

A large graphic on the left side of the page features a collection of overlapping circles in various colors including lime green, cyan, magenta, and white, set against a dark teal background. A large light green circle in the lower right of this graphic contains a dark teal magnifying glass icon.

Vulnerability disclosure in the UK mortgage market

Lender and intermediary research



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Introduction



Background and objectives

Consumer Duty has raised the bar for the UK mortgage intermediary market. Financial providers must now show how they identify, support and protect customers with characteristics of vulnerability, and prove that they're delivering fair outcomes. This is both a regulatory requirement and a practical challenge: vulnerability can be complex, sensitive, and difficult to disclose consistently across broker and lender relationships.

In October 2024, Smart Money People and Newcastle for Intermediaries carried out the first wave of research focused solely on mortgage brokers. The findings showed that while awareness and training were generally strong, the way vulnerabilities were disclosed to lenders was inconsistent, often impacted by unclear processes or worries about how disclosure might affect mortgage applications.

This 2025 study builds on those findings by also including the lenders' perspective. Bringing both sides together gives us a fuller picture of:

- **Current activity and experience:**
How frequently brokers and lenders encounter vulnerable customers and disclosures in day-to-day practice
- **Understanding and confidence:**
Whether both groups feel adequately equipped to recognise and respond to vulnerability
- **Processes and barriers:**
Where disclosure breaks down, and why
- **Support needs:**
What tools, training and resources are most likely to improve outcomes

By bringing together the views of brokers and lenders, this research highlights areas of alignment, uncovers key gaps, and gives actionable insights to strengthen disclosure practices throughout the mortgage journey.

In 2024, **89.1%**
of brokers reported
encountering vulnerability
amongst their clients



Methodology

Research design and fieldwork

The survey was designed jointly by Smart Money People and Newcastle for Intermediaries, combining quantitative measures with open-ended questions to capture rich qualitative feedback. The broker survey closely follows the 2024 design, allowing for year-on-year comparisons, while the lender survey was newly developed to capture organisational perspectives on receiving and handling disclosures.

Fieldwork took place between July and August 2025, with surveys distributed through:

- Internal broker pools managed by research supporting lenders.
- Coverage across mortgage trade press and industry groups.
- Smart Money People's own intermediary community.



Sample and response

In total, the survey achieved:

- **Brokers:**
250 valid responses, reflecting a broad range of firm sizes and business models
- **Lenders:**
320 valid responses, covering high street banks, building societies, specialist lenders, and challenger institutions

The overall completion rate was 84.9%, demonstrating strong engagement given the technical nature of the topic.

Demographic profile

Broker sample:

Geographically diverse, with the largest proportions from London and the South East, but representation across all UK regions. Brokers' business focus varied – most were active in prime residential lending, while many also work in buy-to-let, later life lending, and specialist or complex credit.

42.7%
of responding brokers
were based in London or
the South East



Broker role	% of responders
Admin	2.5%
Mortgage adviser / broker	70.1%
Paraplanner	0.8%
Principal / director	20.5%
Other	6.1%

Lender sample:

Responses came from a range of lender functions, including BDMs (Business Development Managers), underwriting, compliance, and operational roles. For analysis purposes, lenders were grouped by type based on the source of their response (e.g., building society, high street bank, specialist / challenger).

15
businesses represented
across high-street banks,
building societies, specialists
and lifetime lenders



Lender role	% of responders
BDM / account manager	27.5%
Compliance	4.1%
Direct mortgage adviser	8.8%
Helpdesk / sales team	13.8%
NAM / head of intermediary	12.2%
Underwriter	13.8%
Other	20.0%

Combined business focus

Across both brokers and lenders, the sample represents the full breadth of the mortgage market. Prime residential remains the most common area of activity, but a significant proportion of respondents also work in buy-to-let and specialist areas such as complex credit. This gives the findings a broad market relevance, capturing perspectives from both mainstream and niche mortgage segments.

Mortgage market area	% of responders
Prime residential	87.0%
BTL	60.9%
Specialist (Complex)	46.0%
Later life / RIO / Equity release	11.9%



58.1%

of brokers think the industry has made progress in supporting client vulnerability





Executive summary

Recap of 2024's findings

The 2024 Smart Money People / Newcastle for Intermediaries study provided the industry's first comprehensive view of how brokers were addressing vulnerability in the mortgage process. The results showed that:

- **Awareness and training were relatively strong:**
Most brokers were confident they could identify vulnerable customers.
- **Disclosure was inconsistent:**
While almost 90% of brokers reported encountering vulnerable clients, over 40% said they'd never passed this information on to a lender.
- **Barriers to disclosure were significant:**
Clients often experienced discomfort, feared negative impacts on mortgage applications, and brokers were unsure about how and where to disclose vulnerabilities to lenders.
- **Support needs were clear:**
Brokers requested dedicated disclosure routes, consistent market-wide processes, and reassurance that sharing this information would not disadvantage their clients.

The message from 2024 was clear: brokers were aware of their responsibilities, but structural and cultural barriers were preventing disclosure.

Summary of 2025's findings

This year's study builds on the 2024 baseline by including lender perspectives alongside brokers. The combined dataset provides a more rounded view of disclosure practices, showing both progress and areas that still need improvement.

- **Broker activity:**
In 2025, more than four in five brokers reported encountering vulnerable clients, broadly consistent with 2024. Encouragingly, the proportion of brokers disclosing "more than half" of identified vulnerabilities to lenders has increased, although 30.9% of brokers still report disclosing none.
- **Lender experience:**
Despite this, over half of lenders said they'd not received a single disclosure in the past 12 months. While internal recording practices may partly explain this, it suggests a significant volume of broker-identified vulnerabilities is still not reaching lenders.
- **Confidence and understanding:**
Both groups reported high confidence in identifying and responding to vulnerable customers. However, awareness of FCA vulnerability drivers is not universal, especially among lenders.
- **Barriers remain misaligned:**
Brokers mainly see process failures such as unclear routes or inconsistent systems as the main obstacles to disclosure, while lenders point to client factors like reluctance to disclose or fear of negative impact. This highlights the need for clearer communication and shared accountability.
- **Support and resources:**
Brokers seek simple, practical tools such as clear guides, integrated disclosure points in applications, and reassurance on non-discrimination. Meanwhile, lenders prioritise dedicated online areas, expert input, and training. Both groups see value in more structured guidance, but their priorities differ.



Core findings

Disclosure is moving in the right direction:

Compared with 2024, fewer brokers report never disclosing vulnerabilities, and more are disclosing the majority of cases. However, the gap between broker identification and lender receipt remains wide.

Process clarity is critical:

44.3% of brokers still report that some lenders offer no clear route for disclosure, and more than one in ten lenders acknowledge having no defined route in place.

Roles across the journey are clearer but still fragmented:

Both groups agree that brokers should take primary responsibility at the DIP stage, and lenders at application and completion. This shared understanding gives a foundation for better integration.

Language matters:

Brokers often avoid the term “vulnerable” with customers, preferring to frame conversations around tailored support. Internally, however, “vulnerable customers” remains the dominant terminology. These discrepancies can create uncertainty in disclosure and client communication.

Training is uneven:

While brokers report high levels of confidence, this isn't always matched by universal awareness of the FCA's drivers of vulnerability. Among lenders, a third admit they're unsure whether the FCA drivers cover all necessary scenarios.

Implications and conclusion

The 2025 results suggest a market that has made progress since 2024, but where structural barriers and misaligned perceptions continue to limit disclosure. Brokers are increasingly willing and able to identify vulnerabilities, yet the flow of information to lenders remains inconsistent. Meanwhile, lenders are confident in handling disclosures but often don't receive them, leaving vulnerable customers at risk of slipping through the cracks.

The next steps for the industry are clear:

- **Embed disclosure into the mortgage journey:**
Integrate it into DIP (Decision in Principle) and application processes
- **Provide clear, accessible routes:**
Establish consistent standards for disclosure across lenders
- **Reassure brokers and clients:**
Ensure disclosure won't disadvantage applications
- **Invest in targeted training:**
Close awareness gaps, particularly around the FCA's vulnerability drivers and the distinction between short and long-term vulnerabilities

By addressing these areas, the industry can ensure that vulnerability is not only recognised but consistently acted upon - delivering on the spirit and letter of Consumer Duty.



Research findings

Broker survey findings

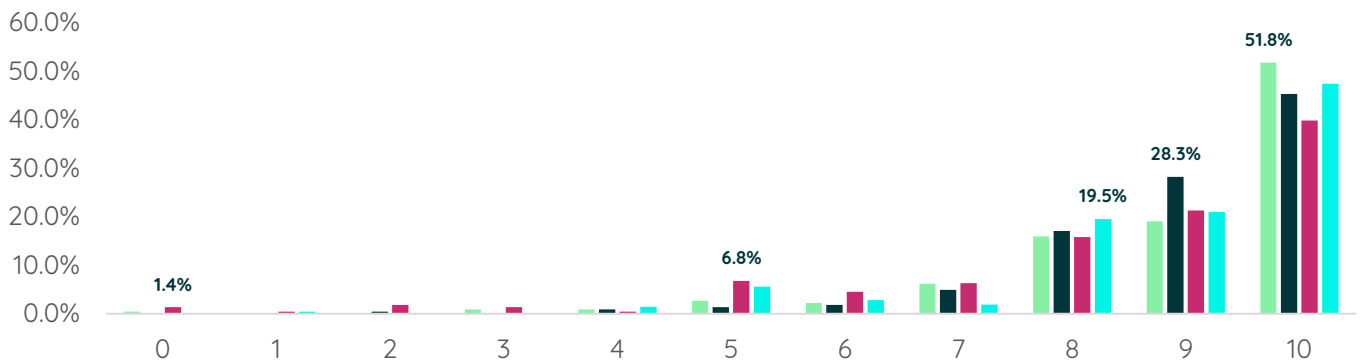
1. Understanding and confidence

A central aim of the 2025 research was to assess how confident brokers feel in identifying and managing customer vulnerability under Consumer Duty. The results show that confidence remains high, with most brokers reporting strong awareness of both the drivers of vulnerability and the importance of disclosure.

On a 0–10 scale, average confidence scores were close to 9 across the board:



Broker confidence level in understanding



The findings suggest that training and awareness efforts over the past two years are paying off, with brokers feeling well equipped in principle to recognise vulnerable customers.

However, qualitative feedback shows that confidence doesn't always translate into certainty in practice. Some brokers noted that while they understand the theoretical drivers of vulnerability, real-world cases often involve complex, overlapping factors that are harder to categorise or disclose. Others said that existing guidance can feel too high-level, leaving them unsure of the correct approach in specific situations.

Language with clients is also a sensitive area. More than half of brokers (55.5%) reported that they "tailor language to the individual situation" when discussing vulnerability, while 16.7% avoid the term "vulnerable" altogether, opting for softer, more client-centred phrasing. Internally, however, the majority (40.6%) still use the shorthand "vulnerable customers". This gap highlights a broader challenge: balancing regulatory terminology with language that is clear and approachable for clients.

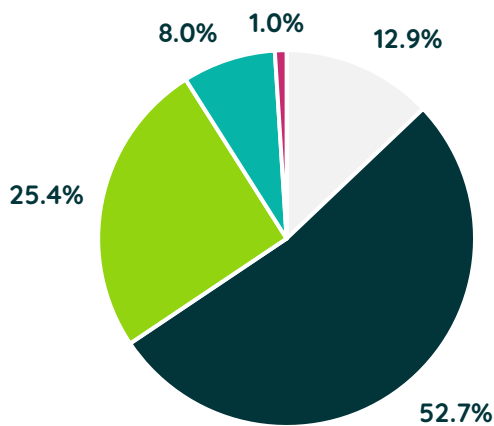


2. Prevalence of vulnerable customers and disclosure practices

As in 2024, vulnerability remains a common feature of brokers' caseloads. In 2025, over 87% of brokers reported encountering at least some vulnerable customers in the past year. The majority (52.7%) identified vulnerability in around 1–10% of their client base, while roughly a quarter (25.4%) reported prevalence of 11–25%. A smaller proportion (8.0%) said that between a quarter and half of their clients were vulnerable, and just 1.0% reported vulnerability in more than half of their cases.

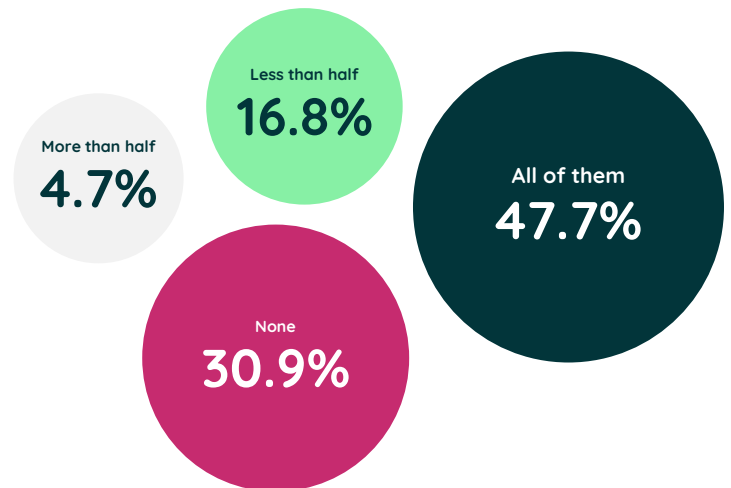
While this distribution is broadly consistent with 2024, it's notable that a small minority of brokers (12.9%) reported not identifying any vulnerable customers in the past year. Given the FCA's own survey evidence showing that vulnerability affects a significant proportion of UK adults, these findings suggest that some brokers may still be under-identifying vulnerability within their client base.

% of clients identified as having a vulnerability (L12M)



■ None ■ 1-10% ■ 11-25% ■ 25-50% ■ Above 50%

% of vulnerable clients disclosed



Encouragingly, the 2025 survey shows some progress in brokers' disclosure of vulnerabilities to lenders. When asked what proportion of vulnerable customers they disclosed:

- **52.3%** of brokers said they disclosed more than half or all
- **16.8%** said they disclosed less than half
- **30.9%** said they had not disclosed any

Compared with 2024, when over 40% of brokers reported never disclosing vulnerabilities, this represents a modest but meaningful improvement. However, the fact that 30.9% of brokers still never disclose highlights a persistent gap between identification and information-sharing.

When asked whether they agreed with the statement "around half of UK mortgage customers may be vulnerable," responses were mixed: around 45% disagreed, 36% said "possibly", and only 15% said "yes". This indicates that while brokers feel confident identifying vulnerability when it arises, there's still skepticism about its prevalence across the wider customer base.



3. Barriers to disclosure

The reasons vulnerabilities aren't disclosed remain broadly similar to those identified in 2024, though the balance has shifted slightly. In 2025, the most cited barriers were:

- No route provided by some lenders: **44.3%**
- Unclear how to disclose: **42.4%**
- Client discomfort in sharing sensitive information: **26.6%**
- Fear of negative impact on the mortgage application: **22.7%**
- Advisers feeling best placed to manage needs without disclosure: **19.2%**
- GDPR / privacy restrictions: **13.8%**

The prominence of process-related barriers (“no route” and “unclear how”) shows that brokers are generally willing to disclose but are constrained by inconsistent systems and guidance across the market. At the same time, the persistence of client-related concerns highlights the importance of framing disclosure carefully and reassuring both brokers and customers that sharing this information will not disadvantage them.

4. Support needs and improvements

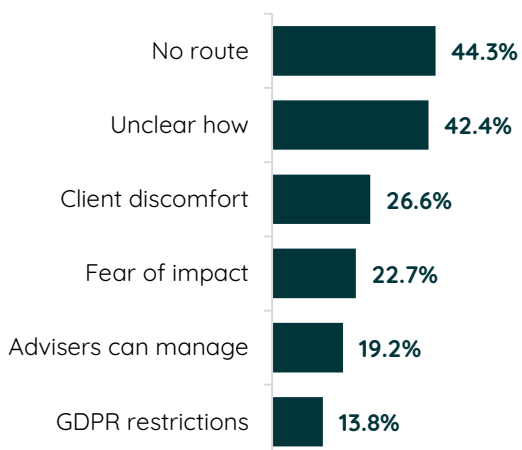
Brokers highlighted clear areas where support could help them disclose vulnerabilities more consistently and confidently. The most requested measures were:

- Clear guidance on what support is available to clients: **61.6%**
- Step-by-step guides on how to disclose: **49.5%**
- Integration into systems and hubs: **44.4%**
- Consistency across lenders: **43.9%**
- Simpler forms with examples: **36.9%**
- Standardised customer information: **27.8%**

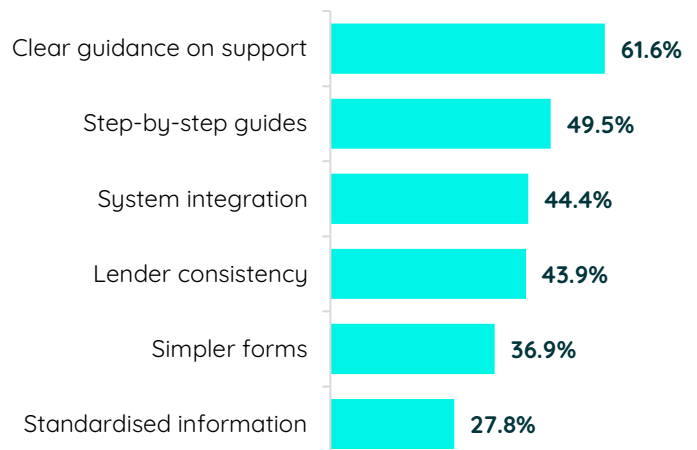
These results indicate that brokers are seeking practical, operational solutions rather than additional abstract training. Many want disclosure to be embedded into existing application workflows, rather than treated as a separate or optional task.

In terms of technology, only 27.7% of brokers reported using online tools to support disclosure, highlighting a significant opportunity for lenders to better integrate disclosure pathways into digital systems.

Key factors preventing broker disclosure



Best way lenders can support vulnerability disclosure





5. Progress since 2024

Brokers were asked whether the industry has made progress in addressing vulnerability since last year's research. A majority (58.1%) agreed that progress had been made, while 21.2% said no, and 20.7% were unsure.

This sense of gradual improvement is encouraging, but the mixed responses highlight that the changes brokers want – standardisation, clarity, reassurance, and integration – haven't yet been delivered consistently across the market.

Summary of broker findings

Brokers are confident in their knowledge and generally proactive in identifying vulnerable clients, but disclosure to lenders remains inconsistent. The most significant obstacles are structural rather than behavioural: unclear routes, inconsistent systems, and concern about client outcomes. Brokers themselves are calling for clear, practical solutions that embed disclosure into everyday processes.



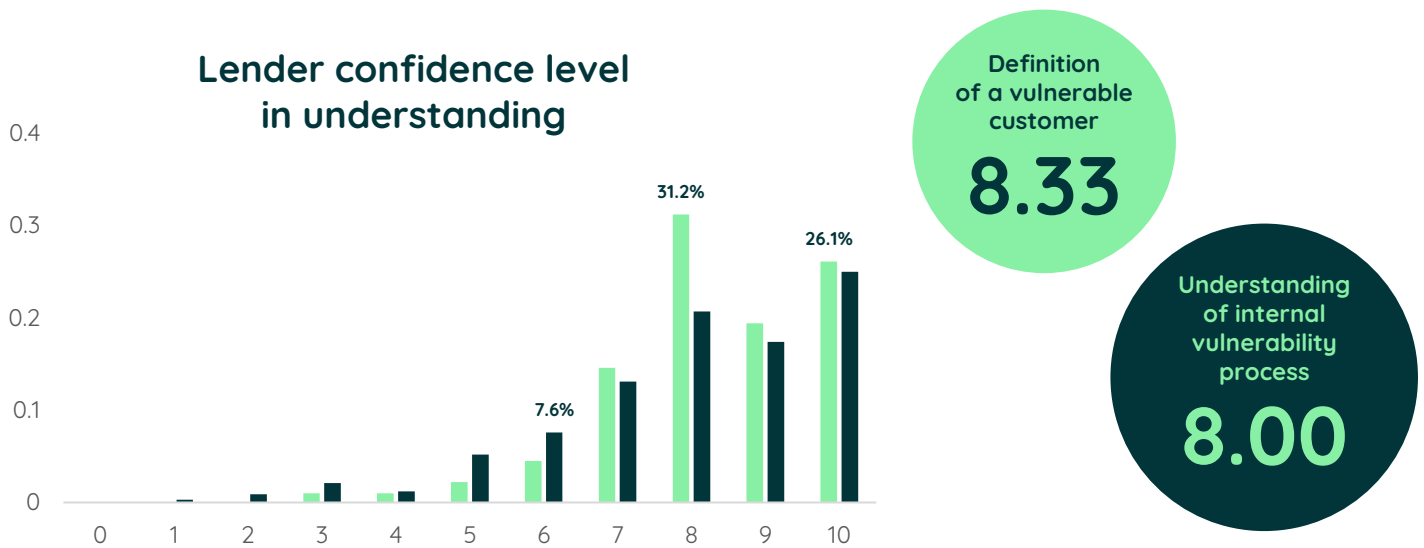


Lender survey findings

1. Understanding and confidence

Lenders reported relatively high levels of confidence in their ability to understand and act on disclosures of vulnerability. But the results also reveal gaps in awareness and consistency.

On a 0–10 scale, the mean confidence score for understanding the definition of vulnerability was 8.33, while confidence in knowing how to handle a disclosure averaged 8.00. These scores suggest a solid baseline of competence across the sector, with lenders broadly comfortable with their obligations under Consumer Duty.



However, deeper probing showed that this confidence doesn't always translate into full awareness of the FCA's framework. When asked whether the FCA's vulnerability drivers "cover everything they need to," only 61.8% agreed, while 32.6% admitted they didn't know. 5.6% said "no," suggesting they see gaps in the framework.

Awareness was also mixed when it came to distinguishing between short and long-term vulnerabilities. Just over half of lenders (53.4%) reported that their organisation makes this distinction, while 30.1% were unsure and 16.6% said they didn't. This suggests that, even at an institutional level, approaches to vulnerability remain inconsistent, and in some cases, incomplete.

2. Frequency of disclosures

Despite high confidence in managing disclosures, many lenders said they rarely, if ever, actually receive them.

When asked how often they'd received a disclosure from a broker in the last 12 months:

- **52.5%** said never
- **36.5%** said monthly
- **8.2%** said weekly
- **2.9%** said daily

This indicates a significant gap between brokers identifying vulnerability and lenders being informed. While broker disclosure has improved since 2024, 52.5% of lenders still reported not receiving a single disclosure in the past year.



This gap may partly reflect differences in how lenders record disclosures. Vulnerabilities might be discussed informally with BDMs or noted in application files but not formally logged as a “disclosure”.

However, the size of the gap suggests that a substantial number of vulnerable customers are still not being consistently flagged across the broker–lender interface.

3. Why disclosures don't happen (lenders' perspective)

When asked why they think brokers may not disclose vulnerabilities, lenders mainly pointed to client or adviser-level barriers rather than process failures. The top responses were:

- Client didn't feel comfortable disclosing: **77.9%**
- Customer didn't identify themselves as vulnerable: **67.1%**
- Circumstances weren't adequately discussed: **64.4%**
- Fear of negative impact on application: **63.0%**
- Unclear how to disclose: **35.0%**
- No route provided: **26.3%**

This contrasts with brokers' own responses, where the most common reasons were “no route” and “unclear how”. The difference highlights a key misalignment: brokers view the challenge as structural and process-driven, while lenders see it as personal and behavioural.

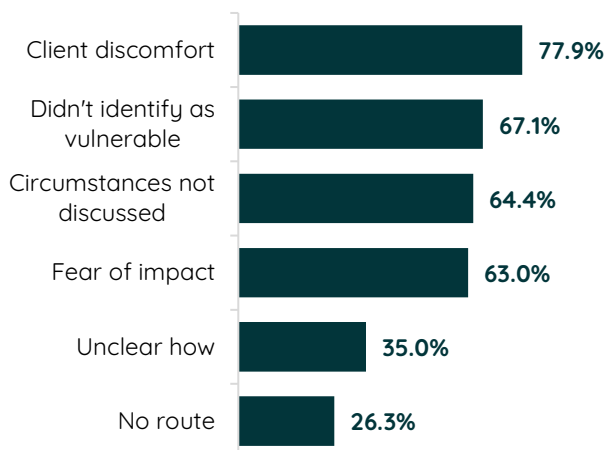
4. Routes for disclosure today

Lenders reported that when disclosures do occur, they usually come through informal or manual channels rather than via standardised processes:

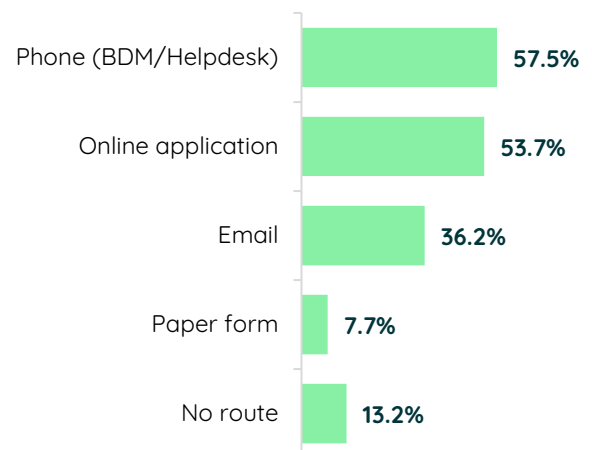
- Phone call to a BDM or helpdesk: **57.3%**
- Noted in online application form: **53.8%**
- Email: **36.4%**
- Paper form: **7.7%**
- No defined route: **13.3%**

The fact that more than one in ten lenders reported “no defined route” highlights a systemic risk. Even where routes do exist, reliance on phone calls and emails raises concerns about consistency, auditability, and the ability to demonstrate Consumer Duty compliance.

Main reasons vulnerability is not being disclosed



How brokers disclose to lenders today





5. Support needs

When asked what additional resources or support would help them manage vulnerability disclosures more effectively, lenders highlighted several priorities:

- Dedicated areas on lender websites: **56.3%**
- Expert input and external guidance: **49.8%**
- Training provided by their own firm: **33.7%**
- Detailed written guidance: **31.9%**
- Webinars and podcasts: **30.5%**

Qualitative feedback reinforced these findings, with many lenders calling for better integration of vulnerability questions into application systems, clearer guidance from regulators or industry bodies, and training tailored to specific roles, such as underwriting or frontline broker support.

6. Lender perspectives in their own words

Lenders provided extensive feedback on how brokers could improve processes to encourage the disclosure of vulnerable circumstances. The free-text feedback from lenders echoed brokers' calls for clearer processes, though with a slightly different emphasis. Their suggestions point to five recurring themes:

Integration into application processes

Lenders overwhelmingly favoured building disclosure prompts directly into the mortgage journey. Many argued that vulnerability should be a standard section within DIP and application forms, supported by dedicated fields or note boxes. Several called for upgrades to existing electronic systems to make disclosure easier and more consistent, rather than relying on ad-hoc communication.

“Ensure there’s an option on the application for them to disclose if they need to.”

Consistency and market clarity

A recurring theme was the need for greater standardisation across the industry. Lenders highlighted that inconsistent definitions and subjective interpretations of vulnerability create confusion. Developing a more uniform definition and approach was seen as essential for building trust and encouraging disclosure.

Clear guidelines and training

Responses highlighted a need for clearer, market-wide guidance on what constitutes a vulnerability and how such disclosures should be handled. Lenders also expressed a desire for more education for brokers, both on spotting signs of vulnerability and on understanding how disclosure impacts the application process.

“Education to the market around the importance of disclosure and support for customer”

Communication and support

Lenders also called for stronger, more transparent communication channels with brokers. Suggestions included direct dialogue with underwriters, clearer note sections within applications, and better signposting on lender websites. The focus was on making it clear to brokers how to share information and ensuring they feel supported when doing so.

“Use a central record so it only needs to be recorded once.”



Reassurance against discrimination

Finally, lenders acknowledged that many brokers worry about the potential negative impact of disclosure on mortgage outcomes. They emphasised the importance of reassuring brokers that vulnerabilities won't be used to disadvantage applicants, and noted that more education and communication are needed to overcome this perception barrier.

Lenders are calling for systemic changes to make vulnerability disclosure more transparent, consistent, and embedded into everyday mortgage processes. Their feedback reinforces many of the same themes raised by brokers: the need for clear guidance, simple systems, and reassurance for both advisers and clients that disclosure is safe and constructive.

When asked about the training, guidance, or internal processes their organisations provide around vulnerability, lenders highlighted a broad range of initiatives. Overall, most employees feel well-supported, though a gap remains between the resources available internally and the support accessible to brokers.

Annual CBTs and e-learning

The most common form of support was annual (or in some cases, more frequent) computer-based training (CBT) modules. Lenders described these as helpful refreshers that maintain a baseline of awareness and confidence in handling vulnerable customers. Some noted that the training is mandatory across their organisations, ensuring consistent exposure for all staff.

“Regular e-learning, access to a Specialist Support Team and website guidance.”

Specialist support teams

Several lenders highlighted access to specialist teams, often within compliance or customer care functions, who can be consulted when cases are complex or uncertain. This additional layer of expertise reassures staff and helps ensure consistent outcomes for customers.

The results indicate that lenders generally feel well supported in understanding and responding to vulnerability. Training is frequent, accessible, and reinforced through peer networks and vulnerability champions. However, this contrasts with brokers' experiences, where support from lenders is often seen as inconsistent or lacking.

“Vulnerability champions” and working groups

Many lenders mentioned the use of “vulnerability champions” or dedicated working groups. These internal teams act as points of reference for frontline staff seeking advice or reassurance. They also provide forums for sharing knowledge and case examples, helping teams build practical confidence in applying policies to real-world situations.

“Monthly topics shared across the bank and a monthly newsletter to promote what we have done.”

Positive employer commitment

Feedback was generally positive regarding employers' commitment. Lenders praised internal resources, refresher training, and proactive measures designed to embed vulnerability awareness into day-to-day practice.



This highlights an important gap: while lenders are well equipped internally, the tools and guidance they provide to brokers remain inconsistent. Closing this gap is crucial to ensure that disclosures flow smoothly across the intermediary and lender relationship.

Summary of lender findings

Their perception of barriers differs from brokers', placing more emphasis on customer reluctance and less on process gaps. Disclosure routes are often informal and inconsistent, raising concerns about auditability and compliance. Lenders are calling for more dedicated resources, clearer integration into systems, and greater alignment with brokers on how vulnerability should be discussed and disclosed.





Cross-cutting insight and industry implications

Roles and responsibilities across the mortgage journey

One of the clearest insights from bringing broker and lender perspectives together is how each group sees responsibility for supporting vulnerable customers at different stages of the mortgage journey.

- **Broker view (self-responsibility):**
Brokers overwhelmingly see themselves as responsible at the DIP stage (91.5%), with significant roles also at application (79.6%) and completion (73.5%).
- **Broker view (lender responsibility):**
Brokers believe lenders should take ownership primarily at application (83.3%), followed by completion (75.1%) and DIP (63.6%).
- **Lender view (self-responsibility):**
Lenders see themselves as most responsible at application (79.2%) and DIP (77.5%), with many also naming completion (70.0%).
- **Lender view (broker responsibility):**
Lenders expect brokers to play the dominant role at DIP (93.5%) but also acknowledge brokers' responsibility at application (74.6%) and completion (67.4%).

At a high level, both groups agree on a shared model of responsibility: brokers take the lead at DIP, lenders take primary responsibility at application, and both remain engaged through to completion. While this broad alignment is encouraging, the details reveal some discrepancies:

DIP (Decision in Principle)	Application	Completion
Brokers see this as their domain but also expect lenders to play a supportive role. However, lenders overwhelmingly push responsibility to brokers at this point.	Both sides see lenders as primarily responsible, but brokers continue to see themselves as actively involved, reflecting their frontline role in guiding clients through the process.	Again, both sides acknowledge joint responsibility, though brokers weight this stage slightly higher than lenders.

The picture is less about outright disagreement and more about differing emphasis. Brokers tend to view responsibility as continuous across the mortgage journey, while lenders mark clearer “hand-offs.” Without alignment on roles at each stage, there’s a risk that disclosures could be missed or duplicated.



Under-disclosure remains systemic

The comparative data shows a persistent gap between broker identification and lender receipt of vulnerability disclosures. While most brokers report disclosing vulnerabilities at least some of the time, more than half of lenders say they never receive them. This disconnect suggests that disclosures are either not being made consistently, not being logged reliably, or not reaching the right people within lender organisations.

The risk is clear: customers who share sensitive circumstances with their broker may not be consistently supported by their lender, creating gaps in protection and potential exposure under Consumer Duty.

Different perceptions of barriers

The survey also shows a stark contrast in how brokers and lenders perceive the barriers to disclosure. Brokers focus on process issues, such as unclear routes, inconsistent systems, and lack of guidance. Lenders emphasise customer behaviour, including reluctance to disclose, lack of self-identification, and fear of application impacts.

This creates a “blind spot”. Brokers, who are closest to the customer, feel constrained by lender processes. Lenders, who rarely see disclosures, interpret the absence as reluctance or omission by brokers and clients. Without resolving this perception gap, efforts to improve disclosure may miss the mark, with brokers asking for clearer processes while lenders invest in customer-facing campaigns instead.

Progress is visible but uneven

Both groups agree the industry has moved forward since 2024, but progress remains uneven. Brokers point to modest improvements in disclosure rates, while lenders report that they’re still not receiving consistent information. Training and confidence levels are strong, yet awareness of the FCA’s vulnerability drivers – and the practical differences between short and long-term vulnerabilities – remains inconsistent.

This suggests the building blocks are in place – knowledge, awareness, and willingness – but the infrastructure for disclosure still isn’t fit for purpose.

Implications for the industry

Taken together, these findings carry several implications for lenders, brokers, and the wider market:

- **Shared responsibility requires shared systems:**
Both groups see themselves as playing a role across the mortgage journey, but their priorities differ. Without aligned processes, hand-offs will remain fragile.
- **Disclosure must be routinised:**
Embedding disclosure prompts into DIP and application systems would remove ambiguity about when and how brokers should flag vulnerabilities.
- **Perception gaps must be bridged:**
Lenders need to acknowledge that process clarity is a genuine barrier, while brokers must recognise that customer reluctance is also real. Both factors need to be addressed simultaneously.
- **Consistency builds trust:**
Brokers want standardisation across lenders, while lenders want confidence that disclosures will be used appropriately. Developing common protocols and industry standards could help reduce friction and strengthen trust.



Conclusion

This year's research shows a market moving in the right direction but still held back by structural and cultural barriers that prevent consistent vulnerability disclosure.

Brokers are confident in their understanding of vulnerability and most encounter it regularly in their client base. Encouragingly, more brokers now say they disclose “most” or “all” cases to lenders compared with 2024. But almost a third still disclose none – a reminder that awareness doesn't always translate into action.

Lenders report high confidence in their ability to act on disclosures but admit they only rarely receive them. More than half said they hadn't received a single disclosure in the past year – a stark contrast to brokers' claims of increasing disclosure. This disconnect exposes weaknesses in the routes, systems, and consistency of communication between intermediaries and lenders.

Roles and responsibilities are broadly aligned in principle: brokers lead at DIP, lenders at application, with shared involvement through to completion. But differing emphases risk creating “grey areas” where disclosures are missed.

Perceptions of barriers also remain misaligned. Brokers cite unclear or absent routes as their main challenge, while lenders believe the problem lies more with client reluctance. The reality is likely a mix of both. Until these perspectives are reconciled, solutions will remain partial.

The overall conclusion is clear: the knowledge is there, the willingness is there, but the infrastructure to support consistent disclosure still isn't fit for purpose.

Recommendations

1. Embed disclosure into the mortgage journey

- DIP and application should both include mandatory but simple prompts to capture vulnerability, reducing reliance on ad-hoc calls or emails.
- Where possible, disclosure should be designed into existing online systems to minimise additional effort for brokers.

2. Provide clear, auditable routes for disclosure

- Every lender should have a well-defined, easily accessible pathway for brokers to record vulnerability, visible on portals and in supporting documentation.
- These routes should be transparent to brokers and their clients, with clear assurances about how the information will be used.

3. Standardise across the industry

- Trade bodies and lenders should collaborate to define a minimum disclosure scheme – covering drivers of vulnerability, type of support needed, and duration.
- Standardisation would reduce inconsistency, give brokers confidence, and enable lenders to evidence compliance more effectively.



4. Reassure brokers and clients about non-discrimination

- Both brokers and lenders stressed the fear that disclosure might negatively affect applications.
- Lenders should make non-discrimination pledges explicit, both in broker-facing guidance and customer communications, to encourage openness.

5. Close the loop

- Disclosures shouldn't vanish into a black box. Lenders should acknowledge receipt to brokers, explain what happens next, and, where appropriate, provide feedback on outcomes.
- Periodic reporting back to brokers on the number and types of disclosures received can help build trust that the process is meaningful.

6. Invest in targeted training and role-based resources

- While overall confidence is high, gaps remain around the FCA's drivers and the handling of short vs. long-term vulnerabilities.
- Training should be role-specific. BDMs and broker support staff need practical guidance on logging and routing disclosures, while underwriters and compliance teams need clarity on how to act on them.

The mortgage industry has made real progress in recognising vulnerability. The next step is to turn that recognition into consistent disclosure and effective support. By embedding disclosure into the customer journey, clarifying routes, and aligning expectations between brokers and lenders, the industry can not only meet its Consumer Duty obligations, but also deliver better outcomes for the customers who need it most.





Appendix A - 2025 Survey questions

Broker Survey:

Title: Understanding vulnerability – Broker survey

Heading: Vulnerability disclosure in the mortgage process

Introduction: Thank you for taking the time to complete the survey. It should only take a few minutes. The aim is to better understand how mortgage lenders can support you in meeting your obligations when working with customers in vulnerable circumstances.

Question	Question type	Answer choices	Notes
Profile			
What area(s) of mortgage business are you primarily involved in? (Select up to 4 options)	Checklist (4)	Prime residential, Specialist (complex credit/income), Later life/RIO/Equity release, BTL	[Mandatory]
What is your role in the business?	Radio button	Admin, Paraplanner, Mortgage adviser/broker, Principal/director	[Mandatory]
Where are you based geographically?	Radio button	London, South-East, South-West, Midlands, North-West, North-East, Yorkshire and Humberside, Scotland Wales, Northern Ireland, Other	[Mandatory]
Understanding of vulnerability			
How much do you agree with the following statement: "I am confident in understanding my client's needs and how to explain them to others, such as lenders."?	0 - 10	-	[Mandatory] 0 - Not at all / 10 - Completely
How much do you agree with the following statement: "I understand the different vulnerability categories."?	0 - 10	-	[Mandatory] 0 - Not at all / 10 - Completely
How much do you agree with the following statement: "I feel I have received adequate training to help me support vulnerable customers."?	0 - 10	-	[Mandatory] 0 - Not at all / 10 - Completely
How much do you agree with the following statement: "I understand my responsibilities and expectations from the FCA towards vulnerable clients."?	0 - 10	-	[Mandatory] 0 - Not at all / 10 - Completely
Supporting client vulnerability			
At which stages of the mortgage journey do you believe a broker should provide support to a vulnerable customer?	Checklist (3)	DIP, Application, Completion, None of the above	[Mandatory]
At which stages of the mortgage journey do you believe a lender should provide support to a vulnerable customer?	Checklist (3)	DIP, Application, Completion, None of the above	[Mandatory]



Question	Question type	Answer choices	Notes
When considering the concept of vulnerability, which phrase do you prefer to use when speaking to your customer?	Radio button	Vulnerable customers, Customers in vulnerable circumstances, Customers with vulnerable characteristics, Customers with support needs, I believe the word 'vulnerable' should not be used, I tailor to the individual situation	[Mandatory]
When considering the concept of vulnerability, which phrase do you prefer to use when speaking internally (e.g. with colleagues)?	Radio button	Vulnerable customers, Customers in vulnerable circumstances, Customers with vulnerable characteristics, Customers with support needs, I believe the word 'vulnerable' should not be used, I tailor to the individual situation	[Mandatory]
Vulnerability experience			
What percentage of the clients you've encountered in 2025 have you identified as having a vulnerability?	Radio button	1-10%, 11-25%, 25-50%, Above 50%, None - I haven't identified any, N/A - I don't know	[Mandatory]
<i>For how many of your clients with a recognised vulnerability have you disclosed this information to the lender/provider?</i>	<i>Radio button</i>	<i>All of them, More than half, Less than half, None, N/A - I don't know</i>	<i>[Optional] Conditional on previous question - not 'None - ...'</i>
What, if any, are the key factors preventing brokers from sharing customer disclosures with a lender? (Select up to 5 options)	Checklist (5)	Negative effects on the mortgage application, Client didn't feel comfortable disclosing, Circumstances weren't adequately discussed, Advisers are best placed to look after needs, Lender did not make it clear how to disclose this, Some lenders don't have a route for disclosure, There was a GDPR/privacy restriction, Other	[Mandatory]
What is the best way(s) lenders can support customer vulnerability disclosure? (Select up to 5 options)	Checklist (5)	A guide on how to disclose vulnerability, Provide details on what support is available, Info on how to disclose through systems, hubs etc., Standardised vulnerable customer information, Simpler forms to disclose with selections/examples, Consistent vulnerability support across the market, Providing case studies/examples, None of the above	[Mandatory]
Have you used any online tools to support disclosing and understanding customers vulnerability, e.g. sourcing system, criteria system?	Radio button	Yes, No, N/A	[Mandatory]



Question	Question type	Answer choices	Notes
Market opinion			
Do you believe it's realistic to expect that around half of your customers could be experiencing some form of vulnerability?	Radio button	Yes - I see this level in my own base, Possibly - but hard to confirm, No - this doesn't reflect my experience, I'm not sure	[Mandatory]
Do you think the industry has made progress in supporting vulnerable customers and disclosing this vulnerability to lenders?	Radio button	Yes, No, Don't know	[Mandatory]
What improvements, if any, could lenders make to their processes to encourage disclosure of vulnerable circumstances?	Multi-line free text	-	[Optional]
What, if any, training, guidance or content on vulnerability have you received from a lender where they have excelled or not met your expectations?	Multi-line free text	-	[Optional] <i>(Please provide any feedback or comments to those specific lenders.)</i>

Closing:

Thank you for your feedback. Your input will help drive meaningful improvements in how the industry supports vulnerable customers across the UK mortgage market. If you'd like to learn more about this research, or have any questions, please contact us at hello@smartmoneypeople.com.

Lender Survey:

Title: Understanding vulnerability – Lender survey

Heading: Vulnerability disclosure in the mortgage process

Introduction: Thank you for taking the time to complete the survey. It should only take a few minutes. The aim is to better understand how brokers and mortgage lenders can better support in working with customers in vulnerable circumstances.

Question	Question type	Answer choices	Notes
Profile			
What area(s) of mortgage business are you primarily involved in? (Select up to 4 options)	Checklist (4)	Prime residential, Specialist (complex credit/income), Later life/RIO/Equity release, BTL	[Mandatory]
What type of job role do you have?	Radio button	Helpdesk/Service/Sales team, Underwriter, BDM/Account manager, NAM/Head of intermediary, Compliance, Other	[Mandatory]
Understanding of vulnerability			
How confident are you in the definition of a vulnerable customer?	0 - 10	-	[Mandatory] 0 - Not at all / 10 - Completely
How confident are you if a broker were to disclose a customer vulnerability that you would know what to do in your organisation?	0 - 10	-	[Optional] 0 - Not at all / 10 - Completely



Question	Question type	Answer choices	Notes
Do you agree with the FCA vulnerability drivers?	Radio button	Yes – they cover everything, No – I don't think they cover everything, I don't know/I'm unaware	[Mandatory]
<i>If 'No', what do you think the FCA vulnerability drivers miss?</i>	<i>Single-line free text</i>	-	<i>[Optional] Conditional on previous question – 'No - ...'</i>
Do you think your organisation differentiates between short- and long-term vulnerability?	Radio button	Yes, No, I don't know	[Mandatory]
Thinking about the last 12 months, how often do you receive calls/information about a customer identifying as having a vulnerability?	Radio button	Daily, Weekly, Monthly, Never, N/A	[Mandatory]
Supporting client vulnerability			
At which stages of the mortgage journey do you believe a lender should provide support to a vulnerable customer?	Checklist (3)	DIP, Application, Completion, None of the above	[Mandatory]
At which stages of the mortgage journey do you believe a broker should provide support to a vulnerable customer?	Checklist (3)	DIP, Application, Completion, None of the above	[Mandatory]
Vulnerability experience			
What are the main reasons you believe vulnerable circumstances are not being disclosed by brokers? (Select up to 5 options)	Checklist (5)	Negative effects on the mortgage application, Client didn't feel comfortable disclosing, Circumstances weren't adequately discussed, Advisers are best placed to look after needs, Lender did not make it clear how to disclose this, Some lenders don't have a route for disclosure, There was a GDPR/privacy restriction, Customer didn't identify as vulnerable, Other	[Mandatory]
How do brokers let you know that their customer is vulnerable, if at all? (Select up to 5 options)	Checklist (5)	Online application form, Call BDM or service/helpdesk teams, Complete a paper-based form, Email, Other, N/A - we don't have a defined route of disclosure	[Mandatory]
What ideas or thoughts, if any, do you have on how to make it easier for brokers to disclose their customer vulnerability to you?	Single-line free text	-	[Optional]
What additional resources on vulnerable customers would you like to see made available to support you and your colleagues? (Select up to 3 options)	Checklist (5)	Dedicated areas on website, Detailed written guidance, Training from your employer, Webinars/podcasts, Hearing from experts in vulnerability, Other	[Mandatory]



Question	Question type	Answer choices	Notes
What, if any, training or processes does your organisation do well that you would like to share?	Single-line free text	-	[Optional]

Closing:

Thank you for your feedback. Your input will help inform lender and broker processes industry-wide, driving better customer outcomes under the FCA's Consumer Duty. If you'd like to learn more about this research, or have any questions, please contact us at hello@smartmoneypeople.com.





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