

**Attention: CRK Team**  
[review@crkhoury.com](mailto:review@crkhoury.com).

**To note first:**

**There are many other Safe Investments - which pay more than what is hereinbelow, & with no risk whatsoever, with short or no time gimmicks. Should these be required to be presented to prospects, who are usually targeted as having little or no knowledge - and with reasonable proof?**

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### **Request for comment for OBSI Independent Review**

**(Please post this email, in that it is being submitted for many others concerned and in interest as well.)**

I am pleased to provide an **input** to this important consultation. Base on available data, OBSI is useful up to about \$40,000: **after which** investment dealers show their true colours. It is a shame that regulators do not apply a contemporary complaint system - and thereafter follow up with the remedies which are fair and consistent with those made internationally; and with its loss calculation tools, its ability to determine fair amounts of compensation which are world leading.

**On December 16, 2021**, Prime Minister Justine Trudeau provided Chrystia Freeland, then the Minister of Finance, with a mandate letter setting out his expectations for her Ministry - in moving forward with a host of proposals. It was likely her, because that was far beyond his wheelhouse. **One of the proposals was as follows.**

**It entailed** establishing a single, independent Ombudsperson, with the power to impose binding arbitration, to address consumer complaints involving Banks. While a single ECB was created, the binding mandate is still in limbo - even more than **4 years** following the issuance of said letter. This delay is more than matched by the 15 year delayed action by the CSA.

If a binding Decision Charter is ever granted to OBSI - that would assist to level the playing field. The new framework must ensure - OBSI retains its independence of industry and regulators - and not cause long delays in settling disputes. It should not require complainants to retain a lawyer who may have no experience not known.

It may not even be practical **ie.** lawyers may charge the unwitting even more than the Claim, or otherwise be Partners for a large percentage. I have seen this too often.

I have a few more comments below - which may prove useful to your review of OBSI.

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### **Short consultation period supports industry:**

After feedback from Responders, OBSI changed the due date from April 3, 2026 to April 24, 2026. The ultra-short time to respond was clearly an advantage to its Participating Firms - who are well positioned to respond to Consultations. This mis-step did not assist to improve OBSI's public image (**ie.** if it cares to have one).

### **"Independent" Director:**

OBSI's bylaws require that a majority of Directors, including the Board Chair, be independent: meaning they have not been affiliated with industry for at least two (2) years. There is no need for OBSI to magically convert ex-industry folks to "independent". A vast number of highly qualified individuals without prior industry affiliation exist. The bylaw conversion process gives the impression of OBSI's close affiliation with its Participating Firms. The bylaws should be amended posthaste - without undue delay.

### **The Six year limitation period:**

OBSI's limitation period is six years. This means that they will only consider a complaint if the financial consumer raised their complaint with their firm - within 6 years after the consumer knew, or ought to have known, about the problem. Six years may not unreasonable, especially for seniors & vulnerable clients, and the increasing complexity of investment products. If the prospect is ill, or over a certain age (to be determined) - then he/she should have a close relative with them - and at all times material. It should also be witnessed properly, within provisions to be established which would be lawfully binding. That is for consumer protection only.

### **Investigator disclosure:**

OBSI should make public the experience and qualifications of its investigators - **timely. As well, the same for reports which the prospects would require.**

### **Offer withdrawals:**

Participating Firms should not be permitted to withdraw their binding offer if the complainant chooses to exercise their right of appeal to OBSI. The offer should remain in place until OBSI makes a recommendation.

### **Name and Shame +**

The CSA review of a binding mandate has been going on for over a decade, with the OSC providing little evidence it has a proposal ready to go. Until that day

comes, I suggest that instead of abandoning the “Name and Shame” approach -, the CSA should double down. The “Name and Shame” option should be expanded to publicly naming Firms that low-ball complainants - and that shame could be amplified through expanded publicity. Firms hate announcements - which degrade their reputations.

There should be recognition for same in the Media, and also before any prospect sighs on - witnessed as above- so there will be "full disclosure and due diligence".

### **Review composition of Joint Regulator Committee Oversight of OBSI:**

Currently, the JRC is composed of CSA designated representatives from the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission, and the Autorité des marchés financiers (and 2 representatives from industry self- regulator CIRO).

The British Columbia Securities Commission (BCSC) is not participating in the proposed "binding regime" for investor disputes through the Ombudsman for Banking Services and Investments (OBSI) & the AMF has their own approach to external dispute resolution. I recommend the composition of the JRC be changed: to include Commissions that are active supporters of OBSI, and the inclusion of two individuals known for their public interest engagement in lieu of CIRO representation, & The Chair should be rotated every two years for certain.

### **Reported Systemic issue goes into the darkness:**

In 2023-24, OBSI flagged the “potential systemic under-representation of risk in some mutual fund risk ratings in recent years.” OBSI reported that they observed many funds reducing risk ratings on the basis of the 10-year standard deviation - and relatively few [fund managers] increasing or maintaining risk ratings - by using upward discretion.” When the regulator conducted its own review of funds’ risk ratings - it “did not have the same observations as OBSI”. **Case closed.**

**Really?**

### **Dealer complaint systems weak, divert complaints from OBSI:**

Firms must establish and maintain effective and transparent procedures for the fair and prompt handling of complaints. Firms should also make sure they reduce the risk of over reliance on policies and procedures. Firms should consider, for each complaint, whether the customers’ outcome and experience show the Firm has put the clients' best interests first. Inadequate application of good judgement – and the principle of treating customers fairly – may lead to UNFAIR outcomes - and Complaint Diversion. A more robust complaint system for Dealers would be a win-win for all of the stakeholders. **This is an urgent CSA action item.**

### **A must read:**

Request for Comment on the Independent Evaluation of the Ombudsman For Banking Services and Investments with respect to Investment- Related Complaints , See SIPA Comment letter dated [February 2016](#)

<https://sipa.ca/library/SIPAsubmissions/SIPA%20submission%20re%20OBSI%2020160219.pdf> Although a decade old, the comments still apply today. Sad.

### **CSA oversight proposal could smother OBSI:**

**Investor Advocates** have spent years fighting for OBSI decisions that always remain. What it may get instead: is a process so complex: it defeats the very purpose of an Ombudsman and the Public Interest. The review should consider the impact on operations, costs, resolution time and retail investor ability to navigate the proposed complaint process. In 2025, OBSI paid out a mere \$1,832,194 with an average of \$9,207 and median of \$990 - relevant to investment complaints. **Scotia Bank's CEO** Scott Thomson's base salary was \$1.1 million in fiscal 2025 - and he earned an \$11.5 million bonus.

### **The Bottom Line:**

There are many opportunities for improvement. OBSI is an essential component of investor protection. Most Canadians do not have the time, knowledge or cash to launch civil litigation. I urge you to recommend: OBSI be granted a binding mandate despite intense financial industry pressure to retain the status quo & prohibit the use of Confidentiality Agreements that impair a complainant's health.

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