



VULNERABILITY DATA SHARING IN THE UK: A VRS PERSPECTIVE

MAY 2025

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Foreword

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This paper is intended to provide a high-level view on the status of vulnerability data sharing in the UK from a VRS perspective. It is based upon our learnings over the last nine years and our observations of how the vulnerability landscape has developed through our extensive interaction with regulators, charities, government and service providers across most sectors.

At an individual and local level, we have seen a robust appetite to address and manage customer vulnerability effectively and a strong commitment to 'information for good'. This is not always reflected at a corporate or organisational level – we still see a reluctance to embrace vulnerability management and embed it at a strategic or process level.

There is still a lack of acceptance that effectively managing vulnerable customers can happen unless strict, scientific rules are in place. Yet, the nature of vulnerability means that it can be transitory, evolving and subjective. It is a spectrum of unpredictable very 'human' conditions meaning that it is hard to grasp which triggers should initiate the right outcomes or actions. However, we are starting to see trends. The more we collate data, actively engage and cross-disseminate learnings, the more effective we will be.

There is no overall body or unit responsible for the 'rules' of vulnerability management and data sharing. We have multiple regulators with similar, but not identical, expectations. We have central government departments each with its specific focus and goals. There is no central entity to steer or predicate vulnerability data sharing or management and consequently there is a fragmented and siloed approach.

This presents a problem for vulnerable people – and that can be any of us. People in challenging circumstances are typically overwhelmed. This means that they need smooth access to and eligibility for support and to easily understand what options are available to them. If access to support is dispersed among multiple channels, it becomes prohibitive.

"The fragmented approach to supporting vulnerable people and our lack of momentum to address it, is one of the biggest threats our society faces. We are nudging millions over the edge of a precipice to an irreversible financial and mental health crisis, while tampering around the edges to manage a few symptoms."

Helen Lord

The current economic climate alone means that there is no short or medium-term likelihood of the creation of a central government body to address vulnerability and data management data sharing or to dictate what course of action organisations should take in response to different scenarios – that leaves us with high-level regulation and best practice to be translated into procedure. This means that collaboration is essential, and that collaboration needs to be cross-sector.

Effective collaboration places some limitations on competition. We are in danger of inventing a range of vulnerability data sharing solutions – that is just another complication for the overwhelmed consumer. That doesn't mean that organisations cannot provide a customised route into a holistic data sharing solution, nor does it mean that businesses cannot design innovative and competitive solutions for delivering vulnerability data. It just means that an individual should be able to communicate their circumstances in one place and control what they have shared in one place.

We have insufficient examples or precedents of effective vulnerability data management and sharing to accurately quantify the benefits. My personal view is that we are missing a trick for society as whole – we are not efficiently facilitating consumer self-help, we are not tackling the causes of mental or financial distress but rather focussing on the symptoms to the detriment of socio-economic good. We are exacerbating vulnerability by not acknowledging the mental health and debt spiral at an early stage, by failing to support unpaid carers and affected others and by placing barriers in the way of self-help and successful communication by not addressing accessibility issues.

Seeking a rule book with a finite list of 'dos' and 'don'ts' is not feasible. Vulnerability management is still in its infancy. The rule book doesn't exist. We are still learning. But the fear of getting things wrong does not justify inertia. We do have guidelines and regulation and this needs to be supplemented with a large dose of common sense to reengineer corporate processes and procedures, even though dealing with the diversity of human nature may be an alien concept to shareholder value and the bottom line.

“The true measure of any society can be found in how it treats its most vulnerable members.”

Mahatma Gandhi

Ultimately, we need to determine how a customer's vulnerability is relevant to an organisation and focus our attention on that. That leaves something tangible to manage and breaks down the amorphous spectre of the vulnerability challenge. The relevance to a business is generally simpler than we might think and can be broken down into two areas:

- **How is this customer's financial wellbeing affected by their vulnerability?**
- **How effectively are we enabling this person to communicate and engage with us?**

There are already solutions to identify vulnerability in existing customer bases and for prospective customers. There are also solutions to help manage those vulnerable customers when vulnerabilities have been identified. What is needed is for those solutions to be more widely deployed and an acceptance that vulnerability is not a company or a sector issue, it is a social challenge to be solved with a collaborative approach.

Barriers and challenges

To move forward in our quest to make services more inclusive for the vulnerable, to make support more accessible and adapt customer journeys, there are barriers to be overcome. The challenges for all sectors are:

Volume	- how many people in society can be defined as vulnerable and is that number too resource-hungry and unmanageable?
Identification	- how do we determine who is vulnerable and how do we obtain disclosure of that vulnerability?
Authentication	- how can we establish that those claiming vulnerabilities are genuine?
Privacy	- how do ensure that storing and sharing data about vulnerable people complies with data protection legislation?
Engagement	- how can we engage vulnerable individuals, particularly when they are in debt?
Outcomes	- how do we know that we delivering the right outcome and making the right decisions to support vulnerable customers?

Volume

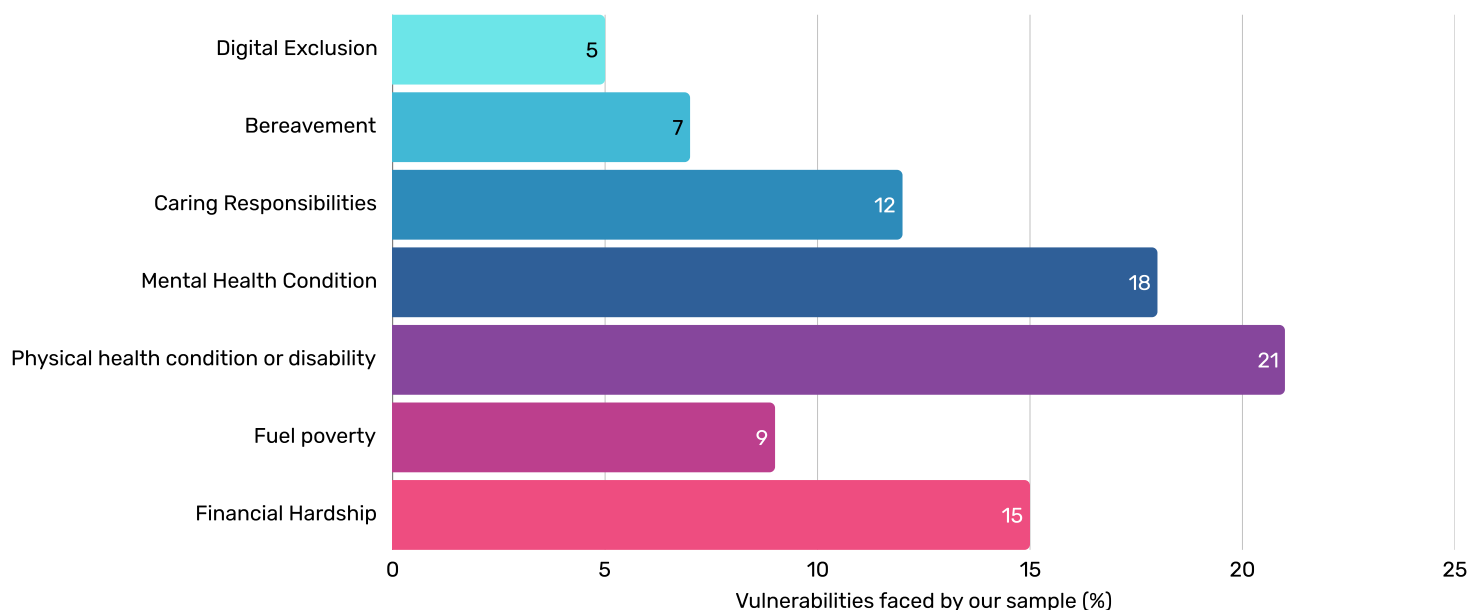
How many of us are vulnerable?

Understanding exactly how many people could be categorised as vulnerable poses a challenge. It is still not unheard of for organisations to claim that vulnerability does not feature in its customer base. More commonly, there is a concern that the sheer volume of vulnerable customers would be too high and mean the investment in resource would mean servicing them will effectively become untenable.

49% of our sample survey said they consider themselves to have one of a selection of vulnerabilities



The below graph breaks down the vulnerable characteristics selected by those surveyed



Research from Maru Group: 'Access & awareness of services for vulnerable people.' April 2025

The Financial Conduct Authority estimated that 24.9 million UK adults, 47% of the population, exhibited one or more characteristics of vulnerability based upon four key drivers: poor health, negative life events, low financial resilience or low capability.

Showing a single characteristic of vulnerability does not necessarily mean that an organisation automatically needs to adapt its behaviours or tailor its customer journey to that individual. An awareness of that characteristic may be important, it may trigger remedial actions in the future, but having an element of vulnerability does not necessarily necessitate action. The fact that over 50% of households (as suggested by Ofwat) may need extra support, does not mean every member of that household is vulnerable.

We need to understand how an individual's vulnerability is relevant to the service they are accessing from an organisation and, it is only then, that the vulnerability needs to be acted upon. To achieve that, we need to understand what negative or disruptive impact that vulnerability may result in, if our

treatment and approach is not adapted.

The key is to gauge if a vulnerability is placing somebody at a financial disadvantage, exacerbating financial hardship, placing somebody at risk, impacting accessibility or communication routes or resulting in a deficient service. It is not responding to vulnerability per se.

While it is important to know the number of individuals struggling with financial and non-financial vulnerability, and the synergies between the two, it can be counter-productive to simply label half of the population as vulnerable. To do so, we are running the risk of diluting the data and insight available to us.

Ofwat states that 52% of households are likely to be eligible for extra support owing to circumstances that make them vulnerable.

Criteria for enrolment on the Priority Services Register includes a household with children under the age of five or an individual over the age of 65. If we take a blanket approach and include all those falling into that category, we are effectively defining vulnerability as a symptom of being alive – having children and aging do not necessarily mean you are vulnerable. To over-define the problem of vulnerability is to the detriment of those who genuinely need specific and targeted support – no organisation can be expected to case manage half of its customers.

Identification and Disclosure

The most vulnerable amongst us are the least able to communicate and share their vulnerabilities or to access help that may be available to them. It is an aggravating factor in the debt and mental health spiral. They are also the people most vulnerable to further harm. We cannot expect those people to always identify themselves and therefore we must look to other sources of disclosure.

Rather than embarking on a non-achievable task of identifying every single person who may be vulnerable, data sharing offers an opportunity to take a more productive approach and perhaps this is where we should focus collaborative and altruistic efforts – for example:

- **The Alzheimer's Society estimates that there will be 1.4 million people suffering from dementia by 2040. That is likely to significantly impact at least one other family member and place them in a position of vulnerability.**
- **2.84 million Blue Badges were held in March 2024 (Blue Badge Digital Database)**
- **In August 2024 over 1.7 million people were claiming Attendance Allowance (gov.uk)**
- **At the end of 2024 Gamstop stated that over 530K UK residents were registered – there are strict limitations on where that data can be shared.**

There are many existing data sources for utilities, financial services, local authorities, central government, insurers and housing providers which would allow them to identify real vulnerability that could pose a risk to their customers. Currently, there is no mandate for that data to be shared cross-sector nor are there mechanisms in place to require signposting to allow the population of those data sets to share their vulnerabilities with service providers.

In addition to collectively signposting or passporting consumers to a single route to voice vulnerability, we can also capitalise on those who can act on their behalf. Where a Power of Attorney provides this authority, we should enable the sharing of data about the vulnerable where appropriate – again, there is no need for repeated disclosure if data is shared.

Where a Court of Protection Order exists because an individual is lacking the mental capacity to act on their own behalf, there is no reason why this should not be shared as a matter of course, in the right circumstances. There is no mandate for local authorities or legal firms to share when a Court of Protection Order is in place – it is only shared when the individual organisation elects to do so.

According to the 2021 Census, 5.8 million people categorised themselves as carers. 1.4 million people were claiming Carers Allowance in August 2023 (gov.uk).

Working on the premise that the most vulnerable in society are unlikely to register themselves on a database or seek help, why would we not proactively engage unpaid carers to ensure that there is a gateway to register those they care for on a central database? Why would we not be targeting unpaid carers to ensure the people they care for are recorded on the Priority Services Register with their energy suppliers? If an individual is claiming PIP, Attendance Allowance, holds a Blue Badge or is claiming Disability Allowance, should we not, as a matter of course, be facilitating their registration on a vulnerability register?

It is unrealistic to always expect somebody to volunteer their personal circumstances over the phone in a debt collection or customer management scenario. There may be a level of suspicion about how that information will be used and the collation of vulnerability data must be accompanied with real clarity and transparency regarding the purpose for its collection.

Self-registration or self-declaration is not



unachievable where the environment is right. Registrants to the Vulnerability Registration Service are registering an average of 6.7 characteristics of vulnerability demonstrating an appetite to share data for the right purposes. People may be more comfortable sharing these characteristics through an online portal which gives them the opportunity to self-manage what they have said and take a considered approach to registration. This is particularly true where those characteristics may be sensitive e.g. addictions, coercion, isolation.

The Financial Conduct Authority has found that firms are less successful in delivering the right outcomes for individuals with multiple characteristics of vulnerability. Management of those customers is hindered if those characteristics remain unknown.

Building a database of vulnerable people is a challenge. There are disparate sources of data, in the isolated instances where they have been collated. There is no regulation to mandate data sharing. There is no regulatory requirement nor is there any overarching governing body. There is sector-specific appetite to share data but no cross-sector organised initiatives. Vulnerability Registration Service has built a database without external funding or investment, without regulatory endorsement and without any data sharing mandate. That has been achieved over a period of nine years, has generated public awareness of 25% and cross-industry awareness largely through collaboration. We therefore have a foundation, a proven model and a populated database (albeit needing to achieve critical mass) providing an opportunity for development to serve vulnerable consumers and businesses.

Authentication

How do we ensure that a claim of vulnerability is authentic? We cannot conclusively judge how an individual's mental, physical or financial well-being is or will be impacted through external factors. We are unable to validate vulnerability on a case-by-case basis. Not everyone will want to disclose vulnerability and others may exaggerate circumstances. We cannot allow vulnerability to be a license to avoid repayment of debt.

We are undoubtedly dependent on a degree of self-declaration and therefore need to appropriately manage the effects of that declaration and consider what the real risk of getting it wrong will be. Taking vulnerability into consideration will not ordinarily result in the cancelling of debt and will only impede the enforcement of a contract in extraordinary circumstances. Instead, the awareness of vulnerability may change communication channels or approach, our method of engagement,

result in an adjustment of terms that a customer can realistically meet, lead that customer to help that may resolve their personal challenges. This is in the interests of the business and its customer and, where there is a spurious claim, the risk is limited to a slightly less vulnerable customer receiving tailored treatment.



What if somebody is erroneously registered as vulnerable? Clearly, we need to put the same appropriate and reasonable safeguards, ensure transparency, security and privacy, into capturing data as we would under any circumstances. Again, we need to assess what the risk of incorrect registration may be and whether there is any likelihood of causing harm. Is there any detriment to the individual if they are somehow classified as vulnerable when they do not consider themselves to be? We need to therefore ensure that the rules around decision making are sufficiently robust to protect an individual, but those rules need to be embedded throughout the vulnerability management journey and are already well established e.g. an individual should not be declined credit or be disadvantaged financially purely because

they are vulnerable, they should not receive inappropriate marketing. The risk to an individual is therefore that they may receive tailored treatment to accommodate their vulnerability when they don't deem themselves to be vulnerable, they should not be disadvantaged, and they have the control to remove themselves from any vulnerability registration.

The value of a reciprocal data sharing model is that it creates layers of 'sources of truth'. An individual or an authorised third party may register themselves as vulnerable. A cross-sector data sharing model then allows for this to be reinforced by that individual's service provider meaning that the individual's registration could be confirmed by their bank, energy providers, local authority, insurer and so on.

Privacy

Concern about data protection compliance is a barrier to data sharing about people's vulnerabilities. It is not surprising that organisations err on the side of caution. The advent of GDPR and subsequent Data Protection Act 2018 put data privacy firmly on the board room table and non-compliance, associated fines and reputational damage, means that it remains a justified priority. Addressing vulnerability does not yet have the same level of regulation and while it is a consideration for any organisation, the need to manage it is often limited to an individual or team of individuals and therefore not embedded in the culture or processes of the organisation.



“Data Protection remains at best a fear factor for vulnerability management, at worst, an excuse for not effectively supporting vulnerable customers.”

The Information Commissioner’s Office provides guidance on when third parties can lawfully share data about individuals in vulnerable situations and yet concerns persist. Data Protection law does not prevent the sharing of vulnerability data provided it is processed in a permissible and transparent manner. However, the path to sharing data about the vulnerable would benefit from further clarity and case studies.

Working on the basis that the most vulnerable among us are the least likely to be able to communicate their vulnerabilities, that they are the most risk of harm, poses a further complication which we have yet to address.

Businesses are generally comfortable with processing data when it is predicated on consent and explicit consent for special categories of data. They are less comfortable with data processing when the conditions rely on legitimate interests and where processing is necessary for ‘substantial public interest’. What is required is a definition of where sharing vulnerability data could fall under the banner of ‘substantial public interest’ because that is not currently defined.

Engagement

Engaging customers is a hurdle for any organisation to overcome, particularly when the customer is in debt. The synergies between debt and mental health are well researched. Arguably, identifying an individual’s circumstances is the first stage in that engagement giving an organisation a foothold to develop discourse, address fears, offer alternative arrangements, solutions and communication routes.

Debt and mental health are a spiral, but it is not the full story. Situations can be exacerbated by unexpected life events, accessibility or physical health. Is the problem always an unwillingness to engage or are we failing to communicate and support in an accessible way and therefore deterring engagement?

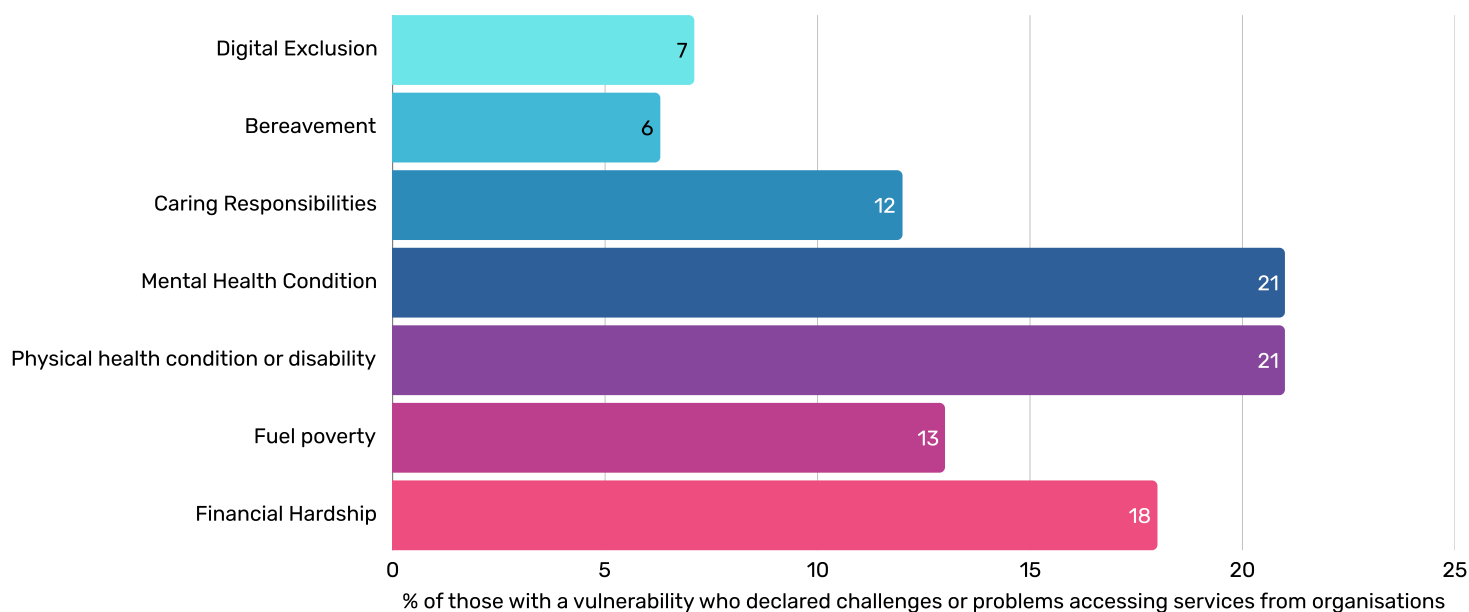
46% of people experiencing vulnerabilities state that they have difficulties accessing services from local authorities, utilities and financial services. This is more prevalent amongst those with mental and physical difficulties.

28% of people said that vulnerability had caused them to fall into debt. 40% of those falling into debt owing to vulnerability felt that it was owing to not being able to access services to help them.

24% of people had avoided contacting an organisation for fear of not understanding what they were being told. .

**MARU GROUP – Access and Awareness of services for vulnerable people,
April 2025**

Do you have challenges or problems when accessing services from organisations?



The recent research conducted by Maru Group on behalf of VRS showed that more traditional methods of communication were preferred to digital routes such as chat rooms. While 10% preferred text, 31% would opt for email and 21% for letter. Individuals who are battling with mental health and life events are likely to want to manage communication in their own time – the immediacy of digital channels can be alarming. We also need to be realistic in our expectations of what customers can digest and consider how easy it for them to onboard what actions they need to take – they may not know what questions to ask or what options are available to them.

- **Around 20 million adults have the numeracy skills of a primary school child (Plain Numbers)**
- **16.4% of adults have low literacy skills (National Literacy Trust)**
- **Over 1 million adults state that they could not speak English well or at all (2021 Census)**
- **Cognitive Impairment is one of the top five vulnerabilities declared to the Vulnerability Registration Service**
- **5% identified digital exclusion as a vulnerability (Maru Group on behalf of VRS)**
- **8.5 million people lack basic digital skills and 1.6 million are unable to access the internet (gov.uk)**

There has been substantial research into the effectiveness of adapting communication channels to improve engagement with customers in debt. If this is overlaid with an understanding of consumers' non-financial vulnerability, engagement can only increase. The assumption that individuals, particularly those in debt, are unwilling to engage is not true in all cases. Since the launch of the VRS Consumer Portal (a portal which allows consumers to register and manage their VRS registration) it immediately saw a 10% engagement rate in revisiting and managing their registration. TransUnion has also identified that 50% of VRS registrants are accessing one or more credit report monitoring products, showing that vulnerable individuals are proactive in managing their financial affairs and have an appetite to improve their credit history.

Engaging vulnerable customers comes with challenges, but we need to provide them with the tools to engage in a way that they can manage, that is accessible to them and does not disproportionately provide an additional obstacle to those who are already overburdened.

Outcomes

The biggest obstacle to managing vulnerable customers effectively seems to be a lack of clarity around what actions should be taken when vulnerability is identified. What action do we take once vulnerability has been established?

The answers are not all there – there will be situations where individuals need managing on a case-by-case basis. However, there is no justification to ignore known vulnerability in customers because we are unable to establish a rule book for the response to every vulnerability scenario.

Organisations will need to invest in reengineering processes and consider their response to different aspects of vulnerability – no regulator or government department will be able to issue a step-by-step guide. There may be no perfect answer to how to manage a victim of economic abuse or somebody struggling with their mental health.

We cannot train an entire workforce to be capable of having a solution to every disclosure of vulnerability. But we can adapt our processes to reflect best practice, and we can respond more effectively if we have access to available sources of disclosed vulnerability. We can also passport customers to appropriate self-help and support even where it does not change our direct customer management – we are leading the customer to a good outcome.

“We want to see firms doing the right thing for vulnerable consumers and embedding this into their culture. Vulnerable consumers should experience outcomes as good as those for other consumers”.

Financial Conduct Authority –
Guidance for firms on the fair treatment of customers 2021

Instead of viewing ‘vulnerability’ as a single problem, it is essential to break it down and to address its component parts while remaining mindful that an individual may have different facets of vulnerability and that the vulnerable are more susceptible to harm.

The Financial Conduct Authority identifies vulnerability as falling into four categories – health, life events, resilience and capability. VRS operates a vulnerability flagging system providing a level of granularity based upon accessibility, financial hardship, life events and health. It now also offers consumers the option to define the support they require because of their vulnerability.

Accessibility

If it is true that people are not always engaging through a fear of understanding or being able to access support, addressing accessibility challenges becomes of paramount importance. We shouldn't underestimate the strides we have already made to dealing with accessibility. Organisational fears around how much it may cost to address these issues may be partly unfounded when we begin to look at what is already in place and consider those existing practices as part wider vulnerability management strategies.

Major banks already typically accommodate customers with hearing and sight impairments offering adjustments such as braille or British Sign Language, ensuring physical access to branches and website accessibility.

Adjustments are varied though, and here is an opportunity to standardise requirements.

An understanding of a customer's accessibility needs will reduce unnecessary communication, create customer confidence and better enable customers to act on communications. This can be achieved simply through a knowledge of what a customer's accessibility needs are and adhering to a customer's communication preferences.



Financial Hardship

We are well versed in assessing a customer's financial wellbeing and driving decisioning. Credit reference data has been available for decades. What we are not experienced in is looking at this data through the lens of non-financial vulnerabilities, identifying the cause and effect of vulnerabilities and adapting treatment according to those circumstances.

We have opportunities to overlay financial data with non-financial vulnerability data, to look at the impact of different vulnerabilities on people's financial well-being, to use vulnerabilities to help us predict potential financial harm and to help prevent it, to understand the correlation between becoming victim to

a fraud or scam and other vulnerabilities, to explore the remedy to the link between financial and digital exclusion, to assess the value of deploying Open Banking into vulnerability management, to identify the reasons why somebody is in debt and to help them to address them.

A cohesive approach to vulnerability management would allow those in financial difficulty to easily access benefit calculators and determine what financial support they are entitled to, through whichever route that vulnerability is identified. If and where individuals are directed in relation to support is currently a lottery and dependent upon which partnerships are in place with the organisation they are dealing with at any given time.

- **Policy in Practice estimates that total unclaimed income related benefits and social tariffs in the UK is £23 billion (April 2024)**
- **Uptake of broadband and mobile social tariffs is 10% (Ofcom – June 2024)**
- **Policy in Practice estimate £5.2 billion of Attendance Allowance is unclaimed**

Health

Of individuals registering that they were struggling with financial hardship, with the Vulnerability Registration Service:

- **38% also cited mental health issues**
- **15% said they had a physical disability**
- **14% disclosed physical health problems**

Mental Health

Mental Health presents a distinct issue in identifying possible support solutions for very a individual vulnerability. It is likely that there will be an element of case management where a vulnerable customer states they are struggling with mental health issues, but it is also possible to separate the factors that are impacting upon a mental health condition and the results of that mental health condition.

We know that there is a close alignment between financial difficulty and mental health, one feeding from the other. The tangible support that can be offered is likely to be in relation to supporting that individual to resolve any financial problems.

“Consumers continue to report challenges particularly if they have multiple characteristics of vulnerability.”

Financial Conduct Authority
Firms Treatment of customers in vulnerable circumstances review March 2025

There are other aspects of vulnerability that are common when somebody identifies mental health difficulties. According to VRS data:

- **38% of those in financial difficulty also cited mental health issues**
- **68% with mental health problems identified at least one additional vulnerability**
- **29% also struggle with financial capability**
- **24% have addiction issues**
- **9% have at least one form of accessibility challenge**
- **55% of those who felt themselves to be at risk of coercion said they also had mental health issues**
- **11% also have some form of cognitive impairment**
- **5% are in a situation where they are suffering from loneliness or isolation**

Physical Health

The support that businesses provide to customers suffering with physical health and physical disability needs to be assessed in relation to their relationship to that business. What might be relevant to an insurer may not be relevant to a gaming company. In February 2024, the Money Advice Trust issued comprehensive guidance in relation to the support that could be given to disabled customers and people in vulnerable situations.

The guide offers over 100 different types of support that can be integrated into processes. The recent survey, conducted by Maru Group on behalf of VRS, showed that 28% of people felt their vulnerability had caused them to fall into debt. 42% of those cited their vulnerability as physical health or physical disability related.



Life Events

We cannot predict a bereavement, a short-term illness or the need for an individual to care for another. We can respond to life events if we are aware of them. We can establish whether they are short-term or long-term, whether they are having an immediate or permanent impact on somebody's finances.

Often a life event will be unexpected which gives an opportunity for a business to support an individual and help them access appropriate support and tailor customer management.

Benefits

How do we justify investment in vulnerability management? What are the cost benefits? Are there any direct revenue opportunities? What is the impact on customer retention?

Vulnerable customer management is still in its infancy and putting a figure against its effectiveness is premature and that leads to a reluctance to invest. Everyone can see the 'human' benefit but that is not yet translating into action. There are 'soft' benefits:

- Enhanced consumer retention and customer confidence
- Improvement in brand reputation

Lack of over-arching legislation or ownership of vulnerability management, the need to view it at a macro level has not yet fully happened. However, there are societal benefits, there are penalties and there are cost savings.

Return on Social Investment:

If we take a couple of examples, the social value of effective vulnerability management is immediately clear:

Unpaid care

According to the 2021 Census, there are 5.8 million unpaid carers in the UK, with 1.7 million providing more than 50 hours of unpaid care a week. Other estimates would suggest the figure is nearer 10 million if it were to include those who would not think to classify themselves as an unpaid carer or would reference other employment instead of caring.

It is estimated that unpaid carers save the UK economy £162 billion annually (Carers UK and the University of Sheffield – May 2023)

Unpaid care is time-hungry, emotionally and physically draining and impacts an individual's ability to earn. To preserve the huge benefits of our increasing reliance on unpaid carers why would we not always facilitate their access to any financial or other support benefits to which they are eligible?



Amalgamated Support

Healthy Homes Solutions has been running initiatives with several utilities to provide joined up support for vulnerable individuals. This has included facilitated registration on the Priority Services Register, benefits eligibility check, registration with the Vulnerability Registration Service, money saving on heating, checks for warm home discounts and broadband social tariffs.

The estimated Social Return on Investment ranges between 1:18 to 1:30.

Fines

We have seen an indication of the size of fines resulting from inadequate treatment of vulnerable customers. Recent fines from the Financial Conduct Authority include:

- **TSB Bank – 10.9 million for failure to treat customers in arrears fairly (between June 2014 and March 2020). TSB has agreed a £105 million remediation program and reimbursed affected customers**
- **Volkswagon Financial Services (UK) – 5.4 million for mistreating 110,00 customers facing financial difficulties including vulnerable customers (between January 2017 and July 2023). £21.5 million was paid in compensation and a new debt-collection model has been implemented.**
- **HSBC UK Bank plc and affiliates – 6.28 million for failing to properly consider customers' circumstances when payments were missed leading to inappropriate affordability assessment and disproportionate actions (between June 2017 and October 2018). HSBC invested £94 million in remediation and paid £185 million in redress to 1.5 million customers.**

Cost savings

Cost saving is business specific but the average customer service call for regulated industries is estimated to cost between £10 and £15. An early identification of vulnerability and early remedial action will clearly save businesses cost at a local level.

In terms of data sharing, we need to quantify what is the cost to each organisation, including utilities and the Priority Services Register, operating its own vulnerability model to identify its customers. What would be the cost savings on using data in the public domain, those already claiming benefits, to drive vulnerable people to relevant support in other sectors rather than creating discreet database?

We are a long way from fully exploiting the opportunities presented by data sharing and therefore a long way from determining its cost savings.

Vulnerability Registration Service (VRS)

The Vulnerability Registration Service was founded in 2016 to provide a single route for consumers to inform their service providers of relevant vulnerabilities. VRS data enables companies to manage customer interactions while taking those vulnerabilities into consideration, enabling them to adapt customer journeys, interactions and tailor products.

VRS sources data directly from individuals or those authorised to act on their behalf e.g. Power of Attorney. Organisations can act as conduit to share data. These include financial services, energy providers, local authorities, debt management, estate management and charities. VRS has also developed an extensive network to raise awareness and signpost individuals to the service to reach people with a diverse range of vulnerabilities.



The VRS model has adopted a flag-based approach to allow organisations to obtain a holistic view of their customers and to provide context to financial hardship. Individuals can select any number of vulnerability flags that are applicable to them. The flags provide granularity but can be broadly categorised as life events, health, financial or accessibility related and can be mapped or adapted to existing sector or company-specific vulnerability specification models.

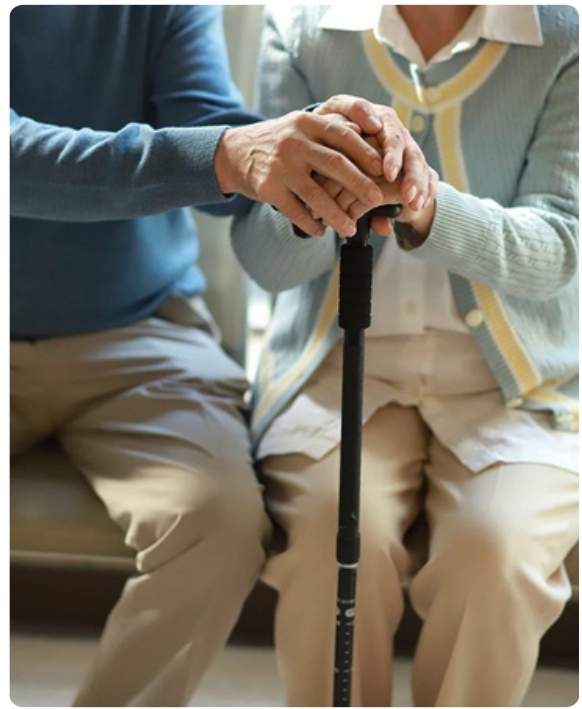
Once an individual identifies with an aspect of vulnerability, VRS provides them with options to communicate that support or action they are seeking from an organisation, furnishing businesses with an understanding of the outcomes their customers are seeking. Firms can



monitor their success by a comparison between the outcomes achieved and the need expressed by their customer.

VRS also acts as a vehicle for individuals to access and identify help while registering or managing their vulnerability registration with the aim of streamlining a vulnerable individual's need to have multiple interactions with different companies and to highlight what support and options are available to them. The VRS Consumer Portal has been developed to allow consumers to access benefit calculators, relevant websites and support services while registering vulnerability.

VRS has been developed as a cross-industry service so that organisations from all sectors can use the data, the individual is able to communicate with all their service providers through one route and, through data sharing, businesses can benefit where another company has identified vulnerability in its customer.



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