

### Third quarter complaint inquiries up significantly, opened case volumes dip slightly

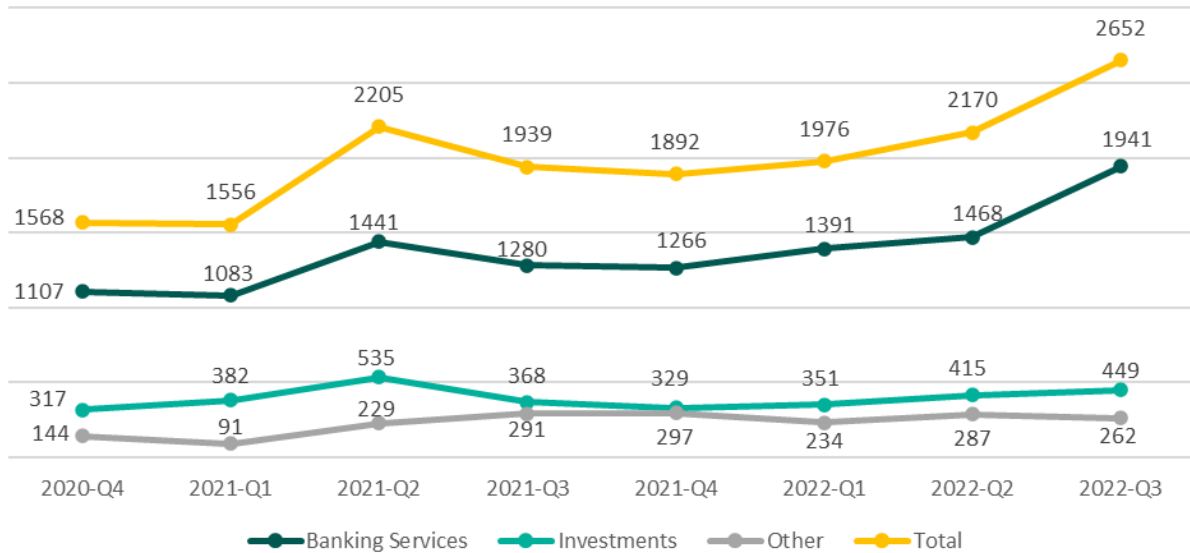
Consumer complaint inquiries reached new highs in the third quarter of 2022, driven by an increase in bank inquiries, while opened case volumes decreased slightly. Fraud-related cases led banking concerns while investment suitability was the leading investment issue for the first time in the past eight quarters.

In this report, we present preliminary data from Q3 2022 (May 1, 2022 to July 31, 2022) alongside data over the last eight quarters for historical context for:

- Inquiries received by industry (new)
- Inquiries by investment sector (new)
- 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

## Inquiries

### Inquiries Received by Industry: Last 8 Quarters

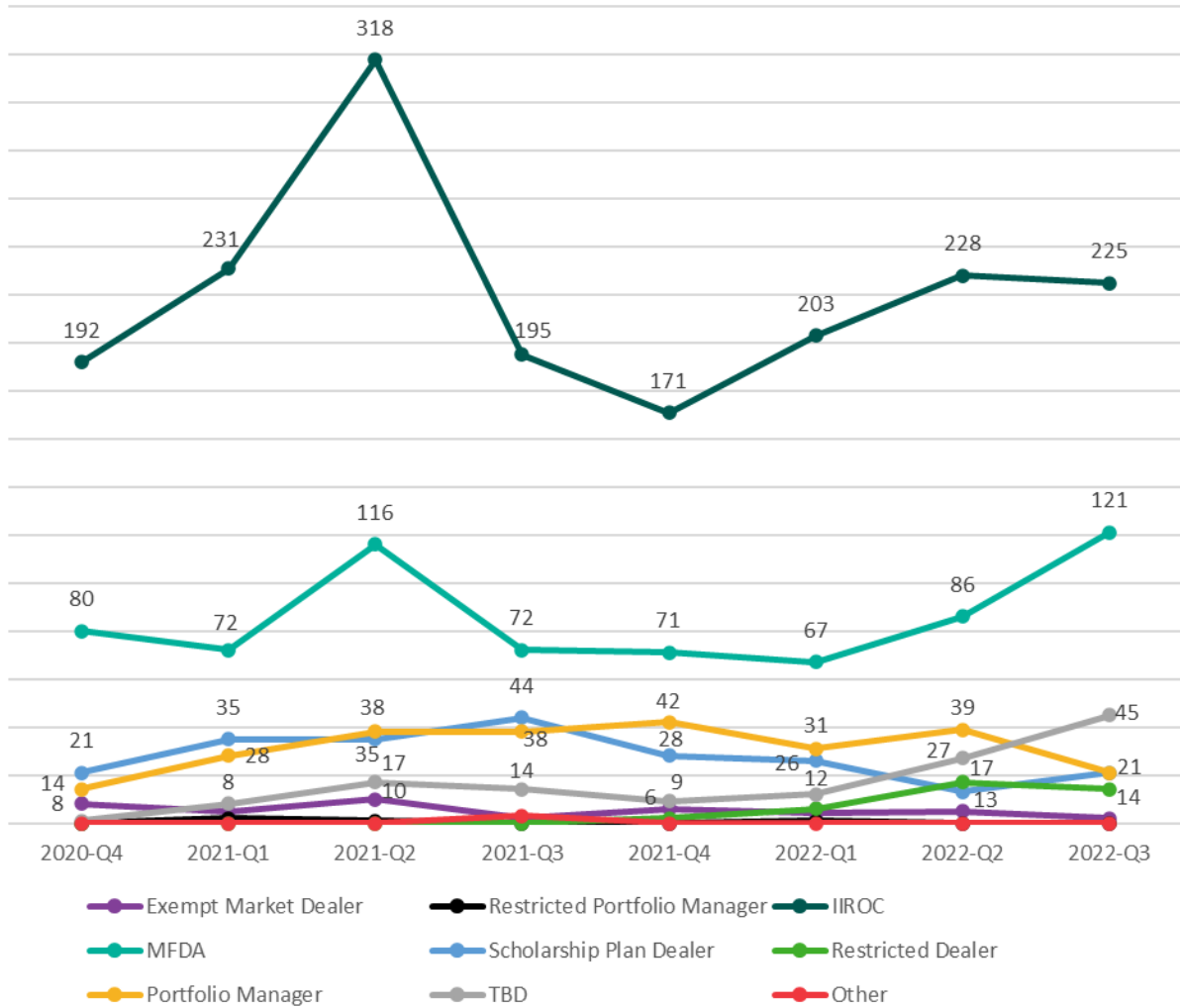


Starting with this issue of our newsletter, we will be reporting quarterly on our inquiry volumes.

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 and 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.

In Q3, total inquiries reached an eight-quarter high, up 22% quarter over quarter. This was led by banking inquiries, which also reached an eight-quarter high, continuing a steady upward trend that began in the first quarter of 2022. Investment inquiries saw a slight increase quarter over quarter and a 22% increase year over year. Other inquiries remained flat when compared to the previous quarter and previous year.

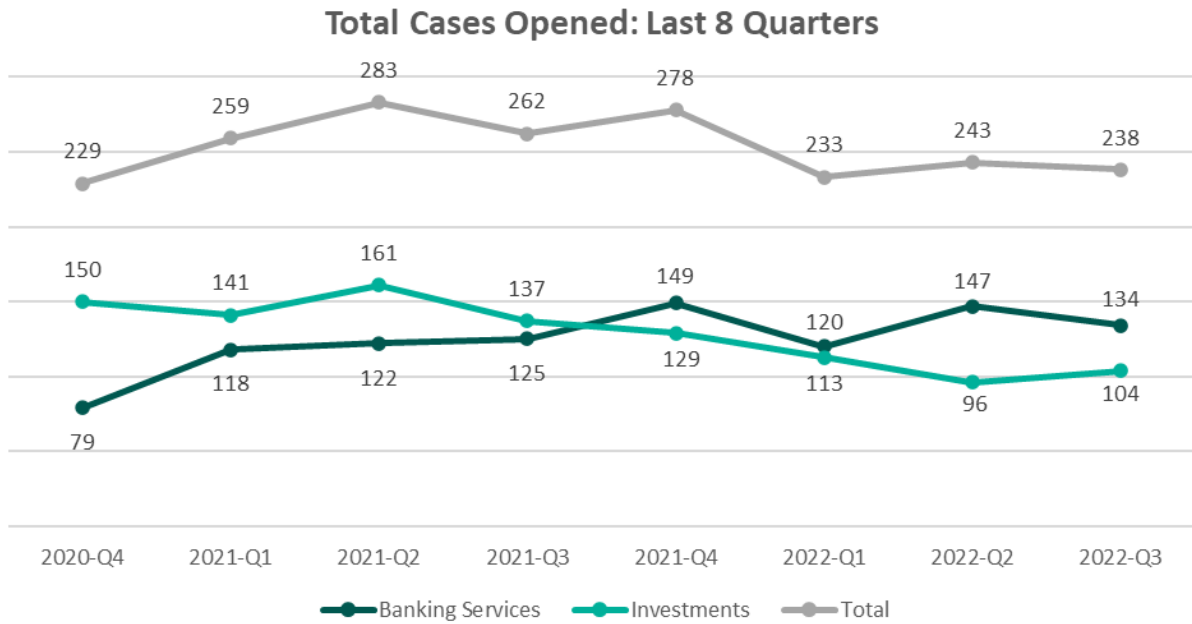
### Inquiries Received by Investment Sector: Last 8 Quarters



Numbers under 5 are not labeled. TBD refers to inquiries about investment firms where registration has not yet been confirmed.

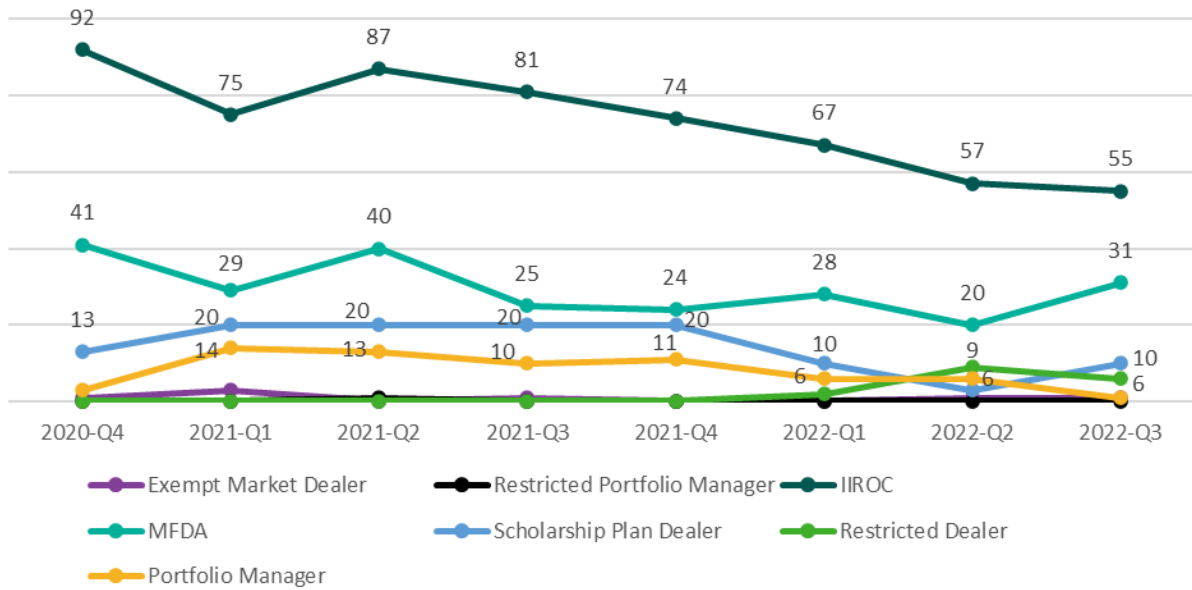
In the third quarter, IIROC (Investment Industry Regulatory Organization of Canada) inquiries remained flat compared to the previous quarter but increased by 15% year over year. MFDA (Mutual Fund Dealers Association) inquiries rose by 41% from the prior quarter and 68% year over year. Inquiries about scholarship plan dealers saw an increase after three quarters of decline. Inquiries about portfolio managers dropped by nearly half compared to both the previous quarter and the same quarter last year. Inquiries about restricted dealers remained substantially higher than historical norms. All other sectors remained generally low and mostly consistent with the last eight quarters.

## Investigations



The third quarter of 2022 saw a slight decline in overall case volumes when compared to Q2, and a 9% decline when compared to the same quarter last year. Banking cases dropped 9% from the previous quarter and were 7% higher than the previous year. Investment cases increased 8% quarter over quarter after a downward trend that began in the third quarter of 2021.

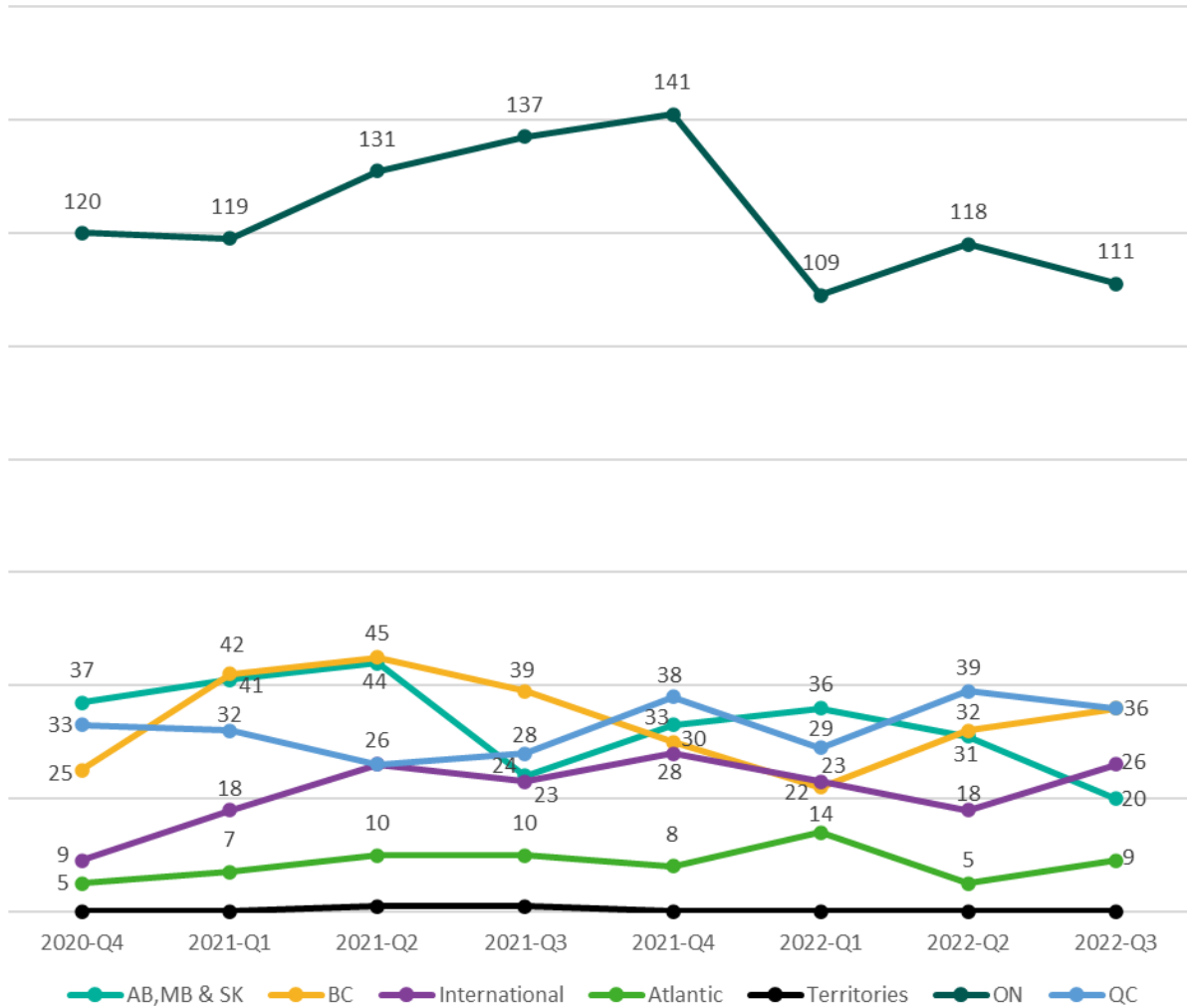
### Cases Opened by Investment Sector: Last 8 Quarters



Numbers under 5 are not labeled.

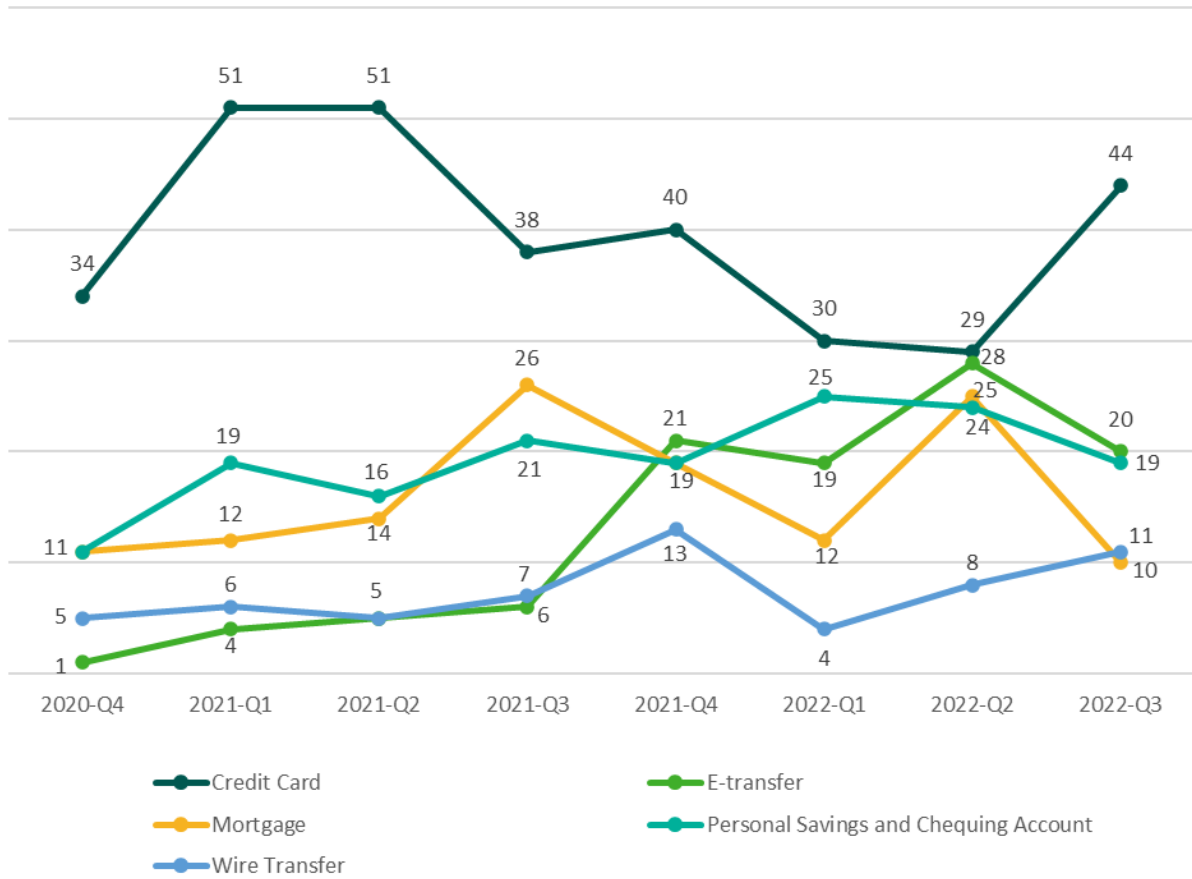
In Q3, IIROC cases continued a downward trend, dropping to an eight-quarter low. MFDA cases increased by half from the prior quarter and 24% year over year. Case volumes for scholarship plan dealers and portfolio managers remained below 2021 levels. Cases for restricted dealers declined from the previous quarter but remained above historical norms. Cases for exempt market dealers were generally low, consistent with the last eight quarters.

### Cases Opened by Region: Last 8 Quarters



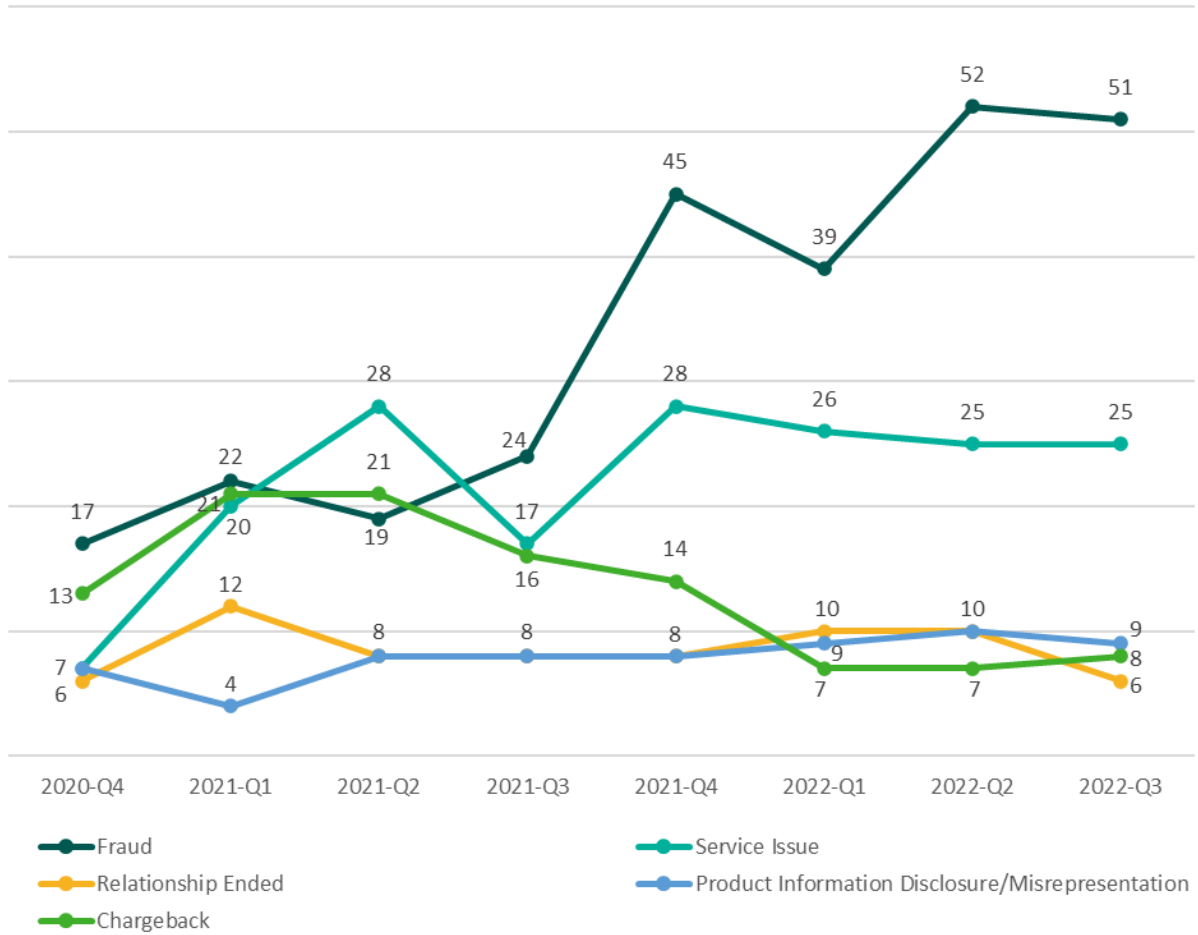
In Q3, Ontario cases dropped slightly relative to the previous quarter, and were down 19% year over year. Cases in the Prairie provinces decreased by 35% quarter over quarter and by 17% year over year. BC cases rose above the levels of recent quarters and were up 13% from the previous quarter. Quebec cases declined slightly from the prior quarter but were 29% higher year over year. Cases in the Atlantic provinces increased from the previous quarter but remained within their normal historical range. International cases increased 44% quarter over quarter, disrupting a decline over the past two quarters, while slightly above Q3, 2021 levels. There were no cases from the Territories, consistent with the last eight quarters.

### Top 5 Banking Products: Last 8 Quarters



In the third quarter, credit cards continued to lead banking product complaints, reaching its highest point in the past year, increasing substantially from the previous quarter. E-transfer complaints were the second most common in Q3, with more than triple the volumes seen in Q3, 2021 though volumes decreased 29% from the highs of Q2. Personal account complaints declined 21% quarter over quarter, returning to the levels seen in the last quarter of 2021. Mortgage complaints dropped significantly from the highs seen both in the previous quarter and the eight-quarter high of Q3, 2021. Complaints related to wire transfer increased quarter over quarter, nearly reaching the eight-quarter high of Q4, 2021.

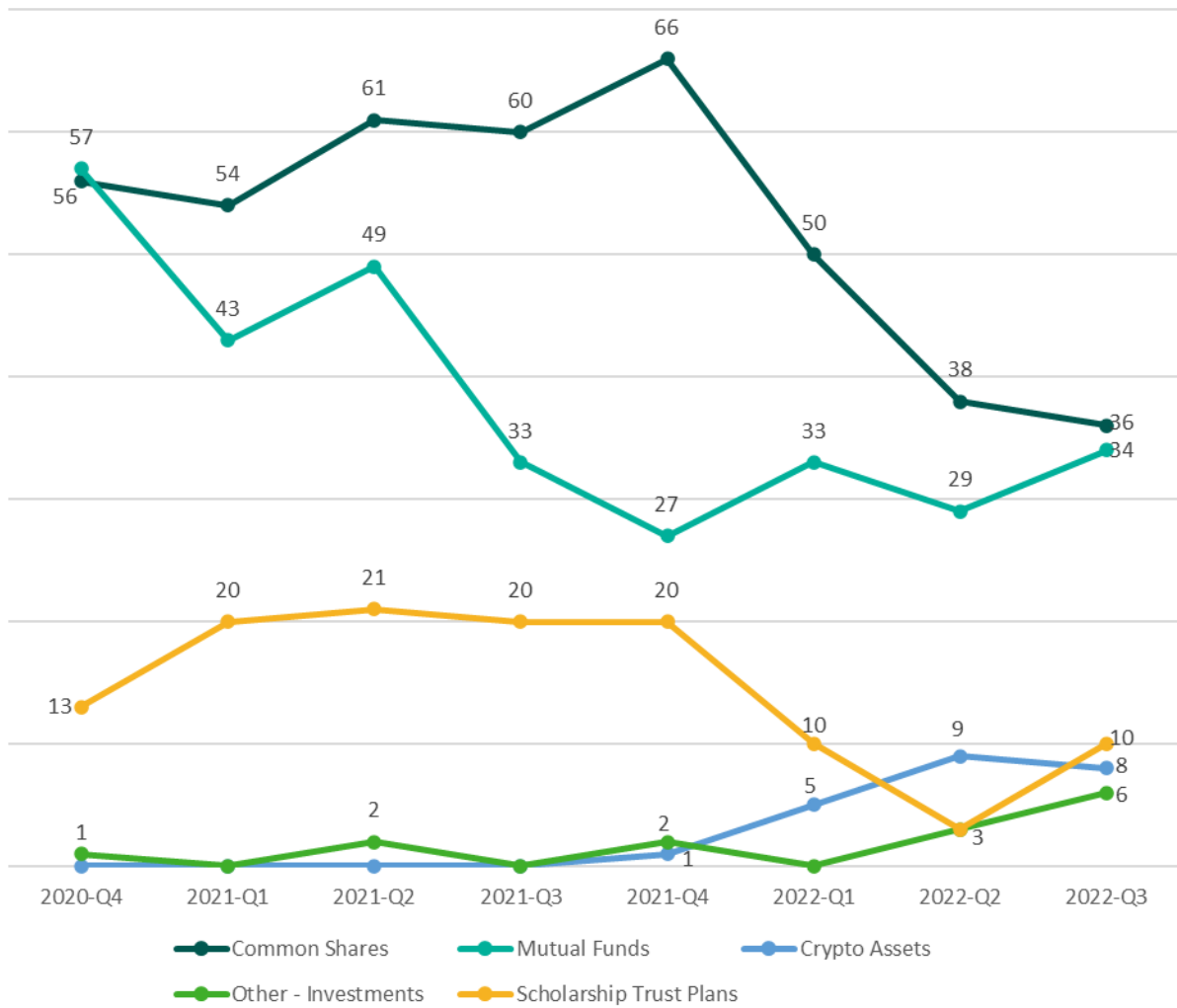
### Top 5 Banking Issues: Last 8 Quarters



Fraud complaints remained the most reported banking issue in the third quarter of 2022, on par with the previous quarter when levels reached an eight-quarter high. Service issue complaint volumes remained generally consistent with recent quarters, while complaints related to product information disclosure have remained mostly flat since the second quarter of 2021. Relationship-ended complaints declined to their lowest level in eight quarters. Chargeback complaints remained consistent with recent quarters, and well below the highs seen in 2021.

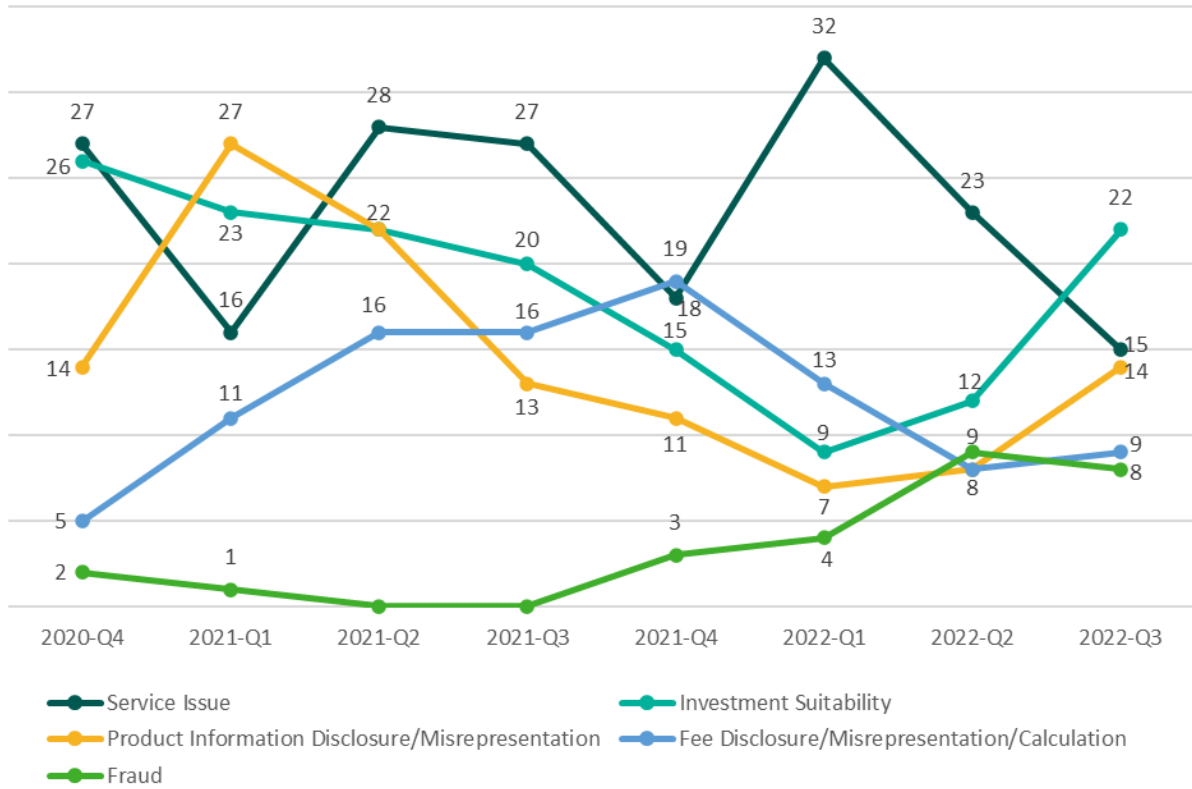


### Top 5 Investment Products: Last 8 Quarters



In Q3, cases related to common shares continued a downward trend, reaching an eight-quarter low while remaining the most common product complaint among investors. Mutual fund complaints increased by 17% quarter over quarter while remaining significantly below the highs reached in Q4, 2020. Cases related to scholarship trust plans increased to Q1, 2022 levels while remaining well below the highs of 2021. Cases related to crypto assets dipped slightly from the eight-quarter high of Q2 while cases related to other investment products reached an eight-quarter high.

### Top 5 Investment Issues: Last 8 Quarters



Suitability was the leading issue for investors in Q3 for the first time in the past eight quarters. Service issue complaints continued to decline from the previous quarter, reaching an eight-quarter low. Complaints related to fee disclosure remained low relative to recent quarters, while concerns with product information disclosure nearly doubled the previous quarter and remained mostly on par with the previous year. Fraud cases were flat when compared to the prior quarter, following a steady climb in the past year.