

Financial difficulty

Customer outcome: business customers in financial difficulty, or in the early stages of the collections process, will receive appropriate support and fair treatment, in order to help them deal with their debt(s) in the most suitable way.

Firms will achieve this: with systems and controls that are capable of identifying and, subsequently, supporting business customers in financial difficulty. Firms should be able to demonstrate that a sympathetic and positive approach has been applied when considering a customer's financial situation.

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1. Firms should have triggers and processes in place to help identify customers who may be in financial difficulty and should act promptly and efficiently to address the situation with the customer.
 2. Firms should have appropriate policies and procedures in place to identify and support vulnerable individuals⁴ within a business where this impacts on the customer's ability to pay.
 3. Customers identified as being in financial difficulty should be contacted and provided with clear information setting out the support available to them, the next steps and where relevant, with any action they are required to take. They should not be subject to harassment or undue pressure when discussing their financial situation.
 4. Firms should demonstrate an empathetic approach to the customer's situation; listening to and acting upon information provided by the customer with a view to developing an appropriate solution.
 5. If, after exploring all the options open to the customer, it is clear that recovery of the asset is required, the Firm should ensure that the customer is provided with clear information as to what this entails.
 6. Firms should seek to ensure that any recovery agents acting on their behalf demonstrate appropriate levels of conduct and deal with the customer in a professional and open manner.
 7. Firms should apply an appropriate level of forbearance where, if after having made contact with the customer, it is clear that this would be appropriate for their situation.
 8. If a Firm is aware that a customer is, or suspects that they are, in financial difficulty but is able to maintain their borrowing commitments to the Firm, the customer should be given the opportunity to take action to turnaround the business.
 9. Firms should work with and support a customer's turnaround plan where the Firm believes that it has a good chance of succeeding.

⁴ A person who, when taking into account information available to the Firm about the how the business is structured and operates, is able to exert significant control over the way in which it is run.

10. If a Firm is unable to support a turnaround plan, the customer should be notified of the reasons why and given a reasonable period of time to consider the options open to them.
11. Firms should guide the customer to appropriate advice which reflects their circumstances and level of borrowing. Where appropriate and available, the customer will be signposted to a third party offering free, impartial debt advice.