



Curtis Faraday

Vulnerability & Extra Support Policy

(web)

We must ensure that all debt advice given, and action taken is appropriate to the customer's individual circumstances and has regard to their best interests

We also need to consider the specific needs of particularly vulnerable consumers

Produced by the Compliance Unit

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This document is issued by the Compliance Department of:

Curtis Faraday Limited

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Registered in England with no. 06575396 at the address above

Authorised and regulated by the Financial Conduct Authority (FRN 662089)

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1. Introduction

Our policy is for our staff to try and understand the characteristics and potential harms for all our customers and to monitor these throughout their time with us. Your relationship with us may be limited to just the initial debt advice session, where we will determine whether you need additional support, where to find it and/or whether you are eligible for unclaimed benefits. Resources like the [Vulnerability Registration Service](#) (VRS), the Money and Pensions Services (MaPS) [budget planner](#)¹ and our benefit checker can be useful.

This approach works best in a long-term debt remedy where you understand the benefits of sharing personal data and your experiences with us to get the best outcomes from your [Debt Management Plan \(DMP\)](#) or [Individual Voluntary Arrangement \(IVA\)](#). Circumstances change all of the time, including factors outside of your control like the cost-of-living crisis and interest rate increases. You always have the option to have disclosed information removed from our records if your circumstances improve.

There will be situations where we are not the best service provider for your needs, and we aim to identify this as early as possible (e.g. you don't have any disposable income).

The policy to identify, manage and monitor customer vulnerabilities utilises industry best practices and the guidance provided by our regulator, the Financial Conduct Authority (FCA). Our aim is that these customers receive as good outcomes as the rest of our customers in our DMP portfolio (e.g. interest & charges frozen, continuity of payments, completion of annual reviews).

By working collaboratively with you, we can make the most of our customer relationship management tools:-

1. Assessing characteristics that may lead to a potential harm that we need to prevent
2. Checking whether you are already registered on the [Vulnerability Registration Service](#) (VRS) and tailoring our service accordingly based on what is registered
3. Resilience assessments measured in 4 increments to understand the severity of each characteristic and the impact on you (i.e. what are you vulnerable to?)
4. As a way of implementing this policy for each potential harm at a frontline adviser level – the people that engage with you day-to-day
5. As a comprehensive reporting tool so that we can monitor the types and quantities of characteristics and potential harms at an individual level and across the business

¹ <https://www.moneyhelper.org.uk/en/everyday-money/budgeting/budget-planner>

Most customers seeking advice on their debts under credit agreements or consumer hire agreements may be regarded as vulnerable to some degree by virtue of their financial circumstances. Of these customers some may be particularly vulnerable because they are less able to deal with lenders or debt collectors pursuing them for debts owed. **Customers with mental health and mental capacity issues may fall into this category.**

As a business authorised and regulated by the FCA for our debt counselling and debt adjustment activities, it is important that we have a proportionate and practical policy in place, and that our staff understand how to identify vulnerability and how to adapt their dealings with vulnerable customers to meet their needs and achieve good outcomes. We undertake regular specialist training for frontline advisers and engage with a number of partners as part of the delivery of our service. The [Vulnerability Initiative](#) identifies a number of service providers, where you may have several support needs.

2. Identification

Identifying any additional support needs is most easily done where you voluntarily share this with us. Our staff are trained to ask the right questions, but consent to share some information is extremely useful. How we use the information will always be explained.

A customer may find it difficult to make an informed decision about their available debt management options for a variety of reasons, some of which may be temporary. The risk factors that contribute to vulnerability in financial services include:

- Low literacy, numeracy or financial capability, including 'English not first language'
- Severe or long-term illness (e.g. cancer or chronic conditions)
- Mental health or capacity problems (e.g. dementia, bipolar, depression, anxiety)
- Addictions (e.g. Gambling) and/or the involvement of an illegal money lender
- Low financial resilience over a long period of time
- Caring responsibilities (including operating a power of attorney)
- Major changes in circumstances (e.g. job loss, bereavement, divorce)

The pandemic and the cost-of-living crisis have made some pre-existing conditions worse, where the involvement of a third party like Curtis Faraday may mitigate the risks of poor outcomes compared to dealing directly with your creditors. This may involve taking time to assess the options available and involved other relevant third parties in key decisions involving you, your family and key assets, like your home or your pension.

Living with a disability, illness or diagnosis does not in itself make someone vulnerable. In the context of financial services, it is the person's situation and barriers to accessing such services that may make them vulnerable. Equally a person may be vulnerable without any disability, illness or diagnosis, for example if they are recently bereaved or not able to access mainstream services. We need to mitigate the risk of poor financial decisions.

3. Management

Just because somebody has vulnerabilities does not mean that they are unsuitable for a DMP with us. Care will be taken through the onboarding process into the customer management stage of a DMP. Your preferences will be captured and routinely updated to determine the best time and method of communicating with you or someone authorised to act on your behalf (e.g. designated carer). If it is a joint DMP then we will work with both of you on the best engagement strategy.

Where benefits and allowances (e.g. carer allowance) are applicable, we will establish whether these should be included in your disposable income, the amount used to determine what you can afford to pay each of the creditors in your plan. This uses and industry standard financial statement. Some vulnerabilities can be notified to your creditors through the Standard Financial Statement and others through industry standard forms like the Debt and Mental Health Evidence Form ([DMHEF](#)). Our staff are trained to use this and a number of recognised methods of dealing with different vulnerability types, including referral partners (e.g. Alzheimer's Society, Gamcare).

There will be circumstances where looking at debt write off may be appropriate, especially with deteriorating or terminal conditions (e.g. cancer, dementia).

We operate a [Consumer Duty Policy and Client Charter](#) that sets out our commitment to all customers. Part of that commitment is high quality customer service and debt advice.

We will regularly contact you to check that the information that we have on record is correct and to identify changes in circumstance. We may agree that advised reviews may need to be undertaken more frequently than annually.

4. Monitoring

We will use our systems & controls to monitor your resilience and any alerts from source like the Vulnerability Registration Service (VRS), subject to your consent. This may require periodic re-assessments with you.

Examples of good outcomes in a DMP:

- You receive all of the benefits, social tariffs and allowances you are entitled to, which may include registering on Priority Service Registers operated by your Utilities
- Arrears with essential services (e.g. Rent, Council Tax) are cleared alongside the DMP
- Regular engagement through your preferred method of contact
- Interest & charges frozen on all of your accounts in the DMP
- We identify any changes in circumstance in a timely manner and act on them
- We monitor your credit file through the course of your DMP
- We complete advised annual reviews on time

For some diagnosed vulnerabilities there are [mental capacity crisis breathing space²](#) options, which can be used more frequently than standard breathing spaces. A breathing space can be used during DMP (e.g. Bailiff or enforcement activity starts).

Addictions (e.g. Gambling) may restrict the debt remedies available to you until there is evidence of rehabilitation (e.g. Switch from DMP to Individual Voluntary Arrangement). We will also use some events to assess whether you are struggling, for example, missed payments in your plan or review requests that you may not have responded to.

There are risks that you may be a target for scams and fraud, including cyber-crime. It is part of our commitment that we keep you aware of these risks and provide you with updates around how you can be sure that it is Curtis Faraday you are dealing with either on the telephone or online (e.g. Email, SMS, WhatsApp or through our portal).

In recent years we have seen a rise in:

- Cyber-crime
- Various types of fraud, including account take-over and [App fraud](#)
- Illegal money lending
- Economic abuse or coercion

We operate specific policies for people at risk of domestic violence or where their partner is unaware of the problem debt. These generally require specific contact engagement strategies with additional security in place.

Your best interests

We need to ensure that your plan remains in your best interests and that your objectives remain the same (e.g. to repay your debts at a rate that you can genuinely afford).

There may be circumstances where you don't agree with our recommendations at advised reviews. We need to determine whether we can continue to deliver good outcomes in these circumstances. An example may be that your disposable income continues to reduce and that we believe a formal debt remedy (e.g. Bankruptcy) may deliver a better outcome when compared to a very long DMP.

For further information of what a debt adviser is looking to achieve in terms of positive outcomes then you may want to look at 'Vulnerability: a guide for debt agencies'³ that is supported by our trade body DEMSA and the Money Advice Liaison Group (MALG).

The FCA has a webpage for consumers - <https://www.fca.org.uk/consumers>

² <https://maps.org.uk/en/our-work/our-debt-work/mental-health-crisis-breathing-space#>

³ <https://malg.org.uk/wp-content/uploads/2017/03/Vulnerability-Guide-for-Advisers.pdf>