

Consumer demand for OBSI services reaches new highs in Q1 2023

Consumer demand continues to surge in Q1 2023, with inquiries and complaint volumes reaching all-time highs for banking and investments. The number of cases opened increased by 50% from Q4 levels and more than doubled any previous quarter. Securities inquiries and cases exceeded all-time highs, but the largest increases in demand were driven by banking consumers.

Fraud remained the most reported issue among banking consumers, nearly doubling quarter over quarter. Interest rate complaints doubled quarter over quarter, becoming one of the top five banking issues. Suitability complaints were the most common investor issue, reaching an eight-quarter high. Cases related to fraud also substantially exceeded historical levels, driven largely by cryptocurrency fraud cases.

Last eight-quarter statistics

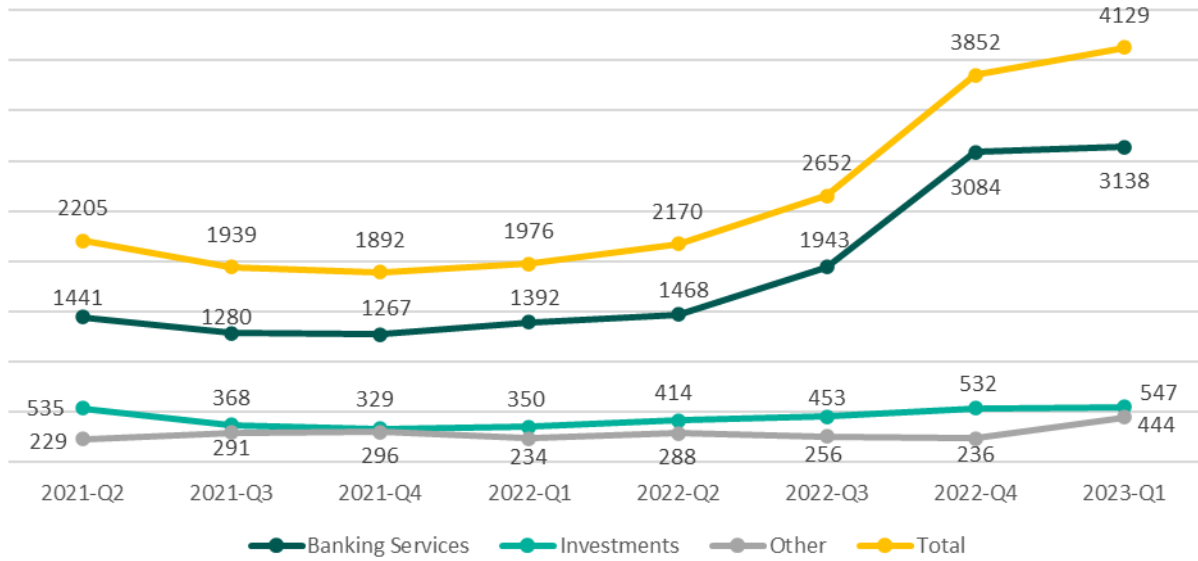
In this report, we present preliminary data from Q1 2023 (November 1, 2022 to January 31, 2023) alongside data over the last eight quarters for historical context for:

- Inquiries received by industry
- Inquiries by investment sector
- Total cases opened
- Cases opened by investment sector
- Cases opened by region
- Top 5 banking products
- Top 5 banking issues
- Top 5 investment products
- Top 5 investment issues

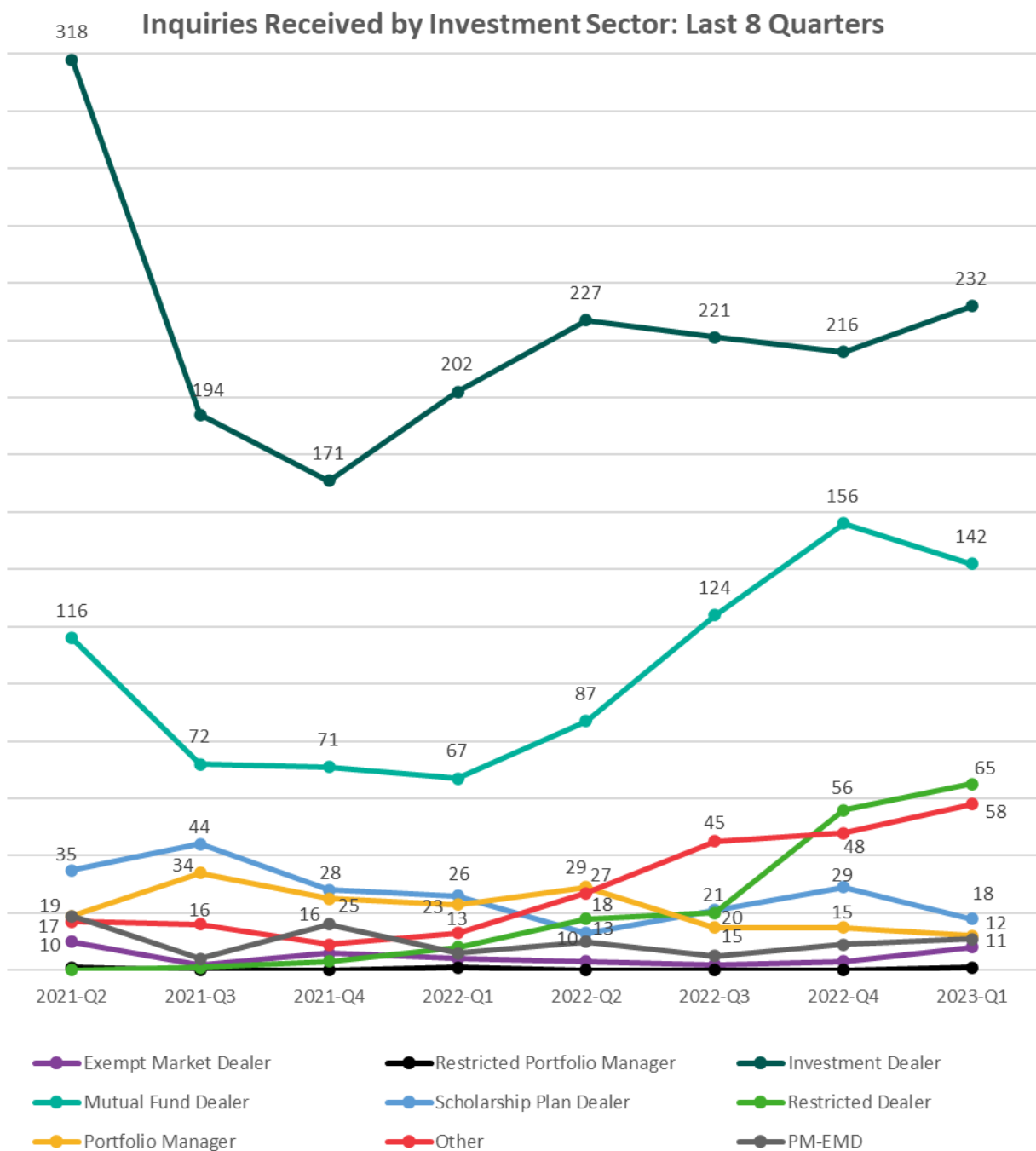
About OBSI inquiries

When consumers contact OBSI with a complaint or question about a financial services problem they are having, we record these interactions as inquiries. Assisting consumers with complaint inquiries is an important part of OBSI's work. In addition to helping people file a complaint with OBSI when it falls within our mandate, our intake staff are trained to provide information and assistance to consumers when we are not the appropriate place to help them. This often includes informing them of regulations which apply to their complaint, explaining what steps need to be taken to resolve their issue and directing them to the right contact within their firm or to the appropriate regulator. Inquiry volumes are a leading indicator of future case volumes.

Inquiries Received by Industry: Last 8 Quarters



In Q1 of 2023, total inquiries reached an all-time high of 4,129, a 7% quarter-over-quarter increase and 109% year-over-year increase. Banking-related inquiries represented 76% of total inquiries for the quarter and were up 2% quarter over quarter. Investment-related inquiries increased 3% quarter over quarter. Overall, the first quarter of 2023 continued a steady upward trend for total inquiries that began in the third quarter of 2022.

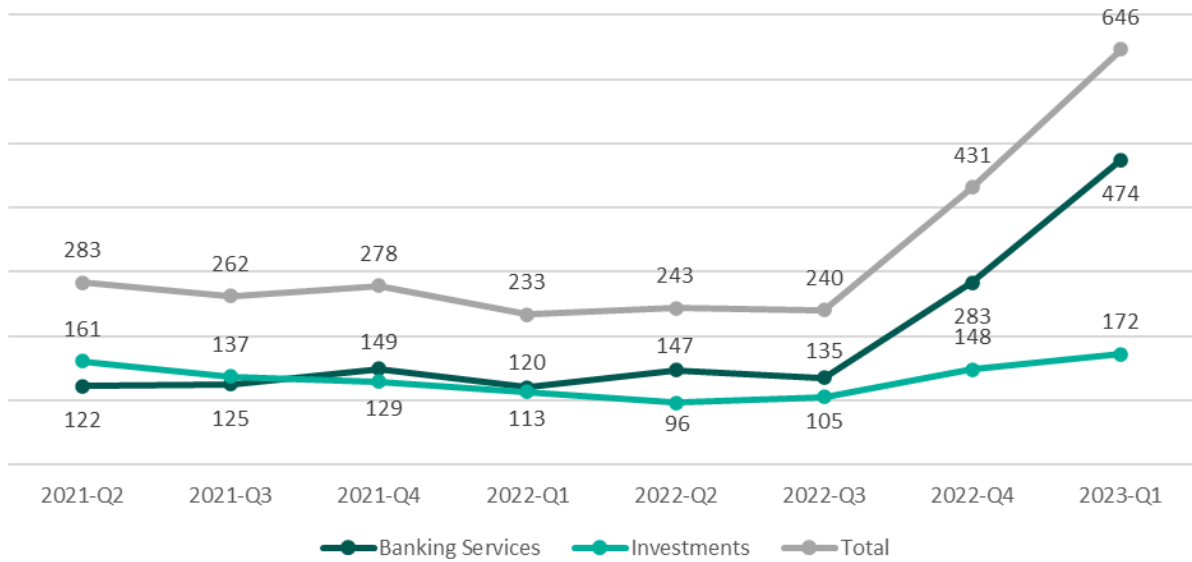


Note: Numbers under 10 are not labelled.

In the first quarter of 2023, investment dealer inquiries increased by 7% compared to the previous quarter and 15% year over year. Mutual fund dealer inquiries saw a 9% decline quarter over quarter but more than doubled year over year. Inquiries about restricted dealers (a sector which includes crypto dealers) saw a 16% quarter-over-quarter increase, establishing an eight-quarter high. Inquiries about scholarship plan dealers decreased 38% quarter over quarter and remained well below the highs of 2021. Inquiries about portfolio managers fell slightly quarter over quarter and dropped by nearly half

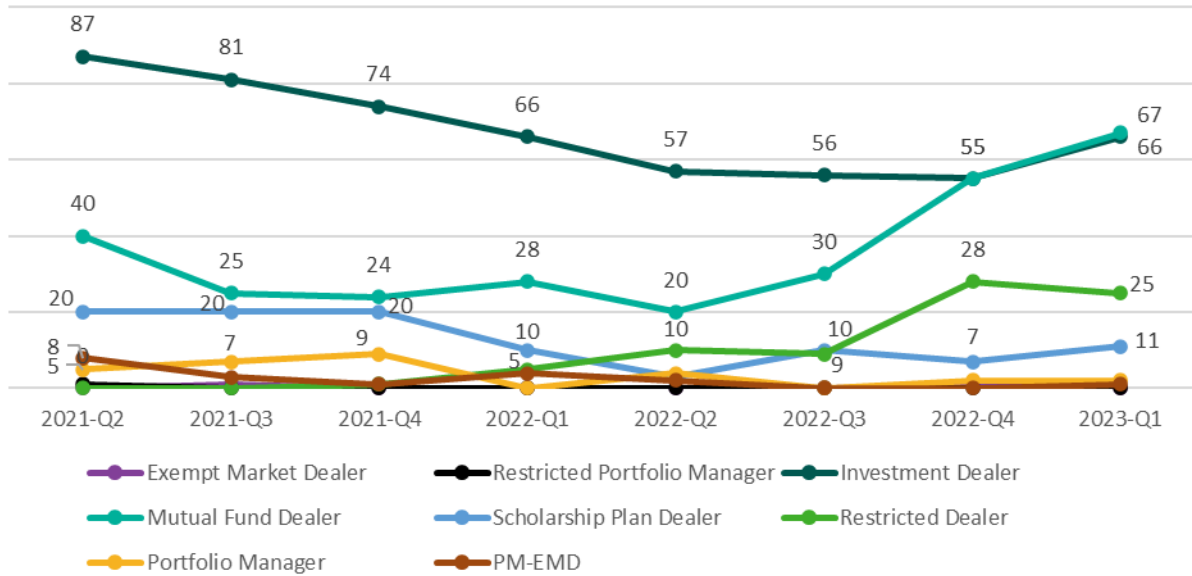
year over year. Inquiries about exempt marker dealers saw a lift after remaining mostly flat for the past year. All other investment sectors continued to show relatively low inquiry volumes.

Total Cases Opened: Last 8 Quarters



Overall case volumes for both sectors reached an all-time high in Q1 of 2023. Total cases opened more than doubled last year's case volumes and increased by 50% compared to the last quarter of 2022. Banking cases opened more than tripled last year's case volumes and increased 67% over the previous quarter. Investment cases opened were up 52% year over year and 16% quarter over quarter.

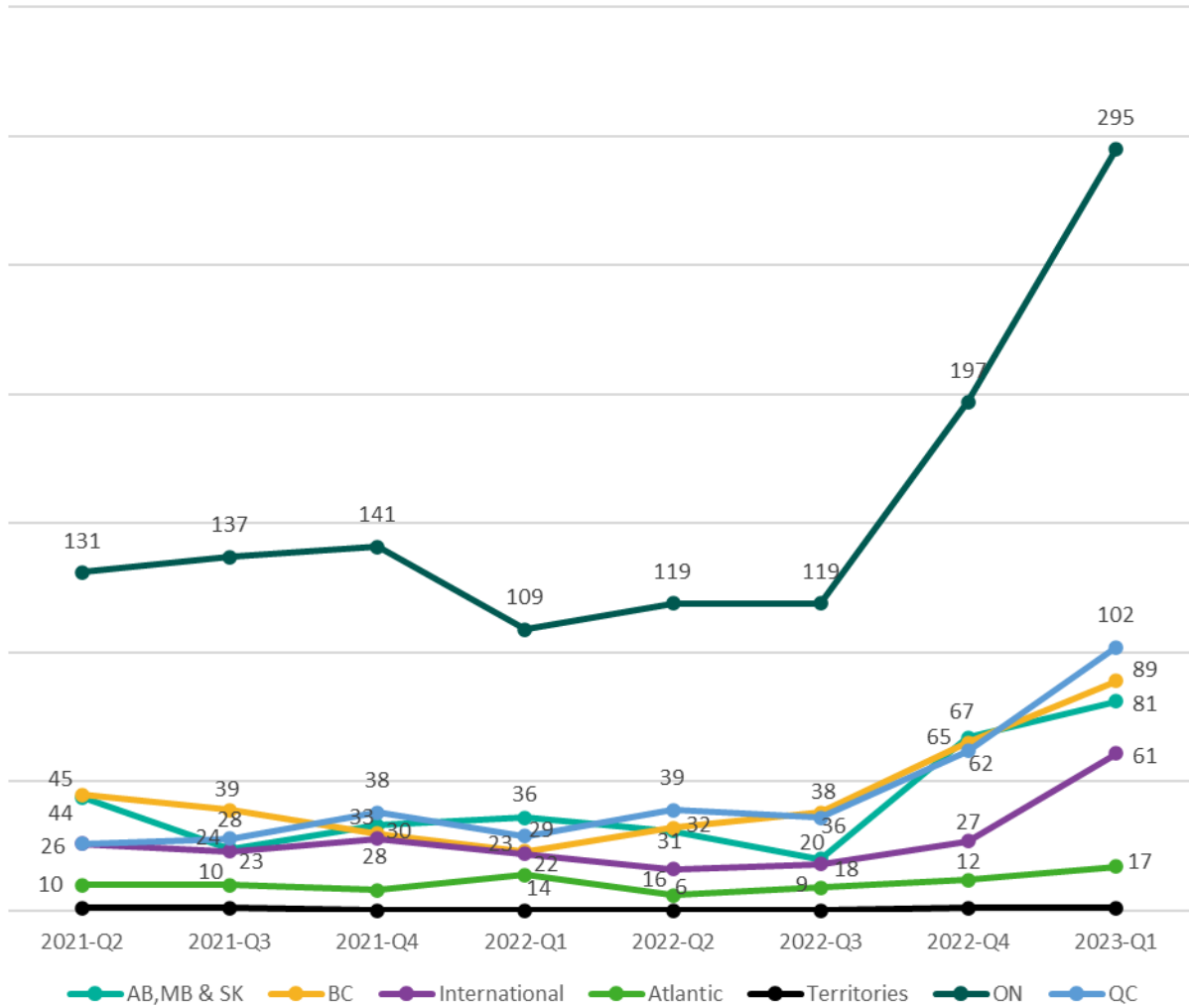
Cases Opened by Investment Sector: Last 8 Quarters



Note: Numbers under 5 are not labelled.

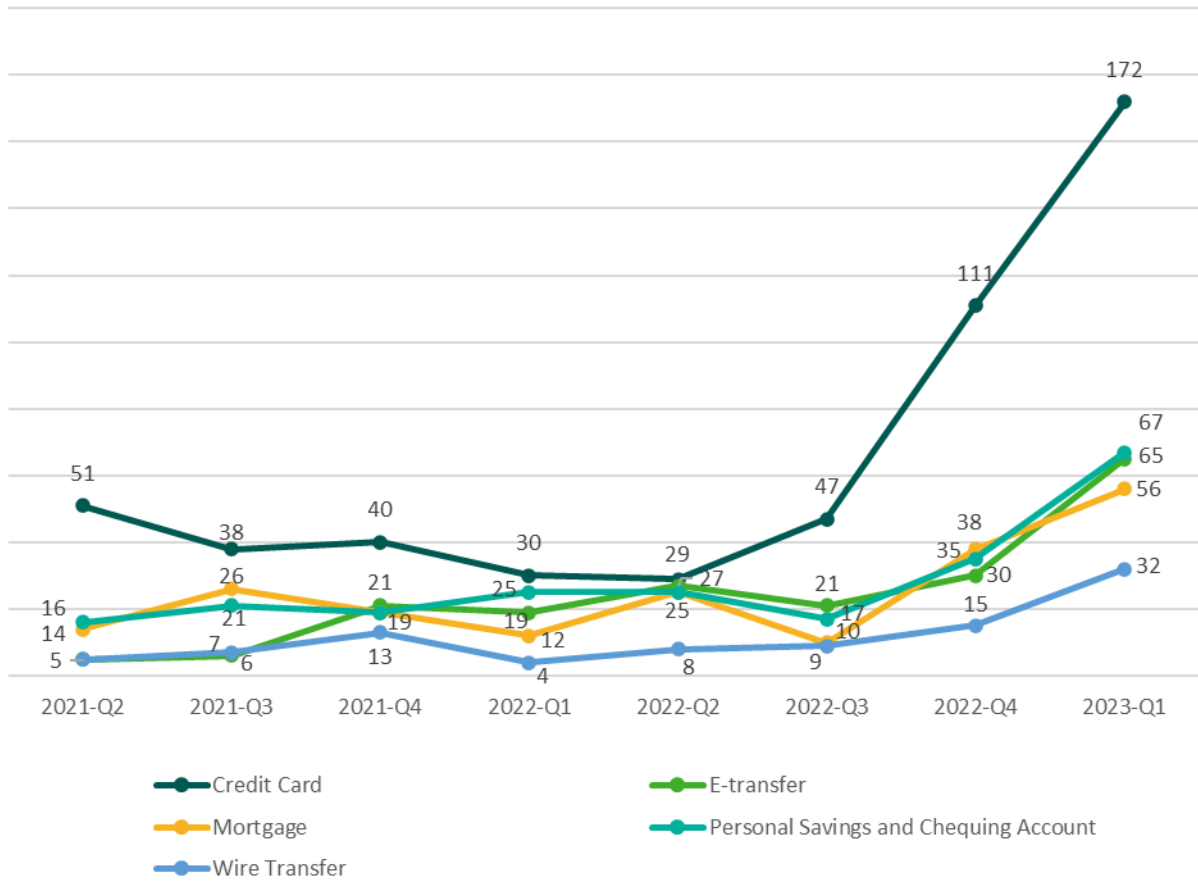
In the first quarter of 2023, investment dealer cases increased 20% quarter over quarter but were flat year over year. Mutual fund dealer cases reached an eight-quarter high, up 22% quarter over quarter and more than doubled year over year. Opened cases for scholarship trust plan dealers remained below 2021 levels and flat compared to recent quarters. Cases for restricted dealers slightly decreased but were well above levels seen in recent quarters and the previous year. Cases for all other investment sectors remained generally low, consistent with the last eight quarters.

Cases Opened by Region: Last 8 Quarters



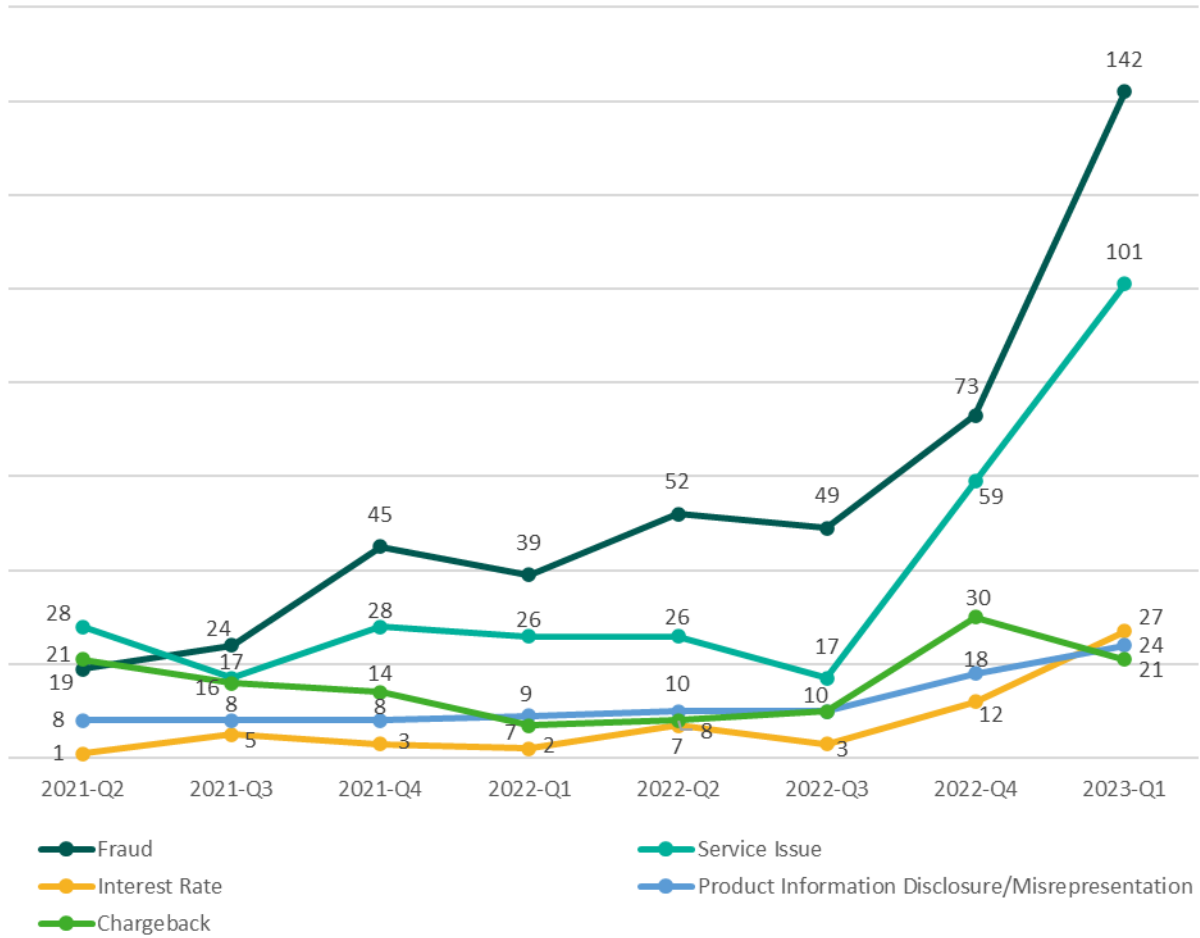
In Q1, overall case volumes reached all-time highs as did case volumes for most regions. With some exceptions, quarter-over-quarter increases continued an upward trend: Ontario cases were up 49%, BC cases were up 37%, the Prairie provinces were up 21% and international cases more than doubled. Case volumes from the Atlantic provinces rose slightly, while those from the Territories remained low and consistent with the last eight-quarters.

Top 5 Banking Products: Last 8 Quarters



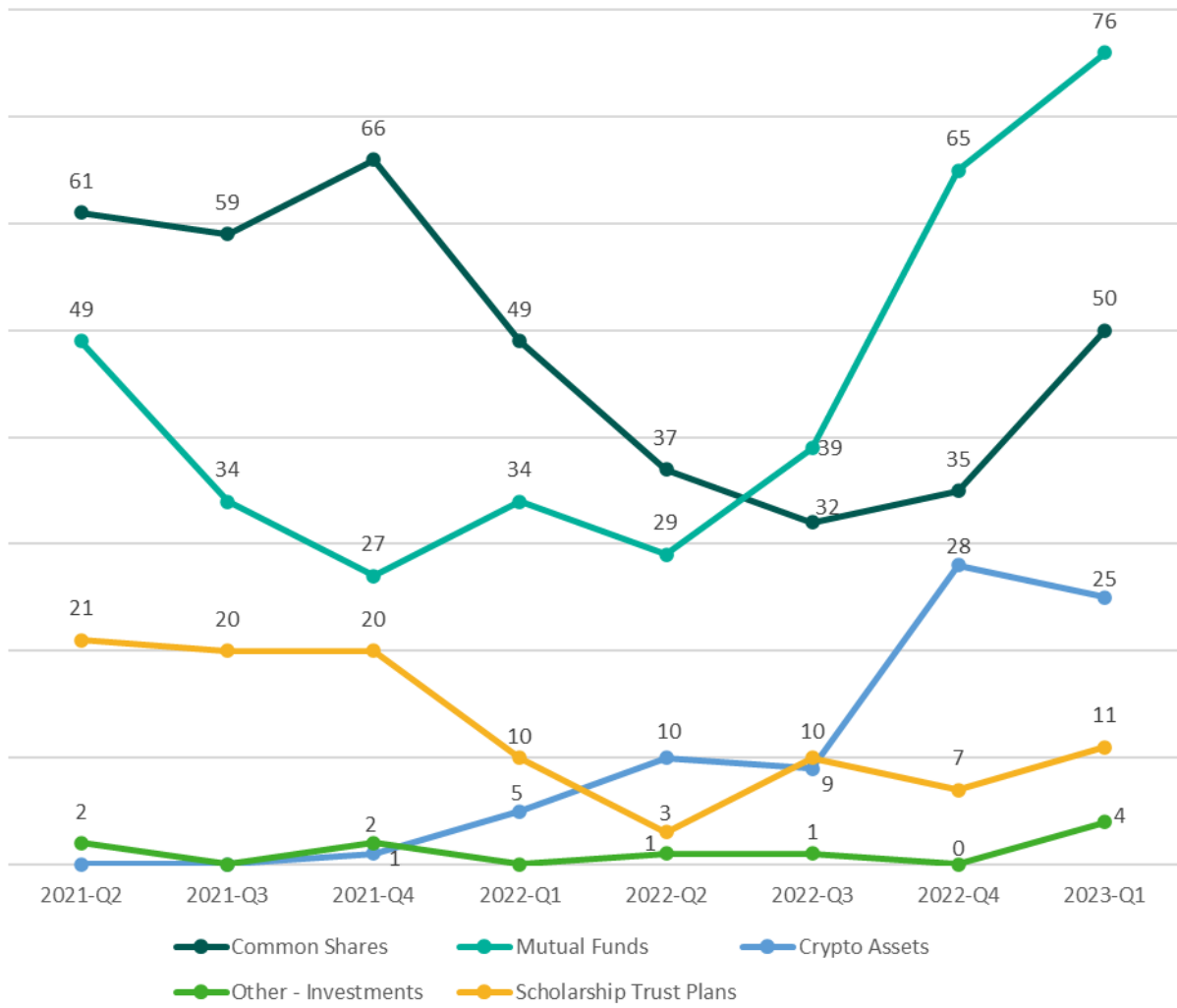
In the first quarter of 2023, banking cases across all product categories reached an all-time high. Credit cards continued to be the leading product complaint among banking consumers, with more than five times the case volumes year over year and up by 55% quarter over quarter, while mortgage complaints followed as the second most common concern, with more than four times the case volumes year over year and up 47% quarter over quarter. Complaints related to personal savings and chequing accounts doubled year over year and nearly doubled quarter over quarter. Case volumes for e-transfer complaints more than tripled year over year while wire transfer complaints were eight times the case volumes year over year. Cases for e-transfer complaints and cases for wire transfer complaints more than doubled quarter over quarter, continuing an upward trajectory from the prior quarter.

Top 5 Banking Issues: Last 8 Quarters



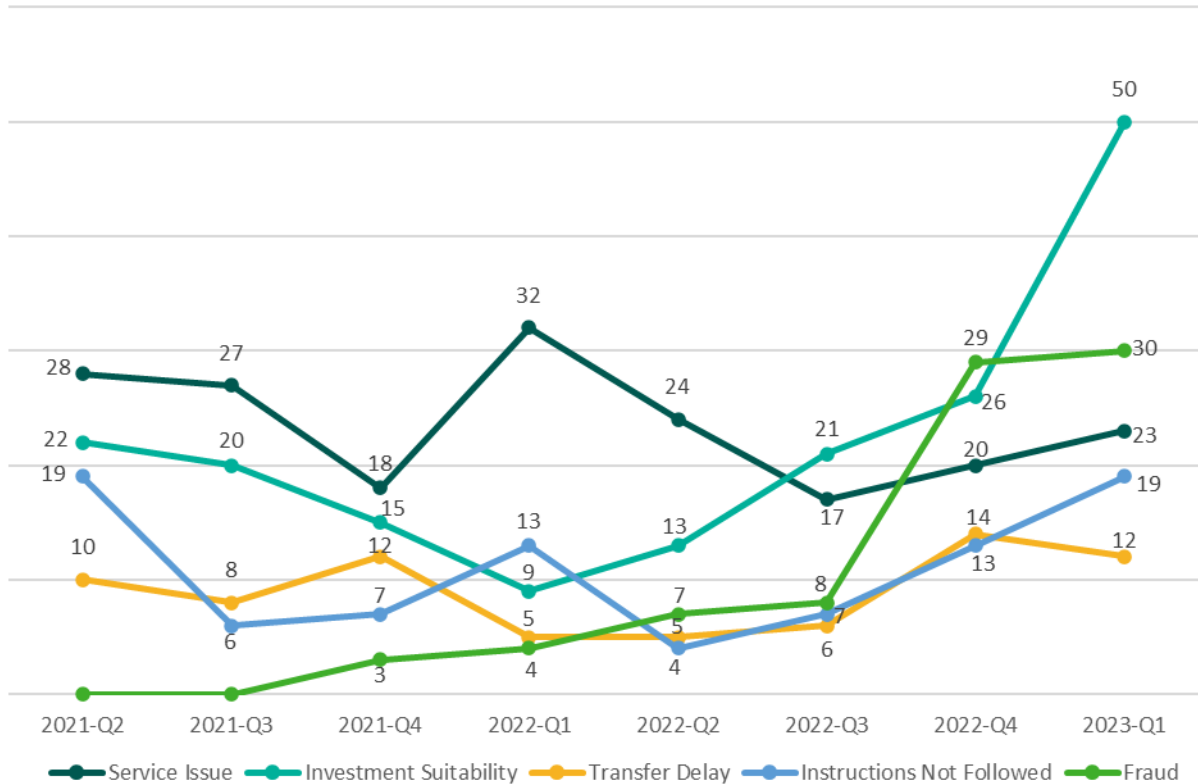
Most banking issues reached an all-time high in Q1 of 2023. Fraud remained the most reported issue among banking consumers, more than tripling year over year and nearly doubling quarter over quarter. Service issue complaints followed, also more than tripling year over year and up 73% quarter over quarter. Complaints related to interest rates surged year over year and more than doubled quarter over quarter, becoming the third most commonly reported banking issue. Complaints related to product disclosure nearly tripled year over year and rose 33% from the previous quarter. While chargeback complaints decreased 28% quarter over quarter, they remained among the top five banking issues and tripled year over year.

Top 5 Investment Products: Last 8 Quarters



In first quarter of 2023, mutual funds were the leading product among investment complaints, increasing 17% quarter over quarter and reaching an eight-quarter high. Cases related to common shares increased 43% compared to the previous quarter but remain below the highs seen in 2021. Crypto asset complaints declined slightly but remained elevated after reaching an eight-quarter high in Q4. Scholarship trust plan cases saw a slight increase but remained considerably below 2021 levels.

Top 5 Investment Issues: Last 8 Quarters



In Q1 of 2023, suitability complaints reached an eight-quarter high, nearly doubling quarter over quarter and replacing fraud as the leading issue for investors. Fraud complaints remained very common, also reaching an eight-quarter high, with a slight quarter-over-quarter increase. Service issue complaints increased 15% quarter over quarter but remained below case volumes seen in 2021 and early 2022. Complaints related to transfer delays saw a slight quarter-over-quarter decrease while complaints related to instructions not followed returned to the eight-quarter high seen in the second quarter of 2021.