



OMBUDSMAN

for Banking Services and Investments | des Services Bancaires et d'Investissement



ACHIEVING FAIR,
IMPARTIAL OUTCOMES

WHO WE ARE

Credible to consumers. Trusted by firms.

The Ombudsman for Banking Services and Investments (OBSI) is Canada's national independent dispute resolution service for consumers and small businesses with a complaint they can't resolve with their banking services or investment firm.

A non-profit organization, OBSI is guided by the principle that every complaint deserves a fair and prompt resolution. An alternative to the courts, our process is confidential and non-legalistic. Funded by participating firms, our services are free to consumers.

The specialist for banking and investment concerns

OBSI investigates complaints about mutual funds; bonds and GICs; stocks, exchange-traded funds, income trusts and other securities; investment advice; unauthorized trading; fraud; mortgages; loans and credit; debit and credit cards; fees and rates; transaction errors; misrepresentation; accounts sent to collections. If we find that a complaint has merit, we can recommend compensation up to a maximum of \$350,000.

Current participating firms include:

- Investment Industry Regulatory Organization of Canada (IIROC) member firms
- Mutual Fund Dealers Association of Canada (MFDA) member firms
- Mutual fund companies
- Exempt market dealers
- Portfolio managers
- Scholarship plan dealers
- Forex trading services
- Domestic and foreign-owned banks
- Credit unions
- Federal trust and loan companies and other deposit-taking organizations



OUR HISTORY

An independent voice since 1996

OBSI was created in 1996 as the Canadian Banking Ombudsman to offer small businesses a dispute resolution service for complaints against major banks. This mandate soon expanded to include all consumer banking complaints.

In 2002, our name changed to the Ombudsman for Banking Services and Investments to reflect the addition of investment sector members, including all members of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

Recently, our membership expanded again to encompass all registered dealers and advisors outside of Québec that have retail investor clients. This was a result of an amendment by the Canadian Securities Administrators (CSA) to National Instrument 31-103 (NI 31-103) that requires portfolio managers, exempt market dealers, and scholarship plan dealers, in addition to all other registered dealers and advisors, to use OBSI as their common dispute resolution service.

We also have other firms that participate on a voluntary basis.



Dedicated to the highest standards in dispute resolution

OUR TEAM

Transparent, fair, effective

OBSI is led by the Ombudsman, who is appointed on a renewable term of up to five years. To assure independence, the Ombudsman may not have been a public servant, or closely associated with a member firm, for five years prior to appointment.

Your case is in good hands

OBSI's staff consists of qualified professionals from the financial services, law, accounting, dispute resolution and regulatory compliance fields. We're dedicated to providing you with the highest standards of performance in dispute resolution in a timely manner.

GOVERNANCE AND REGULATORY OVERSIGHT

Expert guidance. Industry insight

OBSI is governed by an independent Board of Directors. Most are Community Directors who have been working outside of the financial industry or government for at least two years. Several directors are appointed from a list of nominees provided by industry bodies.

The board is strictly prohibited from reviewing individual complaints. There are no appeals and the Board cannot influence the Ombudsman's decisions.

When appointing new members, the Board strives to find a balance of diversity and geography as well as a variety of backgrounds and skills. Collectively, the directors have expertise in business, law, consumer and regulatory affairs, economics, community organizations, dispute resolution and public service.

Currently, the board has three active committees: Standards; Finance and Audit; and Governance, Human Resources and Compensation. Performance reviews of the Board and Board Chair are conducted every two years.

Regulatory framework

For banking complaints, OBSI operates according to regulatory criteria established by the federal Department of Finance and overseen by the Financial Consumer Agency of Canada (FCAC).

For complaints concerning investments, we follow the regulatory expectations outlined in the Memorandum of Understanding (MOU) with the Canadian Securities Administrators (CSA). The MOU is available on our website.

CODE OF PRACTICE

A commitment to excellence

Our standards of service are designed to ensure a high-quality, independent and fair dispute resolution process for consumers and providers of financial services in Canada.

Based in part on internationally recognized complaint-handling standards (ISO 10003), our Code of Practice (available on our website) guides us in 11 areas, including accessibility, fairness, independence, timeliness and competence.



HOW WE WORK

A simple and effective process

OBSI resolves complaints between participating firms and their customers when they can't come to a resolution on their own.

Your client has the right to bring their case to OBSI if they are not satisfied with your final response to their complaint or at least 90 days have passed since the complaint was filed. Your client must also have filed the initial complaint within six years of when they knew or should have known of the problem.

If these conditions are met, we then ensure that the complaint falls within our mandate. If it does not, we advise your client as soon as possible.

If the complaint does fall within our mandate, we get your client's permission to discuss their case with you, then collect and review all relevant material. Typically, this includes your final response letter.

Once the investigation is complete, we send a draft report to both you and your client for a brief comment period. If we receive comments and we find that they have merit, we will revise our report. After the commenting period, you both receive a final report with our findings and recommendation.

If we determine that your firm has acted fairly, we will advise your client accordingly. If we determine that compensation is owed, we will recommend a settlement that aims to make the client 'whole.' We may also recommend non-financial actions, such as correcting a credit bureau record.

We review each case impartially to determine a fair outcome, taking into consideration financial services and business best practices, the law, regulatory policies and guidance, as well as professional body standards, codes of practice and codes of conduct.

As OBSI is neither a court nor a regulator, we do not fine or sanction firms or individuals. While our recommendations are not binding, if your firm refuses to comply, we are required to make this public. We have an excellent rate of acceptance by both firms and clients.

OBSI does not handle matters that have already been through a court or an arbitration that ended with a binding decision or finding on the merits of the complaint. If a client is not satisfied with our conclusions, they can pursue legal action or other avenues, subject to statutory limitation periods.

ACCESSIBILITY

Meeting the needs of all of your clients

We accept complaints through multiple channels including email, post, telephone, fax, online and in person. Our complaint intake centre accepts inquiries in over 170 languages, using an international telephone service that immediately connects callers with a professional interpreter.

The interpreter makes sure that they understand the nature of the complaint and relays the necessary instructions back to the caller.

OBSI is also committed to serving people with disabilities. For full details, please see the Accessible Customer Service Plan, available on our website.

The Ombudsman for Banking Services and Investments (OBSI)

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