

FAIR Canada Welcomes Ontario Capital Markets Modernization Taskforce Recommendation for Firms to Comply with OBSI Recommendations

FAIR

Canadian Foundation for
Advancement of Investor Rights
Fondation canadienne pour l'avancement
des droits des investisseurs

TORONTO, July 10, 2020 [Globe Newswire]-- FAIR Canada welcomes the announcement from the Ontario Capital Markets Modernization Taskforce of its [recommendation](#) for investment firms to comply with the Ombudsman for Banking Services and Investments (OBSI) recommendations for compensation.

The lack of binding decision-making authority on the part of OBSI tilts the playing field in favour of the investment firm, rather than harmed investors. Firms are free to offer the investor far less than what is fair in current circumstances, (referred to as "low ball offers") since OBSI does not have the ability to render a binding decision.

FAIR Canada is of the view that action is long overdue to provide OBSI with the power to issue binding decisions as this is critical to the integrity of the Canadian financial services market and the protection of Canadian investors. The prospect of OBSI being able to make a binding decision would allow the investor to have confidence that they can reject a low-ball offer and still retain the ability to achieve a fair outcome. Firms will have a greater incentive to make fair settlement offers instead of low-ball ones.

"In 2019 the total compensation awarded by OBSI for both bank and investment related complaints for all of Canada for an entire year was less than \$2.7 million. The amounts are totally insignificant to the financial industry but of great importance to the victims of financial misconduct," said Ermanno Pascutto, Executive Director of FAIR Canada. " We are pleased to see that the Taskforce is addressing the a long outstanding problem with access to justice for the ordinary person who can't afford to hire a lawyer and bring a lawsuit to recover compensation."

Such a reform would also further the goal to have a dispute system in Canada that complies with our international obligations to have a dispute resolution system that is accessible, affordable, independent, fair, accountable, timely and efficient. It is worth noting that the Financial Consumer Agency of Canada's recent review of OBSI recognized the ombudsman's strengths in meeting international best practices for financial ombudsmen, including its commitment to promoting accessibility. FAIR Canada continues to believe that OBSI is the best option for Canadian investors for when they have a dispute with their investment firm.

About FAIR Canada: FAIR Canada is an independent national charitable organization.

The mission of FAIR Canada is to be a catalyst for enhancing the rights of Canadian shareholders and individual investors including being a national voice for investors and financial consumers in securities regulation. 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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