

Vulnerable Customer Policy

Policy Statement and Purpose

The purpose of this policy is to ensure that the operations of MMC Specialist Cars Ltd do not have any negative impact on Vulnerable Customers.

Vulnerable Customers: Current or prospective customers whose ability or circumstances require us to take extra precautions in the way that we sell and provide our products and services to ensure they are not disadvantaged in any way.

Scope

This policy applies to all employees involved in regulated activities within MMC Specialist Cars Ltd.

Legal Context

The Financial Conduct Authority (FCA) defines a vulnerable customer as “Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care”.

The FCA set out their most recent guidance for the fair treatment of customers in 2021, [FG22/1](#).

The FCA have identified the following key drivers of vulnerability, see below. In 2020, the FCA’s Financial Lives survey indicated that 53% of UK Adults had characteristics of vulnerability. Not all customers with characteristics of vulnerability will be vulnerable, but they may be more likely to have additional or different needs which, if not met, could limit their ability to make decisions or to represent their own interests.

Health	Life events	Resilience	Capability
Physical disability	Retirement	Inadequate (outgoings exceed income) or erratic income	Low knowledge or confidence in managing finances
Severe or long-term illness	Bereavement	Over- indebtedness	Poor literacy or numeracy skills
Hearing or visual impairment	Income Shock	Low savings	Poor English language skills
Mental health condition or disability	Relationship Breakdown	Low emotional resilience	Poor or non-existent digital skills
Addiction	Domestic abuse (including economic control)		Learning difficulties
Low mental capacity or cognitive disability	Caring responsibilities		No or low access to help or support
	Other circumstances that affect people’s experience of financial services eg, leaving care, migration or seeking asylum, human trafficking or modern slavery, convictions		

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Application

MMC Specialist Cars Ltd recognises that a proportion of its customers are likely to be considered vulnerable under the FCA's definition. The following circumstances summarise what we expect to be common forms of vulnerability in our customer base, but this should not be seen as an exhaustive list:

- Customers with communication difficulties – English not first language, learning difficulties, dyslexia.
- Reduced physical or mental capacity.
- Health issues – severe or long term, physical or mental.
- Personal circumstances – financial difficulties, bereavement, redundancy.

Vulnerability often affects a customer's ability to make an informed decision. Typical characteristics include the following:

- Inability to hear or understand what is being said.
- A need for questions to be repeated.
- Difficulty in retaining information.

As soon as we suspect or have concern that we may be engaging with a vulnerable customer, whether this is through identification or information provided to us, we will:

- Use the TEXAS model to – **Thank** the customer, **Explain** how their information will be used, gain **eXplicit** consent to store the information, **Ask** the customer questions to get the information you require, **Signpost** or refer to internal or external support available.
- Ask the customer if there is anybody with them who can assist them, support them in their decision-making process, or relay information in a manner that the customer can better understand (translate, for example).
- Offer the customer the opportunity to take extra time to consider their circumstances before entering into the agreement.
- Inform a line manager or colleague to request assistance.

If, for any reason, you believe that a customer does not understand the product or service being offered to them, you must not proceed with the sale until further assistance is sought.

Simply experiencing one or more of the circumstances above does not mean that the customer is vulnerable. It is important not to make assumptions as you may offend a customer.

Just because a person is identified as vulnerable does not automatically mean that they are unsuitable for the product or service.

Vulnerability Identified Post Sale: If, once the sale is complete you believe the customer is vulnerable in any way, appropriate steps should be taken to support the customer as much as possible. Consideration as to any remedial action will be made on a case-by-case basis, each case should be referred to the Compliance Manager. Immediate activities such as discussing specifics of an agreement to review if a customer is fully aware of their commitments should be considered are encouraged.

Third Party Companies: Where the activity with a potentially vulnerable customer has the direct involvement of a third-party provider, such as lenders or insurance providers, we will follow the procedural guidance provided by those companies. For details on these please refer to the Compliance Manager.

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Record Keeping: If a customer discloses a mental health problem or vulnerability, permission to store that information must be obtained from the customer or authorised Power of Attorney, or similar. The information must be treated as 'sensitive personal information' and logged, please refer to the privacy policy.

In all circumstances, and as per the Data Protection Act, you should explain to the customer how their information will be used, stored and shared internally.

All Vulnerable Customers should be reported to the Compliance Manager who will then store the information internally and report to our lenders as required.

Training

All employees who are, or manage those who are, customer facing will be trained appropriately in the recognition of potential vulnerability and processes to assist vulnerable customers. This training will be revisited at least annually.

Most Recent VC Training Date: 30/8/2023

Implementation

This policy takes effect immediately. All managers should ensure that staff are aware of this policy and its requirements. If staff have any queries in relation to the policy, they should discuss this with their line manager.

Retention

This policy will be reviewed periodically, and historical records retained for 7 years.