

Financial Regulators Urged to Stand Firm on Complaint-Handling Reforms

TORONTO, ON, May 6, 2025 – FAIR Canada and a national coalition of consumer advocates call on regulators to resist industry pressure and move forward with improvements to investment complaint-handling.

The coalition supports the Canadian Securities Administrators' (CSA) proposal to give the Ombudsman for Banking Services and Investments (OBSI) the power to make binding decisions. This would stop investment firms from ignoring OBSI's recommendations or pressuring clients to accept low offers.

[In a joint letter to the CSA](#), the coalition highlights the urgent need for reform as Canada enters a period of profound economic and market challenges.

"Canadians must be confident that governments and regulators will protect them when their hard-earned assets are at stake," said Jean-Paul Bureaud, Executive Director of FAIR Canada. "Delaying or weakening these reforms will only hurt investors and erode trust in the financial system."

The coalition of consumer advocates represents millions of financial consumers across the country, many of whom are still dealing with the economic aftershocks of the pandemic and new financial stress from global instability and U.S. trade actions.

The Industry is Pushing Back Based on Misinformation

Some industry players are pushing back against the CSA's proposal using claims that don't hold up to scrutiny.

"We would like to set the record straight," said Elizabeth Mulholland, Chief Executive Officer of Prosper Canada. "We are navigating unprecedented economic times, and investors are feeling the strain. Now, more than ever, we need a fair system that holds firms accountable and gives harmed investors real protection."

OBSI investor bias is a myth: Solutions should not rely on this premise

Independent expert reviews have consistently found no evidence that OBSI is biased in favour of investors. On average, OBSI finds in favour of firms about 67% of the time, and firms underpay OBSI recommendations by millions.

Judicial appeal would tilt the process in favour of firms

Some in the industry want a third-party appeal process, such as taking cases to court. This would make the complaint process expensive, slower and more complex. Judicial appeals are unnecessary in the context of the CSA's carefully balanced framework.

The binding threshold is fair: Lowering it would harm investors

OBSI has a proven track record of handling complaints up to \$350,000 fairly, as independent expert reviews consistently confirm. Yet, some industry voices want this limit drastically lowered.

A lower limit would allow firms that caused more harm to avoid responsibility, while those that caused less harm would be held to account. Lower limits would also pressure investors with higher-value complaints into unfair settlements or leave them with nothing, reintroducing the power imbalance the CSA framework is designed to correct.

A new social media campaign launches today to help investors understand why binding authority matters. See the explainer: [Harmed Investors Deserve Better](#).

About the Coalition of Consumer Advocates

The coalition of consumer advocates includes FAIR Canada, the Canadian Association of Retired Persons (CARP), Prosper Canada, the Public Interest Advocacy Centre (PIAC), the Investor Protection Clinic and Future of Law Lab at the University of Toronto Faculty of Law, the Consumers Council of Canada, CFA Societies Canada, Kenmar Associates, CanAge, and The Investor Protection Clinic at Osgoode Hall Law School. Together, the group collectively represents the perspectives of millions of financial consumers and retail investors nationwide.

About FAIR Canada

FAIR Canada (The Foundation for the Advancement of Investor Rights) 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 comments on regulatory matters that have an impact on investor fairness and protection. Learn more about investor rights at [FAIRCanada.ca](#) and connect with us on [X](#) (formerly Twitter) and [LinkedIn](#).

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