<u>Clark Richards Vulnerable Client Policy</u>

Purpose

The purpose of this guide is to ensure that the operations of Clark Richards do not have any negative impact upon vulnerable clients and that every employee is aware of their personal responsibilities in relation to dealing with vulnerable clients.

Vulnerable clients are defined as customers whose ability or circumstances require us to take extra precautions in the way that we promote and provide our services, in order to ensure that they are not disadvantaged in any way.

Vulnerability

Clark Richards's employees can deem most clients who are seeking advice or receiving assistance with their debts as vulnerableto some degree by virtue of their financial circumstances. Of these clients some may be particularly vulnerable because they:

- Are less able to deal with lenders or debt collectors pursuing them for debts owed
- Suffer from mental or physical health issues
- English is not their first language, which may have an impact on their understanding of advice provided
- Have poor literacy skills, this may have an effect on their ability to review the documentation provided in order to make an informed decision
- Demonstrate difficulty in hearing or understanding advice given
- Are concerned about partner/ family finding out information in regards to their debts

If you feel that the company is unable to provide the additional support the client requires then the client must be signposted to the Citizens Advice Bureau or Money Advice Service, where they have the facilities to provide the necessary service for the needs of the client.

How to identify a vulnerable client via phone

When engaging with clients over the phone it is often difficult to identify a vulnerable client because it is not possible to see many of the characteristics. Body language and facial expressions or any aids the client maybe using cannot be seen, which may help identify whether the prospective customer requires additional information and guidance to enable them to make an informed decision. For this reason it is critically important to listen carefully to all clients and to identify people who may be classed as a vulnerable client.

To assist you in indentifying a potential vulnerable client, below is a list of typical telephone characteristics to be aware of:

- An inability to hear or understand what is being said
- Repeated questions of a similar nature
- Comments or answers which are inconsistent with the telephone discussion or which indicate they have not understood the information which has been provided.
- Verbal confirmation that they don't understand or that they require the assistance of somebody else in making a decision.

When speaking to vulnerable clients

When speaking to a vulnerable client you should ensure that on every call you:

- Provide additional opportunities for the client to ask questions about the information we have provided.

- Continuously seek confirmation that they have understood the information that has been provided.
- Ask if there is anybody who is able to assist them, if additional assistance is required.
- Offer them the opportunity to complete the discussion after a period of further consideration.

If for any reason you believe that the client does not understand the service which is being offered to them we must not proceed with the setting up of a product and instead signpost the client to the Citizens Advice Bureau or Money Advice Service.

What is mental capacity?

Mental capacity is a person's ability to make a decision. Whether or not a person has the ability to understand, remember, and digest relevant information will determine whether they are able to make a decision based on that information.

The mental capacity of a person may be limited in a way which prevents them from being able to make certain decisions because of an impairment of, or disturbance in the functioning of, their mind or brain.

Making decisions

When considering a clients request for advice or servicesyou shouldalways take into account the client's circumstances at the time at which the request for assistance is being made.

It is each employee's responsibility to take appropriate steps identify whether or not the client appears able to understand, remember, and digest the information and explanations provided to them, and, when having done so, make an informed decision.

Amongst the most common potential causes of mental capacity limitations are the following:(this list is not exhaustive)

- Mental health condition
- Dementia
- Learning disability
- Developmental disorder
- Neuro-disability/brain injury
- Alcohol or drug (including prescribed drugs) induced intoxication

A client may be understood to have, or suspected of having, any of these conditions which are potential causes of mental capacity limitation but that does not necessarily mean that the client does not have the mental capacity to make an informed decision. A client should not be declined assistance through Clark Richards solely on the grounds of any of the above conditions; this could even be classed as disability discrimination.

If we are not able to offer the level of care or facilities a vulnerable client requires, they should be referred to the Citizens Advice Bureau or Money Advice Service, for further assistance. For existing clients it is vital that we ease the transfer and ensure that we provide them with full up to date information in relation to their debts as well as updating their creditors, with the client's permission, in relation to the details of their vulnerability and request that their account is placed on hold for 60 days.

Financial literacy

Financial literacy can be classed as clients with inadequate financial education rendering them unable to, or feeling insufficiently empowered to, manage their finances, engage confidently with creditors, and make informed financial decisions.

Those with limitations in financial knowledge can be classified as being potentially vulnerable by virtue of their respective limitations. With this in mind employee's dealing with client with financial literacy must apply the company vulnerable client policy.

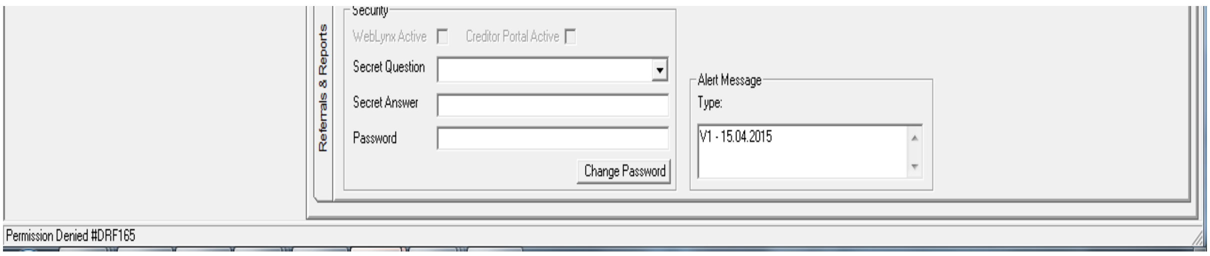
Disclosing information
If a client discloses information that may result in the belief that the client could be classed as vulnerable, this should act as a trigger for you to ensure that reasonable steps are taken in order to amend processes to ensure that the client is treated fairly and a positive outcome is achieved for the customer.

Please remember that if you feel that it is necessary to record any sensitive information provided by the client in relation to their vulnerability, this should only been done when permission has been provided directly by the client and for the benefit of the client.

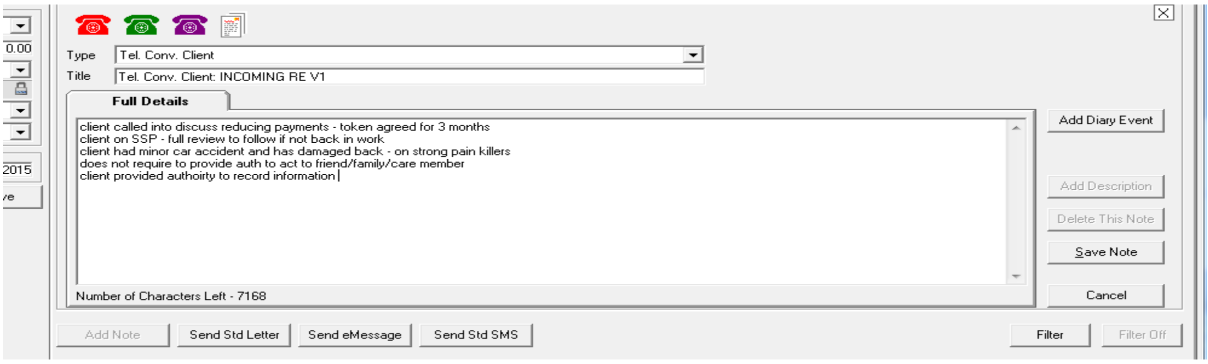
Noting the system
Making any notes on the client's vulnerability should only be done after gaining permission from the client and that all information recorded is in the client's own words along with details of any additional requirements they may have. The client may wish to know how this information will be used, in which case you must explain that we communicate this to their creditors for their benefit and that their plan will be managed, where necessary, by a senior member of the team. It will also allow us to work in way that meets any additional needs they may have and ensure they are receiving the support they require.

It is vital that the system is noted, once a client's permission has been provided, in relation to their vulnerability. This will ensure, where necessary, that they are allocated to a senior account manager who has received additional training on their needs. It is also a vital piece of information that the creditor liaison team as the majority of creditors will have specialist teams or departments to deal with vulnerable clients.

Details should be added to the alert message which will be viewed by an employee before entering the clients plan. Simply record a V and the number scored to the client's level of vulnerability, along with the date where this was initially discussed with the client to allow the full notes to be easily located.



Full notes should be recorded detailing what was explained in the call and always noting that the client has provided permission for this information to be recorded. The subject header should just state V and the number scored to the client's level of vulnerability.



Vulnerability scale

V1

Low income
Benefit income only
Receipt of DLA
Receipt of careers allowance
Client states feels stressed
Pregnant
Binge eater/ eating disorder
Undiagnosed mental health issue
Forgetful

V2

Restricted mobility
Short term physical condition
English not first language
Stutter/ speech impediment
Stress – diagnosed
Disabled dependant/ partner
Poor numeracy skills

V3

Long term physical condition
Post natal depression – diagnosed
Alcoholic – diagnosed
Drug addict – diagnosed
Gambling addict – diagnosed
Recent bereavement in family
Poor literacy skills
Learning disability
Capacity
Blind
Deaf
Language barrier

V4

Anxiety – diagnosed
Depression – diagnosed
Bipolar – diagnosed
Mania – diagnosed
OCD – diagnosed

V5

Terminal illness
Suicidal

Dementia
Any condition affecting memory loss – diagnosed
Brain injury
Schizophrenia – diagnosed
Psychosis – diagnosed
Auditory hallucination – diagnosed
Specialist Staff

Approved Persons
Certain conditions would require the client to approve an appointed person, this person must be over the age of 18 and we must have consent in writing, this could be a friend, family member, care worker etc. The appointed person would act as a second point of contact and is there to ensure that the client has understood and retained the information required for them to make an informed decision and understand any potential consequences. Without an appointed person we are unable to deal with any of the conditions below as we cannot offer the facilities these clients may require.

Dementia -without an appointed person

Any condition affecting memory loss – without an appointed person

Brain injury – without an appointed person

Schizophrenia – without an appointed person

Psychosis – without an appointed person

Auditory hallucination – without an appointed person

Deaf – without access to email or touch type. We do not have the facilities to offer face to face advice.

Blind – without an appointed person to assist with the reading of documents. We do not have the facilities to produce documentation in Braille.

Language barrier – without an appointed person to assist with translating. We do not have the facilities to produce paperwork or communicate in any other language than English.

Protocol to assist with calls

Below are two drills to assist advisors and account managers when dealing with potentially vulnerable clients. The second drill will be particularly useful for those account managers appointed to deal with highly vulnerable clients.

TEXAS drill

The TEXAS protocol can help you manage disclosures effectively which is a keypart of creating an environment where customers are confident to disclose sensitive information. It can be used as a training tool for managing the initial conversation with a client about their vulnerability.

Thank them (what they have told you could be useful for everyone involved)
“Thanks for telling me, as it will help us deal with your account better”

Explain how their information will be used

“Let me just explain how we’ll use that information, so you know”

eXplicit consent
Now ask the individual for their permission to use their information in this way

Ask three key questions (these will help you understand the situation better)

1. Does your mental health problem make it difficult to repay your debt? If so, how?

2. Does your mental health problem affect your ability to deal or communicate with us? If so, how?

3. Does anyone need to help you manage your finances such as a carer or relative? If so, how?

Signpost to internal or external help (where this is appropriate)

IDEA

This can be used by specialist staff to help structure and manage more in depth conversations, ask the right questions, and identify relevant information.

Impact –ask what the mental health problem either stops the client doing in relation to their financial situation, or what it makes harder for them to do. This will help provide insight into both the severity of the condition, and its consequences.

Duration –discuss how long the customer has been living with the reported mental health problem, as the duration of different conditions will vary. This can inform decisions about the amount of time someone needs to be given to retake control of their situation.

Episodes – some people will experience more than one episode of poor mental health in their lives. Creditors will need to take such fluctuating conditions into account in their decision making.

Assistance – creditors should consider whether the client has been able to get any care, help, support or treatment for their condition. This may help in relation to collecting medical evidence.