

### Q3 consumer complaints moderate from previous quarter's record highs

Third quarter inquiries and case volumes remained near record highs but moderated somewhat from the extraordinary high levels seen in Q2. Total cases opened decreased 24% quarter over quarter but remained at near record highs and triple the amount opened in the same quarter last year, led by banking cases. Banking cases opened were down in the quarter but quadruple the volume of cases this time last year. Investment cases were also lower in Q3, but higher year over year.

Credit card complaints continued to be the leading bank product for consumer complaints followed by e-transfers, while the leading bank issues were related to fraud and service. Mutual funds and common shares both led as investment products for consumer complaints with investment suitability as the most common investment issue overall in the quarter.

### Last eight-quarter statistics

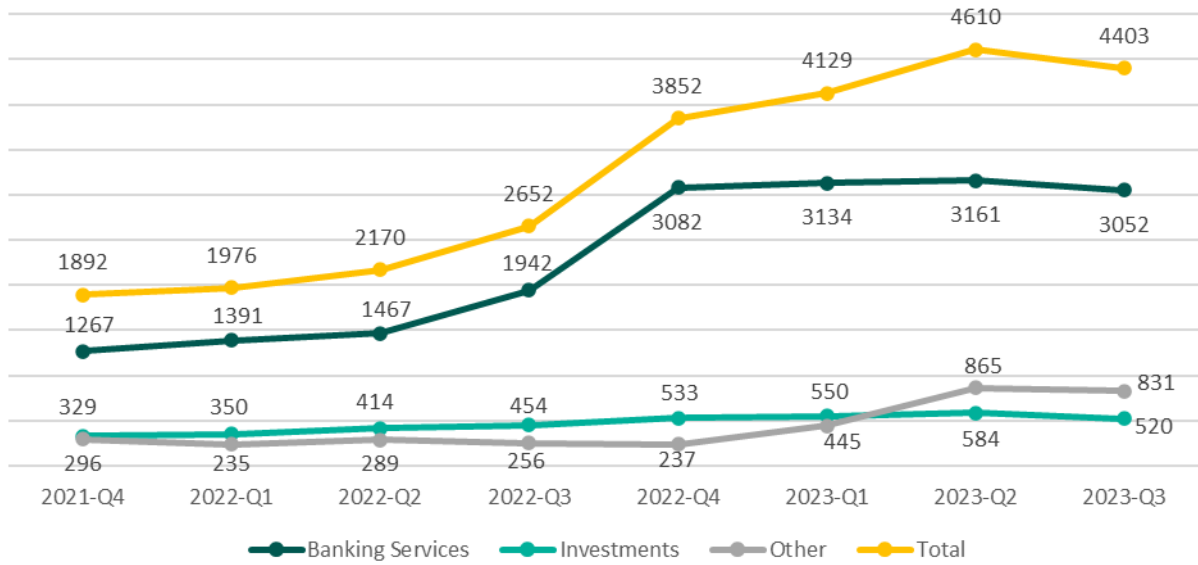
In this report, we present preliminary data from Q3 2023 (May 1, 2023 to July 31, 2023) alongside data over the last eight quarters for historical context for:

- Inquiries received by industry
- Inquiries by investment sector
- Total cases opened
- Cases opened by investment sector
- Cases opened by region
- Top 5 banking products
- Top 5 banking issues
- Top 5 investment products
- Top 5 investment issues

### About OBSI inquiries

When consumers contact OBSI with a complaint or question about a financial services problem they are having, we record these interactions as inquiries. Assisting consumers with complaint inquiries is an important part of OBSI's work. In addition to helping people file a complaint with OBSI when it falls within our mandate, our intake staff are trained to provide information and assistance to consumers when we are not the appropriate place to help them. This often includes informing them of regulations which apply to their complaint, explaining what steps need to be taken to resolve their issue and directing them to the right contact within their firm or to the appropriate regulator. Inquiry volumes are a leading indicator of future case volumes.

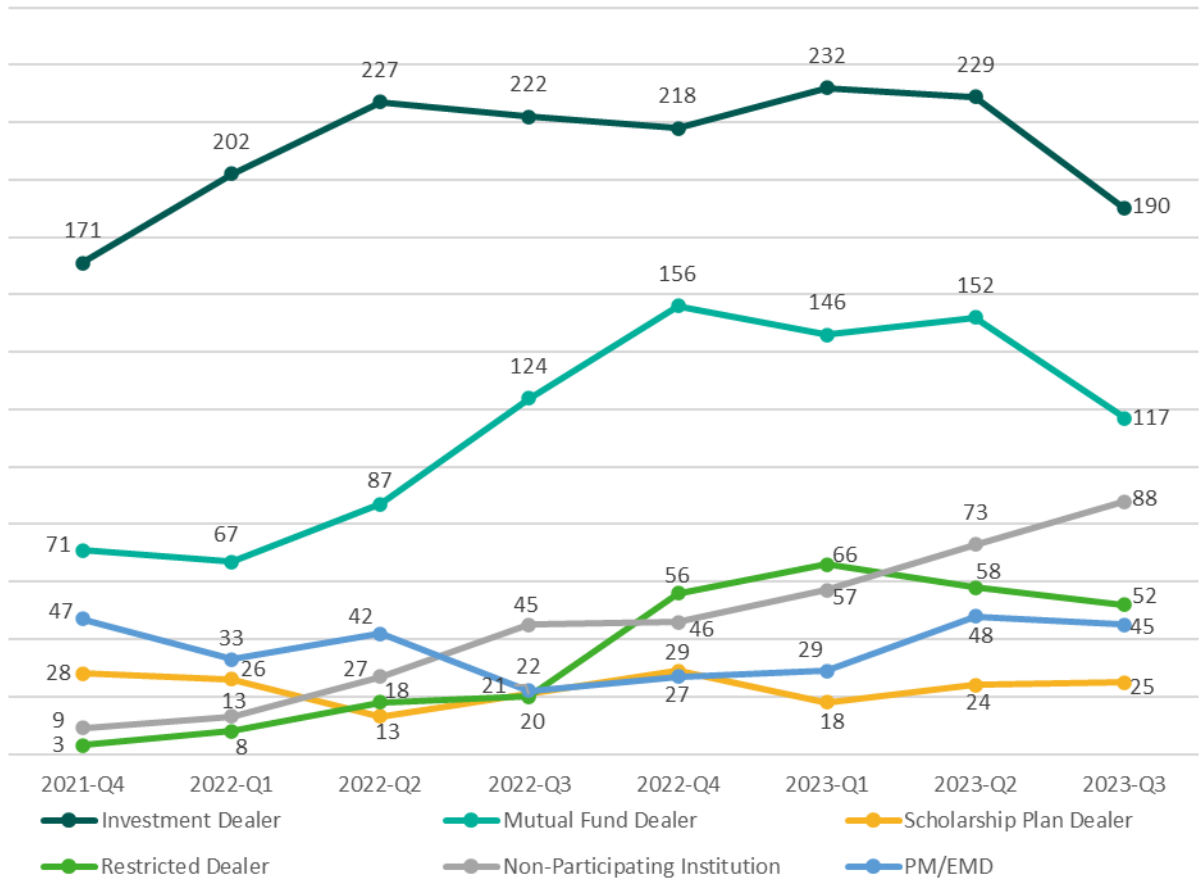
### Inquiries Received by Industry: Last 8 Quarters



The third quarter continued with high volumes of inquiries but moderated slightly from the record high of the second quarter.

- In Q3 2023, we responded to over 4400 inquiries, down 4% quarter-over-quarter and up 66% year-over-year.
- **Banking-related** inquiries, representing 69% of total inquiries for the quarter, were down 3% quarter over quarter, but up 57% year over year. This growth in bank inquiries largely stems from the Bank Act changes that came into force in mid-2022 that reduced consumer complaint attrition.
- **Investment-related** inquiries decreased 11% quarter over quarter but were up 15% year over year.
- The **Other** category includes inquiries from non-participating institution consumers.

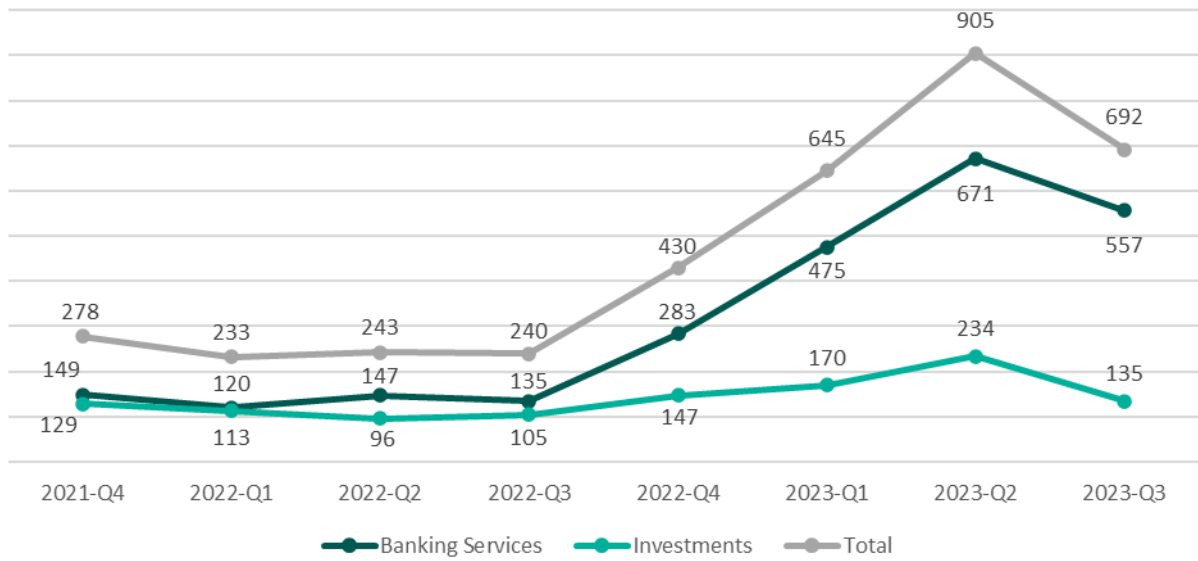
### Inquiries Received by Investment Sector: Last 8 Quarters



Investment-related inquiries decreased quarter over quarter but were up year over year.

- **Investment dealer** inquiries were down 17% from the previous quarter and down 14% from the same period last year.
- **Mutual fund dealer** inquiries decreased 23% quarter over quarter and were 6% lower year over year. Restricted dealer inquiries – largely crypto dealers – were down 10% from the prior quarter but remain at elevated levels, with more than double the inquiries of a year ago.
- **Portfolio manager/exempt market dealer** inquiries were down 6% quarter over quarter, but more than doubled year over year.
- **Scholarship plan dealer** inquiries were flat quarter over quarter and increased 19% when compared to last year.
- Inquiries from **non-participating firms** rose 21% over the previous quarter, reaching an eight-quarter high, and double the inquiries from last year.

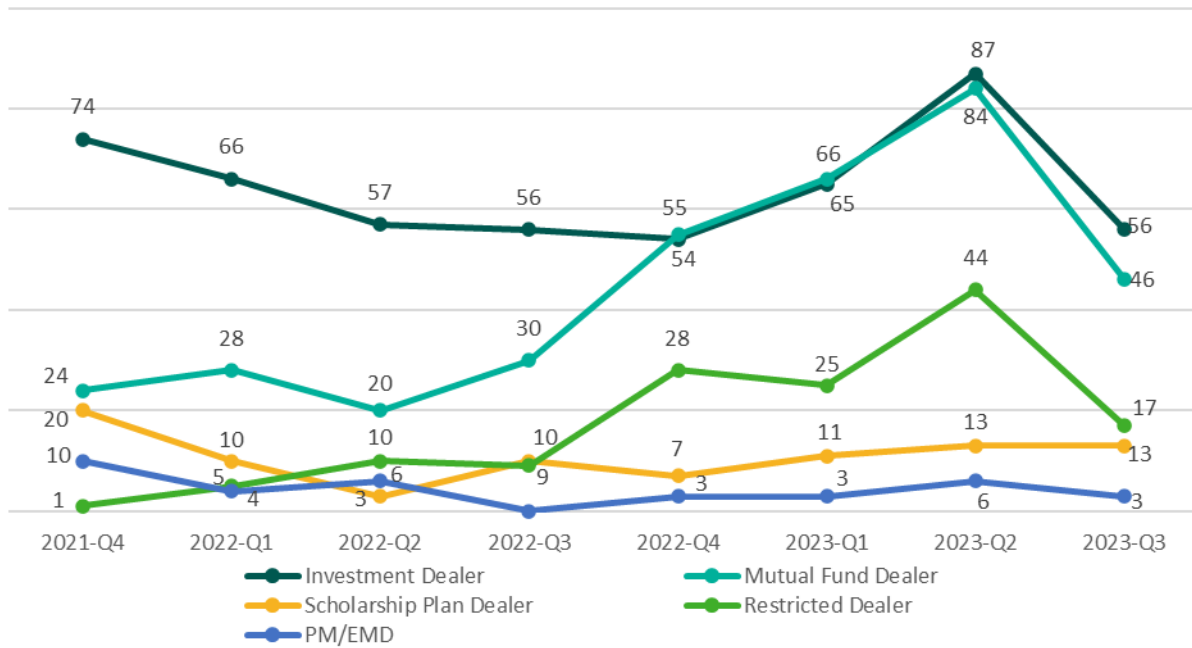
### Total Cases Opened: Last 8 Quarters



In Q3, total cases opened decreased 24% quarter over quarter, down from the record high set in Q2, but nearly tripled compared to the same quarter last year.

- **Banking** cases opened were down 17% quarter over quarter, but up 312% when compared to the same quarter last year.
- **Investment** cases opened were down 42% from the previous quarter, likely in response to improved market performance, but remained 30% higher than the same quarter last year.

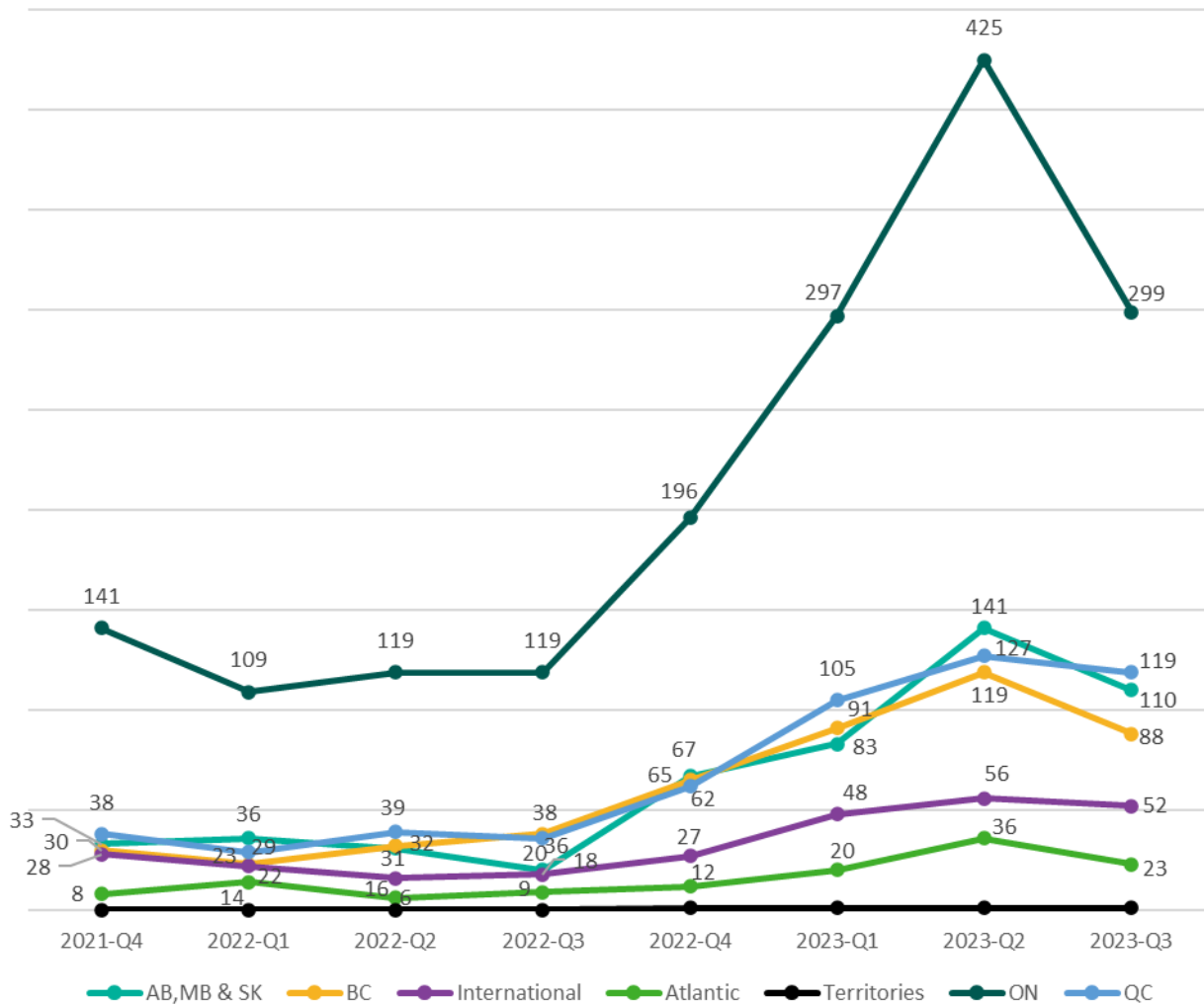
### Cases Opened by Investment Sector: Last 8 Quarters



In the first quarter of 2023:

- **Investment dealer** cases were down 36% from the eight-quarter high reached in Q2 and were flat year over year.
- Similarly, **mutual fund dealer** cases were down 45% in Q3 from the eight-quarter high seen in Q2, but up 53% compared to cases opened a year ago.
- Cases for **restricted dealers** – largely crypto dealers – decreased more than 60% quarter over quarter but were double the same period last year.
- Opened cases for **scholarship trust plan dealers** were flat compared to the previous quarter and up year over year.
- **Portfolio manager/exempt market dealer** cases opened were half the previous quarter and up slightly compared to last year.

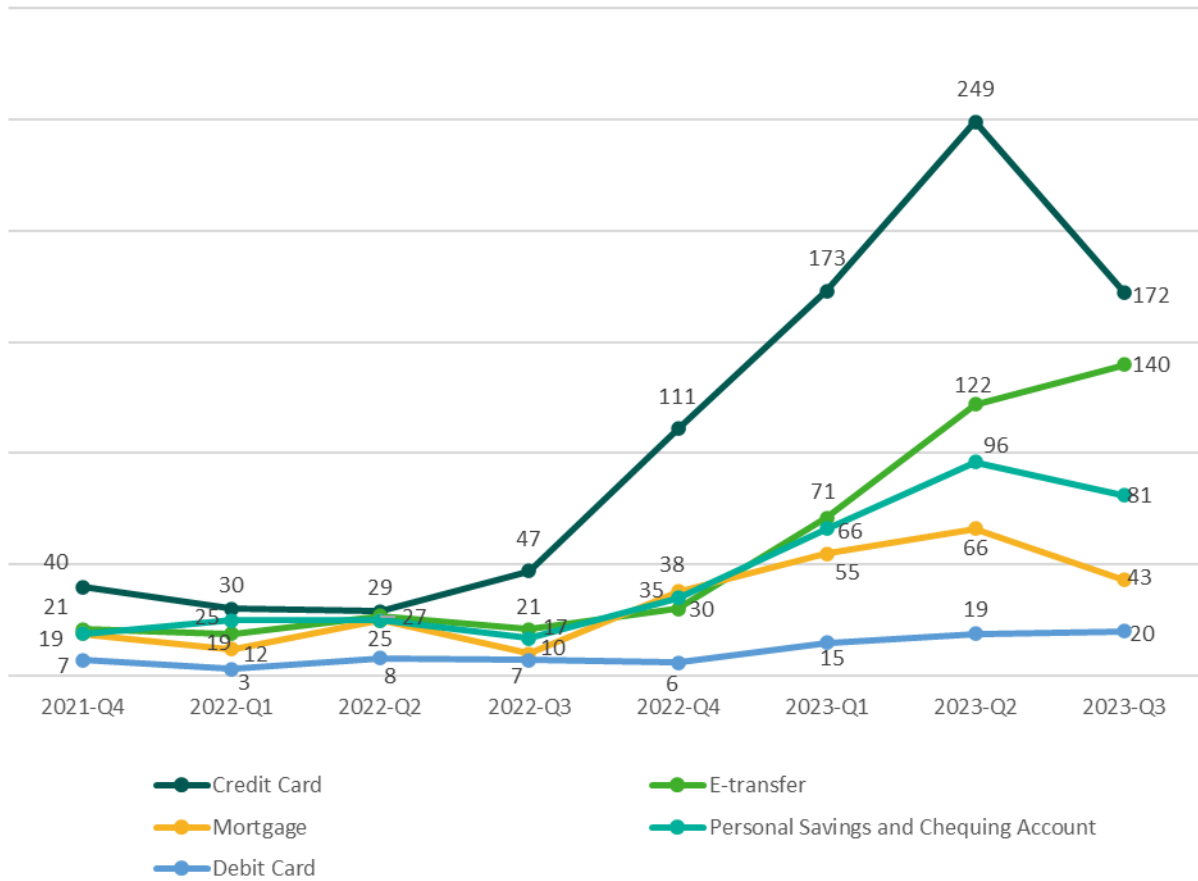
### Cases Opened by Region: Last 8 Quarters



In Q3, overall case volumes remained elevated in most regions but down from the all-time highs seen in Q2. Compared to the previous quarter:

- **Ontario** cases were down 30%.
- **Quebec** cases declined 6%.
- **Prairie** provinces were down 22%.
- **BC** cases were down 26%.
- **International** cases were down slightly quarter over quarter.
- Case volumes from the **Atlantic** provinces dropped 36%.

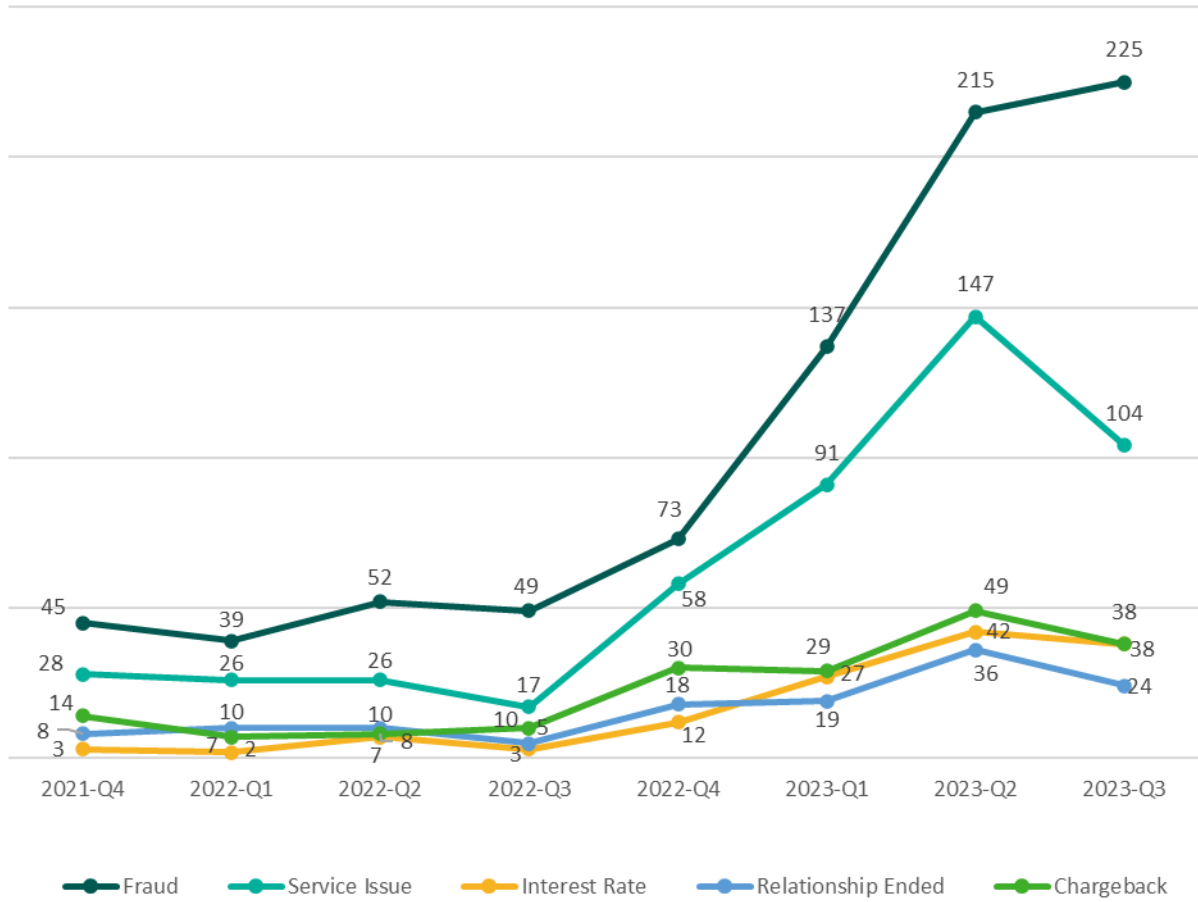
### Top 5 Banking Products: Last 8 Quarters



In Q3, the top 5 banking products with complaints remained largely unchanged, with debit cards replacing wire transfers on the list.

- **Credit cards** continued to be the leading product complaint among banking consumers but declined 31% from the record high of the previous quarter. Credit card related cases were still high relative to Q3 last year, up more than 265%.
- **E-transfer** complaints continued to rise, reaching an eight-quarter high and were up more than 560% year over year.
- Complaints related to **personal savings and chequing accounts** decreased 16% quarter over quarter but were up 376% when compared to the same quarter last year.
- **Mortgage** complaints dropped 35% from Q2 but were quadruple the case volumes seen last year.
- While **debit card** complaints were up slightly compared to the previous quarter, they almost tripled compared to the same period last year.

### Top 5 Banking Issues: Last 8 Quarters

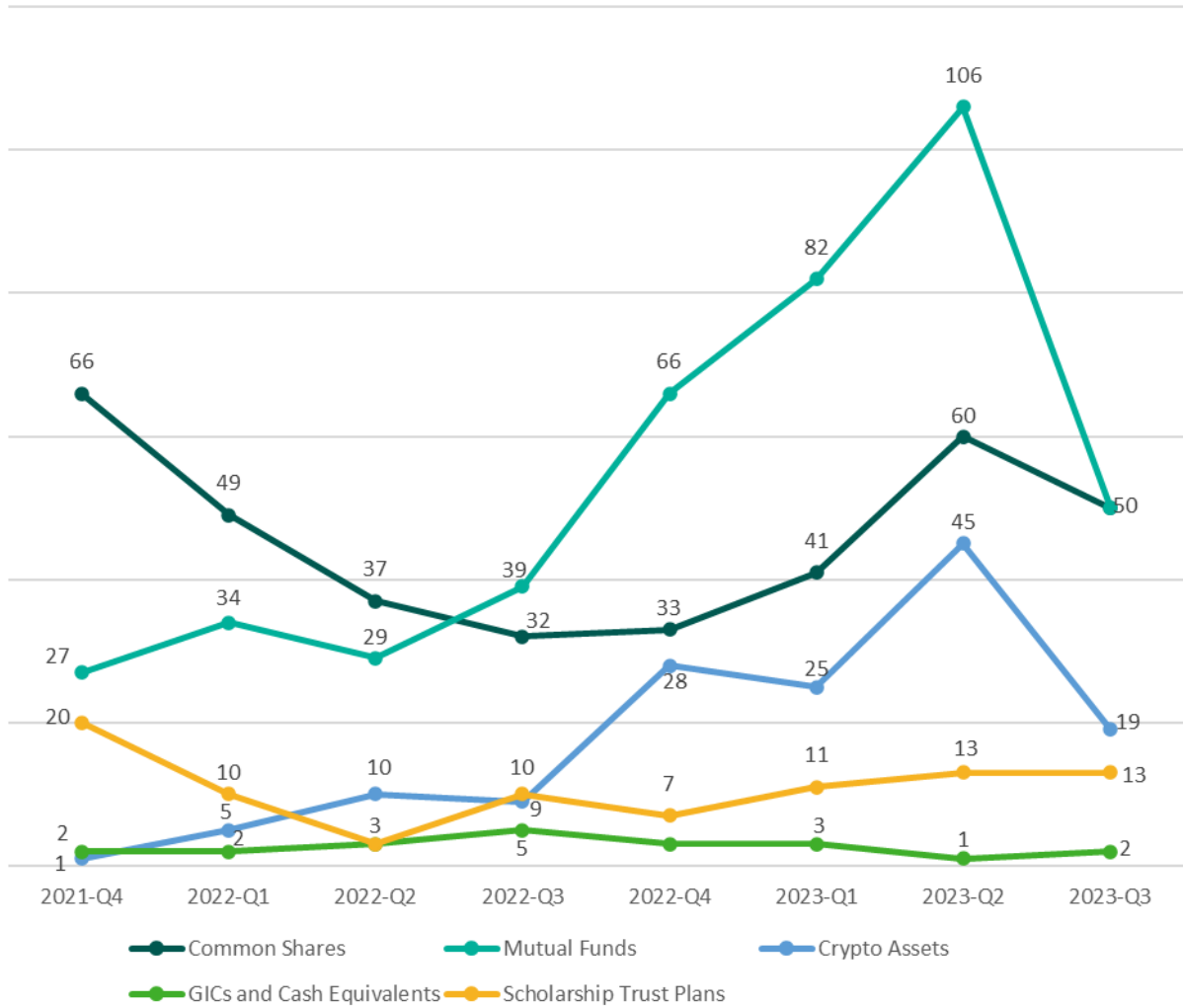


Among the top five banking issues in Q3 of 2023, only fraud continued to reach new highs.

- **Fraud** cases opened increased 5% quarter over quarter but were up almost 360% year over year.
- **Service issue** complaints declined 29% from Q2 but were up over 500% when compared to last year.
- Complaints related to **chargebacks**, **interest rates**, and **relationship ended** were all down this quarter, but all significantly higher than a year ago.



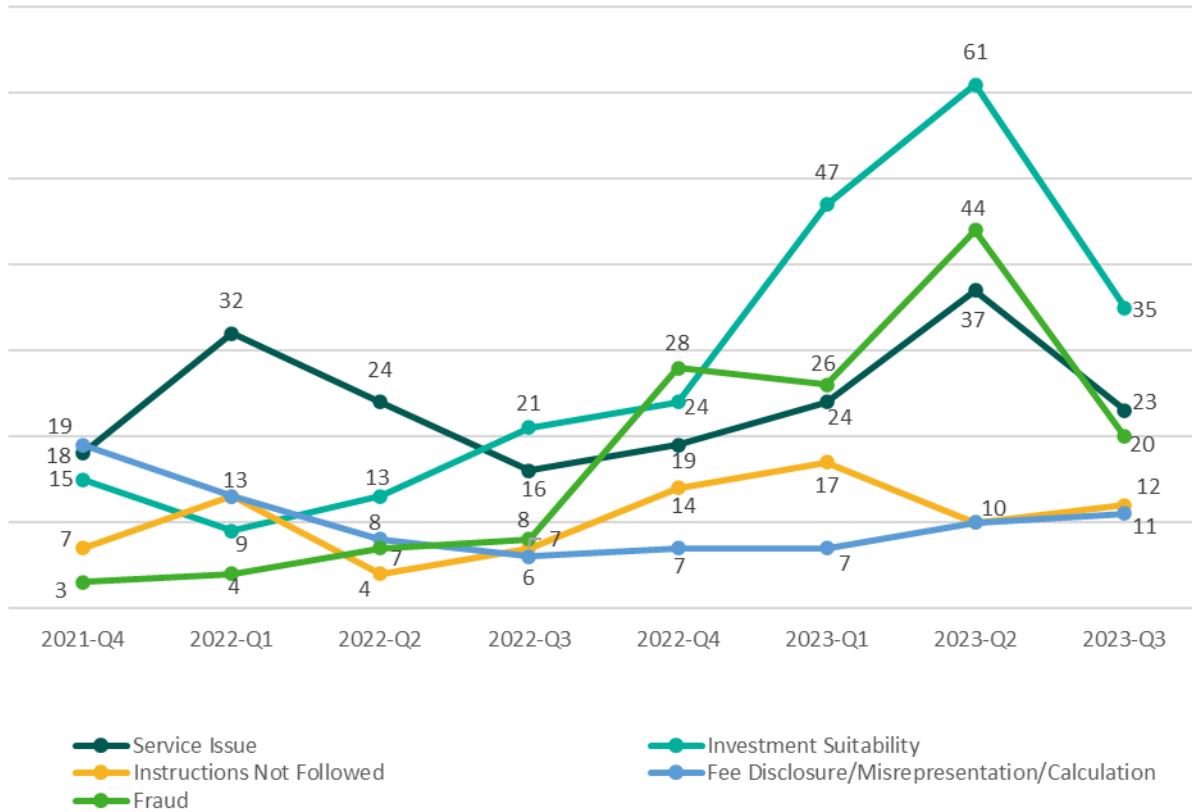
### Top 5 Investment Products: Last 8 Quarters



In Q3, crypto asset and mutual fund related products saw the most significant declines in complaints from investors compared to Q2.

- **Mutual fund** cases decreased 53% compared to the previous quarter but were up 56% year over year.
- Cases related to **common shares** dropped 17% from the previous quarter but increased 56% year over year.
- **Crypto asset** complaints declined 58% in the quarter but doubled year over year.
- **Scholarship trust plan** cases remained flat quarter over quarter but up 30% compared to last year.

### Top 5 Investment Issues: Last 8 Quarters



Amid general declines in investment complaint volumes in Q3, investment suitability complaints remained the leading issue.

- Although **suitability** cases declined by 43% from Q2’s eight-quarter high they remained 67% higher than a year ago.
- **Service issues** replaced **fraud** as the second leading issue during the quarter, although both declined compared to Q2. Service issues were down 38% from Q2 and up 44% year over year.
- **Fraud** related issues – which continue to be driven by crypto asset complaints – decreased by 55% quarter over quarter but were 150% higher than the same period last year.
- **Instructions not followed** and **fee-related** issues replaced **inappropriate advice** and **investment strategy** cases in the top-five list this quarter. Both issues increased in Q3, up by 20% and 10% respectively. Year over year, instructions not followed cases were up more than 70% and fee related issues were up more than 80%.