



DB AUTOMOTIVE

VULNERABLE CUSTOMERS POLICY

1 POLICY STATEMENT

[DB Automotive BRTN LTD] (*hereby fter referred to as the “Company”*) are committed to identifying, assessing and managing vulnerable customers in accordance with our own objectives and this policy, as well as any relevant regulations and guidelines. We aim to treat all customers defined as, or with the potential to become vulnerable, in a fair, clear and respectful manner.

We have implemented several identification and assessment tools within the procedure section of this document aimed at identifying, assessing and dealing with all Vulnerable Customer situations and to consistently ensure that our staff are aware of, and knowledgeable about Vulnerable Customers, including how to handle all situations.

Our policy states our intent and obligations with regard to handling customers with vulnerabilities and includes external guidance and information as provided by the FCA and the Money Advice Liaison Group (MALG).

2 PURPOSE

The purpose of this policy is to identify and support vulnerable customers and to promote transparency and openness in all business practices and processes that the Company and our staff create and engage in. It also defines the steps to be taken by all staff when dealing with a Vulnerable Customer or associated situation.

The Company and its staff are committed to ensuring that all customers are treated in a fair and consistent manner, but we also recognise that some circumstances require additional interactions and/or steps to ensure that the customer is getting a product/service that is suitable and ethical.

Our staff are provided with in-depth training on what makes a customer vulnerable and how to identify, assess and deal with any vulnerability. We are committed to ensuring that any customer who has a relationship with our company, is treated in a fair, reasonable and supportive manner.

3 SCOPE

This policy and procedure document relates to all staff (*meaning permanent, fixed term, and temporary staff, any third-party representatives or sub-contractors, agency workers, volunteers, interns and agents engaged with the Company in the UK or overseas*) within the organisation and has been created to ensure that staff deal with the area that this policy relates to in accordance with legal, regulatory, contractual and business expectations and requirements.

3.1 DEFINITION

The 2 main definitions of a vulnerable customers as used by the Company are:

a. Customers who are unable, for whatever reason, to make an informed decision at the time of dealing with them – customers falling into this category include those with language barriers, hearing difficulties, those with mental health issues, suffering from bereavement, learning difficulties or the elderly. These customers may struggle to decide on whether the service or product you are providing is in their best interests.

b. Customers whose welfare (financial, mental or physical) could be put at risk through choosing the service or product we offer – these customers include anyone who is going to be put at detriment from taking up our offer/product/service. This includes financially (*i.e. if taking out a loan or setting up a payment plan could cause them added financial stress*).

The FCA defines a Vulnerable Customer as: -

“A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.”

In their Approach to Consumers guidance paper, the FCA notes four factors that can act as drivers to actual or potential vulnerability. These factors (*and the examples provided*) are non-exhaustive, but are referenced in this policy as part of our approach to vulnerable customer awareness and communication: -

- **Health** - examples can include physical disability, chronic illness, visual/audio impairments, mental health issues, impaired mental capacity
- **Life Events** - examples can include caring responsibilities, bereavement, income/job reduction/loss, relationship issues, non-standard requirements (*i.e. ex-offenders, refugees*)
- **Resilience** - examples can include low/fluctuating income, debt, low/no savings, lack of support
- **Capability** - examples can include low knowledge/understanding/confidence in managing financial matters, poor literacy/numeracy skills, language barriers, learning impairments

In February 2021, the FCA published further guidance for treating vulnerable customers fairly in their FG21/1 Guidance for Firms on the Fair Treatment. The regulator noted that protecting vulnerable customers was still one of their key focus areas and the additional guidance aimed to ensure that firms are treating vulnerable customers fairly. Through driving improvements in the way firms treat vulnerable consumers, the FCA wants to bring about a practical shift in the actions and behaviour of regulated firms.

The FCA advised that because anyone can find themselves in vulnerable circumstances at any time, their guidance and rules apply to most firms who should be focusing on four main areas to achieve good outcomes for vulnerable customers: -

- Understanding the needs of their target market and/or customer base.
- Making sure staff have the right skills and capability to recognise and respond to the needs of vulnerable customers.

- Responding to customer needs throughout product design, flexible customer service provision and communications.
- Monitoring and assessing whether they are meeting and responding to the needs of customers with characteristics of vulnerability and make improvements where this is not happening.

4 OBJECTIVES

The Company are committed to providing the highest level of due diligence and ethical treatment with regard to any customer or potential customer who is identified as being vulnerable or being at risk from a vulnerable situation. To this end, we have developed the below objectives which are used to create our internal procedures for dealing with vulnerable customers.

The Company aims to: -

- Ensure customers take a vehicle which suits their needs and won't put them in hardship in the future
- Ensure that we have the suitable, relevant and compliant tools, controls and measures in place to identify, handle and monitor vulnerable customers.
- Train all staff on a rolling basis in the identification, communication and understanding of what vulnerabilities are and how to approach them.
- Have robust vulnerable customer procedures in place at all times and ensure their continued relevance and compliance with the regulations and guidelines.
- Research and take expert advice on specific vulnerabilities such as Mental Health and debt so that our staff and procedures are adequately aligned with the standards.
- Use support aids and scripts for front line staff.
- Use ongoing assessment tests and evaluations for all staff to ensure understanding and knowledge of vulnerabilities.
- Use vulnerable customer aids in place to help customers with specific situations, including but not limited to: -
 - Multiple contact options (*email, phone, post, online, face to face*)
- Ensure that all materials, content and information are user-friendly, easy to understand and jargon free.
- Ensure that all systems and automated processes are regularly audited for compliance.
- Ensure staff, product and information flexibility to provide a complete and ethical service to all customers, regardless of their situation.
- Ensure a consistent and structured approach across the organisation and our staff.

- Implement strict and robust policies and procedures for affordability assessments and data protection.

5 CONTROLS AND MEASURES

The company always qualifies customers based on their driving requirements and will ensure customers are not making a bad choice to hinder their future.

The Company understand that the term '*Vulnerable Customer*' applies to numerous and varied situations and circumstances, therefore we have outlined the procedures in this document for each Vulnerable Customer type as identified in this policy.

This policy contains specific vulnerable circumstances and the steps that we take to manage each situation, however we also have generic procedures as set out below which are applicable to every Vulnerable Customer situation and have been developed to meet the regulatory standards as well as taking into consideration the needs of those with additional vulnerabilities.

Where a customer has been identified and/or declared as being vulnerable, the Company always ensures that the below steps/processes are followed: -

- Ensure that all staff are provided with the training and tools to identify, understand, and deal with vulnerabilities and vulnerable customers.
- Email/telephone sales information and/or advice is followed up in writing containing the discussed content and any relevant terms and conditions and disclosure information.
- With regard to debt collection and/or debt management services, accounts will be placed into a manual process (*as oppose to automated*), to ensure that the customers' situation is properly handled.
- Ensure that staff on the front line are provided with additional vulnerable customer training and given appropriate lines of reporting should they need to escalate a matter.
- ***Ensure that ways to contact us are clearly visible on all communications and our website and provide a choice of ways to communicate with us, including: -***
 - Telephone
 - Online Chat
- Ensure that all written materials are clear, to the point and jargon free.
- Ensure that where applicable, the products/services that we offer are flexible and made to suit the customers' needs and requirements.
- Offer flexible outcomes on products/services as dictated by the customers' situation and circumstances.
- Deal with any authorised third-party in a helpful and transparent manner.

5.1 VULNERABLE AWARENESS REVIEW

The Company has identified and reviewed multiple factors that may pose harm or act as a barrier for vulnerable customers using our products/services and have developed measures and controls to reduce or eliminate the impact of these.

We have assessed the impact of vulnerability on the needs of our customers by reviewing our target market and existing customer base to identify the types of harm or disadvantage that are relevant to our industry and business activities. We also utilise internal data from previous interactions with vulnerable customers to identify patterns in the types of people who are more susceptible to vulnerabilities based on the products/services that we provide.

We have reviewed and incorporated the FCA guidance on dealing with vulnerable customers and have used their driving factors and potential harms to further develop our policy and measures in this area. We also utilise other papers and guidance on vulnerable customers to accurately understand the drivers of vulnerability and the impact that being vulnerable can have on a person's ability to engage in **[consumer credit/financial services markets/insert your sector]**.

We recognise that vulnerable customers are more likely to experience certain barriers or issues as a result of their vulnerability and we continuously work hard to ensure that our products, services and advice are flexible, accessible and inclusive.

In accordance with the FCA guidance, we understand that the below potential harms can be a factor for many vulnerable customers, and we pay specific attention to these areas when dealing with any customer who has been identified as vulnerable or potentially vulnerable: -

- Financial exclusion
- Difficulty in accessing services
- Partial exclusion
- Disengagement with the market
- Scams
- Over-indebtedness
- Exposure to mis-selling
- Inability to manage a product or service
- Purchasing inappropriate products or services

Based on the above factors, we have been able to consider the impact to customers and possible effects and outcomes of these potential harms. This has enabled us to consider the needs of vulnerable customers and to develop effective controls, products and services aimed at making our company approachable, inclusive and accessible.

5.2 EMPLOYEE AWARENESS & TRAINING

The Company recognises that its employees are often the first contact a vulnerable customer will have and their understanding and ability to handle such situations is essential to achieving good outcomes.

Where employees do not have adequate or appropriate training and the skills and capability to deal with vulnerabilities, relevant customers can suffer further harm or undue stress as a result. Where employees see or hear clear indicators of a vulnerability, they are trained in what steps to take to encourage disclosure.

5.2.1 TRAINING

The Company provide a annual training programme that is provided to all new, temporary and existing staff, reminding and updating them on the requirements, guidelines and company ethos of managing Vulnerable Customers.

The Company are committed to ongoing professional development and 1:1 training sessions and workshops around the ideas and ethos of Vulnerable Customers and ensure feedback is given and can be received at all times. We provide regular staff assessments on the subject of customer vulnerabilities and follow up all training session with assessments and feedback forms to ensure that the staff are gaining the correct information and understanding from the workshops.

We recognise that informing, training and assessing front line staff and those with dedicated vulnerable customer roles is essential in removing barriers and reducing potential harm. We work hard to ensure that our staff have adequate and effective skills and knowledge to help vulnerable customers and to ensure that the right and relevant product, service or advice is provided every time.

5.2.2 SYSTEMS AND PROCESSES

The Company have ensured that all systems and processes take into consideration potential vulnerabilities and support employees in their work and understanding. All employees are trained during induction in using the systems available throughout the organisation and have access to ongoing support where it is needed.

We provide all employees with access to the latest publications and guidance on vulnerabilities and at-risk groups and ensure regular updates are received from such professional bodies or trade bodies.

5.2.3 EMPLOYEE ASSESSMENTS

The Company also utilises vulnerable customer assessment test papers to check the understanding, skills and capability of those employees who deal with vulnerabilities as part of their role. Managers are required to test and verify skills and capability on a regular basis and are responsible for ensuring that all employees have access to resources and publications relevant to vulnerabilities.

5.3 COMMUNICATIONS

The Company recognises that how we communicate with all customers, but especially those who are vulnerable, is essential ensuring good outcomes. Ineffective communication with vulnerable consumers often results in confusion and further harm. All forms of communication are assessed by management to ensure that any potential vulnerabilities are taken into consideration.

Whilst some vulnerabilities require minor adjustments to aid the customer, such as large print letters or audio options, we recognise that some temporary or circumstantial vulnerabilities (*i.e. bereavement, divorce, illness, anxiety etc*) can mean that flexibility and alterations are needed immediately to support the customer.

We provide multiple communication methods and options and do not insist that one way only be used. An example of this is those who are suffering with depression or anxiety often cannot talk on the phone or interact socially, and so insisting on face to face or telephone communication would lead to additional harm to the customer.

The Company has: -

- Assessed its target market and existing customer base to identify vulnerable customers or potential vulnerable groups and have developed and implemented effective and adequate methods of communication for each vulnerability.
- Ensured that all forms and methods of communication and information are presented in a way that is accessible and understandable for all customers. Such methods include (*but are not limited to*): -
 - Website
 - Marketing
 - Complaints Procedure
 - Point of Sale
 - Service/Product Information

The Company has a number of controls and processes in place to help support those who might be considered vulnerable or who require extra support or guidance. These controls include: -

- **Communication Formats** - to support customers with sight or hearing impairments, in addition to our standard letters, emails and verbal forms of communication, the Company also offers: -
 - Audio support options

5.4 SIGNPOSTING

The Company is proactive in ensuring that all customers know how and where to access internal and external support and guidance. Where this applies to vulnerable customers, the Company actively

tells customers where to obtain additional support as relevant to their situation. Such signposted information is provided: -

- On the company website
- Via links in customer emails/SMS messages
- On customer communication letters
- During sales, advice, or customer service calls
- Within our Complaint Handling Procedure

5.5 RECORDING INFORMATION

The Company recognises that it is essential for all employees to know and understand how to record information relating to vulnerable customers. If a vulnerability or issue is raised with one employee, it is imperative that this information is accurately logged, so that all subsequent dealings with the customer have the same approach and continuity of care.

Employees are given extensive training on using the Company systems and understand how to record and log information and how to action any specific system controls to flag vulnerable customers or potential concerns.

6 SPECIFIC VULNERABILITIES

The Company recognises that any person can become vulnerable at any time and not all vulnerabilities can be categorised or labelled. However, through our research and assessments of publications into vulnerabilities, the Company have developed and implemented certain measures and controls for vulnerable categories and issues that are more common and identifiable.

The Company has dedicated procedures in place for dealing with specific vulnerabilities such as financial difficulties and mental health issues, as well as processes for a range of vulnerabilities including hearing impairment, visual impairment, those with disabilities and temporary vulnerabilities such as bereavement.

We have ensured that adequate and effective signposting is available **on our website in our materials** assist those who require extra help, and we also carry out regular reviews on our written materials and products/services to ensure that they are accessible for all.

We welcome customer feedback and include customer communication in our vulnerable customer training sessions. Feedback and complaints are reviewed regularly to ensure that any issues raised by those considered vulnerable are addressed and revised as soon as possible.

We have ensured that our communication channels and customer service processes encourage customers to share information about their vulnerability and associated needs and we use this information to further develop our existing procedures, controls, materials and products/services.

6.1 FINANCIAL DIFFICULTIES

6.1.1 PREVENTION

Where possible, it is the Company's aim to prevent an account from entering into arrears in the first instance. Where previous arrears have occurred or the customer has already notified us of financial difficulty, the account is flagged and monitored, and close communication kept with the customer for a specified period.

Offering options such as missing a payment and making a double payment the next month; payment holidays or accepting lower instalments for a set period and then increasing the payments to make up the shortfall can often prevent arrears from developing.

Where a customer is not yet in a business relationship with us and they are applying for a loan or credit, we will always carry out a full credit check and affordability assessment to ensure that they are in a financial position to meet the ongoing repayments.

6.1.2 ASSESSMENT

Affordability Assessment

We use a pre-defined assessment calculator to assess the customer's income, expenditure and other creditor commitments and use this information alongside evidence of income (*wage slips, benefits etc*), to obtain their monthly disposable income. We then use this figure to ascertain if they are in a position to afford any repayments.

Credit Checks

We use [Experian/Equifax/CallCredit] to assess the customers' current credit status and score and obtain information about any outstanding County Court Judgments, Bankruptcy Orders or IVA's. We also assess their current financial obligations and any defaults on their account.

6.2 ELDERLY & GENERAL VULNERABILITIES (*INC. BEREAVEMENT*)

The Company understands that elderly customers and those with circumstantial vulnerabilities may still need the products/services that we offer, however, we aim to give more time, consideration and options to this group of vulnerabilities due to their possible inability to process information as quickly as others may.

With this in mind, where possible and/or applicable, we always ensure that: -

- We speak with an authorised third-party to liaise with the customer and ensure that the details of the product/service are being correctly relayed.
- Provide all discussions and product information in writing prior to the customer receiving/signing any contractual agreement.

- During phone calls, reiterate all important information and the details of any financial implications from taking out the product/service.
- Allow time for the customer to read, understand and gain third-party assistance with any documentation and/or contractual agreements.
- Clearly explain the benefits **AND** disadvantages of the products/services and any implications that may be associated with missed payments or breaches in contract.
- Where possible, provide extra time for the customer to cancel the contract after the agreement has been signed.
- Increase the time limit for returning any products purchased online.

6.3 DEAF/HARD OF HEARING/BLIND/PARTIALLY SIGHTED AND/OR LANGUAGE BARRIERS

The Company considers those with language barriers, sight or hearing difficulties to be vulnerable as they can be at a disadvantage hearing or understanding the product/services being offered. Where possible and/or applicable, we always ensure that: -

- We speak with an authorised third-party to liaise with the customer and ensure that the details of the product/service are being correctly relayed.
- Provide all discussions and product information in writing prior to the customer receiving/signing any contractual agreement.

6.4 YOUNG/INEXPERIENCED

It is not common to see young people as vulnerable, however the Company are committed to ensuring that any person who may have difficulties understanding the products/services that we offer, are provided with extra support.

An example is where a first-time driver needs to ensure their car or first-time buyer takes out a mortgage. What can be common language and assumptions for those having taken out these kinds of policies for many years, can be confusing for those who have never done so previously.

Where we offer any products and/or services that can be utilised by young and/or inexperienced people, we ensure, as with all customers that: -

- All sales calls are followed up in writing and any relevant disclosures are provided ahead of any contractual agreement being provided.
- The benefits and consequences of any product/service are fully explained along with any legal implications for having the products and missing payments.
- Additional time is provided between the sales call, written follow up and contractual agreement to allow the customer time to communicate with a third-party and understand the content of the product/service offered.

6.5 DEBT AND MENTAL CAPACITY

Mental health is one of the most common issues that can result in a customer being vulnerable. The Company provides thorough staff training and support to identify and deal with customers who have declared themselves as or meet the criteria for having mental health issues.

Where a vulnerability relates to mental health issues, this policy follows the guidance set out by the Royal College of Psychiatrists and Money Advice Liaisons Group (MALG) on debt and mental health. It is the Company's policy to use the standard 7 basic questions contained on the Debt and Mental Health Evidence Form (DMHEF) for identifying vulnerabilities relating to mental health.

The Company follows the Codes of Practice relating to the collection of medical evidence about mental health conditions and always aims to: -

- Take steps to establish whether the mental health problem affects the customers' ability to manage money or their debt.
- Work with the customer in a patient, clear and helpful manner to resolve the debt problems and use workable solutions.
- Provide reasonable periods of time for the customer to provide evidence of any mental health condition and place accounts on hold during this period.
- Prevent any interest and/or charges from being added to the account during the consultation period.
- Work with authorised third parties to help the customer resolve their debt issues.

Where the Company has identified that a customer is considered vulnerable, we always encourage them to disclose any potential mental capacity limitation and actively look out for indicators of a potential mental health capacity limitation.

Any information collected regarding a mental health problem is always kept secure and encrypted in accordance with our information security protocols and is only retained for as long as necessary under the UK GDPR regulations.

When dealing with any potential mental capacity, we always ensure that: -

- Accounts are placed on hold and charges/interest are frozen during any communication and consultation period.
- No further mental and or financial stress or burden is placed upon the customer.
- All staff with a responsibility for using medical evidence are trained in how to read, interpret and make decisions about the basis of medical evidence.
- We use and follow the MALG 12 steps for dealing with vulnerable customers.
- Customers are treated on a case-by-case basis according to their mental health issues and all factors are taken into consideration when processing an account.

6.5.1 MENTAL HEALTH PROTOCOLS

Despite a customer being identified as having mental health issues (*including stress, depression, anxiety or other diagnosed conditions*), the Company understands that financial/credit products and services are still required (*e.g. car insurance, debt collection activities, home insurance etc*).

We therefore do not exclude a customer from using/purchasing our products/services on the basis that they have been identified as vulnerable. We do, however, follow the below procedures to ensure a fair, consistent and ethical approach.

When dealing with any potential mental capacity case, we always ensure that: -

- Accounts that could incur charges/interest due to being defaulted are placed on hold and charges/interest are stopped during any communication.
- No further mental and or financial stress or burden is placed upon the customer.
- Customers are treated on a case-by-case basis according to their mental health issues and all factors are considered when processing an account.
- All information discussed via telephone/email with a vulnerable customer are followed up in writing afterwards and full disclosure is provided in the content.
- Customers are provided with clear, transparent and jargon-free information so that they can make an informed decision on wanting/needing the product/service we provide.

7 AUDITS AND MONITORING

The Company carries out regular internal audits and gap analysis monitoring on all business practices and procedures to ensure that our Vulnerable Customers ethos and objectives are being met. These audits include using a Vulnerable Customer Audit Checklist which enables us to assess every policy and procedure area against assessment questions designed to test our Vulnerable Customer processes and regulatory compliance.

Regular reviews of the audit results are held with senior management and an ongoing record of gaps, actions and improvements are maintained. We carry out weekly call monitoring on all staff calls to assess them against our objectives and standards for dealing with vulnerable customers.

We provide regular management information reports to **[senior management/directors/the board]** containing the assessments of our target market and existing customer base to identify vulnerable categories or groups and to review the solutions and controls used to remove the obstacles and harm that vulnerable customers may face.

The Company has a number of measures and controls for monitoring and assessing our approach to vulnerable customers. ***These include: -***

- Providing annual management information reports to senior management on our approach to vulnerable customers and the outcomes of delivered solutions and controls.

- Evaluating and recording instances where the Company has not met the needs of one or more vulnerable customers and developing an action plan to ensure improvements are made.
- Assessing and testing employee skills and capabilities for dealing with vulnerable customers and providing feedback to employees.
- Carrying out quality assurance and audits on services and products to ensure that they are suitable for all customers and maintain flexibility for those who are vulnerable.

8 RESPONSIBILITIES

The Company ensure that all staff are provided with the time, resources and support to learn, understand and implement the Vulnerable Customers procedures and associated policy into their business practices. Senior Management are responsible for a top down approach and in ensuring that all staff are included.

The Directors are responsible for Vulnerable Customer audits and gap analysis monitoring and their subsequent reviews and action follow ups. There is a continuous audit trail of all Vulnerable Customer audits and feedback to ensure continuity through each process and task.