



A SAFE
PAIR OF HANDS

A Good Practice Checklist

Assessing and supporting your firm's approach to clients in vulnerable circumstances



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Firms need to assess the extent to which they have taken appropriate action in respect of their approach to clients in vulnerable circumstances.

The following checklist is presented as a useful tool, using the **Identify, Understand, Respond, Report** Framework.

While containing what we see as a comprehensive question set, it is not an attempt to cover all bases or encourage a tick-box mentality, more an example of many of the key questions your firm may wish to consider in the context of good practice. It does, however, encompass good practice observations from the FCA’s 2024 Review of firms’ treatment of customers in vulnerable circumstances, published on 7 March 2025.

| Your Vulnerable Client Policy (VCP) | | |
|---|-----|----|
| | Yes | No |
| Do you have a VCP in place? | | |
| Do you have a process in place to regularly review, audit and conduct a gap analysis on your VCP? | | |
| Have you appointed a senior individual to own/oversee/sponsor your VCP and engage in the process of ensuring good outcomes for clients in vulnerable circumstances? | | |
| Do you have a budget allocated to facilitate change to improve your VCP? | | |
| Do all staff know how to access it? | | |
| Do all staff understand how it applies to their day-to-day job roles? | | |
| Does an assessment of staff performance/staff reviews link in part to key success indicators within the VCP? | | |
| Have you ensured that incentive schemes in place do not incentivise bad outcomes for any clients, but especially those in vulnerable circumstances? | | |
| Do you have an objective means of assessing the effectiveness of your VCP? | | |

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IDENTIFY

KEY DELIVERABLE 1:

A robust, timely and effective process for identifying clients in vulnerable circumstances.

| | | Yes | No |
|--|--|-----|----|
| Identifying clients in vulnerable circumstances | <p>Self-disclosure Have you established a 'positive disclosure environment' that encourages clients to self-disclose their vulnerable circumstances and associated needs?</p> | | |
| | <p>Do any automated or digital processes used by your firm enable clients in vulnerable circumstances to declare any additional needs?</p> | | |
| | <p>Digital identification Do you have any IT solutions in place to help ensure objectivity and consistency when identifying and supporting those in vulnerable circumstance?</p> | | |
| | <p>Human identification Have you a process in place to develop your firm's understanding of common vulnerable circumstances typical of clients within your target market/s?</p> | | |
| | <p>Have you a process in place to widen your firm's understanding of less common circumstances?</p> | | |
| | <p>Have you any practical tools available to assist staff in recognising and dealing with vulnerabilities?</p> | | |
| | <p>Timely identification Have you a proactive process in place to identify clients in vulnerable circumstances:</p> <ul style="list-style-type: none"> • Prior to onboarding? • At the point of onboarding? • At the point of advice delivery? • At review? • During the life of a policy or service delivery? | | |
| | <p>Systematic identification Have you assessed the nature of likely clients within your target market/s, the vulnerable circumstances they are likely to exhibit and the associated levels of risk?</p> | | |
| | <p>Have you conducted a representative survey of your client bank to more accurately assess the actual nature and extent of vulnerable circumstances present?</p> | | |

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UNDERSTAND

KEY DELIVERABLE 2:

A growing understanding in respect of how vulnerable circumstances create different or additional needs, that if not met may lead to foreseeable harm and sub-optimal outcomes for clients.

KEY DELIVERABLE 3:

The ongoing development of the skills, capabilities and knowledge of all staff.

| | | Yes | No |
|--|--|-----|----|
| Understanding the (additional) needs of clients in vulnerable circumstances | Have you identified the type of harm or detriment that clients in your target market/s are most susceptible to? | | |
| | Have you researched and mapped the needs of such clients that, if met, will reduce or eliminate harm or detriment? | | |
| | Do you have a process in place to establish and develop your firm's understanding of any additional needs linked to less obvious or less commonplace vulnerable circumstances? For example, such a process might include holding sessions with any existing and prospective clients exhibiting or declaring such vulnerabilities to better understand their needs. | | |
| | Are you aware of requirements under the Equality Act 2010, including the treatment of those with protected characteristics, and have these been incorporated within your VCP? | | |
| | Can the additional or wider needs of clients in vulnerable circumstances be recorded within your CRM or back-office system/s, and do they differentiate between temporary, periodic and more permanent needs? | | |
| | Do you have clarity in respect of how these needs can be met: <ul style="list-style-type: none"> • Internally within your firm? • Externally via signposting to relevant third parties? | | |
| | Have you a process in place that encourages clients to tell you about their needs as part of any online journey? Does that journey proactively flag or provide support as part of that journey? | | |

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| | | Yes | No |
|---|---|-----|----|
| Ongoing development of the skills, capabilities and knowledge of staff | Are staff aware of the extent and nature of vulnerable circumstances they may encounter with clients and prospective clients? | | |
| | Are staff able to respond flexibly to client needs, and act with an appropriate level of care when engaging with clients in vulnerable circumstances? | | |
| | Is vulnerability covered within your recruitment, induction, training programmes and processes to highlight its importance? | | |
| | Are you comfortable with the level of training in place for: <ul style="list-style-type: none"> • Client-facing staff? • Non-client-facing staff? • Executive or senior management? | | |
| | Have you contacted charities, consumer, and other relevant groups to develop your staff’s understanding of the needs of clients in specific vulnerable circumstances (starting with the most common)? | | |
| | Have you taken action to ensure all staff are able to spot signs of fraud, scams and financial/economic abuse and know action to take when they do? | | |
| | Are all staff able to recognise and respond to the needs of clients in vulnerable circumstances? | | |
| | Are all staff able to articulate how their role impacts clients in vulnerable circumstances? | | |
| | Do you carry out regular skills, capabilities and knowledge training, so that all staff are able to recognise and respond to a range of vulnerable circumstances? | | |
| | Has your firm created an environment that allows time for frontline staff to be empathetic and instigate difficult conversations? | | |
| | Are staff trained to use effective protocols (eg TEXAS, BRUCE, IDEAS) to engage with clients and encourage disclosure? | | |
| | Does your firm offer practical and emotional support to staff dealing with clients in vulnerable circumstances? | | |
| | Do your frontline and relevant back-office staff know when to escalate a vulnerability issue to the next level, seeking additional help from specialist teams, key individuals within your firm or when to refer a client to third party support? | | |

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RESPOND

KEY DELIVERABLE 4:

An ongoing review of client communications, products, services, and product and service design against different or additional needs.

KEY DELIVERABLE 5:

The development of internal or external third-party resources designed to meet additional or different needs of those in vulnerable circumstances.

| | | Yes | No |
|------------------------------|--|-----|----|
| Client communications | Do you have a process in place to consider the communication needs that clients with characteristics of vulnerability in your target market or client bank may have? | | |
| | Have you developed a range of communication styles and options to suit your clients? | | |
| | Have you taken appropriate action/do you have a process in place to test and evidence that understanding – for example client feedback or insight gathering – and make changes where required? | | |
| | Are the communication needs and/or preferences of clients recorded and acted upon? | | |
| | Does your website cater for the needs of clients in vulnerable circumstances? | | |
| | Are your vocabulary style and language consistent across the business and its communications? | | |
| | Are all written communications from vulnerable clients that contain sensitive or private information password-protected and securely stored? | | |
| | Can you assure your clients' confidentiality of sensitive information? | | |
| | Are all your external communications clear, written in plain English and easy to understand and inclusive? | | |
| | Are your communications timely? | | |

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| | | Yes | No |
|--|--|-----|----|
| Client services and support | Is your client support able to respond flexibly to clients' identified needs? | | |
| | Have you taken additional care to ensure your firm meets the needs of consumers at the greatest risk of harm? | | |
| | Do you have staff with specialist knowledge, so that dedicated support can be provided? | | |
| | Do you have processes in place to direct clients to specialist support outside your firm? | | |
| | What processes are in place to make clients aware of the support available to them, including relevant options for third-party representation and specialist support services? | | |
| | Has consideration been given to formal and flexible mechanisms for clients who may need third-party support on a short or longer-term basis? | | |
| Client product and service design | Have you considered the potential positive and negative impacts of all products and services on clients in vulnerable circumstances, and ensured that product and service design avoids potential harmful impacts? | | |
| | Have you taken clients in vulnerable circumstances into account at all stages of the product and service design process, including idea generation, development, testing, launch and review, to ensure products and services meet their needs? | | |
| | Have you taken steps to ensure the needs of clients with characteristics of vulnerability are managed across the distribution chain? | | |
| | Do you regularly review your firm's products and services, so you remain confident that they continue to meet the needs of clients in vulnerable circumstances? | | |

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REPORT

KEY DELIVERABLE 6:

Regular monitoring and recording of good client outcomes for all clients, including those in vulnerable circumstances as an identifiable and contrastable sub-set, at both individual and firm level.

KEY DELIVERABLE 7:

Effective deployment of IT and data management (including data protection).

| | | Yes | No |
|--|--|-----|----|
| Monitoring and recording client circumstances and needs | Do all staff know how to record and access information about clients that will enable firms to meet their needs promptly, consistently and fairly? | | |
| | Are you monitoring changes in clients' vulnerable circumstances over the lifetime of a product or service? | | |
| | Has your firm complied with all relevant data protection legislation including GDPR? | | |
| Monitoring and recording good client outcomes | Do you have clarity on what your firm considers good and poor outcomes? Are they clearly defined? | | |
| | Do you use good-quality data to understand the outcomes of clients in vulnerable circumstances? | | |
| | Are you confident that your firm is responding to the needs of all clients in vulnerable circumstances? | | |
| | How does your firm measure the success of how it recognises and looks after vulnerable clients? | | |
| | Have you implemented appropriate processes to evaluate where you have not met the needs of clients in vulnerable circumstances, so that you can make improvements? | | |
| | Does your firm's data/MI enable effective monitoring of outcomes, so that those in vulnerable circumstances can be compared with those who are not? | | |
| | Is your firm able to clearly show what actions were taken where poor outcomes were identified, and to evaluate whether such actions were effective? | | |
| | Has your firm gathered and stored information legitimately to demonstrate that poor outcomes are minimal and/or reducing? | | |

