The Consumer Duty of Care and Client Vulnerabilities

Consumer Support Policy

2023

The Consumer Duty's overarching 'Consumer Principle' requires firms to 'act to deliver good outcomes for retail clients.' This is especially true of those clients that can be considered vulnerable.

This policy sets out the steps that Gildencrest Capital Limited takes to recognise and protect those clients that may be vulnerable.

Definition

'A vulnerable person 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.'
Source: FCA GC20/3 Guidance for firms on the fair treatment of vulnerable customers

The Consumer Duty, in its cross-cutting rules, further requires that **'firms enable and support retail customers to pursue their financial objectives'** this support is particularly important when dealing with vulnerable clients.

Gildencrest Capital Limited Consumer support

In FG21/1 the FCA advises that firms should understand:

a. The nature and scale of characteristics of vulnerability that exist in their target market and customer base.
b. The impact of vulnerability on the needs of consumers in their target market and customer base.

Gildencrest Capital Limited does not currently give advice to customers and therefore do not have an intimate relationship with our retail clients. There is, therefore, a limited knowledge of the clients' personal circumstances. Gildencrest Capital Limited is, however, very aware of the duty of care that it owes its clients, and that different clients will require different levels of support.

The Consumer Duty, in its cross-cutting rules, further requires that **'firms enable and support retail customers to pursue their financial objectives'**. This support is particularly important when dealing with vulnerable clients.

The customer support team is trained and regularly re-skill on how to recognise and deal with vulnerable clients. The team is well versed in spotting the signs of diminishing mental capacity including:

Dealing with the four key area of vulnerability:

1) Health

Health, especially mental health, is arguably most significant factor in vulnerability. Although mental health issues can affect people at any time it is recognised that 'functional numeracy and awareness of key financial terms and concepts reaches it's peak at retirement age….then declines steeply around the age of 75' (FCA DP16/1 Feb 2016).

The Gildencrest Capital Limited onboarding team thus flag any account application of retirement age or above in order to make sure that the customer support team deal with that application appropriately.

The team will be versed in spotting the signs of diminishing mental capacity including :

- Struggling to recall or communicate basic personal information
- Conversation farfetched, extreme or erratic
- Repetition
- Conflicting information or answers
- Unaware of recent decisions or events
- Someone prompting in the background
- Unexpectedly and highly emotional

2) Financial Resilience

Gildencrest Capital Limited endeavours to ensure that the clients have the financial resilience required to invest in the offered products. All potential clients are required on application to attest to their financial position and their financial goals. If their financial position is not deemed to be adequate the application will fail and the prospective client will not be onboarded.

3) Capability

Although capability is mainly covered by the area of health above, Gildencrest Capital Limited further test the potential client's knowledge of the specific products that Gildencrest Capital Limited offer. This is achieved by requiring each potential client to pass the Appropriateness test, which enquires as to the client's understanding of the products/trading environment and broader economic principles.

4) Life events

Life events can affect people of all ages, but are particularly difficult to protect against. One needs to have a very close and detailed relationship with the client to recognise any changes. There are, however, a number of signs, such as changing of address, change in banks, changes in trading styles/volume, all of which could be

indicators of such changes. The Customer Support team will be flagged of any such changes, and will make the necessary enquiries and take any subsequent action as appropriate.

Actions on the identification or suspicion of vulnerability

This is defined by the FCA in their Guidance on the fair treatment of vulnerable customers as the Three R's:

Recognise

As explained earlier, there are many measures in place to help different Departments within Gildencrest Capital Limited recognise the risks.

Record

All events, suspicions, comments or conversations pertaining to vulnerability in clients will be recorded on the CRM, and if necessary the telephone recordings will be retrieved.

Respond

The response to any concerns that a team member has will be to raise the issue with the Compliance Officer who will investigate further. This may well include having a conversation with the customer to ascertain whether they are receiving the correct support, or indeed whether Gildencrest Capital Limited will offer its products to the client.