



**OBSI** OMBUDSMAN FOR BANKING  
SERVICES AND INVESTMENTS

# Fair Effective Trusted

ANNUAL REPORT 2023



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

# 2023 Highlights

17,374

**TOTAL PUBLIC INQUIRIES**

63%

**INCREASE IN PUBLIC INQUIRIES**

3,050

**OPENED CASES**

\$2,573

**AVERAGE BANKING  
COMPENSATION**

\$10,199

**AVERAGE INVESTMENT  
COMPENSATION**

\$2,685,777

**COMPENSATION TO CONSUMERS**



# Table of contents

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

02 **2023 Highlights**

04 **Message from the Chair**

06 **Message from the  
Ombudsman and CEO**

08 **About OBSI**

09 **Progress toward our goals**

16 **Inquiries from Canadians**

22 **Consumer profiles**

26 **Year in review:  
Banking services**

39 **Year in review:  
Investments**

50 **Case outcomes**

53 **Sharing information**

54 **Consumer & firm feedback**

60 **Governance**

67 **Financial highlights**



# Message from the Chair

Looking back, 2023 was a groundbreaking and exciting year for OBSI.

Consumer demand for OBSI services was exceptionally high, resulting in a record year for inquiries and cases. Nearly double the number of Canadians reached out to us for assistance and we opened almost triple the number of cases compared to the previous record highs of 2022.

OBSI's team responded by focusing on productivity and responsiveness and achieved impressive gains in efficiency and timeliness. You can read more about OBSI's response to this unprecedented increase in consumer demand in Sarah Bradley's message that follows.

**The OBSI team should be commended for all it has accomplished this past year.**

The year also saw OBSI reach two significant mandate milestones as Canada's banking and investment regulators continued to strengthen their support for OBSI, recognizing the critical role that ombuds services play in financial consumer protection.

**OBSI DESIGNATED CANADA'S  
SOLE BANKING OMBUDSMAN**

On October 17, 2023, Canada's Minister of Finance announced the designation of OBSI to be the sole external complaint body (ECB) for Canadian banks, effective November 1, 2024. The legislation required for this new model was passed in the Budget Implementation Act in June 2023.

The federal government's decision followed years of calls for establishing a single ombudsman for Canadian banks and many examinations of the issue, including in 2020 FCAC's (Financial Consumer Agency of Canada) review of ECBs and in 2021 the Federal Department of Finance's consultation on the ECB system.

In its 2021 consultation document *Strengthening Canada's External Complaint Handling System*, the government reflected on FCAC's earlier findings, noting particularly that FCAC's review had validated some of the broader concerns raised about the multiple-ECB model by consumers and consumer groups. They observed that the multiple-ECB model is not consistent with international standards, introduces inefficiencies and increases the complexity of the external dispute resolution system. FCAC had expressed concerns about how allowing banks to choose the dispute resolution provider negatively affects consumers' perceptions of the fairness and impartiality of the system, and questioned whether the one-sided competition between ECBs for member banks was in consumers' interests.

FCAC launched the selection process for the single ECB in May 2023, and the selection review took place throughout the summer and early fall. Our application highlighted:

- our organizational strengths
- our compliance with all ECB requirements – as well as international best practices



**Maureen Jensen**  
Chair, Board of Directors

- the advantages of having one ombudsman for both banking and securities
- our commitment to fulfilling this role in the public interest and in the interest of the financial service industry as a whole

We are honoured to have been designated to serve in this critical role for all of Canada's banks and their customers. This designation validates our ongoing efforts to provide consumers and banks with an effective process for addressing their disputes and to offer a world-class dispute resolution service that everyone can have confidence in.

We are now in the process of working with FCAC, the returning and continuing banks, as well as the Canadian Bankers Association and other stakeholders to ensure a smooth transition.



## PROPOSAL FOR BINDING AUTHORITY FOR INVESTMENT COMPLAINTS

Following many years of public discussion and the recommendations of numerous independent external reviews, the Canadian Securities Administrators (CSA) committed in 2022 to developing a proposal for providing OBSI with binding authority. The proposed framework was published for public comment in November 2023.

In its Notice, the CSA observed that while most retail clients' complaints are resolved by firms, concerns remain about patterns of refusal to pay complainants and settling disputes for less than OBSI recommends. These outcomes can have significant impacts on complainants and may discourage others from taking advantage of OBSI's services. The CSA commented that making OBSI recommendations binding could improve investor protection and promote increased fairness for retail investors.

Fundamentally, the CSA's proposed framework includes adding an additional review stage to OBSI's current recommendation process. The added stage provides for a fair, proportionate and impartial review of the recommendation made following the investigation if either or both parties object to the recommendation made at the investigation level. OBSI's final decisions would be binding.

This is similar to the process found in other ombuds services in comparable countries, such as the United Kingdom and Australia.

OBSI is supportive of this proposed framework and in our public comment we have made some recommendations building on the proposed framework strengths.

## GOVERNANCE CHANGES AND ENHANCED STAKEHOLDER INPUT AND OUTREACH

In 2023, OBSI also undertook some important governance changes. Building on the recommendations from our 2022 independent external review, we completed a review and public consultation of our governance, which resulted in some key changes to our board framework and director selection process.

These changes included increasing the number of designated consumer interest director positions on our board from one to three, complementing our three industry directors and four community director roles. In addition, we expanded our stakeholder outreach efforts, established a more comprehensive director skills matrix, and changed our industry director selection process to one based on consultation rather than direct nomination by industry associations. In future, all consumer interest and industry directors will be selected following an open call for nominations and consultation with relevant stakeholder groups.

With these enhancements to consumer engagement on the board and increased stakeholder outreach, the board also decided not to reconvene the Consumer and Investor Advisory Council (CIAC). OBSI's CIAC was

established over 12 years ago, to provide the input of consumers and investors to OBSI's board and management team. The advice from the CIAC was both valuable and insightful and led to the board's decision to further enhance consumer input in board decision-making by adding these skills to the board and increasing the number of consumer interest directors. Taken together, these changes ensure that the OBSI board will have effective consumer and investor advice to complement the advice from our industry directors.

## BOARD RENEWAL

The past year also marked some important milestones for board renewal. We bid farewell to industry director Alexandra Williams, who resigned from the board to take on a new role with the Canadian Investment Regulatory Organization, and we launched a significant director search process to fill four expected board vacancies as three of our community directors reached the end of their terms in February 2024.

Looking ahead to 2024, the board is committed to ensuring that, as OBSI grows and takes on its new responsibilities, it will continue to focus on providing fair, effective and trusted services to all consumers and participating firms and continue to earn the trust and respect of all stakeholders.

**Maureen Jensen**  
Chair, Board of Directors

# Message from the Ombudsman and CEO

2023 was a pivotal and groundbreaking year for OBSI.

In addition to the major changes and potential changes to our mandate outlined in Maureen Jensen's message, our organization also successfully met some very significant operational challenges this year as consumer demand for our services soared. During the year, the number of Canadians who reached out to us for information and assistance nearly doubled and we opened more than triple the number of investigations of any prior year.

These surging case and inquiry volumes have been led by banking, largely due to the new Consumer Protection Framework provisions of the Bank Act that came into force in mid-2022. These changes were intended to and in fact have reduced complainant attrition significantly and, as a result, we are seeing dramatically more cases escalating to us. At the same time, investment cases are also at record high levels, led by suitability and crypto asset fraud cases.

This unprecedented growth in complaints presented a significant challenge to our organization and I am proud to say that we have been able to meet this challenge well. The OBSI team responded with impressive improvements in productivity and efficiency. Recognizing the magnitude of the challenge, our team worked collaboratively to identify new opportunities for streamlining of our process and explored innovative new technological tools to support us in our work. We also recognized that growth of our team was necessary to meet this increased

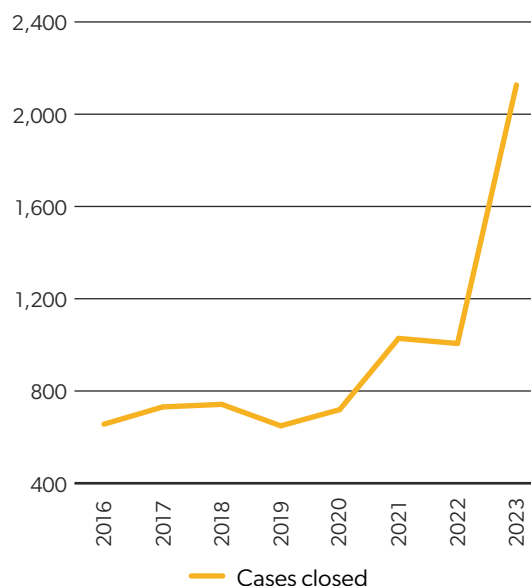
demand and we were pleased to be joined by many talented and committed new staff during the year.

## EFFICIENCY IMPROVEMENTS

On the efficiency front, our total cases closed more than doubled from over 1,000 last year to over 2,100 this year, and our per investigator efficiency also increased by more than 70%.

## OBSI TOTAL CASES CLOSED

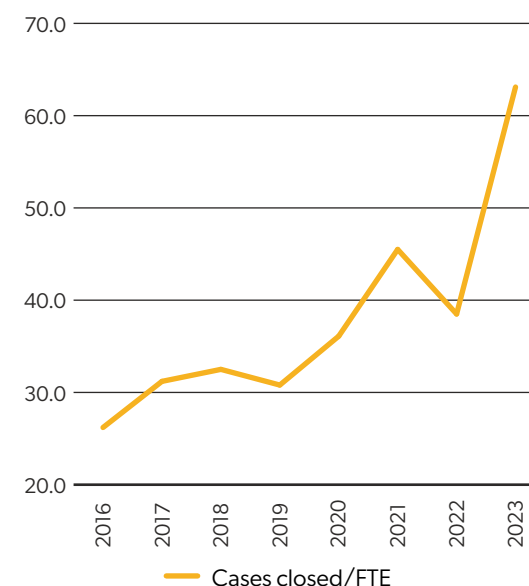
2016–2023



**Sarah P. Bradley**  
Ombudsman and CEO

## CASES CLOSED PER INVESTIGATIVE

TEAM FTE 2016–2023





## Our time to complete a case also reached all-time lows:

- 80% of banking cases were closed in under 60 days – with an average of 40 days
- 77% of investment cases were closed in under 90 days – with an average of 67 days

## We were able to drive this increased productivity through a number of initiatives:

- We developed and deployed our new fast track case approach and created two dedicated fast track teams – ensuring that our investigations are proportionate to the complaints, removing any unnecessary processes and focusing on arriving at a fair outcome as efficiently as possible, while maintaining our investigative and communication quality and our data integrity.
- We streamlined our case management system to reduce administrative tasks for our investigators and managers and built IT tools to assist wherever possible.
- We boosted our case guidance and templates for common communications.

## TEAM EXPANSION TO MEET COMPLAINT

## DEMAND AND PREPARE FOR THE FUTURE

This significant growth in demand for our services also required us to add more staff to our case management and investigative teams. Our investigative team complement increased in 2023 by approximately 80%. While these increased staffing levels also mean overall higher budgets and increased fees, our economies of scale and scope and overall efficiency improvements allowed us to close over 100% more cases than 2022 with only a 27% increase in expenses.

But with this level of growth, and despite our efficiency and productivity gains, we are also experiencing some delays in our ability to assign cases to investigators within our standard time frames. By the end of 2023, some cases were waiting almost three months for assignment to an investigator. We are committed to reducing these wait times and returning to our standard case performance levels of assigning cases within two weeks in 2024 as we continue to build our team and case closing capacity.

## PROGRESS TOWARD OUR

## STRATEGIC PLAN

Notwithstanding the challenge we faced related to the growth in consumer demand for our services, we also continued to make progress in meeting the objectives set out in our strategic plan for 2022–2026. Our plan contains three interconnected and mutually supporting success pillars and related objectives. Together, these provide a foundation for OBSI to thrive as a resilient, successful organization. Each year, our annual operating plans and key initiatives align to these pillars, with any necessary adjustments to address new issues. Our achievements this past year are outlined in the *Progress Toward Our Goals* section of this report.

## 2024 OUTLOOK

In 2024, we expect consumer demand for our services to remain very high, likely at or near 2023 levels, and our focus will be on continuing to meet all our service standards by year end. A key focus for the year will be on work related to welcoming all banks and their customers to our service starting November 1, 2024. We look forward to working

with stakeholders to ensure a smooth transition to the single external complaint body (ECB) system and to meeting the needs of Canadian banks and their customers.

An important part of this preparation will be significant growth of our team in 2024. New team members will help us to address current wait times and to ensure we are ready to serve as Canada's sole ECB. This growth will, of course, impact our expenses, but will also showcase the impressive improvements in efficiency and economies of scale and scope that a single ECB system can offer. By 2025, when all banks have returned to OBSI, we anticipate that we will be closing approximately 400% more cases than 2022, with only 100% higher expenses.

In 2024, we will also be taking action on some of the recommendations of our 2022 external reviews, including undertaking a consultation with stakeholders on our loss calculation approaches. In addition, we look forward to the discussion on the Canadian Securities Administrators' proposed framework for binding authority and finding a solution to address the limitations of the 'name and shame' process and the challenge of low offers to consumers following an OBSI recommendation.

In closing, I want to thank the OBSI team for their tremendous efforts this past year. As I mentioned at the outset of this message, demand for our services has soared and the OBSI staff have shown outstanding dedication and commitment to meeting the needs of consumers and firms. As we go forward, I am confident that we will continue to successfully achieve our goals and meet our public service mandate.

**Sarah P. Bradley**  
Ombudsman and CEO

# About OBSI

The Ombudsman for Banking Services and Investments (OBSI) is a not-for-profit organization that investigates disputes between a consumer and their financial services firm when they are unable to fix a problem on their own.

Fair and effective ombudsman services are a critical part of maintaining a prosperous and healthy financial services sector. When consumers and firms know they have a trusted place to turn when disputes arise, they can do business with greater confidence.



## OUR VISION

Helping to ensure a fair, effective, and trusted Canadian financial services sector.



### Who we are

We are an independent, not-for-profit organization of highly skilled, independent professionals inspired by our public service mission.



### What we do

We help resolve complaints and disputes between consumers and financial services firms, and we share our expertise and insights with consumers, industry, and regulators.



### Why we do it

Effective ombudsman services advance fairness and trust in the Canadian financial services sector by providing efficient, independent, and accessible dispute resolution services to consumers and firms, and feeding data and insights back into the system to support a virtuous cycle of continuous improvement.

## OUR GUIDING PRINCIPLES

### Fairness

Our process and approach are fair to consumers and firms.

### Impartiality

We are balanced and objective in our work.

### Independence

We are free from undue influence.

### Accessibility

Our services are affordable, straightforward and convenient.

### Integrity

We act in a way that is honest and principled.

### Professionalism

We respectfully listen, understand and engage with consumers and firms.



Messages  
from Chair &  
Ombudsman

About  
OBSI

**Progress  
toward  
our goals**

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

# Progress toward our goals

Our 2022–2026 strategic plan identifies three key success pillars for our organization, related to service excellence, communication and thought leadership, and continuous improvement. In this section, we review our annual progress in each of these key areas.



# Strategic plan at a glance

Our strategic plan for 2022–2026 contains three interconnected and mutually supporting success pillars and related objectives.

Together, these pillars provide a foundation for OBSI to thrive as a resilient, successful organization. Each year, our annual operating plans and key initiatives will align to these pillars, with any necessary adjustments to address new issues.



## Success pillars

## Objectives



### Public assistance and dispute resolution

OBSI provides information services to assist consumers who reach out to us with a complaint, and we conduct fair, efficient, and effective investigations of disputes between consumers and participating firms.

- Deliver accessible, high-quality information services that help consumers who have reached out to us to make informed choices.
- Conduct fair, independent investigations of disputes between consumers and participating firms.
- Explore innovative dispute resolution approaches that drive efficiency and effectiveness.



### Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

- Deliver messaging to consumers and collaborate with stakeholders to strengthen public awareness and ensure consumers have easy access to information about OBSI when they have a problem.
- Share information and provide thought leadership.
- Build and maintain strong relationships with our stakeholders.
- Advance regulatory and policy changes that improve consumers' access to effective financial ombudsman services in Canada.



### Organizational resilience and continuous improvement

OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.

- Foster a culture of innovation and continuous improvement.
- Deliver high-value services to participating firms that reflect OBSI's overall value proposition.
- Invest in OBSI's people to strengthen employee engagement and wellbeing and support operational excellence.
- Foster public and industry confidence by demonstrating accountability for our organizational practices.





## SUCCESS PILLAR #1

### Public assistance and dispute resolution

OBSI provides information services to assist consumers who reach out to us with a complaint, and we conduct fair, efficient, and effective investigations of disputes between consumers and participating firms.

#### Strategic plan objectives for 2023

#### What we accomplished this year

Deliver accessible, high-quality information services that help consumers who have reached out to us to make informed choices.

- We assisted over 17,000 consumers who contacted us for assistance in 2023 providing timely and accurate information to help with the resolution of their complaints
- We conducted ongoing training for all front-line staff on effective techniques for working with seniors and vulnerable consumers
- We updated our consumer-oriented guidance resources to help consumers make more informed choices

Conduct fair, independent investigations of disputes between consumers and participating firms.

- We expanded our team to address the unprecedented increase in consumer demand for our services and grow our industry expertise
- We completed a record number of investigations, more than doubling cases closed and increasing cases closed per investigative team member by approximately 70%
- We have a performance level commitment to assign cases to investigators within two weeks of receiving all information necessary to complete our investigation. However, due to the exceptional increase in demand for our services, we were not able to meet this standard for most of 2023. Despite significant efficiency and productivity gains during the year, by the end of 2023, some cases were waiting almost three months for assignment to an investigator. We are committed to reducing these wait times and returning to our standard performance levels in 2024 as we continue to build our team and case closing capacity
- We conducted ongoing training for all front-line staff on effective techniques for responding to complainants efficiently

Explore innovative dispute resolution approaches that drive efficiency and effectiveness.

- We maximized efficiency initiatives and reached record productivity of our investigative teams
- We improved our average days to close a case, reaching new record lows
- We implemented our new fast track process for appropriate cases
- We strengthened our investigation process with a number of guidance notes and templates to improve investigator effectiveness



## SUCCESS PILLAR #2

### Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

#### Strategic plan objectives for 2023

#### What we accomplished this year

Deliver messaging to consumers and collaborate with stakeholders to strengthen public awareness and ensure consumers have easy access to information about OBSI when they have a problem.

- We expanded digital communications on our website and social media platforms with a range of new initiatives including case study videos
- We made improvements to our website that helped consumers find us through online search, resulting in a 30% increase in online visitors
- We provided information and interviews to traditional media journalists throughout the year, when possible and appropriate

Share information and provide thought leadership.

- We developed and launched a French version of our Data Cube – an interactive digital disclosure tool that provides at-a-glance access to current and historical information about OBSI's case experience and outcomes
- We published a range of case studies, approaches, and bulletins on a variety of topics for consumers and firms
- We regularly reported trend data relating to products and issues to all stakeholders through multiple channels
- We made formal submissions in response to regulatory consultation processes for the Canadian Investment Regulatory Organization (CIRO) and Autorité des marchés financiers (AMF)
- We published case and inquiry data in our quarterly newsletters to all stakeholders
- We participated in a number of speaking opportunities for industry and consumer stakeholders

Build and maintain strong relationships with our stakeholders.

- We expanded our formal stakeholder outreach efforts by establishing separate semiannual meetings with consumer groups and industry associations
- We worked with regulators to enhance our reporting framework and practices
- We regularly met with banking and securities regulators to ensure they are informed of our case experience and current trends





## SUCCESS PILLAR #2

### Communication, awareness and thought leadership

OBSI works to improve awareness of our services and share our expertise and experience to increase trust and strengthen the financial services sector in the public interest.

#### Strategic plan objectives for 2023

Advance regulatory and policy changes that improve consumers' access to effective financial ombudsman services in Canada.

#### What we accomplished this year

- We put forward a strong application for the Financial Consumer Agency of Canada (FCAC)-led selection process for Canada's single banking external complaints body (ECB), highlighting our operational excellence, our compliance with international best practices and our commitment to fairness and independence
- We welcomed the federal government's decision to name us the single external complaint body for Canadian retail banks and their customers, and began our work towards operational transition
- We provided information and feedback to the Canadian Securities Administrators (CSA) working group to explore options for strengthening OBSI's ability to secure redress for investors





### SUCCESS PILLAR #3

## Organizational resilience and continuous improvement

OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.

### Strategic plan objectives for 2023

### What we accomplished this year

Foster a culture of innovation and continuous improvement.

- We engaged all investigative team personnel in developing and implementing extensive efficiency initiatives during the year, including new investigative procedures and policies, updates to our case management system and new training and guidance tools
- We continued our internal process for identification and tracking emerging issues and ensuring all staff are appropriately trained as novel issues arise
- We continued to deliver IT security awareness training and phishing testing to all staff
- We continued training for all staff in plain language writing and effective communication

Deliver high-value services to participating firms that reflect OBSI's overall value proposition.

- We began our work to transition to a single ECB model, opening a dialogue with FCAC, participating banks and other stakeholders to set the groundwork to ensure a smooth transition for banks and consumers who will be returning to OBSI as of November 2024
- We continued our Firm Helpdesk program throughout the year
- Our senior staff delivered presentations on topics to a number of organizations related to compliance, effective complaint-handling, and our risk rating and loss calculation methodologies, on request
- We implemented upgrades to our firm portal, responding to feedback received from participating firms

Invest in OBSI's people to strengthen employee engagement and wellbeing and support operational excellence.

- We welcomed many talented and committed new team members during the year, and provided an extensive onboarding and training program to ensure their success in assisting in delivering on our mandate in accordance with our guiding principles
- We developed personal training plans for continuing professional development, and prioritized and invested in training for all staff related to new and emerging products and services
- We continued our employee mental health program with specific mental health leadership training for all OBSI managers
- We completed upgrades and improvements to our internal knowledge management system



### SUCCESS PILLAR #3

## Organizational resilience and continuous improvement

OBSI is efficient and effective and adapts to changes in the financial services sector and our operating environment.

### Strategic plan objectives for 2023

Foster public and industry confidence by demonstrating accountability for our organizational practices.

### What we accomplished this year

- We completed a review and public consultation on OBSI's organizational governance and published our response to the recommendations received from stakeholders
- We increased the number of consumer interest directors on OBSI's board from one to three and removed requirements for industry directors to be nominated by industry associations
- We provided regular annual, quarterly and periodic reporting to banking and securities regulators
- We continued our practice of internal semi-annual banking and investments compliance reviews and took responsive action as appropriate
- We updated our enterprise risk management (ERM) framework quarterly and implemented all priority risk mitigation initiatives identified in the ERM plan
- We continued our annual firm and consumer surveys to solicit feedback about their experience with our service, reviewed survey feedback to identify opportunities for operational improvement, and communicated both the survey results and our response plan to stakeholders via our website and annual report
- We demonstrated our fiscal responsibility by ensuring appropriate board approval of all expenses during the year and we received a clean audit from our external auditors





Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

**Inquiries  
from  
Canadians**

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

# Inquiries from Canadians

## 17,374

**PUBLIC INQUIRIES IN 2023**

**22% increase in investment-  
related inquiries in 2023**

**56% increase in bank-  
related inquiries in 2023**

## A record number of Canadians reached out to OBSI for help

OBSI provides assistance to thousands of people who reach out to us each year with complaints and inquiries about a wide range of banking and investment matters such as mortgages, mutual funds, bonds and GICs, debit and credit cards, loans and credit, unauthorized trading, transaction errors, fraud, and investment advice. Our Case Assessment Officers (CAOs) provide information and assistance and document each of these unique interactions with the public as an inquiry. OBSI's services are free and available in both English and French.

# How and why Canadians contact us

## We often hear from consumers who are confused.

Where do they turn to resolve their financial services issue? Which regulator oversees their dispute? Which regulations apply to their financial services complaint? Which financial services dispute resolution provider is mandated to handle their complaint? And what steps do they need to take to resolve their issues? Our case assessment officers (CAOs) are here to help.

In addition to helping them file a complaint with OBSI, our CAOs are trained to guide consumers to the most appropriate avenue if their issue is outside of our mandate. As an integral part of Canada's financial services consumer protection framework, we help consumers navigate a complex and often confusing financial system.

Consumers contact OBSI when they wish to submit a complaint about their bank, investment firm, or financial institution. In these cases, a CAO will collect basic information, such as the individual's contact information and details about their complaint. The CAO

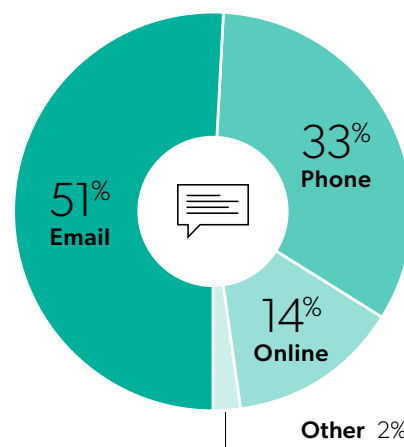
will review the consumer's complaint and determine if it is within our mandate. If more information is needed, the CAO may request supporting documents.

When the CAO has determined the case is within our mandate, the next step is to ask the consumer to sign and return a Consent Letter, which allows us to begin our investigation. If a complaint falls outside of our mandate, we will communicate our reasons to the consumer.

### HOW CANADIANS CONTACT US

We offer several ways for consumers to contact us. The most common ways are by phone and through email. Our service is available in English and French, the official languages of Canada. We can also answer questions about our dispute resolution process in over 170 languages using a translation service.

This past year, we saw very little change to how Canadians chose to contact us, with similar proportions of email, phone and online inquiries as prior years.



### WHAT CANADIANS INQUIRE ABOUT

We receive questions and complaints about our participating firms and the products and services they offer. Our CAO team monitors public inquiries and consumer complaints for potential trends in financial services products and issues. Early identification of potential product, sector or systemic issues is an important public service we provide.

Approximately 11% of our inquiries related to investments in 2023 and 71% to deposit-taking firms. We also redirected 3,272 inquiries about firms that do not use our service.

**71%**  
of our inquiries  
related to deposit-  
taking firms

**12,000+**  
inquiries related  
to banks

**11%**  
of our inquiries  
related to  
investments

**1,800+**  
inquiries related  
to investment firms

## In 2023, we saw a 22% increase in investment-related inquiries and a 56% increase in bank-related inquiries.

The significant increase in bank-related inquiries was in large part due to changes to the **Bank Act Consumer Protection Framework** that came into effect on June 30, 2022, which changed how federally regulated banks must deal with consumer complaints.



Financial sector	# of inquiries
<b>Deposit-taking firms</b>	
Banks	12,132
Credit unions	136
<b>Investment firms</b>	
Investment dealers	799
Mutual fund dealers	538
Restricted dealers	220
Portfolio managers	152
Scholarship dealers	85
Exempt market dealers	28
Dual registrants: Portfolio managers/ Exempt market dealers	5
Restricted portfolio managers	5
Investment – other	2
<b>Non-participating firms</b>	
Banks and other	3,272
<b>Total</b>	<b>17,374</b>



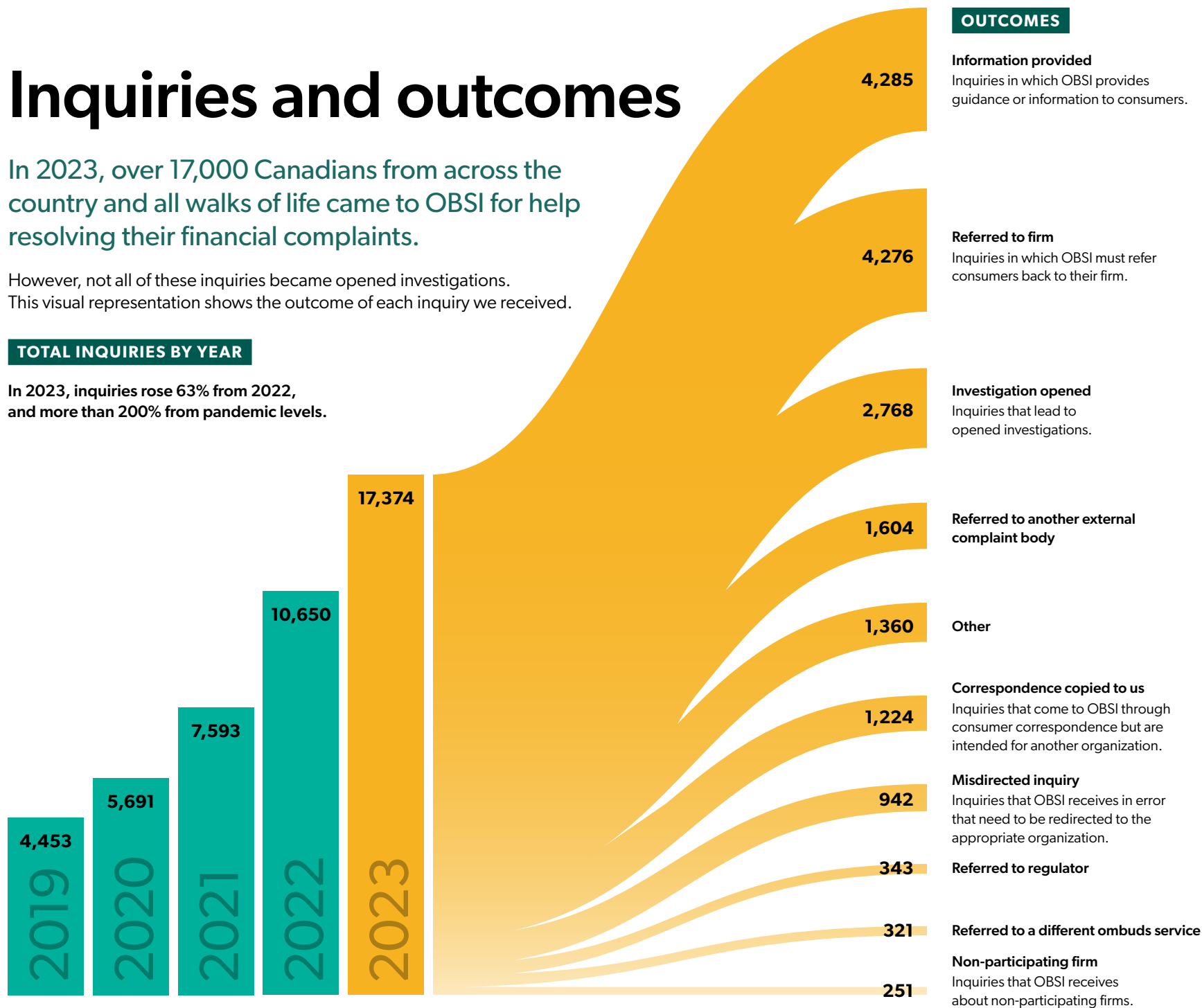
# Inquiries and outcomes

In 2023, over 17,000 Canadians from across the country and all walks of life came to OBSI for help resolving their financial complaints.

However, not all of these inquiries became opened investigations. This visual representation shows the outcome of each inquiry we received.

## TOTAL INQUIRIES BY YEAR

In 2023, inquiries rose 63% from 2022, and more than 200% from pandemic levels.



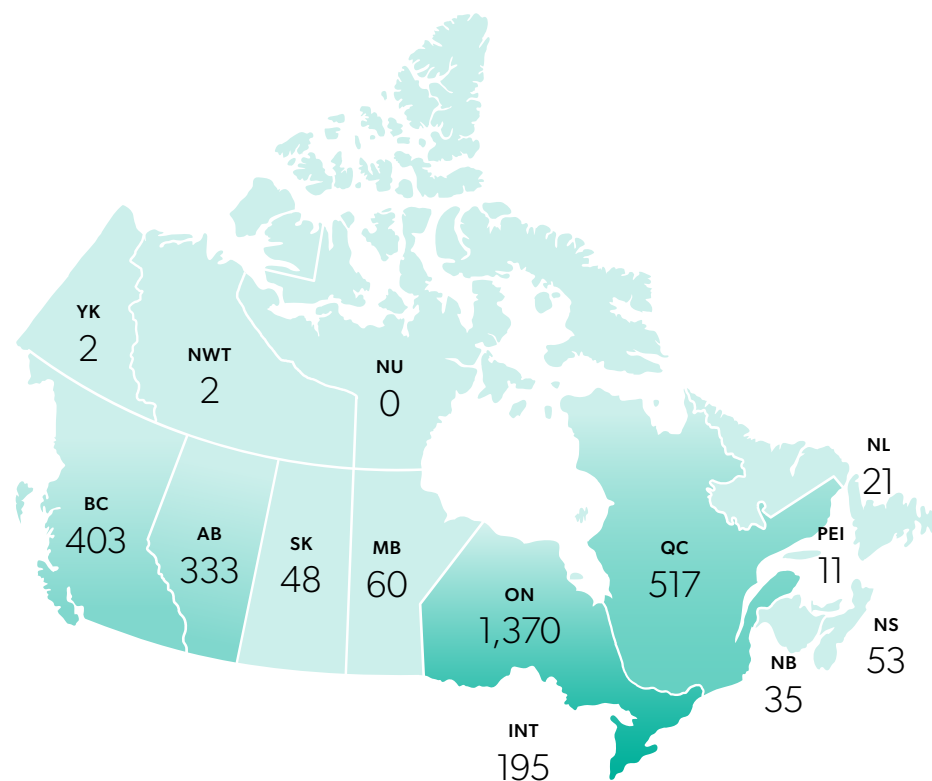
# Where our complaints come from

**As a national service**, OBSI responds to inquiries and investigates cases from across the country and from consumers abroad who have banking and investment relationships with firms in Canada.

**TOTAL CASES** 3,050

**2,680 English (88%)**

**370 French (12%)**



## ALL CASES

Jurisdiction	# of complaints	% of complaints
Ontario	1,370	45%
Quebec	517	17%
British Columbia	403	13%
Alberta	333	11%
International	195	6%
Manitoba	60	2%
Nova Scotia	53	2%
Saskatchewan	48	2%
New Brunswick	35	1%
Newfoundland & Labrador	21	1%
Prince Edward Island	11	<1%
Yukon	2	<1%
Northwest Territories	2	<1%
<b>Total</b>	<b>3,050</b>	<b>100%</b>

## LANGUAGE OF CASES

Jurisdiction	English	French	Total cases
Ontario	1,354	16	1,370
All other provinces	926	7	933
Quebec	193	324	517
International	177	18	195
New Brunswick	30	5	35
<b>Total</b>	<b>2,680</b>	<b>370</b>	<b>3,050</b>

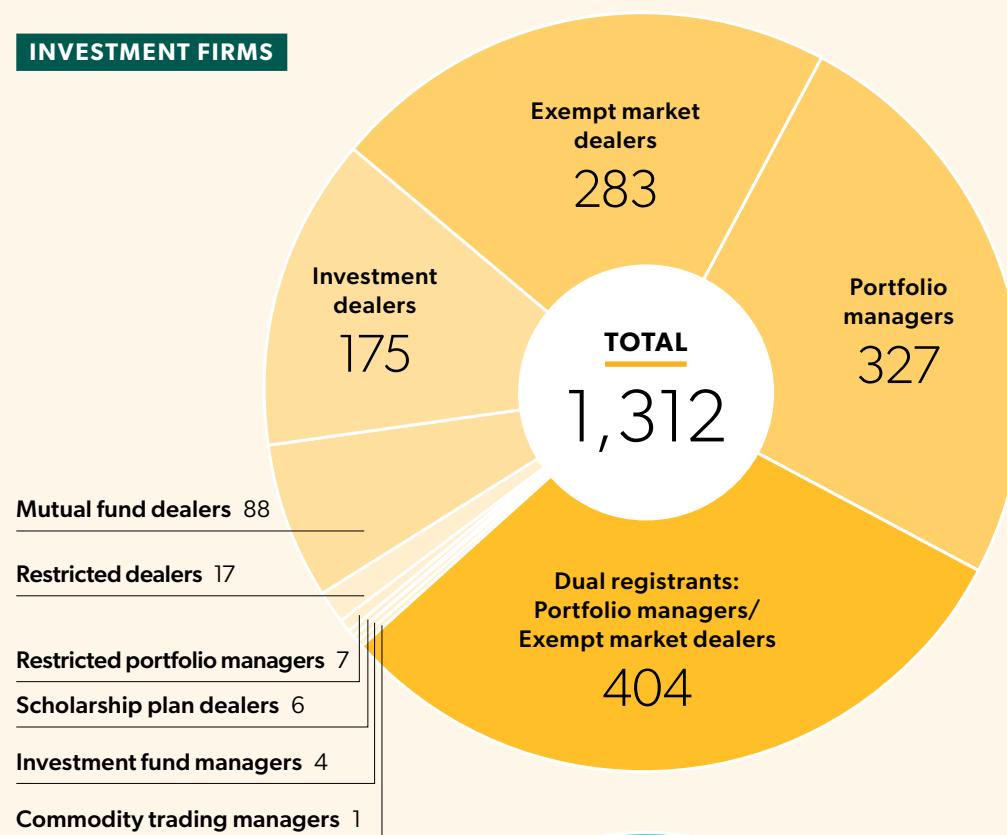
# Participating firms

More than 1,500 financial institutions and firms across Canada participate in OBSI's dispute resolution process.

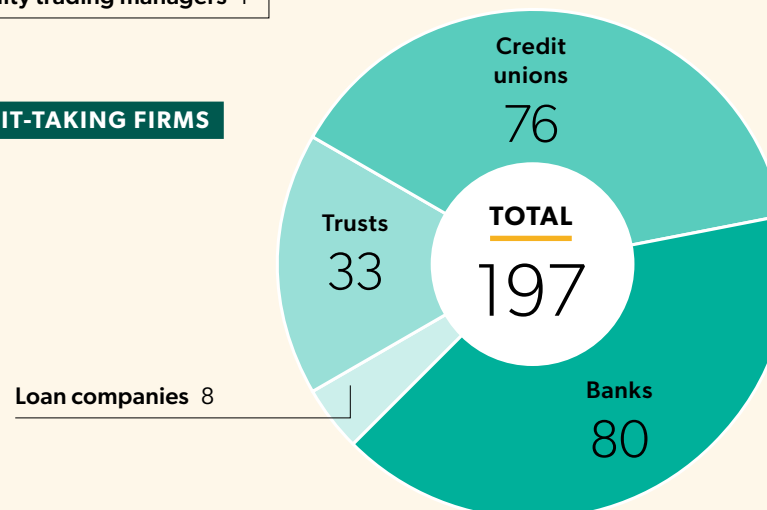
Most federally regulated banks and all investment firms regulated by the Canadian Securities Administrator (CSA) are OBSI participating firms (with limited exceptions), including all firms belonging to the Canadian Investment Regulatory Organization (CIRO), formerly the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). Any regulated firm in the banking services and investment fields is eligible to join.



## INVESTMENT FIRMS



## DEPOSIT-TAKING FIRMS

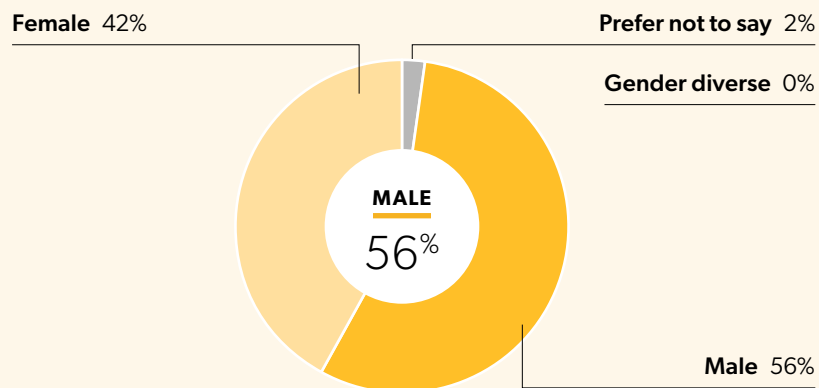




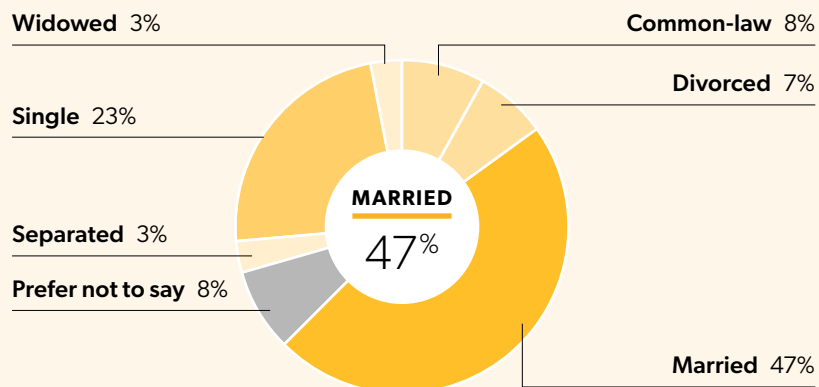
# Consumer profiles

## BANKING SERVICES

### GENDER

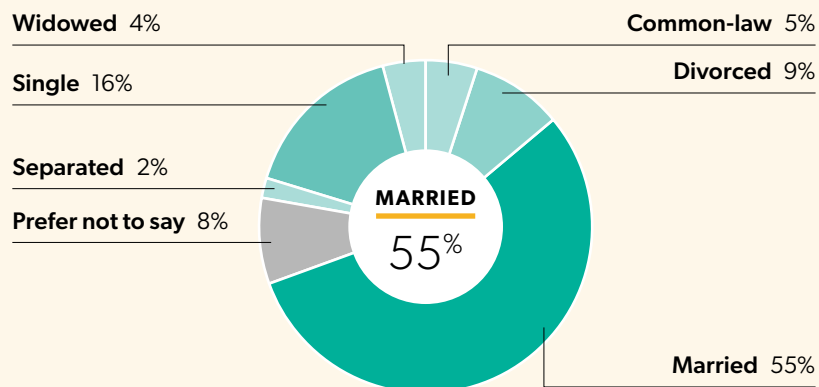
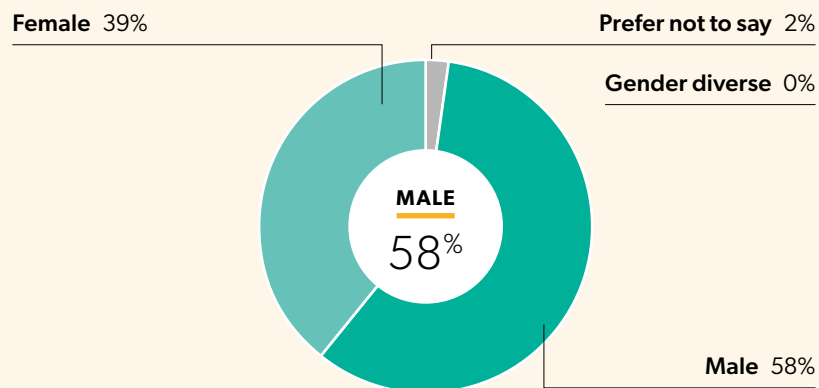


### MARITAL STATUS



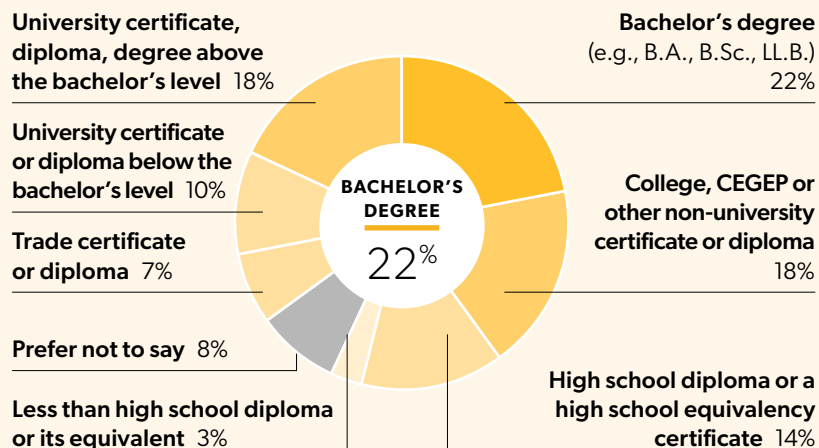
Note: Percentages may not total 100 due to rounding.

## INVESTMENTS

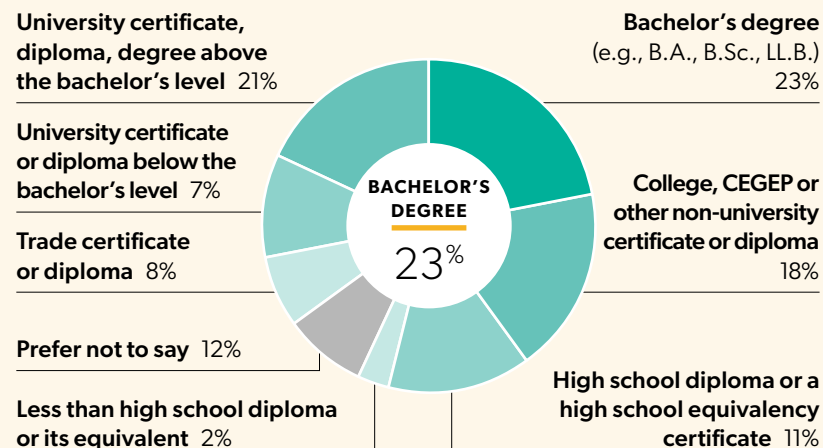


## BANKING SERVICES

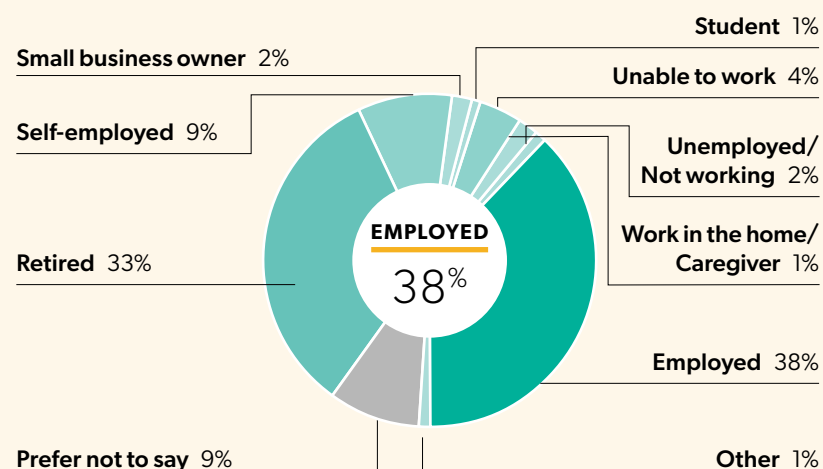
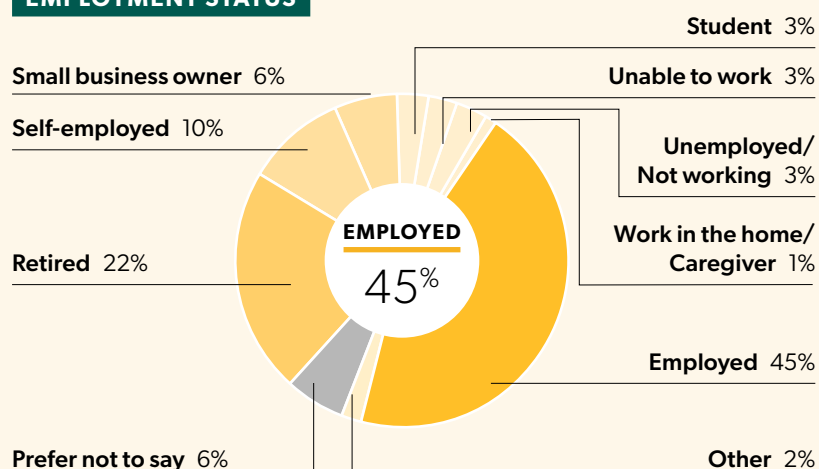
### EDUCATION



## INVESTMENTS



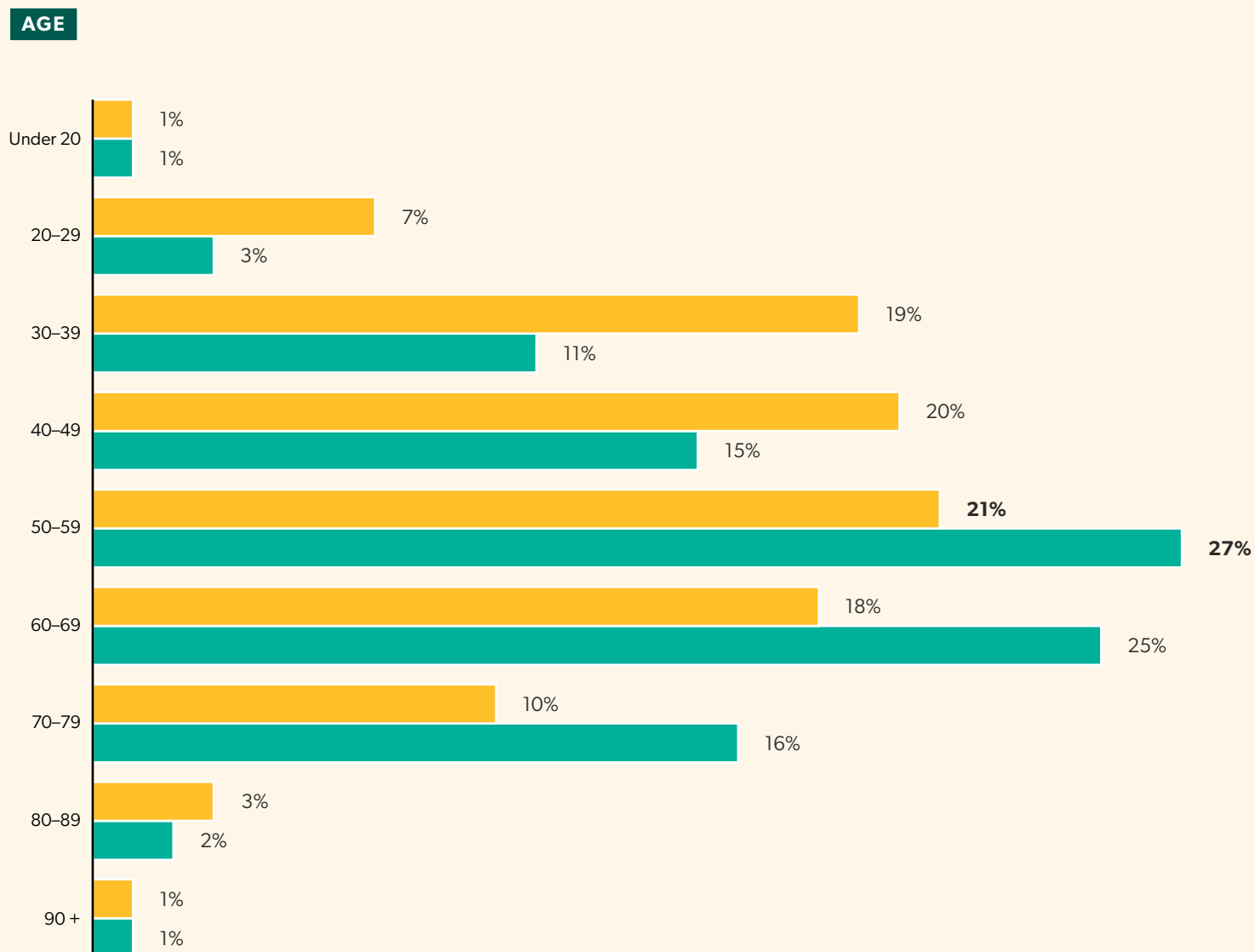
### EMPLOYMENT STATUS



Note: Percentages may not total 100 due to rounding.

**BANKING SERVICES**

**INVESTMENTS**

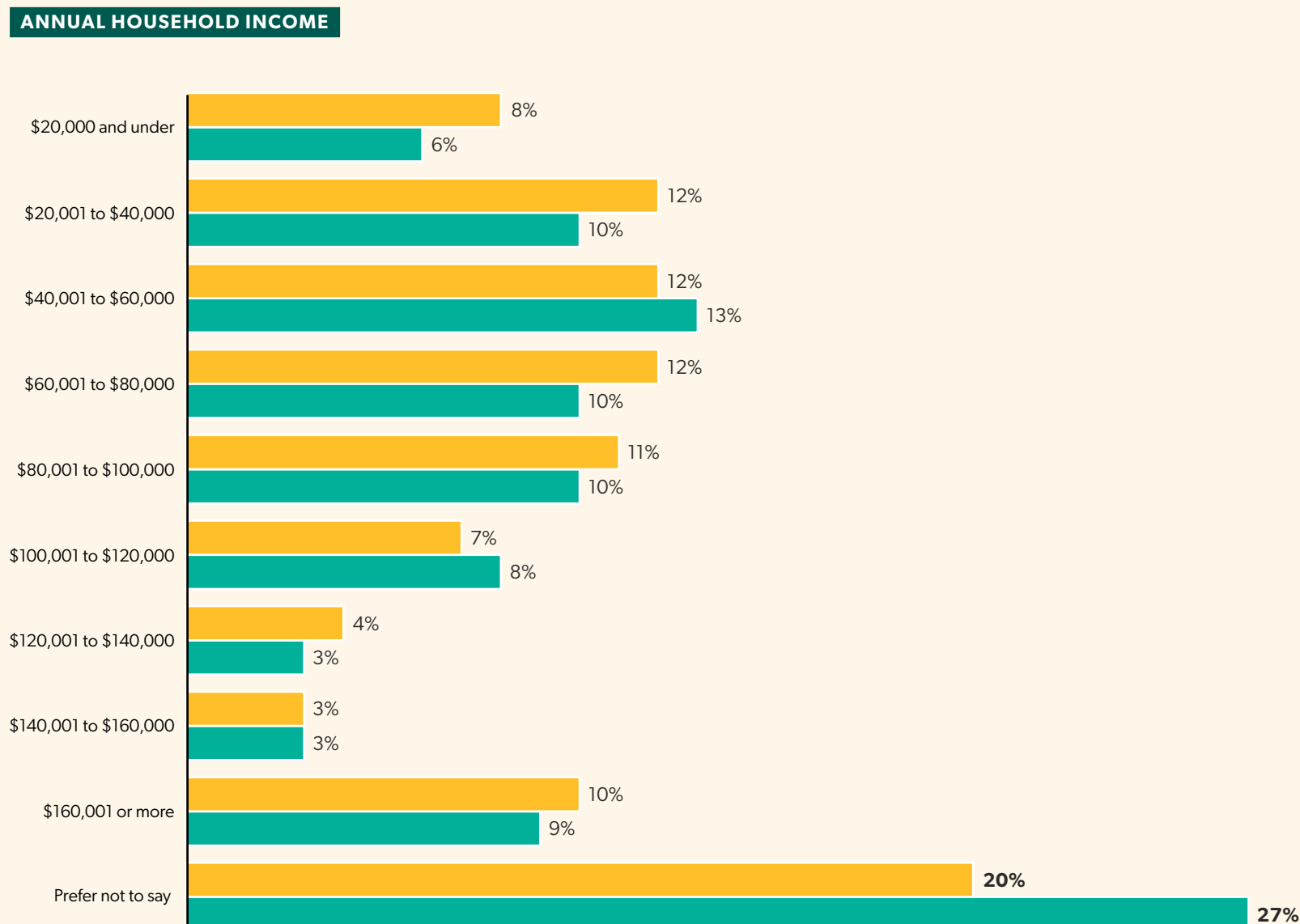


**Note:** Percentages may not total 100 due to rounding.



**BANKING SERVICES**

**INVESTMENTS**



**Note:** Percentages may not total 100 due to rounding.

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

## YEAR IN REVIEW

# Banking services

### TOP PRODUCTS & ISSUES

- E-Transfer fraud
- Credit card service issues
- Credit card chargeback



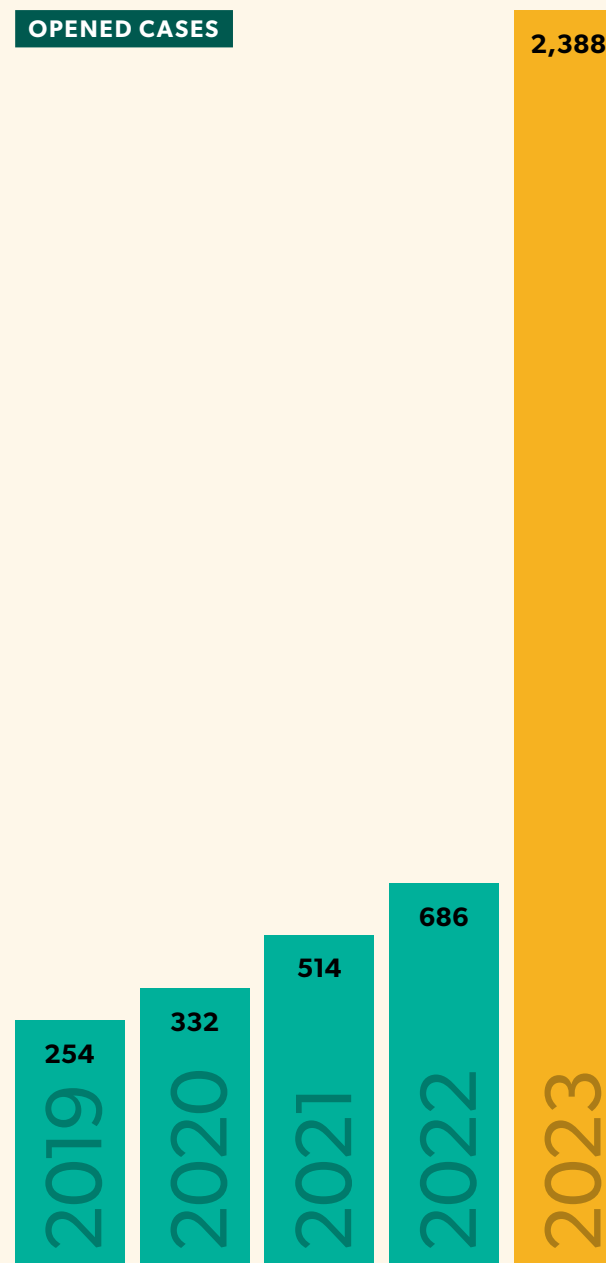
# Cases

Banking cases increased significantly to 2,388 in 2023 up from 686 in 2022, a 248% year-over-year increase.

- The unprecedented growth of volume in bank-related complaints was in large part due to changes to the Bank Act Consumer Protection Framework that came into effect on June 30, 2022, which reduced complaint attrition at federally regulated banks.
- The total number of banking cases closed was 1,571 in 2023 compared to 562 in 2022, an increase of 180%.



## OPENED CASES



2,388  
opened cases

1,571  
closed cases

248%  
increase in cases  
opened in 2022

40  
days on average  
to complete an  
investigation

\$2,573  
average  
compensation



# Total cases opened by product and issue

**In 2023, banking products and issues had record-setting year-over-year volume increases.**

Credit card complaints were up 245% and accounted for 31% of all banking cases compared to 32% in 2022. E-Transfer complaints increased 561% and represented 26% of all banking cases in 2023 versus 14% in 2022. Complaints related to personal savings and chequing accounts more than tripled compared to 2022, and represented 13% of cases versus 15% the previous year.

Fraud was the leading banking issue with cases quadrupling compared to 2022. Fraud represented 40% of all banking cases, up from 31% the previous year. Complaints related to service issues tripled year over year and accounted for 18% of cases, compared to 19% in 2022. Chargeback complaints also tripled and represented 6% of all banking cases in 2023 versus 7% in 2022.



Banking products	# of cases	% of cases
Credit card	748	31%
e-Transfer	621	26%
Personal savings and chequing account	317	13%
Mortgage	214	9%
Wire transfer	91	4%
Debit card	73	3%
Line of credit	67	3%
GIC/term deposit	46	2%
Cheque/certified/money order/draft	43	2%
Personal loan	43	2%
Registered accounts	22	1%
Commercial account	22	1%
Home equity line of credit (HELOC)	20	1%
Estate account	19	1%
Other – banking services	13	1%
Commercial loan	11	<1%
Safety deposit box	10	<1%
Insurance – credit protection	6	<1%
Merchant card services	2	<1%
<b>Total</b>	<b>2,388</b>	<b>100%</b>

**Note:** Percentages may not total 100 due to rounding.

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Banking issues	# of cases	% of cases
Fraud	950	40%
Service issue	427	18%
Chargeback	153	6%
Interest rate	134	6%
Relationship ended	105	4%
Product information disclosure/misrepresentation	90	4%
Transaction error	71	3%
Unauthorized transaction	66	3%
Credit reporting	64	3%
Credit decision	56	2%
Fee disclosure/misrepresentation/calculation	54	2%
Missing or lost funds	53	2%
Collections process	45	2%
Other – banking services	33	1%
Privacy breach	28	1%
Hold on funds	21	1%
Pre-payment penalty	17	1%
Product modification	10	<1%
Joint holder disputes	10	<1%
Instructions not followed	1	<1%
<b>Total</b>	<b>2,388</b>	<b>100%</b>

**Note:** Percentages may not total 100 due to rounding.

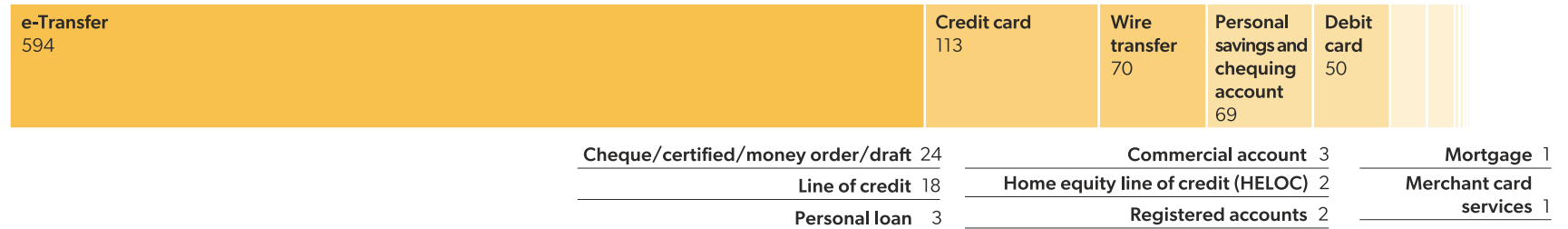


## TOP FIVE

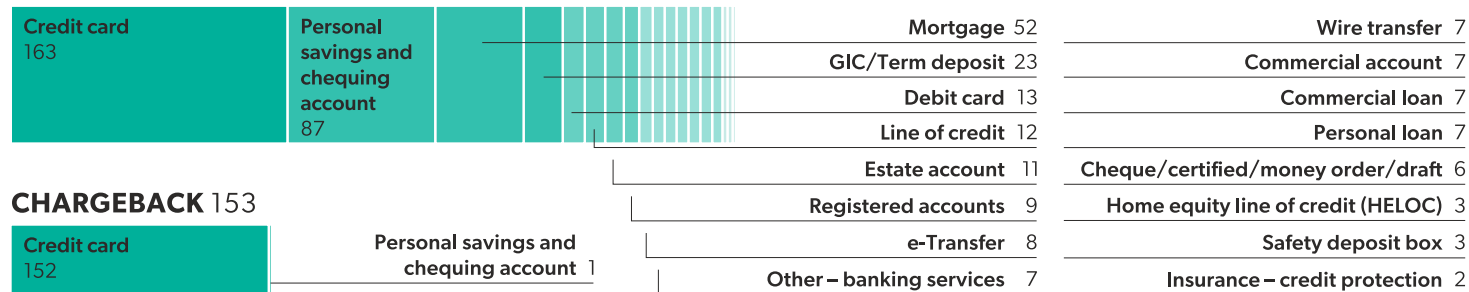
# Banking issues and products for 2023

This is a visual representation of the five most reported banking issues during the year and related products. Each rectangle represents a product that has been impacted by the corresponding issue. The size of the rectangle is proportional to the number of complaints received in relation to the products impacted.

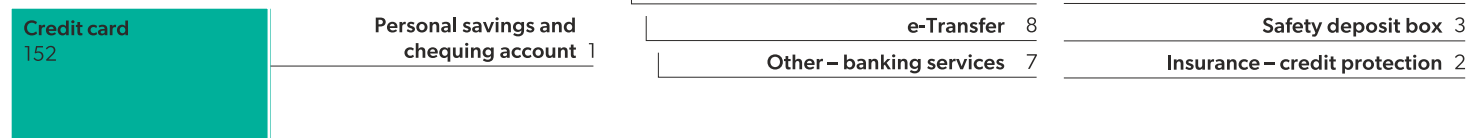
## FRAUD 950



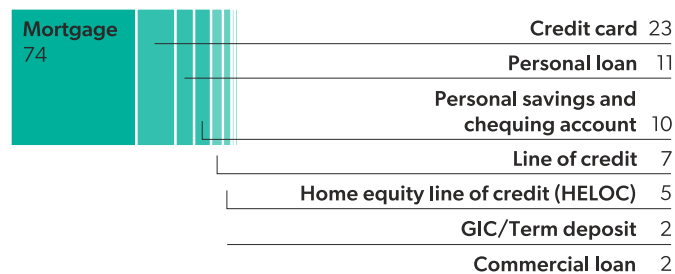
## SERVICES ISSUE 427



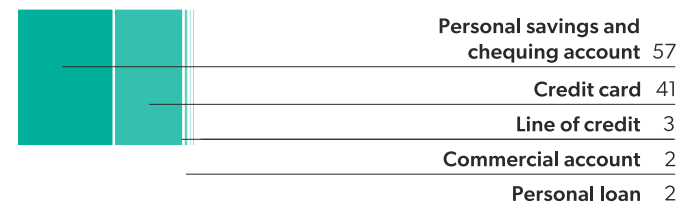
## CHARGEBACK 153



## INTEREST RATE 134



## RELATIONSHIP ENDED 105



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

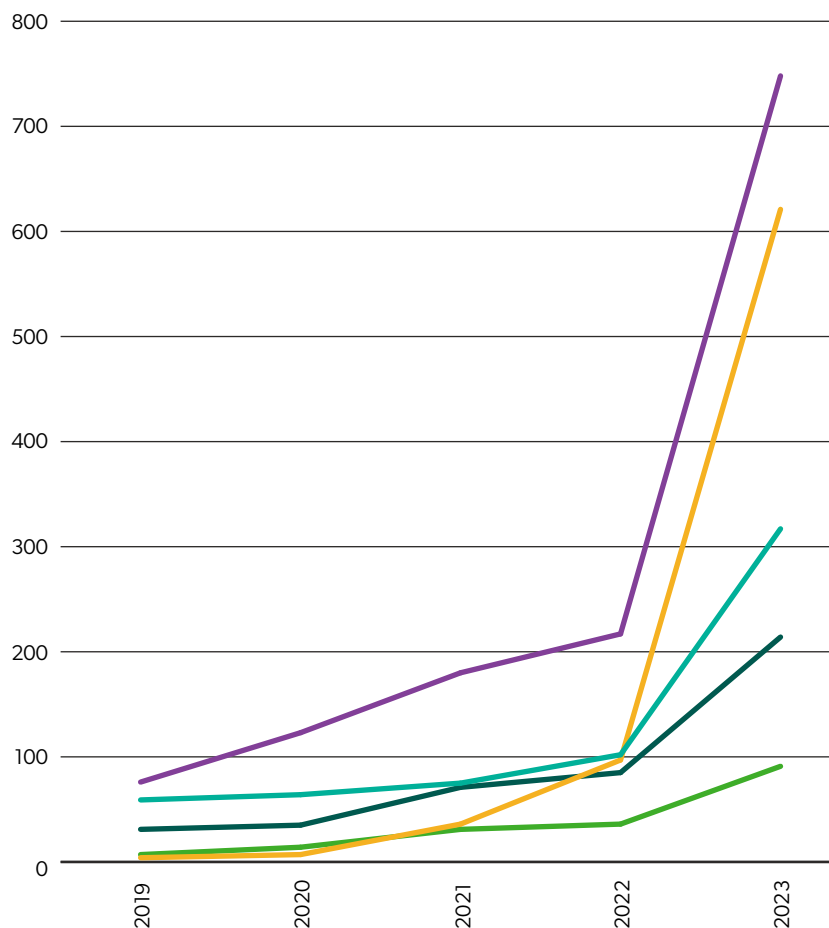
Financial  
highlights



# Banking disputes: Five-year trend

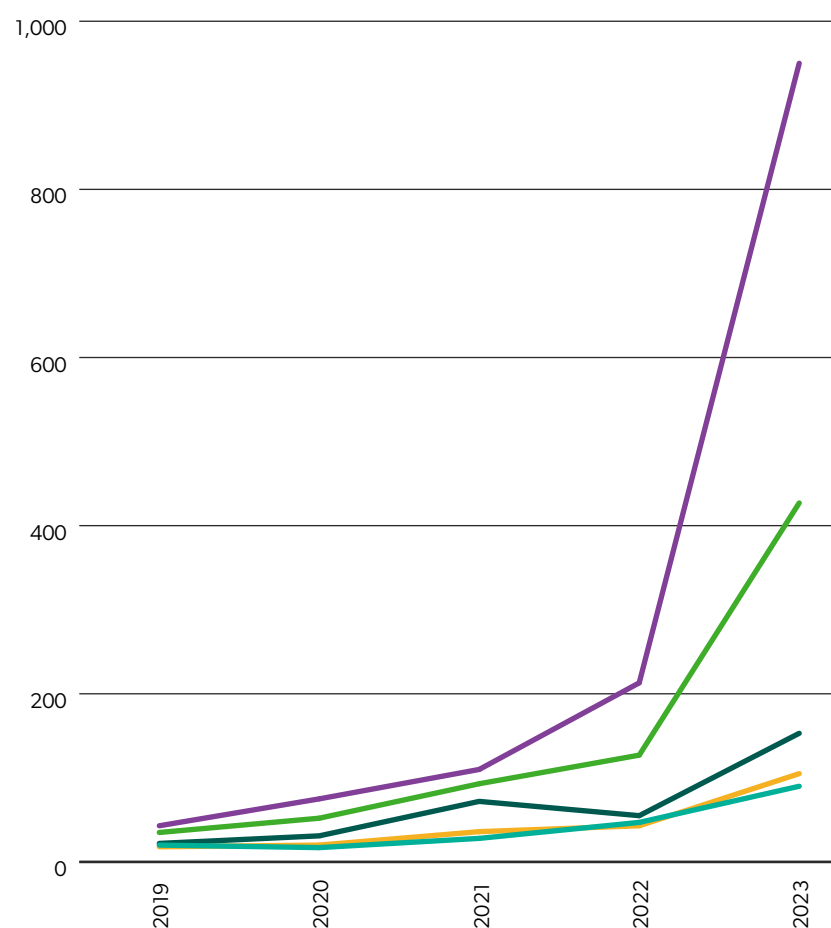
These charts provide a trendline for 2023's top five banking products and issues since 2019.

## BANKING PRODUCTS 2019–2023



— Credit card
 — e-Transfer
 — Mortgage
 — Personal savings and chequing account
 — Wire transfer

## BANKING ISSUES 2019–2023



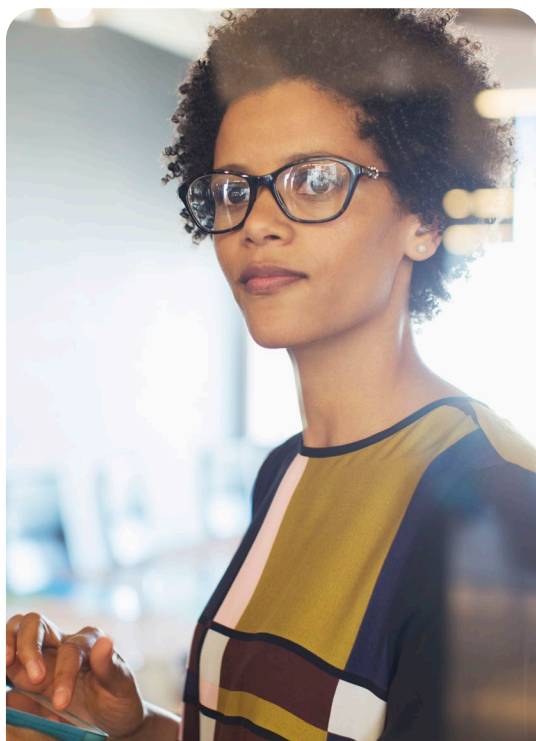
— Fraud
 — Relationship ended
 — Chargeback
 — Product information disclosure/misrepresentation
 — Service issue

# Timeliness

**In 2023, we took an average of 40 days to complete banking-related investigations, down from 52 days in 2022.**

We also completed 100% of banking cases in less than 120 days, consistent with the timeliness requirements under federal Bank Act regulations.

Our measures of timeliness begin when we assign a case to an investigator and end when we send a final written conclusion to the consumer and the firm.



## Most cases closed in under 60 days and almost all in under 90 days in 2023

Our service standard is that we will complete most banking cases in less than 60 days and almost all banking cases in less than 90 days, though some cases may take longer if they are complex or there are delays relating to availability or participation by the firm or consumer.

# of days	% of cases closed
under 30	45%
under 60	80%
under 90	97%
under 120	100%

## Straightforward cases closed in an average of 32 days

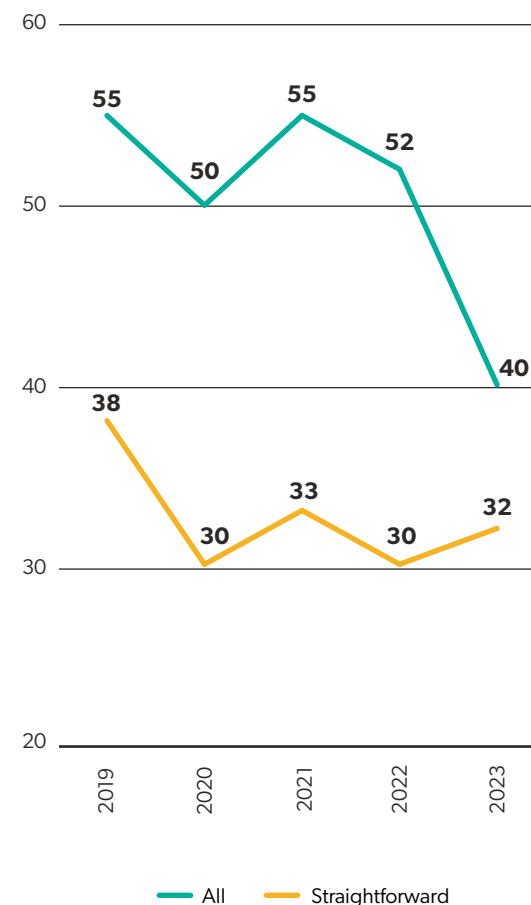
Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2023, we completed our investigation in straightforward banking cases in an average of 32 days, up from 30 days in 2022.

	Average number of days to close case file
Straightforward investigations	32
All investigations	40

## HISTORICAL BANKING CASE TIMELINESS

2019–2023

### Average number of days



# Opened cases by firm

OBSI opened 2,388 banking cases this year from 45 firms providing banking services.

**When reviewing case numbers for each firm,** it is important to note that a higher number of cases opened for a firm may not be a negative indication. Higher case volumes are generally unrelated to case outcomes and may simply be a result of the firm effectively informing consumers about OBSI's services.

We recommended monetary compensation in 371 cases and non-monetary compensation, such as an apology or restoration of a credit rating, in 38 cases. The results of our consumer satisfaction surveys can be found on [page 55](#).

## WHY ARE THESE FIGURES REPORTED?

The Financial Consumer Agency of Canada (FCAC) sets out conditions that an external complaint body (ECB) must meet to maintain FCAC approval. As an approved ECB, OBSI is required to publish an annual report that includes:

- complaints that it received
- complaints that it determined were within its Terms of Reference
- final recommendations that it made
- complaints that, in its opinion, were resolved to the satisfaction of the persons who made them

## WHAT DOES "RESOLVED TO THE SATISFACTION OF THE COMPLAINANT" MEAN?

Resolved to the satisfaction of the complainant reflects the different case outcomes OBSI considers resolved to the satisfaction of the person making the complaint. These include:

- **Monetary settlements** where OBSI has found that the complaint merited some compensation, including monetary settlements where OBSI deemed a firm's original offer to be fair
- **Non-monetary resolutions**, such as a letter of apology, correcting a credit bureau record, or sending explanatory letters to a consumer's creditors
- **Settlements before an investigation** where the firm and complainant came to a resolution before an investigation formally began





Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm name	Firm size (in millions) <sup>1</sup>	Complaints received	Complaints deemed in mandate	Settlement before investigations	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to satisfaction of complainant
Amex Bank of Canada	2,886	144	141	5	128	81	3	56	24
B2B Bank	11,972	4	3	0	4	4	0	3	0
Bank of China (Canada)	3,787	3	3	0	2	0	0	0	0
Bank of Montreal	1,293,276	1,403	1,376	42	1,190	697	46	493	155
BNP Paribas	8,004	1	0	0	0	0	0	0	0
Caisse Populaire Acadienne Ltée (UNI)	5,407	4	3	0	4	3	0	3	0
Canadian Imperial Bank of Commerce	975,718	734	705	28	614	425	64	244	151
Canadian Tire Bank	7,085	23	22	1	17	15	0	10	1
Canadian Western Bank	42,320	5	5	0	6	4	0	2	0
Capital One Bank (Canada Branch)	4,508	195	192	11	166	138	5	77	48
Coast Capital Savings Federal Credit Union	21,682	19	19	0	17	12	1	8	2
Concentra Bank	9,446	7	6	0	3	3	0	2	1
CS Alterna Bank	1,120	1	1	0	0	0	0	0	0
Equitable Bank	52,896	13	13	2	11	7	0	3	2
Fairstone Bank of Canada	7,170	21	21	2	18	14	0	8	5

<sup>1</sup> Canadian bank and trust assets as of October 31, 2023 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2023 as reported by Canadian Credit Union Association (CCUA)

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm name	Firm size (in millions) <sup>1</sup>	Complaints received	Complaints deemed in mandate	Settlement before investigations	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to satisfaction of complainant
Global Payments Direct, Inc.	607	1	0	0	0	0	0	0	0
HomeEquity Bank	7,457	2	2	0	2	1	0	1	0
HSBC Bank	122,385	44	44	4	40	35	6	15	20
ICICI Bank Canada	5,961	5	5	0	5	4	2	2	2
Industrial and Commercial Bank of China (Canada)	2,847	0	0	0	0	1	0	1	0
KEB Hana Bank Canada	1,907	0	0	0	0	1	0	1	0
Laurentian Bank of Canada	49,893	22	21	2	17	14	0	6	3
Manulife Bank of Canada	29,278	15	15	1	14	10	0	8	2
Motus Bank	220,215	1	1	0	1	1	0	1	0
Peoples Bank of Canada	531,306	1	1	0	1	0	0	0	0
President's Choice Bank	5,215	34	34	9	30	26	2	9	14
Rogers Bank	565	15	15	1	13	13	4	4	9
SBI Canada Bank	1,425	2	2	0	1	1	0	1	0
<b>Banks</b>		<b>2,719</b>	<b>2,650</b>	<b>108</b>	<b>2,304</b>	<b>1,510</b>	<b>133</b>	<b>958</b>	<b>439</b>
Coastal Community Credit Union	3,294	1	1	0	1	0	0	0	0

<sup>1</sup> Canadian bank and trust assets as of October 31, 2023 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2023 as reported by Canadian Credit Union Association (CCUA)

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm name	Firm size (in millions) <sup>1</sup>	Complaints received	Complaints deemed in mandate	Settlement before investigations	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to satisfaction of complainant
Community Savings Credit Union	809	0	0	0	1	1	0	1	0
Conexus Credit Union	6,901	3	3	0	2	1	0	1	0
Connect First Credit Union Ltd.	7,213	3	3	0	3	1	0	1	0
Crossroads Credit Union	357	1	1	0	1	1	0	1	0
Diamond North Credit Union	686	1	1	0	1	1	0	0	1
First West Credit Union	13,731	1	1	0	1	1	0	0	0
Gulf and Fraser Fishermen's Credit Union	4,891	1	1	0	1	0	0	0	0
Interior Savings Credit Union	3,160	2	2	0	2	1	0	1	0
Prairie Centre Credit Union Limited	1,178	1	1	0	0	0	0	0	0
Salmon Arm Savings and Credit Union	1,044	1	1	0	1	0	0	0	0
Saskatoon City Employees Credit Union	7,200	1	1	0	1	1	1	0	1
Servus Credit Union Limited	19,101	6	6	0	6	5	1	3	1

<sup>1</sup> Canadian bank and trust assets as of October 31, 2023 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2023 as reported by Canadian Credit Union Association (CCUA)

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

**Banking  
services**

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm name	Firm size (in millions) <sup>1</sup>	Complaints received	Complaints deemed in mandate	Settlement before investigations	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to satisfaction of complainant
StellerVista Credit Union	736	1	1	0	1	0	0	0	0
Synergy Credit Union Limited	1,915	0	0	0	0	1	0	1	0
Vancity Savings Credit Union	28,400	3	3	0	5	4	0	2	0
VantageOne Credit Union	483	1	0	0	0	0	0	0	0
Williams Lake and District Credit Union	413	1	1	0	1	1	0	1	0
<b>Credit unions</b>		<b>28</b>	<b>27</b>	<b>0</b>	<b>28</b>	<b>19</b>	<b>2</b>	<b>12</b>	<b>3</b>
Fairstone Financial Inc. <sup>2</sup>	7,170	28	26	3	22	15	0	9	5
<b>Loan companies</b>		<b>28</b>	<b>26</b>	<b>3</b>	<b>22</b>	<b>15</b>	<b>0</b>	<b>9</b>	<b>5</b>
BMO Trust Company	6,262	1	1	0	1	1	0	1	0
Community Trust Company	4,380	1	1	0	0	1	0	1	0
Computershare Trust Company of Canada	228	3	3	0	3	3	0	2	0
Desjardins Trust Inc.	3,049	1	1	0	1	0	0	0	0
Effort Trust Company (The)	1,111	0	0	0	0	1	0	1	0

<sup>1</sup> Canadian bank and trust assets as of October 31, 2023 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2023 as reported by Canadian Credit Union Association (CCUA)

<sup>2</sup> Fairstone Financial Inc. was rebranded to Fairstone Bank of Canada in June 2022



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

## Banking services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm name	Firm size (in millions) <sup>1</sup>	Complaints received	Complaints deemed in mandate	Settlement before investigations	Opened cases	Final recommendations made	Original offer by the firm deemed fair	Complaint denied — within mandate	Resolved to satisfaction of complainant
Home Trust Company	22,780	6	5	0	3	1	1	0	1
Peoples Trust Company	7,246	23	23	4	24	19	0	10	9
RBC Investor Services Trust	17,151	1	0	0	0	0	0	0	0
TSX Trust Company	242	2	2	0	2	1	0	1	0
<b>Trusts</b>		<b>38</b>	<b>36</b>	<b>4</b>	<b>34</b>	<b>27</b>	<b>1</b>	<b>16</b>	<b>10</b>
<b>Total</b>		<b>2,813</b>	<b>2,739</b>	<b>115</b>	<b>2,388</b>	<b>1,571</b>	<b>136</b>	<b>995</b>	<b>457</b>

<sup>1</sup> Canadian bank and trust assets as of October 31, 2023 as reported by Office of the Superintendent of Financial Institutions (OSFI) and asset size for credit unions as of September 2023 as reported by Canadian Credit Union Association (CCUA)



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

**Investments**

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

YEAR IN REVIEW

# Investments

## TOP PRODUCTS & ISSUES

- Mutual funds investment suitability
- Crypto assets fraud
- Common shares service issues

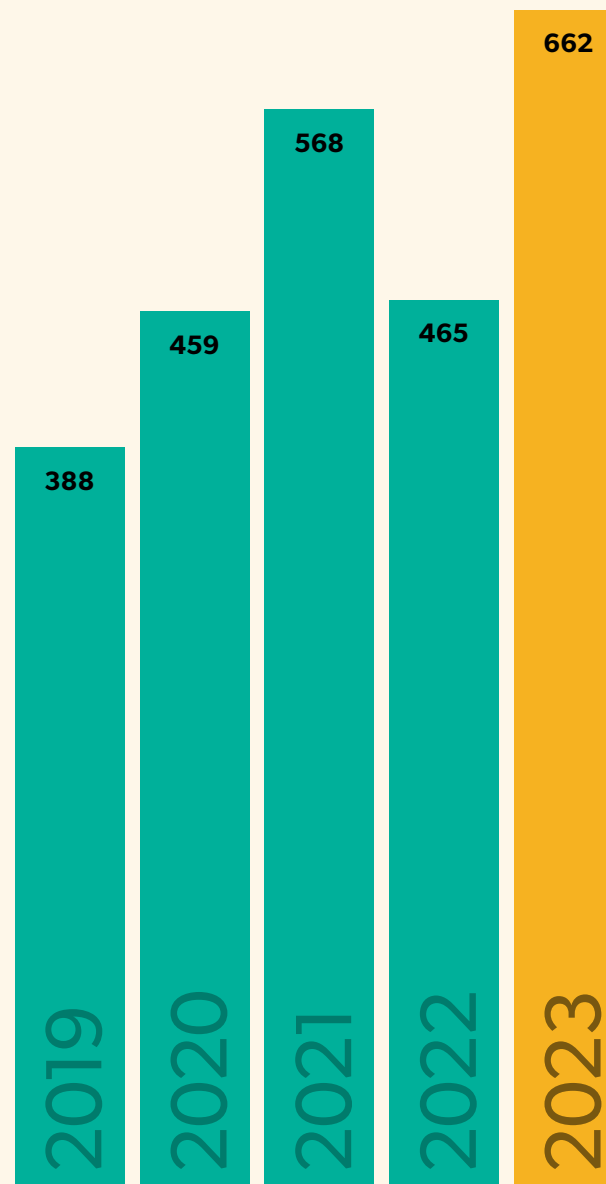
# Cases

Investment complaints increased by 42% to 662 in 2023 from 465 cases opened in 2022.

- The growth in investment cases was led by mutual fund complaints, which represented 45% of opened investigations.
- The average number of days to complete an investigation improved to 67, compared to 78 days in 2022.
- The number of investment cases closed in 2023 was 586 compared to 444 in 2022, an increase of 32%.



## OPENED CASES



662  
opened cases

586  
closed cases

42%  
increase in cases  
opened in 2022

67  
days on average  
to complete an  
investigation

\$10,199  
average  
compensation



# Total cases opened by product and issue

In 2023, almost all the top investment products and issues saw year-over-year increases.

Mutual funds was the leading investment product for complaints, up 74% from 2022, and accounted for 45% of all investment cases in 2023 compared to 37% the previous year. Common shares (equities) complaints increased by 16% over last year, but as a percentage of all investment cases decreased to 27% from 33% in 2022. Crypto asset related complaints increased 94% compared to 2022, and represented 15% of cases, up from 11% the previous year.

The leading investment issue was investment suitability, which increased 154% compared to 2022 and represented 27% of all investment cases, up from 15% the previous year. Fraud complaints (mostly related to crypto assets complaints) doubled compared to last year, and represented 15% of cases compared to 11% in 2022. Cases related to service issues, which grew 3%, also represented 15% of all investment complaints in 2023, down from 21% in 2022.



Investment products	# of cases	% of cases
Mutual funds	296	45%
Common shares	178	27%
Crypto assets	101	15%
Scholarship trust plans	48	7%
Derivatives	11	2%
GICs and cash equivalents	10	2%
Other – investments	5	1%
Hedge funds	4	1%
PPNs and linked notes	2	<1%
ETFs (non-leveraged)	2	<1%
Segregated funds and other insurance products	1	<1%
Personal savings and chequing account	1	<1%
Bonds, debentures	1	<1%
Income trusts	1	<1%
Mortgage investments	1	<1%
<b>Total</b>	<b>662</b>	<b>100%</b>

**Note:** Percentages may not total 100 due to rounding.



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

## Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Investment issues	# of cases	% of cases
Investment suitability	178	27%
Fraud	100	15%
Service issue	99	15%
Instructions not followed	50	8%
Product information disclosure/misrepresentation	45	7%
Fee disclosure/misrepresentation/calculation	41	6%
Transfer delay	39	6%
Inappropriate advice and investment strategy	28	4%
Unauthorized transaction	28	4%
Transaction error	20	3%
Margin issues	16	2%
Margin or leverage suitability	7	1%
Privacy breach	6	1%
Other	5	1%
<b>Total</b>	<b>662</b>	<b>100%</b>

**Note:** Percentages may not total 100 due to rounding.



## TOP FIVE

# Investment issues and products for 2023

This is a visual representation of the five most reported investment issues during the year and related products. Each rectangle represents a product that has been impacted by the corresponding issue. The size of the rectangle is proportional to the number of complaints received in relation to the products impacted.

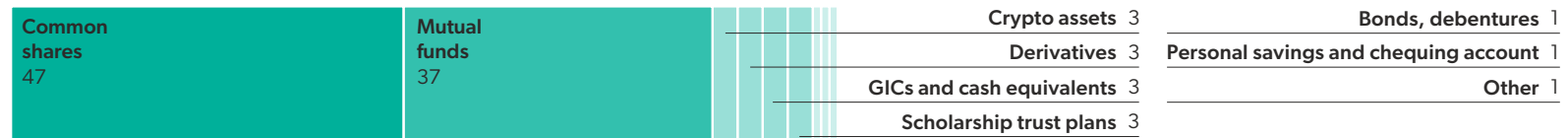
## INVESTMENT SUITABILITY 178



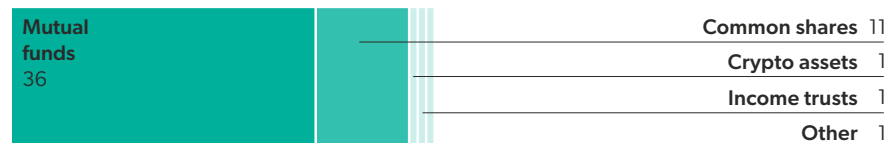
## FRAUD 100



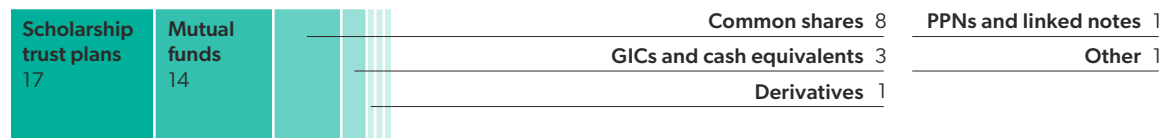
## SERVICE ISSUE 99



## INSTRUCTIONS NOT FOLLOWED 50



## PRODUCT INFORMATION DISCLOSURE/MISREPRESENTATION 45



Messages from Chair & Ombudsman

About OBSI

Progress toward our goals

Inquiries from Canadians

Consumer profiles

Banking services

Investments

Case outcomes

Sharing information

Consumer & firm feedback

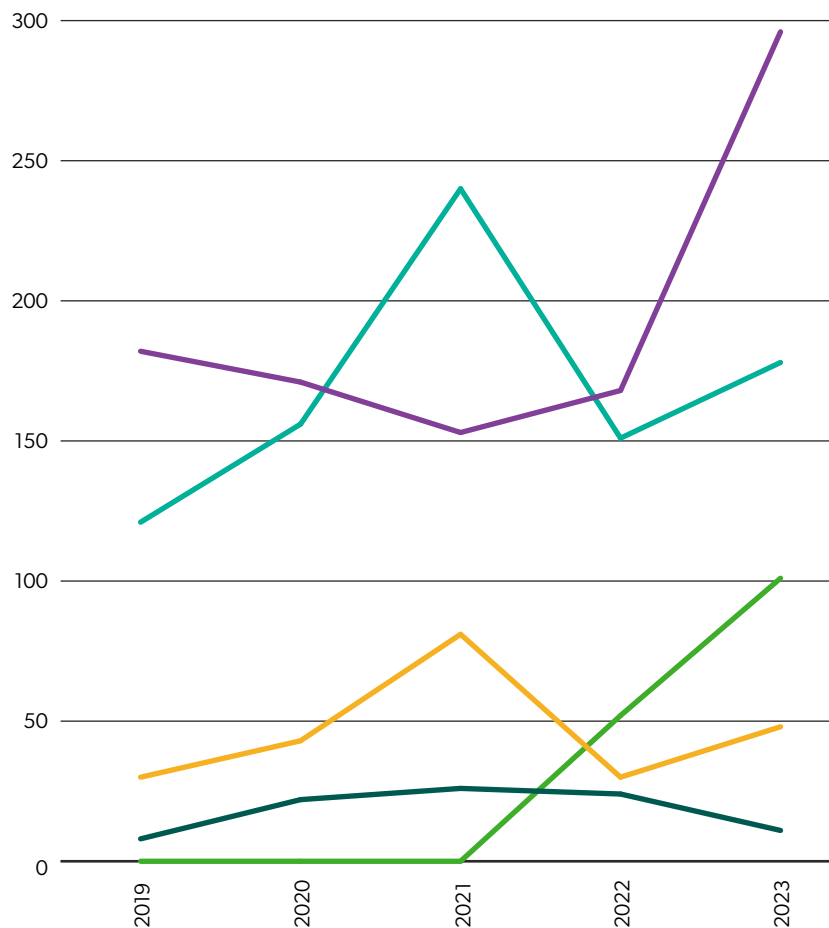
Governance

Financial highlights

# Investment disputes: Five-year trend

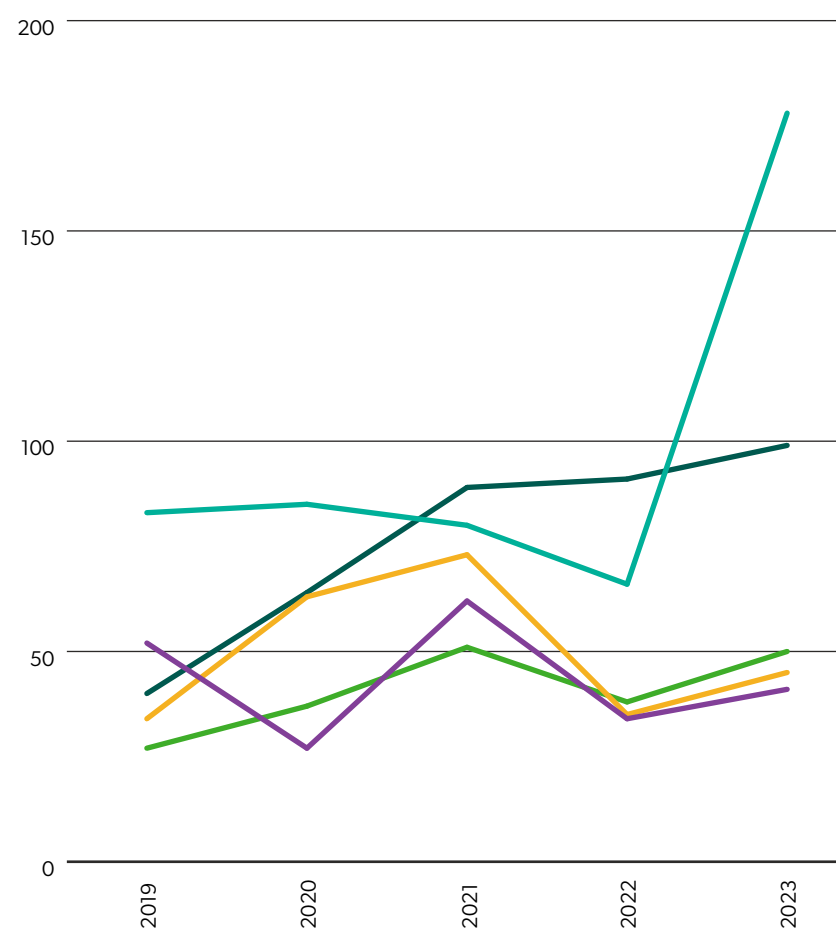
These charts provide a trendline for 2023's top five investment products and issues since 2019.

## INVESTMENT PRODUCTS 2019-2023



— Mutual funds
 — Scholarship trust plans
 — Derivatives
 — Common shares
 — Crypto assets

## INVESTMENT ISSUES 2019-2023



— Fee disclosure/misrepresentation/calculation
 — Production information disclosure/misrepresentation
 — Service issue
 — Investment suitability
 — Instructions not followed

# Timeliness

**In 2023, we took an average of 67 days to complete investment investigations, down from 78 days in 2022.**

We also completed 99% of investment cases in less than 180 days, consistent with the timeliness standard for investment-related complaints.

Our measures of timeliness begin when we assign a case to an investigator and end when we send a final conclusion to the consumer and the firm.



## Most cases closed in under 90 days and almost all in under 120 days in 2023

Our service standard is that we will complete most investment cases in less than 90 days and almost all investment cases in less than 120 days, though some cases may take longer if they are complex or there are delays relating to availability or participation by the firm or consumer.

# of days	% of cases closed
under 30	23%
under 60	55%
under 90	77%
under 120	88%
under 180	99%
over 180	1%

## Straightforward cases closed in an average of 40 days

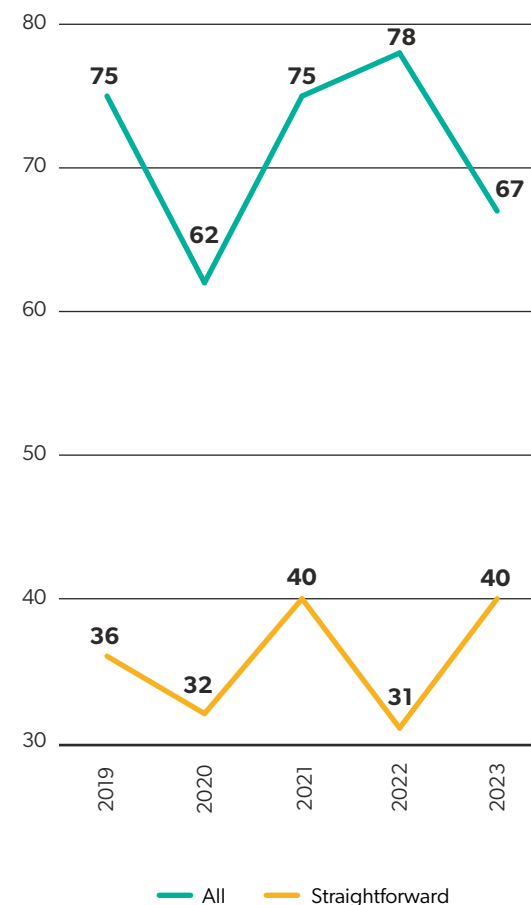
Generally, we can reach a conclusion in less complex, straightforward cases more quickly than we can in more complex cases. In 2023, we completed our investigation in straightforward investment cases in an average of 40 days, up from 31 days in 2022.

	Average number of days to close case file
Straightforward investigations	40
All investigations	67

## HISTORICAL INVESTMENT CASE TIMELINESS

2019–2023

### Average number of days



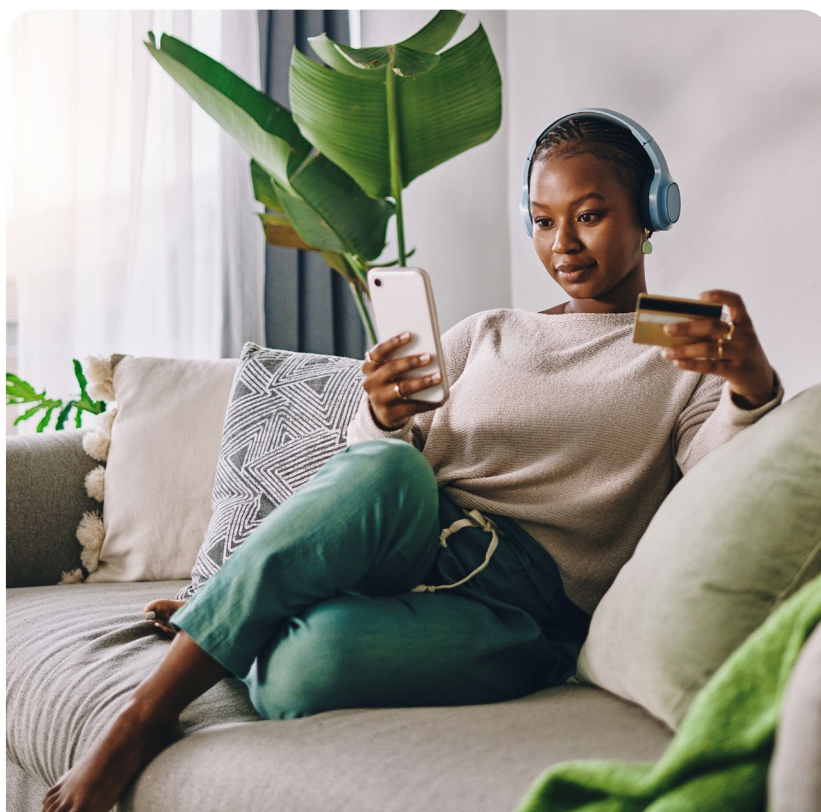


# Opened cases by firm

OBSI opened 662 investment cases this year from 81 investment firms.

**When reviewing case numbers for each firm**, it is important to note that a higher number of cases opened for a firm may not be a negative indication.

Higher case volumes are generally unrelated to case outcomes and may simply be a result of the firm effectively informing consumers about OBSI's services.



Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
Pinnacle Wealth Brokers Inc.	0	1	0
Raintree Financial Solutions Inc.	0	1	0
Romspen Investment Corporation	1	0	0
<b>Exempt market dealers</b>	<b>1</b>	<b>2</b>	<b>0</b>
Assante Capital Management Limited	3	2	0
B2B Bank Securities Services Inc.	2	1	0
BMO InvestorLine Inc.	15	10	2
BMO Nesbitt Burns Inc.	13	6	2
Canaccord Genuity Corp.	1	1	0
CIBC Investor Services Inc.	30	28	11
CIBC World Markets Inc.	10	9	2
CMC Markets Canada Inc.	1	1	0
Coinsquare Capital Markets Limited	3	1	0
Credential Qtrade Securities Inc.	6	4	3
Desjardins Securities Inc.	3	1	1
Echelon Wealth Partners Inc.	1	1	1
Edward Jones	6	3	1
Fortrade Canada Limited	1	1	1

<sup>1</sup> May include instances where the firm's offer was reinstated.

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

## Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
HSBC Securities (Canada) Inc.	2	2	0
iA Private Wealth Inc.	2	2	1
Interactive Brokers Canada Inc.	7	7	1
Investors Group Securities Inc.	2	3	0
IPC Securities Corporation	1	0	0
Manulife Securities Incorporated	1	2	1
MD Management Limited	0	3	2
National Bank Financial Inc.	6	5	2
PI Financial Corp.	1	1	0
Questrade, Inc.	15	10	2
Raymond James Limited	5	3	0
RBC Direct Investing Inc.	18	24	13
RBC Dominion Securities Inc.	9	12	6
Richardson Wealth Limited	5	4	2
Scotia Capital Inc.	30	22	12
TD Securities Inc.	1	0	0
TD Waterhouse Canada Inc.	46	49	19
Wealthsimple Investments Inc.	5	4	2
Wellington-Altus Private Wealth Inc.	1	1	1
<b>Investment dealers</b>	<b>252</b>	<b>223</b>	<b>88</b>

<sup>1</sup> May include instances where the firm's offer was reinstated.

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
Amerity Wealth Management Inc.	2	1	0
Assante Capital Management Limited	2	1	0
BMO Investments Inc.	28	27	9
Carte Wealth Management Inc.	1	0	0
CIBC Securities Inc.	22	18	4
Credential Asset Management Inc.	3	2	0
Desjardins Financial Security Investments Inc.	2	2	1
Desjardins Financial Services Firm Inc.	2	1	1
GP Wealth Management Corporation	0	1	0
HSBC Investment Funds (Canada) Inc.	3	1	0
Investia Financial Services Inc.	6	6	4
Investors Group Financial Services Inc.	13	11	7
IPC Investment Corporation	2	1	0
LBC Financial Services	1	0	0
Manulife Securities Investment Services Inc.	1	2	0
National Bank Investments Inc.	6	3	0
PFSL Investments Canada Limited	4	5	1

Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

## Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
Quadrus Investment Services Limited	2	1	0
Royal Mutual Funds Inc.	58	42	11
Scotia Securities Inc.	62	56	33
Sun Life Financial Investment Services (Canada) Inc.	6	4	2
TD Investment Services Inc.	18	23	11
WFG Securities Inc.	3	3	1
<b>Mutual fund dealers</b>	<b>247</b>	<b>211</b>	<b>85</b>
Fieldhouse Capital Management Inc.	1	0	0
HSBC Private Investment Counsel (Canada) Inc.	0	1	1
I.G. Investment Management, Limited	1	1	1
Lycos Asset Management Inc.	0	1	1
Mackenzie Financial Corporation	2	0	0
RBC Phillips, Hager & North Investment Counsel Inc.	1	1	0
R.N. Croft Financial Group Inc.	1	0	0
TD Waterhouse Private Investment Counsel Inc.	1	0	0
Vestcap Investment Management Inc.	1	0	0
<b>Portfolio managers</b>	<b>8</b>	<b>4</b>	<b>3</b>

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
1832 Asset Management L.P.	3	3	0
CIBC Asset Management Inc.	1	0	0
CIBC Trust Corporation	1	0	0
KAI Asset Management Inc.	0	1	1
Marquest Asset Management Inc.	1	0	0
MD Financial Management Inc.	0	1	1
Wealthsimple Inc.	2	2	1
<b>Dual registrants: Portfolio managers/ Exempt market dealers</b>	<b>8</b>	<b>7</b>	<b>3</b>
Bitbuy Technologies Inc.	5	4	0
Bitvo Inc.	1	1	0
Coinberry Limited	6	11	0
Foris DAX, Inc.	1	1	0
Netcoins Inc.	2	3	0
Newton Crypto Limited	27	20	0
Shakepay Inc.	37	51	0
Simply Digital Technologies Inc.	6	3	0
VirgoCX Inc.	7	6	0
Wealthsimple Digital Assets Inc.	6	5	1
<b>Restricted dealers</b>	<b>98</b>	<b>105</b>	<b>1</b>

<sup>1</sup> May include instances where the firm's offer was reinstated.



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

## Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

Firm	# of opened cases	# of cases closed	Outcome in favour of complainant <sup>1</sup>
Children's Education Funds Inc.	6	5	2
C.S.T. Savings Inc.	5	5	1
Embark Student Corp.	33	21	3
Global Growth Assets Inc.	4	3	1
<b>Scholarship plan dealers</b>	<b>48</b>	<b>34</b>	<b>7</b>
<b>Total</b>	<b>662</b>	<b>586</b>	<b>187</b>

<sup>1</sup> May include instances where the firm's offer was reinstated.





Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

**Case  
outcomes**

Sharing  
information

Consumer &  
firm feedback

Governance

Financial  
highlights

# Case outcomes

OBSI works with consumers and participating firms to arrive at fair and reasonable outcomes.

If an investigation finds that a participating firm acted unfairly, made a mistake, or gave bad advice, OBSI will recommend the firm compensate the consumer or investor for any loss, damage, or harm up to \$350,000. OBSI may also recommend non-monetary compensation when appropriate, such as correcting a mistake made to a credit history.

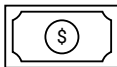
If OBSI concludes that the consumer or investor was treated fairly, or the compensation previously offered by the firm is fair, a clear explanation of the findings will be provided to the consumer or investor. In accordance with OBSI's Terms of Reference, the name of any firm that refuses a recommendation will be made public.



# Monetary compensation

## TOTAL COMPENSATION IN 2023

\$2,685,777

24% 

of banking complaints (371 of 1,571)  
ended with monetary compensation

30% 

of investment complaints (175 of 586)  
ended with monetary compensation

There were no refusals by any participating firms of an OBSI recommendation in 2023.

	Total	Average	Median	Lowest	Highest	# of case files
Banking	\$921,294	\$2,573	\$500	\$5	\$74,081	371
Investments	\$1,764,483	\$10,199	\$2,200	\$16	\$162,000	175
<b>Total combined</b>	<b>\$2,685,777</b>					

# Non-monetary compensation

In 2023, we recommended  
non-monetary compensation  
in 38 banking cases and  
one investment case.

Non-monetary compensation can be a letter of  
apology, restoring a product or service, correcting  
a credit bureau record, or sending explanatory  
letters to a consumer's creditors.

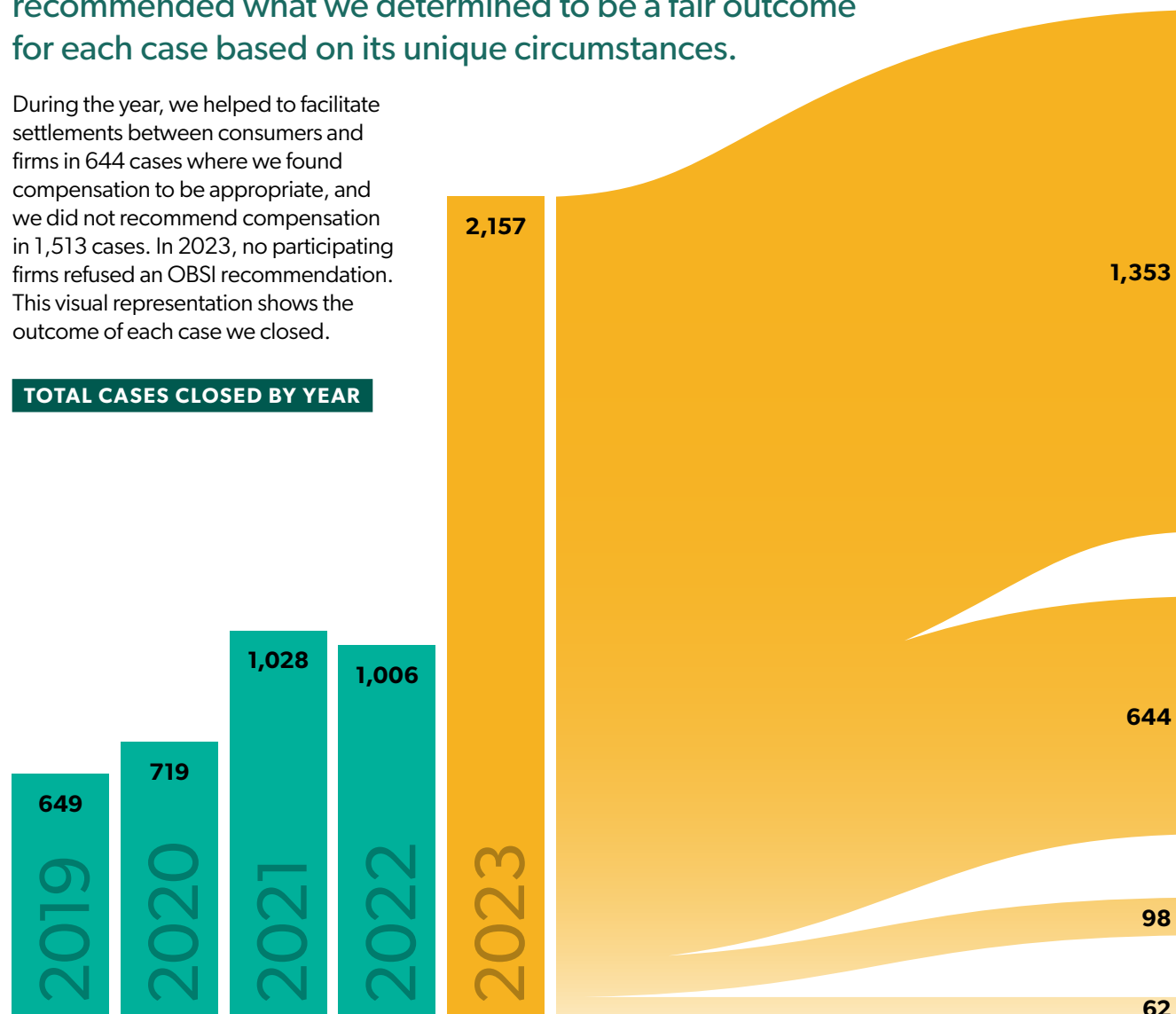


# Cases and outcomes

In 2023, we investigated and closed 2,157 cases and recommended what we determined to be a fair outcome for each case based on its unique circumstances.

During the year, we helped to facilitate settlements between consumers and firms in 644 cases where we found compensation to be appropriate, and we did not recommend compensation in 1,513 cases. In 2023, no participating firms refused an OBSI recommendation. This visual representation shows the outcome of each case we closed.

## TOTAL CASES CLOSED BY YEAR



## OUTCOMES

### Consumer complaint denied

Cases closed by OBSI after investigation with no recommendation for compensation.

### Settlements made

Cases closed by OBSI in which both consumer and firm agreed on the settlement.

### Consumer complaint out of mandate

Cases found to be out of mandate during the investigation as outlined in our Terms of Reference.

### Consumer withdrew

Cases closed by OBSI because the consumer chose to withdraw from our investigation.



# Sharing information to build a better financial services system

A financial services ombudsman is uniquely positioned to identify issues affecting multiple consumers in the Canadian financial services sector.

When OBSI investigations or data identify issues that may affect those who have not complained to us (known as “systemic issues”) we do not have the mandate to investigate the broader systemic issue. However, when such issues are identified, we are required to report them to our regulators:

- **Financial Consumer Agency of Canada**
  - any banking issue that may impact multiple customers or have market-wide implications; and
- **Canadian Securities Administrators**
  - any issues that appear likely to have significant regulatory implications, including those that may affect multiple clients of one or more registered firms.

In addition to these specific, case-related reports, we provide ongoing detailed trend data on case issues, products and outcomes to regulators to facilitate discussions with them on the trends we are observing.

We also engage in an open dialogue with regulators and industry participants on emerging issues we identify in our case-handling process.

These channels are an important forum for information exchange between OBSI and financial sector policy makers. In addition, broader systemic issues that we observe frequently inform our public communications such as our consumer and firm bulletins, approaches and case studies.

## SYSTEM-WIDE TOPICS DISCUSSED

### WITH REGULATORS AT REGULAR

#### MEETINGS IN 2023

- Detailed aggregate data including:
  - Products, issues and outcomes details and trends
  - Specific (anonymized) case outcomes and summaries
  - Additional information relating to cases involving low settlements
- Cryptocurrency fraud cases
- OBSI’s completed and planned responses to the 2021 external reviews
- Information relevant to the effective transition to the single ECB framework for Canadian banks

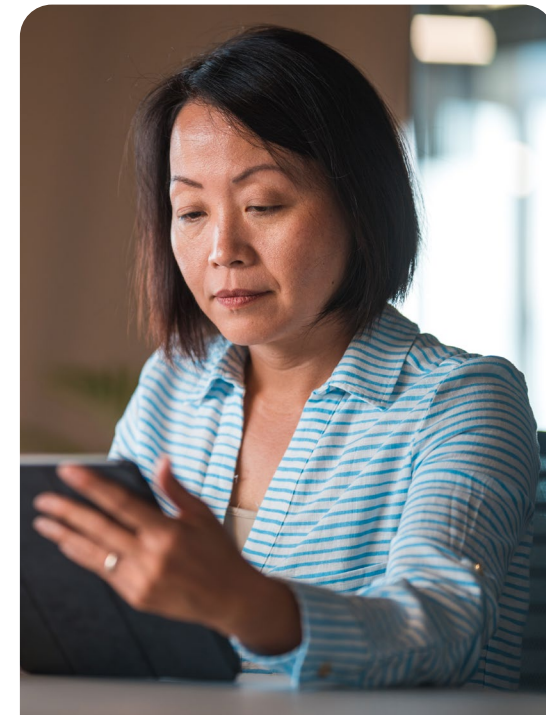
OBSI also discussed with the CSA considerations related to binding authority to help the proposed framework meet the needs of Canadian investors.

## WE REPORTED ONE CASE-SPECIFIC

### SYSTEMIC ISSUE TO REGULATORS IN 2023

#### Investments

- We identified inconsistencies in the risk rating approaches adopted by different fund groups when applying the CSA risk classification methodology to their funds and instances of misapplication of the CSA risk classification methodology to investment funds not subject to NI 81-102.





# Consumer & firm feedback

## NEARLY HALF OF CONSUMERS (47%)

found out about OBSI  
through their bank,  
investment firm or advisor

## THREE-QUARTERS OF CONSUMERS (75%)

indicated that they had no  
difficulty finding out about OBSI  
services and how to contact us

# 100%

of firms indicated that our  
final written conclusions  
or recommendations  
were written in clear  
and simple language

# 80%+

of banks (82%) and  
investment firms (89%) said  
that our staff demonstrated  
a good understanding of  
their applicable policies

# Consumer feedback

Our consumer surveys consistently show that consumers' level of satisfaction with our services is strongly dependent on whether they were satisfied with the outcome of their case.

There is a strong correlation between receiving compensation and higher reported satisfaction.

OBSI received 696 responses to the consumer survey, representing about 32% of cases closed during the year. Of these respondents, 19% were either very satisfied or somewhat satisfied with the outcome of their case, and 81% reported being very dissatisfied, somewhat dissatisfied, or neither satisfied nor dissatisfied with their case outcome.

This year, many consumers commented positively on the clear delivery of our communications regarding the final conclusion or recommendation for their complaint.

Survey results and comments are reviewed by our management team to identify areas for improvement and better understand the concerns of OBSI's consumers.

Our review of the results has helped us to identify opportunities for improvement to our consumer portal and consumer communications throughout the investigative process. We also continue to invest in resources to manage our case timeliness.

## FAVOURABLE

Refers to responses that indicated strongly agree and somewhat agree.

## NEUTRAL

Refers to responses that indicated neither agree nor disagree.

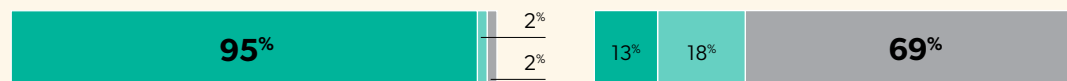
## UNFAVOURABLE

Refers to responses that indicated strongly disagree and somewhat disagree.

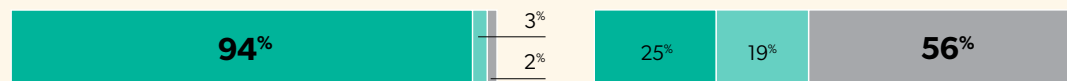
### SATISFIED WITH CASE OUTCOME

### DISSATISFIED WITH CASE OUTCOME

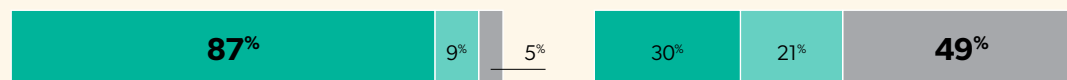
#### Rating for quality of service



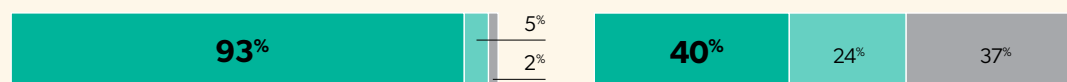
#### How well did OBSI staff understand your problem or complaint?



#### How well were you kept informed of the status of your complaint?



#### Was OBSI's final written conclusion or recommendation clear?



**Note:** Percentages may not total 100 due to rounding.

ADDITIONAL CONSUMER FEEDBACK

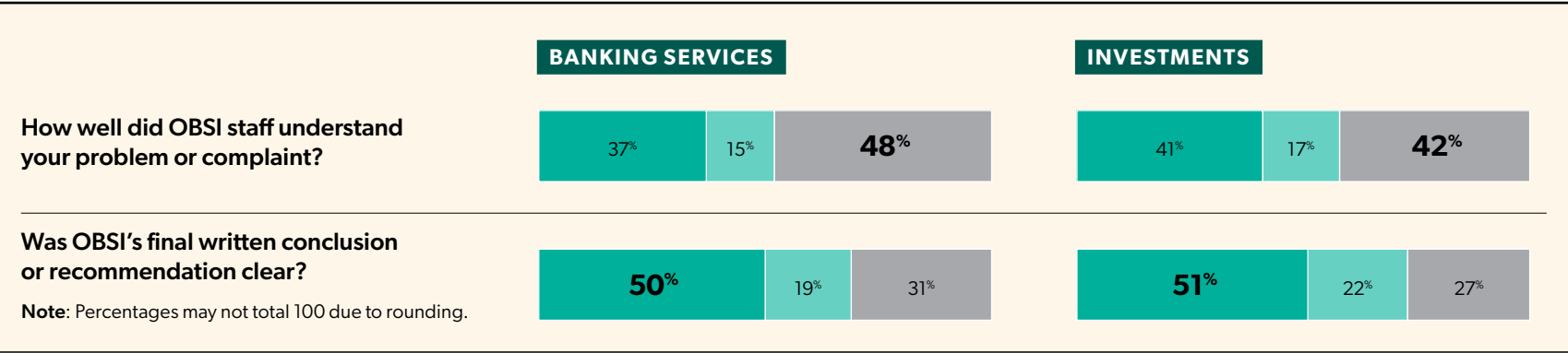
		Yes	No
Were you able to lodge your complaint in the official language of your choice?	Banking services	95%	5%
	Investments	98%	3%
Did OBSI provide services to you free of charge?	Banking services	97%	3%
	Investments	98%	2%
Did OBSI provide you with a final written conclusion or recommendation?	Banking services	86%	14%
	Investments	88%	12%

		Yes	No	Somewhat
Did OBSI help you to understand the complaint process and/or OBSI's Terms of Reference?	Banking services	33%	26%	40%
	Investments	37%	18%	45%

**FAVOURABLE**  
Refers to responses that indicated strongly agree and somewhat agree.

**NEUTRAL**  
Refers to responses that indicated neither agree nor disagree.

**UNFAVOURABLE**  
Refers to responses that indicated strongly disagree and somewhat disagree.



# Participating firm feedback

Each year, OBSI solicits feedback from participating firms using a standardized electronic survey.

In 2023, we received a 37% response rate from the 222 firms that received the survey. We survey all firms that had a complaint handled by us during the year and all federally regulated banks that participate in our service.

This year, many firms commented favourably on the professionalism of our staff and the clear delivery of our communications or recommendations.

Aggregate survey results are reviewed by our management team to identify areas for improvement and better understand the concerns of OBSI's participating firms.

Preliminary assessment of the results indicates the need for additional improvements to our firm portal, and meeting with firms to help them understand our mandate and approach to loss calculations. We also continue to invest in resources to manage our case timeliness.

## BANKING SERVICES: OVERALL SERVICE INDEX

### FAVOURABLE

Refers to responses that indicated strongly agree and somewhat agree.

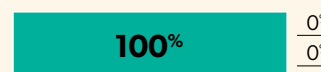
### NEUTRAL

Refers to responses that indicated neither agree nor disagree.

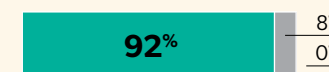
### UNFAVOURABLE

Refers to responses that indicated strongly disagree and somewhat disagree.

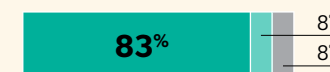
OBSI's staff was courteous and professional.



OBSI's staff promptly answered our firm's questions.



OBSI's staff clearly explained the complaint-handling process.



OBSI's staff kept our firm informed during all stages of the complaint process.



OBSI's staff was effective in providing a resolution for our client's complaint(s).



OBSI added value to our firm's complaint-handling process.



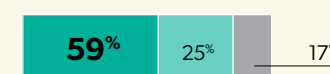
OBSI's staff clearly explained our firm's membership fee.



It was easy to contact OBSI for membership-related inquiries.



OBSI's staff kept our firm appropriately informed on important developments concerning OBSI policy.



**Note:** Percentages may not total 100 due to rounding.



## INVESTMENTS: OVERALL SERVICE INDEX

### FAVOURABLE

Refers to responses that indicated strongly agree and somewhat agree.

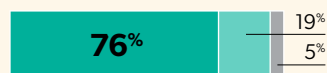
### NEUTRAL

Refers to responses that indicated neither agree nor disagree.

### UNFAVOURABLE

Refers to responses that indicated strongly disagree and somewhat disagree.

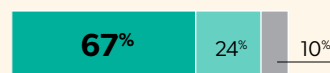
**OBSI's staff was courteous and professional.**



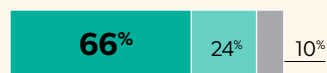
**OBSI's staff promptly answered our firm's questions.**



**OBSI's staff clearly explained the complaint-handling process.**



**OBSI's staff kept our firm informed during all stages of the complaint process.**



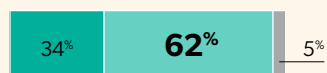
**OBSI's staff was effective in providing a resolution for our client's complaint(s).**



**OBSI added value to our firm's complaint-handling process.**



**OBSI's staff clearly explained our firm's membership fee.**



**It was easy to contact OBSI for membership-related inquiries.**



**OBSI's staff kept our firm appropriately informed on important developments concerning OBSI policy.**



**Note:** Percentages may not total 100 due to rounding.



## ADDITIONAL FIRM FEEDBACK

		Yes	No	Somewhat
<b>OBSI dealt promptly with complaints concerning our firm.</b>	Banking services	77%	8%	15%
	Investments	57%	4%	39%
		Yes		No
<b>OBSI provided a final written conclusion or recommendation within 120 days for all banking-related complaints or 180 days for all investment-related complaints.</b>	Banking services	78%	22%	
	Investments	76%	24%	
<b>OBSI staff who investigated the complaint(s) were knowledgeable about applicable laws and regulations.</b>	Banking services	80%	20%	
	Investments	90%	10%	
<b>OBSI staff demonstrated a good understanding of our firm's applicable policies.</b>	Banking services	82%	18%	
	Investments	89%	11%	
<b>OBSI's final written conclusions or recommendations were written in clear, simple, and not misleading language.</b>	Banking services	100%	0%	
	Investments	100%	0%	
<b>OBSI followed its Terms of Reference and its procedures for dealing with complaints.</b>	Banking services	82%	18%	
	Investments	100%	0%	

**Note:** Percentages may not total 100 due to rounding.



Messages  
from Chair &  
Ombudsman

About  
OBSI

Progress  
toward  
our goals

Inquiries  
from  
Canadians

Consumer  
profiles

Banking  
services

Investments

Case  
outcomes

Sharing  
information

Consumer &  
firm feedback

**Governance**

Financial  
highlights

# Governance

OBSI's 10-member Board of Directors plays a vital role in providing organizational oversight.

Throughout 2023, our governance model required the majority of the directors (seven), including the chair, to be from the community, meaning they are independent as they have not been part of industry or government for at least two years. At least one of the community directors is designated the Consumer Interest Director with a particular interest in, access to, and experience representing the interests of the types of consumers that OBSI serves. A minority of the directors (three) were appointed from shortlists of nominees provided by industry bodies.





# Governance changes announced in 2023

**In 2021, OBSI's independent evaluation recommended a strategic review of the organization's governance structure be undertaken to determine how best to ensure that key stakeholder interests are effectively incorporated into board membership and decision-making.**

Following a public governance consultation during the first quarter of 2023 and careful consideration of the comments received by stakeholders, the board announced important governance changes to allow the board to better reflect the diversity of industry sectors that participate in OBSI's service and to balance consumer and industry expertise on the board. The changes announced included:

- The majority of directors continue to be community directors.
- The number of community directors designated as consumer interest directors increased from one to three. Consumer interest directors are selected for their experience in engaging in consumer advocacy in the banking, financial services or other sectors. Consumer stakeholders will be consulted when OBSI is seeking nominations for consumer interest director positions.

- OBSI's board continues to include three designated industry director positions. Industry directors will be selected for their experience and knowledge in one or more of the financial industry sectors that OBSI members operate in and must be directly affiliated with a participating firm at the time of their appointment or within the two preceding years.
- The board will endeavour to ensure that at all times at least one industry director will have current or recent expertise in the banking industry and one industry director will have current or recent expertise with an Investment Dealer or Mutual Fund Dealer, as the majority of cases considered by OBSI relate to these sectors. Banking and financial services stakeholders will be consulted when OBSI is seeking nominations for industry director positions, however, they will no longer be selected solely from nominees put forward by the Canadian Bankers Association, the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada (now merged into the Canadian Investment Regulatory Organization).
- Increased direct consumer and industry engagement with OBSI and its board through implementation of regular, semi-annual industry and consumer stakeholder meetings.
- Given the increase in direct consumer engagement with and on the board, the decision was made not to reconvene the Consumer and Investor Advisory Council.

The board also renewed its skills matrix to comprehensively reflect criteria related to business and professional experience, geographic representation, regulatory experience, areas of specialized expertise and diversity. All board members will be evaluated and selected based on their strengths relative to the renewed matrix, to ensure the board collectively has all the required skills to effectively govern the organization, deliver on its public interest mandate and understand the business of its members.





# Independence

Independence is fundamental to OBSI's governance. Beyond the composition of the board, further important safeguards of OBSI's independence are in place.

Votes on key independence questions are not only decided by a majority of votes cast by all directors present at the meeting, but also require a majority of community directors present. These key independence questions include such matters as the hiring and evaluation of the Ombudsman, the budget, and changes to OBSI's Terms of Reference.

Formal board evaluations are conducted on a regular basis. Strict rules prohibit the board and individual directors from becoming involved with individual complaints. The final decision concerning complaints rests with the Ombudsman. There is no appeal to the board, nor can the board influence the decisions of the Ombudsman.

# Director compensation

OBSI directors are eligible to receive compensation of \$30,000 per year for service on OBSI's board, with the board chair receiving \$65,000 annually and committee chairs receiving an additional \$5,000 annually.

All meeting, travel and preparation time are included in the above amounts and are not subject to additional compensation.



# Board of Directors



**MAUREEN JENSEN**

BSc, ICD.D (Chair)<sup>1</sup>

Ms. Jensen has been a leader in the investment industry and securities regulation for more than 20 years. She is the past Chair and Chief Executive Officer of the Ontario Securities Commission (OSC). Prior to her service in that role, Ms. Jensen was the OSC's Executive Director and Chief Administrative Officer. Ms. Jensen has also held senior roles at the Investment Industry Regulatory Organization of Canada, the Market Regulation Services Inc. and was director of Mining Services at the Toronto Stock Exchange.



**RHONDA GOLDBERG**

(Industry director)<sup>1</sup>

Ms. Goldberg is the Executive Vice-President, General Counsel for IGM Financial Inc., responsible for overseeing the legal, compliance, corporate secretarial and regulatory affairs functions of Mackenzie Investments, IG Wealth Management and Investment Planning Counsel. Ms. Goldberg has an in-depth knowledge of the legal and regulatory environment and financial services industry with over 20 years of legal experience, including at the Ontario Securities Commission where she was Director, Investment Funds and Structured Products, from 2010–2015.



**CATHERINE ADAMS**

MBA<sup>1</sup>

Ms. Adams is a retired financial services executive with over 30 years' experience in business strategy, product management, marketing, distribution, and finance. Her executive roles have been both domestic and international.



**CARMELA HAINES**

CPA, CA, ICD.D  
(Chair, Finance and Audit Committee)

Ms. Haines is the Chief Executive Officer with Access Communications Co-operative Limited and is the vice chair of the Canadian Communications Systems Alliance board of directors. She has served as a chair of the board and audit committee for the Regina & District Food Bank. She has also served as council member and audit committee chair for the Institute of Chartered Accountants of Saskatchewan.

<sup>1</sup> Governance and Human Resources Committee member

<sup>2</sup> Finance and Audit Committee member



#### JILL HUGESSEN

BA, BCL/LL.B, ICD.D  
(Chair, Governance and Human Resources Committee)

Ms. Hugessen is founder and principal of Hugessen Coaching, a coaching and consulting service for business executives and lawyers. She has been a member of the Barreau du Québec since 1986. Prior to establishing herself as an independent executive coach in 2011, Ms. Hugessen practiced corporate law.



#### WANDA MORRIS

CPA (Consumer interest director)<sup>2</sup>

Ms. Morris is a financial and consumer advocate. As the former Chief Advocacy and Engagement Officer for CARP and CEO of Dying with Dignity Canada, she led public advocacy campaigns on a number of issues including investor protections, pension security, medical aid in dying, and safety in long-term care. She is on the board of FAIR Canada.



#### SURESH KRISHNASAMY

MBA, MSc, BSc (Industry director)<sup>2</sup>

Mr. Krishnasamy is the Chief Operating Officer, North American Personal and Business Banking for BMO Financial Group. Mr. Krishnasamy joined BMO in 2006 from McKinsey and Company. He has since held executive leadership roles in strategy, finance, and operating groups.



#### RONALD SMITH

FCCA, FCA, ICD.D<sup>1</sup>

Mr. Smith has been a Director and Chair of the Audit Committee of PROREIT since 2013. He has served on numerous private sector and not-for-profit boards and audit committees over the past 30 years. He was Senior Vice President and CFO of Emera Inc., a publicly traded energy company, and brings significant experience from the fields of finance, human resources and management consulting.



#### BHARAT MAHAJAN

CPA, CA<sup>2</sup>

Mr. Mahajan serves as Vice-President, Finance Shared Services for Parkland Corporation. Previously, his distinguished career included serving as Chief Financial Officer of various multi-national corporations.



#### ALEXANDRA WILLIAMS

MBA, ICD.D (Industry director until January 31, 2023)<sup>2</sup>

While serving as an OBSI director, Ms. Williams was Senior Vice President, Head of Service, Operations and Compliance for Aviso Wealth. Ms. Williams is a senior financial services executive with over 25 years of experience. Her recent roles include Chief Risk Officer and Chief Compliance Officer for Aviso Wealth and its predecessor firm, Qtrade Securities.

<sup>1</sup> Governance and Human Resources Committee member

<sup>2</sup> Finance and Audit Committee member

# Board attendance

	Dec 8, 2022	Mar 9, 2023	Jun 7, 2023	Sep 22, 2023
Maureen Jensen, Chair	•	•	•	•
Catherine Adams	•	•	•	•
Rhonda Goldberg	•	N/A	•	•
Carmela Haines	•	•	•	•
Jill Hugessen	•	•	•	•
Suresh Krishnasamy	•	•	•	•
Bharat Mahajan	•	•	•	•
Wanda Morris	•	•	•	•
Ronald Smith	•	•	•	•
Alexandra Williams <sup>1</sup>	•	N/A	N/A	N/A

<sup>1</sup> Resigned

# Board committees

## FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee provides oversight of financial reporting and control activities for the board. The committee also oversees OBSI’s defined contribution pension plan, receives the report of the external auditor and ensures OBSI’s compliance with its legal, regulatory and contractual obligations.

### 2023 ACTIVITIES INCLUDED:

#### Review of financial statements

Every quarter, the committee reviews the unaudited quarterly statements of revenue, expenses and balance sheet prepared by senior management. The committee members discuss the financial statements and any variances from budget with senior management at the quarterly committee meetings. When the audited financial statements are prepared after year-end, the committee meets with senior management and auditors to review the financial statements and makes recommendations to the board. At the September meeting each year, the committee meets with the auditor to review the audit plan approach, ask questions and approve the auditor and audit fees for the upcoming fiscal year.

#### Review of reserve fund

Each year, senior management completes an operating reserve fund analysis outlining whether current targets remain appropriate. The committee reviews the analysis with senior management and plans for possible shortfalls or surpluses are discussed. The committee recommended, and the board subsequently approved, an increase in the operating reserve fund target to reflect organizational growth and budgetary requirements.

#### Review of 2024 budget

At the September committee meeting each year, the committee members review the budget proposed by senior management, ask questions and provide their input. OBSI’s 2024 budget included contingent planning for OBSI’s potential designation as the single ECB for all Canadian banks, as preparation for this transition involves significant anticipatory growth.

#### Pension governance

The committee also oversees OBSI’s defined benefit pension plan, defined contribution pension plan, and post-retirement medical plan. The committee reviewed the pension plan’s structure, staff participation, information on member communication and plan education.



## GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The Governance and Human Resources Committee assists the board on matters of corporate governance, policy development and oversight, annual performance review of the CEO, and senior management succession planning.

### 2023 ACTIVITIES INCLUDED:

#### **New committee chair**

Jill Hugessen was appointed the new Governance and Human Resources Committee chair at the Annual General Meeting in March, replacing Ronald Smith who remains on the committee.

#### **Policy review**

Every quarter, the committee reviews a range of policies and matters. Some examples this year included: Privacy Policy Certification and Report, Whistleblower Policy, the Employee Code of Conduct, and the Committee Mandate.

#### **2023 external board evaluation**

The committee retained an external expert to conduct a formal board evaluation, reviewed and assessed the results, and consulted with the full board to discuss strategies for strengthening board performance.

#### **New board compensation model**

Following a review and report by an external third party regarding OBSI's board compensation model, the committee recommended, and the board subsequently approved, a change to a flat fee model, with fees to be paid quarterly. The new fee model was applied during the year (see Director Compensation on [page 62](#)). It was agreed that all directors should be eligible for compensation, including industry directors. Starting January 1, 2024, all directors will have

the option to accept compensation for their service on OBSI's board.

#### **Nominations committee for new board members**

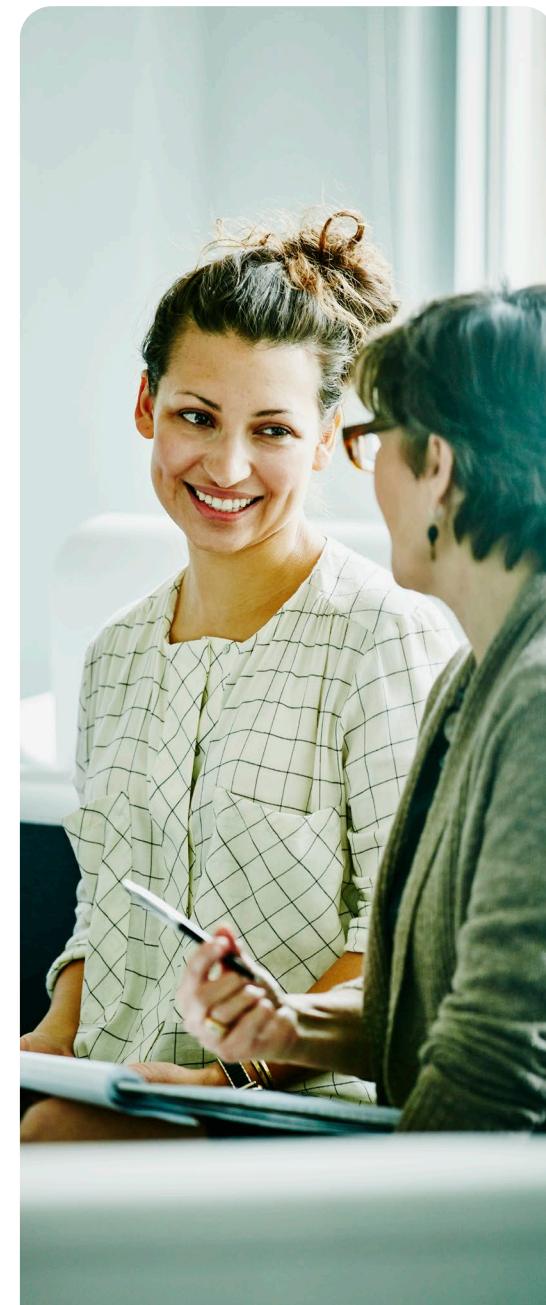
The committee established a nominations sub-committee to lead the director recruitment process to fill four director vacancies expected in early 2024 as multiple directors reach their term limits.

#### **Governance review**

A working group was established to prepare for the governance consultation that started November 1, 2022. The consultation closed on January 31, 2023. The board announced its decisions and updates to its governance structure in June 2023 (see Message from the Chair on [page 4](#) and Governance changes announced in 2023 on [page 61](#)).

#### **Terms of Reference change**

Amendments were made to OBSI's Terms of Reference to implement the governance changes outlined above.



# Financial highlights

## OBSI'S BUDGET

OBSI is a not-for-profit organization. We operate on a cost-recovery basis. Our board approves an annual operating plan and budget each September. Each quarter, management meets with the board and the Finance and Audit Committee to monitor the financial performance of the organization.

## MANAGING OPERATIONS

OBSI's 2023 and 2024 budgets reflect substantial year-over-year increases, almost entirely related to increasing personnel costs which are necessary to appropriately respond to the record-high case volumes that the organization is experiencing as more Canadians than ever are reaching out to us for assistance. OBSI's 2024 budget also reflects the growth necessary to enable the organization to appropriately prepare for the transition to the single ECB system in November 2024.

## REASONABLE AND EQUITABLE FEES

Our membership fees are based on the principle that no sector or registrant category should subsidize another. Fees for banks and deposit-taking firms are based on their self-declared banking assets relative to other banks in the most recent benchmark year. Within the investment sector, the fees of CIRO firms (formerly IIROC and MFDA firms) and other securities registrants are assessed based on firm size relative to other firms in the same sector. OBSI's total fees are divided proportionally across the sectors based on the number and complexity of cases from each sector in the prior year.

Year ended October 31	2024 Budgeted	2023 Audited	2022 Audited
<b>Revenues</b>			
Participating firm fee	\$ 18,131,620	\$ 11,835,465	\$ 10,711,568
Interest income	375,000	399,603	114,724
	\$ 18,506,620	\$ 12,235,068	\$ 10,826,292
<b>Expenses</b>			
Personnel	\$ 14,244,645	\$ 10,201,820	\$ 7,803,905
Rent and operating costs	581,952	582,624	564,263
Information technology and support	794,191	735,332	591,322
Governance	554,620	534,681	409,351
Corporate administration	308,206	241,119	209,815
Marketing and membership	172,056	159,971	166,126
Legal fees	57,000	36,141	12,137
Insurance	88,338	91,119	77,840
Supplies and services	92,954	95,846	50,639
Consulting fees	105,000	67,744	70,060
Audit fees	28,533	29,394	25,963
External review consultation & expenses	0	0	169,284
Loss on disposal of equipment and leasehold improvements	0	26,542	0
Amortization	403,338	369,802	336,708
	\$ 17,430,831	\$ 13,172,133	\$ 10,487,413
(Deficiency) excess of revenue over expenses	\$ 1,075,789	\$ (937,066)	\$ 338,879

# Financial highlights: Historical trend

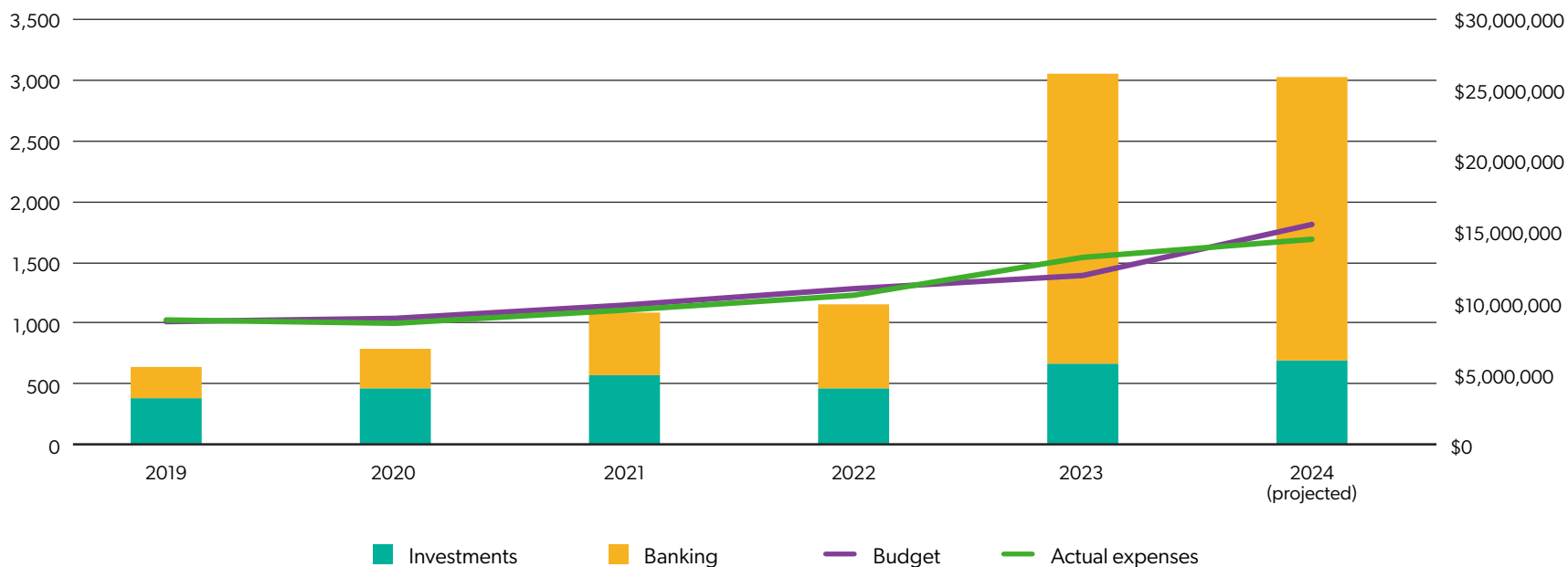
This chart shows OBSI's budget and actual expenses as well as the growth in consumer demand for our services from 2019 to 2023, as well as a look forward to 2024.

The recent uptrend is due primarily to dramatically increasing case volumes and associated increases in personnel costs as we strive to provide quality services to consumers who reach out to us for assistance.

OBSI's budget is set at a level required to recover the estimated cost of providing services in the coming year. A key factor that

determines our needs is expected consumer demand (essentially the volume of case inquiries and case investigations), and the estimated resources required to meet that demand in the coming year.

**OBSI CASE VOLUME AND BUDGET 2019-2024**



# Ombudsman for Banking Services and Investments

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