

Financial Consumers Need a Fair & Independent Complaint Resolution Process

NEWS RELEASE

For Immediate Release

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"We should simplify the redress system for consumers, not allow more fragmentation."

Toronto, ON—Today, the Board of Directors of the Ombudsman for Banking Services and Investments (OBSI) released the following statement:

"In the wake of TD Bank's withdrawal from OBSI for banking complaints, the Board of Directors would like to strongly express our complete support of and confidence in OBSI management and staff. We are grateful to them for the tireless and often thankless work they do day in and day out to achieve fair outcomes for the most difficult financial consumer complaints.

Canadians are justly proud of our financial services sector. Over the past few years, it has been an example to the world in large measure due to prudent and balanced regulation of the sector, a key element of which is an effective consumer protection framework.

At the heart of that framework is trust; trust between the financial institution and the consumer. How the complaint handling system functions is essential to maintain that trust when the consumer feels he or she has been wronged or treated unfairly. For many individual consumers and small businesses navigating the bureaucratic maze of many large financial institutions can be a daunting prospect and baffling ordeal. When a consumer cannot satisfy his or her complaint with a firm, there must be a fair, impartial and efficient alternative to costly and lengthy legal action.

Canadian consumers and investors deserve an independent, accessible, and effective service that meets the needs of consumers and operates in the public interest. Government needs to know they have an effective partner in dispute resolution, one that independently and credibly deals with consumers and investors, and is transparent and accountable to regulators. For almost 16 years, OBSI has quietly and effectively performed this role.

OBSI's Board of Directors believes that an effective consumer protection service that operates in the public interest cannot survive without the voluntary support of the banking sector, or in the absence of that voluntary support, mandatory participation through designation under the Bank Act or the approval process contemplated by the anticipated regulations pursuant to Bill C-47.

OBSI engages in extensive discussions and sharing of information with regulators and government. As part of its Framework for Collaboration with financial market regulators, OBSI must also submit to rigorous, independent third-party evaluations on a regular basis, judged against published guidelines on such things as fairness, transparency and accessibility.

OBSI's Board of Directors believes we should simplify the redress system for consumers, not allow more fragmentation. We are committed to balancing the interests of all stakeholders, including consumers, industry, government and regulators, as we seek a way forward."

OBSI is the national independent dispute resolution service for consumers and small businesses with a complaint they can't resolve with their banking services or investment firm. As a free alternative to the legal system, we work informally and confidentially to find fair outcomes to disputes about banking and investment products and services.

OBSI looks into complaints about most banking and investment matters including: debit and credit cards; mortgages; stocks, mutual funds, income trusts, bonds and GICs; loans and credit; fraud; investment advice; unauthorized trading; fees and rates; transaction errors; misrepresentation; and accounts sent to collections. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

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Note: Quotes may be attributed to Dr. Peggy-Anne Brown, Chair.

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