



**SERVICE STANDARDS FOR
CONSUMERS WORKSHOP**

2008

BSI Service Standards for Consumers Workshop 2008

‘Vulnerable Consumers’ – Defining Disadvantage – Setting Standards to Support Legislation

Linda Lennard, Consumer Consultant (Facilitator)
Susan Marks, Citizens Advice (Advocate)

Defining disadvantage

The facilitator, Linda Lennard, set out the context for this part of the discussion. She outlined work that she has carried out for the BSI Consumer & Public Interest Unit and for other organisations on consumer vulnerability. In particular, she emphasised the need to develop a better understanding of the factors that cause consumers to be at greater risk of vulnerability and disadvantage. These can affect anyone at any time and might be short or long term in effect, episodic or fluctuating. Consumers could also be put more at risk, or placed at a disadvantage, as a result of providers’ actions or omissions, as well as factors that relate to their own circumstances. Consequently, it was necessary to move away from simple stereotypes of consumer vulnerability and to ensure that consumer protection legislation and guidance more accurately reflected the factors that placed consumers at risk.

Susan Marks, the advocate for the session, set out some case studies which gave rise to discussion of the factors that could cause consumers to be vulnerable or at risk. One scenario involved a blind woman living in sheltered accommodation with no job. On the surface she appeared to be potentially very vulnerable. However, various points were made to question this assumption and it was

agreed that much depended on her individual situation and what support was in place if something goes wrong. The other scenario involved a businessman with his own company and large house. Although he did not appear to be vulnerable, it emerged that he could be, as he had large debts, had suffered a stroke and was separated from his wife.

Key points that emerged from the discussion included:

- Sudden changes in circumstance could be very significant, especially loss of income or other types of financial shock.
- Inexperience could make consumers more vulnerable, e.g. being a first-time buyer, opening a bank account for the first time.
- Complexity of products and deals could make consumers vulnerable.
- Need to be aware of possibly hidden risk factors, such as poor literacy skills.
- The balance of power between providers and consumers contributed to consumer vulnerability.
- Consumers should not have to disclose their own circumstances to show why they needed a particular service or to qualify for assistance. But might have to do so if financial assistance were involved.
- Whether being vulnerable predisposed someone to becoming disadvantaged, e.g., whether more vulnerable to scams and mis-selling. But organisations tended to want to look at actual situations, not potential.
- The need to avoid labeling people.
- The term 'at a disadvantage' gave a wider description and was analogous with the social model of disability.

- Whether consumer vulnerability could be reasonably foreseen.

Possible standard on ‘vulnerable consumers’

The last part of the session focused on the potential need for and content of a possible standard on ‘vulnerable consumers’. An outline was circulated as a basis for discussion, previously developed to assist the BSI Consumer & Public Interest Unit in exploring a possible standard in relation to the regulations under the Unfair Commercial Practices Directive. It was generally agreed that some form of guidance would be useful. Other key points raised by participants included the following:

- The need for clearly laid out procedures to help businesses identify consumers in vulnerable situations, possibly based on a discussion of key risk factors and case studies. But the guidance should avoid too specific definitions and labeling.
- Guidance should outline providers’ obligations and consumer rights.
- Procedures should be flexible and able to adapt to changes in markets and consumer circumstances.
- The need for mechanisms so that services are provided without consumers having to identify themselves as individually vulnerable. It should be the norm for providers to think more about their customer base and consumer vulnerability.
- A standard should be of use to consumers to help them understand what they have a right to expect from providers. Consumer information should be presented in inclusive ways and take account of literacy and language difficulties and be available in non-web-based forms as well as electronically.

- Guidance should also draw attention to business benefits for providers to have a better understanding of consumer vulnerability and of the benefits of providing better and more inclusive services.

Linda Lennard, Susan Marks and Dan Palmer
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