

Medicred Limited

VULNERABLE CUSTOMERS POLICY

June 2025

Contents

1	Introduction	3
1.1	Purpose	3
1.2	Scope of Policy	5
2	Vulnerable Customers	6
2.1	What is a vulnerable customer?	6
2.2	Identifying a vulnerable customer	7
2.3	Self-Registering as a Vulnerable Customer	8
3	Engaging with Vulnerable Customers	9
3.1	Online Onboarding and Accessibility Measures	10
3.2	Recording an individual as vulnerable	11
3.3	Avoid causing foreseeable harm	12
3.4	Enable and support vulnerable customers to pursue their financial objectives.....	14
3.5	Fair Value.....	15
3.6	Mental capacity and customer decision-making	16
3.7	Dealing with customers in financial hardship	16
3.8	Third-party referrals and external support	17
4	Roles and responsibilities of Senior Management.....	18
4.1	Staff Training	19
4.2	Review and update of this Policy	19
	Appendix 1 – Characteristics associated with the FCA’s four drivers of vulnerability.....	21
	Appendix 2 – Questions for identifying vulnerable customers at Medicred.	22
	Appendix 3 – Verbal Interaction Protocol for Vulnerable Customers	24

1 Introduction

Medicred Ltd (the “Firm”, “Medicred”) is a private limited company registered in England and Wales, with registration number 14696763, incorporated on 1st of March 2023. Medicred’s registered address is 6 Eversley Park, London, England, SW19 4UU and its principal place of business is 725 Fulham Rd, London SW6 5UL.

Medicred is currently carrying out unregulated activities of providing unregulated financial loans to retail customers in the healthcare industry. Medicred is applying to become a Full Scope Consumer Credit Firm to provide lending services to retail customers with limited debt adjusting and debt counselling options.

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 as per its Vulnerable Customer Policy. Medicred ensures that all staff members are aware of and trained on the Policy. Medicred uses data analysis and customer profiling to identify potential vulnerabilities and rely on trained staff to recognise these vulnerability signs during customer interactions.

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 (e.g. incomplete submissions, multiple attempts, irregular Open Banking data);
- Risk or identity flags through third-party tools (e.g. Credas, Creditsafe);
- Self-disclosure by customers or dental clinic referrals; and
- Affordability insights during creditworthiness checks.

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

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

- Pause the application, which involves flagging through a CRM-based (Creatio EMEA Ltd) flag for manual review by the Compliance Officer (procedure followed is listed under section 3.1);
- Provide additional written explanation or confirmation of terms;
- Apply tailored affordability or communication steps (e.g. simplified documentation); and
- Where appropriate, signpost to authorised advice or support services.

In post-lending cases, 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.

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 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 and training completion of new joiners.

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.

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.

Medicred identifies vulnerable customers based on the above drivers through:

- Direct self-disclosure during onboarding or support interactions;
- Observations by staff when contacting a customer through digital means or telephone (section 2.2);
- Behavioural triggers during digital onboarding, including frequent errors, prolonged inactivity or multiple failed attempts.

Some groups are more likely to display characteristics of vulnerability than others, such as those over 75, the 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, so that their needs are correctly addressed.

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 model supported by human oversight and manual review by the Compliance Officer where automated indicators of vulnerability are triggered. These refer to manual review of flagged digital data, secure messaging content or email disclosures and not traditional face-to-face or telephone assessments. Manual observations arise during staff interaction only when triggered by previous digital flagging or customer outreach via email/live chat.

Vulnerability indicators include:

- Responses to structured vulnerability-screening questions embedded within the application process (e.g. health, life events or financial capability);
- 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 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 live chat or secure messaging to express concerns, confusion or request clarification; and
- Disclosures made via email or chatbot that indicate a potential vulnerability or need for additional support.

These digital signals are supported by appropriate escalation routes, including review by trained staff where vulnerabilities are suspected, and tailored interventions such as personalised assistance or further clarification by a human agent.

In accordance with its digital-first model, Medicred recognises that some vulnerability indicators may be observed through non-verbal or indirect customer interactions. These manual indicators typically arise during secure messaging, email correspondence or via phone calls where required to support a customer's accessibility needs. Examples of such observational indicators include:

- Difficulty understanding written responses, such as asking for repeated clarification;
- Expressions of confusion or misunderstanding in secure messages or emails;

- Requests for simpler explanations, repetition or slower response pacing;
- Signs of cognitive or language barriers apparent in written interactions (e.g. incoherence, repeated correction of information);
- Disclosures made through digital communication indicating distress, mental health concerns or support needs.

These indicators, whilst not based on face-to-face or verbal conversation, are still relevant for identifying vulnerability within the digital or hybrid support model. Staff reviewing such interactions are trained to identify these signs and escalate them appropriately.

Appendix 2 includes the relevant questions Medicred asks a customer to identify any possible triggers of vulnerability.

2.3 Self-Registering as a Vulnerable Customer

An individual may voluntarily register themselves as vulnerable by expressing their interest in a written or oral medium, by:

- During the onboarding process by self-declaring as vulnerable
- Email: admin@medicred.co.uk
- Telephone: 020 3488 4284

Medicred will include information on what constitutes a vulnerable customer on a dedicated page on the Company's website (www.medicred.co.uk). This section will be regularly reviewed and updated by the Compliance Officer.

To support early identification, Medicred's homepage will contain a clearly labelled section linking to the "Support for Vulnerable Customers" information. This dedicated page includes FAQs, self-identification guidance and information about available support measures.

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 and empathetic; 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 as part of the vulnerability assessment;
- Provide the customer with multiple opportunities to ask questions, and offer to repeat or rephrase information as needed;
Where the customer may benefit from additional support, ask sensitively if someone can assist them, or if they would prefer to continue the conversation at another time;
- Offer to pause the application process, allowing the customer time to consider the information before continuing;
- Confirm whether the customer is comfortable continuing the communication by phone, or if they would prefer details in an alternative format (e.g., email or post);
- Document all observations and the content of the conversation in the customer's CRM record on Creatio for audit and escalation purposes.

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".

For customers unable to use digital tools, Medicred offers a paper-based application process and telephone support. 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.

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, and what steps the individual can take next;
- 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 method 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.

3.1 Online Onboarding and Accessibility Measures

Medicred's onboarding process refers to the structured set of steps undertaken to assess, verify and prepare a customer for entering into a regulated credit agreement. It is set up in a way to ensure regulatory compliance, support informed decision-making and identify and accommodate customer needs, particularly where there may be indicators of vulnerability.

The onboarding process includes:

- Collection of Personal and Financial Information: Customers provide details required for identity verification, creditworthiness assessment via Creditsafe and anti-fraud checks.
- Creditworthiness and Affordability Assessment: Automated checks via Creditsafe are conducted to determine whether the loan is appropriate and affordable, particularly in light of any disclosed vulnerabilities.
- Provision of Pre-Contractual Information: Customers are issued with key terms and a copy of the full credit agreement to review prior to acceptance.
- Customer Understanding and Consent: Customers must confirm they understand the product's key features, associated costs and their responsibilities and consent to the agreement.
- Accessibility and Support Options: During onboarding, customers are offered alternative communication formats and support where needed to ensure they can engage effectively and make informed decisions.

The process is primarily digital, but manual review is applied where risk triggers are detected or where a customer requests additional support. This ensures that the onboarding journey is compliant, inclusive and tailored to deliver good outcomes for all customers.

Medicred recognises the importance of supporting vulnerability within its digital onboarding procedure. Measures include:

- A vulnerability self-declaration prompt during online onboarding, with assurance of data privacy;
- A prominently displayed "Help" link offering navigation guidance and support; and
- Dedicated FAQ section to guide customers through the process.

All indicators of potential vulnerability identified through automated screening, customer disclosure or staff observation are escalated to the Compliance Officer for review within 24 hours of detection. Escalation is triggered when any one of the following occurs:

- A customer self-identifies as vulnerable or requests additional support;
- Behavioural or system-triggered flags (e.g., prolonged form completion time, repeated information corrections, secure message disclosures) are raised;

- Staff reviewing correspondence detect indicators of cognitive difficulty, emotional distress or impaired comprehension;
- Affordability assessments suggest financial hardship combined with potential vulnerability characteristics.

Upon escalation, the Compliance Officer assesses the case against internal vulnerability criteria and risk thresholds. A case note is created in the CRM system Creatio, documenting:

- The source of the vulnerability indicator;
- The escalation reason and category (e.g., health, life event, capability);
- The action taken (e.g., tailored communication, deferment offer, third-party referral);
- The responsible staff member;
- The review outcome and follow-up plan.

This process is tracked via a case management log and subject to monthly QA sampling to ensure consistency, regulatory compliance and traceability.

Medicred's aim is to provide accessible services for all customers. Where a customer requires communication in an alternative format due to a vulnerability, the Firm will make reasonable adjustments, including but not limited to: large print, audio recordings, Braille, Easy Read formats or interpretation services. Requests for such adjustments can be made at any stage of the customer journey, and staff are trained to recognise and accommodate these needs without delay.

3.2 Recording an individual as vulnerable

When a customer is identified as potentially vulnerable, Medicred will ensure that a clear and respectful 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 updated 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 special category data relating to vulnerability 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 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 aims to avoid causing foreseeable harm to customers during its business activities. The FCA states that firms can cause foreseeable harm to customers through their actions and omissions. This can occur not only when a firm is in a direct relationship with a customer but also through their role in the distribution chain even where their actions or omissions are not the sole cause of harm.

Medicred must take proactive and reactive steps to avoid causing harm to customers through its conduct, products or services where it is in Medicred's control to do so. This includes ensuring that no aspect of their design, terms and conditions, marketing, sale of and support for Medicred's products or services cause foreseeable harm.

Examples of foreseeable harm include:

- Customers are unable to cancel a product or terminate a service that is not right for them anymore because Medicred's processes are unclear or difficult to navigate.
- Products and services performing poorly where they have not been appropriately tested in a range of market scenarios to understand how customers would be affected.
- Customers incur overly high interest rates on a loan because they do not understand the interest rate calculation structure or how it impacts the value of the product.
- Customers with characteristics of vulnerability are unable to access and use a product or service properly because customer support is not accessible to them.
- Customers becoming victims of scams relating to their financial products for example, due to Medicred's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers.
- Customers find it too difficult to switch to a better product or different provider because the process is too onerous or unclear.

As the Duty is underpinned by the concept of reasonableness, Medicred is only responsible for addressing the risk of harm when it is reasonably foreseeable at the time, considering what the Firm knows or could reasonably be expected to have known. This will depend in part on the information Medicred collects as part of its business, and this in turn will depend on the scale, service offering and capabilities of Medicred. However, the Firm must collect enough information to be able to act to avoid causing foreseeable harm.

Medicred has measures in place to mitigate foreseeable harm to customers:

- Customers will be able to terminate their relationship with Medicred at any time if they so wish.
- Due to the complexity of different factors determining interest rates (i.e. credit checks, term of loan, size of loan etc), Medicred will publish them on the pre-contractual credit information provided to a customer prior into entering in a credit agreement in a clear and transparent manner without any hidden charges.
- Medicred also publishes its lending option at a location on the website accessible by all visitors prior to their onboarding with Medicred, thus allowing them to make a measured decision prior to engaging with the Firm.
- Medicred will test any changes to its services to ensure that foreseeable harm is avoided. The Firm will also review regularly its lending options and whether they are suitable for its target market, and periodically identify any new or emerging harms.

With these measures, Medicred can identify any vulnerable customers before any payments are taken and the customer is contractually bound.

Medicred aims to ensure that foreseeable harm is avoided by:

- Understanding and defining its target market in accordance with the Regulatory Business Plan and designing its services so that they meet the needs of the customers;
- Considering whether the interest rates of the loan offering represent a 'fair value' and amending them where Medicred assesses that they are not fair. The 'fair value' assessment will be carried out by comparing the interest rates offered when compared to the rest of the market and by considering customer feedback in relation to the loan offering;
- Having Customer Agreements that are clear, fair and not misleading and that clearly explain any applicable costs for customers;
- Considering customer communication needs during onboarding and then during the lifecycle of the business relationship. Medicred's staff will offer the customer the option to 'opt-in' to the communication channel of their choice (phone, email) where they need to get in touch with a customer to request additional information for their onboarding process;
- Making sure that customers get the necessary 'calls to action' to avoid something that would negatively impact them;
- Testing communications to customers, where appropriate, to ensure that they fully understand the product/service and decide whether they meet their needs;
- Through Medicred's CRM system Creatio, the Firm will be able to monitor all stages of the onboarding process for customers and identify where there are shortcomings in this process;
- Issuing customer surveys to customers, to assist in understanding where the onboarding process and payment services need improvement; and

- When reviewing affordability checks, Medicred will use four levels of risk categorisation: 1) Low, 2) Medium, 3) Higher and 4) High risk based on the score band provided by Creditsafe. If Medicred identifies based on the score table a customer as 'High Risk', the payment will not be processed to protect both the Firm and the customer from potential harm.

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 has systems in place including Credit Checks to ensure affordability for customers. This ensures that the Firm is not distributing its services to customers with vulnerable characteristics.

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.;
- Making it easy for customers to find the key information about the product/service and to understand any available options through Medicred’s website and more specifically through the dedicated FAQ section on key information on lending options;
- During the onboarding process, presenting customers with clear and informative pre-contractual information, as well as Medicred’s T&Cs before applying for a loan in order to consent to the terms before committing to the relationship; and
- Medicred is 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. As part of its commitment to responsible lending and in line with CONC 5 and the Consumer Duty, the Firm carries out robust creditworthiness and affordability assessments via Creditsafe before approving any loan application.

Medicred uses Creditsafe, an FCA regulated credit reference agency, to obtain risk scores and credit data that support informed lending decisions. These assessments help the Firm identify affordability risks and apply appropriate categorisation (e.g., low to high risk), which is particularly important when assessing applications from customers who may be vulnerable.

Where a customer is identified or suspected to be vulnerable, additional care is taken to assess whether the lending product is suitable and affordable in both the short and long term. This may involve applying enhanced due diligence, reviewing discretionary expenditure in greater depth or pausing the application to obtain further clarity or documentation. In all cases, Medicred ensures that lending decisions do not exacerbate existing financial hardship or lead to foreseeable harm.

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 service provided and the customer's profile; 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.

To ensure pricing fairness, Medicred benchmarks its products quarterly against at least three market comparators offering similar digital consumer credit products. Benchmarks are selected based on product type, APR, loan term, customer demographics, and service accessibility. Adjustments are 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.

Medicred's fair value framework is reviewed quarterly by the Board and supported by data-driven analysis of complaints, customer feedback, forbearance outcomes and vulnerable customer interactions (section 4.2) to ensure continuous improvement and regulatory compliance.

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 seeking 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 present 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 escalate any concerns about a customer's mental capacity to Medicred's Compliance Officer without delay. All decisions and actions taken must be clearly documented and customer privacy and dignity must be preserved throughout.

3.7 Dealing with customers in financial hardship

Medicred recognises that customers experiencing financial hardship may meet the definition of a vulnerable customer, particularly where their financial difficulties are linked to, or exacerbate, physical or mental health issues, life events or other characteristics increasing their risk of harm.

Having the FCA's Consumer Duty and its expectations for fair treatment embedded within its processes, Medicred's staff are required to assess each customer's individual circumstances carefully when financial hardship is identified or disclosed. This includes engaging in open and empathetic dialogue to understand the underlying causes of difficulty and tailoring support accordingly.

Where forbearance is appropriate, the Firm will ensure that any relief or support measures are sustainable, proportionate and in the customer's best interests. Staff must consider both the short- and long-term impact of the forbearance option offered and avoid solutions that may lead to escalating debt or further harm. The viability of any arrangement will be assessed collaboratively with the customer, with appropriate checks for affordability and understanding.

Temporary relief, such as payment deferrals or reductions, may be offered where suitable, with clear communication about the implications and follow-up arrangements. All actions taken must aim to reduce the risk of detriment and support the customer's financial recovery.

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
- MoneyHelper: Offers impartial guidance on money and pensions, including budgeting, saving and managing debt. www.moneyhelper.org.uk
- National Debtline: A free, confidential service offering debt advice and practical solutions for managing debt. www.nationaldebtline.org
- Samaritans: Offers emotional support for anyone in distress or struggling to cope, 24/7. www.samaritans.org
- Mind: Provides mental health advice and support for individuals facing mental health issues. www.mind.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).

Mr Giovannis Hannadjias (proposed SMF16 & SMF17) has designated responsibility for overseeing the Firm's approach to vulnerable customers. This includes:

1. Providing strategic direction and support to ensure staff are appropriately trained, resourced and supported in identifying and responding to signs of vulnerability effectively;
2. Taking action to confirm that risks associated with the treatment of vulnerable customers are identified, assessed and appropriately managed across the Firm's operations, products and customer journeys;
3. Overseeing the design and implementation of monitoring frameworks, controls and management information (MI) to evaluate the effectiveness of the Firm's approach to vulnerability and to drive continuous improvement;
4. Ensuring that compliance with regulatory requirements related to vulnerable customers is maintained, and that any issues or trends identified through monitoring, complaints or customer feedback are acted upon promptly and effectively; and
5. Promoting a culture of accountability and empathy, where all staff understand their role in delivering good outcomes for vulnerable customers.

The Compliance Officer will conduct semi-annual thematic reviews of vulnerable customer cases to test policy effectiveness. Reviews will include sampling CRM records, escalation logs, and affordability decisions to ensure regulatory alignment.

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

- the number of vulnerable customers identified;
- escalations to the Compliance Officer (as per the procedure in section 3.1);
- forbearance applications granted;
- 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 (section 4.2) 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 training covers:

- FCA definitions and drivers of vulnerability;
- Medicred's procedures for identifying and handling vulnerability in digital interactions;
- 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.

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.

Guidance on when and how to escalate cases to the Compliance Officer is integrated into both the LGCA course and internal training. 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 and complaints outcomes are compiled into a formal review report, which is presented to the Board on a quarterly basis. 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
- Rate of successful referrals to third-party support services.

This data will be reviewed quarterly and presented alongside existing MI to the Board to 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)		No or low access to help or support
Dyslexia	Caring responsibilities (including operating a power of attorney)		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		
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.

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

Capability	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?

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
1. Initial Engagement	Confirm customer's preferred communication method. Explain the call's purpose clearly.	Ensure informed participation and consent for phone-based support
2. Communication Technique	Speak slowly and clearly. Avoid jargon. Use open-ended questions to verify understanding.	Promote comprehension and reduce the risk of miscommunication
3. Patience and Empathy	Give the customer time to process. Avoid interrupting or finishing sentences.	Support informed decision-making without pressure
4. Listening for Indicators	Observe for confusion, distress, memory lapses or repeated clarification requests.	Identify signs of vulnerability during verbal engagement
5. Support and Safeguarding	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.
6. Post-Call Action	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
7. Alternative Format Offer	Ask if the customer wants written confirmation (e.g. email/post) 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.