

# Medicred Limited

## VULNERABLE CUSTOMERS POLICY

April 2026

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## 1 Introduction

Medicred Ltd (the “Firm”, “Medicred”) is a private limited company registered in England and Wales, with registration number 14696763, incorporated on 1<sup>st</sup> of March 2023. Medicred’s registered address and principal place of business is 6 Eversley Park, London, England, SW19 4UU.

Medicred is currently carrying out unregulated activities of providing unregulated healthcare loans to retail customers in the healthcare industry. Medicred is applying to become a Full Scope Consumer Credit Firm to provide regulated lending services to retail customers. Medicred is also aware of the forthcoming regulation of certain deferred payment credit products from July 2026 and recognises that its currently unregulated loan products will fall within the regulatory perimeter at that point. The Firm is taking this development into account as part of its regulatory and operational planning.

The FCA expects regulated businesses such as Medicred to treat all its customers fairly and proportionately especially when dealing with people with vulnerable circumstances and to take account of those vulnerabilities to ensure that the products and services offered do not cause detriment to the individual.

Medicred meets the needs of customers in vulnerable circumstances with sensitivity, fairness and understanding. Medicred ensures that all staff members are fully aware of and trained on the Policy. Medicred uses data analysis to identify potential vulnerabilities and rely on trained staff to identify and accommodate signs of vulnerability.

Protecting vulnerable customers is an important priority for Medicred. The Firm aims to ensure that vulnerable customers experience positive outcomes as those for other individuals and receive consistently fair treatment when accessing its services.

### 1.1 Purpose

Medicred treats all customers fairly, including those who may be vulnerable due to personal circumstances, in line with the FCA’s expectations under CONC 2.10, FG21/1 and the Consumer Duty. Medicred ensures that vulnerable customers receive outcomes that are as beneficial as those for other customers and are not exposed to additional risk of harm.

Vulnerability may arise from health issues, life events (e.g. bereavement), low financial resilience or reduced capability to understand or manage financial decisions. Medicred does not discriminate against such customers and instead takes proactive steps to support their needs.

Whilst Medicred operates primarily through digital channels, telephone or email support may be offered in specific circumstances, particularly where a customer has been identified as potentially vulnerable. Medicred identifies potential vulnerability via:

- Behavioural indicators including incomplete applications or struggling to meet repayment terms
- Self-disclosure by customers;
- Referrals from healthcare providers; and
- Vulnerability risks or concerns identified through creditworthiness via Creditsafe and affordability assessments using Open banking data during manual reviews.

Medicred ensures that all third-party data processing aligns with UK GDPR and internal privacy controls, particularly where vulnerability flags are derived externally.

When vulnerability is suspected or disclosed, the following actions may be taken:

- Flagging the customer's file in Medicred's CRM, Creatio EMEA Ltd ("Creatio");
- Manual review conducted by trained staff;
- Provide additional written explanation or confirmation of terms;
- Applying more cautious assessment of affordability criteria including vulnerability related expenses;
- Requesting additional verification and documentation to support income and expenditure;
- Apply tailored affordability or communication steps (e.g. simplified documentation); and
- Where appropriate, signpost to authorised advice or support services.

Throughout the life of a credit agreement while customers repay their loans, if a customer faces financial hardship, the Arrears and Forbearance Policy sets out appropriate support options such as revised payment plans or temporary forbearance.

The purpose of this Policy is to ensure that the way Medicred conducts its business does not have a negative impact on vulnerable customers and prevents them from experiencing foreseeable harm.

In this Policy, customers (both current and prospective), people and persons are defined as:

*"all customers as well as individuals within corporate customer relationships, including directors, signatories, ultimate beneficial owners and any other individuals that Medicred comes into contact within its day-to-day business".*

Medicred takes calculated and appropriate precautions when prospecting for customers and then providing services to them once they are an approved customer, to ensure that they are not disadvantaged in any way.

The fair treatment of vulnerable customers is embedded within the Firm's culture. This includes customer-facing activities (customer services/support) but also less obvious areas including when amending an existing service. Protecting vulnerable customers is a key priority for the FCA and an important element of the Consumer Duty. Vulnerable customers may be more likely to experience harm. In many cases, this risk of harm may not develop into actual harm, but if it does, the impact on vulnerable customers is likely to be greater than for other individuals.

## 1.2 Scope of Policy

This Vulnerable Customer Policy applies to all Medicred staff, contractors and relevant third parties involved in the design, delivery or oversight of loan products and services provided to customers. Every individual, regardless of role or seniority, has a responsibility to identify and respond appropriately to indicators of vulnerability and to act in a manner that supports good customer outcomes.

The Firm expects all staff to read, understand and adhere to this Policy. It is essential that staff are aware of how vulnerability may present itself, the potential risks it poses to fair customer treatment and the role each person plays in mitigating those risks in line with the FCA's Consumer Duty.

This Policy forms a core part of Medicred's approach to customer care and ethical conduct and forms part of staff compliance training. It must be read during induction by all new staff whose responsibilities include customer interaction or oversight of customer-related functions. All staff must complete onboarding training and annual refresher training, which will be updated accordingly to reflect changes in regulation, policy or internal practices. The Compliance Officer will monitor the training process, training completion of new joiners and training effectiveness.

Senior Management is responsible for overseeing staff understanding and compliance with this Policy, including the effectiveness of training and communications. This ensures that vulnerability is not only recognised but also embedded into the day-to-day behaviours, decisions and customer outcomes across Medicred. Trends identified that indicate potential customer harm will inform updates to trainings, controls and the Policy.

## 2 Vulnerable Customers

### 2.1 What is a vulnerable customer?

Within FG21/1, the FCA defines a vulnerable customer as “someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care”.

There are many situations and circumstances that may lead to a customer becoming vulnerable. The FCA has identified 4 key drivers which may increase the risk of vulnerability. These are:

- Health – health conditions or illnesses that affect the ability to carry out day-to-day tasks;
- Life events – major life events such as bereavement, job loss or relationship breakdown;
- Resilience – low ability to withstand financial or emotional shocks; and
- Capability – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as language, literacy or digital skills.

Some groups are more likely to display characteristics of vulnerability than others, such as those that are unemployed or retired, those who rent and those with no formal qualifications. Individuals will often display more than one characteristic of vulnerability.

Medicred understands that living with a disability, illness or diagnosis does not in itself make someone vulnerable. In the context of financial services, it is the individual’s situation and barriers to accessing such services that determine their vulnerability. Equally, a person without any disability, illness or diagnosis, for example if they are frail or recently suffered a personal loss.

The Firm has identified several characteristics associated with FCA’s four drivers of vulnerability. These are outlined in Appendix 1.

## 2.2 Identifying a vulnerable customer

Medicred recognises the importance of identifying vulnerable customers throughout the customer journey, so that their needs are correctly addressed and ensure they are not exposed to avoidable potential harm.

The customer may have indicated a vulnerability in correspondence or one or more of the following indicators may become apparent during the digital onboarding process. Risk factors that can help to identify a vulnerable customer include those outlined in greater detail in Appendix 1.

Medicred operates a digital-first, data-driven model supported by human oversight and manual review. Where indicators of vulnerability are identified this will trigger manual review of flagged customer's application.

Vulnerability indicators include:

- Unusual response times to form fields or navigational hesitation that may suggest difficulty understanding or processing information;
- Requests for alternative communication formats (e.g. large text, audio, call, Braille, Easy Read or assisted support);
- Incoherent or inconsistent text input that may indicate cognitive challenges or language barriers;
- Repeated attempts to correct previously entered information, suggesting possible confusion or misunderstanding;
- Use of customer support email to express complaints, concerns, confusion or distress;
- Signs of financial distress or life event changes including loss of employment or missed payments identified in Open Data from Creatio;
- Vulnerability signs identified in the Vulnerability Assessment as part of Medicred's Affordability Assessment such as high gambling activity or use of payday loans;
- Disclosures made directly to Medicred regarding potential vulnerability or need for additional support; and
- Contact from third parties, such as family members, debt advisers or the referring health care provider, indicating vulnerabilities.

These indicators are supported by appropriate escalation route. When a vulnerability is identified or disclosed, including where Medicred's automatic assessments identify vulnerabilities, the customer's case will be automatically flagged in the CRM platform, Creatio. Trained staff will provide tailored support to customers based on the vulnerability indicators. If the vulnerability is identified as part of the customer's initial onboarding, Medicred will conduct a manual review of the application after the customer has passed both the creditworthiness and affordability assessment.

### 2.3 Self-Registering as a Vulnerable Customer

Medicred recognises that some customers may wish to disclose a vulnerability directly rather than relying solely on the Firm to identify indicators through its systems, customer interactions or underwriting process. For that reason, Medicred provides customers with a number of opportunities to voluntarily disclose any vulnerability or support need that the Firm should be aware of.

In particular, before entering into the credit agreement, and alongside the provision of the relevant pre-contractual information and adequate explanations, customers will be given the opportunity to disclose whether there are any vulnerabilities or personal circumstances that Medicred should be aware of prior to entering into the agreement. This prompt is intended to support early identification, encourage informed decision-making and help ensure that customers are treated fairly and with appropriate care before becoming contractually bound.

As part of this process, customers will also be directed to Medicred's dedicated **Customer Wellbeing** section on its website, which explains what vulnerability may look like, how a customer may self-identify as vulnerable, and what support measures may be available. Customers may use the text box provided during the application process to disclose any relevant vulnerability or circumstance they wish Medicred to take into account. Where a vulnerability is disclosed through this route, the application will be flagged and referred for manual review in accordance with this Policy after the specific customer has passed both the automated creditworthiness and affordability assessments.

Customers may also disclose vulnerability or request additional support at any stage of the customer journey through Medicred's available support channels, including:

- **Email:** support@medicred.co.uk
- **Telephone:** 020 3488 4284

Medicred will maintain information on vulnerability and available support measures on a dedicated section of its website. This content will be reviewed periodically and updated where necessary to ensure that it remains accurate, accessible and aligned with the Firm's approach to supporting vulnerable customers. The purpose of this information is to help customers better understand what may constitute vulnerability, to empower them to raise any relevant circumstances with Medicred, and to support fair and appropriate treatment throughout the customer relationship.

### 3 Engaging with Vulnerable Customers

In cases where a customer requests phone support due to accessibility needs or digital exclusion, Medicred staff must adhere to the following protocols when indicators of vulnerability are present:

- Remain patient, empathetic and avoid interrupting the customer and allow them time to process and make informed decisions;
- Speak clearly and at a pace appropriate to the customer's needs;
- Ask questions to check understanding, and encourage the customer to repeat key information in their own words where appropriate;
- Allow the customer to fully explain their situation without making assumptions. Avoid finishing sentences or prompting answers prematurely;
- Listen carefully for signs of misunderstanding, confusion, forgetfulness or emotional distress and document these;
- Provide the customer with multiple opportunities to ask questions, and offer to repeat or rephrase information as needed;
- Offer to pause the application process, allowing the customer time to consider the information before continuing;
- Confirm the customer's preferred communication channel;
- Document all observations and the content of the conversation in the customer's CRM record on Creatio for audit and escalation purposes.

For customers unable to use digital tools, Medicred offers a paper-based application process and telephone support. This verbal interaction protocol is used solely when digital channels are insufficient due to a customer's specific needs and is governed by the same vulnerability identification and escalation procedures as the digital onboarding process. Please refer to Appendix 3 for Medicred's "Verbal Interaction Protocol for Vulnerable Customers".

On request, customers may receive physical copies of agreements, pre-contractual information and disclosures. A dedicated accessibility support line is monitored to provide real-time assistance and accommodate those who are digitally excluded or would prefer to receive support over the phone.

In situations where Medicred is unable to provide a product or service that appropriately meets a vulnerable customer's needs, the firm will make reasonable efforts to:

- Provide clear, and accessible information about why Medicred is unable to assist. This includes providing explanations of declined access to credit or a rejection email
- Ensure the individual is informed about alternative sources of support by directing the customer to reputable third-party organisations (Section 3.8);
- Offer to send details of the recommended alternatives via a communication channel suitable to the customer's needs (e.g. email, post).

Medicred will take all appropriate measures to ensure that vulnerable individuals are not left without support and are treated with empathy, clarity and understanding. Medicred will not proceed with credit arrangements unless the Firm is assured that credit arrangements will not cause any foreseeable harm.

### 3.1 Online Onboarding and Accessibility Measures

Medicred's onboarding process refers to the structured steps undertaken to assess, verify and prepare a customer before entering into a regulated credit agreement. The process is designed to support regulatory compliance, informed customer decision-making and fair treatment, including the identification of customers who may be in vulnerable circumstances and may require additional care or support.

Medicred operates a primarily digital onboarding model. As part of this process, customers are required to provide personal and financial information for identity verification, creditworthiness assessment and affordability assessment through Medicred's approved systems and providers, including Credas, Creditsafe and Creatio. This enables the Firm to carry out its underwriting process in a structured, data-driven and evidence-based manner.

Medicred recognises that vulnerability may arise or become apparent at any stage of the onboarding journey. For that reason, the onboarding process is designed not only to assess the customer's eligibility for credit, but also to identify where a customer may need additional support, adapted communication or enhanced scrutiny before a lending decision is made.

As part of the onboarding process, Medicred will provide customers with a number of measures intended to support vulnerability identification and customer understanding. These include:

- a clear opportunity for customers to disclose whether there are any vulnerabilities or personal circumstances that Medicred should be aware of;
- access to Medicred's **Customer Wellbeing** section on its website, which explains what vulnerability may look like, how customers may self-identify and what support may be available;
- clear customer support routes, including email and telephone contact details, where a customer wishes to raise concerns or request assistance; and
- where appropriate, additional help or reasonable adjustments to support customers in understanding the process and engaging effectively with it.

In particular, before entering into a credit agreement, and alongside the provision of the relevant pre-contractual information and adequate explanations, customers will be given the opportunity to disclose whether there are any vulnerabilities that Medicred should be aware of before the agreement is entered into. Customers will also be directed to the Customer Wellbeing section of the Medicred website so that they can better understand what may constitute vulnerability and how they may self-identify if they wish to do so.

Medicred may also identify potential vulnerability during onboarding through other indicators, including customer behaviour, application anomalies, customer communications, financial stress signals, affordability outcomes, or information obtained through the Firm's wider underwriting and support processes. Where vulnerability is identified or reasonably suspected, the customer's case will be flagged appropriately in Creatio. This applies whether the indicator arises through customer self-disclosure, automated screening, support interaction or other information reasonably available to the Firm.

Where a vulnerability indicator is identified during onboarding, Medicred may take one or more of the following steps, depending on the circumstances:

- flag the application for manual review (given that the customer has passed the automated underwriting process);
- adapt the Firm's communications or provide additional explanation;
- request further clarification or supporting information where reasonably necessary;
- provide the customer with more time to consider the information;
- consider whether any reasonable adjustment or alternative format is required; and
- where appropriate, signpost the customer to relevant support services.

The onboarding process is intended to ensure that customers are able to understand the nature of the proposed credit agreement, engage meaningfully with the process and make informed decisions. Where Medicred is not reasonably satisfied that this can be achieved, or where entering into the agreement may create foreseeable harm, the Firm will not proceed with the lending decision.

Medicred's aim is to provide an accessible and supportive onboarding experience for all customers. Where a customer requires communication in an alternative format (e.g. Braille, Easy Read etc) or additional support due to vulnerability, the Firm will consider what reasonable steps it can take to support that need in a fair and proportionate manner. All relevant vulnerability indicators, disclosures, adjustments, escalations and outcomes arising during onboarding must be documented appropriately in the customer's record.

### **3.2 Recording an individual as vulnerable**

When a customer is identified as potentially vulnerable, Medicred will ensure that a clear and detailed note is promptly added to the customer's record. This record will include the nature and reason for the vulnerability, based on information disclosed by the customer or otherwise reasonably observed, and will be proportionate, relevant and factual.

Maintaining such records is essential to ensure that all staff, regardless of role or point of contact, are able to provide a consistently appropriate and sensitive level of service tailored to the customer's needs. Records will be regularly reviewed and monitored as appropriate by the Compliance Officer, with due consideration given to data protection obligations, including the principles of necessity, proportionality and accuracy.

Consent from customers to record vulnerabilities, including special category data, will be obtained using a structured consent form embedded within the digital onboarding process. For verbal disclosures, consent will be documented via recorded calls or email confirmation. A log of consents will be maintained in Creatio, the CRM system, aligned with UK GDPR Article 9 requirements. Customers may withdraw their consent at any time.

Medicred has strict procedures to ensure that information recorded about a customer's vulnerability is handled with dignity and discretion and is used solely to inform and support fair treatment under the Consumer Duty. Medicred obtains informed consent before recording any details relating to a

customer's vulnerability, particularly where such information constitutes special category data under UK GDPR. Customers are made aware of their rights, the purpose of data collection, how it will be used and their ability to withdraw consent. All records are held securely and only accessible to authorised personnel.

### 3.3 Avoid causing foreseeable harm

Medicred is committed to taking reasonable steps to avoid causing foreseeable harm to customers, particularly those in vulnerable circumstances, throughout the customer journey. This includes harm that may arise through the design, promotion, sale, onboarding, servicing or ongoing administration of its credit products. In line with the Consumer Duty and Principle 12, Medicred recognises that foreseeable harm may arise not only through direct interactions with customers, but also through omissions, poor process design, unclear communications, inadequate support arrangements or the failure to identify circumstances indicating that a product may not be suitable for a particular customer.

Medicred seeks to identify and mitigate foreseeable harm by ensuring that its products, processes and customer communications are designed and operated in a way that supports fair treatment, informed decision-making and sustainable customer outcomes. This includes ensuring that customers are provided with clear, fair and not misleading information, that appropriate support is available where needed, and that credit is not advanced where the Firm cannot reasonably satisfy itself that the proposed borrowing is suitable and affordable in light of the customer's circumstances.

Foreseeable harm may arise, for example, where:

- a customer does not properly understand the cost, risks or implications of the proposed credit agreement;
- a customer in vulnerable circumstances is unable to engage effectively with the onboarding process or access appropriate support;
- a customer is advanced credit that is not suitable or affordable in light of their financial position or personal circumstances;
- communications, disclosures or processes are unclear, inaccessible or do not support informed decision-making; or
- Medicred fails to respond appropriately where indicators of vulnerability, financial difficulty or reduced customer understanding are identified.

Medicred applies a number of controls designed to reduce the risk of foreseeable harm. These include:

- identifying vulnerability indicators during onboarding and throughout the customer relationship;
- providing customers with a clear opportunity to disclose vulnerabilities or support needs before entering into a regulated credit agreement;
- directing customers to the Customer Wellbeing section of Medicred's website, which explains what vulnerability may look like and how customers may self-identify;

- conducting robust creditworthiness and affordability assessments using verified and evidence-based data;
- referring vulnerable or otherwise higher-risk application (manual review triggers outlined within the creditworthiness and affordability policy) for manual review where appropriate;
- providing clear pre-contractual information, adequate explanations and customer support designed to promote understanding;
- considering whether the Firm's products deliver fair value and remain appropriate for the target market;
- keeping vulnerability cases under enhanced monitoring where required; and
- providing appropriate support, reassessment and forbearance where vulnerability or financial hardship arises after the agreement has been entered into.

Medicred recognises that the concept of foreseeable harm is underpinned by reasonableness. The Firm is therefore expected to take action where harm is reasonably foreseeable, having regard to the information it knows, or could reasonably be expected to know, about the customer, the product and the circumstances of the interaction. This includes ensuring that the Firm collects and considers sufficient information to support fair and responsible decisions and does not proceed on the basis of incomplete, unreliable or unclear information where doing so could expose the customer to harm.

Where Medicred cannot reasonably ensure that entering into or continuing with a credit agreement would avoid foreseeable harm to the customer, the Firm will not proceed with the lending decision or will take such further action as may be appropriate in the customer's circumstances. This may include enhanced support, reassessment, tailored communication, signposting to external support services, or the use of suitable forbearance measures in accordance with the Firm's related policies and procedures.

Medicred monitors its approach to foreseeable harm through governance, management information, customer outcomes, complaints, vulnerability case reviews and periodic policy review. The purpose of this oversight is to assess whether the Firm's controls remain effective and whether any changes are required to improve customer outcomes, particularly for customers in vulnerable circumstances.

### **3.4 Enable and support vulnerable customers to pursue their financial objectives**

Medicred "must act to enable and support retail customers (and especially customers in vulnerable situations) to pursue their financial objectives" (PRIN 2A.2.14). This cross-cutting rule is concerned with the financial objectives of the customer in relation to the financial service and applies throughout the customer journey and life cycle of the service.

If Medicred refuses to provide a customer including a vulnerable one with a particular service, it should still consider whether there is information or support it could provide to help the customer pursue their financial objectives. Medicred conducts comprehensive automated underwriting assessment.

This ensures that the Firm is not distributing its services to customers with vulnerable characteristics who would be unsuitable for the loans provided.

Medicred can demonstrate that it meets this cross-cutting rule by:

- Designing/providing lending options with features that are straightforward and easily understood by customers;
- Considering the customer's characteristics to provide tailored communication for the customer to understand Medicred's services (e.g. avoiding the use of jargon, acronyms and technical language).
- Medicred's customer support team is trained to handle customer support requests including non-standard issues, customers with limited credit history or other signs of vulnerability. They will receive training on how to identify, flag and support vulnerable customers;
- Making it easy for customers to find the key information about the Firm's services and to understand any available options through Medicred's website and more specifically through the dedicated FAQ section on key information on lending options;
- Providing information on vulnerable customers on the Firm's website and during the onboarding process, enabling customers to self-identify as vulnerable;
- During the onboarding process, presenting customers with clear and informative pre-contractual information, as well as Medicred's regulated credit agreement before applying for a loan in order to consent to the terms before committing to the relationship; and
- Using its CRM system, Creatio, to test and monitor the impact of the Firm's communications on customer understanding and using the results to improve their communications.

Medicred ensures that credit is only provided where it is appropriate and affordable, including for customers with characteristics of vulnerability. This included conducting automatic, data driven assessments of a customer's creditworthiness, affordability and vulnerability.

As part of its commitment to responsible lending and in line with CONC 5 and the Consumer Duty, the Firm carries out a robust underwriting assessment before approving any loan application.

Where a customer is identified or suspected to be vulnerable, a manual review is conducted by trained staff to assess whether the lending product is suitable and affordable in both the short and long term. This may involve requesting additional evidence of expenditure, increased income verification, considering additional vulnerability related costs or foreseeable changes that may affect the customer's circumstances. In all cases, Medicred ensures that lending decisions do not exacerbate existing financial hardship or lead to foreseeable harm.

Where Medicred is unable to offer a product or service because it would not be appropriate or would risk causing harm, the Firm will still consider whether there is other information, support or signposting it can provide to assist the customer. This approach enables Medicred to support vulnerable customers in pursuing their financial objectives without placing them at undue risk and aligns with the Firm's overarching commitment to delivering good outcomes.

### 3.5 Fair Value

Medicred is actively taking action to ensure that all customers including those with characteristics of vulnerability receive fair value from its digital consumer credit products and services. Medicred assesses fair value not solely on price, but also on the totality of benefits, features and expected outcomes across the entire customer journey.

Fair value assessments are built into Medicred's product design, distribution and ongoing monitoring processes. The Firm ensures that prices are proportionate to the quality and utility of the service delivered and that no segment of the customer base, including vulnerable groups, is disadvantaged due to features they do not need, cannot use or do not fully understand.

In evaluating the fair value of its products, Medicred takes into account:

- The nature and benefits of the product, including digital accessibility, user experience and customer support functionality;
- Any limitations or exclusions that may restrict usability or impact the benefit received by the customer;
- The expected total cost, including fees and charges, in relation to the loan provided and the customer's profile;
- The cost of Medicred's products compared to the wider unsecured prime loan market on the healthcare industry; and
- The characteristics and financial resilience of the target market, with particular attention to how customers with vulnerabilities may experience price and value differently.

Fair value is further assessed through comparative analysis of pricing structures such as risk-based pricing relative to the Bank of England base rate and market benchmarking. Affordability is also a key factor. Medicred ensures that its pricing remains within a range that is accessible to its target market, including those with lower financial resilience.

Medicred's fair value approach ensures that customers, including those in vulnerable circumstances, receive transparent pricing and sustainable credit outcomes in line with the Consumer Duty. Interest is the sole cost of credit, with no additional fees such as arrangement, late payment, or administration charges. There is a simple, fully transparent pricing structure disclosed upfront via the APR, total amount payable, and repayment schedule. Pricing is set to reflect a balanced consideration of operational costs, credit risk, and sustainability, while remaining aligned with mainstream unsecured lending. In addition, the product design supports affordability rather than yield maximisation, with flexible repayment terms of up to 60 months available to reduce monthly repayment pressure and promote sustainable, manageable borrowing outcomes.

Medicred conducts fair value assessments at least quarterly, including a desktop benchmarking review of comparable healthcare finance and unsecured personal loan products available to prime UK consumers. The review indicates that Medicred's proposed pricing sits within, and in many cases below, the typical APR range for comparable risk profiles and loan terms, particularly when the absence of ancillary fees is considered, supporting the conclusion that the product delivers fair value to customers. Adjustments will be made where Medicred's pricing deviates significantly from the market median without corresponding enhancements in features or service levels.

Non-financial benefits considered in the fair value assessment include ease of use of the digital platform, the quality of customer support (including support adjustments for vulnerable customers)

and the ability to access services in alternative formats. Non-financial costs such as the effort required to navigate onboarding or understand key product terms are minimised through clear, accessible communication and optional assisted support.

The Firm has committed to ongoing fair value reviews at least quarterly, and more frequently where MI indicates a potential concern. These reviews will form part of its Consumer Duty governance and will feed into any future consideration of pricing, terms and customer approach.

### 3.6 Mental capacity and customer decision-making

Mental capacity refers to *“a customer’s ability to understand, retain and evaluate relevant information in order to make an informed decision”*. Where a customer’s mental capacity appears to be impaired (whether permanently or temporarily), Medicred staff must proceed with heightened care and sensitivity, ensuring that the customer is not placed at risk of financial harm.

If a staff member reasonably believes that a customer lacks the capacity to make a specific financial decision, they must not proceed with any action that relies on that decision without first taking appropriate steps. This includes flagging the customer’s file as potentially vulnerable and including the relevant details. Medicred may seek to identify whether a third party, such as a carer, attorney under a registered Lasting Power of Attorney (LPA) or a court-appointed deputy, is authorised to act on the customer’s behalf. Staff must verify the authority of any such individual before engaging further.

In certain situations, a family member such as a parent, spouse, or other relative, may be involved to support a vulnerable customer. However, unless the individual has formal authority to act (e.g. via a Power of Attorney or other recognised legal mandate), they are not permitted to make decisions or act on the customer’s behalf in legal or financial matters. Medicred will adhere to relevant legal requirements, including the Mental Capacity Act 2005, and ensure all actions are taken in the best interests of the customer, in line with the FCA’s expectations for fair treatment and Consumer Duty obligations.

Staff must flag and escalate any concerns about a customer’s mental capacity to the Compliance Officer without delay. All decisions and actions taken must be clearly documented in Creatio and customer privacy and dignity must be preserved throughout.

### 3.7 Dealing with customers in financial hardship

Medicred recognises that vulnerable customers may experience financial hardship at different stages of the customer journey. Vulnerabilities linked to financial difficulties may exacerbate physical or mental health issues, life events or other characteristics increasing their risk of harm. The Firm treats customers in financial difficulty with sensitivity, fairness and understanding, in line with its this Policy and Consumer Duty obligations.

Medicred ensures that all staff are appropriately trained to identify and respond to signs of financial hardship. The Firm uses data analysis and manual review as needed to identify potential indicators of distress. Where indicators of vulnerability are present, whether financial, situational, health-related or related to personal circumstances, these take precedence over other risk factors and inform the Firm’s response and decision-making.

Where a customer is identified as being in or at risk of financial hardship through the underwriting process, they will be flagged as vulnerable in Creatio. Medicred' will conduct a manual review of their application prior to making a decision on the loan. This may include stricter consideration of disposable income, inclusion of additional vulnerability-related expenditure, verification of income through Open Banking data and documented evidence, exclusion of temporary or unstable income and consideration of foreseeable changes that may impact ongoing affordability.

Further information on how Medicred assesses a vulnerable customer during a manual review, is explained within a dedicated Manual Review Checklist that trained staff use during the assessment.

Where forbearance is appropriate for a customer experiencing financial hardship, Medicred applies a range of forbearance measures tailored to the customer's circumstances. These may include temporary payment deferrals, reduced repayment plans, term extensions or rescheduling of payments to support sustainable repayment. All forbearance decisions are made on a case-by-case basis following an assessment of the customer's situation.

Medicred will not proceed with credit agreements where it cannot reasonably evidence that a sustainable arrangement can be achieved without foreseeable harm to the customer. In such cases, the Firm will consider alternative support options and may signpost customers to free, independent support services.

Medicred treats customers in financial hardship with dignity, sensitivity and respect, with the aim of ensuring consistent, fair and inclusive treatment across all staff interactions. All support offered is documented, reviewed regularly and aligned with Medicred's obligations under the FCA's Consumer Duty and relevant forbearance guidance.

This section should be read in conjunction with the Firm's Arrears and Forbearance Policy.

### **3.8 Third-party referrals and external support**

Where appropriate, Medicred will signpost customers to free and independent support services. This includes:

- StepChange Debt Charity: Provides free, expert debt advice and support on managing debt and creating sustainable repayment plans. [www.stepchange.org](http://www.stepchange.org)
- MoneyHelper: Offers impartial guidance on money and pensions, including budgeting, saving and managing debt. [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)
- National Debtline: A free, confidential service offering debt advice and practical solutions for managing debt. [www.nationaldebtline.org](http://www.nationaldebtline.org)
- Samaritans: Offers emotional support for anyone in distress or struggling to cope, 24/7. [www.samaritans.org](http://www.samaritans.org)
- Mind: Provides mental health advice and support for individuals facing mental health issues. [www.mind.org.uk](http://www.mind.org.uk)
- Citizens Advice: Free, confidential, impartial, and independent advice on rights and responsibilities, including debt, housing, benefits, and employment. [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)
- Carers UK: National charity for unpaid carers. [www.carersuk.org](http://www.carersuk.org)
- Gordon Moody: Charity providing residential treatment and support for people severely affected by gambling-related harms. [www.gordonmoody.org.uk](http://www.gordonmoody.org.uk).

- GamCare: Provides free, confidential information, advice, and support to anyone affected by gambling harms. [www.gamcare.org.uk](http://www.gamcare.org.uk)

Medicred's staff are trained to recognise when an external referral is appropriate, based on the customer's needs, disclosed challenges or behavioural indicators. Staff are provided with clear referral protocols, including when to initiate a referral, how to sensitively present external support options and how to assist the customer in accessing these services if needed.

Staff training includes practical scenarios and guidance on identifying red flags related to financial distress, mental health, abuse or cognitive barriers and aligning the customer's needs with the most suitable support organisation. The aim is to empower staff to take timely, compassionate and effective action to prevent harm and ensure vulnerable customers are supported holistically.

Whilst Medicred may refer customers to external organisations that provide free and independent support, it does not provide advice or assess the suitability of these services for the customer's specific circumstances.

These third-party referrals are intended to raise awareness of available support options and to enable vulnerable customers to make informed choices about seeking help. Medicred's staff do not offer regulated financial, legal or medical advice, and do not endorse or monitor the outcomes of third-party interventions. Vulnerable customers are encouraged to engage directly with the support organisations to explore the assistance available to them.

## 4 Roles and responsibilities of Senior Management

Medicred's Senior Management holds overall accountability for verifying that the fair treatment of vulnerable customers is embedded across the Firm's culture, strategy and operational decision-making. Medicred's Senior Management is expected to demonstrate proactive leadership in championing good outcomes for all customers, with particular attention to those with characteristics of vulnerability, in accordance with the FCA's Consumer Duty and the principles of the Senior Managers and Certification Regime ("SMCR").

Medicred maintains a clear governance and accountability structure to ensure the fair treatment of customers in vulnerable circumstances and the effective implementation of its Vulnerable Customer Policy.

### **Operations/Customer Support:**

Operations/Customer Support teams are responsible for the first-line identification of potential vulnerability during customer interactions. This includes recognising vulnerability indicators, applying appropriate communication adjustments (such as tone, clarity and channel preference), and ensuring that all relevant information is accurately flagged and recorded on Creatio. They are also responsible for ensuring that customers are appropriately signposted and escalated where vulnerability or financial hardship is suspected.

### **Credit Control/Underwriting Team:**

The Credit Control/Underwriting function is responsible for assessing the affordability impact of identified vulnerability and determining appropriate forbearance measures. This includes ensuring that all decisions are clearly documented with supporting rationale and evidence and conducting enhanced ongoing monitoring of vulnerable customers. The team is responsible for ensuring consistency with the Vulnerable Customer Policy, the Firm's risk appetite and fair treatment outcomes.

### **Compliance Officer/SMF16**

The SMF16, Mr. Giannis Hannadjias, provides independent oversight of the vulnerability framework, including governance of policies, staff training standards and quality assurance of case handling. This role is responsible for reviewing management information, conducting sampling of vulnerability and forbearance cases and ensuring that outcomes align with Consumer Duty requirements. Where vulnerability indicators overlap with potential fraud, financial crime, coercion or impersonation risks, the SMF16 ensures appropriate escalation and application of additional controls.

### **The Board/SMF3s**

The Board and Medicred's SMF3s, Mr Mark Brown and Mrs Rebecca Hubbard, are responsible for approving the vulnerability and forbearance frameworks and ensuring that adequate resources, systems and governance arrangements are in place to support effective implementation. They review management information ("MI") relating to vulnerability outcomes and thematic trends and ensure that any identified risks or issues are addressed appropriately and in a timely manner.

A robust MI framework to monitor the effectiveness of its vulnerability strategy is maintained by Medicred. The data gathered is reported quarterly to the Board by the Compliance Officer and used to drive continuous improvement. MI includes:

- The number of vulnerable customers identified;
- Escalations to the Compliance Officer;
- Forbearance applications granted;
- Vulnerability flags;
- Deferrals and repeat deferrals;
- Arrears roll rates;
- Customer outcome surveys; and
- Complaints involving vulnerability.

Medicred recognises that vulnerable customers may face additional barriers when making a complaint or expressing dissatisfaction. All complaints whether raised digitally, in writing or through phone-based accessibility channels are handled in line with the Firm's established Complaints Handling Policy. Medicred's Compliance Officer is responsible for monitoring complaints involving vulnerable customers, reviewing them for outcome fairness, potential root causes and systemic issues. Complaint data is reported through the Medicred's MI framework to the Board on a quarterly basis and used to inform improvements in processes, staff training and customer support strategies.

Medicred expects all members of the Senior Management team to lead by example, embedding a customer-centric ethos and certifying that vulnerability considerations inform key governance, product and service decisions.

#### **4.1 Staff Training**

Initial and annual refresher training on identifying and supporting vulnerable customers is delivered through the London Governance and Compliance Academy ("LGCA") and is mandatory for all staff in customer-facing and compliance roles. Medicred ensures that staff are being trained efficiently to review digitally flagged indicators as well as respond to customer queries through digital or hybrid channels. The LGCA vulnerable customer training covers:

- FCA definitions and drivers of vulnerability;
- Medicred's procedures for identifying and handling vulnerability;
- Scenarios involving different types of vulnerabilities (health, life events, resilience, capability);
- Practical methods to recognise behavioural indicators in online onboarding and support systems; and
- The ethical considerations and privacy safeguards when handling sensitive customer data.

The Credit Control/Underwriting Department will receive focused training on Medicred's Vulnerable Customer Policy, including the Consumer Duty, use of Creditsafe Open Banking and CRA data with an emphasis on supporting price and value, consumer understanding and vulnerable customers.

The Operations and Customer Service staff receive specific training on customer communication standards, with a focus on recognising and escalating signs of vulnerability. Training will involve the handling of arrears, forbearance and complaints of vulnerable customers.

In addition to LGCA training, the Compliance Officer will provide tailored scenario-based workshops, enabling staff to practice real-world case studies that reflect Medicred's operational context. These include role-play exercises focused on empathetic communication, appropriate escalation and resolution strategies.

Training materials are updated annually or sooner in response to regulatory developments or thematic issues identified through MI. Refresher modules are required as part of the annual attestation process. Completion rates and staff competence are monitored by the Compliance Officer, and additional support and coaching is provided where gaps in understanding are identified.

## 4.2 Review and update of this Policy

This Vulnerable Customers Policy will be subject to a formal review at least annually by Medicred's Compliance Officer, to ensure it remains effective, relevant and aligned with the Firm's regulatory obligations, internal processes and customer outcomes. In addition to the scheduled annual review, an ad hoc review will be conducted where there are material changes in the regulatory landscape, relevant FCA guidance, industry best practice or emerging risks that impact the treatment of vulnerable customers.

Each review will assess the Policy's adequacy in delivering fair outcomes, identify any areas for improvement and incorporate lessons learned from internal monitoring, customer feedback, staff input and complaints data.

Feedback, insights from MI and complaints outcomes are compiled into a formal review report, which is presented to the Board on a quarterly basis by the Compliance Officer. Agreed improvements are tracked through an action plan, assigned to accountable owners and integrated into updated policies, staff training and operational processes. This ensures a continuous feedback loop that drives meaningful improvements in customer outcomes and regulatory compliance.

Responsibility for final approval and sign-off of this Policy rests with Medicred's Board of Directors, who are accountable for making sure that the treatment of vulnerable customers remains a strategic priority and is appropriately governed across all business activities.

All updates to this Policy will be clearly documented, communicated to relevant staff and reflected in any related procedures or training materials as part of the Firm's commitment to ongoing compliance.

Medicred will enhance its monitoring by introducing specific Key Performance Indicators ("KPIs") to assess outcomes for vulnerable customers. These KPIs include:

- Percentage of vulnerable customers receiving alternative format communications;
- Response time from vulnerability flag to intervention;
- Comparison of arrears rates between vulnerable and non-vulnerable cohorts;
- Customer satisfaction scores from post-interaction surveys of vulnerable individuals; and
- Rate of successful referrals to third-party support services.

This data will be reviewed quarterly and presented alongside existing MI to the Board by the Compliance Officer, to help assess the fairness of outcomes and identify systemic risks.

## Appendix 1 – Characteristics associated with the FCA’s four drivers of vulnerability.

Health	Life Events	Resilience	Capability
Physical disability	Retirement	Inadequate (outgoings exceed income) or erratic income	Low knowledge or confidence in managing finances
Severe or long-term-illness	Bereavement	Over-indebtedness	Poor literacy or numeracy skills
Hearing or visual impairment	Income shock (e.g. caused by redundancy)	Low savings	Poor English language skills
Mental health condition or disability	Relationship breakdown	Low emotional resilience	Learning difficulties
Addiction	Domestic abuse (including economic control)	Variable or Seasonal Employment	No or low access to help or support
Dyslexia	Caring responsibilities (including operating a power of attorney)	Non-standard income sources	Customer age, e.g. younger customers being inexperienced in financial matters; older customers not being comfortable with technology
Low mental capacity or cognitive disability	Non-standard requirements or credit history, for instance, armed forces personnel returning from abroad, ex-offenders; care-home leavers or recent immigrants	Self-employment	
Sudden diagnosis is a serious illness to the customer or close family member	Other circumstances that affect people’s experience of financial services, e.g. leaving care, migration or seeking asylum, human trafficking or modern slavery, convictions		

## Appendix 2 – Questions for identifying vulnerable customers at Medicred.

<b>Vulnerability Driver</b>	<b>Specific Question</b>
<b>Health</b>	<p>Do you have a physical or mental health condition, or a disability (including visual or hearing impairment), that may affect your ability to:</p> <ul style="list-style-type: none"> <li>– Understand or remember the terms of a credit agreement?</li> <li>– Communicate with us effectively about your loan?</li> </ul>
	<p>Has a healthcare professional ever advised that you might have difficulties managing your financial affairs due to a condition such as a cognitive impairment or mental health disorder?</p>
	<p>Do you currently rely on someone else (e.g., carer or attorney) to help manage your financial matters?</p>
<b>Life Events</b>	<p>Have you recently experienced any of the following events that may affect your financial situation or ability to repay a loan:</p> <ul style="list-style-type: none"> <li>– Bereavement of a partner or close family member?</li> <li>– Redundancy, income reduction or change in employment?</li> <li>– Divorce or relationship breakdown?</li> <li>– Becoming a full-time carer or taking on power of attorney?</li> </ul>
	<p>Are you currently in a situation involving domestic abuse, financial control or coercion that may affect your financial decisions?</p>
	<p>Have you recently returned to the UK after a period abroad, left care, been released from custody, or experienced homelessness?</p>
<b>Resilience</b>	<p>Is your current household income stable and sufficient to meet your monthly commitments, including this loan?</p>
	<p>Have you used credit to pay for essentials (e.g. food, bills, rent) in the past three months?</p>
	<p>Do you have outstanding credit arrears, County Court Judgments (CCJs), or have you received debt advice in the past 12 months?</p>
	<p>Do you have savings or access to financial support in the event of unexpected expenses?</p>

<b>Capability</b>	How confident are you in understanding and comparing loan features, such as interest rates, repayment amounts and total cost of credit?
	Do you need support reading or understanding financial documents due to: – Low literacy or numeracy? – Dyslexia or other learning difficulties? – English not being your first language?
	Do you find it difficult to use online platforms or digital tools to manage your finances?
	Would you prefer us to explain your loan options to you over the phone or in writing in simpler terms?
	Is there anything else about your personal circumstances, health, finances or ability to manage this process that you would like Medicred to be aware of so that we can support you appropriately?

Each question can be responded to with YES/NO responses and optional free-text for elaboration. The goal is not to discourage customers, but to support early identification and tailored treatment, including potential referral to trained staff, enhanced affordability checks or additional disclosures.

## Appendix 3 – Verbal Interaction Protocol for Vulnerable Customers

This appendix outlines Medicred’s procedures when providing telephone support to customers with accessibility needs or digital exclusion.

Step	Action	Purpose
<b>1. Initial Engagement</b>	Confirm customer’s preferred communication method. Explain the call’s purpose clearly.	Ensure informed participation and consent for phone-based support
<b>2. Communication Technique</b>	Speak slowly and clearly. Avoid jargon. Use open-ended questions to verify understanding.	Promote comprehension and reduce the risk of miscommunication
<b>3. Patience and Empathy</b>	Give the customer time to process. Avoid interrupting or finishing sentences.	Support informed decision-making without pressure
<b>4. Listening for Indicators</b>	Observe for confusion, distress, memory lapses or repeated clarification requests.	Identify signs of vulnerability during verbal engagement
<b>5. Support and Safeguarding</b>	Ask if a trusted individual can support the customer. Offer to pause or reschedule if needed.	Prevent harm and ensure the customer can engage in a way that suits their needs.
<b>6. Post-Call Action</b>	Log all relevant details and observations in the CRM (Creatio). Escalate to Compliance Officer within 24 hrs.	Ensure auditability, enable follow-up and support consistent treatment of vulnerability
<b>7. Alternative Format Offer</b>	Ask if the customer wants written confirmation (e.g. email) of key details discussed.	Reinforce understanding and cater to preferred communication styles

All relevant Medicred staff are trained in verbal engagement with vulnerable customers, including how to apply this protocol, how to handle disclosures and how to ensure fair outcomes.