

The Bath Private Pension Plan Vulnerability

The underlying principle of the Consumer Duty is to protect customers, put their needs first and achieve a good outcome and this should apply to all customers.

An area of particular concern is that of “vulnerable customers”. The FCA define a vulnerable customer as:

‘Someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care’

There are 4 key drivers of vulnerability:

1. Health
2. Life events – like bereavement, or sudden caring responsibilities
3. Resilience – a client’s ability to cope with unexpected financial or emotional situations.
4. Capability – less understanding and/or confidence when making financial decisions.

Just because a customer has previously been healthy it does not extend that they will always remain so.

As our customers age, it is inevitable that any of the key drivers as defined above could apply at any time, and, although it is not a given that just because someone is older they are automatically more vulnerable, it is important we are aware of the possibility that a customer could become vulnerable overnight.

Our staff are trained to recognise potential instances of vulnerability – in many cases our relationship with our clients means we will be aware of any potential life events that could contribute to them becoming vulnerable and equally, when they may no longer be classed as such. This training is reviewed annually to ensure we are delivering good outcomes to all our clients.