

February 10, 2023

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
Department of Finance Canada  
James Michael Flaherty Building  
90 Elgin Street  
Ottawa ON  
K1A 0G5

Dear Minister Freeland:

**Re: Pre-Budget Consultations 2023 – Strengthening Canada’s Complaint-Handling System for Bank Customers**

In Budget 2023, we call on the Government of Canada to reiterate and honour its Budget 2022 commitment to create a single ombudsman for all consumer banking complaints.

Prime Minister Trudeau’s December 2021 mandate letter to you specifically requested that you “establish a single, independent ombudsperson, with the power to impose binding arbitration, to address consumer complaints involving banks.”<sup>1</sup> It has been over a year, and one Budget, since the government identified this issue as a priority, yet we have seen no action.

This is a significant ongoing concern to all of our organizations who advocate on behalf of Canada’s financial consumers, including those who are vulnerable and least able to successfully navigate and obtain redress from our current sub-par external complaint handling system. The Financial Consumer Agency of Canada has also expressed concerns about the existence of multiple external complaints bodies (ECBs).<sup>2</sup>

Our current system, where most major banks have opted to use a for-profit service delivered by ADR Chambers Banking Ombuds Office, rather than the independent, non-profit alternative, the Ombudsman for Banking Services and Investments (OBSI), has consistently been shown by independent reviews to fall short of international best practice and to deliver uneven experiences and outcomes for consumers. It is critical that we replace this broken system with one that effectively levels the playing field for financial consumers and adheres to well-accepted international guidelines and best practice standards for banking ombuds services. We, therefore, urge the government to designate OBSI as the sole ombudsman for all banking complaints and to make any required adjustments to its mandate, services and governance needed to meet the above-mentioned standards.

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<sup>1</sup> [Deputy Prime Minister and Minister of Finance Mandate Letter](#), December 16, 2021.

<sup>2</sup> Financial Consumer Agency of Canada, [Industry Review: The Operations of External Complaints Bodies](#), February 2020.

This issue has grown increasingly urgent in the current economic climate. Canada's largest bank, RBC, is poised to merge with HSBC Bank Canada, increasing its market dominance and influence. Canadians are struggling in the face of increasing interest rates, rising costs of living, and a looming recession. Amid these economic challenges, consumers need the certainty that they can access a fair, independent ECB that reflects international standards for financial ombuds services to fairly resolve complaints that banks themselves are unable to resolve satisfactorily. OBSI is best placed to meet this standard.

Canadians deserve no less than a world-class banking ombuds service. We, therefore, urge the government to replace our current system with a single, non-profit, independent ECB – OBSI – that is mandated and equipped to deliver fair and unbiased resolution of banking complaints for consumers and banks alike.

Thank you for considering our comments on this important issue and please do not hesitate to contact us at [jp.bureaud@faircanada.ca](mailto:jp.bureaud@faircanada.ca) or [lmulholland@prospercanada.org](mailto:lmulholland@prospercanada.org) if we can be of any assistance to the government in moving this important priority forward. Coalition members intend to post this submission on their respective websites and we authorize the government to share it publicly as well.

Sincerely,

**FAIR Canada**

Jean-Paul Bureaud  
President, CEO and Executive Director

**CanAge**

Laura Tamblyn Watts  
President and CEO

**Prosper Canada**

Elizabeth Mulholland  
CEO

**Option consommateurs**

Christian Corbeil  
Chief Executive

**Public Interest Advocacy Centre**

John Lawford  
Executive Director and General Counsel

**Kenmar Associates**

Ken Kivenko  
President

**Canadian Association of Retired Persons**

Bill VanGorder  
Chief Operating Officer & Chief Policy Officer

**Consumers Council of Canada**

Don Mercer  
President