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**Financial Planning on Separation Conference 2024**

# Fear and Finances

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#ResFAConf



# The Collywobbles...



Who would you want  
your mum to see?

# The 'Universal Precautions' approach

Act as if there may be vulnerability  
Trauma-informed ways to communicate with those who are:

- Stressed
- Fearful
- Traumatized
- Vulnerable
- Lacking capacity
- **FCA – ALL** clients are at risk of becoming vulnerable



# Who is vulnerable?

- FCA Guidance - A vulnerable customer is someone who, due to their personal circumstances, is **especially susceptible to harm**, particularly when a firm is not acting with appropriate levels of care
- Exercise greater care with such customers
- Firms should offer frontline staff emotional support in dealing with vulnerable customers – FCA
- Firms should set up systems and processes in a way that will **support and enable vulnerable consumers to disclose their needs** – FCA
- **Consumer Duty regulation**

# What does it look like?



- Can an aggressor be vulnerable?
- Disguised vulnerability
- Dissociation and withdrawal
- Hypo reactivity & hyper reactivity





# Key drivers increasing risk of vulnerability

- **Health** – conditions or illnesses that affect ability to carry out day-to-day tasks
- **Life events** – life events such as bereavement, job loss or relationship breakdown
- **Resilience** – low ability to withstand financial or emotional shocks
- **Capability** – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other areas such as literacy or digital skills

Er....so pretty much most/all people, then?

# Left brain, right brain

## Left brain

Rationality

Logic

Analysis

Linear thinking

Associated with

'new brain'

The natural domain  
of the financial advisor!



## Right brain

Feelings & emotions

Bodily sensations

Divergent thinking

Creativity

Movement

Associated with 'old brain'

The natural domain of the  
client

# What impact do you think anxiety and stress has?

“I’m  
speechless”

“I was in a  
blind panic”

- Are their reactions/responses impaired?
- Do they have difficulty retaining information?
- Filtering information?
- Regulating their responses (‘affect regulation’) and making decisions?
- Distorted perceptions e.g. black and white thinking?



# What doesn't work?

“Calm  
down!”

“Don't get  
stressed!”

“Try to  
focus!”



# The Cavalry...

- Dependency and co-dependency
- Excessive emotional or psychological reliance on someone else
- Intensified by positive transference
- **Enabling** = helping someone do something they could do themselves
- **Our job** = empathy and evoking agency



# Black and white dynamics...

Persecutor/"bad guy"  
Attack!

Rescuer  
Save!



Victim/powerless  
Depend!

# Black and white dynamics...

## Persecutor/'bad guy'

Attack!

Blame!

Criticise!

High standards

Feels like Victim so  
goes on attack

## Rescuer

People pleasing

Over-promising

Saving everyone

Overly

responsible

## Victim/powerless

Avoiding – "I can't handle it..."

Excessively self-critical

Takes blame/criticism to heart

Lack of confidence



# Vulnerability and trauma



# Immobilisation and powerlessness

Trauma becomes more entrenched where instinctive reactions such as fight/flight/fawn/freeze are unavailable

Agency

Autonomy





# In real life...

You have a new client, Priya, 56, who you've recently started working with.

Priya is generally mild-mannered and submissive.

Her email and telephone contact with you so far has been somewhat erratic; at times she is in lots of contact and, at other times, she does not engage at all.

Sometimes she doesn't make huge amounts of sense – you're not sure if there may be an issue but it's so far hard to get to the bottom of.

**What would you do?**



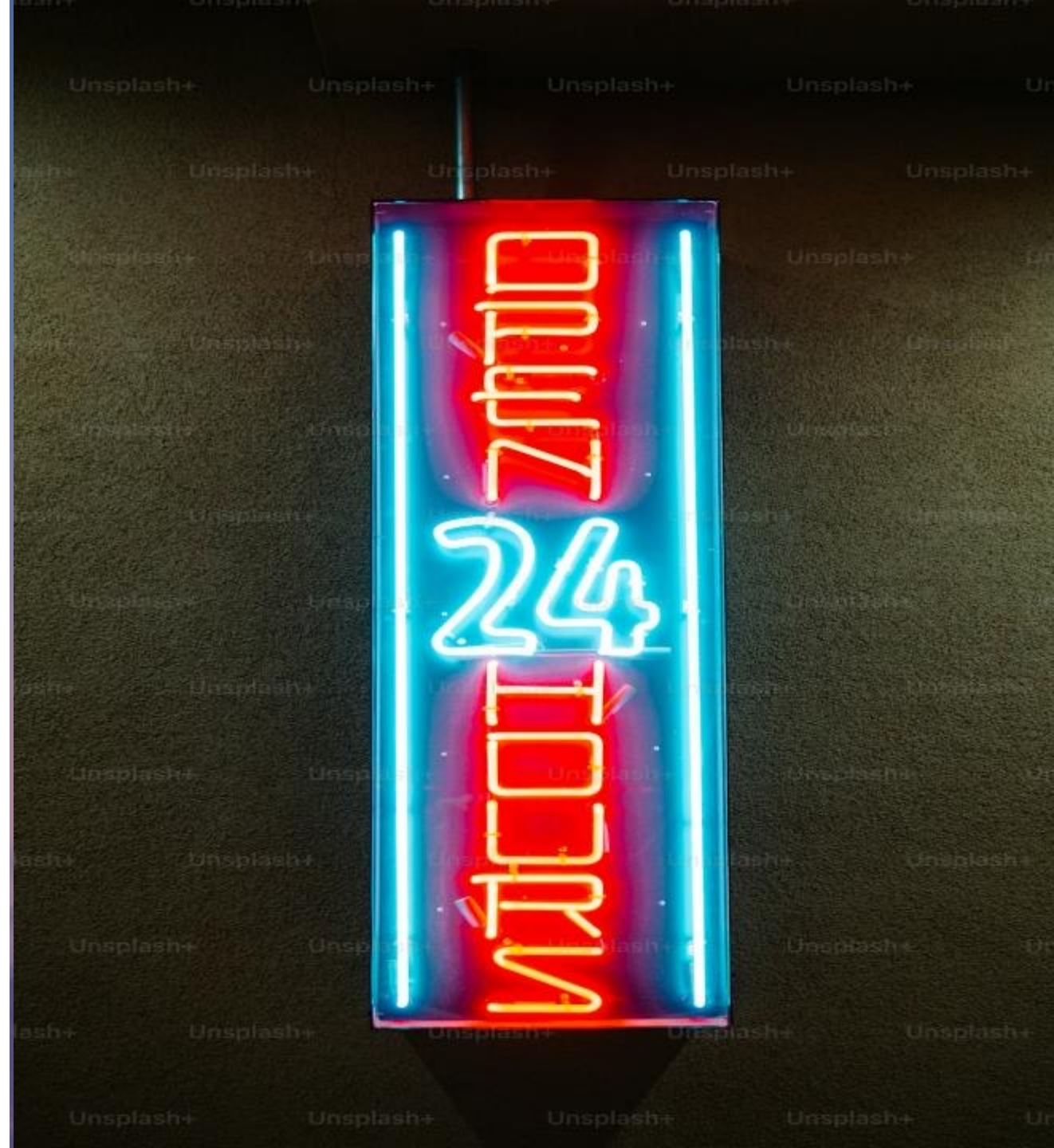
# Client engagement

'Please let us know if you:

- have any preferences for how we communicate with you
- Need any help accessing our services
- Have any needs regarding how information is presented'

## Communications

- Mix it up
- Break it down
- Practical examples
- Metaphors



# Support, don't rescue

1. **Structure** from start – assertive with compassion  
Set expectations, be consistent
2. **Acknowledge** feelings
3. **Prioritise & focus**
4. **Evoke** (questions)
5. **Check understanding**



# Initial contracting

- **Structure with compassion**

Prioritise

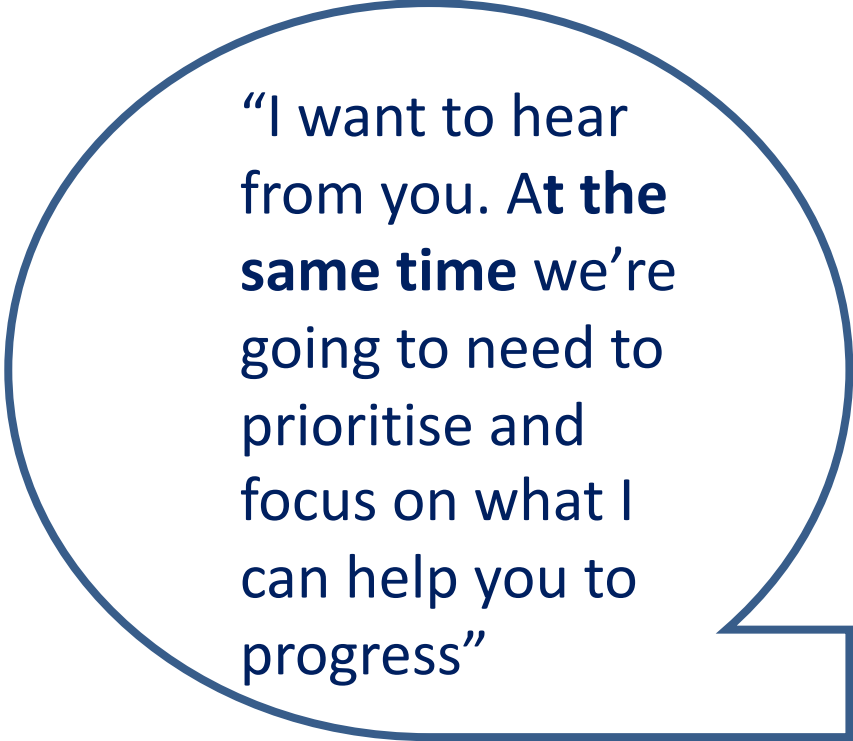
Focus

*“Let me tell you what’s going to happen next...”*

*“If I interrupt you, it’s not intended to be rude. I need to structure us so we get through what we need to..”*

## **Manage expectations**

*“These are difficult issues. I may not be able to help with everything”.*



*“I want to hear from you. **At the same time** we’re going to need to prioritise and focus on what I can help you to progress”*



# What is empathic?

A "Oh yes, I understand completely"

B "That sounds very difficult"

C "I've had difficult times myself..."

D "Why don't you try breathing exercises?"

E "I can hear that there are a number of things going on on different fronts"

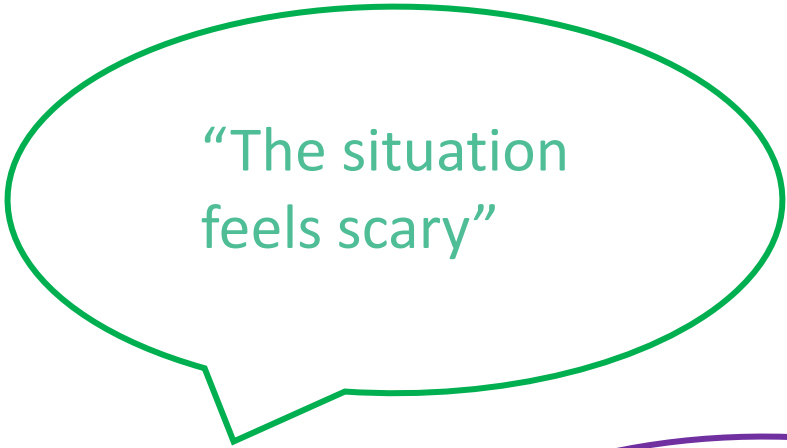


# Not so soft skills...

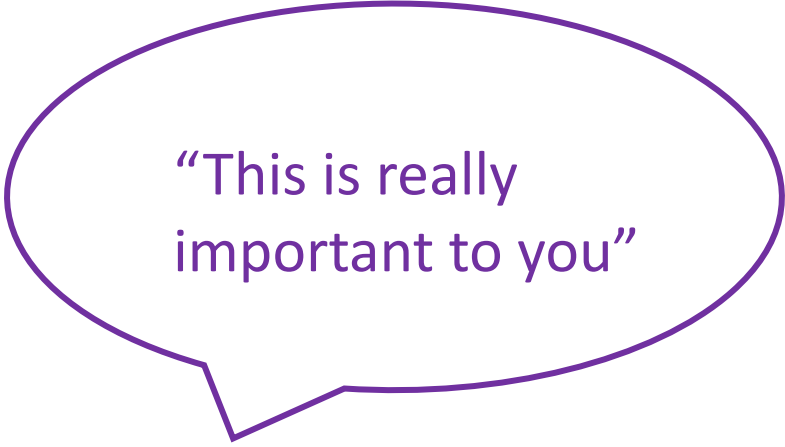
- **Active listening** - being present (momentarily) without trying to move things forward
- **Acknowledging** – paraphrase, reflect, summarise, affirm
- **Curiosity**



“It feels really difficult”



“The situation feels scary”



“This is really important to you”



# Reflecting/paraphrasing

- Reflecting emotions behind the words

'So, for you one of the most important things is ...'

"You feel frustrated"

"It sounds as if it's very difficult"

# Affirm

- Specific
- Different to praise

'It can't be easy discussing these things...'

"It's responsible to seek advice"

"It takes courage to look at this"

# Summarise

- Nuance
- Ands not buts
- End with the hope

'It feels  
hopeless.  
**Alongside that**  
you know you  
need to try...'

“You're not sure how you  
can do this **AND** yet you  
can also see that it's  
important...'

“You feel really  
strung out. At the  
same time, there's  
an inner  
resilience”

# Asking the right questions

- Does that make sense?
- Is that all clear?
- So, you understand that...
- Do you have any questions?
- Is there anything you're not sure of?

What have you made of what I've said?

Which bits don't make sense?

How do you think that might apply to you?

What one thing will you take away from what I've said?

Which bits are you unsure of?

# Opening doors...

Why do you keep going AWOL?

If I can't obtain your instructions, then I can't help you.

If you don't provide proper instructions then we can't help you properly.

You need to respond to my emails in a timely fashion.

It seems that it's hard to keep in contact. Is that your experience? **Can you** tell me more? What makes it difficult?

**What** helps you to keep engaged?

**How** can we help you to feel more supported you with the difficult bits?

Some options would be to have regular face to face reviews or call you before we send you difficult emails. **How would that sound?**

# Evoking

- Spirit of collaboration

'Let's think together about the possibilities now...'

"Let's look at the options...what do you make of those? What's your understanding of them...?"

"How might moving forward in this way help?"



# More no way out questions...

- **How** do you think you might manage this situation?
- **What** helps get you through difficulties...?
- **Tell me** about the people you can turn to...
- **What** resources can you draw on?



# Vulnerability and capacity

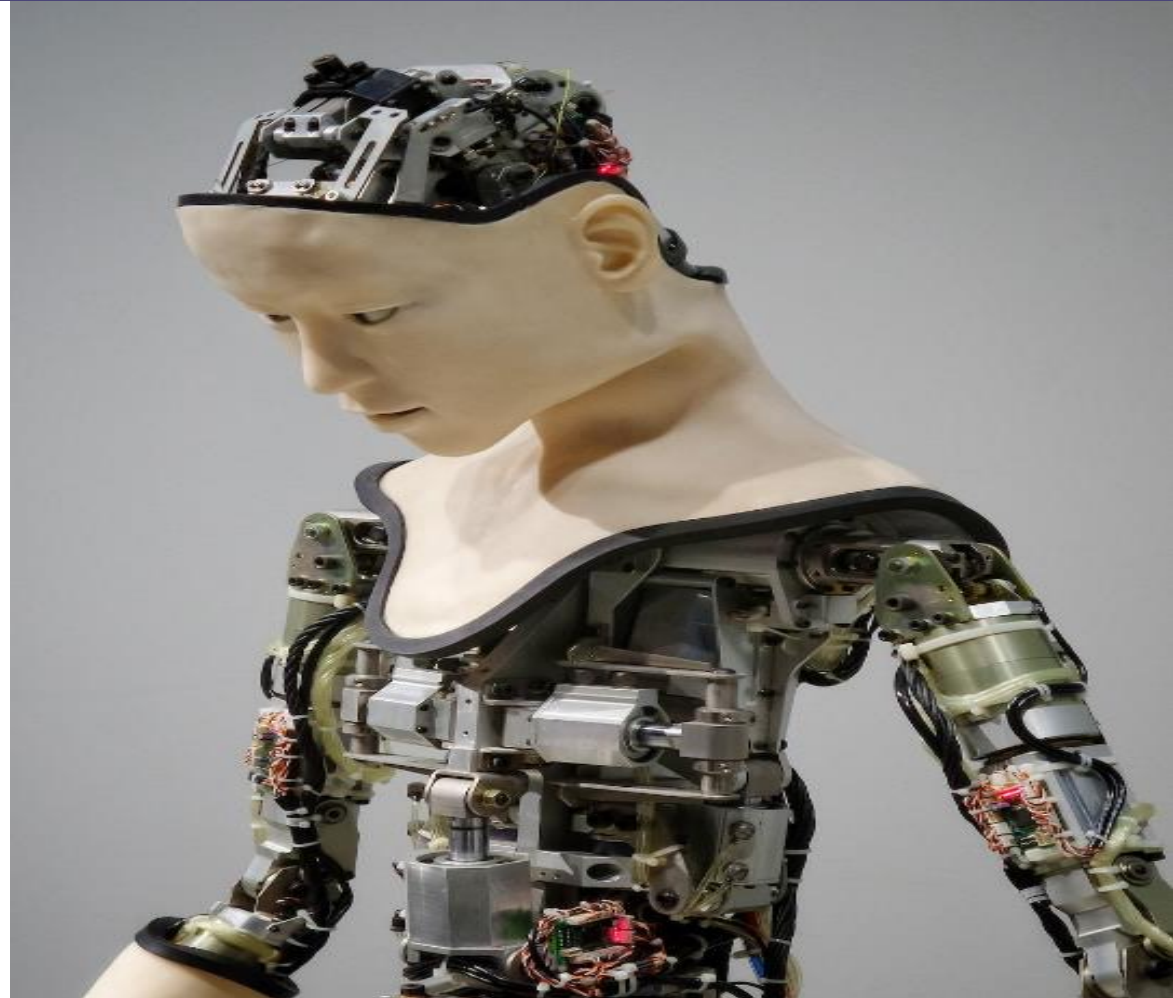
**Capacity** – assumption that everyone is capable of making decisions for themselves unless there are strong grounds to indicate the opposite

## s1 Mental Capacity Act 2005

- Do they **understand, retain, use, weigh & communicate** information relevant to decision?
- Is this due to an **impairment** in mind/brain?
- **Specific** to the decision/action

# How to take care of yourself?

- Imperfectly!

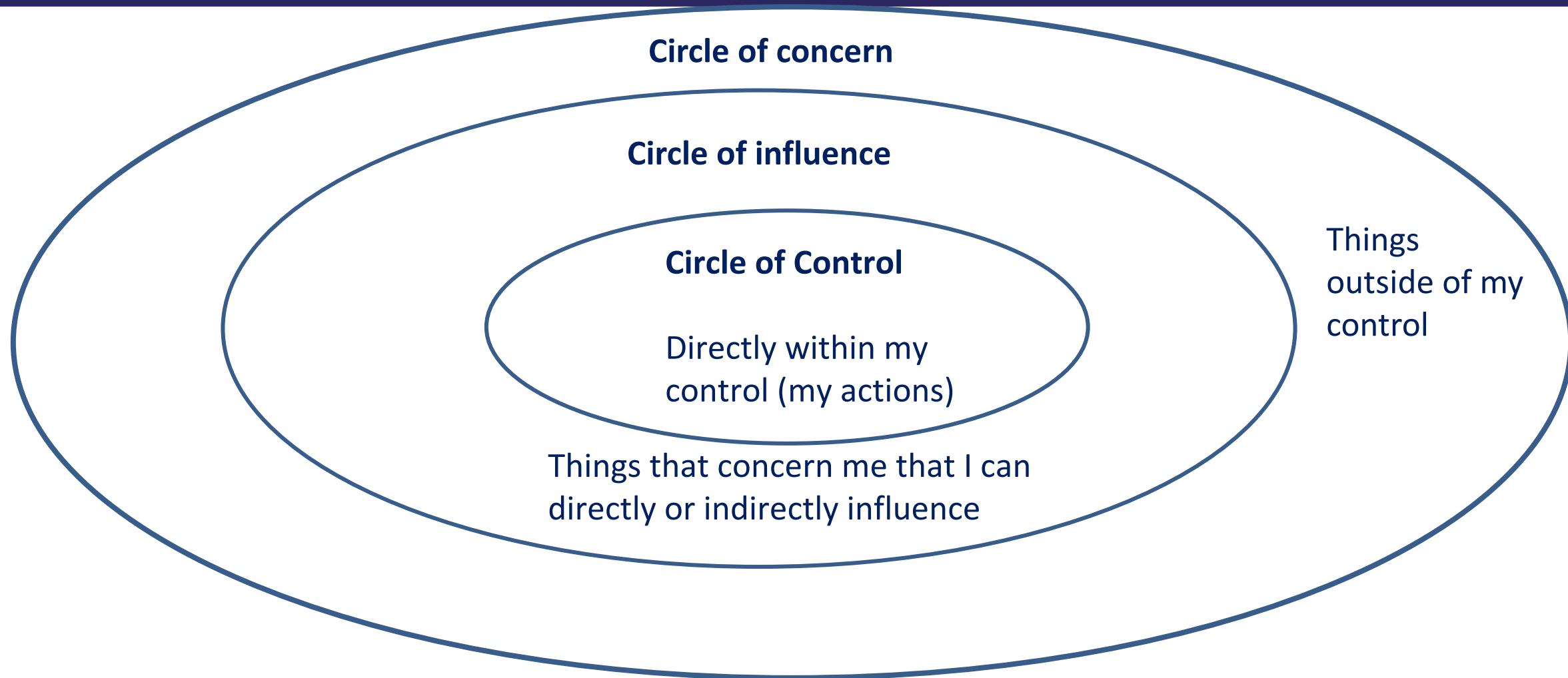


# How can I turn my feelings off?

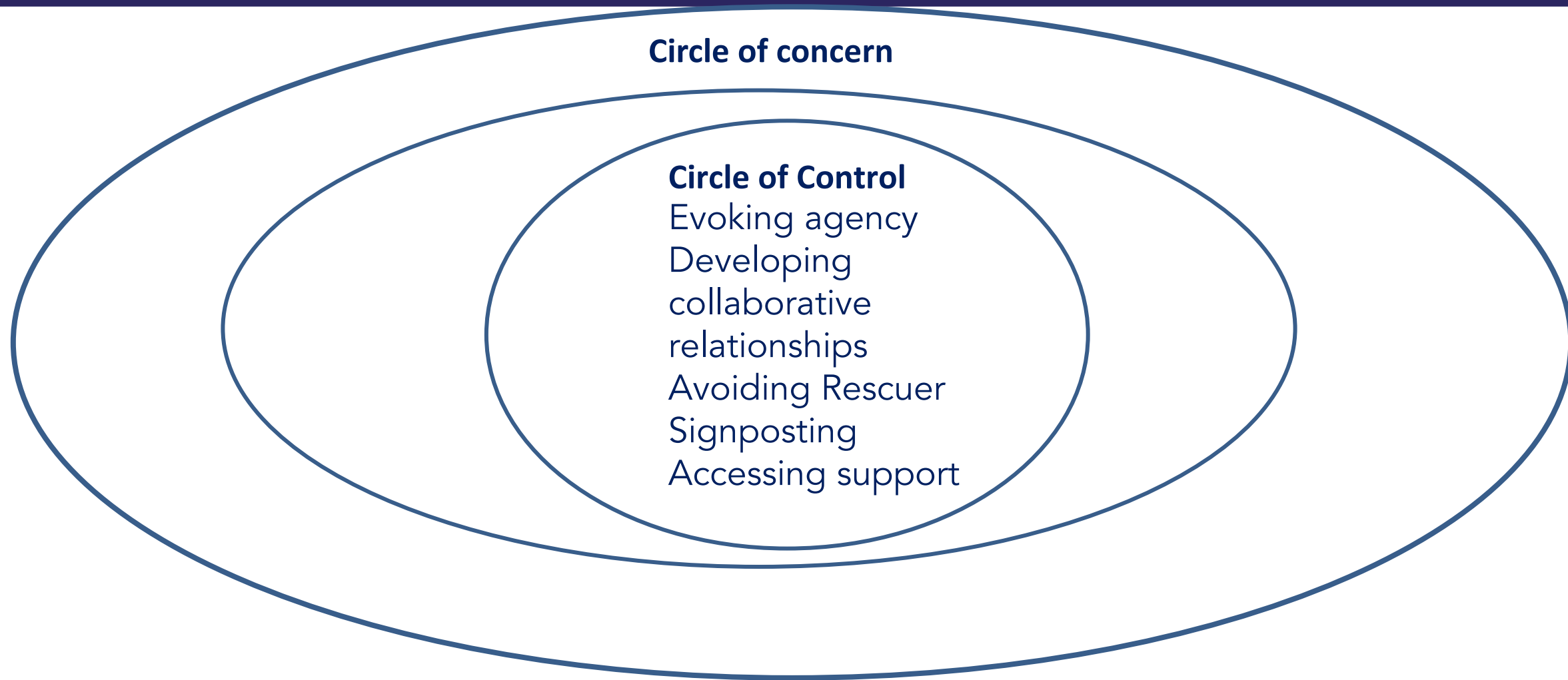




# 7 habits of highly effective people...



# 7 habits of highly effective people...





# What will you remember?



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