

Pamela J. Reeve, PhD
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To: Mr. Tyler Fleming, Director
Stakeholder Relations and Communications
Ombudsman for Banking Services and Investments
401 Bay Street, Suite 1505
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**RE: OBSI CONSULTATION PAPER
Suitability and Loss Assessment Process**

Since 2004, I have been active as a retail investor advocate, specializing in the analysis of complaint handling issues. Previously, I made policy submissions on behalf of the Small Investor Protection Association (SIPA) to the Canadian self-regulatory organizations, IDA/IIROC and the MFDA, in the context of the revision of the rules governing their dealer complaint process. I have also made submissions on the complaint handling issue to the federal Department of Finance, the Senate of Canada, OSC, and CSA.

From 2005 to 2007, I was a member of the OSC's Investor Advisory Committee and from September 2009 to March 2010, I participated in a series of stakeholder consultations with OBSI focused on retail investor issues.

In past policy submissions and other publications, I have sought to identify and conceptualize the specific vulnerability of retail investors in the context of negotiating the dealer complaint process. It is most important that retail investors should have access to an independent organization, which is qualified to analyze and make a determination about complaints in a professional, fair, and objective manner.

The Suitability and Loss Assessment Consultation Paper provides a detailed discussion of the various steps involved in OBSI's complaint process and is particularly useful in identifying relevant "Key Principles."

Overall, I am in agreement with the principles and process outlined in the Consultation Paper and support OBSI's approach. I believe this approach makes a substantive contribution to achieving consistency, objectivity, and fairness in the assessment of investment complaints.

In the context of making my present submission I have also reviewed the submission of Kenmar Associates and agree with all its points.

Participation by investment firms in OBSI or (in general) a single, statute-based financial ombudsman along the lines of the UK's Financial Ombudsman Service should be mandatory.

In April 2008, a Joint Standing Committee on Retail Investor Issues (JSC) was created by the OSC, IIROC, MFDA, and OBSI.¹ This body was established to provide a forum in which executives from the four organizations could meet to discuss retail investor issues. It appears this Committee has become inactive, however, given ongoing issues and concerns, serious consideration should be given to its revival. The opportunity for dialogue and collaboration among these organizations is another reason why it is important not to allow the current complaint handling system to become fragmented.

Yours sincerely,

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¹ www.osc.gov.on.ca/static/_/JSC/jsc_index.html