


Improving outcomes for vulnerable customers: Insights and recommendations from the FCA

25 March 2025  Felicity Pallas

The Financial Conduct Authority (FCA) has released a report providing a detailed analysis of how firms are treating customers in vulnerable circumstances.

The report highlights both exemplary practices and areas requiring improvement in various aspects of customer interaction and service provision.

FCA report summary

The key points from the report are summarised as follows:

Good practices identified

- **Effective use of data:** Some firms have excelled in using data to monitor and improve outcomes for vulnerable customers.
- **Tailored consumer support:** Flexible support systems that cater to individual needs have proven effective.
- **Clear communications:** Timely and understandable communications have been a strong point for some firms.
- **Incorporation of consumer feedback:** A few firms have successfully integrated consumer experiences into their product and service development processes.

Areas for improvement

- **Outcomes monitoring:** Many firms struggle with effectively monitoring and responding to the outcomes of vulnerable customers.
- **Support systems:** There is a need for better support mechanisms tailored to the needs of vulnerable customers.
- **Communication clarity:** Some firms fail to communicate in a manner that meets the needs of vulnerable customers.
- **Training and integration:** There is a lack of tailored training and integration of consumer needs into product and service design.

Key recommendations

- Firms should **define what good outcomes look like** and use high-quality data to monitor these outcomes.
- There needs to be **clear escalation processes** for addressing poor outcomes.
- **Senior leadership should be actively involved** in ensuring good outcomes for vulnerable customers.
- Firms should **continuously review and adapt their strategies** based on feedback and outcomes monitoring.

Overall, while there are examples of good practice, the report suggests that many firms need to improve their approaches to effectively support and monitor the outcomes of customers in vulnerable circumstances. This is crucial for complying with the Consumer Duty and ensuring fair treatment of all customers.

What does this mean for insurers?

While [the FCA report](#) identifies several areas for improvement in serving vulnerable customers, it also highlights the fact that much more needs to be done.

One of the first steps is to identify the key areas of customer vulnerability and to deploy targeted solutions. For example, poor numeracy is the most prevalent customer vulnerability, though it does not receive as much attention as other, less common vulnerabilities. In sectors like insurance and finance, where complex numerical information is frequently encountered, the presentation of these numbers can be especially daunting for customers with limited numeracy skills.

It is therefore crucial for insurers to understand how to correctly present numbers in customer-facing communication that is accessible to vulnerable customers. As a Plain Numbers certified law firm, Browne Jacobson has the tools to help insurers deliver numerical communication in a way that is proven to help customers understand and help achieve better customer outcomes.

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