

The logo for FAIR (Canadian Foundation for Advancement of Investor Rights) features the word "FAIR" in a large, red, serif font.

Canadian Foundation for
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FCAC confirms banks “mis-selling” products to consumers

Report shows Canada needs a Financial Consumer Code

TORONTO, March 20, 2018 – Two of Canada’s leading consumer groups, FAIR Canada and the Public Interest Advocacy Centre (PIAC), today welcomed a [government report](#) that confirmed major Canadian banks incentivize their employees to “mis-sell” unsuitable financial products to Canadians.

However, the report, written after a lengthy investigation by the Financial Consumer Agency of Canada (FCAC), did not detail which banks did what, how many products were involved, how many complaints were involved, or the extent of financial losses to consumers. There is no support for their key finding that they “did not find widespread mis-selling.” Despite the lack of transparency, the report was clear that consumers' interests were made secondary to those of the bank and their employees and contractors.

“In fact, the FCAC’s central finding from its investigation is that the predominant focus in retail banking is on the selling of products and services rather than appropriately prioritizing the interests of financial consumers”, noted Frank Allen, Executive Director of FAIR Canada.

“This report shows [what PIAC has said](#) all along,” said John Lawford, Executive Director and General Counsel of PIAC. “Banking consumers need a Financial Consumer Code to protect the rights of Canadian banking customers.”

Marian Passmore, Director of Policy and COO at FAIR Canada commented: “Mis-selling, according to the report, does not amount to a violation of a market conduct obligation. In other words, the rules are inadequate. There is inadequate protection for Canadians at banks and reform is needed. FAIR Canada [calls for a best interest standard](#) so Canadians get the advice they expect and deserve.”

PIAC and FAIR Canada also call for major reform to the consumer complaint handling system. The Minister of Finance should work towards having one, national, statutory ombudservice for financial services complaints that can issue binding decisions.

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