Vulnerable Customer Policy

Best Price Car Sales Ltd, trading as WOO CARZ

1. Purpose

a) This document represents Best Price Car Sales Ltd, trading as WOO CARZ, policy towards identifying and treating a vulnerable customer.

b) We take our responsibilities seriously, in addition to the legal and regulatory requirements we have as a regulated Motor Dealer, offering vehicles and, if required, finance to purchase those vehicles.

c) As a regulated firm, we take great care ensuring and are committed that all of our customers are treated fairly and with the integrity they deserve.

d) All customers are at risk of becoming vulnerable, but this risk is increased by having characteristics or drivers of vulnerability. These could be poor health, such as a long-term illness, life events such as new caring responsibilities or extreme changes in lifestyle (divorce, bereavement), low resilience to cope with financial or emotional changes and low capability, such as low literacy, numeracy and financial capability skills.

e) Not all customers who have these characteristics will experience detriment or have additional needs, but it's important as a firm we are prepared to provide additional support, to limit the risk posed.

f) In order to comply with regulation and guidelines set out by the regulator, we ensure we strive to achieve good customer outcomes. This includes the following actions:

- understand the needs of our target market/customer base (customers searching to obtain or for further information on vehicle finance). Our lending panel can cater to a variety of credit backgrounds, so it's important that our process can consider and take into account the different credit profiles our customers may have. Where customers may have bad or no credit, they could be in a more vulnerable position to those that aren't, so it is important we are aware of how different circumstances could impact their experience and outcome
- make sure staff have the right skills and capability to recognise and respond to the needs of vulnerable customers, whilst having the support from us, Best Price Car Sales Ltd, where required
- respond to customer needs throughout product design, flexible customer service provision and communications
- monitor and assess whether we are meeting and responding to the needs of customers with characteristics of vulnerability and make improvements where this is not happening

g) With all vulnerable customer processes and procedures, we complete the following assessment: Develop, monitor, analyse and learn.

2. Vulnerable Customer

A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care (FCA definition).

Vulnerability can come in a range of forms which can be temporary, sporadic, or permanent.

It is highly unlikely that a consumer will inform a firm of their vulnerable state, so we have a responsibility to conduct thorough due diligence to highlight any signs.

Indicators of vulnerability could include (but are not limited to): lack of understanding, asking to repeat questions multiple times, advising you of a current life circumstance, or saying English isn't their first language.

Examples of a vulnerable customer (this is not an exhaustive list) are included below; we believe that these are the most common that we may encounter within the Motor Finance Industry:

- Low literacy, numeracy and financial capability skills
- Physical disability
- Severe or long-term illness
- Mental health problems

- Low income and/or debt
- Someone experiencing a language barrier

With each vulnerability, it's important we cater how we deal with it to the direct individual's needs; however, here are some examples, based on the above scenarios, of how we could assist:

- Take your time going through the information with the customer. If you are aware, or the customer makes you aware, that they are struggling to keep up with the information provided, ensure you are asking if they have received the information and would like to ask any questions
- Ensure you are providing multiple opportunities for the customer to ask questions
- In situations where you do not feel comfortable, or are unsure, seek assistance from a member of the management team for support
- If vulnerability is based on a circumstance, seek further information and confirmation from the customer that they are happy for us to share this with a lender
- It is important that the lender is aware, so they can ensure they are taking into account all information when lending to a customer

3. Mental Capacity

Mental capacity is a person's ability to fully evaluate and make an informed decision.

If someone lacks this ability, it can put them in an extremely vulnerable position.

Below are some of the conditions a customer may say they have which could affect their ability to make an informed decision about taking out a loan.

Indicators of limited mental capacity could include (but are not limited to): slurring of words, being unable to remember information they have provided previously, or alerting you of a medical issue which could impact decision making.

Examples of Mental Capacity (this is not an exhaustive list):

- Alcoholism or drug addiction
- Alzheimer's or Dementia
- Injury or Tumour
- Clinical, Post Natal or other types of depression
- Intellectual or Learning Disability

4. Processes

4.1 Products and Services

Communications have been designed in a manner that is clear, fair, and not misleading, and allows customers to disclose their needs and us to offer further support.

We are able to communicate with customers in numerous ways; these include telephone, SMS, email and post. However, if and when informed of specific communication vulnerabilities (e.g. large print), the Firm will make reasonable adjustments to ensure that those customers' needs can be managed where possible.

All marketing will not mislead consumers to further put them into a more vulnerable state by applying when they are not eligible. We will also not send customers to our lenders where they do not meet the criteria, to avoid unnecessary checks.

Any products that our partners offer will be explained in a clear, jargon-free way.

Directors and senior management will be on hand to further explain anything to a consumer in a manner which they understand when required, and ensure staff follow this example.

We will make it prominently clear that we act as a broker, not a lender, so the customer is informed during their journey with us.

We will consistently evaluate our service offering, assessing any disadvantages the customer may be at risk to, and how this may impact the customer experience and outcomes.

Vulnerable customers will be considered with all product design or implementation, ensuring we take vulnerable customers into account when generating, developing, testing, launching, and reviewing. These reviews and findings will be stored for evidence in our systems, with management taking necessary action.

Currently we may be able to offer customers Hire Purchase, Conditional Sale, Personal Loan and Personal Contract Purchase agreements through our partners.

It's important that all staff are able to explain the aspects of the agreements to customers, in a manner they can understand, so they can fully evaluate if the product is suitable for them. This includes going over information such as (but not limited to) monthly repayments, APR, any fees the lender may charge and the total amounts repayable.

Should the customer have any additional questions about the terms within the agreement, our team has undergone extensive training with our lenders in order to be able to answer questions.

The customer must be given the opportunity to alert us of any potential circumstance or situation that may put them in a vulnerable position. It is important we ask the customer if they are aware of any circumstances that would impact their ability to repay the finance product, or if they believe us, or the lender, should be aware of any circumstance that may impact their approval. It is important as a firm that customers are treated with respect and fairly. The service standard we provide will not alter if customers make us aware of vulnerabilities.

If staff are ever unsure of an answer, it is important this is clarified with the lender before going back to the customer.

Throughout our process we make customers aware that we are here to answer any questions, not just during the initial journey, but once the agreement is live too.

4.2 Systems

Systems, particularly automation of systems (where a customer has no opportunity to speak to a real person), are recognised as making it difficult to realise that customers may be vulnerable. The Firm has therefore ensured that verbal contact with customers is a must within their journey.

As part of our due diligence on partners we work with, we will assess the ease of their systems to ensure consumers can fully understand the process and journey.

Our internal customer management system allows us to send communications to our customers, in addition to calling them. All communications are reviewed to ensure they are clear and understandable.

Staff will be aware of signs of vulnerability and how to take the appropriate actions. In addition, staff will be trained in how to manage records, particularly sensitive personal information, in a manner that allows colleagues to understand the individual's vulnerability.

Once an application has been received, we will go through the application with the consumer to fully verify details and gain a further understanding of the consumer's circumstance.

Any specific notes relevant to a specific consumer will be logged on our internal systems and, if required, passed on to the relevant third party.

It is important that where a vulnerable customer has been identified, or additional steps have been taken to assist the customer, this is documented for record keeping purposes. It is important that any confirmation the customer has provided to pass along additional information to third parties is also documented. Where we are able to do so, the same service and information must be provided to those third parties to assist the customer.

4.3 Data Accuracy

The Firm will maintain accurate records that document a customer's needs and if they have any special requirements on our internal customer management system.

This will assist staff in understanding what steps they may need to take to get the best outcome for the customer and the firm.

Staff who believe that a customer could be vulnerable will consider how they can record the details in a way that is sensitive and helpful. A customer has the right to access their records, so staff are advised to be sensitive in how they record the information.

Accuracy is assessed when initial communication is achieved with the consumer.

Records can come in the form of clear notes, customer documents and evidence received by a third party such as a lender or broker.

4.4 Reporting

Employees will make themselves aware of the Firm's approach to identifying and dealing with customers who may be vulnerable.

Where a customer has been identified as vulnerable, the employee will ensure that they follow the requirements set out in this policy and manage the customer relationship accordingly.

If you have a suspicion of a vulnerable consumer, Justin Newberry must be made aware. They will then put additional support in place for the consumer and make the party to which the customer has been sent aware of the evidence found.

If they feel it necessary, they may refer the consumer to one of the following services and close the application down:

- Money Advice Service
- AdviceUK
- Citizens Advice
- NHS 111
- The Samaritans

It is incredibly important that Justin Newberry informs the relevant lender or party as soon as a suspicion is reported. We will then work closely with the lender to ensure that the customer is treated fairly.

Where additional consent is required from a customer to share certain information with our finance partners, this will be gained and documented on our systems, verbally or in writing.

4.5 Training

The Firm provides training to its staff on identifying and managing relationships with vulnerable customers.

This training includes e-learning modules and questioning to ensure understanding, and in-person policy training to understand the firm's practices. This training is followed by a competency assessment to determine understanding and has to be completed before work with customers is carried out. Management check and mark this as completed within the log.

All customer-facing staff are expected to undertake refresher training at least annually. This will include the above style of training to ensure we can assess competency, but also so it is relevant to our business.

It's important staff are aware how their role could impact the fair treatment of customers, so it is essential they are aware of the processes in place, and expectations of the firm. This is also covered within our training.

Knowledge will be tested and quizzed to evidence understanding; however, if at any time a member of the team feels they require further guidance, this will be readily available.

Any new members of the team will undergo training before carrying out their new role.

Staff will be regularly monitored via management and audits to ensure they are abiding by the policy in place and have the knowledge to correctly manage vulnerable customers.

We operate an open-door policy, and it is important to us that staff feel comfortable to express the need for support or guidance. We understand that when dealing with vulnerable customers, this could cause distress or discomfort, therefore we invite any member of staff to discuss how we can further support them as a firm, so this can be arranged with Justin Newberry.

This will be arranged on a case-by-case basis; however, we are committed to offering the support for as long as an employee feels it is required.

5. Monitoring and Compliance

It is extremely important that this policy is complied with to protect our consumers.

As a company we will ensure that we keep up to date with regulatory and legal requirements, and that our processes and policies are updated accordingly to meet this regulation.

Directors will be responsible for documenting any potential vulnerable consumers and following the reporting procedure.

All information will be recorded sensitively and mindfully of the consumer.

It is important that we are consistently evaluating our handling of vulnerable customers; therefore each vulnerable customer case will go through its own audit process by another member of management or compliance.

This is in addition to our auditing and monitoring process, which allows us to continually monitor and ensure the process is being followed on an ongoing basis.

This allows us to continually monitor and assess whether we are meeting and responding to the needs and characteristics of vulnerability.

Management information will include how the customer was identified as vulnerable, documentation of the circumstance and journey, communication, the handling by the member of staff and Directors, how we communicated this with our finance partners, and any risks/errors that have been identified.

We will use this review not only to assess our actions but also our processes, services and communications, to ensure we are effectively managing vulnerable customers and offering them the best outcome.

If a pattern of vulnerability emerges, further training and processes will be implemented, or changes made, to continuously support our staff in handling the situation, continuously striving to support vulnerable customers in the best way we can.

All information gained from a review will be documented and evidenced, with any changes occurring following the review being updated within this policy.

All changes will be discussed with everyone within the firm, and training provided if necessary, to ensure everyone is aware of their duties and responsibilities.

6. Review

This policy will be reviewed on at least an annual basis.

Any updates will be reissued on this policy.

All policy changes are approved by Directors.

Confirmation

By signing below, you confirm that you have fully read and understood the above policy, received adequate training on the subject, and been provided the opportunity to ask any questions.

Breaching the responsibilities in this policy may result in legal or disciplinary action; therefore you confirm you will carry out the above duties in a compliant manner and in line with company policy.

Signed

Name	**Date**