VULNERABLE CUSTOMER POLICY

SCOPE

This policy applies to all employees involved in regulated activities within BSP Motor Vehicles Ltd and all its subsidiary companies:

INTRODUCTION

Ensuring that customers in vulnerable circumstances are treated not only fairly, but with empathy and sensitivity to their circumstances is a growing priority for the Financial Conduct Authority and other regulators. Vulnerable customers are likely to need additional assistance at some stage in order to avoid detriment (financial or psychological) when attempting to arrange insurance. The purpose of this policy is to ensure that the way in which we conduct our business does not have a negative impact on vulnerable customers.

A vulnerable consumer is defined as someone who has personal circumstances that place them at a higher risk of detriment, particularly if a company does not act with the appropriate level of care.

BSP Motor Vehicles Ltd is committed to ensuring that all its staff are capable of identifying vulnerable consumers, and that they are able to handle a situation involving a vulnerable customer with the required levels of care, attention and respect. A consumer may find it difficult to make an informed decision about their available options for a variety of reasons. The risk factors that contribute to consumer vulnerability in financial services include:

- low literacy, numeracy and financial capability skills
- physical disability
- severe or long-term illness
- mental health problems including common mental disorders (CMD)
- low income and/or debt
- being 'older old' for example over 80, although this is not absolute (*may be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill health, not being comfortable with new technology*)
- being young (*associated with less experience)*
- change in circumstances (*e.g. job loss, bereavement, divorce*)
- lack of English language skills

Living with a disability, illness or diagnosis does not in itself make someone vulnerable. In the context of financial services , it is the person's situation and barriers to accessing such services that may make them vulnerable. Equally a person may be vulnerable without any disability, illness or diagnosis, for example if they are recently bereaved.

BSP Motor Vehicles Ltd
UNIT 2,
2A ARUNDEL STREET
DERBY
DE22 3PG

IDENTIFYING VULNERABLE CUSTOMERS

For BSP Motor Vehicles Ltd staff to correctly address the needs of a vulnerable consumer, it is important to be able to identify them.

Risk factors that can help to identify a vulnerable consumer include illness, disability, illiteracy, bereavement and other impairments as indicated above. the customer may have indicated a vulnerability in correspondence or one or more of the following indicators may become apparent during a telephone conversation or meeting within the business. *key indicators that often highlight a risk factor include :*

a) Can the customer hear everything you are saying and do they understand what you are saying? Do they ask you to slow down or to speak louder? Are you sure they have heard and understood all the relevant details? Do they ask you to clarify any details or advise they do not understand terminology being used

b) Does the customer stay on topic and hold a conversation that is coherent, or do they appear distracted or confused? Do the customers responses remain relevant and are their questions typical for the discussion being had?

c) Does the customer take an unusually long amount of time to answer a question that suggests they are struggling to process the information provided to them?

d) Does the customer indicate they may have a disability or impairment based on their voice, pronunciation, breathing, hearing or ability to understand the conversation? Are they coherent and fluent in the language being used?

DEALING WITH VULNERABLE CUSTOMERS

Just because somebody is vulnerable does not automatically mean that they are unsuitable for the products and services the business supplies. As soon as we think we may be engaging with a vulnerable consumer we should take care to adhere to the requirements set out in this policy.

When dealing with vulnerable consumers staff must remain aware of the following guidelines:

a) Remain patient and empathetic; do not rush the customer, interrupt, or appear impatient. Allow the consumer to arrive at their own decisions and process the information sufficiently.

b) Ensure the customer is able to hear and understand what you are saying; ask the customer to explain their understanding of what you are telling them, or include questions as frequently as possible to ensure they are aware of and understand what is being discussed.

c) Allow the customer to explain thoroughly; do not assume you already know what their requirements or needs are, and do not finish off their sentences which often implies you are rushing them to progress the

conversation. Listen carefully to the customer and remain conscious of any absence of understanding, hints at unawareness, or forgetfulness of topics already discussed.

d) Clarify that the consumer is comfortable with the standard and method of communication, and offer to provide details in an alternate format such as via post or email for clarity. Before acting on a vulnerable consumer's advice, ask if there is anybody else they need to speak to about their decision.

When a vulnerable customer has been identified a relevant note should be added to their record ensure awareness extends to all staff within the company who deal with the customer. It is important that we maintain a consistent level of service, and that a vulnerable consumer receives adequate care irrespective of which staff member they liaise with. Any such notes should describe the reasons for the assessment of the customer as vulnerable and be respectful.

Mental capacity

Mental capacity relates to the ability of the individual to understand and to retain and evaluate relevant information in order to be able to make a decision based on that information.

In the event that a member of staff believes that a vulnerable consumer is unable to make a decision for themselves regarding their finance agreement, they should attempt to identify a carer or next of kin who is authorised to act on their behalf with respect to their financial affairs. in many cases, a parent or spouse will represent the interests of the vulnerable consumer. All staff members who deal directly with customers, regardless of department or position, must familiarise themselves with this policy and ensure they understand it completely.

Product literature

It is acknowledged that there are limits to what we can reasonably do to form a view as to whether or not a customer has, or may have, some form of capacity limitation. However, it is good practice, prior to submitting a finance proposal, to invite customers to disclose (on a voluntary basis) whether there are any issues relating to their health or general well-being which may be relevant to the consideration of any product or decision by the business. Any such invitation should make clear that the information provided will be used solely to ensure the products discussed with the customer are clear, fair and do not mislead the customer in any way.

If a customer provides information which indicates that he/she does, or may, have some form of mental capacity limitation that might impact on their ability to make an informed decision, this should not lead to them automatically being denied access to the product or service being sought. It should act as a trigger for us to consider what reasonable steps might be taken in order to amend our usual processes to ensure that the customer is treated fairly and a positive outcome is reached for the customer.

PRODUCT GOVERNANCE

The design and distribution of products will take into account the requirements of vulnerable customers, and this will include collecting relevant management information to monitor the company's performances in treating vulnerable customers in accordance with the requirements set out in this policy.