



OBSI OMBUDSMAN FOR BANKING
SERVICES AND INVESTMENTS
OSBI OMBUDSMAN DES SERVICES
BANCAIRES ET D'INVESTISSEMENT

ACHIEVING FAIR OUTCOMES

WHO WE ARE

Credible to consumers. Trusted by firms.

The Ombudsman for Banking Services and Investments (OBSI) is an independent dispute resolution service for financial services consumers and firms in Canada. Our role is to assist consumers and small businesses to reach agreements with their financial firms about how to resolve complaints that they haven't been able to resolve on their own.

OBSI is a non-profit organization, guided by the principle that every complaint deserves a fair and prompt resolution. We are not a government agency or a financial regulator. We are impartial and do not act for either party or advocate their position. As an alternative to the courts, our process is confidential and designed to reach fair outcomes for consumers and firms without the need for legal representation.

Our services are offered throughout Canada in both official languages and are provided at no cost to consumers. We are funded by fees paid by our participating firms.

We investigate complaints about a wide range of banking and investments products and issues. If we find that a complaint has merit, we can recommend compensation up to a maximum of \$350,000.

OBSI has over 1400 participating firms, including:

- 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

Providing dispute resolution services in Canada for over 25 years

OBSI has been providing dispute resolution services to the Canadian financial services sector since 1996. We were originally established 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), the Mutual Fund Dealers Association of Canada (MFDA) and the Investment Funds Institute of Canada (IFIC).

In 2014, our membership expanded again to include 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) to require all securities registrants to use OBSI as their common dispute resolution service.

In 2015, we were formally approved as an external complaints body under the Bank Act to provide dispute resolution services for federally regulated financial institutions.

We also have a range of financial services firms that offer OBSI services to their clients on a voluntary basis, including many credit unions.



Dedicated to the highest standards in dispute resolution

OUR TEAM

Highly qualified professional staff

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 or a self-regulatory industry organization for five years prior to appointment.

OBSI's staff consists of qualified professionals from the financial services, law, accounting, dispute resolution and regulatory compliance fields. Our investigative staff are organized into investigation teams consisting of investigators, senior investigators and managers. These teams are supported by Deputy Ombudsmen; a team of Case Assessment Officers, who respond to inquiries from the public and oversee the opening of cases; and a team of Analysts who perform risk rating, portfolio analysis and other quantitative work. All of our staff are dedicated to providing the highest standards of performance in dispute resolution in a timely manner.

GOVERNANCE AND REGULATORY OVERSIGHT

Good governance

OBSI is governed by an independent board of directors made up of seven Community Directors who are independent of the financial industry and government, and three Industry Directors who are appointed from a list of nominees provided by industry bodies.

The OBSI board is prohibited from reviewing individual complaints and cannot influence the Ombudsman's decisions. When appointing new members, the board strives to find a balance of diversity and geographic representation as well as a variety of backgrounds and skills. Collectively, OBSI's directors have expertise in business, law, consumer and regulatory affairs, economics, community organizations, dispute resolution and public service.

Regulatory oversight framework

As an approved External Complaint Body (ECB) for banking complaints under the Bank Act, OBSI operates according to regulatory criteria established by the federal Department of Finance and overseen by the Financial Consumer Agency of Canada (FCAC).

With respect to our securities mandate, OBSI has signed a Memorandum of Understanding (MOU) with the Canadian Securities Administrators (CSA) that provides for regulatory oversight as well as a framework for cooperation and communication.

A Joint Regulators Committee (JRC) has been established, which includes representatives of the CSA's designates (Alberta Securities Commission, British Columbia Securities Commission, Autorité des marchés financiers, and Ontario Securities Commissions), IIROC and the MFDA. OBSI meets with the JRC on a regular basis to discuss governance and operational matters, as well as significant issues that could impact the effectiveness of the dispute-resolution system.

CODE OF PRACTICE

Internationally recognized standards of service

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.

OBSI undertakes independent expert external reviews of our service every five years. Our 2016 external review said of OBSI: "its decisions are fair and consistent with those made internationally; and with its loss calculation tools, its ability to determine fair amounts of resolution is world leading."



HOW WE WORK

An accessible and effective process

OBSI's process is designed to help consumers and participating firms resolve their disputes when they haven't been able to come to a resolution on their own.

We have the mandate to consider complaints brought by consumers who have received but are not satisfied with their financial institution's final response to their complaint or who have waited a limited number of days since they complained to their firm: 56 days for bank or federal credit union complaints or 90 days for investment firm or provincial credit union complaints. The consumer must also have filed the initial complaint within six years of when they knew or should have known of the problem, and their complaint needs to be about an issue that is within our mandate.

If a consumer approaches us with a complaint that is not within our mandate, we advise them as soon as possible. If their complaint does fall within our mandate, we ask them to sign our consent letter, giving us permission to discuss their case with their firm, and we will then collect and review all relevant information from them and their firm and proceed with our investigation, which usually includes interviewing both the consumer and representatives of the firm.

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. If we determine that the firm has acted fairly or that there are no grounds for compensation, we will advise the consumer and explain the reasons for our conclusion to them as clearly and effectively as we can.

If we determine that compensation is warranted in the circumstances, we will work with the consumer and firm to facilitate a settlement that is fair in all the circumstances of the case. We may also recommend non-financial resolutions, such as returning documents or correcting a credit bureau record.

If we are unable to facilitate a fair settlement on an informal basis, we will prepare a draft investigation report, and both the firm and consumer will have the opportunity to review and comment on the findings outlined in the report. If we receive comments and we find that they have merit, we will revise our report before preparing a final report with our findings and recommendation. Ultimately, if no settlement can be reached between the parties, the final step in our process is publication of our final investigation report.

As OBSI is neither a court nor a regulator, we do not fine or sanction firms or individuals. While our recommendations are not binding, we are proud to have been able to reach a final resolution in almost all of the thousands of cases that we have concluded over our 25+ year history.

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)

Toll-free telephone: 1-888-451-4519

Toll-free TTY: 1-844-358-3442

Toll-free fax: 1-888-422-2865

Email: ombudsman@obsi.ca

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