

Consumer advocates welcome Minister Morneau's first step to fix external banking complaints system

CARP, the Consumers Council of Canada and FAIR Canada welcome a measure in the Fall Economic Statement signalling the government heard consumer opposition to unfair banking dispute rules: banks should not be able to choose their own referees in disputes with their customers.

"Minister Morneau indicated he heard the concerns of Canadians who are demanding fair and transparent dispute resolution," said Wanda Morris, Chief Advocacy and Engagement Officer for CARP. "Canadians will not accept a paid, for-profit entity to resolve banking complaints. Banks should never be allowed to "buy" their own judge."

In the Fall Economic Statement, the government announced "the Financial Consumer Agency of Canada will conduct a review by June 2019 to assess banks' complaints handling processes and the effectiveness of the external complaints bodies."

This review follows calls from the three consumer groups to end a system that pressures external dispute resolution firms to rule in the banks' favour by forcing them to compete for banks' business.

"The government is listening to Canadians who said loud and clear that the status quo is unacceptable." said Marian Passmore, Director of Policy & COO of FAIR Canada. FAIR Canada agrees that "When Canadians have disputes with their banks; they deserve access to a fair and impartial resolution system."

While the three consumer groups welcome this progress, this review must lead to a solution to provide Canadians with access to a dispute resolution provider that:

1. Meets international standards
2. Is independent and governs in the public interest
3. Is not-for-profit
4. Has the authority and mandate to resolve all consumer banking complaints and the ability to identify systemic issues

Adhering to these principles requires a single, not-for-profit organization to act as the ombudsman for the retail banking sector across the country.

"Bank customers deserve and require access to an unbiased resolution process when they have a dispute with their bank," said Don Mercer, President of the Consumers Council of Canada "The federal government needs to protect bank customers by mandating a single impartial, non-profit external complaints body – a right that should be restored to them promptly."

To serve Canadians, this review must reform a broken external complaints system that denies Canadians access to a single non-profit, independent dispute resolution provider.

About CARP

CARP is a non-profit, non-partisan association representing more than 300,000 older Canadians across Canada. We advocate for better health care, financial security and freedom from ageism. We are

supported by our membership and valued corporate partners who offer members discounts and benefits. Visit: www.carp.ca.

About the Consumers Council of Canada

The Consumers Council of Canada is a non-profit, volunteer-based consumer organization, that works to improve consumers' ability to navigate marketplaces affecting everyday life.

About FAIR Canada

FAIR Canada is an independent national charitable organization. As a voice for Canadian investors and financial consumers, FAIR Canada provides information and education to the public, governments and regulators about investors' and financial consumers rights and protections in Canada's capital markets.

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