

Supporting Vulnerable Customers: A Strategic Priority for Contact Centres

Today there's an increased focus on protecting customers, with compliance regimes such as the Financial Conduct Authority (FCA) Consumer Duty intended to set higher and clearer standards of consumer protection that require organisations to put their customers' needs first.

While the FCA's Consumer Duty focuses on achieving good outcomes for all retail customers, it particularly emphasises the need to provide fair treatment and tailored support for vulnerable customers across all touchpoints. This is an issue that impacts the financial services sector as well as the energy, telecoms and housing sectors.

In this CCMA Good Practice Guide we look at the multiple challenges contact centres must face when supporting vulnerable customers. We also consider how contact centres can meet compliance requirements in an environment that requires a flexible response to customer needs while also delivering an appropriate level of care.

How Significant is this Issue?

According to the FCA, 47% of UK adults exhibit characteristics of vulnerability, highlighting the importance of the issue.¹ Vulnerable customers are people who, due to personal circumstances such as age, disability, mental health issues, financial instability, or lack of digital literacy, are especially susceptible to harm or disadvantage in their interactions.

Understanding the key drivers of vulnerability helps customer service teams when it comes to supporting vulnerable customers. These could include:

- **Health** – chronic illnesses, cognitive impairments and mental health conditions that can all significantly impact a person's ability to manage their finances and services
- **Life events** – key events such as bereavement, job loss, or assuming care-giving responsibilities can all make it difficult for people to manage their financial affairs
- **Resilience** – low levels of resilience can contribute directly to an individual's ability to cope with financial or emotional shocks
- **Capability** – factors such as poor literacy, numeracy or financial expertise can also lead to poor financial decisions or an increased risk of exploitation.

¹ Financial Conduct Authority. (2022). Financial Lives 2022 survey: insights on vulnerability and financial resilience relevant to the rising cost of living. <https://www.fca.org.uk/data/financial-lives-2022-early-survey-insights-vulnerability-financial-resilience>

² As above

Consumers are reporting good examples of organisations responding flexibly to meet their needs and offer tailored support. However, there are still many vulnerable customers continuing to face challenges. This is particularly the case if they are experiencing multiple characteristics of vulnerability at the same time. The FCA found that while just 3% of adults with no vulnerability characteristics had difficulties when dealing with financial services on the phone, this rose sharply to 51% among those with four vulnerabilities.²

Given the scale of potential vulnerability, there are a number of key reasons why organisations need to support vulnerable customers. First is the higher risk of harm, with vulnerable people more likely to experience confusion, distress or poor outcomes. Many firms also fail to identify vulnerability effectively, meaning those most in need often miss out on the empathetic, personalised phone support that could make a meaningful difference.

Additionally, given the scale of potential penalties for non-compliance, it is important for brands to fulfil their regulatory requirements. Demonstrating a commitment to supporting vulnerable customers builds trust, enhances brand reputation, and can also contribute directly to increased customer loyalty and retention.

Addressing Key Compliance Requirements

The FCA has established a series of guidelines to ensure that firms identify and support their vulnerable customers, including identifying and understanding vulnerable customers, tailoring communications, employee training and evaluating how your organisation is supporting this demographic appropriately.



- **Identification** – organisations need to take active steps to identify signs of vulnerability and encourage customers to disclose their needs. This can be challenging as only 40%³ of customers with vulnerable characteristics typically disclose their circumstances according to the FCA.
- **Understanding needs** – once vulnerable customers are identified, it's incumbent on organisations to give customers the information they need, at the right time, and presented in a way that they can understand.
- **Real-time frontline support** – colleagues will perform more effectively when provided with immediate guidance, knowledge, call flow prompts and live coaching to help them deliver the right levels of empathetic support.
- **Supervisor assistance and escalation** – giving team leaders the ability to monitor multiple colleagues, provide background support where needed, or enable the ability to take over complex vulnerable customer interactions if necessary is important.
- **Compliance monitoring** – applying real-time alerts and in-call display of any necessary disclaimers can help to ensure that the frontline adheres to guidelines and helps prevent compliance breaches.
- **Training and performance improvement** – it's important that frontline colleagues are not only trained to recognise and respond to vulnerability, but also understand how their role affects customers in vulnerable circumstances.
- **Efficiency and documentation** – automatically generating call summaries, ensuring interactions are documented for compliance.

Six Ways to Better Support Vulnerable Customers

- Understand your industry's specific vulnerable customer regulatory expectations – while the FCA sets out good practice for the financial services sector, organisations such as Ofcom, Ofgem and Ofwat detail requirements for the communications, energy and water utilities markets.
- Recognise that potentially up to half of your customers may experience vulnerability at some point in their lives – vulnerability comes in many forms, doesn't have to be extreme, and may only impact a customer for a short period of time. That's why it's important to support any proactive identification systems with the empathy of frontline colleagues to provide customers with the most appropriate support.
- Provide frontline colleagues with bespoke training – engaging with vulnerable customers can be challenging for the front line. In addition to policy training, they also need ongoing support in key areas such as recognising vulnerability, communicating with empathy, and adapting their service delivery. Many organisations apply the 'TEXAS drill' a 5-step approach for managing initial vulnerability conversations. Others apply the CARE – Comprehend, Assess, Retain, and Evaluate – protocol.
- Work together with industry peers – achieving best practice accelerates when you liaise with other parts of the business that impact your customer journey, contribute to your own industry forums, or engage with specialist contact centre organisations such as the CCMA to share knowledge with industry colleagues.
- Continuous improvement is essential – ongoing monitoring and evaluation is important if managing vulnerable customers isn't to become a one-off task. Gathering feedback and analysing interactions against relevant KPIs will enable organisations to adapt their policies, processes and training.
- Use technology to augment frontline and team leader capabilities – leveraging advanced technologies can significantly augment human skills – delivering real-time support, improved identification, and compliance consistency. Analytics can also unlock key insights to transform how teams manage vulnerable customer interactions.

³ Financial Conduct Authority. (2024). Vulnerability review; Improving understanding of the outcomes for consumers in vulnerable circumstances when engaging with financial services firms. <https://www.fca.org.uk/publication/external-research/vulnerability-review-improving-outcomes-consumers-engaging-financial-services-firms.pdf>