

Vulnerable Customer Policy

Our Commitment to Vulnerable Customers

The Financial Conduct Authority (FCA) requires all firms within financial services to recognise and understand the impact that life events, health, resilience, and financial capability may have on their customer's needs. UK General Insurance Limited is committed to ensuring that all customers, including vulnerable customers are treated fairly and have equal access to UKGIL's products and services.

Vulnerable Customer Policy

To this end, we have implemented a Vulnerable Customer policy within our business. The purpose of this Policy is to set out our expectations when dealing with vulnerable customers throughout the end-to-end product lifecycle. You can view a copy of the policy over the following pages of this document.

Staff training

Our staff are trained to identify vulnerable customers and to provide the additional level of support they may require in order to meet their needs and achieve a good outcome. However, we acknowledge that vulnerability can take various forms, and is specific to each individual customer. Therefore, if you believe you meet the criteria for a vulnerable customer, please notify us of your particular needs so that we can provide the necessary support.

To register as a vulnerable customer, please contact us in one of the following ways:

Phone : 0333 400 9070 (Lines are open Monday – Friday 8.30 am – 5.00 pm)

Email : sayhello@ukgeneral.co.uk

In Writing :

UK General Insurance Limited
Building 3.1 Carrwood Park
Swillington Common Farm
Selby Road
Leeds
LS15 4LG

UK General Insurance Limited

Vulnerable Customer Policy Overview

(External)

Owner	Head of Compliance
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1. Introduction

UK General Insurance Ltd (“UKGIL”) is committed to ensuring that all customers, including vulnerable customers are treated fairly and have equal access to UKGIL’s products and services.

UKGIL (including all outsourced/delegated activities) must operate appropriate processes that consider the circumstances of individuals (and small medium enterprises) and be able to identify whether they are vulnerable or susceptible to detriment (whether permanently or temporarily) and tailor the way in which we communicate and deal with them to take account of the vulnerability.

If you feel that you may be in a position of vulnerability, please contact UKGIL’s Customer Relations Team on 0333 400 9070 who will be able to help you further.

Objectives of this policy

The main objective of this policy is to set out UKGIL’s approach when dealing with vulnerable customers throughout the end-to-end product lifecycle to ensure that we deliver fair customer outcomes.

The Policy also aims to achieve the following:

- To define what types of vulnerability and susceptibility there are
- To outline how UKGIL approach identification, recording, and management of vulnerable customers

2. Definition of vulnerable customer

The FCA’s definition of vulnerable customers;

“someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care”

The FCA considers that the following factors act as drivers to actual or potential vulnerability:

- **Health** – health conditions or illnesses that affect the ability to carry out day to day tasks, both permanently and on a temporary basis
- **Life events** – major life events such as bereavement or relationship breakdown
- **Resilience** – low ability to withstand financial or emotional shocks
- **Capability** – low knowledge of financial matters or low confidence in managing money

An individual may suffer from one or more of these types of vulnerability at the same time which may make them especially susceptible to harm.

3. Applicable Regulation and Legislation

Vulnerability is a key priority for the FCA, and it expects firms to exercise extra care when customers may be vulnerable because where vulnerable customers are not treated fairly, their circumstances often mean they face an increased risk of harm.

The FCA expects firms to have policies and procedures in place to deal with customers who may be at greater risk and to take account the potential negative impact to vulnerable customers in product availability, product design, distribution channels and post sales servicing of UKGIL’s products and services.

One of the FCA’s operational objectives is to secure an appropriate degree of protection for customers and the FCA would be more likely to intervene where they identify actual, or potential, harm for vulnerable customers.

In meeting this objective, the FCA must have regard to the general principle that customers should take responsibility for their choices and decisions. However, there can be factors that may limit the ability of vulnerable customers to take on this responsibility. This risk is further supported by the recent introduction of the ‘customer best interest rule’ which requires Firms to act in the best interests of its customers, considering the capabilities of the customer,

their current and future needs and appropriate support required to prevent any potential or actual vulnerability being perpetuated or worsened by the colleagues' actions, inaction or UKGIL process.

The FCA also has regard to the general principle that financial services firms should be expected to provide customers with a level of care that is appropriate, having regard, amongst other things, to the capabilities of the customers in question. The level of care that is appropriate for vulnerable customers may therefore be different from what is required for other customers. The FCA will take action against firms that do not afford appropriate processes and procedures for vulnerable customers, and whether intentional or not.

The FCA's Principles for Businesses underpins the fair treatment of vulnerable customers:

Principle 2: Skill, care and diligence	A firm must conduct its business with due skill, care and diligence.
Principle 3: Management and control	A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
Principle 6: Customers' interests	Firms need to understand the needs of vulnerable customers to pay due regard to their interests and treat them fairly.
Principle 7: Communications with clients	A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.
Principle 9: Customers: relationships of trust	A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement

This Policy acts in accordance with the Equality Act 2010, which provides it is illegal to discriminate and strengthens protection for specific protected characteristics. This means when a customer who has a disability is identified through UKGIL's operational processes or service, reasonable steps must be taken to ensure they are treated equally, fairly and with respect.

UKGIL also acts in accordance with the requirements of General Data Protection Regulation (GDPR). In practice, this means that UKGIL colleagues are required to obtain explicit consent from the customer regarding the recording of information, including both medical data (the vulnerability) and the duration of any vulnerability, for example, whether the vulnerability is thought to be temporary or permanent. Colleagues are expected to ensure the recording of a vulnerability is accurate and reflective of the customers most recent circumstances.

UKGIL colleagues can record the interventions or adjustments requested by a customer rather than the vulnerability itself, in these instances, UKGIL colleagues are still required to obtain the customer's consent before making a record.

4. UKGIL's approach to vulnerable customers

UKGIL has different approaches to ensuring that vulnerable customers are identified and handled appropriately and this section details UKGIL's approach to identifying vulnerable customers and the processes and controls that it has in place to protect customers throughout the lifecycle of their policy.

4.1 Expectation of UKGIL colleagues

The FCA expects firms to be able to spot a vulnerable customer when they provide personal details during a call or in customer correspondence, and to respond appropriately to this information.

Relevant UKGIL colleagues receive training for communicating with vulnerable customers to ensure they are empowered and trusted to be alert to the signs that the person they are talking to may not have the capacity, at that moment in time, to make a decision or provide the correct information. As such, relevant UKGIL colleagues are expected to be able to confidently and competently effectively listen, identify the customers' needs and adjust their approach accordingly.

It is acknowledged that vulnerability can take various forms. The following are types of possible circumstances and characteristics which may suggest vulnerability. This is not an exhaustive list and is used as guidance only. The identification of vulnerable customers must be individual, proactive, and aimed at removing barriers to accessing our products and services, to result in both a good and fair customer outcome.

Low literacy and/or numeracy ability	Communication challenges	Physical disability, visual impairment, hearing impairment health or illness that affects the carrying out of day-to-day tasks	Dementia/mental capacity limitations
Domestic abuse including economic control	low income and/or debt, including outgoings exceeding income and erratic income	Medical / Health condition	No, or low access to help and support
Addictions (Gambling, drinks, drugs)	Advanced age (this can be associated with the onset of ill health, a deterioration in hearing and/or sight, a weakening in cognitive ability or reduced dexterity or not being comfortable with new technology)	Inability or lack of confidence using technology	Environmental (such as floods, subsidence or any other matter relating to a claim or complaint)

In order to act in accordance with the requirements of this Policy, UKGIL colleagues are expected to:

- Be alert and ensure to listen to what the customer advising, look out for triggers or clues to vulnerability
- Take time to understand the reasons behind any difficulties the customer may be facing, such as job loss, illness, divorce, or learning difficulties as this will help colleagues to understand what the best option or outcome for the customer is
- Set expectations clearly – whether this be over the duration of the call, the process, or the service, it is useful to set expectations at the earliest possible stage
- Apply discretion or adapt the existing process where appropriate
- Speak very clearly and if required slow down and be patient and empathetic, be prepared to repeat or allow time for the person to make notes or agree to confirm in writing
- Clarify understanding at trigger points by asking questions such as ‘is there anything else you would like me to repeat or explain?’
- Ensure there are no barriers to the appropriate and fair treatment of a customer, including barriers to support throughout the product lifecycle.
- Where vulnerability is identified, this will be recorded accurately, sensitively and regularly reviewed for relevance.

4.2 Third Party Relationships

UKGIL manufactures and distributes insurance products through various distribution channels (direct and indirect), including via delegated authority Coverholders, broker distributors as well as contracting with third party outsourcing agents who act on our behalf in relation to claims and complaints call handling (and case management).

In accordance with regulatory requirements, UKGIL cannot discharge its regulatory responsibilities and has designed its approach to take account of the current business model.

Certified Heads of Functions are tasked with assessing the internal and external processes and procedures needed within their area of responsibility to ensure they meet the objectives of this Policy when engaging with customers or when overseeing third party outsourced activity.

4.3 Delegated Authority

UKGIL delegates various levels of authority to regulated third party Coverholders who (amongst other activities) distribute UKGIL's insurance products, as described in the Terms of Business Agreements. As such, they engage and communicate directly with policyholders undertaking regulated activities.

The Delegated Authority Audit Team undertake oversight of activities undertaken by Coverholders, part of which must assess the adequacy and operation of appropriate processes and procedures to fairly manage customer vulnerability, including reporting and escalation to UKGIL as appropriate.

The Certified Head of Function is responsible for the initial (as part of due diligence) and ongoing oversight of vulnerable customer controls in place for DA activity firms, ensuring their processes and procedures operate effectively and continue to meet the objectives of this Policy.

4.4 Claims and Customer Relations

UKGIL operates an outsourced claims and complaints model and as such it contracts with Claim Service Providers (CSPs), under claims management agreements for the handling of claims and complaints.

In relation to outsourced complaints, UKGIL operate varying degrees of responsibility for outsourcing.

Third party firms undertaking activities on behalf of UKGIL must ensure their colleagues are trained to identify and appropriately deal with vulnerable customers, in addition to operating processes and procedures in respect of vulnerable customers that meet the objectives of this Policy.

Once claims and complaints are referred into UKGIL, the Certified Head of Functions for those areas are responsible for ensuring that the processes and procedures that operate within their areas meet the objectives of this Policy.

The responsibility for ongoing oversight of claims and complaints activities within the CSPs also falls to the respective Certified Head of Claims and Certified Head of Customer Relations to ensure that vulnerable customers are treated fairly throughout the end to end claims and complaints journeys

5. Products

UKGIL operates a Product Oversight and Governance (POG) Policy and as part of the expectations, the approach to POG each product must identify and assess the defined target market, ensuring the design does not unfairly target nor exclude certain vulnerabilities, either specifically or in general. As part of the product lifecycle, vulnerable customers continue to be an area of focus, for example, consideration of both the positive and negative impacts of a product and any impacts to service must be assessed. Additionally, UKGIL assesses the design of products to avoid possible harmful or negative impacts and ensures that consideration of vulnerable customers is conducted throughout all stages of the POG process, including (but not exhaustive to); development, testing, product launch and post implementation review.

Where there is identification of vulnerability, this is considered appropriately and that adequate controls are in place to sufficiently mitigate the potential risk of customer harm or detriment. In addition, as part of the POG process, where such potential harm is identified, this is escalated for further review and approval.

Further, UKGIL provides policy wordings and IPIDs, where it is the product manufacturer in alternative formats, including braille, large print, and audio. UKGIL colleagues should contact the Products Team for further information on alternative formats.

The Certified Heads of Functions (Product and Underwriting) are responsible for ensuring that appropriate processes and procedures operate across their respective areas to ensure that customer vulnerability and susceptibility is adequately considered throughout the product lifecycle.

6. Pricing

UKGIL operates a Fair Pricing Policy and has Pricing Guidelines in place which sets out UKGIL’s pricing approach and consideration of vulnerable customers, particularly those with protected characteristics, such as disability, captured under the Equality Act 2010. Some customers with protected characteristics may be higher risk, which could result in price increases if this is not considered.

This also sets out UKGILs approach to ensuring dual pricing does not occur and this can have a greater impact on vulnerable customers. For example, elderly customers are often more prone to inertia and may not shop around for more competitive offerings and as a result, they may experience higher average premiums.

7. Controls and Adherence

- The Vulnerable Customer Policy will be clearly signposted on the intranet and accessible by all colleagues.
- UKGIL operates a breach reporting process (defined within the Risk Event and Breach Management Procedure) which could potentially result in a communication with the appropriate regulator.
- When reviewing a complaint or when assessing whether a breach of this policy and associated procedures has occurred, all colleagues must also consider whether a regulatory breach (including breach of a Conduct Rule) has occurred. All suspected regulatory breaches must be reported in line with UKGIL’s defined process. If a suspected breach of a Conduct Rule has occurred, this must be reported to the Chief Risk Officer in the first instance, in line with UKGIL’s internal escalation process.
- UKGIL Certified Heads of Function are individually responsible for the processes and procedures regarding vulnerable customers in their respective business area.
- Compliance undertakes regular horizon scanning to mitigate future issues and concerns by anticipating potential risks that may emerge and monitoring regulatory developments, sharing regular updates with key UKGIL stakeholders.
- UKGIL’s recording of sensitive personal data meets General Data Protection Regulation (GDPR) requirements, regarding each vulnerable customer record and additional support measures. Customer policy records can be maintained for a minimum of 7 years in accordance with the Data Classification and Data Retention Policy.
- Certified Heads of Function provide regular and accurate reporting to senior management.

8. Management Information

Certified Heads of Functions are responsible for the design and production of accurate and timely MI, relevant to the activities conducted within their Business Unit or within their oversight responsibilities. Where an activity is outsourced to a Third Party, it is the responsibility for those Heads of Functions to ensure appropriate, accurate and timely MI is captured and shared with UKGIL, to allow for sufficient ongoing oversight.

When considering MI, Certified Heads of Functions hold the responsibility for identifying, setting risk tolerances and reporting on Key Performance Indicators (KPIs), associated with managing vulnerable customers in a fair manner.

Where risk tolerances (appetites) are breached, escalation to Senior Management is required via the **Customer and Conduct Forum (CCF)**. The CCF seeks to review the risk posed and where necessary take action to mitigate the risk of harm to customers and the business.

9. Monitoring and oversight

UKGIL assesses vulnerability through regular oversight and monitoring, as part of its three lines of defence model. Below provides a summary of the key activities conducted.

Business Area	Summary of activity	Responsible Function
Delegated Authority Onboarding and Oversight	Due diligence assessment prior to onboarding and regular reviews thereafter.	Head of Delegated Authorities

First Line Quality Assurance	Regular assessment of internal and outsourced/delegated activities.	Head of Customer Relations
Compliance Monitoring	Assessment considering regulatory requirements, conduct risks and alignment to industry standard.	Chief Risk Officer
Audit Monitoring	Independent assessment of risk management, controls, and processes.	Internal Audit

10. Training

UKGIL provides annual mandatory e-learning training for colleagues one of which is a module on vulnerable customers which all colleagues must complete and pass each year. UKGIL colleagues performing roles within the Claims and Customer Relations Team are required to undertake further detailed training in respect of vulnerable customers.