

Media Release

FAIR Canada – Consumer Coalition Calls for Action on Complaint Handling

TORONTO, October 20, 2022 (Globe Newswire) – On behalf of a coalition of concerned consumer advocates, FAIR Canada is calling on governments and regulators to strengthen the complaint-handling system in Canada.

It is time for urgent action on this important consumer protection issue. It has been almost a year since Prime Minister Trudeau called on the Deputy Prime Minister and Minister of Finance, Chrystia Freeland, to create a single ombudsperson with binding authority.

The Canadian Securities Administrators (CSA) have been contemplating the issue of binding authority since it was first identified as a significant issue more than 10 years ago. Earlier this month, the CSA finally announced they are developing a proposal for public comment in the coming year that “contemplates” providing the Ombudsman for Banking Services and Investments (OBSI) with the authority to make binding awards.

In June and September of this year, the results of Professor Poonam Puri’s independent reviews of OBSI and ADR Chambers Banking Ombuds Office were released. They added yet another compelling voice to the repeated calls to establish a single ombuds service with binding authority.

“We fully support binding decisions and, given OBSI’s long track record of serving the public interest, it should be selected as the sole complaint-handling service for banking and investment complaints,” said Jean-Paul Bureaud, Executive Director, FAIR Canada. “It’s time for governments and regulators to act on these recommendations and address the serious shortcomings in the current system,” added Mr. Bureaud.

We believe binding authority will help address the problem of low-ball complaint settlements, in which a financial institution offers to settle a complaint for a lower amount than the independent ombudsman recommends. Alarming, the recent independent review found that over a five-year period, investors received almost \$3 million less in settlements from investment firms than what OBSI had recommended.

When it comes to having two different bodies handle banking complaints, Professor Puri makes it clear that it creates inefficiencies and increases complexities. And allowing banks to choose their external ombudsman negatively affects customers’ perceptions of the system’s fairness. Consumers could be prejudiced or have different rights, depending on which ombuds service the bank selects.

“We’re pleased that the CSA will finally be publishing a proposal next year. But this issue has dragged on for too many years and concrete action is urgently required. We also need action from the federal government to address consumer harm,” said Mr. Bureaud. “In terms

of selecting a single ombudsperson with binding authority, OBSI is the obvious choice. We should not entertain further delays in making the complaint system fair for consumers.”

For further information, contact any of the undersigned members of concerned consumer advocates:

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About FAIR Canada

FAIR Canada champions the rights of individual investors in Canada through advocacy, education, and regulatory advancements. We are the trusted, independent voice on significant issues that affect individual investors. As Canada’s only non-profit, investor-focused organization, we provide informed, objective comment on regulatory issues that have an impact on investor fairness and protection. Learn more about investor rights at FAIRCanada.ca and connect with us on [Twitter](#) and [LinkedIn](#).

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