

# **Consumer Scotland's approach to working with consumers in vulnerable circumstances**

**October 2024**

## 1. Summary

### Summary of our approach

As the statutory body for consumers in Scotland, Consumer Scotland is committed to improving outcomes for all consumers. In order to do this, we have a particular focus on the needs and interests of consumers in vulnerable circumstances. We want to ensure these are taken into consideration by governments and other policymakers, regulators, businesses and the public sector in relation to the supply of goods and services.

We will take a systems-based approach, advocating for inclusive consumer experiences and for markets which work for all consumers. This requires a focus on universal service design as well as taking action to highlight how certain products and services may not be accessible for some people with specific characteristics or circumstances.

We will embed this approach throughout our work, in the language we use, the way we engage with people, and how we gather knowledge and advocate for consumers. We will work towards better consumer experiences for all, ensuring that the needs of consumers in vulnerable circumstances are considered actively and consistently, and not as an afterthought.

We will take a reflective approach to this work by seeking and taking account of feedback from consumers, partners and other bodies we work with.

## 2. Introduction

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament.

Our purpose is to improve outcomes for current and future consumers, and our strategic objectives are:

- To enhance understanding and awareness of consumer issues by strengthening the evidence base
- To serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- To enable the active participation of consumers in a fairer economy by improving access to information and support

The Consumer Scotland Act 2020 Act states that when exercising its functions, Consumer Scotland must have regard to the interests of vulnerable consumers (Section 7(4)).

This document sets out how Consumer Scotland will approach issues around consumer vulnerability when exercising its functions. These functions include advocacy, research and investigations functions and this paper sets out the language we will adopt and the processes we will follow in order to meet this duty.

### 3. Background

Section 25 of the Consumer Scotland Act defines “vulnerable consumers” as:

#### Definition of vulnerable consumers in the Act:

Consumers who, by reason of their circumstances or characteristics—

- “(a) may have significantly fewer or less favourable options as consumers than a typical consumer, or
- (b) Are otherwise at a significantly greater risk of:
  - (i) harm being caused to their interests as consumers, or
  - (ii) harm caused to those interests being more substantial, than would be the case for a typical consumer”

The Act defines “vulnerable consumers” in a different way to the “typical consumer”, by placing an emphasis on their “circumstances” or “characteristics”. The Act suggests that vulnerable consumers may either have fewer or less favourable options or may be at greater risk of harm - or of more substantial harm - than typical consumers. The Act does not define “circumstances” or “characteristics”, as there are a number of factors that can influence consumer vulnerability and these can change over time.

Having regard to the interests of vulnerable consumers across all of our functions is an important strategic aim for Consumer Scotland, as well as a statutory duty.

We note that the term ‘vulnerable consumers’ is considered by some individuals and stakeholders to be problematic. Language is not neutral, and the way it is used can affect how people are seen, and potentially stigmatised, in everyday life and society.

Many consumers who might be classified as ‘vulnerable’, and the organisations who represent and advocate for their interests, do not like or identify with this term. It risks

assuming that there is a definable static group of people who are vulnerable. This deficit-based approach also does not take sufficient account of the role of structural factors in creating or contributing to vulnerability.

Language choices can impact on how effectively organisations like Consumer Scotland can advocate for consumers who may be at greater risk of harm. It is therefore important that Consumer Scotland takes care in its use of language when working with, discussing and advocating for consumers.

#### **4. Consumer Scotland's use of language regarding consumers in vulnerable circumstances**

Consumer Scotland's preferred approach is to use the general term 'consumers in vulnerable circumstances' or 'consumer vulnerability' rather than 'vulnerable consumers'. We avoid the term 'vulnerable consumers' because it suggests that particular consumers are inherently vulnerable. Anyone can experience vulnerability at different times based on their circumstances and the markets they are engaged in.

We will, therefore, adopt a 'people first' approach and will apply this to all aspects of our work. We will treat consumers as people first and foremost, recognising their holistic experience of engaging with markets and services. Individuals involved in our work should always be able to refer to themselves in any way that they choose.

Though we have taken care to consider how we use language around consumers in vulnerable circumstances, we are aware that language is imperfect, and that no wording or phrase can convey all the complexities of life for any individual, especially those who live with vulnerable circumstances.

We will continually consider our use of language as we undertake our work to ensure that it is appropriate and reflects good current practice in how we refer to people.

#### **5. How Consumer Scotland understands the term consumers in vulnerable circumstances?**

When considering consumer vulnerability, Consumer Scotland's approach is informed by the following factors:

- Consumer vulnerability can be temporary, sporadic or permanent. The circumstances encountered in everyday life can result in any person experiencing vulnerability
- Consumers can move in and out of states of vulnerability and they may be vulnerable in respect of some categories of transaction but not others
- Vulnerability can be situation dependent with consumers often experiencing vulnerability because of factors outside their control. This, and the inequalities that may result, can be caused by a failure of markets, regulators, the state and wider society rather than the individual or their circumstances

- Vulnerability can be cumulative and when different characteristics, life circumstances and structural inequalities combine, inequalities can be compounded.

## 6. Taking a systems-based approach to improving outcomes for consumers in vulnerable circumstances

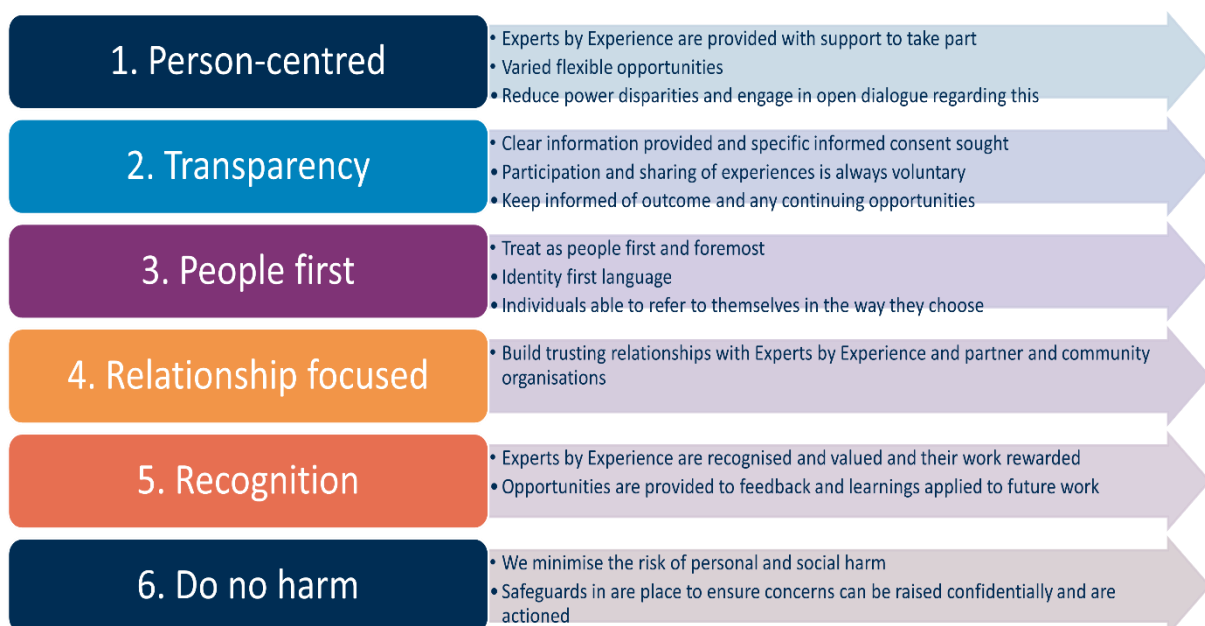
When we consider issues faced by consumers in vulnerable circumstances we will focus on systemic issues. A ‘systems-based approach’ means that rather than considering certain consumers as inherently vulnerable we will focus on the structures and situations that can give rise to a risk of harm for consumers. We will analyse weaknesses in service design or inherent inequalities within the service being provided, rather than focussing on the characteristics of a person which may have caused them to experience vulnerability.

Taking a systems-based approach is consistent with the aforementioned ‘people-first’ principle. Our approach is ‘people-first’ because we take account of how participants want to refer to themselves and how they perceive their own circumstances; but it is ‘systems-based’ because it seeks to understand those individual experiences in the context of the system that gives rise to them.

## 7. How we will engage with consumers in vulnerable circumstances

Consumer Scotland will ensure that our work is informed by the lived experience of consumers in vulnerable circumstances. Research and other activities that include lived experience will be underpinned by the following six key principles. We have developed detailed internal guidance on how those principles will apply when undertaking research and other engagement activities involving lived experience.

**Figure 1: Key principles for the involvement of consumers in vulnerable circumstances in research**



We will adopt the terminology term 'Expert by Experience' when referring to consumers who participate in these activities recognising their knowledge, skills and expertise. While Consumer Scotland does not generally provide advice to individual consumers, when we do have direct contact with consumers these principles will be used to guide our actions and communication. We will consider what practical steps we can take to improve a consumer's journey with us and whether making adjustments might actively result in harm.<sup>1</sup>

## **8. How we will reflect on and develop our approach**

Consumer Scotland will reflect on our activities on an ongoing basis to ensure that they comply with the approach laid out above. We are aware that the needs and preferences of people in vulnerable circumstances will change with time, as will best practice in this area. We aim to develop and improve our approach, incorporating continuous listening and learning as we engage with consumers and key partners throughout our work.

For this reason, we welcome ongoing feedback on our approach, and how we engage with and advocate for consumers in vulnerable circumstances.

We will seek opportunities to develop our approach, including for example:

- Ensuring that these principles are adhered to in research that we commission, and that contractors provide opportunities for feedback and reflection
- Ensuring that consumers and partner organisations can feedback their experiences of working with us so we can reflect on and improve our approach
- Considering consumer arrangements for participation and input by consumers and partner organisations
- Regularly evaluating the impact that our advocacy, research and investigation roles may have had in terms of improving the outcomes for consumers in vulnerable circumstances

We will review this statement each year as part of our work programming process.

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<sup>1</sup> [SPSO \(undated\) Complaints with vulnerabilities: Guidance](#) p.5.