



Opening Remarks by Sarah Bradley, Ombudsman and CEO, OBSI
to the Senate Committee on Banking, Commerce and the Economy

February 4, 2026

Good afternoon, Chair and Honourable Members of the Committee. Thank you for the invitation to appear before you today. My name is Sarah Bradley, and I am the Ombudsman and CEO of the Ombudsman for Banking Services and Investments (OBSI). I am also currently serving as Chair of the International Network of Financial Services Ombudsmen – which gives me some perspective on the approaches being taken globally on the issues facing financial ombudsmen worldwide.

OBSI is a national, independent, not-for-profit, dispute resolution service for consumers and financial firms.

As part of the financial consumer protection framework, we are mandated by both federal and provincial governments and regulators. We provide our services to all bank consumers and retail investors in Canada, as well as most credit union members - more than 1,500 financial firms across the country participate in our service.

This year marks OBSI's 30th anniversary. For three decades, we have been helping to ensure fairness in Canada's financial marketplace.

At OBSI, we help Canadian financial services consumers with their questions and concerns, and we conduct fair, independent investigations of complaints that consumers have not been able to resolve directly with their financial services firms.

And we are quite busy - last year, we responded to more than 26,000 inquiries from Canadians and opened over 6,000 investigations of consumer complaints – over 500 inquiries and 115 investigations every week.

This gives us a unique perspective on the kinds of challenges Canadian consumers face in an increasingly complex and rapidly modernizing financial system.

We also consider it an important part of our mandate to share the insights from our work to help ensure a fair, effective and trusted financial services sector. We are not a consumer advocate, but we publish data and statistics, as well as case studies and special reports to help consumers, financial services businesses and regulators to understand the issues and challenges being raised by consumers.

Among the complaints we deal with, one issue stands out above all others today: fraud. In recent years we have experienced an unprecedented rise in fraud-related complaints, driven largely by digital and impersonation-based scams. In our banking mandate, approximately one-third of the cases we deal with

involve fraud. Last year, that was over 1,800 investigations. The scale and human impact of these cases cannot be overstated.

However, in most cases, we are not able to provide any recourse – just one in five fraud cases at OBSI last year resulted in a settlement or recommendation for compensation. Four out of five fraud victims who come to us for assistance are left with their losses.

In most cases, the reason we are not able to recommend compensation is because we have no legal or regulatory basis to do so.

Sharing confidential banking information, intentionally or unintentionally, is a breach of the agreement that consumers make when opening a bank account, leaving them liable for their losses in most fraud cases. Banks have limited obligations to protect their customers from these crimes. When banks do provide restitution, they often do so as a goodwill gesture.

When we do recommend compensation in fraud cases, it is usually because our investigation has shown that the bank did not meet its obligations under the Canadian Code of Practice for Consumer Debit Card Services (the Debit Card Code) or the Code of Conduct for the Delivery of Banking Services to Seniors (the Seniors' Code), or has not lived up to its own public representations about fraud detection and prevention, or has failed to prevent a specific fraud when it had a clear opportunity to do so.

In our experience, consumers often incorrectly believe that they are protected from fraud and that their bank will return any money they have lost to fraud. They believe they haven't done anything wrong – and in fact, that is what our investigations show in most cases. This consumer expectation is likely based on the general understanding and advertising of “zero liability” protections for credit card products, banks' public representations about security and fraud protection, and the general reputation of Canada's banks as safe, secure places for the safekeeping of consumer deposits. They are often devastated to learn that they have been mistaken about the protections they thought were in place.

I'm pleased to respond to any questions you may have.