Working together to support our vulnerable customers

August 2025

Aldermore

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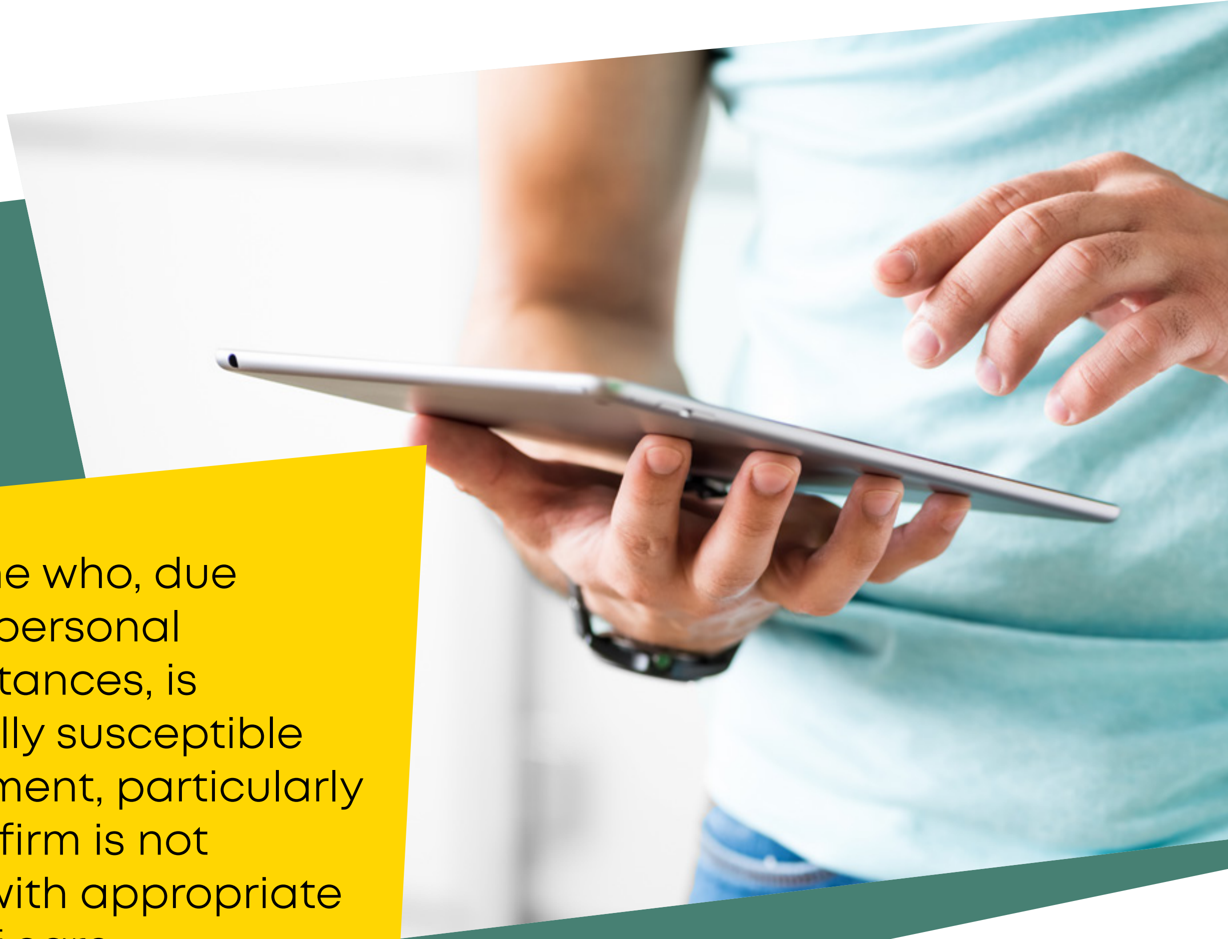
We're committed to treating all our customers fairly, including those who find themselves in vulnerable circumstances

By understanding the signs to look out for and knowing how to respond, we can make sure we are delivering the right support to every one of our customers.

What is a vulnerable customer?

This is the Financial Conduct Authority's (FCA) definition of a vulnerable customer:

> "Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.



Understanding vulnerability

We can all find ourselves in vulnerable circumstances at any time. Vulnerability can be complex and wide ranging in nature. It can be temporary, intermittent or permanent, and can be caused by a range of factors.

Often a customer may have multiple and overlapping characteristics of vulnerability. For example a bereavement may lead to a decline in mental health.

Here are the 4 main drivers:

1. Health

This can be mental and or physical and for some people can impact their ability to carry out day-to-day activities.

2. Life Events

Events such as divorce, redundancy or the death of a close family member can lead someone to become vulnerable and in need of extra support.

3. Capability

Not speaking English as a first language or having a limited education can make it difficult to understand financial information.

4. Resilience

Being over indebted, having an erratic income, or low savings means a change in circumstances can lead to serious problems.

Consumer vulnerability in the UK

982,000

people in the UK are living with dementia in the UK. The number is expected to rise to 1.4 million by 2040.

Source: Alzheimers Society 2025

23%

of working-age adults in the UK reported having a disability.

Source: The Family Resources Survey 2022/23

60%

of people in the UK said the cost of living crisis was hurting their wellbeing.

Source: Mind – The Big Mental Health Report 2024

3.2 million

people are aged 80 and over in the UK and this age group is projected to more than double by 2063.

Source: Centre For Ageing Better – State Of Ageing Report 2025

1 in 4

adults experiences at least one diagnosable mental health problem in any given year.

Source: Mind 2011

1 in 5

Britons aged between 16 and 65 can only read at or below the level expected of a 10-year-old.

Source: The Organisation for Economic Co-operation and Development (OECD) – Survey of Adult Skills 2023

8.5 million

adults in the UK struggle with basic literacy and lack fundamental reading skills.

Source: The Reading Agencys – The State of the Nation's Adult Reading: 2024 ReportReading: 2024 Report

5.8 million

unpaid carers in the UK.

Source: Carers UK – Facts About Carers 2025

2 mins

Every 2 minutes, someone is diagnosed with cancer in the UK.

Source: Cancer Research Website 2025

1 in 5

UK workers (6.2 million) are in insecure jobs.

Source: Work Foundation at Lancaster University and the Chartered Management Institute 2023

£300

Almost half of UK workers in insecure jobs (49%) cannot personally pay an unexpected bill of: **£300.**

Source: The Organisation for Economic Co-operation and Development (OECD) – Survey of Adult Skills 2023

3.7 million

of adults in UK reported never using the internet.

Source: Office of National Statistics 2020

29%

of people aged 75 & over in the UK (around 1.7m), do not use the internet.

Source: Age UK 2024

One in 10

people have no savings The Financial Conduct Authority has found that one in 10 adults in the UK have no savings which could leave them vulnerable to economic shocks and rising bills.

Understanding what a customer is vulnerable to

Although it's important to recognise the drivers or causes that can lead customers to be in vulnerable circumstances, it's important to undertand what the customer is vulnerable to.

You might notice that your customer is living with a mental health condition like anxiety or depression. This could affect the way they make decisions – especially if they're taking medication.

Here are a few things to keep in mind:

- They may find it harder to make decisions
- They might need a bit more time to process information
- They could benefit from extra support to understand the features and benefits of the product you're recommending

Encouraging them to share their needs helps us make sure they get the right support – not just now, but throughout their relationship with us.

Recognising vulnerability

We've seen that there are lots of factors that can lead to a customer being considered vulnerable, but they affect everyone in different ways and to different degrees.

That's why it's important to focus on the areas where a customer's actions can signal that they need extra support, even if they don't know it themselves.

Sharing you clients support needs will not affect our decision to lend and will help us to respond flexibly, where possible.

Spotting the signs

Here's what to look out for

1. Personal circumstances:

- Recently bereaved
- Recently divorced
- New parent
- Change in job
- Unexpected bill
- Illness

2. Behaviour to look out for:

- Appearing distressed, disturbed or distracted
- Incoherent speech/slurring words
- Extreme emotions – easily irritable/ becoming angry or aggressive crying
- Illogical/irrational thought processes
- Limited understanding of English
- Mention of medication
- Sounding dazed, withdrawn or switched off
- Pausing for long periods of time
- Forgetfulness or not understanding the information provided

3. Comments to listen out for:

- "I can't cope."
- "I don't understand."
- "Can I ask my family/friend?"
- "I can't pay – I need more time."
- "I've had lots of problems recently."
- "I can't read my statement."
- "I've recently lost a family member."
- "My husband/wife/carer normally does that for me."
- "I don't remember that."

Encouraging Disclosure

Disclosure is a key moment of trust and often only occurs once, so it's important to listen, and act appropriately with empathy and care.

You can use a model like TEXAS to help you:

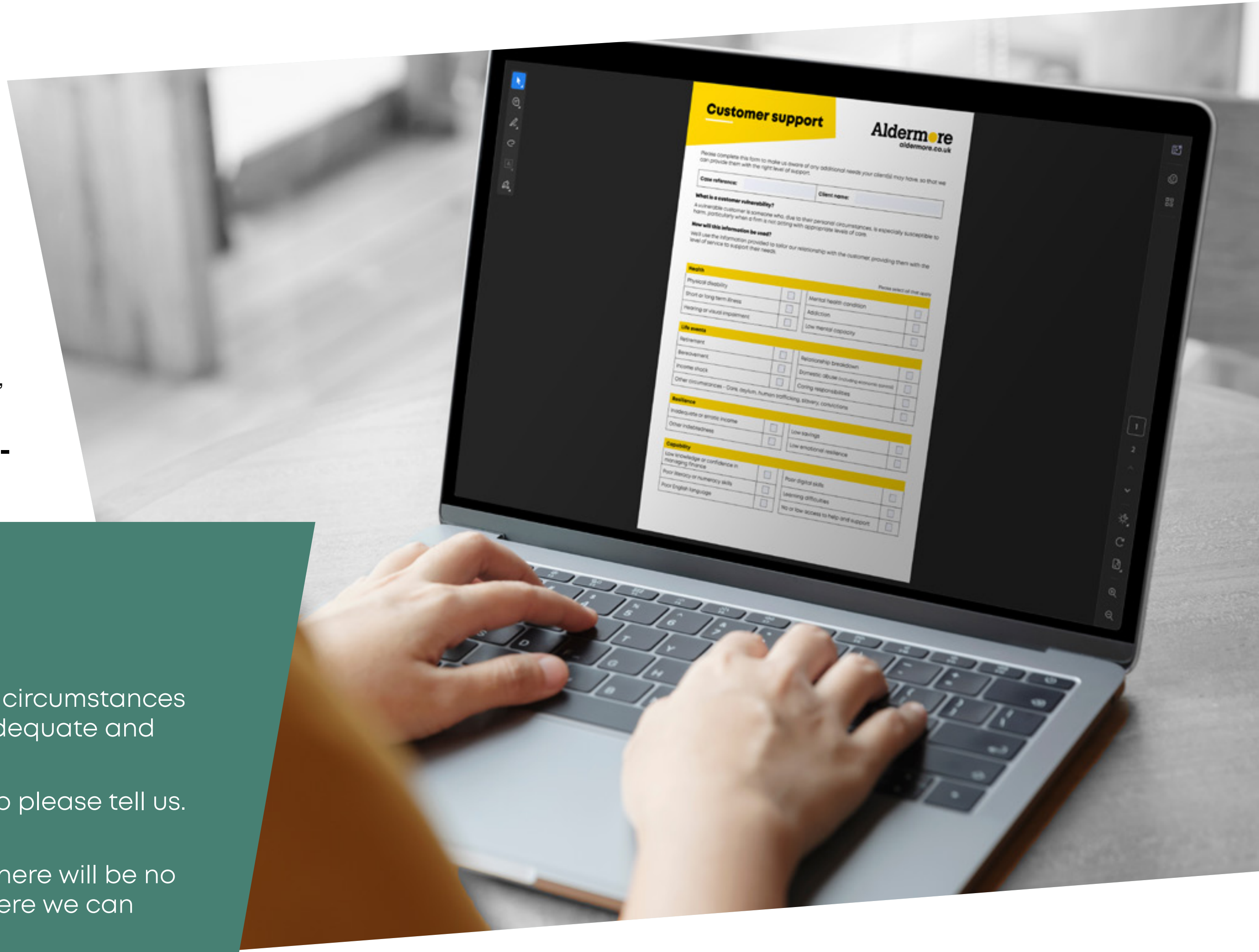
T	**Thanks**	Thank them for sharing the information
E	**Explain**	Explain what information will be recorded and how it will be used
X	**eXplicit**	Explicit consent to record /Share the information
A	**Ask**	Ask clarifying questions to understand the situation and the customers' needs
S	**Signpost**	Signpost the customer to relevant external support or resources that can help them further

How to tell us

It's important that you share your customers situation and support needs with us so that they don't have to repeat it when they start their relationship with us.

You can tell us via the **Vulnerable Customer Support form**, which can be found here -

https://www.aldermore.co.uk/media/fjufja2v/vulnerable-customer-support-form-forintermediaries.pdf



You can upload this to your customer's application

Important: when sharing information about a customer's circumstances you need to comply with GDPR requirements. Ensure its adequate and limited to relevant information

If disclosure happens at any point during your relationship please tell us. You can call us on **0333 321 1000**

Remember, disclosure won't affect the lending decision. There will be no judgement and we will make reasonable adjustments where we can

Case Studies

Scenario 1 – Financial distress following domestic abuse

A customer in mortgage arrears contacted us to downsize her property and improve affordability, but her arrears history and benefit entitlements created barriers. She disclosed she was a victim of domestic abuse, living in a refuge, and struggling with her mental health.

Our specialist team took a tailored approach, including:

- Accepting non-standard income evidence
- Flexible criteria for payment history
- Considering her overall situation and future affordability

This helped her secure a mortgage and take steps towards financial independence.

Key Learning Points:

- Refuge accommodation often means complex financial needs
- Affordability criteria may need to be flexed for vulnerable customers
- Early disclosure allows for tailored, proactive support

Scenario 2 – Overcoming language barriers

A family-run business applied for a buy to let mortgage. One member was a non-English speaker, raising concerns around understanding key information.

We arranged Language Line interpretation services to:

- Ensure full understanding of mortgage terms
- Support informed decision making
- Maintain compliance with treating customers fairly

This enabled clear communication and smoothprogression of the application.

Key Learning Points:

- Language barriers can indicate vulnerability
- Interpretation supports informed consent and compliance
- Identifying communication needs early avoids delays

Scenario 3 – Domestic violence & coercive behaviour

A customer contacted us to remove her ex-partner from the mortgage (Transfer of Equity) and borrow more. During the process, she disclosed ongoing domestic abuse and financial coercion.

Despite her active Individual Voluntary Arrangement (IVA), we made exceptions to support her, including:

- Waiving Early Repayment Charges
- Offering a more competitive rate to improve affordability

As her ex-partner's threatening behaviour escalated, we worked closely with external support agencies to ensure her safety and wellbeing. The mortgage completed successfully, giving her sole ownership of the property and a safe place to rebuild her life.

Key Learning Points:

- Early disclosure of vulnerability enables tailored support
- Policy flexibility can be vital in safeguarding customers
- Collaboration with specialist agencies enhances protection

Responding to vulnerable customers once we have identified them

Before we look at ways of supporting vulnerable customers, it's worth focusing on our guiding principles in this area:

We must:

- Consider reasonable adjustments to our process
- Help our customers to make better informed financial decisions
- Comply with the Data Protection Act 2018 and UK General Data Protection Regulation (UK GDPR) when handling disclosures of vulnerability

Support for our vulnerable customers

- Allowing more time to make decisions
- Checking they've understood information given
- Following up conversations in writing
- Speaking louder, clearer, slower
- Using interpretation services such as Language Line
- Send communications in braille, large print, coloured paper, audio
- Using relay services such as Relay UK
- Consideration of individual circumstances

Signposting to external support services

Health, Relationships & Bereavement

Relate
Relate are the UK's largest provider of relationship support to help people make the most of their couple and family relationships, past, present or future.
www.relate.org.uk

Mind
Mind is a mental health charity who provide advice and support to empower anyone experiencing a mental health problem.
0300 123 3393
www.mind.org.uk

Cruse Bereavement Care
A bereavement charity helping people experiencing a bereavement.
0808 808 1677
www.cruse.org.uk

Cruse Bereavement Care Scotland
0808 802 6161
www.crusescotland.org.uk

Sudden – Bereavement Help
www.sudden.org

Macmillan Cancer Support
Provide specialist healthcare, information and financial support to people affected by cancer.
0808 808 0000
www.macmillan.org.uk

Gamble Aware
Provide specialist support to people affected by gambling.
0808 8020 133
www.gambleaware.org

Drink Aware
Provide specialist support to people affected by alcohol.
0300 123 1110
www.drinkaware.co.uk

UKNA
Provide specialist support to people affected by narcotics.
0300 999 1212
www.ukna.org

ADHD Foundation
Provide specialist support to people affected by ADHD
www.adhdfoundation.org.uk

Refuge
Provide specialist support to people seeking refuge.
0808 2000 247
www.refuge.org.uk

Disability/Minority

AdviceUK
Specialist advice for people with disabilities and minority communities.
0300 777 0107
www.adviceuk.org.uk

Relay UK
Relay helps deaf and speech impaired people to make & receive phone calls.
0800 7311 888
www.relayuk.bt.com

Royal National Institute of Blind People (RNIB)
Offers practical and emotional support for people losing their sight, blind or partially sighted.
0303 123 9999
www.rnib.org.uk

General Advice & Support

Citizens Advice
Free confidential advice whatever the issue (not just debt).
www.adviceguide.org.uk
Or visit local Citizens Advice Bureaus.

Entitled to
An independent service for individuals looking to find out what benefits they may be entitled to.
www.entitledto.co.uk

Debt Management

Money Advice Service
Free confidential advice to improve finances, keep track and plan ahead.
0300 500 5000
www.moneyadviceservice.org.uk

Money Advice Scotland
Free confidential debt advice for customers that live in Scotland.
0141 572 0237
www.moneyadvicescotland.org.uk

Advice NI – Debt Action NI
Free confidential debt advice for customers in Northern Ireland.
0800 917 4607
www.debtaction-ni.net

StepChange Debt Charity
Free confidential debt advice and debt management.
0800 138 1111
www.stepchange.org

National Debtline
Free confidential advice service run by charity the Money Advice Trust.
0808 808 4000
www.nationaldebtline.co.uk

Christians Against Poverty (CAP)
Working with the church to release people of debt and poverty.
0800 328 0006
www.capuk.org

Legal Advice

Civil Legal Advice
Help meet the costs of legal adviceand representation in court, if eligible.
0845 345 4345
www.gov.uk/legal-aid

Complaints

Financial Ombudsman Service
Free review of complaints that businesses are not able to resolve.
0300 123 9123 / 0800 023 4567
www.financial-ombudsman.org.uk

Suicidal/Distressed

Samaritans
Free confidential service that helps people experiencing tough times.
116 123
www.samaritans.org

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