

Complaint inquiries and opened cases reach new record highs in 2022, fraud complaints dramatically rise

Consumer complaint inquiries exceeded 10,600 in 2022 - a 40% year-over-year increase, while opened cases increased to all-time high of 1,151 in 2022. Fraud complaints surged to all-time highs, leading banking complaints and making an unprecedented move into the top five investment complaints for the year.

FY 2022 statistics

Below is information relating to our full 2022 fiscal year (November 1, 2021 to October 31, 2022). To view our case data for Q4 2022, [please click here](#). All figures are preliminary and subject to change.

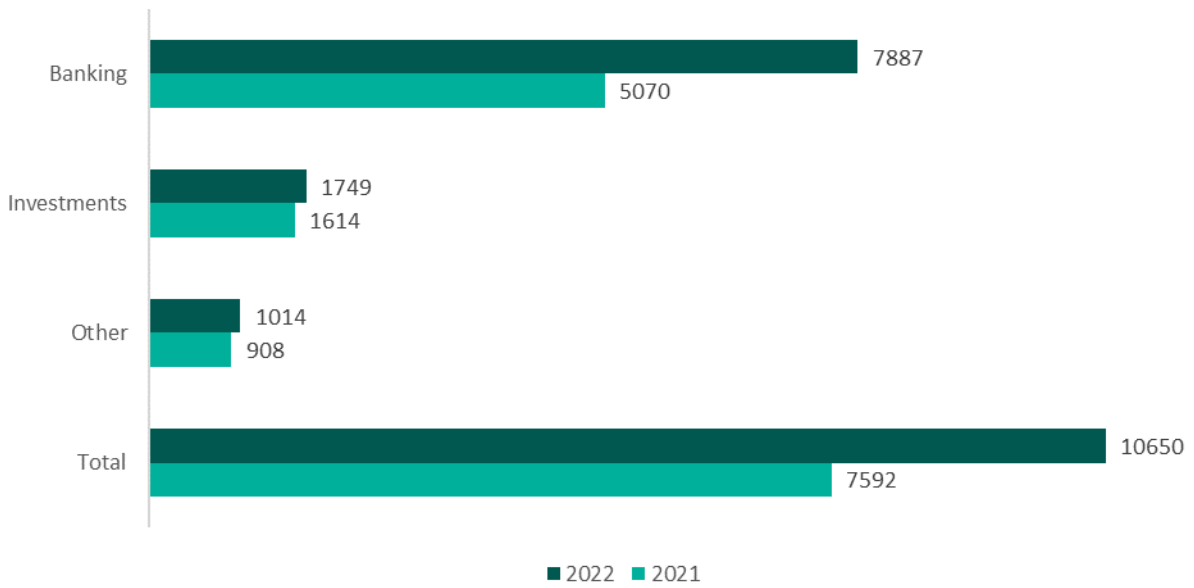
This report includes:

- Inquiries received by industry – new in this report
- Inquiries by investment sector – new in this report
- Total cases opened
- Cases opened by investment sector
- Cases opened by region
- Top 5 banking products
- Top 5 banking issues
- Top 5 investment products
- Top 5 investment issues

About OBSI inquiries

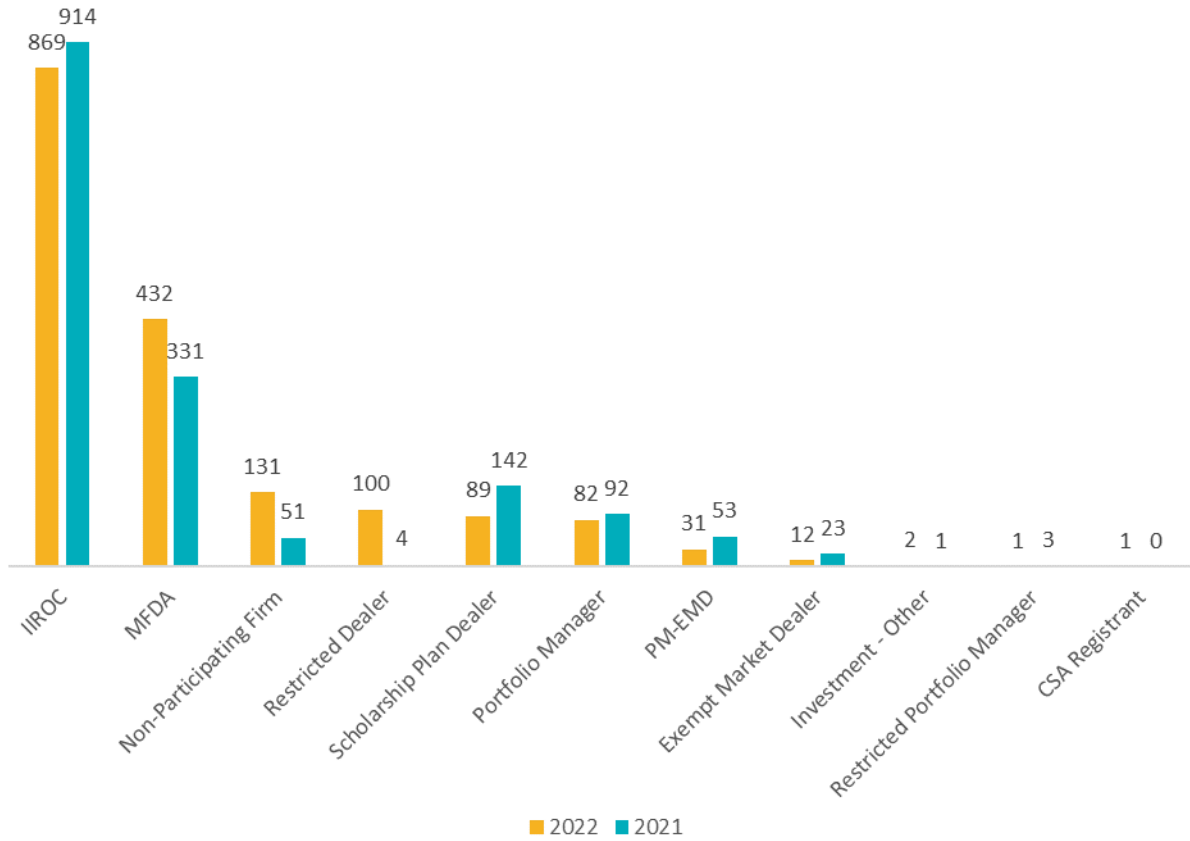
When consumers contact OBSI with a complaint or question about a financial services problem they are having, we record these interactions as inquiries. Assisting consumers with complaint inquiries is an important part of OBSI's work. In addition to helping people file a complaint with OBSI when it falls within our mandate, our intake staff are trained to provide information and assistance to consumers when we are not the appropriate place to help them. This often includes informing them of regulations which apply to their complaint, explaining what steps need to be taken to resolve their issue and directing them to the right contact within their firm or to the appropriate regulator. Inquiry volumes are a leading indicator of future case volumes.

Inquiries Received by Industry: 2022 vs. 2021



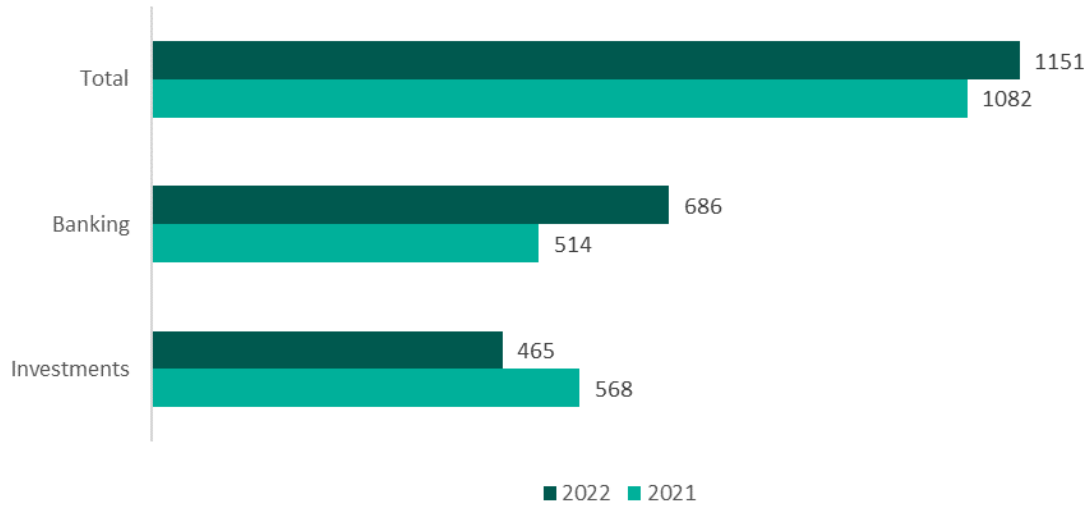
In 2022, OBSI saw a 40% year-over-year increase in total inquiries from the record levels reached in 2021. This was largely driven by banking inquiries that rose 56% compared to 2021. The significant increase in bank inquiries was largely driven by recent regulatory changes to the financial consumer protection framework in the Bank Act intended, in part, to reduce complainant attrition. Investment inquiries increased by 8% year over year. Other inquiries also increased slightly, up 12% year over year.

Inquiries Received by Investment Sector: 2022 vs. 2021



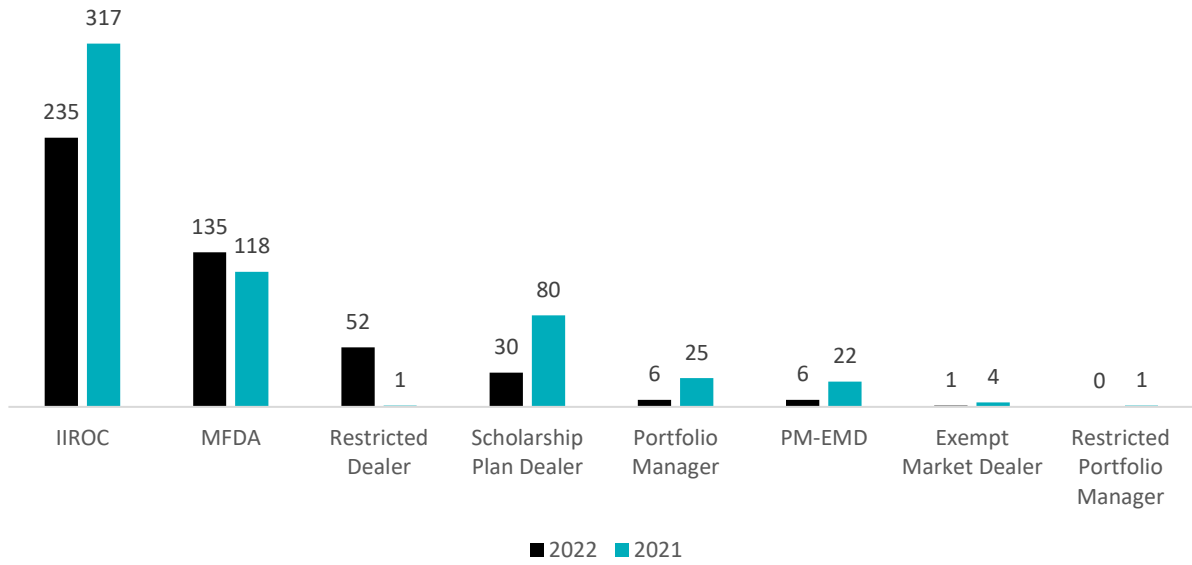
In 2022, IIROC inquiries declined 5% year over year while MFDA inquiries increased 31% from the previous year. Inquiries about scholarship plan dealers were also on the decline at 37%, as inquiries about restricted dealers rose significantly year over year. This development was largely related to the rise in crypto asset complaints, which coincided with the increase in cryptocurrency dealers joining OBSI as participating firms in 2022. Compared to 2021, inquiries for portfolio managers were down 11%, exempt market dealer inquiries dropped by nearly half, and inquiries for multi-registrants (PM-EMD) decreased by 42%. Inquiries from other sectors remained low, consistent with historical norms.

Total Cases Opened: 2022 vs. 2021



In 2022, OBSI saw a 33% year-over-year increase in cases related to banking, and an 18% year-over-year decrease in investment cases. Combined, the total number of cases opened in 2022 increased 6% reaching a new historical high from the previous record set in 2021.

Cases Opened by Investment Sector: 2022 vs. 2021



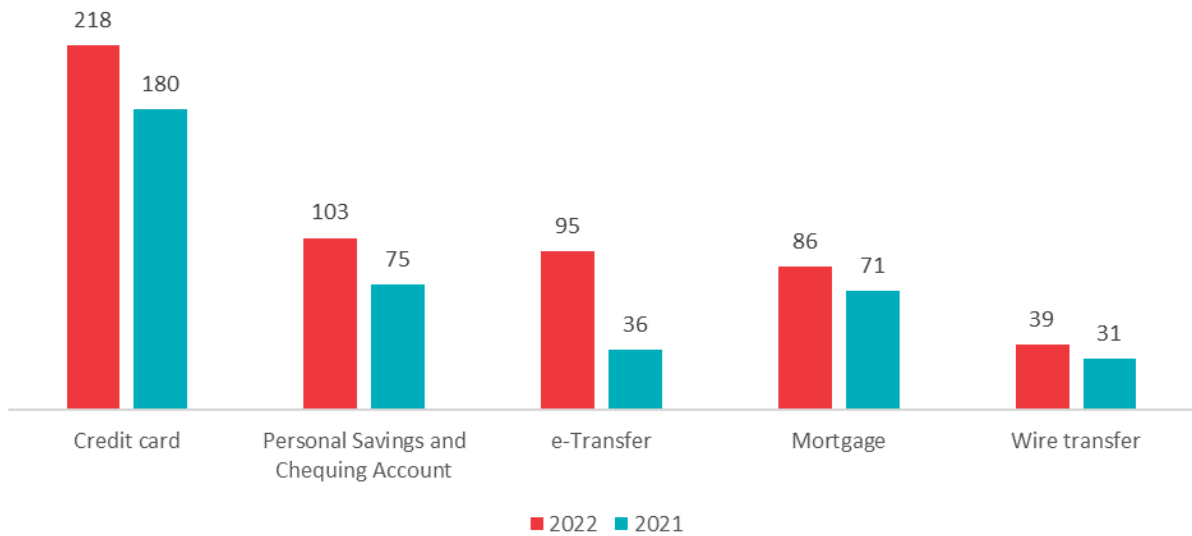
In 2022, IIROC cases decreased 26% year over year from the record high levels reached in 2021. Case volumes for scholarship plan dealers, portfolio managers and multi-registrants (PM-EMD) saw a more significant decline, each dropping below 2021 historical norms. During the year, MFDA cases saw a 14% increase while restricted dealer cases surged to new highs, driven largely by a significant number of new cryptocurrency firms participating in OBSI’s service. Case volumes for exempt market dealers were below historical norms.

Cases Opened by Region: 2022 vs. 2021



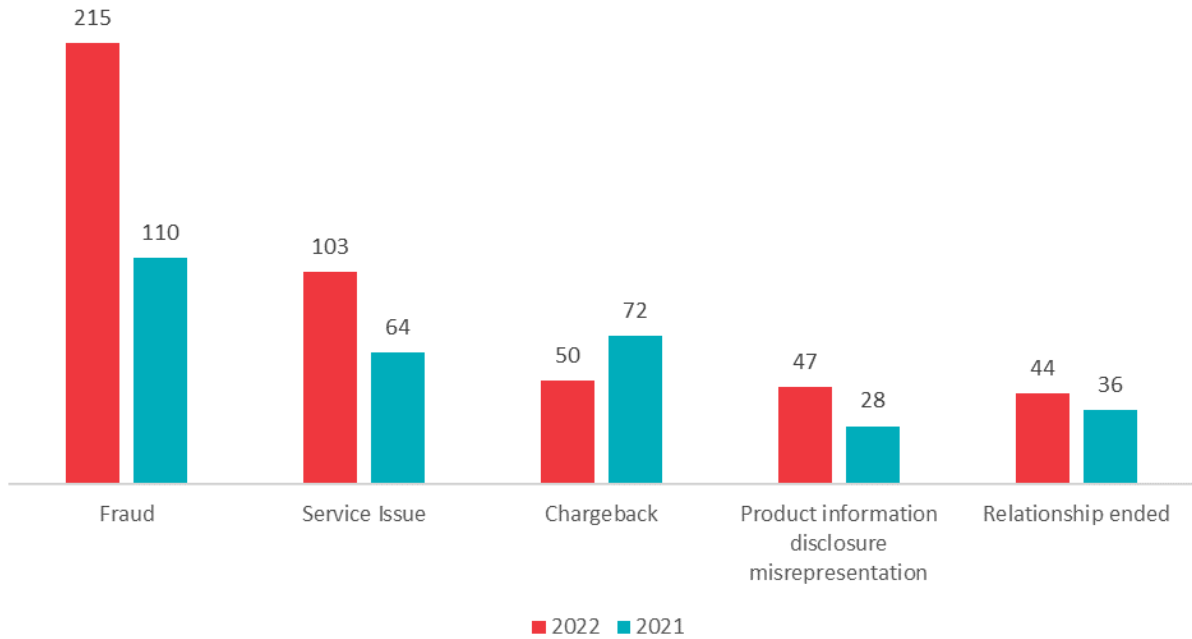
In 2022, cases from most regions remained relatively flat compared to the previous year, and Ontario continued to have the most complaints overall with 545. Case volumes for consumers abroad and in the Territories declined slightly. Case volumes increased by 35% from Quebec compared to 2021, followed by the Atlantic provinces at 17%, and the Prairie provinces at 10%.

Top 5 Banking Products: 2022 vs. 2021



In 2022, the top five banking products remained unchanged from 2021 though banking case volumes increased across all product categories. Credit cards led complaint volumes overall with a 21% increase from 2021. Complaints related to personal transaction accounts were the second most common subject of complaints and saw a 37% year-over-year increase. Complaints related to e-Transfers saw the most significant increase, more than doubling 2021 levels and ranking third among the top five banking products. Mortgage complaints were 21% higher than the previous year and wire transfer complaints rose 26% year over year.

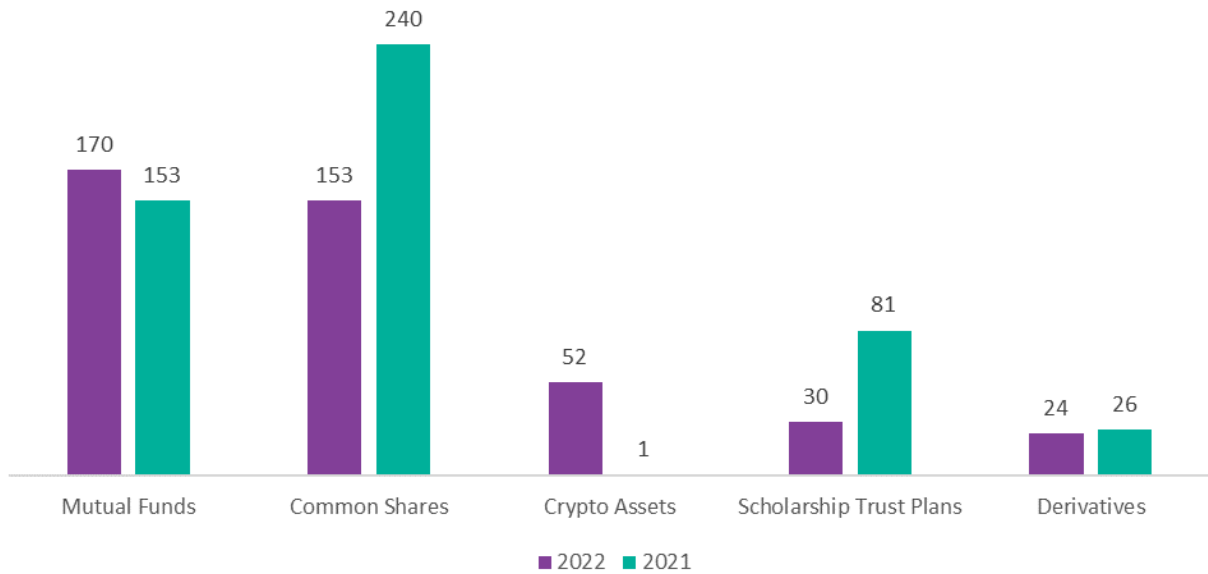
Top 5 Banking Issues: 2022 vs. 2021



Note: Service issues does not include service technical issues.

In 2022, the top five banking issues remained unchanged from 2021, and most banking issues saw year-over-year volume increases. Fraud related cases continued to be the most common banking issue, nearly doubling year over year. Service issues followed as the second most frequent complaint, increasing 61% from 2021 levels. Chargeback cases declined 31% in 2022, while still ranking third among the top five banking issues. Cases involving product information disclosure or misrepresentation increased 68%, and relationship-ended cases rose by 22%.

Top 5 Investment Products: 2022 vs. 2021



Mutual funds replaced common shares as the most common subject matter of investment complaints in 2022, rising 11% from 2021, likely due to a decrease in OEO-related complaints from the record highs of the previous year. Common share cases declined by 36% compared to the previous year. However, the most dramatic year-over-year swings occurred for crypto asset and scholarship trust plan complaints. Crypto asset complaints surged in 2022 as a result of increasing cryptocurrency scams and the increased number of cryptocurrency dealers that joined OBSI’s service in 2022. Scholarship trust plans saw a sharp decrease in complaints, as the systemic issues reported in 2021 were addressed by the firms. Cases related to derivatives remained near historical levels.

Top 5 Investment Issues: 2022 vs. 2021



In 2022, cases involving service issues led investment complaints with a modest 8% increase from the record high levels of 2021. Suitability issues remained the second most common investment complaint, despite a 12.5% year-over-year decrease. Fraud related cases surged dramatically in 2021, due in part to the significant rise in cryptocurrency scams and the increased number of crypto dealers using OBSI's service. The 2022 case volumes for the remaining investment issues remained well below 2021 levels, with a 29% decline in cases involving instructions not followed and a 42% drop in fee disclosure cases.