

# SOCIETY matters



## Customer vulnerability

Supporting people in the finance sector

**Interview**

Capturing the heart and mind of the customer; an interview with Linda Moir  
**pages 6 & 7**



**Special**

Financial abuse: Supporting victims  
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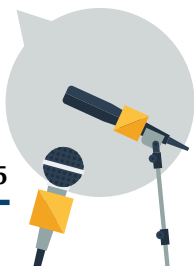
**Special**

Vulnerability: Through the eyes of 'The Bipolar Businessman'  
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**Interview**

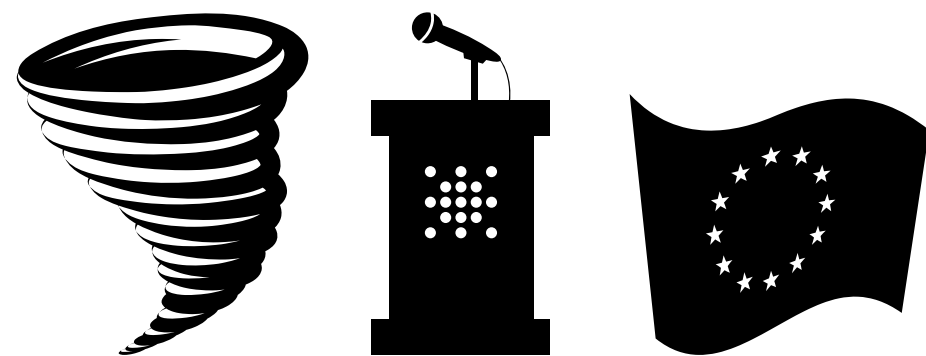
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# Hello and welcome to the Summer edition of **Society Matters**



As the interim editor of this edition, I am simultaneously saying hello and goodbye as my five months of temping come to an end.

**A**s sad as I am to be leaving the BSA and the lovely people in the team, it is a bittersweet goodbye as after a lengthy search, the brand new Press & Publications Officer has finally been found. Amy Harland, the future editor of this magazine, is very much looking forward to taking over from Victoria and moving onwards and upwards from her achievements. I will be stepping across into a Marketing role elsewhere.



this subject, concluding with a brave and inspirational piece by Thomas Bell, a successful businessman who now dedicates his time to raising awareness of mental health through his open and honest blog 'The Bipolar Businessman'. We hope that this special feature takes the technical back to its source, real life and real people.

Enjoy!

**Katie Benham**  
Interim Society Matters Editor

My time at the BSA has been a whirlwind of information and one thing that has struck me is that in the financial services sector, change happens quickly. I was fortunate enough to attend this year's annual BSA Conference which naturally forms a key part of this issue of Society Matters. While there are plenty of things we don't know, like what comes next after the EU Referendum, there are other parts of the future that we can see more clearly. Hearing from our speakers on branch innovation, excellent and distinctive governance and how to capture the hearts and minds of your customers, the future is looking like an exciting place for building societies, particularly where technological innovation is concerned.

This edition is also the focus of another important topic, customer vulnerability. We have set aside five insightful pages for

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## Moving on from the EU Referendum



By **ROBIN FIETH**,  
BSA Chief Executive

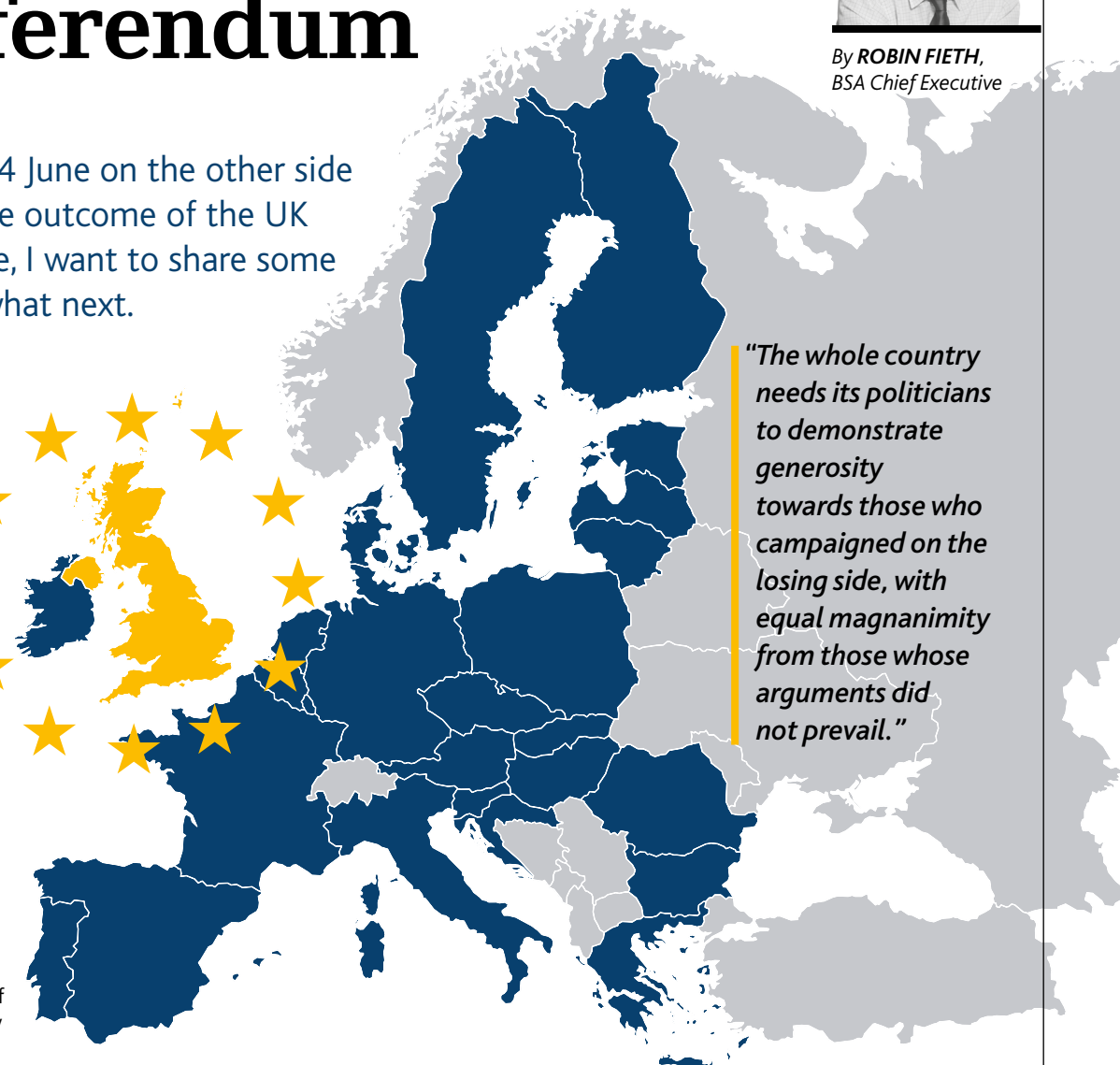
Waking up on the 24 June on the other side of the Atlantic to the outcome of the UK EU Referendum vote, I want to share some personal views on what next.

**F**or me the campaigns conducted by both sides emphasise why we elect our government to take the really big decisions on our behalf. It was always going to be a campaign where rational and emotional elements would conflict, and indeed pose, whether deliberately or not, as each other – and so it proved. But as the saying goes, we are where we are and my focus is now firmly on the what next.

All our political parties need to show real leadership in re-establishing unity within their ranks. We desperately need both effective government and effective opposition to navigate the UK through the next stage of its journey as we move to legally divorce ourselves from the EU.

This legal process of separation will not be quick, two years at least, giving time for effective and measured preparation and much will not change even then. We may well experience some short term market bumps, as in the run-up to the vote. But with strong hands on the tiller in Westminster, Cardiff, Edinburgh and Belfast, short term is a reasonable expectation.

The whole country needs its politicians to demonstrate generosity towards those who campaigned on the losing side, with equal magnanimity from those whose arguments did not prevail. This responsibility also extends to all of those who campaigned passionately on whichever side. The decision is made and we all need to get on with it.



*"The whole country needs its politicians to demonstrate generosity towards those who campaigned on the losing side, with equal magnanimity from those whose arguments did not prevail."*

The BSA's members were very clear at the beginning of the campaign that we should remain neutral as a sector, that the Referendum decision was one for individual citizens, and that as wholly UK-focused businesses, we did not have a position to take in terms of European trade.

We do have a position to take now in the aftermath of the vote. We have the same interest as everyone in seeing the UK economy thrive and grow. We want to see continued and substantial investment in housing. We want a banking and financial services sector that is strong and thus able to focus on the needs of society, supporting both businesses and households. All of this requires stability and certainty and, to go full circle, that stems not least from our political leaders. This is where the tone is set and the policy made.

For our sector and financial services more generally it is business as usual. People need homes and mortgages are available; we all still want to save, whether for a rainy day or for things that matter to us. Savings are safe and all the machinery of retail financial services works just as it did before.

We are now embarking on a bit of an adventure and the coming months and years will require fence-mending, trust building and reputational repair for the UK to maintain its standing on the world stage. As a small island trading nation we have much to lose – but much to gain too.

**Next steps**

You can find and follow Robin on Twitter [@bsaceo](https://twitter.com/bsaceo)

# Widening the debate on lending to older borrowers



By **CHARLIE BLAGBROUGH**, BSA Mortgage Policy Officer

When I wrote about lending to older borrowers in last summer's edition of Society Matters, we were at the beginning of a journey. We have taken many steps since, not least publishing our interim report and a consumer guide, but there is still a lot more to do. The sector's journey has focused on the needs of building society members, and from what I heard at the BSA Conference, this will continue to be the case.

*"Approaching intermediaries is what most older customers do when they get turned away by the banks and need somewhere else to go."*

**T**hree distinguished speakers took to the stage for our debate on Lending to and in retirement in Gateshead:

- **JEREMY WOOD**, CEO, Dudley Building Society
- **GILL DAVIDSON**, Group Director of Regulatory Affairs, Tenet Group
- **BERNIE HICKMAN**, CEO, L&G Home Finance

The Monday before Conference, the FCA released its Responsible Lending Review findings. They contained one figure of particular interest. In the 12 months Q4 2014- Q4 2015 mortgages where the borrower(s) will be 65 or over when the loan is repaid rose by 5% as a proportion of the total market. Hopefully part of this increase is down to the work of building societies over the past 18 months.

Dudley Building Society is one lender leading the charge. They decided to remove their maximum age limit across the whole product range at the end of last year. As Jeremy Wood explained, this was because "we were seeing more and more cases referred to us that we couldn't help". With 100% of the Dudley's mortgage business coming through brokers, they are more sensitive to this issue than many, as Jeremy said "approaching intermediaries is what most older customers do when they get turned away by the banks and need somewhere else to go".

Gill Davidson is all too aware of this challenge as the person responsible for regulatory compliance at one of the UK's largest adviser support groups. However, the message Tenet Group keep driving home to their advisers is a simple one – "it's all about our customers",

explained Gill. While the pension freedoms have complicated affordability calculations and we must guard against getting too bullish in a low rate environment, the fundamental questions remain the same. Advisors must ask, "what are [our customers'] personal and financial circumstances, their mortgage needs, and which product is suitable?"

Commenting on the "increasing number of cases referred" since removing their age caps, Jeremy remarked that they "reflected no increase in credit risk. In fact, many were markedly better". Indeed, many people are reaching retirement with a safe income for life and can afford to keep up mortgage repayments.

Bernie Hickman reminded us that many people are also retiring with a lot of housing equity. To be exact, over 65's own an estimated £1.4 trillion of housing wealth. L&G decided to enter the lifetime mortgage market last year and the business has grown quickly. L&G's focus has been on the changing landscape of customers wants and needs in retirement, "it wasn't that long ago that the whole focus for people was leaving their house to their family as a legacy, but how about helping them out sooner when they need it?"

With a focus on customers continuing to drive this journey – and with the FCA participating through their Ageing Population project – I'm confident that this time next year we'll be looking back at the many additional steps building societies and the wider market have taken to support older borrowers.

## Next steps

For more information about this topic, please visit [www.bsaconference.org](http://www.bsaconference.org) or contact Charlie at [Charlie.Blagbrough@bsa.org.uk](mailto:Charlie.Blagbrough@bsa.org.uk)



## Demanding responsibilities of Board members

Excellent and distinctive governance of all financial co-operatives starts with sufficient and effective member commitment and involvement.



By **JAMES RAMSBOTHAM**, NED at Darlington Building Society & Chief Executive, NECC

**T**he underlying challenge in every business is how to delight customers whilst extracting as much profit as possible from them. On the face of it these two objectives should be mutually exclusive. The way in which Building Societies and Banks achieve this are fundamentally different – but do consumers understand or appreciate this as they decide where to place their financial affairs?

Building Societies set out to deliver for members by utilising surplus members' funds to enable other members to achieve home ownership. This mutual arrangement was focused on creating value for members, rather than the Society. Thus customer delight was enhanced by a feeling that only the necessary profit was being extracted. Do we do enough to drive this point home?

Banks, on the other hand, were fundamentally built on foundations of trust and loyalty. Customer delight was delivered through the provision of financial security. However, trust and loyalty has been eroded due to excessive profits and other perceived poor behaviours.

Arguably, Building Societies should remain so much more focused on delivering for their members. The significant number of them tends to render this rather intangible. At the same time, due to small numbers of large institutional share holdings, banks can bring the majority of their shareholders together round a single Boardroom table. These shareholders' requirements are much more clearly delivered and heard.

Mutuality should deliver more benefits for members than it does for customers – but are Building Societies really delivering greater delight? Has the Bank dominated marketplace driven such a blurring of the distinctions that consumers are unaware of the respective offers?

It is time to compete on a different playing field and restore our advantage by returning to our roots.



By **PROFESSOR, DR. HANS GROENEVELD**, TIAS School for Business and Society & Rabobank, the Netherlands

**A**n informal survey reveals that only a minority of members are willing or able to take part in the democratic processes of financial co-operatives. However, those who do participate are the ambassadors and advocates of financial co-operatives in society and must be cherished.

Active members also elect and appoint member representatives or, in the case of Building Societies, executive and non-executive directors, i.e. the Board. All Board members must obviously have affinity with the nature and mission of financial co-operatives which aim at the achievement of two intertwined goals, combining a viable, innovative and efficient business model with the pursuit of member value and societal goals. The democratic election of Non-executive directors should result in a Board with a considerable degree of diversity – and not just non-executives with banking experience and technical skills. A board that is fully accountable to the grass roots of each building society.

Board members should seek dialogue and boost member engagement throughout the year to address shared local issues and to secure a noticeable and tangible local touch. This requires a collaborative disposition. Apart from their important supervisory role, non-executives actually act as the custodians of the co-operative purpose every single day. To this end, it is vital that they are well equipped to challenge executive directors on their strategic decisions, matters of compensation, and risk policy. Non-executives cannot be 'docile' and must intrude on management decisions. This is on behalf of all members who entrust them with the demanding task to safeguard the co-operative purpose.

## Next steps

For more information about this topic, please visit [www.bsaconference.org](http://www.bsaconference.org)



# Capturing the heart and mind of the customer

## An interview with Linda Moir

With years of experience leading and inspiring fantastic customer service initiatives for some of the highest profile events and organisations, including Virgin Atlantic and London 2012, we took a moment to interview Linda Moir at the Conference, following what can only be described as an exceptional speech. This is what she had to say...

### 1. What is the most valuable lesson you have learnt during your career?

The most valuable thing I think I have learnt is not only the importance of listening to your customers, but how important it is to really listen to the people who work with customers every day, because that is where the best ideas come from.



### 2. What do you feel is the biggest mistake people make when it comes to providing customer service?

People overcomplicate and over-manage people and I've seen this in organisations, manuals and training books that no-one is ever going to read. I think the trick to brilliant service is to recruit the right people and then give them the freedom to go off and do their jobs- don't lean on them all the time.

### 3. Have you had any surprises along the way?

I've only had good ones really. What I have learned in my career at British Airways, Virgin and the Olympics is that people usually exceed your expectations so I think that the important thing for leaders is to really expect the best and then you can only be surprised by the good things.

### 4. How did you get involved in the London 2012 Olympics?

I was born in London and as soon as we won the bid in 2005, I knew I had to be part of it. Even though I loved my job working at Virgin, I tracked the Olympics until a great job became available. I was one of the first "people people" to join the games and I was there for just over four years. I guess I just knew I wanted to be part of it.

### 5. What were your key learnings from the experience?

I think that the most important thing I learned from the Olympics was to encourage people to bring their personalities with them to work to solve problems. However much you try to legislate for problems, when you are dealing with lots of different customers, something will come up that you hadn't thought about. If you encourage people to use their personalities, they will come up with a great solution.



### 6. What is your proudest moment from your career thus far?

I've been really lucky; I've had some really cool jobs but I think my proudest moment was the Paralympic games. I had friends and lots of people in the press saying "Oh the Paralympics won't be as good as the Olympics- it is going to be like the bridesmaid event" and actually the truth is, they were better than the Olympics. From my perspective, the spectators had a fantastic time and the athletes were inspirational. I feel really proud to have been associated with the Paralympics.

### 7. What is the most rewarding element of your role?

This might sound a bit cheesy, but the truth is, I love seeing people love their job, I really enjoy it. Towards the end of the Paralympics, when we were pretty confident that the operation was running well, I spent a lot of time out and about. I loved meeting the volunteers who were telling me about things that were going on. Of course, I knew most of it because I had been part of the planning team but I loved that they were so proud of it and were telling me about all the great things that they were doing. That was really rewarding and cool.

### 8. What made you take the customer service route as a career?

I started work a very long time ago and I remember when I first started I was told, "Oh, you can't really manage the operation because you are a woman. You're good with people though, so why don't you do personnel or all those people-y things?" So I did and I enjoyed it, but the more senior I have become, I've realised that people are the most important and difficult resource in an organisation. It's not soft, it's not 'girly', it is important. It was patronising but it spurred me. I almost wanted to do something to prove people wrong.

### 9. With the belief that British people 'don't do service', do you feel as though you have had a role to play in changing this negative perception?

Definitely. There is a lot talked about with the legacy of the Olympics and the venues and whether there are enough British people engaged in sport. I think the real legacy is about having the confidence that we can deliver fantastic service and that is something that the games have left us with.

### 10. How do you manage to change the work ethic of such large groups of people, especially when it comes to those all-important little details?

I think it is all about trust and as I said before, about recruiting the right people. Be really clear about what you want the outcome to be but then give people the freedom to deliver in a way that they want to. What we wanted was for people to come away from these games thinking "Wow, that wasn't what I was expecting". All those things people did came from their individual personalities. I think how we did it, was to trust people. Pick the right people, then trust them. We had to pick people with the right attitude, those that really wanted to do it.

### 11. What would your advice be to a company that is struggling financially, is it more difficult to ingrain your message of good customer service?

It is more challenging when you have got no money, but I think human service is even more important when the margins are being squeezed. The behaviour of your people costs nothing. When I was at Virgin, the margins were small but it costs nothing for people to be happy and positive about their jobs.

### 12. Lastly, what is the secret to 'capturing the hearts and minds' of the customer?

The secret is capturing the hearts and minds of your people. You've got to be what you want your customers to feel, or else it looks false and it comes across that way too. I think leadership is vital. If the boss doesn't care about the people and the customers, that will show to the customers. Leadership at every level is really important.

### Next steps

For more information on this topic, visit [www.bsaconference.org](http://www.bsaconference.org) or [www.putneyred.com](http://www.putneyred.com)



# An introduction to the vulnerability special



By **JAMES O'SULLIVAN**,  
BSA Policy Advisor

Earlier this year, I had the pleasure of chairing the BSA's 3rd Conference on Vulnerability where 80 delegates drawn from BSA members and Associates came to listen to building society peers, charities, speakers from the utilities and insurance sectors and to each other about their experiences of supporting customers who find themselves in vulnerable circumstances.

Supporting "Vulnerability" is hard. It includes dealing with old age or physical or mental health conditions, individuals who lack financial knowledge and confidence and individuals targeted for crime or abuse, plus attorneys or other carers who run a customer's financial affairs on their behalf who also need support. It is important to focus as much as possible on acting in the individual customer's best interests and so may involve difficult decisions balancing protection and empowerment. Firms must also be mindful of the framework of the law and the account holder's right to privacy in their financial affairs while encouraging employees to ask relevant questions which may instinctively feel intrusive. Employees need to feel that they have management support behind them when tackling difficult cases.

However, the way that an organisation treats its customers when they are most vulnerable shows how customer-focussed it really is. There is no doubt that BSA members take their responsibilities to these customers very seriously and are working hard to improve their customer experience. No one has all the answers but our willingness to listen, share and collaborate with other organisations is a huge strength – demonstrated well by the contributions coming next.

Our first article tells how the Cumberland, Furness and Penrith building societies are working in collaboration to improve the support that they give to vulnerable customers by agreeing a shared action plan and common standards for vulnerability, joint training with 3rd parties and best practice sharing summarised by the slogan "Your local building society – setting standards for handling vulnerability".

**"Firms must also be mindful of the framework of the law and the account holder's right to privacy in their financial affairs while encouraging employees to ask relevant questions which may instinctively feel intrusive."**

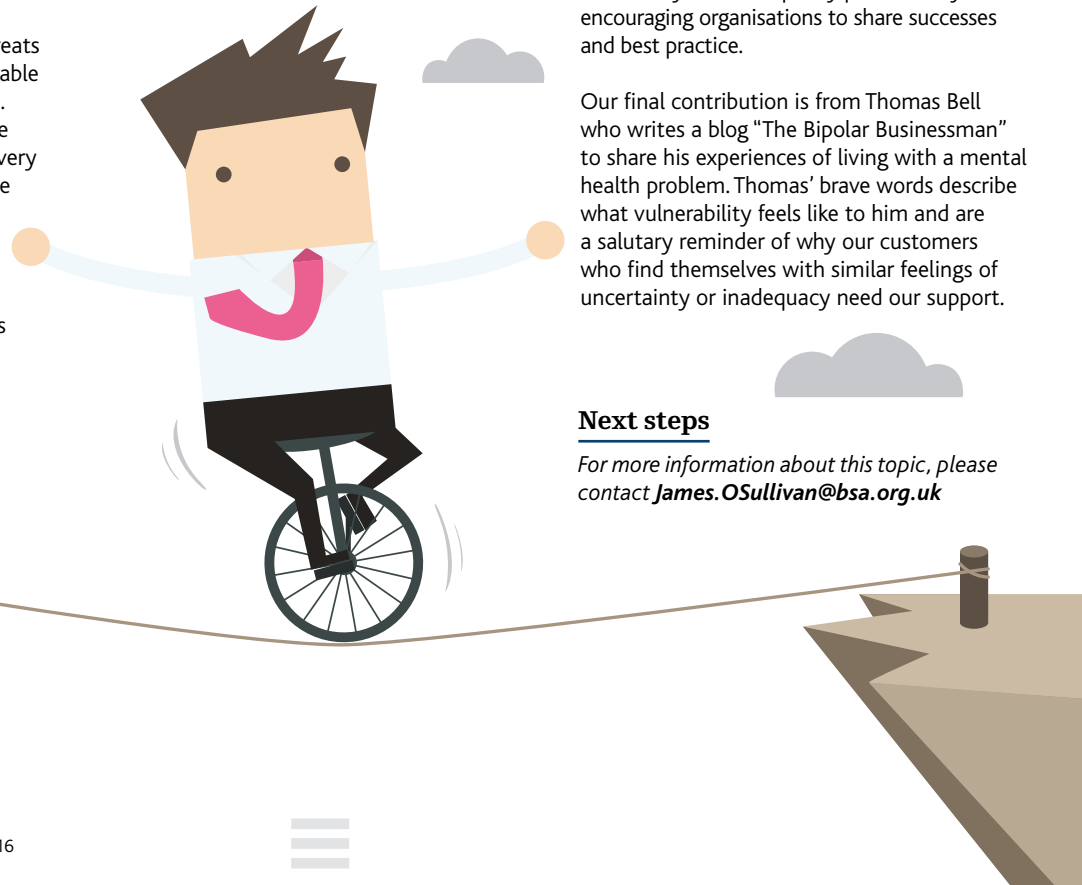
Another great example of collaboration – this time to support a particular group of vulnerable customers – is Nationwide's partnership with Macmillan Cancer support to help customers whose lives have been affected by cancer. Nationwide has set up a Specialist Support Service for these customers and mobilised their whole organisation to promote and support the service.

Moving into darker territory, tackling financial abuse too often focusses on the crime not the vulnerable victim. Citizens Advice offered helpful guidance on providing victim support in their recent report "Addressing financial abuse". Supporting customers with mental capacity issues can also be challenging. The National Mental Capacity Forum has been set up to help all organisations that deal with customers affected by mental capacity problems, by encouraging organisations to share successes and best practice.

Our final contribution is from Thomas Bell who writes a blog "The Bipolar Businessman" to share his experiences of living with a mental health problem. Thomas' brave words describe what vulnerability feels like to him and are a salutary reminder of why our customers who find themselves with similar feelings of uncertainty or inadequacy need our support.

### Next steps

For more information about this topic, please contact [James.OSullivan@bsa.org.uk](mailto:James.OSullivan@bsa.org.uk)



# Setting the standard: Joint efforts on vulnerable adults



By **GILLIAN BAKER**,  
Money Transmissions  
& Savings Controller  
and **HELEN HORNSBY**,  
Investment Manager  
at Cumberland  
Building Society

Customer vulnerability is an ever-present issue with fraudsters, rogue traders, family, friends and carers committing crimes to take advantage of vulnerable individuals for their own gain.



Cumberland, Penrith and Furness Building Societies setting the standards for handling customer vulnerability

**"The impact of such vulnerabilities for a customer may be they get into unnecessary debt, causing them to take out high cost loans to manage that debt, emotional stress and anxiety, taking risks they normally wouldn't take or possibly withdrawing from daily life by staying at home."**

Vulnerability takes many forms and can be caused by the victim having long-term characteristics such as a physical disability, severe/long-term illness or mental health conditions; short-term circumstances such as job loss, bereavement, lack of financial experience, divorce or illness; or as a result of not understanding the 'complexities' of digital banking or having a lack of English language skills. The impact of such vulnerabilities for a customer may be that they get into unnecessary debt, causing them to take out high cost loans to manage that debt, emotional stress and anxiety, taking risks they normally wouldn't take or possibly withdrawing from daily life by staying at home.

The Financial Conduct Authority (FCA) issued its occasional paper entitled 'Consumer Vulnerability' in February 2015 which was the trigger for many financial institutions to take action but the

Cumberland started its vulnerable customer initiatives as far back as September 2012, building upon the established principle of the 'Mother Test' (that all staff should treat Society customers as they would expect their mothers to be treated).

Cumberland had built up many good practices in handling vulnerability and felt that the next step was working with other building societies in its operating area to share that knowledge. Collaboration started with the Penrith and the Furness in May 2014 when we agreed a common principle of "Your local building society – setting standards for handling vulnerability".

Over the past 2 years, representatives from all 3 Cumbrian building societies have been working through a shared action plan and a common set of standards to establish a consistent approach to vulnerability. This has allowed us to safeguard our customers

and deliver the best possible service to those in need of specialist help. Our work has included sharing best practice, discussing case studies and success stories, reviewing trends in financial abuse and amending our approach appropriately, and sharing contacts who are experts in handling vulnerability.

These actions have resulted in all 3 societies undertaking training with Dementia Friends provided by the Alzheimer's Society (and established further working relationships with them), created successful working relationships with agencies such as the RNIB, Age UK and Adult Social Care, and working with local solicitors to improve staff knowledge in areas such as managing Power of Attorney and sensitively dealing with customers in bereavement. These are just a few examples of progress made.

Fiona Askins from the Penrith comments "Knowing our customers has always been a

major focus and working with local agencies helping staff to identify and provide tailored solutions to vulnerability has improved the service we offer." whilst Jill Probert from the Furness adds "We are committed to our members and want to provide the best possible assistance if they find themselves in vulnerable circumstances. Working with the other societies has helped us achieve this."

We will continue working together on this important initiative over coming years, building on our agreed standards and success to date, ideally, helping to establish vulnerability standards for the building society sector.

Together, we have a loud voice and our customers are taking notice.

### Next steps

For more information on setting vulnerability standards, please contact [gillian.baker@cumberland.co.uk](mailto:gillian.baker@cumberland.co.uk)

# Delivering control, choice and independence for our customer



By **MANDY GRIFFIN**,  
Head of Customer  
Experience Delivery  
at Nationwide

In October 2015, Nationwide Building Society, in association with Macmillan, launched a service designed to help customers manage their money following a cancer diagnosis. Mandy Griffin, Head of Customer Experience Delivery, explains the background to the service.

As an industry, financial services is good at being there for the big milestones – your first car, your first house, wedding or child – but when life unexpectedly changes, we should be there too. A cancer diagnosis, stroke, heart attack or any other life-changing condition can have far-reaching consequences that don't just affect health, they often come with financial implications.

Macmillan Cancer Support knows this better than most. Research carried out by the charity for its 2014's 'Counting on Your Support' report found that 98% of cancer patients don't contact their bank or building society when faced with financial difficulties for fear of not getting help or because they feel it risks making their situation worse. And there is some truth to this; of those who did contact their banks over a third said their provider couldn't offer support. This can have a very real impact on a customer. An earlier report by Macmillan found that four in five (83%) of cancer patients are hit with an average cost of £570 a month as a result of their illness, which can make a significant difference to a monthly budget. It can, for example, mean the loss of a family holiday, reduce food and clothing budgets, or it might push someone closer to debt.

It's with this in mind that Nationwide worked with Macmillan to develop and launch a Specialist Support Service designed to help people better manage their



**"Depending on a customer's circumstances, the team can make a range of changes, from free waivers to wholesale product switches. In all cases, our aim is to avoid 'computer says no' situations by recognising customer needs can vary."**

finances when faced with a cancer diagnosis. The service provides customers with a single point of contact to help them look in detail at what products and services they have with us. Depending on a customer's circumstances, the team can make a range of changes, from free waivers to wholesale product switches. In all cases, our aim is to avoid 'computer says no' situations by recognising customer needs can vary.

Since its launch in October last year more than 850 people have been supported through the service, providing us with feedback

which has helped us refine and improve what we can offer customers. As a result, in March this year we extended the service to include support for customers affected by a wider range of life-limiting and life-threatening conditions, including heart disease and strokes. It's our aim to widen the boundaries of the service later in the year to include those affected by mental health and mental capacity conditions and sudden life changes, such as divorce and redundancy.

We're delighted with the response the service has received so far

– through customer feedback and recent award recognition at the Better Society and Third Sector Business Charity awards – and we're committed to doing everything we can to help customers when they need us most. We're also committed to working with the wider sector to encourage greater collaboration when it comes to providing consistent support to customers at times when they can feel disempowered. In turn, we hope the industry can provide customers with greater control, choice and independence over their finances when it really matters.

### Next steps

For more information on this topic, please contact [James.OSullivan@bsa.org.uk](mailto:James.OSullivan@bsa.org.uk)

# Financial Abuse: Supporting Victims



By **GILLIAN GUY**,  
Chief Executive of  
Citizens Advice

Victims of domestic abuse can suffer in many ways at the hands of their abuser, from actual or threatened physical violence to having every part of their daily lives controlled.

Citizens Advice helped 900 victims who had suffered the financial side of domestic abuse last year. In some cases, the victim is restricted from accessing their own money, forced to account for every penny they spend or made to take out loans in their name.

The damage from financial abuse can also continue long after a relationship is over. Victims can be left in dire financial straits, liable for outstanding debts they didn't agree to or were pushed into, or unable to stop the perpetrator from spending the money left in a joint account.

Financial abuse is too often overlooked. Only two in five people are aware that domestic abuse can have a financial side. For years financial abuse has gone under the radar of the police, policymakers and creditors, but this is starting to change.

Last year the government took the important step of making coercive and controlling behaviour in a relationship a criminal offence. This means that police and prosecutors should now treat non-physical forms of domestic abuse with a severity that better reflects its impact. It could also help more people to understand that financial and psychological abuse are serious and harmful.

How the police and justice system respond to domestic abuse makes a big difference, but victims need to get the right support, whoever they disclose their abuse to. This is why we are providing Citizens Advice staff and volunteers with training to identify instances of domestic abuse and refer victims to specialist help. We have also developed guidance to help the friends and family of victims to provide this support.

For victims of financial abuse, the response of financial services firms can play a key role. Knowing that supporting victims in this situation can be complex, Citizens Advice worked closely with the British Bankers Association, creditors (including Building Societies) and other advice agencies to develop the Addressing Financial Abuse framework. This is a practical guide to help banks, creditors and financial advice providers to develop the ways



in which they support customers who may be in an abusive relationship.

The framework outlines two broad ways that the financial services industry can help people suffering from financial abuse. The first is by encouraging disclosure and validating it when it occurs. The way that people talk about abuse can make a huge difference to victims. Offering staff and volunteers good information, training and systems can make sure financial abuse is identified and taken into account when helping customers.

The second way is by being ready to deal with abuse that is disclosed. For victims struggling with debt, being given the time to make affordable repayments could offer them welcome relief. In some cases, banks, building societies and lenders could also offer specific arrangements to victims who share joint products like mortgages, loans, bank accounts and utility bills with their abuser.

**"Financial abuse can trap victims in abusive relationships by isolating them from friends and family, and cutting them off from the money they would need to leave.."**

The last few years have seen encouraging progress made by the government in tackling domestic abuse in all its forms. That many in the financial services industry want to keep up this momentum and provide support for financial abuse victims is very positive. We hope this framework can give firms what they need to maintain this and ultimately, challenge financial abuse.

### Next steps:

For more information on this topic, please contact [James.OSullivan@bsa.org.uk](mailto:James.OSullivan@bsa.org.uk)



# The National Mental Capacity Forum



By **BARONESS FINLAY OF LLANDAFF**, Chair of the National Mental Capacity Forum

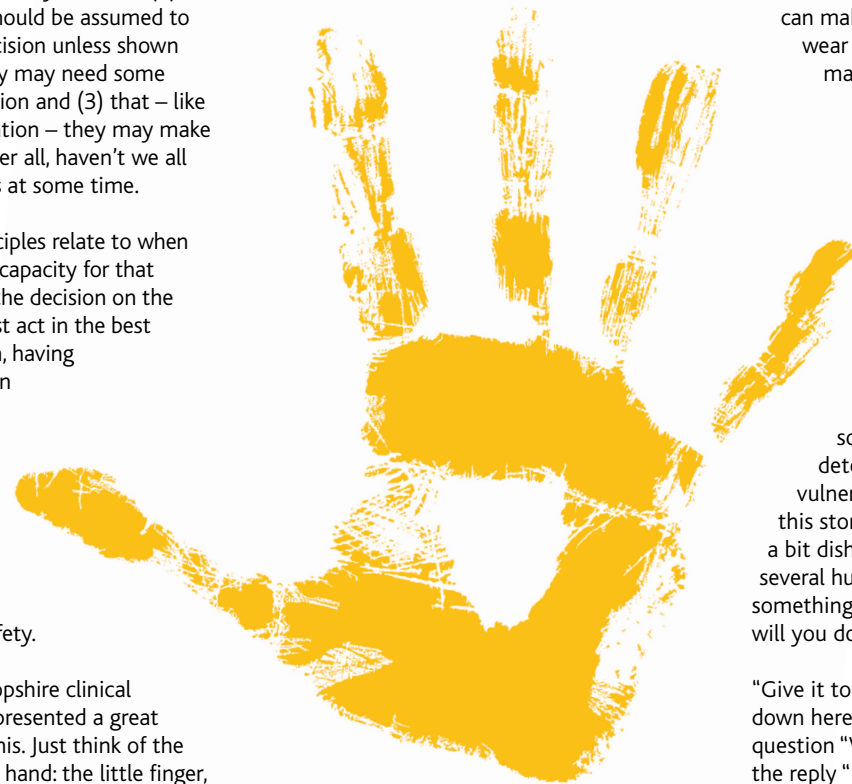
Ten years after the Mental Capacity Act came into force, its implementation has proved patchy and it was clear that the Act itself is poorly understood. A critical House of Lords report resulted in the decision to set up the National Mental Capacity Forum and it has brought in the voices of people affected by the Act and an Action Day to share many fantastic ideas and projects.

The five principles of the Act aimed to empower people to make their own decisions. They establish (1) that people should be assumed to have capacity for a decision unless shown otherwise, (2) that they may need some support to take a decision and (3) that – like everyone in the population – they may make an unwise decision. After all, haven't we all made unwise decisions at some time.

But the other two principles relate to when someone lacks mental capacity for that decision. Those taking the decision on the person's behalf (4) must act in the best interests of that person, having taken into consideration what the person, as far as can be established, would have wanted. And (5) they must use the least restrictive option as part of that decision making and for the person's safety.

At the Action Day, Shropshire clinical commissioning group presented a great way to remember all this. Just think of the five fingers of your left hand: the little finger, ring finger and middle finger represent your decision-making in everyday normal life – we have capacity (little finger), we sometimes need support (ring finger) and we all make unwise decisions at times (middle finger). But when a person lacks capacity the two strongest digits come into play – just as they do with the strong pincer movement in the hand. The forefinger points at all the sources of information needed to act in a person's best interests and the thumb reminds you to use the least restrictive option (i.e. don't keep the person under your thumb!)

For a decision to be competent, the person must be able to (a) understand the relevant information (b) retain that information, (c)



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weigh it up in the decision-making process and (d) communicate the decision. Of course, even those with quite far advanced dementia can make some decisions, such as what to wear or what to eat for breakfast, but not major financial ones.

From the finance sector some innovative and important projects were submitted to the Action Day and can be viewed on the Social Care Institute for Excellence website at [www.scie.org.uk/mca-directory/forum/submissions](http://www.scie.org.uk/mca-directory/forum/submissions).

Front line staff in some building societies have been crucial in detecting fraud and protecting vulnerable customers, as illustrated by this story. An elderly lady came in, looking a bit dishevelled, wanting to withdraw several hundred pounds. The cashier felt something was a little strange so asked "What will you do with all that money?"

"Give it to the nice man who brought me down here" came the reply. Then to the question "What will he do with it?" came the reply "I don't know." The elderly lady had been groomed by a fraudster and the cashier's intuition saved her in the nick of time.

Sadly, such events are becoming more common. Just a few simple questions can reveal if a person is able to make a decision, or whether they need protection.

Of course lasting powers of attorney or cosignatory powers on an account can support someone as they lack capacity, but the ins and outs of those are for another day.

**Next steps:**

For more information on this topic, please contact [James.OSullivan@bsa.org.uk](mailto:James.OSullivan@bsa.org.uk)

# Vulnerability: Through the eyes of 'The Bipolar Businessman'



By **THOMAS BELL**, CEO of Indian Apparel

With so much going on, it is easy to forget what "vulnerability" actually means beyond being just another business buzzword. It is always important to remind ourselves that there are real people behind the paperwork and it is only through their experiences that we can gain the most valuable insights. We are delighted to hear from Thomas Bell, author of the blog 'The Bipolar Businessman' as he shares his personal experiences with mental illness, raising much needed awareness of how it really feels to be vulnerable.

The essence of vulnerability in my mind, is to find yourself wanting... Wanting for the lost soul within one's self to finally re-align, so we feel whole.

I think from my perspective, life 'is' vulnerability... from the moment we're born we find ourselves cast into a world of moments; moments that offer us up to understanding our personal weaknesses. If we're lucky, as humans, our mother and father will shield us until we're able to find our feet. If we are unlucky then the path to adulthood is not quite as simple, meaning that we develop an additional layer or two of guardedness, but ultimately inside we still feel what each of us feels – vulnerable.

I find the most valuable aspect of dealing with my own mental wellbeing, is to focus on my drivers as an individual. And I don't mean the everyday wants and needs of the vast majority... I'm not talking about focussing on money, or how to arrange your next holiday. I'm talking about what drivers we each have as individuals that may help us to feel more complete within.

A few years back I took a step back and asked myself 'what is it I want?'

My decision was simple; I wanted to wake up every day and feel happy, happy within me, happy within who I was as a person, what I do for a living, my day to day...

That struggle still continues even now, but I find that I am developing a lifestyle that fulfils me. And while working to support a charity

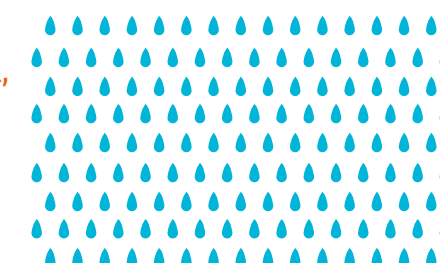
initiative, or building a kennel for my dogs out of pallets, teaching my friends kids some martial arts etc. I find that I'm living within the soul and energy that I want to achieve. Our lifestyles define our mental state and it is our lifestyles we must change in order to develop and to overcome those darker moments. For we cannot change who we are, you are who you were born to be; but we can change how we live our lives, we can understand what fills us with a passion, what mends our souls in those moments of grief.

I am not a religious man, but I do believe there is an energy that binds us as a planet and as one whole organism we, as individuals, can re-align our own energy, to flow alongside those roads life takes us down... You could call it "wacky", but I think that science defines this as a reality and we all have a place in the jigsaw. That doesn't mean you conform, you must find who you are, irrespective of what societal trends dictate. After all, a society without individuals just becomes grey and automated.

If you feel in your life you are vulnerable, please don't dwell on the shadow... There are people who care, who'll talk to you and really listen. It may not always feel that way in life, but you can reach out, we all have the strength to connect and only as individuals can we change our own stars!

**Next steps:**

For more from Thomas Bell, please visit [www.thebipolarbusinessmanblog.wordpress.com](http://www.thebipolarbusinessmanblog.wordpress.com) or find him tweeting at [@thomasduncanbel](https://twitter.com/thomasduncanbel)



**"...from the moment we're born we find ourselves cast into a world of moments; moments that offer us up to understanding our personal weaknesses."**



# Challenges and opportunities of the building society sector

Having hit the half-way point in 2016, it seemed a good opportunity to ask some of the delegates at Conference from inside the sector and out for their thoughts on what we can expect in the months to come. These were their thoughts...



**BARNABY DAVIS**, Divisional Director, Nationwide

I think the sector is heading for some interesting times. Financial technologies are helping building societies of all sizes to offer new products and services while also competing in a way they perhaps couldn't before. For example, the sector is using technology to compliment more traditional ways and means of looking after our

members, which plays to our strengths. Using the convenience that technology offers our members, combined with the provision of face to face customer service means we have the opportunity to help even more people save for the future and borrow for a mortgage to buy a home. Exciting times!



**PETER HILL**, CEO, Leeds Building Society

Our opportunity is to build our businesses around what customers need rather than lowest cost production and using 'take it as you find it' as a service proposition. The challenge is that in a very, very competitive marketplace we focus on the things that we know and

understand and the things that we do well, savings and mortgages. That's because there will be all kinds of other institutions; challenger banks, start-ups and technology companies, trying to come into these markets and rewrite the rules on distribution.



**AMYN FAZAL**, CEO, Penrith

Our challenge today is that if we want to go back to those original values of giving people the ability to buy their homes for the first time, we've got to think of innovative solutions for that. That could be creating a mortgage product that is easy for a first-time buyer to jump onto and is affordable or it could be that we really lobby the government to do more housebuilding so that we bring house prices down, encouraging more young

people to become homeowners. The challenge for the future is: how do we stick to those original values, roots and ethos but in a world that has dramatically changed? I used to think that we need to catch up with the technologies of the bigger banks and societies, but I've now got an advantage in being small. With all the new technologies coming out, because we are nimble we can almost leapfrog rather than catch up!



**CAROLINE DOMANSKI**, CEO, No1 CopperPot Credit Union

The biggest challenge for the sector that I see, is encouraging more young people to use both building societies and credit unions. In the UK we have an ageing population and this causes an ageing membership across the sector. It's really important to get the message out there to young people that we are here, the values we stand for and that we have products and services that they can use.

Technology and the change in technology has been very important for our business as our members are shift-based and generally don't visit the branch. We introduced an online system quite a number of years ago and that really changed the way we did business by making it a lot more convenient for our members when they don't have the time or want to come into the branch.



**IWAN GRIFFITHS**, North West Regional Chairman, PwC

The challenge for the sector is: does the customer on the street really understand the distinction between banks and building societies and value it? I think articulating this and making it clear to the customer is going to be key in the coming years

as the traditional players and new entrants come into the market. I also think the sector is heading towards increasing specialisation. While this could be a risk, if not managed well, I actually think this is a great opportunity.



**SUSAN WHITING**, CEO, Stafford Railway

I often see the opportunities and challenges as two sides to the same coin. We've always had to find ways of responding to changes around us, but while also thinking about what is good for our members and what kinds of products and services they want. We have an important traditional service that we offer, we are very much dominated by the passbook in terms of the savings accounts our Society provides but we also have to be ready for those members who want something different. I think we are also going to face

a time when there will be more division between the people who have property gains that they can use within their families to help the younger generations and those that just haven't. It is very difficult for people who have not got property and have not benefitted from past increases in property values to get onto the property ladder. I think that is a real challenge and a change to the way things have been for some time and we all need to start thinking about how that is going to affect our membership and the wider economy.



**JOELLE WARREN**, Founder, Warren Partners

One of the main challenges for the sector is trying to get the message across about distinctiveness. I'm not always sure that customers know when they go into a building society that they are in a mutual, customer-owned environment. Then there are some internal challenges around technology, keeping up with the big banks who perhaps have bigger investment budgets, so I think we have got an opportunity around succession planning. If you look at some of the boards of building

societies, a lot of them have been established around surviving the crisis. We're now coming out of that, those people are coming to the end of their terms and it is how we refresh that. If you look at some of the Chief Executives of the societies, we are seeing quite a lot of people who might be nearing retirement. I think succession planning is going to present quite a challenge for the future.



**LOUISE BUNCE**, Head of Sales & Marketing, Market Harbourough

For me, the biggest opportunities are to build on some of the strengths and skills that we have as building societies, our staff and the actual service we provide our customers with. It is what makes us unique and we can utilise technology to help us improve that even further by getting to know our customers better, learning what they want and making it simpler for them to use the products and

services that we offer. For us, technology is really an enabler. We can perhaps use CRM to get to know our customers better, we can improve our processes by making it simpler for the customer to interact with us and we can engage better with them through social media. Technology for me is a great enabler to actually improve the overall experience and the value that we can give to our members.



**DEBORAH COOPER**, Partner, The Miles Partnership

There is a real opportunity to continue to promote the modern mutual. In the past people thought the societies were much more traditional. That's not the case today. There has been a significant focus on being competitive and that's across many facets. There is also an opportunity to be much more diverse. We've seen the skillsets change across the boards and executives,

not just around gender but around bringing people in from outside the sector and other customer-driven organisations. The risk is that there is so much change facing the sector overall that it is so easy to become distracted by regulation or technological change, for example. It's really important that organisations stay focussed on their strategy and hold their nerve.

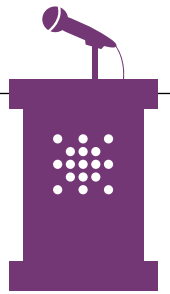


**STEVE ROBB**, Partner, Ernst & Young

The building society sector has a very interesting road ahead of it and it can design its own future. The PLC's and the big banks are going to have to follow a path of mass production given margin and cost pressures

whereas building societies can choose individually where and how they want to work with customers and on that basis, bring value that serves communities and plays to the real building society heritage.





# Conference 2016

Thank you to all of our delegates, speakers and sponsors for making the conference so successful.



## Dates for your diary

Knowledge sharing and educational events for building societies. Many of our events are also open to other financial service providers.



### An introduction to treasury management

6 July 2016, London

The objective of this course is to introduce participants to treasury management. It provides an overview of treasury operations within financial services, more specifically within building societies and within the regulatory environment. Following this there is an in-depth study of treasury operations, focussing on liquidity, wholesale funding, credit risk and financial risk.

The course is aimed at those with little or no treasury experience. It is likely to be of interest to: non-executive directors, senior management, risk officers/managers new to the building society world, those in related areas who require some background treasury

knowledge, as well as those who have recently started work in the treasury function.

**Open to:** BSA members & associates £490 per delegate (VAT exempt); Non-members £590 (VAT exempt)

[bsa.org.uk/events/diary/treasuryintro](http://bsa.org.uk/events/diary/treasuryintro)

### Strengthening Accountability in Banking: 6-month review and forward-look

22 September 2016, London

The Strengthening Accountability in Banking exercise began for banks, building societies, credit unions and PRA-regulated investment firms in March 2016. Now, just over 6 months on, this seminar looks at how things have

bedded down, examines key remaining issues, and highlights aspects of the exercise that are still outstanding.

The event is important for regulatory, compliance and HR staff. It is also likely to be of interest to directors and other senior managers.

**Open to:** BSA members & associates £330 per delegate (VAT exempt); Non-members £450 (VAT exempt)

[bsa.org.uk/events/diary/saib](http://bsa.org.uk/events/diary/saib)

### Next steps

View our full programme and secure your place at [bsa.org.uk/diary](http://bsa.org.uk/diary)

