

Identifying Vulnerable Customers

A vulnerable customer is somebody who, due to their personal circumstances, is especially susceptible to harm. There are many reasons a person may be vulnerable. These may be related to health, capability, resilience, or the impact of a life event. The FCA's Financial Lives 2022 Survey found that the number of consumers with characteristics of vulnerability had increased by nearly a million in May 2022 compared with 2 years earlier, particularly due to an increase in UK adults with low financial resilience. It is expected that even more customers will be in vulnerable circumstances since the onset of COVID-19, and many of those will be newly vulnerable and/or have multiple drivers of vulnerability.

With inflation spikes and Bank base rates rising as a direct response, millions of Customers are facing increasing pressure with the current rise in cost of living. More Customers with variable rates may struggle to afford their increased payments & fixed rate Customers may face increasing financial pressure to find a comparable deal. More than 80% of Adults reported an increase in their cost of living as of March 2022 & around 27% of the population has low financial resilience with this rate expected to increase further.*

Customers who are in the most vulnerable circumstances face the greatest risk of harm and need particular attention to ensure they are treated appropriately.**

The FCA have identified 4 key drivers which may increase the risk of customer vulnerability:-

Health

Health conditions or illnesses that affect the ability to carry out day-to-day tasks

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

Life Events

Major life events such as bereavement, job loss or relationship breakdown

- Caring responsibilities
- Bereavement
- Income shock
- Relationship breakdown
- Domestic abuse
- People with non-standard requirements such as people with convictions, care leavers, refugees

*<https://www.fca.org.uk/firms/treating-vulnerable-consumers-fairly/ensuring-fair-treatment>

**<https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

Resilience

Low ability to withstand emotional or financial shocks

- Low or erratic income
- Over indebtedness
- Low savings
- Low emotional resilience

Capability

Low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills

- Low knowledge or confidence in managing finances
- Poor literacy or numeracy skills
- Low English language skills
- Poor or non-existent digital skills
- Learning impairments
- No or low access to help or support

What to do if you identify a vulnerable customer

If you have a customer that you've identified as vulnerable, please ensure you make us aware within the application and complete the [vulnerability questionnaire](#). Disclosure of these issues won't negatively affect their application but will help us to tailor our service, where required, and make the right responsible lending decision for your customer.

Existing customers can contact us on 0344 892 0155 and discuss the matter with a representative as to ensure we provide you with any assistance you may need.

Additional support

The below organisations can provide further help and support to customers where needed:-

Organisation	Phone number	Website
Alzheimer's Society	0330 333 0804	alzheimers.org.uk
Age UK	0800 678 1602	ageuk.org.uk
Citizens Advice	0800 144 8848 - England 0800 702 2020 - Wales 0800 028 1456 - Scotland	citizensadvice.org.uk
CRISIS	0800 0384 838	crisis.org.uk
Cruse Bereavement Care	0808 808 1677	cruse.org.uk
Macmillan Cancer Support	0808 808 00 00	macmillan.org.uk

Organisation	Phone number	Website
Mencap	0808 808 1111	mencap.org.uk
Mind	0300 123 3393	mind.org.uk
Samaritans	116 123	samaritans.org
StepChange Debt Charity	0800 138 1111	stepchange.org
Victim Support	0808 1689 111	victimsupport.org.uk

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