

# Spotting vulnerable clients

Advisers play a crucial role in offering their clients guidance. But are they getting enough advice themselves in spotting vulnerability? We asked the market, and this is what they said.

**Source:** 152 Equity Release Advisers were surveyed in October 2018 to ascertain their views on vulnerability and the role of family in the advice process.



## 53%

of advisers identified only 1-10% of clients as vulnerable

## 88%



of advisers said there was a need for greater **education and additional resources** in the market

## 17%



Less than 2 out of 10 think it is generally **easy to spot a vulnerable client**

FCA's Financial Lives Survey 2017

YES

NO

## Half of UK adults...

...that's 25.6m, showed signs of potential vulnerability based on last year's FCA's Financial Lives Survey research estimates

This highlights there is work to be done



### Identifying traits

#### The whole picture

? **87%**

surveyed said they enquired about a **client's personal circumstances**

✓ **82%**

stated they tested customers on their **understanding of the products** on offer

💬 **43%**

said they **spoke with others** in order to confirm their conclusions

#### Risk factors

🧠 **91%**

of advisers cited **mental ill-health** as the biggest risk factor they looked out for

A a **88%**

cited low **literacy, numeracy and financial capability**

£ **56%**

recognised that significant **financial worries** might make a customer vulnerable

### Positive approach

📊 **89%**

of advisers said it was especially important to **recognise that a client may be vulnerable** – even if they don't realise it themselves

📊 **84%**

thought it was important to **engage with those closest to the client**, such as relatives, carers or lawyers

📊 **79%**

said that recording all of a client's **communication and service** needs should be prioritised to ensure that both client and the firm are protected