



The Consumer Council for Northern Ireland response to the Financial Conduct Authority's consultation on Guidance for Firms on the Fair Treatment of Vulnerable Consumers

The Consumer Council

1. The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.
2. The Consumer Council for Northern Ireland welcomes the invitation to respond to the FCA's Guidance Consultation and welcomes the work that the FCA is doing in this area. Alongside responding to the specific questions posed by the FCA, The Consumer Council have highlighted some unique considerations about Northern Ireland below as well as The Consumer Principles used by the work done by The Consumer Council, we think they will be a helpful consideration in conjunction with our response.

Considerations about Northern Ireland

3. Of the devolved UK nations, Northern Ireland has the lowest median wage with median weekly earnings for 2018 at £521¹ compared to the UK average of £569². A recent report released from Which? shows that only half (49%³) of those in Northern Ireland were content with their income, over a quarter (26%⁴) do not have money saved for a "rainy day", and 50% of consumers have less than £300⁵ left after mortgage/rent and essential bills in a typical month.
4. Northern Ireland consumers have continued to display low levels of optimism and hope in regards to their financial position, when assessing their financial situation, a fifth (19%⁶) of consumers believed it to be poor. According to the FCA's Financial Lives Survey⁷, 24% of Northern Ireland consumers cited a low understanding of financial issues compared to a UK average of 17%. Similarly they expressed low levels of financial confidence. More feel they have low financial capability (24% vs. 17%). Not as many describe themselves as a confident and savvy consumer (43% vs. 52%), or as highly confident managing their money (26% vs. 37%). Fewer consider themselves to be highly knowledgeable in financial matters (10% vs. 16%). The Consumer Council

¹ <https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings>

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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2018#measuring-this-data>

³ <https://consumerinsight.which.co.uk/reports/consumer-insight-report-2019-northern-ireland>

⁴ CCNI YouGov annual survey 2019

⁵ CCNI YouGov annual survey 2019

⁶ <https://consumerinsight.which.co.uk/reports/consumer-insight-report-2019-northern-ireland>

⁷ FCA Financial Lives Survey <https://www.fca.org.uk/publications/research/understanding-financial-lives-uk-adults>

would also urge the FCA to consider the issues set out in figure 1 and how Northern Ireland compares to the UK average.

Figure 1: Issues – Northern Ireland vs UK

Issue	NI	UK	Difference	Source
Disability claimants (DLA or PIP)	11.6%	5.7%	+103%	Calculated using DFC ONS and NISRA Statistics published in 2019
No cash savings or savings under £5,000	67%	57%	+18%	FCA 2017 – Financial Lives Survey (published 2018)
No cash savings	16%	13%	+23%	FCA 2017 – Financial Lives Survey
Over-indebtedness	20%	15%	+33%	FCA 2017 – Financial Lives Survey
Low understanding of financial issues	24%	17%	+41%	FCA 2017 – Financial Lives Survey

5. The Money and Pension Service listening document⁸ lists key aspects of financial capability measured in 2018. Of the 12 areas measured, Northern Ireland is listed as the worst performer for 11 indicators. Table 2 below highlights these:

⁸ <https://maps.org.uk/wp-content/uploads/2019/04/Listening-Document.pdf> - located on page 66

Figure 2: Key aspects of financial capability

The table below shows some of the key aspects of financial capability measured in the 2018 UK-wide survey. Green and yellow show where people in a devolved nation show a variation from the UK average that is at or more than 5%. Rows in grey show where populations across the different nations are very close to showing the same characteristics.

	UK	Scotland	Wales	NI
Day-to-day money management				
Rarely or never save.	21%	20%	24%	24%
Have less than £100 in savings and investments.	22%	26%	27%	28%
Often use a credit card, overdraft or borrow money to buy food or pay bills because they have run short of money.	17%	15%	14%	11%
Over-indebtedness				
Are over-indebted	17%	14%	16%	16%
Planning ahead				
Could last three months or more without borrowing if they lose their main source of income.	49%	53%	51%	49%
Have a plan for financial goals for the next five years.	53%	48%	48%	47%
Do not feel that they understand enough about pensions to make decisions about saving for retirement. (18-64 only)	55%	54%	57%	61%
Are not engaged with how they would manage financially if they need to go into long-term residential care. (65+ only)	43%	40%	33%	48%
Accessing information, guidance and advice				
Know of organisations and websites that can offer free or affordable financial information, help and support.	58%	59%	56%	58%
Did not seek financial help or support for life-events or situations experienced in the last 12 months (working-age only)	59%	61%	58%	65%
Have used the internet for online or mobile banking	69%	66%	67%	63%
Confidence				
Do not feel confident making decisions about financial products and services.	47%	46%	51%	51%
Sense of control				
Do not feel they can determine what happens in their lives when it comes to money.	63%	64%	67%	71%
Do not focus on the long term when it comes to money	61%	66%	62%	67%

Note: because England comprises the vast majority of the UK population, the UK average and the results for England are almost always identical.

Consumer Principles

6. The Consumer Council uses eight consumer principles to understand how particular issues, policies and regulatory proposals are likely to affect consumers. The principles are:

1. Access – can people get the goods and services they need or want?
2. Choice – is there any?
3. Safety – are the goods or services dangerous to health or welfare?
4. Information – is it available, accurate and useful?
5. Fairness – are some or all consumers unfairly discriminated against?
6. Representation – do consumers have a say in how goods or services are provided?
7. Redress – if things go wrong, is there a system for putting them right?
8. Education – are consumers aware of their rights and responsibilities?

7. All aspects of our work is assessed against the above principles to consider the impact on consumers. The FCA could consider using the consumer principles as a framework for ensuring firms consider the needs of vulnerable consumers.

Consultation Response

8. The Consumer Council welcomes the draft guidance issued and the opportunity to respond to the above consultation, our response will focus on the needs of consumers.

Question 1: Do you have any comments on the aims of the draft guidance?

9. The Consumer Council agree with the aims of the guidance, but have a number of concerns. The FCA has detailed that the actions firms will undertake based on the guidance will vary depending on size and scope, but it is unclear how the FCA will assess this.
10. This also raises a question on how the FCA will ensure that there is consistency across firms in the treatment of consumers in vulnerable circumstances, there is no clear information on how adherence to the aims will be measured. There is also no clarity on how the harm being passed to consumers will be quantified.
11. It is understood the guidance has to apply to a wide range of firms, however The Consumer Council believe the onus should be on firms to demonstrate how they are meeting the needs of their vulnerable consumers.

Question 2: Do you have any comments on the application of the Guidance or its status as non-handbook guidance?

12. The Consumer Council welcomes any guidance that will help firms reduce the harm suffered by vulnerable consumers.
13. Within the guidance, the FCA have acknowledged that whilst some firms are working to the interest of vulnerable consumers, some are not. All regulated firms are bound by the Principles of Business (POB) stipulated in the Handbook, which details how firms should be treating all their consumers (vulnerable ones included). The Consumer Council supports the FCA for recognising that there is more firms can be doing in this area.
14. A recent report⁹ published by UK Finance that evaluated the Senior Managers Certification Regime (SMCR) found that the rules introduced over three years ago to improve governance and culture at banks post the financial crisis have led to a “meaningful and tangible change in culture, behaviour and attitudes”. 93% of respondents agreed that the SMCR had induced change for the better. The Consumer Council believes that this guidance may be better placed as part of the SMCR accountability and having a structure within the regulatory framework.
15. The Consumer Council request that the FCA give consideration as to whether the SMCR would be the best vehicle to ensure that the aims of the guidance are met. This will ensure that the responsibility is on firms to demonstrate to the FCA how they are meeting the needs of their own vulnerable consumers as opposed to being required to demonstrate to the FCA, as a part of a wider monitoring programme, how they have interpreted the general guidance issued by the FCA.

⁹ <https://www.ukfinance.org.uk/system/files/SMCR%20-%20Evolution%20and%20Reform.pdf>

Question 3: Do you have any comments on the distinction between actual and potential vulnerability?

16. The Consumer Council would ask whether the FCA has considered the causal relationship between the actions of firms and consumer vulnerability. Whilst the FCA has listed the distinction between actual and potential vulnerability and their drivers, The Consumer Council would argue that a customer could become “actually vulnerable” through the actions of firms.
17. An example of the above would be a call handler who gives incorrect or unsuitable guidance, resulting in harm for that consumer. This very example is eluded to in Annex 1 of Section 3 of the guidance which states – “evidence from our research suggests that risk of harm can arise because frontline staff are not aware of policies that exist at head office level”.
18. Whilst the FCA has, in the above example, identified that harm may occur, The Consumer Council would argue that this potential harm would be enough to push a consumer into a position of actual vulnerability.
19. Another cause of vulnerability that has not been considered by the FCA, that is potentially unique to Northern Ireland, is implementation of UK wide policies that are not suitable for consumers in all regions. Policy changes can be a cause of vulnerability or can exacerbate existing vulnerabilities for consumers.
20. An example of this can be seen in The Payment Accounts Regulations (PAR) 2015 which required the nine largest personal current account (PCA) providers to offer basic bank accounts that are fee-free¹⁰. The nine institutions designated by HM Treasury (HMT) were the largest PCA providers in GB, however some of them do not operate in Northern Ireland.
21. The intention of this legislation was to ensure that over 90% PCA users would have access to a basic bank account with their current provider. Whilst the legislation achieved this on a UK wide scale, due to the differences in the market in Northern Ireland, it was not achieved here.
22. Due to the nature of the banking market in Northern Ireland, more consumers bank with Northern Ireland specific banks. According to research conducted by Cognisense on behalf of The Consumer Council, Danske Bank and First Trust Bank collectively hold almost a third of the market share (19% and 10%)¹¹ respectively. These banks do not operate in GB.
23. PAR places no requirement on many banks to offer a basic bank account that is fee free, and as a result, many consumers in Northern Ireland are unable to obtain such an account with their current provider.

Question 4: Do you have any comments on our view of what firms should do to understand the needs of vulnerable consumers?

24. The case studies included within the guidance document are very useful examples of how firms have used their internal resources to better understand vulnerabilities within their consumer base.

¹⁰ <https://www.gov.uk/government/collections/basic-bank-accounts>

¹¹ Lending, Savings and Debt Research: Northern Ireland Consumers - Cognisense March 2019

25. The Consumer Council believe that firms should be engaging with their customers directly in order to better understand their needs. Engagement should be on a wide scale to understand the needs of consumers and through including users throughout the design process. An example where this has been effective can be seen in the development and roll out of a public transport project in Northern Ireland.
26. The Department for Infrastructure has a responsibility for public transport in Northern Ireland. In 2018, Belfast Rapid Transit (BRT) (The Glider) was introduced to Belfast which was a new public transport system to help address Belfast's current and future transport needs. BRT was the first Northern Ireland Executive Flagship project to be delivered and underpins the key draft Programme for Government Outcomes relating to sustainability, connectivity and increasing the use of public transport, walking and cycling modes.
27. In order to deliver a service that meets the needs of everyone who lives, works and visits the city, the BRT Team worked collaboratively with a range of key stakeholders representing future users, and potential users, of BRT. This is best illustrated through the Team's work with IMTAC (Inclusive Mobility Transport Advisory Committee) to ensure that BRT met the specific accessibility needs of older people and people with disabilities. The BRT team arranged, through Translink (the public transport provider), for the construction of a full size model of a section of the vehicle, including the proposed wheelchair space, priority seating and ramp access. It also constructed a prototype BRT halt. IMTAC members visited these facilities and commented on them from an accessibility point of view. As a result of the feedback received several aspects of the designs were amended to improve accessibility. This work proved invaluable as BRT is accessible and is being used by significantly greater numbers of people.
28. Some of the design changes which were made to reflect specific identified customer needs, included:
- increase in the size of the wheelchair space on the vehicle to make it more easily accessible for wheelchair users;
 - introduction of flip-down seats on the vehicle which are preferred by customers with assistance dogs;
 - relocation of the validators at the BRT halts to make them more accessible for people with a visual impairment;
 - extension of the BRT bus lane loading/unloading window from 2 to 4 hours to assist with deliveries to businesses and homes along the routes;
 - provision of a 10 minute drop-off/pick-up facility for blue badge holders within bus lane legislation;
 - improvements to the access arrangements for specific businesses along the routes;
 - relocation of several BRT halts along the routes to better meet the needs of the local communities; and
 - resurfacing of the carriageway and footways along the routes and the introduction of side entry drainage systems to improve the smoothness of the Glider journeys.
29. In addition, following the introduction of BRT the team continued to work with both Translink and stakeholders to identify and, where possible, rectify specific operational issues to make the service as attractive as possible.

30. As BRT was designed with the needs of users in mind, it has been well received and extremely well used by the travelling public. Patronage has increased significantly, with over 45,000 additional journeys per week – an increase of some 30% - when compared with the previous year. Importantly, given the work in conjunction with IMTAC and Translink on the accessibility of Glider, patronage by older people and people with disabilities has increased by some 25%.
31. BRT has also resulted in bus journey time savings of up to 20%, increased cross-city travel, fuel efficiency savings of up to 40% and up to 90% improvement in emissions.
32. It is important to note that although the service was introduced in 2018, engagement with specific consumer groups began at the start of the design process, years before final vehicles and halts were actually built.
33. Within the guidance the FCA state that “firms should be continuously monitoring and learning to ensure they are striving towards meeting the needs of vulnerable customers”¹². The BRI case study is a good example of how this can be delivered and measured.
34. When looking to understand the needs of vulnerable consumers it is important for the FCA to ensure firms understand that not all vulnerability looks the same and ensure that they have effectively considered the demographics of Northern Ireland. For example, there is very limited mobile phone network coverage in some of the more rural areas in Northern Ireland, especially in Border regions. These ‘not spots’ mean that consumers may not be able to use online banking easily, even if they have signed up to it.
35. Northern Ireland also has the highest proportion of premises unable to access good broadband connections. A good connection is a government universal service obligation defined by Ofcom as, ‘a service that can provide a download speed of 10 Megabits per second (Mbit/s), and an upload speed of 1 Mbit/s upload’¹³. 5% of premises are affected in Northern Ireland, compared to just 2% in the UK. This is more pronounced in rural areas, with 17% of premises affected in Northern Ireland compared to 12% in the UK¹⁴. This is important because 37%¹⁵ of Northern Ireland’s population live in a rural area, compared to a figure of 7% for England¹⁶. In addition, ultrafast broadband is available to over half of UK properties (53%) but only 45% of properties in Northern Ireland¹⁷.
36. Whilst living in a rural area can mean a lack of internet access. A lack of internet itself may not lead to harm as some people make a conscious decision to not access financial services/other services online. This should be considered by firms so that customers are grouped together and incorrectly labelled and therefore dealt with as actually/potentially vulnerable, or not vulnerable at all.

¹² Bullet point 21, page 26 of FCA issued guidance

¹³ <https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/broadband-usage-need-to-know>

¹⁴ <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2018>

¹⁵ https://www.daera-ni.gov.uk/sites/default/files/publications/daera/Rural-Urban%20Infographic_0.pdf

¹⁶ <https://www.gov.uk/government/publications/rural-population-and-migration/rural-population-201415>

¹⁷ <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-spring-2019>

37. Based on this, it is important that the FCA ensure that the guidance is being used to ensure that the needs of vulnerable consumers are met as opposed to firms using the guidance to ensure they are being inclusive.
38. During the FCA Quarterly Network meeting held on Thursday 25 July 2019, a guest speaker from the Surviving Economic Abuse charity discussed the issue of disclosure – detailing that this was an issue in a lot of cases they deal with. Consumers will have to disclose their potentially sensitive issue(s) more than once – this is something we think that the FCA should be working closer with firms on as having to make a disclosure more than once can affect a customer’s ability to disclose or confidence to ensure their issue is rectified. Firms should be ensuring that their mechanisms for recording, storing and sharing data (in accordance with GDPR) are up to a consistent standard and that their staff members are trained on how to effectively manage disclosures from a potentially vulnerable customer. This is especially important as the customer will be passed to another department/team or if the officer working on their case is no longer available.
39. As mentioned above, all vulnerability is not the same. Therefore firms should be able to identify how likely it is that this vulnerability will crystallise into harm for a vulnerable consumer, as vulnerability does not strictly always result in harm, or the same levels of harms for each consumer.
40. Included in the response to question 11, The Consumer Council has listed a range of other trade bodies and organisations’ initiatives in this area. Firms should be looking to industry itself to come up with different and innovative ideas on how to mitigate harms faced by vulnerable consumers. The FCA should consider how they can ensure firms are sharing best practices.

Question 5: Do you have any comments on our view of what firms should do to ensure that staff have the necessary skills and capabilities when engaging with vulnerable consumers?

41. The Consumer Council strongly agree with the assertion that firms should ensure staff have the necessary skills and capabilities when identifying and engaging with vulnerable consumers. Frontline staff are often a customer’s first port of call, and therefore can affect the outcome a consumer receives.
42. Section 3 of the draft guidance details that firms may want to consider “key touch points” in the customer journey where staff can check-in with the customer in relation to any changes in circumstances. Whilst The Consumer Council agree with proposal, we would question whether the ambiguity of this guidance will result in inconsistencies in sectors/firms providing the same service. Providers of goods and services who have a genuine passion and interest in helping vulnerable consumers are likely to follow this guidance, however some providers may not.
43. The Consumer Council would recommend that the FCA dictate that firms must introduce “key touch points”, with a minimum specified. We believe that this can help the issue of consumers not disclosing their vulnerability and it can help firms change perceptions of consumers, ultimately leading to positive outcomes for vulnerable customers.
44. Other policies that The Consumer Council see merit in being explored by the FCA and firms to enhance skills and capabilities on engaging with vulnerable consumers are as follows:

- Compilation of a vulnerability league table – this could be done by either the FCA or industry, and can act as a minimum benchmark to help vulnerable consumers choose the best providers. The inclusion of a top and bottom 3 could act as a nudge for firms and providers who are consistently at the bottom, encouraging them to do better. The league table could be compiled using vulnerable customer feedback in relation to all areas of service, this can potentially empower consumers about what is on offer from different providers and what level of service they can expect from each. This is a similar concept to the annual report on disability access of the UK's largest airports conducted by the Civil Aviation Authority (CAA), whose framework¹⁸ contains some useful processes and insights. Ofwat¹⁹ have also compiled water company league tables that are widely respected.
 - Introduction, implementation and encouragement from the FCA for firms to sign up to voluntary codes that focus on the outcomes of vulnerable consumers.
45. In relation to staff training, the FCA should consider if there should be a standard of training that each provider in each sector would need to undertake – this would ensure consistency in training and therefore the treatment of vulnerable consumers in all sectors. Whilst it is understood that the guidance should not be overly prescriptive, allowing firms to source and undertake their own training may lead to a difference in outcomes for vulnerable consumers, missing the aim of the guidance.
46. Whilst firms should ensure all their staff undertake relevant training and achieve the necessary qualifications to ensure that they can do their job effectively and ensure good outcomes for vulnerable consumers, emphasis should be put on ensuring that these policies are genuinely embedded into the culture of the firm, as opposed to purely just documented within a plan.
47. Sectors such as sales or roles where staff members are working to a target (for example a sales target or phone call duration target) will need to pay particular attention to ensure that policies are effective and do not make staff feel like they hinder their performance. We appreciate that this issue has been touched on within the draft guidance and would ask for clarity on how the FCA is going to ensure that these sectors are properly considered.

Question 6: Do you have any comments on our view of what firms should do to translate their understanding of the needs of vulnerable consumers into practical action on product and service design, good customer service and communications?

48. Within the design phase of a product or service, The Consumer Council is of belief that the company should be involving consumers – vulnerable consumers included. This ensures accessibility at the beginning of the journey and is beneficial for firms as costs can be mitigated.
49. The onus must be on firms to engage with their consumers and to be able to demonstrate it understands the needs of its consumers because it has engaged with them. The BRT example in response to question 4 is a good practical example of how this has been achieved as the service design stage.

¹⁸ <https://www.internationalairportreview.com/news/97012/stansted-caa-rating/>
<https://www.internationalairportreview.com/article/69277/omniserv-hidden-disabilities/>

¹⁹ <https://www.waterbriefing.org/home/regulation-and-legislation/item/12000-ofwat-more-work-needed-to-identify-and-help-vulnerable-customers>

Question 7 – Do you have any other comments on the draft guidance?

50. Whilst The Consumer Council appreciates the draft guidance, we would like to see a strengthening of the arrangements for signposting and signposting agreements that are in place. This could lead to vulnerable consumers maximising their income through benefit checks of debt management for example.
51. The Consumer Council support the use of technology to benefit all consumers (including those who are vulnerable). There has been ongoing work in other sectors such as critical care²⁰ in utilities whereby suppliers of gas, water and electricity keep a Customer Care Register with the details and special needs of customers who are of pensionable age, disabled, or chronically sick. Suppliers can provide free assistance and services to customers who register their details with them. The FCA may want to liaise with other organisations to see what other sectors are doing.
52. Even though innovation through the increased sharing of information can at times be beneficial for consumers, it is for the industry and the FCA to ensure everything is being done to ensure that any data being held digitally is not being used to discriminate consumers.

Question 8 – Do you have any comments on how firms are expected to use and apply the guidance?

53. Whilst the guidance is useful, it does leave room for potential inconsistencies in the way in which firms will apply the guidance. This could result in different outcomes for consumers facing the same or similar vulnerabilities.
54. The FCA should consider further how firms will show that they have used and applied the guidance to meet the needs of their consumers.

Question 9 – Do you have any views on the extent to which the guidance will enable firms to comply with their obligations under the principles and achieve better outcomes for vulnerable consumers?

55. The guidance may act as a minimum benchmark and may result in firms only doing the minimum that has been stated within the draft guidance. If the goal of the FCA is to ensure firms achieve better outcomes for vulnerable consumers, there will need to be framework that performance can be assessed against. The Consumer Council would welcome a set of high minimum standards to monitor firm performance in this area.
56. The onus must be on firms demonstrating what they are doing to help vulnerable consumers as opposed to the minimum of demonstrating their interpretation of the guidance.

Question 10 – To inform our cost-benefit analysis, do you have any comments on what costs firms may incur as a result of this guidance?

57. The Consumer Council is concerned that the main focus of the guidance appears to be costs firms may incur as a result of implementing the guidance. The Consumer Council is of the belief that a cost benefit analysis (CBA) is not a fair basis for deciding on whether to implement initiatives to support vulnerable consumers.

²⁰ <https://www.consumerCouncil.org.uk/consumers/rights-and-advice/energy/critical-care-registers>

58. The Consumer Council would welcome further information from the FCA on how the potential harm caused to a consumer can be quantified and measured against the potential costs incurred by a firm.
59. The principle concern is that including the need of a CBA within guidance may provide firms with a formula for justifying the bare minimum intervention to support vulnerable consumers or no intervention at all.
60. The Consumer Council would also seek clarity on how firms would quantify how their actions have contributed or caused direct consumer vulnerability in any CBA. Our preference would be that service providers design their products and services with the most vulnerable consumers in mind at the outset, negating any future costs.

Question 11 – Do you have any examples of activities or processes that are in place, or could be established, to ensure the fair treatment of vulnerable consumers?

61. The issue of consumer vulnerability is being explored across a range of sectors. The Consumer Council would recommend that the FCA are aware of and liaising with organisations working in this area. To assist in this, The Consumer Council has outline the following information:
- Ofgem’s draft Consumer Vulnerability Strategy 2025²¹, with particular reference to Citizens Advice’s response²².
 - Citizen’s Advice Future for all report²³ – which focuses on barriers in the energy market, future of supply models and recommendations.
 - Utility Regulator’s Consumer Insight research²⁴ – page 72 and onwards focuses on special services that energy companies have implemented to support vulnerable customers. These may act as a good starting point for firms in financial services. The report also contains useful insights about affordability, availability and supply of energy in Northern Ireland.
 - Ofwat has set targets for English and Welsh water companies on numbers of customers on their care registers and contact with these customers²⁵.
 - Citizens Advice have identified that in instances where poor mental health reduces someone’s ability to carry out daily activities, they can incur costs of £1,100-£1.550²⁶ each year as a result of inaccessible services, inadequate regulatory protections and lack of tailored support. As a

²¹ https://www.ofgem.gov.uk/system/files/docs/2019/06/draft_consumer_vulnerability_strategy_2025_0.pdf

²² https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Citizens%20Advice%20consultation%20response_%20Ofgem's%20draft%20Consumer%20Vulnerability%20Strategy%202025.pdf

²³ <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-policy-research/future-for-all-making-a-future-retail-energy-market-work-for-everyone/>

²⁴ <https://www.uregni.gov.uk/sites/uregni/files/media-files/CEPA%20Impact%20Consumer%20Research%20Final%20Report.pdf>

²⁵ <https://www.ofwat.gov.uk/regulated-companies/company-obligations/engaging-with-customers/>

²⁶ <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/consumer-policy-research/consumer-policy-research/counting-on-it-cross-sector-minimum-standards-of-support-for-people-with-mental-health-problems/>

result they have published a report²⁷ entitled 'Counting on it' which explores the idea of cross-sector minimum standards of support for people with mental health problems.

- Ofcom also recently consulted on its framework²⁸ for assessing fairness in broadband, mobile, home phone and pay-TV.
- The British Standards Company (BSI) have been working in this area and produced the British Standard for inclusive provision, whereby they are identifying and responding to consumer vulnerability²⁹.

62. The Civil Aviation Authority (CAA) introduced guidance to airports for the provision of special assistance. The CAA periodically visit the airports and assess the support that is being provided. An annual report³⁰ is then published by CAA, their report details their framework and processes. The Consumer Council would recommend that the FCA consider this work in relation to this guidance.

Question 12 – Do you have any analysis you could share with us of the positive outcomes for vulnerable customers resulting from the implementation of activities or processes in place aimed at achieving better outcomes for vulnerable consumers?

63. The Consumer Council, in partnership with other bodies, has delivered outputs resulting in positive outcomes for vulnerable consumers. These and others are summarised below:

Shantallow Affordable Housing

64. The Consumer Council partnered with other bodies to deliver a successful affordable lending scheme between 2014 and 2016. This was set up in the Shantallow area of Derry/Londonderry to offer a viable alternative to small short term loans. The pilot aimed to help people with a previous or ongoing reliance on high cost short term credit.

65. The pilot waived the normal entry rules of credit union loans so that borrowers did not have to be referred by a member or have savings with the credit union. The Greater Shantallow Area Partnership (GSAP) alerted their members to the pilot, attracting borrowers who were often reliant on short term high cost credit and had a pre-existing relationship with GSAP workers. The already established relationship meant that those borrowing had already established a sense of trust with GSAP. This was important because many individuals who took part in the pilot had previous negative/poor experiences with financial services.

66. The actions undertaken within this pilot can be closely linked to figure 3 within the draft guidance – “meeting the needs of vulnerable consumers”, where the FCA has recommended that firms understand the needs of vulnerable consumers, develop the skill among staff to make good judgements and take practical action in order to meet their needs.

²⁷

<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Minimum%20standards%20report%20-%20final%20version.pdf>

²⁸ https://www.ofcom.org.uk/_data/assets/pdf_file/0022/152482/discussion-paper-making-communications-markets-work-well-for-customers.pdf

²⁹ <https://www.bsigroup.com/LocalFiles/en-GB/consumer-guides/resources/BSI-Consumer-Brochure-Inclusive-Services-UK-EN.pdf>

<https://www.bsigroup.com/LocalFiles/en-GB/customer-service/BSI-Providing-fair-flexible-and-inclusive-services-a-business-perspective-EN-UK.pdf>

³⁰ http://publicapps.caa.co.uk/docs/33/CAP1577_Airport_Accessibility_Report_FINAL.pdf

Illegal Money Lending

67. The Consumer Council is funded by HM Treasury to work on addressing the issues of Illegal Money Lending in Northern Ireland. A key focus of our work in this area has been research and engagement. The Consumer Council has commissioned quantitative research with consumers identified as living in areas at risk of illegal lending. We have also commissioned qualitative research from agencies that work directly with consumers in financial difficulty.
68. This approach has enabled The Consumer Council to build a picture of the groups in Northern Ireland most likely to be vulnerable to the issues of illegal lending. Our interventions in this area will be based on research and engagement directly with those consumers affected by the issues we are trying to address.

Access Audits

69. The Consumer Council works in partnership with a range of consumers that have a variety of disabilities. Each year we facilitate a group of consumers with reduced mobility through a key travel provider, such as public transport, ferry operators, airports and airlines. The purpose of these visits is to conduct an 'Access Audit'. These 'Audits'³¹ allow consumers with reduced mobility to give feedback to the service providers on what aspects of their service work well and what aspects cause barriers to accessing travel. The service providers can then make changes based on direct feedback from consumers that need to use the services. The providers also get the chance to inform the consumers about aspects of the services that they may not be aware of, which are specifically designed to meet their needs. The participants in the group tend to work with support organisations and are able to cascade their experiences to other people with reduced mobility, increasing the impact of the work and building awareness of the support available.

Final Comments

70. The Consumer Council is supportive of the work being done by the FCA to ensure the needs of vulnerable consumers are being considered and addressed.
71. Firms need to ensure that customers are aware of "vulnerable consumer policies" and that consumers are aware of their rights. There must be clear and easily accessible information on what support is available to vulnerable consumers.
72. As stated, the POBs apply to all regulated companies and whilst The Consumer Council accept guidance may give firms more information on what the FCA expect them to do as part of their POBs, it does not provide a strong enough focus on requiring firms to understand and meet the needs of their vulnerable consumers. A robust framework such as the SMCR would place the onus on firms to demonstrate to the FCA how it is achieving better outcomes for vulnerable consumers as opposed to meeting its interpretation of FCA guidance.
73. The Consumer Council welcome the invitation to respond to the proposed guidance by the FCA and believe that this is an area where consumer advocacy organisations, such as The Consumer Council, could actively support the work of the FCA in relation to issuing and monitoring guidance for firms in relation to vulnerable consumers.

³¹ <https://www.internationalairportreview.com/article/69277/omniserv-hidden-disabilities/>

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