

OCTOBER 14, 2011 ISSUE

OBSI UPDATE – OCTOBER 2011

This note is one in a series of newsletters updating you on what's happening at the Ombudsman for Banking Services and Investments (OBSI).

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Independent Reviewer's Report

At its meeting on September 17, 2011, our Board of Directors was presented with the report of OBSI's independent reviewer.

As part of its Framework for Collaboration with financial market regulators, OBSI must submit itself to knowledgeable, independent third party evaluations on a regular basis. The Navigator Company of Australia, which conducted the last review in 2007, was engaged by OBSI's Board of Directors – with the concurrence of regulators – to review OBSI once again. The Navigator Company has extensive experience in this field, having reviewed eight different financial dispute resolution schemes around the world – several of them multiple times – as well as having conducted similar reviews of several non-financial dispute resolution schemes.

To conduct their review, The Navigator Company interviewed a wide range of stakeholders, including participating firms, industry associations, regulators, and consumer and investor advocates. They examined a wide range of documents provided by OBSI and firms, including entire case files. They also conducted comparison research with financial ombudsman schemes in other similar jurisdictions.

Over the next few months OBSI will consult with stakeholders on the report and the recommendations the reviewer made.

A copy of the report can be found on [OBSI's website](#).

Public Consultation Update

In the summer, OBSI undertook a consultation on its investment suitability and loss assessment methodology. All submissions have been posted on our website, and we thank all stakeholders and partners who took the time to respond.

OBSI's independent reviewer provided its own detailed analysis of the methodology to OBSI's Board of Directors shortly before their meeting on September 17. To provide sufficient time to digest the independent findings and compare them with stakeholder submissions, but recognizing that a long delay is undesirable, the Board of Directors intends to hold a special meeting by the end of November to discuss and authorize for consultation any proposed changes to the methodology.

Should changes to the methodology be proposed, OBSI will then issue them for a 60-day consultation period. All submissions will again be posted on OBSI's website. Following this second consultation period, a finalized methodology will be approved by the Board and made public.

INFO2011 Conference

In September, OBSI was proud to host INFO2011, the annual conference of the International Network of Financial Services Ombudsman Schemes. Taking place in Vancouver and Whistler, the conference attracted over 120 delegates from 28 countries. This provided a unique opportunity for Canadian firms, regulators, and consumer and investor representatives to interact with their counterparts from around the world and gain new insights into financial dispute resolution. We thank all delegates, and especially our Canadian partners and stakeholders, for joining us in British Columbia.

We also would like to express our gratitude to the law firm of Fasken Martineau, which served as principal sponsor of the event. INFO2011 was funded entirely by delegate fees and sponsorship.

Board of Directors – New Member

The Investment Industry Regulatory Organization of Canada (IIROC) has appointed a new member to OBSI's Board of Directors. Craig Hayman, Principal of the Client Solutions Group at Edward Jones, replaces Luc Papineau, who is no longer associated with an IIROC Dealer Member. OBSI thanks Mr. Papineau for his valued contributions to the organization.