



# **THE IFPS**

**Protected Funeral Plans**

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## **Vulnerable Customer Policy**

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## 1. PURPOSE

The purpose of this document is to set out the policies and procedures that the Company has in place to ensure the fair and appropriate treatment of customers, who the Company understands or reasonably suspects to be vulnerable.

This document is for the use of the Company's staff who interact with customers in any capacity or otherwise operate in a capacity where they can be reasonably aware of information that indicates a customer is vulnerable, and provides a documented framework to promote the consistent fair treatment of these customers.

## 2. REGULATORY REQUIREMENTS

Consumers are placed at the centre of the FCA's regulatory regime, and their protection is one of the FCA's operational objectives. The FCA advances its consumer protection objective through its high-level principles, as set out in the Principles for Businesses module of the FCA Handbook, and specific conduct rules that apply to the Company's regulated activities.

The Principles for Businesses that underpin the fair treatment of vulnerable customers are as follows:

- Principle 2 - A Company must conduct its business with due skill, care and diligence;
- Principle 3 - A Company must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems;
- Principle 6 - A Company must pay due regard to the interests of its customers and treat them fairly; and
- Principle 7 - A Company must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

Principle 6 underpins the Company's obligation to ensure the fair treatment of vulnerable customers in that the fair treatment of customers depend, in part, on the characteristics of the customers concerned therefore, to pay due regard to their interests and treat them fairly, the Company must understand what makes customers vulnerable, understand their needs, and ensure the products and/or services it provides supports the fair treatment of vulnerable customers.

The Principles of Businesses are supplemented by conduct rules which require the Company to establish and implement clear, effective and appropriate policies and procedures for the fair and appropriate treatment of customers, who the Company understands or reasonably suspects to be vulnerable or particularly vulnerable.

### 3. APPLICATION

#### 3.1 DEFINITION OF VULNERABLE CUSTOMERS

The FCA defines a vulnerable consumer as ‘someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a Company is not acting with appropriate levels of care’.

#### 3.2 DRIVERS OF VULNERABILITY

The policies and procedures set out in this document ensure that the Company recognises and understands different characteristics of vulnerability. We treat all consumers that display characteristics of vulnerability fairly in the context of our Funeral Plan services (i.e. those susceptible to detriment should the Company not act with appropriate levels of care). Failure to respond to vulnerability appropriately could cause these customer’s avoidable harm.

The Company acknowledges the following drivers of vulnerability:

- Negative life events such as bereavement, unemployment or relationship breakdown;
- Health conditions or illnesses affecting the ability to carry out daily tasks;
- Low resilience or a low ability to withstand emotional or financial shocks;
- Low or limited capability, such as low confidence dealing with financial matters or limited language, literacy or digital skills.

The Company also acknowledges that certain groups may display characteristics of vulnerability such as those over 75 years of age, those who are unemployed, those in rented accommodation and those with no formal qualifications.

#### 3.3 SCALE OF VULNERABILITY

According to the FCA 24.1 million people show at least one characteristic of vulnerability. This equates to 46% of all UK adults. The FCA’s 2020 Study considered Vulnerable Consumers and found that 16% of the adult population (34% of those considered vulnerable) displayed two or more of the four drivers of vulnerability.

Following the COVID 19 pandemic it is expected that more people will have become vulnerable due to effects on their health, bereavement of a loved one or a change in their financial circumstances. The FCA’s COVID 19 Panel Survey indicated a rise from 46% to 53% of vulnerable UK adults by October 2020.

#### 3.4 TYPES OF VULNERABILITY

Vulnerability can come in a range of guises, and can be temporary, sporadic or permanent in nature. Permanent characteristics are likely to mean that a customer is vulnerable or particularly vulnerable to harm. Whereas some customers might be potentially vulnerable either because of a characteristic such as age, or because of their current circumstances.

- **Actual vulnerability** can be permanent but is often transient because consumer circumstances constantly change. This can cause consumers who had not previously been vulnerable to become so at some stage of their life. A consumer who loses their

partner/spouse may become vulnerable at that stage of life. Equally, a consumer may no longer be vulnerable because of a change in their circumstances; for example, a previously unemployed person who has now sufficient income to cover their outgoings.

- **Potential vulnerabilities** are consumers who are not vulnerable at the current time but may be more susceptible than others, due to certain characteristics (for example, someone with a history of stress related illnesses or depression). **Potential vulnerability** can also be transient or short term. Whilst this may not lead to actual vulnerability in each case, it is important to note the concept and understand it's causes and drivers.
- **Particularly vulnerable** is a permanent or long-term state of vulnerability. This could mean they are particularly susceptible to harm. For example; Vulnerability can be caused by mental incapacity which affects an individual's ability to make an informed decision. The Mental Capacity Act 2005 states that a person lacks mental capacity if they cannot understand information about the decision to be made, cannot retain that information in their mind, cannot use or weigh that information as part of the decision-making process, or cannot communicate their decision. Such consumers are likely to be **particularly vulnerable**.

### 3.5 EXAMPLES OF DISADVANTAGE OR HARM

The FCA identified some of the behavioural and personal consequences of vulnerability for consumers. These include:

- Heightened stress levels due to difficult, or different personal circumstances
- Increasing time pressures due to additional responsibilities
- Increasing preoccupation ('brain is elsewhere') limiting the ability to manage
- Processing power and ability decreasing due to competing pressures, for example due to the side effect, or emotional toll, of receiving medical treatment
- Lack of perspective especially when experiencing something for the first time, not fully understanding the broader implications; being unable to make comparisons, or see the 'bigger picture'
- Changing attitudes towards taking risks; people often become more 'reckless' and/or careless when under stress

These consequences may affect the way vulnerable consumers engage with the Company and may negatively impact their decision-making. Consumers with characteristics of vulnerability are more likely to make poor decisions about buying and using financial products, exacerbating financial difficulties, placing them at greater risk of harm.

The impact of characteristics of vulnerability could be made worse by the Company's behaviour or business decisions. Financial products and services are increasingly being recognised as essential, however, the nature of the Company's products may have a negative impact. Financial Products (such as funeral plans) can be complicated and can involve customers entering into extended commitments, such as instalment plans. Subsequently, the financial impact of decisions can be life changing and poor decisions can have long-term effects.

#### 4. IDENTIFYING VULNERABLE CUSTOMERS

##### 4.1 VULNERABILITIES

Indicators	Vulnerabilities*	Identifiers
Life Events (Births, deaths, divorce, disaster)	Bereavement, depression, anxiety, grief, PTSD, financial hardship	<p>Previous or recent experience of funerals?</p> <p>Reason for enquiry – what has prompted an enquiry about funerals?</p> <p>Insistence on someone else dealing with the plan details on their behalf?</p> <p>Is there a POA?</p> <p>Show emotion/upset when discussing funerals?</p> <p>Emotional behaviours/upset randomly, has something happened?</p> <p>Is the call going off track a lot? Are they feeling lonely, and you are first person they have spoken to in a very long time?</p> <p>Indication of financial trouble? Can't make their payments?</p> <p>Is additional support required?</p> <p>Can we sign-post to a support charity?</p>
Health	Terminal illness, mental or physical illness or disability, Alcohol or substance dependence	<p>Listen out for:</p> <p>Keep asking you to repeat questions?</p> <p>Hard of hearing</p> <p>Asking the same questions?</p> <p>Ask inappropriate/irrelevant questions?</p> <p>Jump from one subject to another?</p> <p>Getting agitated easily?</p> <p>Take a while to answer the phone and are out of breath?</p> <p>Ask for paperwork in a larger print?</p> <p>Blind or partially sighted</p> <p>Mention a specific illness? If so, we need consent to log this.</p> <p>Slurred speech</p> <p>Aggressive language/Upset/Emotional</p>



<p>Resilience</p>	<p>Financial hardship, mental or physical illness, illiteracy, lack of support network</p>	<p>Ask at point of appointment/ lead gen if they have suitable income?</p> <p>Come across lonely, mention having no friends or family to come to the funeral?</p> <p>Give one-word answers? Don't assume 'yes' means 'I understand'.</p> <p>Is it hard to engage in a conversation?</p> <p>Is everything you say agreed with? This could mean lack of focus, or engagement.</p> <p>Ask questions, to gage their understanding of what you have told them</p> <p>Asks you clarify anything or explain anything further, repeatedly</p> <p>Are there unexplained gaps in conversation, does it take a long time to obtain an answer to your questions?</p> <p>Have call barring – do we need to leave a certain message to explain who we are?</p>
<p>Capability</p>	<p>Language barrier, illiteracy, capacity to understand, financial hardship</p>	<p>Is the customer fluent in English?</p> <p>Do they understand what you are saying?</p> <p>Do they need someone to deal with the plan on their behalf due to a language barrier?</p> <p>Do they ask you what everyday words mean?</p> <p>Respond in a way that doesn't flow with the question?</p> <p>Need paperwork translating?</p> <p>Worried about making the payments?</p> <p>Imply they will have difficulty paying for the plan?</p> <p>Cannot express choices/decisions clearly?</p> <p>Share too much information that we do not need to know?</p> <p>Is there a POA?</p>

\*The list of vulnerabilities is not exhaustive.

## 4.2 ASSUMPTIONS

To ensure that the Company consistently identifies vulnerable customers and provides a quality service to the same, it is important that the Company's staff do not make assumptions when interacting with customers which could impair the Company's ability to identify vulnerabilities. Common assumptions that can undermine the ability to identify vulnerabilities include:

- Customers will tell you that they are vulnerable;
- Customers who are fluent in speaking English are also fluent in reading and understanding written documents;
- The person you are talking to can hear everything you are saying; and
- The person you are talking to is sighted.

Our representatives should not be assumptive. Staff should be attentive, listen out for any signs of vulnerability and adjust their interaction accordingly.

## 5. DEALING WITH THIRD PARTIES REPRESENTATIVES

A third party could be one of the following:

- A next of kin/family member
- A person with Power of Attorney
- A representative from Social Services
- A legal representative

In the case of a next of kin/family member, we do not expect any proof of authority, as this is viewed as the family member assisting and supporting, to the benefit of the vulnerable person.

In all other cases some form of identification would be expected to prove authority to assist.

The details and position of the third party would be documented on any paperwork/application forms, and their signature may confirm purchase of products and services in place of that of the vulnerable person.

## 6. MAKING ADJUSTMENTS TO SERVICE DELIVERY

For recently bereaved customers, the Company considers them to be in a state of vulnerability from the outset. The Company has an expectation that their state of mind and decision-making processes may frequently change and are equipped to deal with this via our staff selection, experience and training.

For Prepaid Funeral Plan customers, the Company would tailor make a prepaid product to best suit any vulnerabilities they may have.

Examples of the above include the following:

- Flexibility in where we meet customers to suit their needs.
- Consideration and advise on the suitability of the products and services the customer wishes to purchase, and whether they suit their physical, mental and financial needs.
- Planning a funeral in a way that brings the least stress to the customer.
- Assisting customers with transportation needs.



## 7. MAKING RECORDS

### 7.1 ORDINARY RECORDS

Details of any vulnerabilities would be noted on the Company's CRM system and may also be noted on a funeral plan application form or funeral arrangement form.

The CRM is available for all staff members to see. All staff members have the potential to come into contact with a vulnerable person throughout their planning and purchase experience. Therefore it is necessary that staff are equipped with this knowledge to endeavour to make the customer experience the least stressful possible.

### 7.2 SPECIAL CATEGORY PERSONAL DATA

Under GDPR, personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data, health data, or data concerning a natural person's sex life or sexual orientation can only be processed by the Company if the Company obtains explicit consent from the customer.

Funeral arrangement forms and funeral plan application forms contain an additional signatory box, where the customer can sign to give consent for the holding of Special Category Data.

In the case of a funeral arrangement the Special Category Data relates to the person arranging the funeral and not the deceased.

In the case of a prepaid funeral plan the Special Category Data relates to the Plan Holder.

## 8. OBTAINING EVIDENCE

In some circumstances evidence of vulnerability may be required by the Company. This includes the following:

Circumstance	Evidence Required	Timescale	Reason
Financially vulnerable customers arranging a funeral	Evidence of funding e.g. from DWP, insurance, bank	48 hours prior to funeral taking place	To assess customer budget and tailor make products and services accordingly, to prevent the customer getting into financial stress and difficulty.
People with shortened life expectancy applying for a Prepaid Funeral Plan	Medical certificate/letter to confirm	Prior to purchase of funeral plan	In order to supply products and services to people not usually eligible, but whom have a genuine need.

## 9. GOVERNANCE

### 9.1 APPROVAL

The policies and procedures set out in this document have been approved by the Company as follows:

Sumantha Abrams – Company Director

### 9.2 INTERNAL AUDIT

Internal audits for compliance to internal procedures and external regulations, will be performed a minimum of once annually, whereby a random selection of funeral arrangements and prepaid funeral plans will be reviewed from start to finish.

### 9.3 REVIEW

Annual reviews are performed on all procedures to ensure ongoing compliance and reflect current practises within the business.

Staff training will be performed if any updates are made.

The Company Directors or designated representatives are responsible for this review.