

Consumer complaints increase in 2016: OBSI Annual Report

NEWS RELEASE

Consumer complaints increase in 2016 *OBSI 2016 Annual Report Release*

TORONTO, Ontario, March 16, 2017 – The Ombudsman for Banking Services and Investments (OBSI) has released its Annual Report for 2016; a year that marked a significant milestone with the organization celebrating its 20th anniversary.

“This was an important year for OBSI,” said Ombudsman Sarah Bradley. “We went through an independent evaluation of our operations and practices for investment-related complaints that concluded that we performed well within our mandate and that case decisions are fair and consistent with those made internationally.

“And, in addition to a number of internal initiatives to improve our efficiency, we also undertook a significant effort to build on OBSI’s strengths by developing a five-year strategic plan with a vision of inspiring confidence in the Canadian financial services sector,” continued Ms. Bradley.

The annual report also provides several key consumer complaint statistics.

Overall complaint volumes at OBSI rose in 2016, up 12% from 2015. The types of complaints Canadians have about their banking services and investments have stayed relatively consistent. Mortgage products and the related fees and penalties continued to lead banking complaints. Mutual funds and their investment suitability, and disclosure issues continued to be the largest categories of OBSI’s investment-related complaints.

“While complaint volumes increased year over year, overall trends remained consistent,” said Bradley. “We are seeing the same kinds of products and issues, and geographic distribution, as in recent years.”

Consumer satisfaction with OBSI was high in 2016. Surveys taken by consumers after their cases closed showed that 71% with a bank complaint rated the quality of service as very good or good (whether they received compensation or not), while 83% of consumers with an investment complaint rated the quality of service as very good or good (whether they received compensation or not).

“OBSI has served as Canada’s trusted, independent financial ombudsman for more than 20 years. We are proud of our history,” said Ms. Bradley. “In 2016, we continued our tradition of delivering high-quality dispute resolution services at no cost to consumers and investors. And we are committed to ensuring that we play a valuable role in Canada’s consumer protection framework.”

2016 Key Statistics

- 5,055 total inquiries
- 640 opened cases, up 12% from 2015
- \$2,645,035 total compensation recommended

Banking Services Statistics

- 290 opened cases, up 6% from 2015
- Top product and related issues:

- Mortgages represented 24% of cases, with fees and penalties the top related issues
- Personal transaction accounts represented 20% of cases, with relationship ended and fraud the top related issues
- \$4,016 average compensation for banking-related complaints
- 71% of consumers with a bank complaint rated the quality of service as very good or good (whether they received compensation or not)

Investments Statistics

- 350 opened cases, up 17% from 2015
- Top products and related issues:
 - Mutual funds represented 44% of cases, with suitability and disclosure the top related issues
 - Common shares or equities represented 34% of cases, with suitability of the investment or suitability of margin or leverage the top related issues
- \$15,552 average compensation for investment-related complaints
- 83% of consumers with an investment complaint rated the quality of service as very good or good (whether they received compensation or not)

The 2016 Annual Report can be found on our [website](#) in both [English](#) and [French](#).

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Canada's Ombudsman for Banking Services and Investments (OBSI) is a national, independent and not-for-profit organization that helps resolve and reduce disputes between consumers and financial services firms in both official languages. OBSI is responsive to consumer inquiries, conducts fair and accessible investigations of unresolved disputes, and shares its knowledge and expertise with the stakeholders and the public. If a consumer has a complaint against an OBSI participating bank or investment firm that they are not able to resolve with the bank or firm, OBSI will investigate at no cost to the consumer. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

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