

# OBSI Binding Advocacy and Public Awareness Campaign

Read our communications materials as part of our public awareness campaign to help Canadians understand why binding authority matters for investor protection.

## Press Release

**FAIR!** Canadian Investor Advocate | Prosper Canada  
Investors

### 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 undergo 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.

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## Open Letter

**FAIR!** Canadian Investor Advocate | Prosper Canada | CARRP | CFA Societies Canada | Karmar Associates | OIC/OOIC | YORK U | CanAge

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May 5, 2025

Dear Mr. Magidson and Mr. Vingo:

**Subject: Protect investors – Resist pressure to weaken complaint-handling reforms**

The undersigned coalition of consumer advocates urges you to protect everyday investors by implementing the proposed binding framework for decisions of the Ombudsman for Banking Services and Investments (OBSI).

Published by the Canadian Securities Administrators (CSA) in November 2023, the framework is balanced, simple, and cost-effective. It will enable Canada to strengthen investment complaint handling and resolve disputes faster, more fairly, and more conclusively.

Our coalition represents millions of financial consumers across the country, many of whom are under growing financial stress from the economic after-effects of the pandemic and deliver volatility from U.S. trade actions. These everyday Canadians depend on the CSA to deliver a strong investor protection system to safeguard their hard-earned assets. They also expect and deserve a fair and efficient way to resolve their investment complaints.

The CSA's 2023 proposal carefully balances the interests of investors and investment firms. However, a vocal minority of firms is advocating to weaken this proposal and its promise of greater fairness and protection for average investors. Their pushback is premised on three primary claims that are manifestly unfounded:

- OBSI is biased in favour of investors, so solutions should be structured to offset this.
- The framework is unfair to industry and should include a right to judicial appeal.
- It is prejudicial and unjust to hold investment firms accountable for complaints involving higher dollar amounts, even when those complaints are within OBSI's mandate.

We would like to set the record straight. Here is why their claims are wrong and how they will harm investors if the CSA adopts them:

- OBSI investor bias is a myth, so solutions should not be based on this premise.**  
Independent expert reviews have repeatedly dismissed claims that OBSI is biased in favour of investors. Despite this, some industry advocates continue to base their commentary on this premise.

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## Infographic

### Harmed Investors Deserve Better



#### Did You Know?

In Canada, investment firms can refuse to compensate harmed investors—even when the financial ombudsman recommended it.

#### The Problem

The Ombudsman for Banking Services and Investments (OBSI) can only recommend compensation—its decisions are not binding. That means firms can ignore fair rulings, leaving investors with unfair "take-or-leave-it" offers, or nothing at all.

#### What is Binding Authority?

It means investment firms cannot reject an ombudsman's compensation decisions or pressure investors to accept low offers. Countries such as the UK, Australia, and Ireland already have it. Canada still lags behind.

#### The Numbers (2019 – 2023)

- \$1.1+ million in OBSI-recommended compensation went unpaid.
- In cases over \$100,000, 50% of investors received less than recommended, and payouts averaged 44% below fair levels.

#### Take Action!

Demand fairness for Canadian investors. Tell the Canadian Securities Administrators and your MPP: "We need binding authority for OBSI!"  
Use the hashtag: #FairCompensationNow

#### Who We Are

We're a coalition of concerned advocates standing up for millions of Canadians:

- Families saving for their children's education and planning for the future.
- Retirees depending on fair investment returns.

**Coalition includes:** FAIR Canada \* Canadian Association of Retired Persons (CARP) \* Prosper Canada \* Public Interest Advocacy Centre (PIAC) \* Investor Protection Clinic and Future of Law Lab, University of Toronto Faculty of Law \* Consumers' Council of Canada \* CFA Societies Canada \* Karmar Associates \* The Investor Protection Clinic at Osgoode Hall Law School \* CanAge

#### Helpful Resources

- How the Complaint Process Works, Website: [OBSI.ca](http://OBSI.ca)
- Getting Your Money Back – Complaint Guide, Website: [FAIRCanada.ca](http://FAIRCanada.ca)

#FairCompensationNow

**FAIR!** Canadian Investor Advocate