

Elderly & Vulnerable Clients Policy

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It is important to recognise that some members of society are less capable than others in assessing complex financial arrangements.

Definition of Vulnerable Clients

A vulnerable adult may be a person who because they ;

- Are elderly or frail (see below)
- Have learning disabilities
- Suffer from mental illness (e.g. dementia, personality disorder)
- Has a sight and / or hearing impairment or other physical disability that impairs the client's ability to communicate orally or in writing
- Is a substance abuser (e.g. alcohol)
- Are illiterate (in English) or innumerate
- Speak English as a 2nd language
- Are Socially Excluded

They may find it difficult to understand the nature risks and costs of the advice, services or products they receive, even if that is because they cannot read/understand the literature required by the sales process.

Definition of Elderly Clients

Clients over the age of 75 years are considered to be “elderly”

Please note that clients under the age of 75 may also be considered vulnerable depending on their individual circumstances. This definition of “elderly” requires advisers to treat anyone over the age of 75 as “vulnerable” regardless of their personal circumstances and mental/physical health.

Additional requirements for dealing with elderly and vulnerable clients

3rd party representation

Relevant clients should as a matter of course be offered the opportunity to have a member of their family or a trusted adviser present at all client meetings. Acceptance /Rejection of this offer should be documented in Suitability Report alongside the name and address of the 3rd party. Where a client rejects the offer/suggestion to have a 3rd party present at meetings, the adviser must decided if it is prudent to deal with the client without any additional representation or witnesses, or withdraw from providing services if they are not satisfied of the clients capacity for understanding the advice or its suitability.

We are aware that imposing maximum age limits on certain types of business could be challenged as a form of age discrimination and so do not insist that 3rd parties are present, but we strongly advocate their involvement. If a 3rd party is present they should be encouraged to comment on whether or not they believe the client understands the advice and where possible confirm that by signing a copy of the Suitability Report to confirm it is an accurate reflection of the advice process.

Investment Risk and diversity

When investments are recommended advisers should take extra care to make sure the person understands the risks involved and completely understand the timeframe of asset backed investments i.e 5 years plus, it is also apparent that the age of the investor will have a direct correlation to the level of investment risk he/she is prepared to take.

Clearly there are always exceptions to the rule but broadly speaking as an investor gets older their risk profile is likely to decrease as they have less time and resources available to recoup or replace any losses. This means that it becomes increasingly difficult to demonstrate the suitability of risk based investment for clients as the level of risk; the proportion of total assets invested and age increase; and as the client's investment experience /sophistication and the diversity of the portfolio decreases.

Except where there are tangible and compelling reasons to recommend otherwise, investment advice for elderly and vulnerable clients should ensure that the recommendation provides for reasonable diversification of asset and fund allocation. Furthermore, the recommendation should expose as little of the clients capital to investment risk as is necessary to achieve the clients objectives. In the case of first time or very inexperienced investors, it is unlikely that it would be suitable for more than 50% of their available capital to place in investments where the capital is at risk.

Communication

When dealing with clients that fall into this category Advisers must at all times ensure that they use plain English and communicate in clear easy to understand language, avoiding financial terminology wherever possible. Clients should be informed and if required provided with details of our Complaints Procedures.

Where English is not the first language of the client it may be necessary to invite the client to engage a person they trust to assist them in understanding some of the terminology. Similarly where financial terminology has of necessity to be used then the adviser has to satisfy themselves that the clients command of English is sufficient for comprehension - if not then documents may have to be translated and you should seek further guidance from your manager.

If you are aware of disability, including hearing and visual difficulties, you must take this into account when communicating. It is important that you take care to respect and maintain a client's dignity and privacy.

If required correspondence and documents should be produced in large print. If you consider that Braille is necessary then you must seek further guidance from your Manager. You must ensure at all times that the pace and duration of the interview/meeting is commensurate with the capabilities of the client and where needed breaks are offered.

Home visits will always be offered in the first instance as an alternative to a visit to the office.

Confidentiality must be respected & Conflicts of Interest disclosed at all times, when dealing with personal representatives.