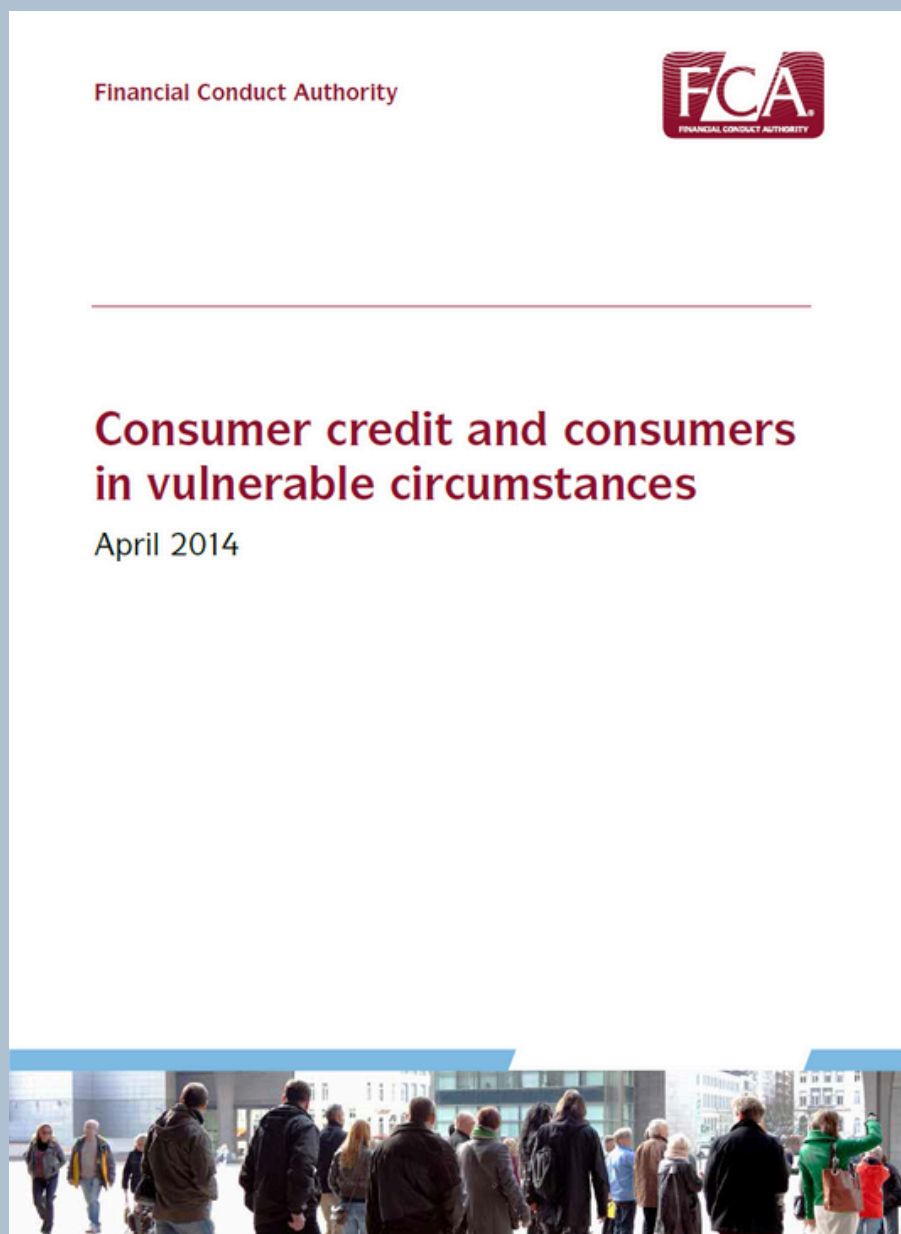


The Vulnerability Decade FCA: 2014-today



2014



first-ever
FCA
definition of
vulnerability

“someone who, due to their personal circumstances, is especially susceptible to detriment.”

2015

Occasional Paper No.8

Consumer Vulnerability

February 2015



FCA
extend
definition

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

2015

FCA also publish a new
Practitioners' Pack:
featuring the debut
of the TEXAS protocol

T

Thanks

Thank them for sharing the information.

E

Explain

Explain what information will be recorded and how it will be used.

X

eXplicit

In line with GDPR, consent to record the information must be gained.

A

Ask

Ask open questions to get a better understanding of their circumstances and what support is required.

S

Signpost

Let them know about other support available.

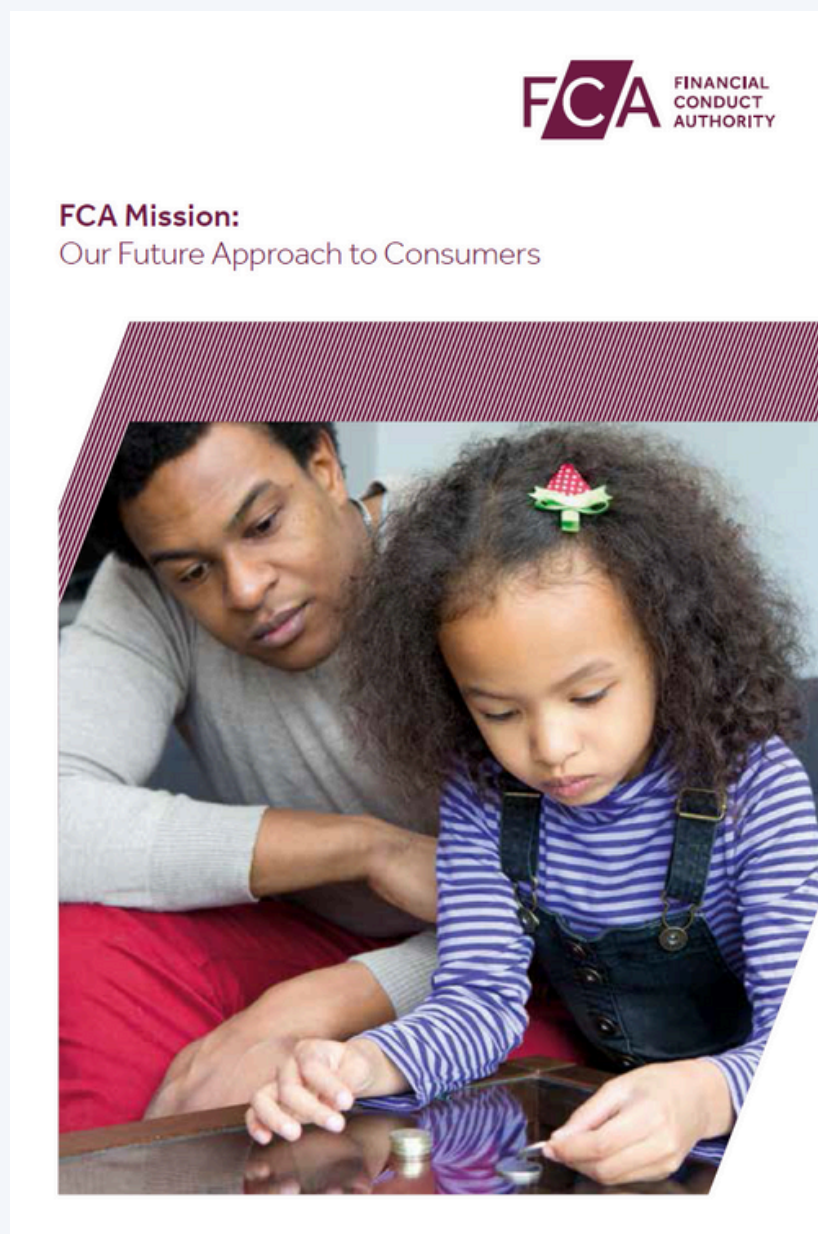
2016



fieldwork
starts
for first
**Financial
Lives Survey**
which later
finds:

“50% of UK adults (25.6 million)
display one or more characteristics
[of] potential vulnerability”

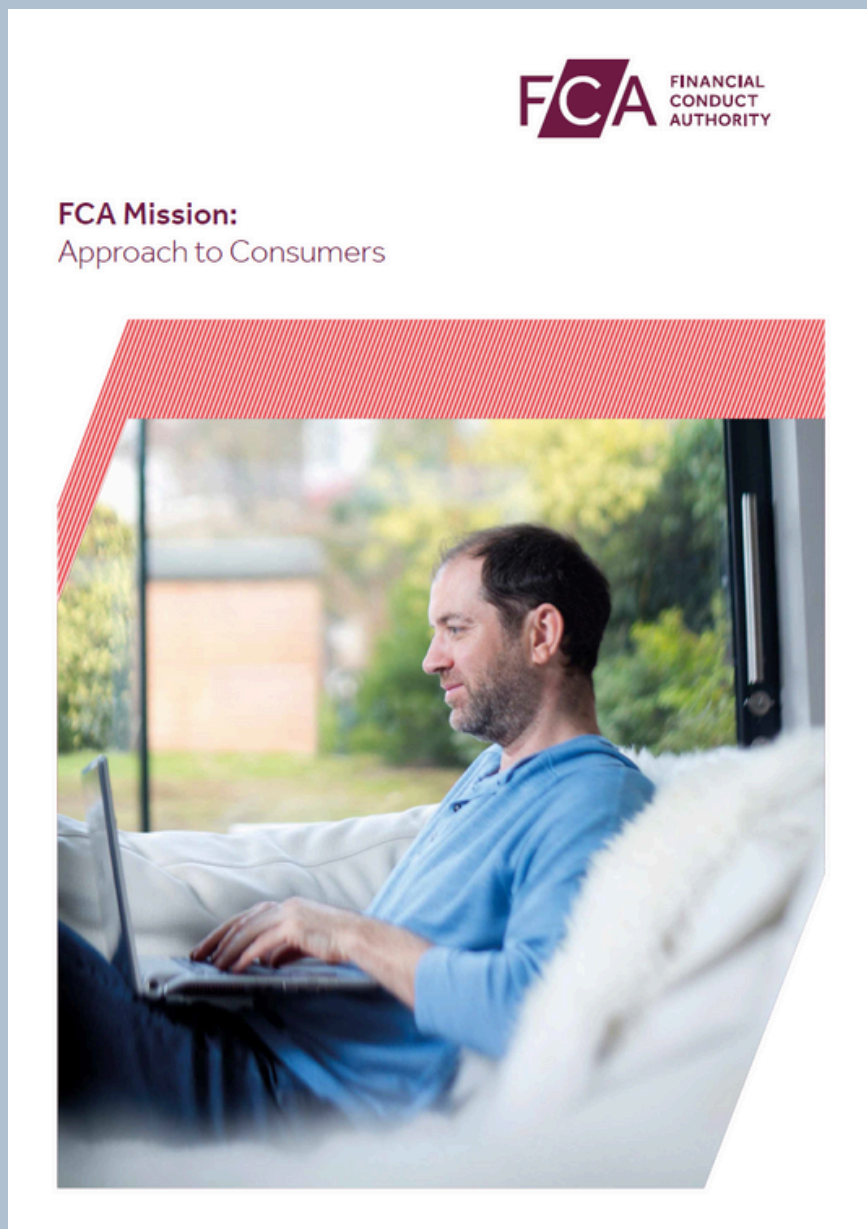
2017



**FCA consult
on new
definition**

“people who can readily be identified as significantly less able to engage with the market, and/or people who would suffer disproportionately if things go wrong”

2018



but the new definition is **rejected** – so the 2015 definition rides again...

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

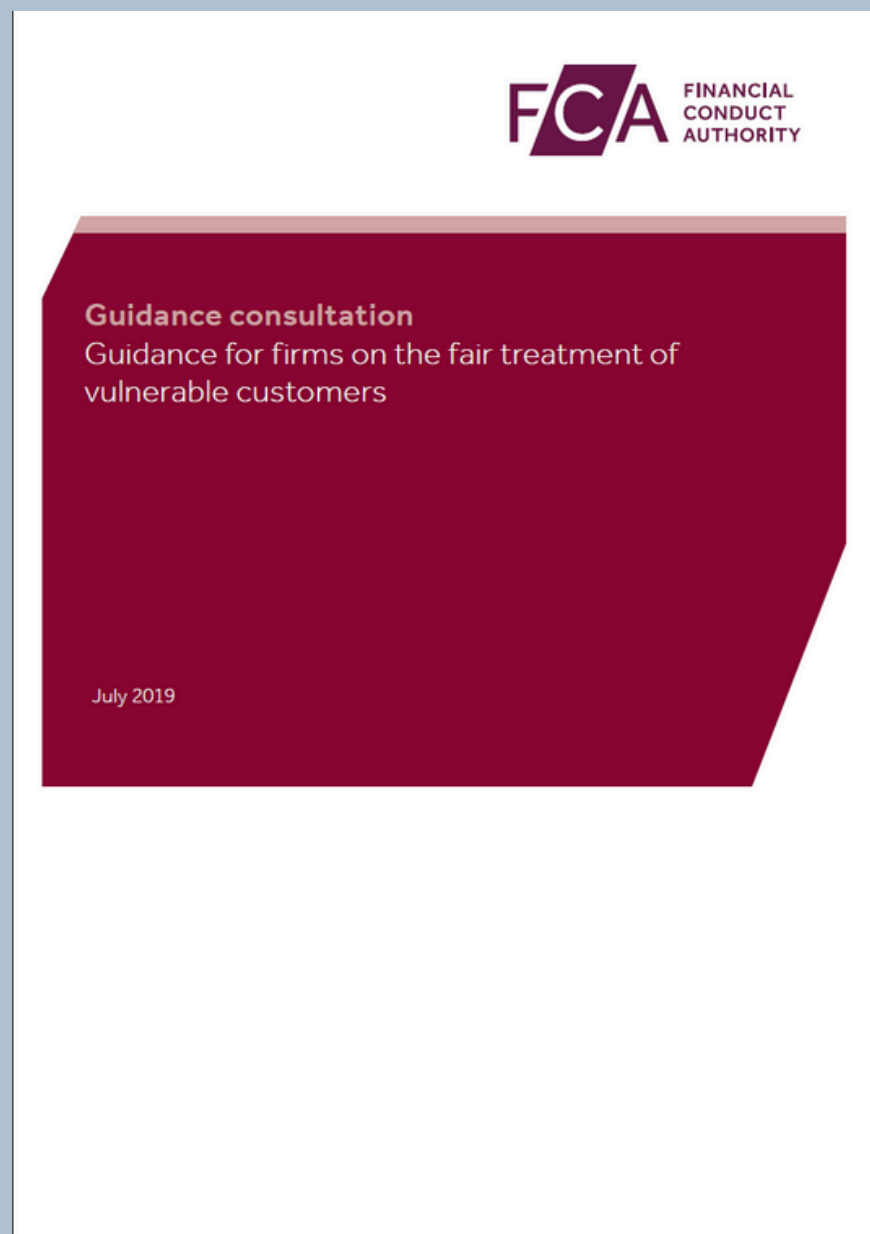
2018

but vulnerability isn't just about definitions: it is also about **collaboration**.

So in 2018, the first **Vulnerability Academy** cohort is launched by UK Finance and the Money Advice Trust.



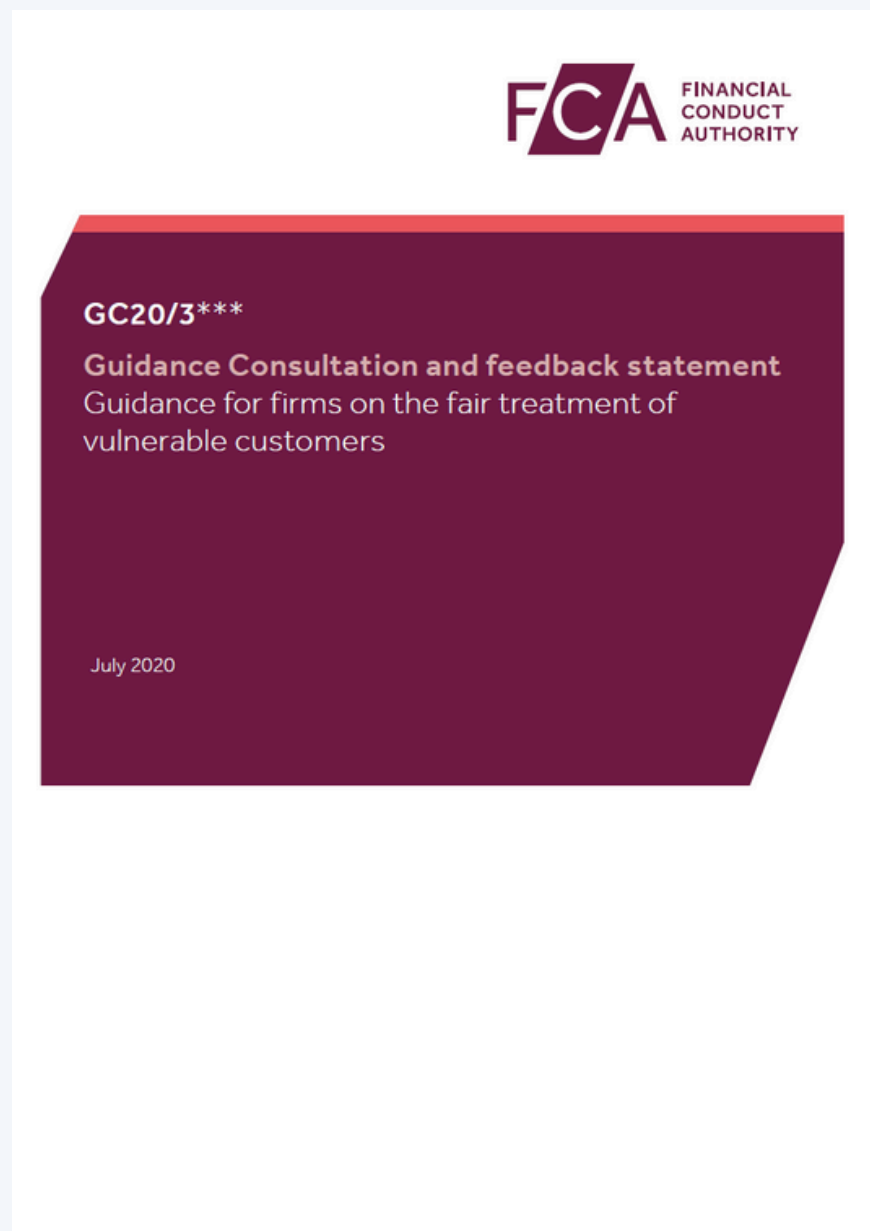
2019



FCA publish
**1st draft of
vulnerability
guidance** for
consultation

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

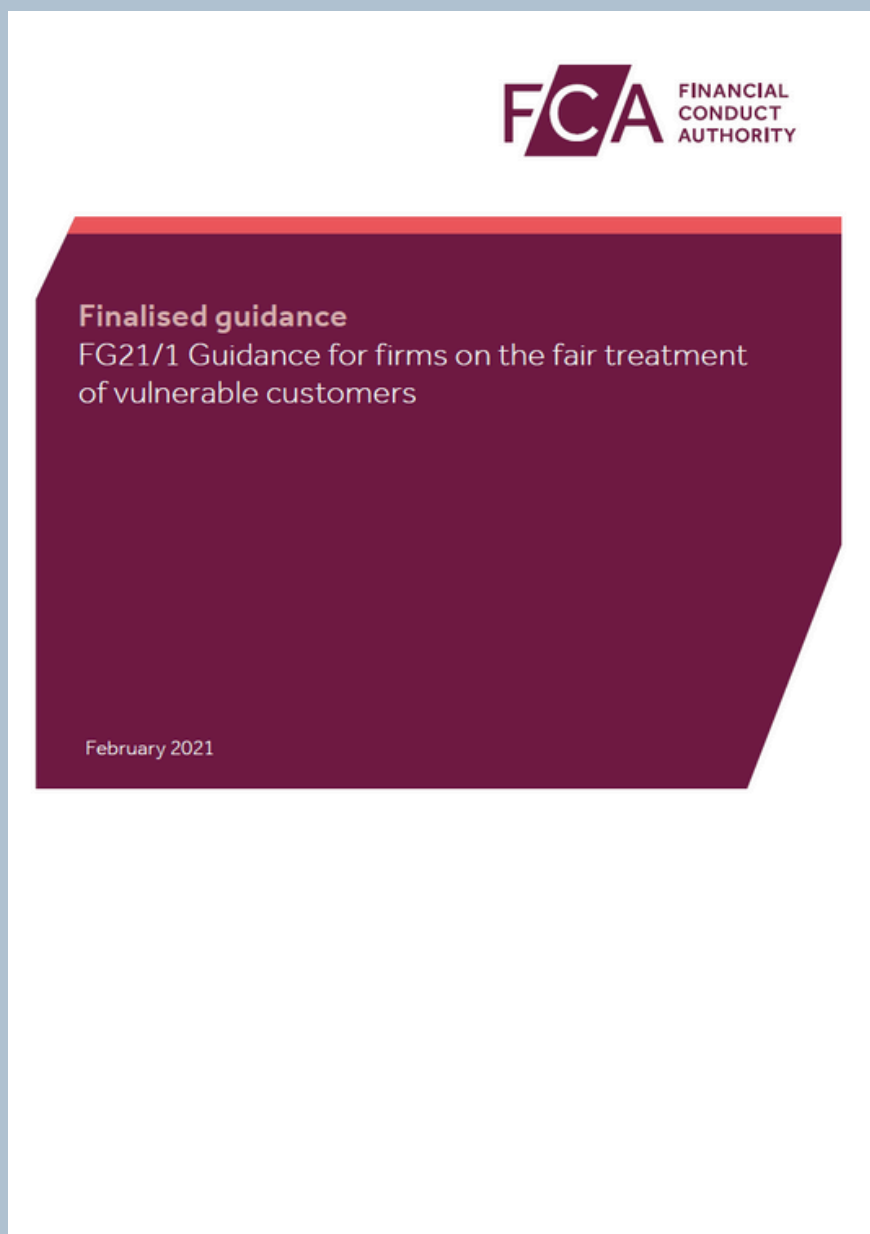
2020



2nd draft of
guidance
introduces
harm into
definition

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

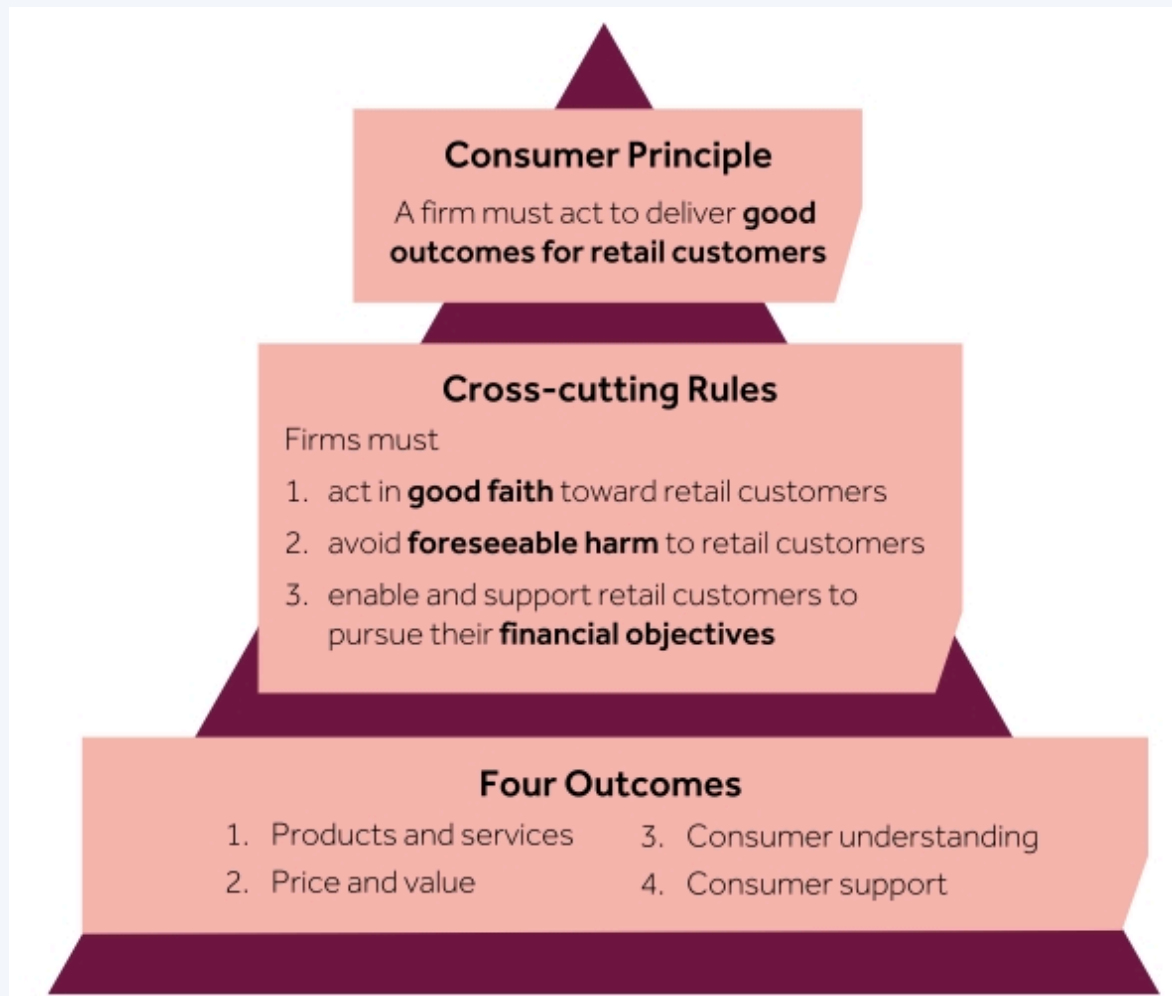
2021



Finalised
‘6 pillars’
vulnerability
guidance
published
(FG21/1)

This describes **6 pillars** for firm action:
understanding customer needs,
skills and capability, product and service
design, customer service, communications,
and evaluation and monitoring.

2022



FCA go on to publish the
Consumer Duty
(FG22/5)

Vulnerability is a central strand of the Duty:

“1.24 FG 21/1...remains relevant for firms, and firms should refer to it for further information on our expectations”.

2023

Consumer
Duty
rules **come
into effect**

(for open products)

Vulnerability
Academy
**reaches
Cohort 10**

FCA publish their
4th Financial Lives Survey

(with this focusing on the Cost of Living)

2024



**FCA Review
of firms'
treatment of
vulnerable
customers
starts**

Using consumer and firm surveys and 'deep dive' information requests, **the Review assesses firms' approach to vulnerability in line with FG21/1**, including if the outcomes of vulnerable consumers are as good as non-vulnerable consumers.

2025

webinar

The Vulnerability Review: Findings and next steps



March 11th: FCA event to launch their Vulnerability Review.

This will reflect not only the progress that firms have made, but also the impact of the **FCA's Vulnerability Decade.**

What has been your “Vulnerability Decade” moment?

Leave a comment below

www.moneyadvicetrust.org/vulnerability

This document was written by Dr Christopher Fitch

www.linkedin.com/in/drchrisfitch

