

This document is for investment professionals only and should not be relied upon by private investors.

Case studies:

Vulnerable customers

There are all sorts of reasons why a customer might feel vulnerable during their lifetime – from dealing with their own health issues or those of a loved one (such as dementia), to bereavement, divorce, financial hardship or even domestic or financial abuse. Usually, the best approach to dealing with customers in these situations is to listen and liaise with them sensitively and compassionately while offering them practical support.

Here, we present some examples of how Fidelity, along with the client's adviser, have helped customers in vulnerable situations. These cases also show how, in some instances, our procedures have been enhanced following the incident in question in order to provide a better service to vulnerable customers.

Adviser Solutions



Case study

1

Irrational pension withdrawals made after an ill-health diagnosis

An adviser sent through two large pension withdrawal requests on behalf of a couple. However, the adviser was subsequently contacted by the clients' accountant who had not been consulted on the withdrawals as was normally the case. The accountant explained that the wife had recently been diagnosed with cancer. As a result of the conversation, both the adviser and accountant became concerned that the couple were making irrational decisions due to them being under stress from the diagnosis.

Action taken

- The adviser spoke with the clients and established that the withdrawals were not in their best interests.
- The adviser contacted Fidelity asking for the pension withdrawals to be reversed.
- As the deals were placed through an adviser, they did not have cancellation rights. The case was therefore referred to Fidelity's pension support team, who entered the deals into an exception process.
- Fidelity contacted the clients, who confirmed the deals should be reversed.
- The proceeds from the withdrawals were returned to Fidelity by the clients, which were reinvested into the clients' pension accounts.
- Regular updates were given by us to the adviser throughout the process.
- The case was monitored by a Fidelity Vulnerable Customer Champion from start to finish.



Case study

2

An attorney's withdrawal is delayed due to a discrepancy with the bank details

An adviser contacted their Fidelity Account Manager as they had recently submitted a withdrawal request on behalf of an attorney who held a Court of Protection order for a client. The bank mandate had been rejected as the account was in the attorney's name (normally it has to be in the client's name). The adviser informed us the money was required to pay a tax bill for the client, who had been under attorneyship following a brain injury as a child. The Fidelity Account Manager confirmed to the adviser that the bank account would need to be in the name of the client. The adviser questioned this as it would be in breach of the order.

Action taken

- The case was referred to Fidelity's Vulnerable Customer and Bereavement teams for advice, who were able to confirm that the attorney's bank details could be accepted if the client's name was mentioned (e.g., X on behalf of Y).
- The Account Manager spoke with the adviser, who then submitted new bank details that passed our bank mandate checks.
- The withdrawal was actioned and paid out.



Case study

3

A client's Junior ISA application has been rejected

An adviser contacted Fidelity about a Junior ISA application that had been rejected. The adviser's client was aged 17 and had a Court of Protection order in place as they lacked mental capacity. The application had been rejected as the form required the signature of the child if they were aged 16 or over. This requirement had been confirmed by us and, as a result, the adviser felt a vulnerable customer was being treated unfairly.

Action taken

- The complaint was escalated to a Fidelity Vulnerable Customer Manager, who reviewed the case. It was established that the adviser had not initially disclosed that a Court of Protection order was in place for the client, although they had mentioned the client was vulnerable and had a deputy to sign for them. The case also revealed that Fidelity's Legal Operations team had offered guidance to the processing team stating we could not accept a Court of Protection order on a Junior ISA account.
- The Vulnerable Customer Manager spoke with Legal Operations and explained this was the first case of its kind for us as a business and that the existing procedures did not cater for Junior ISAs and customers with a Court of Protection order.
- New processes were agreed and put in place to reflect Junior ISA and Court of Protection requirements and the adviser was put in the picture.
- The Court of Protection order was sent to us by the adviser and it was noted on file that all future signatures would be from the deputy.
- Fidelity paid £500 compensation to the client in light of the distress caused.
- The learnings from the case were subsequently built into Fidelity's Vulnerable Customer awareness workshops for our IFA support teams while a Vulnerable Customer Champion was also appointed to support future queries and cases.

For more help and guidance on how you can support vulnerable customers, simply visit fidelityadvisersolutions.co.uk/consumerduty

Adviser Solutions

