



2024 RESEARCH REPORT

THE CHANGING FACE OF VULNERABILITY

Overcoming the complexity of identifying
and responding to vulnerable consumers

INTRODUCTION

WHAT DOES VULNERABILITY REALLY LOOK LIKE?

In today's world, an exceptional customer experience is personalised, empathetic and timely – no matter the channel. Yet, when vulnerability is consistently overlooked, a truly personalised experience is simply impossible.

There's one seemingly simple question: what does vulnerability look like? Search for an answer and you will likely find this narrow view – old and frail. If you limit your answer to this definition, you're only seeing part of the picture, and customers in vulnerable circumstances will all but certainly fall through the cracks.

According to the **Financial Conduct Authority (FCA)**, 47% of the adult population in the UK shows one or more characteristics of vulnerability and 60% struggle to keep up with bills. Against the backdrop of economic uncertainty, this figure is sadly rising.

If you miss the signs of vulnerability, consumers miss out. To help businesses think proactively about vulnerability, we commissioned the Changing Face of Vulnerability Survey: A look at the breadth of vulnerability across the UK, what today's vulnerable consumer really look like, and how their needs differ across distinct consumer groups.

DEMOGRAPHICS IN BRIEF

See appendix for full demographics.

The Changing Face of Vulnerability survey received over 2,000 responses from people across the UK. The survey was weighted to be nationally representative of the UK region, age, and gender.



Four Key Drivers of Vulnerability Identified in the FCA Consumer Duty*

1. Health issues including mental and physical illness
2. Live events including bereavement and job loss
3. Low resilience and an inability to withstand financial or emotional shock
4. Low capability and confidence in managing money or dealing with financial matters

* While the FCA's vulnerability drivers apply primarily to financial services, they reflect the complexity in identifying vulnerability, which is affecting every industry.

KEY FINDINGS

CHALLENGING ASSUMPTIONS ABOUT VULNERABILITY



#1 THE IDEA THAT ONLY OLDER PEOPLE ARE VULNERABLE IS A MISCONCEPTION

While many still think of over 65s as the most vulnerable in society, our survey revealed that this was the group least likely to feel heavily burdened by bills and credit commitments – just 14% versus 32% for all other age groups. Over 65s were also least likely to have changed their behaviour due to financial pressure in the last twelve months.



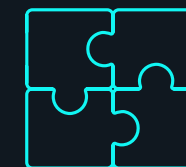
#2 THE MAJORITY OF POTENTIALLY VULNERABLE CONSUMERS DON'T IDENTIFY AS VULNERABLE

Less than 2 in 10 (17%) of UK consumers surveyed self-identified themselves as vulnerable. Yet, when assessed against the FCA criteria for vulnerability, this number dramatically rose to 7 out of 10 (67%), suggesting that many of those surveyed are in potentially vulnerable circumstances, despite not viewing themselves as such.



#3 PEOPLE OVERWHELMINGLY RECOGNISE POOR MENTAL HEALTH AS A CAUSE OF VULNERABILITY, BUT DON'T WANT TO TALK ABOUT IT

Almost three quarters (71%) of consumers correctly identified poor mental health as a possible driver of vulnerability. However, over one third (38%) would not be comfortable sharing details of poor mental health with a customer service advisor. This rises to almost half (47%) for those who identified as currently experiencing poor mental health during our survey.



#4 VULNERABILITY IS NUANCED AND COMPLEX

While 20% of UK adults reported experiencing poor mental health, the underlying drivers of vulnerability are subtle, surprising, and difficult to detect. Financial pressure, lifestyle changes, and even relationship breakdowns can cause anyone to become vulnerable—and need additional support to ensure a positive experience.

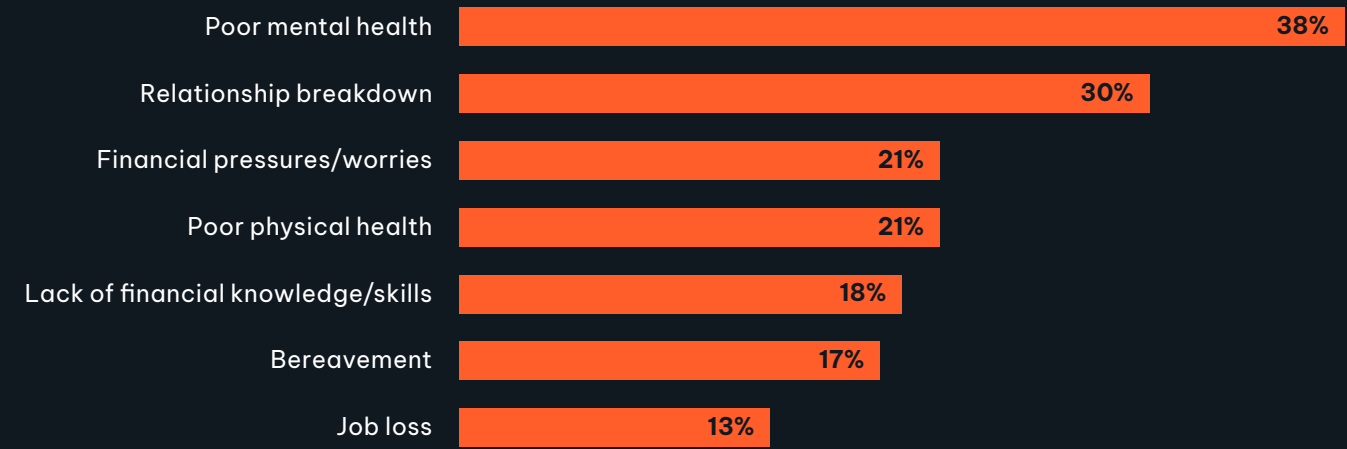
KEY FINDINGS

THE CONVERSATIONS CONSUMERS AREN'T HAVING

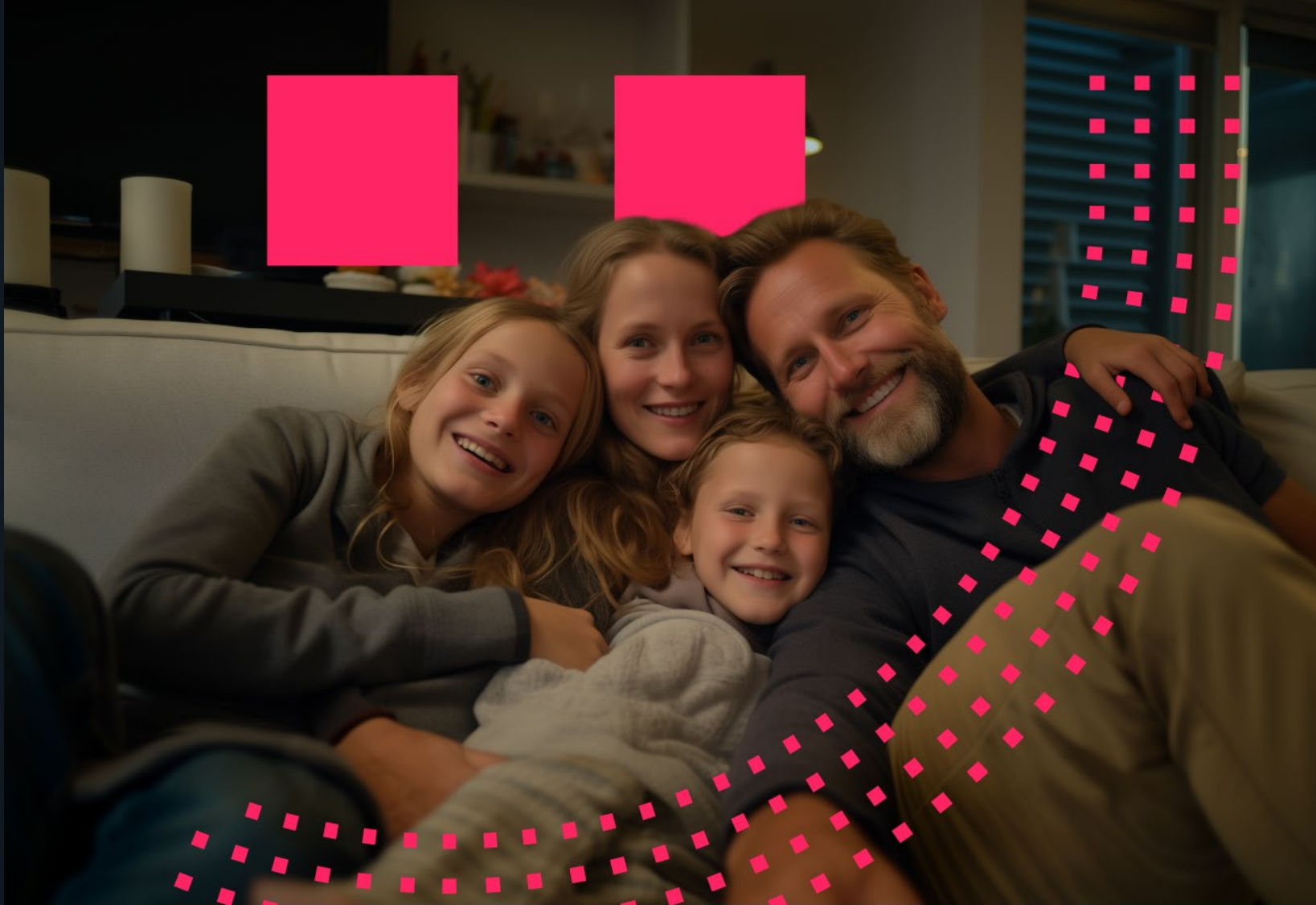
Many businesses feel confident about their processes to meet the needs of vulnerable consumers, but these processes don't cover the human capacity to hide vulnerability due to fear, embarrassment or shame.

Across our survey, consumers told us they felt uncomfortable talking about major drivers of vulnerability including poor mental health (38%) and relationship breakdowns (30%).

Which of the below would you not be comfortable sharing details about with a customer service advisor?



The result:
Vulnerable consumers are overlooked, potentially worsening their circumstances even further and cementing their reluctance to ask for support.



OVERCOMING VULNERABILITY BIAS

When consumers themselves don't understand what constitutes vulnerability, identify as vulnerable, or share their circumstances with advisors, a smarter approach by businesses is vital.

Business leaders must begin to look at the processes and technologies in place for identifying, responding to, and evidencing vulnerability. The changing face of vulnerability makes it all too easy for signs to be missed in conversation with your agents. With this in mind, businesses need an adequate safety net—and a more proactive way to identify vulnerability.

KEY FINDINGS

THE FIVE HIDDEN FACES OF CONSUMER VULNERABILITY

The Changing Face of Consumer Vulnerability survey identified five consumer groups in the UK, all of whom may be vulnerable, potentially vulnerable, or may become vulnerable at any time.

UNEXPECTED CARERS

STRAINED CARERS, SUFFERING IN SILENCE



GROUND-DOWN GEN Z

POOR MENTAL HEALTH AND FINANCIAL RISK



STRIVING RENTERS

WORKING PEOPLE UNDER PERPETUAL PRESSURE



HARD-UP HOMEMAKERS

COPING WITH RISING COSTS



SOLO SUFFERERS

NAVIGATING SUDDEN FINANCIAL CHANGES IN A WORLD DESIGNED FOR TWO



UNEXPECTED CARERS

STRAINED CARERS, SUFFERING IN SILENCE

Anyone who became the main carer for a close family member in the last year was typically:

- Aged between 25-54 (60%)
- Married or in partnerships (61%)
- Parents (76%)
- Homeowners (59%)

34%

of unexpected carers aren't comfortable sharing financial pressure with customer service advisors

(vs. 21% of non-carers)

27%

would not be comfortable sharing poor physical health with customer service advisors

(vs. 21% of non-carers)

Under FCA guidance, any new carer may be vulnerable—but only 39% self-identified as vulnerable in our survey.

Financial pressure is a major issue. Nearly a third (30%) of unexpected carers say they have low confidence in managing money, while 33% say they have used savings including pensions to make ends meet in the last year. 16% say they had to move home because of this financial pressure. A scenario that's becoming more common amid the intensifying cost of living crisis.

Crucially, many unexpected carers are suffering in silence. Almost a quarter (22%) say they have hidden money problems from their family, while 34% would not be comfortable sharing their financial concerns with customer service advisors. A proactive way to recognise the subtle cues of vulnerability is essential.

Notably, this group is also suffering with poor mental health (40%), and poor physical health (32%).



GROUND-DOWN GEN Z

POOR MENTAL HEALTH AND FINANCIAL RISK

Anyone aged between
18 and 24.

- Single (64%)
- Non-parents (72%)
- Renters (52%)

25%
of Gen Z
have used BNPL
in the past year

51%
of renting graduates
with student debts
say they have poor
mental health

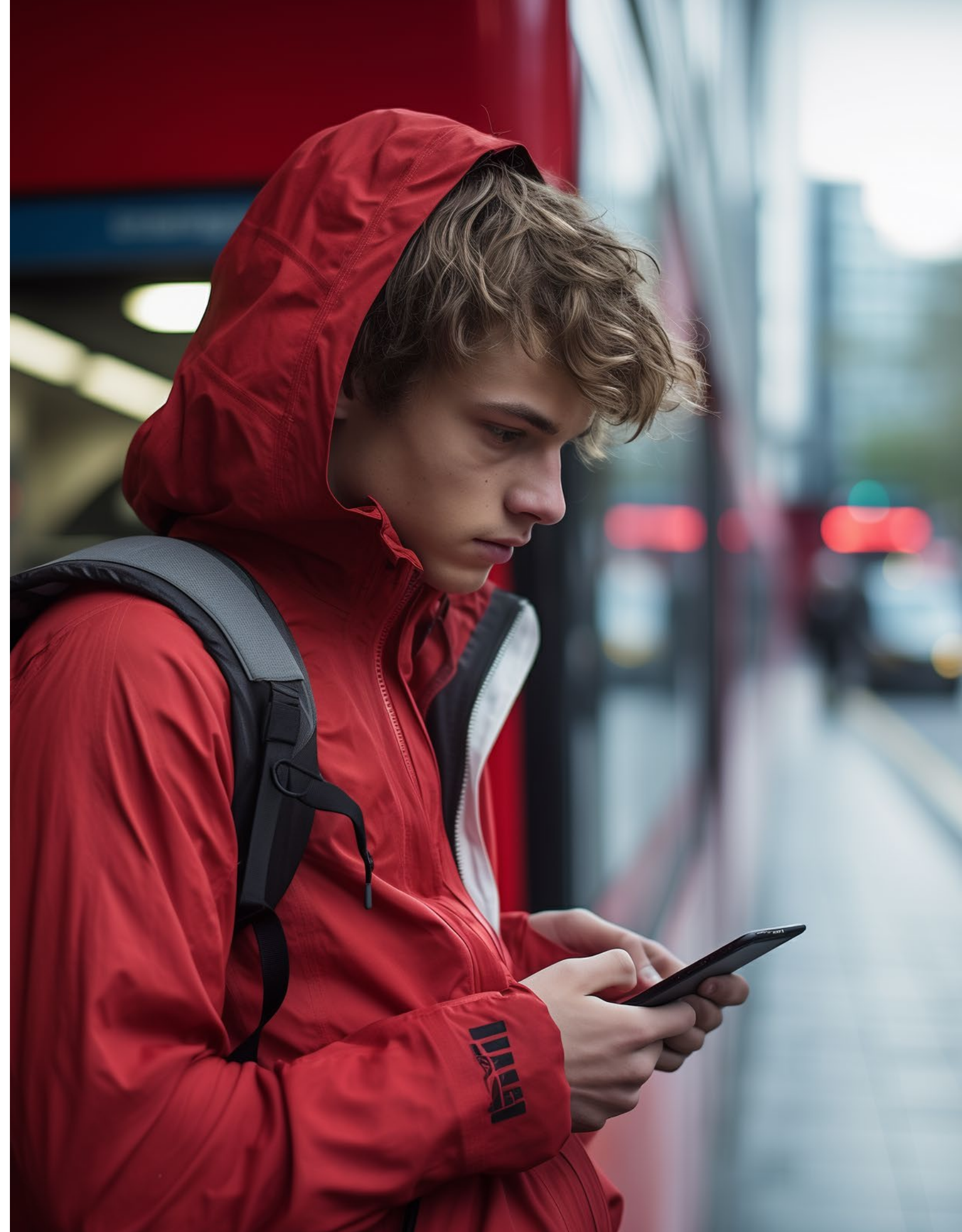
While 2 in 10 of Gen Z surveyed self-identified as vulnerable, as many as 8 in 10 could be considered vulnerable under the FCA's classification system.

Financial pressure is a major contributor to this potential vulnerability. While 27% say they aren't confident managing money, Gen Z's expenses are high. Asked about the most common sources of financial pressure, Gen Z identified energy and utilities as a leading cause (42%), followed by mobile phone, internet, and TV subscription costs.

To meet these costs, Gen Z is turning to short-term finance in significant numbers. A quarter (25%) say they have used buy-now-pay-later (BNPL) schemes in the last year, compared to just 17% for all other age groups combined. Sadly, of those who used BNPL schemes, 16% say they have missed payments in the last twelve months.

This lack of financial security and resilience impacts wellbeing. Over a third (37%) of Gen Z identify as having poor mental health. For recent graduates who are renting and have amassed student loan debt, this increases to 51%.

And while Gen Z is generally more comfortable discussing mental health, almost a third (30%) would still feel uncomfortable sharing this information with a customer service advisor. That's a significant number of consumers at risk of being overlooked.



STRIVING RENTERS

WORKING PEOPLE UNDER PERPETUAL PRESSURE

Renters who are either full time, part time or self-employed, are:

- Typically aged between 25-44 (50%)
- Equally split between:
 - Parents/non-parents
 - Single/partnered

24%

of working renters have missed payments in the last 12 months

The **FCA's latest Financial Lives data** estimates that 12.9 million people in the UK exhibit signs of low financial resilience

In our survey, only 21% of working renters identified as vulnerable. Yet, as many as 83% could be in a vulnerable circumstance according to the FCA classification.

Striving Renters are working hard to keep up with bills and credit repayments but are living month to month. With low financial resilience, 38% say they would struggle to meet an increased rent payment of just £50 per month and 2 in 5 (40%) describe themselves as 'heavily burdened' by financial commitments.

Saving to increase financial resilience is infrequent. 38% say they struggle to save money for a property, business, or education, keeping them stuck on the cusp of financial disaster. A single rent increase or lifestyle change could quickly push a Striving Renter into vulnerability and our data shows that 24% of working renters have already missed payments in the last twelve months.

At the same time, working renters remain uncomfortable discussing their financial worries with customer service agents—25% say they would be uncomfortable, compared to 21% in the wider population. This highlights a key complexity for businesses: Vulnerability can surface suddenly, change fast, and is rarely a topic Striving Renters will bring into the conversation.



HARD-UP HOMEMAKERS

COPING WITH RISING COSTS

Mortgage holders in the UK, typically:

- Aged between 35-54 (57%)
- Parents (75%)
- Married/in partnerships (79%)

71%

of Hard-Up Homemakers are potentially vulnerable under FCA criteria

41%

of mortgage holders would not be comfortable sharing details of poor mental health

While only 13% of mortgage holders identified as being vulnerable in our survey, 71% are potentially vulnerable under FCA criteria.

The relationship between property ownership and financial resilience is more nuanced than it may seem. With soaring interest rates and living costs, almost a quarter (22%) say they would struggle to meet an increased mortgage payment of just £50 per month. Owning an asset doesn't always go hand-in-hand with cashflow.

For middle-aged mortgage holders, almost a third (33%) have stopped saving or investing due to financial pressures. This rises to 37% for those with at least one child aged between 0 and 12. This financial pressure may contribute to poor mental health, reported by 19% of mortgage holders.

Despite this, 41% of mortgage holders say they would not be comfortable sharing details of poor mental health with customer service advisors, rising to 50% for the mortgage holders who would describe their mental health as poor. This is compared to 36% for those who rent or own their homes outright.



SOLO SUFFERERS

NAVIGATING SUDDEN FINANCIAL CHANGES IN A WORLD DESIGNED FOR TWO

Anyone who is single, separated, divorced, or widowed.

- A diverse mix of our oldest and youngest respondents
- Renting (46%)
- Non-parents (56%)

32%

of Solo Sufferers feel heavily burdened by bills or credit commitments

57%

say energy and utilities are the industries putting them under the most financial pressure

Just one in five (19%) self-identify as vulnerable, but 76% may be potentially vulnerable under FCA criteria—a gap of almost 60% between perception and reality.

12% of Solo Sufferers say they are experiencing increased financial pressure due to a recent relationship breakdown. These often sudden events dramatically reduce household income, while expenses remain high.

As a result, 32% of Solo Sufferers say they feel heavily burdened by bills or credit commitments, with 20% having missed payments in the last year. 57% identify energy and utilities as the industry most responsible for this financial frustration.

This all impacts wellbeing and mental health. Over a quarter (26%) say they have poor mental health, another key driver of vulnerability.

These sensitive, highly personal events are amongst those least likely to be discussed with customer service advisors. Almost a third (27%) would be uncomfortable sharing details of their relationship breakdown, making it more difficult to spot the signs of emotional hardship and therefore vulnerability.



CONCLUSION

AI FOR CUSTOMER EXPERIENCE

For the first time, NICE analysis identified the UK vulnerability awareness gap—the proportion of people who can be classified as vulnerable, but don't self-identify as vulnerable. It's in this gap that the needs of vulnerable consumers are overlooked with potentially disastrous consequences.

The data also cements how complex, fast-moving, and fluid vulnerability can be. Individuals can become vulnerable after a single life event. Previously resilient consumers can quickly find themselves struggling to keep up. And many of the most vulnerable people you interact with simply don't identify as vulnerable, much less feel comfortable sharing that with an advisor.

It's clear, that a dependence on the instincts and perception of an advisor is no longer enough to ensure every vulnerable consumer is recognised and supported.

The answer is AI at scale: a way to analyse the content and sentiment of every interaction, detecting the signs of vulnerability that advisors alone may miss. Integrated into your contact centre technology stack, AI analytics can help you:

IDENTIFY

vulnerability risk by analysing every interaction, whether it's agent-assisted or self-service

RESPOND

to vulnerability risk with automatic remediation workflows and resolution tracking

PREVENT

mishandling by benchmarking agent performance against AI-driven insights on vulnerability drivers

NICE

AI FOR VULNERABLE CUSTOMERS, BUILT ON CX DATA

Enlighten AI is built on the industry's largest labelled customer experience dataset including 20+ years of vulnerability triggers. Bringing billions of customer experience data points together, Enlighten AI for Vulnerable Customers analyses every interaction, on every channel, for the signs of vulnerability. All based on FCA guidance and the primary drivers of vulnerability.

As a result, you can find instances of vulnerability faster, remove the subjectivity of human analysis, and use objective data to automate next steps or guide your advisors in the moment.

ENABLE YOUR ADVISORS

Remove the uncertainty of trying to identify vulnerability and guide advisors with practical next steps for every conversation

EMBED A CULTURE OF FAIRNESS

Improve your overall understanding of consumer vulnerability and meet the requirements of standards like the FCA Consumer Duty

HELP THOSE WHO NEED IT MOST

Become a team that proactively supports vulnerable consumers without expecting them to self-identify or volunteer their concerns

APPENDIX

METHODOLOGY

METHODOLOGY

Research was conducted by surveying a nationally representative sample of 2,042 UK adults.

Fieldwork was carried out via **FocalData**, a registered member of the British Polling Council (BPC) and Market Research Society (MRS), on 7/11/2023.

Questions related to vulnerability were derived from those used by the Financial Conduct Authority (FCA) in their **Financial Lives 2022 survey**. The FCA define a vulnerable consumer as somebody who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.

The FCA identify four drivers which may increase the risk of vulnerability: poor health, experiencing a negative life event (e.g. bereavement), low resilience (financial or emotional) and low capability (financial, digital or language skills or learning difficulties).

DEMOGRAPHICS

Name of survey
Changing Face of Vulnerability Survey

Number of respondents
2,042

Geographic region
United Kingdom: 100%)

Respondent age
18–24: 10%
25–34: 17%
35–44: 16%
45–54: 17%
55–64: 16%
65+: 24%

Respondent gender
Male: 48%
Female: 52%

(This survey was weighted to be nationally representative of the UK region, age, and gender)

ABOUT NICE

With NICE (Nasdaq: NICE), it’s never been easier for organisations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics.

Featuring the world’s #1 cloud native customer experience platform, CXone, NICE is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact centre – and beyond.

Over 25,000 organisations in more than 150 countries, including over 85 of Fortune 500 companies, partner with NICE to transform – and elevate – every customer interaction.