GREATER PROTECTION FOR VULNERABLE CUSTOMERS THANKS TO SYNECTICS PARTNERSHIP WITH THE VRS

The COVID-19 pandemic has rocked the UK's economy, and with it exacerbated the fragility of a large proportion of the UK population's financial stability. Even before the pandemic struck there was a growing issue with how financial services (FS) companies identity and deal with those who are vulnerable for some time. As we reported in a previous edition of Connect the FCA, as far back as 2015, highlighted that more needed to be done to harmonise the way in which the FS community dealt with financially vulnerable customers.

So, as part of Synectics focus on helping our clients to use shared intelligence to improve how they deal with various risk assessment challenges we recently signed a partnership agreement with the Vulnerability Registration Service (VRS). This ground breaking service promises to significantly help FS companies to be much more informed about various types of vulnerability issue, when customers' accounts and transactions are being risk assessed.

Connect asked, **Helen Lord Director at the VRS**, to give us a short update on some of the developments of the VRS service over the last few months;

Can you explain the VRS?

The VRS is a central and independent database notifying organisations when vulnerable people need their circumstances taken into consideration or where applications, made in their names, should be declined. It is a tool to help companies treat people in an appropriate manner, and adds a defence against fraudulent activity, while working to meet the expectations of the FCA.

> **Thanks to our partnership with Synectics clients using Synectics Data Marketplace can access VRS data via an API**

What have VRS been working on to enhance the database in recent months?

We have recently taken over the provision of the vulnerable data previously held by Cifas. Cifas previously ran the Protecting the Vulnerable service, whereby data was obtained from local authorities, solicitors and estate management companies. This includes information relating to an extremely vulnerable population in the form of Court of Protection Orders, Appointee-ships and Power of Attorneys. VRS has also added flags to highlight where people have fallen into vulnerable circumstances because of the pandemic and where people have accessibility issues e.g. no internet access.

What kind of mechanisms have you been putting in place to allow companies to access this data?

VRS has developed a series of 'sub-flags' in our database to provide additional information where somebody is identified as vulnerable. This is to enable companies to take the right approach when screening their customers. The flags are provided with full customer consent and identify where there is physical disability, mental capacity issue, an impact from life events (such as divorce, bereavement or addiction), or where there is extreme financial difficulty. Our flags have also taken into consideration the views and needs of various FS organisations, regulators, trade associations and stakeholders.

How can FS organisations access this intelligence?

Thanks to our partnership with Synectics clients using Synectics Data Marketplace can access VRS data via an API. This will allow existing Cifas members to continue to receive the information previously obtained through the Protecting the Vulnerable service plus having the added benefit of the additional information held in the growing VRS database. Non-Cifas members will also able to access the information

Any clients who would like to understand more about how the VRS data service might help to improve the risk assessment and customer screening of vulnerable customers should contact Russell Mackintosh (Synectics Head of Partnerships) in the first instance at email: **Russell.Mackintosh@synectics-solutions.com** or call: **0333 234 3414.**