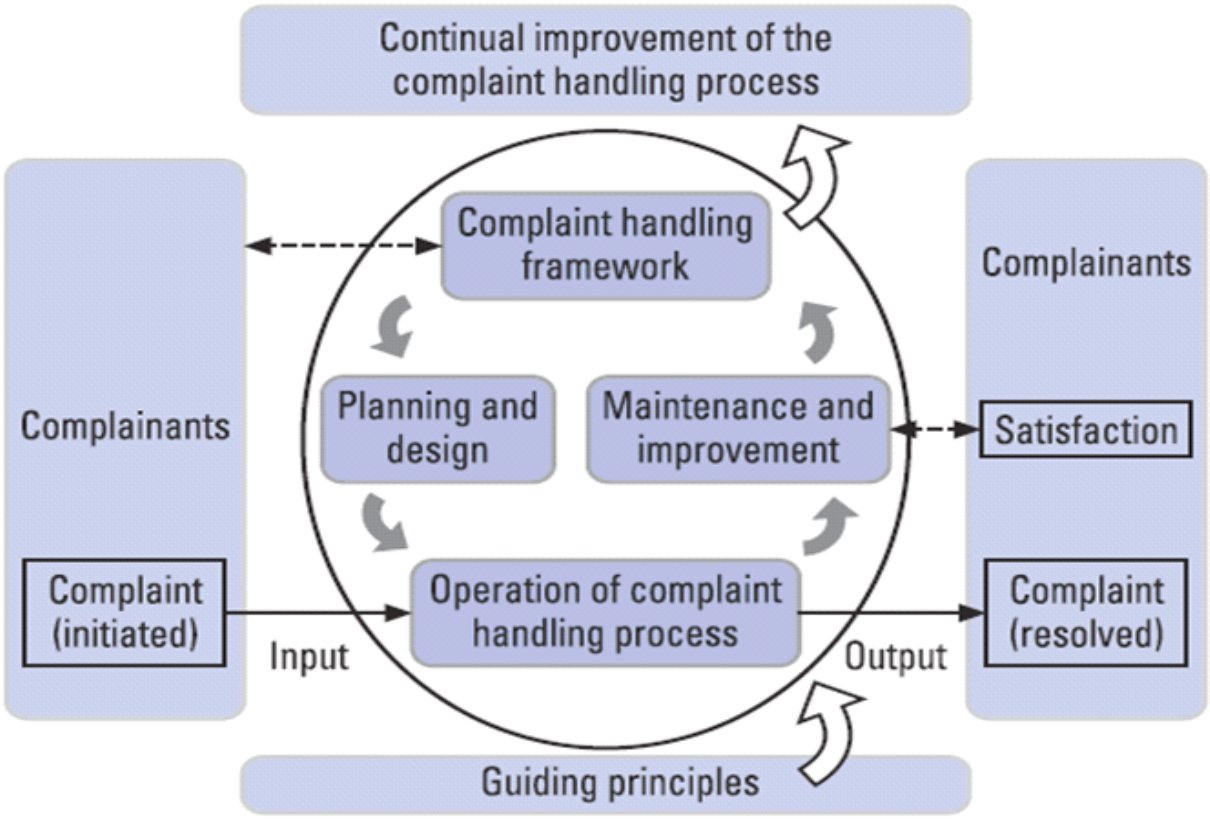
Attention: review@crkhoury.com.

2026 Request for comment for OBSI External Review (undated)
https://obsireview.crkhoury.com.au/wp-content/uploads/2026/02/OBSI-2026-Review-Request-for-Comment_EN.pdf

An Effective complaint Resolution System



April 24, 2026

The stated purpose of the external review is to ensure that OBSI continues to meet the standards and expectations set out in the Bank Act and the MOU **and** that it operates in a manner that is reflective of recognized best practices for financial services ombudsmen.

What is an Ombudsman/Ombudsperson? - Forum of Canadian Ombudsman : "Looking for trends and patterns in complaints to identify and make recommendations to address potential systemic issues and seek system-wide improvements to influence positive changes "
https://www.ombudsmanforum.ca/what_is_an_ombudsman_ombudsper.php

"WHEREAS the CSA consider effective dispute resolution through an independent ombudservice to be an important component of a well-functioning investor protection policy framework"- Source: CSA MOU with OBSI

Kenmar appreciate the opportunity to provide commentary to this consultation. We also appreciate the consultation submission time extension that allows us to submit a refined comment letter on the investment sector. Thanks to the extension, we are able to provide a reasonable comment letter. Without the extension, the consumer input would have bene compromised.

Kenmar Associates is an Ontario-based privately-funded organization focused on investor education via articles hosted at www.canadianfundwatch.com Kenmar also publishes the Fund OBSERVER on a monthly basis discussing consumer protection issues primarily for retail investors. Kenmar is actively engaged with regulatory affairs. An affiliate, Kenmar Portfolio Analytics, assists, on a no-charge basis, abused consumers and/or their counsel in filing investor complaints and restitution Claims.

This comment letter applies primarily to the investment side of OBSI's mandate. We believe it was questionable to combine the review as a merged consultation of banking and investments. This is a departure from prior practice. While some issues are common, many issues apply only to investments with numerous unique issues related to banking .In any event, the time provided for comments, even with the extension, is insufficient to provide meaningful comments for both components of OBSI's mandate. We have been informed that there will be two separate reports- one for banking and one for investments.

This consultation is one of the most important impacting retail investors over the past decade. This consultation will be a test of regulator and government resolve to create a world class ombudsman servicing Canadians and a complaint system fit for purpose.

With few exceptions, the investment industry does not treat an individual as a dissatisfied customer, an opportunity to build the relationship. Instead, the investment industry puts their legal team to work to deny any wrongdoing and

thwart compensation. This is why a robust, enforceable complaint resolution system is required and OBSI must be armed with a binding decision mandate.

We have assessed the complaint resolution process as a system, not piece meal. Kenmar realize that goes beyond the scope of the review but it is not possible to optimize the system since components are interdependent, a basic principle of Operations Research. The individual components interact and affect each other. Investor protection is only as strong as the weakest link in the chain.

If the review is limited solely to an assessment of OBSI's compliance with the MOU, we expect that OBSI will be found to be generally compliant as has been the case with previous independent reviews. However, unless other components of the complaint system are modernized, investors will continue to be harmed.

There are a large number of deficiencies in the existing complaint resolution chain. We have identified as many as possible in the time available. The CSA must take steps to overhaul Canada's Rube Goldberg approach to complaint handling .A systems approach is needed with weak links repaired.

Background

Canada is well known for its fragmented provincial regulation, outsourcing of advice regulation to a self-regulating industry organization, lax enforcement, wrist slap penalties, and poor collection of fines. It is against this background and a powerful bank lobby that OBSI must function. OBSI has done reasonably well, despite this environment but it has hit its upper limit. We have reached the point that political will is needed to let OBSI evolve towards the Ombudsman model.

It should be noted that the **2011** OBSI independent review report was the first review to recommend CSA action that OBSI be given binding decision authority - that's 15 years of CSA indecision and years of investor harm.

Per the 2025 OBSI Annual Report, during the 2021-2025 period, 20 investment cases were settled for less than the amount recommended, with a total shortfall of $795,178. Over the past five years, 39% of investment cases with recommendations for over $100,000 resulted in low-ball settlements.

In 2025, only 27% of consumers gave OBSI services a favourable rating and would recommend the service while just 20% were satisfied with the outcome of their complaint. Conversely, a whopping 95% of investment Firms agreed that OBSI'S staff was effective in providing a resolution for their client's complaints.

Investment Dealers have a long history of deception and maltreatment of complainants. The tactics involve complaint diversion from OBSI, discrediting OBSI, misrepresenting IDRS independence, putting complainants on the defensive, knowingly using flawed KYC as a benchmark, use of misleading nomenclature such as *ombudsman* etc. For years we have advocated reform, but the CSA has been steadfast in resisting change. We are not aware of a CSA or CIRO sweep of industry

complaint handling practices. As an aside, if OBSI is limited to dispute resolution, its ombudsman nomenclature could be considered misleading.

OBSI's reporting of systemic issues is materially lower than other financial ombudsman services .A recent example would be bank branch sales practices. The 2025 CSA-CIRO survey identified tremendous pressure on staff to meet quota/ scorecard. Earlier investigative reports by the CBC and the FCAC pointed out a toxic sales environment. Kenmar earlier had also observed an unusual number of bank branch investor complaints. Yet OBSI has not publicly reported a systemic issue. To date, no enforcement action has been taken by CIRO or the OSC. Neither the CSA nor CIRO rules effectively address systemic issues resolution.

The **References** provide a broad oversight of international complaint handling standards and select reports revealing the regulatory environment in Canada.

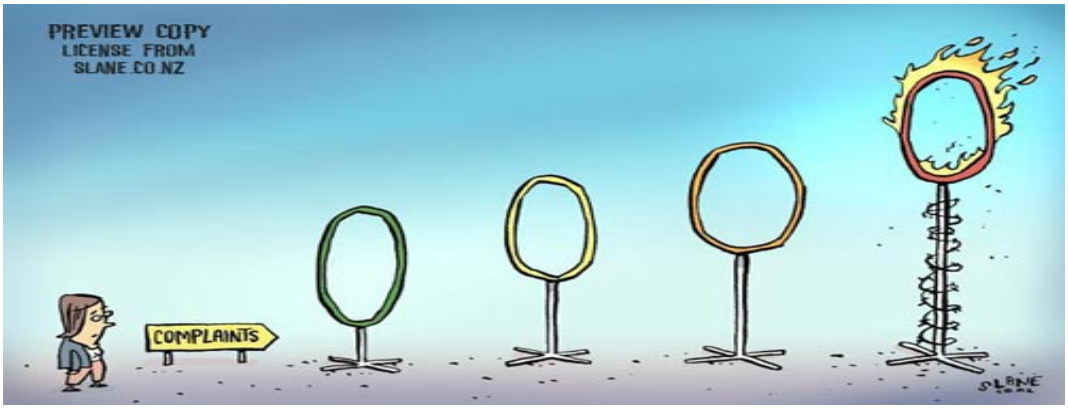
Introduction

Our many years of interacting with OBSI have generally been positive while the Dealer complaint process is too often adversarial, stretched out, abusive and ends with an NDA gagging the harmed investor. OBSI is fair and reasonably objective. Investigators are courteous and respectful. Its Annual Report is detailed and informative.

OBSI is low key, timid such that most retail investors are not aware of its existence.

OBSI can be a harbinger of positive change **if** the CSA unshackle it and SRO CIRO complaint rules are brought into line.

Chartered banks and bank-owned Dealers don't make the complaint journey easy. Consider flowcharting the journey a retail investor must take to resolve a complaint. It certainly won't stand up to CSA CFR best interests standards.



The CSA complaint system (the last hoop represents the CSA binding proposal)

We encourage CRKoury to help make recommendations that would make the journey fair, shorter and less unpleasant for Main Street Canadians.

Kenmar strongly recommend that OBSI amend the scope of the review to include analyzing the potential impact on OBSI independence, costs and complainants if the CSA proposed oversight framework is applied to OBSI.

At a minimum, the review should assess if OBSI can be considered a truly independent and fulsome Public interest **Ombudsman** under the existing CSA MOU.OBSI was originally imagined as a simple, impartial dispute resolution service which is intended to effectively and promptly deal with retail consumer complaints less than $350,000 relating to financial services as an alternative to the courts.

OBSI high priority reforms

Vision Statement: **OBSI's vision**: Helping to **ensure** a fair, effective, and trusted Canadian financial services sector. **AFCA vision:** AFCA's vision is to be a world class ombudsman service by (a) improving practices and minimising complaints (b) meeting diverse community needs and (c) being trusted by all.

In fact, OBSI's mission is to hold Firms accountable for services provided, subject to the constraint its determinations are limited to recommendations. It tries to do this by providing excellence in the analysis of complaints and if it had a systemic issue role, it could also assist its Participating Firms improve processes, products and service. As the 2025 consumer survey results demonstrate, OBSI is not helping convince consumers the financial sector is fair and trustworthy. Actually, it's rarely used Name and Shame power to shame Participating Firms that reject its recommendations. Amending the vision statement would bring staff expectations in line with reality. An unrealistic vision can mislead and confuse staff.

This vision can also subconsciously lead to a pro- financial services bias. Kenmar have argued that "*The Ombudsman for Banking Services and Investments (OBSI) vision is to be a world-class ombudsman service that raises standards, minimizes disputes, meets diverse community needs, and is trusted by all* "is a more appropriate vision statement. We suggest that the existing vision statement and MOU) be amended to reflect international ombudsman standards.

By supporting NDA usage , declaring a 90 -day cycle time reasonable ,rarely highlighting systemic issues and almost never using Name and Shame, OBSI can be perceived as an industry ally which does match its vision, a vision that is not that of a modern financial ombudsman service.

Governance: This Comment letter on OBSI governance provides an insight into past OBSI Board behaviour https://www.obsi.ca/media/c0xmxbj0/ross-obsi-i-governance-review.pdf It is an eye-opener.

See also ***Kenmar Comments on OBSI Governance Ecosystem***

https://www.obsi.ca/media/m0opiifn/kenmar-response-to-obsi-governance-consultation.pdf for a full discussion of OBSI governance.

We recommend that the Board of Directors select the external reviewer, the mandate and method of obtaining comments from the Public.

As previously recommended, senior executives from Firms that have refused an OBSI recommendation should not be considered for an OBSI Director position.

Per our last commentary, personnel who have had many years' experience in the financial services industry should not be considered as independent. We strongly recommend the removal of the 2-year cooling off period for the creation of "independent Directors". There is no shortage of well qualified independent Directors who can bring relevant skills, knowledge and experience to the Board. This will help improve OBSI's image as independent from industry, increase accountability and improve investor trust. We have advocated for change in the past but the OBSI remains firm in wanting ex-Participating Firm personnel as potential substitutes for Community Directors.

Directors from industry should have a demonstrated capacity to see beyond the narrow interests of the financial services industry. They should have a CV that highlights their support of human and consumer rights. Directors from consumer ranks should meet a specification defined by the Board that would include a track record for advancing consumer protection and understanding of the obstacles consumers face in navigating the industry's complex complaint processing system.

Community Directors should have a demonstrated Public interest background and *in the trenches* experiences with retail investors.

We suggest a review of the Board composition suitability for a Public interest entity -should use a skills matrix; incorporate Board self- assessment practice. Director eligibility should not be tied to geography, colour, religion- the most qualified individuals should win out for these critical positions. The skills matrix should include the various skills, experience and attributes the Board needs to provide effective governance of Ombudsman OBSI.

We recommend that at least one Director have experience with senior, retiree and vulnerable people. This will be especially important if OBSI obtains a binding decision mandate.

To the extent OBSI is an Ombudsman, the OBSI Board should adopt a strategic approach to ombudsmanship, incentivising staff to use the intelligence gained from cases to help avoid and reduce the incidence of complaints. Even if its role is limited to single case resolution, the database should be used to help reduce complaint volumes and investor harm.

Commenters responding to a consultation should be *held harmless* if they reveal to the External Reviewer their complaint experience with a Firm with which they have signed a NDA as part of a settlement Agreement. OBSI's contract with Participating Firms should ensure that Firms will not gag complainants from talking to an official OBSI reviewer (or police) .This requirement must be enacted so as to provide ample empirical evidence to support Reviewer recommendations to OBSI's Board of Directors.

The more OBSI's mandate evolves, the stronger the argument for a governance structure that reliably brings in current external perspectives and periodic Board renewal via an adjustment to Director term limits.

Publication of Board meeting minutes: As previously recommended several times, we recommend that Board meeting minutes be publicly disclosed.

Create a Consumer Advocacy Committee (CAC): In June 2022, OBSI management extinguished the CIAC without consultation. A CAC needs to be established with clear Terms of Reference to inform management and the Board of prevailing and emerging issues and advocate for reform. *A CAC is an integral component of governance.* As such, it would respond to management queries and directly advocate for reform as appropriate. Meetings would be held at least quarterly. A dedicated budget should be provided including funding for consumer surveys and empirical research. CAC reports should be transparent to the public. Its insightful consumer voice should be welcomed, not shunned by senior OBSI management. Members of this Committee could be viable candidates for future Director positions.

A CAC would help balance the many webinars, engagement events and guest speaker lectures OBSI provides Participating Firms (see SIMA comment letter). We urge the CSA to include a mandatory CAC in the updated MOU to provide the necessary consumer voice or for the OBSI Board to demonstrate initiative.

Cycle time standard: OBSI should continuously work to reduce cycle time using technology, process re-engineering and AI. For investors facing financial loss, lengthy complaint resolution processes heighten investor stress and uncertainty and can worsen harm, especially for seniors and vulnerable clients.

Definition of valid "complaint": Per NI31-105 "complaint" means a complaint that relates to a trading or advising activity of a registered firm or a representative of the Firm plus this adder *A registered firm must document and, in a manner that a reasonable investor would consider fair and effective, respond to each complaint made to the registered firm about any product or service offered by the firm or a representative of the Firm*.

ASIC's definition of complaint in RG 271 is intentionally broad and principle-based. A complaint is a situation in which a person expresses dissatisfaction and expects a response or resolution. This expectation can be explicit or implied. The communication does not need to be formal or use the word "complaint", and it can

be written or verbal, including emails, phone calls, meetings, social media, or third-party communications.

According to the OBSI Terms of Reference, a complaint is an **expression of dissatisfaction** made by a customer regarding the provision of a financial service by a Participating Firm. It must be made in writing, or verbally at a reportable level, and can include issues identified by OBSI during an investigation that are connected to the original complaint.

The OBSI definition is broad, a positive. However, it does not align with CSA and CIRO definitions which can lead to disharmony. This disconnect must be dealt with by the CSA and CIRO. The definition should relate to all the advice and services provided by Registered Dealers.

Provide adequate consultation period: The minimum time for a consultation should be at least 60 calendar days. This will help prevent OBSI from missing out on valuable experiences, opinions and ideas from Main Street financial consumers. Shorter timelines that OBSI have employed favoured well-resourced Participating Firms and their lobbyists. Kenmar recommend the OBSI By-laws be amended to provide a minimum of 60 calendar days for consultation responses. This will help balance industry and investor interests. Submitted comments should be posted on the OBSI website as received or next day, latest.

KYC validation: A number of industry participants feel OBSI ignores signed client documentation (e.g. KYC forms) in favor of subjective assessments but we feel OBSI is doing the right thing in challenging suspect or stale Dealer KYC documentation accuracy. In fact, we believe OBSI should report tick box /flawed KYC capture and amateurish risk profiling processes as systemic issues.

Risk profile validation: Empirical research has shown that most Dealer risk profiling processes are unfit for use. We therefore agree that OBSI has a right and obligation to validate the complainant's risk profile in its investigation. The best solution would be for the CSA to issue a risk profiling Best practices Guide to reduce OBSI-Dealer conflict.

Fairness: Based on our experience, OBSI attempts to be fair with both parties. However, where the OBSI process breaks down is at the tail end where Firms impose a non-negotiable NDA, even in cases when there is not a settlement lower than that recommended by OBSI. Victims of financial assault are compelled to sign a legal settlement document and an NDA. If the documents are not signed, the Firm will not pay out the recommended amount or even a lower amount (the compensation is, in effect, held hostage). NDAs are a form of bullying -exploiting a power imbalance, designed to intimidate, humiliate and/or silence complainants. NDA's undermine the fundamental principles of **fairness**, openness and transparency. NDA's should not be used to cover up financial assault.

Standardize Loss-calculation methodology: OBSI uses the Opportunity –Cost calculation methodology which independent reviews have endorsed as best practice. Industry generally uses the absolute dollar loss. Standardization can help reduce different conclusions as to the amount of loss. Until this disconnect is resolved, refusals and "low-balls" will continue. This is a clear CSA action item.

Independent assessments: OBSI management should periodically submit select decisions to an independent assessor to validate its processes, loss calculation methodology and tools. This will keep OBSI sharp, improve practices and reassure stakeholders that OBSI processes and decisions are fair and responsible.

Responsiveness: Management must be more pro-active with a passion for action. For example, we believe it took far too long to address EMD industry assertions that its loss calculation methodology for unsuitable, illiquid securities was flawed and OBSI lacked knowledge of the exempt market. During this prolonged period, OBSI competency was publicly challenged with some reputational damage.

Undermining of Name and Shame tool: OBSI has accepted a complainants' acceptance of low- ball offer as absolving it of its regulatory obligation to reveal a refusal by a Participating Firm. This practice effectively undercuts the regulatory intent of Name and Shame power provided by the CSA. The net effect is that complainants do not benefit from the presence of OBSI.

Performance metrics should be developed: Examples include cost per complaint, number of systemic issues remediated, stakeholder satisfaction index, number of reconsideration requests etc.

Participating Firm offer withdrawal rights**:** OBSIs membership rules should prevent a Participating Firm withdrawing a compensation offer if a complainant chooses to access OBSI services.

Terms of Reference/mandate: OBSI Terms of Reference (and MOU) should restrict OBSI from investigating complaints based on final response letters from entities that are not regulated or overseen by legislated regulators or CIRO.

Participating Firm complaint system deficiency: If OBSI becomes aware that a Participating Firm's complaint handling system is unfair, dysfunctional, inaccessible, non- compliant with applicable regulations or exploitive, the Terms of Reference (and MOU) should require OBSI to inform the Firm and suggest changes. If no action is taken, say after 30 calendar days, OBSI should be required to refer the issue to the JRC for action.

Limitations on access to OBSI We suggest the External Review determine if the CSA MOU mandate is fair and reasonable or too restrictive for a modern financial Ombudsman The investment mandate excludes the interwoven nature of financial advice, which commonly extends beyond the limited perspective of a securities product only approach. Dealers offer services such as tax optimization and integrated financial planning not directly covered by existing legislation. This

anomaly should be addressed as it could adversely affect the range of complaints OBSI can investigate.

Professional advice is based on product selection and development of a suitable portfolio which may contain non-securities. Complaints about the portfolio must be analyzed holistically – the portfolio cannot be split along regulator lines. The CSA should either face market reality and back off constraining access to OBSI to *registerable activities* or limit registered Firms to offering only advice and services covered by registration.

We recommend that the OBSI *out-of-mandate* criteria be assessed to determine if they are excessively restrictive. What actions, if any, should OBSI take if a fee or contract clause is socially oppressive, unfair, improper and unduly favours powerful, influential institutions in Canada like the protected oligopoly of banks (i.e. not in the best interest of clients). An example would be debanking without explanation. Another would be cash sweeps of accounts to the sole benefit of Dealers/ banks. A recent decision by the CRA compels Chartered banks to cap NSF fees to $10. This was achieved by consumer advocacy groups demanding fairness and justice. Do the current out-of-mandate restrictions unreasonably impair OBSI's Public interest obligations? We believe that OBSIs role isn't to overturn commercial decisions, but it should succinctly highlight to regulators where systemic patterns suggest a gap in financial consumer protection. That would be an example of acting in the Public interest.

Transparency (lack of): An example- no substantive reason was provided why it was in the best interests of consumers to remove Segregated fund complaints from its Terms of Reference. Kenmar could discern no rationale, and none was forthcoming from OBSI or regulators, explaining how this would improve the consumer redress system. Transparency is a key success factor for the redress system and should be a CSA and OBSI obligation.

Segregated funds in investment portfolios: The existing protocol isolates out the Segregated fund component of the portfolio and has it dealt with OLHI. This makes it impossible for OBSI to assess the portfolio based on Modern Portfolio Theory. The CSA should work toward greater coordination between securities and insurance regulators to align OBSI's public interest mandate with how financial advice is actually delivered to Canadian financial consumers. In Ontario, mutual fund licensed salespersons can use the title "Financial Advisor" which misleads financial consumers and leads to complaints. [With the major intergenerational transfer, where more than $1.4 trillion will be exchanged from one generation to another, segregated funds can play a role, especially in estate planning]

Presence: OBSI is too reclusive re Main Street investors- Senior executives should appear on media, public speaking, appear regularly on BNN/ CBC/CTV, pro-actively connect with groups like PIAC, Prosper Canada, Consumers Council of Canada and ourselves etc. and pro-actively engage with senior executives at Participating Firms. These low-cost methods will dramatically improve investor awareness of OBSI.

Kenmar recommend that the OBSI logo appear on all client account statements issued by CSA-CIRO registrants stating OBSI is the official ombudsman for investment complaints. This will increase investor awareness as it does for CIPF and CIRO. OBSI executives might borrow some ideas from CCTS. https://www.ccts-cprst.ca/industry/public-awareness/

Eligible complaint responses: OBSI should only accept final complaint responses originating from Participating Firms. Outsourced responders, not under regulatory cognizance or oversight, should be disregarded and complainants informed to base their complaint review applications only on letters received from their Dealer/bank.

Publish sample full decision reports: OBSI should consider publishing representative sample cases (anonymized) to illustrate the OBSI process, procedures, loss-calculation methodology and application of fairness principles. Such publication will be of great use to Firms and regulators. It could lead to meaningful debate and reforms/improvement as appropriate.

Information sharing: We support information sharing with the CSA and CIRO subject only to privacy legislation and an enhanced IT security regime at CIRO. OBSI should be permitted to inform law enforcement of suspected criminal activity.

Use of Fund Facts Risk rating: Dealers often use the risk rating provided in Fund Facts to develop a portfolio risk profile. Such ratings ate unreliable as pointed out by respected industry commentator, Dan Hallett https://www.osc.ca/sites/default/files/pdfs/irps/comments/com_20140220_81-324_hallettd.pdf OBSI has observed that at times these ratings are not robust especially when the fund manager has used discretion. We support OBSIs approach to challenge the fund rating when it does not make sense. Warren Buffett disregards volatility (standard deviation) as risk; he focuses on the probability of losing money permanently, as detailed in this discussion on risk.

Mitigation: When clients pay fees to a financial advisor it is to recommend securities for purchase that match the KYC BUT as markets and individual stocks face headwinds (or client KYC changes), that advisor also has a duty to mitigate portfolio losses by recommending sale .The Firm/advisor is responsible for mitigating losses and a OBSI complaint investigation should take that point into consideration. When OBSI places mitigation obligations on complainants they may be contravening CFR obligations. However, in cases where the client ignores definitive advice to sell, losses beyond that point should not be attributable to the Dealer.

Reconsideration process: The success (or not) of this process should be disclosed in quarterly reports and in the Annual Report. Closing letters should contain additional information for the participants as to specifically what was excluded as Out- of-mandate. Including more detail will document to the parties what the reconsideration Officer did in their review and how they came to their conclusion. Disclosing the number of requests received and the number of decision reversals would indicate to investors if the process is worthy of engagement. Based on OBSI

data provided to us, about 10-12% of complainants request reconsideration each year with just 1-3% resulting in a decision reversal. We strongly recommend an assessment of the Reconsideration process.

Serving seniors: According to OBSI's statistics, nearly 40% of consumers who use OBSI's services are seniors, higher than seniors' proportion of the population. As Baby Boomers retire, this percentage is expected to increase. We recommend that processes be updated to effectively interact with seniors and vulnerable persons.

Disclose low-ball settlements: A binding decision mandate may take years to implement or may never occur. We strongly recommend that OBSI should publish all low- ball settlements (Name and Shame) via News Release. The increased reputational risk associated with failing to follow OBSI recommendations would incent Dealer compliance and improve complaint resolution integrity.

If OBSI is unable or unwilling to publish actual results, we recommend that, as a minimum, every single case where a Firm compensates victims less than OBSI recommended should by anonymized and posted on OBSI's website and announced via a News Release. This will help attract CSA and government attention and show the public, media and academia what it's like when filing a complaint with a registered financial Firm or Chartered bank.

Consumer Stakeholder meetings: These are effected via group videoconferencing, semi-annually. There are minimal inter- personal interactions between participants. The majority of two hours is spent listening to an OBSI presentation with little time for questions and serious debate. We believe such two hour TEAMS meetings are of questionable value and recommend that they should be terminated. As previously noted, our strong preference is a Consumer Advisory Committee with direct consumer access to staff and the Board.

IT security protection: IT security should be a high priority for the Board of Directors especially after the CIRO data breach.

Behaviour: We were taken aback when OBSI management publicly found CIRO's proposal of a 90- day complaint response time as reasonable. We do not feel it is proper for an Ombudsman to support a controversial cycle time that benefits Participating Firms and delays investor access to OBSI .OBSI management was well aware of tighter international standards and the AMF's 60-day standard. Investor advocates have been lobbying against retention of the antiquated 90- day standard for years. OBSI's independent image may have been impaired by that support.

As part of rule harmonization consultation, OBSI should have suggested that CIRO step up to the higher Quebec standard instead of finding 90 days for complaint resolution reasonable. That would have been impactful as quite frankly, the standards should be consistent in all of Canada. A 60 calendar day standard would bring more complaints to OBSI faster. We suggest that the final review report recommend that OBSI avoid supporting industry noise and listen at least as much to the investor community and CAC.

Establish a complaints Dept.: A professional complaints dept. would assess complaints about the standard of service provided by OBSI in interacting with the public , including, but not limited to, complaints about: (a) the professionalism, competence and attitude of staff ; (b) communication ; (c) fairness and impartiality ; (d) timeliness ; (e) adherence to OBSI's processes and (f) dealing with out of mandate decisions.

Consent letter gagging: OBSI currently prevents sharing the sharing of its report with a spouse,, POA , mental health professionals, family doctor, accountant , Professional Society like FP Canada , law enforcement, Police fraud squad, FINTRAC, Competition Bureau , Privacy commissioner , Human Rights Commission or a Royal Commission. Gagging is a too heavy price to pay for a "free" investigation of an investment complaint. We recommend that limits be placed on OBSI's right to constrain the voices of victims of financial assault.

Actions other than compensation: OBSI should have the authority to make awards for undue pain and hardship, unwind an unsuitable transaction, award cash for early redemption fees of an unsuitable investment, recover CRA penalties resulting from poor tax advice, interest due to a Firm's delay in resolving the complaint, excessive fees for service paid resulting from a failure to act in the victim's best interests (CFR), errors in an estate plan and repairing a credit rating resulting from Firm wrongdoing or negligence.

Selection of EDM: We would like to highlight concerns about the process for appointing an external decision maker (EDM) at stage 2. Care must be taken to ensure that appointing an EDM does not result in excessive delays in delivering a final binding decision for investors. Timely decision-making is essential to maintaining retail investors' confidence in the fairness of the process and outcome in their case, and indirectly, by extension, their confidence in the capital markets.

Top Priority Recommendations for complaint system improvement

CSA must set a higher standard for complaint handling: The CSA must modernize NI31-103 complaint handling rules and reduce Firm Cycle time to 60 calendar days or less to match international standards. The Instrument's provisions are dated, obsolete in today's environment. We have publicly commented on this numerous times, so no need to repeat all the arguments supporting reform. OBSI works to a much higher standard, which can explain different outcomes. That standard amounts to putting the complainant in the same position they would be in if suitable advice had been provided.

Make Root Cause analysis (RCA) mandatory in complaint handling: Effective RCA should allow Firms to find and tackle the root causes of problems (through a process change or other improvement) to prevent recurrence. The UK FCA Understanding complaints root cause analysis' hypothetical case study helps Firms to distinguish between a symptom and the root cause of a complaint. It also shows what complaints using RCA looks like. The case study is not sector specific

and may be of use to any regulated Firm. The CSA should demonstrate leadership by requiring RCA and providing such advisories.

OBSI needs to ensure root causes are determined and associated recommendations made to Firms to prevent recurrence. Without this activity, the same problems will recur time and time again. Root Cause Analysis (RCA) is an essential complaint investigation tool. OBSI must retain robust RCA capabilities to identify and remedy any recurring systemic problems.

Eliminate two- stage Dealer complaint handling: We have recommended elimination in prior consultations. While some Firms do not use the two-stage process inappropriately, it is inherently prone to misuse, in particular because it effectively gives Firms an incentive to deal with complaints to a lower than satisfactory standard at the first stage on the basis that only a relatively small number of consumers will take their complaint further and the Firm then has a second chance to support any shortcomings in the original complaint handling. This causes complainant fatigue, complaint abandonment, acceptance of a low-ball settlement and diversion from OBSI. *The first response should be the final response*.

Complainants will then be given a clear unequivocal message that they can appeal their complaint to OBSI and must do so within 180 calendar days. Kenmar are of the firm conviction that this will lead to Firms focusing their attention on providing more robust first responses to complaints.

When a complaint is passed between different administrative levels within the Dealers' complaint handling process via "escalation" (appeal), this frustrates the effectiveness of these processes, causes investor confusion and concern, and results in a lack of accountability.

If internal escalation (appeal) as an alternative channel to OBSI is permitted by the CSA, limitation clock tolling should commence at the moment a complaint is accepted by an IDRS/CCAO. This will at least help preserve the 180- day OBSI timeline for retail investor complainants and retain their civil litigation rights.

OBSI should NOT recommend the use of a Firm's complaint process if that process is multi-stage. OBSI communications **MUST** emphasize that a complaint can be filed with OBSI immediately after the initial response from a Firm or after 90 days (investments) or 56 days (banking) have passed since the complaint was filed whichever comes first. Quebec investor complainants have the right to file a complaint with OBSI after 60 calendar days.

Develop an effective Systemic issue protocol: In 2021,The International Organization of Securities Commissions (IOSCO) published a report on complaint handling and redress for retail investors in which they observed that "*When an investor or financial consumer is harmed by misconduct or illegal practices, the existence of effective mechanisms for addressing the issue is important* ***not only for the aggrieved individual, but also for producing positive externalities***

such as improving market discipline and promoting investor confidence in financial markets."

The early identification and resolution of systemic issues can reduce consumer complaints and helps to minimise consumer harm.

A clear definition of *systemic issue* is necessary if reporting obligations are to be met. Consumer complaints can be a key risk indicator for systemic issues within a financial Firm. These systemic problems may stem from process failures, system errors, software deficiencies, breaches of securities laws, or inaccurate information presented in disclosure statements.

We once again recommend that the CSA should establish a protocol, perhaps in a form such as that recommended in the 2021 Puri Independent Review. That recommendation was not adopted. Regulators should focus on investigation, compliance assessment and enforcement. Of course, the CSA must have the will, tools, resources, capability and process to deal quickly, fairly and effectively with identified systemic issues.

Without a meaningful systemic issue mandate, patterns of misconduct may remain unexamined and similarly situated investors may remain unaware of negligence, harm and their potential right to seek redress. When systemic issues go into a black hole, Canadians pay the price. For a comparable benchmark see *Guide to systemic issues*| Australian Financial Complaints Authority (AFCA) https://www.afca.org.au/members/members-resources/guide-to-systemic-issues

The MOU which provides, among other things, that the Chair of OBSI "…*will inform the CSA Designates of issues and share information that appear likely to have significant regulatory implications, including issues that appear to affect multiple clients of one or more firms."* At the same time, the MOU imposes no obligation on the CSA to (i) make public the number of potential systemic issues OBSI has identified in the year, (ii) provide a description of the type of issues identified,(iii) describe how the issue was resolved and (iv) the dollar amount of compensation ultimately awarded to all harmed investors. This process merits a prompt update. The OBSI Annual Report would discuss how the systemic issue was resolved per the Puri report recommendation.

Timing of access to OBSI: Dealers should not make an alternative appeal or escalation service available to a complainant at the same time as it makes OBSI available. Such a coincident offering is inconsistent with the regulatory requirement to take reasonable steps to ensure that OBSI will be THE appeal service that is made available to the client. If Regulators do not enforce this provision, complaint diversion from OBSI will continue unabated.

Approve Binding Decision Authority: OBSI requires a binding decision mandate from the CSA to fulfill its mandate in the Public interest. This has been recommended multiple times by independent reviews, an Ontario Task Force and a Coalition of consumer groups. Without a binding mandate, OBSI is reduced to being

a case by case dispute resolution service unable to resolve higher dollar value complaints, remediate systemic issues, reduce complaint flow or improve the system.

A binding decision mandate can help reduce and prevent refusals and low-ball settlements. With a binding mandate, it may be harder for Firms to divert complainants from OBSI. The real value of a binding mandate is that it will encourage investors to come forward knowing that when OBSI makes a recommendation, it will be respected by the Participating Firm .OBSI investigators will be better positioned to negotiate fair outcomes. We fully expect an increase in high dollar value complaints and reduced investor usage of Small Claims Court.

Every stakeholder wins when complaints are handled fairly. Binding decisions won't just help investors- they'll also improve industry conduct by taking pressure off frontline advisors and encouraging Firms to do the right thing from the start. At any point in the CSA proposed binding framework, stage 1 or 2, a Firm can approach a usually unrepresented complainant with an offer .The complainant, uncertain of the outcome and worn out by the lengthy process, will be tempted to accept any offer that will bring the horrible experience to an end. A partial solution is to prohibit Firms to make offers after they have initiated the stage 2 process.

Canadians need and deserve a complaint-handling system that reflects the complexity of modern financial markets while remaining intelligible and responsive to Main Street investors. The path forward may begin with implementing a binding decision mandate for OBSI, but it must not end there. The end result will be increased client satisfaction and increased trust in the financial services industry and reduced account transfers to discount brokers.

Prohibit Dealer Non-Disclosure Agreements (NDAs): An NDA protects wrongdoers and allows wrongdoing to persist.

OBSI management accepts that releases and NDAs can be a reasonable and sometimes helpful part of the settlement process. OBSI argue they give the Participating Firm an incentive to resolve the dispute and the confidence that when they pay the amount owing to the victim, the claim is truly behind them. That may be true for OBSI fee-paying Firms but there is overwhelming evidence that it does not put the client complaint experience behind victims – effectively, this is a ransom payment. The CSA MOU should be revised to ensure OBSI recommendations are not subject to gagging of complainants.

*"I didn't care about the money, but the NDA made me feel dirty and gross. What happened the day that the NDA was foisted on me felt like non-consensual sex, it felt like an assault. It felt like I was violated. I felt like the NDA covered me in filth and I wanted desperately to get it off of me." -*A typical complainant quote:

Why Does Canada Allow Gag Orders on Vulnerable Investors? : CARP
https://www.carp.ca/2023/02/26/why-does-canada-allow-gag-orders-on-vulnerable-investors/

NDAs have severe negative impacts on mental health, with individuals reporting adverse effects, including, depression, anxiety, and PTSD. By enforcing silence, NDAs prevent trauma processing, cause intense feelings of isolation, shame, and powerlessness, and often force victims to hide abuse, leading to "secondary victimization". While some may see NDAs as a way to move on, research indicates they largely function to protect reputations at the expense of the victim's psychological and physical well-being (Professor J. Macfarlane's Comment letter makes this point crystal clear). A modern complaint system should address complainant concerns, not add to their pain. Despite OBSI and industry support for NDA's, Kenmar recommend abolition.

Where NDA's have been agreed to they shall apply only to the legal entities involved. Specifically, a bank-owned Dealer could not share information with affiliates of the bank.

It should be made clear that if OBSI decisions are binding, the compensation becomes an obligation to make prompt payment without NDA's, non-disparagement clauses and all the other tools Participating Firms employ to gag their customers (complainants) and avoid accountability. The elimination of NDA's will be one of the important side benefits of a binding mandate. The CSA and FCAC must introduce anti-gagging rules for all consumer complaints, not just those resolved by OBSI.

We assume that the victims would be shielded if they made use of a recognized whistleblower program.

It should be noted that at least 6 responders did not want their name and/or comment letter made public. We attribute this to fear of retribution by the Firm that compelled them to sign an NDA in order to receive the money owed to them.

Non-disparagement clauses also add to complainant stress and anger. They have no place in a contemporary complaint process and should be prohibited by the CSA and FCAC.

Prohibit Outsourcing/ non CSA –CIRO Approved investigators: As recommended in the previous consultation, the CSA (and the FCAC) must require ALL investment complaint investigators to be regulated by a CSA jurisdiction or CIRO. Banks and Bank-owned Dealers can use unregulated affiliates Customer Complaints Appeals Office (CCAO), unaccountable to complainants or the public. OBSI should not accept a final response letter from any person that is not an employee of a Participating Firm or from any entity that is not operating under CSA or CIRO regulations and/ or a Provincial Securities Act. The FCAC should question the legitimacy and value of CCAO's.

The CSA should not permit appeals to anyone other than independent CSA endorsed OBSI. The bank Customer Complaints Appeals Office ("CCAO**")** is an enterprise established by the Chartered banks to compete with OBSI and keep complaints in-house as long as possible. In our view, it is an unregulated minefield for retail investors. If CCAO's persist, complainants should be read their Miranda rights before engaging with a CCAO. The CSA, CIRO and OBSI should warn retail consumers against entering into contracts with CCAO's as it also could potentially limit their downstream options if they decide to go to court depending on the wording as to what they signed.

Modify JRC/CSA oversight: In our opinion, the JRC has not been very effective in utilizing the information provided to it to introduce necessary regulatory consumer protection improvements or reforms. It needs a refresh.

Over the past ten years, Kenmar Associates wrote to the CSA JRC numerous times with constructive ideas for increasing OBSI cost- effectiveness and integrity. The letters were never acknowledged and no action was taken.

Periodic rotation of members could keep the JRC fresh, innovative and motivated.

The JRC should keep OBSI up to date on compliance, enforcement and supervisory matters that could assist OBSI in identifying systemic issues.

The JRC should ensure that OBSI has a reasonable budget to promote its services-it has a low public profile at present.

We suggest the JRC tap into the wealth of consumer knowledge within the CSA IAP. and/or our proposed Consumer Advocacy Committee. This liaison could be very productive in identifying OBSI improvements and regulatory gaps.

The CSA must implement OBSI oversight proportionate to risk, retain cycle time, contain cost increases and maintain OBSI independence. It must be pragmatic and not overwhelming. An overly stringent oversight framework gives rise to concerns that OBSI will refrain from making statements that could be construed as criticism of the regulators that oversee it. A high degree of operational independence from regulators is essential to inspire public confidence that an ombudsman service will undertake its role in the Public interest.

In our opinion, the proposed CSA Oversight Framework is overly detailed (micromanagement) and will be costly, time consuming and inefficient to comply with. Investor access and participation will be curtailed. Resolution time will materially rise. Oversight should be calibrated to support effectiveness by enhancing access, increased efficiency and reduced timelines, rather than placing additional administrative bureaucracy on OBSI.

External Reviews interval: We recommend reducing the minimum Review interval to every three (3) years to cope with fast changing financial industry landscape, new products, crypto, Open Banking, Access Equals Delivery, changing regulation and advanced technology/ AI.

OBSI as a model: Most Participating Firms aren't effectively applying lessons learned from recommendations by OBSI .Firms would find it useful to review these decisions and technical guidance. CSA complaint rules should require Participating Firm consideration of OBSI determinations.

Conclusion

Canada has a reputation for studying things to death, often in order to kick the decision down the road or a hasty consultation which changes nothing. Kenmar sincerely hope that your final report will be a catalyst for real, prompt change.

Kenmar are of the view that OBSI does a not unacceptable job considering the constraints and lukewarm support obtained from the CSA. That said, many improvements are needed.

The vast majority of investor financial assault occurs downstream from OBSI. Fundamental changes are required in SRO CIRO complaint handling rules and in CIRO's enforcement intensity against its Member Firms. *Opinion: CIRO's harmonization promise breaks down where investors need it most* – Investment Executive https://www.investmentexecutive.com/insight/opinion-ciros-harmonization-promise-breaks-down-where-investors-need-it-most/ CIRO's consolidated rulebook proposal introduces new flexibility for Member Firms, including permitting mutual fund dealers to offer margin accounts but it chose to stick with an outsized 90-day period for complaint resolution instead of the AMF's investor-centric 60 days. This should be amended without yet another consultation round.

The CSA complaint system has been designed more to accommodate industry participants than to address the imbalance of power and knowledge between Main Street and the financial industry.

Industry hostility, particularly EMD's, towards OBSI is readily apparent when reading consultation comment letters. The CSA must take action to ensure Dealers apply Client- Focused Reform best interests obligations when investigating and resolving investor complaints. Tangible CSA support, Dealer education and robust enforcement from the CSA is necessary to bring about meaningful cultural change.

From an investor-protection perspective, the routine diversion of complaints away from OBSI raises significant concerns about fairness, accountability, and regulatory oversight.

NI31-103 complaint resolution rules originate from another time, are unfit for purpose and the CSA OBSI MOU does not enhance the role of a financial ombudsman service. The primary beneficiary of this scenario is the Canadian financial services industry. The CSA must introduce a 21th century complaint resolution system where complaints are used as a tool for continuous improvement, not just a case-by-case dispute resolution.

An Ombudsman funded by Participating Firms, without binding authority, absent a systemic issue mandate, or a strong consumer governance presence, is likely to default to compromise.

The investment industry's furor over a binding mandate for the OBSI is wildly disproportionate to the threat it represents to the industry's bottom line. The money at stake represents the smallest of rounding errors for the investment industry. Regulators should ignore the tantrums and make a principled decision on binding without further delay. Procrastination is the thief of time.

If a binding mandate is approved, a challenging multi-stage pre-OBSI review structure will undermine it by increasing investor exhaustion and making low-ball settlements or complaint abandonment even more likely. The CSA must act to prevent that.

Effective investor protection requires mechanisms capable of quickly identifying and responding to systemic risk.

Canadians are enduring economic stress, grocery bills are up, housing prices remain high, fuel price are rising, layoffs are occurring, unemployment stands at 6.7% and CUSMA renewal is far from certain. Canadians need and deserve a robust OBSI that can make things right. The need for an empowered financial Ombudsman has never been greater. Regulators and politicians must act decisively and quickly. Complaint resolution is a material socio-economic issue adversely impacting retirement income security and driving more Canadians towards DIY investing.

A modern dispute-resolution system is a win-win for both investors and the industry. Regulators should tune out the whining, demonstrate conviction and do the right thing without undue delay. The financial services sector, and the public interest more broadly, is best served by a strong Ombudsman that inspires confidence in the complaint system. Of particular note is that according to *the 2024 Edelman Trust Report* (https://www.edelman.ca/sites/g/files/aatuss376/files/2024-03/2024%20Edelman%20Trust%20Barometer_Canada%20Report_EN_0.pdf) and the *2024 Edelman Trust Supplemental Report* the financial advisory segment is trusted by less than half (48%) of respondents and is in declining trend. Such a result does not support investor confidence in capital markets.

The Final external review Report needs to make recommendations for affirmative transformative reform so that OBSI can fulfill its MOU mandate, Ombudsman and Public interest obligations.

Regulators must now decide whether OBSI is to remain with its current limited mandate –and therefore limited effectiveness, efficiency and value – or whether it becomes a full value-add financial ombudsman service.

Once the report is issued, OBSI management should commit to publicly addressing each recommendation made and explain why a recommendation has or has not been accepted. After that, the FCAC, JRC and/ or the CSA should commit to publicly enabling (or not) the position taken by OBSI. This is the kind of transparency that will help rebuild consumer trust in OBSI and the CSA.

We trust our comments will be considered given the time, experience and our earnest desire in improving Canada's investment industry dispute resolution system.

Kenmar welcome any questions on this submission and would appreciate a meeting with your team.

Consultation time constraints did not permit us to respond on the banking sector which has its own unique harmful effects on complainants.

Permission is granted for public posting with identifier.

Ken Kivenko President
Kenmar Associates

REFERENCES

These documents should provide sufficient evidence needed to go forward with a binding decision mandate for OBSI.

Previous Kenmar commentary on OBSI binding mandate

We refer you to the two latest Kenmar Associates commentaries related to a binding decision mandate.

Kenmar comments on CSA consultation on OBSI binding Feb28, 2024
https://www.osc.ca/sites/default/files/2024-02/com_20240228_31-103_kivenkok.pdf

Kenmar comments on CSA OBSI oversight framework Sept 23, 2025
https://www.osc.ca/sites/default/files/2025-09/com_20250923_25-314_kenmar-associates.pdf

A Practitioner's Guide to Evaluating Ombudsman Offices
https://www.cubiq.ribg.gouv.qc.ca/notice?id=p%3A%3Ausmarcdef_0001163029&locale=fr and
https://www.theioi.org/downloads/d7kvj/IOI%20Canada_Occasional%20Paper%20

83_Frank%20Fowlie_A%20Practitioner%27s%20Guide%20to%20Evaluating%20Ombudsman%20Offices.pdf

Ombuds should not live in fear of its own shadow: a time for and a question of Governance! : A. Teasdale
https://www.obsi.ca/media/qozj5bu1/obsi-governance-consultation-dec-2022-lc-hg-hn-at.pdf

Consumer advocates coalition warns against weakening investor protection | Wealth Professional
https://www.wealthprofessional.ca/news/industry-news/consumer-advocates-coalition-warns-against-weakening-investor-protection/389084

SASKATCHEWAN AMENDS ITS SECURITIES ACT TO GIVE AN INDEPENDENT DISPUTE RESOLUTION SERVICE (e.g., OBSI) BINDING DECISION-MAKING POWERS OF UP TO $1 MILLION - Fair and Balanced Regulations
https://fairandbalancedregs.com/saskatchewan-amends-it-securities-act-give-an-independent-dispute-resolution-service-to-obsi/

Principles of good complaint handling: Ombudsman Association
https://www.ombudsmanassociation.org/best-practice-and-publications/principles-good-complaint-handling

Risk Profiling and Risk Scoring Tools: Morningstar
https://www.morningstar.com/en-ca/business/products/direct-advisory-suite/risk-profiling-and-scoring

A. Teasdale comments on CSA binding decision consultation
https://lautorite.qc.ca/fileadmin/lautorite/consultations/Commentaires/valeurs-mobilieres/2024-02-28/Andrew-Teasdale.pdf

The Handbook of corporate governance Richard Leblanc, Wiley, 2016, ISBN 978-1-118-89560-3

Resolving disputes between consumers and financial businesses: Fundamentals for a financial ombudsman: World Bank
https://share.google/1eTygzVAthdCc1e8h

ISO/DIS 10003 (en), Quality management — Customer satisfaction — Guidelines for dispute resolution external to organizations
https://share.google/jjJnklB1ciZqhC3kv

The Complaints Process for Retail Investments in Canada: A Handbook for Investors – Prosper Canada Learning Hub
https://learninghub.prospercanada.org/knowledge/the-complaints-process-for-retail-investments-in-canada-a-handbook-for-investors/

Current Practices for Risk Profiling in Canada And Review of Global Best Practices
https://www.osc.ca/sites/default/files/2021-02/iap_20151112_risk-profiling-report.pdf.

CIRO needs to stop saying 'should' | Investment Executive
https://www.investmentexecutive.com/uncategorized/ciro-needs-to-stop-saying-should/

OSC failed to alert public to many potentially risky investments: Auditor General report | Globalnews.ca
https://globalnews.ca/news/8416527/ontario-cannabis-store-risky-investments-auditor-report/

Concerns follow regulators' survey of mutual fund reps | Investment Executive
https://www.investmentexecutive.com/news/concerns-follow-regulators-survey-of-mutual-fund-reps/

Joint CSA Staff Notice 31-351, IIROC Notice 17-0229, MFDA Bulletin 0736-M - Complying with requirements regarding the Ombudsman for Banking Services and Investments
https://www.osc.ca/en/securities-law/instruments-rules-policies/3/31-351/joint-csa-staff-notice-31-351-iiroc-notice-17-0229-mfda-bulletin-0736-m-complying-requirements

Customer Complaints Appeals Office (the "CCAO") Terms of Reference: BNS – a minefield for consumers
https://www.scotiabank.com/ca/en/about/contact-us/customer-care/ccao/terms-of-reference.html Use of the CCAO is a prescription for a low- ball settlement or no settlement. The CCAO is an unregulated affiliate of the bank's affiliated Dealer. OBSI should not recommend that complainants engage unregulated investigators. The Bank of Nova Scotia Customer Complaints Appeals Office (CCAO) Terms of Reference can cause complaints a loss of rights and lock them into a confidentiality straightjacket at an early stage of a complaint.

Public Bill (Senate) S-232 (45-1) - First Reading - Can't Buy Silence Act - Parliament of Canada
https://www.parl.ca/documentviewer/en/45-1/bill/S-232/first-reading The government of Canada is taking concrete action to curtail the use of NDAs within government agencies.

Letter from Geller Law
https://www.osc.ca/sites/default/files/2024-02/com_20240228_31-103_gellerh.pdf
This letter by Geller Law describes the complaint resolution system succinctly and in a forthright manner.

Industry Review: Bank Complaint Handling Procedures: FCAC
https://www.canada.ca/en/financial-consumer-agency/programs/research/banks-complaints-handling-procedures.html

CIRO's harmonization promise breaks down where investors need it most – Investment Executive
Complaint-handling timelines are not abstract regulatory details. They determine how long investors wait for answers, resolution and access to redress. Extended timelines risk undermining confidence not only in individual firms, but also in regulators and in the perceived fairness of Canada's capital markets. For investors facing financial loss, long complaint processes heighten stress and uncertainty and can worsen harm, especially for seniors and other vulnerable clients. In this context, complaint-handling timelines relate to the integrity of the redress process itself, not just internal operational efficiency.
https://www.investmentexecutive.com/insight/opinion-ciros-harmonization-promise-breaks-down-where-investors-need-it-most/

CIAC comments on OBSI independent review
https://www.obsi.ca/media/hbvoor0a/ciach-geller-obsi-submission.pdf

A Practitioner's Guide to Evaluating Ombudsman Offices
https://www.theioi.org/downloads/d7kvj/IOI%20Canada_Occasional%20Paper%20

OBSI's binding authority is being buried alive – Investment Executive
Behind those numbers are real people. They are typically older Canadians — retirees and near-retirees — who suffered investment losses at the hands of advisors they trusted, pursued a complaint through a process designed to be exhausting and then accepted less than they were owed because fighting further was not a realistic option. https://www.investmentexecutive.com/inside-track_/obsis-binding-authority-is-being-buried-alive/

The Financial Ombudsman Service: A Case Study in Systemic Failure and Wasted Resources https://tfacf.co.uk/blog/f/fos-a-case-study-in-systemic-failure-wasted-resources

Same office, new sign | Investment Executive
Excellent exposé of "appeal" offices. https://www.investmentexecutive.com/inside-track_/same-office-new-sign/

RELEVANT STATISTICS

In 2024, OBSI reported that in investment cases with recommendations of over $100,000, 50% of consumers settled for less than OBSI recommended, and on average these consumers received 44% less than recommended. There were 33 cases where investors settled for less than the recommended amount –in aggregate these 33 consumers received $1,147,470 less than OBSI recommended

Investment cases reached an all-time high in 2025, though they have remained relatively stable for the past three years. As a reference point, the total compensation OBSI paid out in 2025 relevant to investment complaints was just

$1,832,194 with an average of $9,207 and median of $990. OBSI management reported just one investment systemic issue in Canada in 2025.

During 2025, four investment cases had settlements lower than the OBSI recommended amount. These cases involved recommendations for compensation of $431,421 in total, and the final settlement amount for these four cases in total was $175,714 **less** than what OBSI recommended.

In 2025, 23.6%, (153/648) of investment complaints cases resulted in compensation. In 2024, 30%, 216/ 721 investment cases resulted in monetary compensation.

The 2025 OBSI budget amounted to $22,191,304; for 2026 the budget is $25,813,902, an increase of 16.3%.

OBSI resolves just 75% of investment cases within 90 days. Dealers are required to resolve cases within 90 days including any internal appeal mechanisms. A question arises as to why OBSI needs more time (up to 120 days or more). One possible answer would be that Dealers do not cooperate fully with OBSI. The review should probe the underlying reasons why OBSI needs more time than the original time to investigate the complaint. In Quebec, the AMF requires Dealers to resolve complaints within 60 calendar days.