



Vulnerable Clients Policy

Purpose

1. The aim of this policy is to ensure that all operations of ABC Incorporation Ltd do not have any negative impact upon vulnerable clients
2. Vulnerable Clients are clients and potential clients whose ability or circumstances require us to take extra precautions in the ways that we sell or provide our services to ensure that they are not disadvantaged in any way

Identifying a Vulnerable Client

3. Engaging with customers over the phone can be difficult to identify a Vulnerable Client as it is not possible to see many of the characteristics such as body language and facial expressions, which may help identify whether prospective customers require additional information and guidance to allow them to make an informed decision. For this reason it is imperative that we listen carefully to all customers and identify people who may be classed as Vulnerable Clients.

4. Telephone characteristics to look out for include -

4.1 Inability to hear or understand what is being said

4.2 Repeated Questions of a similar nature

4.3 Answers and comments that are not consistent with telephone conversations which indicates information given has not been understood

4.4 Verbal confirmation that they don't understand or require the assistance of someone else in making the decision

What to do when engaging with a vulnerable client

5. If a client is vulnerable it does not automatically mean that the services offered by ABC Incorporation Ltd are unsuitable. Once identified we may be engaging with a Vulnerable Client we should immediately make a record of the same and ensure this policy is adhered to.

6. When speaking to the Vulnerable client we should -

6.1 Provide additional opportunities for in which the client can ask questions regarding the information given

6.2 Continuously seek confirmation that the information provided is understood

6.3 Ask if there is anyone that is able to assist them

6.4 Offer them a period of further consideration before completing the application



7. If at any point we believe the Client does not understand the service being offered, the application is not completed and advise that further information regarding the service will be sent to them in writing.

What is mental capacity?

Mental capacity is a person's ability to make a decision. Whether or not a person has the ability to understand, remember and weigh up relevant information will determine whether they are able to make a decision based on that information. The client also needs to be able to communicate their decision. The mental capacity of a person may be limited in a way which prevents them from being to make certain decisions because of an impairment of, or disturbance in the functioning of, his mind or brain.

Making decisions

Mental Capacity is always defined in relation to a specific decision at a specific time. Consequently when considering an application or a change in the service features, the firm should take account of the customers circumstances at the time at which the application or request is made.

ABC Incorporation Ltd should take appropriate steps to identify whether or not the customer appears able to understand, remember and weigh up the information and explanations and having done so make an informed decision.

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

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

Below is a list of most common potential causes of mental capacity limitations (non - exhaustive list) -

- mental health condition
- dementia
- learning disability



- development disorder
- neuro-disability/brain injury
- alcohol or drug(including prescribed drugs) induced intoxication

A client may be understood to have, or suspected of having, any of these(or other) conditions which are potential causes of mental capacity limitations but that does not necessarily mean that they do not have the mental capacity to make an informed decision .

In some instances it may constitute disability discrimination for the purposes of the Equality Act 2010 (EA) to decline a client's application on a presumption that he doesn't have the mental capacity to make a particular decision based solely on the knowledge that the client has a condition from the above list

Financial Literacy

Although often difficult to differentiate one limitation from the other Mental Capacity is not the same as Financial Literacy. A limitation of Mental Capacity, results from a client having some impairment of mind or brain function.

There are limited circumstances in which we will have substantive evidence of a client having an impairment that will result in a Mental Capacity limitation. In the absence of this evidence we can proactively seek to establish whether or not a client has such an impairment.

A financial Literacy limitation is likely to result from inadequate financial education, rendering a client unable to, or feeling insufficiently empowered to manage their finances, confidently engage with firms and make informed financial decisions.

both clients with limitations in Mental Capacity and Financial Literacy can be classified as groups of actual or potential vulnerable clients by virtue of their respective limitations. As clients with either form of limitation (or both) may have difficulty making decisions, ABC Incorporation Ltd will apply the Vulnerable Client policy rather than taking steps to differentiate between the two categories.

Although we will take every reasonable step to identify clients that have or may have some form of capacity limitation, it is good practice for literature given to clients before the application to invite clients to disclose (voluntary basis) whether there may be any issues relating to health or general well being which may be relevant to any service or decision made by ABC Incorporation Ltd



Any such invitation as detailed above will be made very clear that the sole purpose for this information is used to better facilitate an informed service being provided.

If a client discloses that they do or may have some form of mental capacity limitation that may impact on their ability to make an informed decision this should not lead to them being denied access to the service being sought.

This will act as a trigger for us to consider steps to take in order to amend the ordinary process to ensure the client is treated fairly and positive outcome results for the client.