

Third Party Customer Vulnerability, Access & Inclusion Standard

Version – 1.0 FINAL



Document Definitions

Term	Definition																																
<p>'Vulnerable Customer'</p>	<p>Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.</p> <p>This may be because of their current circumstances which may include one or more of the following that may give rise to different or additional needs (this list is not exhaustive):</p>																																
	<table border="1"> <thead> <tr> <th data-bbox="528 573 746 745">Health <i>Health conditions or illnesses that affect the ability to carry out day-to-day tasks</i></th> <th data-bbox="746 573 970 745">Life events <i>Major life events such as bereavement, job loss or relationship breakdown</i></th> <th data-bbox="970 573 1193 745">Resilience <i>Low ability to withstand a financial or emotional shock</i></th> <th data-bbox="1193 573 1390 745">Capability <i>Low knowledge of financial matters or low confidence in managing money</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="528 745 746 864">Physical disability</td> <td data-bbox="746 745 970 864">Retirement</td> <td data-bbox="970 745 1193 864">Inadequate (outgoings exceed income) or erratic income</td> <td data-bbox="1193 745 1390 864">Low knowledge or confidence in managing finances</td> </tr> <tr> <td data-bbox="528 864 746 925">Severe or long-term illness</td> <td data-bbox="746 864 970 925">Bereavement</td> <td data-bbox="970 864 1193 925">Over-indebtedness</td> <td data-bbox="1193 864 1390 925">Poor literacy or numeracy skills</td> </tr> <tr> <td data-bbox="528 925 746 985">Hearing or visual impairments</td> <td data-bbox="746 925 970 985">Income shock</td> <td data-bbox="970 925 1193 985">Low savings</td> <td data-bbox="1193 925 1390 985">Poor English language skills</td> </tr> <tr> <td data-bbox="528 985 746 1070">Mental health condition or disability</td> <td data-bbox="746 985 970 1070">Relationship breakdown</td> <td data-bbox="970 985 1193 1070">Low emotional resilience</td> <td data-bbox="1193 985 1390 1070">Poor or non-existent digital skills</td> </tr> <tr> <td data-bbox="528 1070 746 1155">Addiction</td> <td data-bbox="746 1070 970 1155">Domestic abuse (including economic control)</td> <td data-bbox="970 1070 1193 1155"></td> <td data-bbox="1193 1070 1390 1155">Learning difficulties</td> </tr> <tr> <td data-bbox="528 1155 746 1283">Low mental capacity or cognitive disability</td> <td data-bbox="746 1155 970 1283">Caring responsibilities</td> <td data-bbox="970 1155 1193 1283"></td> <td data-bbox="1193 1155 1390 1283">No or low access to help or support</td> </tr> <tr> <td data-bbox="528 1283 746 1608"></td> <td data-bbox="746 1283 970 1608">Other circumstances that affect people's experience of financial services e.g. leaving care, migration or seeking asylum, human trafficking or modern slavery, convictions</td> <td data-bbox="970 1283 1193 1608"></td> <td data-bbox="1193 1283 1390 1608"></td> </tr> </tbody> </table>	Health <i>Health conditions or illnesses that affect the ability to carry out day-to-day tasks</i>	Life events <i>Major life events such as bereavement, job loss or relationship breakdown</i>	Resilience <i>Low ability to withstand a financial or emotional shock</i>	Capability <i>Low knowledge of financial matters or low confidence in managing money</i>	Physical disability	Retirement	Inadequate (outgoings exceed income) or erratic income	Low knowledge or confidence in managing finances	Severe or long-term illness	Bereavement	Over-indebtedness	Poor literacy or numeracy skills	Hearing or visual impairments	Income shock	Low savings	Poor English language skills	Mental health condition or disability	Relationship breakdown	Low emotional resilience	Poor or non-existent digital skills	Addiction	Domestic abuse (including economic control)		Learning difficulties	Low mental capacity or cognitive disability	Caring responsibilities		No or low access to help or support		Other circumstances that affect people's experience of financial services e.g. leaving care, migration or seeking asylum, human trafficking or modern slavery, convictions		
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<p>The risk of detriment arises not just from the customer's own circumstances but also from the interaction they are having with Nationwide and its Third Parties. This includes change we may deliver that impacts an existing product or service.</p>																																	
<p>'Accessibility'</p>	<p>Accessibility refers to the design of products, devices, services, or environments so as to be usable by people with disabilities and other additional needs – whether directly ('unassisted'), eg. due to services being provided through a range of channels; or through the use of assistive technology such as screen readers.</p>																																



Term	Definition
	Accessibility is strongly related to universal design which is the process of creating products and services that are accessible to all people (whether they have a disability or not).
'Inclusion'	<p>Financial inclusion means that individuals and businesses can access and use useful and affordable financial products and services that meet their needs.</p> <p>Barriers people may face to accessing the products and services they need include: lack of 'standard' forms of identification; lack of a stable address history; health issues; extraordinary circumstances such as homelessness, ex-offender, care leaver, refugee.</p>

1. Standard Objectives	4
1.1. Risk Appetite	4
1.2. Regulatory Requirements	4
2. Application	4
3. Standard Statements	4
4. Responsibilities	6
5. Standard Adherence	6
5.1. Monitoring Adherence to this Standard	6
5.2. Consequences of Non-Adherence	6
6. Appendix 1 – Regulations and Legislation	7
7. Document Control	7

1. Standard Objective

This Standard sets out the minimum expectations Nationwide and its Third Parties must meet to adhere to the FCA's guidance on vulnerability, access and inclusion. This supports the regulatory requirement to ensure the fair treatment of all customers.

1.1. Risk Appetite

If we operate in line with this Standard, our products, sales and service activity will stay within a level of risk the Society deems appropriate.

1.2. Regulatory Requirements

This Standard is designed to support Nationwide and its Third Parties in meeting the requirements, or elements of, a number of regulations and legislation detailed in Appendix 1.

2. Application

This Standard applies to all Third Parties who offer or administer products or services for Nationwide's customers on Nationwide's behalf.

3. Standard Statements

To make sure we deliver fair treatment and outcomes for customers with drivers of vulnerability, Third Parties will:

Understand the needs of vulnerable customers

All areas involved in the design and delivery of products, propositions, services, IT and processes – including those delivered digitally and through self-service platforms – that impact customers will understand the needs arising from different vulnerabilities, including accessibility needs.

- 3.1. Understand the nature and scale of drivers of vulnerability present in the target market and customer base.
- 3.2. Understand the impact of vulnerabilities on the needs of consumers in the target market and customer base, and how this might affect the customer experience and customer outcomes.

Skills and capability of staff

Management will ensure on an ongoing basis that staff have the appropriate skills and capability to understand the needs of individual vulnerable customers and respond appropriately to them.

- 3.3. Embed the fair treatment of vulnerable customers across the workforce. All staff, both customer-facing and non customer-facing, should understand how their role impacts the fair treatment of vulnerable customers.
- 3.4. Ensure frontline staff have the necessary skills and capability to recognise and respond to a range of characteristics of vulnerability.
- 3.5. Offer practical and emotional support to frontline staff dealing with vulnerable customers.



Product and service design (product lifecycle)

All areas that are involved in the design and delivery of products, propositions, services, IT and processes – including those delivered digitally and through self-service platforms will:

- 3.6. Consider the potential positive and negative impacts of a product or service on vulnerable customers and design products, services and change activity to avoid potential negative impacts and harm.
- 3.7. Take vulnerable customers into account at all stages of the product and service design process (Idea Generation; Development; Testing; Launch; Review; Change) to ensure products and services meet their needs. This includes consideration of needs such as the capability for a third party to operate the product or service on behalf the member, accessibility features and eligibility criteria that are as inclusive as possible for our appetite.
- 3.8. Incorporate controls that demonstrate that the information needs of vulnerable customers are being met and that these customers understand the purpose and risks of the product.

Customer service and distribution

In both distribution and servicing, via all channels, customer-facing areas will recognise and respond to the needs of vulnerable customers to provide good customer service and fair outcomes.

- 3.9. Set up systems and processes in a way that will support and enable vulnerable customers to disclose their needs. Customer-facing staff should be able to spot signs of vulnerability.
- 3.10. Deliver customer service that responds flexibly to the needs of vulnerable customers.
- 3.11. Proactively check that vulnerable customers understand communications and purpose and risks of the product at the point of sale to demonstrate that the customer is able to make an informed decision.
- 3.12. Make customers aware of support available to them including options, where relevant, for third party representation and specialist support services.
- 3.13. Put in place systems and processes that support the delivery of good customer service, including systems that enable the recording of and access to information about customers' needs.

Communications

Areas that design and issue communications to customers will take steps to ensure that those with different or additional needs are not disadvantaged in understanding products and services. They will take into account vulnerable customers' information needs, including accessibility considerations throughout the lifecycle of a product or service.

- 3.14. Ensure all communications and information about products and services are understandable for customers in the target market and customer base, including those with different or additional needs.
- 3.15. Consider how best to communicate with vulnerable customers in a way that takes their different or additional needs into account. Where appropriate, offer multiple channels so they have a choice.

Monitoring and evaluation

All areas whose activity impacts customers will ensure that for their activity they understand if vulnerable customers' needs are being met and if fair outcomes are being delivered for vulnerable customers throughout the lifecycle of a product or service and across all channels, including digital and self-service.

- 3.16. Implement appropriate metrics at key points in the customer journey to measure effectiveness of controls and identify instances where the needs of vulnerable customers are not met, so that they can make continuous improvements.
- 3.17. Produce and regularly review management information (MI), appropriate to the nature of its business, regarding the customer experience and outcomes being delivered for vulnerable customers.

4. Responsibilities

Third parties who offer or administer products or services for Nationwide's customers on Nationwide's behalf are responsible for:

- 4.1. Ensuring their policies, standards and procedures adhere to this Standard and its associated supporting guidance.
- 4.2. Ensuring any of their employees who interact with Nationwide members and/or customers are trained to the same level as Nationwide employees on identification of vulnerability, responding with empathy and providing appropriate support.
- 4.3. Carrying out monitoring and sharing MI with Nationwide to demonstrate the appropriateness and effectiveness of their processes and controls in ensuring vulnerable customers receive fair outcomes.
- 4.4. Discussing any concerns with Nationwide, specifically any process or control failures that have or may result in a regulatory breach or unfair outcome for customers in vulnerable circumstances.
- 4.5. Promptly reporting any failures or breaches regarding this Standard to the Senior Relationship Owner (SRO). The SRO should report these failures and breaches through their BAU reporting mechanisms within Nationwide.

5. Standard Adherence

5.1. Monitoring Adherence to this Standard

Third Parties in scope of this Standard must monitor their own adherence to the requirements set out within it, through execution of the responsibilities set out in paragraphs 3.1.16 and 3.1.17.

5.2. Consequences of Non-Adherence

Where a Third Party is unable to adhere to some/all of the requirements in this Standard, or non-adherence is identified, this should be reported to your SRO. This may require remedial action to be implemented within an agreed timeframe.



6. Appendix 1 – Regulations and Legislation

The Vulnerability, Access & Inclusion Standard is designed to meet relevant requirements of the following (including but not limited to):

- FCA Principles for Business 2, 3, 6, 7 & 9
- FCA Treating Customers Fairly customer outcomes
- FCA Vulnerability Guidance FG21/01
- FCA Approach to Consumers
- BSB Consumer Outcomes
- Equalities Act (2010)

Whilst this Standard supports the mental capacity requirements set out in FCA Consumer Credit Sourcebook (CONC) specific requirements are not detailed in this Standard and must be considered in relevant consumer credit policies and procedures maintained by relevant Senior Managers.

7. Document Control

Version History

Version	Date
0.1	20.09.2021
1.0	31.01.2022

Approval

Version	Date	Approved by
1.0	31.1.2022	Director of Member Propositions

Document Control

Standard owner:	Head of Vulnerability, Access and Inclusion
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