



Q4 consumer complaint inquiries and cases remain at historically high levels

Fourth quarter consumer inquiries and case volumes did not reach the all-time high levels seen in Q2 but remained very high. Total cases opened increased 18% quarter over quarter and were up 90% year over year, led by banking cases. Banking cases were up in the quarter and more than doubled the volume of cases this time last year. Investment cases moderated slightly in Q4 as well as year over year.

E-transfers were the leading bank product for consumer complaints followed by credit cards, while the leading bank issues were related to fraud and service. Mutual funds were the leading investment product concern for investor complaints with suitability as the most common investment issue overall during the quarter.

Last eight-quarter statistics

In this report, we present preliminary data from Q4 2023 (August 1, 2023 to October 31, 2023) alongside data over the last eight quarters for historical context. All figures are preliminary and subject to change.

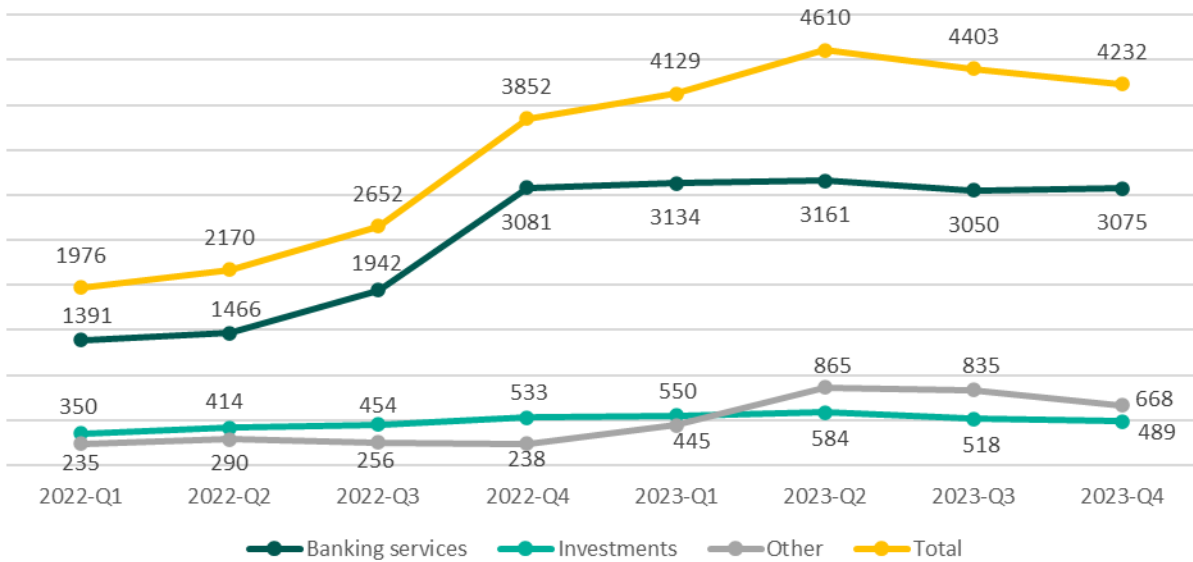
This report includes:

- 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.

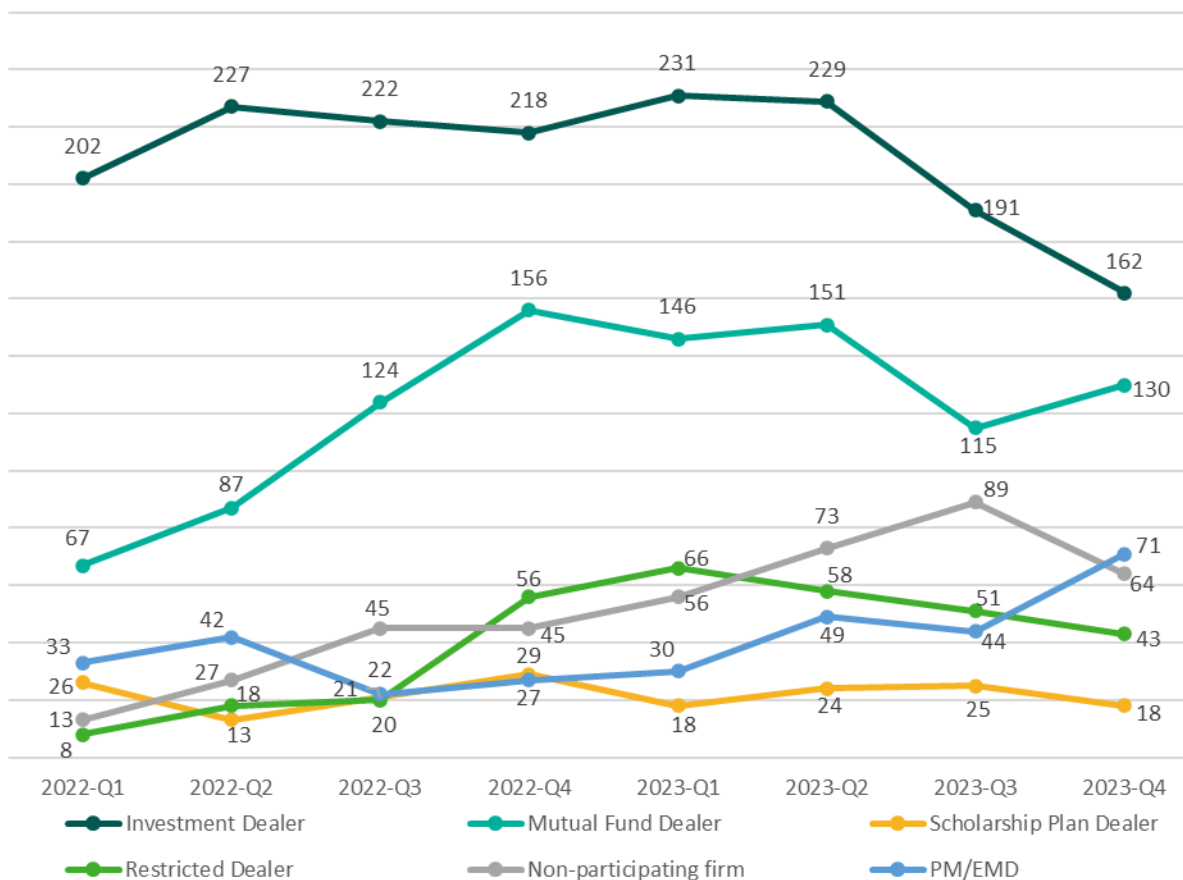
Inquiries Received by Industry: Last 8 Quarters



In the fourth quarter, we saw total consumer inquiries continue to trend downwards. Despite this, volumes remained significantly above 2022 levels.

- In Q4 2023, we responded to 4,232 inquiries, down 4% quarter over quarter and up 10% year over year.
- **Banking-related** inquiries, representing 73% of total inquiries for the quarter, were relatively flat quarter over quarter and year over year.
- **Investment-related** inquiries decreased slightly quarter over quarter and year over year.
- The **Other category** includes inquiries from the consumers of non-participating firms.

Inquiries Received by Investment Sector: Last 8 Quarters

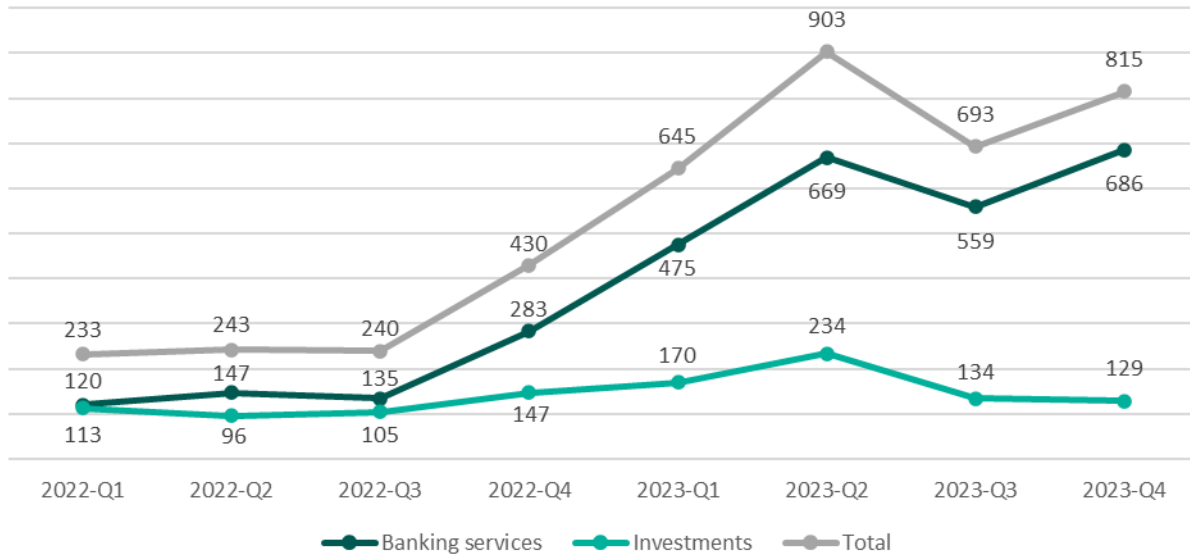


Investment-related inquiries decreased quarter over quarter and year over year.

- **Investment dealer** inquiries were down 15% from the previous quarter and down 26% from the previous year.
- **Mutual dealer** inquiries slightly increased by 13% quarter over quarter but dropped by 17% year over year.
- **Restricted dealer** inquiries fell 16% quarter over quarter and 23% year over year but remained higher than earlier quarters in 2022.
- **Scholarship plan dealer** inquiries were down 28% quarter over quarter and down 38% year over year.
- **Portfolio manager/exempt market dealer** inquiries saw significant growth quarter over quarter, up 61% and reaching an eight-quarter high.
- Inquiries from **non-participating firms (NPF)** were down 28% quarter over quarter after reaching an eight-quarter high in the previous quarter. However, in comparison to the previous year, levels were up 42%. NPF inquiries refers to inquiries related to investment firms

that are not subject to provincial securities regulations requiring them to provide access to OBSI services.

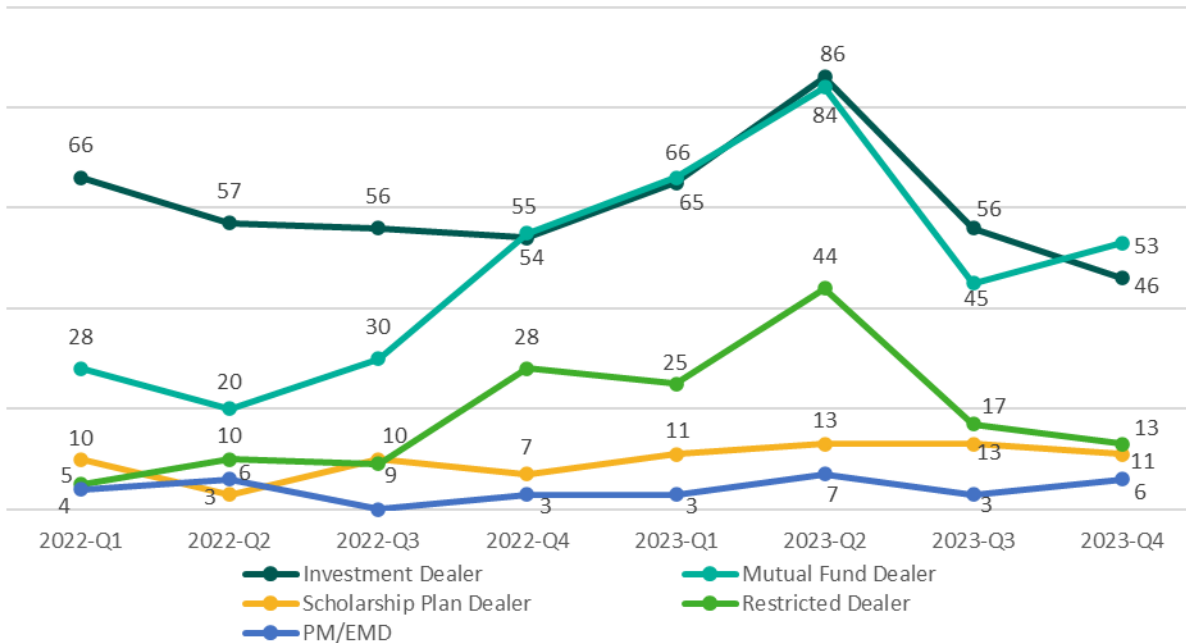
Total Cases Opened: Last 8 Quarters



In Q4, total cases opened increased 18% quarter over quarter and 90% year over year.

- **Banking** cases opened were up 23% quarter over quarter and up more than 140% year over year.
- **Investment** cases opened were down slightly quarter over quarter and saw a 12% decline year over year.

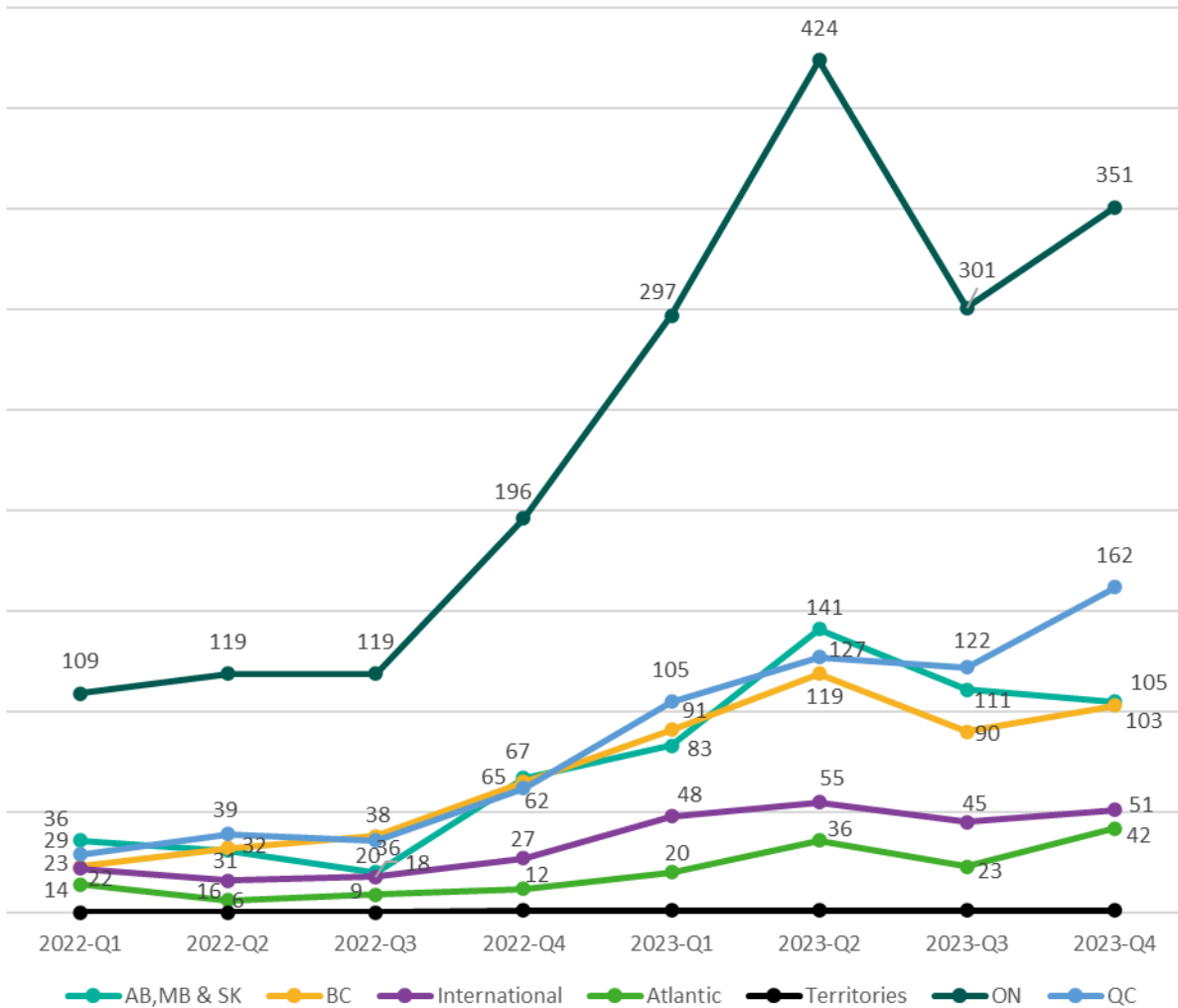
Cases Opened by Investment Sector: Last 8 Quarters



In the fourth quarter of 2023:

- **Investment dealer** cases continued a downward trend from the Q2 high and were down 15% year over year.
- **Mutual fund dealer** cases increased by 18% from Q3 levels but remained lower than earlier recent quarters.
- **Restricted dealer** cases fell 24% quarter over quarter and were down by more than 50% year over year but remained higher than earlier quarters in 2022.
- **Scholarship plan dealer** cases remained relatively flat quarter over quarter and slightly higher than the same period last year.
- **Portfolio manager/exempt market dealer** cases remained at low levels but doubled quarter over quarter and year over year.

Cases Opened by Region: Last 8 Quarters

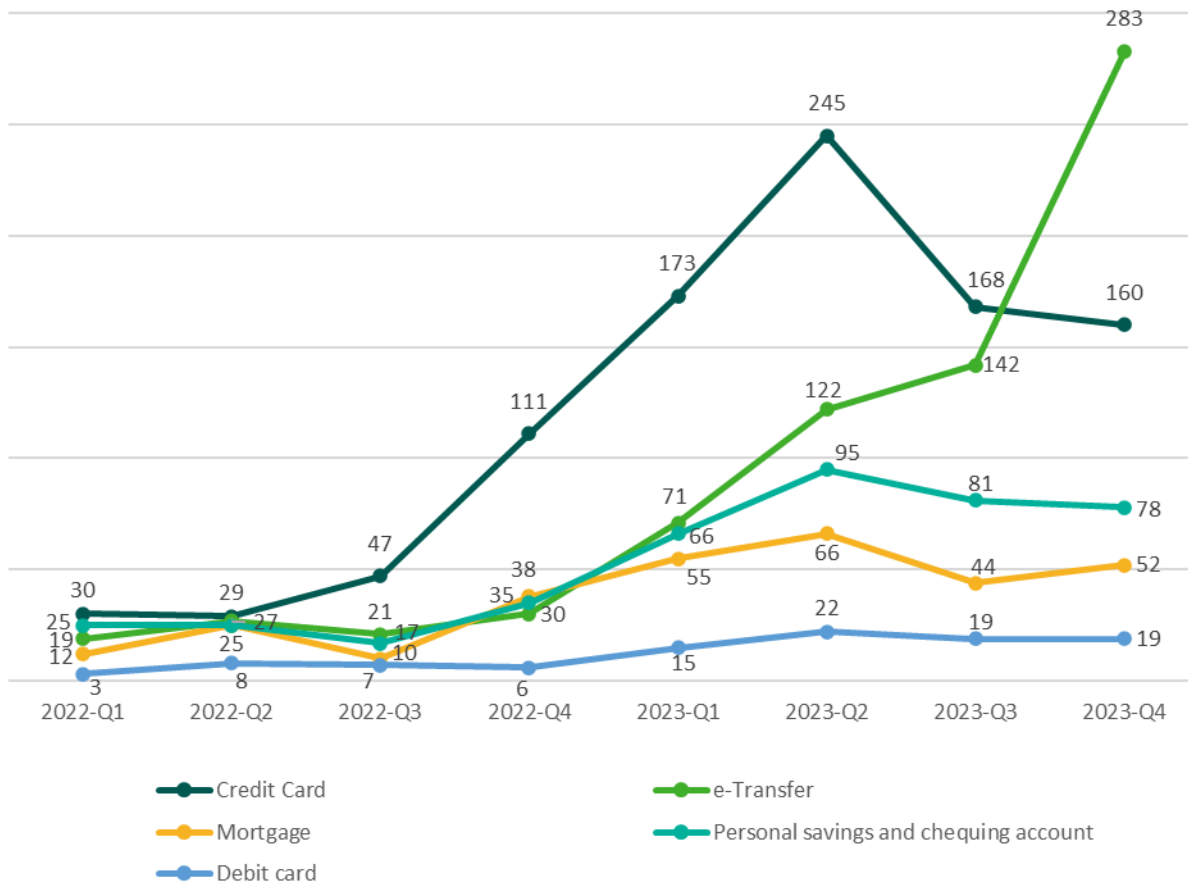


Note: Numbers under 5 are not labelled.

In Q4, case volumes in most regions increased quarter-over-quarter and remained above 2022 levels. Compared to the previous quarter:

- **Ontario** cases were up 17%.
- **Quebec** cases increased 33%, reaching an eight-quarter high.
- Cases from the **Prairie provinces** were down 5%.
- **BC** cases were up 14%.
- **International** cases were up 13%.
- Case volumes in the **Atlantic provinces** nearly doubled quarter over quarter and nearly tripled year over year, reaching an eight-quarter high.

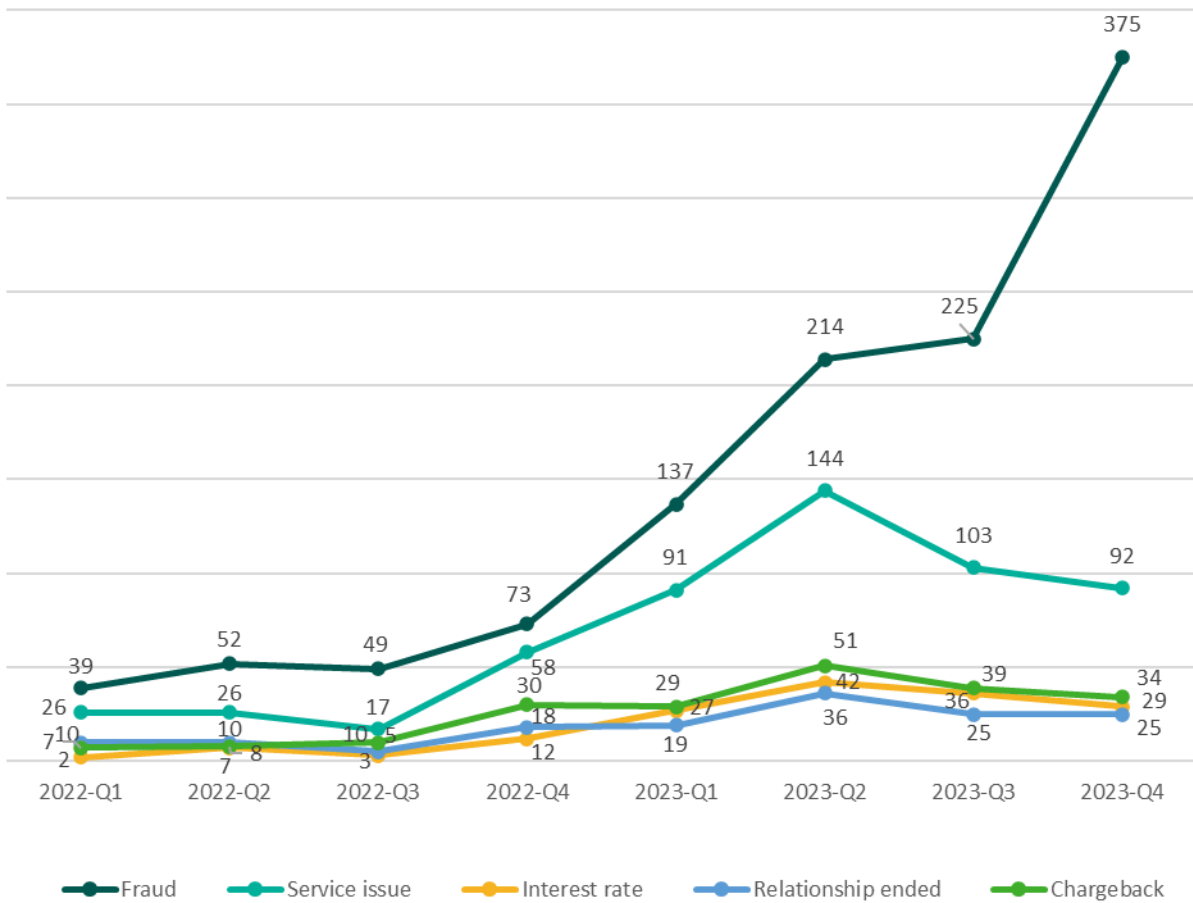
Top 5 Banking Products: Last 8 Quarters



In Q4, amid significantly higher overall complaint volumes, the top 5 banking product complaints remained unchanged with e-transfer complaints reaching all-time highs.

- **E-transfers** became the leading product complaint among banking consumers. E-transfer complaints doubled quarter over quarter, reaching an eight-quarter high and increased 843% year over year.
- **Credit card** complaints declined slightly quarter over quarter but fell significantly below the Q2 high. Complaints related to credit cards remained 44% above Q4 levels of last year.
- Complaints related to **personal savings and chequing accounts** decreased slightly quarter over quarter but more than doubled compared to the same quarter last year.
- **Mortgage** complaints saw 18% growth quarter over quarter and 37% growth year over year.
- **Debit card** complaints were flat relative to the previous quarter, however, they more than tripled the volumes seen in the same quarter last year.

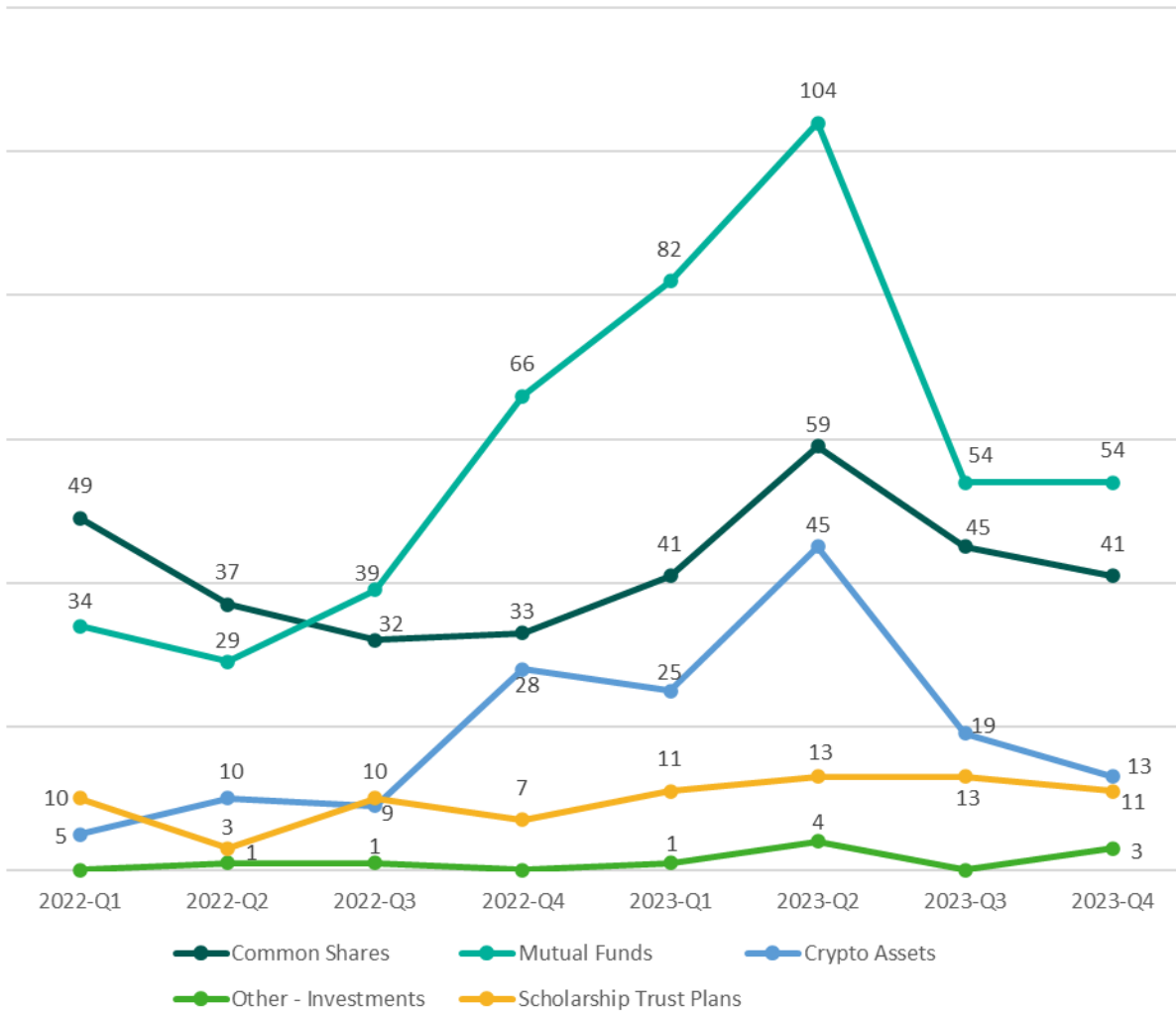
Top 5 Banking Issues: Last 8 Quarters



Among the top five banking issues in Q4 of 2023, only fraud saw significant increases, reaching new highs in the quarter.

- **Fraud** cases opened increased 67% quarter over quarter and were up more than 400% year over year.
- **Service issue** complaints continued to trend down from Q2 levels but were up 58% when compared to last year.
- Complaints related to **chargebacks** and **interest rates** declined quarter over quarter while cases related to **relationship ended** remained flat.

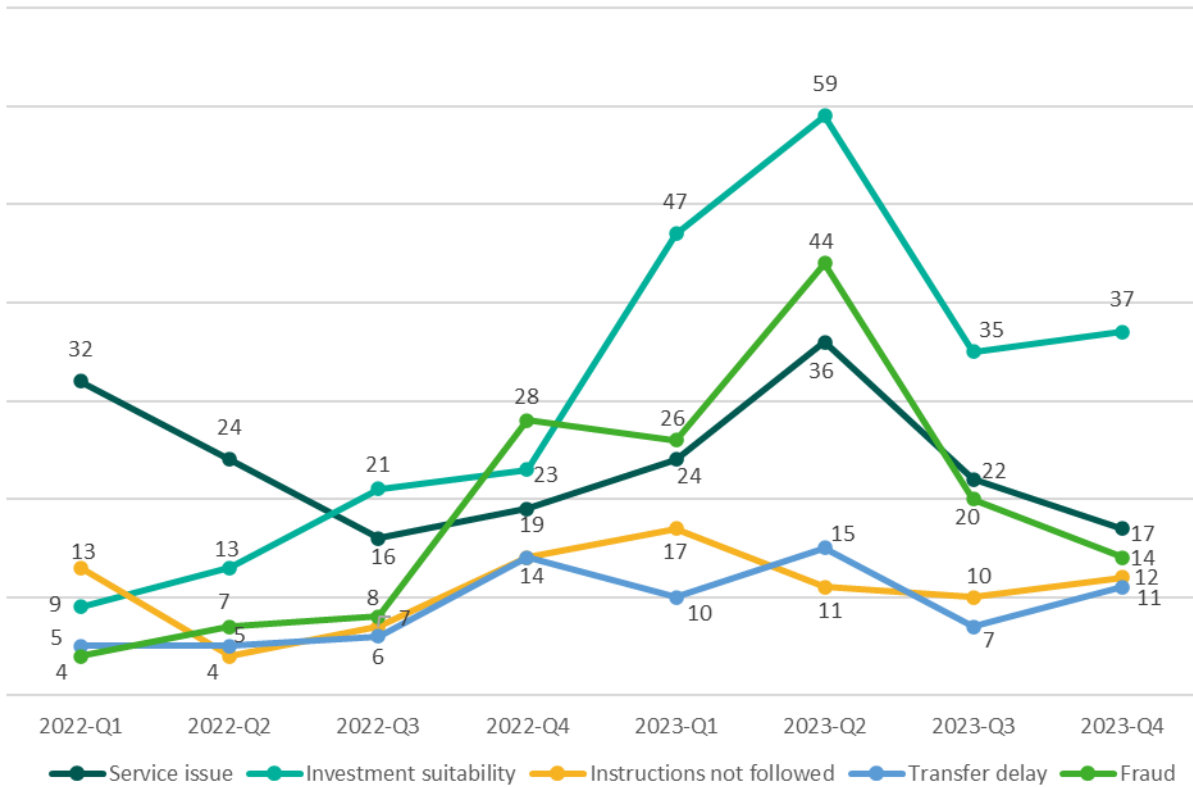
Top 5 Investment Products: Last 8 Quarters



In Q4, mutual fund complaints were flat compared to the previous quarter, while common shares and crypto assets continued a downward trend following the highs of Q2.

- **Mutual funds** remained the top product concern for investors but were flat quarter over quarter and down 18% from the same period last year.
- Cases related to **common shares** were down slightly from the previous quarter but up 24% year over year.
- **Crypto asset** complaints decreased quarter over quarter and fell significantly below last year's levels.
- **Scholarship trust plan** cases were down slightly quarter over quarter but were up compared to last year.

Top 5 Investment Issues: Last 8 Quarters



In Q4, investment suitability remained the leading concern among investor complaints, with service and fraud cases the next most common, but declining.

- **Investment suitability** cases were flat quarter over quarter but up 61% year over year.
- **Service issues** continued to trend downwards from the high seen in Q2 and down slightly compared to same quarter last year.
- **Fraud** complaints continued a solid downward trend following a Q2 high and were half the level seen the previous year.
- Complaints related to **instructions not followed** were up slightly compared to the previous quarter but down from last year.
- **Transfer delay** complaints were up quarter over quarter and down year over year.