

## Chapter 7

# Arrears, default and recovery (including repossessions)

## 7.10 Treatment of customers with mental capacity limitations

- 7.10.1** **R** A *firm* must suspend the pursuit of recovery of a debt from a *customer* when:
- (1) the *firm* has been notified that the *customer* might not have the mental capacity to make relevant financial decisions about the management of the *customer's* debt and/or to engage in the debt recovery process at the time; or
  - (2) the *firm* understands or ought reasonably to be aware that the *customer* lacks mental capacity to make relevant financial decisions about the management of the *customer's* debt and/or to engage in the debt recovery process at the time.
- [Note: paragraphs 3.7r of DCG and 7.13 of ILG]
- 7.10.2** **G** A *firm* should allow a *customer* or a *person* acting on behalf of the *customer* a reasonable period of time to provide evidence as to the likely impact of any mental capacity limitation on the *customer's* ability to engage with the *firm*.
- [Note: paragraph 3.7r (box) of DCG]
- 7.10.3** **G** ■ CONC 7.10.1 R does not prevent a *firm* from pursuing the debt through a responsible third party acting on behalf of the *customer*, where the *customer* has given prior consent, for example, pursuant to a registered lasting power of attorney.
- [Note: paragraph 3.7r (box) of DCG]
- 7.10.4** **G** *Firms* should note ■ CONC 7.2.1 R (and its accompanying *guidance*) which requires *firms* to establish and implement policies and procedures for the fair and appropriate treatment of particularly vulnerable *customers*.