



Customer vulnerability disclosures

Principles for information sharing
between mortgage intermediary firms
and lenders

Context: FCA expectations

The FCA advises that it continues to see some consumers in vulnerable circumstances face challenges when disclosing their additional needs or personal circumstances to their financial services provider.

This includes being repeatedly asked for vulnerability information which can be distressing for consumers involved and can make it harder for them to engage with financial services.

The FCA is aware that services are being developed which enable consumers to disclose their circumstances or needs to multiple firms across different sectors. It also welcomes the work done by individual firms to ensure they can capture and share information across business areas to support consumers in disclosing their circumstances.

However, the FCA recognises that for some firms, there is more to do. Its view is that firms should be considering this as part of their ongoing Consumer Duty embedding programmes, as the Duty becomes “business as usual”.

Regulatory requirements and guidance

The FCA issued its [Finalised Guidance 22/5 for firms on the Consumer Duty](#) in July 2022.

In defining “customer”, **para 1.14** states “The Duty applies to potential as well as actual customers of firms.”

Para 2.5 repeats the point that “The Duty applies to firms dealing with prospective as well as actual customers”. It gives examples where firms will not always be dealing with someone who is already an actual customer (with whom they have a contract), namely:

- ▶ When answering a question from a prospective customer
- ▶ Where a prospective customer applies for a product or service.

For clarity, the principles provided here should be read and applied in the context of FG22/5 expectations of what brokers and lenders could do to identify and support vulnerable potential and actual customers. The aim is to ensure that vulnerability could be disclosed not only at any point in the customer's broker-lender journey, but also at an earlier point in the journey.

Please Note: When using these principles, unless otherwise stipulated, where the term 'customer' is used it should be interpreted to mean 'potential, prospective, and/or actual customer'.

Under the FCA's [Finalised Guidance \(21/1\) for firms on the fair treatment of vulnerable customers](#), consumers should not have to repeat information to their financial services provider. Firms should put systems and processes in place that support the delivery of good customer service and ensure that staff have the necessary skills and capabilities to recognise and respond to characteristics of vulnerability.

Under [Consumer Duty](#), firms should have systems and processes that support and enable customers with characteristics of vulnerability to disclose their needs (PRIN 2A.7.4G(5)). Firms must also design and deliver support that meets the needs of customers with characteristics of vulnerability (PRIN 2A.6.2R(1)). The FCA views this as including being able to effectively record information and access this information where it is needed to support the customer.

Additionally, firms must avoid causing foreseeable harm to customers. A customer being asked to disclose their personal circumstances multiple times could have a disproportionate impact on their mental wellbeing and their ability to engage with their provider. The FCA sees this as foreseeable harm that firms must take steps to avoid.

Supporting consumers to disclose their needs and circumstances - principles

UK Finance, working with members and the Association of Mortgage Intermediaries (AMI), the Building Societies Association (BSA) and the Intermediary Mortgage Lenders Association (IMLA), has developed a voluntary principles-based framework for the sharing of customer vulnerability information between mortgage intermediary firms and lenders.

The principles are framed in the mortgage’s context, and the customer journey from origination via a broker to a mortgage lender, within which a vulnerability disclosure might be made by a potential or actual customer of the broker or lender.

The principles also recognise that customers might have a continuing relationship with a broker beyond the mortgage journey in the context of other products and services provided by the lender. This could be, for example, related products or life/ income protection/ critical illness insurance – noting that while some such products might not be provided by the lender directly, the broker might source these for the customer via a panel arrangement.

As well as being voluntary, the principles are non-prescriptive and intentionally high-level. They are intended as a broad framework that can help firms supporting customers to disclose their needs and circumstances in a way which meets the regulator’s expectations and requirements on “tell us once”.

This broad framework aims to accommodate existing and emerging best practice among firms, such as identified in valuable survey work and a November 2024 Industry Insight report [Understanding and disclosing vulnerability: A broker’s perspective](#) by Newcastle Building Society and Smart Money People.

The principles recognise that the intermediary-lender channel is dynamic and has a degree of fluidity, meaning that there might not always be a definitive start and end point to the intermediary or lender relationship with the customer.

The principles therefore aim to accommodate this and recognise that it will be for individual intermediary and lender firms to agree the detailed nature and scope of information which they may share and under what circumstances, always having regard to overarching data protection legislative and regulatory requirements.

The intention is that the principles will encourage lenders to be clear about how intermediaries can disclose customer vulnerability to them – through appropriate and consistent channels/ portals/ forms and such like.

It is also intended that the principles will help to assure and reassure intermediaries. Clear communication of the key point that vulnerability disclosures are meant to support customers and will not negatively impact applications or lending decisions, should enable greater transparency and trust.

A note about language - while the body of FCA regulations and guidance in this area generally refer to “vulnerability”, emerging industry practice and use suggests this label can discourage disclosure. It could be that alternatives might be used instead of or alongside “vulnerability” to refer to additional needs/ requirements/ circumstances or customer personalisation.

Principles for sharing customer/ potential customer vulnerability information: broker-lender	
1	<p>What, when and how: Lenders should consider ensuring their brokers are aware of and understand their (the lender’s) expectations of what vulnerability information should be disclosed, when it should be disclosed and how to do so.</p> <p>This should include awareness of any portals or forms or other mechanisms the lender has put in place for reporting/ recording such information.</p> <p>Why: to improve outcomes for vulnerable customers/ potential customers, and ensure they are no different from others, lenders should consider how they communicate clearly to assure and reassure brokers that disclosure of vulnerability/ additional needs can benefit customers/ potential customers.</p> <p>This is to help address concerns that the disclosure might prejudice an application or lending decision.</p>
2	<p>At the point of mortgage application, the consumer is a customer of the broker and a prospective customer of the mortgage lender. The applicant becomes an actual customer of the mortgage lender at the point a contractual agreement is made.</p> <p>Ownership of and responsibility to declare customer vulnerability to the lender during the mortgage application journey will sit with brokers (assuming a customer obtains a mortgage via this channel).</p> <p>Brokers should obtain consent from their customer to share vulnerability information with the lender, on the basis that they are a prospective customer of the lender.</p>
3	<p>Typically, following completion of the mortgage, the broker’s ownership and responsibility to declare customer vulnerability to the lender ends. The ownership and responsibility to support the customer transfers to the lender until the mortgage is redeemed.</p> <p>The broker’s relationship with the customer may, however, continue in the context of other products/ services of the lender or other providers which the (potential) customer might wish to access via the broker. In this context, if a broker becomes aware of a customer vulnerability via a different product journey, lenders should consider whether they wish to set expectations/ requirements on brokers to disclose this to them, in line with Principle 1, above.</p> <p>Vulnerability/ additional needs information might be disclosed in the context of this continuing relationship, and brokers can disclose this having obtained customer consent to do so, using the lender’s established disclosure processes.</p>

- 4** Lenders should own and be responsible for any vulnerability information disclosed to them during the mortgage application, including from potential customers and following completion of the mortgage (or the point the applicant becomes an actual customer of the lender) and subsequently for the duration of the customer's mortgage relationship with the lender.

Lenders should consider and be clear about how they offer support and act on the information disclosed, whether via the broker or directly via the customer.

- 5** Mortgage product transfers would be a continuing lender relationship within which vulnerability/ additional needs information could be disclosed. The same or a new broker might assist with this application. Alternatively, the customer might seek a new mortgage product from a broker, and a new journey would begin.

At the point of application for a product transfer or new product, the broker should consider notifying the lender of the application so that the lender might seek customer consent to disclose vulnerabilities they are aware of back to the broker.

- 6** Both the lender and broker have a joint responsibility in recording vulnerability if made aware by the customer (including a potential customer), with vulnerability information shared right from the submission of a mortgage application through to a contractual agreement and completion.

Customers and potential customers should be made aware that vulnerability personal data will be collected and stored in line with Data Protection principles.