# Guest editorial: Consumer vulnerability in the banking context

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According to the FCA UK definition, "a vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care." A wide range of circumstances can lead to a customer becoming vulnerable:

(1) Capacity: customers with scant knowledge of the financial sector or who place little trust in money management and also those with a low capacity in other relevant areas such as literacy or digital skills;

(2) Resilience: customers with a low capacity to bear financial or emotional shocks;

(3) Health: customers with health problems or illnesses that affect their capacity to carry out everyday tasks and

(4) Life events: customers who have experienced important life events, such as bereavement, job loss or a breakup.

In this regard, we can all become vulnerable at any time. Vulnerable customers can have additional or different needs from the general population and can be less capable or willing to take decisions or represent their own interests. This places considerable pressure on the systems currently in place for managing customers with financial difficulties and on the level of resources needed to attend to them adequately. In these circumstances, it is vital that banks endeavour to incorporate considerations of vulnerability in everything they do, whether designing products, communications, inclusive treatment or channels, in order to guarantee suitable levels of attention.

Thus, banks are expected to provide customers with a level of commercial attention that is appropriate and fair, given the characteristics of these customers. To that end, they must fully understand the characteristics of vulnerability in their target market and their main customer base. Generally speaking, banking service providers should evolve towards a transformative perspective when assuming their functions, whereby the fair treatment of vulnerable customers is fully integrated into corporate culture across departments. And the fact is that the benefits for businesses that identify vulnerable customers and take care of them extend far beyond mitigating risk. Employees prefer to work for organisations that treat their customers well. There are also sales opportunities when businesses design more flexible products for more people.

At present, there is a clear opportunity for banks to better serve the vulnerable segment of their customer databases. But how can they do that? This Special Issue aims to be a call for new, in-depth studies into consumer vulnerability in the banking sector from a two-fold approach: firstly, from a perspective that focuses on banking practices for these customers (both to attempt early identification of customer vulnerability and the ensuing implementation of responsible actions and to reduce potential financial abuse by marketers), and secondly, from a perspective centred on customers' perceptions of these practices, which will have a decisive impact on their relational and emotional attitudes towards them. The 11 articles selected by the guest editors and reviewers for this Special Issue contribute to this aim.

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Specifically, Diego Monferrer Tirado, Lidia Vidal-Meliá, John Cardiff and Keith Quille plan to determine to what extent corporate social responsibility (CSR) actions developed by bank entities in Spain improve the vulnerable customers' emotions and quality perception of the banking service. The analysis findings indicate that vulnerable customers' emotional disposition exerts a strong influence on their perceived service quality. The antecedent effect is concentrated primarily on the CSR towards the client, with a residual secondary weight on the CSR towards society. These positive service emotions are determinants of the outcome quality perceived by vulnerable customers, directly in terms of higher satisfaction and trust and indirectly through engagement.

Eddy Balemba Kanyurhi, Deogratias Bugandwa Mungu Akonkwa, Bonheur Murhula Lusheke, Patrick Murhula Cubaka, Paul Kadundu Karhamikire and Célestin Bucekuderhwa Bashige develop their study around two objectives: (1) expand our knowledge of the relationship between unethical behaviour and both trust and satisfaction and (2) demonstrate that unethical behaviour research should be examined multi-dimensionally. To this end, two studies are carried out. Results from Study 1 (content analysis) reveal that perceived unethical behaviour negatively influences consumer trust and also confirm that trust positively influences customer satisfaction. Results from Study 2 (structural equation modelling) confirm that unresponsive, disrespect and lying behaviours negatively influence both trust and satisfaction. Banks which are involved in such specific unethical behaviour can neither satisfy their consumers nor maintain a sustainable and profitable relationship with them. Therefore, unethical behaviours harm relationship outcomes in the banking sector.

Bomikazi Zeka and Abdul Latif Alhassan present a gendered analysis of financial resilience behaviour in South Africa using a nationally representative sample of 4,880 households. The results show that low levels of financial resilience were present across the sample, with insurance observed to be the greatest driver of financial resilience, followed by retirement planning, savings and credit, respectively. Furthermore, the analysis highlights that a gender gap in financial resilience exists, as men are characterised with higher financial resilience behaviour compared with women. The results also suggest that employed women and women with higher levels of education are associated with greater financial resilience.

Sohail Kamran and Outi Uusitalo aim to provide an understanding of the roles of community-based financial service organisations (i.e. rotating savings and credit associations [ROSCAs] as institutional pillars in facilitating low-income, unbanked consumers' access to informal financial services). The authors find that ROSCAs' regulatory, socio-cultural and cognitive aspects facilitate low-income, unbanked consumers' utilisation of informal financial services owing to their approachability, suitability for, and fairness to such consumers. Thus, they promote such consumers' financial inclusion.

Marcos Fernández-Gutiérrez and John Ashton examine the relationships between bank switching and both customer vulnerability and consumer-oriented policies (financial education and disclosure practices). The authors report that the probability of bank switching is significantly lower for three groups of vulnerable customers: the elderly, the less educated and those living in deprived regions. Furthermore, the authors identify that national financial education policies and disclosure practices have no significant effects on bank switching.

Damianos P. Sakas, Nikolaos T. Giannakopoulos and Panagiotis Trivellas examine the impact of affiliate marketing strategies as a tool for increasing customers' engagement and vulnerability over financial services. This is attempted by examining the connection between affiliate marketing factors and customers' brand engagement and vulnerability metrics. Throughout the simulation results of the study, it becomes clear that a higher number of backlinks and referral domains tend to increase centralised payment network firms' brand-engaged and vulnerable customers.

Damianos P. Sakas, Nikolaos T. Giannakopoulos, Marina C. Terzi, Ioannis Dimitrios G. Kamperos and Nikos Kanellos analyse the relationship between the video marketing of financial technologies (Fintechs) and their vulnerable website customers' brand engagement in the coronavirus disease 2019 (COVID-19) crisis. The analysis findings indicated that the video marketing analytics of Fintechs' YouTube channels are a decisive factor in impacting their vulnerable website customers' brand engagement and awareness.

Jing Jian Xiao and Kexin Meng compare the associations between financial capability (financial knowledge, financial behaviour and financial confidence) and financial anxiety before and during the coronavirus disease 2019 (COVID-19) pandemic. The authors also examine the association among different income groups before and during the pandemic.

Grzegorz Zasuwa and Grzegorz Wesołowski examine how potentially irresponsible banking operations affect organisational reputation. The empirical context is the Swiss franc mortgage crisis that affected the banking industry in most Central and Eastern European countries. The findings show that blame fully mediates the effects of corporate social irresponsibility awareness on organisational reputation. Three facets of social irresponsibility moderate this relationship. Specifically, the perceived harm and intentionality of corporate culprits cause people to be more likely to blame a bank for the difficulties posed by indebted consumers. At the same time, the perceived complicity of consumers in misselling a mortgage reduces the level of blame and its subsequent adverse effects on bank reputation.

Lucía Rey-Ares, Sara Fernández-López and Marcos Álvarez-Espiño aim to analyse the factors that may contribute to consumer financial fraud (CFF) exposure and victimisation among Spaniards, with a special focus on financial literacy. The findings indicate that objective and subjective financial knowledge are positively correlated with CFF exposure via email but do not protect against CFF victimisation. Similarly, financial knowledge overconfidence is positively related to the former but fails to constitute a driver of the latter. Financial inclusion, measured by the number of financial products held, not only increases the risk of this exposure but also contributes to its subsequent victimisation.

In the final article, Andrés Salas-Vallina, Alma Rodríguez Sánchez and Manoli Pozo-Hidalgo explore the phenomenon of compassionate leadership. Drawing empirically on the case of three banks under three different logics, the authors trace how heads of banking branches deal with the paradoxical phenomenon of integrating their human nature with the coetaneous need to achieve aggressive objectives. The authors identified that the logic of savings banks and credit cooperatives, together with specific human elements, created a healthier environment to develop compassionate behaviours compared to commercial banks. The authors found coherence when linking the institutional message of putting the spotlight on personalised treatment of customers and the middle manager compassionate actions towards customers and subordinates.

Overall, through this selection of articles, the Special Issue provides readers with novel insights in the field of relational management of vulnerable customers in banking for both business and academic purposes. We would like to express our gratitude to the authors who chose this Special Issue to present their most recent research findings. The Special Issue received a total of 45 submissions from authors across the globe, and finally, these 11 articles were approved for publication (24% of the total). We would also want to thank all the reviewers for their valuable suggestions and constructive feedback. Finally, we want to thank Dr Hooman Estelami, Editor-in-Chief, for the opportunity to edit this Special Issue and for his invaluable support and guidance throughout the process of this project.

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