

OBSI sees record number of complaints as expanded banking mandate drives consumer demand to new highs

In the second quarter, we experienced a continued rise in case volumes, reflecting the impact of our expanded mandate as Canada's sole external complaints body for all federally regulated banks. Total inquiries reached an all-time high of 6,289, up 2% from the previous quarter and up 47% from the previous year. Total cases opened in the quarter reached an all-time high of 1,652. Banking-related complaints drove this surge, increasing 31% from the previous quarter and 158% year over year. Investment cases were also up, increasing 12% both quarter over quarter and year over year.

Fraud related complaints increased significantly in the quarter, involving credit cards and e-transfers. Service issues followed closely, particularly those related to personal transaction accounts and credit cards. Mortgage disputes and complaints involving personal savings and chequing accounts also rose notably.

On the investment side, the majority of complaints focused on common shares and mutual funds. Service issues were the most frequently reported concern, with service complaints involving common shares nearly tripling compared to the previous quarter. Suitability complaints remained relatively low, following the elevated levels observed in 2023 and early 2024. Complaints related to crypto asset fraud continued their downward trend, and complaints involving scholarship trust plans, and GICs and cash equivalent products declined from the previous quarter.

Last eight-quarter statistics

In this report, we present preliminary data from Q2 2025 (February 1, 2025 to April 30, 2025) alongside data over the last eight quarters for historical context. We have added new charts for both the banking and investment sectors that showcase volumes by combining product and issue categories. All figures are preliminary and subject to change.

This report includes:

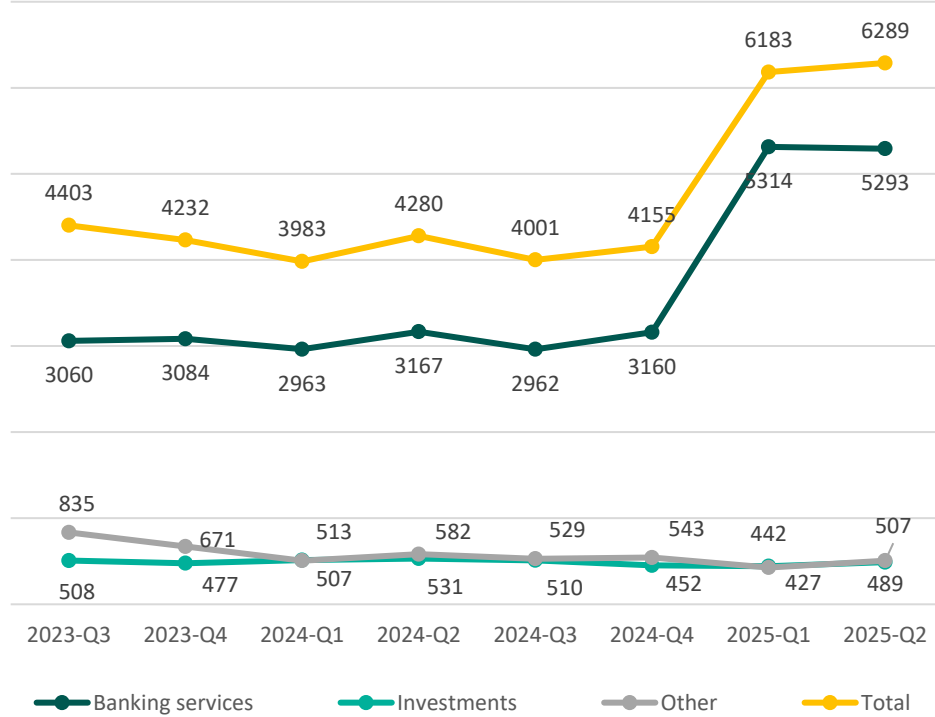
- Inquiries received by industry
- Inquiries received by investment sector
- Total cases opened
- Cases opened by investment sector
- Cases opened by region
- Top 5 banking products
- Top 5 banking issues
- Top 5 combined banking products and issues – new
- Top 5 investment products

- Top 5 investment issues
- Top 5 investment combined products and issues – new

About OBSI inquiries

When consumers contact OBSI with a complaint or question about a financial services problem they are having, we record these interactions as inquiries. Assisting consumers with complaint inquiries is an important part of OBSI's work. In addition to helping people file a complaint with OBSI when it falls within our mandate, our intake staff are trained to provide information and assistance to consumers when we are not the appropriate place to help them. This often includes informing them of regulations which apply to their complaint, explaining what steps need to be taken to resolve their issue and directing them to the right contact within their firm or to the appropriate regulator. Inquiry volumes are a leading indicator of future case volumes.

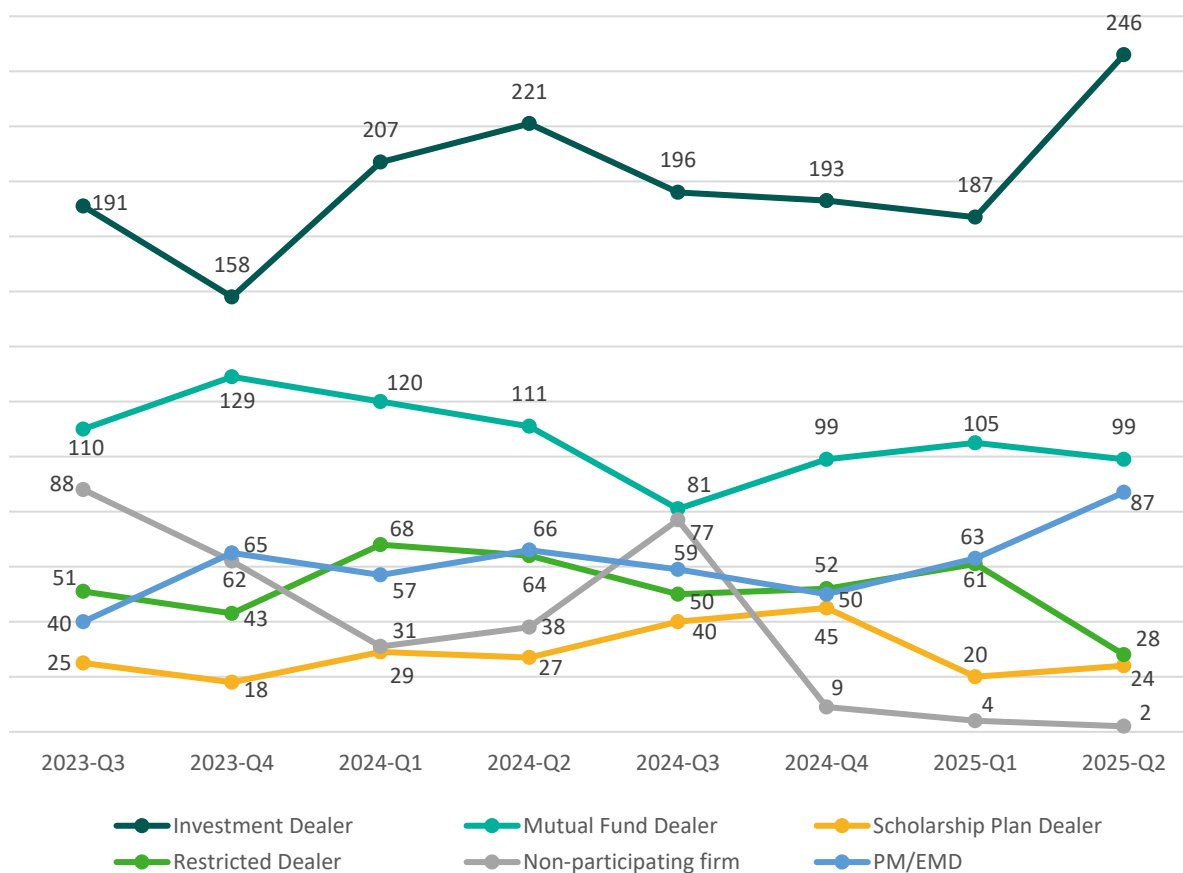
Inquiries Received by Industry: Last 8 Quarters



In Q2, the **total number of consumer inquiries** remained stable for both banking and investments, following a sharp rise in Q1. Banking-related inquiries accounted for 84% of all inquiries.

- **Total inquiries** reached an all-time high of 6,289, up 2% from the previous quarter and up 47% from the previous year.
- **Banking-related** inquiries were flat quarter over quarter but increased 67% year over year.
- **Investment-related** inquiries increased 11% quarter over quarter and decreased 8% year over year.
- **Other** inquiries were up 19% quarter over quarter but down 13% year over year. The Other category includes inquiries from the consumers of non-participating firms.

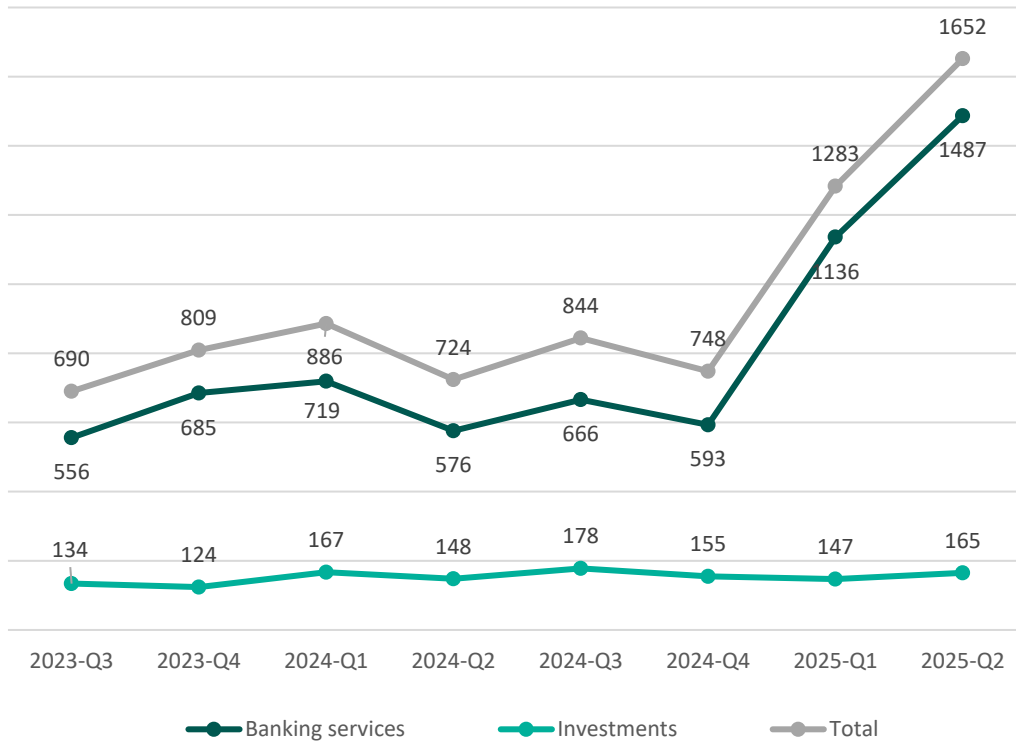
Inquiries Received by Investment Sector: Last 8 Quarters



In the second quarter, total **investment-related** inquiries increased 11% with notable variations across different investment sectors.

- **Investment dealer** inquiries were up 32% quarter over quarter and 11% year over year.
- **Mutual fund dealer** inquiries saw a 6% decrease from the last quarter and a 11% decrease year over year.
- **Portfolio manager/exempt market dealer** cases were up 38% quarter over quarter and 32% year over year.
- **Restricted dealer** inquiries reached an eight-quarter low, down 54% quarter over quarter and down 56% year over year.
- **Scholarship plan dealer** inquiries increased 20% from last quarter and declined 11% from last year.
- Inquiries **from non-participating firms (NPFs)** reached an all-time low quarter over quarter and declined 95% year over year. **NPF inquiries** are related to investment firms not subject to provincial securities regulations requiring them to provide access to OBSI services.

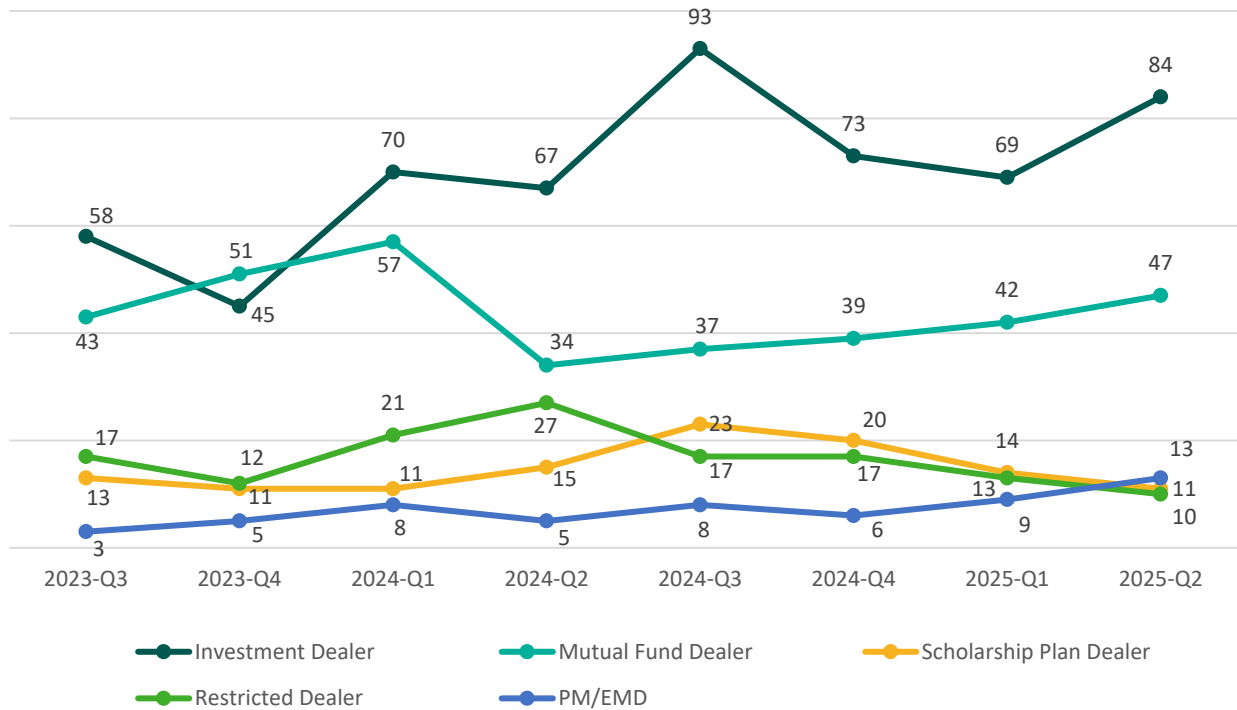
Total Cases Opened: Last 8 Quarters



In Q2, **total cases** opened reached an all-time high of 1,652, due to the significant rise in banking cases.

- **Total cases** opened were up 29% quarter over quarter and more than doubled year over year.
- **Banking cases** opened rose by 31% from the previous quarter and 158% from the previous year.
- **Investment cases** opened increased 12% quarter over quarter and year over year.

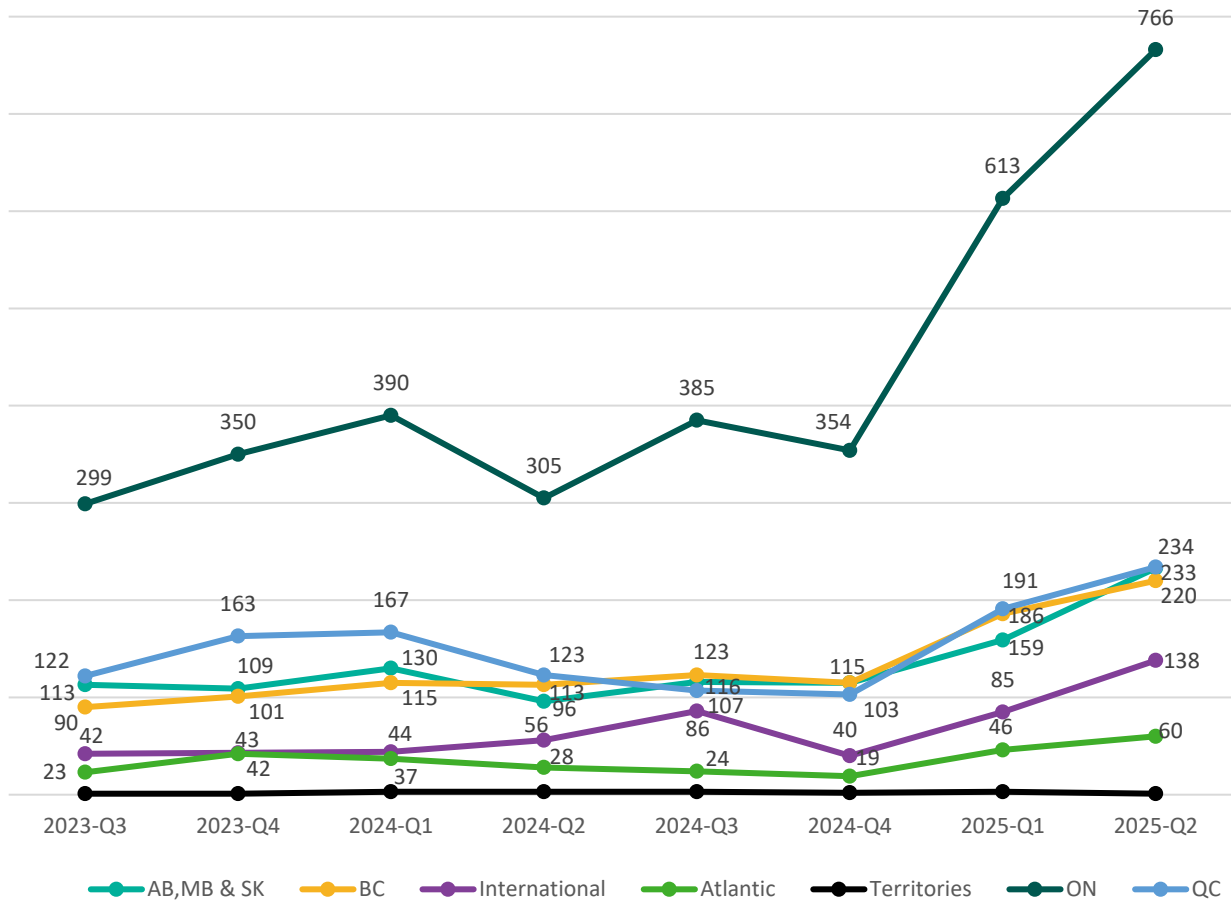
Cases Opened by Investment Sector: Last 8 Quarters



In the second quarter, there was a 12% increase in total **investment** cases opened.

- **Investment dealer** cases saw a 22% increase from the previous quarter and 25% increase from the previous year.
- **Mutual fund dealer** cases were up 12% compared to the last quarter after steadily increasing over the past four quarters and were up 38% year over year.
- **Portfolio manager/exempt market dealer** cases reached an eight-quarter high – more than double the previous year.
- **Scholarship plan dealer** cases decreased from the previous quarter and returned to the eight-quarter low last seen in 2024 Q1.
- **Restricted dealer** cases continued to decline, reaching an eight-quarter low and decreasing 63% year over year.

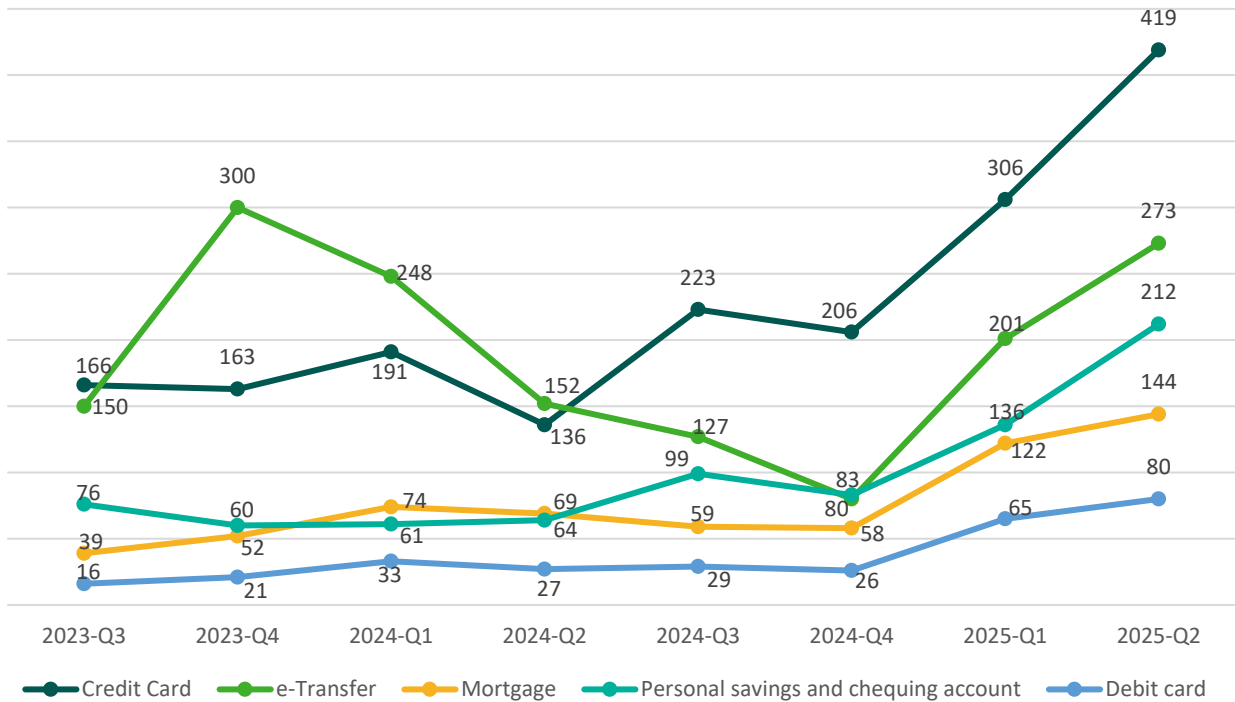
Cases Opened by Region: Last 8 Quarters



During the second quarter, the **total number of cases** opened reached an all-time high, with significant increases in case volumes across all regions except the Territories. Total cases opened were up 29% quarter over quarter and 128% year over year.

- **Ontario** cases increased 25% quarter over quarter and 151% year over year.
- **Quebec** cases increased 23% quarter over quarter and 90% year over year.
- Cases in the **Prairie provinces** were up 47% quarter over quarter and 143% year over year.
- **British Columbia** cases rose by 18% quarter over quarter and 95% year over year.
- **International** cases were up 62% quarter over quarter and 146% year over year.
- In the **Atlantic provinces**, cases rose by 30% from the previous quarter and 114% year over year.
- Meanwhile, cases in the **Territories** remained at low levels.

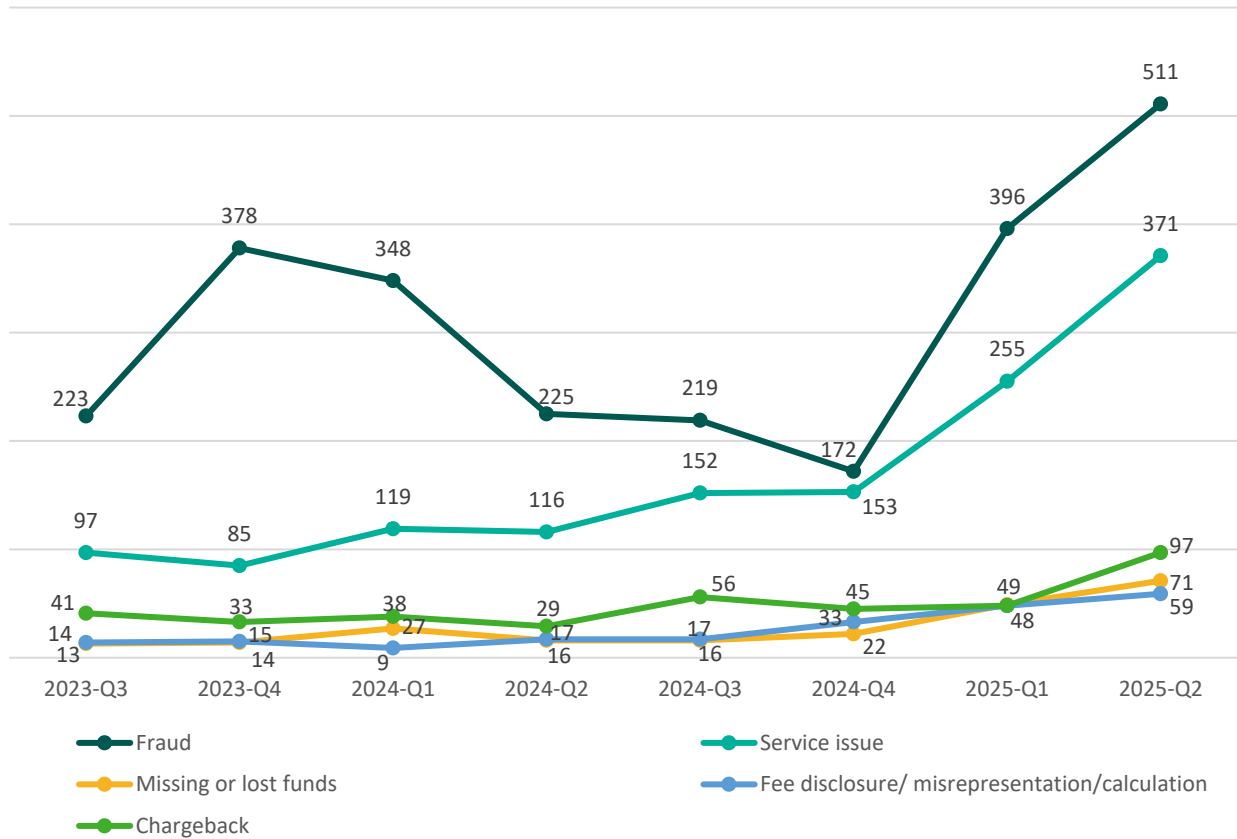
Top 5 Banking Products: Last 8 Quarters



In the second quarter, **credit card** complaints continued to be the leading concern among banking consumers. The case volumes for **all banking products** reached their highest level in the past eight quarters. The top five products for complaints remained unchanged from previous quarters.

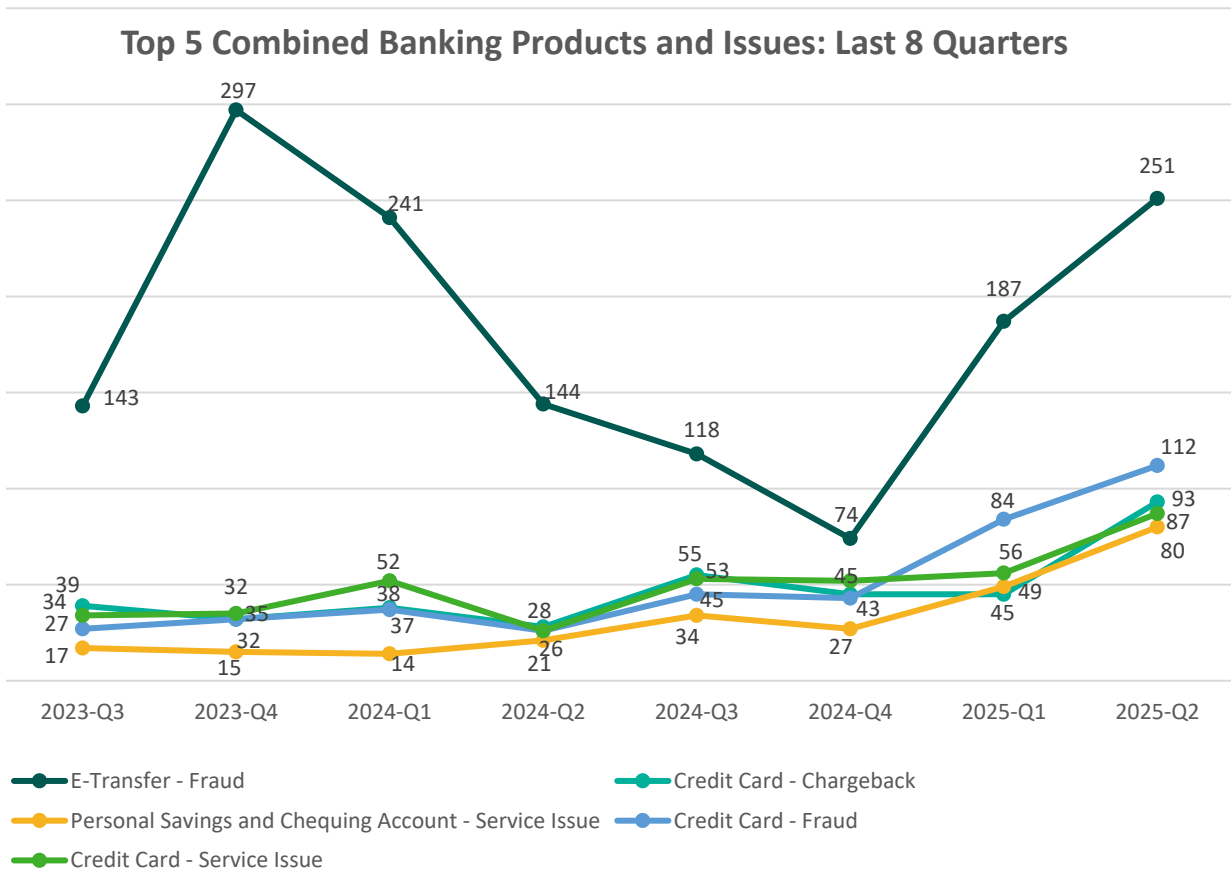
- **Credit card** complaints rose by 37% from the previous quarter, up 208% from the previous year.
- **E-transfer** complaints increased 36% quarter over quarter and 79% year over year, following a period of decline in 2024.
- **Mortgage** complaints were up 18% quarter over quarter, and more than doubled year over year.
- Complaints related to **personal savings and chequing accounts** saw a quarter-over-quarter increase of 56% and triple the case volumes seen last year.
- **Debit card** complaints increased 23% from last quarter and nearly tripled year over year.

Top 5 Banking Issues: Last 8 Quarters



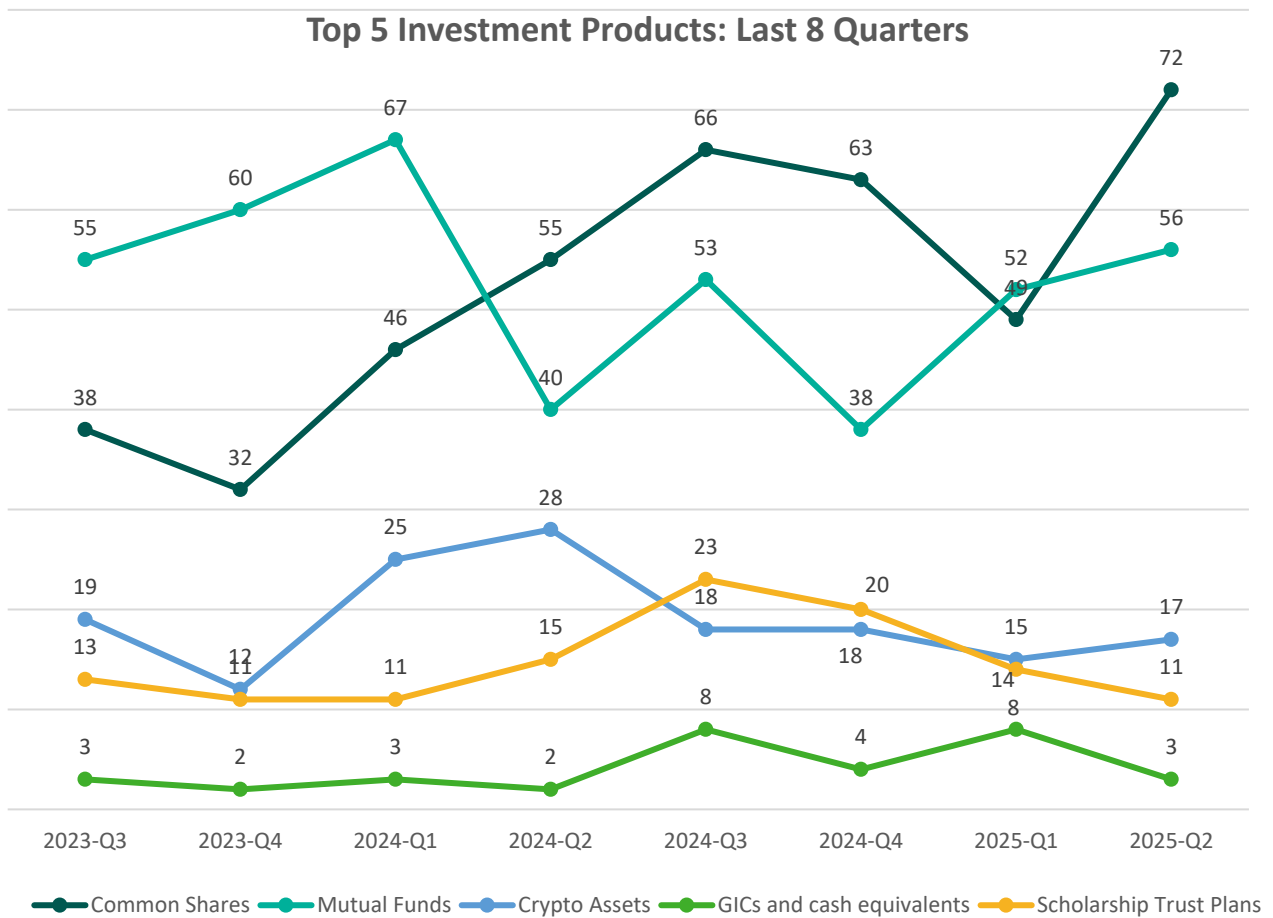
Banking case volumes reached new record highs in Q2 and saw all banking issues reach their highest level in the past eight quarters. The top five issues in Q2 included fee disclosure complaints, which replaced product information disclosure as the fifth most common issue.

- During the second quarter, **fraud** remained the most common concern for banking consumers. **Fraud** complaints increased 29% quarter over quarter and more than doubled year over year, following a decline in 2024.
- **Service issue** complaints rose by 45% compared to the previous quarter, while more than doubling volumes in the previous year.
- **Chargeback** complaints doubled quarter over quarter and more than tripled year over year.
- Complaints related to **missing or lost funds** were up 45% quarter over quarter and rose sharply by 344% year over year.
- **Fee disclosure** complaints were up 23% from the previous quarter and 269% year over year.



In the second quarter, **e-transfer fraud** was the leading combined product-issue complaint among banking consumers. Several product-issue combinations reached an eight-quarter high.

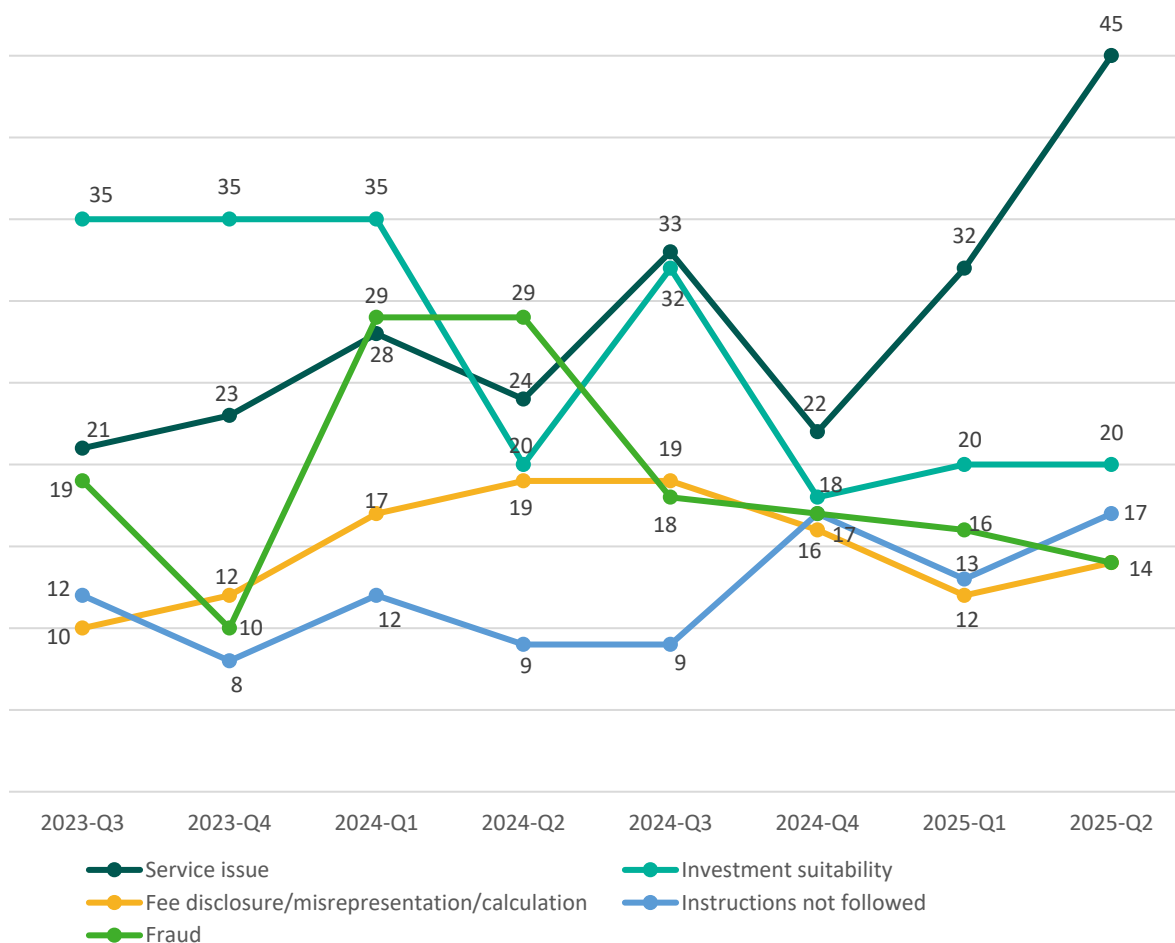
- Complaints related to **e-transfer fraud** saw a 34% quarter-over-quarter increase and rose by 74% year over year, following substantial declines throughout 2024.
- **Credit card fraud** complaints reached an eight-quarter high, up 33% from the previous quarter and 331% from the previous year.
- **Credit card chargeback** complaints also reached an eight-quarter high, with double the case volumes quarter over quarter, up 232% from the previous year.
- Complaints related to **credit card service issues** rose by 55% quarter over quarter and 235% year over year.
- Complaints related to **personal transaction account service issues** were up 63% quarter over quarter and reached an eight-quarter high while increasing 281% year over year.



In Q2, **common shares** led investor concerns about investment products.

- **Common share** complaints were up 47% from the previous quarter, reaching an eight-quarter high, and rose by 31% year over year.
- **Mutual fund** complaints increased 8% quarter over quarter and 40% from the previous year.
- **Crypto asset** complaints were relatively flat quarter over quarter but decreased 39% year over year.
- **Scholarship trust plan** complaints continued to trend downwards and reached the eight-quarter low previously seen in 2024 Q1.
- Complaints related to **GICs and cash equivalents** remained at low levels but decreased quarter over quarter and were flat year over year.

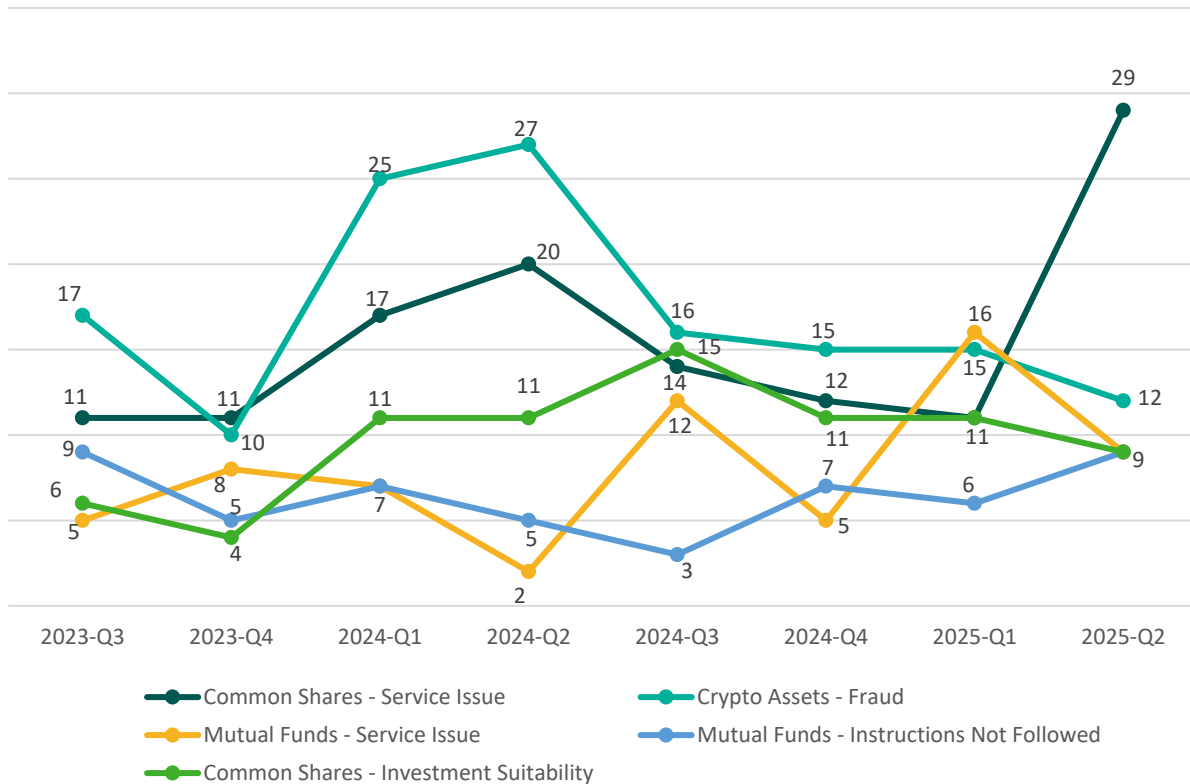
Top 5 Investment Issues: Last 8 Quarters



In the second quarter, **service** was the most complained-about issue for investors. Service complaints are made up of a wide variety of concerns, including technical problems with apps and platforms as well as problems with service delivery, such as communication issues and delays.

- **Service issue** cases rose by 41% quarter over quarter and nearly doubled year over year.
- **Investment suitability** cases remained flat from the previous quarter and previous year.
- Cases related to **instructions not followed** remained at relatively low levels and were up 31% quarter over quarter and nearly doubled year over year.
- **Fraud** cases were decreased 13% quarter over quarter and declined by half year over year.
- Cases related to **fee disclosure** increased 17% compared to the last quarter but declined 26% from the eight-quarter high last year.

Top 5 Combined Investment Products and Issues: Last 8 Quarters



In the second quarter, **common shares – service issue** was the leading combined product-issue complaint among investors.

- Complaints related to **common shares – service issue** more than doubled quarter over quarter, reaching an eight-quarter high, and rose by 45% year over year.
- **Crypto assets – fraud** complaints fell 20%, continuing a downward trend from the eight-quarter high seen in Q2 last year.
- Complaints related to **mutual funds – service issue** remained at low levels but increased from the eight-quarter low seen last year.
- Complaints related to **common shares – investment suitability** decreased slightly from the last quarter and last year.
- Complaints related to **mutual funds – instructions not followed** also remained at low levels despite seeing growth quarter over quarter and year over year.