

April 28, 2026

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Re: National Anti-Fraud Strategy Consultation

FAIR Canada appreciates the opportunity to provide comments in response to the above-referenced consultation.

FAIR Canada is a national, independent, non-profit organization known for balanced and thoughtful commentary on public policy matters. Our work includes advancing the rights of investors and financial consumers in Canada through:

- Informed policy submissions to governments and regulators
- Relevant research focused on retail investors
- Public outreach, collaboration, and education
- Proactive identification of emerging issues.¹

A. Introduction

FAIR Canada strongly supports the Government of Canada's initiative to develop a National Anti-Fraud Strategy (the Strategy). Preventing and responding to fraud are crucial to protecting consumers, preserving the integrity of the financial markets, and maintaining confidence in the Canadian economy. Fraud has evolved into a large-scale, highly organized, and increasingly cross-sector and cross-jurisdictional criminal activity that causes widespread harm to consumers. It now represents one of the most significant and rapidly growing risks facing Canadians. In 2025 alone, Canadians reported losses of more than \$700 million to fraud² (up from \$638 million in 2024),³ with the true impact likely much higher because most incidents go unreported.

¹ Visit www.faircanada.ca for more information.

² Canadian Anti-Fraud Centre, [Fraud Prevention Month to bring hidden crime into the spotlight](#), March 6, 2026 [CAFC].

³ CAFC, [Fraud Prevention Month to focus on impersonation fraud, one of the fastest growing forms of fraud](#), February

At the same time, fraud is becoming more sophisticated and difficult to detect. Advances in artificial intelligence (AI) are enabling highly realistic impersonation and automated scamming at an unprecedented scale. Research by the Ontario Securities Commission (OSC) underscores this concern. It found that AI-enhanced investment scams pose heightened risks to retail investors compared to conventional scams, including greater credibility and a higher likelihood of manipulation and loss.⁴

Against this backdrop, FAIR Canada welcomes a collaborative, multi-sector response to this pressing issue. Canada's current response to fraud is fragmented and insufficiently coordinated across sectors and authorities, limiting its ability to deter fraud and effectively protect Canadians. A national anti-fraud framework is a necessary and overdue step.

To be fully effective, however, the Strategy would benefit from a broader scope that includes all key actors and strong enforcement tools, such as fines or penalties for breaches of standards and mandatory redress for fraud victims. If Canada is serious about combating fraud, these issues must be addressed quickly and decisively. Delay only gives criminals more time and opportunity to leverage gaps in the system, leaving Canadians to bear the losses. An incremental or overly cautious approach risks entrenching a system that signals low consequences for wrongdoing and offers little practical protection for victims.

Canada already lags peer jurisdictions, such as the United Kingdom, which has taken decisive steps to combat fraud and support victims, as discussed below. This comparison underscores the urgency of action. It is now time for Canada to move forward with a robust, comprehensive anti-fraud framework that strengthens prevention, improves redress, and better safeguards Canadians from the growing scale and sophistication of fraud.

Our comments focus on a subset of issues, as the short consultation period has constrained the scope of our input. We trust that our feedback will contribute positively to the development of the Strategy.

B. A National Strategy Requires Provincial Participation Across All Financial Service Sectors

Fraud routinely crosses federal, provincial, and territorial boundaries, exploiting gaps between jurisdictions. The Strategy focuses on the federal financial sector, telecommunications providers, and digital platforms. Although it acknowledges the need for coordination among law enforcement bodies at various levels, it remains largely federal in scope. It does not articulate a clear plan for engaging provincial financial regulators, despite their central role in overseeing large parts of Canada's financial system.

This is a significant gap. Investment dealers, credit unions, crypto trading platforms, and other provincially regulated financial intermediaries fall outside the Strategy's scope. Investment fraud, for instance, is among the most devastating forms of fraud affecting Canadians. In 2025, it ranked among the top three fraud categories by total reported losses.⁵ The anti-fraud framework should encompass all sectors through which fraud originates, moves, or is ultimately monetized, including

28, 2025.

⁴ OSC, [Artificial Intelligence and Retail Investing: Scams and Effective Countermeasures](#), September 25, 2024.

⁵ CAFC, *supra* note 2.

securities firms, crypto-asset platforms, and fintechs. Crypto-asset platforms in particular have become a primary destination for fraud proceeds, and excluding them would significantly undermine the effectiveness of the framework.

If the Strategy is to be truly national and multi-sector, provincial regulators and the entities they oversee must be integrated from the start. Without their inclusion, the Strategy risks leaving major sources of harm outside its reach. Moreover, there is the risk of fragmented and duplicative initiatives, inefficient use of limited resources, and missed opportunities to leverage expertise across jurisdictions. A coordinated and combined national and provincial approach applied broadly across the financial services ecosystem is essential to maximize impact and ensure that efforts to combat fraud are effective.

We recognize that the federal government cannot unilaterally extend the Strategy's substantive obligations to provincially regulated entities. However, several established mechanisms can achieve effective national coordination within constitutional limits, including: (i) federal-provincial-territorial agreements modelled on existing intergovernmental frameworks in financial services; (ii) engagement through the Canadian Securities Administrators and the Heads of Agencies to harmonize standards across jurisdictions; (iii) conditioning federal information sharing, funding, or infrastructure access on participation by provincial regulators and entities; and (iv) federal leadership in establishing common data, intelligence, and reporting infrastructure that provincial regulators can opt into. The Strategy should set out how it will pursue this coordinated approach from the outset, rather than treating provincial integration as a downstream consideration.

C. Dispute Resolution and Consumer Redress

We are pleased that the Strategy addresses dispute resolution for fraud victims who believe their service providers failed to uphold their anti-fraud obligations. Ensuring that victims have access to a fair and effective dispute resolution process is critical, as it holds providers accountable for their actions and provides a pathway to compensation for losses resulting from those failures. Effective redress mechanisms also reinforce public trust in the anti-fraud framework. Below, we comment on certain aspects of the dispute resolution proposals.

Internal dispute resolution procedures

We support the proposal that organizations must have clear dispute-resolution procedures to address complaints about compliance with the anti-fraud framework.

Minimum standards should be established for all aspects of the complaint process to ensure consistency and fairness. First, there should be clear, accessible procedures for complaint intake, so victims can submit complaints easily without facing unnecessary barriers or confusion.

Second, organizations should be required to resolve complaints within a fixed, reasonably short timeline. Research shows that extended timelines hinder fair resolutions and are a key reason consumers abandon their complaints.⁶ Moreover, when complaint handling takes too long, consumers may feel compelled to accept unfair outcomes.⁷ Lengthy resolutions also risk financial

⁶ Financial Consumer Agency of Canada, [Industry Review: Bank Complaint Handling Procedures](#), February 19, 2020, at 22.

⁷ *Ibid.*

harm and contribute to undue stress and anxiety, eroding consumer confidence in complaint-handling processes. A timeline of 56 to 60 days, consistent with the federal Financial Consumer Protection Framework and for investment dealers in Quebec, is reasonable as the default. The framework should permit limited, narrowly defined extensions in cases involving multi-party investigations, cross-border asset tracing, or active law-enforcement files, with clear notice obligations to the complainant and reporting obligations to the external complaints body (ECB). Extensions should not become a routine workaround for delay.

Third, organizations should be required to provide complainants with a detailed written response explaining how the complaint was handled, the reasons for the outcome, and the relevant anti-fraud obligations. The response should address all issues raised and clearly state whether a remedy was offered or, if not, provide the rationale for refusal. Finally, the response should inform complainants of the right to escalate unresolved issues to the ECB.

Single point of entry for cross-sector complaints

Under the Strategy, organizations could be required to adopt processes that establish a single point of entry for cross-sectoral complaints. We support this consumer-friendly proposal.

This approach ensures that complainants do not have to navigate multiple internal dispute resolution mechanisms. By centralizing complaint intake, the Strategy reduces the burden and frustration that consumers often face when dealing with fragmented systems. A unified entry point would help ensure their concerns are addressed promptly and efficiently.

External complaint body

FAIR Canada strongly supports a single, framework-wide ECB, with mandatory firm participation and the authority to make binding decisions. An ECB would provide victims with a fair, independent avenue for redress, thereby strengthening trust in the system.

The importance of binding ECB decisions for consumers cannot be overstated. When an ECB's rulings are binding, consumers are assured that their complaints will result in meaningful outcomes rather than mere recommendations. Binding decisions enhance consumer confidence, provide finality for the parties, and prevent firms from undermining the dispute resolution process.

The experience in Canada's investment sector illustrates the pitfalls of non-binding outcomes. Because the Ombudsman for Banking Services and Investments (OBSI) can only make non-binding recommendations, consumers face "low-ball" settlements or outright refusals to comply with OBSI's findings. This leaves consumers with inadequate compensation and signals to the public that the dispute resolution process lacks teeth. These outcomes have sparked broad criticism and persistent calls for reform from FAIR Canada and others, leading to ongoing efforts to grant OBSI binding authority. The OBSI experience underscores why the anti-fraud framework should grant its ECB binding authority from the outset, rather than replicating a model that leaves consumers without reliable redress.

A framework-wide ECB must be designed to operate alongside Canada's existing dispute resolution architecture, such as OBSI. The Strategy should set out how the new ECB will relate to these bodies. Several models are possible. However, whichever model is adopted, the framework must address harmonization of standards and remedies across sectors, information sharing and

confidentiality, and the oversight structures that will ensure consistency and fairness. Ambiguity on institutional design will undermine implementation and confuse consumers about where to seek redress.

Sharing information with regulators

Under the Strategy, if the ECB becomes aware of serious non-compliance with the anti-fraud framework, it could share this information with regulators. We support this proposal. This information sharing would enable regulators to provide guidance to firms, initiate regulatory reviews, implement preventive measures, and/or take enforcement action.

Additionally, the ECB should publicly report metrics such as complaint volumes, the nature of issues raised, response timelines, and outcomes. By publishing this data, the ECB can provide transparency into how complaints are handled and resolved, allowing stakeholders to monitor the effectiveness of the dispute-resolution process.

Finally, there should be robust procedures to identify, address, and publicly report systemic issues arising from complaints. When systemic issues are detected, the ECB should notify the regulators so they can develop solutions and drive industry-wide reforms, contributing to a safer marketplace for Canadians.

Consumer redress and organizational accountability

The United Kingdom's recent reforms offer an instructive example of how an anti-fraud framework can balance consumer protection with appropriate incentives for financial institutions. In 2024, the U.K. introduced a regime requiring payment service providers, subject to defined exceptions, to reimburse consumers for losses of up to £85,000 resulting from authorized push payment fraud, where consumers are duped into sending money to a fraudster's account.⁸ Liability is shared equally between the sending and receiving institutions, and the regime preserves consumer-side incentives through a defined standard of caution and exceptions for gross negligence. While the reimbursement cap was set lower than originally proposed, the regime nevertheless reflects a calibrated and principled allocation of responsibility, grounded in relative control, information asymmetry, and preventability. It recognizes that financial institutions are often better positioned than consumers to detect anomalous payment patterns and intervene before funds are lost, but preserves incentives for consumer caution and awareness.

Complementing this consumer reimbursement model, the UK's failure-to-prevent-fraud offence came into force in 2025. Organizations can be held criminally liable where an employee or other associated person commits fraud for the organization's benefit, and the organization lacked reasonable fraud-prevention procedures.⁹ This approach shifts the focus from isolated misconduct to organizational accountability, reinforcing the expectation that firms must proactively manage fraud risks rather than rely solely on post-incident responses.

The Strategy should adopt the core principle that where financial institutions and other intermediaries are best placed to prevent, detect, or interrupt fraud, they should bear clearly defined and enforceable responsibilities, including reimbursement obligations. Embedding this

⁸ UK Finance, [Authorised Push Payment Fraud Reimbursement](#).

⁹ UK Government, [New measures to tackle fraud come into effect](#), September 1, 2025.

principle would better align incentives, encourage investment in fraud-prevention systems, and ensure that fraud losses are not disproportionately borne by consumers who lack the information or tools to protect themselves.

D. Fraud Data Reporting and Intelligence Sharing

Fraud data collection in Canada is fragmented across institutions, sectors, and jurisdictions, limiting regulators' and law enforcement's ability to detect emerging threats, identify repeat or systemic misconduct, and intervene before losses escalate. Data is siloed, largely complaint-driven, and not integrated across the economy, meaning critical warning signals identified in one sector are often invisible to others.

The Strategy should therefore establish mandatory, standardized fraud-data reporting into a centralized national repository, supported by robust intelligence-sharing arrangements with law enforcement. A unified system would allow regulators and police to aggregate reports across sectors, identify common actors and payment pathways, and connect related incidents. Centralized reporting and intelligence sharing would support earlier detection, faster disruption of active schemes, and more effective coordination across regulators, sectors, and police services.

E. Responsibilities of Digital Platforms and Telecommunications Providers

Many large-scale fraud schemes originate, or are significantly amplified, through digital platforms and telecommunications networks. The anti-fraud framework should therefore assign clear, enforceable responsibilities to these actors to prevent, detect, and disrupt fraudulent content and activity. Accountability should attach where digital platforms or telecommunications providers fail to implement reasonable fraud-prevention controls, fail to act on credible indicators of fraud, or fail to cooperate with law-enforcement efforts to disrupt fraud.

In addition, there should be baseline design and operational requirements for digital platforms that facilitate investment-related activity. At a minimum, this should include prohibitions on impersonating regulated entities and rapid takedown processes for fraudulent content.

F. Criminal Enforcement as a Core Pillar of Fraud Deterrence

The Strategy recognizes the need to strengthen controls and governance among organizations that may be exploited to facilitate fraud, and to advance measures that support criminal enforcement. Improved compliance, risk management, and internal controls are essential components of fraud prevention. However, compliance-focused measures alone are insufficient to deter sophisticated or large-scale fraud schemes.

Meaningful deterrence depends on the credible prospect of investigation, prosecution, and conviction. The Strategy should therefore emphasize strengthening the criminal justice response to fraud, particularly in cross-jurisdictional, large-scale cases that affect numerous Canadians. This requires investment in specialized investigative capacity, prosecutorial expertise, and

inter-agency coordination. A robust enforcement pillar focused on timely investigation, effective prosecution, and accountability is essential to strengthening public confidence, disrupting repeat offenders, and signalling clearly that fraud will result in serious consequences.

Thank you for considering our comments on this critical issue. As investor advocates, we appreciate the opportunity to share our perspective and help shape policies that put investors first. We welcome ongoing dialogue and collaboration with the Department of Finance Canada and other stakeholders to establish an anti-fraud framework that strengthens prevention, improves redress, and safeguards Canadians. If you would like to discuss our submission further, please reach out. We are committed to working together to support better outcomes for investors.

Sincerely,



Jean-Paul Bureaud
President, CEO and Executive Director
FAIR Canada | Canadian Foundation for the Advancement of Investor Rights