

APRIL 16, 2014 ISSUE

RICHARDSON GMP REFUSES TO COMPENSATE MULTIPLE INVESTORS

The Ombudsman for Banking Services and Investments (OBSI) today announced the refusal of Richardson GMP to compensate several investors in the amounts of \$232,500 and \$66,366.

Richardson GMP is a Toronto-based investment dealer with offices across much of the country. In two separate cases investigated by OBSI, the complainants (who are all related) were approaching retirement and had accumulated significant assets that they had invested with Richardson GMP. Their advisor, Mr. S, placed part of their portfolios in investments that were unsuitable given the complainants' investment objectives and risk tolerance.

Richardson GMP is responsible for the financial harm incurred by the complainants as a result of the unsuitable investments recommended by the advisor. It has chosen not to fulfill its responsibilities to them by providing the compensation they are owed based on the facts of the case.

Copies of our investigation summaries in these two cases are available on our website ([Complaint #1](#), [Complaint #2](#)). Where a complaint is found to have merit, OBSI makes a recommendation for compensation where it would be fair to do so, taking into account all of the facts and circumstances of the case. A refusal by a participating firm to follow a recommendation means that OBSI must publicize that refusal and the details of the complaint under Section 27 of our Terms of Reference.

As previously [announced](#), OBSI is experimenting with several changes to our process in order to speed up the average time it takes to resolve complaints. One of those experimental changes involves situations where a firm informs us it will not compensate its customer in the context of the specific complaint no matter what OBSI's final conclusions are. In most such instances, OBSI will complete our investigation but announce our recommendation through a short summary that outlines the facts of the case, our conclusions, and a range of compensation that we determined was fair and reasonable (if an exact determination is not possible). We will not expend further time and resources to draft an exhaustive investigation report if a refusal to compensate is certain.

OBSI has followed this process for these two complaints about Richardson GMP.

OBSI is Canada's national independent dispute resolution service for consumers and small businesses with a complaint they can't resolve with their banking services or investment firm. As a free alternative to the legal system, we work informally and confidentially to find fair outcomes to disputes about banking and investment products and services.

OBSI looks into complaints about most banking and investment matters including: mutual funds; bonds and GICs; stocks, exchange traded funds, income trusts and other securities; investment advice; unauthorized trading; fraud; debit and credit cards; mortgages; loans and credit; fees and rates; transaction errors; misrepresentation; and accounts sent to collections. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

OBSI has an excellent record of acceptance of recommendations from both firms and complainants: over 99% of the thousands of complaints brought to our office have been successfully resolved.

-30-

For more information, contact:

Tyler Fleming
Director, Stakeholder Relations and Communications
publicaffairs@obsi.ca
416-218-4244