

1 PURPOSE

The purpose of this guidance is to help advisers at Impact Financial Services recognise and understand common client situations.

Understanding typical client scenarios helps advisers:

- identify client needs more effectively
- ask appropriate questions during the fact-find
- provide suitable recommendations

Every client situation is unique, however many clients share similar financial circumstances and concerns.

2 FIRST-TIME BUYERS

Common characteristics:

- limited knowledge of the mortgage process
- uncertainty about affordability
- limited protection in place

Key adviser considerations:

- explain the mortgage process clearly
- discuss protection needs early in the conversation
- ensure the client understands financial commitments

Protection discussion may include:

- life insurance to protect the mortgage
- income protection to protect monthly payments

3 CLIENTS WITH YOUNG FAMILIES

Common concerns:

- ensuring the family can maintain their lifestyle
- covering mortgage payments if something happens
- protecting children's future

Key adviser considerations:

- assess family financial responsibilities
- discuss appropriate protection levels
- ensure cover reflects long-term needs

Products commonly discussed:

- life insurance
- critical illness cover
- income protection

4 SELF-EMPLOYED CLIENTS

Common characteristics:

- variable income
- limited sick pay
- reliance on personal income to support the household

Key adviser considerations:

- assess income stability
- discuss income protection options
- consider deferred periods and benefit levels

Income protection is often particularly relevant for this group.

5 CLIENTS WITH EXISTING POLICIES

Common situations:

- policies arranged many years ago
- cover that no longer reflects current needs
- policies with limited benefits

Key adviser considerations:

- review existing policies carefully
- assess whether the cover remains appropriate
- consider whether additional cover may be required

Replacement should only be considered where it is clearly beneficial to the client.

6 CLIENTS FOCUSED ONLY ON PRICE

Common behaviours:

- comparing prices between providers
- reluctance to consider policy features

Key adviser considerations:

- explain the differences between products
- highlight the importance of definitions and claims experience
- ensure the client understands the value of appropriate protection

Advisers should focus on value and suitability rather than price alone.

COMMON CLIENT SCENARIOS

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7 CLIENTS WITH HEALTH CONCERNS

Common concerns:

- whether cover will be available
- whether premiums will be higher

Key adviser considerations:

- explain the underwriting process
- gather appropriate health information
- manage client expectations regarding possible outcomes

Advisers should avoid making assumptions before underwriting decisions are received.

8 CLIENTS WHO BELIEVE THEY DO NOT NEED PROTECTION

Common reasons:

- belief that nothing will happen to them
- reliance on savings
- reliance on family support

Key adviser considerations:

- explore the potential financial impact of illness or death
- discuss the role of protection in financial planning
- help the client consider possible risks

The adviser's role is to help clients make informed decisions.

9 CLIENTS EXPERIENCING FINANCIAL STRESS

Common situations:

- high debt levels
- unstable income
- financial uncertainty

Key adviser considerations:

- ensure recommendations remain affordable
- avoid recommending excessive cover
- ensure the client fully understands financial commitments

Advisers must prioritise client affordability and sustainability.

✓ Good Practice

- listening carefully to the client's situation
- asking open questions during the fact-find
- explaining products clearly
- tailoring recommendations to individual circumstances

✗ Poor Practice

- assuming the client's needs without asking questions
- focusing only on product sales
- ignoring affordability concerns
- failing to explain risks and limitations

12 PROFESSIONAL JUDGEMENT

Advisers should always exercise professional judgement when assessing client situations.

No two clients are identical, and recommendations must always be tailored to the client's circumstances.

The adviser's responsibility is to ensure that advice remains suitable and appropriate.