



VULNERABLE CUSTOMER POLICY

T P HARRIS PLUMBING AND HEATING LIMITED

Zeal Court-Moorfield Road-Yeadon-Leeds-LS19 7BN

T P Harris Plumbing and Heating Limited is authorised and regulated by the Financial Conduct Authority FRN 776557. We act as a credit broker not a lender and offer finance from a panel of lenders.

Vulnerable Customer Policy

Reviewed April 2022

T P Harris Plumbing and Heating Limited was incorporated in February 2013.

Our Vulnerable Customer Policy is to set out our approach to identifying and interacting with vulnerable customers to ensure we deliver “fair customer outcomes”. A “fair customer outcome” is a wide definition and does not just relate to the avoidance of financial detriment, it includes instances which cause or could cause distress and inconvenience.

The purpose of this policy document is to:

- Define what constitutes a vulnerable customer.
- Set out how customers will achieve a fair outcome.
- Outline the controls that ensure adherence to the Vulnerable Customer Policy.
- Outline how vulnerable customer consideration will be used to drive business improvements.

My aim is to ensure all our staff have the right tools and training to deliver the best outcomes for all our customers. We are all responsible for ensuring that we understand and follow our policy. If you have any doubt, then please contact me directly to discuss how we can support you to deliver on this policy.

Becci Tate

Director & Business Owner

Vulnerable Customer Policy

What we are doing

Mitigation Plans

To ensure a consistent approach that is embedded across our whole business, it is important to have a high-level policy on consumer vulnerability in place and it is important that all relevant staff are aware of the policy.

Ongoing evaluation of the effectiveness of a vulnerability strategy plays a significant role. External research shows that it is important for staff on the front line to have enough training to facilitate a proper conversation and that they know where internal expertise lies.

Flexibility in the finance application of terms and conditions of products and services plays a significant role in ensuring the needs of consumers in vulnerable circumstances are met.

Good policies and practice in handling disclosure or communication needs of consumers and recording of that information effectively play a key role for consumers and are helpful to staff. Actively encouraging disclosure, by staff able to have proper conversations, has been shown to be helpful here.

Clear, simple information and explanation throughout the sale of our products life cycle is important to all consumers. We show in the policy the areas in the business that will come across a potential vulnerable customer.

Policies around **data protection and safeguarding and affordability**, need to be implemented based on a correct understanding. If staff are well trained, they are less likely to apply such policies in an overzealous manner which can create problems for customers. For example, **proper affordability and the appropriate product and services** that we offer, is vital to the wider protection of consumers, and as a business have systems in place to allow for appropriate discretion.

Vulnerable Customer Policy

A vulnerable consumer is someone who due to their personal circumstances is especially susceptible to detriment particularly when a firm is not acting with appropriate levels of care. (FCA definition)

Examples of risk factors for vulnerability

Certain risk factors are particularly important within financial services:

- Low literacy, numeracy, and financial capability skills
- Physical disability
- Severe or long-term illness
- Mental health problems
- Low income and/or debt
- Caring responsibilities (including operating a power of attorney)
- Being 'older old' for example over 80, although this is not absolute (may be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill-health, not being comfortable with new technology)
- Being young (associated with less experience)
- Change in circumstances (e.g., job loss, bereavement, divorce)
- Lack of English language skills
- Non-standard requirements or credit history (e.g., armed forces personnel returning from abroad, ex-offenders; care-home leavers, recent immigrants)

Vulnerable Customer Policy

Impact of change in circumstances and income

A change in personal circumstances can cause a consumer to fall into a vulnerable situation – even more so if the consumer already has one or more risk factors.

People are particularly at risk in their interaction with financial services when they experience a change in circumstances that often leads to a financial shock.

This shock could be an unexpected large expense or a loss of income. A drop in income, or income volatility, can cause particular problems due to the ongoing commitment presented by many financial products. A reduction in ability to meet these financial commitments can cause both immediate and longer-term problems.

In some instances, vulnerability and the associated stress can have an effect on people's emotional state, cognitive ability, and ability to function. This may include feeling stressed and anxious, feeling unable to cope, too upset to talk, finding it difficult to concentrate, think clearly, assimilate information, and make decisions, and finding it difficult to deal with new or unfamiliar tasks.

In these conditions, the impact of a problem or difficult interaction can be magnified, and vulnerability to unscrupulous practices is increased, creating a vicious circle. The individual's practical ability to seek redress may also be diminished.

Vulnerability affects us all

We, or our family and friends, can all face times of stress and difficulty, when our abilities to cope may be compromised.

For example, we may experience a change in circumstances such as job loss or bereavement, or onset of a serious illness. In some cases, these difficulties may be short lived, but for many they may be longer term or permanent.

Large numbers of people have longstanding physical or mental conditions that can make interacting with financial firms challenging. Financial services should be designed so that they make the hard times easier – whereas, in reality, some of the barriers people face when interacting with financial services make an already stressful situation worse and result in further harm for consumers.

Vulnerability has many forms. It can be caused by long-term characteristics such as a disability, or short-term circumstances such as job loss. It can be sudden, such as the diagnosis of serious illness, or gradual, like dementia. It can fluctuate and be episodic, as in the case of some mental illness.

Vulnerable Customer Policy

Most of us will experience some sort of vulnerability at some point.

People are particularly at risk in their interaction with financial services when they experience a change in circumstances that leads to a financial shock. Income shock is common and could come in the form of an unexpected large expense, or a loss of income due for example to job loss, reduction in hours, illness, bereavement, or taking on caring responsibilities.

Vulnerability is not just something to do with the characteristics of the consumer – it can be created or exacerbated by the policies and practices of firms. The way firms design their systems and processes can make a huge difference to the ease with which consumers interact with them. Training staff to listen and understand, equipping them with flexible options and, where appropriate, providing staff with the ability to refer particular problems to specialists within a firm that have the expertise and discretion to address difficult situations can also help.

Rather than designing products and processes for a mythical perfect customer the broad range of experiences of real consumers' needs to be taken into account.

The impact on the consumer of a firm failing to deal appropriately and flexibly with vulnerability can be severe. From a financial point of view, people may be tipped into a spiral of debt, feel the need to take out high-cost products (such as payday loans) or take on higher risks (e.g., travel without insurance). Some may withdraw from the market altogether, preferring to maintain control by keeping cash at home. An unsatisfactory interaction with financial services can create additional stress, increase isolation, dependency or exposure to fraud (for example by sharing cards and PINs), and take up valuable time and energy for people who are already in a difficult situation.

Types of vulnerability

Vulnerability can come in a range of guises, and can be temporary, sporadic or permanent in nature. It is a fluid state that needs a flexible, tailored response from us.

- Many people in vulnerable situations would not diagnose themselves as 'vulnerable'
- The clear message is that we can all become vulnerable
- To enable us to identify potential vulnerability and prioritise our efforts, we use a risk factor approach

Vulnerable Customer Policy

Summary

- Vulnerability involves the interplay between individual circumstances, situations and market factors
- A consumer's state of mind can have a major impact on behaviour and decisions
- A change in circumstances, and multi-layered risk factors, are particular flags for potential vulnerability
- The number of people involved is large and rising - prioritisation is vital to achieve a realistic approach

Vulnerability is not just to do with the situation of the consumer. It can be caused or exacerbated by the actions or processes of our firm. The impact of vulnerability is strong, and many people are trying to cope with difficult situations and limited resources, energy and time. Stress can affect state of mind and the ability to manage effectively. In such conditions, being confronted by a complex telephone menu system that gives no option of talking to a person; a 'computer says no' response; a call handler without time or inclination to listen, or a system that fails to record what may be distressing circumstances and forces the customer to repeat themselves at every point of contact, can all create a spiral of stress and difficulty, resulting in detriment.

To address the needs of vulnerable customers correctly, it is important to be able to identify them. In many cases, more than one risk factor is present which increases the consumer's vulnerability.

Our staff who take enquiry calls, appointment making, sales team and our installers need to be alert to the signs that the person they are talking to may not have the capacity, at that moment in time, to make an informed decision about the implications of the agreements that they are being asked to make. This is not a diagnosis of a condition; it is just an extension of staff's existing skill of listening, identifying needs, and adjusting their approach accordingly.

Vulnerable Customer Policy

The Financial Conduct Authority (FCA), who we are authorised by, published on 23rd February 2021 guidance on the fair treatment of vulnerable customers- This section provides staff with that guidance:

Guidance for firms on the fair treatment of vulnerable customers

- **What we want to change**

We want to drive improvements in the way firms treat vulnerable consumers and bring about a practical shift in firms' actions and behaviour. We want vulnerable consumers to experience outcomes as good as other consumers and to get consistently fair treatment across the sectors we regulate.

We know some firms have made significant progress in how they treat vulnerable customers, including in their response to the pandemic. However, we have seen examples of others failing to consider the needs of these customers, leading to harm. It's important for all firms to understand the needs of vulnerable customers and make any changes required to meet the standards set by our existing Principles for Businesses (Principles).

- **Who are vulnerable customers?**

A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm - particularly when a firm is not acting with appropriate levels of care.

Our view of vulnerability is as a spectrum of risk. All customers are at risk of becoming vulnerable, but this risk is increased by having characteristics of vulnerability. These could be poor health, such as cognitive impairment, life events such as new caring responsibilities, low resilience to cope with financial or emotional shocks and low capability, such as poor literacy or numeracy skills.

Our Financial Lives coronavirus panel survey, carried out in October 2020, demonstrates that more consumers find themselves in vulnerable circumstances due to the pandemic, with 53% of adults displaying a characteristic of vulnerability. This is an increase of over 3 million since February 2020, and many of these people may have multiple characteristics of vulnerability.

Not all customers who have these characteristics will experience harm. But they may be more likely to have additional or different needs which, if firms do not meet them, could limit their ability to make decisions or represent their own interests, putting them at greater risk of harm. So, the level of care that is appropriate for these consumers may be different from that for others.

Vulnerable Customer Policy

- *Complying with our Principles for Businesses*

*Our **Principles** require firms to treat customers fairly and our Guidance makes clear what the standards set by our Principles mean for firms, so that firms understand what we expect of them. It sets out what firms should do to meet those standards. While firms are not bound to adopt or follow any of the specific actions described in this Guidance, they must meet the standards set by our principles and treat customers fairly.*

Because anyone can find themselves in vulnerable circumstances at any time, our Guidance is relevant to firms serving retail customers, including some business customers, regardless of the firm's size or sector.

To achieve good outcomes for vulnerable customers, firms should act to:

- ***understand the needs** of their target market/customer base*
- *make sure staff have the right **skills and capability** to recognise and respond to the needs of vulnerable customers*
- ***respond to customer needs** throughout product design, flexible customer service provision and communications*
- ***monitor and assess** whether they are meeting and responding to the needs of customers with characteristics of vulnerability, and make improvements where this is not happening*

As a business it is our responsibility to ensure we comply fully with the FCA regulation and provide all our staff with the most up to date information, support and training.

As a **valued member of staff**, we expect you to always comply with our policy.

Vulnerable Customer Policy

Fair treatment of vulnerable customers through the sales journey

To achieve good outcomes for vulnerable customers, we have acted to:

- **understand the needs** of our target market/customer base – *we do this prior to any appointment that will take place in a customer's home- we discuss their property type and their needs- detailed notes are kept and form part of the customers file and shared with the agent that will visit the home.*
- make sure staff have the right **skills and capability** to recognise and respond to the needs of vulnerable customers- *staff attend induction training and must meet a minimum standard before they are permanent staff- All staff must attend regular training and acknowledge that they have received the appropriate training and meet our minimum standards.*
- **respond to customer needs** throughout product and installation design, flexible customer service provision and communications – *we provide all our contracts and quotations in writing to our potential customers. This may be sent in the post, emailed, and or given on the day of the visit. Any changes will be in writing showing exactly the change and may also be subject to change when the full survey is completed.*
- **monitor and assess** whether we are meeting and responding to the needs of customers with characteristics of vulnerability and make improvements where this is not happening- *all sales are reviewed by the owners of the business and provision is made to feedback and demonstrate where documented monitoring is made. Sales agents are required to have weekly assessments with the owner or manager to provide the right out comes for our customers and the products and installation they purchase.*

Vulnerable Customer Policy

A choice of ways of communicating.

We have a choice of ways of communicating available whenever customers need to contact us, and these are designed in an inclusive way so that they are flexible, clear, easy to understand and meet customer's needs.

Treating people as an individual

We recognise that everyone is bound within an individual set of circumstances and our responses are tailored accordingly – it is our intention to always listen carefully, let the conversation take its course without judgement and ensure the message from the customer is clearly understood before undertaking any actions.

It is our intention to diligently record information properly so that customers do not have to be repetitive if they contact us later and we are able to refresh our understanding prior to making any further contact with them.

We are committed to deal openly and transparently with a vulnerable person's representative / carer and be as upfront with any help and information we are legally able to provide – we will always seek ways to help and not rely on overzealous interpretation of regulations to exclude.

For example, if someone is recently bereaved, has a power of attorney or a third-party mandate, we will ensure they receive consistent communication and treatment.

If we suspect a customer is in financial difficulty, we will be proactive in contacting the customer and seek to offer sympathetic assistance and resolution with their lenders only.

If we suspect suspicious activity that may signal abuse or fraud, we will be proactive in contacting the lenders to investigate.

If appropriate we will refer customers on to someone who has the authority and discretion to take a tailored approach to their situation and offer flexible solutions, including use of specialist sources of help and advice if necessary.

Vulnerable Customer Policy

Where may you encounter a vulnerable customer?

Below are the departments that may encounter a vulnerable customer.

- Customer Service-Initial Enquiry- Customer Service Survey's
- Appointment Making
- Sales Agents
- Post Sales
- Installations Bookings
- Installers/Engineers
- Post Installation Survey/Feedback

Vulnerable Customer Policy

Training and feedback

Our approach to vulnerability includes extensive training and a framework of how you may manage the concerns you may have when faced with someone you believe may be vulnerable. We will incentivise staff to identify and deal effectively with vulnerable customers by building this into their performance assessment, which is key to how we learn and change processes and procedures.

Performance assessment includes managers listening to a sample of calls and assessing how potentially vulnerable people are handled. According to the firm, if these customers are not passed onto the lender appropriately, and if calls are not dealt with in a friendly, empathetic manner, this may impact on consumers.

As a business we are committed to changing the way we deal with vulnerable customers that must be effective and, like Treating Customers Fairly. This is a standing item on our weekly business agenda.

We promote a culture where staff are encouraged to understand and empathise with vulnerability. We recognise that staff who provide the first point of contact with customers may not have much experience of people in vulnerable circumstances. Building knowledge of various vulnerabilities and the number of people involved, encouraging an appreciation of what life can be like for some people in difficult circumstances and encouraging a desire to help, is key to this culture. All staff who deal directly with customers need to know enough about vulnerability to pick up on warning signs or triggers and signpost/refer on appropriately.

It is acknowledged by us that staff cannot be expected to be experts on all types of illness. Rather they need to spot clues that enable them to refer on to more specialist assistance. We provide staff training on what to look out and listen for.

We avoid rigidly scripted responses: Staff will have the flexibility to allow a conversation to develop if they sense that a customer may be experiencing difficulty.

Removing the fear, enabling difficult conversations: It is recognised that our staff may feel awkward or scared of having conversations around issues such as mental or other forms of illness, stressful situations and dealing with customers who may be distressed. Therefore, they may not feel able to encourage customers to disclose vulnerabilities. We aim to remove as much of this fear as possible, via increased understanding, clear guidance on how to respond, role play, listening to sample calls are all ways that this can be achieved.

Vulnerable Customer Policy

To be signed by all members of staff to confirm their understanding of this policy and have completed Vulnerable Customer training:

A signed copy to be kept on your personnel file, and to include annual training as a minimum. This policy will be reviewed and updated annually by the directors of the business.

Staff Name: _____

Staff Signature: _____

Date: _____

Becci Tate
Director & Owner