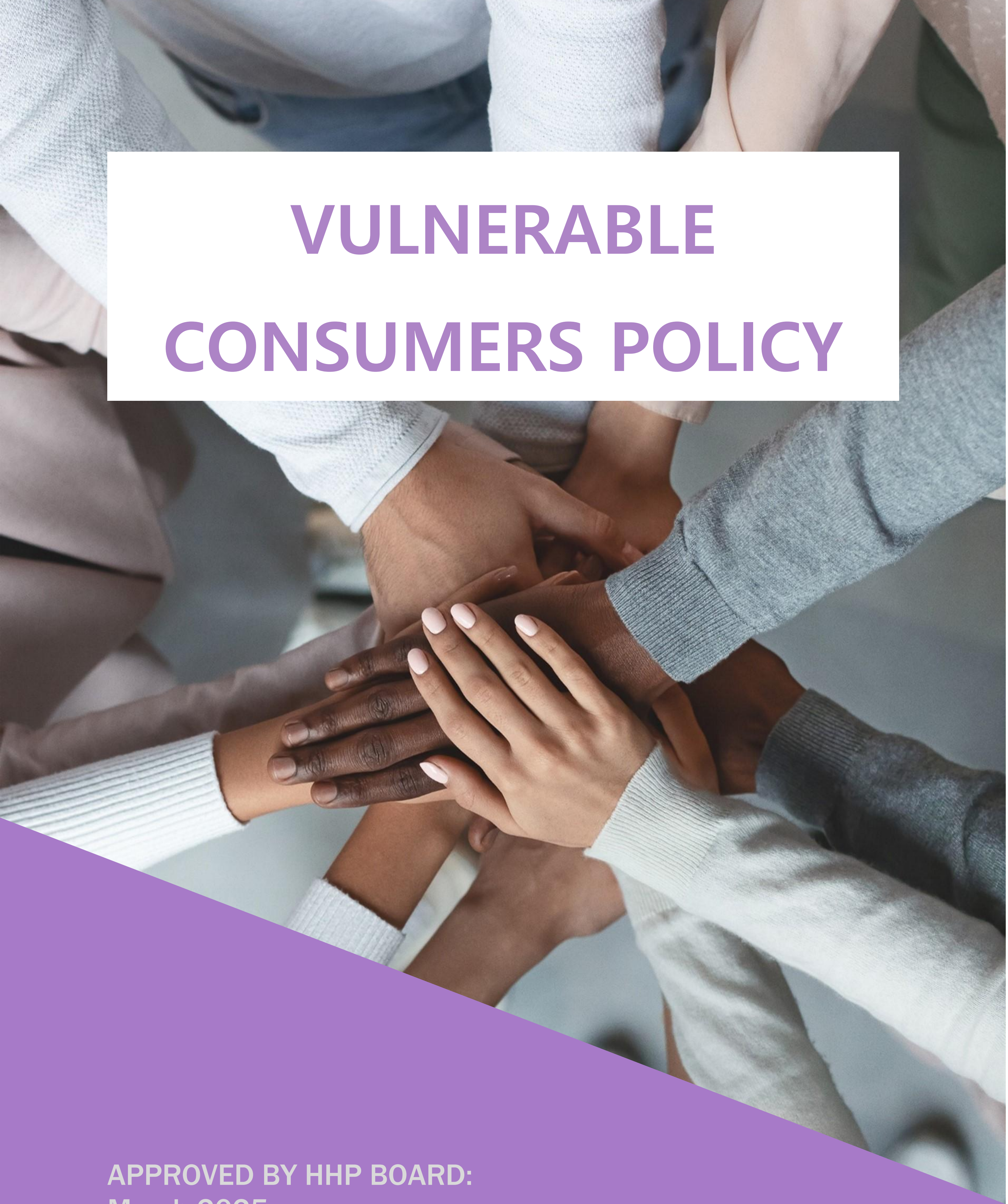
VULNERABLE CONSUMERS POLICY



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INTRODUCTION

1.1 All organisations which hold a Financial Conduct Authority (FCA) licence are required to have a Vulnerable Consumers Policy. Typically, such policies would be used by banks, building societies and insurance companies to regulate how they deal with vulnerable consumers, but it is equally important that organisations such as ourselves have policies in place which set out how we deal with various types of consumer vulnerability that we may encounter as a Registered Social Landlord (RSL).

AIMS

2.1 The aims of our Vulnerable Consumers Policy are to:

a) ensure that we deal fairly and effectively with vulnerable consumers;

b) ensure that a consistent approach to vulnerable customers is embedded across all operations;

c) ensure that staff engaged in debt recovery have sufficient training and understanding to deal with vulnerable consumers effectively, including the skills to encourage disclosure from potentially vulnerable consumers;

d) ensure that we work in cooperation with vulnerable customers and their carers/representatives while at all times being fully compliant with data protection requirements;

e) encourage an organisation-wide commitment to tackling and 'doing the right thing' for vulnerable consumers;

f) develop a culture where staff are encouraged to understand and empathise with vulnerability;

g) place an emphasis on training all staff who deal directly with customers to know enough about vulnerability to pick up on warning signs and triggers and refer on appropriately;

h) develop intelligent signposting. It will not be the role off our staff to be experts at dealing directly with all forms of vulnerability that they encounter, but if a vulnerability is identified the customer shall be referred to the right sort of expert help in the most practical way; and

i) develop and maintain contacts with partner agencies with a remit to assist dealing with the various vulnerabilities that we may encounter.

RISK FACTORS FOR CONSUMERS OF FINANCIAL SERVICES

3.1 The following risk factors are not exhaustive but summarise the main vulnerability issues for consumers of financial services. When dealing with consumers, debt recovery staff will be mindful of these factors.

a) Low literacy, numeracy and financial capability skills;

b) Physical disability;

c) Severe or long term illness;

d) Mental health problems;

e) Low income;

f) Significant debt;

g) Caring responsibilities, including operating a power of attorney;

h) Being 'Older Old' – for example over 80, although this is a guideline and not an absolute. ('Older Old' consumers may have cognitive or dexterity impairment, sensory impairment such as hearing or sight, onset of ill health with little prospect of recovery, not being comfortable with new technology);

i) Being young – this is associated with less life experience and less appreciation of financial risk and obligation;

j) Change in circumstances – for example bereavement, job loss, divorce;

k) Lack of English language skills;

l) Non-standard requirements – for example armed forces personnel returning from abroad, ex-offenders, recent immigrants;

m) Alcohol and/or drug dependency; and

n) Untidy garden or house.

TRIGGERED TO ALERT STAFF TO VULNERABILITY ISSUES

4.1 Vulnerability triggers will broadly fall into three areas:

a) Change in payment behaviour. This may include:

i) payments stopping suddenly;

ii) late or missed payments;

iii) part payment;

iv) change in payment pattern; or

v) cancellation of direct debit or standing order.

b) Conversational triggers, during interviews or phone calls. This may include:

i) 'I can't pay';

ii) 'I'm having trouble paying';

iii) 'I can't read the statement you sent me'; or

iv) 'I can't understand the letter you sent me'.

c) Physicals triggers. This may include:

i) shortness of breath;

ii) signs of agitation;

iii) asking to repeat – a sign that the consumer may not be retaining information;

iv) signs of confusion – an indication that the consumer may not have understood the information;

v) mention or sight of medication;

vi) signs that the consumer may be under the influence of drink and/or drugs; or

vii) signs that the customer is unable to cope, including an untidy garden, untidy home, hoarding, non-reporting of repairs and not engaging in investment programme works.

VULNERABILITY DISCLOSURE AND DATA PROTECTION

5.1 The Information Commissioner's Office (ICO) has indicated that data protection should not act as a barrier to the recording of information, when this recording would lead to a fair outcome for the customer.

5.2 The ICO would only take action against an organisation where the recording of the information in question had been unfair and/or led to an unfair outcome for the customer.

5.3 When a third party (such as a relative or a carer) is involved in a customer's finances, we shall not disclose information about the customer's account.

5.4 However if a third party contacts us to let us know that one of our customers cannot manage their financial affairs for a while, we shall take a note of that information to assist us to behave appropriately when contacting the customer.

5.5 If a carer can supply evidence of their authority to act on our customer's behalf, a more detailed discussion can take place.

5.6 If no evidence of authority can be provided, we must avoid discussing any account details with the carer and explain why this isn't possible. However, the carer should be reassured that their concerns can still be recorded as unverified observations on the customer's account.

5.7 The carer should be advised that their observations will need to be shared with the customer and colleagues. Carers will need to give their consent for this.

5.8 The carer's observations should be recorded, and staff should check why the customer is unable to speak to us directly on the issues raised by the carer.

GOOD PRACTICE

6.1 We will ensure good practice in the following areas:

a) Training – all staff who deal directly with customers shall be trained to know enough about vulnerability to pick up on warning signs or triggers and refer on appropriately;

b) Avoid rigidly scripted responses – encourage staff to be flexible enough to allow a conversation to develop if they sense that a customer may be experiencing difficulty;

c) 'Removing fear' – staff may feel awkward or scared of having conversations around issues such as mental health or other forms of illness, and dealing with customers who are or become distressed. Therefore, they may not feel able to encourage customers to disclose vulnerabilities. We will seek to remove as much of this fear or discomfort as possible via increased understanding, clear guidance on how to respond, and appropriate training;

d) Building trust and encouraging disclosure – the more we know about a customer's situation, the more we can help, either directly or by referral. We will develop clear procedures, develop staff with excellent communications skills, ensure good implementation of data protection requirements, and demonstrate to customers that disclosing leads to positive outcomes;

e) Develop and maintain excellent relationships with the advice sector and support agencies to ensure that we refer customers on to the right source of help;

f) Ensure that staff are encouraged to use judgement and a flexible approach. This may include advice on appropriate methods of payment, affordable repayment plans, offering assistance in dealing with Housing Benefit and DWP, giving assistance to carers to register a power of attorney, and stopping constant letters being sent to customers inappropriately;

g) Recording needs – having systems that enable and encourage staff to record customers' needs and any request for additional support (for example, home visits to collect rent);

h) Putting 'flags' on accounts to ensure that vulnerabilities are identified quickly when customers contact us so that they do not have to repeat over and over what may be difficult details;

i) Providing a range of accessibility options including hearing loops, information in audio, Easy Read, large print, and access to translation services; and

j) Specific steps to ensure that those who have difficulty in understanding are offered meetings in quiet areas, that they are accompanied when appropriate, and are given longer appointments if required.

MONITORING AND REVIEW OF POLICY

7.1 We will review this policy every 3 years. More frequent reviews will be considered if, for example, there is a need to respond to new legislation/policy guidance.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
ARC	Annual Return Charter
FCA	Financial Conduct Authority
RSL	Registered Social Landlord
ICO	Information Commissioner's Office

All references to the masculine gender in this policy shall read as equally applicable to the feminine gender

HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S),Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number:SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number:359 and registered as a Property Factor, Registration Number PF000183

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