

VULNERABLE CLIENTS POLICY

Impact Financial Services Limited

1 AIM OF THIS POLICY

The aim of this policy is to outline the practices and procedures that Impact Financial Services Limited staff must follow to protect and support clients who may be in vulnerable circumstances.

This policy ensures that all clients, particularly those who may be vulnerable, receive fair treatment, appropriate support, and clear communication when receiving financial advice.

This policy supports the firm's obligations under:

- FCA Principles for Businesses
- Consumer Duty
- Treating Customers Fairly (TCF)
- Senior Managers and Certification Regime (SM&CR)

The firm is committed to delivering good outcomes for all clients, especially those who may be more susceptible to harm.

2 DEFINITION OF VULNERABILITY

The Financial Conduct Authority (FCA) defines a vulnerable consumer 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."

Vulnerability may be:

- Permanent
- Temporary
- Situational

It may arise due to personal circumstances, life events, financial resilience, health issues, or capability limitations.

3 IDENTIFICATION OF CLIENTS IN VULNERABLE CIRCUMSTANCES

3.1 Types of Vulnerability

Vulnerability may arise from a range of factors including:

Health

- Physical disabilities
- Mental health issues
- Sensory impairments
- Cognitive impairment
- Addiction

Financial Resilience

- Low or irregular income
- Over-indebtedness
- Lack of savings
- Financial shock

Social Factors

- Social isolation
- Cultural barriers
- Homelessness or insecure housing

Life Events

- Bereavement
- Divorce or relationship breakdown
- Job loss
- Serious illness
- Caring responsibilities

Capability

- Low financial literacy
- Low numeracy skills
- Limited English language ability
- Limited digital skills

Age Related Factors

- Older clients (e.g. 75+)
- Younger clients with limited experience

3.2 Additional Considerations

Indicators of vulnerability may include:

- Advanced age
- Lack of standard documentation
- Poor credit history
- Emotional distress
- Difficulty understanding financial concepts

Advisers must remain alert to these indicators throughout the client relationship.

3.3 Identification Process

Know Your Client (KYC)

Advisers should remain alert to vulnerability indicators during:

- Fact finding
- Needs analysis
- Ongoing communication

Vulnerable Client Assessment

Where vulnerability is identified:

- Details must be recorded in the firm's CRM system (Pro System).
- Cases may be flagged for additional review if required.

Staff Awareness

All staff are responsible for identifying potential vulnerability and ensuring appropriate support is provided.

3.4 Examples of Vulnerable Clients

1. Client with Cognitive Decline

An elderly client showing signs of confusion or memory loss may require additional time to understand recommendations and may benefit from involving a trusted family member.

2. Client Experiencing Financial Shock

A client who recently lost their job may struggle to maintain financial commitments and require flexible solutions or simplified explanations.

3. Client with Physical Impairment

A visually impaired client may require alternative communication methods such as telephone explanations or written summaries.

4. Client Experiencing Bereavement

A recently bereaved client may require additional patience, clear explanations, and potentially delayed decision-making.

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ASSESSMENT AND MANAGEMENT OF RISK

Engaging with a vulnerable client does not automatically mean they are unsuitable for advice or products.

However, advisers must take additional care to ensure the client fully understands the advice provided.

When supporting vulnerable clients we will:

- Provide additional opportunities for questions
- Confirm understanding regularly
- Allow additional time for decision making
- Offer the presence of a trusted family member or friend
- Provide written summaries of discussions where necessary
- Use alternative communication methods if required

5 SUPPORTING VULNERABLE CLIENTS

5.1 Recording Vulnerability

Where vulnerability is identified:

- The information must be recorded within the firm's CRM system (Pro System).
- Access to this information is restricted to authorised staff only.
- Data is handled in accordance with the firm's Data Protection Policy and GDPR requirements.

5.2 Reasonable Adjustments

Where appropriate, advisers may provide reasonable adjustments including:

- Longer meetings
- Simpler explanations
- Written summaries
- Follow-up discussions
- Allowing third-party support
- Alternative communication formats

5.3 Escalation Procedure

If a client's vulnerability raises concerns regarding suitability or understanding:

- The adviser must record the issue in the CRM system.
- The case should be escalated to the Compliance Director.
- A further review of the advice process may be conducted.
- Additional documentation or explanation may be provided to the client.

5.4 External Support

Where appropriate, clients may be referred to independent organisations including:

Citizens Advice: www.citizensadvice.org.uk | 0800 144 8848

The Samaritans: www.samaritans.org | 116 123

Age UK: www.ageuk.org.uk | 0800 678 1602

Mind: www.mind.org.uk | 0300 123 3393

6 HOW WE REVIEW OUTCOMES

The firm will regularly review trends relating to vulnerable clients to ensure good outcomes are being delivered.

This includes:

- Monitoring complaints
- Reviewing adviser files
- Reviewing vulnerability records within the CRM system
- Identifying opportunities for improvement

Findings may inform future training and process improvements.

7 TRAINING AND COMPETENCE

All advisers receive training on identifying and supporting vulnerable clients as part of:

- Adviser induction
- Ongoing competence assessments
- Impact Academy training programmes

This ensures advisers remain capable of recognising vulnerability and responding appropriately.

8 RIGHTS AND RESPONSIBILITIES

Responsibilities of the Firm

Impact Financial Services Limited will:

- Comply with FCA rules and principles
- Deliver good outcomes under Consumer Duty
- Provide appropriate training to staff
- Maintain clear procedures for identifying vulnerability
- Monitor outcomes for vulnerable clients

Responsibilities of Employees

Employees must:

- Understand this policy
- Identify indicators of vulnerability
- Provide appropriate support to clients
- Escalate concerns when necessary
- Record vulnerability where identified

9 CLIENT EVALUATION

All clients will be assessed during the advice process to determine whether vulnerability may be present.

Where vulnerability is identified, advisers must take reasonable steps to ensure:

- The client understands the advice provided
- The product remains suitable
- Additional support is provided where necessary

10 TARGET MARKET CONSIDERATIONS

The firm recognises that vulnerability may exist within its client base due to:

- Demographic characteristics
- Economic conditions
- Life events

The firm aims to ensure that advice processes are designed to deliver good outcomes for all clients, including those in vulnerable circumstances.

11 POLICY REVIEW

This policy will be reviewed:

- Annually, or
- Earlier if required due to regulatory changes.

All updates will be communicated to staff.

COMPLIANCE APPROVAL

Impact Financial Services Limited

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