OBSI Response to External Review Recommendations

July 22, 2026

Introduction

OBSI has recently published the results of our 2026 independent external review, which commended OBSI for its success over the five-year period under review, acknowledged OBSI's improvements since the previous external review in 2021, and found our organization to be effective, fair and professional.

The 2026 external review of OBSI was conducted by crkhoury (CRK), an Australian consultancy with extensive experience undertaking independent evaluations of ombudservices, particularly those operating in the financial services industry.

Prior to the publication of the report, our board met with the CRK team, thanked them for their excellent work and engaged with OBSI management to consider the report's recommendations for improvement carefully and the feedback received from our stakeholders throughout the review process.

In this document, we outline our responses to the report's key findings and recommendations.

Background

OBSI's Terms of Reference require OBSI to submit to knowledgeable, independent third-party evaluations of its operations conducted according to timelines set out by banking and securities regulators. Since 2014, OBSI's banking and investment mandates have been overseen by separate regulators with distinct independent review requirements.

Canada's *Bank Act* requires OBSI to submit every five years to an evaluation of the discharge of its functions and performance of its activities as an external complaints body (ECB) that is conducted by a third party in accordance with the terms of reference established in consultation with the Commissioner of the Financial Consumer Agency of Canada (FCAC).

Pursuant to its 2014 Memorandum of Understanding with the Canadian Securities Administrators, OBSI is required to submit itself to an independent evaluation of its operations and practices for investment-related complaints every five years.

In January 2026, following a public request for proposals, OBSI's board appointed CRK, to conduct the independent evaluation of both OBSI's banking and securities mandates. The evaluation began in February 2026. The 2026 Independent Evaluation was published on the OBSI website and through a press release on July 22, 2026.

The purpose of the independent evaluation is to determine whether OBSI is fulfilling its regulatory obligations and operating effectively in accordance with recognized best practices for financial services ombudsmen.

The 2026 Independent Evaluation was OBSI's third independent review of its securities mandate and its second independent review of its banking mandate since being designated as an ECB in 2015.

OBSI previously participated in five independent external reviews, which are available on our website:

- 2021 Independent Evaluation of the OBSI Securities Mandate
- 2021 Independent Evaluation of the OBSI Banking Mandate
- 2016 Independent Evaluation of the OBSI Securities Mandate
- 2011 Independent Review of OBSI's combined banking and securities mandate
- 2007 Independent Review of OBSI's combined banking and securities mandate.

Response to 2026 Independent Evaluation

Overall observations

Overall, the report is largely favourable to OBSI and delivers numerous recommendations that are well-founded, actionable and that can serve as a catalyst for some important changes and modernizations.

The review found OBSI to be "a well organised, professionally managed, and highly motivated financial ombudsman service", and noted that "OBSI's management was a significant strength" and that OBSI's "workplace culture was highly positive". The reviewers noted that the sharp increase in banking complaints and inquiries has placed significant pressure on OBSI's timeliness, particularly in assigning cases to investigators, and highlighted the need to strengthen enabling functions such as training, knowledge management, quality assurance and case management systems to respond to the increased levels of consumer demand. The reviewers also voiced agreement and support for binding authority for all cases.

Overall, the review concluded that OBSI's processes are sound and well managed, with most recommendations aimed at improving our services incrementally, and enhancing our work to improve transparency, accessibility, efficiency and stakeholder confidence.

The report makes 26 recommendations. Below, we set out each recommendation along with a brief discussion of our response.

Responses to recommendations

Number	Reviewer Recommendation	OBSI Response
1	That, if OBSI identifies that a participating firm's internal dispute resolution response advice to a complainant does not accurately and clearly inform a complainant about their rights to go to OBSI and the applicable escalation timeframe, OBSI should raise this with the participating firm. Where there are repeat instances of this or a refusal to respond to OBSI concerns, OBSI should report these to the relevant regulator as a potential systemic issue.	OBSI is generally supportive of this recommendation. We note that we typically do not review firm response letters for compliance with regulatory requirements unless it is relevant to a case. While we are well-placed to review firm response letters, to do so in every case would represent a procedural addition to our current process. When we do identify a problem with a firm's internal dispute resolution response to a consumer, we will share our concerns with the firm and regulator if appropriate.

2	That OBSI should develop written internal guidance for its staff as to when to exercise the discretion to extend the 180 day timeframe to lodge a complaint on the basis of extraordinary circumstances. Relevant factors should include illness, bereavement, vulnerability, language barriers and a protracted IDR process resulting in an IDR response letter outside the prescribed IDR time limits. OBSI's website should provide transparency about OBSI's approach to the exercise of its discretion.	OBSI is supportive of this recommendation.
3	That the six year limitation period for access to OBSI should remain in its current form, however OBSI should have greater regard to the particular complainant's abilities and limitations when assessing when the complainant reasonably ought to have known about the problem or issue giving rise to the complaint. To achieve a recalibration of the current approach, OBSI should provide its investigators with scenario-based training about how to apply the six year rule, giving full regard to complainants' abilities and limitations.	OBSI is supportive of this recommendation.
4	That OBSI should amend its Terms of Reference to include a provision prohibiting a participating firm from commencing or continuing legal proceedings in relation to the subject matter of an active OBSI complaint. This restriction should apply for the duration of the complaint's consideration by OBSI. Limited and clearly defined exceptions may apply, but in all cases OBSI's prior written consent should be required for any parallel participating firm litigation.	OBSI is generally supportive of this recommendation. Changes to this effect will be included in our upcoming proposed Rules and Operating Guidance for public comment, though we do not propose to include a requirement for prior written consent from OBSI in most cases.
5	That OBSI should amend its Terms of Reference to increase its monetary limit and introduce a mechanism for regular indexation. Specifically:	OBSI is generally supportive of this recommendation, though we note that implementation would require regulatory support. We plan to include a question about monetary limits in our upcoming public

	a) Reset the monetary limit to \$550,000 as soon as reasonably practicable. b) Introduce automatic annual (or two yearly) indexation, tied to a transparent and publicly available measure such as the Canadian Consumer Price Index. This ensures the limit maintains its real value over time and avoids the need for ad hoc or politically sensitive adjustments. c) Require a periodic structural review, at least every five years, to assess whether the limit remains appropriate in light of: • changes in financial markets • the scale of modern consumer losses • international benchmarks • OBSI's mandate to provide accessible, meaningful redress • the cost of alternatives such as litigation	consultation on our proposed Rules and Operating Guidance.
6	That OBSI should be given binding authority to decide all complaints for which it has a mandate.	OBSI is supportive of this recommendation. This has been OBSI's public position for many years and has been a key recommendation in previous external reviews, though we note that implementation will require regulatory and governmental support.
7	That OBSI should review, with the benefit of external Canadian legal advice, whether its approach to complaints sufficiently factors in consumer protection legislation including in particular legislation that nullify contract terms that are unfair, excessive, harsh or unconscionable.	OBSI is supportive of this recommendation.
8	That, at least in more complex, higher value complaints, OBSI should generally only rely on participating firm documents	OBSI is generally supportive of this recommendation.

	to draw adverse conclusions against the complainant where the documents (or relevant extracts) have been shared with the complainant. If there are good reasons for not sharing key documents, the investigator should use the complainant interview to explain to the complainant clearly and with specificity what those documents establish and to give the complainant an opportunity to counter or comment on that information. OBSI's investigator training should reinforce the importance of this as a part of procedural fairness.	Changes to this effect will be included in our proposed Rules and Operating Guidance, which will include a framework for document and information sharing with consumers.
9	That OBSI should, unless impractical, undertake a complainant interview for all investigated OBSI matters.	OBSI is supportive of this recommendation. Our current process is to interview the consumer in most cases, though in very straightforward cases, we may give the consumer the option of an interview.
10	That OBSI's training of investigators should include a focus on enhancing their confidence and skill in applying OBSI's existing Credibility Assessment guidance when weighing up all relevant information, not just the documents.	OBSI is supportive of this recommendation.
11	That where OBSI finds that a complainant has suffered loss, damage or harm because of an act or omission of a participating firm, OBSI should be more willing to consider what remediation action by the participating firm would best put the complainant back into the situation they have been in if the error had not occurred – which will not always be the payment of a lump sum. Where appropriate, OBSI should recommend other action by the participating firm, for example, rectification of the agreement between the participating firm and complainant.	OBSI is supportive of this recommendation, though we note that in most cases, a financial settlement is the preferred outcome for both consumers and firms.
12	That OBSI should provide more detailed website guidance about its approach to compensation for extraordinary distress and inconvenience – and use its industry engagement forums to publicise this.	OBSI is supportive of this recommendation.

13	That where OBSI prepares a written preliminary view/ facilitated settlement proposal, OBSI should provide this to the complainant (not just to the participating firm) giving the complainant an opportunity to provide their comments before OBSI finalises its view.	OBSI is supportive of this recommendation.
14	That, consistent with the recommendation in the 2021 Review Banking Report, OBSI should tend to a little more detailed explanation in its closing letters as to its conclusions about the complaint and why no compensation is appropriate or the bank's offer is fair.	OBSI is supportive of this recommendation. We note that the level of detail explaining the reasons for our decision is tailored to the circumstances of each case.
15	That OBSI should undertake a focused external legal review of a sample of reconsiderations in mid 2027 to assess whether: a) issues raised by the complainant in the reconsideration request are being appropriately inquired into, b) the reconsideration process is effectively bringing 'fresh eyes' to the complaint as evidenced by a willingness to change OBSI's position when warranted, and c) reconsideration response letters provide a reasonable summary of the steps taken by the reconsideration officer and the reasons for their conclusions.	OBSI is supportive of this recommendation, though we propose to undertake this review in 2028, closer to the midpoint of our next independent evaluation process.
16	That OBSI should conduct an internal review of its policies and procedures and other guidance for investigators and develop a prioritised program of work to update this material – and if necessary, increase its resourcing of knowledge management development work.	OBSI is supportive of this recommendation.
17	That OBSI should set a target of 30 days to assign a case to an investigator. The 30 day period for case assignment should commence on the later of the date of receipt of the complainant consent letter and the date of receipt of complaint information from the firm. OBSI should	OBSI is supportive of this recommendation. We plan to include full disclosure of pre-investigation timeliness in our 2026 and future annual reports.

	publish in its Annual Report data as to how frequently it is meeting this target.	
18	That for the purposes of Annual Report timeliness reporting, OBSI should begin counting its overall complaints timeframe from when OBSI receives the complainant's signed consent letter and this measure should not exclude participating firm delay days.	OBSI is partially supportive of this recommendation. We plan to include full disclosure of pre-investigation timeliness in our 2026 and future annual reports. However, we note that the *Bank Act* establishes the time limits to complete an investigation, which is 120 days following the receipt of all information necessary to complete a case. This means from the date the firm file is received to the date the case is closed, excluding days when no progress was possible due to delays in receiving evidence needed to continue our investigation. We will continue to include reporting on our compliance with this requirement in addition to the new reporting referenced above.
19	That OBSI should discuss with the JRC that for some types of investment firm errors a single complaint may be enough to suggest a potentially systemic issue. OBSI should propose that its future reporting should be on this basis either under the existing systemic issues definition or an amended definition.	OBSI is supportive of this recommendation.
20	That OBSI should: a) Adopt an "if in doubt, report" approach both to encourage staff to escalate potential systemic issues at an early stage and when assessing matters to decide whether they warrant reporting to the relevant regulator. b) Ensure all frontline staff and case handlers receive regular training and updates on systemic issues that have been identified and reported, including how similar cases should be handled. c) Strengthen internal communication channels so that	OBSI is supportive of this recommendation.

	staff are promptly informed when a case has triggered a systemic issue report and how the underlying issue was resolved. d) Monitor and review systemic-issue reporting practices to ensure consistency and to improve OBSI's effectiveness in identifying emerging risks.	
21	That, as it does for banking complaints, OBSI should publish a case summary for each other sector complaint closed with a final OBSI recommendation. For non-banking complaints, the summary should not, however, name the relevant participating firm.	OBSI is supportive of this recommendation.
22	That OBSI's Annual Report should provide more insight into systemic issues and complaint trends including case studies and qualitative discussion.	OBSI is supportive of this recommendation.
23	That OBSI should ensure that it finishes by the end of this year the body of work in relation to loss calculation methodology that it committed to in August 2025.	OBSI is supportive of this recommendation.
24	That OBSI should prioritise its redevelopment and upgrading of its IT systems, with a particular focus on enhancing efficiency and involving interested staff in workflow and usability aspects of the design.	OBSI is supportive of this recommendation.
25	That, particularly if complaint volumes continue to grow significantly, OBSI should strengthen its communication of the work it does to improve its efficiency through: a) Engaging openly with firms on budgets and costs b) Demonstrating high level of internal focus on efficiency and costs c) Demonstrating continuous innovation in application of technology to workflows	OBSI is supportive of this recommendation.

	d) Demonstrating continuous innovation in the design of complaint processes e) Assisting firms to handle their complaints more effectively	
26	That when a vacancy arises, OBSI should endeavour to appoint a Consumer Interest Director who has recent experience working as part of an organization dealing with financial services consumer problems on a day to day basis.	OBSI's board will take this recommendation and the underlying concerns into consideration for future Consumer Interest Director appointments.