

ANNUAL REPORT 2020

Inspiring Confidence

in the Canadian financial
services sector



OBSI

2020 HIGHLIGHTS

TOTAL INQUIRIES

5,691

OPENED CASES

791

INCREASE IN TOTAL CASES

23%

AVERAGE BANKING COMPENSATION

\$5,875

AVERAGE INVESTMENT COMPENSATION

\$9,250

TOTAL COMPENSATION

\$1,722,878

Who we are and what we do

The Ombudsman for Banking Services and Investments (OBSI) is a not-for-profit organization that investigates disputes between a consumer and their financial services firm when they are unable to fix a problem on their own.

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JIM EMMERTON
Chair, Board of Directors

Message from the Chair

When we entered 2020, few would have imagined the turmoil and tragedy that the year would bring to the lives of Canadians and people around the world as the pandemic unfolded. In the early days of the pandemic, as our collective concerns about health and safety increased in our personal and professional lives, financial markets and our economy declined precipitously, with the latter still struggling to find a footing.

The board's focus during this time has been to ensure that OBSI was appropriately supported and prepared to deal with this uncertainty and to effectively meet the increasing number of consumer complaints that inevitably follow such unprecedented economic and market volatility.

We're proud to say that our investments of recent years in new cloud-based IT and communication systems, IT security and training made the sudden transition for all OBSI staff to work from home seamless during this crisis.

Managing firm fees through the crisis

Increasing case volumes led to increasing resource needs to ensure that OBSI is equipped to appropriately respond to the growing number of people seeking our assistance. However, in light of the serious challenges facing many participating firms as a result of the pandemic crisis, our board decided that this growing cost pressure should not be passed on to participating firms in 2021.

Rather, we have decided to draw the additional funds needed for our 2021 operations from the reserve fund we have steadily built during recent years of economic stability to mitigate risks to our organization and participating firms from short-term challenges, such as the one we are currently facing.

Strengthening the dispute resolution policy framework

Despite the difficult circumstances of the pandemic, the day-to-day work of the ombudsman continued as did the ongoing regulatory efforts to ensure the effectiveness of Canada's dispute resolution framework for financial services consumers.

Just prior to the onset of the pandemic, the Financial Consumer Agency of Canada (FCAC) released its review of bank complaint-handling procedures and of the operations of external complaints bodies (ECBs), which included OBSI. While somewhat overshadowed by the pandemic crisis, in this important report the FCAC recognized OBSI's strengths in meeting international best practices for financial ombudsmen, including our commitment to promoting accessibility and conducting active investigations.

In its report, FCAC also expressed concerns, which we share, about whether the current system of competition between ECBs in Canada benefits consumers. It observed that OBSI is the ECB that compares most favourably to international best practices, yet only two of the large six banks (Bank of Montreal and CIBC) currently offer OBSI's services to their customers. We continue to believe there should be a single ombudsman for retail bank consumers, as there is for retail investors in Canada.

Later in the year, the Ontario Capital Markets Modernization Taskforce released its consultation paper, which included proposals to give OBSI the power to require investment firms to pay fair compensation to harmed investors when warranted and to increase the limit on OBSI's compensation recommendations.

OBSI's board has been and continues to be supportive of establishing an alternative mechanism that would allow OBSI to more effectively secure compensation for consumers when compensation is fair in all the circumstances of the case and avoid the possibility of low settlement outcomes. Such enhancements will serve to improve access to justice for Canadian investors and to support their confidence in Canada's capital markets.

“We will continue to contribute to both banking and investment sector policy discussions as the federal and provincial governments work toward addressing the weaknesses of the current dispute resolution models.”

We will continue to contribute to both banking and investment sector policy discussions as the federal and provincial governments work toward addressing the weaknesses of the current dispute resolution models.

New Consumer Interest Director established

Professional and representative governance of OBSI continues to be an important part of our strength. This year, the board approved changes to the organization's bylaw to require at least one director to be designated a Consumer Interest Director (CID). A CID will have a particular interest in, access to, and experience representing the interests of the types of consumers that OBSI serves. Subsequent to the year end, we welcomed as a new CID Wanda Morris, who previously chaired OBSI's Consumer and Investor Advisory Council.

Board departures

We also saw the departure of two industry directors, Norah McCarthy from CIBC, who retired this past year, as well as Scott Stennett from Richardson GMP, who has been a member of our board for the past five years. We thank them both for their contributions and guidance.

OBSI celebrates its 25th anniversary

The year 2021 marks OBSI's 25th anniversary and we continue to do our part to inspire confidence in Canada's financial services sector. All our stakeholders have been an important part of OBSI's journey, a journey that continues because of a collective commitment to our mandate. On behalf of the Board of Directors, thank you for your continued support as we continue to work together to help during this difficult time.

Jim Emmerton

Chair, Board of Directors





SARAH P. BRADLEY
Ombudsman and CEO

Message from the Ombudsman and CEO

The challenges of 2020 were unprecedented for OBSI, as they were for people and organizations around the world, in the wake of the COVID-19 pandemic. Our work for the year has taken place in the context of two overarching external challenges: the operational disruptions of the pandemic, and very high case volumes stemming from the related market volatility and economic stressors.

Pandemic response

As in many Canadian organizations, our staff rapidly transitioned to working from home in mid-March 2020 and continued to do so throughout the year, with some limited exceptions.

This sudden shift in our working patterns highlighted for us the importance of our pre-crisis business continuity planning and particularly the digital transformation work we have undertaken in recent years. Since 2016, OBSI has transitioned all our operations to cloud-based information systems and VOIP-based communications technology, as well as shifting to mobile technology and paperless workflows, all of which facilitated our rapid shift to organization-wide remote work this year.

Fortunately, we experienced very few challenges in this regard and have been able to continue to serve Canadians and financial services providers with no reduction in productivity or efficiency. In fact, we have seen our productivity measures increase during this period.

Increased case volumes

During the same period, we experienced significantly increasing case volumes. In 2020, inquiries from the public rose 28% and our total open cases jumped 23% compared to 2019. These totals reflect a 31% year-over-year increase in banking cases and an 18% increase in investments cases.

A significant portion of this increase occurred in the latter half of the fiscal year, following the precipitous market downturn and collapse in oil prices of the spring and the market volatility and widespread economic challenges of the ongoing pandemic response measures. In the later quarters of the year, volumes reached levels we have not experienced since the 2008 financial crisis.

Key achievements of 2020

Despite these operational challenges and increased case volumes, this year we were able to complete some important projects and realize some significant operational gains. For example, we were able to realize a 15% year-over-year reduction in the average number of days to complete a standard case.

“In 2020, inquiries from the public rose 28% and our total open cases jumped 23% compared to 2019. These totals reflect a 31% year-over-year increase in banking cases and an 18% increase in investments cases.”

We also completed the development and launch of two new consumer-focused systems:

- Our new online case submission form, which allows consumers to submit their complaint to us entirely online and gives them the ability to securely upload case documents and sign our consent form electronically. This new system has helped us to significantly reduce our average case opening time and better meet the needs of those consumers who prefer to interact with us digitally.
- Our new Consumer Portal, which allows consumers to log in and see key information about their case, track its progress in real time, and securely upload documents to their file.

With the launch of these new systems, we have now completed all of the major components of our digital transformation that began in 2015. Beginning with the development and launch of our completely redesigned case management system, this transformation has included the renewal and modernization of all of OBSI’s operational systems including our document management, telephone communications, accounting, and knowledge management systems, as well as the development of our externally integrated portals for firms and consumers and the rebuilding of our website.

We are now focused on ensuring that all of these new systems are achieving their full potential by engaging in a program of continuous improvement. For example, this year we surveyed all firms using our Firm Portal (launched in FY2020) and received some very positive feedback as well as some suggestions for improvement that we will be implementing in 2021.

Preparedness for continued growth in cases

As we continue into 2021, the full extent of the impact of the coronavirus crisis remains unknown. Case volumes in Q1 remain high and we expect this trend to continue throughout the year.

A pillar of our enterprise risk management plan is our preparedness to respond appropriately to case volume increases. Despite the challenges that such higher volumes present, as an organization we have undertaken the appropriate preparations to ensure that we are able to maintain our service levels and deal appropriately with all foreseeable increases, and we have budgeted appropriately to support this important commitment.

A look ahead to 2021

While managing the anticipated increasing case load, the year to come will also include other important strategic projects. We will be completing separate independent, external reviews of our banking operations and our investment operations. Both reviews are required to occur every five years. We will also be developing a new five-year strategic plan (2022 to 2027). You can find the update on our performance this year against our current strategic plan starting on page 11 of this report.

“There is no doubt 2021 will continue to present significant challenges for the OBSI team and our stakeholders.”

OBSI celebrates its 25th anniversary

There is no doubt 2021 will continue to present significant challenges for the OBSI team and our stakeholders. While it may not seem the time to celebrate, we are pleased to note that 2021 marks OBSI’s 25th anniversary. This is a significant milestone, which has been achieved thanks to the support of our key stakeholders – governments and regulators, participating firms, consumer and industry advocates and the individual consumers who have used our service. All have been an important part of OBSI’s journey, a journey that continues because of a collective commitment to our mandate.

In closing, I would like to thank all of our employees for their dedication, commitment and professionalism throughout this challenging period. Our staff are the foundation of OBSI’s strength and our ability to help consumers and firms resolve their disputes fairly and inspire confidence in Canada’s financial services sector.

Sarah P. Bradley
Ombudsman and CEO

Mission, vision, values

OBSI has been providing dispute resolution services to Canadian consumers and financial services firms for 25 years.

Our goal is to further build our reputation as Canada's trusted, independent financial ombudsman, acting as an impartial and fair investigator of banking- and investment-related complaints.

In 2020, we focused on delivering the key initiatives identified in our 2017 to 2021 strategic plan.

These initiatives lay the foundation for OBSI to achieve its objectives of delivering high-value service and of being the dispute resolution provider of choice for the financial industry and its consumers. This year, our achievements included:



Positive outcomes from our pandemic response



Launch of the Consumer Portal



Updates to the Firm Portal we launched in FY2020



Ongoing IT security enhancements



Major upgrade to our CRM system



Continued accessibility improvements to our website



Development of video to provide alternative educational formats

OBSI's Mission

OBSI's core business and value proposition is realized by its commitment to the mission that guides the organization's day-to-day operations.

We help resolve and reduce disputes between consumers and financial services firms by conducting fair and accessible investigations and by sharing our knowledge and expertise.

OBSI's Vision

OBSI's core business and value proposition to its key stakeholders is shaped by its vision for its role in Canada's financial services industry.

Inspiring confidence in the Canadian financial services sector.

OBSI's Values

OBSI's values are the principles that guide how the organization delivers its core business and effects its value proposition to stakeholders.

Fairness

Our process and approach is fair to consumers and firms

Accessibility

Our services are affordable, straightforward and convenient

Impartiality

We are balanced and objective in our work

Independence

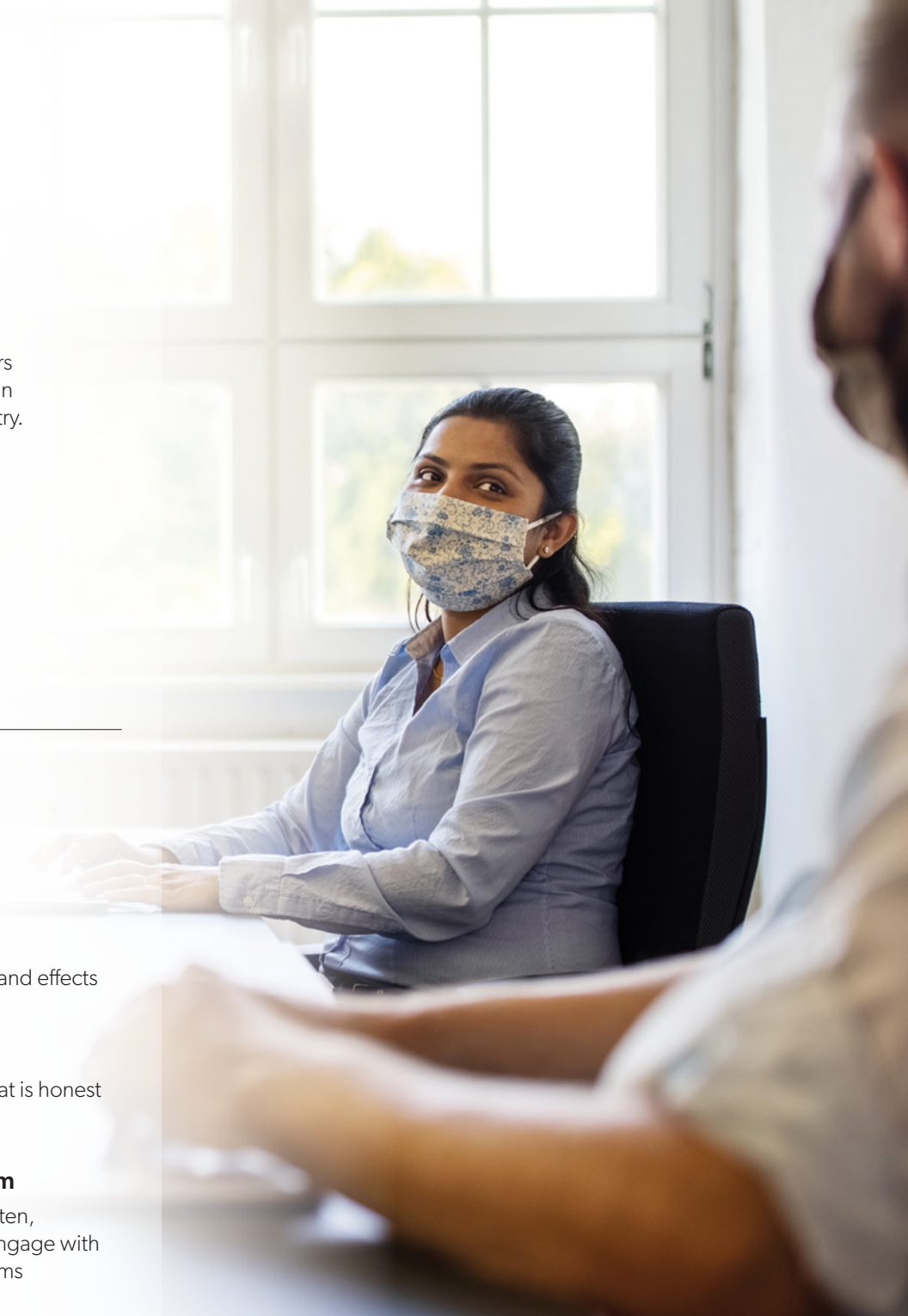
We are free from undue influence

Integrity

We act in a way that is honest and principled

Professionalism

We respectfully listen, understand and engage with consumers and firms





PROGRESS TOWARDS FOUR GOALS






Four strategic
directions
for 2020

1.

Deliver a high-value service and be the dispute resolution provider of choice

Our goals are to:

- Continue to deliver quality and accessible service to consumers and participating firms
- Leverage expertise and knowledge to increase insights to stakeholders
- Leverage existing capabilities to expand our offering of services

Our strategic plan initiatives for 2020	Status	What we accomplished this year
Explore and evaluate alternatives to 'name and shame'	 Ongoing	<ul style="list-style-type: none"> • We actively engaged with the Canadian Securities Administrators working group to explore options for strengthening OBSI's ability to secure redress for investors • We submitted a public response to welcome the recommendations from the Ontario's Capital Markets Modernization Taskforce to give us binding authority and increase our recommendation limit of \$350,000 • We met with the Joint Regulatory Committee to discuss the Taskforce's report recommendations and to frame the scope of the challenges of relying on 'name and shame'
Execute external review for banking and implement key recommendations	 Deferred	<ul style="list-style-type: none"> • We received favourable feedback in response to the Financial Consumer Agency of Canada complaints process review for banks and external complaints bodies • We prepared for the external review of the banking mandate which is now expected to take place in 2021
Conduct survey of participating firms on an annual basis	 Done	<ul style="list-style-type: none"> • We received the 2019 surveys in Q1 with responses from banks and investment firms • We communicated both the survey results and our response plan to all stakeholders and published them on our website in Q2
Conduct survey of participating consumers	 Done	<ul style="list-style-type: none"> • We sent consumer surveys for all closed cases throughout the year • We communicated both the survey results and our response plan to all stakeholders and published them on our website in Q2
Conduct pulse survey of participating consumers	 Ongoing	<ul style="list-style-type: none"> • We developed and launched the consumer pulse survey which integrates with our case management system and helps us understand the consumer experience at different touchpoints during the complaint process

Our strategic plan initiatives for 2020	Status	What we accomplished this year
Conduct Firm Portal survey of participating firms	 Done	<ul style="list-style-type: none"> • We developed and delivered the survey to all firms in Q4. Results were positive and shared with stakeholders in the beginning of the new fiscal year • As a result, we made improvements to our Firm Portal, including an increased file size limit for uploading documents and a more accessible Firm Portal login link on our website
Analyze expanded demographic information to inform plans to enhance accessibility of OBSI service	 Done	<ul style="list-style-type: none"> • We expanded our demographics data gathering to the Consumer Portal • We published the Report on Income and Canadian Financial Consumer Complaints to explore the case experience of lower, middle and higher-income consumers, including recommendations for addressing the income-related issues we identified
Identify and execute initiatives and expand service offerings based on experience from case files and findings from firm and consumer surveys	 Ongoing	<ul style="list-style-type: none"> • We continued to build internal expertise for managing challenging behaviour through our mental health initiative
Develop and implement enhanced staff training in the identification of trends and potential systemic issues	 Ongoing	<ul style="list-style-type: none"> • We provided staff guidelines for identifying emerging issues and established an internal system for tracking and reporting potential systemic issues • We conducted staff training to identify emerging issues
Improve data gathering systems and communication to maximize value	 Ongoing	<ul style="list-style-type: none"> • We launched our new Consumer Portal, which provides consumers with an improved experience and self-service options, including the ability to track the progress of their case in real time, securely send case documents to us and complete the demographics survey online • We launched an online complaint submission system to allow consumers to fully submit their complaints online and sign our consent letter electronically, improving our efficiency by reducing the need for manual data entry • We will seek feedback on the Consumer Portal and online complaint form in 2021









Our strategic plan initiatives for 2020	Status	What we accomplished this year
<p>Collect and analyze data about cases ruled out of mandate for exceeding the six-year limitation period for the purposes of a strategic review of the limitation period</p>	<p>✓ Done</p>	<ul style="list-style-type: none"> • We concluded a two-year research study on how a reduction of OBSI’s limitation period would impact access to justice and the fairness of our investigations • We found that a significant number of consumers would lose access to justice and compensation and that a shorter limitation period would not reflect some Canadian jurisdictions or comparable international financial ombudsman’s limitation periods • We recommended no change to the current six-year limitation period at this time
<p>Provide periodic trend and insight reporting to regulators, firms and other key stakeholders</p>	<p>● ● ● Ongoing</p>	<ul style="list-style-type: none"> • We published our case experience in quarterly newsletters to all stakeholders • We provided detailed case data to regulators as required • We initiated work on a new online Power BI-based case datacube to give public access to a series of dynamic case data sets that provide detailed aggregate case information • We plan to launch the datacube and make it accessible through our website in 2021
<p>Demonstrate the value of OBSI services by sharing complaint and restitution expertise to consumers and participating firms</p>	<p>● ● ● Ongoing</p>	<ul style="list-style-type: none"> • We published a quarterly newsletter to all stakeholders highlighting our experience and recent initiatives • We increased the number of published case studies and consumer and firm bulletins • We continued to develop our communications through social media • We launched a new video communication initiative and published multiple videos

2.

Build enduring relationships through stakeholder awareness of the value of the OBSI service

Our goals are to:

- Strengthen firm trust and awareness of OBSI value
- Increase consumer brand awareness
- Demonstrate value and service effectiveness to regulators





Our strategic plan initiatives for 2020	Status	What we accomplished this year
Implement industry relationship management and communications component of public affairs strategy	 Done	<ul style="list-style-type: none"> • We met regularly with industry associations and participating firms • We shared the details of our pandemic response and increased case volume plan • We regularly reported trend data relating to issues and products to all stakeholders through multiple means of communication
Explore participating firm interest in OBSI training sessions on dispute resolution and approaches to different case scenarios	 Ongoing	<ul style="list-style-type: none"> • We have developed two continuing education opportunities for participating firms – a one-hour compliance program and an interactive seminar on dealing with challenging conduct • We plan to offer these programs to interested firms in 2021
Undertake a consumer-facing public education campaign to build awareness for OBSI service	 Ongoing	<ul style="list-style-type: none"> • We met regularly with consumer groups to share information • We leveraged our community outreach program to deliver information webinars to vulnerable consumer groups and the communities they serve • We increased digital communications on our website and social media platforms, and increased our promotion of posts and tweets • We developed and promoted a full-length video about our complaint process and numerous shorter videos and promoted them through social media and our website
Track and leverage opportunities to provide meaningful policy input to government and regulators	 Ongoing	<ul style="list-style-type: none"> • We have actively engaged with federal government and securities regulators on issues related to establishing a single ombudsman for banks, regulation of financial planners and advisors, low settlement cases and service challenges for seniors • We shared a public response to welcome the recommendations from the Ontario’s Capital Markets Modernization Taskforce to give us binding authority and increase our recommendation limit of \$350,000

3.

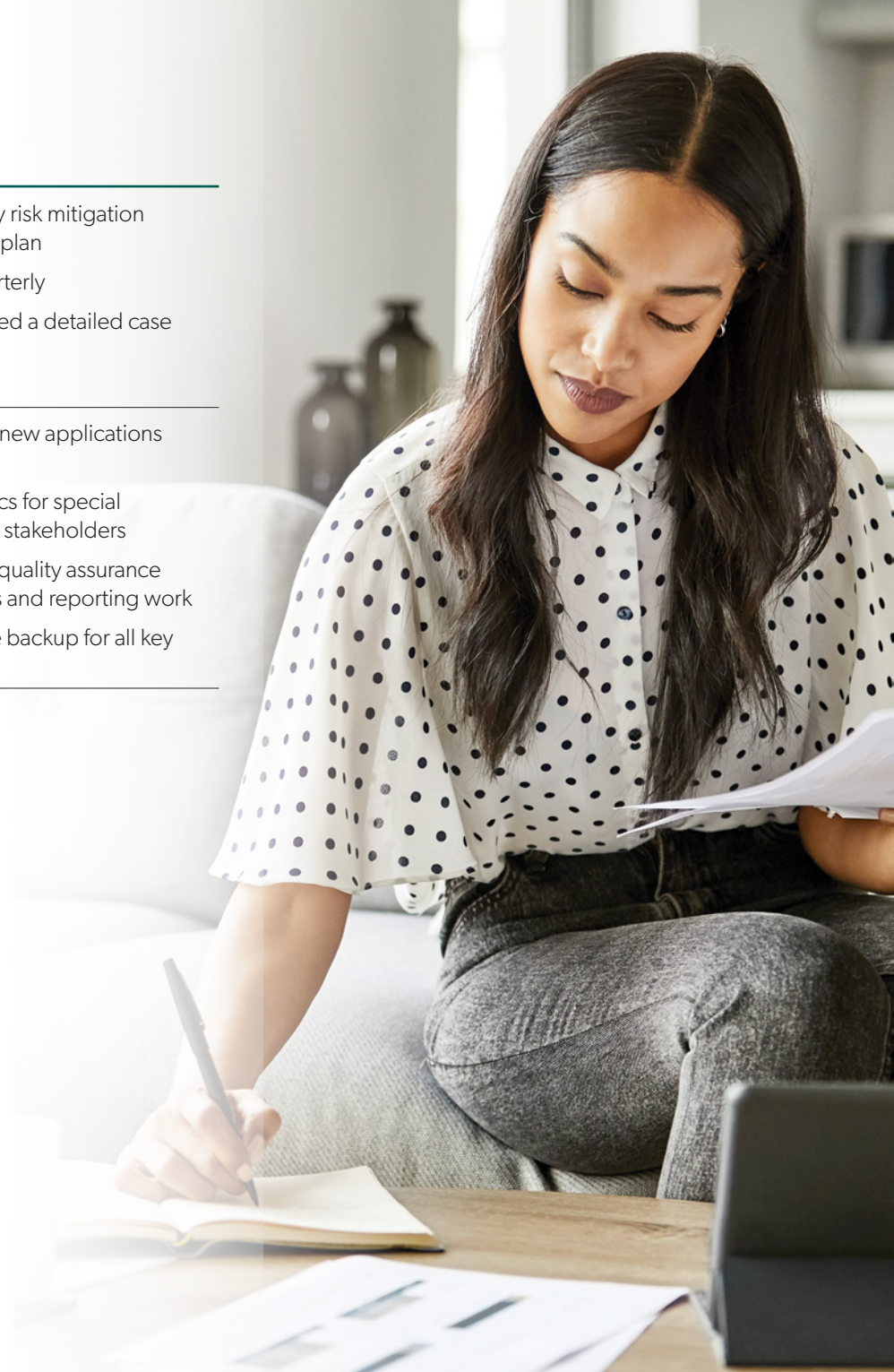
Drive continuous improvement and organizational resiliency

Our goals are to:

- Standardize and improve processes and timelines
- Enhance information technology (IT) efficiency
- Effectively manage enterprise risk and prepare for external shocks

Our strategic plan initiatives for 2020	Status	What we accomplished this year
Standardize processes across investment and banking investigations, including implementing process improvements identified from delay data review process	 Ongoing	<ul style="list-style-type: none"> • We continue to see improvements in average days to complete a case • We continue to use our enhanced investigator and manager peer review process • We continue to expand and update our investigation guidelines with a number of internal guidance notes every year
Automate intake system for complaints	 Done	<ul style="list-style-type: none"> • We built and launched an automated case intake system with electronic document signing capability
Design and implement a quality improvement program that is responsive to results from firm and consumer surveys, as well as prioritize satisfaction and quality measures	 Ongoing	<ul style="list-style-type: none"> • We reviewed the feedback we received from our consumer and firm surveys and developed and published our findings and a response action plan • We met our commitment to maintain a 30-day contact standard for consumers and firms • We met our commitment to reducing case delays • We developed programs and increased training to ensure that our staff have the support and tools they require when they are called on to provide our services to consumers in distress or who are exhibiting challenging behaviour
Implement recommendations from the IT infrastructure and security review on a prioritized basis, including identifying, procuring and deploying updated IT infrastructure requirements	 Done	<ul style="list-style-type: none"> • Our business continuity planning and investment in technology enabled our seamless transition to organization-wide remote work during the pandemic • We implemented upgrades to our case management system and CRM system • We completed an annual external review of our IT security and implemented priority recommendations • We continued to deliver IT security awareness training and phishing testing to all staff • We made improvements to our accounting system for increased automation and adopted a fully electronic accounts payable system • We completed the response plan for our website accessibility review and priority improvements

Our strategic plan initiatives for 2020	Status	What we accomplished this year
<p>Develop, and monitor on a quarterly basis, a specific enterprise risk management (ERM) plan, processes and internal staff training to prepare for sudden changes in case volume and other internal and external shocks</p>	<p>● ● ● Ongoing</p>	<ul style="list-style-type: none"> • We implemented all the priority risk mitigation initiatives identified in the ERM plan • We updated the ERM plan quarterly • We developed and implemented a detailed case volume increase response plan
<p>Develop and implement an internal program for conducting advanced data analytics</p>	<p>● ● ● Ongoing</p>	<ul style="list-style-type: none"> • We invested in staff training on new applications and tools • We conducted detailed analytics for special reporting to the public and key stakeholders • We developed and integrated quality assurance processes into all data analytics and reporting work • We cross-trained staff to ensure backup for all key analytics and reporting









4.

Invest in OBSI's people

Our goals are to:

- Focus on staff retention and professional development
- Continue to develop knowledge management capabilities
- Strengthen employee engagement

Our strategic plan initiatives for 2020	Status	What we accomplished this year
Establish a professional environment for productivity, collaboration and engagement among staff	 Done	<ul style="list-style-type: none"> • We completed the move to our new premises in Q1, providing a physical environment for our staff that optimizes opportunities for productivity and collaboration • Following the pandemic and the move to fully remote work, we prioritized technological opportunities for online collaboration and encouraged all teams to maximize their online engagement
Implement training to meet needs of the internal succession plan and professional development framework	 Ongoing	<ul style="list-style-type: none"> • We maintained our succession planning for all teams, including priority skill development initiatives • All staff have developed a personal plan for continuing professional development
Increase frequency of case debriefs at investigative meetings that enable all staff to share in the learnings from individual cases	 Done	<ul style="list-style-type: none"> • Case debriefs occurred regularly at weekly management and team meetings • Case discussions were held regularly for all staff • Our knowledge management system was expanded to provide investigative staff with online forums for discussion of case issues
Implement knowledge management strategy, including deployment of optimal knowledge management system	 Ongoing	<ul style="list-style-type: none"> • We surveyed staff about the usefulness and features of our new internal knowledge management system (launched in 2019) and completed recommended upgrades and improvements
Implement employee engagement committee (EEC) recommendations, as practicable	 Ongoing	<ul style="list-style-type: none"> • Our EEC introduced opportunities for team building in response to our shift to fully-remote work due to the pandemic and was active in the planning of our all-staff virtual meeting activities
Conduct follow-up engagement survey and analyze results	 Done	<ul style="list-style-type: none"> • Staff participated in third biannual full employee engagement survey in Q4. This showed continued positive results which were shared with staff and the board • The EEC began developing plans to build on the survey results and make recommendations to management for priority actions



INQUIRIES FROM CANADIANS

INQUIRIES IN 2020*

5,691

48% increase in
investment-related
inquiries in 2020

21% increase
in bank-related
inquiries in 2020

OBSI's services are free and available in both English and French.

OBSI hears the public's complaints about most banking and investment matters such as mortgages, mutual funds, bonds and GICs, debit and credit cards, loans and credit, unauthorized trading, transaction errors, fraud, and investment advice. Our Case Assessment Officers (CAOs) document each of these unique interactions as an inquiry.

In 2020, almost 5,700 Canadians from across the country and all walks of life came to OBSI for help resolving their financial complaints.

*No inquiries or complaints were related to segregated funds.

How and why Canadians contact us

We often hear from consumers who are confused: Where do they turn to resolve their financial services issue? Which regulator oversees their dispute? Which regulations apply to their financial services complaint? Which financial services dispute resolution provider is mandated to handle their complaint? And what steps do they need to take to resolve their issues? Our CAOs are here to help.

In addition to helping consumers file a complaint with OBSI, our CAOs are trained to guide consumers to the most appropriate avenue if their issue is outside of our mandate. As an integral part of Canada's financial services consumer protection framework, we help consumers navigate a complex and often confusing financial system.

Consumers contact OBSI when they wish to submit a complaint about their bank, investment firm or financial institution. In these cases, a CAO will collect basic information, such as the individual's contact information and details about their complaint. The CAO will review the consumer's complaint and determine if the complaint is within our mandate. If more information is needed, the CAO may request supporting documents.

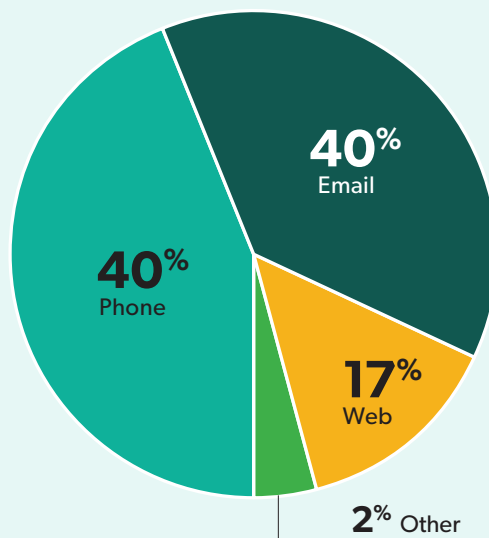
In 2020, we found that 14% of inquiries led to cases being opened. The next step is to ask the consumer to sign and return a consent letter, which allows us to begin our investigation. If a complaint falls outside of our mandate, it will be closed and we will communicate our reasons to the consumer.

How Canadians contact us

We offer several ways for consumers to contact us. The most common ways are by phone and through email. Our service is available in English and French, the official languages of Canada. We can also answer questions about our dispute resolution process in over 170 languages using a translation service.

This past year, there was some change to how Canadians contact us. Email and web inquiries increased compared to 2019. Phone inquiries were slightly lower this year than in 2019.

INQUIRY TYPES



Note: Percentages may not total 100 due to rounding.

What do Canadians inquire about?

We receive questions and complaints about our participating firms and the products and services they offer. Our CAO team monitors public inquiries and consumer complaints for potential trends in financial services products and issues. Early identification of potential product, sector or systemic issues is an important public service we provide.

Approximately 21% of our inquiries were related to investments and the rest were related to banking services and calls for non-participating banks. In 2020, we saw a 48% increase in investment-related inquiries and a 21% increase in bank-related inquiries.

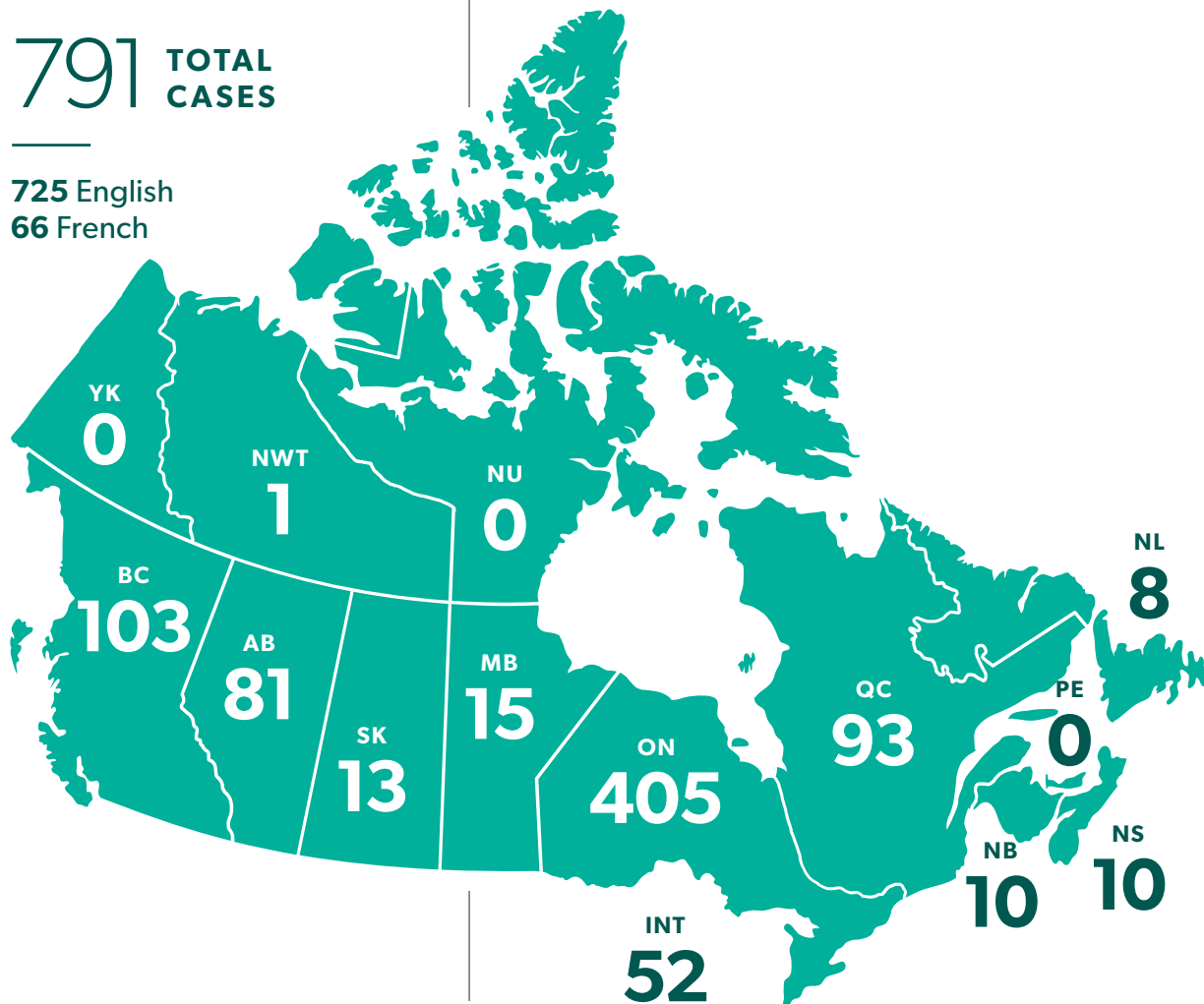
Financial Sector	# of Inquiries
Deposit-taking firms	
Banks	3,896
Credit unions	35
Investment firms	
IIROC	683
MFDA	340
Scholarship plan dealers	93
Portfolio managers	81
Exempt market dealers	22
CSA registrants	1
Non-participating firms	
Banks and other	540
Total	5,691

Where our complaints come from

As a national service, OBSI hears cases from across the country. We also see files from customers living abroad who have banking and investment relationships with firms in Canada.

791 TOTAL CASES

725 English
66 French



JURISDICTION

	# of complaints	% of complaints
Ontario	405	51%
British Columbia	103	13%
Quebec	93	12%
Alberta	81	10%
International	52	7%
Manitoba	15	2%
Saskatchewan	13	2%
New Brunswick	10	1%
Nova Scotia	10	1%
Newfoundland & Labrador	8	1%
Northwest Territories	1	0%
Total	791	100%

LANGUAGES OF CASES

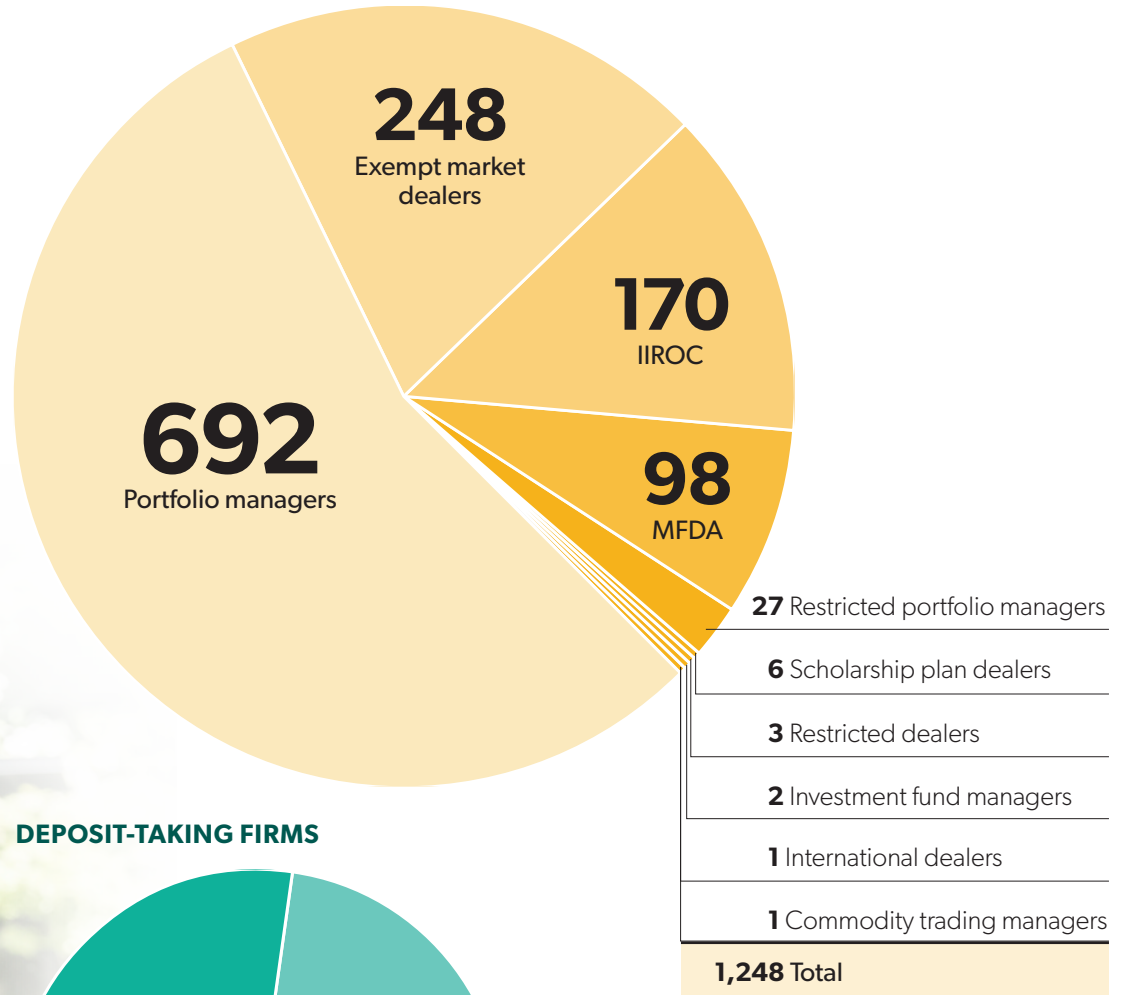
	English	French	Total Cases
Ontario	401	4	405
Quebec	38	55	93
New Brunswick	9	1	10
All other provinces	231	0	231
International	46	6	52
Total	725	66	791

Participating firms

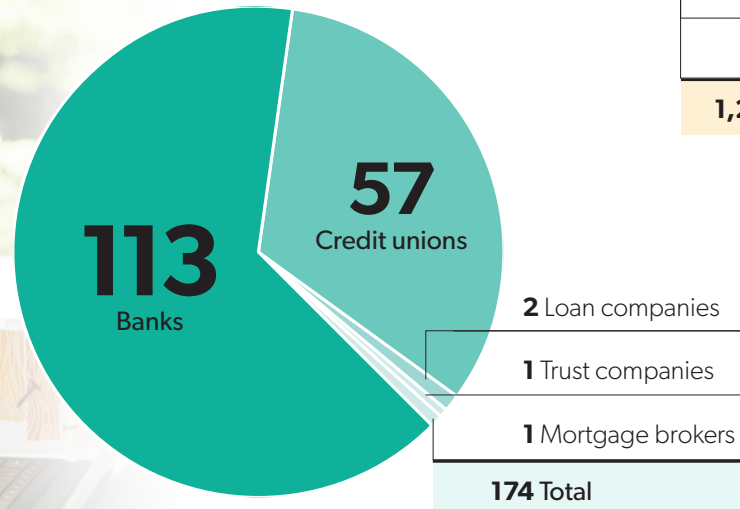
More than 1,400 financial institutions and firms across Canada participate in OBSI's dispute resolution process.

Most federally regulated banks and all investment firms regulated by the Canadian Securities Administrator (CSA), the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) are OBSI participating firms. Participating firms also include credit unions, trusts, portfolio managers, exempt market dealers and scholarship plan dealers. All regulated firms in the banking services and investment fields are eligible to join.

INVESTMENT FIRMS

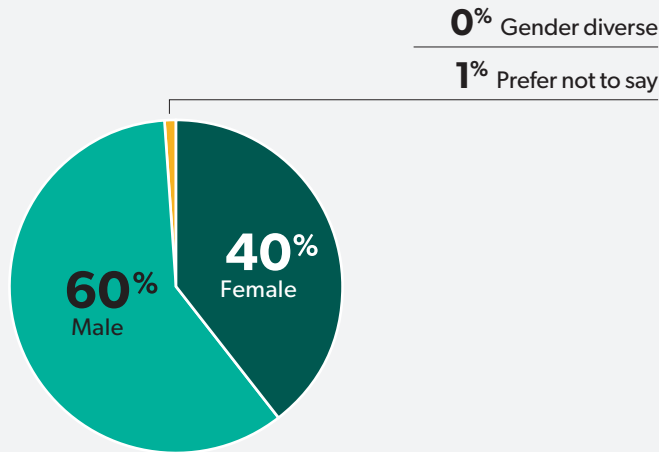


DEPOSIT-TAKING FIRMS

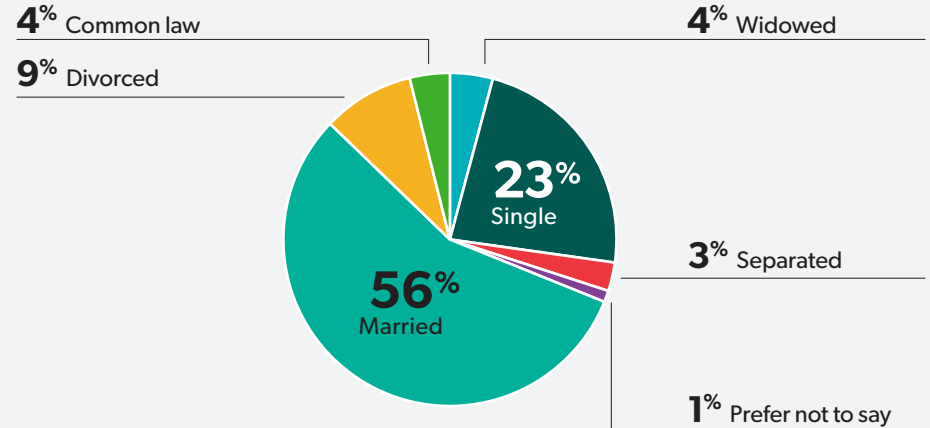


Banking services

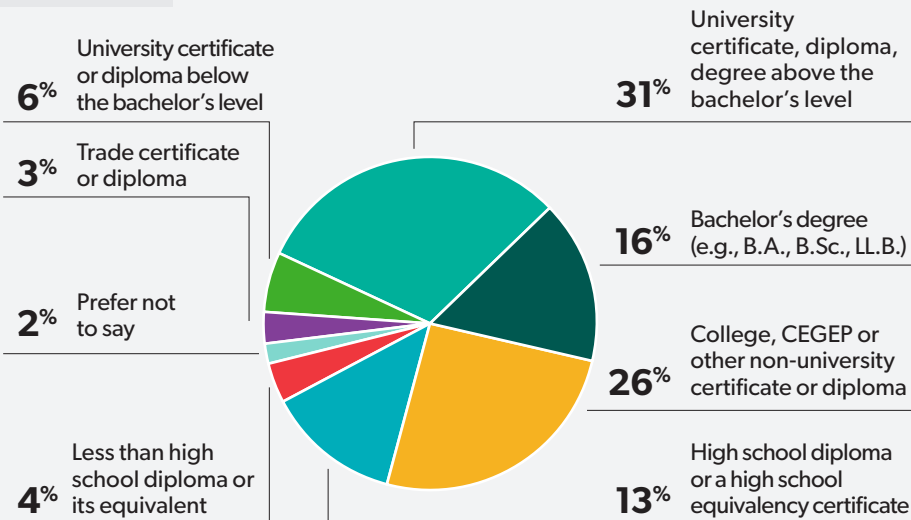
GENDER



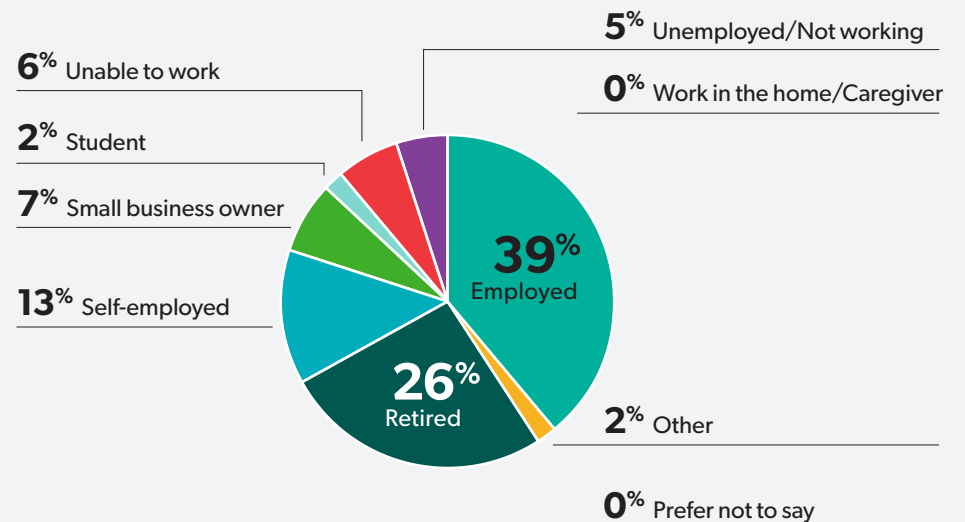
MARITAL STATUS



EDUCATION

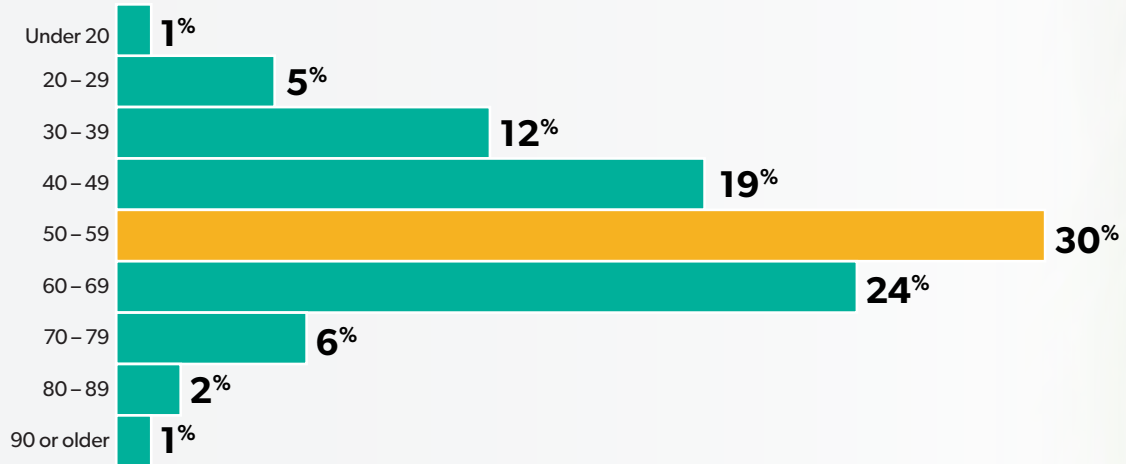


EMPLOYMENT STATUS

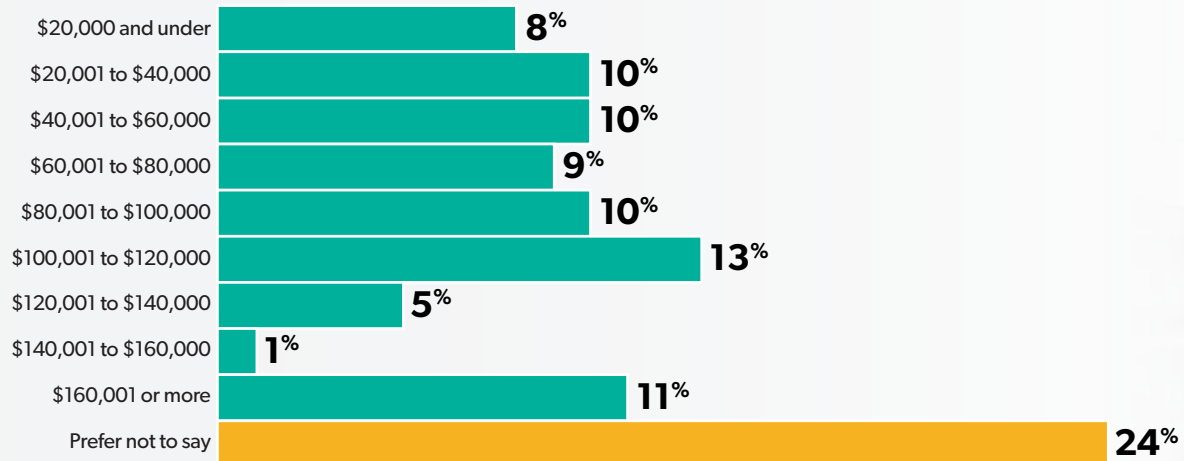


Note: Percentages may not total 100 due to rounding.

AGE



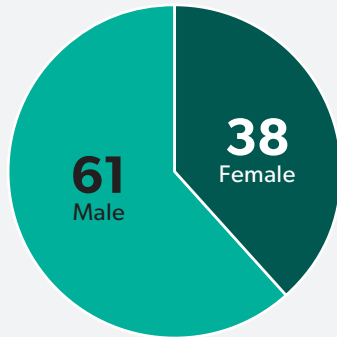
ANNUAL HOUSEHOLD INCOME



Note: Percentages may not total 100 due to rounding.

Investments

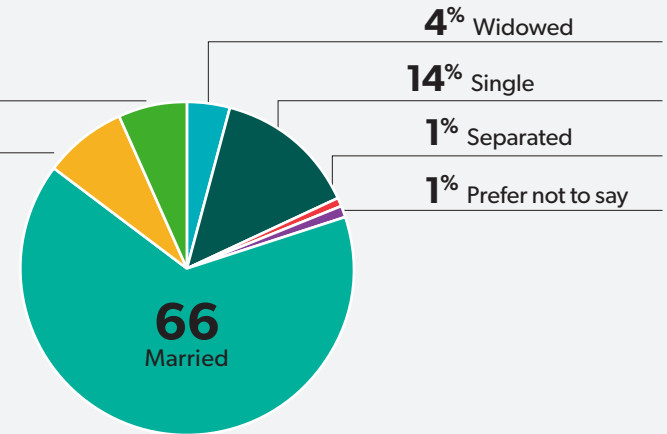
GENDER



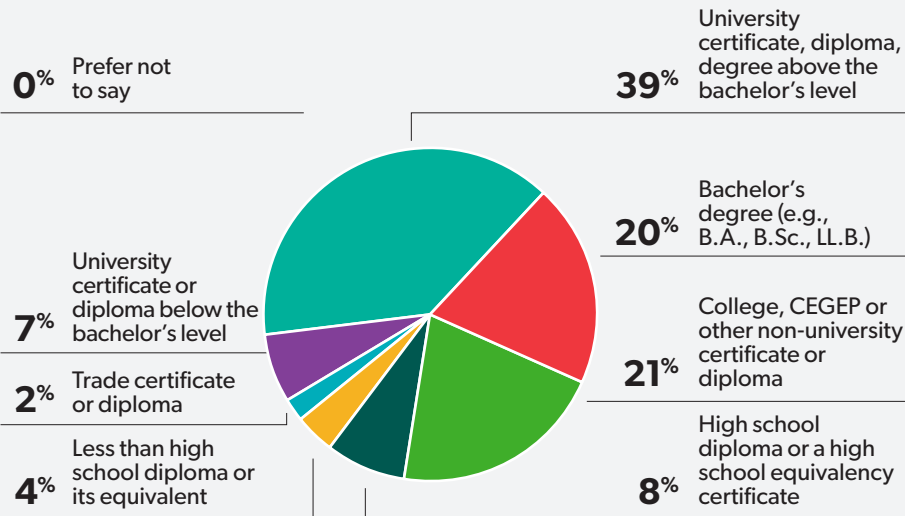
0% Gender diverse

0% Prefer not to say

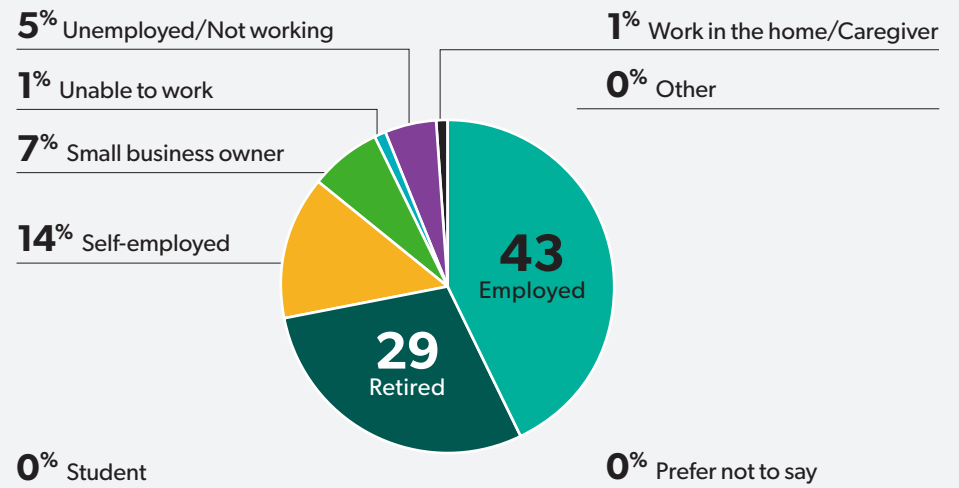
MARITAL STATUS



EDUCATION

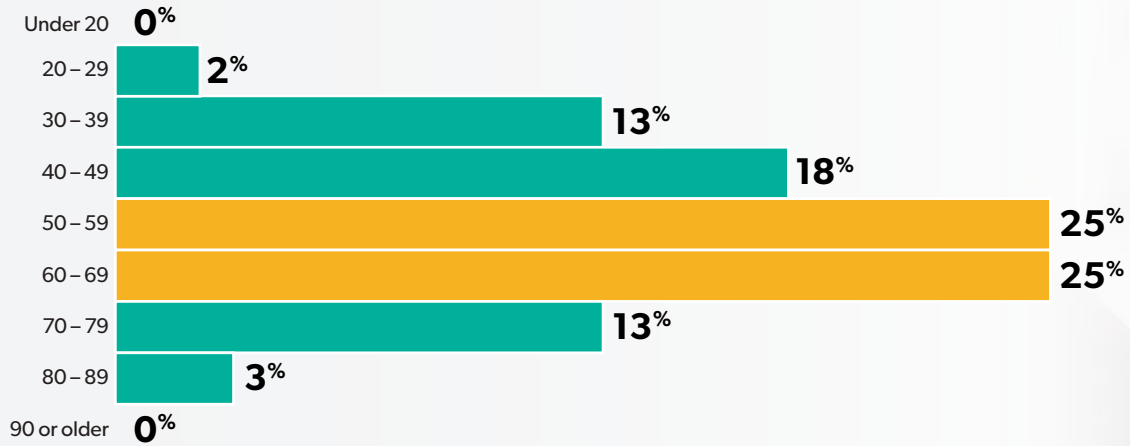


EMPLOYMENT STATUS

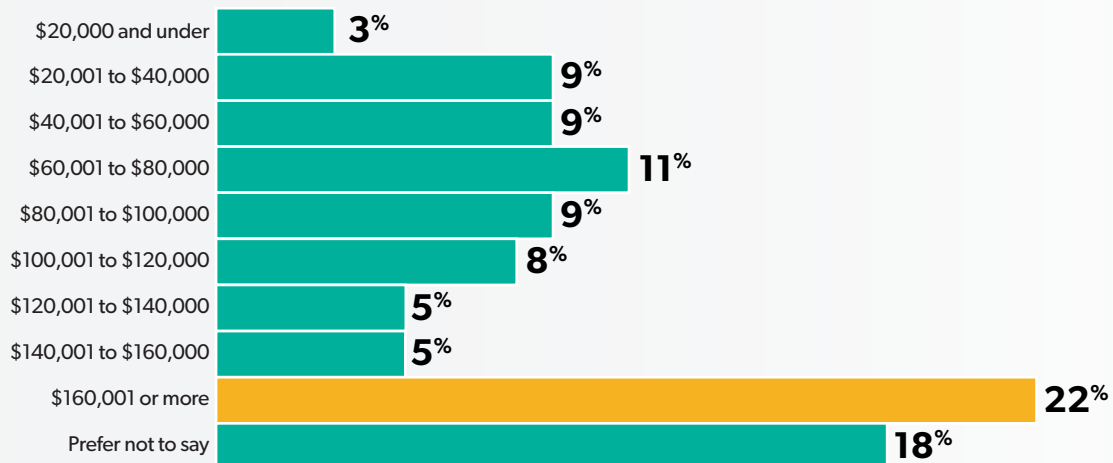


Note: Percentages may not total 100 due to rounding.

AGE



ANNUAL HOUSEHOLD INCOME



Note: Percentages may not total 100 due to rounding.

BANKING SERVICES

332

OPENED CASES

314

CLOSED CASES

\$5,875

AVERAGE COMPENSATION

31% increase in banking cases from 2019

50 days on average to complete an investigation

Banking cases increased from 254 in 2019 to 332 in 2020, a 31% year-over-year increase. This year also saw the continuing trend of increasing banking-related cases.*

*Data excludes impact of the departure of Bank of Nova Scotia and its subsidiary, Tangerine.

Cases

In 2020, credit cards, personal savings and chequing accounts, and mortgage loans continue to be among the top bank products consumers complained about.

Credit card complaints lead with 37% of all banking cases. Personal savings and chequing account complaints follow closely at 19%. Mortgage loan complaints represent 11% of all banking cases.

Fraud is the leading credit card issue. For personal savings and chequing accounts, service issues are the primary customer concerns. Pre-payment penalties are the top issue with mortgage products. The total number of banking cases closed was 314 in 2020 compared to 262 in 2019, an increase of 20%.

TOP PRODUCTS AND ISSUES



Credit card fraud

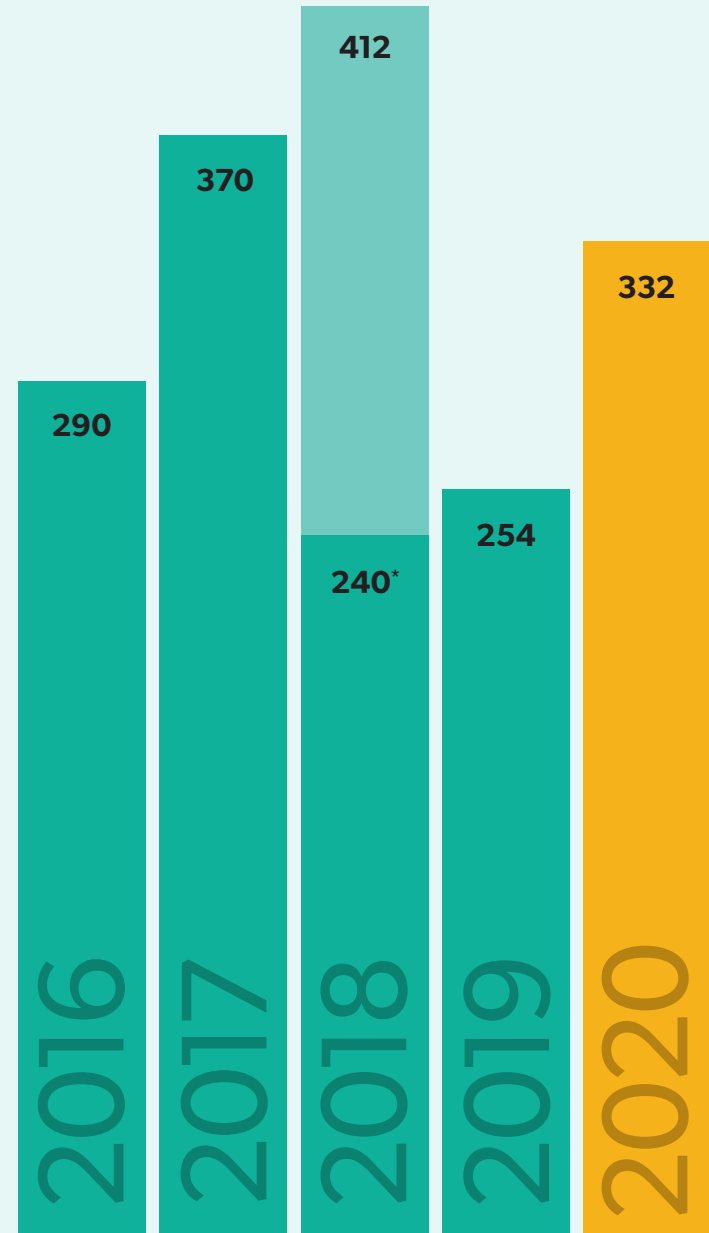


Credit card chargeback



Personal savings and chequing account service issues

OPENED CASES



*Data excludes impact of the departure of Bank of Nova Scotia and its subsidiary, Tangerine.

Products and issues

This is a visual representation of the top five most-complained-about banking products during the year and the related issues. Each rectangle represents an issue and is nested with a corresponding product. The size of the issue rectangle is proportional to the number of complaints received in relation to the other issues.

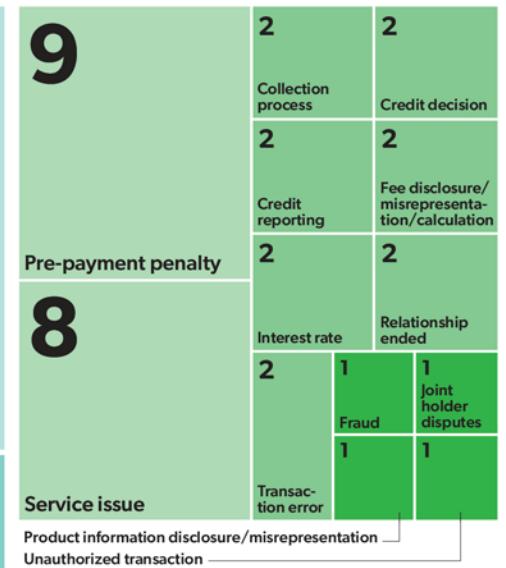
CREDIT CARD



PERSONAL SAVINGS AND CHEQUING ACCOUNT



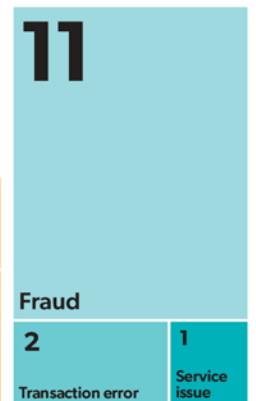
MORTGAGE



LINE OF CREDIT



WIRE TRANSFER



Banking Products	# of cases	% of cases
Credit card	123	37%
Personal savings and chequing account	64	19%
Mortgage	35	11%
Line of credit	15	5%
Wire transfer	14	4%
Debit card	13	4%
Personal loan	11	3%
Commercial account	8	2%
Cheque/certified/money order/draft	8	2%
GIC/term deposit	8	2%
e-Transfer	7	2%
HELOC	5	2%
Registered accounts	4	1%
Estate account	4	1%
Insurance—credit protection	4	1%
Safety deposit box	3	1%
Other—banking	3	1%
Merchant card services	1	< 1%
GICs and cash equivalents	1	< 1%
Commercial loan	1	< 1%
Total	332	100%

Note: Percentages may not total 100 due to rounding.

Banking Issues	# of cases	% of cases
Fraud	75	23%
Service issue	54	16%
Chargeback	31	9%
Unauthorized transaction	21	6%
Relationship ended	20	6%
Collections process	18	5%
Product information disclosure/misrepresentation	17	5%
Credit decision	15	5%
Joint holder disputes	11	3%
Other—banking	10	3%
Missing or lost funds	10	3%
Interest rate	9	3%
Pre-payment penalty	9	3%
Fee disclosure/misrepresentation/calculation	8	2%
Transaction error	7	2%
Credit reporting	6	2%
Privacy breach	5	2%
Hold on funds	5	2%
Product modification	3	1%
Total	332	100%



Timeliness

In 2020, we took an average of 50 days to complete banking-related investigations, down from 55 days in 2019. We also completed 100% of banking cases in less than 120 days, consistent with the timeliness requirements under federal Bank Act regulations.

Our measures of timeliness begin when we assign a case to an investigator and end when we send a final written conclusion to the consumer and the firm.

In 2020, most cases closed in under 60 days and almost all in under 90 days

Our service standard is that we will complete most banking cases in less than 60 days and almost all banking cases in less than 90 days, though some cases may take longer if they are complex or there are delays relating to availability or participation by the firm or consumer.

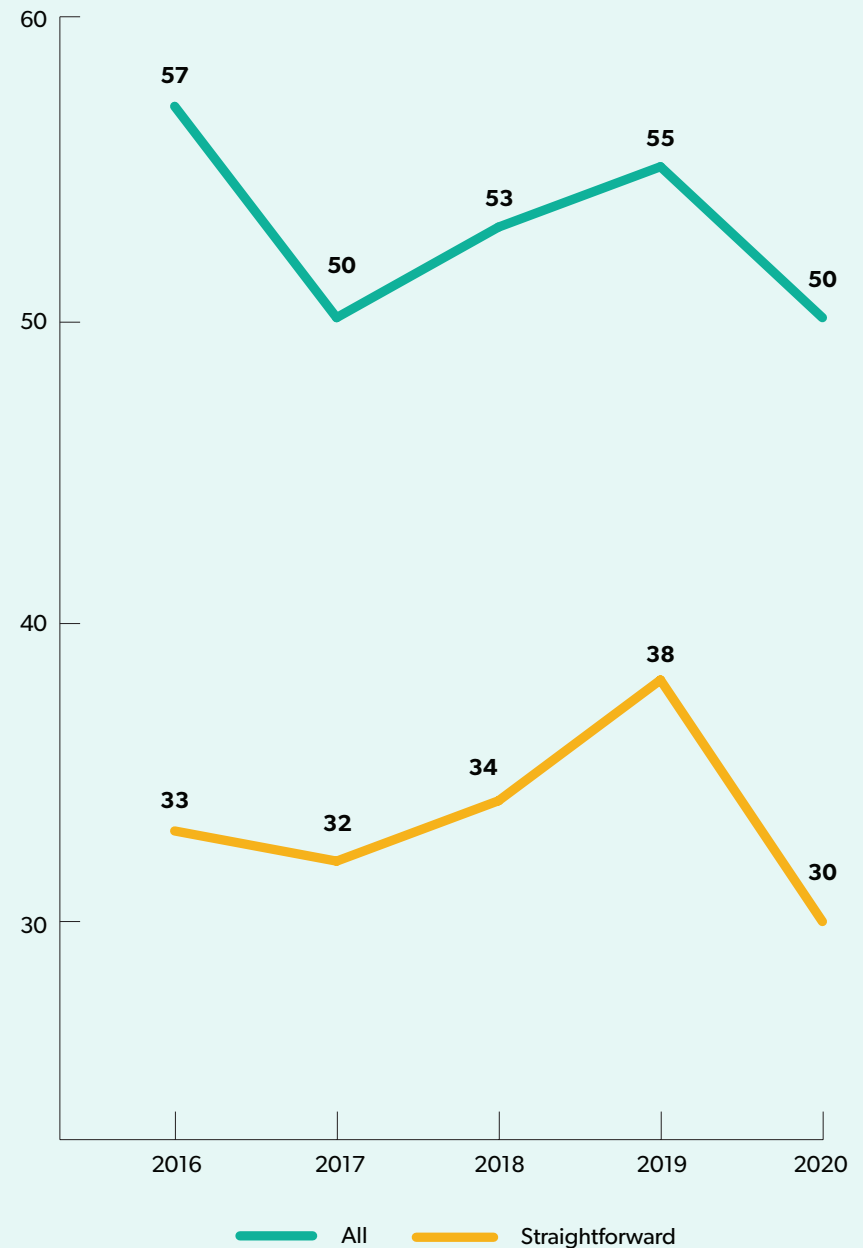
# of days	% of cases closed
Under 30	27%
Under 60	67%
Under 90	95%
Under 120	100%

Straightforward cases closed in an average of 30 days

Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2020, we completed our investigation in straightforward banking cases in an average of 30 days, down from 38 days in 2019.

	Average number of days to close case file
Straightforward investigations	30
All investigations	50

HISTORICAL BANKING CASE TIMELINESS 2016–2020
AVERAGE NUMBER OF DAYS



Opened cases by firm

OBSI opened 332 banking cases this year from 27 firms providing banking services.

When reviewing case numbers for each firm, it is important to note that a higher number of cases opened for a firm may not be a negative indication. Higher case volumes are generally unrelated to case outcomes and may simply be a result of the firm effectively informing consumers about OBSI's services.

We recommended monetary compensation in 99 cases and non-monetary compensation, such as an apology or restoration of a credit rating, in seven cases. A recommendation may or may not be in favour of the consumer. The results of our consumer satisfaction surveys can be found on page 45.



Why are these figures reported?

The Financial Consumer Agency of Canada (FCAC) sets out conditions that an external complaint body (ECB) must meet to maintain FCAC approval. As an approved ECB, OBSI is required to publish an annual report that includes:

- Complaints that it received
- Complaints that it determined were within its terms of reference
- Final recommendations that it made
- Complaints that, in its opinion, were resolved to the satisfaction of the persons who made them

What does “resolved to the satisfaction of the complainant” mean?

“Resolved to the satisfaction of the complainant” captures the different case outcomes OBSI considers resolved to the satisfaction of the person making the complaint. These include:

- Monetary settlements where OBSI has found that the complaint merited some compensation, including monetary settlements where OBSI deemed a firm's original offer to be fair
- Non-monetary resolutions, such as a letter of apology, correcting a credit bureau record or an explanatory letter to a client's creditors
- Settlements before an investigation where the firm and complainant come to a resolution before an investigation has formally begun

Firm	Firm size (in millions)¹	Complaints received	Complaints deemed in mandate	Settlement before investigation	Opened cases	Final recom- mendations made	Original offer by the firm deemed fair	Complaint denied – within mandate	Resolved to satisfaction of complainant
Amex Bank of Canada	2,021	22	20		16	13		10	
B2B Bank	9,510	5	5		5	4		3	
Bank of China (Canada)	3,956	1	1		1	1		1	
Bank of Montreal	949,261	115	111	1	105	106	17	65	33
BMO Harris Platinum Banking	N/A	1							
BMO Trust Company	3,544	1							
Bridgewater Bank	1,362	1							
Caisse Desjardins ²	N/A	1							
Caisse populaire acadienne ltée (UNI)	4,797	1	1	1	1	1			1
Canadian Imperial Bank of Commerce	769,551	116	111	4	108	106	24	56	35
Canadian Tire Bank	7,068	5	4		4	4		4	
Canadian Western Bank	33,937	3	3		2	2		2	
Capital One Bank (USA), N.A.	7,525	47	46	1	40	34	8	21	13
Citibank Canada	9,895	1							
Coast Capital Savings Federal Credit Union	21,119	3	1		1	1		1	
Community Trust Company	1,766	2	2		2	1		1	
Computershare Trust Company of Canada	223				1	1			1
Conexus Credit Union	6,554 ³	1	1		1	2		1	1
Duo Bank of Canada	1,243	7	7		7	5		2	3
Equitable Bank	30,235	1	1		1	1		1	

1. Canadian bank and trust assets as of October 31, 2020 as reported by Office of the Superintendent of Financial Institutions (OSFI)

2. Non-participating firm

3. Most recent financial reporting publicly available

Firm	Firm size (in millions) ¹	Complaints received	Complaints deemed in mandate	Settlement before investigation	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied – within mandate	Resolved to satisfaction of complainant
Home Trust Company	19,293	2	1		1	1		1	
HSBC Bank Canada	119,477	12	12		11	10	6	4	6
Investors Group Trust Co. Ltd.	150	1	1		1	1	1		1
KEB Hana Bank Canada	1,581	1	1		1	1			1
Laurentian Bank of Canada	44,167	9	9		8	4		4	
Manulife Bank of Canada	27,607	5	4		4	4		2	2
MD Private Trust Company	210	1	1		1	1		1	
Peoples Trust Company	4,497	5	5	1	5	5	1	3	2
President's Choice Bank	4,058	3	3		2	2		2	
Rogers Bank	360	1	1		1	1			
SBI Canada Bank	1,253	1				1		1	
Servus Credit Union Ltd.	16,846 ³	1	1		1	1			
UBS Bank (Canada)	6,553	1	1		1				
Total		377	354	8	332	314	57	186	99

1. Canadian bank and trust assets as of October 31, 2020 as reported by Office of the Superintendent of Financial Institutions (OSFI)

2. Non-participating firm

3. Most recent financial reporting publicly available



INVESTMENTS



459

OPENED CASES

405

CLOSED CASES

\$9,250

AVERAGE COMPENSATION

18% increase in cases from 2019

62 days on average to complete an investigation

Investment complaints increased by 18% to 459 in 2020 from 388 cases opened in 2019.

In 2020, there were 170 mutual fund complaints, representing 37% of all investment complaints compared to 47% in 2019. Common shares (equities) complaints increased to represent 34% of investment-related complaints, up from 31% in 2019, and remained in the number two spot. Scholarship trust plans represented 9% of complaints, up from 8% in 2019.

Cases

The leading investment issue across products was suitability of the investment at 19%, down from 22% in 2019. Service issues were the next most frequent complaint at 14% compared to 10% in 2019.

Misrepresented or inaccurate disclosure about a product represented 14% of complaints in 2020, up from 9% in 2019. The number of investment cases closed in 2020 was 405, compared to 387 in 2019.

TOP PRODUCTS AND ISSUES



Common shares
investment
suitability

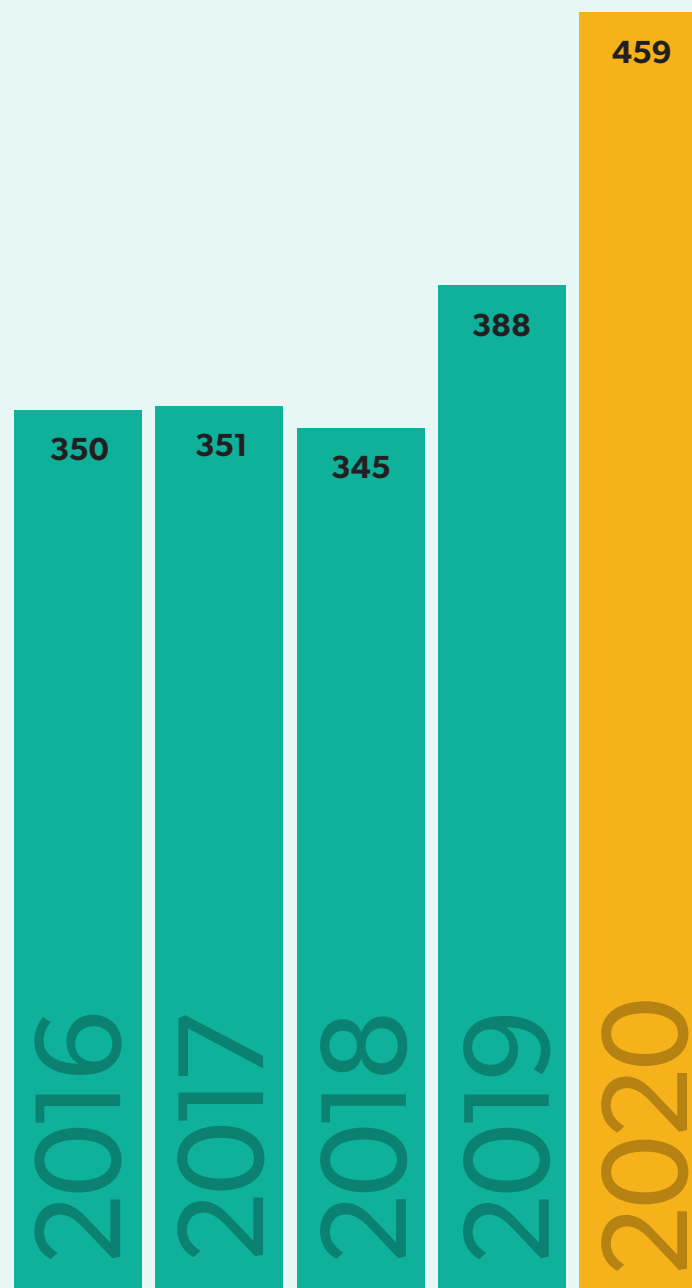


Mutual fund
investment
suitability



Mutual fund
margin and
leverage suitability

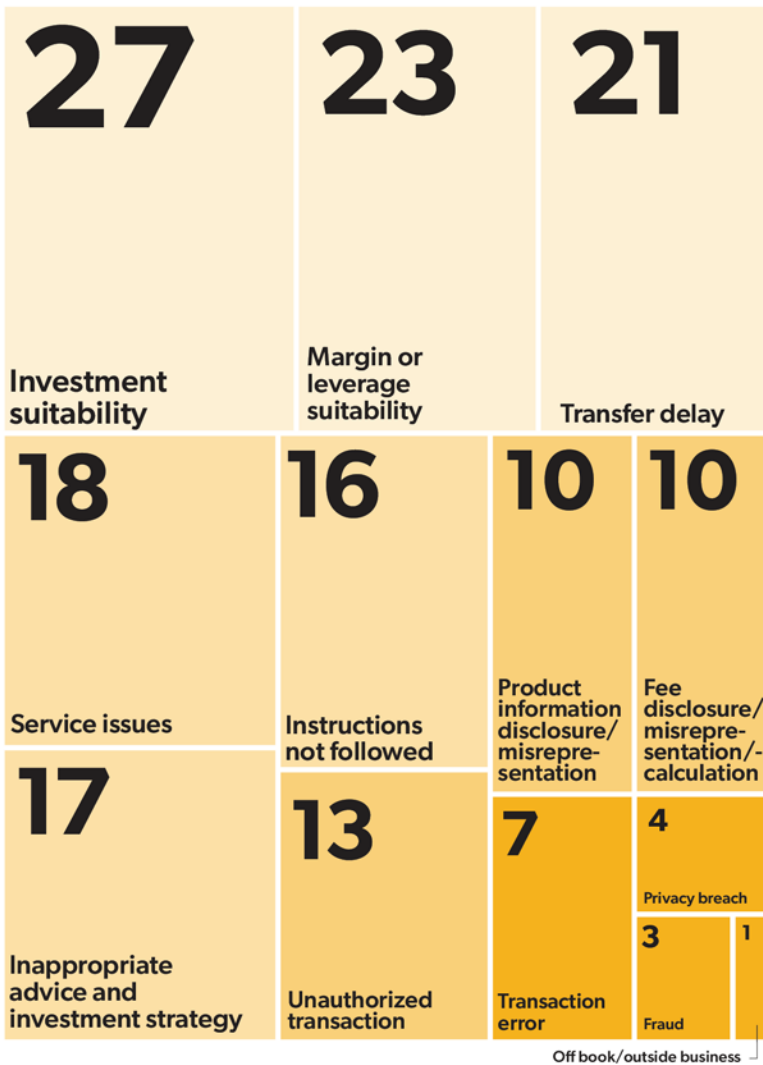
OPENED CASES



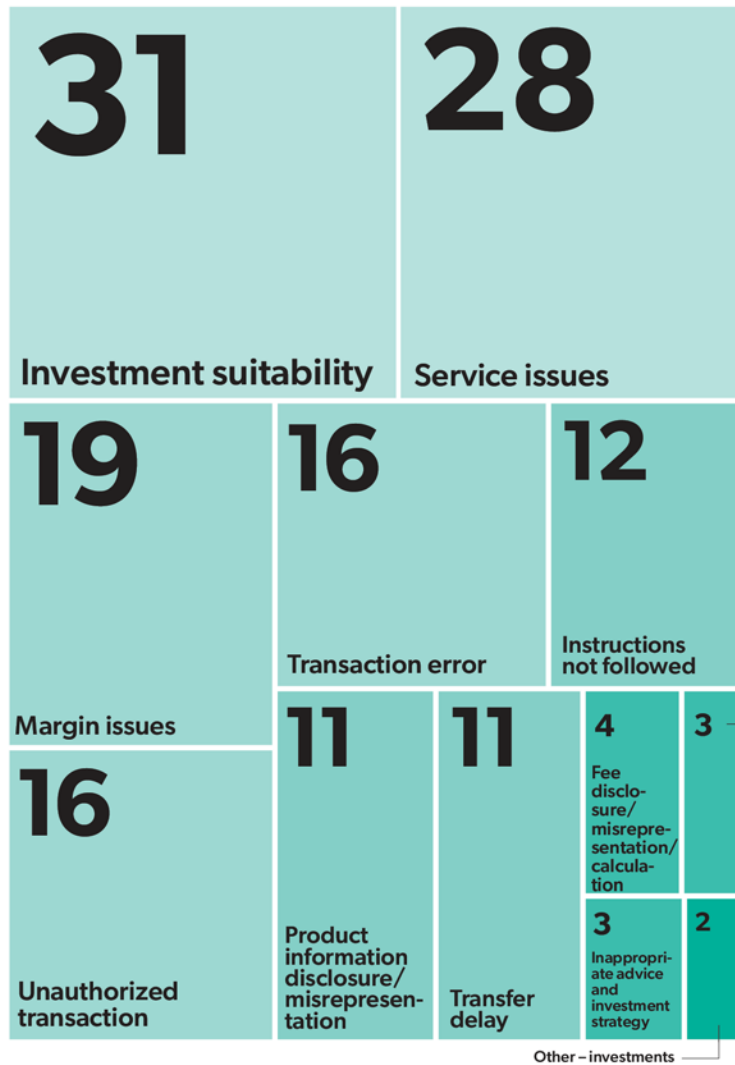
Products and issues

This is a visual representation of the top five most-complained-about banking products during the year and the related issues. Each rectangle represents an issue and is nested with a corresponding product. The size of the issue rectangle is proportional to the number of complaints received in relation to the other issues.

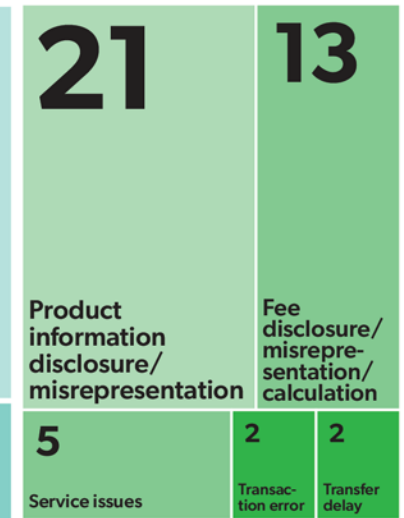
MUTUAL FUNDS



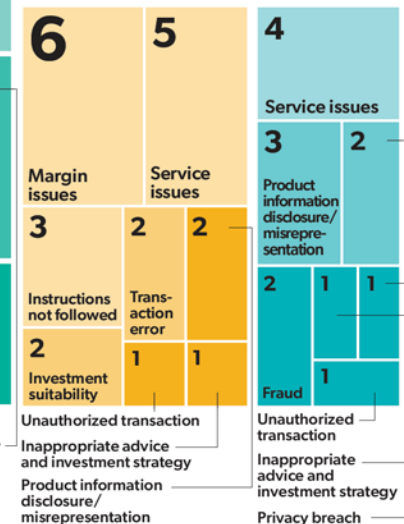
COMMON SHARES



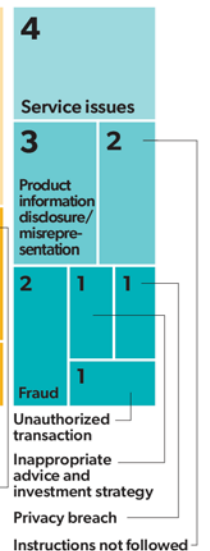
SCHOLARSHIP TRUST PLANS



DERIVATIVES



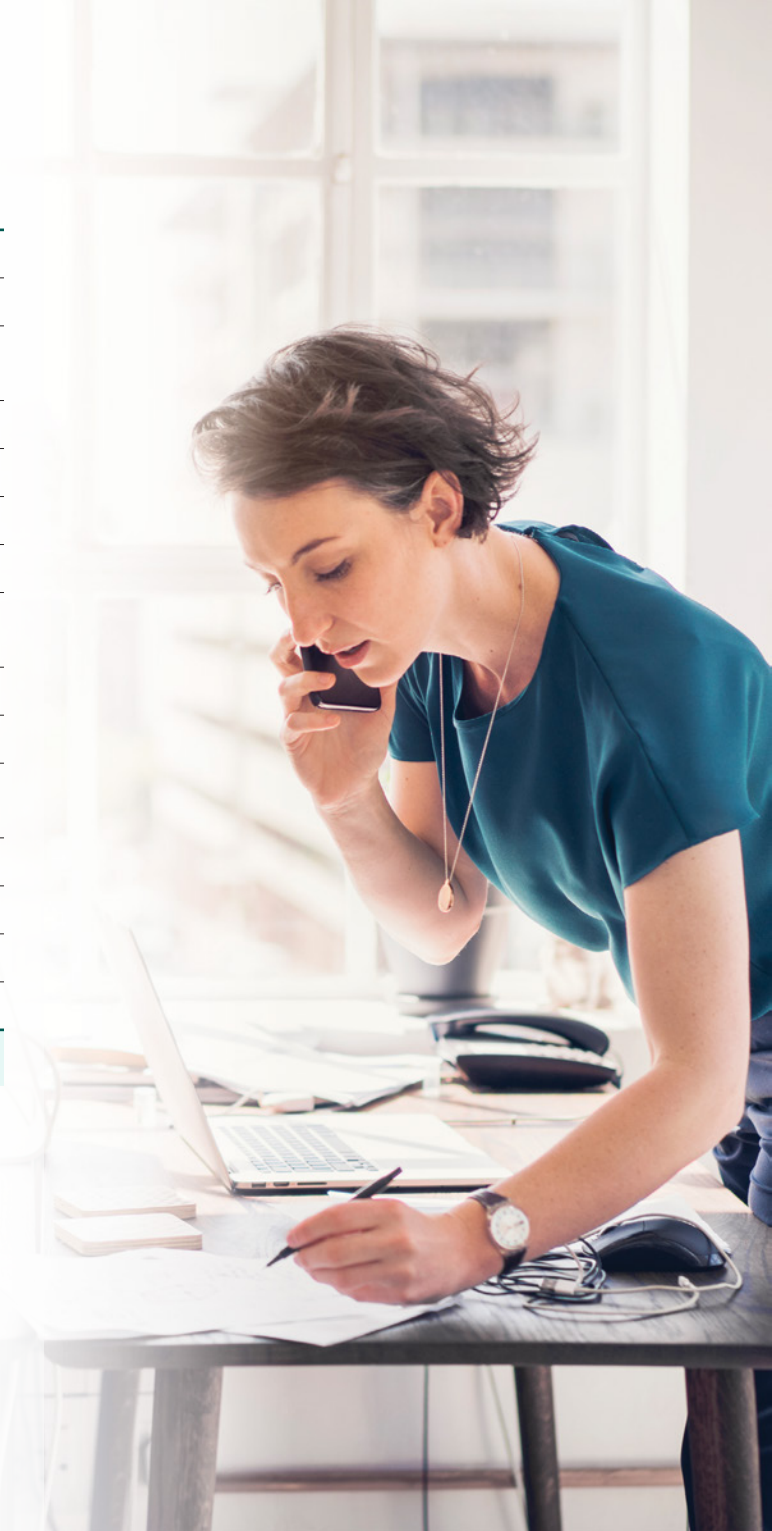
GICS AND CASH EQUIVALENTS



Investment Products	# of cases	% of cases
Mutual funds	170	37%
Common shares	156	34%
Scholarship trust plans	43	9%
Derivatives	22	5%
GICs and cash equivalents	14	3%
Preferred shares (rate reset)	12	3%
ETFs (non-leveraged)	8	2%
Bonds, debentures	8	2%
Flow-through LPs	6	1%
ETFs (leveraged)	5	1%
Mortgage investments	3	1%
Hedge funds	3	1%
Other—investments	3	1%
Preferred shares (non-rate reset)	2	<1%
Income trusts	2	<1%
PPNs and linked notes	2	<1%
Total	459	100%

Note: Percentages may not total 100 due to rounding.

Investment Issues	# of cases	% of cases
Investment suitability	85	19%
Service issues	65	14%
Product information disclosure/ misrepresentation	62	14%
Instructions not followed	35	8%
Transfer delay	34	7%
Unauthorized transaction	31	7%
Transaction error	30	7%
Fee disclosure/ misrepresentation/calculation	27	6%
Margin or leverage suitability	26	6%
Margin issues	25	5%
Inappropriate advice and investment strategy	25	5%
Privacy breach	5	1%
Fraud	5	1%
Other—investments	3	1%
Off book/Outside business	1	<1%
Total	459	100%



Timeliness

In 2020, we took an average of 62 days to complete investment investigations, down from 75 days in 2019. We also completed 98% of investment cases in less than 180 days, consistent with the timeliness standard for investment-related complaints.

Our measures of timeliness begin when we assign a case to an investigator and end when we send a final conclusion to the consumer and the firm.

In 2020, most cases closed in under 90 days and almost all in under 120 days

Our service standard is that we will complete most investigation cases in less than 90 days and almost all investment cases in less than 120 days, though some cases may take longer if they are complex or there are delays relating to availability or participation by the firm or consumer.

# of days	% of cases closed
Under 30	23%
Under 60	60%
Under 90	83%
Under 120	93%
Under 180	98%
Over 180	2%

Straightforward cases closed in an average of 30 days

Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2020, we completed our investigation in straightforward investment cases in an average of 32 days, down from 36 days in 2019.

	Average number of days to close case file
Straightforward investigations	32
All investigations	62

HISTORICAL INVESTMENT CASE TIMELINESS 2016-2020
AVERAGE NUMBER OF DAYS



Opened cases by firm

OBSI opened 459 investment cases this year from 104 investment firms.

When reviewing case numbers for each firm, it is important to note that a higher number of cases opened for a firm may not be a negative indication.

Higher case volumes are generally unrelated to case outcomes and may simply be a result of the firm

effectively informing consumers about OBSI's services. Clear and frequent disclosure of OBSI's services is one example, as is encouragement for clients to come to OBSI so that they have the benefit of an independent third party confirming the firm treated them fairly.

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Becksley Capital Inc.	1	1	0
Gracorp Capital Advisors Ltd.	1	1	0
HarbourEdge Asset Management Corporation	2	2	0
Nvestry Capital Inc.	0	1	0
Pinnacle Wealth Brokers Inc.	0	1	0
Raintree Financial Solutions Inc.	1	1	0
TriView Capital Ltd.	1	0	0
WealthTerra Capital Management Inc.	1	1	0
Exempt Market Dealers	7	8	0
Assante Capital Management Ltd.	2	1	0
BMO InvestorLine Inc.	18	16	6
BMO Nesbitt Burns Inc.	15	8	3
Brant Securities Limited	0	1	1
Canaccord Genuity Corp.	6	6	1

1. May include instances where the firm's offer was reinstated.

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Canadian ShareOwner Investments Inc.	1	1	1
CI Investment Services Inc.	1	2	0
CIBC Investor Services Inc.	20	15	8
CIBC World Markets Inc.	10	5	4
CMC Markets Canada Inc.	5	1	0
Credential Qtrade Securities Inc.	1	1	1
Desjardins Securities Inc.	2	2	2
Echelon Wealth Partners Inc.	2	0	0
Edward Jones	1	1	0
Fortrade Canada Limited	1	1	1
Foster & Associates Financial Services Inc.	1	2	1
Friedberg Mercantile Group Ltd.	1	2	1
GAIN Capital – FOREX.com Canada Ltd.	0	1	0
Global Maxfin Capital Inc.	0	2	1
Hampton Securities Limited	0	1	1

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
HSBC Securities (Canada) Inc.	2	2	1
iA Private Wealth Inc.	5	7	4
Interactive Brokers Canada inc.	7	9	0
Investors Group Securities Inc.	3	3	1
IPC Securities Corporation	2	1	0
Manulife Securities Incorporated	3	6	2
National Bank Financial Inc.	6	9	3
Odlum Brown Limited	1	1	0
Peters & Co. Limited	1	0	0
PI Financial Corp.	1	0	0
Questrade, Inc.	13	13	3
Raymond James Limited	3	5	1
RBC Direct Investing Inc.	21	11	1
RBC Dominion Securities Inc.	14	7	2
Richardson Wealth Limited	9	3	2
Scotia Capital Inc.	29	24	5
Sightline Wealth Management LP	1	1	0
TD Waterhouse Canada Inc.	46	40	16
Wellington-Altus Private Wealth Inc.	2	2	2
IIROC	256	213	75
Assante Financial Management Limited	1	0	0
BMO Investments Inc.	8	8	4

1. May include instances where the firm's offer was reinstated.

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Canfin Magellan Investments Inc.	1	0	0
Carte Wealth Management Inc.	1	1	0
CIBC Securities Inc.	1	1	1
Credential Asset Management Inc.	1	1	0
Desjardins Financial Security Investments Inc.	3	4	2
Desjardins Financial Services Firm Inc.	1	1	1
Equity Associates Inc.	1	5	3
FundEX Investments Inc.	1	1	0
Global Maxfin Investments Inc.	0	1	0
HSBC Investment Funds (Canada) inc.	6	4	2
HUB Capital Inc.	0	0	0
Investia Financial Services Inc.	7	7	2
Investors Group Financial Services Inc.	22	25	11
IPC Investment Corporation	2	1	0
LBC Financial Services	1	1	0
Manulife Securities Investment Services Inc.	2	1	0
Monarch Wealth Corporation	1	1	0
National Bank Investments Inc.	1	4	1
Olympian Financial Inc.	0	1	1
PFSL Investments Canada Ltd.	5	4	2
Portfolio Strategies Corporation	0	1	1

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Quadrus Investment Services Limited	1	1	1
Royal Mutual Funds Inc.	17	13	5
Scotia Securities Inc.	15	12	3
Shah Financial Planning Inc.	1	1	1
Sterling Mutuals Inc.	7	7	5
Sun Life Financial Investment Services (Canada) Inc.	7	3	3
TD Investment Services Inc.	4	6	5
TeamMax Investment Corp.	1	0	0
WFG Securities Inc.	5	4	0
Worldsource Financial Management Inc.	3	3	1
MFDA	127	123	55
1832 Asset Management L.P.	2	3	1
AGF Investments Inc.	1	0	0
AIP Asset Management Inc.	1	1	1
CI Investments Inc.	1	0	0
Davis-Rea Limited	0	1	0
Horizons ETFs Management (Canada) Inc.	8	8	0
I.G. Investment Management, Limited	0	1	1
M.Y. Capital Management Corp.	0	0	0
Manulife Investment Management Limited	0	1	1
MD Financial Management Inc.	1	1	0

1. May include instances where the firm's offer was reinstated.

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Nest Wealth Asset Management Inc.	1	0	0
Nicola Wealth Management Limited	1	1	0
Optimize Inc.	1	1	0
Quantus Investment Corp.	1	1	0
RBC Phillips, Hager & North Investment Counsel Inc.	1	1	1
Takota Asset Management Inc.	3	3	0
Vertex One Asset Management Inc.	1	1	0
Wealthsimple Inc.	2	2	1
ZLC Wealth Inc.	1	0	0
Portfolio Managers	26	26	6
C.S.T. Consultants Inc.	4	4	1
Children's Education Funds Inc.	9	9	1
Global RESP Corporation	8	6	2
Kaleido Growth Inc.	0	1	0
Knowledge First Financial Inc.	22	15	2
Scholarship Plan Dealers	43	35	6
Total	459	405	142



CASE OUTCOMES

OBSI works with consumers and participating firms to arrive at fair and reasonable outcomes.

If an investigation finds that a participating firm acted unfairly, made a mistake or gave bad advice, OBSI will recommend the firm compensate the consumer or investor for any loss, damage or harm up to \$350,000. OBSI may also recommend non-monetary compensation when appropriate, such as correcting a mistake made to a credit history.

If OBSI concludes that the consumer or investor was treated fairly, or the compensation previously offered by the firm is fair, a clear explanation of the findings will be provided to the consumer or investor.

In accordance with OBSI's Terms of Reference, the name of any firm that refuses a recommendation will be made public.

Monetary compensation

29%

of banking complaints
(92 of 314) ended with
monetary compensation

35%

of investment complaints
(142 of 405) ended with
monetary compensation

\$1,722,878

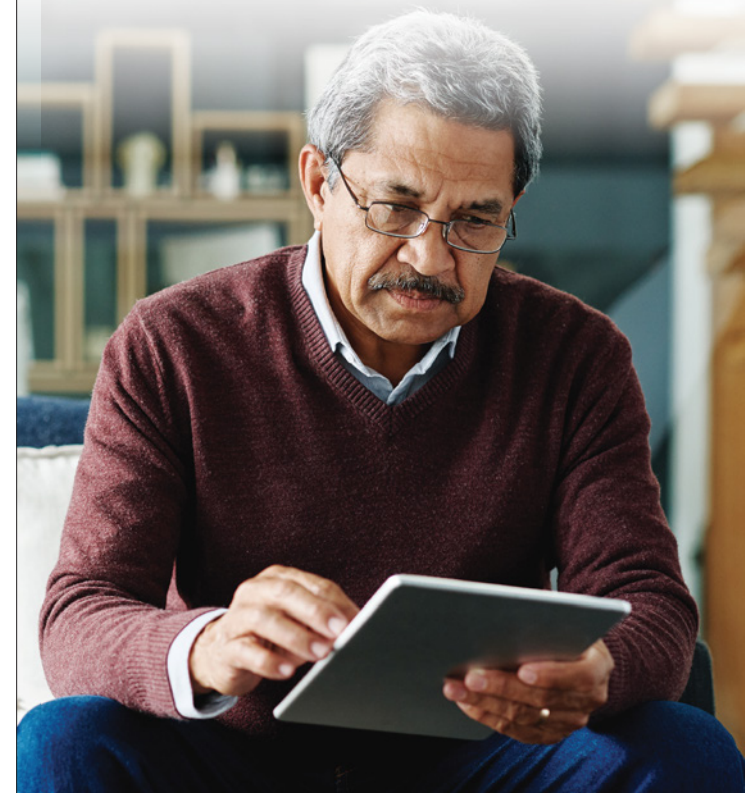
TOTAL COMPENSATION IN 2020

	Total	Average	Median	Lowest	Highest	# of case files
Banking Services	\$511,095	\$5,875	\$617	\$24	\$300,000	92
Investments	\$1,211,783	\$9,250	\$2,425	\$50	\$191,176	142
Total Combined	\$1,722,878					

Non-monetary compensation

In 2020, we recommended non-monetary compensation in seven banking cases and two investment cases.

Non-monetary compensation can be a letter of apology, restoring a product or service, correcting a credit bureau record or explanatory letters to a client's creditors.



Refusals

The majority of complaints brought to OBSI are successfully resolved. However, this year, we published two cases from two exempt market dealer firms that did not follow OBSI's recommendations to compensate the consumer after causing them financial harm.

Having exhausted all avenues to settle these complaints, OBSI is required under our Terms of Reference to publicize the refusals.

WealthTerra Capital Management (WealthTerra) failed to compensate a consumer \$50,810, an amount recommended by OBSI after we concluded that the WealthTerra representative had recommended unsuitable investments

Becksley Capital Inc. refused to compensate a consumer \$33,055 for losses caused by the firm's sale of unsuitable investments

Addressing issues

A financial services ombudsman is uniquely positioned to identify issues affecting multiple consumers in the Canadian financial services sector.

OBSI does not investigate issues affecting those who have not complained to us (known by regulators as "systemic issues"). However, when issues are identified, we are required to report them to our regulators:

- Financial Consumer Agency of Canada – any banking issue that may impact multiple customers or have market-wide implications; and
- Canadian Securities Administrators – any issues that appear likely to have significant regulatory implications, including those that may affect multiple clients of one or more registered firms.

In 2020, no systemic issues were identified.



CONSUMER & FIRM FEEDBACK

Highlights

MORE THAN HALF

55%

of consumers found out about OBSI through their bank, investment firm or advisor

ALMOST A QUARTER

24%

found OBSI through their own online research

MOST CONSUMERS

82%

indicated that they had no difficulty finding out about OBSI services and how to contact us

Consumer feedback

The charts show the consumer's level of satisfaction with OBSI's services based on whether they were satisfied with the outcome of their case or not. There is a strong correlation between receiving compensation and higher satisfaction.

OBSI received 223 responses to the consumer survey, representing about 31% of cases closed during the year. Of these respondents, 19% were either very satisfied or somewhat satisfied with the outcome of their case, and 82% reported being very dissatisfied, somewhat dissatisfied, or neither satisfied nor dissatisfied with their case outcome.

Survey results are reviewed by our management team to identify areas for improvement and better understand the concerns of OBSI's consumers.

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

Neutral

Refers to responses that indicated neither agree nor disagree.

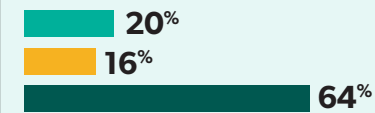
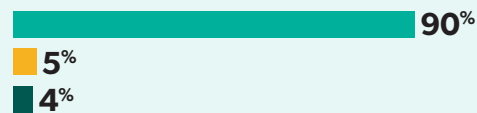
Unfavourable

Refers to responses that indicated strongly disagree and somewhat disagree.

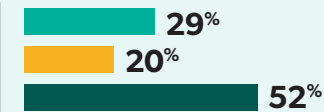
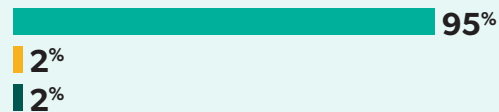
SATISFIED WITH CASE OUTCOME

DISSATISFIED WITH CASE OUTCOME

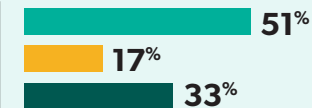
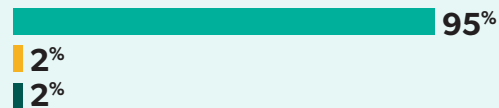
Rating for quality of service



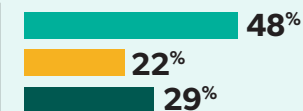
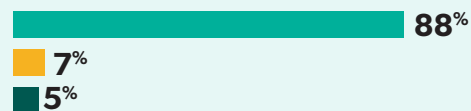
How well did OBSI staff understand your problem or complaint?



How well were you kept informed of the status of your complaint?



Was OBSI's final written conclusion or recommendation clear?



Note: Percentages may not total 100 due to rounding.

ADDITIONAL FEEDBACK FROM BANKING SERVICES AND INVESTMENTS CONSUMERS

		Yes	No
Were you able to lodge your complaint in the official language of your choice?	Banking Services	99%	1%
	Investments	98%	2%
Did OBSI provide services to you free of charge?	Banking Services	98%	2%
	Investments	99%	1%
Did OBSI provide you with a final written conclusion or recommendation?	Banking Services	84%	16%
	Investments	92%	8%

		Yes	No	Somewhat
Did OBSI help you to understand the complaint process and/or OBSI's Terms of Reference?	Banking Services	48%	20%	32%
	Investments	52%	9%	39%

Favourable

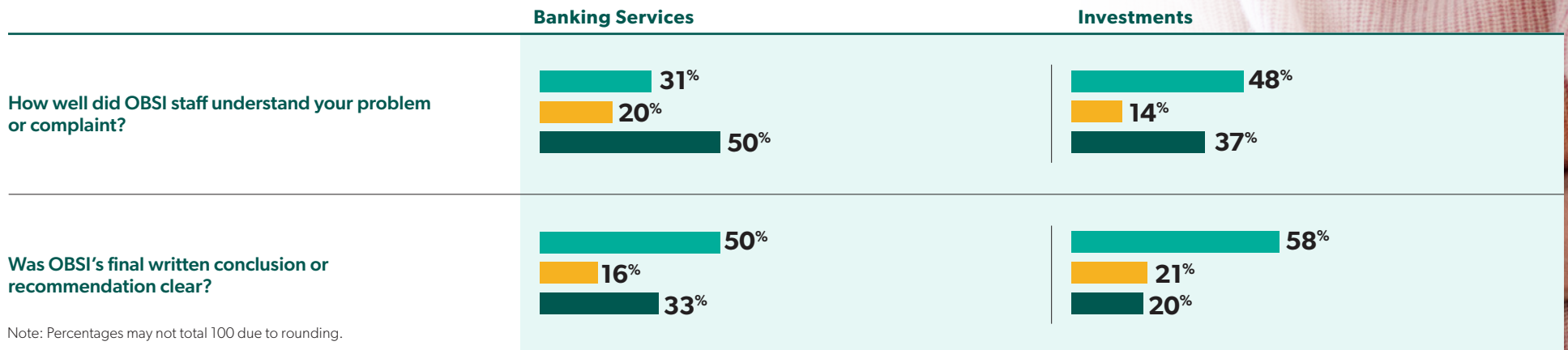
Refers to responses where consumers selected strongly agree and somewhat agree.

Neutral

Refers to responses where consumers selected neither agree nor disagree.

Unfavourable

Refers to responses where consumers selected strongly disagree and somewhat disagree.



Participating firm feedback

Each year, OBSI solicits feedback from participating firms using a standardized electronic survey.

In 2020, we received a 32% response rate from the 272 firms that received the survey. This included all firms that had a complaint handled by us during the year and all federally regulated banks, regardless of whether we had handled a complaint over the course of the year.

Aggregate survey results are reviewed by our management teams to identify areas for improvement and better understand the concerns of OBSI's participating firms. The feedback this year was generally positive, and many firms have commented on the professionalism and quality of work from our staff. Preliminary assessment of the results indicates the need for continued work on explaining our firm's membership fees and keeping firms appropriately informed on important developments concerning OBSI policy.

BANKING SERVICES: OVERALL SERVICE INDEX

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

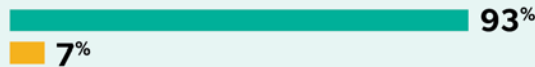
Neutral

Refers to responses that indicated neither agree nor disagree.

Unfavourable

Refers to responses that indicated strongly disagree and somewhat disagree.

OBSI's staff was courteous and professional.



OBSI's staff promptly answered our firm's questions.



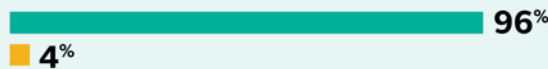
OBSI's staff clearly explained the complaint-handling process.



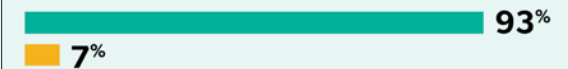
OBSI's staff kept our firm informed during all stages of the complaint process.



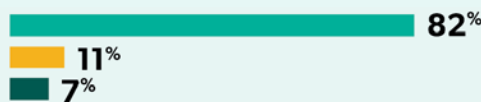
OBSI's staff was effective in providing a resolution for our client's complaint(s).



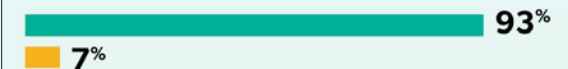
OBSI added value to our firm's complaint-handling process.



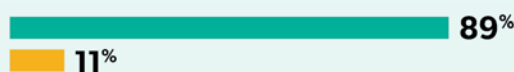
OBSI's staff clearly explained our firm's membership fee.



It was easy to contact OBSI for membership-related inquiries.



OBSI's staff kept our firm appropriately informed on important developments concerning OBSI policy.



OBSI followed its Terms of Reference and its procedures for dealing with complaints.



Note: Percentages may not total 100 due to rounding.



INVESTMENTS: OVERALL SERVICE INDEX

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

Neutral

Refers to responses that indicated neither agree nor disagree.

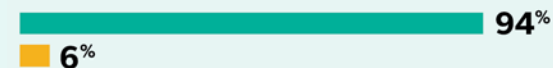
Unfavourable

Refers to responses that indicated strongly disagree and somewhat disagree.

OBSI's staff was courteous and professional.



OBSI's staff promptly answered our firm's questions.



OBSI's staff clearly explained the complaint-handling process.



OBSI's staff kept our firm informed during all stages of the complaint process.



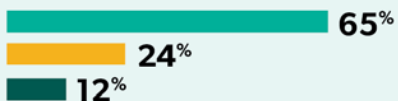
OBSI's staff was effective in providing a resolution for our client's complaint(s).



OBSI added value to our firm's complaint-handling process.



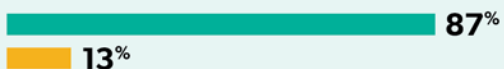
OBSI's staff clearly explained our firm's membership fee.



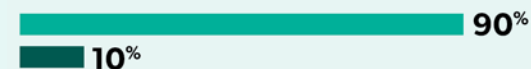
It was easy to contact OBSI for membership-related inquiries.



OBSI's staff kept our firm appropriately informed on important developments concerning OBSI policy.



OBSI followed its Terms of Reference and its procedures for dealing with complaints.



Note: Percentages may not total 100 due to rounding.

ADDITIONAL FIRM FEEDBACK

		Yes	No	Somewhat
OBSI dealt promptly with complaints concerning our firm.	Banking Services	100%	0%	0%
	Investments	84%	0%	16%

		Yes	No
OBSI provided a final written conclusion or recommendation within 120 days for all banking-related complaints or 180 days for all investment-related complaints.	Banking Services	100%	0%
	Investments	93%	7%
OBSI staff who investigated the complaint(s) were knowledgeable about applicable laws and regulations.	Banking Services	100%	0%
	Investments	90%	10%
OBSI staff demonstrated a good understanding of our firm's applicable policies.	Banking Services	100%	0%
	Investments	90%	10%
OBSI's final written conclusions or recommendations were written in clear, simple, and not misleading language.	Banking Services	100%	0%
	Investments	96%	4%
OBSI followed its Terms of Reference and its procedures for dealing with complaints.	Banking Services	100%	0%
	Investments	90%	10%

Note: Percentages may not total 100 due to rounding.



GOVERNANCE



Board composition

OBSI's 10-member board continues to play an important role in providing oversight.

A majority of the directors (seven), including the chair, are from the community, and are independent as they have not been part of industry or government for at least two years. At least one of the community directors is designated the Consumer Interest Director who will have a particular interest in, access to, and experience representing the interests of the types of consumers that OBSI serves.

A minority of the directors (three) are appointed from shortlists of nominees provided by industry bodies. Board renewal is an important part of OBSI's governance framework.

Directors come from across Canada, bringing a diversity of skills and experience from both the public and private sectors.

Independence

Independence is fundamental to OBSI's governance. Beyond the composition of the board, further important safeguards of OBSI's independence are in place.

Votes on key independence questions are not only decided by a majority of votes cast by all directors present at the meeting, but also require a majority of the community directors present. These key independence questions include such matters as the hiring and evaluation of the Ombudsman, the budget and changes to OBSI's Terms of Reference.

Every search for new board members balances diversity, geography and the need for a variety of backgrounds and skills. Collectively, the directors have experience in governance, business, law, accounting, consumer and regulatory affairs, economics, community organizations, dispute resolution and public service. Performance reviews of the board and board chair are conducted every two years. Strict rules prohibit the board and individual directors from becoming involved with individual complaints. The final decision concerning complaints rests with the Ombudsman. There is no appeal to the board, nor can the board influence the decisions of the Ombudsman.

Director compensation

Community directors receive a \$10,000 honorarium per year, with the chair of the board receiving an additional \$40,000 annually and committee chairs receiving an additional \$4,000 annually.

Community directors also receive \$1,800 for every day of meeting they attend (or \$750 if attending by teleconference). Any travel or preparation time is included in the above amounts and is not compensated further. Industry-nominated directors do not receive any compensation from OBSI.

Board of Directors



Jim Emmerton
LL.B , Chair¹

Mr. Emmerton retired in June 2015, having served as the Executive Director of the British Columbia Law Institute and the Canadian Centre for Elder Law, from 2007. He is a community director and the chair of the board and was previously a member of OBSI's Consumer and Investor Advisory Council.



Catherine Adams
MBA¹

Ms. Adams is an independent director focused on the not-for-profit sector. She is currently Director of Hospice Care Avon Maitland and has served as Director and Treasurer of Family Councils of Ontario. She is also a retired financial services executive with over 30 years' experience. Ms. Adams was board liaison for OBSI's Consumer and Investment Advisory Council.



Rhonda Goldberg
(MFDA nominee)¹

Ms. Goldberg is the Executive Vice-President, General Counsel for IGM Financial Inc., responsible for overseeing the legal, compliance, corporate secretarial and client and regulatory affairs functions of Mackenzie Investments, IG Wealth Management and Investment Planning Counsel. She has an in-depth knowledge of the legal and regulatory environment and financial services industry with over 20 years of legal experience.



Carmela Haines
CPA, CA, ICD.D²

Ms. Haines is the Chief Operating Officer with Access Communications Co-operative Limited and is currently an audit committee member of the Canadian Communications Systems Alliance. She has served as a chair of the board and audit committee for the Regina & District Food Bank. She has also served as council member and audit committee chair for the Institute of Chartered Accountants of Saskatchewan.



Jill Hugessen
BA, BCL/LL.B, ICD.D¹

Ms. Hugessen is founder and principal of Hugessen Coaching, a coaching and consulting service for business executives and lawyers. She has been a member of the Barreau du Québec since 1986. Prior to establishing herself as an independent executive coach in 2011, Ms. Hugessen practiced corporate law. She serves as a community member on the board and is a Governance and Human Resources Committee member.

1. Governance and Human Resources Committee member

2. Finance and Audit Committee member



Bharat Mahajan
CPA, CA²

Mr. Mahajan has served as Vice-President, Finance Canada for Parkland Fuel Corporation since February 2020. Previously, his distinguished career included serving as Chief Financial Officer of various multinational corporations. He currently serves as a community member on the board and serves as the chair of the Finance and Audit Committee.



Norah McCarthy
(CBA nominee)²

Ms. McCarthy leads CIBC's Enterprise Client Relationship Management Program. She has over 25 years of experience in financial services, primarily in wealth management and retail banking, and was previously CIBC's Chief Privacy Officer and Ombudsman.



Wanda Morris
CPA²

Ms. Morris is a financial and consumer advocate. As the former Chief Advocacy and Engagement Officer for CARP and CEO of Dying with Dignity Canada, she led public advocacy campaigns on a number of issues including investor protections, pension security, medical aid in dying, and safety in long-term care. She is on the board of FAIR Canada and a frequent media commentator. Ms. Morris is the new consumer Interest director on the board and was previously the chair of OBSI's Consumer and Investor Advisory Council.



Ronald Smith
FCPA, FCA, ICD.D¹

Mr. Smith has been a Director and Chair of the Audit Committee of Alamos Gold Inc. since 2009. He has served on numerous boards and audit committees over the past 30 years. He was the Senior Vice President and CFO of Emera Inc., a publicly traded energy company, and brings significant experience from the fields of finance, human resources and management consulting.



Scott Stennett
(IIROC nominee)¹

Mr. Stennett is the Chief Operating Officer and a Director for Richardson GMP Limited. He is a member of the firm's Executive Committee and New Product Review Committee and is chair of the Joint Operating Committee.

1. Governance and Human Resources Committee member

2. Finance and Audit Committee member

Board attendance

	Dec. 5, 2019	Feb. 26, 2020	May 28, 2020	Sep. 23, 2020
Jim Emmerton, Chair	•	•	•	•
Catherine Adams	•	•	•	•
Rhonda Goldberg	•	•	•	•
Carmela Haines	•	•	•	•
Jill Hugessen ¹	N/A	•	•	•
Bharat Mahajan	•	•	•	•
Norah McCarthy	•	•	•	•
Wanda Morris ²	N/A	N/A	N/A	•
Janis Riven ³	•	N/A	N/A	N/A
Ronald Smith	•	•	•	•
Scott Stennett	•	N/A	•	•
Laura Tamblyn Watts ⁴	•	•	N/A	N/A

1. Appointed in Q2
2. Appointed in Q4
3. Term completed
4. Resigned

Board committees

Governance and Human Resources Committee

The Governance and Human Resources Committee assists the board on matters of corporate governance and relations with OBSI's stakeholders, including government. The committee also fulfills an oversight role relating to human resources policies and compensation matters.

2020 ACTIVITIES INCLUDED:

Policy reviews

Every quarter, the committee reviews a range of policies. Some examples this year included: whistleblower policy, communication policies, director recruitment policy, director orientation and continuing education policy.

Consumer Interest Director role established, and bylaw changed

The committee reviewed and recommended to the board the establishment of the Consumer Interest Director (CID) role. Following board approval, an amendment was made to the bylaw to establish the new role. Subsequently, the committee advertised the role, reviewed and interviewed candidates and made a recommendation to the board resulting in the nomination of the first CID prior to fiscal year end.

Board renewal

Board renewal is an important and ongoing focus for the committee. The committee reviewed and approved the board chair selection process in anticipation of the current chair's term expiring in the coming year. This year, the committee also replaced a community director and, prior to the end of the fiscal year, began the process to request candidates for a new representative for the Canadian Bankers Association.

Consumer and Investor Advisory Council (CIAC) renewal project

The CIAC plays an important role supporting the board of directors. This year, the committee finalized the CIAC Statement of Expectations, which was subsequently approved by the board, and a new chair was appointed.

Finance and Audit Committee

The Finance and Audit Committee provides oversight of financial reporting and control activities for the board. The committee also oversees OBSI's defined contribution pension plan, receives the report of the external auditor and ensures OBSI's compliance with its legal, regulatory and contractual obligations.

2020 ACTIVITIES INCLUDED:

Review of financial statements

Every quarter, the committee reviews the unaudited quarterly statements of revenue, expenses and balance sheet prepared by senior management. The committee members discuss the financial statements and any variances from budget with senior management at the quarterly committee meetings. When the audited financial statements are prepared after year-end, the committee meets with auditors to review the financial statements and makes recommendations to the board. At the September meeting each year, the committee approves the auditor and audit fees for the upcoming fiscal year.

Review of reserve fund

Each year, senior management completes an operating reserve fund analysis outlining whether current targets remain appropriate. The committee reviews the analysis with senior management and plans for possible shortfalls or surpluses are discussed.

Premises renewal project

With the move to a new location completed this fiscal year, the committee reviewed the Premises Renewal Project's expense and capital reports.

Review of 2020 budget

At the September committee meeting each year, the committee members review the budget proposed by senior management, ask questions and provide their input. It also reviewed and approved the audit planning letter and auditors and audit fees for 2020-2021.

Pension governance

The committee also oversees OBSI's defined benefit pension plan, defined contribution pension plan, and post-retirement medical plan. This past year, the committee reviewed the pension plan's structure, staff participation, information on member communication and plan education.

Review and provide input on policies

The committee reviews and approves any amendments to OBSI's financial policies. This year, for example, the Financial Controls Policy was reviewed and approved by the committee.

Standards Committee

The Standards Committee is responsible for overseeing OBSI's quality and performance standards and for making recommendations to the Board of Directors regarding the organization's performance against regulatory requirements and expectations. As in previous years, the board was of the view that, given the importance of the operational issues the organization was tackling, the full Board of Directors should participate in each of those discussions. As a result, the board's Standards Committee did not meet separately in 2020.

Consumer and Investor Advisory Council (CIAC)

Over the course of the year, notwithstanding the challenges to engagement due to the pandemic, the CIAC:

- Collaborated with the OBSI's Board of Directors to appoint a new Consumer Interest Director on the board
- Reviewed and commented on the updated OBSI's statement for investigation timeliness standards
- Recommended improvements to the OBSI website and published materials
- Reviewed the council's own capacity, membership diversity and skills matrix for future membership renewal
- Reviewed and provided input on OBSI's response to Ontario's Capital Markets Modernization Taskforce consultation
- Reviewed and provided feedback on OBSI's Report on Income and Canadian Financial Consumer Complaints and annual consumer survey;
- Participated in the annual strategic planning process with the board and senior management team.

2020 Members:

- Wanda Morris, Chair¹
- Harold Geller, Chair²
- Mohinder Singh Bajwa
- Harvey Naglie
- Andrew Teasdale
- Danis Prud'homme

1. Appointed to Board in Q4 2020

2. Appointed to Chair of CIAC in Q4 2020

Financial highlights

OBSI's budget and reserve fund

OBSI is a not-for-profit organization. We operate on a cost-recovery basis. Our board approves an annual operating plan and budget each September. Each quarter, management meets with the board and the Finance and Audit Committee to monitor the financial performance of the organization.

In recent years of economic stability, we have steadily built a reserve fund to mitigate risks to our organization and participating financial services providers from short-term challenges to our industry, such as a sudden increase in case volumes.

Reserve fund will be used to mitigate impact on participating firms in 2021

OBSI's 2021 budget has increased to allow us to appropriately respond to the significant increase in case volumes from 2020 which are expected to continue into 2021. While our expected costs and budget have increased, OBSI's board and management are mindful of the serious challenges facing many participating firms as a result of the pandemic crisis and do not wish to add to this burden.

Therefore, our management and board have decided to maintain firm fees at approximately 2020 levels and to draw the additional funds needed for our operations in 2021 from our reserve fund.

YEAR ENDED OCTOBER 31	2021 Budgeted	2020 Audited	2019 Audited
Revenue			
Participating firm fee	\$ 8,892,407	\$ 8,911,160	\$ 8,581,479
Interest income	57,400	137,395	151,161
	\$ 8,949,807	\$ 9,048,555	\$ 8,732,640
Expenses			
Personnel	\$ 7,117,026	\$ 6,201,473	\$ 6,424,971
Directors' fees and expenses	418,990	358,156	417,262
Rent and operation cost	605,437	665,688	426,096
Marketing and membership	142,700	139,948	121,472
Supplies, services and travel	85,500	60,251	99,157
Telephone	8,203	6,413	9,641
Information technology & support	611,361	547,703	544,956
Corporate administrative	168,796	148,268	174,922
Legal fees	59,400	33,359	73,053
Information technology infrastructure risk review	0	28,886	34,593
Insurance	48,342	47,843	45,503
Audit fee	27,375	20,559	30,075
Consultant fees	60,000	56,584	240,603
External review	180,000	0	0
Amortization	310,000	252,157	211,969
Loss on disposal of equipment and leasehold improvement	0	9,932	0
Bad debt	0	0	0
	\$ 9,843,131	\$ 8,577,218	\$ 8,854,272
Excess (deficiency) of revenue over expenses	\$ (893,324)	\$ 471,337	\$ (121,632)
Funding Adjustments			
Contribution (reduction) to operating reserve	\$ 0	\$ 0	\$ (55,687)
Acquisition of capital assets	\$ 0	\$ 0	\$ 146,024

Ombudsman for Banking Services and Investments

20 Queen Street West
Suite 2400
P.O. Box 8
Toronto, ON
M5H 3R3

Toll-free telephone: 1-888-451-4519
Toll-free TTY: 1-855-TTY-OBSI (1-855-889-6274)
Toll-free fax: 1-888-422-2865
ombudsman@obsi.ca
www.obsi.ca



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