



Vulnerable customers policy

Introduction

The aim of this policy is to set out the commitment by Brompton Asset Management Ltd (Brompton or the firm) to ensure:

- vulnerable clients experience outcomes as good as those experienced by other clients; and
- vulnerable clients receive consistently fair treatment.

What is client vulnerability?

The Financial Conduct Authority (FCA) defines vulnerable clients as those who, due to their personal circumstances, are especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. This may be because someone is affected by one or more of the following:

- health – conditions or illnesses that affect ability to carry out day-to-day tasks;
- life events such as bereavement, job loss or relationship breakdown;
- resilience – low ability to withstand financial or emotional shocks; and
- capability – low knowledge of financial matters, low confidence in managing money or low capability in other relevant areas such as literacy or digital skills.

Not all clients who experience the above will be vulnerable. The firm's focus is on the poor outcomes clients may be more likely to experience as a result of their circumstances and how to respond appropriately.

Regulatory expectations

The FCA's principles for business are general statements of the fundamental obligations of firms under the UK regulatory system. They include principles 6, 7, 9 and 12, as follows.

6. A firm must pay due regard to the interests of its customers and treat them fairly.
7. A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.
9. A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.
12. A firm must act to deliver good outcomes for retail customers.

The FCA says that meeting requirements under these principles depends, in part, on the characteristics of clients.

There is an overlap between the FCA's expectations related to vulnerable clients and a firm's responsibilities under the FCA's recently-introduced "Consumer Duty" rules.

In relation to the needs and characteristics of retail customers, the FCA says a firm should, among other things

1. pay appropriate regard to the nature and scale of characteristics of vulnerability that exist in any relevant target market; and
2. pay appropriate regard to the impact of characteristics of vulnerability on the needs of retail customers in any relevant target market;
3. pay appropriate regard to the needs and characteristics of a particular retail customer when dealing with them such as characteristics of vulnerability;



4. assist frontline staff to understand how to identify information that could indicate vulnerability and, where relevant, seek information from retail customers with characteristics of vulnerability that will allow staff to respond to their needs; and
5. set up systems and processes that enable retail customers with characteristics of vulnerability to disclose their needs and support them.

It is possible that some characteristics that may make a client vulnerable are also protected characteristics under the Equality Act 2010.

Understanding the needs of vulnerable clients

To ensure Brompton responds appropriately to clients' needs, the firm has considered:

- the nature and scale of characteristics of vulnerability that exist in our target market and client base; and
- the impact these characteristics may have on clients, including the types of harm or disadvantage to which our clients may be vulnerable and how might this affect their experience and outcomes.

All clients are at risk of becoming vulnerable either in the short term or the long term and the FCA expects firms to understand that clients may be at greater risk of poor outcomes during times of heightened vulnerability.

Staff training and awareness

The FCA says firms should implement measures proportionate to their size and the nature and scope of their activities. Brompton's staff have received training on client vulnerability as part of Consumer Duty training and this will be periodically repeated.

Responding to vulnerabilities

When Brompton identifies a vulnerability, or potential vulnerability, in a client, it will consider how to adapt to the client's needs. Staff with concerns about a client are trained to raise this either with the head of compliance or the chief investment officer, who then determine the appropriate course of action. Instances of client vulnerability are recorded and appropriate action relating to the client's needs and circumstances are considered.

Data protection

Brompton collects personal data from clients for the purposes of providing investment management services. When dealing with vulnerable clients, Brompton may gain additional personal information provided by those clients. If this includes information about an individual's health, the data fall under special category personal data under the UK GDPR and are handled with appropriate protection and care.

Contact us

If you have any questions about this document or would like to discuss your circumstances, please get in touch with your usual Brompton contact.