising vulnerability against this backdrop is tricky as those behaviours tend to mask symptoms for the individual concerned as they tend to always trust their own decision making." ***Survey respondent***

Chart 4: What percentage of your customers have been identified as 'vulnerable' on your systems?



Base = 65 respondents

Firms are not using innovative techniques to map vulnerabilities

There was a broad recognition across firms that certain segments of the client base are more likely to be *potentially* vulnerable than others – for example ageing customer bases, or customers who were choosing to be in drawdown rather than annuities – but beyond this there has been limited assessment of the specific risks posed by the demographics of the firm's customer base.

Some firms are comparing the number of vulnerable customers identified against overall population statistics to estimate the size of the identification gap, but this was the exception rather than the rule. Many questioned exactly what this type of analysis would actually mean in practice for their firm, given they are focused on *circumstances* not *characteristics*.

"We looked at the number of blind people we had picked up against the number in the population and it was much lower. But what does this mean? Is it necessarily bad? If they don't tell us, how can we know? And whether they are suffering harm or detriment as a result is highly dependent on that person's personal circumstances." ***Expert interview***

We found that very few firms are currently using data analytics to map potential vulnerabilities across their entire customer base. Indeed, we heard mixed views on whether this was even appropriate. There was a broad view that recognising vulnerability generally involves some degree of subjective judgement, and that what may make one customer vulnerable to detriment may not affect another similar customer in the same way. For some, the unique nature of a person's vulnerability therefore renders wide-ranging flags or markers at best meaningless, and at worst dangerous, especially as many vulnerabilities are transient in nature.

"I think we should be careful not to put 'vulnerable' into a box only relating to the elderly. Indeed I have many elderly clients who would not be described as vulnerable. But a recently bereaved widow who has lost her husband and who has never had any dealings with finances could be regarded as vulnerable, as indeed could someone of any age who has disabilities." ***Survey respondent***

That said, new predictive analytics and Artificial Intelligence (AI) tools are emerging that can use customer data to provide far more sophisticated insights into behavioural patterns.

"It is one of the toughest things to do looking at AI to analyse the behavioural traits of someone who is vulnerable. It is in its infancy and it doesn't feel to me that it is practical right now. However, that's not an excuse to do nothing with AI just because it's difficult to currently apply, we need to start somewhere and learn as we go. You only have to look across at the ground-breaking work that Babylon Healthcare are doing with the application of AI, to see how brilliant it can be at diagnosis and in recognising customer confusion. This then prompts additional support and further reassurance. There is no reason why financial services couldn't approach vulnerability with the same customer focussed approach." ***Expert interview***

Firms felt that this is very much an area where other sectors, (particularly the banking and technology sectors) are likely to be ahead of the game. When looking specifically at how to deal with vulnerability in the digital journey, those we spoke to felt strongly that there was much more that could be learned through the systematic sharing of cross-sector experience.

CALL TO ACTION

Creation of an 'Innovation Forum' to share best practices and learn from other sectors and technology firms.

Customers are not proactively disclosing vulnerabilities, and this is a major issue for the industry

Our respondents agreed that identification is further hindered as customers themselves may not know they are vulnerable, nor are they particularly forthcoming in disclosing what can be very personal information. In part, this was attributed to customer ignorance – they do not realise that the information could be important, nor do they understand how disclosure could benefit them. Firms also recognised that there is a distinct lack of trust in the industry, which may be preventing customers from taking a proactive role in disclosing important information.

This view is very much aligned with the findings of a survey of 3,000 UK adults conducted by Baringa in 2016[7], which found that two in three vulnerable customers do not think organisations should proactively try to identify them.

Firms have started to tell their customer base about the mechanisms they have put in place to support vulnerable customers; the most effective communications unsurprisingly focus on how this initiative can be of benefit to the customer.

Creating social norms around self-reporting requires the industry to align with other sectors

No firm mentioned that they'd already linked-up with current self-reporting initiatives such as the Vulnerability Registration Service (a platform providing vulnerable consumers with a single reference point for recording their personal circumstances at a given point in time when they are looking to protect themselves against further debt or related financial problems), and indeed awareness of such platforms was very low. There was a sense that if too many of these platforms emerge without any consistency, it will be counter-productive and lead to confusion amongst vulnerable consumers and the industry.

We also heard that the industry alone cannot 'normalise' self-reporting; at the bare minimum this must be done as part of a broader financial services initiative, and preferably working with other sectors.

CALL TO ACTION

Cross-industry initiative to promote the benefits of reporting vulnerability and to explore the potential for a single self-reporting process and data repository.

Firms are mostly reliant on front-line staff to identify and record vulnerable consumers

Across all firms, we heard that responsibility for recognising a vulnerability lies entirely with the front-line staff. This is a big ask given that these people, however highly trained, are by no means experts in diagnosis. As a result, our respondents agreed that staff are generally picking up the most obvious vulnerabilities, but a vast swathe of the less obvious cases that are going unrecorded.

7. https://www.baringa.com/BaringaWebsite/media/BaringaMedia/PDF/Baringa-VC-Report-FINAL-WEB.PDF

"We are very good at capturing when there is a real, evident vulnerability. If there is a scenario where someone is not telling you something then that is much more of a difficult one. There is no answer to that at the moment." ***Expert interview***

A move away from highly scripted calls has been very helpful by giving staff the freedom to explore potential areas of vulnerability in natural language. All of the firms we spoke to no longer have strict targets for call times. They also reported that they now focus on hiring call centre staff with high levels of empathy, rather than technical skills.

"Vulnerability appears differently for each individual, so having set rules and rigidity is often inappropriate as this needs human empathy as opposed to system delivered solutions." ***Survey respondent***

The face-to-face financial intermediary sector has always been built around having a personal relationship with the client, and so many of the challenges faced by remote staff are less of an issue for this sector. However, this group were keen to stress this does not mean they are immune to this problem of identification. Of the 56 verbatim comments provided by our survey respondents, 34 cited consistent identification as their most difficult challenge.

"Given that vulnerability is to a large extent subjective, it is difficult to develop a 'system' of identification and recording. It is relatively easy to spot an obvious situation where a client might be vulnerable but there are a number of situations where such identification is difficult as the client does not display any outward visual/ non visual signs." ***Survey respondent***

Most of the firms we spoke to have successfully built processes for handling calls from customers in vulnerable circumstances into their formal performance assessment processes. But only a handful reported that they had included successfully handling vulnerable customers into their reward and recognition programmes, and that this had only recently been introduced. We had no evidence from the verbatim comments in our survey that this was taking place in financial intermediary firms.

Respondents felt that there were some notable areas where further work is required. It was common to hear firms talk about improving how their staff deal with dementia, mental illness, terminal illness, elder abuse and financial capability in the next year or so.

Evaluation and monitoring processes tend to focus on call quality, not the recorded notes

The vast majority of firms we spoke to had a number of processes in place to assess the quality of the calls handled by the front-line staff including call monitoring, random sampling for compliance purposes, and live call listening by front-line managers.

"We do have a call monitoring team who listen to a lot of calls, but not every call. They have to identify things which a consultant may have missed, of which vulnerability is one thing." ***Expert interview***

Based on what we heard, in Ignition House's opinion, the key weakness in the remote contact quality assurance process is around assessing the quality of the written call notes. Not all firms had processes in place to systematically check this has been done fully. To us, this is a concern as in many firms this is often where the detailed information on any vulnerable customer is stored.

"Ensuring that staff identify and document that they are dealing with vulnerable customers and ongoing education/reminders are the key to ensuring we're capturing these customers correctly." ***Survey respondent***

Furthermore, firms tend to rely on their own internal checks, which may be systematically missing certain types of vulnerable customers. A couple of larger firms had sporadically brought in third sector organisations to review calls to help them understand if there were any areas of vulnerability they were not picking up, but this was the exception rather than the norm.

A more systematic, industry-wide approach to capturing and sharing case studies is needed

Across the board, there was strong agreement that using real life examples is the most powerful way to equip the front-line staff to be able to recognise (and deal) with vulnerable customers, and to bring the issue of vulnerability to life for all members of the organisation.

Although companies are creating anonymous case studies, we found that these are not always captured in a systematic way across the business, and that there is a tendency for case studies to reside within each business silo.

However, even in the largest firms there are only a handful of vulnerable customers presenting each week, which somewhat limits the learning opportunities. As a result, there was strong support for the industry to come together to formally share experiences.

CALL TO ACTION

Create an industry-wide database/ repository of anonymised case studies/examples.

Case Study: Large life office

A large provider is using work processing tools to enable the sharing of data and case studies on vulnerability between departments. The depositories enable Customer Champions from across the business to access and collaborate on cases of vulnerability and to use this as a learning experience to refine the existing approach to identifying and handling vulnerable cases. In addition, the firm uses an internal social platform for communicating between teams to allow individuals to collaborate and share information. As part of an ongoing commitment to refine its vulnerability policy, the case studies in these depositories are used to inform and identify training needs.

6. RECORDING VULNERABLE CUSTOMERS

Summary

The industry has no systematic approach to recording vulnerable customers, and system issues mean that practices can vary enormously even within firms.

Concerns about data protection mean that very little information is currently shared, even when this is obviously in the customer's interest.

Current practices are driven by system limitations

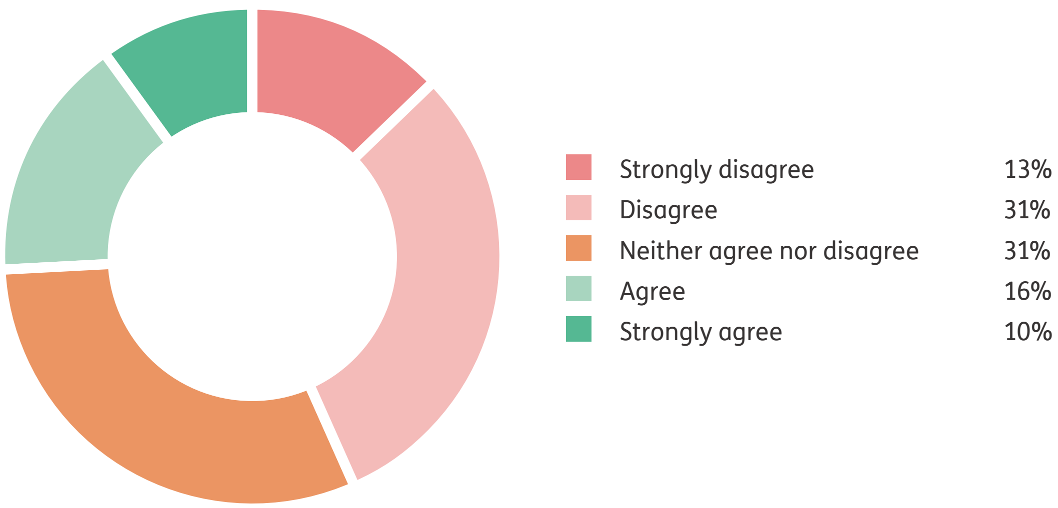
Firms recognised that recording vulnerability is a huge challenge; vulnerability is often not easily categorisable and that different types of vulnerability are frequently overlapping and closely interconnected in practice.

We found evidence of patchy and inconsistent use of vulnerability coding across the industry, usually driven by the limitations of legacy systems. In some cases, the very oldest systems were not able to record vulnerability at all. In others, system issues meant that a vulnerable person was flagged but any details of what that meant were captured in the accompanying notes. That said, even in firms with newer systems we heard mixed practices. Some simply flagged and relied on the more detailed notes, others were able to record multiple types of vulnerability.

This means that organisations will struggle to capture and share data about vulnerability even within their existing systems, especially where there are different systems within one parent company due to mergers and acquisitions. Some of the larger organisations are in the process of overlaying a 'single customer view' over the top of these legacy systems, but progress on this is patchy.

Data issues were very much recognised by our survey respondents. Despite this group being heavily dominated by the financial advisory sector (who are less likely to have multiple legacy systems), only 41% felt that it wouldn't present a serious issue (see chart 5). Just 49% of our survey respondents said their organisations could identify multiple vulnerabilities on their systems.

Chart 5: System changes will present a serious issue for our organisation, especially when dealing with legacy systems



Base = 62 respondents

No systematic approach to data capture means that 'tell once' is not working particularly well

In an ideal world, setting up operations so that customers do not have to repeat themselves with regards to their vulnerability, would be critical to alleviating undue stress.

However, we consistently heard that under-investment in technology has resulted in systems not speaking to each other. As a consequence, 'tell once' is not working well within the majority of firms. This frustration was also voiced by financial intermediaries in our survey, who may need to regularly deal with multiple providers on behalf of their vulnerable clients.

"A challenge is getting the back office providers to allow systems to be customised or put in place the relevant fields to record vulnerability." ***Survey respondent***

Respondents were keen to stress that the investment needed to fix legacy systems, especially in the absence of a tougher regulatory stance, is unlikely to be forthcoming. Therefore, the prospect of large-scale IT investment for the sole purpose of capturing and sharing vulnerability data seems unlikely – and also carries risk as it will require large-scale data migration from existing to new systems. This would suggest that any new plans for greater data capture and data-sharing across and between organisations would have to work within current systems constraints, at least in the short term.

"Vulnerability in and of itself as a topic doesn't drive the business case for the type of investment that is needed to overcome some of the constraints and problems posed by legacy policy administration systems, particularly in the absence of a firmer regulatory perspective of what 'good' looks like." ***Expert interview***

All reported difficulty understanding how to record and maintain data within the GDPR rules for customers with transient vulnerabilities

It was common for us to hear firms expressing severe concerns about how to deal with customers presenting transient vulnerabilities, both in terms of how to record this but also in terms of when and how often the customer would need to be contacted under General Data Protection Regulation (GDPR) requirements (to determine whether the flag was still relevant). For some this meant that very detailed recording would result in an onerous re-contact programme. As a result, they had opted to keep vulnerability flags at a high level to avoid this situation, and to record the detail in the call notes.

"So, if someone is, say, bereaved how often do you need to contact them to see if their situation has stabilised? Every 3 months? Every 6 months?" ***Expert interview***

Amongst our survey respondents, just under 50% had in place a process to identify transient or temporary types of vulnerability.

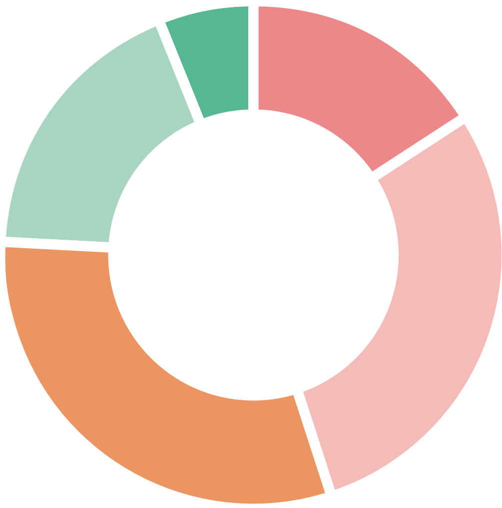
CALL TO ACTION

Industry guidance on how firms should deal with transient vulnerability.

Data protection is a key barrier to sharing information, even when it is in the customer's interest, and further clarity from the Information Commissioner's Office (ICO) would be welcomed

The vast majority of firms expressed concerns in our detailed discussions about recording details of customer vulnerability. However, in our survey we had more mixed views, where around a quarter (24%) agreed or strongly agreed that data security issues are hampering their firm's ability to deal effectively with vulnerable customers. (See chart 6). It is difficult to say from this result whether financial intermediaries genuinely have fewer concerns, or whether they are simply less aware of the implications. Further work will be needed to clarify their position.

Chart 6: I think concerns about data security issues are hampering our ability to deal effectively with vulnerable customers



Strongly disagree	16%
Disagree	29%
Neither agree nor disagree	31%
Agree	18%
Strongly agree	6%

Base = 62 respondents

Whilst the ICO has issued statements to say that data sharing should not be a barrier, there was a sense amongst those we spoke to that this guidance is too vague, and at times contradictory.

"The regulatory body in this area, the Information Commissioner's Office (ICO), has communicated to the FCA that, in the right circumstances, and for the right reasons, data protection should not act as a barrier to the recording of information, when this recording would lead[8] to a fair outcome for the customer." OP8 Practitioner's Pack

Firms would appreciate further clarity on what this statement actually means in practice, particularly for transient vulnerability.

"Right now, a number of firms might be grappling with data protection, and GDPR hasn't made this easier. If the industry can find a position that we can take comfort in without every firm needing to involve external legal resources, that would be helpful." ***Expert interview***

From what we heard, there is no doubt that a lack of clarity around data protection issues is hindering the sharing of data across firms. This was an issue mentioned as a major barrier by every single firm we spoke to. Overall, we found that the industry is very reluctant to share any data with third parties and that there are inconsistent practices in asking for consent to do so. As an example, although an adviser firm we spoke to identified vulnerable customers (and was very well-placed to do so due to long standing relationships and face-to-face interactions), it did not notify the vulnerable customer's product providers of their situation due to GDPR concerns.

CALL TO ACTION

Code of practice for seeking consent to share data with third parties.

Furthermore, firms were keen to stress that even with more clarity on the ICO's position, there are many practical issues with taking this type of initiative forward.

"I would absolutely love to work in an industry that can share data like that, but if you know anything about the Dashboard debate, you will know that providers have bad records, dummy National Insurance numbers and inaccurate data. Some of these providers have legacy systems that just don't talk to each other." ***Expert interview***

8. https://www.fca.org.uk/publication/occasional-papers/occasional-paper-8-practitioners-pack.pdf

There is no consistency in approach across the sector

We note that each of the firms who took part in this study have introduced their own definitions and means of identifying and recording vulnerability, which means that there is no consistent treatment of a vulnerable customer.

Here, there may be lessons to be learned from the energy sector who have come together to develop a set of standardised vulnerability 'Needs Codes' (the categories that allow customers to register on the Priority Services Register for non-financial support) that are being rolled out across electricity and gas companies.

CALL TO ACTION

Consider the merits of a standard approach to the way vulnerable customers are recorded.

7. RESPONDING TO VULNERABLE CUSTOMERS

Summary

Front-line staff are generally responding well to the small number of customers who are presenting as 'vulnerable'.

Partnerships and alliances are working well, but there is room for more industry co-ordination.

Firms have focused attention and resources on training and empowering front-line staff

Across the firms we spoke to, standard practice was for the front-line staff to handle the vast majority of interactions with vulnerable customers; referrals to Vulnerability Champions were only made in the trickiest situations.

The vast majority of staff want to do what is best for customers, particularly those in vulnerable circumstances. Ensuring that they have the tools, training, systems and the confidence to identify and assist them is central to this work. The message coming through loud and clear was that organisations had put in place a culture where staff are encouraged to understand and empathise with vulnerability.

Many of the larger firms have embedded vulnerability in their continuous learning processes; whereas within smaller companies the training is more sporadic and one off.

"We have had a raft of different training solutions on a number of tiers. There is an online training module which has been developed and rolled out to all staff – to front-line staff as well as the back office. The front-line staff have then been through a 2-hour face-to-face training module which is taking more of a workshop style format where there are a number of practical case studies and scenarios that individuals work through. This has also been delivered to the front-line teams of our key third party outsourced providers. We have conducted an independent review of all of our training materials as well as a mini audit." ***Expert interview***

Several respondents to our survey reported that their advisers had similar one-off training.

"We were aware of the issue and put in measures to identify vulnerable clients at the initial stages of engagement with individuals and then outlined ways to deal with them. So if they are classed as vulnerable they are treated in a way fitting with the type of vulnerability assessed. We have also trained our advisers on not only these elements but on how to bring about conversations around this area." ***Survey respondent***

A minority of survey respondents were members of the Society of Later Life Advisers (SOLLA), which requires evidence of the treatment of vulnerable customers to maintain the accreditation.

Partnerships and alliances with the third sector are working well, but there is a lot of duplication of effort

The industry has very much recognised that there is a wealth of expertise and initiatives outside of the immediate pensions industry, that providers can draw on to improve their own approaches to dealing with vulnerability:

- Most of the organisations we spoke to have called upon the services of the third sector to deliver training to their staff. Many larger firms had adopted a 'train the trainer' model
- All bar three had put in place handover processes to specialist organisations
- A small minority were able to involve third sector partners in 3-way calls with the vulnerable customer.

Firms who were yet to make formal connections would appreciate a centralised list of resources to call on, rather than each firm conducting their own research and outreach programme.

There was also a recognition that industry-wide initiatives will help to alleviate pressure on the third sector, who are increasingly feeling ‘swamped’ by requests for help by financial services firms.

CALL TO ACTION

Centralised list of third sector bodies and standardised training would deliver cost efficiencies for firms.

CALL TO ACTION

Industry-wide initiatives to leverage the knowledge and experience of the third sector will help reduce pressure on third sector resources.

There was also a sense that all firms are re-inventing the wheel when it comes to training and e-learning and a more centralised programme perhaps run by the ABI, would deliver significant efficiencies.

Evidence that the ABI best practice guidelines are being adopted

Many of the firms we spoke to are implementing the ABI’s guidelines for responding to vulnerable customers. Figure 6 provides a few examples of the practices we heard.

Figure 6: Examples of ABI best practice

ABI Guidelines	Examples
Firms should ensure staff are suitably trained and equipped to deal with vulnerable customers or are empowered to refer customers to external organisations with a particular expertise.	Large life company has partnered with several UK charities to train staff to understand and be aware of signs of dementia and other cognitive issues. Put in place hand-offs to third sector bodies who offer support for suicide and financial difficulties. Training and deployment of BLAKE, TEXAS and BRUCE tools to assist call identifying those with a specific set of vulnerabilities.
Front-line staff should also be trained and empowered to recognise that they may need to flexibly respond to a specific circumstance that requires them to deviate from a standard procedure or call script.	Mid size life company empowers the individual call handler to assess potential vulnerabilities based on listening to voice patterns (e.g. shortness of breath, anger over trivial information). Tone of the call and the line of questioning are adjusted accordingly.
Call scripts should be amended so that they reframe questions in a way that encourages the disclosure of information.	Mid size company is using BLAKE, TEXAS and BRUCE tools to assist front-line staff in handling, employing open questions and natural language (as opposed to more structured closed line of enquiry) to build rapport and trust and to encourage disclosure.
Firms could try to allocate the same individual front-line staff member to manage the vulnerable customer through their processes. Firms should insert a number of ‘pauses’ or ‘breaks’ into the customer journey that enable both the customer and the front-line staff member to take time to consider action.	A large life company gave the example of a caller identified as having a mental illness. Although the call process would normally take around 45 minutes to complete, the call handler broke down the process into manageable chunks, offered to call the individual back at a set time and date and re-played key information back to the individual both verbally and in writing. The call handler also arranged for a third sector representative to be on the call to help support the handler when communicating key messages around any impact on the vulnerable individual’s means tested benefits.
Firms should consider how to accommodate face-to-face meetings with clients, if a firm is in a position to facilitate this, should they be necessary.	Large life company employs a field force who can be deployed in instances where the most vulnerable customers need face-to-face support, at no charge.

Support for staff is key, but is sometimes not in place

Many larger firms talked about the processes they had put in place to deal with the emotional pressures that are being placed on front-line staff. For example, firms had referral processes and employees could access well-being programmes. A formal approach to ensure staff were receiving the help they needed, particularly after dealing with the most difficult cases, was not always in place across the smaller firms we spoke to.

"One of the other challenges we have is that our employees have the same vulnerabilities as our customer base, they are no different. Some of the calls we have had have triggered things in our own staff, so it is being mindful of that as well and offering support and empathy for our own staff and giving them the time, space and support to be able to deal with this." ***Expert interview***

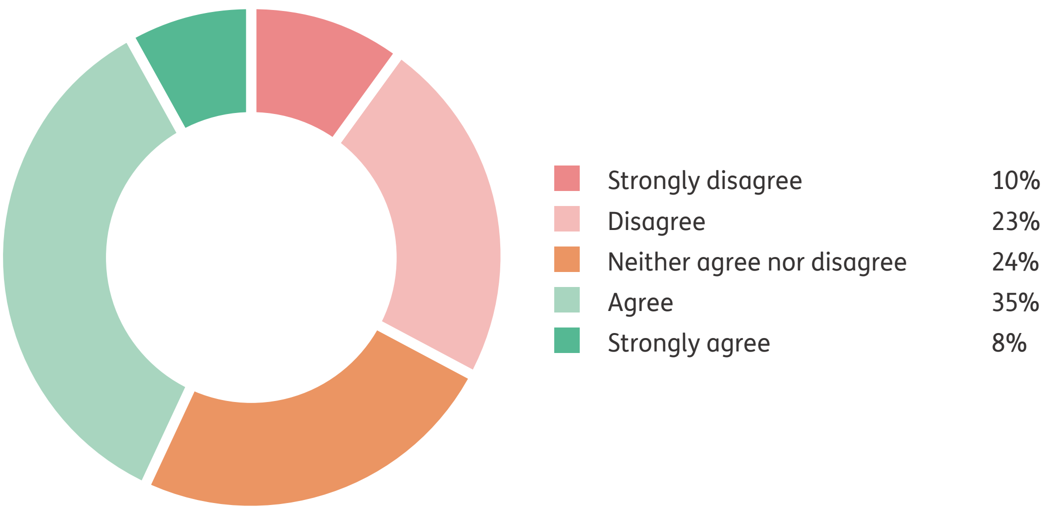
Creating a consistent approach across organisations remains an ongoing challenge

In our detailed discussions with larger firms, we heard that it was very difficult to embed a consistent approach across all areas of the business, and that this was still taking up a significant amount of organisational time and effort.

Firms who responded to our survey reflect much smaller organisations, typically with less than 50 employees. Nevertheless, this is still recognised as a challenge by a significant proportion, and specifically raised as an issue by those who are members of networks. (See chart 7).

"Our key challenge is ensuring multiple advisers identify vulnerable clients successfully, and that the appropriate actions are consistently applied." ***Survey respondent***

Chart 7: I think it is a challenge to embed the way we deal with vulnerable customers in a consistent way across the business



Base = 62 respondents

Inconsistency of arrangements around temporary delegation and Lasting Power of Attorney are identified as key areas of weakness across the sector

There are times when enabling a family member or carer to manage a vulnerable customer's affairs for a short time or accompaniment (sitting in or helping with a phone call or interview) are required. For example, measures should be in place to support friends and family when there is a need to assist a customer during emergencies such as hospitalisation or other short-term situations of need.

However, firms reported that current processes are not sufficiently developed or flexible enough to enable family and carers to help, nor are practices consistent across firms - resulting in unnecessary stress for customers and their carers in this particular situation.

Many respondents talked specifically about issues with Lasting Power of Attorney (LPA), both in terms of inconsistent practices across firms and sectors, and the fact that there is no 'once and done' policy.

"A lot of customers will have multiple financial products with multiple providers and in the scenario where a LPA is put into place, the individuals need to contact every single organisation. Typically, they will have to provide copies of LPA to 30 organisations and this extends beyond financial services. So, this is an issue that is begging out for a wider industry or government solution that uses block chain technology so they can upload the copy of LPA once, and firms can reach in and track what they need." ***Expert interview***

Firms would very much welcome a cross industry initiative to create a single point of contact for consumers to notify that they have a LPA in place, which any firm could access. Firms felt that the need for LPAs will become more pressing in the future as pension freedoms mean that consumers have to be less passive and more active in managing their money for the rest of their life.

No consistency in the actions to take in the event of mental incapacity

Several firms mentioned that they would welcome an industry initiative to clarify and create a consistent process in cases where a customer is identified as having limited mental capacity, but where there is no LPA nor any family member for the adviser to revert to.

"In cases of mental capacity limitations, we can try and help them with our tools but what to do next is a black hole at the moment. It would be really useful to get some industry guidance on what to do with cases like this, so we can fully support people who are clearly not able to make their own decisions. For example, should we be passing them on to the safeguarding teams in their Local Authority?" ***Expert interview***

CALL TO ACTION

Develop consistent processes for LPAs, temporary delegation and mental incapacity.

8. REPORTING

Summary

Reporting practices vary enormously from firm to firm, but tend to focus on identification metrics rather than outcomes.

Firms are somewhat vague on what 'success' looks like.

Not all firms see the value in collecting metrics

Of the 17 firms who took part in our study, most were formally collecting detailed Management Information. Where reporting did occur, this tended to be at the very basic 'identification' level – for example, how many new cases had been identified, what proportion of the overall customer base is vulnerable. Some were able to present data at a more granular level – for example the types of vulnerability that were being recorded - but this was the exception rather than the rule.

That said, not all were convinced that collecting and reporting top-level data is useful; it is more important to ensure that vulnerability is being properly dealt with on a case-by-case basis.

"It's the obvious vulnerabilities which are easy, or easier to identify and handle. For example, if they have had a stroke you are likely to be aware of that and we can handle that well. It is the vulnerability for a bereaved customer who is clearly not thinking straight, and wants to do a financial transaction, how do you help guide them and help them? That is the tricky bit." ***Expert interview***

Financial intermediary firms who responded to our survey were keen to stress the importance of creating a robust audit trail in case of any future regulatory activities in this area.

"We have a specific vulnerable client policy and procedure for dealing with such clients. We record all vulnerable clients within specific categories, and these can be monitored both internally, and if required by any external organisation." ***Survey respondent***

Evaluation and measurement of outcomes is usually weak

Evaluation and measurement of outcomes was, by far, the weakest area amongst the firms we spoke to. The vast majority have in place a multitude of systems to monitor call quality and are able to pick up where obvious cases of vulnerability are being missed or mishandled. However, firms did not have a quality assurance process in place to monitor 'success' and were not always clear what 'success' would look like, beyond monitoring customer satisfaction scores, complaints, and movements in overall metrics such as Net Promoter Scores.

"What does success look like? That's a good question and I'm not sure we fully have the answer to that yet." ***Expert interview***

"So far we have focused on raising awareness and recording. As vulnerability becomes more embedded, we will move towards monitoring." ***Expert interview***

Firms would like to understand more about how they compare to peers

Firms have no idea whether they are doing well or badly compared to their peers, or compared to the best in class. They are gravely concerned that they are simply picking up the most obvious vulnerabilities and missing many others. Currently, there is no formal mechanism for them to compare their results against peers; an information gap they would very much like to see filled by an independent body.

CALL TO ACTION

Benchmarking programme to help firms assess performance against peers.

9. FUTURE DRIVERS FOR CHANGE

Summary

The consensus is that the key driver will continue to be the FCA's activities.

Strong support for the industry to work together to raise standards, but the industry needs to look beyond financial services for best practice.

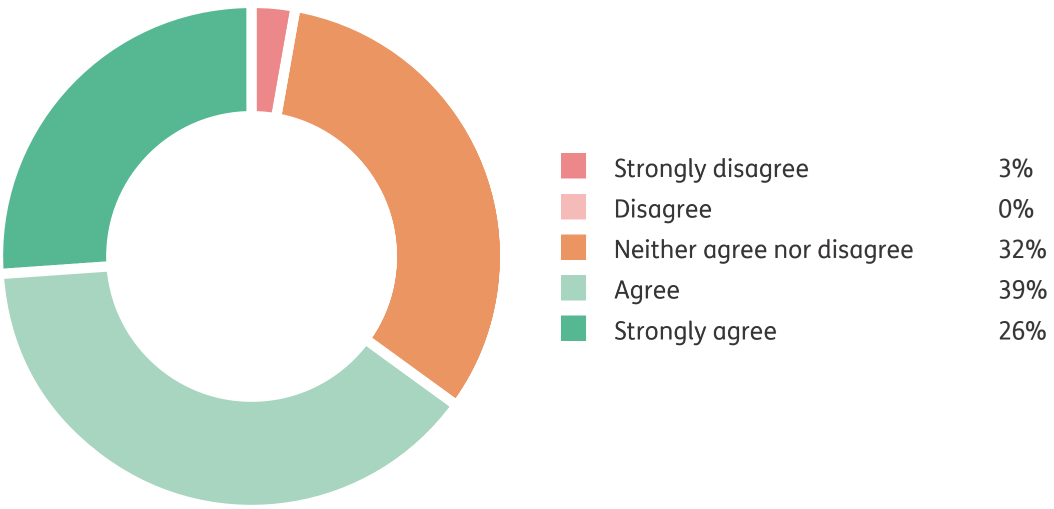
FCA activities are expected to be the key drivers for change

There was a strong expectation amongst the firms we spoke to that the FCA will retain a broad definition of vulnerability. There was common agreement that whilst this lack of prescription is more difficult for the industry to deal with, in the long run it will avoid the temptation to create restrictive 'tick box' practices and processes. None expected the FCA to narrow their definition of vulnerability, but further clarity on 'harm' and poor customer outcomes arising from vulnerability would be useful.

The larger firms noted that the FCA is highlighting that vulnerability will become a conduct obligation – with higher expectations around the proactive identification and support of vulnerable customers. Equally, they had high expectations that there would be some form of redress where firms have failed to meet the FCA's standards. All expected levels of supervisory activity to increase in the next few years.

In contrast, the financial adviser firms who took part in our survey were slightly more uncertain of the FCA's direction of travel. (See chart 8).

Chart 8: I expect vulnerability to become a supervisory activity for the FCA in the next five years



Base = 62 respondents

As more areas of vulnerability become 'normalised' in society, firms will be expected to step up

There is an expectation that issues such as mental health and well-being are becoming more mainstream. This will, in turn, raise consumer expectations of the firms they deal with, including financial services.

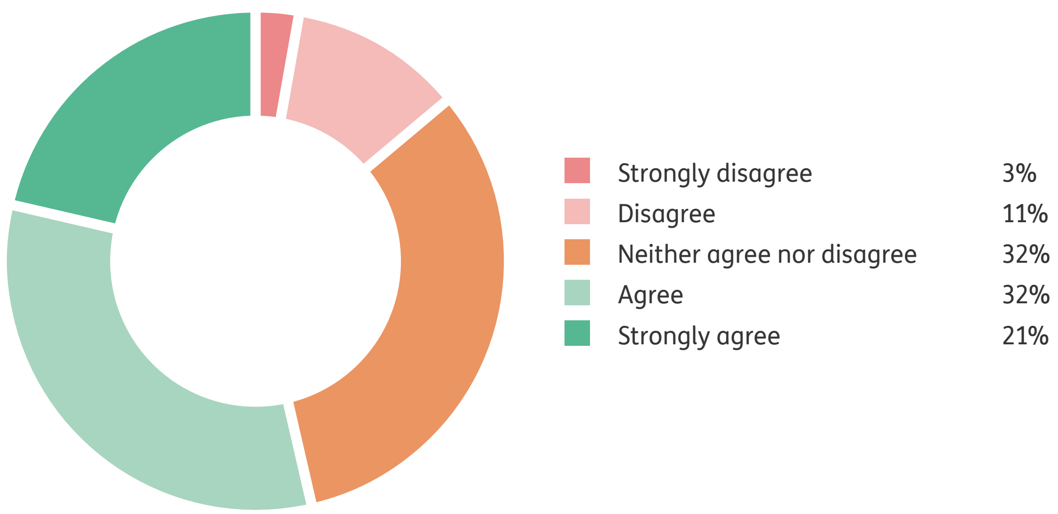
Larger firms believe there is no competitive advantage to addressing vulnerability, but financial intermediaries are not so sure

Not one of the organisations we spoke to felt that dealing successfully with vulnerable customers was something that would deliver a competitive advantage, at least not over the next five to ten years. Conversely, there was general agreement that this was an area where the industry should work together to raise standards across the board.

The results of our survey gives a more mixed view. Here, just over half agree, and a further 32% are not sure. However, very few disagree. (See chart 9).

"In my mind there is more we can do across the industry to share best practice around training and policies. I think the potential to enhance overall trust in the financial services industry outweighs the competitive advantage any individual firm may feel it holds in that area." ***Expert interview***

Chart 9: I think the way an organisation deals with vulnerable customers will deliver a competitive advantage



Base = 62 respondents

Industry needs to look beyond financial services for best practice

The ABI's Vulnerability Guide states that *"Firms should learn from and work with experts to better understand how to identify and support vulnerability across all channels, using good practice to inform the approach and embed understanding of vulnerability across the organisation."*

This sentiment was very much reflected by those we spoke to in our survey, where just 16% disagreed or strongly disagreed, that our industry can learn a lot from the way other sectors have responded to vulnerable customers. (See chart 10).

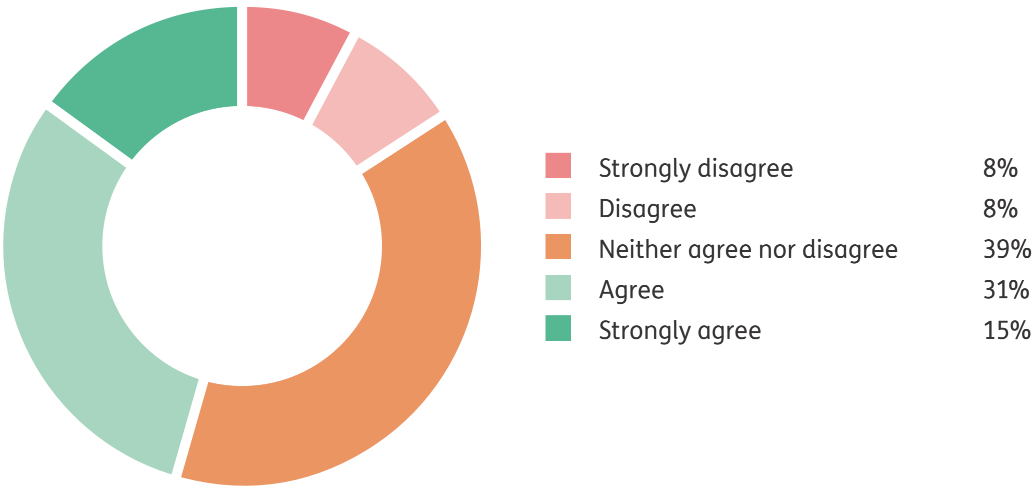
Across the board, we heard calls for more forums and events where firms could link up with other sectors, particularly utilities and energy suppliers, to learn from their experiences and anticipate next steps.

Calls for consistency of experience as the industry's response to vulnerable customers matures

Many of those we spoke to identified that, to date, the industry has been taking a somewhat piecemeal approach to tackling the problems faced by vulnerable customers, with each firm working independently on their own initiatives.

However, there is a growing recognition that vulnerable customers span multiple financial services providers, and are also the customers for many other sectors, pointing to the need for a consistency of approach. Several sectors are further ahead on this, and there would appear to be lessons to be learned from global experience.

Chart 10: I think our industry can learn a lot from the way other sectors have responded to vulnerable customers



Base = 62 respondents

10. CONCLUSIONS

The findings from our research indicate that dealing effectively with vulnerable customers is now high on the senior management agenda.

There has undoubtedly been a step-change in the way that firms are thinking about vulnerable customers since the FCA's Occasional Paper 8 was launched over two years ago. And yet despite the progress that has been made to date, many of the firms who took part in our study are just starting to wake up to the multitude of challenges that dealing effectively with vulnerable customers presents. Somewhat perversely, the further firms are along the journey, the more they realise that this is a much bigger issue than they anticipated.

We are mindful that there is a huge gap between the number of customers identified as being vulnerable – typically less than 5% – and the population who may need support. The FCA's estimate that 50% of the population are *potentially* vulnerable may be at the extreme, nevertheless the gap between the two figures is large and it seems that firms are still only scratching the surface.

Furthermore, it is our belief that whilst firms who took part in our study *say* that they are looking at circumstances rather than characteristics to identify vulnerable customers, we question whether this is always the case in practice. Firms recognised that they have consistently focused on the easiest cases to identify – for example, those with physical disabilities such as blindness or deafness, conditions such as dementia, mental health issues, or obvious changes to circumstances such as bereavement, divorce or serious illness.

As an industry we are not systematically considering the more difficult to identify characteristics, such as financial capability nor financial reliance. Furthermore, however well trained the front-line staff are, they will never be equipped to identify those who do not know they are vulnerable, or who do not want to reveal it.

We need to work together and with other industries to create new social norms – across all sectors, not just financial services – where customers understand the benefits of revealing personal, sensitive information and know that that they need to do this only once.

Our research suggests that, to date, firms have rightly focused on getting the basics in place: formalising a policy; waking-up the organisation to what vulnerable customers look like and why they might need support; and training and empowering staff to be able to handle difficult situations effectively and with empathy. Firms have not hesitated to call upon the expertise of the third sector to help them with this difficult journey. From the evidence we have heard, we would argue that, in the main, firms are dealing with the symptoms rather than the cause. Very little is currently being done to date to ensure that consideration of the impact on vulnerable customers is embedded into product design, communications and digital journeys.

When thinking about the next steps for the industry to take, we heard two very strong themes coming out of all of our discussions – consistency and co-operation.

It has taken a huge effort for firms to create consistent approaches within their own organisations, and yet to date, each organisation has been dealing with every single vulnerable customer in isolation, as if they were the only firm to have an interaction with that person. But in reality, each vulnerable customer will have a bank account, will probably have multiple financial products, and be using gas, electricity and other utilities.

Going forward, there was strong support for the industry to benefit from a more co-ordinated approach, both within the financial services sector and more broadly. The calls to action highlighted throughout this report represent the most pressing issues, but more will emerge as the industry's approach matures.

There is much the industry can learn from those who are further along the journey, or from those who are looking to use technology to provide solutions. The firms who took part in our study perceived that there is no competitive advantage to dealing effectively with vulnerable customers, at least in the short term, and they would welcome more cross-industry forums and initiatives through which to share best practices and innovation.

Firms strongly agreed that dealing effectively with vulnerable customers will continue to be a high priority area for the FCA, and they expect to see more supervisory activity in this area.

The message from firms to the FCA was also loud and clear – this is a tremendously difficult area and they would want to work co-operatively with the Regulator to resolve the many challenges ahead. They would also appreciate more joined-up thinking in government policy going forward, as attention turns to considering how to *avoid* creating vulnerable customers by the actions taken, rather than dealing with vulnerability when it happens.

"I do think this is something where the Government and the Regulator could be more joined-up in their approach. With pension freedoms, for example, it was very rushed and not entirely thought through - as we are now seeing with some drawdown products out there. We have created a vulnerability through government policy and if vulnerability was on the Treasury's agenda, perhaps they would have made a different decision." ***Expert interview***

NOTES

ABOUT JUST

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £15 billion of customers' retirement savings and has helped customers release over £3.5 billion from their properties.

Just provides a wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees.

ABOUT IGNITION HOUSE

Ignition House is a specialist financial services research consultancy with a reputation for excellence built around the skills, knowledge and experience of our senior team.

Founded by Janette Weir and Edward Ripley in 2009, we work with regulators, public sector bodies, industry associations and financial services institutions to help them address the particular business issues they face.

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Janette Weir authored the report, with analytical support from Joseph Birch. The views expressed in this report are those of the authors and not necessarily those of Just. Any errors are the responsibility of the authors.

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