

## UNDERSTANDING CUSTOMER VULNERABILITY

The FCA defines a vulnerable customer as:

*“Someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.”*

Vulnerability is not a fixed label. It can affect customers in different ways and at different times. While a vulnerability may not prevent someone from managing their finances, it may affect how they engage with the mortgage process, understand information, or feel confident in making decisions.

Being aware of this helps us ensure customers receive the right support at the right time.

## HOW VULNERABILITY CAN PRESENT

Vulnerability can arise from a wide range of personal circumstances. Vulnerability is not always immediately visible and may only become apparent through conversation or changes in behaviour.

Some customers' personal circumstances may be permanent. For example, a customer with a learning difficulty may always require reasonable adjustments when engaging with their mortgage.

Other customers may experience temporary circumstances, meaning they require additional support for a period of time. For example, a customer affected by bereavement, illness or financial abuse may need support while they regain stability.

Customers may also experience multiple drivers of vulnerability at the same time. For example, a customer with low financial resilience may also be experiencing mental health challenges. Where this happens, their needs may be more complex, and they may be more susceptible to harm.

## COMMON DRIVERS OF VULNERABILITY

Vulnerability exists on a spectrum and may arise where certain personal circumstances increase a customer's susceptibility to harm. Below are some examples of factors that may contribute to vulnerability; although this list is not exhaustive.

### Health:

- Physical disability
- Severe or long-term illness
- Hearing or visual impairment
- Mental health condition
- Addiction
- Low mental capacity or cognitive impairment

### Life Events:

- Retirement
- Bereavement
- Job loss
- Relationship breakdown
- Domestic abuse
- Caring responsibilities

### Resilience:

- Inadequate or erratic income
- Over-indebtedness
- Low savings
- Low emotional resilience
- Limited support network

### Capability:

- Low knowledge or confidence in managing finances
- Poor literacy or numeracy skills
- Limited English language skills
- Poor or non-existent digital skills
- Learning impairments
- Limited access to support

## HOW WE SUPPORT VULNERABLE CUSTOMERS

Where vulnerability is identified, we aim to take a thoughtful and proportionate approach.

### Support may include:

- Making reasonable adjustments
- Allowing additional time
- Adapting how and when we communicate
- Providing information in alternative formats
- Taking extra care to ensure understanding at key stages

Every situation is different. Our approach is structured, but flexible, so that support can be tailored to individual circumstances.

## WHAT WE ASK OF YOU

If you believe a customer may be vulnerable, please let us know as early as possible.

Where the customer is comfortable sharing their circumstances and has given permission for this information to be passed to us, please record within the DIP notes that the customer may be vulnerable and include any relevant information about their support needs.

Our team will review this at the outset of the application. Where appropriate, our Mortgage Servicing Team may contact the customer during onboarding to understand how best to support them.

Sharing this information does not disadvantage the customer. Instead, it enables us to ensure customers receive appropriate care and support throughout the application process and after completion.

By working together, we can help ensure customers are treated fairly and supported in a way that reflects their individual circumstances.

