

Agenda

OBSI Meeting with Industry Associations

Tuesday, November 25, 2025

Time: 3:00pm – 4:30pm

Location:

Teams Video Conference

DIAL-IN DETAILS:

See Email Invitation

OBSI Presenters:

Sarah Bradley, Ombudsman & CEO

Grace McSorley, Deputy Ombudsman

Mark Wright, Director, Communications
& Stakeholder Relations

See Appendix for the list of attendees

Mark Wright – Welcome

- Agenda
 - Sixth month update – Sarah Bradley, including:
 - Single-ECB transition one-year update
 - Binding authority update
 - Onboarding credit unions
 - 2026 independent evaluations of OBSI
 - 2026 Strategic Planning
 - Recent case updates – Grace McSorley
 - General questions
- Introduction of presenters
- Introduction of other OBSI staff and board members attending the call

Sarah Bradley – Key operational highlights from 2025

In 2025, the three key defining environmental factors have been:

1. The single ECB transition
2. Record high demand for our services – particularly in banking
3. Active policy/regulatory environment – most notably our new reporting relationship with FCAC and the progress towards binding authority for securities

Single ECB Transition

- We have now passed the one-year mark for our expanded mandate for banking and things are going well.
- We had a full year to prepare for the transition. We worked with the returning banks and FCAC to develop and execute our Operational Transition Plan, which established a series of goals that we've briefed you on in prior meetings. The goals of the plan were all achieved in advance of

and throughout the transition process, with excellent cooperation and coordination between OBSI, FCAC and the returning banks.

- The biggest impact of our designation as the single ECB has been a significant increase in caseload. This was expected and was a key element of our planning, however, case volumes significantly exceeded our projections for the year.
- In 2025, consumer inquiries increased over 55%, from over 16,000 last year to over 26,000 in 2025, roughly in line with our projections.
 - In the past couple of years, we've averaged about 320 inquiries a week
 - In 2025, we were at around 500/week.
 - This means that 26,000 Canadians are reaching out to us for assistance and information.
 - Our Case Assessment Team has done an excellent job responding to these inquiries. Their work involves providing information and assistance to those who've reached out to us, making mandate assessments and for complaints that are within our mandate, working with consumers and firms to make sure we have the information we need to get our investigations started.
- Case openings, however, increased by 90% overall.
 - Investment cases were relatively flat year-over-year and the increase in volumes is due to banking cases.
 - Banking cases have more than doubled year-over-year and are up 112%.
 - In the last couple of years, we've opened roughly 60 cases per week and now, we're opening about 120 cases per week.
 - The challenge we've faced this year is that even though we anticipated significant case volume increases, case openings were almost 20% higher than we had projected.
 - We had projected that we would open about 5,200 cases in 2025. In reality, we opened almost 6,200 cases.
 - This volume has been stable for the last 3 quarters; however, we believe that this is going to be our new baseline run rate.
 - This means that we also need to be completing 6,200 investigations per year – a level we have not yet reached.

1. Exceptionally high demand of OBSI and implications:

- In 2025, OBSI responded to new record levels of consumer demand for our service. On its own this would be a challenge, but it also continues a multi-year trend of significantly increasing case volumes.
 - Just 5 years ago, in 2020, we opened and closed fewer than 800 cases. That was before the full impact of the pandemic, the introduction of the bill C-86 Consumer Protection Framework in the Bank Act, and the single ECB designation. This year, we'll be opening almost 8 times the number of cases we did just 5 years ago.
 - This surge presented a huge challenge to our organization over the past several years – and I am proud to say that we have been able to meet this challenge well.
 - Our approach to the challenge of such a dramatic increase in demand had two major components: efficiency improvements and growth.

- On the efficiency front - our investigative teams and analyst teams have been doing a fantastic job investigating these cases.
 - We have dramatically improved our productivity and efficiency – our total cases closed have increased 36% - from 3,700 last year to over 5,000 this year (an increase of 1,350+ cases). This is the third consecutive year of massive increases in our completed investigations case volume – from approximately 1,000 in 2022 to 2,100 in 2023, over 3,700 in 2024, and over 5,000 this year – the trend line of our case closings is nearly vertical.
 - Our cases closed per investigator also increased by over 70% from 2022 levels
 - We were also able to maintain high levels of employee engagement and morale.
 - Our time to complete a case has reached all-time lows in the past 2 years:
 - banking cases are taking us an average of 43 days to close – under 30 days for straightforward cases – down approximately 20% from 2022 levels.
 - investment cases took an average of 63 days – 30 days for straightforward cases – this is down approximately 20% from 2022 levels.
 - We have been able to drive this increased productivity through a number of initiatives:
 - From streamlining our case management system to boosting our case guidance and templates for common communications.
 - Implementing a FastTrack case approach to ensure that our investigations are proportionate to the complaints and that we have removed any unnecessary processes and focusing on arriving at a fair outcome as efficiently as possible, while maintaining our investigative and communication quality and our data integrity.
 - We spoke about these efficiency initiatives more fully at our previous semi-annual meeting, but they continue to be effective and we continue to refine them as appropriate.
- Growth: With increases in demand this significant, efficiency is not the whole solution. We have a need to increase our case assessment and investigative team complements considerably.
 - We have expanded these teams throughout 2024 and into 2025.
 - To keep up with this growth in demand for our services, since the end of 2023, we have added nearly 60 staff to our case management and investigative teams.
- Budget: This growth has impacted our expenses and is reflected in increased fees, primarily for participating banks.
 - An important consideration to keep in mind – is that, while we have grown significantly, we have also recognized significant economies of scale and scope.
 - Compared to 2022, in 2025 we will complete approximately 400%, with approximately a doubling of our budget.
 - 5 times the cases with only double the funding.
- Wait time for case assignment
 - As mentioned previously, though we've made great strides in our case closings, we are not yet where we need to be. We need to increase our case closings by about 25% this year and we are pursuing a range of strategies to accomplish that.

- Many of the newer investigators that we have hired in the last couple of years are continuing to build their personal efficiency, and will be gaining case closing capacity.
 - We are pursuing a number of case assignment strategies, improving our training materials for investigative staff, improving our case management system to reduce administrative steps, and more.
 - We're continuing to expand our teams.
 - We're exploring ways that we can work with participating firms to encourage proactive settlement – including the proactive settlement pilot project we've recently launched.
- These volumes have impacted the amount of time that cases are waiting for assignment to an investigator. Our standard is to assign cases within 2 weeks or 10 business days after receiving the firm's file
 - For investment cases, we are meeting that standard.
 - As a result of the case volume challenges, however, right now banking cases are waiting up to 7 weeks, or 35 business days for assignment to an investigator.
- We are working diligently to increase our case closings to meet the consumer demand for our services.
- We've demonstrated that we can do that in the past and we are focused on continuing those efforts into 2026.

2. Progress to our strategic plan

- OBSI's strategic plan for 2022-2026 contains three interconnected and mutually supporting success pillars and related objectives. Together, these provide a foundation for OBSI to thrive as a resilient, successful organization.
 - Each year, our annual operating plans and key initiatives will align to these pillars, with any necessary adjustments to address new issues.
- SUCCESS PILLAR #1: PUBLIC ASSISTANCE AND DISPUTE RESOLUTION: OBSI provides information services to assist consumers who reach out to us with a complaint, and we conduct fair, efficient, and effective investigations of disputes between consumers and participating firms.
 - Most notable objective is to explore innovative dispute resolution approaches to drive efficiency and effectiveness – we have done a great deal in this area in recent years, as I've described.
- SUCCESS PILLAR #2: COMMUNICATION, AWARENESS AND THOUGHT LEADERSHIP: OBSI works to improve awareness and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.
 - Ensuring awareness – search engine optimization work continues – we're continuing to develop our digital strategies and this has led to increasing engagement levels and record high website traffic in 2025.
 - Thought leadership – OBSI's participation in 5 public consultations in 2025 – including CIRO consultations on arbitration, advice in the OEO channels, compliant handling rule consolidation and account transfers, as well as CSA consultation on binding authority. [OBSI's submissions](#) are on our website.

- Continuing to improve our digital tools – we continue to develop and refine our DataCube, banking case disclosure page and Firm & consumer Portals.
- SUCCESS PILLAR #3: ORGANIZATIONAL RESILIENCE AND CONTINUOUS IMPROVEMENT: OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.
 - Focus on internal systems and continuous improvement.
 - Guidance notes, bulletins, system improvements as outlined.
 - Upgrades to our firm & consumer portals based on feedback received
 - Improvements to upload capabilities to improve user experience
 - Improvements to firm reporting that can be accessed through the portal to give more self-serve options
 - New case management tools for our staff – including AI assistance/co-pilot functionality

3. Policy and regulatory environment

- CSA (Canada Securities Administrators) committed in 2022 to developing a proposal for comment that contemplates providing OBSI with binding authority. Regulators published the proposed framework in late 2023 for public comment, and this year, published a second-round consultation including some changes the framework as well as proposing an oversight regime. The comment period closed in September 2025.
 - [Our comments](#) reflected our views that:
 - The Proposed Framework appropriately maintains OBSI’s current effective and efficient investigation and recommendation processes, the integrity and fairness of which have been reviewed and endorsed through multiple independent reviews.
 - The Proposed Framework recognizes and appropriately prioritizes accessibility and efficiency. Maintaining OBSI’s independence and flexibility to determine the investigative approach that is appropriate and proportionate to the circumstances of each case, including with respect to questions of procedure at the binding decision stage, strikes an appropriate balance, assuring procedural fairness while preserving accessibility and efficiency.
 - The proposed requirement that higher-value stage 2 reviews should be conducted by an external OBSI decision maker is a reasonable alternative to a formal appeal to a court or regulator. Appeal to courts or securities tribunals is unnecessary and inappropriate for any recommendation under OBSI’s compensation limit. Further formal rights of appeal to the courts or an administrative tribunal would undermine the key objectives of the ombudsman dispute resolution system.
 - The proposed Oversight Framework should be refined in order to strike the appropriate balance between ensuring OBSI’s accountability and maintaining OBSI’s organizational and decision-making independence. As drafted, the administrative requirements of the Oversight Framework are overly broad and will be costly, time consuming and inefficient to comply with. As proposed, the Oversight Framework may infringe or be seen to be infringing on the ombudservice’s independence or credibility as an impartial decision maker. The

Oversight Framework should be tailored to the accountability matters of relevance to regulators.

- Explicit consumer acceptance should be required to make a recommendation or final decision binding on the firm. Binding recommendations or decisions should be based on consumers' explicit acceptance of the outcome as a full and final settlement of the dispute.
- The binding authority working group has continued its activities throughout the year. We understand that they are currently working on consideration of the feedback received.
- That's where we are now, and it remains to be seen what the next steps in the process are. It may be that regulators feel they have sufficient stakeholder feedback now to proceed with implementation, but they may also feel that further review or consultation is necessary.
- Federal:
 - Following our designation as the sole External Complaint Body ("ECB") for Canadian Banks, effective last November, FCAC has been developing the new oversight framework for OBSI and that includes new reporting as required by the Bank Act as well as a new ECB Guideline that we expect to be finalized soon.

Membership updates

- In addition to welcoming a number of Canada's largest banks back as members of OBSI this year, we also welcomed credit unions from Manitoba and the Atlantic region, increasing OBSI's credit union membership considerably and joining the credit unions from Alberta, Saskatchewan and British Columbia that were already members.
- Ontario and Quebec credit unions are now the only jurisdictions that have yet to join and we are looking forward to speaking to them further about this and hopefully welcoming them soon.

Loss calculation consultation

- Last September, we launched a public consultation on our loss calculation methodology for complaints involving unsuitably sold illiquid exempt market securities.
- The public consultation period was announced on September 26, 2024, and the comment period closed on November 21, 2024.
- This consultation focused on assessing the process we currently use and helping us determine whether there are better alternative approaches we should adopt in such cases.
- This consultation was recommended in our 2021 independent expert external review.
- We would like to thank all those who provided their input.
- We have completed our review of the comments received and published our response to the consultation and action items in September. A number of our action items are still in progress and will be completed in 2026.

Proactive Resolution Pilot Project

- At the end of October, we launched a new pilot project running from November 1, 2025 to January 31, 2026. This initiative is designed to encourage firms to resolve complaints directly with consumers as early as possible in the OBSI process. We believe early resolution can

enhance consumer satisfaction and reduce resource demands, benefiting all users of our service.

- During the pilot period, any case that is settled directly between a firm and a consumer before an OBSI investigator is assigned will be excluded from OBSI's fee calculations. For fee setting and billing purposes, cases that have been proactively settled will be treated in the following manner for the next fiscal year's fees:
 - o Cases will not be included in sectoral case volumes for the sectoral allocation
 - o Cases will not be included in bank case volumes for the individual bank fee calculations
- We believe that excluding cases resolved early in our process from our fee allocations is fair to the resolving firm and is consistent with our goal of ensuring that our firm fees are fair to all participating firms because cases resolved proactively before an investigator is assigned require significantly fewer OBSI resources than those resolved during or after investigation.
- OBSI will evaluate the success of the initiative throughout the pilot period using the following criteria:
 - o The number of cases settled before investigation compared to historical volumes.
 - o Time elapsed during each stage of the intake process.
 - o Consumer satisfaction survey results, comparing proactively settled cases to others.
 - o Interviews with firm representatives to understand operational impacts.
 - o Feedback from OBSI intake staff on workflow changes.
- These insights will inform whether the initiative meets its goals of improving consumer satisfaction and enhancing efficiency for firms and OBSI – and whether it should be extended or modified.
- At the conclusion of the pilot, OBSI will publish a follow-up bulletin summarizing the outcomes, including whether the initiative will be extended, modified, or made permanent.

2026 outlook

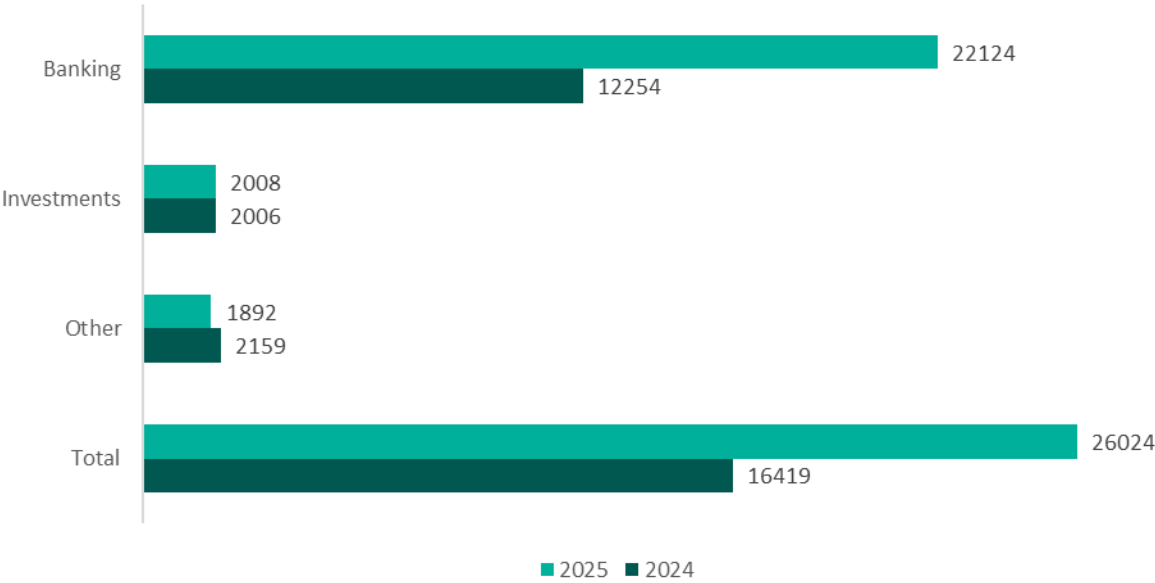
- On the case front:
 - o We expect consumer demand for our services to remain very high, but near current levels. We have based our planning on a projected 5% increase in case volumes in 2026. We think this projection is prudent given the range of stressors and potential risks in the financial sector at the moment – whether generalized financial stress that many consumers are experiencing, the potential economic impacts of the current trade environment, and the potential for market corrections.
 - o We expect that the new run rate is about 27,000 inquiries and 6,400 cases per year.
- From regulators:
 - o We expect that provincial regulators will respond to the comments received in their most recent binding authority consultation and we look forward to that ongoing discussion.
 - o We are also closely watching the federal government's open banking initiative and payment service provider regulation process. The Consumer Driven Banking Act tabled last week includes provisions relating to liability, complaint handling, redress and the ECB framework. We are also watching as the government builds out the regulatory regime for payment service providers. We expect to engage with the federal government and the Bank of Canada on these initiatives.

- Membership:
 - We also expect our Credit union membership to grow in 2026, as we are in discussions with Ontario and the Canadian Credit Union Association to help facilitate that.
 - We will be undertaking a fee-related consultation with participating CRO firms to ensure that our fee calculation methodologies reflect their new regulatory frameworks and are fair for all participating firms.
- Thought leadership
 - We continue to engage in communications and thought leadership where we see that we can add value to consultations and policy discussions.
 - We will soon be publishing a special report on consumer experience
- We also expect 2026 to be a big year for us with several significant projects:
 - OBSI's 30th anniversary
 - OBSI's 5-year independent external review
 - New 5-year strategic plan (2027 to 2031).
 - Plan to publish for comment a substantial revision and update of our Terms of Reference in a new format that will be easier for stakeholders to use and will better support binding authority if that is the direction that regulators decide to endorse.
 - We will also be closely examining our case management system, which is now over 10 years old and exploring whether a substantial renewal of that system is now in order to improve our infrastructure for our team and all stakeholders.

Recent Case Updates – Grace McSorley (The information in this section is preliminary and provided for trend analysis only. It is subject to final validation.)

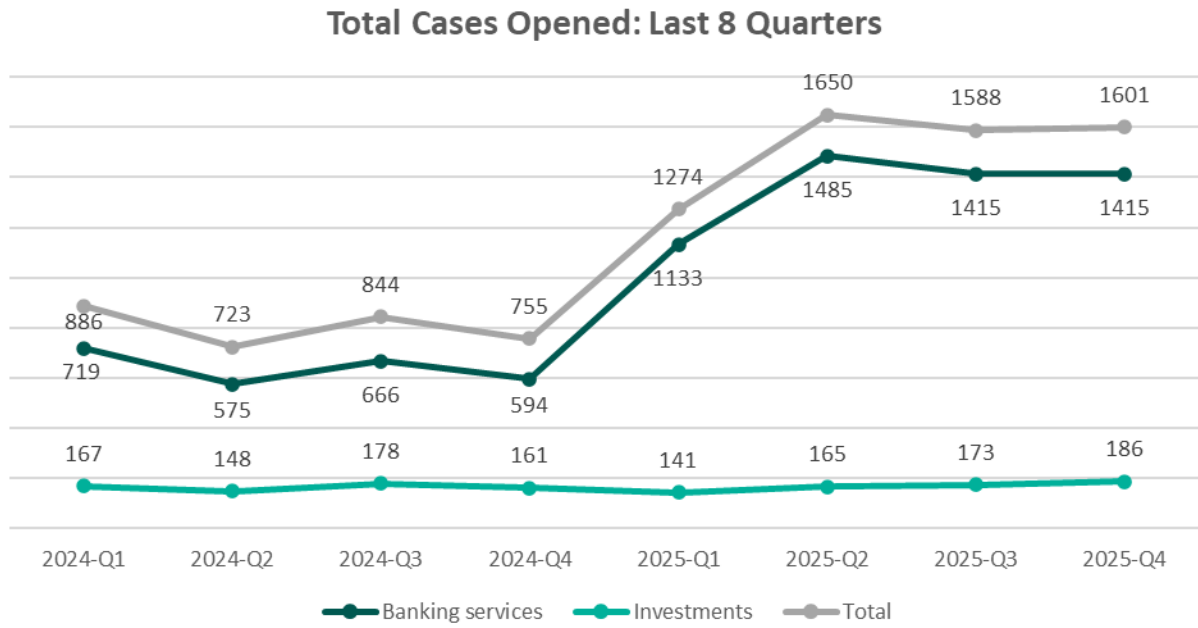
Total consumer inquiries: 2024 vs 2025

Total consumer inquiries increased to 26,024 in 2025, up 58% from 16,419 in 2024. As shown in the chart, banking-related inquiries continued to drive the volume, up 81% to 22,124 in 2025 from 12,254 in 2024. 85% of inquiries were related to banking. Investment-related inquiries remained flat, with 2,008 in 2025 versus 2,006 in 2024. The Other category includes inquiries from the consumers of non-participating firms.



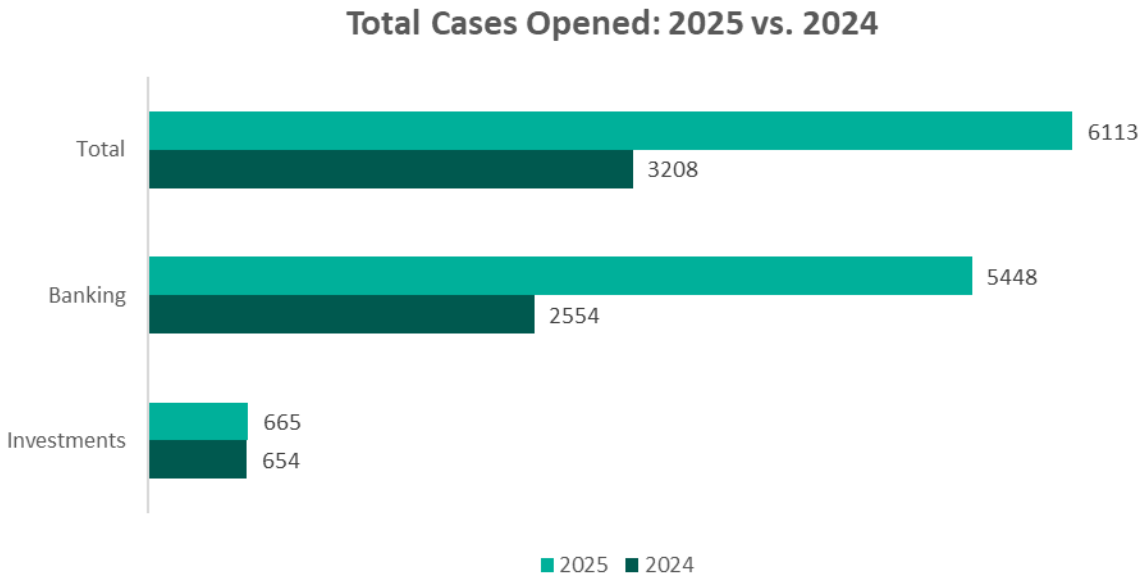
Total cases opened: Last 8 Quarters

In Q4, the top grey line in the chart represents the combined number of cases opened for banking and investments at 1,601. Total opened cases more than doubled (up 112%) year over year. The dark green line shows that banking cases opened increased by 138% from last year while investment cases opened increased by 16% from the same quarter last year.



Total cases opened: 2025 vs 2024

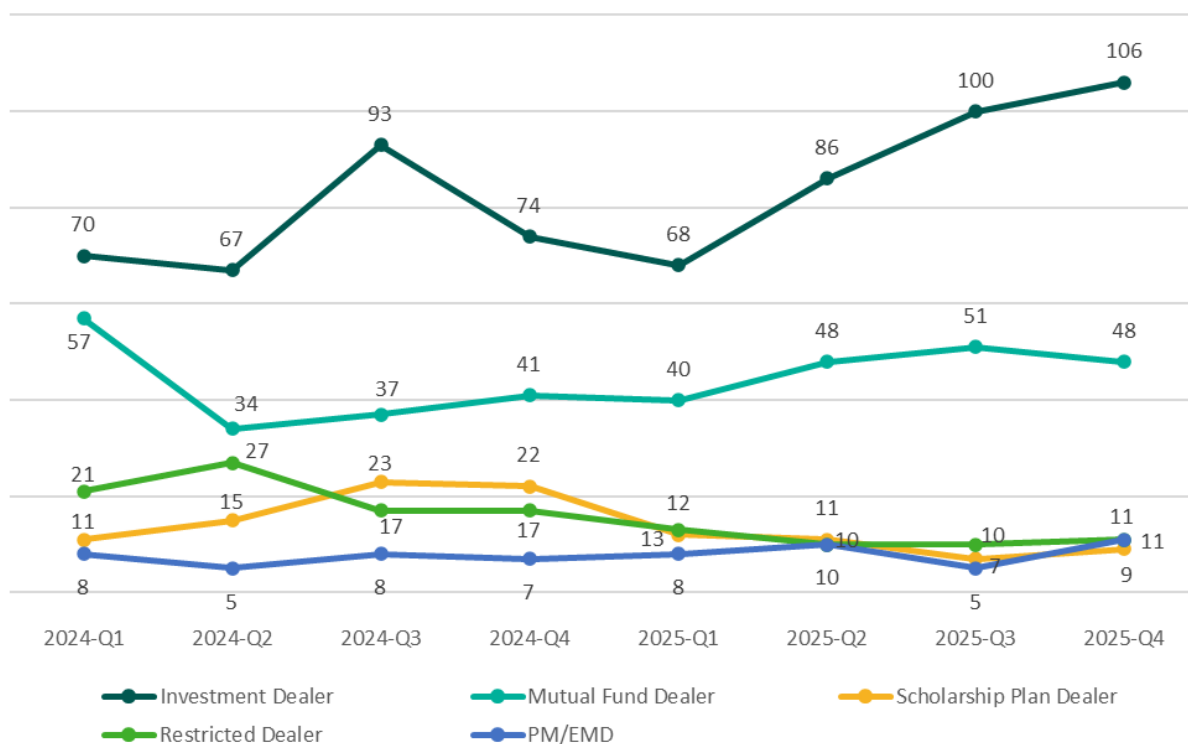
In 2025, total cases opened increased by 91% from the previous year, reaching 6,113 from 3,208 in 2024. Banking cases primarily drove this volume and more than doubled (up 113%) from the previous year, with 5,448 in 2025 and 2,554 in 2024. Investment cases remained flat year over year, with 665 in 2025 and 654 in 2024.



Cases Opened by Investment Sector: Last 8 Quarters

In Q4, investment dealer cases – the top dark green line – increased slightly, reaching an eight-quarter high, and rose by 43% from the previous year. Mutual fund dealer cases – second line from the top – were flat quarter over quarter while exceeding the volumes seen during most of 2024. Restricted dealer cases were also flat quarter over quarter, but below the highs of 2024. Scholarship plan dealer cases increased slightly from the previous quarter’s eight-quarter low and remained below levels seen in 2024. PM/EMD cases more than doubled from the previous quarter’s eight-quarter low while also increasing from the previous year.

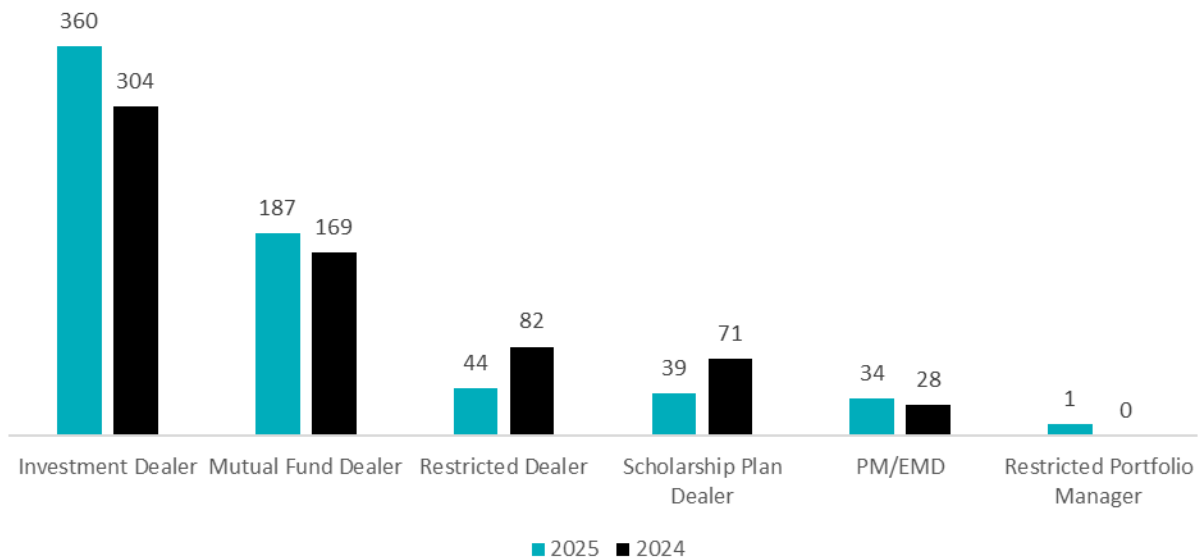
Cases Opened by Investment Sector: Last 8 Quarters



Cases opened by investment sector: 2025 vs. 2024

Investment dealer cases remained high in 2025, up 18% from 2024. Mutual fund cases increased by 11% from 2024. Restricted dealer cases decreased by 46% in 2025. Scholarship plan dealer cases decreased by 45% year over year. PM/EMD cases were up in 2025 from 2024.

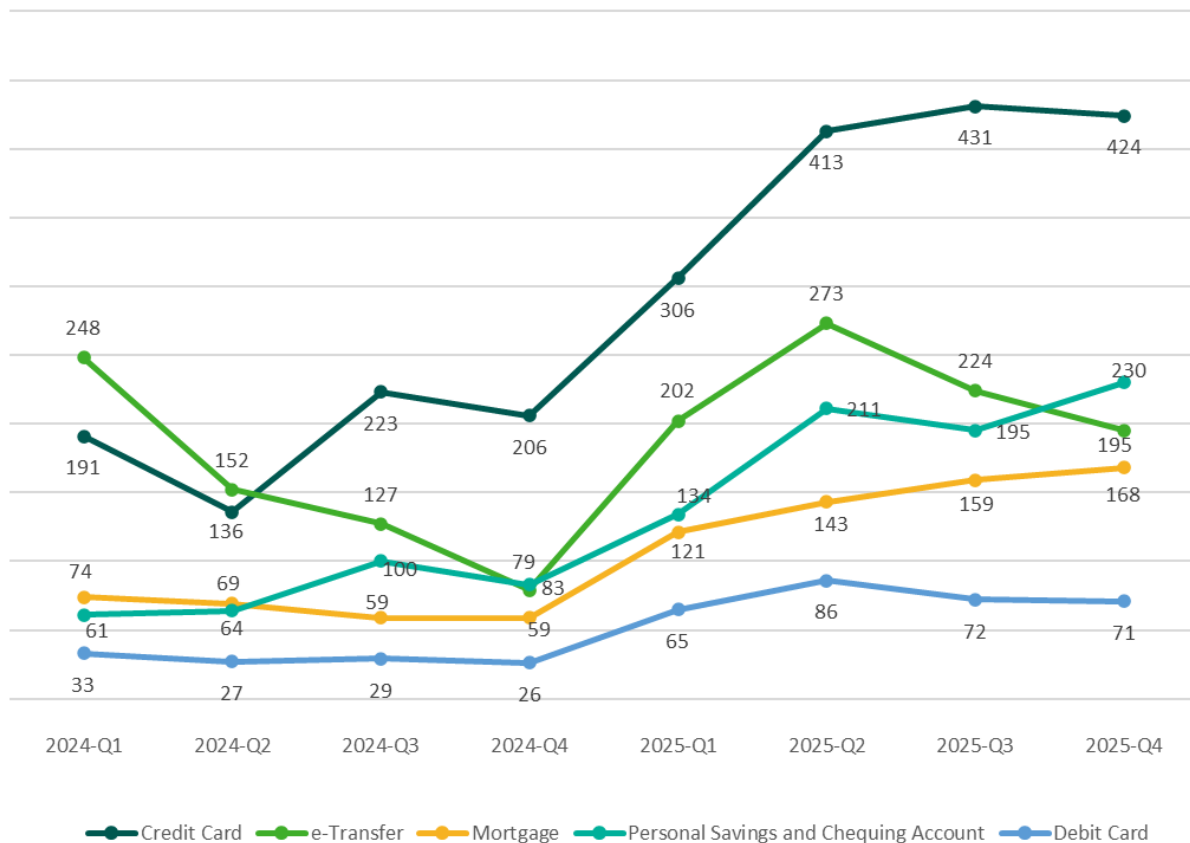
Cases Opened by Investment Sector: 2025 vs. 2024



Top 5 banking products: Last 8 Quarters

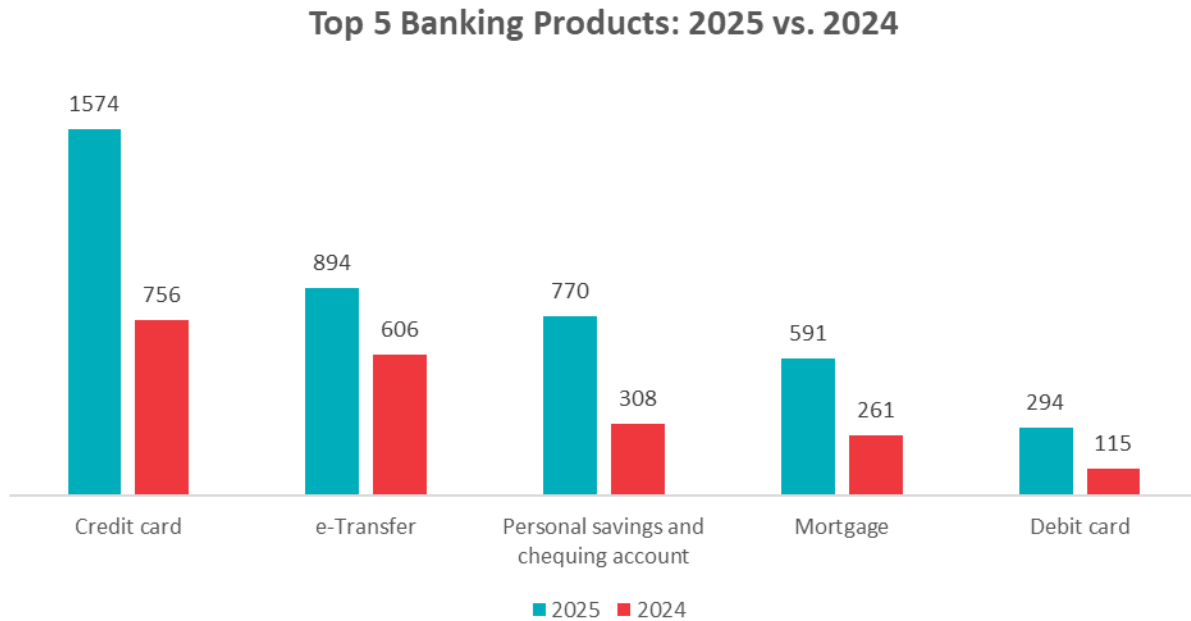
In Q4, credit cards – top dark green line – led product complaints among banking consumers while remaining relatively flat following the previous quarter’s eight-quarter high and up 106% from the past year. E-Transfer complaints – ranking second on the top five product list – were down 14% quarter over quarter but up 147% year over year. Complaints related to personal savings and chequing accounts reached an eight-quarter high in Q4 and were up 177% compared to the same quarter last year. Mortgage complaints remained relatively flat quarter over quarter but increased by 185% year over year. Debit card complaints remained flat from the previous quarter but were up 173% from the previous year.

Top 5 Banking Products: Last 8 Quarters



Top 5 banking products: 2025 vs. 2024

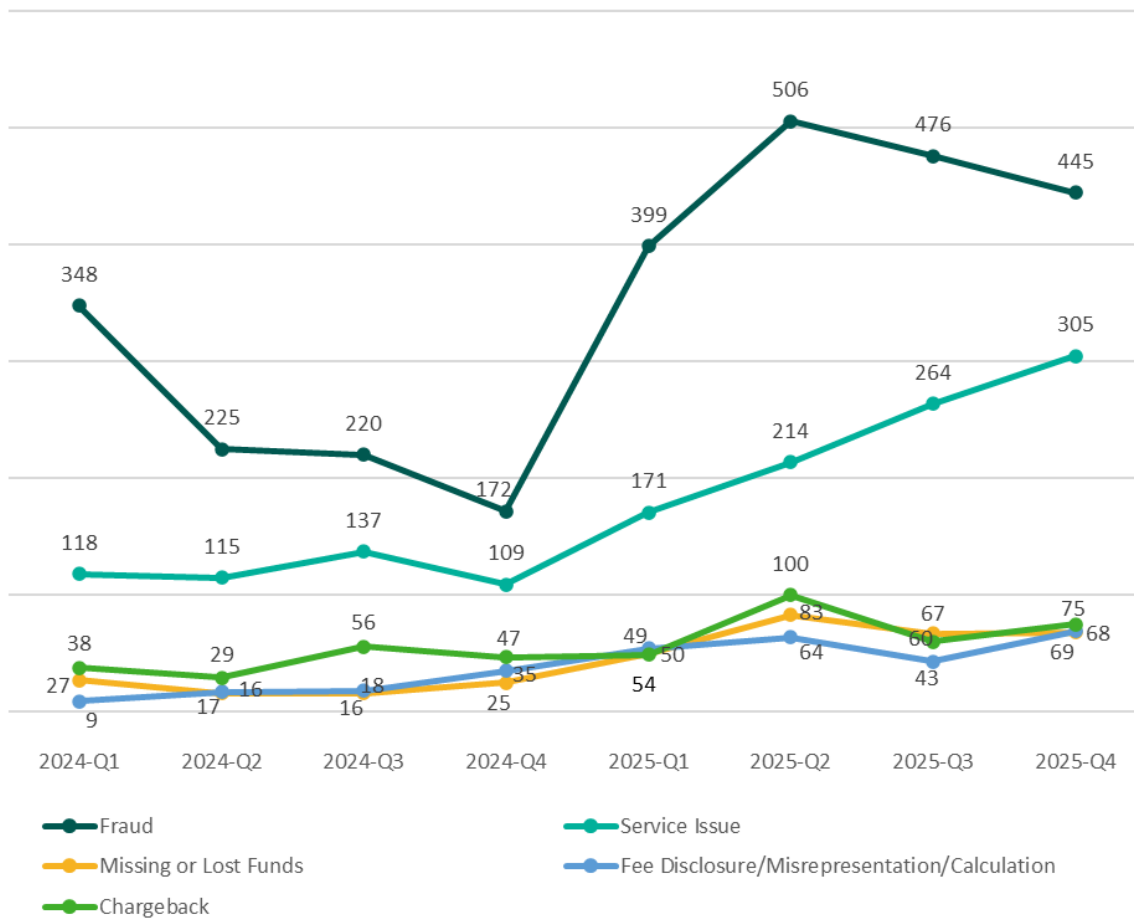
Many banking product complaints rose significantly in 2025. Case volumes related to credit cards (also the leading product concern), personal transaction accounts, mortgages and debit cards more than doubled. E-transfer complaints increased by 48%.



Top 5 Banking Issues: Last 8 Quarters

In Q4, fraud complaints – represented by the top dark green line – remained the most reported issue among banking consumers as they have been for the past 8 quarters, despite a decline quarter over quarter. Service complaints, up 180% year over year, reached an eight-quarter high after trending upwards since the start of 2025. Fee disclosure complaints were up 60% quarter over quarter and almost doubled year over year. Chargeback complaints rose by 25% quarter over quarter and 60% year over year. Complaints related to missing or lost funds remained flat compared to the prior quarter but increased 172% from the prior year.

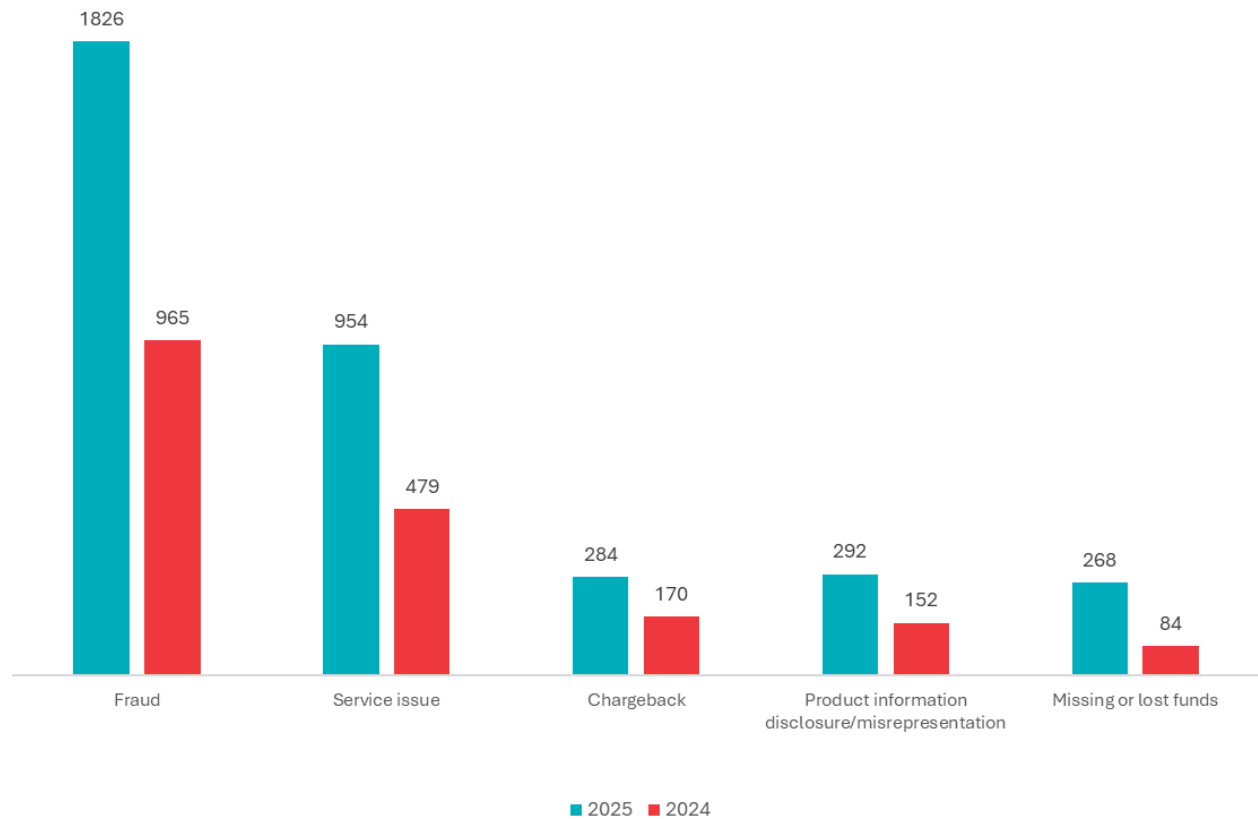
Top 5 Banking Issues: Last 8 Quarters



Top 5 Banking Issues: 2025 vs. 2024

In 2025, case volumes for the top banking issues were also on the rise. Fraud complaints became the leading issue for banking consumers, up 89%. Complaints related to service issues nearly doubled. Chargeback complaints were up 67%. Product disclosure complaints were up 92%. Complaints related to missing or lost funds were up 219%.

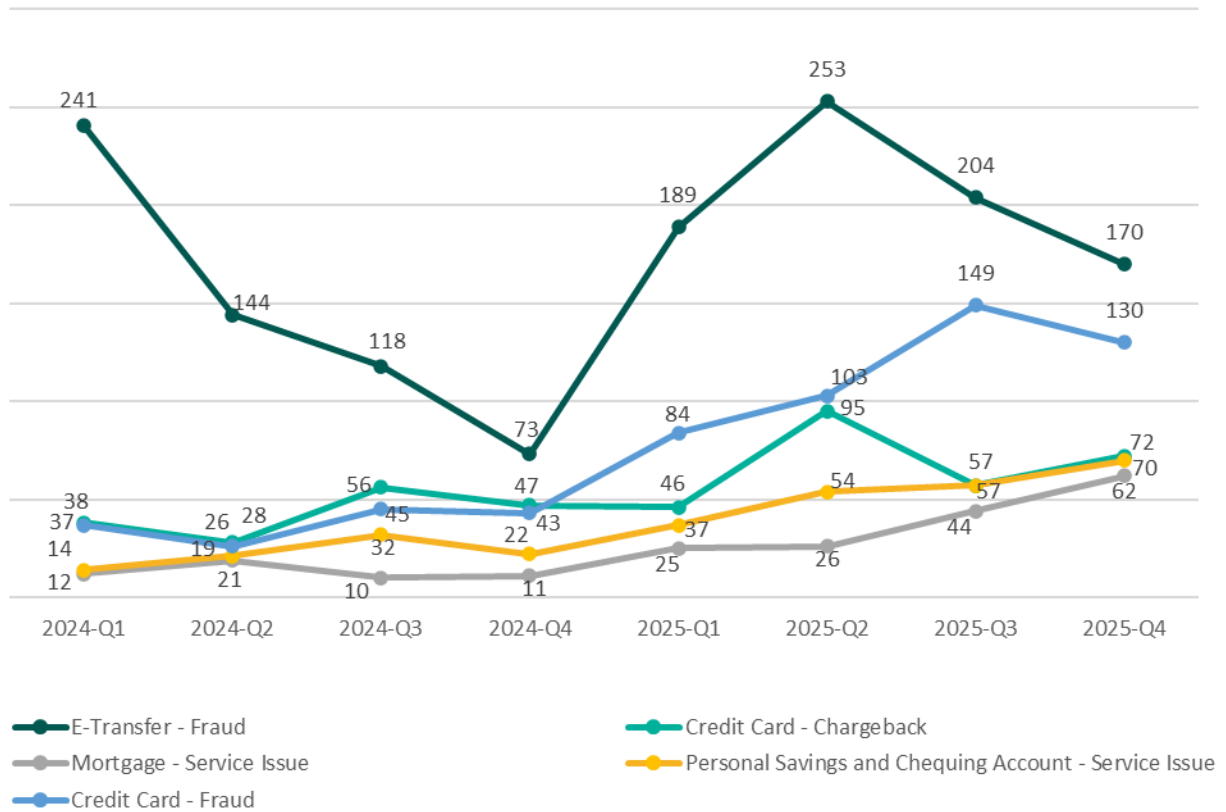
Top 5 Banking Issues: 2025 vs. 2024



Top 5 Combined Banking Products and Issues: Last 8 Quarters

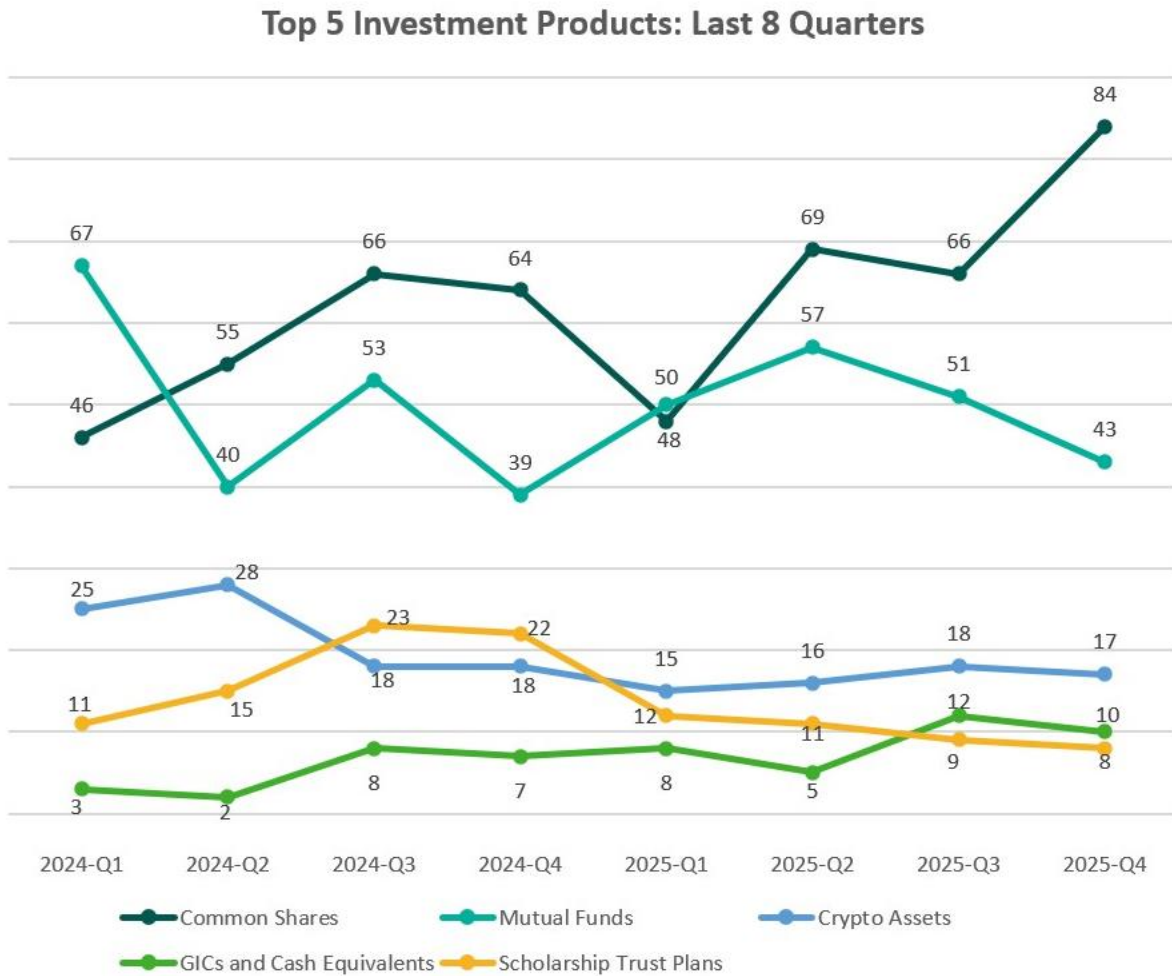
E-Transfer fraud (top dark green line) continued to be the leading combined product and issue for banking, despite a decline from last quarter. Case volumes more than doubled from the same quarter last year. Credit card fraud also saw a decline from the previous quarter but tripled from the previous year. Credit card chargebacks were up 26% quarter over quarter and 53% year over year. Personal savings and chequing account service issues were on the rise since last year and reached an eight-quarter high this quarter. Mortgage service issues also reached an eight-quarter high this quarter and increased significantly from last year's levels.

Top 5 Combined Banking Products and Issues: Last 8 Quarters



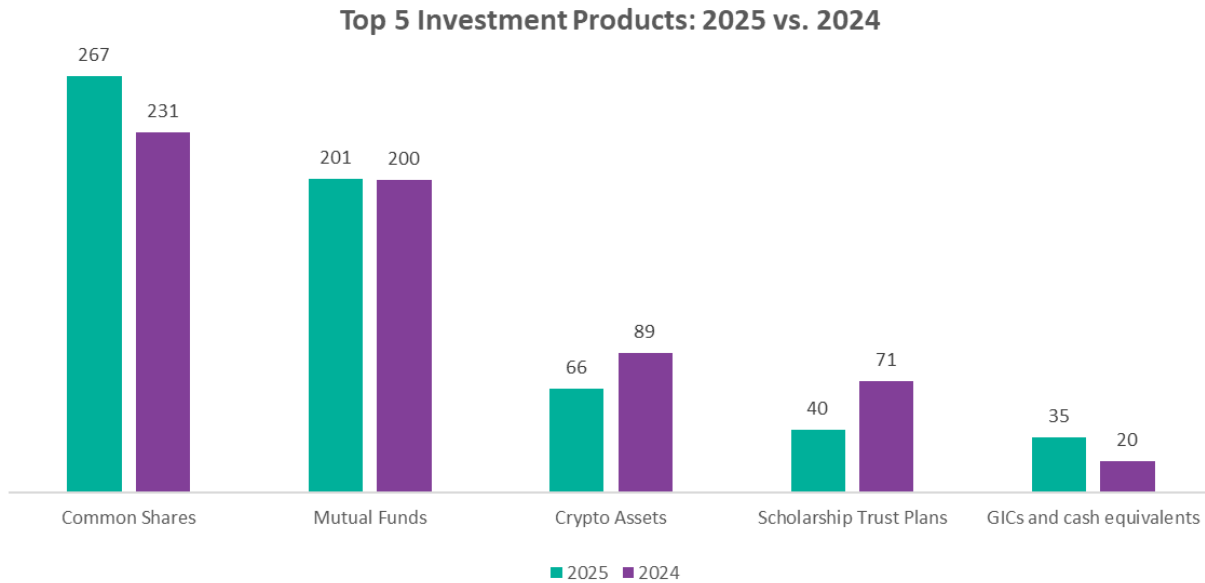
Top 5 Investment Products: Last 8 Quarters

In Q4, common shares – the top dark green line – remained the top product concern for investors, up 31% and reaching an eight-quarter high. Mutual funds were down from the previous quarter as were GICs and cash equivalents. Crypto assets and scholar trust plans remained flat.



Top 5 Investment Products: 2025 vs. 2024

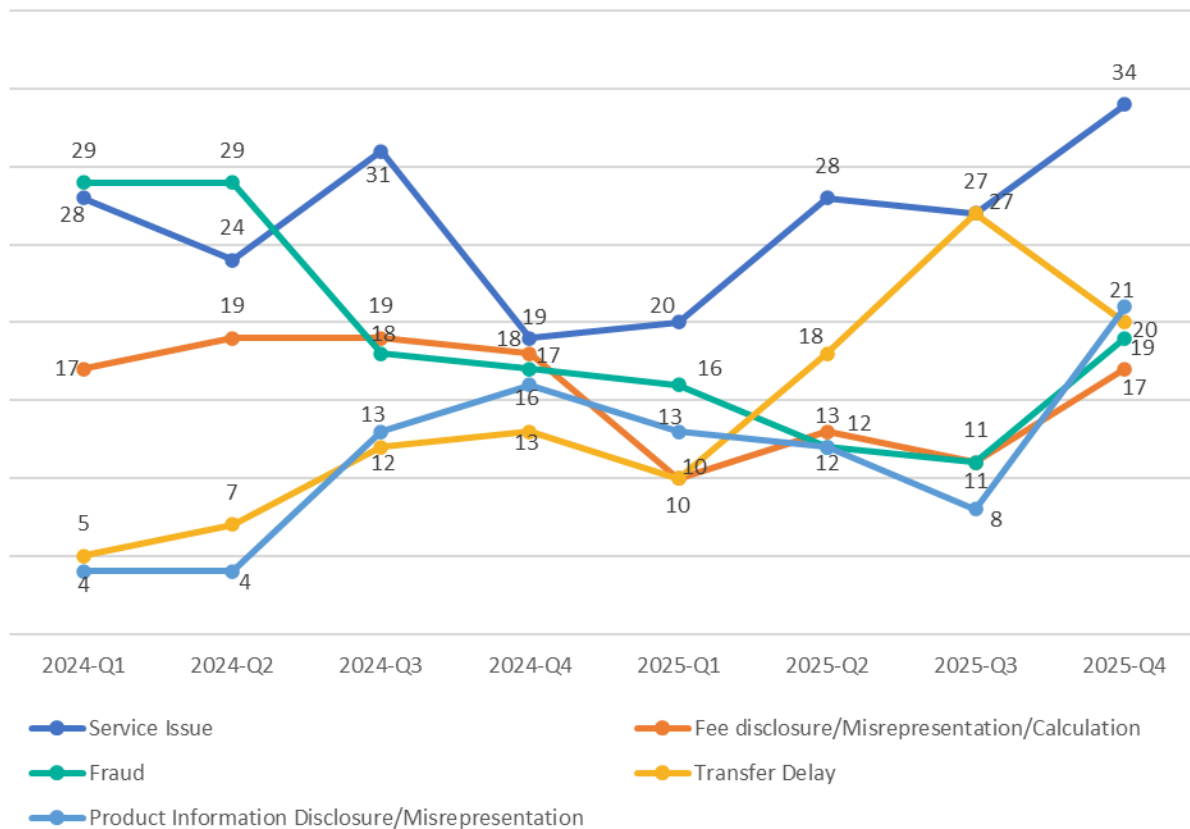
In 2025, common shares were the leading product concern among investors, up 16%. Mutual funds were flat. Crypto asset complaints were down 26%. Complaints related to scholarship trust plans were down 44%. Complaints related to GICs and cash equivalents were up 75%.



Top 5 Investment Issues: Last 8 Quarters

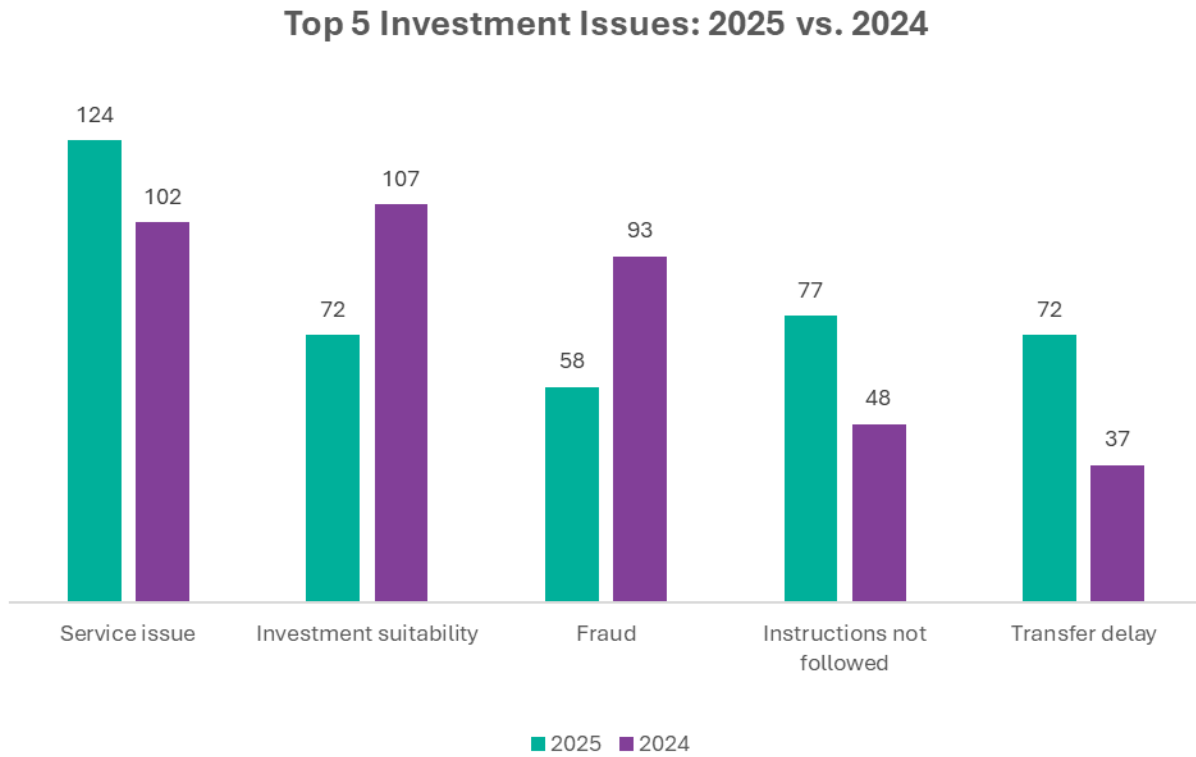
In Q4, service issues – the blue line – were the leading concern for investor complaints, reaching an eight-quarter high last quarter and up 79% from the previous year. Product disclosure complaints also reached an eight-quarter high in Q4, with case volumes on the rise by 163% quarter over quarter and up 31% year over year. Transfer delay complaints were below the previous quarter’s eight-quarter high but were up by 54% year over year. Fraud complaints rose by 73% compared to the last quarter, ending a downward trend. Fee-related complaints were up quarter over quarter but remained flat year over year.

Top 5 Investment Issues: Last 8 Quarters



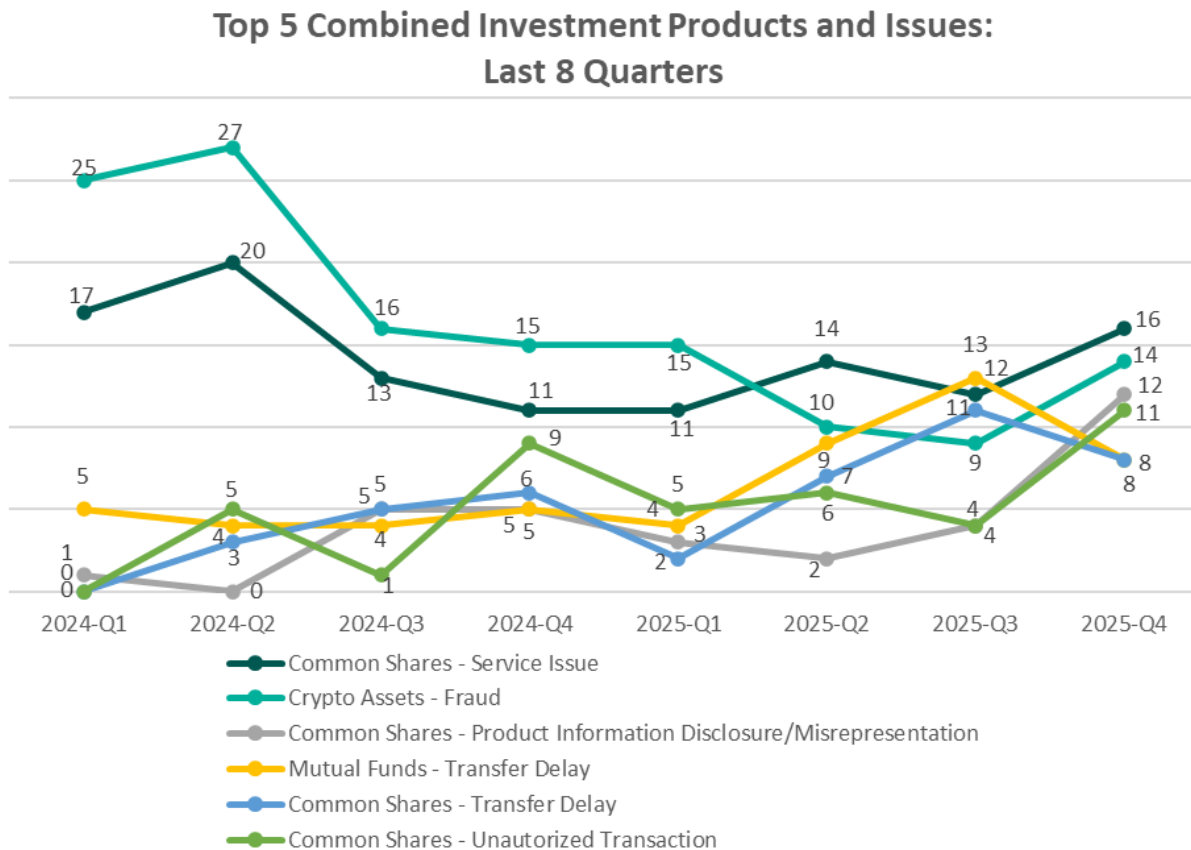
Top 5 Investment Issues: 2025 vs. 2024

In 2025, service complaints led investment issues, up 22%. Investment suitability complaints declined 33% and fraud complaints declined 38%. Complaints related to instructions not followed increased by 60% while transfer delay complaints were up 95%.



Top 5 Combined Investment Products and Issues: Last 8 Quarters

Common shares service issues (top dark green line) were up compared to last quarter and last year, remaining the leading combined product and issue for investments since it replaced crypto asset fraud in 2025 Q2. Crypto asset fraud began to trend downwards in the same quarter last year, but increased quarter over quarter. Complaints related to common shares product disclosure and complaints related to common shares unauthorized transactions reached an eight-quarter high this quarter after remaining at low levels during 2024 and most of 2025. Complaints related to mutual funds transfer delay and complaints related to common shares transfer delay were below the previous quarter's eight-quarter high but increased year over year.



Appendix – Meeting Attendees

Canadian Bankers Association (CBA)

Canadian Credit Union Association (CCUA)

Canadian Forum for Financial Markets (CFFiM)

Canadian Independent Finance and Innovation Counsel (CIFIC)

Federation of Independent Dealers (FID)

Private Capital Markets Association (PCMA)

Portfolio Management Association of Canada (PMAC)

Securities and Investment Management Association (SIMA)