



Chartered
Insurance
Institute

Standards. Professionalism. Trust.

Managing Vulnerability in Insurance

Roundtable Summary Report

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Executive summary

The Chartered Insurance Institute (CII) convened a second roundtable on 14 March 2025 as a follow up to the one held on 30 September 2024 that had explored how firms, practitioners and other stakeholders could collaborate to raise the standards of care given to insurance and financial planning customers. The CII published a series of [recommended interventions](#) in early 2025 as part of our ambition to create a 'Road to Consumer Trust'. We committed to hold further discussions with stakeholders to help shape guidance, learning or standards to achieve a positive impact for consumers and firms.

The second roundtable that the CII convened, held in March 2025, focused on identifying and finding solutions to challenges that customers in vulnerable circumstances might experience during their insurance journeys. Representatives from the Financial Conduct Authority (FCA) and Financial Ombudsman Service (FOS) joined consumers, sector leaders, academics and other experts to consider how we can collectively drive better customer outcomes.

This paper provides a summary of the discussion that took place, which identified opportunities around behaviours, capabilities, systems and culture. A follow-up practical guidance document will shortly be published which will translate the insights captured in this report into actionable recommendations, helping firms move from regulatory principles into practical measures.

This approach underlines the CII's commitment to supporting the sector not only in understanding regulatory expectations, but also in translating them effectively into day-to-day practice, ultimately driving better, fairer outcomes for all customers, especially those in vulnerable circumstances.

Roundtable participants:

- **Chris Adlard**, Director of Customer Experience and Compliance, Elephants Don't Forget
- **Claire Bassett**, Interim Chair & NED Serious Fraud Office & NED of Solicitors Regulation & Law Commission. Chair of CII's Professional Standards Committee
- **Monika Banziger**, Customer Experience Specialist, Allianz UK
- **Professor Martin Coppack**, Professor of Practice in Financial Inclusion and Consumer Policy, University of Birmingham
- **Christopher Digby**, Executive Director, Howden Group
- **Christopher Fitch**, Vulnerability Lead at the Money Advice Trust. Research Fellow at the Personal Finance Research Centre, University of Bristol
- **Rachael Gagan**, Vulnerable Customer Manager, AXA UK
- **Andrew Gething**, Managing Director, Morgan Ash
- **Edward Grant**, PFS Board. CII Professional Standards Committee. Chair, Finance in Society Research Institute, University of Gloucestershire
- **Martin Grimwood**, Director, FWD Research
- **Mandy Hunt**, Managing Director, The Clear Group. Chair of CII Underwriting Community
- **Lauren Long**, Senior Ombudsman, Financial Ombudsman Service
- **Lisa Long**, Claims Conduct Consultant, RSA Group
- **Claire Massey** Founder and CEO of Claim Guardians Limited
- **Charlotte Matthews**, Consumer Policy and Partnerships Manager, FCA
- **Alastair Reed**, Principal Policy Adviser, Money, Which?
- **Johnny Timpson OBE**, Chair of Absolute Military, MorganAsh and Building Resilient Households Group. Financial Inclusion Commissioner

- **Matthew Hill**, CII, Group CEO
- **Adam Harper**, CII, Executive Director, Strategy, Advocacy and Professional Standards
- **Holly Porter**, CII, Executive Director, Markets and Opportunities
- **Matthew Connell**, CII, Policy and Public Affairs Director
- **Vanessa Riboloni**, CII, Professional Capabilities and Insights Manager
- **Ian Simons**, CII, Content and Capabilities Director

Context setting

Johnny Timpson OBE opened this roundtable by reflecting on how far the insurance sector has come – and how far it still must go – when it comes to supporting customers in vulnerable circumstances.

It has been more than a decade since the Financial Conduct Authority (FCA) first defined vulnerability and published its *Occasional Paper No. 8: Consumer Vulnerability*, and nearly four years since the publication of *FG21/1 Guidance for firms on the fair treatment of vulnerable customers*.

Now, with Consumer Duty in place and the *FCA's Review of firms' treatment of customers in vulnerable circumstances* recently published, there is renewed urgency for firms to translate principles into practice. The FCA is bringing these strands together under the heading of *putting customers' needs first*. The regulator's expectations are high, and the message is clear: much more needs to be done.

Johnny called for a “coalition of the willing” to take the lead in driving meaningful change. He believes there are six areas that the profession needs to address:

Encouraging customer disclosure

Only 19% of vulnerable customers feel encouraged to disclose their circumstances. Firms must create safe, supportive environments that make it easier for customers to self-identify.

Improving data and management information

Many firms lack quality data and clear benchmarks for what “good” outcomes look like. Without this, they cannot effectively monitor or improve customer outcomes.

Inclusive product and service design is lacking

Too many firms see identifying vulnerability as the endpoint rather than making necessary adjustments to products and services.

Leadership accountability is critical

Senior leaders and boards need to take direct ownership for improving outcomes for customers in vulnerable circumstances. This requires more than interest; it demands leadership by example.

Training gaps remain

Despite being a key Senior Managers and Certification Regime (SMCR) responsibility, nearly half of firms fail to train non-frontline staff on vulnerability.

Trust is eroding due to poor outcomes

A significant proportion of vulnerable customers report that products do not meet their needs, undermining trust in the sector. Testing products and services for their impact on vulnerable customers is essential.

FCA Vulnerability Review - key insights

Charlotte Matthews, FCA

The FCA published the findings of its review into the treatment of customers in vulnerable circumstances in early March 2025. It gathered data to understand:

1. The actions firms have taken to understand and respond to the needs of customers in vulnerable circumstances.
2. The outcomes experienced by customers in vulnerable circumstances.
3. Stakeholders' views of the regulator's guidance, including its continuing relevance under the Consumer Duty.

It found that Consumer Duty has driven a renewed focus on vulnerability, but that progress remains inconsistent.

Positive developments

The FCA found that many firms had taken positive action and made good progress in supporting customers in vulnerable circumstances, particularly with frontline staff training, clear communications, and tailored support for customers with complex needs.

They also noted that there are some good examples of systems enabling staff to view complete customer profiles, improving their ability to offer holistic support.

Areas for improvement

However, the FCA also found several areas where approaches are currently uneven or deficient:

- Rigid processes are still prevalent, particularly where staff are constrained by scripts, negatively impacting empathy and trust.
- Training gaps remain, especially for product and service design teams - only 11% of insurers have trained their non-frontline staff on vulnerability.
- There is too little evidence that firms are embedding vulnerability considerations into product and service design, particularly at the development stage.
- Data usage remains underdeveloped. Firms are not incorporating vulnerability insights into customer profiling, product development, or outcomes monitoring in a meaningful way.
- Monitoring of outcomes for vulnerable customers is limited, often because of a lack of clear metrics, insufficient management information (MI), and an unclear definition of good versus poor outcomes.

Lived experiences testimonials - the customer perspective

The CII invited two customers who had vastly different insurance claims experiences to share their stories with participants.

Claire Massey

Claire shared her harrowing experience with a fire claim, highlighting the severe impact on her life due to what she believes was poor handling by the insurance company. Claire discussed a range of factors that had contributed to significant emotional and financial distress, but also led to the deterioration of her property:

- Delays in receiving alternative accommodation, leading to separation from her children, accentuating the harm caused.
- The inability to carry out ongoing maintenance on her period property due to financial uncertainty, which led to significant deterioration of the home.
- Having to fund urgent repair work herself, using money from cash settlements intended for contents and other needs, resulting in additional financial strain.
- Financial hardships due to the insurance company's actions, including the removal of accommodation funding.
- Emotional exhaustion and the impact on her career, her financial situation, and personal life.

Claire felt that her insurance company should have conducted better due diligence at the point of sale, which may have led them to conclude that they couldn't offer cover. Her experience underscores the long-term, compounding harm that can result from delays and poor communication during the claims process—particularly for vulnerable customers.

Mandy Hunt

Mandy discussed her positive experience with a critical illness claim, emphasising the empathy and tailored support she and her husband received from her insurance company. Mandy felt some of the key differentiators with her experience were:

- Prompt and empathetic communication from the insurance company, including calls at convenient times.
- Regular follow-up calls to check on her husband's well-being, providing ongoing support.
- The personalised nature of the support, based on her family's experience and needs.

Mandy believed that lifting the exceptional service experience of lower volume life and critical illness claims to the mass markets (of motor, buildings and contents) could make a real difference to customer outcomes.

Our roundtable participants reflected on what good and poor customer outcomes could feel like and believed that several conclusions could be drawn from the respective experiences:

1. Poor handling leads to poor outcomes

- A lack of communication, or poor communication, can exacerbate the financial and emotional distress of customers when they are at their most vulnerable.
- Prolonged delays in claims management can exacerbate harm, increasing its severity and complexity over time.

2. Empathy and timely support are the bare minimum

- Customers expect that their insurer will empathise with their personal situation at their time of need and be responsive.
- Customers may interact with few direct contacts during a claim, but often engage with several parties throughout the process. This places a burden on firms to ensure the best service in a timely fashion and streamlined communication across all parties to avoid repetitive explanations and added stress for the customer.
- Firms who go above and beyond, for example through the provision of tailored support, are likely to be held in the highest regard.

3. Training and awareness need to be ubiquitous

- Firms must ensure that their staff are equipped with the skills, data, systems and knowledge to be able to identify and support vulnerable customers effectively, recognising that at the point of claim, customers are inherently in a vulnerable position.
- It is important that firms recognise the importance of training colleagues throughout their organisation such that understanding of vulnerability is baked in, from product design, through to sale and claim.
- Continuous professional development will help ensure training remains front of mind.

4. Data and monitoring are essential

- Firms must have robust systems in place to identify and record vulnerability, as well as track and analyse outcomes to understand whether these differ between vulnerable and resilient customers.
- Better data quality will help identify areas for improvement, implement changes and establish the causal chain between data, actions and outcomes.

5. Senior leaders set the tone

- Senior leaders have a responsibility to set the tone for the organisation, so that all staff understand the firm's commitment to supporting vulnerable customers.

Main discussion - driving better outcomes

Scene setting: Andrew Gething & Martin Grimwood

Why understanding vulnerability is so important

The FCA expects firms to clearly understand the nature and scale of vulnerability characteristics within their target markets and customer bases. This understanding forms the critical foundation for effectively supporting vulnerable customers. To operationalise this, firms should follow a structured approach:

Step 1: Identifying vulnerability

Firms must proactively determine which customers are likely to be vulnerable and the specific characteristics of vulnerability within their customer base. Without this clarity, it is not possible to effectively address specific needs. This identification needs to occur consistently at every customer interaction - to improve consistency, firms should adopt objective, standardised methods to categorise and record vulnerabilities, enabling effective internal and cross-organisational sharing of relevant information.

Step 2: Understanding the extent and impact of vulnerability

Beyond interaction-level identification, firms must adopt a proactive, strategic approach, anticipating the potential emergence of vulnerabilities over time within their customer base and determine how these vulnerabilities affect customer interactions with products and services. For instance, firms should build an understanding of how many customers are likely to experience certain vulnerabilities each year, enabling them to proactively embed tailored support into their customer journey from the outset. In practical terms, this broader understanding informs a firm's vulnerable customer strategy, ensuring that at any given point in the customer journey—should a vulnerability arise—a pre-defined solution is already in place to address it.

Step 3: Providing support and adapting services

Equipped with a clear understanding of customer vulnerability and its impacts, firms must develop tailored policies, refine product designs, adjust processes, and enhance communications to meet diverse customer needs. Vulnerability considerations should permeate every level of the organisation—from product development and underwriting to customer service interactions. Ensuring appropriate support includes overcoming common barriers, such as concerns around GDPR compliance.

Step 4: Monitoring customer outcomes and continuous improvement

Finally, firms must rigorously monitor the outcomes of interventions made on behalf of vulnerable customers. Establishing clear, meaningful metrics to track progress and define good customer outcomes is essential to demonstrate a clear causal link between vulnerability identification, strategic interventions, and customer outcomes.

In a speech at the PIMFA Wealth Vulnerability Event (24 October 2024), Graeme Reynolds, Director of Competition at the FCA, reiterated the importance of this approach by reminding delegates of the process the FCA expected firms to follow. He stated that:

***“... the first step is, vital, identifying vulnerability. You can't begin to think about how to deal with vulnerability, how to meet your clients' needs, if you haven't first considered which of your clients might be vulnerable and why.*”**

***... second step... understand how their clients' vulnerability characteristics will impact their needs as they interface with their services.*”**

... third step... provide support and adaptations to make those services work for their diverse clients' needs”

He goes on to say firms should monitor the impact of these interventions on customer outcomes (the causal chain referred to by the FCA).

“... monitor the outcomes for those clients to continually improve their service.”

Panellists' conclusions:

What systems and data processes are required?

A consistent theme was the lack of high-quality management information (MI) and the challenge of joining the dots between data, actions, and outcomes. Many firms are failing to demonstrate the causal chain between identifying vulnerability and achieving improved outcomes. Without this, continuous improvement efforts lack meaningful evidence of success.

Participants emphasised the need for granular, consistent data, and suggested a taxonomy of characteristics and/or harm to underpin the data—an agreed framework for classifying different types and severities of vulnerability and harm.

Data sharing across the insurance distribution chain at either individual or cohort level is expected by the regulator, however a perception that GDPR compliance is a barrier to record and process data is cited as a concern by many firms. That notwithstanding, examples from other sectors such as utilities and frameworks developed in gambling show that GDPR-compliant solutions exist, with customer consent and strong governance as foundations.

Finally, siloed data systems within firms are preventing a 360° view of the customer. Investment in IT infrastructure is essential, but technology alone isn't enough; firms also need clear processes and frameworks for combining and aligning multiple customer data sources to improve customer outcomes. This is essential to provide a more cohesive, end-to-end customer experience so that the customer feels like they are dealing with the same company, throughout all interactions.

What behaviours need to change?

Participants agreed that firms must cultivate an environment where customers feel safe and supported in disclosing vulnerabilities. Many customers hesitate to share their circumstances due to embarrassment, fear of differential treatment, or concerns about policy restrictions. Therefore, clearly communicating the reasons behind firms' inquiries about customer circumstances is crucial to alleviate these fears and build trust.

The roundtable stressed that disclosure is just the starting point, not the end goal. Firms must move beyond identifying characteristics of vulnerability to delivering consistent, meaningful support throughout the customer journey.

Active listening was highlighted as a key skill, requiring frontline staff to move away from rigid scripts and towards empathetic, patient and flexible conversations. Staff must be able to pick up on both verbal and non-verbal cues and, supported by training and systems, have the confidence to act on them.

Relying on staff alone to identify vulnerabilities is a reactive approach and is not sufficient as it typically only covers a small proportion of customers. Firms need to be proactive to understand the characteristics of vulnerability of all customers, not just those who they speak to, volunteer information or submit a claim.

This requires empowerment from leadership and a shift towards a culture that puts the customer ahead of targets.

What capabilities need development?

There are significant training gaps across the profession, particularly for non-frontline staff, who are often overlooked in vulnerability strategies.

Participants agreed that training on vulnerability and empathy need to extend to product design, underwriting and leadership teams, to help them understand the lived experiences of those in vulnerable circumstances to enable the creation of inclusive and accessible products.

There was mention of innovative training methods, such as Virtual Reality (VR), which allows staff to experience the emotional realities of vulnerability first-hand. This can be especially impactful for younger staff who may not yet have the life experiences to draw upon when engaging with customers in vulnerable circumstances.

Training must be ongoing, embedded into company culture, and not treated as a one-off exercise or tick-box compliance activity. Developing continuous professional development (CPD) pathways, informed by evolving best practices, was suggested as a way forward.

Lastly, it's important to note that training alone will not be sufficient; firms need data and systems to manage the data to support the staff, in all areas of identification, classification, monitoring, support and reporting.

What cultural shifts are necessary?

Participants stressed the need for a fundamental cultural shift, where consideration of vulnerability is embedded in governance and strategy, rather than treated as a compliance obligation.

Boards and senior leaders must “walk the walk”—engaging directly with customer experiences and outcomes, not delegating responsibility to compliance or customer service teams. Many firms are stuck in a tick-box mentality and not striving for genuine customer-centricity.

The Senior Managers and Certification Regime (SMCR) was highlighted as a potential lever to drive greater leadership accountability. Participants also discussed how the CII Code of Ethics and professional standards could play a role in setting clear expectations for boards and leaders. While regulation already requires this, the gap between theory and practice remains.

What standards would be desirable?

Participants agreed on the need for clear, consistent standards to guide firms in delivering better outcomes for all customers, especially those in vulnerable circumstances. While current regulation provides the framework and guidance, there is a gap when it comes to practical application, particularly around what “good” looks like in terms of identification, support, and monitoring.

There was discussion on the benefits of having a flexible framework that enables smaller firms to meet the standard while also encouraging larger firms to innovate and lead. In this way, standards wouldn't cap ambition but instead inspire progress beyond compliance.

A suggestion was the development of sector-wide standards that would set out baseline expectations for:

- Vulnerability identification processes
- Training and capability building across all roles
- Incorporation of vulnerability in product and service design
- Monitoring and evidencing customer outcomes

What can be learnt from other sectors?

Participants drew inspiration from other sectors that have made progress in managing vulnerability:

- **Cross-sector registration services:** To ensure consistent support for vulnerable customers, central, independent registers facilitate secure data sharing across different organisations. These systems rely on voluntary registration with a stated aim of allowing individuals to receive tailored assistance without repeatedly explaining their needs, but important differences do exist across these services in terms of what information is collected and shared, the degree of control that users have over what data are shared, and user involvement in deciding which organisations can/cannot access this information.
- **Gambling sector:** Real-time behavioural data analysis and AI are used to promote responsible gaming and protect vulnerable customers; operators use these tools to identify harmful gambling behaviours and implement preventative measures. Firms proactively monitor for signs of harm and intervene before issues escalate. Additionally, the sector has addressed data sharing challenges by implementing responsible data use frameworks.
- **Personal Finance sector:** The Retail Distribution Review (RDR) imposed a standard and had a profound impact on the financial advice profession. Setting a standard enforces expectations and allows others to choose to move beyond any minimum, setting themselves apart.
- **Protection sector:** Improvements in claims outcomes were achieved through a sector-wide focus on customer experience and vulnerability, providing a model for collaborative sector efforts.

Closing remarks & next steps

Matthew Hill, Chief Executive, CII Group

The event concluded with a call to action for the sector to address the challenges identified and improve support for customers in vulnerable circumstances. Participants were encouraged to reflect on their roles and consider how they can contribute to positive change. The importance of collaboration and sharing best practices was emphasised.

In terms of next steps, the CII will follow the publication of this summary with the development of practical guidance for firms across the issues identified. This guidance will help translate the FCA's expectations and the insights from the roundtable into clear actions, helping firms move from principles to practice.

Moreover, the CII will further support the sector by hosting a follow-up session concentrating on data sharing across the distribution chain, a crucial element of Consumer Duty delivery and vulnerability management, as well as a webinar to delve deeper into the key discussions from this roundtable.

The CII remains committed to driving this work forward in partnership with the sector, ensuring that vulnerability is addressed not as a compliance obligation but as a fundamental part of professional standards and ethical practice.



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