



Preparing to support

Vulnerable Customers

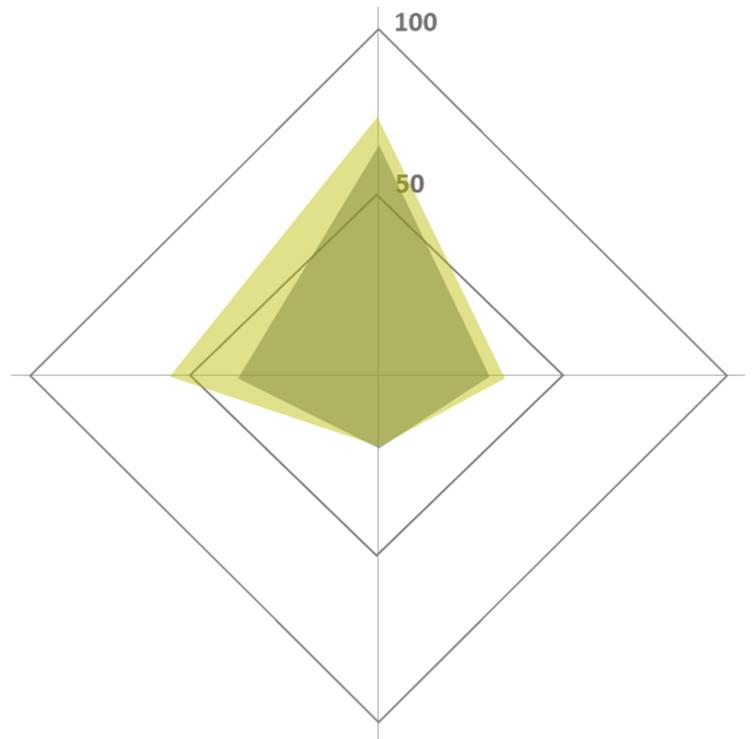
Altus has been closely involved with industry efforts to improve the treatment of vulnerable customers for a number of years. In 2019 we developed the Vulnerability Radar in a joint venture with TISA, combining expertise from across the industry with input from the Financial Conduct Authority. The tool is free to use and over 300 firms have so far benchmarked their capability around vulnerable customers. Access to the aggregated results provides Altus with unique insight into trends, hotspots and current best practice.

A REGULATORY IMPERATIVE

Whilst results from the radar show steady progress, there is still a long way to go with the average score around 45/100. The FCA has made clear it wants to see further improvement and that vulnerability will be a factor in all future policy and supervisory work. Guidance Consultation 20/3 placed a pressure on firms, particularly the senior managers, to demonstrate how their culture, policies and processes ensure the fair treatment of all customers. The FCA will review in 2023 whether sufficient progress has been made. Altus can help firms and senior managers assess their position today and provide an action plan to deliver on the regulator's expectations ahead of 2023.

VULNERABILITY RADAR

<https://vulnerablecustomers.tisa.uk.com/login>



Your Vulnerable Customer score is 60/100

The score suggests you are reaching market parable levels of vulnerable customer capability but with scope to improve. Focus effort on the recommendations below and making sure all activities target outcomes for vulnerable customers that are just as good as the outcomes achieved for other customers. Overarching is a need to ensure a vulnerable customer-centric culture permeates throughout the organisation and all relevant activities related to clients, with support at all levels, particularly from the top.

Find out more:

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ALTUS VULNERABLE CUSTOMER SERVICES

- Capability assessment: validate that all business activity has been assessed for vulnerable customer impact using our industry models.
- Maturity assessment and benchmark: Identify 'key' vulnerable customer capabilities and assess current maturity to highlight gaps and recommend actions.
- technology selection: Supporting the build of capability through selection of the best tools based on our knowledge of vendors.
- Process review: Critically interrogate processes to ensure the journey includes appropriate pauses, checks and signposts to support, while creating an environment for disclosure.
- Accountability map: Provide one clear picture of senior manager accountability for vulnerability across the business at a capability level.



- Draft, review and update policies and principles aligned to regulation.
- Product review: Support the development of new products and review of existing propositions using the product lifecycle management framework and ensure compatibility with the needs and characteristics of vulnerability in your target markets.
- Communication support: Review and refine internal and external communications, applying a behavioural psychology perspective.
- Training: Training and learning support to ensure staff have the right skills and capability to respond to the needs of vulnerable customers.

THE CHALLENGE

Vulnerable Customer regulation is a complex challenge. It requires change that spans several diverse capabilities, and it doesn't have defined activities and tasks that lead to compliance. It requires support for people coping with a broad range of circumstances and the varied nature of human behaviour in response to it. Choice of language is critical around an emotive subject; no one wants to be labelled vulnerable.

The changes required sit at two levels. There is the practical level – e.g. creating a policy, reviewing products and processes, and training staff. Equally important, there is a cultural piece – embedding best practice thinking across the organisation. This involves making senior managers and all employees think about how their role needs to adapt to the impact it has on people coping with vulnerability. Moreover, how to foster an environment for customers to disclose their additional needs and building capabilities to respond in a way that maintains an efficient operating model.

HOW WE ADD VALUE

- Offering organisations and senior managers confidence that all business activity related to vulnerable customers is considered, managed and has clear lines of accountability.
- By using our engineered frameworks and model, you can ensure your policies, principles and propositions are delivering good outcomes and are regulatory compliant.
- Providing you with an understanding of the technology landscape and how it can support recording, predicting and identifying vulnerability.

"In regular interactions assessing firms' senior managers, they will be asked about the actions their firms are taking to ensure they are treating vulnerable consumers fairly."

FCA, 2020

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