

November 28-2022

Mark Wright, Director, Communications and Stakeholder Relations

Ombudsman For Banking Services and Investments (“OBSI”)

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Re: OBSI Governance Consultation

Dear Mr. Wright

I appreciate the opportunity to respond to the questions asked in the consultation. As you are aware the OBSI is often the very last stop in the complaint process for most Canadians given the high cost of litigation in Canada. Consequently, OBSI is a critical entity for most Canadians so its governance must be beyond reproach.

I most definitely agree that special nomination rights should not be granted to select groups. The solicitation for OBSI Directors MUST be an open and transparent process with clearly defined selection criteria that incorporate the needs of all parties to the OBSI process, not just industry stakeholders.

Consequently, all Directors MUST be selected on the basis of their ability to act in the best interests of the OBSI mandate. Whereas I appreciate that any individual from industry will have an affinity for the industry that provides her/ him with a steady income the industry and securities law knowledge can be an asset to the OBSI Board but it should not be the only selection criterion. A financial ombudsman related skills matrix can help in the selection. Most importantly a Director from industry MUST have a history of promoting positive change for the industry (they do exist) not just accepting the status quo. To counteract this innate bias, I recommend that the OBSI Board comprise a majority of industry-independent individuals who can and will articulate the voice of the ordinary Canadian financial consumer through previous actions, to the OBSI boardroom.

It is also important that at least one independent Director MUST be a recognized activist for financial consumer protection reform and the fair treatment of financial consumers. From my assessment there is an abundance of such people, so there should be no difficulty in filling the position. Given that many complaints involve unsuitable recommendations and / or poor risk disclosure, a director with a strong and proven background in rendering professional financial advice would add credibility to the OBSI Board.

In addition, a consumer advisory panel MUST also be established with a clear line of reporting / accountability directly to the OBSI board to ensure the OBSI Board and OBSI staff as directed by the Board are made aware of prevailing consumer interface issues with financial services, especially as regards the handling of complaints. Ideally, at least one person on the Panel MUST be knowledgeable about the ombudsman function. If that person can not be found the person selected MUST be provided

ombudsman training. I expect the Panel would be required to liaise with consumer groups, seniors' associations, community groups and organizations like but not limited to Prosper Canada to better understand the nature of the problems facing ordinary Canadian financial consumers with complaints against a financial company. In that regard the OBSI can help level the playing field between financial firms and unsophisticated financial consumers.

Not to be overlooked is the rich source of retail consumer expectations that can come from complainants themselves. One way to get that information is to conduct post decision surveys with complainants ensuring that the correct survey questions are asked to get unbiased responses. In addition, the OBSI has handled many cases and a summary of those cases would also highlight consumer expectations. From my personal perspective I was provided an OBSI recommended settlement amount years ago and even though I am an accountant I still do not understand how the recommended settlement was derived as the OBSI refused to provide the calculations in writing. OBSI staff MUST inform Board members of research on the ombudsman function, international developments in the ombudsman function, and comparisons of OBSI to what other internal ombudsman functions are doing, especially in the area of transparency of decisions and the reasons thereof. For new processes, forms or practices that are being considered as a result of the foregoing a professionally facilitated focus group can be useful in testing before formal adoption. Roundtable meetings / discussions are likely not going to be very effective in dealing with the specialized nature of issues relevant to a public interest ombudsman. However, one potential benefit of a roundtable could be to create better understanding and relationships between all parties involved in the complaint handling system.

Thanks very much for your consideration of my comments.

Please feel free to reach out to me for any additional information or clarification.

Please feel free to post this letter in its entirety (not parts thereof) on your website.

Sincerely,

Rick Price