



OBSI OMBUDSMAN FOR BANKING
SERVICES AND INVESTMENTS

Fair Effective Trusted

Annual Report 2022



2022 Highlights

10,650

TOTAL PUBLIC INQUIRIES

40%

INCREASE IN PUBLIC INQUIRIES

\$1,701,553

COMPENSATION TO CONSUMERS

1,151

OPENED CASES

1,006

CLOSED CASES

\$3,241

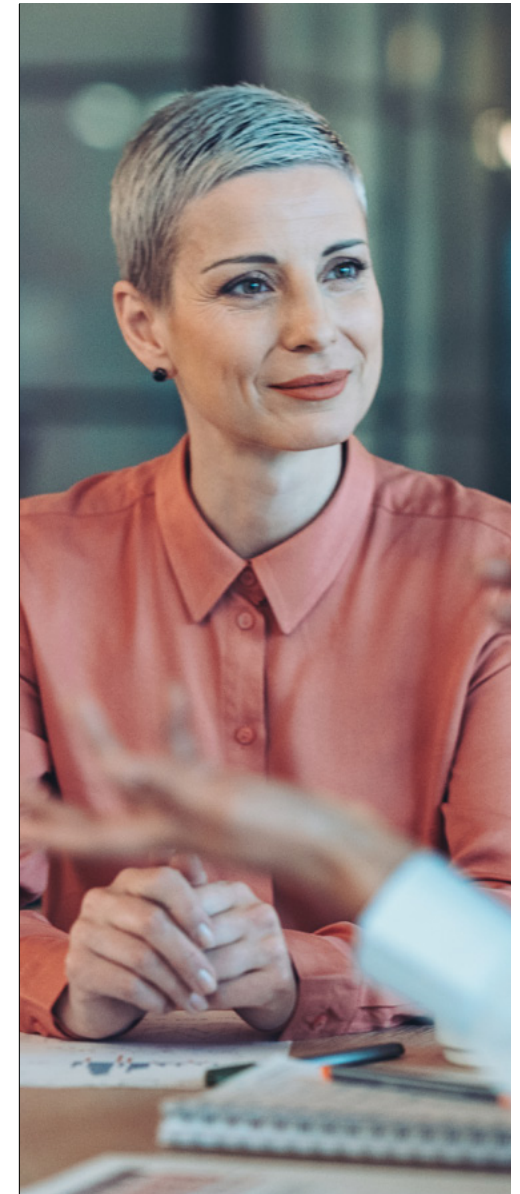
AVERAGE BANKING
COMPENSATION

\$8,985

AVERAGE INVESTMENT
COMPENSATION

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Message from the Chair

I was delighted to join the Board of Directors for OBSI in late 2021 and to be appointed Chair in March 2022.

Having worked with OBSI during my tenure as Chair and CEO of the Ontario Securities Commission, I was familiar with the important role that OBSI plays in consumer protection in Canada’s financial services sector, and I am pleased to help contribute to its ongoing success.

In the past year, the need for OBSI services was never greater, as we marked another record year of consumer complaints, following the record inquiry and case levels of 2021. Even with the rising levels and service demands, OBSI continued to meet its timeliness targets and ensured that no case backlog occurred. Since joining OBSI, I have been impressed by its resilience through challenging times. OBSI staff continue their commitment to helping consumers and are working hard to respond to exceptionally high case volumes and consumer inquiries as a result of economic pressures.

ACCOUNTABILITY COMMITMENTS – INDEPENDENT REVIEWS

During this past year, OBSI underwent an independent, expert evaluation of its operations and practices, for both banking- and investment-related complaints. OBSI is required to undertake an independent expert evaluation of its operations every five years under OBSI’s Terms of Reference, our Memorandum of Understanding (MOU) with the Canadian Securities Administrators (CSA), and as an External Complaints Body (ECB) for Canada’s federal banking sector. The purpose of these reviews is to determine whether OBSI continues to fulfill its regulatory obligations and operates effectively in accordance with

recognized best practices for financial services ombudsmen. The two evaluations were conducted concurrently by Professor Poonam Puri and her team.

The reports concluded that OBSI has met and exceeded its obligations under both the MOU with the CSA and its obligations as an ECB under the Bank Act. In addition, the reports made many important favourable observations and conclusions about the quality of OBSI’s services and operational practices and several recommendations for OBSI to consider. We thank Professor Puri and the evaluation team for their work and everyone who took the time to meet with the evaluators and share their thoughts and concerns.

I would like to briefly discuss three important changes discussed in the evaluations that the OBSI board strongly supports, including binding authority, a single not-for-profit banking ombudsman and a review of OBSI governance.

BINDING AUTHORITY FOR DECISIONS

An important recommendation in both reports was that OBSI be given binding authority when rendering its decisions. The reviewers observed that OBSI’s inability to secure redress for consumers through the ‘name and shame’ system continues to limit its effectiveness for consumers. The reports observed that binding authority is more consistent with international best practices and would bring more legitimacy to the current system.



Maureen Jensen
Chair, Board of Directors

The board strongly supports this recommendation, which is consistent with the recommendations of previous external reviews and with our public position for many years. As we do not have the power to unilaterally determine this issue we must rely on the CSA and the federal government to enact this change, and we are committed to working with them towards this policy outcome.

Recently the CSA publicly committed to moving forward towards legal and regulatory changes necessary for OBSI decisions to be binding on participating firms, and OBSI staff has engaged with the CSA to advance this initiative. OBSI was delighted when the CSA announced its commitment to issuing a proposal for public comment on this important issue in 2023.

ESTABLISHING A SINGLE, NOT-FOR-PROFIT BANKING OMBUDSMAN

The banking evaluation report stated that the evaluators shared the same concerns identified in the Financial Consumer Agency of Canada's 2020 report on the multiple-ECB model. That report stated that the multiple-ECB model was inconsistent with international standards, introduced inefficiencies and complexity for consumers, and negatively affected consumers' perceptions of the fairness and impartiality of the system. OBSI was also pleased to see that the federal government announced its decision to establish a single, not-for-profit ombudsman for federally regulated banks, just prior to the banking review being published.

The OBSI board is strongly supportive of the government's commitment to establish a single not-for-profit ECB for the banking sector, because it will support a strong, effective, and trusted federal banking system and is in the best interests of Canadian bank consumers.

OBSI GOVERNANCE REVIEW

The reports also made several governance-related recommendations, including that OBSI's board should undertake a strategic review of its governance structure to determine how best to ensure that key stakeholder interests are most effectively incorporated into board membership and decision-making.

The OBSI board supports this recommendation and, on November 1, 2022, OBSI initiated a public consultation on potential changes to OBSI's governance practices. The consultation closed on January 31, 2023, and in 2023 we will be reviewing the input of stakeholders and announcing what we heard and our decisions, including any updates to our governance structure.

The board looks forward to working with OBSI's management and staff as we continue to address the key recommendations of the independent reviews, to meet the growing needs of consumers and firms in need of dispute resolution and to fulfill our public service mandate.

My appointment as Chair followed the departure of Jim Emmerton after his four-year term ended. Jim joined the board in 2012 after two years as a member of the Consumer and Investor Advisory Council (CIAC). On behalf of the board, I would like to thank Jim for his significant contributions to OBSI as well his commitment to our public service mandate.

I would like to thank my fellow board members for their ongoing commitment to OBSI's mission and for their support and guidance.

OBSI's governance and operations benefit significantly from the support, input and feedback of our many stakeholders. I would like to thank the former members of the CIAC for their work with OBSI and their commitment to consumers, the consumer groups who have provided their invaluable insights throughout the year, and our participating firms for their ongoing support and engagement in the complaints process.

The post-pandemic period has been challenging for all of our stakeholders as we work through numerous economic and social uncertainties. What has been clear to the board, during this time, is the tremendous commitment of OBSI staff to doing excellent work with a clear focus on fairness as they continue to resolve a growing number of disputes between consumers and the firms that serve them.

Maureen Jensen

Chair, Board of Directors

Message from the Ombudsman and CEO

The year 2022 was another record-setting year for OBSI, as we dealt with all-time high case volumes and completed many important initiatives to improve our effectiveness and support our accountability to our stakeholders.

More than 10,000 Canadians reached out to OBSI in 2022 — a 40% increase from last year’s record-high levels. From these inquiries, we opened and investigated over 1,100 cases. This continued a trend we have seen throughout the pandemic period, as Canadians, small businesses and financial services firms struggle to cope with unprecedented economic challenges, increasing levels of financial stress, and increasing rates of financial fraud.

These record-high case volumes have also resulted from important recent regulatory changes to the Bank Act’s financial consumer protection framework that were intended to, and in fact have, resulted in reduced complainant attrition. More consumers than ever are making use of Canadian banks’ internal complaint-handling services to resolve their concerns and a record number are escalating their concerns to us for an independent expert review of their case. Investment cases started the year with some moderation to near pre-pandemic levels, but surged later in the year, largely driven by investor concerns relating to ongoing market downturns and volatility, as well as increasing problems associated with fraud and service issues.

HIGH PRODUCTIVITY

Despite these high case volumes, I am pleased to report that we exceeded all our case timeliness benchmarks and service standards and we experienced no backlog in cases at any time during the year. This exceptional performance is thanks to the diligence and focus of OBSI’s team of case assessment officers, investigators, analysts, and investigation managers who have once again demonstrated their tireless commitment to OBSI’s mission and to helping firms and consumers reach fair outcomes in their disputes.

In addition to our consumer assistance and case investigation work, in 2022, we also successfully concluded many key organizational initiatives, including:

- Publishing our 2022-2026 strategic plan
- Publishing our 25th Anniversary Special Report
- Welcoming all British Columbia credit unions as participating firms — joining the Alberta and Saskatchewan credit unions that are already members
- Launching our Data Cube to provide the public with interactive access to our historical inquiry and case data
- Launching our banking case disclosure webpage, which provides the public with a summary of information about all banking cases closed, including brief explanations for our recommendations, in compliance with our obligations under the Bank Act



Sarah P. Bradley
Ombudsman and CEO

- Continuing to engage with the policy and regulatory environment for financial consumer dispute resolution in Canada, particularly relating to binding authority for our securities mandate, and the external complaints body (ECB) system for banking complaints

INDEPENDENT EXTERNAL REVIEWS

In the first half of fiscal 2022, OBSI underwent independent external reviews for our banking and securities mandates – an important accountability measure that we have committed to undertaking every five years. The final reports and our organizational response were published in the latter half of the year.

As is customary for such independent reviews, the reviewers had complete, unfettered access to our case records, our staff, senior management and board, and held extensive stakeholder consultations. They conducted an exhaustive review of our operations and considered our organizational performance carefully with specific reference to the laws and regulations that apply to us, as well as international best practices for financial services ombudsman organizations.

Overall, the reports recognized the outstanding work that OBSI has accomplished and the organizational improvements that we have completed since our last external review in 2016. Specifically, the reports observed that during the five-year period under review, OBSI undertook significant projects to improve our service delivery, upheld standards of fairness and impartiality, and closed investigations in a timely manner. They also commended OBSI for managing our highest-ever case volumes during the COVID-19 pandemic without delays in completing investigations.

The reviewers found that OBSI had met and exceeded our regulatory obligations and concluded that:

- OBSI has dealt with complaints in a timely manner
- Investigators were able to identify key issues in a complaint and requested additional documents where necessary
- Investigators were skilled at conducting interviews and assessing credibility
- Investigators kept the parties apprised of progress in the investigation, were candid with the parties about the merits of the case, and explained their views well and as early as possible
- Decision reasons were fair, proportionate, and explained in plain language
- Case conclusions flowed from the evidence

The report for our investments mandate set out 22 recommendations, while the report for our banking mandate set out 25 recommendations, with significant congruence between the recommendations of each report. Overall, these recommendations are well-founded and actionable and will serve as a catalyst for some important changes and modernizations at OBSI. While we found the scope for most of the recommendations to be somewhat narrower than past reviews, we believe that this is a reflection of OBSI’s overall improvement since the 2016 review and our organizational maturity. Our response to the review recommendations can be found on our website.

OUTLOOK FOR 2023

Looking forward, our focus for 2023 will be to maintain our service standards while dealing with continuing high case volumes. We also look forward to putting a number of recommendations from the external reviews

into action through changes to our work and processes, as well as undertaking public consultations related to our governance and loss calculation methodologies.

To ensure we are able to appropriately address ongoing high case volumes, we expect our team to continue to grow in 2023 and we will continue to develop a number of efficiency improvement initiatives. Plans to upgrade the user experience for our firm and consumer portals are also underway.

The year will also likely bring changes on a regulatory and policy front, and we look forward to participating in the various provincial and federal policy initiatives that have been announced by regulators related to a single ombudsman policy for banking and binding authority for our securities decisions.

I would like to take this opportunity to thank our stakeholder community, including our participating firms, consumer advocates, industry groups, and regulators, all of whom continue to support OBSI with their insights and commitment to ensuring we continuously improve as an effective ombudsman service.

I would also like to personally thank Maureen Jensen for her leadership and counsel and our entire Board of Directors for their guidance and commitment throughout the year.

Overall, I am proud of the resilience that OBSI demonstrated in 2022 and am confident that it will continue through 2023 as we maintain our focus on providing effective ombudsman services to Canadians through this challenging and rapidly changing economic period.

Sarah P. Bradley
Ombudsman and CEO

About OBSI

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.

Fair and effective ombudsman services are a critical part of maintaining a prosperous and healthy financial services sector. When consumers and firms know they have a trusted place to turn when disputes arise, they can do business with greater confidence.



OUR VISION

Helping to ensure a fair, effective, and trusted Canadian financial services sector.



Who we are

We are an independent, not-for-profit organization of highly skilled, independent professionals inspired by our public service mission.



What we do

We help resolve complaints and disputes between consumers and financial services firms, and we share our expertise and insights with consumers, industry, and regulators.



Why we do it

Effective ombudsman services advance fairness and trust in the Canadian financial services sector by providing efficient, independent, and accessible dispute resolutions services to consumers and firms, and feeding data and insights back into the system to support a virtuous cycle of continuous improvement.

OUR GUIDING PRINCIPLES

Fairness

Our process and approach are fair to consumers and firms.

Impartiality

We are balanced and objective in our work.

Independence

We are free from undue influence.

Accessibility

Our services are affordable, straightforward and convenient.

Integrity

We act in a way that is honest and principled.

Professionalism

We respectfully listen, understand and engage with consumers and firms.

Strategic plan at a glance

Our strategic plan for 2022–2026 contains three interconnected and mutually supporting success pillars and related objectives.

Together, these pillars provide a foundation for OBSI to thrive as a resilient, successful organization. Each year, our annual operating plans and key initiatives will align to these pillars, with any necessary adjustments to address new issues.



SUCCESS PILLARS

OBJECTIVES



Public assistance and dispute resolution

OBSI provides information services to assist consumers who reach out to us with a complaint, and we conduct fair, efficient, and effective investigations of disputes between consumers and participating firms.

- Deliver accessible, high-quality information services that help consumers who have reached out to us to make informed choices.
- Conduct fair, independent investigations of disputes between consumers and participating firms.
- Explore innovative dispute-resolution approaches that drive efficiency and effectiveness.



Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

- Deliver messaging to consumers and collaborate with stakeholders to strengthen public awareness and ensure consumers have easy access to information about OBSI when they have a problem.
- Share information and provide thought leadership.
- Build and maintain strong relationships with our stakeholders.
- Advance regulatory and policy changes that improve consumers' access to effective financial ombudsman services in Canada.



Organizational resilience and continuous improvement

OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.

- Foster a culture of innovation and continuous improvement.
- Deliver high-value services to participating firms that reflect OBSI's overall value proposition.
- Invest in OBSI's people to strengthen employee engagement and well-being and support operational excellence.
- Foster public and industry confidence by demonstrating accountability for our organizational practices.

Progress toward our goals

Our 2022–2026 strategic plan identifies three key success pillars for our organization, related to service excellence, communication and thought leadership, and continuous improvement. In this section, we review our annual progress in each of these key areas.



SUCCESS PILLAR # 1

Public assistance and dispute resolution

OBSI provides information services to assist consumers who reach out to us with a complaint, and we conduct fair, efficient, and effective investigations of disputes between consumers and participating firms.

Strategic plan objectives for 2022

What we accomplished this year

Deliver accessible, high-quality information services that help consumers who have reached out to us to make informed choices.

- Despite record-high inquiry and complaint volumes, we met all our timeliness benchmarks for responding to inquiries, intake completions and assigning cases
- We updated our Case Assessment Officer guidance and training
- We conducted ongoing training for all front-line staff on effective techniques for working with consumers

Conduct fair, independent investigations of disputes between consumers and participating firms.

- We met all our timeliness benchmarks for completing our case investigations while maintaining all service levels and experiencing no case backlog at any time in the year
- We conducted ongoing training for all front-line staff on effective techniques dealing with challenging conduct

Explore innovative dispute-resolution approaches that drive efficiency and effectiveness.

- We developed and piloted a process-streamlining project for lower-complexity cases
- We developed changes to our internal case management system to improve investigator efficiency
- We expanded and updated our investigation guidelines with a number of new internal guidance notes





SUCCESS PILLAR # 2

Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

Strategic plan objectives for 2022

What we accomplished this year

Deliver messaging to consumers and collaborate with stakeholders to strengthen public awareness and ensure consumers have easy access to information about OBSI when they have a problem.

- We expanded digital communications on our website and social media platforms and increased promotion of posts and tweets
- We made improvements to our website to help people find information about us through search engine optimization.
- We provided information and interviews to traditional media journalists throughout the year, when possible and appropriate.

Share information and provide thought leadership.

- We published a range of case studies, approaches, and bulletins on a variety of topics for consumers and firms
- We regularly reported trend data relating to products and issues to all stakeholders through multiple mediums
- We launched our Data Cube – a new interactive digital disclosure tool that provides at-a-glance access to current and historical information about OBSI’s case experience and outcomes
- We launched our banking case disclosure webpage, which provides a summary of information about all banking cases closed, including brief explanations for our recommendations, in compliance with our obligations under the Bank Act
- We published case and inquiry data in our quarterly newsletters to all stakeholders
- We published a special Anniversary Report to provide trend data and insights from our 25-year history
- We participated in a number of public speaking opportunities and industry conferences
- We made formal submissions in response to two separate regulatory consultation processes

Build and maintain strong relationships with our stakeholders.

- We regularly met with consumer groups, industry associations and participating firms to share information and gain insights
- We regularly met with banking and securities regulators to ensure they are informed of our case experience and current trends, and consulted on material changes to OBSI policies and procedures



SUCCESS PILLAR # 2

Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

Strategic plan objectives for 2022

Advance regulatory and policy changes that improve consumers' access to effective financial ombudsman services in Canada.

What we accomplished this year

- We met with and provided information to the Canadian Securities Administrators working group to explore options for strengthening OBSI's ability to secure redress for investors
- We publicly supported the federal government's Budget 2022 commitment to establish a single, not-for-profit ombudsman for federally regulated banks
- We welcomed British Columbia's credit unions as participating firms
- We updated our Terms of Reference to reflect changes to the Bank Act consumer protection framework





SUCCESS PILLAR # 3

Organizational resilience and continuous improvement

OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.

Strategic plan objectives for 2022

What we accomplished this year

Foster a culture of innovation and continuous improvement.

- We continued our internal process for identification and tracking of emerging issues and ensuring all staff are appropriately trained as novel issues arise
- We continued to deliver IT security awareness training and phishing testing to all staff
- We completed our annual NIST IT security review with positive results and continued to improve our IT security framework
- We adopted a new time-saving system to upload consumer financial statements for review by our analyst team
- We implemented upgrades to our case management system and consumer and firm portals
- We continued training for all staff in plain language writing and effective communication

Deliver high-value services to participating firms that reflect OBSI's overall value proposition.

- We continued our Firm Helpdesk program throughout the year
- Our senior staff delivered presentations on topics to a number of organizations related to compliance, effective complaint-handling, and our risk rating and loss calculation methodologies, on request
- We improved our fee communications for participating firms

Invest in OBSI's people to strengthen employee engagement and well-being and support operational excellence.

- We introduced a hybrid remote work and office use plan for Toronto-based staff
- We developed personal training plans for continuing professional development for all staff
- We asked our staff their views through a comprehensive Employee Engagement Survey and launched employee-focused programs based on the responses
- We continued our employee mental health program with specific mental health leadership training for all OBSI managers
- We prioritized and invested in training for all staff related to new and emerging products and services, including crypto assets
- We completed upgrades and improvements to our internal knowledge management system



SUCCESS PILLAR # 3

Organizational resilience and continuous improvement

Strategic plan objectives for 2022

Foster public and industry confidence by demonstrating accountability for our organizational practices.

What we accomplished this year

- We published our 2022–2026 strategic plan
- We completed independent external reviews of our banking and investment mandates, published our organizational response, and began acting on the recommendations made
- We provided regular annual, quarterly and periodic reporting to banking and securities regulators
- We continued our practice of internal semi-annual banking and investments compliance reviews and took responsive action as appropriate
- We substantially updated our Enterprise Risk Management (ERM) framework and implemented all the priority risk mitigation initiatives identified in the ERM plan
- We continued our annual firm and consumer surveys to solicit feedback about their experience with our service, reviewed survey feedback to identify opportunities for operational improvement, and communicated both the survey results and our response plan to stakeholders via our website and annual report
- We demonstrated our fiscal responsibility by ensuring that our operating expenses did not exceed our budget for the year and we received a clean audit from our external auditors



Inquiries from Canadians

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

OBSI provides assistance to thousands of people who reach out to us each year with complaints and inquiries about a wide range of 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) provide information and assistance and document each of these unique interactions with the public as an inquiry.

10,650

PUBLIC INQUIRIES IN 2022

8% increase in investment-related inquiries in 2022

56% increase in bank-related inquiries in 2022

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.

When the CAO has determined that a case is within our mandate, 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.

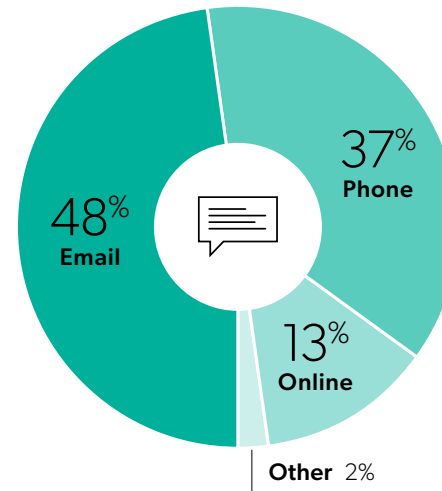
HOW CANADIANS CONTACT US

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, we saw very little change to how Canadians chose to contact us, with similar proportions of email, phone and online inquiries as prior years.

WHAT 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 16% of our inquiries in 2022 were related to investments and 74% to deposit-taking firms. We also redirected more than 1,100 inquiries about firms that do not use our service. In 2022, we saw an 8% increase in investment-related inquiries and a 56% increase in bank-related inquiries. The significant increase in bank-related inquiries was in large part due to

changes to the Bank Act Consumer Protection Framework that came into effect on June 30, 2022, which changed how federally regulated banks must deal with consumer complaints.

Financial Sector	# of Inquiries
Deposit-taking firms	
Banks	7,796
Credit unions	91
Investment firms	
IIROC	868
MFDA	433
Restricted dealers	101
Scholarship plan dealers	89
Portfolio managers	82
Dual registrants: Portfolio managers/Exempt market dealers	31
Exempt market dealers	12
Investment – other	2
Restricted portfolio managers	1
Non-participating firms	
Banks and other	1,144
Total	10,650

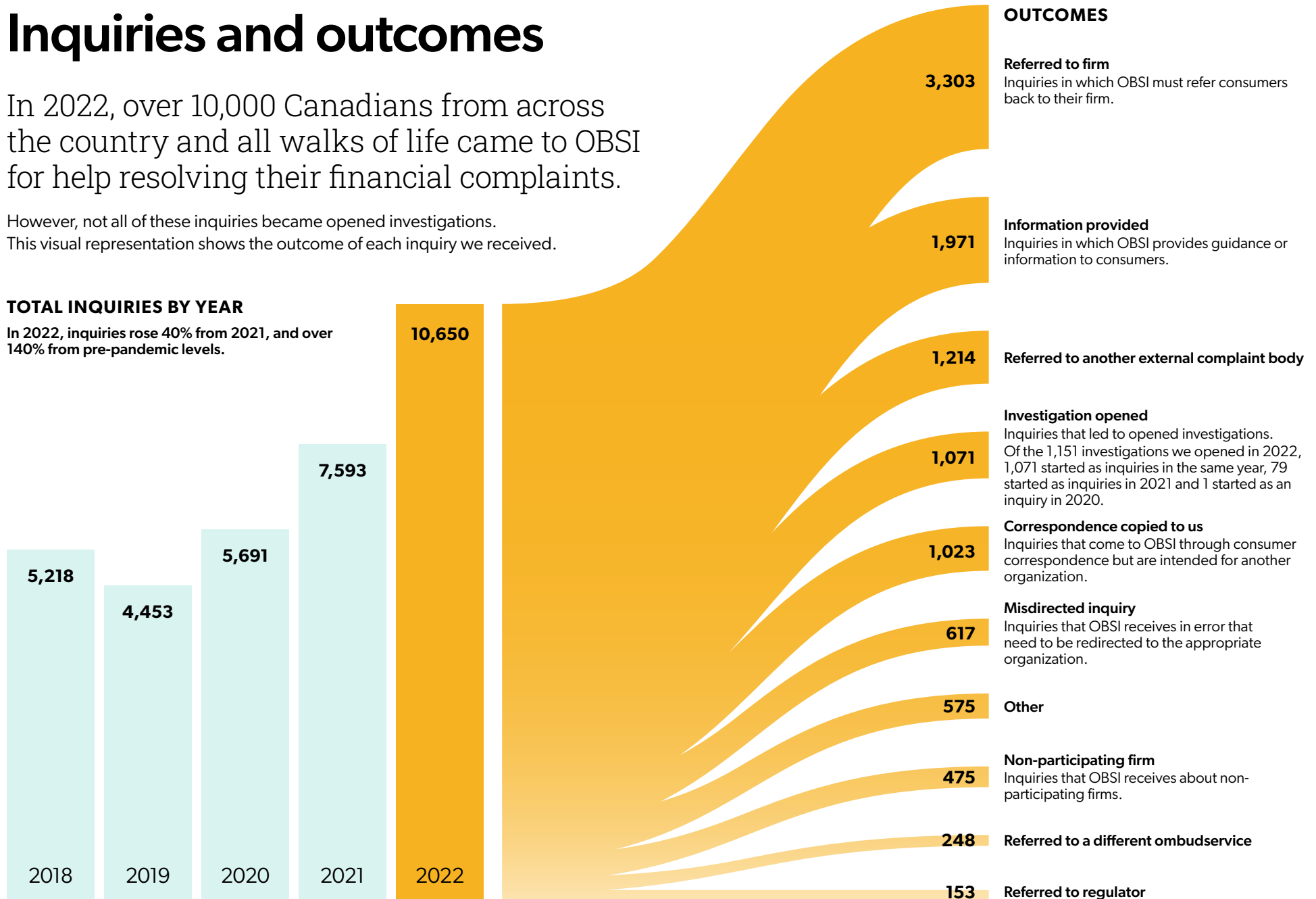
Inquiries and outcomes

In 2022, over 10,000 Canadians from across the country and all walks of life came to OBSI for help resolving their financial complaints.

However, not all of these inquiries became opened investigations. This visual representation shows the outcome of each inquiry we received.

TOTAL INQUIRIES BY YEAR

In 2022, inquiries rose 40% from 2021, and over 140% from pre-pandemic levels.



OUTCOMES

Referred to firm
Inquiries in which OBSI must refer consumers back to their firm.

Information provided
Inquiries in which OBSI provides guidance or information to consumers.

Referred to another external complaint body

Investigation opened
Inquiries that led to opened investigations. Of the 1,151 investigations we opened in 2022, 1,071 started as inquiries in the same year, 79 started as inquiries in 2021 and 1 started as an inquiry in 2020.

Correspondence copied to us
Inquiries that come to OBSI through consumer correspondence but are intended for another organization.

Misdirected inquiry
Inquiries that OBSI receives in error that need to be redirected to the appropriate organization.

Other

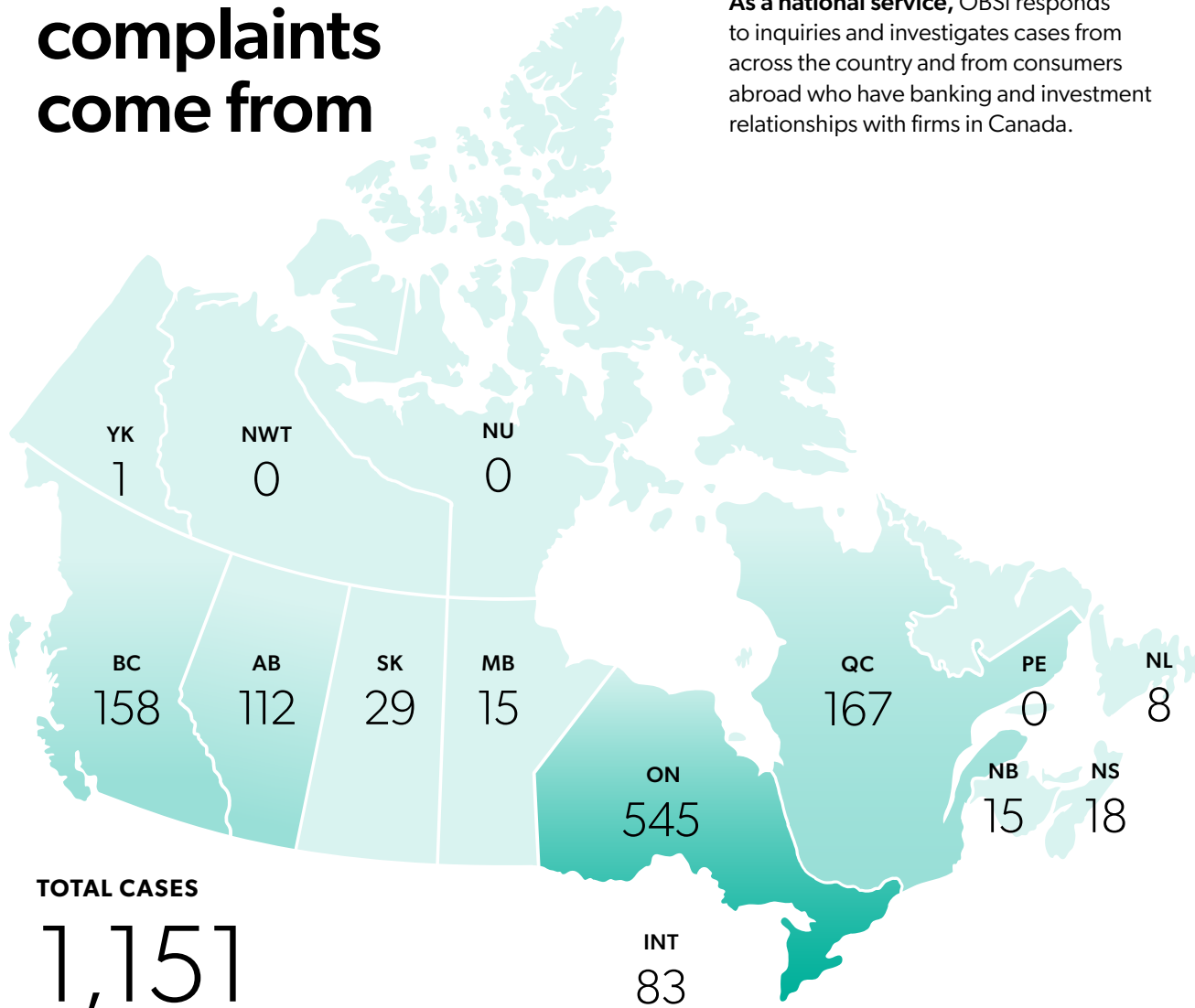
Non-participating firm
Inquiries that OBSI receives about non-participating firms.

Referred to a different ombudservice

Referred to regulator

Where our complaints come from

As a national service, OBSI responds to inquiries and investigates cases from across the country and from consumers abroad who have banking and investment relationships with firms in Canada.



TOTAL CASES
1,151

1,045 English (91%)
106 French (9%)

ALL CASES

Jurisdiction	# of complaints	% of complaints
Ontario	545	47%
Quebec	167	14%
British Columbia	158	13%
Alberta	112	10%
International	83	7%
Saskatchewan	29	3%
Nova Scotia	18	2%
Manitoba	15	1%
New Brunswick	15	1%
Newfoundland & Labrador	8	1%
Yukon	1	<1%
Total	1,151	100%

LANGUAGE OF CASES

Jurisdiction	English	French	Total cases
Ontario	544	1	545
Quebec	64	103	167
All Other Provinces	355	1	356
International	82	1	83
Total	1,045	106	1,151

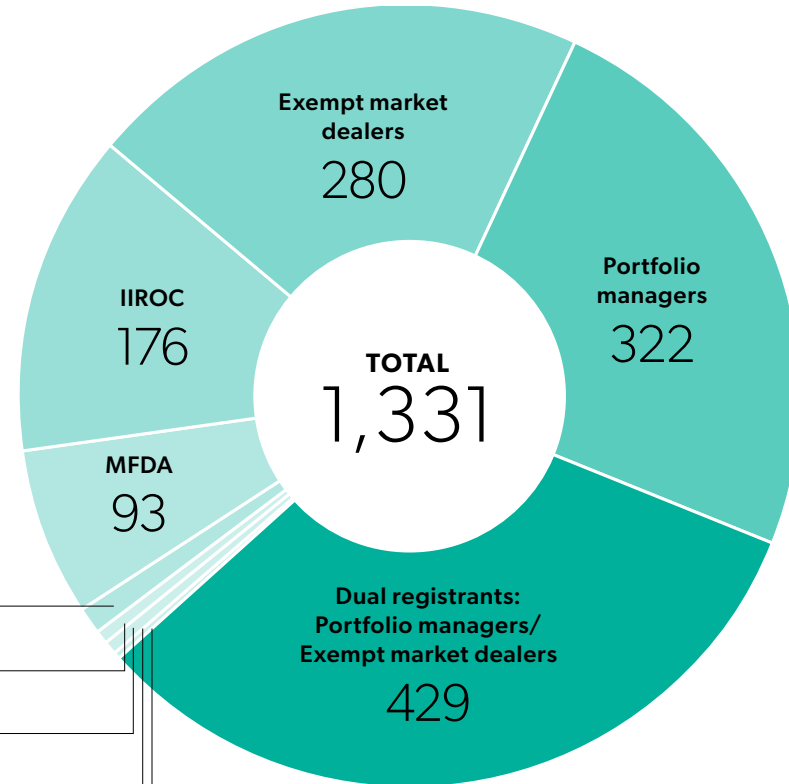
Participating firms

More than 1,500 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 Administrators (CSA) are OBSI participating firms (with limited exceptions), including all firms belonging to the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). Any regulated firm in the banking services and investment fields is eligible to join OBSI.



INVESTMENT FIRMS



Restricted dealers 15

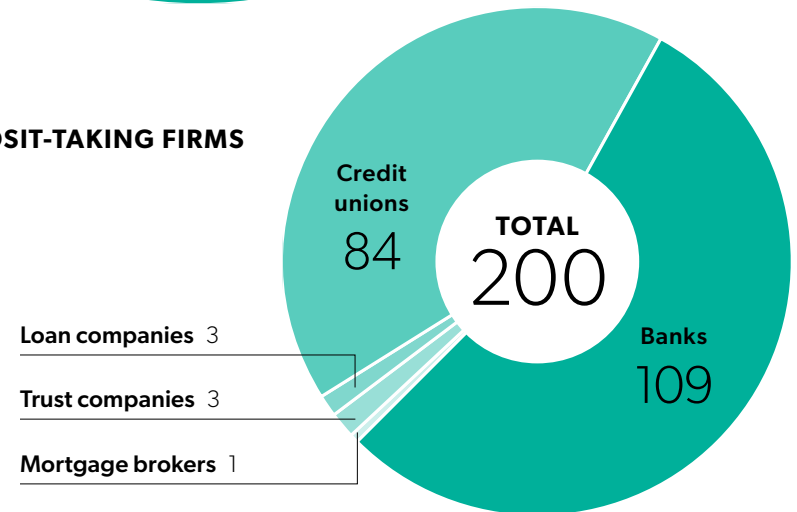
Restricted portfolio managers 7

Scholarship plan dealers 6

Investment fund managers 2

Commodity trading managers 1

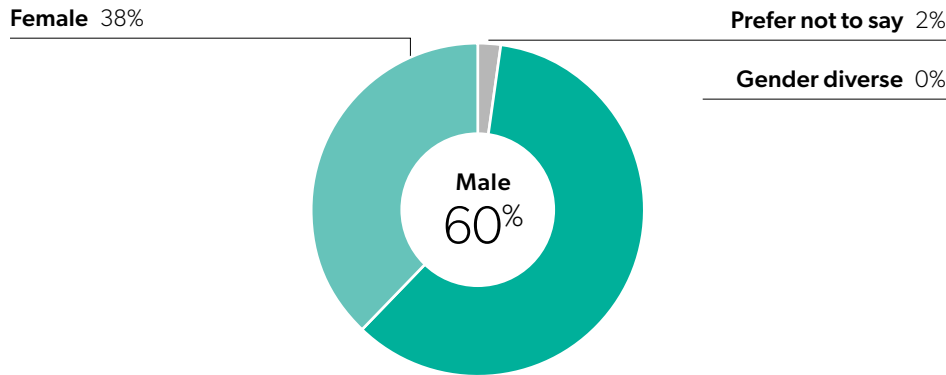
DEPOSIT-TAKING FIRMS



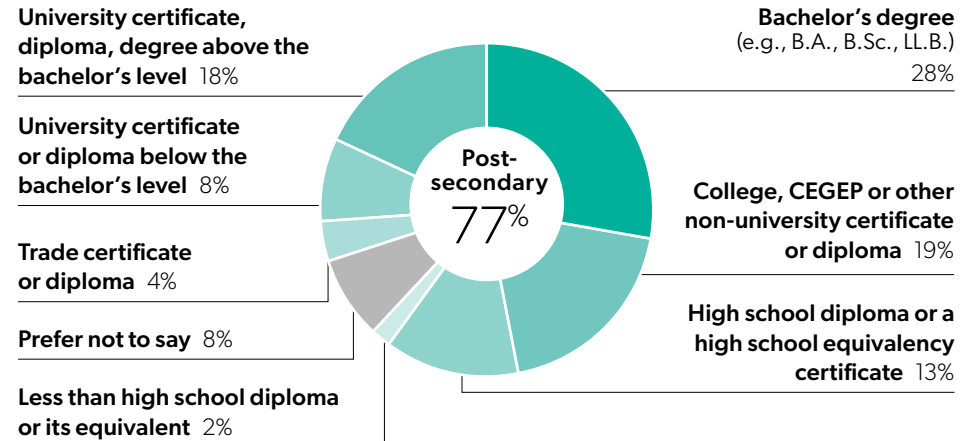
Consumer profiles

BANKING SERVICES

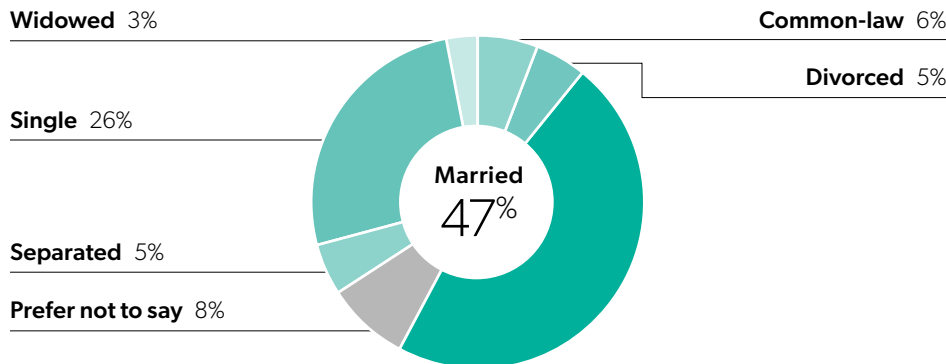
Gender



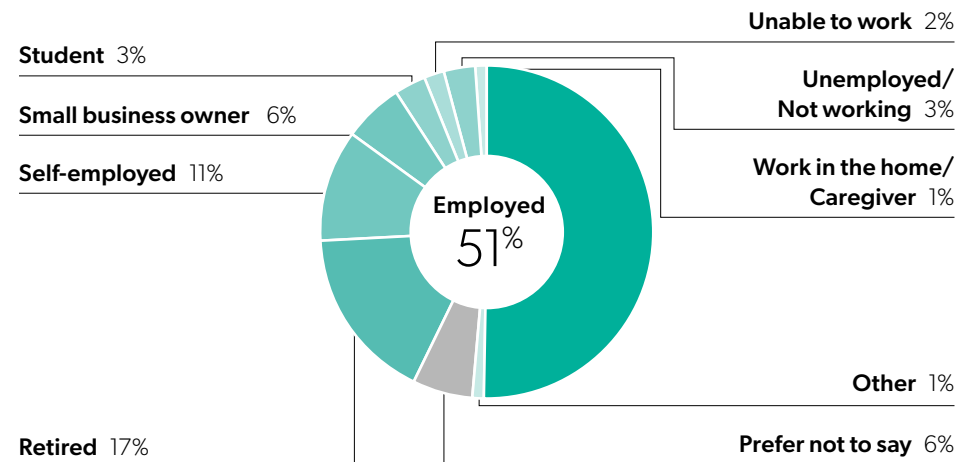
Education



Marital status

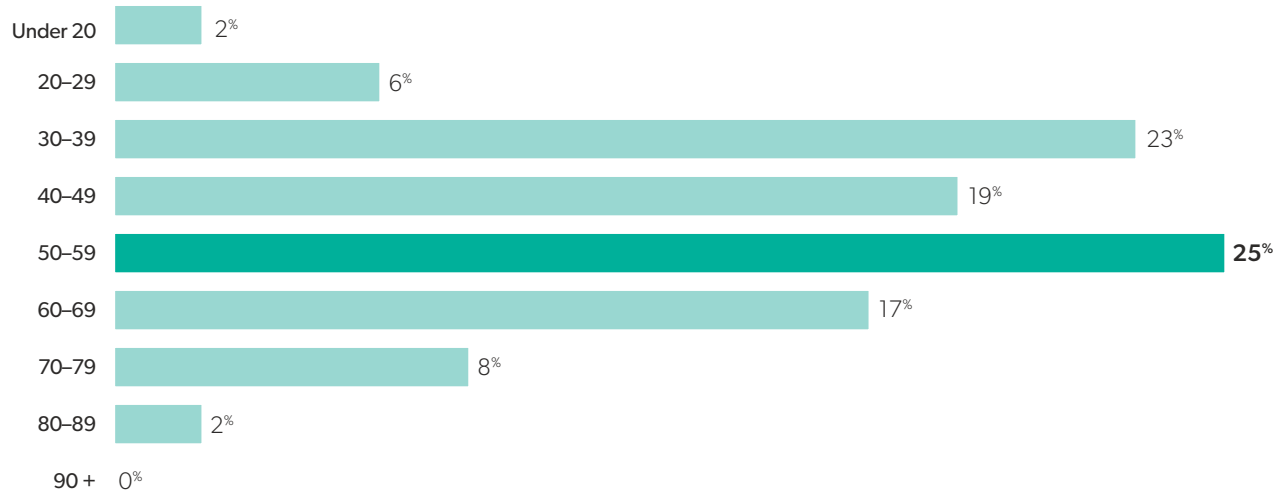


Employment Status

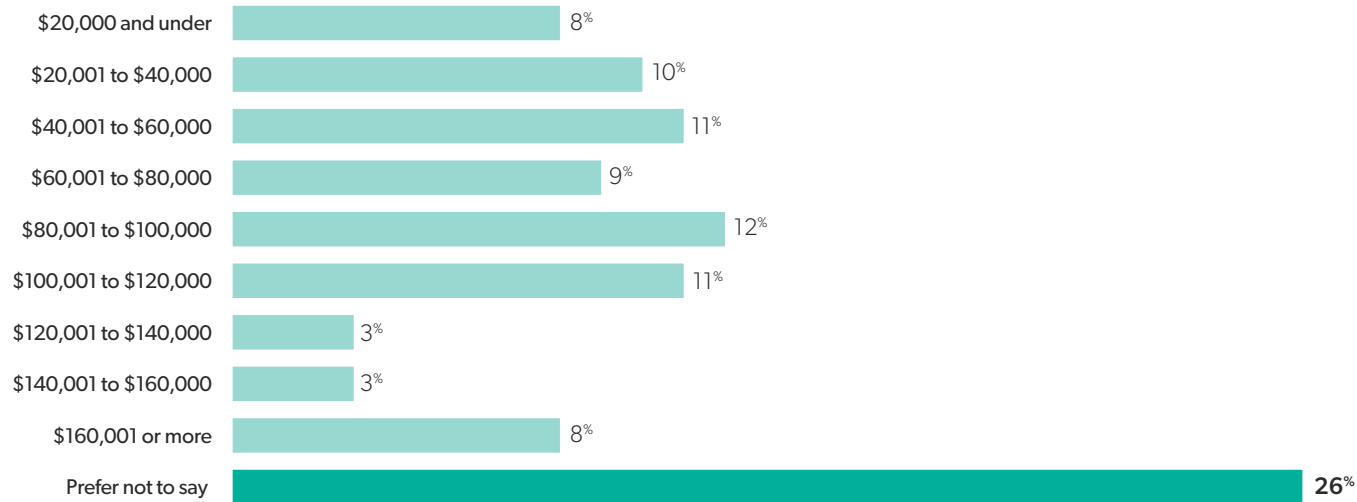


Note: Percentages may not total 100 due to rounding.

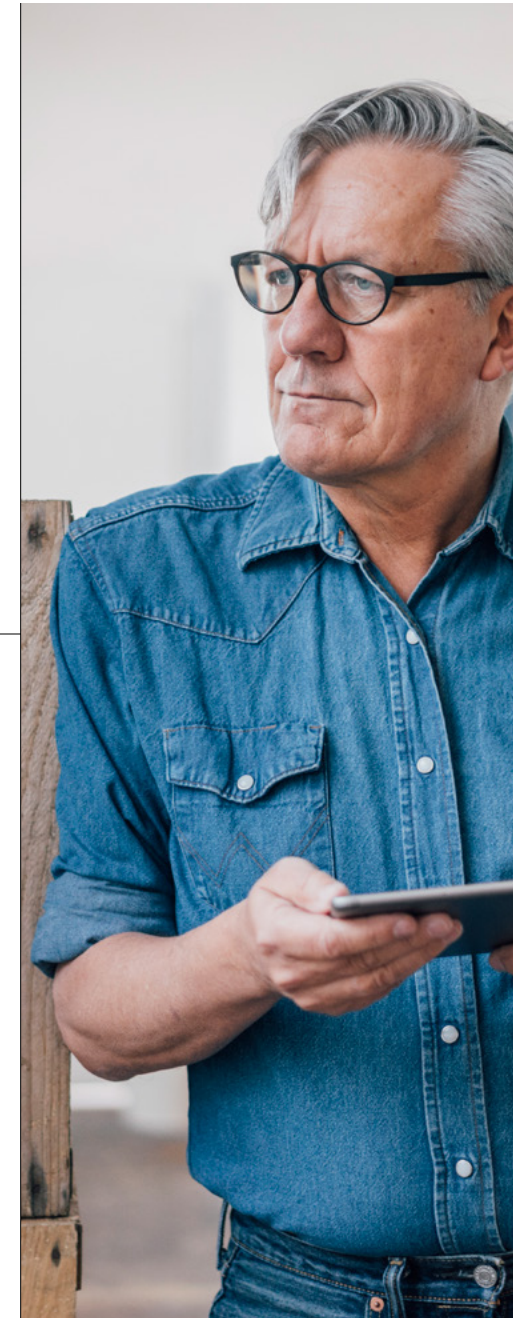
Age



Annual household income



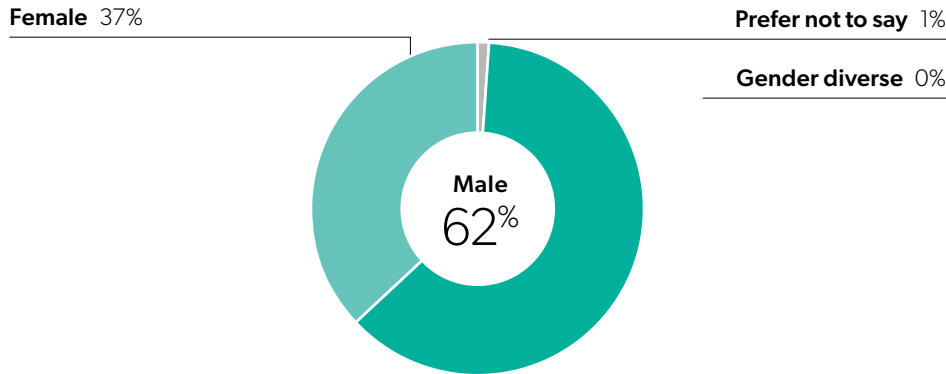
Note: Percentages may not total 100 due to rounding.



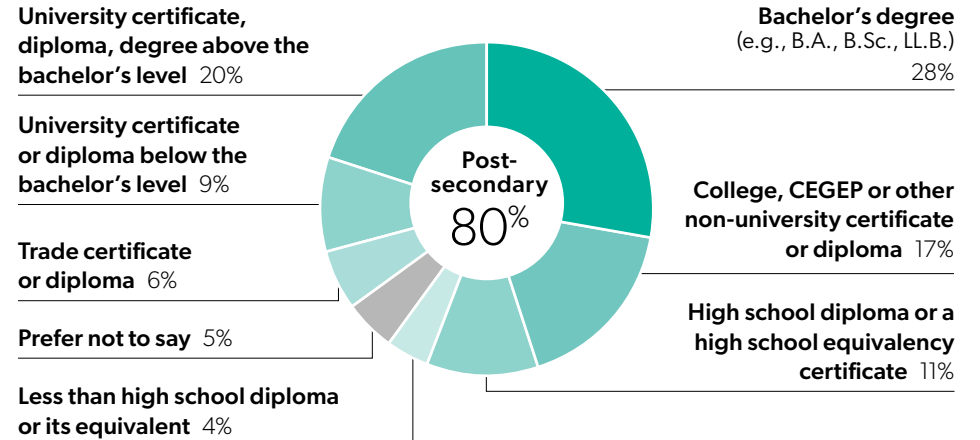
Consumer profiles

INVESTMENTS

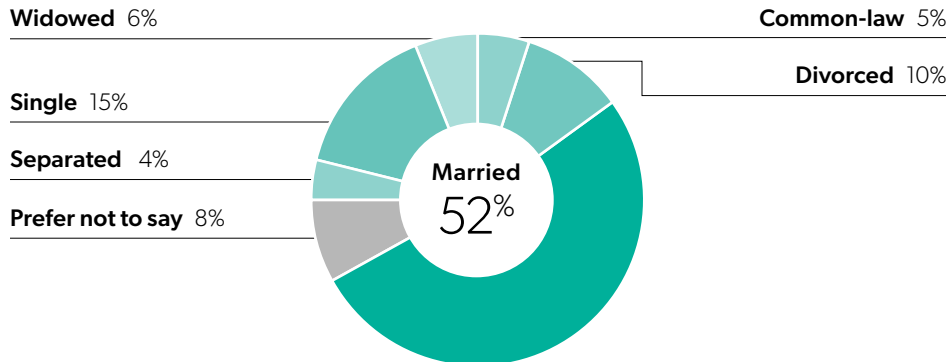
Gender



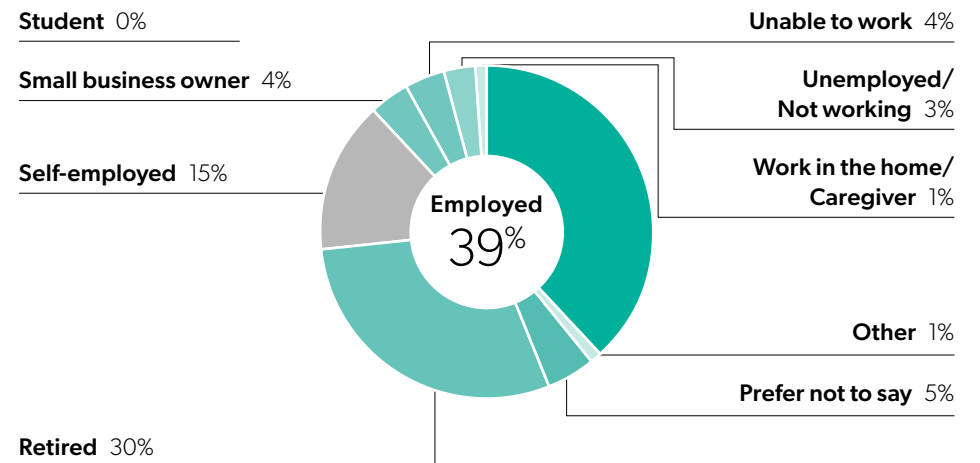
Education



Marital status

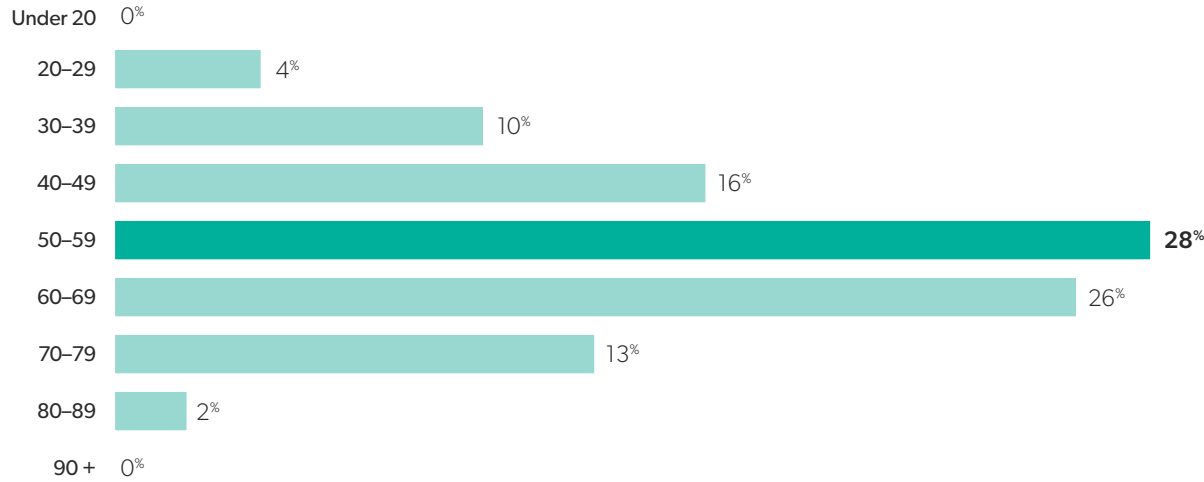


Employment Status

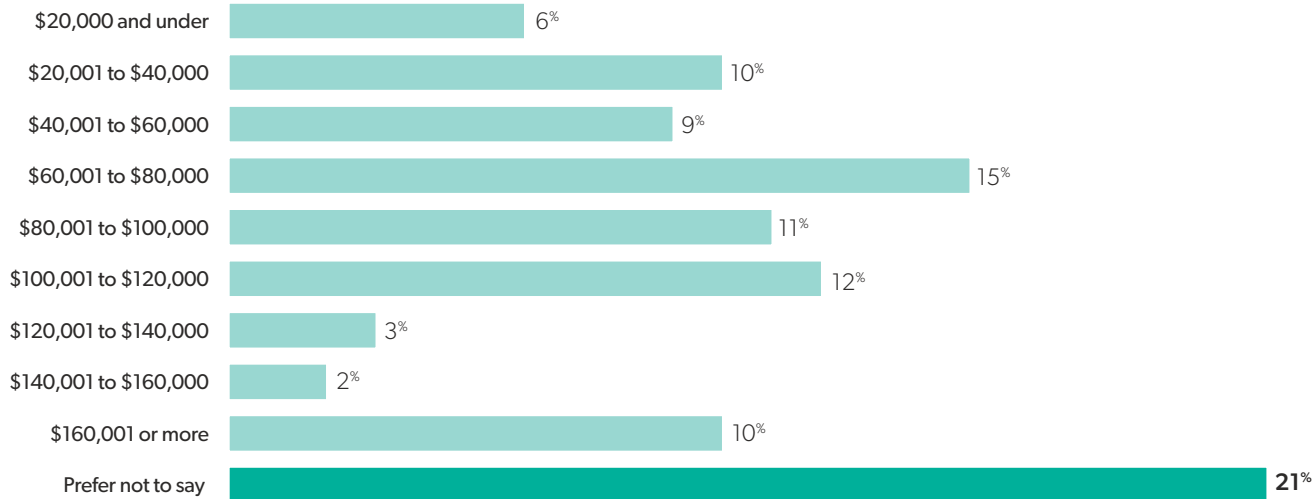


Note: Percentages may not total 100 due to rounding.

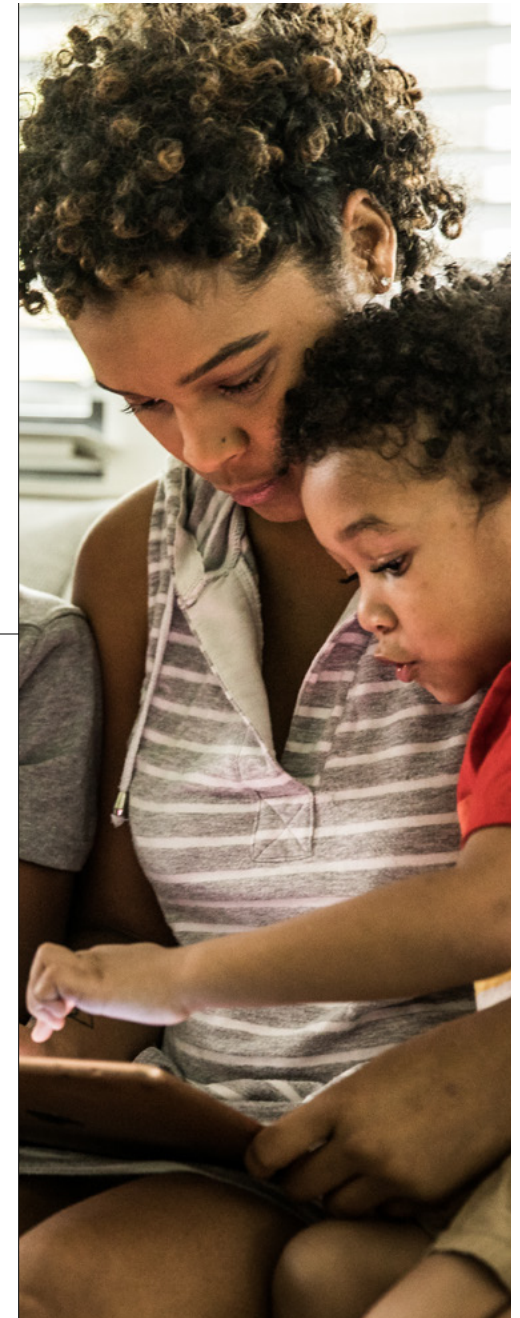
Age



Annual household income



Note: Percentages may not total 100 due to rounding.



Year in review: Banking services

TOP PRODUCTS & ISSUES


- E-transfer fraud
- Credit card fraud
- Credit card chargeback

Cases

Banking cases increased to 686 in 2022 from 514 in 2021, a 33% year-over-year increase.


- This year also saw the continuing trend of rising fraud-related cases.
- For the first time, e-transfers replaced mortgages to become the third most common banking complaint.
- The total number of banking cases closed was 562 in 2022 compared to 461 in 2021, an increase of 23%.



686  opened cases

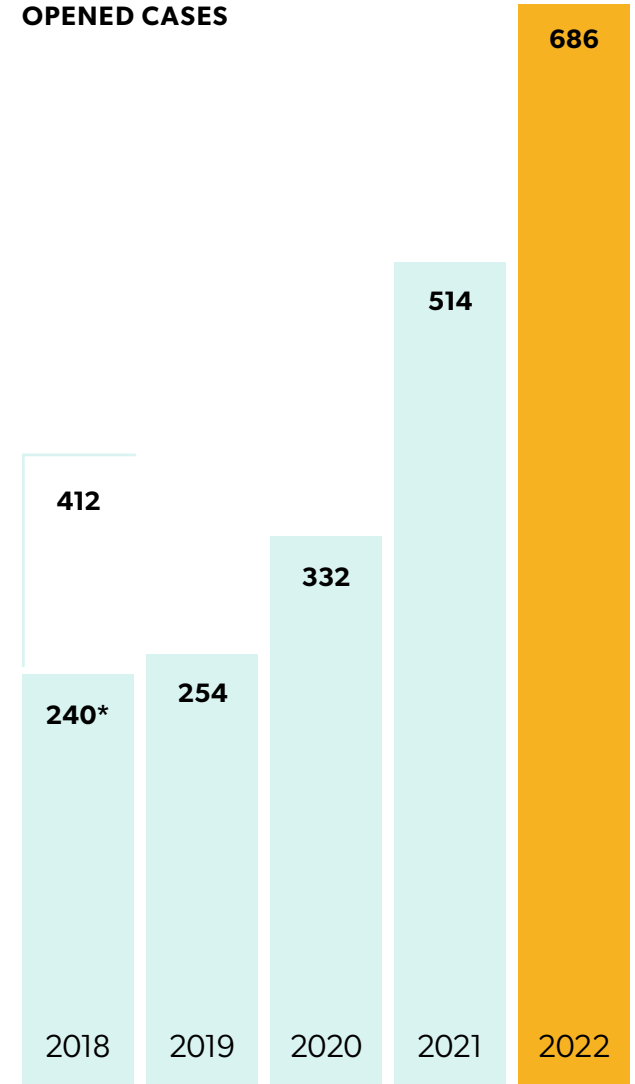
562  closed cases

33%  increase in cases opened from 2021

52  days on average to complete an investigation

\$3,241  average compensation

OPENED CASES



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

Total cases opened by product and issue

In 2022, credit cards complaints accounted for 32% of all banking cases compared to 35% in 2021.

Complaints related to personal savings and chequing accounts represented 15% of all banking cases in 2022 and 2021. E-transfer complaints followed closely at 14 versus 7% in 2021.

Fraud was the leading banking issue, representing 31% of all banking cases, up from 22% in 2021. Complaints related to service issues followed at 19%, compared to 18% in 2021. Chargeback complaints represented 7% of all banking cases in 2022, versus 14% in 2021.

Banking products	# of cases	% of cases
Credit card	217	32%
Personal savings and chequing account	102	15%
e-transfer	94	14%
Mortgage	86	13%
Wire transfer	39	6%
Line of credit	26	4%
Debit card	24	3%
Cheque/certified/money order/draft	14	2%
GIC/term deposit	14	2%
Personal loan	13	2%
Commercial account	12	2%
Registered accounts	11	2%
Other – banking services	8	1%
Commercial loan	8	1%
Home equity line of credit (HELOC)	6	1%
Estate account	5	1%
Insurance – credit protection	4	1%
Safety deposit box	3	<1%
Total	686	100%

Note: Percentages may not total 100 due to rounding.

Banking issues	# of cases	% of cases
Fraud	215	31%
Service issue	130	19%
Chargeback	49	7%
Product information disclosure/misrepresentation	47	7%
Relationship ended	43	6%
Credit reporting	30	4%
Interest rate	26	4%
Credit decision	25	4%
Missing or lost funds	25	4%
Unauthorized transaction	18	3%
Transaction error	16	2%
Other – banking	15	2%
Pre-payment penalty	11	2%
Fee disclosure/misrepresentation/calculation	10	1%
Collections process	9	1%
Hold on funds	5	1%
Product modification	5	1%
Privacy breach	4	1%
Transfer delay	1	<1%
Joint holder disputes	1	<1%
Instructions not followed	1	<1%
Total	686	100%

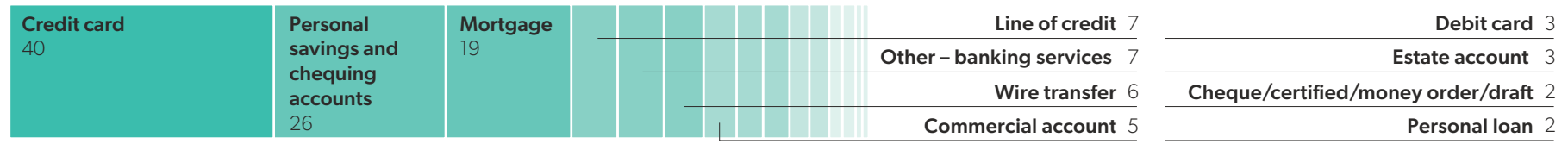
Top five banking issues and products for 2022

This is a visual representation of the five most reported banking issues during the year and related products. Each segment represents a product that has been impacted by the corresponding issue. The size of the segment is proportional to the number of complaints received in relation to the products impacted.

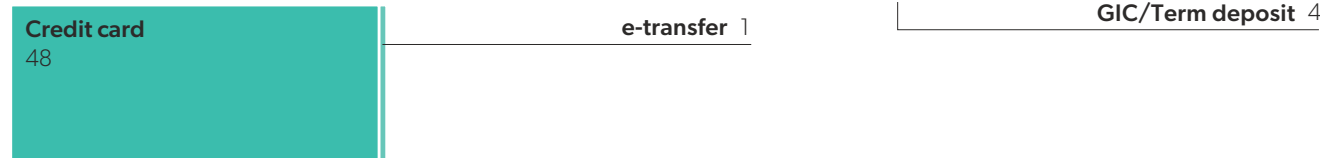
FRAUD 215



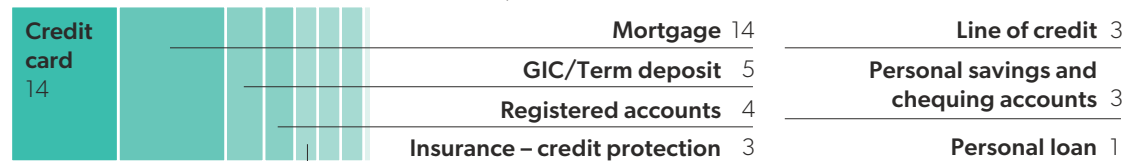
SERVICES ISSUE 130



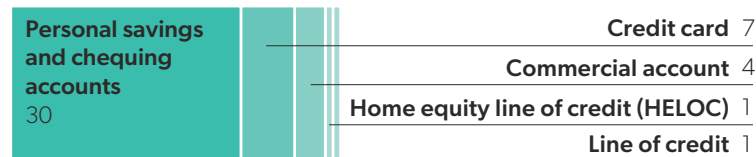
CHARGEBACK 49



PRODUCT INFORMATION DISCLOSURE/MISREPRESENTATION 47



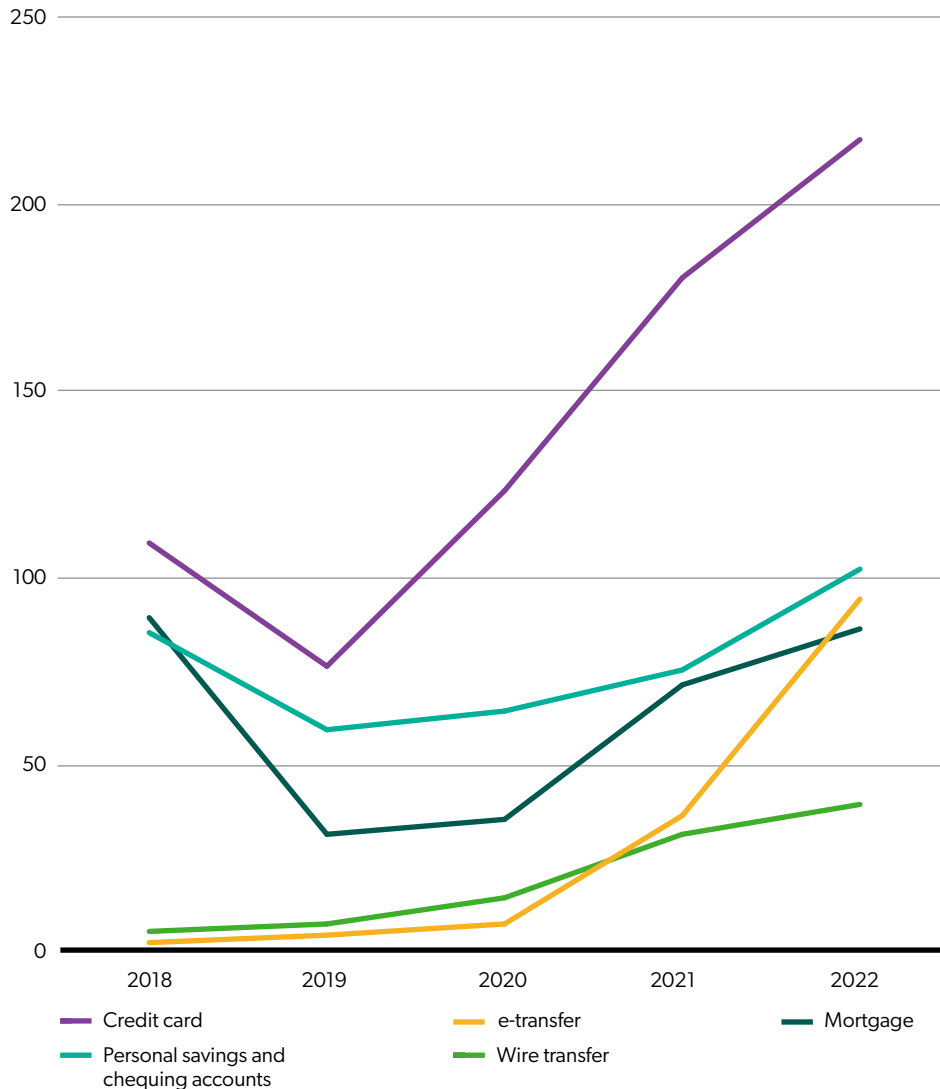
RELATIONSHIP ENDED 43



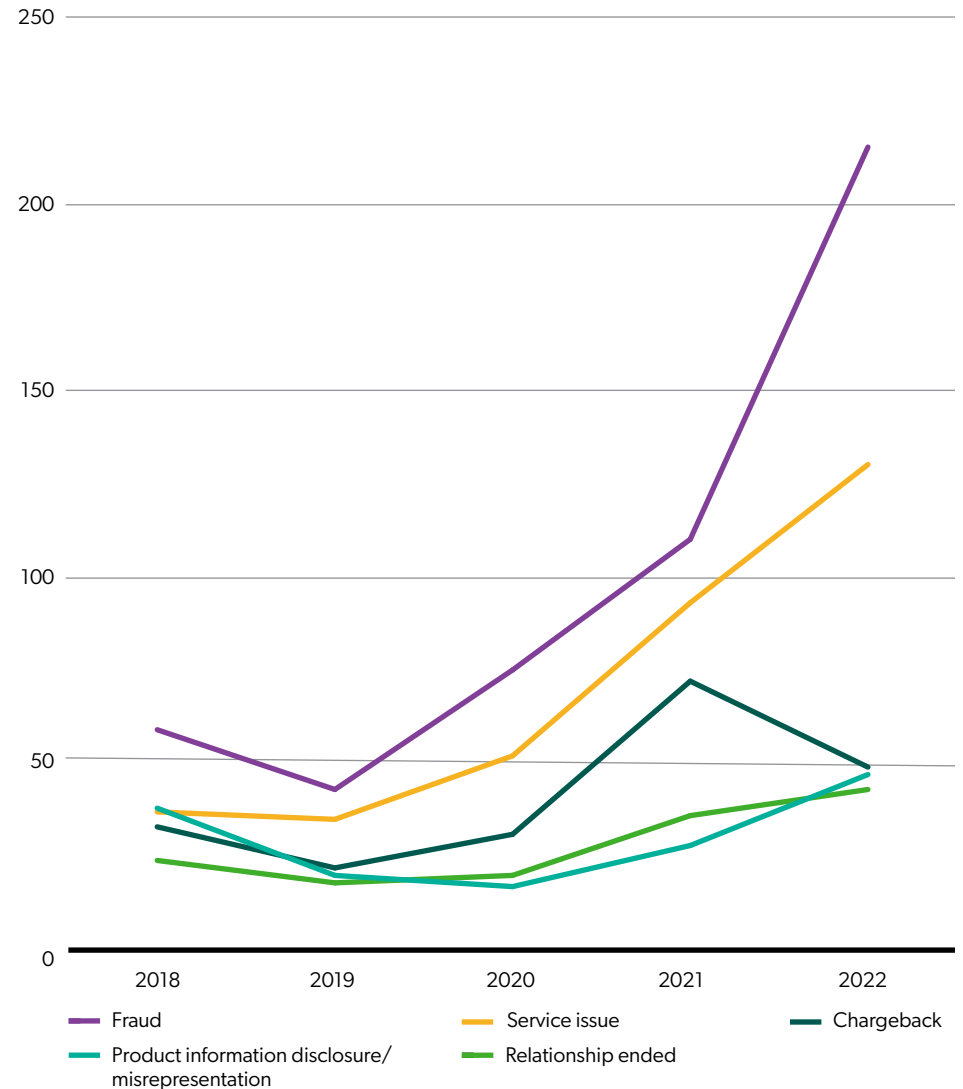
Banking disputes: Five-year trend

These charts provide a trendline for 2022's top five banking products and issues since 2018.

BANKING PRODUCTS 2018–2022



BANKING ISSUES 2018–2022



Timeliness

In 2022, we took an average of 52 days to complete banking-related investigations, down from 55 days in 2021.

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.



Most cases closed in under 60 days and almost all in under 90 days in 2022

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	63%
under 90	90%
under 120	100%

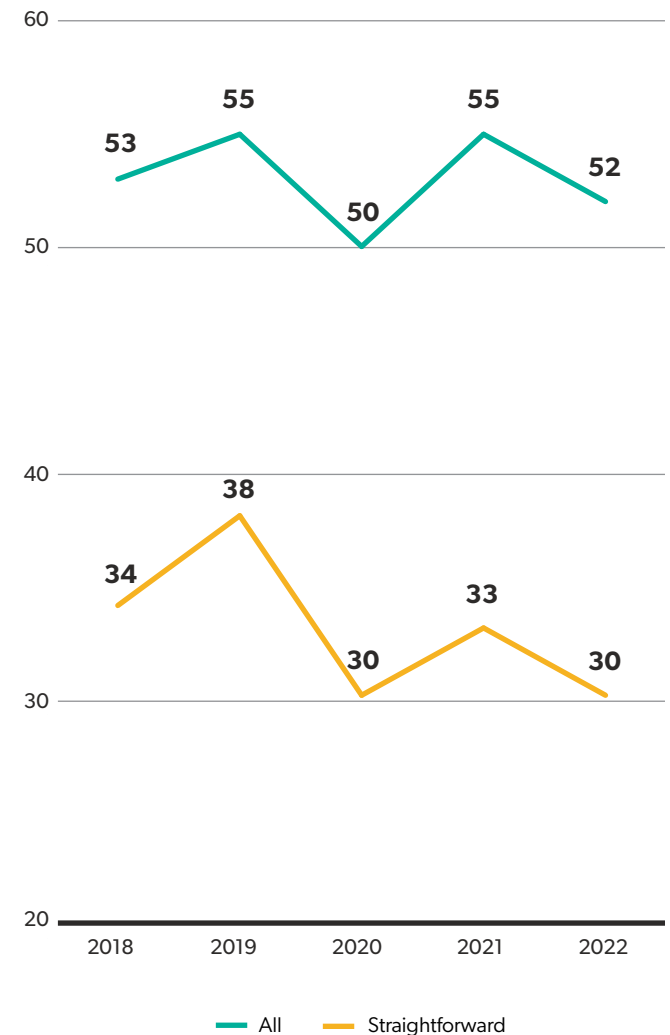
Straightforward cases closed in an average of 30 days

Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2022, we completed our investigation in straightforward banking cases in an average of 30 days, down from 33 days in 2021.

	Average number of days to close case file
Straightforward investigations	30
All investigations	52

HISTORICAL BANKING CASE TIMELINESS 2018-2022

Average number of days



Opened cases by firm

OBSI opened 686 banking cases this year from 45 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 123 cases and non-monetary compensation, such as an apology or restoration of a credit rating, in nine cases.



WHY ARE THESE FIGURES REPORTED?

The Bank Act sets out conditions that an external complaint body (ECB) must meet to maintain its approval. As an approved ECB, this requires OBSI to publish an annual report that includes, for each bank, the number of:

- complaints received
- complaints determined to be within our Terms of Reference
- final recommendations made
- complaints that, in our 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 reflects 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 sending explanatory letters to a consumer's creditors
- **Settlements before an investigation** where the firm and complainant came to a resolution before an investigation formally began

Firm Name	Firm size (in millions) ¹	Complaints Received	Complaints deemed in mandate	Settlement before investigations	Opened Cases	Final Recommendations Made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to Satisfaction of Complainant
Amex Bank of Canada	2,847	42	40	1	38	26	0	22	3
B2B Bank	11,880	6	6	0	4	4	2	1	2
Bank of Montreal	1,139,199	331	286	3	256	213	20	161	43
Caisse populaire acadienne ltée (UNI)	5,415	2	1	0	0	0	0	0	0
Canadian Imperial Bank of Commerce	943,597	279	248	6	226	198	38	120	62
Canadian Tire Bank	6,756	7	7	0	5	3	0	3	0
Canadian Western Bank	41,440	4	4	0	2	3	0	1	2
Capital One Bank (Canada Branch)	4,482	67	56	1	49	34	3	24	4
CIBC Mellon Trust Company	18,783	1	0	0	0	0	0	0	0
Coast Capital Savings Federal Credit Union	22,136	5	4	0	4	3	0	3	0
Community Trust Company	3,578	2	2	0	2	1	0	1	0
Concentra Bank	10,448	1	1	0	1	1	0	1	0
Effort Trust Company (The)	1,062	1	1	0	1	0	0	0	0
Equitable Bank	40,193	4	4	0	3	2	1	1	1
Fairstone Bank of Canada	6,479	6	5	1	5	3	0	2	1
Fairstone Financial Inc. ²	6,479	2	2	0	1	0	0	0	0
Habib Canadian Bank	350	1	1	0	1	1	0	1	0
Home Trust Company	22,415	2	0	0	0	0	0	0	0

¹ Canadian bank and trust assets as of October 31, 2022 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2022 as reported by Canadian Credit Union Association (CCUA)

² Fairstone Financial Inc. was rebranded to Fairstone Bank of Canada in June 2022

Firm Name	Firm size (in millions) ¹	Complaints Received	Complaints deemed in mandate	Settlement before investigations	Opened Cases	Final Recommendations Made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to Satisfaction of Complainant
HomeEquity Bank	6,358	1	1	0	1	1	0	1	0
HSBC Bank Canada	130,569	35	34	1	31	26	3	20	5
ICICI Bank Canada	5,984	2	2	0	2	2	0	2	0
Industrial and Commercial Bank of China (Canada)	2,503	1	1	0	1	0	0	0	0
JPMorgan Chase Bank, National Association	13,504	3	2	0	2	1	0	0	1
KEB Hana Bank Canada	1,920	1	1	0	1	0	0	0	0
Laurentian Bank of Canada	50,716	5	5	0	5	7	2	4	3
Manulife Bank of Canada	29,348	4	3	0	2	1	0	1	0
Motus Bank	259	1	1	0	1	1	0	1	0
Peoples Trust Company	5,334	13	12	1	10	5	0	3	1
President's Choice Bank	4,748	15	11	3	10	6	0	1	4
RFA Bank of Canada	1,935	2	2	0	2	1	0	1	0
Rogers Bank	484	7	7	1	7	4	0	2	2
Shinhan Bank Canada	902	1	1	0	1	1	0	1	0
Vancity Community Investment Bank	311	0	0	0	0	1	0	0	1
Affinity Credit Union	6,980	3	3	0	3	3	0	2	1
Bulkley Valley Credit Union	547	1	1	0	1	1	0	1	0
Community Savings Credit Union	875	1	1	0	0	0	0	0	0

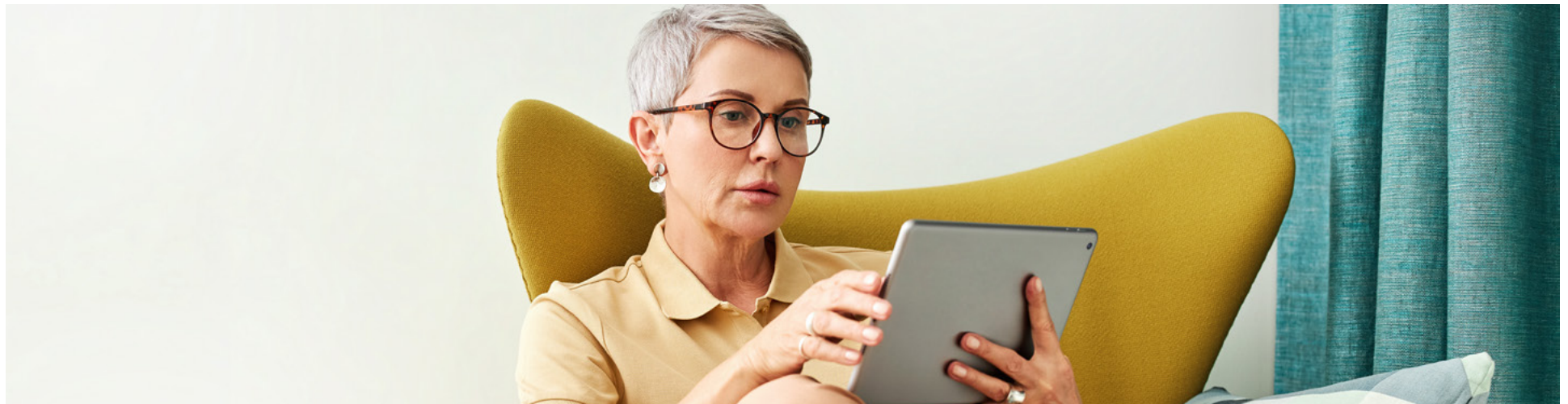
¹Canadian bank and trust assets as of October 31, 2022 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2022 as reported by Canadian Credit Union Association (CCUA)

²Fairstone Financial Inc. was rebranded to Fairstone Bank of Canada in June 2022

Firm Name	Firm size (in millions) ¹	Complaints Received	Complaints deemed in mandate	Settlement before investigations	Opened Cases	Recommendations Made	Final	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to Satisfaction of Complainant
Conexus Credit Union	6,815	1	1	0	1	1	0	0	1	0
First Credit Union	678	1	1	0	1	1	0	0	1	0
Innovation Credit Union	3,126	1	0	0	0	0	0	0	0	0
Prospera Credit Union	6,870	1	1	0	1	1	0	0	1	0
Servus Credit Union Limited	17,888	1	1	0	1	2	0	0	2	0
Sunshine Coast Credit Union	906	0	0	0	0	1	0	0	1	0
Synergy Credit Union Limited	1,667	2	2	0	2	1	0	0	1	0
TCU Financial Group Credit Union	739	1	1	0	1	1	0	0	1	0
Vancity Savings Credit Union	27,946	3	3	0	1	1	1	0	0	1
Total		870	766	18	686	562	70	389	137	

¹Canadian bank and trust assets as of October 31, 2022 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2022 as reported by Canadian Credit Union Association (CCUA)

²Fairstone Financial Inc. was rebranded to Fairstone Bank of Canada in June 2022



Year in review: Investments

TOP PRODUCTS & ISSUES

- Common shares service issue
- Mutual funds investment suitability
- Crypto assets fraud

Cases


Investment complaints decreased by 18% to 465 in 2022 from 568 cases opened in 2021.


- This year also saw a significant increase in fraud-related investment cases, particularly relating to crypto assets.
- The rise in crypto asset complaints coincided with more cryptocurrency dealers joining OBSI as participating firms in 2022.
- The number of investment cases closed in 2022 was 444, compared to 567 in 2021, a decrease of 27%.




465  opened cases

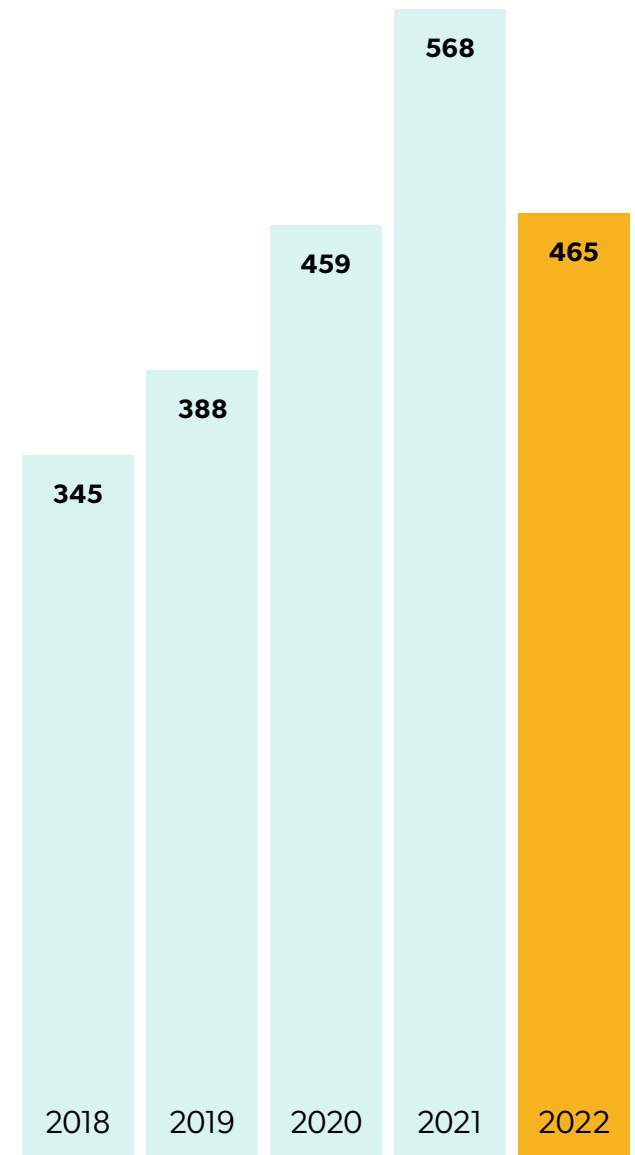
444  closed cases

18%  decrease in cases opened from 2021

78  days on average to complete an investigation

\$8,985  average compensation

OPENED CASES



Total cases opened by product and issue

In 2022, mutual funds became the leading investment product for complaints, accounting for 37% of all investment cases compared to 27% in 2021.

Common shares (equities) complaints decreased to 33% of all investment cases from 43% in 2021. Crypto asset related complaints followed with 11% of all investment cases, replacing scholarship trust plans which was the third most common investor concern in 2021.

The leading investment issue was service, representing 21% of all investment cases, up from 16% in 2021. Complaints related to investment suitability followed at 15% compared to 14% in 2021. Fraud-related cases represented 11% of all investment complaints, up from 1% in 2021. The significant increase in fraud cases was largely related to crypto asset complaints.

Investment Products	# of cases	% of cases
Mutual funds	170	37%
Common shares	153	33%
Crypto assets	52	11%
Scholarship trust plans	30	6%
Derivatives	24	5%
GICs and cash equivalents	13	3%
Hedge funds	8	2%
ETFs (non-leveraged)	4	1%
Other – investments	3	1%
PPNs and linked notes	2	<1%
Bonds, debentures	2	<1%
Segregated funds and other insurance products	1	<1%
Preferred shares (rate reset)	1	<1%
Income trusts	1	<1%
Total	465	100%

Note: Percentages may not total 100 due to rounding.

Investment Issues	# of cases	% of cases
Service issue	96	21%
Investment suitability	70	15%
Fraud	50	11%
Fee disclosure/misrepresentation/calculation	36	8%
Instructions not followed	36	8%
Product information disclosure/misrepresentation	35	8%
Inappropriate advice and investment strategy	30	6%
Transfer delay	29	6%
Margin issues	26	6%
Unauthorized transaction	23	5%
Transaction error	22	5%
Privacy breach	6	1%
Margin or leverage suitability	4	1%
Other – investments	2	<1%
Total	465	100%

Top five investment issues and products for 2022

This is a visual representation of the five most reported investment issues during the year and related products. Each segment represents a product that has been impacted by the corresponding issue. The size of the segment is proportional to the number of complaints received in relation to the products impacted.

SERVICE ISSUES 96



INVESTMENT SUITABILITY 70



FRAUD 50



FEE DISCLOSURE/MISREPRESENTATION/CALCULATION 36



INSTRUCTIONS NOT FOLLOWED 36



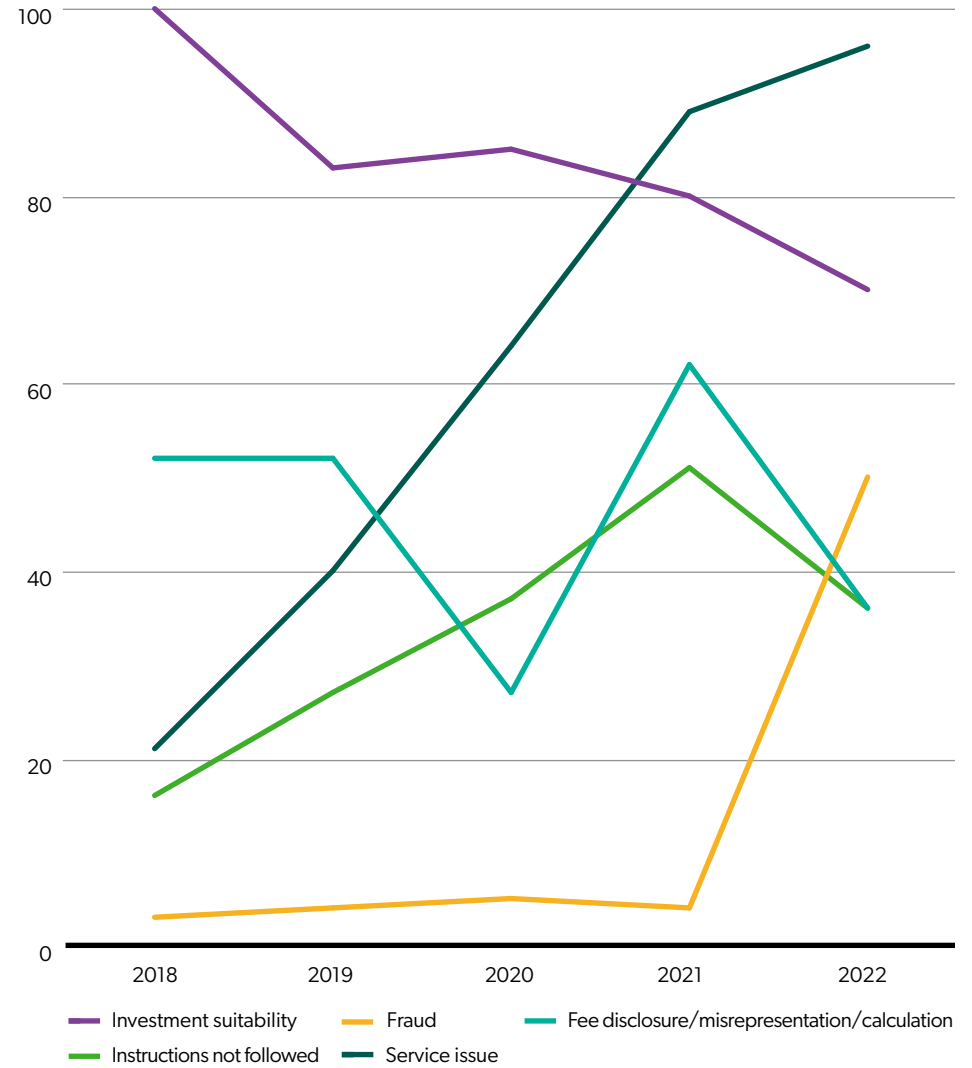
Investment Disputes: Five-year Trend

These charts provide a trendline for 2022's top five investment products and issues since 2018.

INVESTMENT PRODUCTS 2018–2022



INVESTMENT ISSUES 2018–2022



Timeliness

In 2022, we took an average of 78 days to complete investment investigations, up from 75 days in 2021.

We also completed 99% 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 ends when we send a final conclusion to the consumer and the firm.



Most cases closed in under 90 days and almost all in under 120 days in 2022

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	9%
under 60	37%
under 90	66%
under 120	90%
under 180	99%

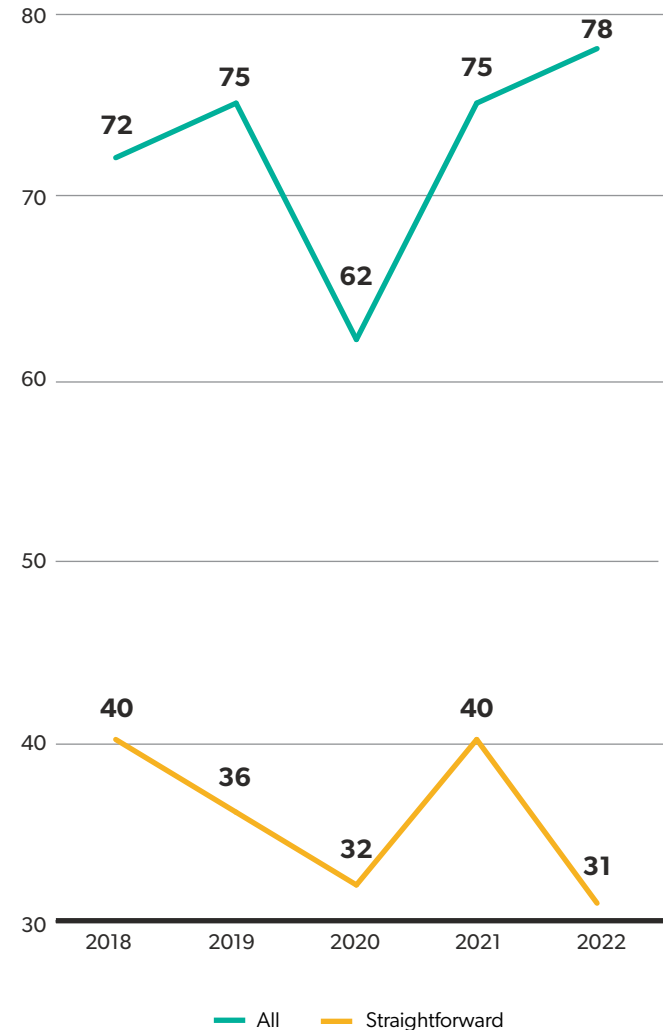
Straightforward cases closed in an average of 30 days

Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2022, we completed our investigation in straightforward investment cases in an average of 31 days, down from 40 days in 2021.

	Average number of days to close case file
Straightforward investigations	31
All investigations	78

HISTORICAL INVESTMENT CASE TIMELINESS 2018-2022

Average number of days



Opened cases by firm

OBSI opened 465 investment cases this year from 90 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.



Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
Raintree Financial Solutions Inc.	1	0	0
Exempt market dealers	1	0	0
Argosy Securities Inc.	0	1	1
ATB Securities Inc.	16	24	0
BMO InvestorLine Inc.	16	24	7
BMO Nesbitt Burns Inc.	4	8	3
Canaccord Genuity Corp.	3	3	0
CIBC Investor Services Inc.	29	32	19
CIBC World Markets Inc.	5	14	6
CI Investment Services Inc.	0	1	0
CMC Markets Canada Inc.	0	0	0
Credential Qtrade Securities Inc.	1	1	0
Coinsquare Capital Markets Limited	1	1	0
Desjardins Securities Inc.	0	1	1
Echelon Wealth Partners Inc.	1	1	0
Edward Jones	1	4	0
Fortrade Canada Limited	3	2	1
Friedberg Mercantile Group Limited	1	1	0
Harbourfront Wealth 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
HSBC Securities (Canada) Inc.	1	3	0
iA Private Wealth Inc.	1	1	0
Interactive Brokers Canada inc.	11	9	2
Investors Group Securities Inc.	3	2	2
Manulife Securities Incorporated	3	2	1
MD Management Limited	3	1	1
National Bank Financial Inc.	9	7	0
Nour Private Wealth Inc.	1	1	0
OANDA (Canada) Corporation ULC	1	1	1
Questrade, Inc.	15	12	5
Raymond James Limited	2	2	0
RBC Direct Investing Inc.	29	28	11
RBC Dominion Securities Inc.	10	6	2
Richardson Wealth Limited	2	1	1
Scotia Capital Inc.	25	27	8
TD Waterhouse Canada Inc.	48	45	19
Wellington-Altus Private Wealth Inc.	1	1	0
Wealthsimple Investments Inc.	4	4	2
IIROC	236	249	93
Amerity Wealth Management Inc.	0	1	0
BMO Investments Inc.	11	5	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
Canfin Magellan Investments Inc.	1	1	0
CIBC Securities Inc.	10	7	3
Credential Asset Management Inc.	1	0	0
Desjardins Financial Security Investments Inc.	1	0	0
Equity Associates Inc.	1	2	1
Global Maxfin Investments Inc.	2	5	3
GP Wealth Management Corporation	1	0	0
HSBC Investment Funds (Canada) inc.	2	4	3
HUB Capital Inc.	0	1	1
Investia Financial Services Inc.	5	5	1
Investors Group Financial Services Inc.	11	11	4
IPC Investment Corporation	1	1	1
LBC Financial Services	1	2	0
Manulife Securities Investment Services Inc.	1	0	0
National Bank Investments Inc.	2	2	0
PFSL Investments Canada Limited	5	2	1
Royal Mutual Funds Inc.	22	16	5
Scotia Securities Inc.	31	15	5
Sterling Mutuals Inc.	1	2	1
Sun Life Financial Investment Services (Canada) Inc.	2	1	0

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant ¹
TD Investment Services Inc.	20	12	6
WFG Securities Inc.	2	0	0
Worldsource Financial Management Inc.	1	1	1
MFDA	135	96	37
HSBC Private Investment Counsel (Canada) Inc.	1	0	0
Lycos Asset Management Inc.	1	0	0
Manulife Investment Management Limited	1	1	0
MD Financial Management Inc.	1	1	1
Northland Wealth Management Inc.	0	11	0
Pollitt Investment Counsel Inc.	1	1	1
Wealthsimple Inc.	1	4	1
Portfolio managers	6	18	3
Bitbuy Technologies Inc.	3	3	0
Bitvo Inc.	0	0	0
Coinberry Limited	10	6	2
Foris DAX, Inc.	2	1	0
Netcoins Inc	3	1	0
Newton Crypto Limited	1	0	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
Shakepay Inc.	17	0	0
SIMPLY DIGITAL TECHNOLOGIES INC.	7	6	0
VirgoCX Inc.	5	4	0
Wealthsimple Digital Assets Inc.	3	2	0
Restricted dealers	51	23	2
Children's Education Funds Inc.	4	5	3
C.S.T. Savings Inc.	4	3	2
Global Growth Assets Inc.	4	3	2
Knowledge First Financial Inc.	18	36	8
Scholarship plan dealers	30	47	15
CI Investments Inc.	1	2	0
Dixon Mitchell Investment Counsel Inc.	1	1	0
Fieldhouse Capital Management Inc.	0	3	3
KAI Asset Management Inc.	1	0	0
Mackenzie Financial Corporation	1	1	0
Pinnacle Wealth Brokers Inc.	1	3	1
TD Waterhouse Private Investment Counsel Inc.	0	0	0
TriDelta Investment Counsel Inc.	1	1	0
Dual registrants: Portfolio managers/Exempt market dealers	6	11	4
Total	465	444	154

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.

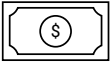
If OBSI concludes that the consumer or investor was treated fairly, or the compensation previously offered by the firm is fair, a clear explanation of the findings will be provided to the consumer or investor. In accordance with OBSI's Terms of Reference, the name of any firm that refuses a recommendation will be made public.




Monetary compensation

TOTAL COMPENSATION IN 2022

\$1,701,553

21%  of banking complaints (123 of 562) ended with monetary compensation

33%  of investment complaints (148 of 444) ended with monetary compensation

There were no refusals by any participating firms of OBSI recommendations in 2022.

	Total	Average	Median	Lowest	Highest	# of case files
Banking	\$398,668	\$3,241	\$700	\$50	\$68,028	123
Investments	\$1,302,885	\$8,985	\$1,596	\$100	\$242,931	148
Total combined	\$1,701,553					

Non-monetary compensation

In 2022, we recommended non-monetary compensation in nine banking cases and four investment cases.

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



Issues affecting multiple consumers

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 (commonly referred to 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 addition to these specific, case-related reports, we provide ongoing detailed trend data on case issues, products, and outcomes to regulators to facilitate discussions with them on the trends we are observing.

We also engage in an open dialogue with regulators and industry participants on emerging issues we identify in our case-handling process. These channels are an important forum for information exchange between OBSI and financial sector policy makers. In addition, broader systemic issues that we observe frequently inform our public communications such as our consumer and firm bulletins, approaches, and case studies.



TOPICS DISCUSSED WITH REGULATORS AT REGULAR MEETINGS IN 2022

- Detailed aggregate data including
 - Products, issues and outcomes details and trends
 - Specific (anonymized) case outcomes and summaries
 - Additional information relating to cases involving low settlements
- Pandemic impacts on the Canadian financial services sector
- Service standards and delivery at order-execution only (OEO) or do-it-yourself (DIY) investment platforms
- Cryptocurrency fraud cases
- Trends in complaints relating to unsuitable investments

WE REPORTED ONE CASE-SPECIFIC SYSTEMIC ISSUE TO REGULATORS IN 2022:

Investments

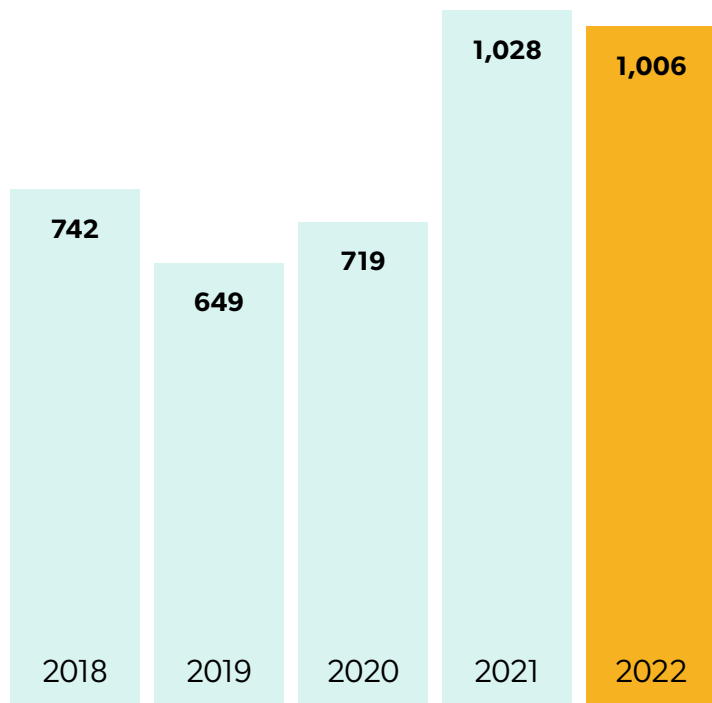
- An online platform’s failure to acknowledge or accept responsibility for a technical platform issue that prevented investors from closing certain trades over a multi-day period.

Cases and outcomes

In 2022, we investigated and closed 1,006 cases and recommended what we determined to be a fair outcome for each case based on its unique circumstances.

During the year, we helped to facilitate settlements between consumers and firms in 291 cases where we found compensation to be appropriate, and we did not recommend compensation in 662 cases. In 2022, no participating firms refused an OBSI recommendation. This visual representation shows the outcome of each case we closed.

TOTAL CASES CLOSED BY YEAR



OUTCOMES



Consumer & firm feedback

50%

HALF OF CONSUMERS
found out about OBSI
through their bank,
investment firm or
advisor

27%

**MORE THAN A QUARTER
OF CONSUMERS**
found OBSI through their
own research

74%

**ALMOST THREE-QUARTERS
OF CONSUMERS**
indicated that they had no
difficulty finding out about
OBSI services and how to
contact us

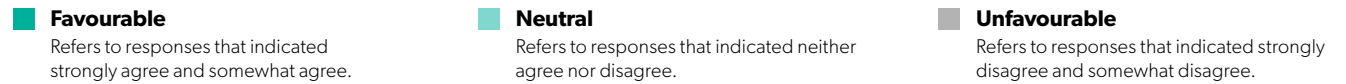
Consumer feedback

Our consumer surveys consistently show that consumers' level of satisfaction with our services is strongly dependent on whether they were satisfied with the outcome of their case.

There is a strong correlation between receiving compensation and higher satisfaction.

OBSI received 309 responses to our 2022 consumer survey, representing about 31% of cases closed during the year. Of these respondents, 17% were either very satisfied or somewhat satisfied with the outcome of their case, and 83% reported being very dissatisfied, somewhat dissatisfied, or neither satisfied nor dissatisfied with their case outcome.

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



SATISFIED WITH CASE OUTCOME

DISSATISFIED WITH CASE OUTCOME

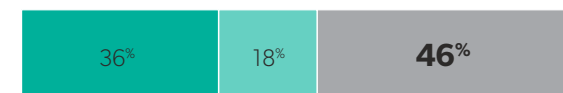
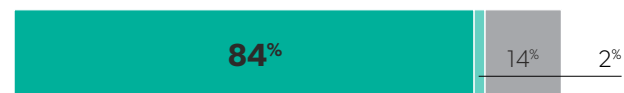
Rating for quality of service



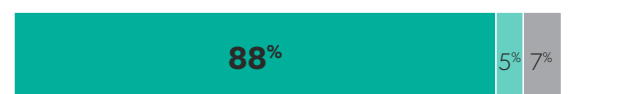
How well did OBSI staff understand your problem or complaint?



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. Excludes consumers who were neutral about the satisfaction of their case outcome.

ADDITIONAL FEEDBACK FROM CONSUMERS

		Yes	No		
Were you able to lodge your complaint in the official language of your choice?	Banking services	98%	2%		
	Investments	98%	2%		
Did OBSI provide services to you free of charge?	Banking services	96%	4%		
	Investments	96%	4%		
Did OBSI provide you with a final written conclusion or recommendation?	Banking services	87%	13%		
	Investments	91%	9%		
		Yes	No	Somewhat	
Did OBSI help you to understand the complaint process and/or OBSI's Terms of Reference?	Banking services	30%	30%	40%	
	Investments	37%	31%	32%	

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

Neutral

Refers to responses that indicated neither agree nor disagree.

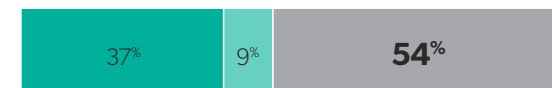
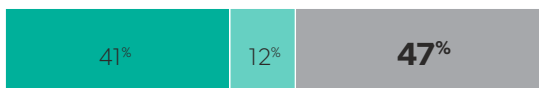
Unfavourable

Refers to responses that indicated strongly disagree and somewhat disagree.

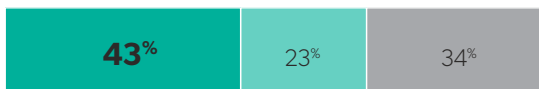
BANKING SERVICES

INVESTMENTS

How well did OBSI staff understand your problem or complaint?



Was OBSI's final written conclusion or recommendation clear?



Note: Percentages may not total 100 due to rounding.

Participating firm feedback

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

In 2022, we received a 46% response rate from the 238 firms that received the survey. This included all firms that had a complaint investigated by us during the year and all federally regulated banks, regardless of whether we had investigated 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 favourably 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 FIRM FEEDBACK: OVERALL SERVICE INDEX

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

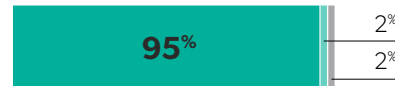
Neutral

Refers to responses that indicated neither agree nor disagree.

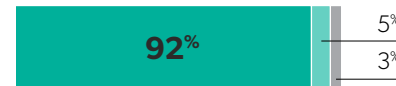
Unfavourable

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.



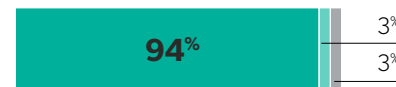
OBSI's staff clearly explained the complaint-handling process.



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



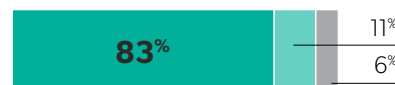
OBSI's staff was effective in providing a resolution for our client's complaint(s).



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.



Note: Percentages may not total 100 due to rounding.

INVESTMENT FIRM FEEDBACK: OVERALL SERVICE INDEX

Favourable

Refers to responses that indicated strongly agree and somewhat agree.

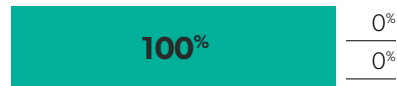
Neutral

Refers to responses that indicated neither agree nor disagree.

Unfavourable

Refers to responses that indicated strongly disagree and somewhat disagree.

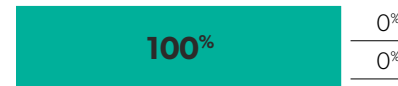
OBSI's staff was courteous and professional.



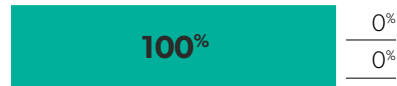
OBSI's staff promptly answered our firm's questions.



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



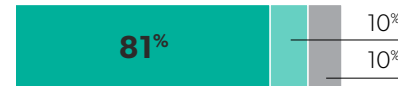
OBSI's staff kept our firm informed during all stages of the complaint process.



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



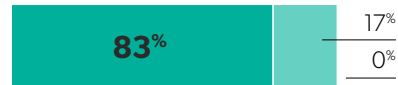
OBSI added value to our firm's complaint-handling process.



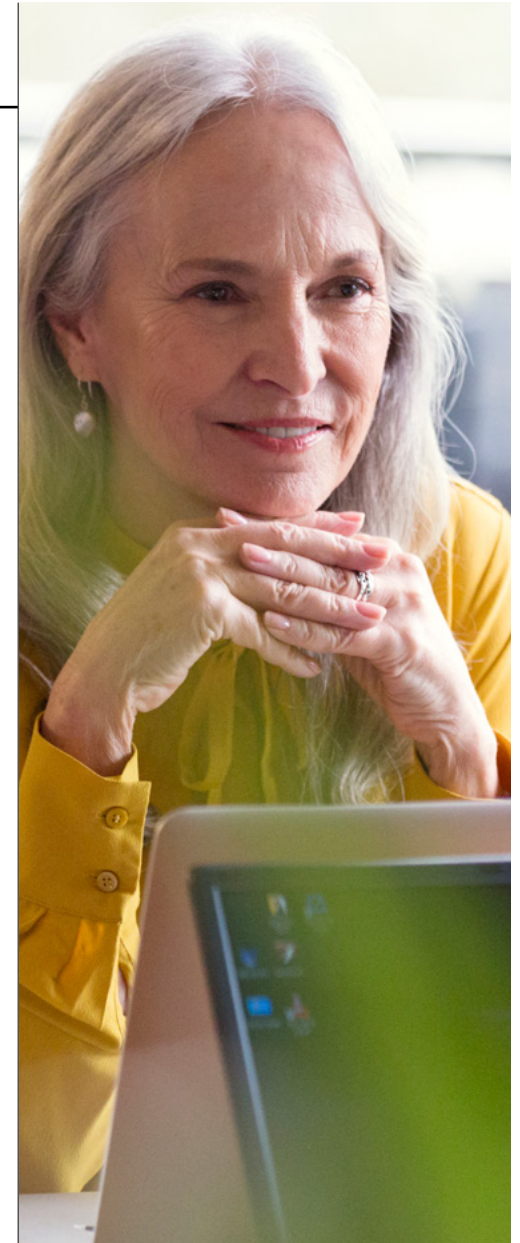
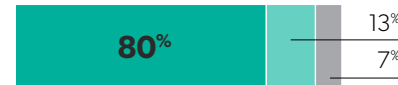
OBSI's staff clearly explained our firm's membership fee.



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



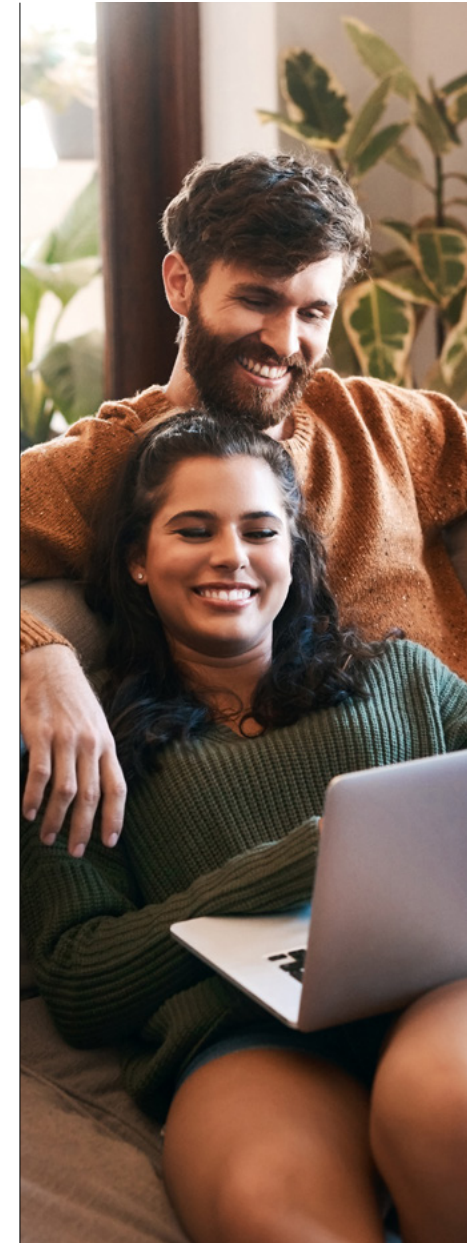
OBSI's staff kept our firm appropriately informed on important developments concerning OBSI policy.



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	97%	0%	3%
	Investments	90%	0%	10%
			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	97%	3%	
OBSI staff who investigated the complaint(s) were knowledgeable about applicable laws and regulations.	Banking services	100%	0%	
	Investments	97%	3%	
OBSI staff demonstrated a good understanding of our firm’s applicable policies.	Banking services	100%	0%	
	Investments	97%	3%	
OBSI’s final written conclusions or recommendations were written in clear, simple, and not misleading language.	Banking services	100%	0%	
	Investments	97%	3%	
OBSI followed its Terms of Reference and its procedures for dealing with complaints.	Banking services	97%	3%	
	Investments	100%	0%	



Note: Percentages may not total 100 due to rounding.

Governance



Board composition

OBSI’s 10-member board plays a vital role in providing organizational 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.

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.

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.

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



MAUREEN JENSEN

BSc, ICD.D, Chair¹

Ms. Jensen has been a leader in the investment industry and securities regulation for more than 20 years. She is the past Chair and Chief Executive Officer of the Ontario Securities Commission (OSC). Prior to her service in that role, Ms. Jensen was the OSC's Executive Director and CAO. Ms. Jensen has also held senior roles at the Investment Industry Regulatory Organization of Canada (IIROC), the Market Regulation Services Inc. and was director of Mining Services at the Toronto Stock Exchange.



CATHERINE ADAMS

MBA¹

Ms. Adams is a retired financial services executive with over 30 years' experience in business strategy, product management, marketing, distribution, and finance. Her executive roles have been both domestic and international.



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 regulatory affairs functions of Mackenzie Investments, IG Wealth Management and Investment Planning Counsel. Ms. Goldberg has an in-depth knowledge of the legal and regulatory environment and financial services industry with over 20 years of legal experience, including at the Ontario Securities Commission where she was Director, Investment Funds and Structured Products, from 2010 to 2015.



CARMELA HAINES

CPA, CA, ICD.D²

Ms. Haines is the Chief Executive Officer with Access Communications Co-operative Limited and is the vice chair of the Canadian Communications Systems Alliance board of directors. 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.

¹ Governance and Human Resources Committee member

² Finance and Audit Committee member

Board of Directors



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.



SURESH KRISHNASAMY

MBA, MSc, BSc (CBA nominee)²

Mr. Krishnasamy is the Chief Operating Officer, North American Personal and Business Banking for BMO Financial Group. Mr. Krishnasamy joined BMO in 2006 from McKinsey and Company. He has since held executive leadership roles in strategy, finance, and operating groups.



BHARAT MAHAJAN

CPA, CA²

Mr. Mahajan serves as Vice-President, Finance Shared Services for Parkland Corporation. Previously, his distinguished career included serving as Chief Financial Officer of various multi-national corporations. He currently serves as a community member on the board.



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. Ms. Morris is the Consumer Interest Director on the board and the board liaison 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 PRO Reit since 2013. He has served on numerous private sector and not-for-profit 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.



ALEXANDRA WILLIAMS

MBA, ICD.D (IIROC nominee)²

Ms. Williams is Senior Vice President, Head of Service, Operations and Compliance for Aviso Wealth. Ms. Williams is a senior financial services executive with over 25 years of experience. Her most recent roles include Chief Risk Officer and Chief Compliance Officer for Aviso Wealth and its predecessor firm, Qtrade Securities.

¹ Governance and Human Resources Committee member

² Finance and Audit Committee member

Board attendance

	Dec 8, 2021	Mar 3, 2022	Jun 15, 2022	Sep 27, 2022
Jim Emmerton, Chair ¹	•	N/A	N/A	N/A
Maureen Jensen, Chair ²	•	•	•	•
Catherine Adams	•	•	•	•
Rhonda Goldberg	•	•	N/A	•
Carmela Haines	•	•	•	•
Jill Hugessen	•	•	•	•
Suresh Krishnasamy	•	N/A	•	•
Bharat Mahajan	N/A	•	•	•
Wanda Morris	•	•	•	•
Ronald Smith	•	•	•	•
Alexandra Williams	•	•	•	•

¹ Term as Chair ended 2022 AGM

² Appointed Chair 2022 AGM

Board committees

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.

2022 ACTIVITIES INCLUDED:

New committee chair

Carmela Haines was appointed the new committee chair at the Annual General Meeting in March, replacing Bharat Mahajan who remains on the committee.

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 senior management and auditors to review the financial statements and makes recommendations to the board. At the September meeting each year, the committee meets with the auditor to review the audit plan approach, ask questions and approve the auditor and audit fees for the upcoming fiscal year.

Review of reserve fund

Each year, senior management completes an operating and capital 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.

Review of 2023 budget

At the September committee meeting each year, the committee members review the budget proposed by senior management, ask questions and, provide their input.

Pension governance

The committee also oversees OBSI’s defined benefit pension plan, defined contribution pension plan, and post-retirement medical plan. The committee reviewed the pension plan’s performance, staff participation, information on member communication and plan education.

Policy review

In 2022, the committee reviewed amendments to the Financial Controls policy.

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.

2022 ACTIVITIES INCLUDED:

Policy reviews

Every quarter, the committee reviews a range of policies and matters. Some examples this year included: Privacy Policy Certification and Report, Whistleblower Policy, Directors Terms, the Director Code of Conduct, the Director Charter of Expectations, the Director Orientation and Education Policy, the New Director Orientation Program, and the Committee Mandate.

Board evaluation

The committee completed and assessed the results from its annual board self-evaluation survey and developed plans for an independent, external review to be completed in 2023.

Compensation review

The committee reviewed a benchmarking study by an external third party regarding OBSI’s employee compensation program to effectively support employee recruitment, retention, and engagement.

Governance review

The committee considered the recommendations in the 2021 independent evaluation of OBSI’s investments and banking mandates related to governance, which called for the board to undertake a strategic review of its governance structure and consider alternative ways to gather input from consumer and industry stakeholders, including considering the role of the CIAC. The board accepted this recommendation and established a working group to prepare for the governance consultation that started November 1, 2022.

The consultation closed on January 31, 2023. The board plans to announce its decisions and any updates to its governance structure in 2023.

Terms of Reference change

An amendment was made to OBSI’s Terms of Reference to respond to changes to the Bank Act and Autorité des marchés financier (AMF) rules related to complaint handling timelines.





CONSUMER AND INVESTOR ADVISORY COUNCIL (CIAC)

It is vital that the OBSI Board of Directors regularly receives input from industry and consumer stakeholders as well as regulatory and government officials. The CIAC was established to ensure a clear line of communication between the board and consumer stakeholders interested in OBSI's process and role. Council members come from across Canada and bring an understanding and awareness of the financial issues and concerns of Canadian consumers, savers, and investors.

In fiscal 2022, a primary focus for the CIAC was its preparation for and submission to the independent, expert evaluation of OBSI's operations and practices, for both banking- and investment-related complaints. The reviews were conducted by Professor Poonam Puri.

In its submission, the CIAC stated that OBSI is fulfilling its banking and investment mandates well, but it also made a number of recommendations to the reviewers, which included calls for:

- Increasing representation on OBSI's board of other stakeholder groups, including consumers, investors, and other vulnerable communities
- Increasing cooperation between provincial and federal regulatory bodies that provide oversight to OBSI to reconcile the differences in their respective expectations and requirements for OBSI
- Improving the reporting of systemic issues
- Increasing efforts to grow OBSI's public profile and to adopt a more robust public policy posture
- Establishing binding authority for OBSI's decisions
- Requesting that the Financial Consumer Agency of Canada designate OBSI as the exclusive dispute-resolution body for banking services complaints
- Making more information about cases and decisions available to the public
- Raising the compensation cap and reviewing it regularly thereafter

During the year the council also exchanged ideas and received briefings on current issues from senior management, including the launch of the new Data Cube.

Suspension of CIAC activities

In June of 2022, following multiple resignations from the CIAC, the board determined to suspend the CIAC's activities, pending the outcome of the 2023 governance review.

2022 Members:

- Harold Geller, Chair¹
- Mohinder Singh Bajwa
- Laurie Campbell¹
- Saira Haque¹
- Harvey Naglie¹
- Andrew Teasdale¹

¹ Resigned

Financial highlights

OBSI'S BUDGET

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.

MANAGING OPERATIONS

OBSI's 2022 and 2023 budgets reflect substantial year-over-year increases, almost entirely related to increasing personnel costs which are necessary to appropriately respond to the record-high case volumes that the organization is experiencing as more Canadians than ever are reaching out to us for assistance.

REASONABLE AND EQUITABLE FEES

Our membership fees are based on the principle that no sector or registrant category should subsidize another. Fees for banks and deposit-taking firms are based on their self-declared banking assets relative to other banks in the most recent benchmark year. Within the investment sector, the fees of IIROC firms, MFDA firms and other securities registrants are assessed based on firm size relative to other firms in the same sector. OBSI's total fees are divided proportionally across the sectors based on the number and complexity of cases.

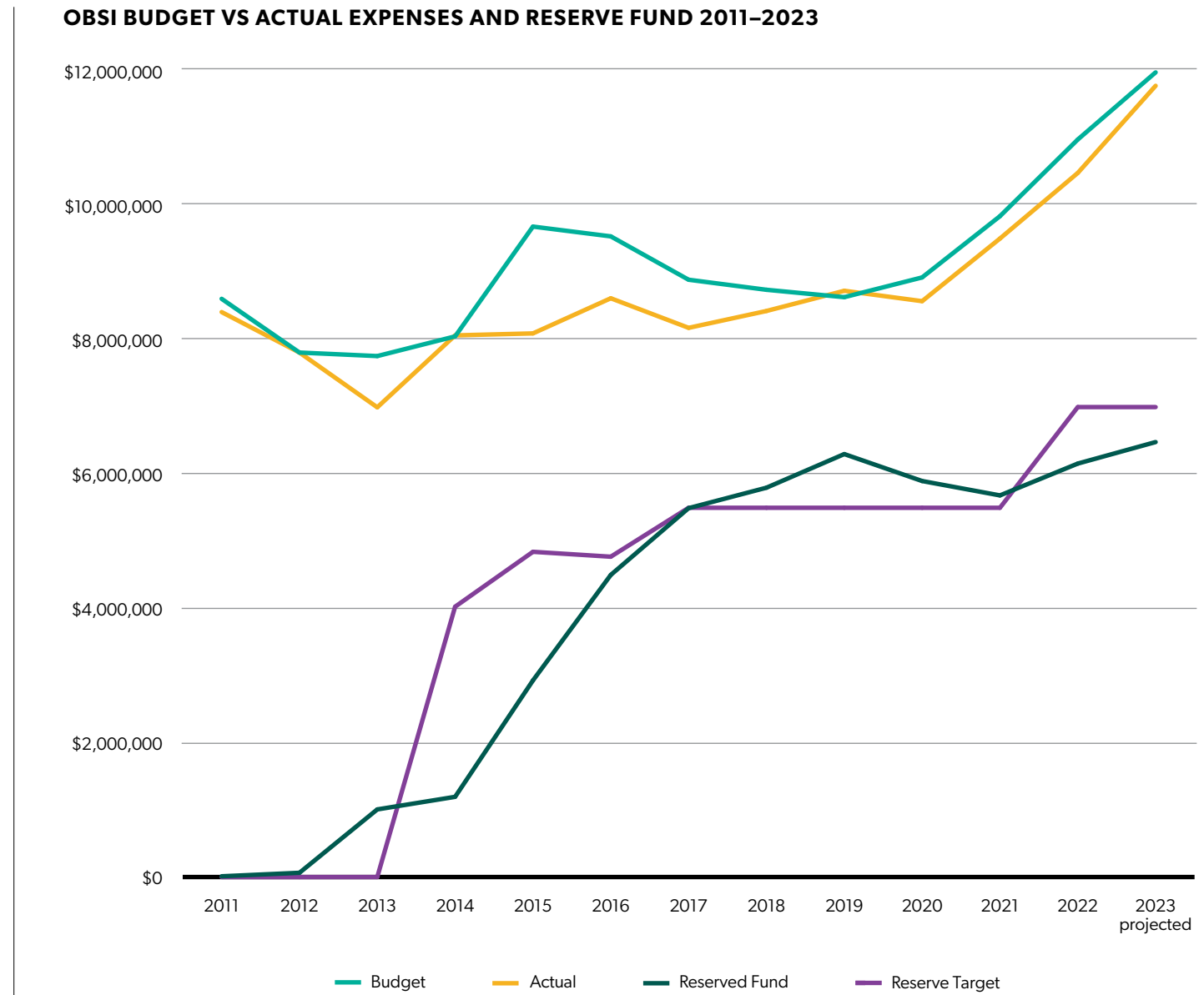
Year ended October 31	2023 Budgeted	2022 Audited	2021 Audited
Revenue			
Participating firm fee	\$ 11,915,891	\$ 10,711,568	\$ 8,976,870
Interest income	195,000	114,724	70,397
	\$ 12,110,891	\$ 10,826,292	\$ 9,047,267
Expenses			
Personnel	\$ 9,250,605	\$ 7,803,905	\$ 6,773,801
Rent and operating costs	556,488	564,263	571,442
Information technology and support	601,866	591,322	521,196
Governance	418,252	409,351	411,290
Corporate administration	229,956	209,815	282,376
Marketing and membership	161,620	166,126	151,966
Legal fees	52,000	12,137	54,748
Insurance	100,101	77,840	53,933
Supplies and services	97,000	50,639	38,817
Consulting fees	105,000	70,060	30,343
Audit fees	23,448	25,963	21,049
External review consultation & expenses	0	169,284	0
Loss on disposal of equipment and leasehold improvements	27,591	0	0
Amortization	361,594	336,708	293,840
	\$ 11,985,520	\$ 10,487,413	\$ 9,204,801
Excess (deficiency) of revenue over expenses	\$ 125,371	\$ 338,879	\$ (157,534)

Financial highlights: Historical trend

This chart shows OBSI’s budget and actual expenses as well as the reserve fund and reserve fund target over the past 12 years and looks forward to 2023.

Throughout the 13-year period, our budget and actual expenses remain within a narrow band, demonstrating our commitment to careful expense management. The recent uptrend is due primarily to increased personnel costs as we deal with the unprecedented increase in case volumes over the past three years.

OBSI’s reserve fund allows the organization to deal with unanticipated financial shocks. The reserve fund was insufficient following the financial crisis of 2008. New targets were set and met and continue to be effectively maintained.



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