



Slater Investments Limited

Vulnerable Customer Policy **August 2024**

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Slater Investments Limited

Vulnerable Customer Policy

The purpose of this policy is to ensure that the operations of Slater Investments do not have any negative impact upon vulnerable customers and that the firm provides an additional level of care to ensure that all of our customers receive good customer outcomes.

A good customer outcome does not just relate to the avoidance of financial detriment, it includes having processes and procedures in place to ensure that customers with characteristics of vulnerability are able to make decisions and represent their own interests. Customers with characteristics of vulnerability are more likely to suffer harm when staff do not understand how vulnerability is relevant to their role, or if staff do not have the skills and capability to recognise and respond to the needs of customers with characteristics of vulnerability.

The purpose of this policy document is therefore to:

- define what constitutes a vulnerable customer.
- outline identifying a vulnerable customer.
- list key principles for engaging with vulnerable customers.
- summarise additional support Slater Investments can provide to assist vulnerable customers.
- outline the multiple channels for customers to communicate with the firm.

For the purposes of this policy, vulnerable customers are investors and prospective investors whose ability or circumstances require us to take extra precautions in the way that we develop our products and services and provide our services to ensure that they are not disadvantaged in any way.

Fair treatment of customers does not mean treating customers all the same. Instead, vulnerable customers can and should be treated in a way to ensure fairness for their own unique circumstances.

Slater Investments expects relevant members of staff to treat customers fairly in its daily dealings with customers with characteristics of vulnerability.

In order to comply with this requirement, our staff should be able to spot the signs of vulnerability and ensure that customers:

- are able to disclose their needs.
- can be confident that their personal information is treated as private and confidential.
- are kept informed and updated about their holding in the funds (including changes in any fees and charges) before, during and after subscription.
- are provided with clear, accurate and concise information on their holding(s) and information provided is not misleading.
- are able to make a complaint or close their account(s) without unnecessary delay or difficulty.

What is a vulnerable customer?

The Financial Conduct Authority (FCA) defines 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.”

In many cases the customer may not disclose their vulnerability, but there are a number of characteristics, and situations, which could result in someone being more vulnerable when it comes to the provision of investment services. Vulnerability can be obvious, hidden, temporary or permanent.

All customers are at risk of becoming vulnerable and this risk is increased by characteristics of vulnerability related to 4 key drivers.

- health – health conditions or illnesses that affect ability to carry out day-to-day tasks.
- life events – life events such as bereavement, job loss or relationship breakdown.
- resilience – low ability to withstand financial or emotional shocks.
- capability – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy, or digital skills.

Vulnerability Groups

The following are characteristics which are associated with the four drivers of vulnerability:

- *limited understanding of finance* - a customer may not fully understand written documentation that outlines a specific course of action with advantages and disadvantages. This problem can be made worse when the documentation also includes numerical examples, such as the effect of fees and charges.
- *physical disability* – a customer may have impaired vision or hearing, providing a possible barrier to the communication, and understanding, of important information.
- *severe or long-term illness* - a customer may not fully appreciate or accept the impact that a reduced life expectancy can have on their financial plans.
- *neurological health challenges* – a customer might have difficulty making informed or considered decisions because they do not understand the need for long-term financial plans (e.g. as a result of Alzheimer’s). For example, they could take unnecessary financial risks for very short-term rewards.
- *low income and/or significant debt/cost of living crisis* – customers may make poor decisions as they lack the disposable income to ensure their financial needs can be met.
- *customers over 80 years of age* – ageing is associated with mental/physical impairment, loss of hearing/sight, or not being familiar with new technology. They may not be able to understand financial terms and conditions or may invest in risky assets despite losses in the short term that they may not be able to make up due to their life expectancy. Guidance has suggested that the starting position of which is to assume these customers are vulnerable until proven otherwise.
- *very young (under 18 years of age) and/or inexperienced customers* - younger, inexperienced customers might make poor decisions due to being part of a generation more used to financial debt, a ‘get rich quick’ mentality and a willingness to take undue risk for very short-term rewards. The starting position for young clients is that they are vulnerable until proven otherwise.
- *changes in personal circumstances* - we can all experience job loss, bereavement or divorce. Divorcing customers may encash investments at a loss to inflict financial hardship on their ex-spouse before the assets are divided. Even a lottery win could create vulnerability because the customer may not have sufficient experience of dealing with large sums of money.
- *poor language skills* - a customer might be dealing in a language that is not their native tongue. As a result, they may not understand all the terms and conditions of a contract, whether written or verbal.
- *non-standard requirements or credit history* - this includes armed forces returning from overseas, ex-offenders or recent immigrants who may not have an address in the UK for three years.

Characteristics of vulnerability are likely to be complex and overlapping. For example, a life event like a relationship breakdown or bereavement may lead to further vulnerability such as mental ill-health or low resilience. This may be made worse if the customer has low or limited capability to engage with financial services or to manage their finances.

Specifically, at Slater Investments, in May 2024, the funds currently have an older customer base (43% of the direct fund investors were over 66 years of age), so common characteristics of vulnerability may

involve health and life events associated with old age or low or non-existent digital skills and experience. Also, research has shown that older consumers who may be lonely are more likely to be at risk of being scammed.

Slater Investments recognises the role that its staff plays in meeting the needs of vulnerable customers. These customers are more likely to suffer harm when relevant members of staff do not understand how vulnerability is relevant to their role, or if they do not have the skills and capability to recognise and respond to the needs of vulnerable customers.

In delivering good outcomes for vulnerable customers Slater Investments should:

- understand the needs of the funds' customer base.
- ensure staff have the right skills and capability to recognise and respond to the needs of vulnerable customers.
- tailor communications taking into account the funds' customer base.
- test products and communications factoring in different characteristics of vulnerability.
- respond to customer needs through flexible customer service provision and communications.
- monitor and assess through complaint analysis or customer feedback, whether Slater Investments is meeting and responding to the needs of customers with characteristics of vulnerability and make improvements where this is not happening.

Identifying a vulnerable customer

There are a number of situations which may arise that could make an individual who would not ordinarily be deemed a vulnerable person to become vulnerable either temporarily or on a longer term basis. Whilst some of these issues may not always be known to Slater Investments, relevant members of staff should be mindful of a customer's particular circumstances when providing services and to tailor their approach accordingly.

Customers may be recognised as potentially vulnerable through self-identification or through indicators Slater Investments has identified. All staff have a responsibility to consider this policy when interacting with any customer or potential customer to highlight and identify potential characteristics of vulnerability.

Customers must be able to contact us through any of our communication channels (telephone, email, letter) and by any reasonable means which may include asking a third-party representative to act on their behalf to notify us of vulnerable characteristics.

Our staff are trained to identify vulnerable customers so we can take extra steps to assist outside of our standard procedures. However, it is not always possible to recognise these characteristics. Therefore, if a customer believes they may fit the criteria for a vulnerable customer, they should please read this policy and notify us immediately of their particular needs.

Our key principles when engaging with a vulnerable customer

As soon as we think we may be engaging with a vulnerable customer, whether this is through our identification or you are approaching us, we will:

- ask the customer for their consent to make a record of this and ensure we adhere to this policy.
- confirm with the customer how they would prefer us to communicate with them.
- provide additional opportunities for the customer to ask questions about the information we have provided.
- try to ensure that the customer has understood the information provided and provide additional explanations if required.

- ask if there is anybody with the customer who is able to assist. If not, and we believe this will be beneficial, we will make arrangements to continue with the subject matter at another time.
- offer the customer the opportunity to complete the transaction after a period of further consideration.
- if we cannot help a customer, we will try and make sure that they understand what alternative options are available to them.

How Slater Investments supports vulnerable customers

In addition to the key principles, we can assist a vulnerable customer in a number of ways depending on their needs:

- we can assist by inviting a member of the vulnerable customer's family or trusted party to help them consider and understand the service being provided
- we can send copies of relevant documentation to the trusted party for reference or safe keeping
- we will ensure to establish that the trusted party is in fact acting in the vulnerable customers best interest, by conducting Customer Due Diligence and screening on the individual
- if appropriate, vulnerable customers with a limited command of English can be recommended to use an interpreter or translator
- we will ensure that every interaction with a vulnerable customer is carefully recorded (with consent) and referred to, so that the customer's needs are always at the forefront of any communication.
- we will not disclose to the customer that they are being treated any differently in order to avoid causing offence
- we will ensure that this vulnerable customers policy is reviewed and updated as necessary, on an ongoing basis
- we will ensure that customer facing staff undergo Vulnerable customer training

How to contact us to register as a vulnerable customer

If you wish to contact us, please send an email to operations@slaterinvestments.com, write to: The Operations Department. Slater Investments Limited. Nicholas House, 3 Laurence Pountney Hill, London. EC4R 0EU or telephone 020 7220 9460.

Do you need extra help?

If you would like this policy in another format (for example audio, large print, braille) please contact us (see 'How to contact us' above).