

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



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