Institute and Faculty of Actuaries

Member-led insights from the IFoA

August 2026

The anxiety of access: bridging the gap between mental health and financial services

Background

In January 2026, the Mental Health Working Party of the Institute and Faculty of Actuaries conducted a consumer survey in collaboration with YouGov. The objective was to better understand consumer perceptions and lived experiences when interacting with insurers while experiencing, or having previously experienced, a mental health condition.

To ensure a credible and robust sample, the scope of the survey was broadened to include financial services institutions more generally, focusing on communication and overall customer experience. This approach enabled the identification of best practices and key observations from across the financial services sector that may be applicable to the insurance industry.

In addition, the survey included targeted lines of enquiry specific to insurance, with particular focus on underwriting and claims experiences.

The full results of this survey can be found on the **IFoA Virtual Learning Environment**.

Executive summary

Financial services are essential utilities, yet for the 49% of UK adults who have experienced mental health challenges—including 25% diagnosed and 24% undiagnosed—interacting with banks, utility providers, and insurers remains a source of significant stress.

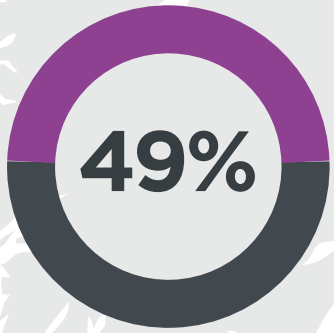
This survey highlights how current operational approaches may not fully support vulnerable customers and identifies three systemic themes:

- **Trust deficit in underwriting**
  Disclosure is widely perceived as risky. 79% of consumers expect higher costs, and 65% fear declined cover if they disclose mental health conditions, underscoring the need for transparency early in the application journey.

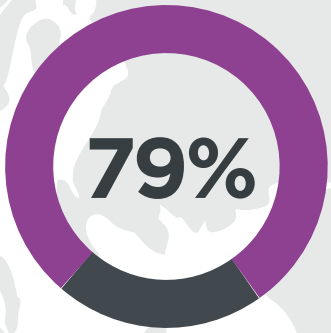
- **Care challenges in claims**
  At the point of highest vulnerability, 78% of customers with mental health challenges reported that their experience could be improved. Customers prioritise empathy, flexibility, and reduced repetition over speed.

- **Accessibility gap in everyday services**
  Routine interactions often fail to meet the needs of customers with mental health conditions. 66% find them stressful, with a strong preference for digital, flexible channels over phone-based communication.

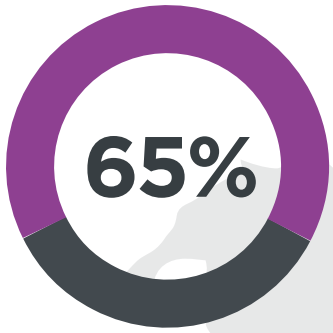
Addressing these areas presents a clear opportunity for insurers to evolve from traditional, process-driven approaches towards more **flexible, empathetic, and customer-centred** models that better support and protect consumers.



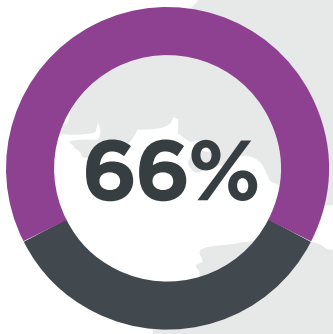
of UK adults have experienced mental health challenges



of consumers expect disclosure to lead to higher costs



fear declined cover if they disclose a mental health condition



find routine interactions stressful

This survey highlights how current operational approaches may not fully support vulnerable customers.

The intersection of disability and mental health

A high baseline of vulnerability

In this sample of 2,112 UK adults, 641 respondents (30.3%) reported having a disability or health condition that limits their daily activities. This highlights a reality often overlooked by financial services providers: vulnerability and disability are not marginal cases but affect nearly a third of the everyday consumer base.

Mental health as a leading condition

Mental health conditions, including anxiety, depression, PTSD, and bipolar disorder emerge as one of the most common health challenges, tying with high blood pressure as the top reported conditions.

The comorbidity crisis

The data reveals a striking overlap between disability and mental health challenges, indicating a strong co-occurrence between disability and mental health conditions:

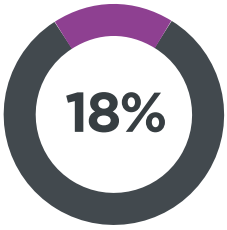
- Among those with no disability, only 14% have a formally diagnosed mental health condition.
- Among those with a disability that limits activities, 49% have a diagnosed mental health condition.
- Among those most severely disabled ("limited a lot"), 64% have a diagnosed mental health condition.

Including those who have experienced mental health challenges without a formal diagnosis, 76% of people whose daily activities are "limited a lot" are managing mental health struggles.

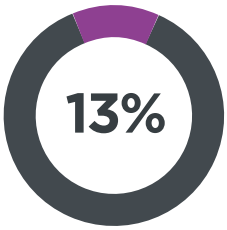
Mental health as a mass-market reality

Overall, 25% of UK adults have been diagnosed with a mental health condition, with a further 24% having experienced challenges without a formal diagnosis. This means that roughly half of the potential customer base approaches financial interactions with a heightened baseline of stress, unless their condition is well controlled. Correspondingly, 66% of those respondents with mental health challenges rate their interactions with financial providers as stressful, scoring 6-10 on a 0-10 point scale.

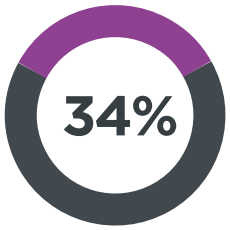
Other key experiences include:



felt that staff were dismissive or lacked understanding



felt judged or stigmatised



reported that long wait times made the process more challenging

Rethinking vulnerability in financial services

This data challenges the traditional "siloed" approach to customer support. Many financial institutions maintain separate protocols for physical disabilities (braille statements, wheelchair access) and mental health vulnerabilities (financial distress, anxiety).

The evidence suggests these cannot be treated in isolation. The data shows a strong association between disability severity and mental health prevalence. Rates increase from 49% in those with some limitation to 64% in those experiencing substantial limitations. Therefore, reasonable adjustments for physical disabilities must automatically incorporate trauma-informed, anxiety-reducing communication practices.

Rigid processes and bureaucracy do not just create physical barriers - they can actively exacerbate the mental health challenges of customers who are already vulnerable.

The insurance trust deficit

Turning to the insurance sector, the most striking insight is a profound fear among consumers that disclosure equals penalty. In our survey, 36% of respondents reported they would feel uncomfortable disclosing mental health information to life, health, or income protection insurers.

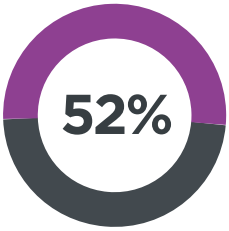
Fear of cost and rejection

- 79% believe disclosure will probably or definitely increase the cost of cover.
- 65% believe it will negatively affect their chances of being offered cover at all.

These perceptions make the fear of penalisation the ultimate barrier to disclosure.

Factors encouraging disclosure

When asked what would make them more comfortable sharing mental health information, respondents highlighted transparency over method:



said the single most important factor is knowing disclosure will not automatically increase costs or lead to rejection.

- 43% said a clear explanation of why the information is needed.
- 43% said knowing the information will be treated sensitively and confidentially.
- 41% valued reassurance about how their information will be used.

In contrast, the method of disclosure mattered far less:

- Online forms: 17%
- Speaking to a trained adviser: 18%
- Paper forms: 7%

Non-disclosure as a rational strategy

Non-disclosure is largely a rational, defensive behaviour. Consumers are not hiding their mental health due to embarrassment, confusion, or forgetfulness - they are acting on the belief that the underwriting process is inherently punitive. To address this, insurers must guarantee that disclosure will not automatically trigger rejection or higher costs.

Transparency trumps method

The data makes one point clear: **trust and transparency are far more important than the channel of disclosure.** An online form or adviser interaction will not increase disclosure rates if consumers believe the information could be used against them. **Building confidence that mental health disclosures are handled fairly is the critical first step.**

The plea for dignity in questioning

When asked what would make them more comfortable disclosing mental health information, 38% of respondents cited **not being asked unnecessary or irrelevant questions.** This suggests that past underwriting questionnaires may have felt clumsy, intrusive, or overly invasive. Consumers with mental health challenges often experience the process as interrogation rather than support.

Insurers should audit application question sets to ensure that every question is strictly necessary, clinically relevant, and framed with empathy.

From interrogation to transparency

The data shows that consumers are willing to share their mental health information - but only if a fair contract is established first. The “why we need this and how we protect you” conversation must be moved to the very start of the application journey, rather than hidden in fine print. **Establishing transparency upfront is key to building trust and enabling disclosure.**

Beyond the payout: why empathy outperforms efficiency in claims

Crucial context

It is important to note that the sample size for individuals who have claimed under life, health, or income protection insurance, where mental health was a factor, is small (n=29). While this means the data should be treated as indicative rather than statistically robust, the responses mirror broader themes seen throughout the survey.

The claims gap: where vulnerable customers need more support

While the majority of respondents felt supported, they nonetheless identified multiple opportunities to improve the claims experience, suggesting that current processes do not yet fully meet the needs of vulnerable customers.

The data challenges the assumption that faster claims resolution automatically improves outcomes.

Claimants prefer empathy, dignity, and flexibility over speed

Respondents highlighted that approaches such as using email rather than phone communication, and minimising repeated information requests may improve the experience by making the process feel less stressful and more supportive.

These findings highlight a clear gap between current claims practices and customer expectations, indicating the need for more customer-centred, trauma-informed, and adaptable claims processes.

Flexibility over force: the channel mismatch

The top improvement cited by claimants was reasonable adjustments, such as email instead of phone communication. This aligns with the broader "Phone-First Friction" findings set out below. When customers are making a high-stress claim while managing mental health challenges, forcing synchronous voice-based communication creates a significant barrier.

The "tell us once" rule is broken

Another key area for improvement was **repetitive information-gathering,** cited by 10 of 29 claimants, with 6 requesting a **single point of contact.** Navigating a claim often means being passed between departments. For someone with anxiety, depression, or trauma, repeatedly explaining their situation or symptoms to different people is exhausting and potentially re-traumatising.

Empathy and transparency

The "Trust Deficit" observed in disclosure persists during claims where mental health is a factor. Claimants often feel uncertain about how their claim is being assessed. Respondents indicated the following would improve their experience:

- **Empathetic communication** (8 respondents)
- **Transparency about how decisions are made** (8 respondents)
- **Clearer explanation of the claims process** (7 respondents)

Notably, only 2 respondents identified **faster responses or decisions** as a priority. This suggests that vulnerable customers value empathy, flexibility, and clarity more than speed. They are willing to accept a slightly longer process if it allows them to communicate via their preferred channels, avoid repeating themselves, and feel respected.

The duty of care extends beyond the claim

Customers recognise that insurers are not medical professionals, but they see them as part of their broader support ecosystem. Beyond paying out or denying claims, there is demand for active signposting to support services. 7 respondents who have made a claim where mental health was a factor indicated that better signposting to support services could improve their experience.

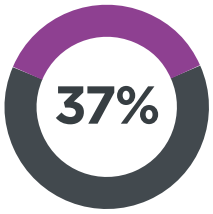
The communication mismatch

Throughout this report, communication preferences have emerged as a significant factor in customer experience. While the broader findings relate to financial services overall, several insights are particularly relevant to the insurance sector.

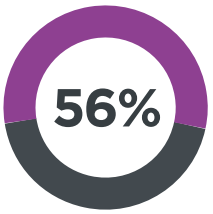
The "phone-first" friction

A primary driver of customer stress is the rigidity of contact channels. Many financial institutions prioritise telephone contact for security or efficiency, but this is often the **least preferred method** for those managing mental health challenges.

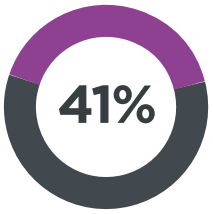
- **Reality:** 62% of those customers who have contacted a financial services organisation while experiencing mental health challenges typically had to use the phone to contact organisations.
- **Preference:**



preferred phone



preferred email



preferred online forms

- **Impact:** 29% cited that "having to speak on the phone" made the process more challenging. Conversely, the ability to complete tasks online was the top factor (37%) in making the process easier.

For customers experiencing anxiety, synchronous phone calls demand immediate processing and response, whereas flexible methods, such as email or chat, allow them to control the pace of interaction.

reported that repeating information made their experience more challenging.

The "tell us once" imperative

As seen in the claims experience, the data highlights a broader systemic failure in how vulnerability information is retained and shared across departments:

- 30% of customers contacting a financial services organisation while experiencing mental health challenges reported that repeating information made their experience more challenging.
- 20% specifically cited having to repeat their story multiple times as a negative experience.

Financial service providers must adopt a **"tell us once" model**. When a customer discloses a mental health difficulty, that context should be shared across teams to reduce unnecessary stress and prevent re-traumatisation.

Conclusion

The findings make one thing clear: mental health vulnerability is not a niche issue, but affects half of the potential customer base. Current processes in underwriting, claims, and routine service interactions often exacerbate stress, erode trust, and create avoidable barriers.

Insurers have an opportunity to redefine the trust contract by:

Building **transparency** into underwriting to reduce fear of penalisation and encourage disclosure

Delivering **empathy and flexibility** in claims, prioritising dignity and reasonable adjustments over speed

Closing the **accessibility gap** through multi-channel, flexible communication and "tell us once" protocols that respect customer needs

By taking these steps, insurers can transform high-friction interactions into supportive experiences that **protect, empower, and reassure** customers, fulfilling the true promise of insurance. This is not only a moral imperative but a strategic one: systems designed around trust, empathy, and accessibility will better serve vulnerable customers and strengthen the industry as a whole.

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