



Vulnerability guidance for *intermediaries*

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1. Introduction

This guide can help you identify and manage customer vulnerabilities and ensure you support your customers with any specific needs they may have.

It includes details of any legal and/or regulatory requirements you need to be aware of when discussing vulnerabilities with a customer and how to share information on customer vulnerability with us.

This guide includes information to help you:

1

Understand why vulnerable customers may not get the best outcomes.

2

Understand the specific vulnerabilities you may encounter.

3

Have helpful, structured conversations with vulnerable customers

4

Understand what to do when you identify a vulnerable customer and how to share information with us.

We are here to *help*

There are many ways to contact us for support with vulnerable customers. You can let us know by phone, email or live chat. Our Intermediary Helpdesk is open **Monday to Friday 9.00am until 5.00pm (9.30am–5.00pm on Wednesdays)**.



Intermediary Helpdesk **01635 918000** (during application)
Mortgage Customer Support **01635 555700** (after completion)



Intermediary Helpdesk **brokerenquiries@newbury.co.uk**
(during application)

Mortgage Customer Support **mortgages@newbury.co.uk**
(after completion)



You can contact us via Live Chat on our Intermediaries website **www.newbury.co.uk/intermediaries/**



2. What is a *vulnerable* customer?

Definition of vulnerable customers:

The Financial Conduct Authority (FCA) define 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.



Our role – how can we help?

We are always available to provide guidance on how to identify and interact with your vulnerable customer(s) to minimise harm to them. By working together, we can ensure our vulnerable customers get the support they need throughout the application process and their mortgage term with us.



Your responsibilities

By understanding what factors may lead to a customer being vulnerable and the harm it may cause, you can help to ensure the best outcome for your customers.

2. What is a *vulnerable* customer?

Types of vulnerability

There are many situations and circumstances that could lead to a customer becoming vulnerable, and all customers are at risk.

Sometimes this can be a temporary situation and sometimes permanent.

Not all customers with characteristics of vulnerability will be vulnerable, but they are more likely to have additional needs which we need to support.

There are **4 key drivers** of vulnerability explained in this guide:



Health related



Life events



Resilience



Capability

2. What is a *vulnerable* customer?

What are the 4 key drivers of vulnerability?

Source: FCA: Guidance on the fair treatment of vulnerable customers



Health

Health conditions or illnesses that affect people's ability to carry out day-to-day tasks, for example:

- Physical disability
- Severe or long-term illness
- Hearing or visual impairments
- Poor mental health
- Low mental capacity or cognitive disabilities
- Addiction



Resilience

Low ability to withstand financial or emotional shocks, which could be caused by:

- Low or erratic income
- Carrying too much debt
- Low savings
- Low emotional resilience
- Lack of support structure



Life events

Events that have a big impact on someone's life, for example:

- Caring responsibilities
- Bereavement
- Income shock
- Relationship breakdown
- Domestic abuse including control of finances
- Being under duress by a third party
- Retirement
- A major change in circumstances, for example leaving prison or care, or arriving as a refugee



Capability

Low knowledge of financial matters, or low confidence in managing money. Possible causes can be:

- Poor literacy or numeracy skills
- English Not as a First Language (ENFL)
- Poor or non-existent digital skills
- Learning impairments
- Low or no access to support

2. What is a *vulnerable* customer?

What harms can vulnerabilities lead to?



Financial exclusion

As a result of vulnerability, certain customers may be less likely to have a bank account or savings, insurance or protection, pension plans, or investments.



Scams and financial abuse

Certain vulnerable customers may be at a higher risk of falling prey to scams, including deceptive online financial promotions. They could be specifically targeted, be more trusting or more easily influenced to share their personal financial information.

They may also be unable to monitor their accounts or statements for any unusual transactions. Some individuals might have to resort to risky access methods, such as sharing their PIN or password with someone else, which can heighten the risk of financial abuse.



Having too much debt

Vulnerable customers often face challenges in fulfilling their financial obligations and are at a higher risk of falling behind on essential expenses or payments. Debt can be associated with mental health issues or addictions; nearly half of all indebted consumers also experience mental health challenges. Life events, such as the loss of a loved one or a relationship breakdown, can lead to temporary income loss and an increased risk of accumulating debt.



Difficulty accessing services

Certain traits associated with vulnerability can make it hard to access specific communication channels. For instance, someone with a visual impairment might struggle to receive service communications effectively, while disabilities may hinder a customer's ability to visit a branch in person. Additionally, limited digital skills can restrict access to online services. These challenges can result in disengagement, exclusion, or an increased risk of falling victim to scams.



Inability to manage a product or service

Certain vulnerable customers might find it challenging to navigate the ongoing management of a product or service. They may have a lack awareness of their rights or the process to seek compensation if issues arise. Additionally, individuals facing vulnerability may not ask for assistance due to fears of being misunderstood or revealing their lack of understanding.



Disengagement with the market/partial exclusion

Vulnerable people may find it difficult to engage with financial markets and find it hard to search for products and services because they find it overwhelming or confusing. They may go without the products or services they need or be unable to use the ones they have and are more likely to pay a higher price than other consumers.



Buying inappropriate products or services

Some vulnerable customers may be more likely to have mistakenly bought a product or service that's not right for them, because they misunderstood the features or terms and conditions.

3. How to *support* vulnerable customers

Identifying vulnerability

Things to consider:

- Listen carefully and don't make assumptions
- Customers may have more than one vulnerability
- Be empathetic and avoid patronising
- Allow the customer time to discuss their situation or to understand the process you are taking them through
- Speak clearly in plain English – avoid jargon words
- Does the customer appear to be under duress or accompanied by a 3rd party with whom they look anxious?

Avoid using the term 'vulnerable' with the customer

Look out for telltale signs or words from the customer including:

- Shortness of breath or signs of agitation
- If the customer keeps asking you to repeat information
- Signs that the customer has not understood or any signs of confusion
- Mention of medication
- Interference from the 3rd party

Phrases you might hear from your new or existing customers:

- I can't pay
- I'm having trouble paying
- mention of breathing space/ debt moratorium or contacting a debt advisor
- I can't read my bill
- I can't understand the letter you sent me
- I hate these press buttons
- I can't cope with these computer systems

As you build rapport with your customer, you can ask open questions to understand the customers situation and how you and Newbury Building Society can help them.

3. How to *support* vulnerable customers

Steps to support customer needs if you have any concerns during the application process.

If you have concerns:



EXTRA TIME: Allow the customer time to make the decision. They may need to go away to discuss the decision with a friend, relative or carer



WAIT Delay if needed, there is no need to arrange finance for the customer immediately.



REPEAT Ask the customer to repeat key information back to you to ensure that they have understood.



SUGGEST that the customer takes some time to think the decision over. Offer contact details for companies that may be able to offer support



FRIEND Ask the customer whether there is someone who they would like with them to help with their mortgage application.

3. How to *support* vulnerable customers

Follow the **BRUCE** protocol which can be used to both identify and help support customers who may be struggling with financial decisions.

B	Behaviour and talk Is there a limitation in the customer's behaviour and speech?
R	Remembering Is the customer experiencing problems with their memory or recall?
U	Understanding Does the customer grasp or understand the information given to them?
C	Communicating Can the customer share and communicate their thoughts, questions and decisions about what they want
E	Evaluating Can the customer 'weigh-up' the different options open to them?

3. How to support vulnerable customers

Mental capacity disorders

Use the **BRUCE** protocol explained on page 11, to help you identify and support a customer who may have difficulties with decision making, or have mental capacity limitations, which affects their ability to understand or weigh-up information that is shared with them. We need to balance our duty of care to protect these customers with their right to make their own decisions. If you have concerns – see page 10 of this Guide.

When using BRUCE, always:

- **presume customers have the mental capacity to make the decision in question, but actively check for evidence that they do not.**
- provide reasonable support to individuals to help them make their own decisions.
- remember that the decision is always the customers to make – customers are allowed to make unwise decisions.
- avoid guessing what is ‘wrong’ with a customer – focusing instead on the decision-making difficulties a customer has, providing support to overcome these, and encouraging them (if possible) to talk about their difficulties.

Tailor your conversation to the customer’s circumstances for example:

- Allow customer more time to speak
- You may need to repeat, simplify or re-explain information.
- Offer information in writing
- Use simpler more concise, jargon-free language
- Ask the customer to summarise their understanding.

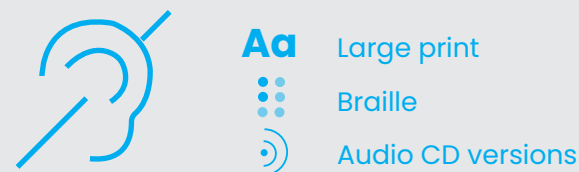
Remember, it is important that if a customer has a mental capacity limitation, particular care should be taken to ensure that the customer is not provided with credit unsuitable to their needs, even if it is affordable. It may be that we cannot help with the mortgage in this situation.

Physical disability

There are many different forms of physical disability that could require support during the application process and beyond. Always ask the customer if they have any specific requirements that may help with communicating.

For example, a customer who is partially sighted or deaf may require specific help to understand the information that is being presented to them.

We can help you provide additional support for visually impaired customers in the alternative formats listed below:



Large print

Braille

Audio CD versions

Other ways to help:

- Be aware of lip reading and avoid covering your mouth with your hand if your customer is deaf or partially deaf.
- Take your time, listen carefully, provide a safe space to discuss needs.
- Suggest the customer takes more time to decide and takes away the documentation to read with a friend or family member.
- Always check their understanding throughout.

3. How to *support* vulnerable customers



Financial difficulties

Customers who are living with financial difficulties, such as low income or few savings may be more likely to be harmed by taking on additional credit that they cannot afford.

An affordability assessment should ensure that we don't enter into a financial agreement that the customer cannot afford. Always let us know if the customer gives you reason to believe they are in financial difficulty. We can then ensure we make our credit decision fairly, so as not to worsen their financial situation.



Under duress

Customers could be particularly at risk of harm if they are being pressurised by a third party such as a friend or family member. The customer could find themselves taking out a credit agreement that they do not want or that they cannot afford. It's also possible they could be under the influence of a criminal gang. It can be difficult to spot but there may be some signs that you can look out for:



Check:

If the customer is accompanied by another person, are there any signs that they look anxious or upset? Is the third party overly involved and making all the decisions?

Is the customer clear about why they want to take out a mortgage?

Phrases you could use with your customers:

- Thanks for sharing that with me, how can I help make this easier for you?
- How can we support you with that?
- Would you like me to go over any of that again?
- Am I making sense?
- Would you prefer to talk at a different time?
- Do you need a translator?
- Is there anything else you might need to support you with this application?
- How do you prefer to be contacted?
- Would you like to speak to me in private?
- Would you like to take the documents home and read through with a friend or family member?

3. How to *support* vulnerable customers

Requirements for a translator

Customers whose first language is not English may require a translator to make sure they understand the agreement they are entering into. When using a translator, there are certain requirements that must be met. These are:

Identification and verification



Family member or friend: Must be over 18 and have valid identification i.e. a passport or driving licence. You must retain a copy of their I.D. along with their contact details.



Official translator: Formal identification (badge) – you must retain a copy of their badge along with their contact details.

Further requirements



Allow sufficient time for the translator to translate the information to the customer. Advise the translator to tell the customer that written communication, internet and telephone services will be in English.



If a customer's command of English isn't sufficient for them to understand the product they are applying for, and you feel they do not understand what is being discussed, the application cannot proceed.



Confirm with the translator that the customer understands the translation clearly enough to make an informed decision.



If you feel the translator does not understand what is being discussed, or that the translator is not acting in the customer's best interests, the application cannot proceed.

In order to meet our regulatory requirements please give a copy of the privacy notice to the translator.

4. How to *record* and *alert* us to customer vulnerability

The mortgage application process

Some vulnerable customers may require additional support during the mortgage application process. However, this will not be the case for everyone. It's important to take a flexible, case-by-case approach to ensure each customer receives the right level of assistance.

Ideally, we'd like to know about any customer vulnerabilities at the start of the mortgage application process. This enables us to provide the best possible service and tailor our support from the very beginning.

We understand that vulnerabilities may not always be apparent at the outset. That's why there are also opportunities to share this information with us at any time.

At the start of the mortgage application process

We're here to support you and the customer at every step of the way to ensure the mortgage application process is as smooth and stress-free as possible.

To help us provide the best possible service, we encourage you to disclose any known customer vulnerabilities as early as you can. This allows us to tailor our support and ensure we meet any additional needs the customer may have.

As you will know, it is illegal to lend to customers with certain types of vulnerability. For example, under the Mental Capacity Act 2005, it is unlawful to lend money to someone who lacks the mental capacity to understand and agree to the terms of a loan.

To make it easier for you to 'tell us once', we are updating our application forms and online systems. These updates will allow you to **capture and share more detailed information about customer vulnerabilities**.

Tell us anytime:

You can contact us at anytime to let us know about a customer vulnerability.

Make sure you always have the customers permission before sharing any details about their situation. With their consent, we can put the right support in place throughout the life of their mortgage—for example, by tailoring and adapting how we communicate with them to better suit their needs.

Your support helps us protect vulnerable customers and ensures we continue to lend responsibly.

You **MUST** seek explicit permission from the customer to share any information with us.

At Newbury Building Society, our dedicated Payment Support Team is here to assist customers who may be experiencing financial difficulty. Our goal is to help customers stay on top of their mortgage payments and, ultimately, remain in their homes.

We offer a range of tailored payment support options and work proactively to identify and address potential issues early. Whether a customer has already fallen into arrears or anticipates difficulty making future payments, our team is ready to help.

By engaging with us as soon as possible, customers can access the support they need—when they need it most.

If your customer needs financial support, please ask them to contact the Payment Support Team on 01635 555800.

4. How to *record* and *alert* us to customer vulnerability

The **TEXAS** protocol is recommended by the FCA as a useful tool to handle a wide range of vulnerable situations. It helps you record the most relevant information about vulnerabilities and ensures you follow the legal and regulatory requirements regarding the capture and recording of support needs to manage disclosure effectively.

T	Thank the customer for telling you about their circumstances. Advise the customer it will help you better support them throughout their application.
E	Explain the information will be sent to Newbury Building Society to be stored on our systems to further support the needs of the customer. It will be retained for the product life, plus six years before being deleted.
X	Gain explicit consent to record their support need(s). This is crucial and a legal requirement
A	Ask questions to clarify the information. Be sensitive and ask questions that are relevant and tailored to the customer's circumstances.
S	Signpost the customer. Explain what will happen next and where they can find further help and support from Newbury Building Society and external organisations, for example Citizens Advice, Samaritans and Age UK.

4. How to *record* and *alert* us to customer vulnerability

When you've identified a vulnerable customer, there are a series of steps you need to take:

1

Understand their precise support needs.

2

Follow the **TEXAS** protocol.

3

Record their support needs, so they continue to get the help they need.

4

Let us know – see page 4 of this guide for details. Please tell us if your customer requires additional support and whether it is a permanent or temporary support need.

An aerial photograph of Newbury, showing a dense residential area with red-brick houses and a church with three spires. The River Thames flows through the town, featuring a lock with a green boat. The background shows rolling hills under a clear sky.

If you've identified a vulnerable customer who will have additional needs,
contact our Intermediaries Team on

01635 918 000

Email: brokerenquiries@newbury.co.uk

You can also contact our Mortgage Customer Support team
after the mortgage completes on

01635 555700

Email: mortgages@newbury.co.uk

Lines are open 9.00am–5.00pm, Monday to Friday.
(9.30am–5pm Wednesdays)

Newbury Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number 206077). A634