

# Vulnerable Customers

In April 2022, the Financial Conduct Authority (FCA) released details of its three-year strategy. One important strand is that firms should put the needs of customers first – **"we want firms to focus on delivering good outcomes for their customers."**

This complements the FCA's existing guidance regarding the fair treatment of vulnerable customers. Recent years have seen a significant increase in the number of those considered to be 'vulnerable', making it vital that all staff understand how to identify and respond to signs of vulnerability.

## #1

### Understand vulnerability

A vulnerable customer is someone who, due to their personal circumstances, is particularly susceptible to harm.

The FCA has highlighted four key characteristics that increase the risk of vulnerability – **health, life events, resilience** and **capability**.

## #2

### Know your responsibilities

If you **identify vulnerability**, you need to take appropriate action.

Key things to consider include: what impact it might have on the way the customer engages with the firm; what additional needs the customer may have; and how you record the information.

## #3

### Follow procedures

Dealing with vulnerable customers can, in some cases, be challenging. Therefore, you should **follow your firm's procedures** and make use of any practical and emotional support offered.

This will help you comply with all the applicable laws and regulations.

