

June 21, 2010

OBSI Submission

Fax: 1-888-422-2865

Email: [publicaffairs@obsi.ca](mailto:publicaffairs@obsi.ca)

Tyler Fleming

Director, Stakeholder Relations and Communications

401 Bay St.

Suite 1505, P.O. Box 5

Toronto ON M5H 2Y4

Dear Mr. Fleming

### **OBSI Consultation Paper - Suitability and Loss Assessment Process**

As a “victim” of unscrupulous financial advisors, in both the banking and insurance sectors, I am responding to your Consultation Paper.

Financial advisors from the financial and insurance sectors failed to provide complete and accurate information; strongly recommended funds that were inappropriate to my needs, sold me mutual funds in November, just before the distributions leaving me a tax bill on money I did not earn; failed to explain mutual fund types (front/back load; hold times; MER); sold me multiple funds of the same type from different companies), and failed to disclose their commissions. The advisors represented themselves as acting in “my best interests”.

When another advisor pointed out the inappropriateness of the mutual funds purchased through the financial sector, they did not advise me of any course of action I could take to appeal/rectify the agent’s self-serving advice despite my asking if/how I could seek redress.

I did appeal an unsuitable segregated fund sold by an insurance company. It was a lengthy, frustrating experience where I was continuously stonewalled. After two and one-half years, and many detailed letters outlining the errors and omissions of the agent, and multiple rejections, I threatened escalating my complaint. An offer was then made. It did not take into account the opportunity loss, the anxiety and stress and time and personal costs incurred.

I was extremely disappointed to learn, recently, that since the 1990’s, numerous submissions were made in response to government inquiries to address problems in the investment sectors. The same problems that were addressed then remain today as no action was taken. One can only assume that the pressure exerted by the powerful financial and insurance industries blocked any regulatory change or government enforcement.

I sincerely hope that this review will finally take meaningful action to rectify the abuses and wrongs perpetrated by financial **and insurance** investment advisors through meaningful regulatory change.

I do not think these sectors are capable of self-regulating based on their past/current performance.

Meaningful change to protect consumers should feature at a minimum the following features:

- Practice Standards and Guidelines for advisors
- An Assessment tool for determining product suitability that encompasses assets, liabilities, and financial needs in a more meaningful format than the current cookie cutter program, and mandatory reassessment of suitability annually.
- Licensing of agents, and mandatory re-certification annually or bi-annually
- Standard format for product disclosure, including terms and fees, redemption and commissions
- Plain language, written and verbal for all product disclosures
- Comparative products offered
- Accountability and transparency, through monitoring of advisors/agents and firms
- Enforcement of regulations with real penalties, financial and licensing
- Code of ethics for advisors/agents
- Complaints process clearly identified and easy to follow by consumers
- Set time limits on responding to and settling complaints
- Publishing the names of advisors and their companies who fail to meet standards of practice
- Standard disclosure statements that allow the consumer to readily compare products
- Clear identification of fees and commissions
- Arbitration by accredited independent reviewers
- Restitution to wronged consumers without the need for legal intervention
- Tracking of complaints about product, advisor, company

I have read and support the submissions made by:

Larry Elford; SIPA; Kenmar Associates; and Mike McDonald.

With thanks for your consideration,

J. Maser (Ms)