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CONSULTATION PAPER: SUITABILITY AND LOSS ASSESSMENT PROCESS

In the majority of investment complaints that the Ombudsman for Banking Services and Investments (OBSI) reviews each year about advice-based accounts, investors complain that they received poor advice, their investments or investment strategies were unsuitable and/or that their investments did not perform as they expected. In such investment "suitability" cases, investors ask to be compensated for the investment losses they incurred.

OBSI has an established methodology for assessing suitability cases and calculating compensable losses, if any. While firms may agree with all or part of OBSI's process, when there is not agreement it can lead to significant delays in resolving client complaints. Among firms that disagree, there is a wide variety of alternative approaches in use.

To facilitate understanding of OBSI's suitability and loss assessment process, as well as solicit feedback in order to make improvements, if appropriate, OBSI is issuing a consultation paper (found [here](#)).

OBSI invites public comment on the process and principles discussed in this paper. All stakeholders are invited to provide feedback. Where stakeholders are not in agreement with the process or a principle, we ask that they provide their reason(s) and specify recommended alternative approach(es).

Comment letters may be addressed to:

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