

News Release

Inspiring confidence in the
Canadian financial services sector

OBSI 2017 Annual Report released: consumer complaints increase in 2017

TORONTO, Ontario, March 15, 2017 – The Ombudsman for Banking Services and Investments (OBSI) has released its [Annual Report for 2017](#).

“This was a very successful year for OBSI, in which we launched our new five-year strategic plan and made significant progress towards the accomplishment of our key objectives,” said Ombudsman and CEO, Sarah Bradley.

“We increased our organizational transparency, accessibility and awareness, while focusing on managing our enterprise risk and efficiently and effectively resolving disputes for Canadian consumers” continued Ms. Bradley.

The annual report provides several key consumer complaint statistics.

“In 2017, there was a 13% increase in the number of cases OBSI investigated. We opened 721 investigations, up from 640 in 2016, largely due to an increase in banking case volumes,” said Ms. Bradley. “There were 370 banking cases opened in 2017, a 28% increase compared to last year, while the number of opened investment cases remained flat at 351 cases.”

“We also made some significant investments in our essential infrastructure this year, including improvements to our case management systems to allow faster and more accurate reporting, and a complete redesign of our website to give Canadian consumers and firms better access to information about us, our service and our insights.”

The nature of banking complaints

The banking products that were most frequently complained about in 2017 were credit cards, mortgages and personal accounts.

Credit card complaints almost doubled in 2017 from the previous year, increasing to 30% from 17% of cases. Credit card complaints have now replaced mortgage complaints as the leading issue for bank complaints. Problems with chargebacks were the main issue consumers complained about, and chargebacks have now replaced fraud as the leading problem people reported with their credit cards.

Mortgages were the subject of 18% of banking cases last year – our second most-complained about product, but reduced from the previous year. For mortgage complaints, prepayment penalties and wrong or incomplete information continued to be the top issues consumers complained about.

Complaints about personal accounts made up 16% of banking cases last year, also down compared to 2016, with the most frequent issue being a bank's decision to end the client relationship, in line with previous years.

The nature of investment complaints

Common shares (or equities) are the number one investment product consumers complained about in 2017, representing 38% of all investment complaints in 2017, up from 34% in 2016.

Mutual funds made up 35% of cases, second highest among investment-related complaints, but down significantly when compared to 44% of cases last year. Scholarship trust plans represented 9% of complaints, roughly in line with 2016.

The issue most frequently complained about in investment cases was the suitability of the investment at 27%, which was on par with 2016. Fee disclosure was the next most frequent issue at 17%, up significantly from 10% of cases in 2016, and it was the leading issue related to mutual fund complaints.

Tied for third was suitability of margin or leverage, which dropped to 9% of cases from 15% in 2016, and incomplete or inaccurate disclosure about a product, which also dropped to 9% of investment cases, down slightly from 11% the previous year.

2017 key statistics summary

Overall

- 5,477 total inquiries, up 8% from 2016
- 721 opened cases, up 13% from 2016
- 731 cases closed, up 11% from 2016
- \$2,591,996 total compensation recommended

Banking Services statistics

- 370 opened cases, up 28% from 2016
- 349 cases closed, up 8% from 2016

Investments statistics

- 351 opened cases, flat with 2016
- 382 closed cases, up 15% from 2016

Key accomplishments

- Launched a new, user-friendly website featuring improved usability, responsive design and a simplified complaint process.
- Increased our presence on social media with the creation of the Twitter account @Ombudsman_OBSI.
- Developed a new, simplified OBSI consumer brochure to align with our website and introduce our updated branding to the public. The modified logo illustrates the national nature of our service.
- Made key investments in our case management system to allow faster and more insightful reporting.
- Introduced new processes to reduce consumer and firm delays.
- Decreased the average number of delay days per case by over 50%.

The 2017 Annual Report can be found on our website in both English and French.

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Canada's Ombudsman for Banking Services and Investments (OBSI) is a national, independent and not-for-profit organization that helps resolve and reduce disputes between consumers and financial services firms in both official languages. OBSI is responsive to consumer inquiries, conducts fair and accessible investigations of unresolved disputes, and shares its knowledge and expertise with the stakeholders and the public. If a consumer has a complaint against an OBSI participating bank or investment firm that they are not able to resolve with the bank or firm, OBSI will investigate at no cost to the consumer. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

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