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ADVISERS INCREASE SUPPORT FOR VULNERABLE CLIENTS

- **Nearly three out of four firms have specific rules for advising vulnerable clients**
- **Half of firms train staff to spot signs of cognitive impairment and two out of five monitor for signs of unusual client behaviour**

Advisers are increasing support for vulnerable clients and staff helping them as the sector responds to the growth in inquiries about later life advice, exclusive adviser research from Prudential[1] shows.

Nearly three out of four firms (72 per cent) have specific rules in place for advisers dealing with older and vulnerable clients in response to growing concern about the impact of cognitive decline.

Clients are increasingly making important financial decisions in later life and firms are recognising the need for specialist training to enable advisers to address potential issues – Prudential's research found about half (47 per cent) of firms train staff to spot signs of cognitive impairment.

More than two out of five firms (43 per cent) questioned say they monitor for signs of unusual or concerning behaviour among clients while 14 per cent of firms say they will refer clients showing signs of cognitive decline to specialist advisers.

Rules and procedures being adopted by 42 per cent of firms include insisting that third-parties such as younger family members or legal representatives attend any meetings with clients who are considered vulnerable.

More than a quarter (27 per cent) of firms insist all clients aged 75 and over are seen with a third-party present with 15 per cent imposing a general rule that clients over 80 should have a third-party present.

Vince Smith-Hughes, retirement expert at Prudential, said: "Later life planning is a major and growing part of advisers' business and firms need specific processes to ensure older and vulnerable clients are supported.

"It is impressive that advisers are increasing support for vulnerable clients and are developing processes to protect the interests of older clients including providing training for staff of spotting signs of cognitive decline.

"More, however, needs to be done as it is certain that cognitive decline and its impact on the advice market will continue to grow increasing the responsibility for advisers to respond."

Prudential's research found nearly one in five firms (17 per cent) have no specific processes for dealing with or spotting issues with cognitive decline while 27 per cent of firms say the assess client issues on a case-by-case basis.

Around half (50 per cent) of firms said they already had processes in place to deal with potential issues from older clients managing income drawdown in later life while 28 per cent say they have started reviewing processes given the increase in the use of drawdown following the launch of Pension Freedoms.

- Ends -

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Notes to editors

[1] Research conducted by independent researchers Pollright between June 25th and July 10th 2018 among 101 financial advisers nationwide