

## Consumer complaints continue record pace in Q2 2023

Consumer inquiries reached a record high during the quarter, triple the amount of a year ago. Total cases opened also reached an all-time high, surpassing the record high set in Q1. Banking cases opened in Q2 alone nearly equalled the total number of banking cases opened for all last year, while investment cases opened more than doubled when compared to the same quarter last year.

Credit card complaints were the leading bank product by a wide margin followed by e-transfer complaints, while the leading bank issues related to fraud and service issues. Mutual funds were the leading investment product for consumer complaints with investment suitability as the most common investment issue overall.

### Last eight-quarter statistics

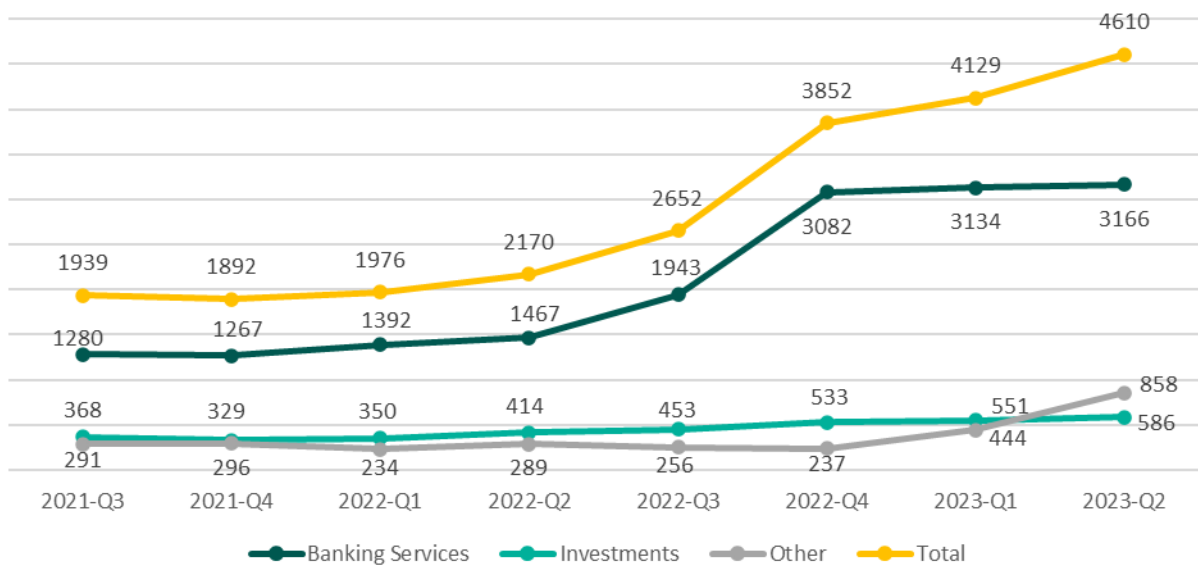
In this report, we present preliminary data from Q2 2023 (February 1, 2023 to April 30, 2023) alongside data over the last eight quarters for historical context for:

- Inquiries received by industry
- Inquiries by investment sector
- Total cases opened
- Cases opened by investment sector
- Cases opened by region
- Top 5 banking products
- Top 5 banking issues
- Top 5 investment products
- Top 5 investment issues

### About OBSI inquiries

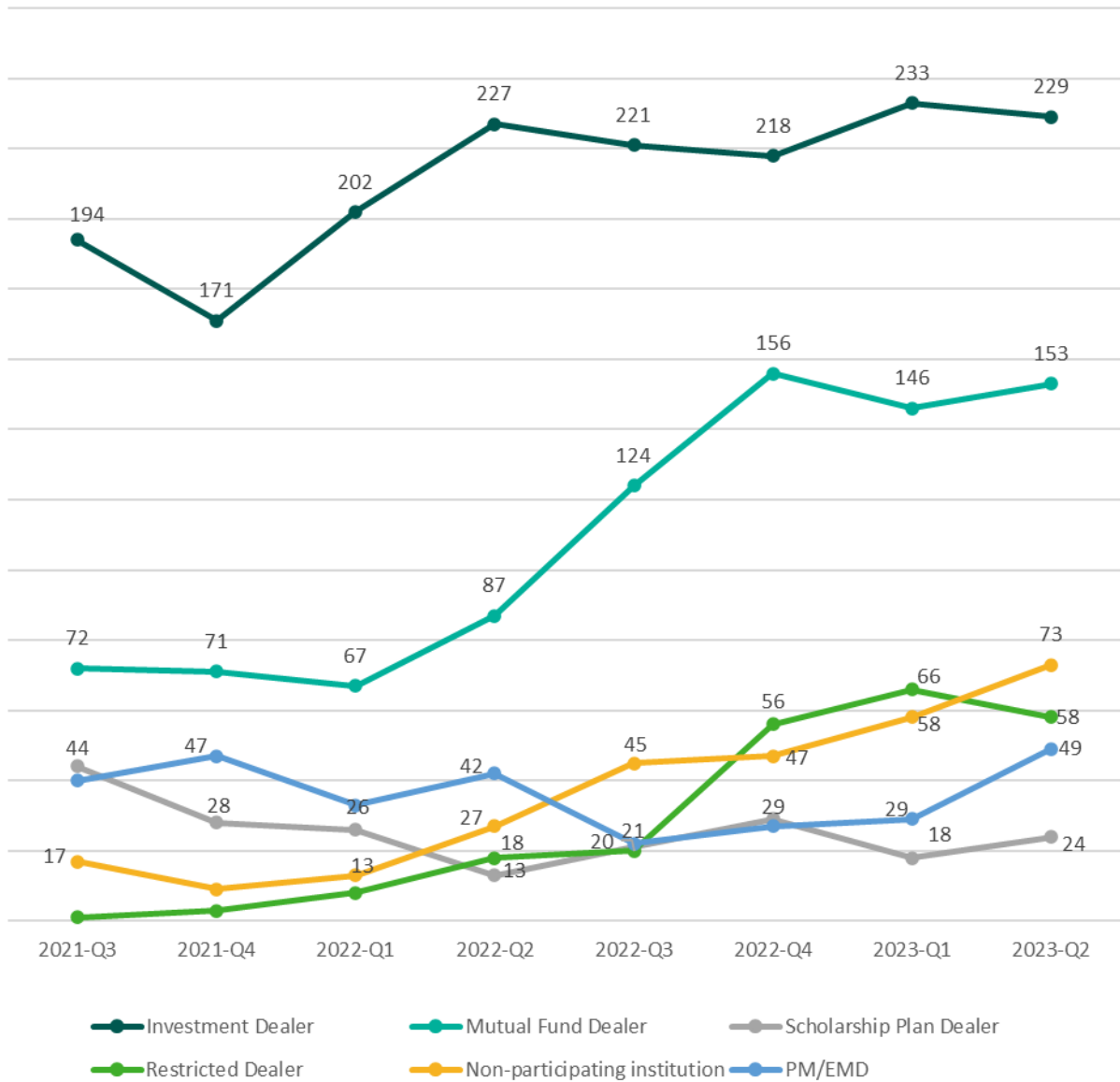
When consumers contact OBSI with a complaint or question about a financial services problem they are having, we record these interactions as inquiries. Assisting consumers with complaint inquiries is an important part of OBSI’s work. In addition to helping people file a complaint with OBSI when it falls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

#### Inquiries Received by Industry: Last 8 Quarters



The second quarter of 2023 continued a strong upward trend for total inquiries that began in the middle of fiscal 2022. In Q2 of 2023, total inquiries reached a record high of 4,610, a 12% quarter-over-quarter increase and a 112% year-over-year increase. Banking-related inquiries represented 69% of total inquiries for the quarter and were up 1% quarter over quarter and 115% year over year. This growth in bank inquiries largely stems from the Bank Act consumer protection framework changes that came into force last summer that reduced consumer complaint attrition. Investment-related inquiries increased 6% quarter over quarter and 42% year over year. The Other category includes inquiries from non-participating institution consumers.

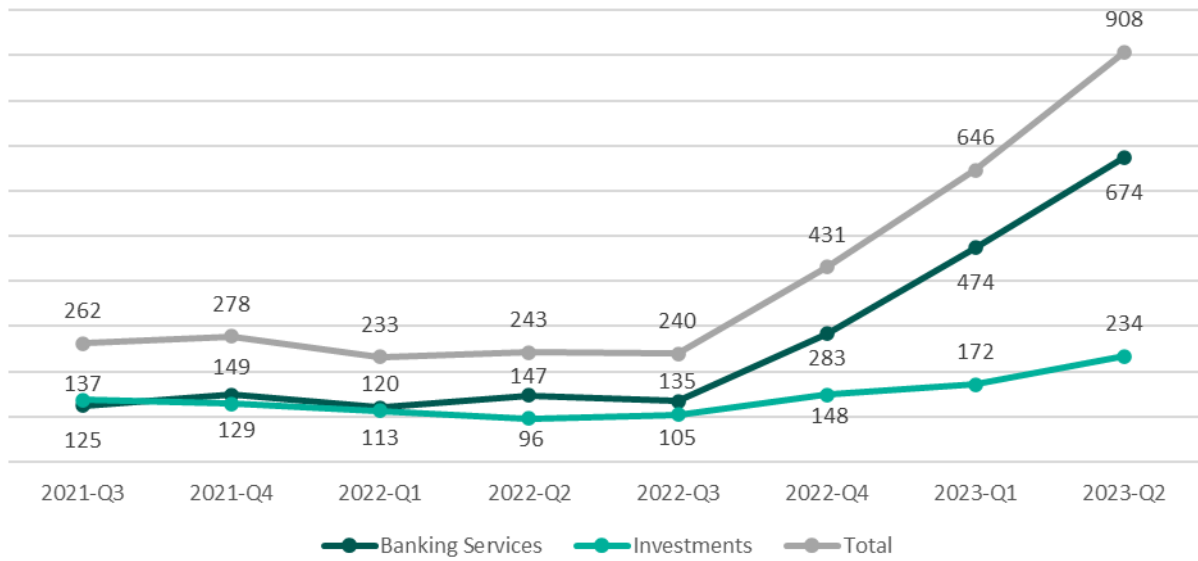
### Inquiries Received by Investment Sector: Last 8 Quarters



Numbers under 10 are not labeled.

Investment dealer inquiries remained high and steady this past quarter, although down slightly (2%) from the previous quarter and flat year over year. Mutual fund dealer inquiries increased 5% quarter over quarter and were 75% higher year over year. Restricted dealer inquiries – largely crypto dealers – were down 12% from the prior quarter but remain at elevated levels, with more than triple the inquiries from a year ago. Portfolio manager/exempt market dealer inquiries grew by almost 70% quarter over quarter, returning to levels last seen in 2021 and 2022 and reached an eight-quarter high. Scholarship plan dealer inquiries rose 33% quarter over quarter and increased 85% year over year. Inquiries from non-participating institutions also rose significantly over the past year, reaching an eight-quarter high.

### Total Cases Opened: Last 8 Quarters

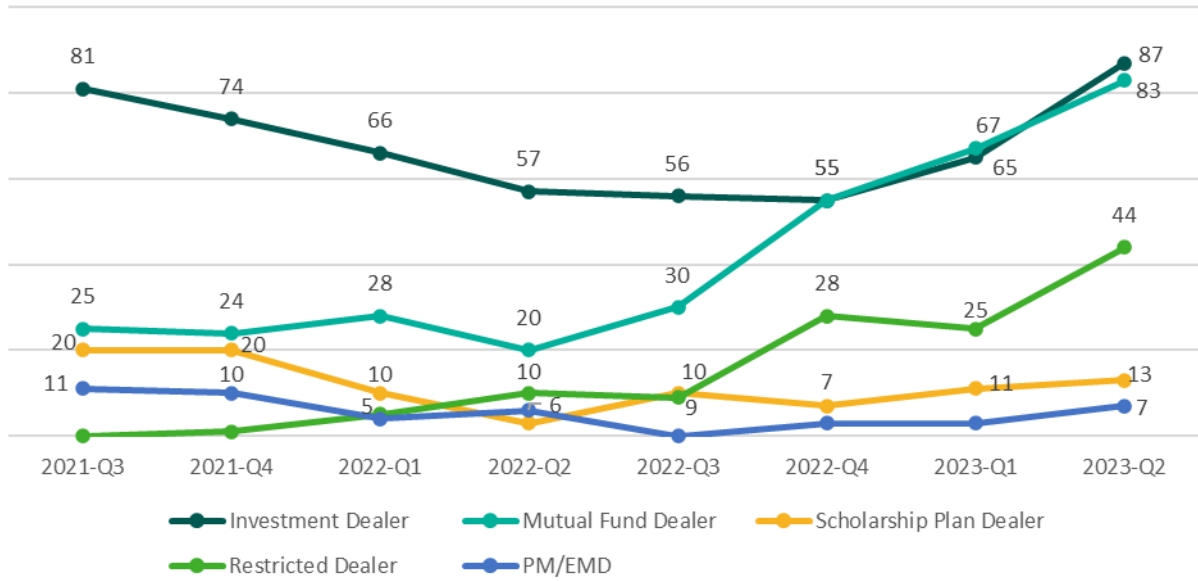


In Q2, total cases opened reached an all-time high, surpassing the record high set in Q1. Total cases opened increased 40% quarter over quarter and nearly quadrupled compared to the same quarter last year.

Banking cases opened increased 42% quarter over quarter and by 360% when compared to the same quarter last year. Banking cases opened in Q2 alone nearly equalled the total number of banking cases opened for all of 2022.

Investment cases were also up significantly. Investment cases opened increased 35% from the previous quarter and almost 145% compared to the same quarter last year.

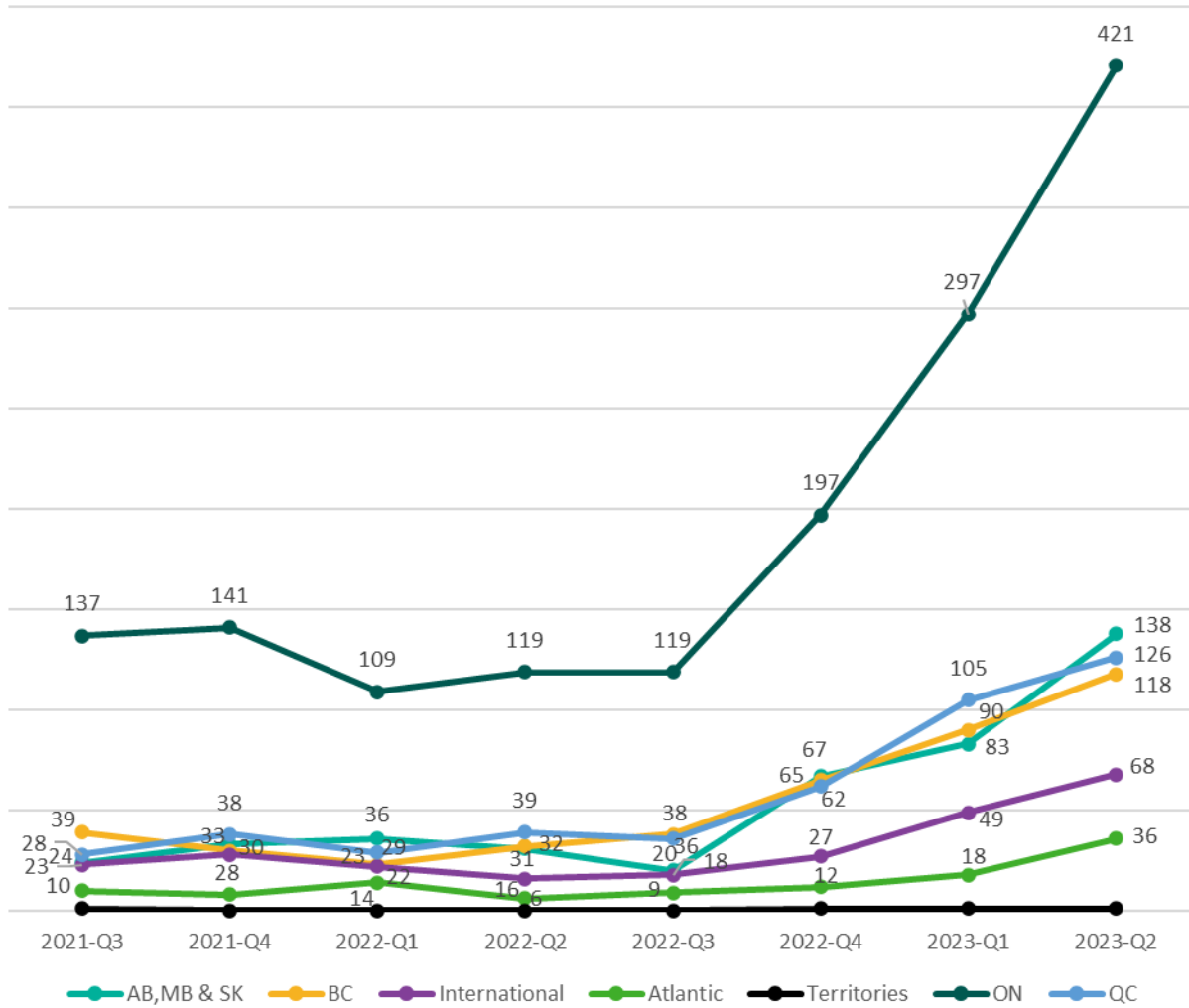
### Cases Opened by Investment Sector: Last 8 Quarters



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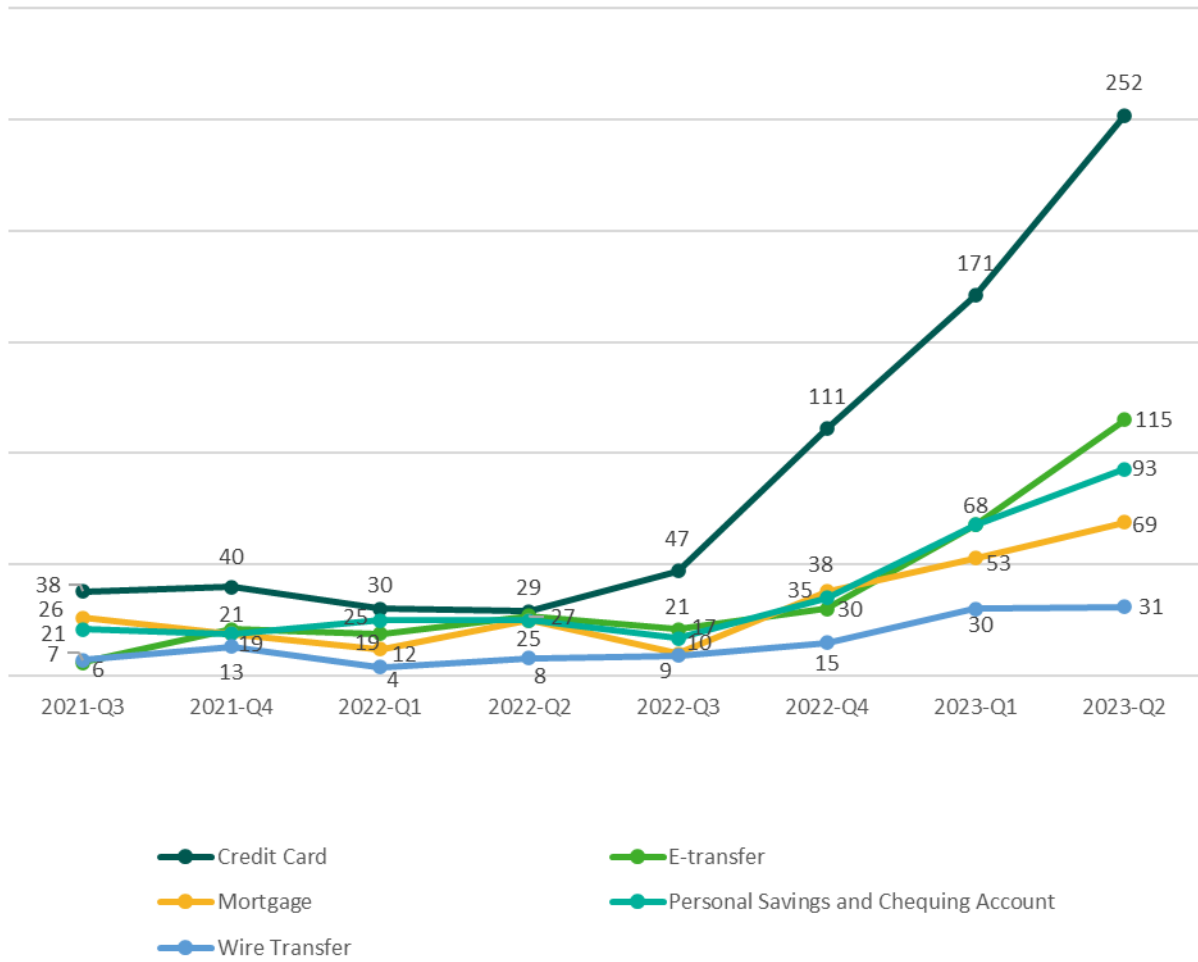
In the first quarter of 2023, investment dealer cases reached an eight-quarter high, increasing 34% from the previous quarter and 53% when compared to the same quarter last year. Mutual fund dealer cases, which also reached an eight-quarter high, grew by almost 25% with four times as many cases opened as a year ago. Cases for restricted dealers – largely crypto dealers – increased more than 75% quarter over quarter and were more than four times higher than the same period last year. Opened cases for scholarship trust plan dealers were relatively steady for the past several quarters. Portfolio manager/exempt market dealer cases opened were double the previous quarter and on par with last year.

### Cases Opened by Region: Last 8 Quarters



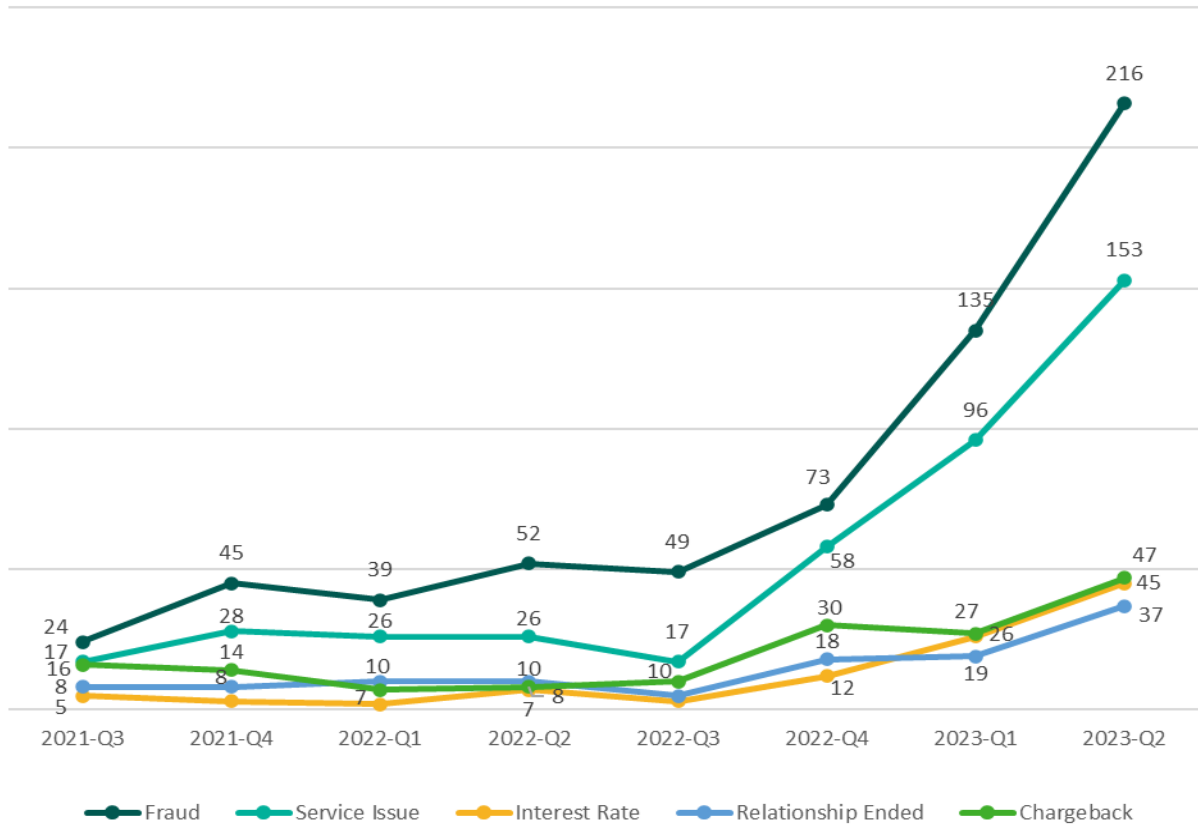
In Q2, overall case volumes reached all-time highs as did case volumes for most regions. Quarter-over-quarter increases continued a significant upward trend. Compared to the previous quarter, Ontario cases were up 42% and Prairie provinces increased over 65%. Quebec cases were up 20% and BC cases up over 30%. International cases were up as well, while case volumes from the Atlantic provinces doubled.

### Top 5 Banking Products: Last 8 Quarters



In Q2, all the top five products reached new eight-quarter highs. Credit cards continued to be the leading product complaint among banking consumers. Credit card related cases increased 47% quarter over quarter and by 770% compared to Q2 last year. E-transfers were the second most common concern and increased 70% over Q1 and grew by more than 325% year over year. Complaints related to personal savings and chequing accounts increased 37% quarter over quarter and by 272% when compared to the same quarter last year. Mortgage complaints continued to grow as well, up 30% from Q1 and were almost triple the case volumes seen last year. While wire transfer complaints remain high but flat compared to the previous quarter, they increased 288% year over year.

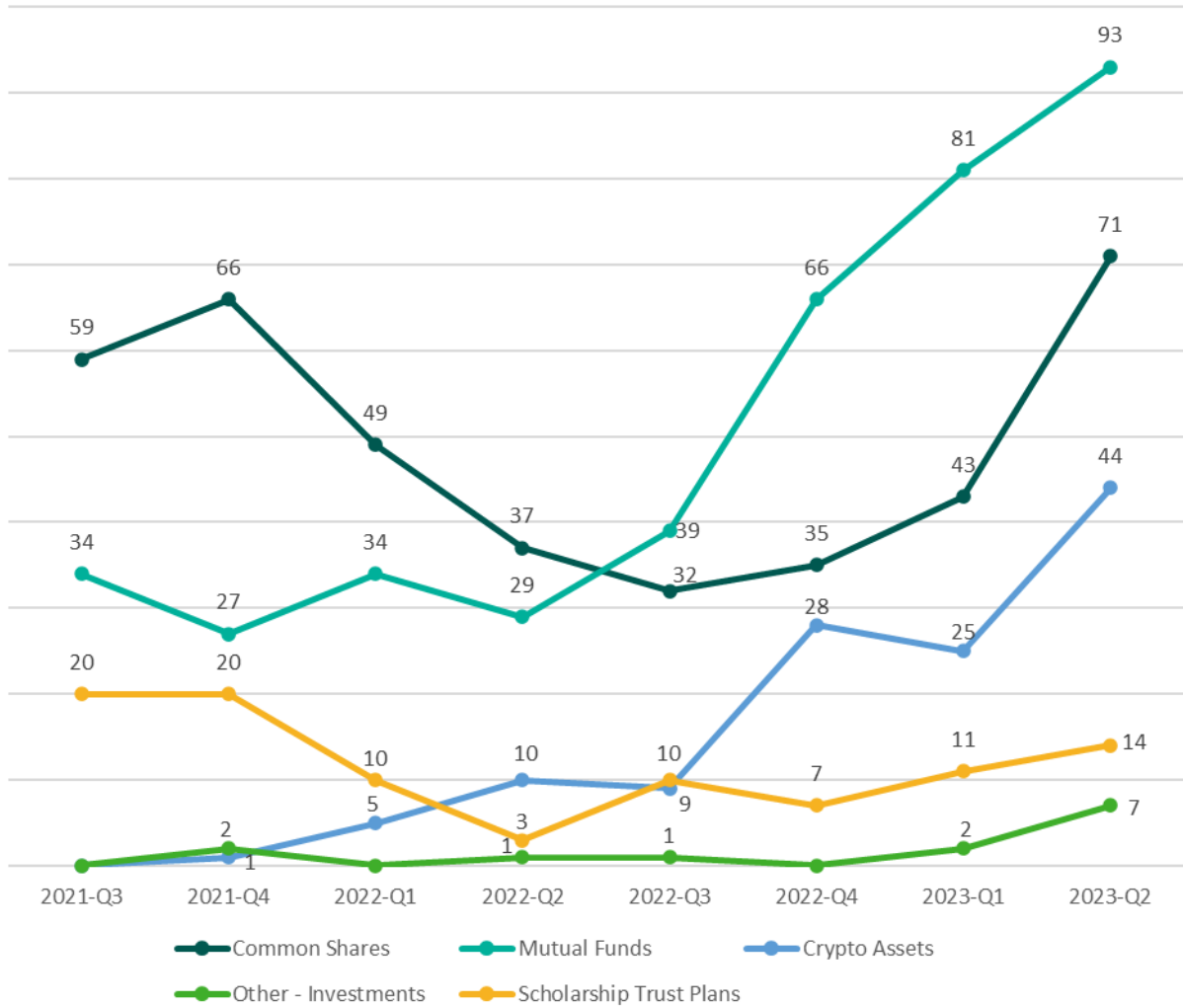
### Top 5 Banking Issues: Last 8 Quarters



All the top five banking issues reached all-time highs in Q2 of 2023. Fraud was the most reported issue among banking consumers. It increased 60% quarter over quarter and more than quadrupled year over year. Service issue complaints were next. These increased 60% from the previous quarter and by 488% compared to the same quarter last year. Complaints related to charge backs, interest rates, and relationship ended were all up this quarter, and significantly grew year over year.

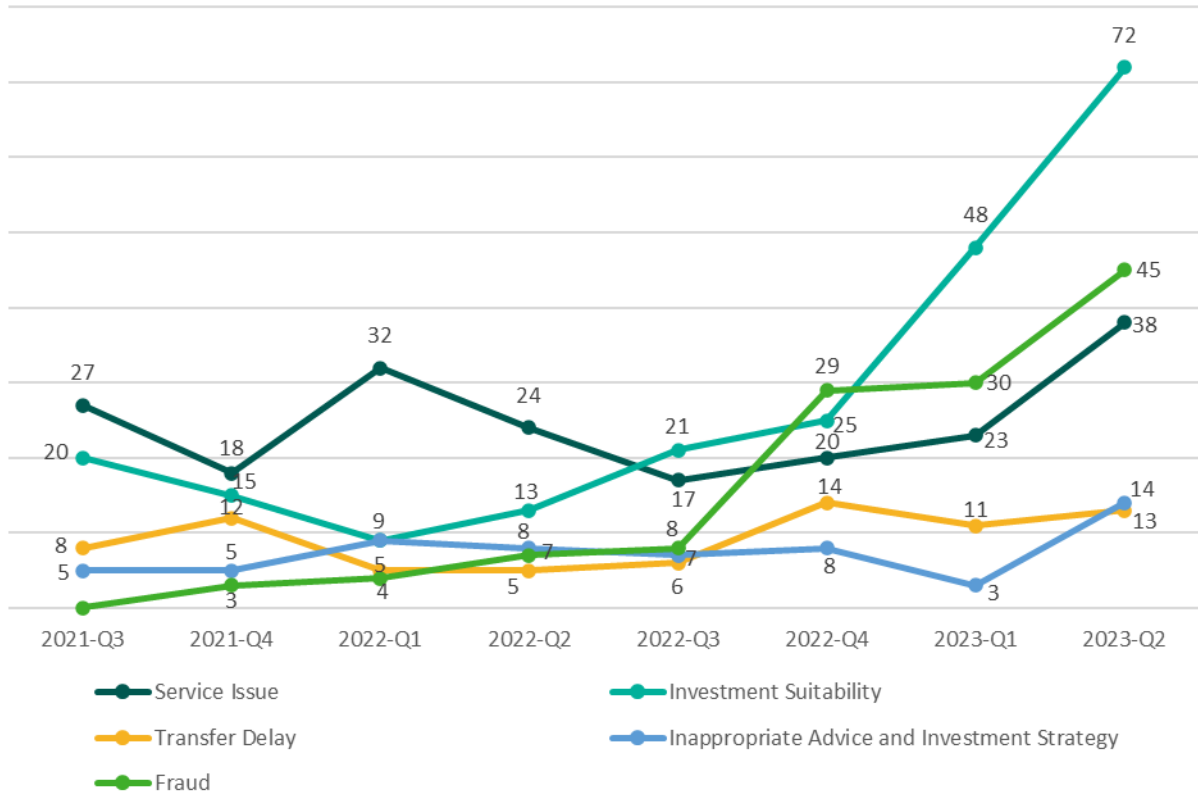


### Top 5 Investment Products: Last 8 Quarters



In Q2, mutual funds continued an upward trend and remained the top product for investor concerns. Mutual fund cases increased 15% compared to the previous quarter and were up more than 220% year over year. Cases related to common shares also rose significantly in the quarter, up 65% from the previous quarter and almost double year over year. Crypto asset complaints rose again during the quarter reaching new eight quarter highs. And scholarship trust plan cases continued a recent upward trend.

### Top 5 Investment Issues: Last 8 Quarters



In Q2, investment suitability complaints continued to surge and reached another eight-quarter high. Suitability complaints increased 50% quarter over quarter and were more than five times higher than a year ago. Next was fraud related cases, which were up 50% from Q1 – driven by crypto asset complaints – and six times higher than the same period last year. Service issues increased 65% from Q1 and were 58% higher year over year. Inappropriate advice and investment strategy cases increased in Q2 with cases opened roughly in line with transfer delay complaints. Cases opened related to both issues were double levels seen for the same period last year.