

## Technology to detect vulnerable client business

By [Carmen Reichman](#)



A software provider is exploring the use of technology for detecting and managing vulnerable clients.

Aptean, which provides complaints software to financial services firms, is investigating whether technology can understand human behaviour to identify all levels of vulnerability and put in place suitable strategies to handle them.

The tools could monitor client approaches or conversations for what they ask and how they ask for it and then alert an adviser to potential issues.

Aptean already provides software which helps financial services firms manage incoming client complaints to ensure they deal with them in a compliant way.

Martin Ellingham, senior product manager at Aptean, said the technology was ready in principle but the development of any meaningful commercial product was still a way off as the underlying data to ensure the product works accurately has not yet been captured and defined.

He said: "Vulnerability is something that affects everyone through their life and regulated firms have a responsibility to treat [clients who are vulnerable] differently to how they normally would.

"Certain artificial intelligence tools might be able to help with some permanent pattern recognition, to identify vulnerable customers from what they want and how and what they say.

"The tools are at a point now where they are mature enough to find the needle in the haystack but we need to get the data to back it all up correctly."

Vulnerability has become a growing concern in financial services with the Financial Conduct Authority (FCA) and Financial Ombudsman Service (Fos) promoting the importance of firms tailoring their customer service to the specific needs of their clients.

But vulnerability has various facets and not all are straightforward to detect.

The FCA defined a vulnerable consumer 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".

It said vulnerability can come in a range of guises and can be temporary, sporadic or permanent in nature.

Mr Ellingham said temporary vulnerability was a particular challenge for most firms.

Unlike vulnerability based on clear disability, such as blindness and deafness, and that arising from age-related conditions or learning disabilities, which was reasonable to detect, temporary states of vulnerability can hit at any time and have the vaguest definition.

It is also an "exceptionally broad category", encompassing a range of personal life circumstances, including debt problems, bereavement, and emotional instability, Mr Ellingham said.

This is where technology could pick up on the slight nuances and add the biggest value.

An industry working group aimed at helping vulnerable consumers in later life was launched by the International Longevity Centre (ILC-UK) in January.

Innovating for Ageing, which is backed by pension provider Just, is currently asking the industry for views on how to help vulnerable clients, with a view to presenting them to a group of experts to solve the practical problems.

The group is to hold an 'innovation sprint' later this year to develop solutions for consumers affected by physical disability, illness, dementia or financial exclusion.

It has provided templates on its website for people wishing to submit ideas.

Stephen Lowe, group communications director at Just, said: "Identification and disclosure are big themes for those people exploring how to provide improved service for people who may experience temporary or permanent vulnerability.

"It's good to see technology companies investing to contribute to this agenda."

But he said training and development of customer facing employees was equally important to ensure the response delivered to the end customer was right.

"Sensitivity and skill in responding are as important as techniques to help identification," he said.

Mr Ellingham agreed staff training was essential. He advised firms to use real life training techniques and deploy quality assurance checks within their business to ensure standards are kept up.

"Unless you've got robust quality assurance checks in place the chances are you are going to miss this," he said.