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## **VULNERABLE CONSUMER POLICY**

### **1. AIM OF THIS POLICY**

The aim of this policy is to outline the practice and procedures for staff in Business Finance Plus **Limited** to contribute to the prevention of detriment to clients who find themselves in vulnerable circumstances.

The policy covers all staff and areas of work directly with the customer.

### **2. DEFINITION OF VULNERABLE**

The Financial Conduct Authority in their publication "Consumer credit and consumers in vulnerable circumstances" of April 2014 (PUB REF: 00489) define consumers in vulnerable circumstances as follows:

"We consider a vulnerable consumer to be someone who, due to their personal circumstances, is especially susceptible to detriment." With the most significant detriment occurring when, "...through the use of consumer credit, get into unmanageable or problem debt."

Clients who might be considered as being in vulnerable circumstances could include:

1. Clients with mental capacity deficiencies (including language or communication)
2. Clients who are "underbanked" or "financially unsophisticated"
3. Client with low income
4. Clients already in a distressed financial situation

The nature of **Business Finance Plus Limited's** business makes it unlikely that new customers will be in vulnerable circumstance or that the nature of their circumstance may limit or remove the availability of facilities to the extent that the firm might be unable to accommodate their requirements.

As a firm, however, we must remain mindful of the potential for enquiry by these clients and the potential for any change of circumstance in respect of existing customers.

### **3. IDENTIFICATION OF CLIENTS IN VULNERABLE CIRCUMSTANCES**

- a) Mental capacity deficiencies – The FCA provides clear guidance on the identification of mental capacity issues in their Handbook under CONC 2.10.8 Appended to this policy.
- b) Underbanked, Financially Unsophisticated –can be identified through interview and credit profile
- c) Low income – can be identified through interview and credit profile
- d) In financial distress - can be identified through interview and credit profile

#### 4. ASSESSMENT AND MANAGEMENT OF RISK

**Business Finance Plus Limited** will not discriminate against clients in vulnerable circumstances by way of adjustment to fees or any refusal to assist purely on the grounds of the client's circumstance (unless that circumstance creates a situation which is likely to lead to detriment or a risk that removes the availability of any finance facility).

The following table illustrates mitigating actions for clients with mental capacity deficiencies (for the avoidance of confusion "competent person" means an individual without the limitation presented by the client):

<b>Capacity Issue</b>	<b>Risk</b>	<b>Mitigation</b>
Language	Client cannot fully understand important features of their agreement with <b>Business Finance Plus Limited</b> , their recommendation or the consequences of that recommendation	Client to instruct a competent person to act as interpreter.
Other communication problem created by disability	As above	Client to instruct a competent person to act as interpreter.  Client to nominate a reasonable communication medium suitable for their disability.
Mental incapacity (temporary) e.g. intoxication, mental illness	As above plus the potential for reckless disregard for consequence	Client to instruct a competent person to communicate on their behalf. Legal agreement must be reached outside of any period of incapacity.  Client should be encouraged to seek independent professional advice.  If legal agreement cannot be reached outside of any incapacity, client must provide "Power of Attorney" for a competent individual to act on their behalf.
Mental incapacity (Permanent)	As above plus the possibility that any agreement might be unenforceable as a result of known incapacity.	Client must provide "Power of Attorney" to a competent individual to act on their behalf

## **5. RIGHTS & RESPONSIBILITIES**

### Responsibilities of **Business Finance Plus Limited**

- a. To ensure staff are aware of this policy and are adequately trained
- b. To support individuals in relation to identified risk and vulnerability
- c. To provide means of reporting any instance where they believe that a client might be in vulnerable circumstance.

### Responsibilities of Business Finance Plus **Limited's** employees

- a. To be familiar with this policy and procedures
- b. To take appropriate action in line with the policies of Business Finance Plus **Limited**
- c. To report any instance where they believe that a client might be in vulnerable circumstance.