



# Customer vulnerability disclosures

Principles for information sharing  
between mortgage intermediary firms  
and lenders

# Context: FCA expectations

The FCA advises that it continues to see some consumers in vulnerable circumstances face challenges when disclosing their additional needs or personal circumstances to their financial services provider.

This includes being repeatedly asked for vulnerability information which can be distressing for consumers involved and can make it harder for them to engage with financial services.

The FCA is aware that services are being developed which enable consumers to disclose their circumstances or needs to multiple firms across different sectors. It also welcomes the work done by individual firms to ensure they can capture and share information across business areas to support consumers in disclosing their circumstances.

However, the FCA recognises that for some firms, there is more to do. Its view is that firms should be considering this as part of their ongoing Consumer Duty embedding programmes, as the Duty becomes “business as usual”.

## Regulatory requirements and guidance

Under the FCA’s [Finalised Guidance \(21/1\) for firms on the fair treatment of vulnerable customers](#), consumers should not have to repeat information to their financial services provider. Firms should put systems and processes in place that support the delivery of good customer service and ensure that staff have the necessary skills and capabilities to recognise and respond to characteristics of vulnerability.

Under [Consumer Duty](#), firms should have systems and processes that support and enable customers with characteristics of vulnerability to disclose their needs (PRIN 2A.7.4G(5)). Firms must also design and deliver support that meets the needs of

customers with characteristics of vulnerability (PRIN 2A.6.2R(1)). The FCA views this as including being able to effectively record information and access this information where it is needed to support the customer.

Additionally, firms must avoid causing foreseeable harm to customers. A customer being asked to disclose their personal circumstances multiple times could have a disproportionate impact on their mental wellbeing and their ability to engage with their provider. The FCA sees this as foreseeable harm that firms must take steps to avoid.

## **Supporting consumers to disclose their needs and circumstances - principles**

UK Finance, working with members and the Association of Mortgage Intermediaries (AMI), the Building Societies Association (BSA) and the Intermediary Mortgage Lenders Association (IMLA), has developed a voluntary principles-based framework for the sharing of customer vulnerability information between mortgage intermediary firms and lenders.

The principles are framed in the mortgages context, and the customer journey from origination via a broker to a mortgage lender, within which a vulnerability disclosure might be made.

The principles also recognise that customers might have a continuing relationship with a broker beyond the mortgage journey in the context of other products and services provided by the lender. This could be, for example, related products or life/income protection/ critical illness insurance – noting that while some such products might not be provided by the lender directly, the broker might source these for the customer via a panel arrangement.

As well as being voluntary, the principles are non-prescriptive and intentionally high-level. They are intended as a broad framework that can help firms supporting customers to disclose their needs and circumstances in a way which meets the regulator's expectations and requirements on "tell us once".

This broad framework aims to accommodate existing and emerging best practice among firms, such as identified in valuable survey work and a November 2024 Industry Insight report [Understanding and disclosing vulnerability: A broker's perspective](#) by Newcastle Building Society and Smart Money People.

The principles recognise that the intermediary-lender channel is dynamic and has a degree of fluidity, meaning that there might not always be a definitive start and end point to the intermediary or lender relationship with the customer.

The principles therefore aim to accommodate this and recognise that it will be for individual intermediary and lender firms to agree the detailed nature and scope of information which they may share and under what circumstances, always having regard to overarching data protection legislative and regulatory requirements.

The intention is that the principles will encourage lenders to be clear about how intermediaries can disclose customer vulnerability to them – through appropriate and consistent channels/ portals/ forms and such like.

It is also intended that the principles will help to assure and reassure intermediaries. Clear communication of the key point that vulnerability disclosures are meant to support customers and will not negatively impact applications or lending decisions, should enable greater transparency and trust.

A note about language - while the body of FCA regulations and guidance in this area generally refer to “vulnerability”, emerging industry practice and use suggests this label can discourage disclosure. It could be that alternatives might be used instead of or alongside “vulnerability” to refer to additional needs/ requirements/ circumstances or customer personalisation.

<b>Principles for sharing customer vulnerability information: broker-lender</b>	
<b>1</b>	<p><b>What, when and how:</b> Lenders should consider ensuring their brokers are aware of and understand their (the lender’s) expectations of <b>what</b> vulnerability information should be disclosed, <b>when</b> it should be disclosed and <b>how</b> to do so.</p> <p>This should include awareness of any portals or forms or other mechanisms the lender has put in place for reporting/ recording such information.</p> <p><b>Why:</b> to improve outcomes for vulnerable customers, and ensure they are no different from others, lenders should consider how they communicate clearly to assure and reassure brokers that disclosure of vulnerability/ additional needs can benefit customers.</p> <p>This is to help address concerns that the disclosure might prejudice an application or lending decision.</p>
<b>2</b>	<p>At the point of mortgage application, the consumer is a customer of the broker and an applicant to the mortgage lender. The applicant becomes a customer of the mortgage lender following completion of the mortgage.</p> <p>Ownership of and responsibility to declare customer vulnerability to the lender during the mortgage application journey will sit with brokers (assuming a customer obtains a mortgage via this channel).</p> <p>Brokers should obtain consent from their customer to share vulnerability information with the lender.</p>
<b>3</b>	<p>Typically, following completion of the mortgage, the broker’s ownership and responsibility to declare customer vulnerability to the lender ends. The ownership and responsibility to support the customer transfers to the lender until the mortgage is redeemed.</p> <p>The broker’s relationship with the customer may, however, continue in the context of other products/ services of the lender or other providers which the customer might wish to access via the broker. In this context, if a broker becomes aware of a customer vulnerability via a different product journey, lenders should consider whether they wish to set expectations/ requirements on brokers to disclose this to them, in line with Principle 1, above.</p> <p>Vulnerability/ additional needs information might be disclosed in the context of this continuing relationship and brokers can disclose this, having obtained customer consent to do so, using the lender’s established disclosure processes.</p>

- 4** Lenders should own and be responsible for any vulnerability information disclosed to them during the mortgage application and following completion of the mortgage (at the point the applicant becomes a customer of the lender) and subsequently for the duration of the customer’s mortgage relationship with the lender.

Lenders should consider and be clear about how they offer support and act on the information disclosed, whether via the broker or directly via the customer.

- 5** Mortgage product transfers would be a continuing lender relationship within which vulnerability/ additional needs information could be disclosed. The same or a new broker might assist with this application. Alternatively, the customer might seek a new mortgage product from a broker, and a new journey would begin.

At the point of application for a product transfer or new product, the broker should consider notifying the lender of the application so that the lender might seek customer consent to disclose vulnerabilities they are aware of back to the broker.

- 6** Both the lender and broker have a joint responsibility in recording vulnerability if made aware by the customer, with vulnerability information shared right from the submission of a mortgage application through to completion.

Customers should be made aware that vulnerability personal data will be collected and stored in line with Data Protection principles.