

Computer compassion: the role of AI in supporting vulnerable customers

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The Financial Conduct Authority's (FCA's) publication on delivering good outcomes for customers in vulnerable circumstances reinforces the regulator's expectation that firms will prioritise the needs of vulnerable customers. The report highlights both improvements and persistent shortcomings in the industry's approach. It is both a progress check and call to action for the financial services industry, restating the regulator's expectations under the Consumer Duty.

The FCA's findings underscore the complexity of addressing vulnerability. Vulnerable customers are not a small minority - they represent a significant and growing proportion of the consumer population. While the report found some examples of strong practices, it concluded that a significant gap remains in effectively identifying, supporting, and delivering tailored solutions to vulnerable individuals.

Problem areas

The report highlighted shortcomings in five key areas: governance and oversight, outcomes monitoring, customer support, consumer understanding, and product and service design.

Many firms still struggle to define and measure 'good outcomes' for vulnerable customers. Without robust metrics or adequate data, they have a limited ability to track whether interventions are working. The FCA notes that few firms utilise behavioural data, leaving firms with a significant blind spot in assessing vulnerability.

Consumer support is patchy and inconsistent in places. While some firms are using speech analytics to flag vulnerability in real time, others lack consistent processes to identify and respond to customer needs. Customers report having to repeat their circumstances across multiple interactions, often because frontline staff are not empowered or enabled to act on available insights.

Communication and accessibility continue to present challenges. Tailoring messages to individual needs and ensuring comprehension are areas where many firms fall short. Similarly, vulnerability considerations are not yet sufficiently embedded into product and service design, risking exclusion from the outset.

Is AI the answer?

The report, while not explicitly focused on artificial intelligence, highlights several areas where AI is already contributing solutions - and where its potential remains underutilised.

Whilst computers are not usually associated with emotion, AI-driven analytics can process large volumes of structured and unstructured data to identify trends, spot anomalies, and segment customer groups at risk of harm. Its use in processes such as outcomes monitoring is clear.



Moreover, its ability to assess behavioural data, speech patterns, and transaction history can all inform predictive models, helping firms intervene earlier.

In customer support, AI is already being used to analyse recorded calls for signs of vulnerability and to ensure there is an appropriate response. AI tools can augment human agents by flagging emotional distress or urgency. Used responsibly, AI chatbots and virtual assistants can handle routine queries and direct more complex cases to trained staff, freeing up capacity where it's needed most.

AI can also personalise content distributed by firms to their customers, based on customer preferences, language proficiency, and accessibility needs. Document translation, readability scoring, and adaptive formats can help ensure that messages are both clear to their intended audience and understood. AI can aid product design by analysing customer feedback at scale, surfacing pain points and unmet needs that might otherwise go unnoticed.

A holistic approach

However, the adoption of AI must be thoughtful. The FCA repeatedly emphasises its expectation that there will be human oversight of AI systems, and that they are implemented with empathy and fairness. AI should augment, not replace, the human touch. Ethical deployment means transparency in decision-making, protection of personal data, and mitigation of algorithmic bias.

The FCA's report should remind the industry that supporting vulnerable customers is not just about compliance; it is about culture, systems, and meaningful outcomes. Firms that proactively embed vulnerability into their strategies and responsibly leverage technologies like AI will not only meet regulatory expectations; they will serve their customers better.