

IFG Hire & Sales Ltd T/A HAFF COMMERCIALS

Wises Oast Business Centre, Wises Ln, Sittingbourne, Kent, ME9 8LR.

Registered in England and Wales No. 13837907

PRIVATE AND CONFIDENTIAL

T: 01795 508955

E: info@haffcommercials.co.uk



VULNERABLE PERSON'S POLICY

1 - AIM OF THIS POLICY

The aim of this policy is to outline the practices and procedures for staff to contribute to the prevention of detriment to clients who find themselves in vulnerable circumstances. The policy covers all staff within the firm, and *particularly, those operating in areas that deal directly with customers.*

2 - DEFINITION OF VULNERABILITY

The Financial Conduct Authority (FCA) has developed the following definition to guide work in this area:

“A vulnerable consumer to be someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.”

Vulnerability occurs in a variety of ways which may be permanent, temporary, or even sporadic, dependent on its nature. In many circumstances the individual may not recognise themselves as ‘vulnerable’. We recognise that vulnerability may not be simply due to the situation of the consumer but caused or aggravated by the actions or processes of the firms they may deal with.

We recognise that clients who might be considered as being in vulnerable circumstances could include clients with:

1. mental capacity deficiencies (including language or communication), including mental illness and dementia;
2. stress or subject to financial shock of all types, such as employment concerns, bereavement (or potential bereavement), marital or relationship difficulties;
3. a physical impairment that may not allow them to engage with automated, or other standard process requirements (such as photographic ID, phone key pad recognition, or internet applications);
4. severe and long-term illness (both life-limiting and where recovery is expected);
5. little or no financial experience or have no access to mainstream financial services;

6. low income;
7. an existing distressed financial situation;
8. responsibilities for others, such as 'carers' or acting as power of attorney;
9. no access to the internet or other digital media;
10. poor language skills.
11. a general vulnerability due to age

As a firm we must remain mindful of the potential for enquiry by these clients and the potential for any change of circumstance in respect of existing customers.

3 - IDENTIFICATION OF CLIENTS IN VULNERABLE CIRCUMSTANCES

Vulnerability is broad and may occur at any time. It will usually involve the interplay of characteristics of the individual, their circumstances, and static or transitory status. Where we identify a customer with a vulnerability we will only deal with the customers where we can assess their needs and provide adequate support to prevent harm:

1. mental capacity deficiencies – the FCA provides clear guidance on the identification of mental capacity limitation issues in their Handbook.
2. stress or financial shock – may be identifiable (facial expression, posture or stance etc.), but otherwise may be revealed through conversation before and during interview.
3. physical impairment – may be identified visually, or through interview.
4. severe and long-term illness – may be identifiable through conversation or through interview.
5. financial inexperience – may be identified through the factfind process and their credit profile.
6. low income – may be identified through interview and credit profile.
7. in financial distress – may be identified through interview and credit profile.
8. carers – may be identified through interview or conversation.
9. digital exclusion – identifiable through interview or via routes of engagement (or non-engagement) with the firm.
10. poor language skills – may be audible or identifiable via routes of engagement with firm.
11. clients aged 75 and over or clients aged 18 years and under – should be offered the opportunity to have a relative or friend accompany the client to a meeting.

The nature of the need area to be addressed may also indicate vulnerability. For example, people wanting to arrange:

- An equity release product
- Debt consolidation or further credit
- Loan products

These could be some indicators of vulnerability but this is not designed as an exhaustive list. In the circumstances that apply to our firm we will apply additional safeguards, as appropriate, to ensure fair treatment. This will apply to each individual but where we identify groups of the same people we may established a process aligned to the needs and circumstances of that group.

We have outlined at [Appendix 1](#) the vulnerabilities we expect to be present in our target market and customer base.

The firm and staff will be proactive in encouraging disclosure of support a customer with a vulnerable characteristic may require to enable them to realise value from our service. This will be particularly relevant at initial engagement but could also occur at any time in the sales process. There will also be a prompt in our privacy notice document encouraging customers to alert staff to particular support needs.

4 - ASSESSMENT AND MANAGEMENT OF RISK

Just because somebody is vulnerable does not automatically mean that they are unsuitable for the advice and services our firm supplies. As soon as we think we may be engaging with a vulnerable consumer we will make a record of this and ensure we adhere to this policy.

When speaking to the vulnerable consumer we will:

- Provide additional opportunities for the customer 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 with them who is able to assist them, and offer them the opportunity to have a family member or friend present during the conversation. This is especially prevalent in our industry for foreign nationals whom may not speak/understand English very well.

Where we feel we do not have the expertise to deal with the client due to their personal situation we will make every attempt to refer them to another firm or third party for the appropriate level of support to be provided. We will consider the potential impact of any advertising either on a website or via other marketing

channels on the needs of vulnerable customers and look to include content that is easily understood by the target audience with signposting for further customers that may have questions.

5 - HOW WE WILL REVIEW OUTCOMES

As a business we understand we need to monitor for trends and understand how vulnerable characteristics may change over time in relation to our target market and customer base. We will capture management information so we can monitor for trends, learn from experiences and improve our support to customers. We will use a 'client vulnerability record form' in those instances where our service has been directly impacted due to the client's vulnerable situation. We will use this information to monitor that we meet the needs of our customers and improve our support in this area. This will allow us to review our vulnerable persons policy periodically.

6 - UNDERSTANDING THE BENEFITS TO OUR FIRM

Supporting customers and clients who are in a vulnerable position is not just a regulatory but is also a moral responsibility. We intend to fulfil our duties in this area and as a firm we see the benefits in adopting the right approach. These include:

- Reduction in complaints
- Greater client satisfaction
- Engagement from a particular client set
- Reputational benefits
- Good publicity
- Improvement of overall "culture"

We will review our practices periodically for consistency and to determine adherence to the stated policy.

The following table illustrates mitigating actions for clients with mental capacity deficiencies (for the avoidance of confusion “competent person” means an individual without the limitation presented by the client):

Capacity Issue	Risk	Mitigation
Language	Client cannot fully understand important features of their agreement with us, their recommendation or the consequences of that recommendation	Client to instruct a competent person to act as interpreter.
Other communication problem created by disability	As above	Client to instruct a competent person to act as interpreter. Client to nominate a reasonable communication medium suitable for their disability.
Mental incapacity (temporary) e.g. intoxication, mental illness	As above plus the potential for reckless disregard for consequence	Client to instruct a competent person to communicate on their behalf. Legal agreement must be reached outside of any period of incapacity. Client should be encouraged to seek independent professional advice. If legal agreement cannot be reached outside of any incapacity, client must provide “Power of Attorney” for a competent individual to act on their behalf.
Mental incapacity (Permanent)	As above plus the possibility that any agreement might be	Client must provide “Power of Attorney” to a competent individual to act on their behalf.

	unenforceable as a result of known incapacity.	
--	--	--

7 - RIGHTS & RESPONSIBILITIES

Our responsibilities:

- To abide by the FCA’s principles and rules in this area
 - FCA Principles for Business 2,3,6,7 & 9;
 - TCF Outcomes 1,2 & 4
 - Consumer Duty Principle 12;
 - CONC Rules;
 - Senior Manager Conduct Rules;
 - Individual Conduct Rules.
- To ensure staff are aware of this policy and are adequately trained to identify and deal with clients who are or may appear “vulnerable”
- To support individuals in relation to identified risk and vulnerability
- To provide means of reporting any instance where they believe that a client might be in vulnerable circumstances

Responsibilities of our employees:

- To be familiar with this policy and procedures, and be able to recognise where additional support or sign-posting to other agencies may be required
- To take appropriate action in line with this policy
- To report any instance where they believe that a client might be in a vulnerable circumstance, and act accordingly in line with the policy
-

8 - IDENTIFICATION OF AND TREATMENT OF VULNERABLE CLIENTS – CLIENT EVALUATION

The table below sets out our approach to dealing with all individuals and help us to determine their circumstances and if they are in a permanent or temporary vulnerable situation. These guidelines will be distributed to all staff and each will be trained on the areas relevant to their role.

Client evaluation

All clients will be assessed, as a minimum, against the following criteria. This is in addition to any processes we have in place for different vulnerability groups;

O U R C L I E N T S B E S T I N T E R E S T S	Assess the client against our vulnerability policy
	Actively seek to encourage disclosure about potential vulnerability. This will occur at initial client engagement where clients will be encouraged to disclose any support they require to enable them to realise value from our service. However this could also occur at any time in the sales process.
	Ensure the approach taken is accurately reflected in the business records
	Consider whether to discuss the approach with colleagues/other professionals
	Ensure the know your client information gathers sufficient details to support the advice and uses additional questioning where appropriate
	Consider any unusual aspects – e.g. if someone else is accompanying a client, is there the potential for undue influence from that person
	Understand who the client is and the extent of the instructions needed to act on e.g. Power of Attorney
	Consider whether the client is acting differently/showing signs of a change of character
	Set a list of questions to check client memory recollection, where appropriate
	When working with more than one person, is there the potential for any conflict of interest or undue influence
	Confirm any change in circumstances which might lead to vulnerability e.g. taking on caring responsibilities
	Establish whether the client’s stated needs and objectives align with their current circumstances
	Consider whether the standard sales process or specific vulnerability group process is appropriate to the client’s needs
	Identify products/solutions that are clear and easy to understand for those showing signs of vulnerability
	Consider whether there is a need to adjust the delivery and format of communications e.g. providing a report in large print
	Explain all matters with no or limited use of jargon
	Try to accommodate flexibility around appointment locations and times e.g. visiting the client at their home at their preferred time of the day
	Try to determine if the duration of the meeting will need extending to accommodate more detailed explanations and delivery of information
	Determine if the complexity of the advice will require delivery over a greater number of meetings
	Considered the accessibility of office visits for those with health conditions/disabilities

APPENDIX 1

OUR TARGET MARKET AND CUSTOMER BASE

We have considered what characteristics of vulnerability are likely to be present in our target market and customer base and what steps we can take to mitigate risk and deliver good outcomes. These considerations are outlined below:

<p>Staff training and awareness</p>	<p><i>All staff are initially trained and then Bi-Annually refreshed on Vulnerable customers, how they may present and how we handle them. This is done in a meeting and scenarios are presented for sales staff to identify. We also encourage open questioning.</i></p> <p><i>The MD has extensive knowledge of dealing with VC's and he provides the training.</i></p>
<p>Likelihood of dealing with consumers that are in a vulnerable position or have characteristics of vulnerability.</p>	<p><i>It is very likely you will come across a VC at some point, as an estimate I would say 1 in 25 deals may involve a Vulnerability of some sort.</i></p> <p><i>As we will only be financing LCV's, this intern means we service logistics and courier markets regularly. Not limited to these markets, but there is a large % of these businesses that have foreign national directors or individuals and as a result, may not speak the greatest English, which makes explaining a deal and the conditions FULLY, quite difficult.</i></p> <p><i><u>*this is an example of a common thing we come across but remember to keep all of the above in mind*</u></i></p> <p><i>As there is no extent to the sectors we cover, we will always target all business and therefore VC's, it is imperative they are given extra precaution and care in the sales process to mitigate risk for you and ensure they are given the best service achievable.</i></p>
<p>Characteristics of vulnerability in our target market and / or customer base</p>	<ul style="list-style-type: none"> • <i>Poor English and therefore struggle to understand T&C's</i> • <i>Distressed Business/individuals that need capital / equity release always present cause for flagging vulnerability.</i> • <i>Digitally inept – cannot access ID checks or documents. You may need to physically meet these individuals.</i> • <i>Age – young directors/individuals may have inexperience and not understand terms</i> • <i>Age – Older directors may need extra help in reading documents for example</i> • <i>Illness – this is quite rare however can present when there is someone who is mentally or physically ill and therefore may be wreckless as to outcomes.</i>
<p>Products or services we arrange where individuals could be at a heightened risk of being deemed vulnerable.</p>	<p>*****ALL PRODUCTS APPLY HERE*****</p> <p><i>As we are a van sales company, we wont be brokering any products that carry a heightened risk in themselves, therefore we are encouraging staff to always be mindful for all individuals that approach us.</i></p>
<p>Behavioural biases present in our target market</p>	<p><i>There are no real bias tendencies for us as a van sales company.</i></p>
<p>How we will adapt our services to meet the needs of vulnerable customers and deliver good outcomes.</p>	<p><i>1 – Client presents with very poor English.</i></p> <p><i>Here we would ask the client to nominate a candidate within the business or a family member to discuss there requirements, ideally someone of a position of authorise such as an assistant director a spouse or parent.</i></p>

	<p><i>We then try and keep all correspondence to emails with the VC cc'd so that the nominated person can help them in making a decision on the product.</i></p> <p><i>2 – Distressed Businesses/ individual. Wherever a distressed person is present, we will always act with integrity and FULL TRANSPARENCY. This is key when, as an example, when we are asked to fund an expensive van for someone that is struggling. Try and keep all key conversations to written ones to ensure compliance.</i></p> <p><i>3 - Mental health condition, disability or loss of capacity. Where necessary we would consider the use of third-party support and legal mechanisms, including Power of Attorney, to support customers who cannot make their own decisions. We proactively discuss the importance of putting POA in place with our clients and explain the disadvantages if this is not in place</i></p> <p><i>4 - Hearing or visual impairment. We would adapt our meeting style and methods of communication in a way that would support the consumers understanding and we would look to product manufacturers for support in this respect in relation to materials they produce.</i></p> <p><i>5 - Relationship breakdown, bereavement, heightened stress and anxiety. We recognise that this is likely to be emotionally challenging for the customer which may affect decision making. We will adapt our service by offering more time, additional meetings where appropriate, e.g. where the client is not focused on the discussion, and/or invite a third party to support the client. Where we are aware of dedicated support services available, e.g. at a provider/lender, we will look to ensure the customer is handed to a specialist team.</i></p>
<p>Resources available from 3rd parties, e.g. specialist organisations, product manufacturers.</p>	<p><i>NACFB / simplybizz compliance</i></p>