

A practical guide

Later life

Starting the conversation
with your customers



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Foreword

“

You're not taught about this later life thing, and if you have to manage someone in later life, you don't really know what you should be doing...

It's another life experience that will hit everybody, but you don't feel like you're prepared for it and you don't really know what you should be doing – I don't know what I should be doing now, for example...→



Foreword continued

These thoughts – shared with us as a part of a major piece of research by the Chartered Insurance Institute (CII) into the UK’s ageing society – must resonate with practically everyone in Britain.

As we live longer, many of us are able to enjoy a stage of life that simply did not exist for most people before the end of the 20th century. However, as we enjoy the freedom and independence that often comes with this period in our lives, we also face challenges that are very different from anything we have experienced before.

Our work in this area is part of the *Insuring Futures Programme* started in 2016, which looked to help understand the risks people take in life, and help them manage those risks, starting with the risks that specifically affected women. One of its findings was that the

resources and even the health we enjoy in our 70s, 80s and beyond (a period in people’s lives that is sometimes referred to as ‘later life’) are determined by choices we make and situations we find ourselves in throughout our lives.

That is why in 2019 we published a manifesto for *Insuring Women’s Futures*, calling for a national conversation about women and their finances with one of the sections focused on caring, including: who cares, how care is rewarded and paid for, and carers’ pensions including a carers’ pension top-up. We held a ‘Talk to 10k’, a week-long social media event which encouraged the public to talk to 10 people about financial problems (from pensions to starting an account for your child) throughout the week. The event highlighted some of the biggest issues and produced a toolkit to get people talking.

Often, these choices and situations seem trivial at the time, and we only realise their true importance after years or even decades. The subjects we study at school, decisions about joint or sole ownership of assets with a spouse or partner, or the value that one employer or another happens to place on full- and part-time work offer, all play a huge part in our wellbeing as time goes on.

In a similar way, some of the biggest responsibilities we face come to us through tradition or chance, without anyone asking us if we are ready to take them on. As we found in our research, much of the time these traditions and conventions work in subtle and unseen ways to make it particularly difficult for women to achieve financial independence.

This guide is designed to provide guidance to financial services professionals on how to engage with

consumers who are approaching, or are in, later life. This is on the back of the CII later life consumer guide published in June 2021¹; the ongoing Insuring Futures process; and the advice already provided by other organisations such as *Age UK*.

We hope it makes interesting reading and look forward to continuing the national conversation about caring as it unfolds.

¹ <https://www.cii.co.uk/media/10126692/later-life-consumer-guide-cl.pdf>

Introduction

This guide is a practical one focused on advice for financial services professionals engaging with older clients and their families who are either in, or preparing for, later life. By later life we mean the period in the latter stages of life when for many people care needs become more complex and costlier. It may also be affected by having to live with a disability such as dementia.

The guide has been produced as a result of research that was conducted by the CII to foster a conversation about the importance of preparing for later life - by sharing the wealth of information and experience of employers, trusted friends and, in particular, family, we believe that everyone could benefit from their expertise and share the burden of the important decisions that are being made.

The main outputs from the research were:

- The pandemic has prompted people to assess their financial resilience and ability to cope financially with unexpected events, including what might happen in later life;
- Later life planning needs to be reframed from a negative experience to one that, if done early and effectively enough, can maintain independence in later life;
- Sharing experience is crucial to improved outcomes; and
- It is never too early to start the planning process.

It supports the consumer guide published by the CII which looks to encourage consumers to have meaningful conversations about later life by suggesting who to talk to, about what and when; providing conversation starters

and sharing hints, tips and tools. Throughout the consumer guide we provide information to relieve anxiety and provide support so that consumers can enjoy their lives in the knowledge that they have appropriate plans in place to deal with later life needs. “Getting your house in order” as many people refer to it. Overall, we encourage everyone to view later life planning as a journey that should not be seen as a daunting one-off project but as a process to be taken step by step over time.

We want to encourage consumers to recognise that the majority of us are not alone and that our plans need not be made independent of others, indeed by sharing the wealth of information and experience of employers, trusted friends and, in particular, family they will benefit from their expertise and share the burden of the important decisions they are making.



Introduction continued

This guide is split into eight sections, click on a topic to find out more. 

The use of appropriate and relevant language

Reducing anxiety and providing reassurance

Promoting awareness of, and sensitivity to, potential cognitive issues

Hints and tips

Guidance on regulatory requirement

or expectation of the behaviour expected from members in relation to vulnerable customers

Case studies

Challenges

Quiz

Overall, our aim is to share best practice and reinforce it where it already exists to provide reassurance and reduce anxiety for those of us who are approaching later life, who may have all manner of other concerns to contend with.

The use of appropriate transparent language and communication methods

We would encourage you to consider the appropriate and relevant language to use with later-life customers and put appropriate training in place.

This is both in correspondence and conversation. Here are a few pointers to consider:

- Ensure language requirements, disability and cognitive capabilities are established and appropriate actions taken prior to discussing any business;
- Avoid convoluted sentences and write in plain transparent language, this is clearly not solely the case with later life customers;
- Avoid using jargon which has relevance to insurance or financial services industry professionals but not to the general public;

- Offer to send a comprehensive summary of all actions taken in a timely fashion, as well as allowing customers to make changes to the summary prior to actions being undertaken; and
- Offer to send a copy of all correspondence to any/all attorneys named in any powers of attorney that the customer has in place

In Age UK’s paper on resilience during retirement² they discuss the importance of choosing language that resonates with older people and avoiding clichés. For example, often when asked whether they had done any “planning” or “preparation” for later life, older people would reply that they had not done anything, however it would then transpire that they had in fact pulled together paperwork, communication end of

life wishes, made a will and various other actions. Similarly, the concept of a “rainy day fund” had vastly different interpretations, from a modest, easily accessible source of money for some to every asset they owned including their house to others. So, whilst there is benefit in using everyday language, we must not assume the meaning that people have for common phrases as there may be significant or subtle distinctions in what is understood.

Further information on the importance of acting transparently can be found in the CII’s transparency and insurance guide³.



² https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/money-matters/financial-resilience_summary_and_implications_report_2018.pdf

³ <https://www.cii.co.uk/media/10125630/chartered-transparency-ethical-companion.pdf>

Reducing anxiety and providing reassurance

Our consumer research shows that planning for later life can be highly stressful for those involved in it.

This can often lead to it being put into the “too difficult” pile and deferred to a later date, to the detriment of many older people. Our view is that the process of later life planning should be seen as a journey, not as a daunting one-off project but a process to be taken step by step over time.

It is therefore important to put the right ingredients in place to reduce anxiety and provide reassurance.

Here are some thoughts on how to achieve this:

- **The setting** – ensure the location of a physical meeting is convenient for the customer and is appropriate for their needs, that it is accessible and check for any reasonable adjustments (adjustments to ensure the individual’s needs are met related to disabilities and chronic illnesses);
- **Attendees** – help facilitate the client having the right people to support them at the meeting i.e. partner, friend, family, named attorney;
- **Speed of decision making** – put the client under no pressure to make quick decisions, suggest regular breaks, and confirmation in writing of any potential issues that have been discussed;
- **Decision maker** – be wary of other parties, potentially with ulterior motives, swaying the client’s decision, and aim to ensure that the client makes the ultimate decision having been fully appraised of the facts. “Red flags” may be indicated by other parties trying to artificially speed up the process or contacting you independently of the customer to flag a different approach than that discussed at the previous meeting or conference call; and
- **Confirmation** – confirm everything in writing and allow for a cooling-off period.

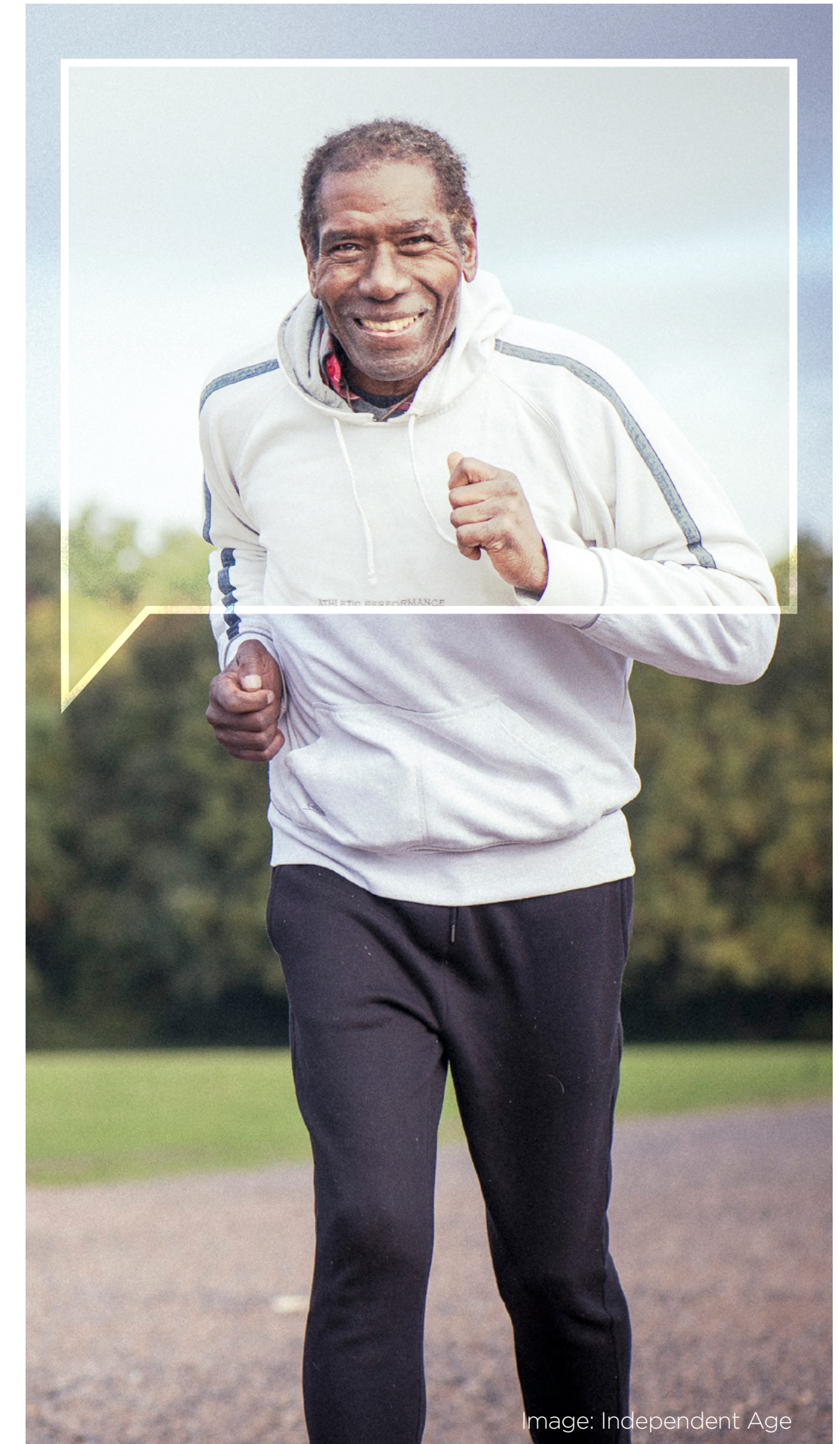


Image: Independent Age

Promoting awareness of, and sensitivity to, potential cognitive issues

There is now increasing awareness of the effect of cognitive issues, as a result of illnesses such as dementia, in later life. No one size fits all, but all clients should be treated with dignity, diligence and respect.

It is therefore incredibly important that anyone interacting with people at this life stage has processes in place to ensure that their teams are aware of any potential or diagnosed cognitive impairment and behaves appropriately to protect the customer's interests in light of it.

These include:

- Checking with the client or their attorney if there are any cognitive issues that they should be aware of;
- Checking if a power of attorney is in place if issues are known;
- Not assuming cognitive impairment, it may be that the client is merely wary and taking their time;

- Suggesting the attendance of a supportive other at all meetings, but not suggesting directly who that should be to avoid leading the client. Ask open questions such as “Is there someone who can help you at the meeting?”;
- Check also the access needs of the client, be they physical if you are meeting face-to-face or more practical i.e. large-print letters and documents for clients with poor eyesight;
- Offering to send correspondence to a named attorney to aid understanding;
- Offering to record meetings and provide transcripts if required; and
- Offering to set up and co-ordinate 3-way conference/video calls with a named attorney at agreed time.

The support of a friend or relative can help with the decisions that need to be made. However, the financial services professionals must

be careful to monitor the behaviour of the supportive individual to ensure that there is no financial abuse taking place and to avoid the potential for them suggesting courses of actions that are in their interests, not that of the client.



Image: Independent Age

Hints and tips

Here are some helpful hints, tips and tools to aid your support for clients' later life planning.

- Offer to set up 3-way conference/video calls with named attorneys/friends/relatives;
- Don't send letters on Thursdays/Fridays as your offices may be unmanned when the letter is received and this could leave clients concerned over the weekend with no one to reassure them and therefore cause undue upset and anxiety;
- Offer to send copies of correspondence to named attorneys to avoid confusion and ease decision-making;
- Avoid complicated IT solutions for communicating, make arrangements as simple as possible;
- Offer to provide free-of-charge IT training for older clients;

- Ensure the client is fully aware whether a product is individually or jointly held;
- Provide a simple template for clients to use to work through their potential later life costs;
- Review all standard documentation to check its language is transparent and uses plain English. Road-test it with over 70s before finalising;
- Take a holistic approach to the client, by discussing health and well-being as well as financial plans;
- Offer to record and provide transcripts of meetings to aid understanding and recall; and
- Contextualise decisions by using anonymous case studies.

Lastly, it would make good sense to arrange a session to better understand employees' care needs and those of their loved ones, to sense-check any improvements you are making for clients and also to provide support to your staff.



Image: Independent Age

Regulatory expectations

Over the last few years, the FCA have focused on the protection of all consumers and particularly those deemed to be vulnerable.

In February 2021, they published a guidance paper on the treatment of vulnerable customers⁴ and in May 2021, they put out a consultation paper on the introduction of a new consumer duty⁵.

Both of these documents reinforce the FCA’s focus on driving higher expectations of the standard of care that firms provide to customers with “a significant shift in culture and behaviour, where they (the firms) consistently focus on customer outcomes, and put customers in a position where they can act and make decisions in their interests.”

In the former paper, they discuss the four key drivers of vulnerability, namely health, life events, resilience, and capability and discuss the characteristics associated with each driver:

Health	Life events	Resilience	Capability
Physical disability	Retirement	Inadequate 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
	Other circumstances that affect people’s experience of financial services eg, leaving care, migration or seeking asylum, human trafficking or modern slavery, convictions		

⁴ <https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers>

⁵ <https://www.fca.org.uk/publication/consultation/cp21-13.pdf>

Regulatory expectations continued

Many of these affect later life customers significantly.

They also discuss the fact that vulnerability can affect anyone at any stage of life, and can change over time.

Their expectation for the care of older customers by firms is that their outcomes should be as good as those for other customers. This should be achieved through product design, understandable and transparent communication, and focused, informed and effective customer service embedded by investment in and commitment to staff training. Firms then should actively monitor and evaluate their effectiveness in their interactions with vulnerable customers, with regular management reporting on how they are meeting the needs of vulnerable customers using the process shown opposite.

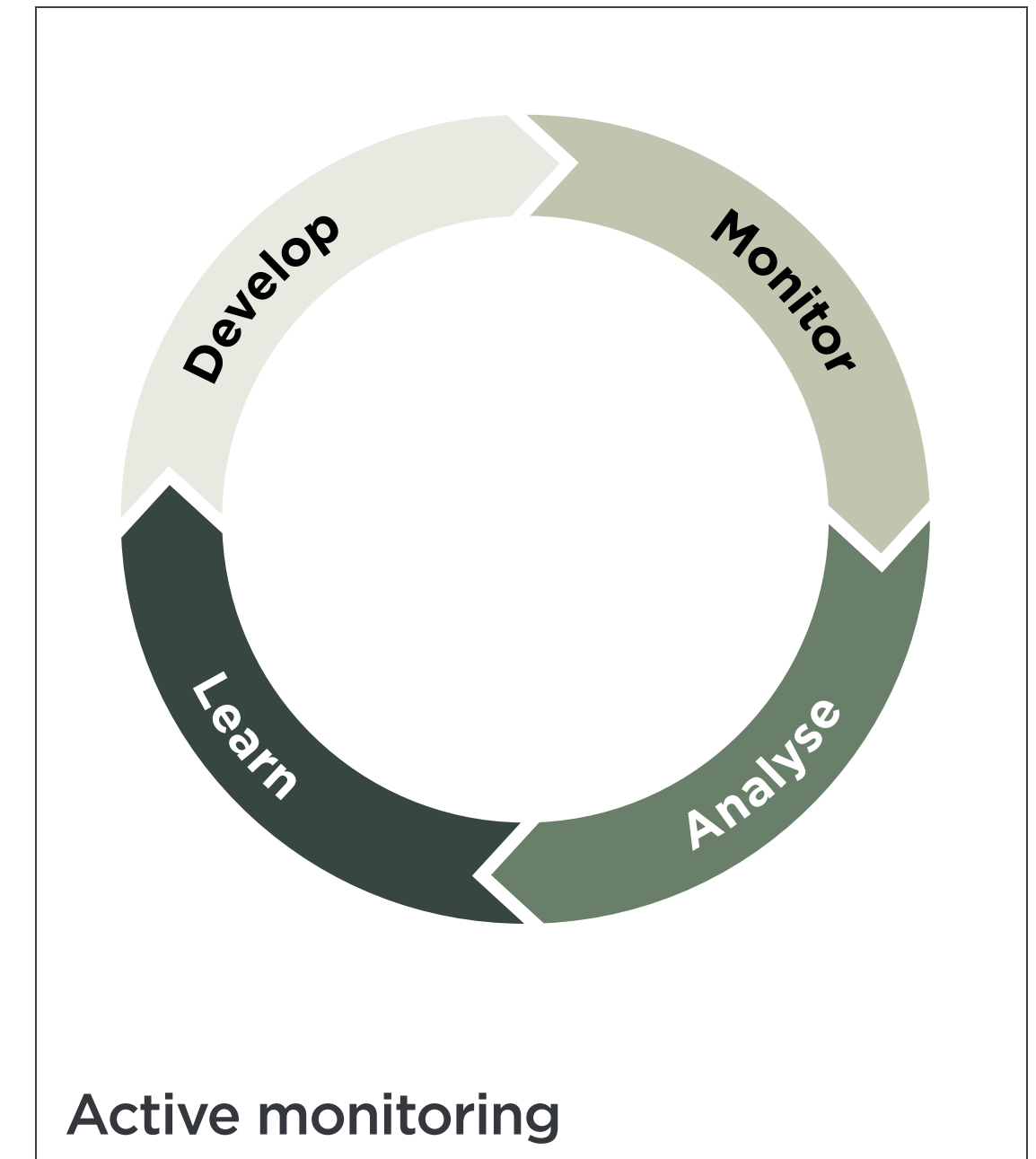
The CII have also provided a guide on building trust through ethical culture⁶, which focuses on encouraging the building of trust with all customers by addressing behaviours, beliefs and habits in a firm’s culture under four headings – leadership, practices, governance and purpose.

It also offers a simple approach to delivering ethical improvements which has relevance to those looking to better address the needs of vulnerable customers:

1. Be clear about the overall “why”:
- write down something specific about what the firm will get out of devoting time to its ethical culture and what benefit will come from this;
2. Set an achievable goal: start with a goal that is achievable in the short-term to get the ball rolling;

3. Choose an “ethics coordinator”: their role will be to encourage cooperation in the firm for achieving the goal;
4. Get the “tone from the top” right: make sure the senior people from the firm support the improvement both in what they say and how they behave; and
5. Challenge excuses: don’t allow old habits to creep in and destroy the potential for change. Challenge unhelpful thoughts and practices.

It champions professionalism as a route to providing a framework for approaching ethical culture in terms of what is the right thing to do, not just what is required. An ethos that is completely in line with that which is espoused by the FCA.



⁶ <https://www.cii.co.uk/news-insight/insight/articles/building-trust-through-ethical-culture-a-guide-for-sme-firms-updated/84323>

Case studies



Image: Independent Age

These case studies have been created from research into a wide range of people's experiences in later life. The photographs that feature alongside the case studies, which have been sourced from an age-positive image library provided by the Centre for Ageing Better, have been used to illustrate the case studies. However, the individuals named in the case study and their stories are fictional.

Maureen lost her husband three years ago and has been diagnosed with dementia in the last 6 months. Her daughter, Tracy, is the named attorney on both of her lasting powers of attorney. Tracy lives two hours' drive away from her mother.

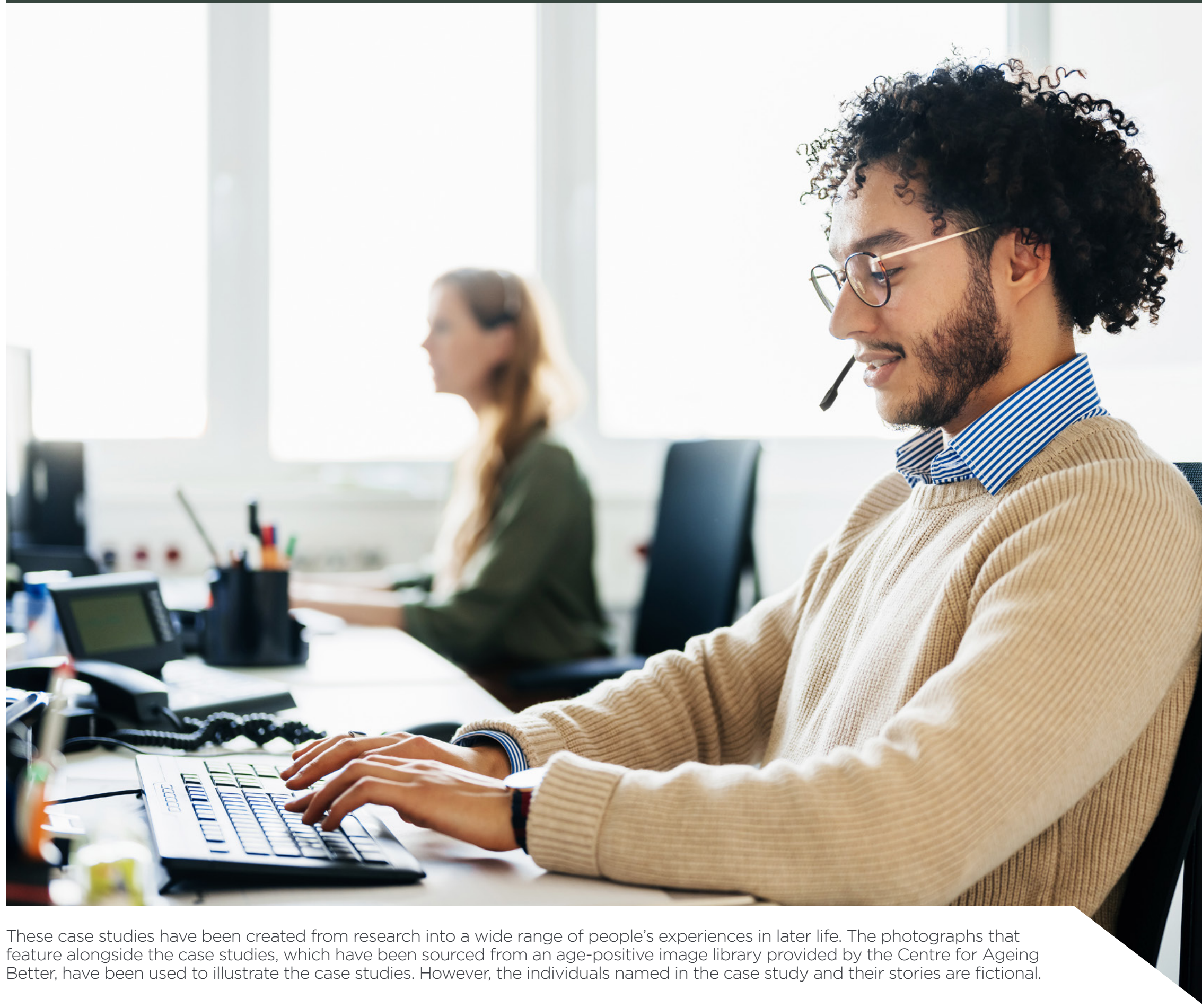
Maureen needs to arrange some household insurance but is anxious about the process of doing so.

Tracy approaches the firm that they would like to use and outlines, in simple terms, her mother's situation. The customer service agent is fully trained in dealing with later life

customers and those with cognitive impairment. He outlines the following support:

- Letters to be sent to Maureen and copied to Tracy;
- No letters to be sent on Thursday or Friday to avoid contact centre being closed when help needed;
- Conference calls to be arranged with both Maureen and Tracy; and
- Transcripts of all calls and meetings to be made available.

Case studies continued



Brian works in a customer service department of an insurance company. He receives a call from an elderly male customer asking to buy a product immediately, but is concerned that the customer does not fully grasp the details of the product that he wishes to buy.

Brian politely asks the gentleman if it is convenient for him to call him back the next day. Having received training on ethics and later life provision, Brian consults with his Manager who agrees a plan of action for the call back. On the call back, Brian and his Manager discover the contact details of the

customer's daughter who is also his carer and attorney; they agree with the customer that they can discuss the details of the policy with her and arrange a time for all parties to have a call. On the call a more appropriate product is discussed at a cheaper price and is sold to the customer.

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Case studies continued



Philippa is a senior manager at a financial services firm. A chance remark one day from one of her employees makes her realise that she knows very little about the caring responsibilities of her team.

She arranges a session with them to find out more about their role in supporting vulnerable family and friends. This results in certain changes to work patterns to ease the pressure on her colleagues and also reflections in better ways for the firm to deal with vulnerable and later life customers. A recap session is arranged for three months' time.

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Challenges

a.

Mr. Jones has approached your company to discuss various products. During the initial discussions, you become aware that he may have cognitive issues.

What are the main actions you take following the call?

b.

Ms. Putland, who is her mother's attorney, calls to tell you that her mother has had a change of mind and doesn't want to pursue the course of action discussed at your previous meeting. You are concerned that this may represent financial abuse.

How do you proceed?

c.

Mrs. Birkett, who is in her 80s, is insistent on buying a product that you do not think is appropriate for her situation.

How do you proceed?

d.

Mr. and Mrs. Adams both have cognitive issues, and are very dependent on their son to guide them through their finances. Unfortunately, he lives 100 miles away and struggles to attend meetings as he has a young family.

What actions do you take?

Quiz

Mouse over or click on an answer to see if it right. 

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