

Auditors Name: Zoe Quick	Check Ref: 51	Date: September 2025
Activity/Employee Being Audited: Review customer vulnerability indicators.		
Variations from Procedural Document or Regulations: Causes for Variation: (if applicable) Ref: 852094 Policy not followed. The customer is currently reliant on family support to clear arrears. Despite this, an arrangement has been set over 9 payments without a confirmed offer or agreement from the customer. There is no evidence of a sustainability assessment being completed from the customer's perspective. Subsequently, the customer proposed an alternative payment of £20.00 per month; however, the previous arrangement was left active, and the customer was instead asked to provide an Income & Expenditure breakdown. Compliance Considerations: Repayment arrangements must be established in line with the customer's affordability and proposals, not imposed figures. Setting arrangements on an arbitrary basis risks further financial detriment to the customer. Where a customer declares that the current arrangement is unaffordable, any active arrangement should be cancelled to prevent inappropriate collections activity. Ref: 876489 The customer indicated a desire to pay £50.00 but expressed difficulty in maintaining this amount. Following this, the customer was sent the standard payment options email, which states that we cannot accept less than 15% of the balance (over £100.00). This is 50% higher than the amount the customer had said they could afford. The body of the email states: <i>"If you're experiencing financial difficulties, we're here to help"</i> , but it does not provide clear next steps on how to access this support. The email also does not make it clear that payments below 15% may be considered where the customer provides an Income & Expenditure breakdown or engages in a discussion with us. Additionally, there appears to have been a misunderstanding during the conversation. The customer had proposed £10.00 initially, but also requested to pay £50.00 temporarily while gathering documentation. The agent subsequently agreed to a £50.00 temporary arrangement for three months, despite this being higher than the original proposal and not clearly aligned with the customer's affordability. Compliance Considerations: Customer communications must be fully understood to ensure outcomes reflect their financial situation and support sustainable solutions. Payment options communications should clearly explain that arrangements below the stated threshold may be considered where evidence of affordability is provided. Agreements should be based on customer affordability, not system defaults or arbitrary thresholds, to avoid financial detriment		

and ensure compliance with fair customer treatment.

Ref: 819453

Followed in part.

The customer notified us that they had lost their job and requested a repayment plan. A templated "PP setup request" email was issued, asking the customer to pay 15% of the balance (£97.00) or to contact us. The customer initially agreed; however, the arrangement failed at the first due date.

The customer then contacted us again, advising that the arrangement was unaffordable and requested an alternative. At this stage, the customer was asked to submit supporting evidence along with an Income & Expenditure statement.

Compliance Considerations: Standard templates should be reviewed to ensure they take into account customer circumstances and are appropriately tailored, particularly where unemployment or vulnerability is disclosed. Requesting 15% of arrears from a customer who has lost employment is unrealistic and risks creating an arrangement that is unsustainable, as evidenced by the failed plan. Requiring customers to provide evidence and I&E only after an arrangement has failed could be seen as a delayed response. To meet FCA expectations on fair treatment and first-call resolution, affordability assessments should be considered at the point the customer first discloses financial difficulty, especially where low income may play a key factor in the customers difficulty.

Ref: 517123

Followed in part.

ChatGPT said:

Here's a compliance/audit style rewrite of that case:

Audit Feedback – Vulnerability Compliance Review

The customer requested a repayment arrangement. A templated "PP setup request" was issued, requesting 15% of the balance (£44.00) or advising the customer to contact us to discuss further. The customer proposed a repayment amount below £50, which aligned with the 15% requirement.

Despite this, the customer was subsequently asked to provide further evidence along with an Income & Expenditure statement before the arrangement could be confirmed.

Compliance Considerations: There is inconsistency in process where the customer has agreed to the stated 15% threshold, yet additional requirements were applied. This may create confusion and undermine customer confidence. It is unclear why an Income & Expenditure was requested when the repayment offer already met the stated minimum requirement. Such requests should be proportionate, transparent, and clearly explained. To ensure compliance with fair treatment and Consumer Duty principles, communication and process should be consistent, with clear rationale for any additional evidence requested.

Ref: 815307

Policy followed in part.

The customer requested a settlement offer following a deterioration in their health. In response, the customer was sent a partially tailored email which requested

confirmation of the settlement amount being offered, along with supporting documentation regarding the customer's circumstances. The email also included the statement: *"A lender can consider suspending, reducing, waiving, or cancelling any further interest or charges only when the customer provides evidence of financial difficulties."* **Compliance Considerations:** The statement *"only when the customer provides evidence"* is not an accurate reflection of FCA expectations and could be considered misleading. The FCA does not state that lenders can *only* take such steps where evidence is provided. The FCA expects firms to demonstrate clear rationale when requesting documentation and to ensure that requests are fair, proportionate, and appropriate to the customer's circumstances. Referring to the FCA in this way may not meet expectations of transparency and fair customer treatment. Businesses should ensure language is precise, does not misrepresent regulatory requirements, and does not create unnecessary barriers for vulnerable customers seeking support.

Ref: 799919

Policy followed.

The customer requested a repayment arrangement and was sent a templated "PP setup request" email. The content of this email suggested the customer should call us to complete an Income & Expenditure if they could not afford the quoted amount; however, no repayment amount was actually included in the email. One minute later, a separate email was issued requesting an Income & Expenditure along with supporting evidence. **Compliance Considerations:** It is unclear why two separate emails were sent—first asking the customer what they would like to pay, then requesting I&E and evidence. This approach is inconsistent and risks confusing the customer. Good practice is to establish what the customer can afford before requesting supporting documentation, ensuring the process is clear, proportionate, and customer-focused. Combining both points of communication into a single, clearly structured email would improve clarity, reduce duplication, and better support fair treatment outcomes.

Ref: 428306

Policy not followed.

The customer contacted us expressing confusion over their balance, questioning why it had not reduced. Within the communication, the customer also expressed feeling low and vulnerable, although no explicit disclosure of condition was made.

In response, two templated emails were sent: one providing a copy of the Statement of Balance (SOB), and another being the financial difficulties template requesting Income & Expenditure information along with supporting evidence. The customer was later chased for these documents, at which point they expressed further confusion about why evidence was required and what specifically needed to be provided.

Compliance Considerations: The customer demonstrated signs of vulnerability and a lack of understanding of the product. Responses provided were templated and did not directly address the customer's concerns, nor did they acknowledge or adapt to the customer's expressed vulnerability. No consideration was given to the customer's possible condition or the impact it may have had on their ability to understand or manage their finances. A more tailored and supportive response should have been provided, ensuring clarity around what information was needed and why, while

recognising the customer's vulnerability and adapting communication accordingly. Using standard templates without personalisation risks overlooking customer needs, causing additional confusion, and failing to meet FCA expectations around fair treatment and good outcomes for vulnerable customers.

Ref: 740719

Policy followed in part.

The customer reported being unable to make payments due to time off work following an injury and requested their account be placed on hold. The customer provided a doctor's certificate confirming they were signed off until 28th August. The account was placed on hold for 30 days.

Compliance Considerations: The documentation provided was no longer current. If the customer remains off work beyond the original period, updated evidence should be requested to accurately reflect the customer's circumstances. Requests for evidence must align with the customer's current situation to ensure consistent treatment and fairness. Where documentation is outdated, the business should challenge the relevance of the evidence rather than automatically applying standard processes, to avoid disadvantaging the customer and to comply with FCA expectations for vulnerable customer treatment.

Ref: 892905

Policy followed in part.

The customer informed us that they were no longer employed. In response, the customer was asked to provide evidence and submitted a bank statement. The account was subsequently placed on hold for 30 days.

Compliance Considerations: Evidence provided should be thoroughly reviewed. In this case, further examination revealed a second bank account receiving transfers, which was not considered in the assessment. The bank statement also showed activity involving online betting services, which may indicate a potential gambling vulnerability rather than straightforward unemployment. If unemployment is being used to justify a temporary hold, consideration should be given to alternative sources of income (e.g., benefits), as being unemployed does not eliminate responsibility for debt repayment. The 30-day hold period appears arbitrary, with no recorded assessment of the customer's overall financial circumstances or other payment options. To ensure fair treatment and avoid prolonging indebtedness, customers should be asked more comprehensively about other sources of income, eligibility for support, and their broader financial situation before placing accounts on hold.

Sample Checked References: *(if applicable) *20 accounts**

875164, 876489, 819453, 825057, 440458, 517123, 815307, 799919, 428306, 801051
856113, 878524, 930819, 891366, 754880, 740719, 892905, 884058, 756415, 878357

Actions:

I conducted checks on our CRM to verify the indicators used to identify our vulnerable customers as well as the actions taken to show the appropriate levels of forbearance.

Procedure Document Used	Auditing Method	Next Audit Date
Vulnerable Customers Policy	CRM Monitoring, Email Monitoring, Call Monitoring	<i>November 2025</i>