

The FCA Consumer Duty in Practice

Treating language as a vulnerability
and the duties that implies



Summary

KEY TAKEAWAY

Language support is essential for meeting the FCA's Consumer Duty standards and delivering fair, inclusive service. On-demand interpreting provides a practical, cost-effective solution.

FCA Consumer Duty principles require firms to act in good faith, avoid foreseeable harm, and enable customers to pursue financial objectives. It is not possible to meet these requirements without delivering clear, accessible communication tailored to customer needs, including vulnerabilities. Limited English proficiency is recognized as such a vulnerability under FCA guidance.

Firms must therefore ensure customers can understand information and make informed decisions. Scottish Widows' partnership with Clear Voice, through which on-demand interpreters are available for over 260 languages, is an example of best practice. This approach is cost-effective and improves case resolution and satisfaction.

The highest quality interpreting encompasses more than the language itself; it encompasses cultural awareness, empathy, and knowledge of UK financial products. Firms should vet providers for qualifications, DBS checks, and UK-based expertise.



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The Language of Effective Communication

According to the UK's [2021 census](#) covering England and Wales, some 8.9% of residents reported that English was not their main language. That's around 5.1 million people, of whom some 20.2%, or over 1 million, either can't speak English well, or can't speak it at all.

What does this mean for firms such as the UK's leading retail banks, insurers and pension providers, who are now governed by the Financial Conduct Authority (FCA) [Consumer Duty](#) regulations?

As we'll show, it almost certainly indicates that providing service and customer support in English only will likely fall short of the mark.

For example, many of those who don't have English as their main language will struggle to understand documents containing legal phrases, terms and conditions, or other complex information relating to policies or accounts. They may also fail to grasp the true meaning of language used by a telephone advisor, even if that language is considered 'simple'¹ by a native English speaker.

Looking at the requirements of the FCA Consumer Duty, this means that a significant number of UK residents have a reasonable expectation that they should be supported with relevant information in their native language, by the firms with whom they have a relationship.

Putting it simply, one language doesn't fit all. Simply offering English only

1. See page 75 (clause 8.13) of the FCA's [Finalised Guidance: FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty](#) on 'simple' communication.

information, advice, or guidance may not meet the benchmark set in the Consumer Duty.

What Does Consumer Duty Guidance Say?

The fundamental Consumer Principle of the Consumer Duty requires firms to ‘act to deliver good outcomes for retail customers’.

Three cross-cutting rules set out how firms should do this, requiring them to:

- Act in good faith towards their customers
- Avoid causing customers foreseeable harm
- Enable and support customers to pursue their financial objectives

Additionally, there are four outcomes setting out more detailed expectations for the conduct of firms with respect to:

- Products and services
- Price and value
- Consumer understanding
- Consumer support

It’s the two outcomes of consumer understanding and consumer support that we’re interested in, when it comes to serving customers who have a limited capacity to understand, or communicate in, English.

Special Attention Is Owed to the Vulnerable²

The **consumer understanding** outcome expects firms to:

- Ensure that their communications meet the information needs of customers, are likely to be understood by them, and will equip them to make timely and properly informed decisions
- Tailor communications to the characteristics of intended customers – including any characteristics of vulnerability
- Take particular care when communicating with consumers in vulnerable circumstances and follow the [guidance for firms on the fair treatment of vulnerable customers](#)³

In other words, firms are expected to communicate with customers *effectively*. And it's abundantly clear that the primary measure here is that the customer is able to *understand* the information provided.

The consumer understanding rules apply at every stage of a product or service lifecycle (from marketing to sales and post-sales) and to *all* communications, whether verbal, visual or in writing, regardless of the channel used.

That said, firms aren't required to tailor literally every piece of communication or information for every product or service to always meet every single individual need. They are expected to:

- Always act in line with the standard that could reasonably be expected of a prudent organisation that understands the needs and characteristics of its target customers
- Recognise where it's evident that a customer requires specific

2. In this section we've extracted from, simplified and shortened a variety of points from the FCA's [Finalised Guidance: FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty](#), including 8.4, 8.32, 8.5, 8.37, 1.4, 9.4 and 9.13-16.

3. PDF at <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

information or further explanation, for example during dealings on a one-to-one basis, and act reasonably to provide information in a way that the customer is likely to understand

The **consumer support outcome** delves deeper into how firms should provide support to customers to help them use the products and services they've bought.

As the guidance notes, this outcome has a close relationship with the consumer understanding outcome. Together, they count on firms to help customers make good decisions (based on an adequate understanding of the product or service) and then act on their decisions without facing unreasonable barriers (through effective support and communication).

In addressing the consumer support outcome, the guidance reiterates the expectation that firms will take reasonable steps to meet the needs of customers with characteristics of vulnerability.

One of the good-practice examples given is of a bank that offers access to British Sign Language (BSL) interpreters, either in-branch via an app on branch tablets, or online via a website link.

Limited English skills as a vulnerability

Even without specific language in the guidance relating to 'limited English proficiency' (a common-sense term used by the FCA⁴) it seems clear enough that the Consumer Duty would expect firms to take reasonable steps to help a customer if they suspect that the customer may not be able to understand critical information provided in English, as they research, buy or use a financial product.

While the Consumer Duty guidance doesn't specifically mention English language skills, the example relating to BSL is pertinent. The purpose of offering information via BSL is to overcome a language barrier, which is the

4. See <https://www.fca.org.uk/publications/good-and-poor-practice/consumer-support-outcome-good-practices-areas-improvement>

same barrier faced by those who struggle with English but speak fluent Polish, Romanian or Punjabi (to take just three examples).

Furthermore, an [FCA update on good practice](#) relating to the consumer support outcome⁵ refers to a firm that identified different characteristics of customers, such as and including limited English proficiency, and adapted its support processes to ensure that such customers do not experience worse outcomes.

Table 1: Characteristics associated with the 4 drivers of vulnerability⁶

Health	Life events	Resilience	Capability
Physical disability	Retirement	Inadequate (outgoings exceed income) or erratic income	Low knowledge or confidence in managing finances
Severe or long-term illness	Bereavement	Over-indebtedness	Poor literacy or numeracy skills
Hearing or visual impairment	Income Shock	Low savings	Poor English language skills
Mental health condition or disability	Relationship Breakdown	Low emotional resilience	Poor or non-existent digital skills
Addiction	Domestic abuse including economic control)		Learning difficulties
Low mental capacity or cognitive disability	Caring responsibilities		No or low access to help or support

The Consumer Duty guidance also references [the guidance for firms on the](#)

5. FCA, *Consumer Support Outcome: good practices and areas for improvement* (<https://www.fca.org.uk/publications/good-and-poor-practice/consumer-support-outcome-good-practices-areas-improvement>)

6. This table is replicated from the FCA’s FG21/1 guidance, with additional styling (<https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>)

[fair treatment of vulnerable customers](#)⁷ a good half-dozen times. And this guidance does mention ‘poor English language skills’ as a characteristic associated with vulnerability.⁸

It’s Time to Break Down Language Barriers

There’s little doubt, then, that firms should be taking language barriers into account when ensuring that customers can make effective, informed and timely decisions, and when providing them with necessary support.

Many are already doing so, including Scottish Widows, part of the Lloyds Banking Group. [They note that struggling with English is an example of a vulnerability](#) in people’s capabilities. And according to Lloyds Banking Group data, gathered from millions of customers, ‘capability’ (as a category of characteristics) is the group’s second most common driver of vulnerability.

Having identified and recognised the language issue, Scottish Widows is also doing something about it with its English Not First Language initiative. This includes a partnership with Clear Voice, which provides contact-centre staff with quick and simple access to interpreters, as and when they need it. With over 260 languages supported, the service covers almost every linguistic requirement.

Good Practice to Meet Consumer Duty Standards

As illustrated by the Scottish Widows example, it doesn’t have to be complicated or costly to step up to the challenge of breaking down language barriers.

Through its Clear Voice partnership, the company has access to professional,

7. FCA, *Consumer Support Outcome: good practices and areas for improvement* (<https://www.fca.org.uk/publications/good-and-poor-practice/consumer-support-outcome-good-practices-areas-improvement>)

8. Note that in this guidance, the four drivers are independent of one another and not mutually exclusive (more than one might apply). And within each driver, the characteristics of vulnerability are also independent and not mutually exclusive.

qualified, and DBS-vetted interpreters. Costs are typically based on a pay-per-use model, so it's not at all onerous to meet the standards set by the Consumer Duty guidance.

If language is, or has the potential to be, an issue for your audience, there's an obvious expectation for you to respond in line with the standards outlined in the Consumer Duty. An on-demand interpreting service will help you do so quickly and cost effectively.

You'll also reap the benefits of effective communication. Data from the Lloyds Banking Group has shown significant improvements in case management and resolution numbers, while there are also reputational rewards to be gained, as word of mouth recommendations about firms that offer a good service tend to spread quickly through communities with a high proportion of non-native English speakers.

Specialist Language Support Is Key to Success

Many language services providers offer on-demand interpreting services, and can provide good service levels when it comes to the 'mainstream languages of French, Spanish, Italian, German, Portuguese, Japanese, Chinese, and so on.

But that's not the demographic that many UK firms face when considering vulnerability by limited proficiency in English. The reality of post-war demographic change in the UK means that a firm needs to be able to communicate effectively in languages that originate in Eastern Europe, the Middle East, the Indian sub-continent, the Far East, and Africa. Not all interpretation service providers have sufficient access to such linguistic skills.

And it's not just about language. Interpreting is a distinct skill set, which varies by application. An interpreter that is highly experienced in supporting multi-lingual conferences is unlikely to have the skills necessary to deliver a good experience for a vulnerable consumer whose native tongue is Urdu and

who is struggling to grasp the terminology used in financial products. And, at the same time, meeting the expectations of the advisor on the other end of the line.

It's not an easy task and in addition to language skills, it requires an understanding of the situation of both people on the line, an empathetic approach that seeks out and establishes mutual understanding, some knowledge of the likely social and cultural context of the customer, plus a good grasp of the services being discussed and the way that financial services are marketed, sold and supported in the UK.

The latter point is important, as offshore providers, or interpreters who are based overseas, may well encounter difficulties when trying to build understanding about financial products, when they themselves lack experience of how those products are structured and delivered for UK residents.

It's worth repeating that this is not an easy thing to do!

And as a final point, given that a customer's personal details and circumstances may well be disclosed, it's worth asking a potential supplier how they manage and treat their linguists. Are they all qualified to the right standard? Are they UK based? Have they been DBS checked and verified? All questions worth asking.

And as relevant information and communications cover more than the spoken word, a supplier that can provide both interpreting and translation services may well be helpful.

Every financial organisation is different, and services should be tailored to suit specific needs, so it's worth spending some time and effort to seek out a supplier that can help you ensure that none of your customers are left behind.

Whether you're ready to act or just want more information about breaking down language barriers, [let's talk](#).