

OBSI 2026 External Review Public Consultation

Submission of the Public Interest Advocacy Centre (PIAC)

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**PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC**

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A- Introduction and Summary

- 1- The Public Interest Advocacy Centre (PIAC) is writing to provide its comments to the OBSI Independent External Review. PIAC is a national not-for-profit organization and registered charity that provides legal and research services on behalf of consumer interests, and, in particular, vulnerable consumer interests, concerning the provision of important public services.
- 2- PIAC's main concerns and comments are as follows:
 - ❖ More efforts and clarity are needed on measures being taken to improve consumer awareness of the OBSI.
 - ❖ OBSI's lack of binding authority is a major concern that should be addressed on an expedited basis.
 - ❖ The current limit for OBSI's recommendation to a single complaint needs to be reviewed to ensure that the applicable limit is appropriate for different complaints and issues and it is able to fairly resolve issues for banking and/or investment customers.
 - ❖ Need more transparency regarding OBSI's engagement efforts as well as the results and action steps issued in these engagements.
 - ❖ OBSI needs to reconsider how it is engaging with consumer advocacy and community groups, and also consider what kind of support can be offered- whether it is funding, guidance, reasonable time frames and/or other resources that might be required by these groups to be able to actively participate.
- 3- PIAC has responded to specific issues raised in this review. We are grateful for the opportunity to participate and share our comments and concerns.

[Please see next page]

B- Public awareness and accessibility

Q1 Do you think that the OBSI presence is sufficiently well known in Canada?

Q2 To your knowledge are there groups of Canadians that are less aware of OBSI or not using the service as often as they could or should be?

Q3 Do you think that consumers can find their way to the OBSI sufficiently easily if they need to?

Q4 Is OBSI making sure that its rules do not unfairly exclude consumers from having their complaints considered?

Q5 Does OBSI sufficiently assist consumers to make a complaint?

PIAC's Response:

- 4- PIAC's experience and research suggests that the OBSI is not sufficiently well known in Canada, and significant effort is still required to increase awareness. Since November 1, 2024, OBSI has become Canada's single external complaints body (ECB) for federally regulated banks.¹ This should have resulted in a more streamlined and easier independent recourse for banking consumers to escalate their complaints as necessary. However, our experience indicates that consumer awareness and access to OBSI are still considerably behind. We need easily available public evidence that shows whether and how consumer awareness and access to OBSI have changed, particularly, after it became the single ECB. The FCAC, in its earlier review on the operations of External Complaints Bodies noted that the challenge of raising consumers' awareness about their right to reach out to ECBs is "[c]ompounded when there are multiple external dispute resolvers."²
- 5- PIAC did not come across any recent nation-wide public survey that specifically covered consumer awareness of OBSI, besides some increase in complaint volume noted in OBSI's Annual Report 2025³ and the limited OBSI survey as noted below. FCAC should review this matter again and on a regular basis. Their review should include both quantitative and qualitative research that shows whether and how consumer awareness of OBSI has changed and is being improved, as well as what gaps still remain.
- 6- Some earlier research we came across clearly indicated low awareness of the OBSI as well as low awareness of bank' and other firm's obligation to provide information regarding

¹ Financial Consumer Agency of Canada, "Canadians now have a single external complaints body for banking," (1 November 2024), online: <<https://www.canada.ca/en/financial-consumer-agency/news/2024/10/canadians-now-have-a-single-external-complaints-body-for-banking.html>>.

² Financial Consumer Agency of Canada, "Industry Review: The Operations of External Complaints Bodies," (February 2020), online: <<https://www.canada.ca/en/financial-consumer-agency/programs/research/operations-external-complaints-bodies.html>>.

³ OBSI Annual Report 2025, online: <<https://www.obsi.ca/media/r5edfh4r/obsi-ar-25-en-final-mar-12-2026.pdf>>. See details in the Message from the Ombudsman and CEO.

OBSI and ADRBO (another external complaint handling body that was in effect at the time of this research).⁴

Additionally, public awareness of the availability of ombudsman services is low. Even when services like OBSI are available and accessible to consumers, people may not be aware that they exist.

According to a survey conducted for the FCAC, 15% of Canadians are aware of OBSI's free national public service while 5% recognized ADRBO, the organization that resolves retail bank complaints for Royal Bank, TD Canada Trust, Scotiabank and National Bank. Only 4% of Canadians had heard of both.

OBSI surveys of consumers who use our service indicate that only about half of consumers report that they heard about us from their bank, firm or advisor, despite firms' regulatory obligation to provide an OBSI referral to customers when they provide a final response to a consumer's complaint. Most complainants who use our service say that they relied on their own sources of information and personal connections to find us.⁵ [Emphasis added]

7- In addition to what OBSI is doing to raise awareness,⁶ an important measure is the role banks and other firms can play in raising awareness of the OBSI. We refer to the measures followed in the communications sector where service providers are required to promote awareness of the Commission for Complaints for Telecom-television Services (CCTS), a practice that is constantly monitored and reported on by the CCTS.⁷ For instance, the CCTS 2024 Compliance Report Card's top section is regarding "Compliance with the CCTS' Public Awareness Plan."⁸ In order to ensure that the Participating service providers (PSP) comply with their awareness plan, the CCTS conducts an annual review that covers the following aspects:

- assess compliance and identify any instances of non-compliance with the Public Awareness Plan;
- engage with PSPs that have non-compliance issues to ensure that issues are addressed in a timely manner; and
- take enforcement action against PSPs that do not comply.⁹

⁴ OBSI, Report on Income and Canadian Financial Consumer Complaints, online: <https://www.obsi.ca/media/awdatec1/income-report_en.pdf> at p28.

⁵ *Ibid.*

⁶ See OBSI's Annual Report 2025, see Success Pillar # 2, Communication, awareness and thought leadership.

⁷ CCTS, Compliance Report Cards, online: <<https://www.ccts-cprst.ca/codes-stats-and-reports/ccts-reports/compliance-report-cards/>>.

⁸ 2024 Compliance Report Cards, see: Compliance with the CCTS' Public Awareness Plan, online: <<https://pub.ccts-cprst.ca/2024-compliance-report-cards/compliance-with-the-ccts-public-awareness-plan/>>.

⁹ *Ibid.*

- 8- Further, the Canadian Radio-television and Telecommunications Commission (CRTC) is also conducting a proceeding to improve customer awareness of the CCTS.¹⁰ Despite the regular efforts to improve awareness of the CCTS, more regulatory attention is being given to this matter through this proceeding.
- 9- PIAC notes that the 2022 Report regarding the Independent External Review of OBSI recommended that OBSI should work with FCAC to require banks to provide consumers with links to OBSI's website and relevant sections.¹¹ PIAC did not come across any recent reports on banks and firms' efforts to promote awareness of OBSI, and nor any review or regulatory consultation as found in the communications sector to improve awareness.
- 10- PIAC strongly suggests that similar measures as taken in the communications sector must be considered for the banking and investment sector to raise awareness of the OBSI. These should be done by the FCAC and the Canadian Securities Administrators (CSA) in collaboration with the OBSI. Any such consultation and/or review must be public, and the results of these must be published in easily available and different formats.
- 11- PIAC also acknowledges that there are differences in these two sectors and how they operate. That said, s.627.65 of the *Bank Act* clearly outlines the bank's obligations to share details of the external complaints body, which is OBSI. Notably, this provision reads as follows:

Complaints procedures

627.65 An institution shall disclose to its customers and to the public

- (a) its procedures for dealing with complaints established under paragraph 627.43(1)(a);
(b) the name of the external complaints body and the manner in which that body may be contacted; and
(c) the Agency's mailing address, website address and telephone number.¹² [Emphasis added]

- 12- Having a clear legal obligation is the starting point, the next step is enforceability and accountability. Without public accountability, consumers have no means of knowing whether and how the banks and other firms (as applicable) are in compliance with their regulatory obligation to share information about the OBSI. PIAC suggests FCAC in particular as the body overseeing all federally regulated financial entities must play an empowering role as a regulator in improving awareness of OBSI that in turn empowers customers.

¹⁰ Broadcasting and Telecom Notice of Consultation CRTC 2025-274, "Call for comments – Improving customer awareness of the Commission for Complaints for Telecom-television Services Inc.," and also, see: References: 2025-274-1, 2025-274-2

¹¹ Professor Poonam Puri and Dina Milivojevic, Independent Evaluation of the Ombudsman For Banking Services And Investments' (OBSI) Banking Mandate, (September 1, 2022) at p60.

¹² *Bank Act* (S.C. 1991, c. 46), s. 627.65.

13- PIAC also concurs with the concern shared by the Consumers Council of Canada in their response to this Independent External Review of OBSI that: “OBSI's complaint volume appears low relative to likely levels of consumer harm. This suggests awareness and accessibility barriers rather than absence of harm.”¹³ Likewise, Harvey Naglie (writing in his personal capacity to this review) noted that the more plausible explanation for OBSI's relatively low volume as compared to the likely levels of consumer harm is not that consumers are well served, it is that many harmed consumers do not know that OBSI exists.¹⁴ We also agree with Harvey Naglie's suggestion to simplify the complaints intake process.¹⁵

C- Encouraging good practices by banks, credit unions and investment firms

Q1 Is the presence of OBSI assisting to provide greater confidence amongst Canadian consumers and the community generally that they will be treated fairly by banks, credit unions and investment firms?

Q2 Does OBSI have the authority appropriate for its role?

PIAC's Response:

14- The presence of OBSI is substantial for consumer protection as it provides an independent redress system to banking and investment customers. That said, the ability of OBSI to instill greater confidence amongst Canadian consumers and the community to be treated fairly by different financial institutions and investment firms under its current framework, and authority is limited. PIAC discussed the limited awareness issues above. Besides that, the fact that OBSI lacks binding authority is a major concern that should be addressed on an expedited basis.

15- OBSI notes that its decisions are not binding, and if a firm refuses to follow through, they make it public that the firm did not comply with their recommendation.¹⁶ PIAC notes that if not many consumers know about OBSI, then the number of consumers accessing information regarding firm refusals¹⁷ will likely be low too. The notification of refusal in either case would just lead to adverse publicity for that specific firm(s) and not necessarily result in compliance due to OBSI's limited powers, which must be rectified. Also, in cases where the bank or investment firm settles for a lower amount than that recommended by the OBSI, such details should be clearly and publicly disclosed along with specific details

¹³ Consumers Council of Canada, Submission to 2026 Independent External Review of OBSI (April 17, 2026), see their response to Public Awareness and Accessibility (Questions 1-5).

¹⁴ Harvey Naglie, OBSI Independent External Review (March 2, 2026).

¹⁵ *Ibid.*

¹⁶ OBSI, FAQs, online: <<https://www.obsi.ca/en/how-we-work/faqs/>>. [See response to this question: What if the firm doesn't agree with your recommendation to compensate?] Also see: OBSI, Firm Refusals, online: <<https://www.obsi.ca/en/news-publications/firm-refusals/>>.

¹⁷ See: OBSI, Firm Refusals, online: <<https://www.obsi.ca/en/news-publications/firm-refusals/>>.

as to how low the final settlement was. The Consumers Council of Canada noted in 2025 as follows:

[M]any investment firms have 'low-balled' their customers, offering settlements below what OBSI recommended. Lacking a better option, consumers have accepted those offers.

In its recently released 2024 Annual Report, OBSI disclosed that between 2019 to 2023, there were 33 instances with settlements below its recommended amounts. In total, the 33 consumers received \$1,147,470 less than OBSI recommended. It noted that all of these cases involved investment firms. No bank has offered a settlement below what OBSI recommended.

The low-ball offers are most common in higher value recommendations. OBSI disclosed that almost no consumers received a low settlement when recommendations were under \$10,000. But for settlement amounts above \$100,000, half of the consumers settled for less than what was recommended, and, on average, those consumers received 44 per cent less than recommended.¹⁸

- 16- The 2025 Consumer Survey of OBSI that involved 1,598 responses from 25% consumers whose cases were closed during the year, (not a randomized public survey) showed that there is a “[s]trong correlation between receiving compensation and higher levels of satisfaction with our services.”¹⁹ This indicates that these respondents were more satisfied with OBSI when they were receiving compensation. That said, given that OBSI’s decisions are not binding, compensation and also the extent of compensation may not align with what OBSI recommends, and this can undermine consumers’ confidence in this redress system.
- 17- OBSI’s recommendations are also limited to \$350,000 for a single complaint. OBSI on its frequently requested page notes that this amount does not increase when more than one account is involved.²⁰ Even though the 2022 Report on the Independent External Review of OBSI recommended this compensation limit to be increased from \$350,000 to \$500,000.²¹
- 18- This current fiscal limit needs to be reviewed, as it can be a problem if investment and/or banking related complaints involve amounts higher than \$350,000. This limit could also be concerning if there are fraud-related transactions that involve higher amounts. For

¹⁸ Staff, “The High Costs of Low-Ball Offers,” Consumers Council of Canada News (29 April 2025), online: <<https://consumerscouncil.com/the-high-costs-of-low-ball-offers/>>.

¹⁹ OBSI, “Consumer survey 2025 results,” online: <<https://www.obsi.ca/media/yvapw2mq/consumer-feedback-2025-website-version-en.pdf>>.

²⁰ OBSI, FAQs, online: <<https://www.obsi.ca/en/how-we-work/faqs/>>. [See response to this question: What is the maximum amount of compensation you will recommend?]

²¹ Professor Poonam Puri and Dina Milivojevic, Independent Evaluation of the Ombudsman For Banking Services And Investments’ (OBSI) Banking Mandate, (September 1, 2022) at p54-55.

instance, CBC Go Public Reported in October 2025 the story of Ray Anholt, now a 90 year old who over the last six months lost his life savings-almost \$1.7 million to a scam.²²

19- Given the above, PIAC asks that this fiscal limit be reviewed. This is to ensure that the applicable limit is appropriate for different complaints and issues and it is able to fairly resolve issues for banking and/or investment customers. The change in this fiscal amount should also consider all the complaints and issues filed with the OBSI in the last 2-3 years, the actual amounts involved, what OBSI recommended and what was eventually paid (if applicable).

D- Engaging with stakeholders

Q1 In your view, does OBSI effectively engage with:

- a. Participating banks, credit unions and investment firms?**
- b. Consumer advocacy groups?**
- c. Community groups?**

Q2 Do you have any suggestions as to how this engagement could be improved?

PIAC's Response:

20- OBSI's Annual Reports indicate the efforts made and/or planned for engagement. That said, it is not clear whether and/or how these engagement sessions have been effective or lead to operative changes. We need more transparency regarding these engagement efforts as well as the results and action steps issued and/or discussed during these sessions.

21- We also note that participation in different consultations, including this independent review of OBSI, is not funded. It is especially hard to participate for vulnerable groups who do not have the resources and/or personnel to guide them. Given this, OBSI needs to reconsider how it is engaging with consumer advocacy and community groups, and also consider what kind of support can be offered- whether it is funding, guidance, reasonable time frames and/or other resources that might be required by these groups to be able to actively participate. Many vulnerable groups may raise unique issues and/or concerns that need to be discussed with the OBSI and addressed as far as feasible.

22- PIAC also notes that other regulators, such as the CRTC specifically support participation by public interest groups through its cost awards regime. In 2025, the CRTC also launched a proceeding to review its approach to funding public interest participation in Commission

²² Rosa Marchitelli and Marnie Luke, "Widow takes on CIBC after husband's \$15K pension sent to stranger's account," *CBC Go Public* (9 June 2025), online: <<https://www.cbc.ca/news/gopublic/go-public-cibc-banking-complaint-1.7552703>>.

proceedings.²³ The Ontario Energy Board (OEB) also provides intervenor costs awards.²⁴ FCAC might be better suited along with OBSI to consider how consumer advocacy groups and community groups can be supported in this regard, including planning of a detailed and appropriate budget to support this participation.

23- Additionally, there should be clear publication of engagement sessions, including the time frame and scope of discussion. Contacts for each consumer or community organization should also be individually informed about these engagement efforts to ensure greater participation to enable more consumer voices to be a part of these discussions.

24- As we noted earlier, discussions are just an initial step, there has to be more disclosure and transparency regarding the outcomes of these discussions. The regulators need to review and consider whether and how these objectives can be enforced.

E- Cost efficiency and value for money

Q1 To your knowledge, does OBSI have sufficient funding and resources to carry out its role effectively?

Q2 To your knowledge, is the cost of operating OBSI divided fairly as between participating banks, credit unions and investment firms?

25- OBSI is free for consumers because it is funded by industry with the applicable fees set by its board of directors.²⁵ OBSI notes that it is common in Canada and other jurisdictions for the industry to fund organizations like the OBSI.²⁶ PIAC briefly notes that access to OBSI must remain free of costs for all consumers.

26- PIAC also notes that if more efforts are made to improve public awareness of OBSI, there could be an increase in the number of complaints filed with the OBSI. Considering this, appropriate planning and allocation of resources should be assessed to ensure the handling of complaints is not disrupted and is efficiently managed.

End of Document

²³ Broadcasting and Telecom Notice of Consultation CRTC 2025-94, Call for comments – A new approach to funding public interest participation in Commission proceedings, online: <<https://crtc.gc.ca/eng/archive/2025/2025-94.htm>>. Also, see: Broadcasting and Telecom Notice of Consultation CRTC 2025-94-1 (Changes to procedure).

²⁴ Ontario Energy Board, Intervenor cost awards, online: <<https://www.oeb.ca/stakeholder-engagement/intervenor-information/intervenor-cost-awards>>.

²⁵ OBSI, “How We’re Funded,” online: <<https://www.obsi.ca/en/for-consumers/how-were-funded/>>. Also see: OBSI, Participating Firm Fees, online: <<https://www.obsi.ca/en/for-firms/participating-firm-fees/>>.

²⁶ OBSI, “How We’re Funded,” online: <<https://www.obsi.ca/en/for-consumers/how-were-funded/>>.