

# Ombudsman for Banking Services and Investments Releases List of Frequently-Seen Seniors Issues

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TORONTO – June is Seniors' Month in Canada, a time to celebrate seniors and reflect on their issues and challenges. To help seniors better manage their financial affairs, the Ombudsman for Banking Services and Investments (OBSI) today released a list of common issues and problems he sees affecting them.

"Our tracking shows that approximately 55-60% of complaints that come into our office are made by those 60 years of age or older," said Ombudsman Doug Melville. "Many of their issues are shared by Canadians of all ages, but many others are specific to seniors."

A frequent theme of these complaints is that the faith the senior placed in somebody was either unwarranted or somehow violated.

"Seniors are generally more trusting of others, and unfortunately this sometimes leads to financial problems down the road," continued Melville. "While trust in others is admirable, it is important to heed that old expression: Trust, but verify."

## TOP SENIORS ISSUES SEEN BY OBSI:

1. **Delegating control of financial affairs:** It is common to see problems arise when a senior lets their spouse or partner be solely responsible for managing the household finances. If that person passes away or the relationship ends, previously hidden issues come to light. Sometimes there is debt that was unknown, for which the senior is now liable. Other times contracts were signed or transactions made jointly in the couple's name, of which only one person was aware. To avoid these problems, it is important at any stage of life to be fully aware and involved in managing your own finances, even if they are jointly handled with a spouse or partner.
2. **Missing financial records:** A number of complaints arise when a senior (or relative) vaguely recalls or finds limited evidence of assets such as GICs or bonds held many (often very many) years ago, but neither the senior nor their financial institution can account for what happened to them. Keep records up-to-date, store them in a safe place, and make sure that others know where the information is or have documentation to follow so that all your assets are documented and traceable.
3. **Grandparent scam:** This common scam begins with a senior receiving a phone call from someone claiming to be their grandchild or other relative. The scam artist says they are in trouble with the law or were in an accident, and they urgently need money sent to them by wire. Sometimes an accomplice gets on the phone pretending to be a lawyer or health professional, putting additional pressure on the senior. Because the criminal asks the senior not to contact other relatives about the situation, it is only after the money has been sent that the scam is discovered.
4. **Powers of Attorney:** Sometimes people complain to OBSI about transactions that a holder of a Power of Attorney (PoA) is making on behalf of a senior. Other times, the holder of a Power of Attorney complains that a financial services firm would not honour the PoA and follow their instructions. Make sure that any Power of Attorney document clearly spells out the intentions of the person granting it and identifies which specific powers are being granted. Know that the holder of a PoA must act only for the benefit of the person who gave the PoA. Some unfortunate situations arise when the PoA holder decides to act in their own interest.
5. **Unsuitable investments:** Many people complain to OBSI that the investments recommended to them by their advisor were inconsistent with their personal and financial circumstances, investment time horizon, investment objectives and/or risk tolerance. For seniors, with limited time to recoup any

losses suffered as a result, the consequences are magnified. While as a general principle investors should be able to rely on their advisor and firm to make suitable investment recommendations, investors also have a responsibility to take steps to mitigate their losses once they realize (or should have realized) there was a problem. Make sure your advisor knows your circumstances and make sure you understand any documents you are signing.

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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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