

April 24, 2026

Ombudsman for Banking Services and Investments (OBSI) Review
Attention: Phil Khoury
review@crkhoury.com

Re: OBSI 2026 Independent External Review

FAIR Canada is a national, independent, non-profit organization known for balanced and thoughtful commentary on public policy matters. Our work includes advancing the rights of investors and financial consumers in Canada through:

- Informed policy submissions to governments and regulators
- Relevant research focused on retail investors
- Public outreach, collaboration, and education
- Proactive identification of emerging issues.¹

A. Introduction

FAIR Canada is pleased to provide comments to assist with the independent external review of OBSI (the Review). Our remarks address the Review questions where we can provide meaningful insight, with a particular focus on OBSI's investment mandate.

Our perspective is shaped by years of advocacy to improve complaint handling, feedback from harmed investors, and comparative research on best practices for ombud services. This includes direct engagement with previous OBSI external reviews, ongoing advocacy for binding authority, and focus group research on retail investors' experiences.

OBSI is a trusted, well-established organization that has been providing sound complaint handling services for 30 years. The 2022 external review of OBSI's investment mandate (the 2022 Review) found that OBSI met or exceeded the standards for an independent, accessible and effective dispute resolution service in terms of its processes and investigative approach.² Despite OBSI's many strengths, a significant limitation prevents it from being a truly world-class ombud service: it lacks the authority to make binding decisions. Below, we share our views on:

- The lack of binding authority and its effect on consumer confidence in the financial sector
- OBSI's collaboration with government and regulators
- Timeliness of complaint handling

¹ Visit www.faircanada.ca for more information.

² Poonam Puri and Dina Milivojevic, [Independent Evaluation of the OBSI Investments Mandate](#), June 13, 2022.

- Thought leadership
- Stakeholder engagement
- Complaint assistance.

We trust that our input will contribute positively to the Review process and help further strengthen OBSI and the important role it plays within financial services. We look forward to the Review report and encourage OBSI to publish regular updates on its progress in implementing the report's recommendations.

B. Lack of Binding Authority and Consumer Confidence

This section responds to questions 7 and 8 in the consultation document.³

OBSI plays a vital role in reinforcing confidence that financial institutions treat consumers fairly. Through an independent, fair, and transparent process, OBSI promotes consumer confidence that unresolved complaints are assessed on their merits rather than a firm's commercial interests. This external process helps hold banks and investment firms to consistent standards of conduct, particularly when internal complaint processes fail to deliver timely or satisfactory outcomes.

For financial institutions, OBSI provides a credible, structured mechanism for resolving complaints outside the court system. Beyond efficiency, OBSI's recommendations provide firms with valuable feedback to identify process weaknesses, improve complaint handling practices, and demonstrate a genuine commitment to consumer protection. By acting on OBSI's feedback and making tangible improvements, firms can foster consumer trust and demonstrate that the financial system is accountable to the people it serves.

The availability of an impartial body to review decisions and recommend redress is a key safeguard that strengthens trust in Canada's financial services. That safeguard, however, is materially weakened by the limits of OBSI's authority: it can only issue non-binding recommendations. While outright refusals remain uncommon, a consumer who prevails at OBSI can still be pressured into accepting substantially less than OBSI recommends.

The absence of binding authority undermines the integrity of the process itself. If OBSI confirms unfairness and quantifies harm, but the firm disregards the recommendation or offers an inadequate settlement, the consumer is left worse off despite a favourable outcome. This lack of finality prolongs complaints, increases costs for both parties, reinforces perceptions that the remedy phase favours firms, and discourages engagement with OBSI and the complaints process.

Because OBSI cannot make binding decisions, the dispute resolution process reinforces a structural imbalance, allowing firms to ignore OBSI's recommendations, avoid resolution, or encourage low settlements, all to the detriment of consumers. This imbalance increases delays and costs and undermines consumer confidence in the fairness of the complaints process.

³ Question 7: Is the presence of OBSI assisting to provide greater confidence amongst Canadian consumers and the community generally that they will be treated fairly by banks, credit unions and investment firms? Question 8: Does OBSI have the authority appropriate for its role?

While we recognize that OBSI cannot implement binding authority itself, the Review is an opportunity to:

- Restate that OBSI needs binding authority to properly fulfill its role and meet consumer expectations, and
- Remind everyone that continued delays in making concrete progress on this issue mean that consumers continue to be exposed to real harm.

Until binding authority is a reality, the Review should recommend that OBSI provide more comprehensive data in its annual reports on low settlements following its investigation and recommendations. Specifically, OBSI should break down these settlements by firm type, product category, and the nature of the complaint, and include the reasons firms gave for ignoring OBSI's recommendations.

C. Working with Governments and Regulators

This section relates to question 9 in the consultation document.⁴

We understand that OBSI maintains a constructive and collaborative relationship with the Canadian Securities Administrators and the Canadian Investment Regulatory Organization through the Joint Regulators Committee (JRC). OBSI and the JRC meet regularly to discuss operational matters, governance, and the effectiveness of OBSI's dispute resolution processes. Robust information sharing from OBSI to regulators is essential, as it helps regulators detect and address recurring issues and systemic risks that may impact investor protection.

Given the importance of information sharing, especially regarding potential systemic issues, the Review should evaluate the effectiveness of the Protocol for Handling Systemic Issues. In particular, it should assess whether OBSI is sharing adequate information with the JRC about systemic issues to ensure that all investors affected by them are treated fairly and receive redress where warranted.

Lastly, we recommend that the Review examine the JRC's and OBSI's reporting of systemic issues in their annual reports. The Review should consider whether providing more detailed information, such as the number of affected investors and how the issue was resolved, would help the public better understand these matters. This additional transparency would also help reassure the public that the information sharing between OBSI and the regulators is meaningful and working to protect consumers from potential harm.

D. Timeliness of Complaint Handling

This section addresses question 6(e) in the consultation.⁵

⁴ Question 9 asks whether OBSI works effectively with government agencies and regulators.

⁵ Question 6(e) asks for feedback about OBSI's operational effectiveness in the efficiency/timeliness of complaint-handling.

OBSI data show improvements in average complaint handling times,⁶ which is encouraging. However, these figures may not reflect what complainants actually experience. OBSI begins measuring its timelines from the date it receives the information needed to open an investigation, not from the date the consumer first contacts OBSI. As highlighted in the 2016 external review, this approach starts the clock later than is typical for other ombud services.⁷

The gap matters. According to the 2022 Review, nearly all files examined showed that more than two weeks elapsed between the consumer's initial contact with OBSI and the start of the investigation; in most instances, this process took over a month.⁸ As a result, OBSI's reported timelines understate the time the process actually takes from the complainant's perspective, which could lead to confusion and erroneous conclusions about its timeliness in resolving complaints.

We agree with the 2022 Review's recommendation that OBSI should start its clock upon receipt of the consumer's signed consent letter.⁹ This is a logical and defensible starting point: OBSI cannot begin its review or request that the firm provide the complainant's personal information until that letter is in hand. Since this recommendation was made in 2022 and has not been implemented, the Review should assess why it was not acted upon and, if appropriate, set a concrete deadline for doing so.

The 2022 Review also found that prolonged pre-investigation periods are, in part, attributable to firms' delaying the production of files to OBSI. It recommended requiring firms to provide documents within two weeks, with public reporting of any firm that fails to meet that timeline.¹⁰ Given that this recommendation was previously made but not implemented, we urge the Review to restate it clearly, examine the reasons for inaction, and press for concrete steps to ensure timely document production going forward. We recognize that genuinely complex files may warrant additional time; such cases could be accommodated through a transparent extension mechanism, with OBSI reporting publicly on which firms seek extensions and how often.

These changes matter because timelines do not exist in isolation. By the time a complainant reaches OBSI, they have already navigated the dealer's internal complaint handling process, which could take up to 120 days.¹¹ Measuring and reporting OBSI's timelines more accurately – and holding all OBSI members to clear deadlines – would better reflect the complainant's real experience and bring greater discipline to a process that, end to end, can be frustratingly long.

E. Thought Leadership

FAIR Canada agrees with the 2022 Review that thought leadership is a valuable and important function for OBSI. However, thought leadership should not be equated solely with responding to public consultations. It encompasses a broad range of activities, such as identifying emerging

⁶ OBSI [2025 Annual Report](#) at 49.

⁷ Deborah Battell and Nikki Pender, [Independent Evaluation of the Canadian OBSI Investment Mandate](#), May 2016, at 42.

⁸ 2022 Review, *supra* note 2, at 49.

⁹ *Ibid.* at 50.

¹⁰ *Ibid.*

¹¹ As discussed in the next section, CIRO's rules give firms additional time to resolve a complaint when a client chooses to use the firm's internal escalation process. While clients retain the legal right to go to OBSI after 90 days, those who accept this optional internal escalation typically await its outcome before approaching OBSI. This means a complaint may not reach OBSI until as much as 120 days after it was first filed.

issues and sharing evidence-based analysis. OBSI's credibility rests in significant part on its perceived impartiality. Commenting on specific regulatory proposals - particularly those affecting its mandate, role, authority or timelines - carries real risks, as it can create a perception of bias and undermine OBSI's standing as a neutral and impartial body. In our view, OBSI should comment less frequently on specific regulatory proposals and direct more of its thought leadership toward deepening its data analysis, as discussed below. Guidance from the Review on how OBSI should approach public consultations could help it apply this more selective approach.

OBSI is uniquely positioned to pursue this kind of thought leadership. No other organization has the same window into how individual investors experience the financial system when things go wrong. This gives OBSI a distinctive and credible voice, one that is most powerful when grounded in what it observes directly through its complaint handling work.

To fully realize the value of this perspective, OBSI should do more than publish its data – it should interpret what the data reveals. Although the OBSI Data Cube is a helpful resource, it can be daunting for public stakeholders to navigate. OBSI could put this data to better use by producing periodic reports that highlight trends in complaint volumes, resolution timelines, and outcomes – and the factors driving them. These reports could also serve as a foundation for richer discussions at its stakeholder engagement meetings. This type of analysis would add value to the system and reinforce OBSI's standing as an important resource for the Canadian financial sector.

It would also be helpful for OBSI to begin collecting data on how many complainants reach it after choosing to use a firm's optional internal "appeal process." This information would help shed light on whether optional escalatory processes beyond 90 days meaningfully improve resolution at the firm level or simply delay access to OBSI. It would also allow analysis of whether certain firms, complaint types, or claim amounts are more likely to proceed through an internal escalatory process, and whether there are material differences between what firms offer through these processes and what OBSI ultimately recommends.

F. Stakeholder Engagement

This section responds to questions 11(b) and 12 in the consultation.¹²

OBSI has made meaningful progress in engaging with consumer groups and advocacy organizations, and we appreciate the efforts that go into these relationships. The 2022 Review commended OBSI for meeting regularly with consumer groups to share information and recommended that OBSI's board establish roundtables with consumers and advocacy groups to receive input on key issues and current developments.¹³ We support that direction and offer a few suggestions to help OBSI build on the process.

Make data more accessible and actionable

OBSI shares substantial data during its stakeholder meetings, which is appreciated. There is, however, an opportunity to move beyond presenting numbers to interpreting and contextualizing

¹² Question 11(b): In your view, does OBSI effectively engage with consumer advocacy groups? Question 12: Do you have any suggestions as to how this engagement could be improved?

¹³ 2022 Review, *supra* note 2, at 65 and 23.

them. Focusing on key metrics and the drivers behind trends, rather than the trends themselves, would give stakeholders more to work with and lead to richer, more focused discussions. We'd also suggest looking at data beyond just the most recent quarter.

Sharing data with participants in advance of meetings would further enhance their value, giving stakeholders time to review the material and come prepared with informed questions and observations for discussion.

Vary meeting formats for deeper engagement

Issue-specific or thematic deep dives, such as trends on low settlements, resolution timelines, challenges faced by vulnerable consumers, and common concerns raised by dissatisfied complainants, could complement the current presentation format and generate more substantive dialogue.

Periodically inviting frontline staff, including investigators, to these sessions could also add valuable operational perspectives and enrich the conversation.

Establish feedback loops

To help ensure these sessions function as a genuine two-way exchange, the Review should encourage OBSI to briefly summarize key takeaways at the end of each session and, at subsequent meetings, reflect on how input may have been considered. This would help ensure these meetings serve as a meaningful two-way exchange, giving consumer groups a clearer picture of OBSI's work and priorities, while providing OBSI with useful, informed input on areas for improvement.

Use targeted questions to guide consumer group input

Before each consumer group meeting, OBSI invites these groups to suggest agenda items for discussion. Allowing meetings to be guided by an open-ended agenda may lead to discussions that stray into areas beyond OBSI's mandate or into matters it cannot meaningfully act on. Sending targeted questions to consumer groups ahead of each meeting would help focus input on issues where OBSI can make a meaningful difference and better support its continuous improvement. For example, the following questions could be posed:

- *Identifying challenges in accessing redress:* Drawing on your experience advocating for consumers, what are the most significant difficulties consumers encounter when attempting to resolve financial complaints?
- *Enhancing outreach and communication:* How can OBSI improve its outreach and communication to help ensure consumers are aware of its services and know how to access them?
- *Improving transparency and accountability in dispute resolution:* How can OBSI strengthen transparency and accountability in its dispute resolution process? What types of information should be shared with the public to foster greater confidence in OBSI?

- *Strengthening collaboration with advocacy groups*: How might OBSI work more closely with advocacy groups to identify and address consumer concerns more proactively and effectively?

By inviting consumer groups to reflect on targeted questions in advance, OBSI can foster richer, more focused discussions and strengthen its stakeholder engagement.

Engage complainants directly

OBSI’s annual consumer surveys consistently show that complainant satisfaction tends to be closely tied to outcomes rather than to the experience of the process itself.¹⁴ This points to an opportunity worth exploring: whether more proactive engagement with individuals who have gone through the complaint process (regardless of outcome) could help OBSI better understand how the experience feels from the inside, and identify process improvements that build broader confidence in the system. Given the limitations of survey-based feedback, there may be value in engaging more deeply with complainants, such as through structured follow-up interviews or focus groups. The Review should consider whether OBSI’s current consumer feedback mechanisms are sufficiently systematic and meaningful to inform improvements.

G. Complaint Assistance

This section relates to question 5 in the consultation.¹⁵

FAIR Canada strongly supports OBSI assisting complainants as a core element of a fair and accessible dispute resolution system. OBSI’s Terms of Reference expressly authorize this role: OBSI may, where necessary, and without advocating on their behalf, assist complainants with the complaint process, including helping them articulate their complaint to OBSI or a firm.¹⁶

FAIR Canada’s focus group research highlights the challenges retail investors face with the financial system. It found that many struggle with the complexity and fragmentation of the system, and often find investment documents and terminology difficult to understand.¹⁷ As such, investors may find it challenging to articulate complaints about their investments, the advice they received, or their advisor’s conduct.

OBSI’s assistance is vital in helping consumers overcome procedural and informational barriers, such as compiling relevant documentation and understanding terminology. By guiding complainants through the process, without advocating on their behalf, OBSI enables investors to present their concerns effectively, ensuring complaints are evaluated on their merits. This support helps level the playing field between firms and investors, promoting fairness and confidence in the investor redress framework.

Ombud services in other jurisdictions, such as Australia, also recognize the importance of assisting complainants. The Australian Financial Complaints Authority’s (AFCA) Operational

¹⁴ OBSI, [2025 Consumer Survey Results](#).

¹⁵ Question 5 asks whether OBSI sufficiently assists consumers to make a complaint.

¹⁶ OBSI [Terms of Reference](#), June 16, 2022, s. 4.1(e).

¹⁷ FAIR Canada, [Focus Groups - Understanding Canadian Investors](#), January 2024.

Guidelines¹⁸ allow it to assist complainants to understand whether they are eligible to submit a complaint, clearly articulate their concerns, and identify the documents and information needed to support their complaint. AFCA also provides tailored assistance to complainants who may be disadvantaged without support, including registering complaints in languages other than English and arranging translation at no cost. It may refer complainants to community legal centres, financial counsellors, or other support services where appropriate.

Thank you for the opportunity to provide input on this important Review. FAIR Canada looks forward to the Review report and remains committed to working constructively with OBSI, the Review team, and other stakeholders to advance fair and effective outcomes for retail investors in Canada. Above all, we will be watching for concrete progress on binding authority - the single most important reform for ensuring Canadian investors receive fair and final outcomes. We welcome any follow-up discussion on the views expressed in this submission.

Sincerely,



Jean-Paul Bureaud
President, CEO and Executive Director
FAIR Canada | Canadian Foundation for the Advancement of Investor Rights

¹⁸ AFCA, [Operational Guidelines to the Rules](#), March 12, 2026, s. A.3.2.