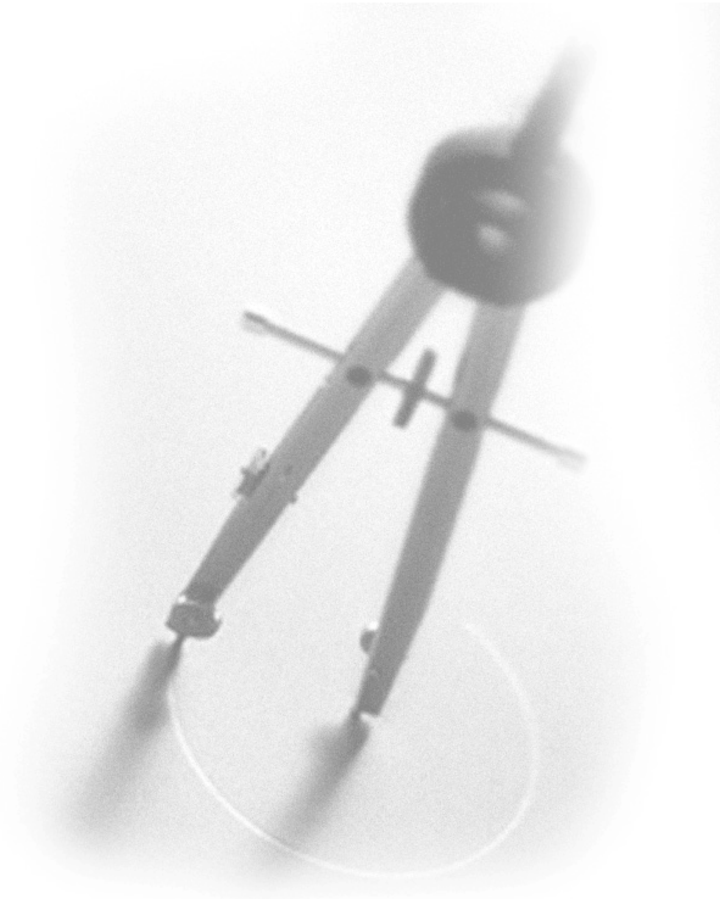
crkhoury



Independent Evaluation of Ombudsman for Banking Services and Investments (OBSI)

July 2026

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1. Introduction

Background

1. OBSI is a national, independent and not-for-profit organization that helps resolve and reduce disputes between consumers and participating firms in both English and French. OBSI's services are free of charge for consumers.

2. Canadian banks, federal credit unions and regulated investment firms (other than firms operating exclusively in Quebec) are required to be members of OBSI. OBSI also provides services to other financial services sectors including provincially-regulated credit unions – all credit unions in eastern and western Canada and a growing number in Ontario.

3. In the case of banks and federal credit unions, OBSI became the sole external complaints body (ECB) on 1 November 2024. For this mandate, OBSI's obligations are principally set out in the Bank Act and OBSI is overseen by the Financial Consumer Agency of Canada ("FCAC").

4. OBSI's investments mandate is overseen by the Canadian Securities Administrators ("CSA"), an umbrella organization of the provincial and territorial securities regulators. For this mandate, OBSI's obligations are primarily set out in a Memorandum of Understanding (MoU) agreed between OBSI and the CSA.

5. To meet these obligations, OBSI operates under Terms of Reference developed in consultation with stakeholders including regulators. These Terms of Reference repeat Bank Act and MOU requirements that OBSI submit to an independent third-party evaluation every 5 years.

6. crkhoury (CRK) has been appointed to undertake the 2026 independent evaluation. We are an Australian based consultancy with extensive experience undertaking independent evaluation of external complaints bodies, particularly those operating in the financial services industry. Our review criteria and approach were subject to OBSI consultation with the relevant regulators.

Review aims

7. We have been asked to review:

   - Whether OBSI is fulfilling its obligations as outlined in section 627.49 of the *Bank Act*, as well as the FCAC *Mandatory Reporting Guide for External Complaints Body*;
   - Whether OBSI is fulfilling its obligations as outlined in the MOU between the Participating CSA Members and OBSI; and,
   - Whether any operational, budget and/or procedural changes in OBSI would improve OBSI's effectiveness in fulfilling the provisions of the Bank Act and/or the MOU and/or recognized best practices for financial services ombudsmen. To this end, we are asked to:

- Report on progress towards the recommendations from the previous independent Review of OBSI (banking and investments) conducted in 2021 by Professor Puri and Ms Milivojevic (the 2021 Reviews and Reviewers).
- Evaluate OBSI's operations with reference to its terms of reference, internal policies and procedures, fairness statement, and loss calculation methodologies. (A detailed assessment of loss calculation methodologies employed by OBSI is not required.)
- A high-level benchmarking exercise that compares OBSI to other financial services ombudsman schemes or equivalent in comparable international jurisdictions both operationally and with respect to OBSI's general organizational approaches to matters such as accessibility and transparency.
- An analysis of OBSI governance, including particular reference to stakeholder representation on OBSI's board of directors. A highly detailed analysis of OBSI's governance is not required.
- An analysis of the reasons for settlements below amounts recommended by OBSI.

8. Attachment B sets out our evaluation criteria in full.

Review process

9. Our work has included:

- A review of OBSI's website including information for consumers and for industry, OBSI's constituent documents, past Annual Reports and other publications
- A review of OBSI internal documents including policies and procedures, guidance for staff handling complaints, data about complaints, internal reporting to monitor complaints
- Process walk-throughs by OBSI staff
- A review of OBSI's case management system records for 94 complaints closed within the past two years
- Consultation with OBSI's external stakeholders including regulators, industry and consumer advocacy groups
- Provision of an online comment survey
- A few interviews with former complainants to OBSI plus review of OBSI survey results.

10. For our closed complaint review, we ensured that our sample spanned a range of complaint issues and complexity, a range of OBSI investigators and the full range of possible complaint outcomes. Within those categories, complaints were randomly selected.

11. Our approach to reviewing cases was to test whether OBSI's processes and resolution approach were appropriate and met international good practice. As for the 2021 Reviews, our focus was not whether we agreed with all OBSI findings but rather whether OBSI collected the relevant information and its conclusions reasonably flowed from the evidence.

Reporting

12. The 2021 Reviewers provided an evaluation report for OBSI's banking mandate and a separate report for its investments mandate. We have been asked to provide a single report covering all OBSI's activity. We have found that for the most part OBSI has been able to devise an ECB approach that can apply across all of its industry sectors. In this report, we have generally used the term "participating firm" when referring to the firms that utilise OBSI services, regardless of sector. Where an observation or recommendation applies only to one sector, we have mentioned this in the text.

13. OBSI has a 31 October financial year end. In our report, we refer, for example, to data for the financial year ending 31 October 2024 as 2024 data and for the financial year ending 31 October 2025 as 2025 data.

2. Executive summary

14. We found a well organised, professionally managed, and highly motivated financial ombudsman service that we assessed as comparable in capability with other schemes we have worked with. Naturally, there are differences and OBSI's strengths and weaknesses largely reflect its unique circumstances and the Canadian environment.

15. OBSI operates within a detailed framework of regulatory obligations set out in the Bank Act and the MoU with the CSA (amongst other instruments). We found that OBSI met its Bank Act and MoU obligations.

16. Particularly last year OBSI was heavily occupied with building capability to handle a surge of banking complaints and a major increase in inquiries. The resulting significant expansion of its staff highlighted the need to uplift some enabling capabilities, including training and development, knowledge management, quality assurance and its case management system.

17. Over the review period, the surge in workload has impacted OBSI's timeliness and in particular resulted in delay in the last 3 years in assigning complaints to investigators. We saw a range of efficiency measures being applied to reduce the backlog and improve timeliness but the backlog continues to be a problem.

18. We found that OBSI's management was a significant strength and that the senior team are dealing with the workload pressures and the associated change in a calm, methodical way. We also found that the workplace culture was highly positive, with most staff, unprompted, nominating both management and culture as the best things about working at OBSI.

Stakeholder input

19. Industry stakeholders provided us with feedback that was often quite positive, but also raised issues with cost and efficiency. Some industry stakeholders also raised a few specific aspects of OBSI's complaint handling, including consistency of decision-making and investment loss calculation. A couple expressed a view that OBSI should 'stay in its lane', retaining a narrow focus on individual complaints alone, avoiding public statements, avoiding promoting its availability and any activity that looks like straying into quasi-regulatory territory.

20. Consumer stakeholders, including individuals and organisations, made a great many contributions to our Review. Some of these went to specific aspects of OBSI operations, including suggestions for improving OBSI mechanisms for engagement with consumer advocates.

21. Many other criticisms were made of participating firms' internal dispute resolution, of regulators, particularly in the investments industry and a significant proportion expressed a lack of confidence in the whole Canadian consumer protection regulatory framework including the effectiveness of OBSI independent reviews. While we have generally reported these concerns where relevant to our examination, we have confined our recommendations to what we think is our remit.

22. We think this general lack of confidence in Canadian consumer protection expressed by consumer advocates has spilled into criticisms of OBSI and what we think are somewhat unrealistic expectations of what a financial services ombudsman scheme can influence and how robust its public stances can practically be.

23. An issue well-ventilated by consumer advocates was the long-running process for implementing binding authority for OBSI in dealing with complaints in the investments industry. While we are aware that there is a consultative process on foot, it was plain that consumer advocates viewed the delay with scepticism and suspicion and were concerned that the apparent resistance from many was undermining OBSI's ability to meet its objectives. We supported a speedy implementation.

24. Our online survey did not attract a large number of responses, so rather than reporting separately on the results, we have combined the feedback from the survey into our other observations from consultations.

OBSI operations

25. The body of our report examines OBSI's powers and its principal functions.

26. We make a number of detailed observations and recommendations relating to the various steps in OBSI's complaint handling processes. Overall, we found the OBSI processes to be sound and well managed. Most of our observations and the recommendations are for minor adjustments in approach – refinement rather than radical change.

27. We found that OBSI makes significant effort to make Canadian consumers aware of its services, however, OBSI, consumer advocates, regulators and industry generally conceded that this awareness would be uneven and should be greater. Consumer advocates in particular were much concerned that participating firms were not doing all they could to assist consumers to find and go to OBSI.

28. We found that OBSI does provide consumers, particularly those with difficulties in framing their own complaints (language barriers, financial literacy, communication limitations, seniors, etc) with assistance where needed.

29. We found a few examples amongst our case file reviews where we thought OBSI was too strictly applying the rule only allowing consumers to access OBSI within 180 days of the final response from the participating firm, as well as the overall six year limitation period (from when the consumer ought to have known of the problem). We made recommendations as to these concerns.

30. In our case review, we found some examples where OBSI's policy or internal guidance was not as consistently applied as we would have liked to see, for example, when assessing the credibility of oral information. While this is to be expected with a relatively inexperienced workforce, we have made some detailed recommendations for OBSI's consideration. We have also recommended an audit of OBSI's internal case handling guidance and updating of aged guidance.

31. We also found that the absence of binding authority has resulted in something of a protracted negotiation process with the participating firm once OBSI has reached a preliminary view on

the merits of a complaint. We think that the complainant should be more involved in this process. We have made recommendations addressing this.

32. The OBSI upper monetary limit for compensation is still $350,000, 24 years after being set. This is out of step with international comparisons, has been the subject of several recommendations by past reviewers and was raised with us by stakeholders many times during our Review. We have recommended in our Review that this be finally dealt with.

33. We found OBSI's reporting of potential systemic issues to be somewhat tentative or perhaps cautious. We think that a more open, willing approach would be more effective and strengthen stakeholder confidence in OBSI.

34. OBSI is in the process of redeveloping its Reconsideration process. We were supportive of the directions for redevelopment we heard from OBSI, as we had observed that the mainly older matters we had reviewed did not provide the consumer with sufficient confidence that there had been a genuine review.

OBSI accountability

35. We have made some suggestions to improve OBSI's reporting.

36. We found the OBSI governance framework to be effective and that compares well with international experience. We have made a suggestion for its future composition.

Resources, fees and costs

37. OBSI has a strong focus on efficiency and productivity and is tackling these challenges in a number of ways, including training and developing its comparatively inexperienced staff cohort, improving the resources, tools and templates available to staff, strengthening its knowledge management and quality assurance approaches, innovating with the complaints process, commencing a redevelopment of the case management system and embedding modest monetary incentives for productivity in the staff performance evaluation framework.

38. None of these initiatives are overnight tasks and some patience will be required to see the benefits flowing into reported performance.

39. We provided a high level comparison of OBSI with other financial sector ombudsman schemes which showed some similarities and some key differences.

40. Overall, we found OBSI to be appropriately resourced and that it has a funding arrangement that is allowing it to respond to a surging workload. We also think that all the indicators suggest a continuation of this workload expansion. Given the already heavy criticism from industry of OBSI's efficiency, we think a continuing expansion of the organisation will require greater effort from OBSI to inform and engage with participating firms and we suggest some key areas of focus.

3. Context and considerations for the Review

41. Any assessment of an ombudsman scheme must consider the environment in which it operates, including the nature of the complaints, the legislative and regulatory framework, the level of support from participating firms, local culture and attitudes to complaining and other current issues. Needless to say, these vary considerably across sectors and between countries.

42. Added to the external environment is the internal context, which can include maturity of the organization, the level of investment it has made in systems, experience of its workforce and leadership, its ability to recruit and retain skilled staff and the type of growth it has experienced.

43. Inevitably, by the time we formally commence a Review, through prior knowledge, the submission process and background reading, we come to the Review with some expectations of particular areas of interest – discussed and flagged below.

Canadian jurisdiction

44. Canada has a unique system of government – with authority split between a federal government and multiple provinces and territories - resulting in a much less clear policy and regulatory authority and 'voice' than exists in (say) the United Kingdom or even Australia which also has a federated system of government, but where financial services regulation has been voluntarily ceded as a federal government responsibility. This can be a critical factor in the 'stance' taken by a financial services ombudsman scheme. In our experience the authority and confidence of the scheme depend heavily on the consumer protection legislative framework and overt support and backing provided by the relevant regulators. (We are aware that OBSI has had quite some support from Canadian regulators, however it is evident that the regulatory 'voice' is not as clear as in other comparable countries.)

45. While we do not have readily comparable data for the numbers of Canadian consumers who complain to their participating firm (internal dispute resolution or IDR stage of the complaints process), it is clear that Canadians escalate unresolved financial services complaints to their ombudsman scheme at a significantly lower rate than in comparable countries. Our approximate figures (see Figure 15) show between 1/8th and 1/25th the rate. We noted from the FCAC Industry Review: Bank Complaint Handling Procedures, their view that complaints are likely significantly under-reported, in particular 'frontline' complaints and their view that a very large proportion of banking consumers abandon their complaint at some point during its time with the bank.

46. We have of course, previously worked in Canada and over time have been offered a number of theories that aim to explain this stark difference. These have included that:

- Canadian firms do a much better job of looking after their customers than do those in other countries
- Culturally, Canadians don't like to complain
- Canadians are more trusting

- The Canadian consumer protection framework (legislation and regulation) is too weak
- Fragmented regulation reduces consumer confidence and clarity about where and how to escalate a complaint

47. We are neither qualified nor do we have access to relevant research to judge these things, but given the significant differences in consumer behaviour, we are inclined to think that there may well be one or more of these reasons at play. That said, it was clear from our pre-review reading that despite jurisdictional differences, international comparisons would be very important to the Review, and that Canadians expect to have a world-class financial system, including a world-class financial services ombudsman scheme.

48. From these initial considerations, we began our review with a specific interest in international comparisons.

Specific interest area for the Review – international comparisons

OBSI growth

49. OBSI has some 1500 participating firm members, and although all benefit indirectly from their membership, fewer than 200 will typically have direct engagement with OBSI over consumer complaints in any given year.

50. OBSI has experienced significant growth in volumes of inquiries and complaints over the Review period, increasing from around 7,500 inquiries in 2021 to over 26,000 in 2025 and from around 1,100 complaints in 2021 to over 6,000 in 2025,

51. In 2025, there was a particularly large surge in volumes, following the government's reversion to authorising OBSI as the single ECB for banking and federal credit unions and the re-entry to OBSI of some of the largest banks in Canada. In that year, OBSI opened 5,438 banking complaints, a 113% increase from 2024 volumes. Investment complaints provided no respite, growing albeit modestly by 3%.

Specific interest areas for the Review – OBSI management's handling of the growth in workload and increased staffing, in particular attention to consistency of case outcomes, training and quality assurance. Also, stakeholder perspectives of efficiency and costs.

Binding authority

52. Having first recommended that OBSI needed binding authority in 2011 ourselves and having observed the 2016 and 2021 Review recommendations for binding authority, we had been aware from a distance, of the CSA proposal in late 2023 to finally implement binding authority.

53. We were also aware that the consultation on design and implementation of the binding authority framework for the investments industry has taken more than two years thus far and is slated by the securities regulators to be completed in the near future. We note that as each of the participating provincial and territorial governments will need to pass legislation

giving effect to the proposal, achieving binding authority across Canada is still some distance away.

Specific interest areas for the Review – evidence of impact of absence of binding authority along with stakeholder perspectives (while maintaining sensitivity to current consultative processes)

Management and enabling support

54. Although rarely a major part of the formal obligations on an ECB, as part of our approach, we take a particular interest in the critical enabling functions that go to support the core work of inquiries, investigations and communications. These functions include organization-level management, human resources and training capacity, financial management, member services, technological support, knowledge management, continuous improvement, quality assurance and so forth.

55. We also came to the Review with a particular interest in the OBSI core technology systems. In our experience, OBSI was a leader amongst financial services ombudsman schemes a decade ago when it implemented the systems it largely works with today. We expected to see some signs of stress, both from the age of the systems and the expansion of numbers of users.

Specific interest areas for the Review – effectiveness and maturity of enabling functions and the extent to which they have been adapted to the growth in workload and staffing

Governance

56. In all of our independent Reviews of ombudsman schemes, a key contextual factor is the extent to which the scheme has implemented the accepted prior Review's recommendations. One of the key recommendations from 2021 was for a separate governance review – which was completed and made some quite significant changes to composition of the Board and change to the channels to be used for engaging with key stakeholders (principally replacing the former Consumer and Investor Advisory Committee (CIAC) with at least two additional Consumer Interest Directors).

57. While a highly detailed analysis of OBSI's governance was not required in our Review (given the previous thorough review), we were conscious that these changes could be a significant contextual factor.

Specific interest areas for the Review – stakeholder perspectives of OBSI governance

4. Stakeholder perspectives

58. We were much supported in our Review by stakeholder input, for which we are very grateful. Where appropriate to the specific topic, stakeholder views may appear in the body of the report. We found however, that much of the stakeholder input we received related to the framework within which OBSI operates, rather than matters that are reasonably under OBSI control.

59. Given the importance of OBSI fully carrying out its role within that overall consumer protection framework and the need to understand stakeholder expectations – we discuss the high level themes we received below.

Consumer and consumer advocate views

60. We received quite a number of written submissions (24+) from consumers and consumer advocacy organizations in response to our request for stakeholder comment.

61. These submissions and consultations/interviews provided feedback about OBSI's operations, including its timeliness, its stance on applying its mandate, its transparency, its engagement with consumer stakeholders, its reporting of systemic issues, its thought leadership, etc. The consumer view of these matters are generally addressed in each of the sections within the Report.

62. Many of the consumer submissions and consultations/interviews raised concerns that were outside OBSI's purview and outside the scope of our Review. These included: concern about failings in participating firms' internal dispute resolution practices and concerns about wealth management and estate planning services and products offered by firms that are not required to be members of OBSI.

63. A number offered criticisms of the government and regulatory framework and urged reforms to legislation and to the powers and conduct of Canadian regulators. Still others criticised the OBSI external review process itself, complaining that the reviews are too restricted in scope, that insufficient time is provided and that reviewers' recommendations are not listened to. In a couple of cases, advocates presented well researched and articulated proposals calling for a much broader enquiry into consumer protection in the financial services sector, such as a Royal Commission.

64. Financial services firms' approach to consumers came in for strong criticism, with concerns over:

- the length of time given to firms to deal with complaints,
- the high rates of complaint attrition,
- confusing escalation steps,
- low-ball settlement offers, and
- overly restrictive non-disclosure agreements being imposed on consumers.

65. We also heard some criticism of the differences between the treatment of complaints by banks and investments firms. An example is the 90 day period for internal dispute resolution for investments complaints (compared with 56 days for banking). This is clearly a matter for regulators, but we cannot help but note that most other jurisdictions have common time limits for all types of complaints they deal with – and they are significantly shorter than in Canada (often 30 days).

66. Another theme that came through strongly was unfavourable comparisons with consumer protection legislation and regulation and with financial services ombudsmen schemes in other countries – and in particular in the United Kingdom and Australia.

67. Some feedback was broader still, with reference to government policy issues such as protection of Canadian banks from competition. We were directed several times to a North Economics analysis published in 2024 and which received some media attention, which estimated that the cost to Canadian consumers of government retail banking policies amounted to billions of dollars annually.

68. We understand what is driving these calls to much broader action and we are of course, obliged to consider what stakeholders communicate to us. We are also conscious that to be fair in our evaluation, we must take into account the framework within which OBSI operates – ie. is OBSI doing the best it can within the constraints of its operating environment? And, of course, we are also limited to our Review's terms of reference. In this Report, where relevant, we have discussed what we heard from stakeholders (consumer and industry), however in responding, we have confined our recommendations to those matters that are within our scope.

Participating firm views

69. We were a little disappointed in the level of interest in our Review we received from participating firms and industry associations, a total of 5 submissions and a dozen or so survey responses. That said, it seemed that this signalled a level of satisfaction, or at least no significant dissatisfaction, with many aspects of OBSI's effectiveness. Industry submissions were mainly submitted as confidential, so they were very useful for us, but not as visible to other stakeholders.

70. The key themes that came through from industry in our discussions and in the submissions and survey responses centred around cost-efficiency, timeliness and consistency of treatment of complaints. We also received a few lingering complaints about OBSI's approach to investment suitability complaints/ loss calculation and about bias in favour of complainants. These have been discussed in the body of the report.

71. We also received a handful of stronger outlier views arguing that OBSI should 'stay in its lane', should not promote its existence/availability, should not contribute to public policy consultations, should not have a role in educating consumers and should have a more constrained role in reporting to regulators. Again, we have discussed these issues in the body of the report.

Regulator areas of interest

72. Our discussions with regulators were held early in our Review and focused on our methodology and on any particular issues that regulators were keen to see us address. Regulators were well aware of the main industry and consumer advocate concerns about OBSI and expressed interest in our ability to cast light on these.

73. They also indicated strong interest in our ability to provide comparative observations with other countries' financial services ombudsman schemes. Regulators were very supportive of our Review and offered us assistance with information or explanation if needed.

5. Overview of OBSI complaints handling

Current process design

74. A consumer who is dissatisfied with their participating firm can contact OBSI to seek assistance. They can do this using OBSI's website Consumer Portal and completing OBSI's online complaint submission form. Alternatively, they can submit a complaint by mail, over the phone using OBSI's toll free number or by fax.

75. OBSI's Case Assessment Team responds to consumer contacts and provides guidance as to the complaint resolution process and assesses whether the complaint is within OBSI's mandate. To help assess mandate, the complainant is asked to provide the participating firm's response to their complaint (if this is available and has not already been provided).

76. For complaints that are within mandate, the consumer is asked to provide their written consent to OBSI communicating with the consumer's firm about their complaint. The consent includes a tolling agreement which, to the extent permitted by applicable law, suspends the limitation period for the complainant while OBSI reviews the complaint. The participating firm is also asked to provide relevant documents including confirmation that the IDR period has ended (if the complainant has not provided the firm's complaint response).

77. Once the consent and all relevant documents are received from the consumer and the participating firm, the complaint is placed in a queue for assignment to an investigator in OBSI's Investigations Team. In doing so, the Case Assessment Officer may identify that the case would be suitable for an expedited investigation as per OBSI's *Expedited Investigations* guide– in which case it may be referred to an appropriate investigator for this.

78. Once assigned, the investigator is responsible for investigating and fairly resolving the complaint. This can be done by:

    - facilitating a settlement,
    - closing the complaint if unmeritorious or a fair offer has been made by the participating firm, or
    - making a recommendation as to what compensation the participating firm should provide to the consumer.

79. The legislative framework does not currently bind a participating firm to comply with an OBSI compensation recommendation (something Canadian securities regulators have been reviewing). Whilst a participating firm will generally do so, sometimes the participating firm may endeavour to settle for an amount less than OBSI's recommendation. Where this happens, OBSI reports this to the relevant regulators.

80. If a settlement is not reached by the parties (whether on OBSI's recommended basis or some other basis), OBSI will prepare an investigation report. Both the complainant and the participating firm have the opportunity to respond to this before OBSI finalizes the report. A finalized investigation report, naming the participating firm, is reported to the firm's regulators and published on OBSI's website.

81. If the consumer is unhappy with OBSI's resolution of their complaint (e.g., because it is closed as out of OBSI's mandate or with no recommended compensation for the consumer), the consumer has a 30 day window from the date of OBSI's decision within which they may ask for a reconsideration (and the availability of this option is drawn to their attention in any case where the consumer might reasonably object). To do so, the consumer must either produce new evidence or identify something that the consumer considers OBSI got wrong. A reconsideration request is considered by an OBSI Reconsiderations Officer who is a senior investigator who must not have been involved in the previous handling of the complaint. A Reconsiderations Officer may affirm or change the outcome or remit a complaint for further investigation. The decision of the OBSI Reconsiderations Officer is final.

Figure 1 OBSI complaints process

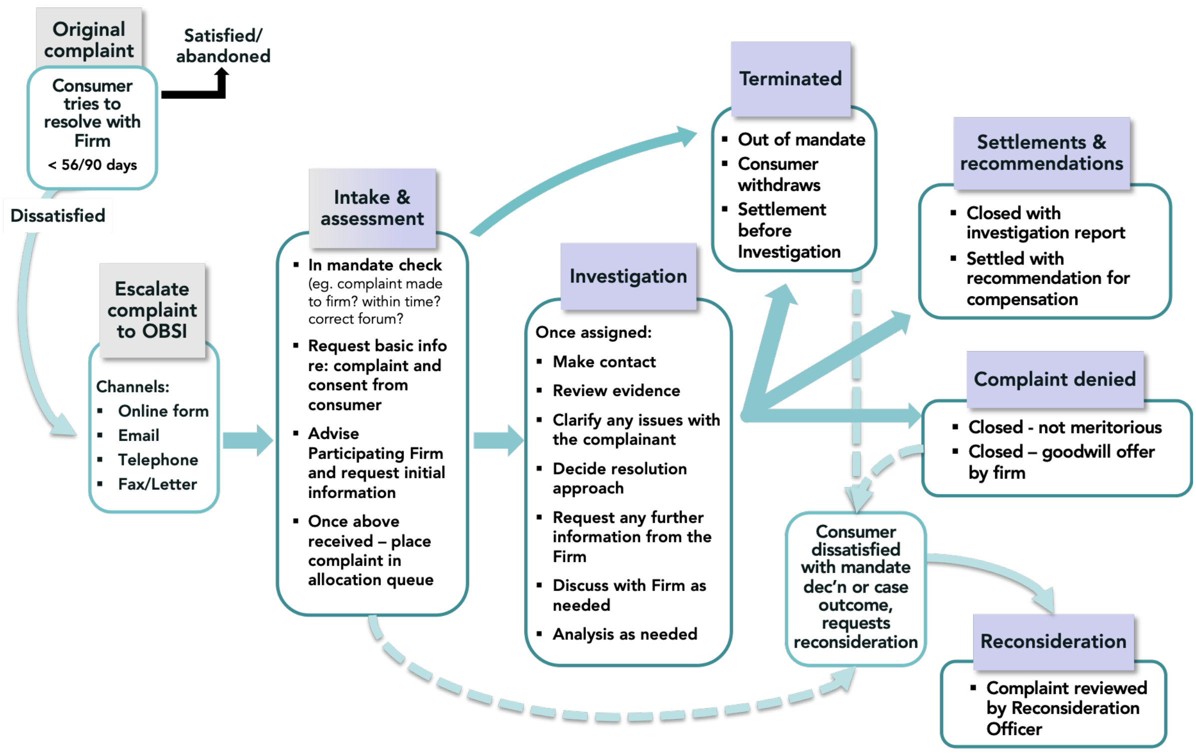
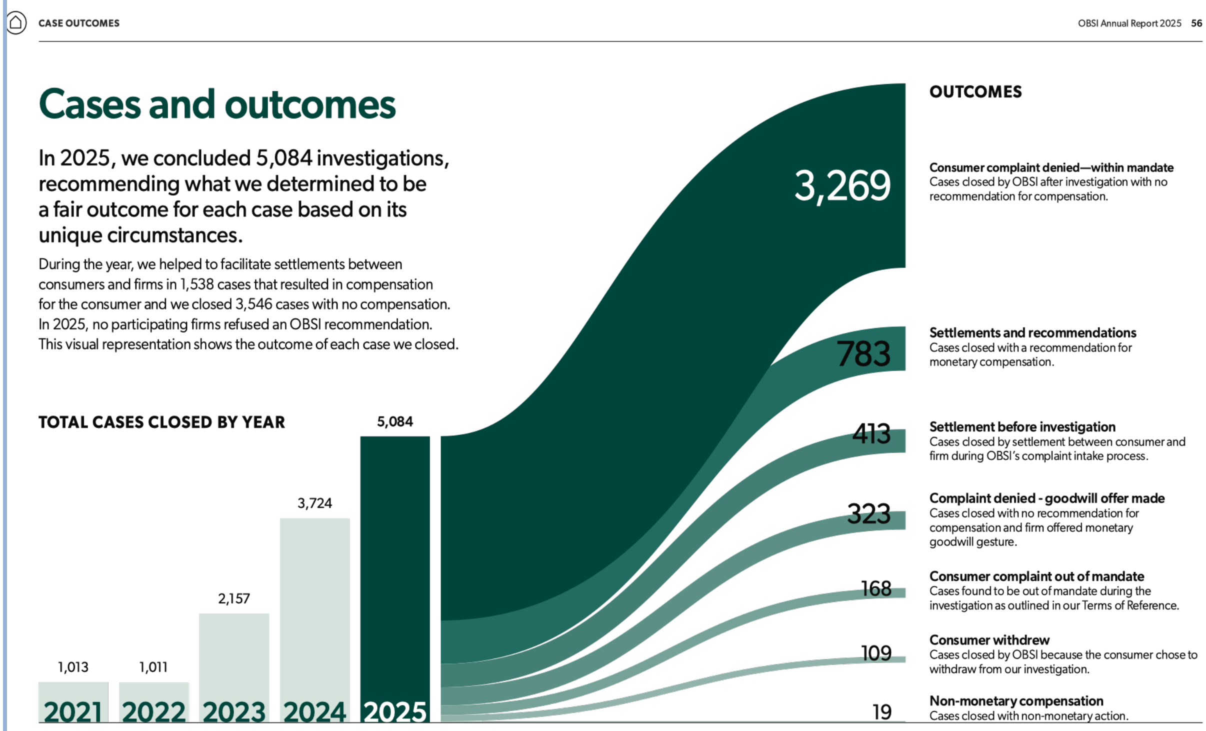


Figure 2 Cases and outcomes - from OBSI



82. Within OBSI, generally all Case Assessment Officers and most Investigators handle both banking and investments complaints. This enables a more flexible workforce than would be the case if greater industry sector specialisation occurred. This has been particularly important as the balance between banking and investments complaints has rapidly changed.

Process improvement

83. During the period since the 2021 Reviews, OBSI has continued to evolve its processes. Improvements have included the launch of the consumer portal and the participating firm portal, automating its online complaint intake process, introducing its expedited investigations fast track process and enhancing its quality assurance program.

84. Most recently, in November 2025, OBSI launched a pilot project designed to encourage participating firms to resolve complaints directly with consumers as early as possible in the OBSI process. This proactive resolution initiative recognised that early resolution can enhance consumer satisfaction and reduce resource demands on consumers, participating firms and OBSI alike.

85. In January 2026, OBSI reported that the pilot had shown:

- a moderate increase in the number of cases resolved before investigation
- a moderate increase in the time elapsed during the case intake process for cases that are not resolved proactively

- moderately positive feedback from participating firms and OBSI intake staff but a sense that further time is required to fully assess the operational impacts of the initiative insufficient data as yet from consumer satisfaction survey results, but largely positive anecdotal reports from consumers involved in the proactive settlement process.

86. As of the date of this report, we understand that OBSI's further analysis has confirmed the January findings and additionally noted positive consumer satisfaction. Accordingly, OBSI management will be recommending to OBSI's Board a permanent adoption of the early resolution process and attendant fee arrangement.

Complaints about OBSI

87. As for all financial services ombudsman schemes, OBSI receives some complaints from consumers about the service it provides. Where a complaint alleges that OBSI has not complied with its obligations, for example, has exhibited bias, OBSI classifies this as a compliance complaint (typically about 50 per year). Other complaints are classified as service complaints (currently 80 to 90 per year).

88. Participating firms tend not to use this formal complaint avenue but instead will raise any concerns they may have with their OBSI contacts.

6. Accessibility

Bank Act obligations

The external complaints body shall:

- *make its services available across Canada in both official languages and offer those services free of charge to persons who make complaints to it;*

MoU Obligations:

- *OBSI should promote knowledge of its services, ensure that investors have convenient, well-identified means of access to its services, and provide its services at no cost to investors who have complaints*

Recommendations from 2021 Reviews of OBSI

- *For banking complaints, OBSI should work with FCAC to require banks to provide link(s) to the "Make a Complaint" section of OBSI's website (as well as to other important sections, such as the upcoming video-related page) to consumers who go through the internal complaint process and do not get a satisfactory result. Written materials should still be distributed; this will ensure multiple modes of communicating the information and will ensure that those without email/computers still receive written OBSI information.*
- *OBSI should continue to produce core materials for consumers in languages in addition to English and French, to the extent possible within resource constraints.*
- *For banking complaints, OBSI should take measures to reduce consumer attrition. FCAC and OBSI should convene a dialogue with banks to determine measures to reduce attrition for consumers who receive a negative determination from the bank. OBSI should also work with consumer groups and CIAC to determine how to reduce attrition.*

Scope of Chapter

89. This Chapter reports on the work that OBSI undertakes by itself and with participating firms to make its complaint handling service accessible for consumers.

90. We heard some industry submissions that Canadians are sufficiently aware of OBSI and there is no need for OBSI to spend time and money on increasing awareness. We do not agree. OBSI's general community surveying suggests only 10% to 15% of the public are aware of OBSI. The Osgoode Investor Protection Clinic, a service that provides free legal advice and services to vulnerable Canadian retail investors, has also confirmed that their clientele have low awareness of OBSI.

91. It is accepted internationally and reflected in multiple ombudsman scheme standards, that awareness building is important work for an ombudsman scheme. We also take on board Consumers Council of Canada's submission to our Review that this work is of particular

importance for OBSI given that their existing complaint volumes appear to be very low in the context of the size of the market.

Awareness raising by firms

92. Both banks and investment industry participants are obliged to notify clients in their internal dispute resolution final response letters about the client's right to escalate their complaint to OBSI.

93. Some participating firms provide an internal appeal mechanism for dissatisfied complainants. Where a complainant elects to use this mechanism, there is no extension to the prescribed timeframe for a final response to the complaint.

94. Consumer advocates argued strongly that the use of internal escalation points (formerly known as Internal Ombudsmen) typically named something like Consumer Complaints Appeals Office or similar, is dragging out internal complaint handling and confusing consumers with respect to their option to go to OBSI. The advocates cited examples of poor wording that they interpreted as aimed at discouraging consumers from direct access to OBSI.

95. During our review of closed complaints, we saw a number of banking firm final response letters that we felt lacked precision in the information they provided about escalation to OBSI. (This was not something that we observed in our review of closed investment complaints. Moreover, we understand that some investment firms are obliged to provide a standardised brochure that explains the consumer's rights to go to OBSI.) Problems that we saw included:

- Letters stating "OBSI reserves the right to decline requests after six months from escalating to [our internal appeal office]" or "OBSI will consider complaints bought to it within six months of the date of the substantive response". In fact, the timeframe is 180 days not 6 months – and time runs from the final response letter not the date of escalation to the internal appeal office.
- Letters stating: "I suggest (or recommend) you contact them [OBSI] within 180 days from the date of this letter as they reserve the right to decline any investigation after that time." In fact, OBSI's current practice is to refuse to take on a complaint that is made outside the 180 day window save in very limited circumstances - see Chapter 8 for discussion as to this.
- Other letters failed to mention the timeframe within which escalation to OBSI must occur.
- If OBSI identifies that a participating firm's response letter to a complainant does not accurately and clearly inform a complainant about their right to go to OBSI and the timeframe within which they need to take action if they want to do this, we think that it is important that OBSI raise this with the participating firm. Where there are repeat instances or a refusal to respond to concerns raised by OBSI, this should be reported to the relevant regulator as a potential systemic issue.

Recommendation 1.

That, if OBSI identifies that a participating firm's internal dispute resolution response advice to a complainant does not accurately and clearly inform a complainant about their rights to go to OBSI and the applicable escalation timeframe, OBSI should raise this with the participating firm. Where there are repeat instances of this or a refusal to respond to OBSI concerns, OBSI should report these to the relevant regulator as a potential systemic issue.

Digital awareness raising

96. As noted in the 2021 Review Reports, OBSI has been active on social media platforms for some time.

97. Representing an increase in sophistication, in the last few years, OBSI has begun using the Google Ad Grants program and paid advertising to expand its presence on LinkedIn, X (formerly Twitter), Google and YouTube. It has also undertaken search engine optimization activities to enable OBSI's website and YouTube videos to be found more easily. These strategies have been to considerable effect, responsible in 2025 for more than 60% of traffic to OBSI's sites and more than 6.5 million views of OBSI short videos explaining its role and work.

98. This meets OBSI's obligation to promote awareness of its services, achieving a reach that is relatively low cost. OBSI's surveying in 2025 found 14% of respondents were aware of OBSI (an increase from 10% in 2024) and 22% were aware that there is an ombudsman (an increase from 19% in 2020 and 2021). We would expect that OBSI's status as the sole ECB for banking will help to further increase awareness.

Website resources

99. OBSI's website is the primary channel for communicating with the public. It provides a range of resources to assist consumers including a form that consumers may use to submit their complaint, short videos such as 'Can OBSI Help?', a 10 step explanation of OBSI's complaints handling process, a list of consumer information and help services, links to provincial securities regulators, investor education resources and additional resources for seniors. There are also Frequently Asked Questions and information about what consumers can expect from OBSI. The website displays in English and French and translates to more than 100 other languages.

100. OBSI analysis has found that website users, active browsers and pageviews have all increased significantly over the review period, underscoring the importance of the website.

101. To enhance the visibility of OBSI's complaint form and video, the 2021 Reviewers thought that bank websites should provide links to these resources – and that OBSI should work with FCAC to achieve this.

102. After the 2021 Review, OBSI raised this recommendation with the FCAC which issued new complaint handling guidelines for banks that came into force on 30 June 2022. Whilst these made a number of important changes that have enhanced consumer experience of banks' complaint handling, the new guidelines do not require bank websites to link to OBSI's website. We would encourage OBSI to continue to discuss this matter with the FCAC.

Avenues for contacting OBSI

103. OBSI facilitates access to its services by providing consumers with the range of contact options that are usual for external complaints bodies. OBSI's website portal is the most efficient contact method for OBSI. However, email and phone continue to be commonly used contact methods for consumers.

Figure 3 Consumer contacts in 2025

Method of contact	Number and percentage of contacts
Email	13,871
Fax	173
Mail	228
Phone	5,707
Walk-in	26
Web	6,019
Total	**26,024**

104. Consistent with its Bank Act and MoU obligations, OBSI makes its services available free of charge, across Canada, in both English and French.

Demographic analysis of consumers using OBSI's services

105. OBSI undertakes demographic analysis of users of OBSI's services to identify populations that it may not be adequately serving.

Figure 4 Consumers who opened a complaint with OBSI in 2025

Measure	OBSI population	Canadian population
Gender – men/ women (gender diverse 1%)	55%/ 43%	50%/ 50%
Employed	65%	59%
Aged 50 years +	49%	48%
Post secondary educated	80%	67%

Married	46%	44%
Median annual household income	$60,000 to $80,000	$84,000
Visible minority	26%	27%
Rural and remote located	12%	18%
Physical disability	4%	27%

106. As is the case with other financial services ombudsman schemes with which we have worked, this shows some under-representation of less well-educated Canadians and those with a physical disability. Consumer advocates, regulators and a few participating firms expressed the view that consumers without French or English language competency would also be under-represented.

107. This is notwithstanding that OBSI has an Accessibility Policy and provides training to OBSI staff with a view to promoting accessible customer service to persons with disabilities. Its program of planned work to prevent and remove accessibility barriers has included updating OBSI's website to WCAG 2.0 Level AA requirements. We encourage OBSI to continue to assess the demographic groups using its services with a view to targeting its awareness raising to where this effort is most needed as much as possible.

Consumer attrition

108. A number of consumer advocate submissions expressed concern about consumer attrition from the participating firm to OBSI – that complaint fatigue causes a 'drop off' at the IDR stage of the complaints process preventing some meritorious complaints from ever arriving at OBSI.

109. This is not a new concern. It was canvassed in the Banking 2021 Review Report with particular reference to banks' often multiple stages of complaints handling. The 2021 Reviewers recommended that OBSI and FCAC should convene a dialogue with banks to determine measures to reduce attrition for consumers who receive a negative complaint outcome from their bank.

110. As already noted, the FCAC has since issued new complaint handling guidelines for banks that came into force on 30 June 2022. These introduced a number of measures to hasten the IDR process and improve banks' complaint handling – and thereby to reduce consumer attrition – including a 56 day IDR timeframe, after which the complainant may access OBSI. We understand, however, that consumer attrition is still very much on the FCAC's radar and that the FCAC and OBSI continue to be in regular discussions about this (and other) matters.

111. For complaints that reach OBSI, consumer attrition rates seem low compared with financial services ombudsman schemes in comparable jurisdictions. In 2025, there were 203 instances of consumers failing to return a consent letter sent to them by OBSI (3% of consent letters sent to consumers). Of the 5,084 complaints that were closed by OBSI in 2025, 109 complaints were closed because the complainant withdrew (2.1% of total

complaints). By way of comparison, the Australian Financial Complaints Authority 2024-5 Annual Review reported 13% of complaints were discontinued or withdrawn by the complainant.

7. Consumer assistance

Bank Act obligations and prescribed requirements

The external complaints body shall:

- *make information available to consumers about their rights and responsibilities in relation to the external complaints handling regime, respond to their inquiries and requests for information and offer them assistance in making a complaint;*
- *inform the parties to a complaint about its terms of reference and procedures for dealing with complaints and, on request, provide the parties with any further information and assistance necessary to enable them to understand the requirements of those terms of reference and procedures*

Recommendations from 2021 Reviews of OBSI

- *OBSI should provide additional information in the standard consent letter and their What to Expect document, including:*
  - *Legal information about limitation periods for civil actions in each jurisdiction in Canada;*
  - *Reference to the "ought to have known" standard for limitation periods;*
  - *An investigation pathway/steps graphic; and*
  - *Better disclosure with respect to timing of the investigation, including the (120-day) target for completion and an estimated time for collecting documents.*
- *OBSI should ensure that it is adequately serving seniors by:*
  - *requiring special training for all existing (and then, as they are onboarded, all new) investigators on working with seniors (e.g., identifying diminished capacity).*
- *OBSI should always recommend that consumers file a police complaint when there is possible criminal misconduct.*

Scope of Chapter

112. This Chapter assesses the work that OBSI undertakes to assist consumers with inquiries and help them through the complaints process.

113. In submissions to our review, we heard different views about this work. Some industry submissions urged that great caution should be exercised by OBSI in assisting clients to make a complaint because assistance threatens OBSI's neutrality. On the other hand, consumer advocate submissions contended that this work is vital. As one submission put it, many vulnerable complainants face "intersecting barriers including limited financial literacy and investment knowledge, limited proficiency in English or French as well as unfamiliarity with the Canadian financial system. These barriers can make it difficult to identify issues and assemble the supporting documentation and meet the prescribed timeframes of the OBSI process."

Consumer inquiries

114. OBSI's Case Assessment Team handles the large number of inquiries received from consumers. In 2025, there were 26,024 inquiries, many of which we are told include multiple follow ups and exchanges of information to resolve.

115. OBSI's inquiries include many that have been misdirected to OBSI in which case OBSI provides information about who the consumer should contact. For complaints within OBSI's jurisdiction, the Case Assessment Team provide general information about the complaint process. Some 15% of consumers who contact OBSI are advised to contact their participating firm because they have either not begun or not allowed enough time for the internal dispute resolution process – in which case OBSI will provide guidance as to how to make that contact.

116. We are satisfied that OBSI's Case Assessment Team is resourced and trained to provide a sound assistance service for consumers.

Assistance to make a complaint

117. As described earlier in this report, OBSI assists consumers to make complaints by providing a number of avenues including phone, email and a webform.

118. For consumers who telephone OBSI, the staff will take down the details of the complaint for the consumer.

119. Where the complaint is made by webform, the complainant is asked to detail their complaint and identify the resolution they are seeking (list of options available). The form allows a representative to make the complaint on behalf of the complainant. Alternatively, the complainant may nominate someone to help them with the complaint. This might be a friend, family member or a paid representative such as a lawyer.

120. The form gives the complainant the opportunity to attach supporting documents, but this is not something that the complainant must do at the outset. From our review of closed complaints, it was apparent that many complainants send in relevant documents as a secondary step at OBSI's request. The Consumers Council of Canada in their submission to us recommended that OBSI adopt a plain-language initial intake process – we found that this is already the case.

Information provided to complainant about the complaint process

121. Where OBSI assesses that a complaint is within mandate, OBSI asks the complainant to sign a consent letter. This sets out in plain language what OBSI does and has a brief paragraph about OBSI's process. It provides a link to OBSI's website Terms of Reference and notes that the website also has more information about OBSI. The letter explains that OBSI's goal is a fair resolution and outlines the range of possible outcomes from OBSI's investigation and the complainant's ensuing options. It notes that there is a limitation period for taking legal action and that the complainant is strongly recommended to speak to a lawyer and ask about the time limit if the complainant is considering legal action at any stage – but that, to the extent permitted by law, signing the consent letter temporarily suspends the time limit to take legal

action until 30 days after the date of OBSI's final recommendation letter or close of its investigation. The letter also explains the confidential nature of OBSI's process.

122. OBSI's letter containing the consent to be signed by the complainant also includes a one page "What to Expect" document. This explains what OBSI needs from the complainant (complete and timely information, possible interview participation, respectful communications, confidentiality, no call recording, information about accessibility needs) and what the complainant can expect from OBSI (how the investigator will operate and once OBSI has reached an initial conclusion) and what OBSI can and cannot recommend.

123. We think that this information package meets Bank Act requirements and should serve complainants well. It achieves an appropriate balance between detail and readability.

124. The 2021 Review Reports made a number of recommendations for enhancement to the "What to Expect" guide. OBSI has not updated this guide and in its 2021 Review response stated that OBSI believes that its limitation period disclosures provide sufficient information without straying into legal advice. Also to add information about the limitation periods for each province would add undue complexity and length. We agree with this. We do, however, see value in a graphic about the investigation process and disclosure about the expected investigation timeframe as recommended by the 2021 Reviewers. But our Review did not hear any complaints from consumers or consumer groups about OBSI's information for complainants – and on that basis we have chosen not to make a specific recommendation as to this.

Investigator assistance to complainants

125. Once a complaint has been assigned to an investigator, the investigator will engage with the complainant, typically by phone, and keep the complainant abreast with progress.

126. As referred to in OBSI's *Policies and Procedures Manual* last updated in November 2025, a complainant may not have articulated the complaint issues well and sometimes the investigator will identify new or unaddressed complaint issues. Where this occurs, the investigator's role includes checking these matters with the complainant and helping the complainant to articulate their additional issues and then raising these with the participating firm. Depending on the firm's response, sometimes the additional issues are incorporated into the current complaint and sometimes they are dealt with as a separate complaint.

127. Some of the industry feedback we received was critical of the OBSI for doing too much in the way of assisting complainants, saying that this strayed into consumer advocacy and undermined the principle of Ombudsman neutrality. From our review of closed complaints, we are satisfied that OBSI's assistance to complainants does not prejudice OBSI's neutrality.

128. Our own experience of reviewing thousands of complaints in many jurisdictions and speaking to hundreds of complainants and over a hundred financial services firms over the years is that financial services firms tend to overestimate the knowledge and skills of their customers. We have found that a significant proportion of complainants need at least some assistance and this represents good international ombudsman practice.

Special assistance

129. Particularly in fraud-related complaints, OBSI may become aware of possible third party criminal misconduct. The Banking 2021 Review Report noted a lack of evidence of OBSI recommending to consumers that they file a police complaint where this is the case and recommended that this occur. We understand from OBSI that they have acted on this recommendation in appropriate cases.

130. The 2021 Review Reports also noted the high use of OBSI's services by seniors (38% of consumers in 2019). Whilst finding that OBSI is adequately serving seniors, the Reviewers recommended that OBSI's Consumer and Investor Advisory Council should include at least one person advocating for seniors (not currently relevant given the disbanding of that group, as part of governance changes discussed later in our report). The 2021 Reviewers also recommended that OBSI should have special training for all existing investigators about interacting with seniors.

131. In fulfilment of this second recommendation, in 2022, OBSI developed and rolled out seniors training for investigators that encouraged a sharing of ideas about the challenges of dealing with seniors, techniques that work and any gaps in OBSI's training.

132. In our conversations with OBSI staff and our review of case files, it seemed to us that there was a high level of recognition of the challenges faced by senior Canadians.

Complainant behaviours

133. It seems to be something of a current international phenomenon that ombudsman schemes (and the community in general) are dealing with more consumers who exhibit behaviours that are challenging for the scheme's staff and even occasionally expose them to some risk.

134. OBSI meets international good practice by having a range of internal resources to assist staff including *Investigation Guidance Note: Challenging Behaviour, Dealing with Difficult Conversations* and *Tips for Handling Common Objections & Difficult Situations.* These express a commitment to assisting the consumer and understanding of the frustrations and difficulties that they may be encountering – whilst ensuring staff are protected. If other options to deal with a consumer's difficult behaviour do not work (for example, ending a particular phone call, escalating the matter within OBSI), it may be that OBSI will cease replying to written communication, permanently cease communication relating to a specific complaint or even permanently cease communication for all future complaints.

135. OBSI advised us that there are 27 consumers with whom they have resolved to have no further contact about a specific case and 13 consumers with whom they have resolved to have no further contact at all. We are satisfied that OBSI does not take these actions lightly and that its Terms of Reference allows this approach.

8. Jurisdiction and powers

Bank Act and Financial Consumer Protection Framework Regulation obligations

The external complaints body shall:

- *accept as a member any institution that makes a request to it for membership*
- *obtain confirmation from a member institution to which a complaint relates regarding whether the period referred to in paragraph 627.43(1)(a) has ended, unless the person who made the complaint has provided it with the written acknowledgment referred to in paragraph 627.43(4)(a)*
- *deal with complaints in a manner that affects only the parties to the complaints*

Recommendations from 2021 Reviews of OBSI

- *OBSI should increase its compensation limit from $350,000 to $500,000.*
- *OBSI should be empowered to make awards that are binding on the firm and on the consumer, if accepted by the consumer.*
- *For investments complaints, OBSI's binding decision-making authority should be accompanied by certain limited procedural enhancements at the discretion of the decision-maker and a right of judicial review.*

Scope of Chapter

136. This Chapter examines OBSI's constituent documents – its By-Laws and Terms of Reference – including OBSI's membership arrangements, types of complaints that are excluded from OBSI's jurisdiction and OBSI's powers. We evaluate whether OBSI's jurisdiction and powers are appropriate and sufficiently comprehensive, benchmarking OBSI to other financial services ombudsman schemes in comparable international jurisdictions.

Membership

137. Consistent with Bank Act requirements, OBSI's Bylaws specify that OBSI's members include any bank, federal credit union and authorized foreign bank listed in Schedules I, II and III of the Bank Act (as well as other categories of financial services providers).

138. The Bylaws set out the membership application process. This is a straightforward process. The membership application form is available on OBSI's website. We are satisfied that OBSI's meets its obligation to admit eligible institutions.

Adequacy of OBSI's jurisdiction

139. To meet internationally accepted standards, a financial services ombudsman scheme is expected to have jurisdiction to deal with the vast majority of complaints in the industries of its members. There are, however, some categories of complaints that are accepted as being properly outside a scheme's purview.

140. OBSI's Terms of Reference specify the categories of complaints outside OBSI's jurisdiction. The next table shows the number of complaints about OBSI members that are excluded in this way – and importantly evidences that OBSI excludes complaints where otherwise a third party would be impacted.

Figure 5 Complaints excluded as out of jurisdiction in 2025 (at any stage of OBSI process)

Exclusion category	Number
Firm did not have opportunity to investigate	3,987
Binding decision by a court, tribunal, arbitrator etc	31
Consumer has initiated legal action	16
Complainant not a customer as defined by ToRs	60
Complainant a business that is not a small business	1
Complaint about commercial/ risk management decision including operational policies or straightforward account closure	256
Complaint about issues over 6 yrs old	74
Complaint affecting a third party	13
Frivolous or abusive client	6
Not a financial service in Canada	58
OBSI not an appropriate forum/ referred to regulator or another scheme	587
Over 180 days since the participating firm's complaint response or written offer	97
Total	**5,186**

141. These categories of exclusion are consistent with those of financial ombudsman schemes in other jurisdictions, as is OBSI's application of the exclusions subject to the comments below.

180 day rule – OBSI's discretion to extend this timeframe

142. As is usual for a financial services ombudsman scheme, OBSI's Terms of Reference confer it with a discretion to extend the timeframe within which a complaint must be submitted after the participating firm's complaint response. In assessing the fairness of doing so, OBSI is required to consider whether the participating firm notified the complainant of the right to bring their complaint to OBSI and sufficiently specified the 180 day period, whether the

complainant and participating firm were occupied in negotiations during that 180 day period and whether the complainant was subject to extraordinary circumstances.

143. OBSI's internal guidance note *180 Day Complaints – Escalation and Closing* specifies that when a complaint is submitted outside the 180-day timeframe, staff must request an explanation from the complainant. If a written explanation is provided, a manager may decide whether OBSI's discretion to consider the complaint should be exercised. However, there is no internal or website-published guidance that details the factors that should inform the extraordinary circumstances discretion. We understand from OBSI that in practice, the discretion is only used where the complainant has been unwell or a death in the family has occurred or where OBSI received the complaint after 180 days for reasons outside the complainant's control, for example, where the firm has failed to appropriately inform the complainant of the time limits or mail was delayed by a postal strike. Consistent with this, our review of closed complaints included a complaint where OBSI refused to exercise its discretion for a complainant who was a couple of days late – and explained her delay to OBSI as being because she had 8 children.

144. Our experience is that financial services ombudsman schemes in other jurisdictions will tend to be more willing to exercise a discretion to extend the period after the internal dispute resolution response within which a complainant may lodge a complaint. Factors such as consumer vulnerability, language or literacy barriers or a protracted IDR process will be taken into account. We think that this is appropriate for an ombudsman scheme and consistent with the high standard of fairness that is expected.

145. To provide transparency in particular to consumers, OBSI's website explanation of how its complaint process works should refer to the availability of its extraordinary circumstances discretion to extend the 180 day period.

Recommendation 2.

That OBSI should develop written internal guidance for its staff as to when to exercise the discretion to extend the 180 day timeframe to lodge a complaint on the basis of extraordinary circumstances. Relevant factors should include illness, bereavement, vulnerability, language barriers and a protracted IDR process resulting in an IDR response letter outside the prescribed IDR time limits. OBSI's website should provide transparency about OBSI's approach to the exercise of its discretion.

Six year rule

146. Paragraph 5.1(e) of OBSI's Terms of Reference specifies that OBSI may only investigate a complaint if made to the participating firm within six years from when the complainant "knew or reasonably ought to have known about the problem or issue giving rise to the Complaint, having regard to what a reasonable person in the Complainant's circumstances, with the Complainant's abilities and limitations ought to have known".

147. We heard industry views that the six year period is too long and consumer advocate views that it is too short. Our view, consistent with the 2021 Reviewers, is that the six year period

should not be changed. The six year time limit is consistent with financial services ombudsman schemes in other jurisdictions including Australia, New Zealand and Ireland. We recognise, however, that In the United Kingdom, following a recent Treasury Review, the Government indicated it would legislate an absolute time limit of 10 years for bringing complaints to FOS UK, while giving the regulator the ability to make exceptions to this time limit.

148. We reviewed a number of closed complaints that were excluded on the basis of the six year rule. We found some inconsistency in the application of the Terms of Reference test, with insufficient regard sometimes being given to the consumer's "abilities and limitations" when deciding when the complainant should reasonably have become aware of the problem or issue giving rise to the complaint. In some cases, we thought that it may have been appropriate to cast the starting date for the six year rule from a later point in time than OBSI's start date.

149. In particular, we reviewed complaints where, for the purposes of the six year rule, knowledge was imputed from the date the complainant first received an account statement, without apparent consideration by OBSI of the complainant's abilities and limitations so far as these were concerned. Here we note that for many complainants, an account statement may not be an effective communication tool, in particular to identify what is missing vis a viz the complainant's expectations - regardless of whether the fine print of their contract with their participating firm obliges them to read this.

Recommendation 3.

That the six year limitation period for access to OBSI should remain in its current form, however OBSI should have greater regard to the particular complainant's abilities and limitations when assessing when the complainant reasonably ought to have known about the problem or issue giving rise to the complaint. To achieve a recalibration of the current approach, OBSI should provide its investigators with scenario-based training about how to apply the six year rule, giving full regard to complainants' abilities and limitations.

More appropriate forum

150. Section 6.4 of OBSI's Terms of Reference specifies that OBSI may decline to investigate a complaint if OBSI decides that the complaint "can be dealt more appropriately by other means, such as a proceeding before a court, tribunal, arbitrator, regulator or any other dispute resolution process".

151. We received a confidential industry submission that there have been complaints accepted by OBSI that would have been more appropriately left to a regulator such as the Office of the Privacy Commissioner (OPC).

152. We did not find this to be the case. From our review of closed complaints and OBSI internal guidance materials and discussions with OBSI, it was evident that OBSI will deal with a complaint about privacy or a human rights issue if the complainant is seeking redress for a

specific individual harm. OBSI will not, however, deal with systemic complaints where a regulatory response may be appropriate, for example, a major data security breach or facilities design. For privacy, this appears to complement the OPC's jurisdiction as described on its website which states that in response to complaints about privacy the OPC can make recommendations about the relevant organization's employee training or processes and can help a complainant access and correct their personal information. But the OPC cannot make the organization compensate the complainant for a privacy breach.

Legal proceedings

153. OBSI's Terms of Reference do not include a provision preventing a participating firm from initiating or continuing legal proceedings while an OBSI complaint is underway. This stands in contrast to the rules of the Australian Financial Complaints Authority and Banking Ombudsman Scheme New Zealand, both of which contain explicit restrictions that limit a firm's ability to pursue litigation during an active complaint.

154. Such protections are not merely procedural niceties—they are essential to fairness. When a consumer chooses OBSI as their dispute resolution forum, they should be entitled to have their complaint addressed in one venue, without the pressure, cost, or complexity of simultaneously defending legal proceedings. Allowing participating firms to commence or continue litigation during an OBSI investigation undermines the purpose of accessible, low-cost dispute resolution and risks deterring consumers from exercising their rights.

155. Introducing a clear prohibition on parallel legal action—subject only to narrow, well-defined exceptions—would bring OBSI in line with comparable financial services ombudsman schemes and strengthen consumer confidence in the process.

Recommendation 4.

That OBSI should amend its Terms of Reference to include a provision prohibiting a participating firm from commencing or continuing legal proceedings in relation to the subject matter of an active OBSI complaint. This restriction should apply for the duration of the complaint's consideration by OBSI.

Limited and clearly defined exceptions may apply, but in all cases OBSI's prior written consent should be required for any parallel participating firm litigation.

Monetary limit

156. The 2021 OBSI External Review recommended an increase in the OBSI monetary limit from $350,000 to $500,000 for both banking and investment complaints. OBSI was supportive of the recommendation although it observed that the current compensation limit allowed it to assist the majority of consumers who approached it. (Of course, the current monetary threshold may be deterring consumers with a higher value claim from accessing OBSI. The number of consumers in this situation is unknown.)

157. Despite the 2021 Review recommendations, no progress has occurred. OBSI's monetary limit of $350,000, set in 2002, was at the time one of the highest among global financial services ombudsman schemes. However, over the past 24 years, that limit has not been adjusted and has eroded significantly in real terms.

158. Using the Bank of Canada's inflation calculator, Canada's Consumer Price Index has increased by an average of 2.22% per year. If OBSI's jurisdictional limit had been adjusted annually to match inflation, it would have been just under $600,000 by now, illustrating how far the real value of the original $350,000 has slipped.

159. OBSI's unindexed limit also now lags substantially behind comparable schemes:

Figure 6 Financial services ombudsman scheme current monetary limits – comparison with OBSI's limit

Jurisdiction	Current Monetary Limit (approx. CAD)	Notes
Australia (AFCA)	$622,500 CAD	Inflation-adjusted automatically every three years
New Zealand (Banking & Investment Schemes)	$405,675 CAD	Applies across both banking and investment disputes. Set periodically by regulator.
Ireland (FSPO)	$809,750 CAD	Periodic adjustments to maintain real value. Set by Minister.
UK (FOS)	$847,500 CAD	Adjusted each year with inflation.
OBSI	$350,000 CAD	24 years without adjustment

160. Without indexation, OBSI's limit no longer reflects the scale of contemporary financial harm, nor does it maintain access to low-cost dispute resolution. It is clear that modern investment and banking disputes can easily exceed $350,000, meaning consumers with substantial losses will only have the option of an increasingly expensive litigation path. Industry estimates that we have seen suggest that the costs of commercial litigation in Canada have increased by double the rate of general inflation over the past ten years – pushing the courts even further away from being a viable option for the ordinary consumer.

161. There is a further consideration, raised multiple times with us by stakeholders as part of the argument for periodic adjustments – and that is the message that it sends to both consumers and participating firms. An adjustment to keep up with actual values says that this is a contemporary ombudsman service that is supported by government and by regulators and is staying relevant to modern financial services. It is clear from stakeholder feedback that leaving the monetary limit unadjusted for 24 years is sending a quite different message.

162. We are aware from stakeholders that Canada has a relatively high number of quite small investment firms and dealers – and that much of the resistance to adjusting the maximum limit has come from these firms. It is entirely understandable that a very small dealer would

be anxious about the potential for large compensation recommendations to threaten continued operation.

163. We also heard a quite strong counter view that if firms are not large enough or sufficiently capitalised to deal with the risks of operating, they should not be in business. That is not a debate for us. For our part, we think that the OBSI is supposed to provide low cost, accessible dispute resolution as part of a broad consumer protection framework – for millions of Canadians. We don't think that aim should be compromised to this great extent in the interests of a very small number of firms.

164. We are conscious that the 2021 Reviews recommended a reset of the maximum monetary compensation to $500,000 along with a system for two yearly inflation adjustments. Five years have passed without any change. The Bank of Canada calculator suggests that $500,000 in 2021 would be $599,570 today. More conservatively, we suggest a reset to $550,000 CAD within this calendar year and an automatic adjustment every two years subsequently, in line with the Canadian Consumer Price Index.

Recommendation 5.

That OBSI should amend its Terms of Reference to increase its monetary limit and introduce a mechanism for regular indexation. Specifically:

a) Reset the monetary limit to $550,000 as soon as reasonably practicable.

b) Introduce automatic two yearly indexation, tied to a transparent and publicly available measure such as the Canadian Consumer Price Index. This ensures the limit maintains its real value over time and avoids the need for ad hoc or politically sensitive adjustments.

c) Require a periodic structural review, at least every five years, to assess whether the limit remains appropriate in light of:

- changes in financial markets
- the scale of modern consumer losses
- international benchmarks
- OBSI's mandate to provide accessible, meaningful redress
- the cost of alternatives such as litigation.

Binding Authority

165. The independent reviews of OBSI in 2011, 2016 and 2021 all recommended that OBSI be granted binding authority to decide complaints, citing international best practices, the organization's credibility, the quality of the service, and the problem of refusals and low settlements.

166. For all these reasons and as argued in the various consumer advocate submissions to our review, we agree that OBSI should have binding authority. We discuss low settlements in Chapter 9. For international best practice, we cite the financial services ombudsmen scheme

in the United Kingdom, Ireland, Australia, New Zealand, and Malaysia which all have the ability to make a decision that is binding on the participating firm if accepted by the consumer. (One industry submission to our review suggested recent consultations by the United Kingdom Treasury may result in a curtailment of FOS UK's powers in this regard. Our inquiries have, however, established that the UK Treasury has recommended a very limited change whereby FOS UK may consult with the regulator, the Financial Conduct Authority, where a complaint turns on a regulatory rule that FOS UK considers to be ambiguous. It will, however, continue to be the case that FOS UK will make binding determinations according to its view of what is fair and reasonable in all the circumstances of the complaint.)

167. In 2023, the CSA published for public comment a regulatory framework within which OBSI would be able to make binding decisions for investment complaints. Refinements to the framework were published for further comment last year. This framework proposes a two stage OBSI complaints handling process, with stage 1 being an investigation and recommendation stage and stage 2 an optional review and decision stage that can be initiated by either party. Where compensation of $75,000 or more is recommended by OBSI, it is now proposed that a review and decision would be by an external decision maker, or panel of decision makers, retained by OBSI on a contractual basis and provided with training by OBSI.

168. We understand the opposition to this model from many consumer advocates who see this as watering down OBSI's independence and adding an opportunity for unscrupulous firms to use as a delaying tactic. Our view, however, is that the two stage process provides a good fairness check and is conceptually similar to the two stage recommendation/ decision process used in other jurisdictions including the United Kingdom, Australia and New Zealand.

169. For higher value complaints particularly where novel products or issues are involved, the Australian Financial Complaints Authority sometimes incorporates external decision makers for its stage 2 decision making and has found value in the specialist knowledge, skills and credibility that they can bring. This approach does not seem to have compromised AFCA's independence.

170. Of course, external decision makers do add quite considerably to the cost of resolution of complaints and can add time, so we agree with the CSA proposal that lower value complaints should not have access to this process. A complaint-value monetary threshold is likely essential. The CSA's request for comments asks whether $75,000 is the appropriate threshold. Based on the OBSI data for amounts currently involved in these complaints, we think that $75,000 is likely a workable appropriate starting threshold. However, we think this should be reviewed after a year's experience and in any event, this threshold should be indexed to inflation and regularly reviewed with a cost/ benefit lens.

171. The CSA's request for comments also asks whether OBSI should be able to appoint senior OBSI staff to a stage 2 panel provided that the majority of the panel are external decision makers. We think that this, or some similar mechanism, would be essential to ensuring that there is consistency in decision-making, ensuring that external decision makers (who would be doing very few of these matters) understand OBSI's investigation and decision-making approach and to ensure that OBSI decision making is in turn, fully informed as to external decision maker thinking.

172. We have also heard considerable criticism of the proposals for CSA oversight from consumer advocates, again concerned at any actual or impression of loss of independence for OBSI and

the potential for distraction of any overly intrusive regulatory interest. Our view is that some accountability and oversight is important and we acknowledge that it already exists under the current scheme arrangements. We also think that an oversight framework is essential to the CSA being able to persuade industry firms to accept the proposal.

173. However, it is also important for consumer confidence that OBSI maintain its independence and its appearance of independence. It is an independent industry ombudsman service and while accountable, it should not be seen to be an arm of government(s) or too closely controlled by regulators. Our concern is that there could be potential for this impression – and for confusion about who bears what responsibility. We do not think that the history of the CSA's engagement with OBSI suggests inappropriate 'meddling', however we think there should be some clear messaging provided as part of the new framework that the CSA will not be directing OBSI procedural guidelines or methodologies nor getting involved in individual recommendations or decisions.

174. There is also potential for the proposed framework to be time consuming and highly resource intensive for OBSI (and under the current fees regime, the costs would be passed on in part, to all participating firms). Should this prove to be significant, OBSI should consider a specific cost recovery fee for the process to ensure that users are paying for use (or over-use) of this optional decision-making step.

175. Lastly, we note that for parity, simplicity and because we see no arguable basis for a distinction, we think that OBSI should have binding authority in relation to all complaints, not just investments complaints.

Recommendation 6.

That OBSI should be given binding authority to decide all complaints for which it has a mandate.

9. Integrity, impartiality and fairness

Bank Act obligations

The external complaints body shall:

- *maintain a reputation for being operated in a manner that is consistent with the standards of good character and integrity*
- *impartially deal with complaints that have not been resolved by its member institutions to the satisfaction of the persons who made the complaints or that have not been dealt with within the prescribed period*

MoU obligations:

- *OBSI should provide impartial and objective dispute resolution services that are independent from the investment industry, and that are based on a standard that is fair to both Registered Firms and investors in the circumstances of each individual complaint. When determining what is fair, OBSI should take into account general principles of good financial services and business practice, and any relevant laws, regulatory policies, guidance, professional standards and codes of practice or conduct*
- *OBSI should …establish processes that are demonstrably fair to both parties*

Recommendations from 2021 Reviews of OBSI

- *OBSI should conduct consumer and participating firm interviews over a videoconferencing platform, allowing for a stronger credibility assessment.*
- *For banking complaints, OBSI investigators should, when basing their decisions on contractual terms between the parties, such as cardholders' agreements, put the text of the relevant provisions in the closing letter. Moreover, OBSI investigators should provide more detailed reasons in their closing letters.*
- *OBSI should add more information about limitation periods to the closing letter sent to consumers. Specifically, OBSI should include:*
    - *information about the limitation periods in each province; and*
    - *language indicating the "ought to have known" standard for limitation periods.*
- *OBSI's reconsideration closing letters should contain additional information with respect to the process the reconsideration officer undertook and more detailed reasons for either upholding or overturning the original decision.*
- *OBSI should reform its approach to non-financial harms and indirect financial harms in the following ways:*
    - *to provide certainty, OBSI should create multiple levels for non-financial harm/indirect financial harm (low, medium and high), with set compensation amounts or ranges for each one; and,*
    - *when providing a determination with respect to compensation for non-financial harm/indirect harm, OBSI investigators should provide detailed reasons as to why they came to their conclusion.*

Other assessment criteria

- *An evaluation of OBSI's operations with reference to its terms of reference, internal policies and procedures, fairness statement, and loss calculation methodologies. A detailed assessment of loss calculation methodologies employed by OBSI is not required.*
- *An analysis of the reasons for settlements below amounts recommended by OBSI.*

Scope of Chapter

176. This Chapter reports on OBSI's character and integrity and the impartiality and fairness of its dispute resolution.

Good character and integrity

177. OBSI's *Vision Statement* published on its website affirms that OBSI is an "independent, not-for-profit organization of highly skilled, independent professionals inspired by our public service mission". We consider that this sets a tone highly consistent with good character and integrity – and we found this to imbue the interviews we had with a broad range of OBSI staff and all our engagement with them.

178. Like the 2021 Reviewers, we found that OBSI was respected by those of its external stakeholders who engaged with our Review. The integrity of the organization was not questioned. (Some industry stakeholders questioned whether OBSI's neutrality is compromised by the assistance it provides to complainants – we discuss this issue in Chapter 7.) We found that OBSI met its Bank Act good character and integrity obligations.

Conflicts of interests

179. OBSI has a *Code of Conduct* that recognizes that for stakeholders to have confidence in the integrity and impartiality of OBSI staff must avoid all conflicts of interest or circumstances that may lead to a perception of bias, refuse offers of gifts, report and record real, potential or perceived conflicts of interest and report any questionable activities in accordance with OBSI's whistleblower policy.

180. OBSI staff complete annual conflicts declarations. Disclosures are captured in a Conflicts Register that identifies the conflicts presented by OBSI employees as a result of, for example, employment or previous employment relationships including on the part of an immediate family member or a financial relationship or interest.

181. OBSI's *Fairness Statement* last updated on 25 September 2024 affirms OBSI's commitment to ensuring that all OBSI staff involved in decision making in relation to a complaint are "impartial and independent of the parties and will not have any relationships that could cause a reasonable concern about bias or conflict of interest".

182. We found that these conflict management practices are well embedded and consistent with international best practice. Also, that OBSI meets its Bank Act and MoU obligations to be impartial and objective.

Approach to dispute resolution

183. OBSI's Terms of Reference require it to recommend what is fair to the complainant and participating firm taking account of "general principles of good financial services and business practice, law, regulatory policies and guidance, professional body standards and any relevant code of practice or conduct". For investment complaints, this meets obligations under the Memorandum of Understanding.

184. OBSI's *Fairness Statement* commits OBSI to procedural fairness (the steps that OBSI follows including respect for natural justice), substantive fairness (ensuring outcomes and decisions are appropriate) and relational fairness (how stakeholders are treated in the complaint handling process). The importance of fairness to complainants, to participating firms and to staff is recognised.

185. A key focus of our closed complaint review and discussions with OBSI staff was to test whether OBSI is in practice achieving fairness by collecting relevant information, providing the parties with sufficient opportunity to have their say and reaching conclusions reasonably supported by available evidence. We also sought stakeholder views as to this.

Evidence and information collection

186. OBSI has an internal *Evidence & Information Collection & Management guideline* issued January 2016. It requires investigators to think carefully about the issues raised in a complaint and establish the scope and focus at the outset of an investigation. The investigator must then define what information is needed and collect any additional information not obtained by OBSI at the initial assessment stage. The guideline notes that evidence can be documentary or testimonial.

187. Our case review satisfied us that investigators are doing this well. Typically, the records for a complaint include an investigation plan or investigation matrix in OBSI's standard format that sets out the investigator's analysis of the complaint issues and identifies the information that is relevant and any additional information requests that are needed. Subject to the issues set out below, we found the complaint issue analysis and information collection process to be fair and consistent with international good practice. For our discussion of efficiency-related matters, see Chapter 15.

Consumer protection law

188. Consumer advocates have raised with us a concern that at least in the case of Quebec complaints, OBSI may not be sufficiently taking into account the Consumer Protection Act.

189. Our case review included a large number of complaints that were decided on the basis of product terms and conditions. In these complaints, we did not consistently see consideration of whether terms and conditions were unfair or insufficiently highlighted to consumers.

190. OBSI has told us that their staff are aware of the requirements of provincial consumer protection legislation, this legislation is taken into account in cases where it applies and that internal guidance notes also direct staff to consider these matters.

191. We are not, of course, Canadian law experts but think that this is an important substantive fairness issue that OBSI should pursue using local legal advice.

Recommendation 7.

That OBSI should review, with the benefit of external Canadian legal advice, whether its approach to complaints sufficiently factors in consumer protection legislation including in particular legislation that nullify contract terms that are unfair, excessive, harsh or unconscionable.

Engagement with participating firm during the complaints process

192. In the complaints that we reviewed where OBSI considered that some compensation for the complainant may be fair, OBSI typically engaged closely with the participating firm. OBSI made transparent to the firm the investigator's view of the issues, the reasons for further information requests where the firm queried this and the investigator's preliminary conclusions based on the collected information. Where appropriate, this information was referenced to OBSI's Terms of Reference. Often this engagement was by email (as we understand from industry some participating firms prefer). Telephone contact also occurred.

193. OBSI engagement with the participating firm was much less for complaints that were dismissed on the basis that they were outside mandate, where OBSI found that the settlement offer that had already been made by the participating firm was fair or where OBSI found no participating firm error and hence that complainant compensation was not appropriate. In these cases, there was no participating firm detriment caused by the lower level of contact.

194. We found that participating firms were provided with information and assistance to enable them to understand OBSI's procedures and a full and fair opportunity to have their say consistent with the rules of procedural fairness and good international practice.

Engagement with complainant during the complaints process

195. At the outset of the complaints process, the complainant is provided with information about OBSI's process, along with the pro forma consent letter for signature (discussed in Chapter 7). This provides excellent initial assistance to the complainant about OBSI's procedures.

196. From the complaints that we reviewed, it would seem that OBSI does not share with the complainant the documents provided to OBSI by the participating firm. Of course, some of these documents the complainant will already have, particularly the firm's previous response to their complainant. Other documents the complainant will have been provided with in the past, for example, a loan or services contract or product terms and conditions or account statements - although with the passage of time the complainant may have misplaced these.

There may be other participating firm documents that the complainant has not seen, for example, bank policies or customer contact notes.

197. Instead, it would seem that OBSI typically conducts a complainant interview in which the investigator discusses with the complainant OBSI's process and mandate and the issues on which the complaint turns, as well as explaining what the participating firm's documents show and providing the complainant with an opportunity to give their perspective about this. These interviews also provide OBSI with an opportunity to manage the complainant's expectations. From reviewed complaints, it would seem that sometimes an interview takes just 30 minutes or less. Quite often, the interview is longer than this and quite detailed, as the notes of the interview record.

198. We have some concerns about OBSI not providing the complainant with key participating firm documents (or extracts where the full document is not relevant). This is particularly the case given that there were some reviewed complaints where we think that the OBSI interview did not result in sufficient transparency for the complainant as to what the participating firm information showed. By way of comparison, the Australian Financial Complaints Authority provides a complainant with the key participating firm documents so that they may review these and make their submissions. If the participating firm refuses to allow this disclosure to the complainant, the ombudsman scheme will not rely upon the information to draw conclusions that are adverse to the complainant, unless exceptional circumstances apply.

199. FOS UK on the other hand collects documents from its participating firms on the basis that it is entitled to provide these to the complainant but tends only to do so if the complainant asks for these. Likewise, ombudsman schemes in other industries that typically deal with low value complaints may not provide participating firm documents to complainants and may instead rely on ombudsman scheme staff to orally convey the essence of participating firm documents to the complainant (as does OBSI). But we think that at least in more complex, higher value complaints, it would be good practice for OBSI to share key participating firm documents with the complainant.

200. If key documents are not provided to the complainant and these are used to draw conclusions that are adverse to the complainant, we think that it is vital that the complainant interview is used by the investigator to provide specific and clear information to the complainant about what those participating firm documents show. This is necessary to comply with procedural fairness and needs to be underscored by OBSI in investigator training as an important consistency issue.

201. For this reason – and because we think that the complainant interview is also important to ensure that the complainant understands the OBSI process and to help manage complainant expectations – we place a high value on the complainant interview process. We understand, however, that investigators are now being provided with more flexibility and a complainant interview is no longer an absolute requirement. We recommend against this – and suspect in any event that this will not in the long run improve efficiency.

Recommendation 8.

That, at least in more complex, higher value complaints, OBSI should generally only rely on participating firm documents to draw adverse conclusions against the complainant where the documents (or relevant extracts) have been shared with the complainant. If there are good reasons for not sharing key documents, the investigator should use the complainant interview to explain to the complainant clearly and with specificity what those documents establish and to give the complainant an opportunity to counter or comment on that information. OBSI's investigator training should reinforce the importance of this as a part of procedural fairness.

Recommendation 9.

That OBSI should, unless impractical, undertake a complainant interview for all investigated OBSI matters.

Conflicting evidence or lack of documentary evidence

202. In a number of our reviewed cases, there was a lack of documentary evidence to resolve conflicting claims by the participating firm and the complainant. For example, there were assertions by the complainant as to what a participating firm representative told them – and no participating firm notes of the relevant conversations.

203. Relevantly, OBSI's internal *Credibility Assessment* guidance, updated in February 2025, states: "As difficult as the task may be, the investigator will often need to reach a conclusion, based on the available evidence, as to what version of events is most likely or reasonable in the circumstances. In other words, investigators will have to consider whose evidence was sufficiently clear, convincing and cogent to satisfy the likelihood/ reasonability test." The guide goes on to discuss relevant factors: consistency and corroboration, demeanour and recall and motivation. The guide concludes that "a probable story, even in the absence of other evidence may have considerable weight".

204. We think that OBSI's Credibility Assessment guidance is excellent. Our concern is that our reviewed cases provided a number of examples where the guidance did not appear to have been implemented. Rather the investigator concluded in favour of the participating firm because the complainant could not provide documentary evidence in support of their assertions. This was the case even where the complainant interview notes and the available documentary evidence, to our mind, made it quite likely that the complainant's assertions were correct.

205. The issue of credibility assessments was also raised in the 2021 Reviews. The reviewers recommended that consumer and firm interviews should utilise videoconferencing to allow for stronger credibility assessment.

206. This 2021 Review recommendation has not been implemented by OBSI. We understand the practical barriers here, although we realise that video capability is progressively becoming more commonplace and likely only a matter of time until it could be standard practice. We are not sure that videoconferencing is essential as a standard practice, but it is probably worth beginning to use more often where practical and where the investigator can see value. More importantly, we think that OBSI should give focus in its training of investigators to enhancing

their confidence and skill in applying OBSI's existing Credibility Assessment guidance in the interests of ensuring consistently fair outcomes.

Recommendation 10.

That OBSI's training of investigators should include a focus on enhancing their confidence and skill in applying OBSI's existing Credibility Assessment guidance when weighing up all relevant information, not just the documents.

Where OBSI finds participating firm error

207. Where OBSI finds that a complainant has suffered loss, damage or harm because of a participating firm's act or omission, OBSI's Terms of Reference enable OBSI to recommend payment of compensation "or other action".

208. From OBSI's website statements and our review of cases, it seems, however, that OBSI does not take advantage of the full breadth of the Terms of Reference power and typically focuses on lump sum compensation. For example, our closed complaint review included a complaint where OBSI found that there was an error in the terms at the time of establishment of a mortgage but, rather than recommending that the bank correct this, OBSI advised that the only available remedy was a lump sum payment.

209. By way of comparison, in Australia and New Zealand, the financial services ombudsman schemes regularly exercise their broad remedial powers and, for example, will require a financial firm to vary fees, reinstate, vary or set aside a contract, not enforce a default judgement and so on. In Ireland, the financial ombudsman scheme may similarly direct the financial service provider to take any lawful action that the ombudsman considers appropriate including to review, rectify, mitigate or change the conduct complained of.

210. We think that OBSI should be more willing to consider what action by the participating firm would best put the complainant back into the situation they have been in if the error had not occurred – which will not always be the payment of a lump sum.

Recommendation 11.

That where OBSI finds that a complainant has suffered loss, damage or harm because of an act or omission of a participating firm, OBSI should be more willing to consider what remediation action by the participating firm would best put the complainant back into the situation they have been in if the error had not occurred – which will not always be the payment of a lump sum. Where appropriate, OBSI should recommend other action by the participating firm, for example, rectification of the agreement between the participating firm and complainant.

Monetary compensation in investments complaints

211. Where OBSI considers that a participating firm should provide monetary loss compensation to an investor who was advised by the firm to make an unsuitable investment, OBSI's financial analysts apply the loss calculation methodology set out in its internal *Training Manual: Profit and Loss Calculation Methodology* and other supporting materials..

212. Our review engagement specified that we should not look in detail at OBSI's loss calculation methodology. After all, OBSI's two previous independent reviews focused in some depth on this – and found OBSI's approach to "lead the ombudsman world" and "to be entirely reasonable and consistent with what a Canadian court would do in similar circumstances".

213. Our high level review of OBSI's methodology – and in particular our review of complaints where OBSI investigators applied OBSI's loss methodology – likewise left us comfortable with OBSI's approach.

214. We did receive feedback from some in the investments sector that there remains some disquiet around OBSI's treatment of, in particular, sophisticated (accredited) investors – for example, not sufficiently taking into account a sophisticated investor's full portfolio of investments when assessing suitability. This issue was discussed in the 2021 Review and the conclusion reached that OBSI's approach is appropriately nuanced and reasonable. In our closed complaint review, we did not see examples that illustrated a methodology failing. We were, however, told that one key accreditation threshold (annual income) has not been adjusted for some 15 years – resulting in many more investors than originally envisaged being eligible. We understand that the Portfolio Managers Association of Canada have provided technical briefings to OBSI staff in the past about this and we would encourage dialogue with the association and regulators to continue as needed.

215. We also heard from industry stakeholders that they felt OBSI should be taking into account the impact of taxation when calculating complainants' losses. As we understand, prior to 2014, OBSI did not generally capture tax-related effects in its loss calculations. But in November 2014, OBSI changed its approach for investments primarily made to achieve tax benefits and in December 2022 further updated its internal guidance. This industry criticism suggests that industry would benefit from greater transparency about OBSI's approach – and we understand that more technical loss calculation case studies are planned as an outcome of the work initially focused on illiquid securities – see paragraph 337.

216. In addition, there was persisting criticism of OBSI's loss calculation approach where highly illiquid securities are miss-sold, an approach which can include requiring the participating firm to acquire the securities. We understand that this has been the subject of lengthy consultation by OBSI (again see paragraph 337) and we are not in a position to add to the technicalities of this debate – other than urging completion of the project.

Non-monetary loss compensation

217. OBSI's Terms of Reference permits OBSI to recommend compensation for non-monetary losses. OBSI may do this if, for example, there is loss of reputation or loss of privacy. But most commonly, OBSI compensates for extraordinary distress and inconvenience (EDI).

218. The 2021 Review reports noted that it is consistent with international practice to compensate in appropriate cases for non-financial loss. The reviewers found, however, stakeholder confusion about OBSI's approach to compensation for EDI and inconsistency in its approach. They recommended standardisation and more transparency about OBSI's approach.

219. In response to this recommendation, OBSI developed its internal *Investigation Guidance Note: Recommendations for Extraordinary Distress and Inconvenience*, issued April 2024. This states that EDI compensation will "typically range between $100 and $1,000 and can reach up to $5,000 or more in very exceptional circumstances". The guidance note establishes tiers of payment – low EDI ($100 to $500), medium EDI ($750 to $1500) and high EDI ($2,000 to $5,000) – and gives examples of each.

220. Our review of cases found that compensation for EDI to be generally consistent with the guidance note. Compensation is perhaps somewhat lower than we have seen in other jurisdictions. The New Zealand Banking Ombudsman told us that their average EDI award is around CAD$1,600 (their Terms of Reference permit an award of up to CAD$7,100). But in our experience financial services ombudsman schemes are usually quite sparing in providing this compensation and OBSI's approach is not different to such an extent that we recommend different settings.

221. In addition to the internal guidance, OBSI's website now has some information about its approach to EDI and two illustrative case studies. There is, however, no specification of the tiers of payment and likely compensation per tier. We heard from a number of industry representatives that they continue to be uncertain about OBSI's approach or that OBSI's approach is inconsistent as between complaints. This suggests that some further explanation would be helpful to industry.

Recommendation 12.

That OBSI should provide more detailed website guidance about its approach to compensation for extraordinary distress and inconvenience – and use its industry engagement forums to publicise this.

Facilitated settlements process

222. Where, after investigation and fact checking as appropriate with the parties, OBSI reaches a preliminary view that the participating firm should rectify an error that has adversely impacted the complainant, OBSI's practice is to prepare and send the participating firm a facilitated settlement proposal (FSP) setting out its view and why. The complainant is not sent this letter and so does not have an opportunity to rebut OBSI's thinking.

223. We understand from OBSI that the FSP process is often used primarily to test OBSI's thinking with the Firm and the initial view put may well be changed by additional information provided by the Firm. In these cases, OBSI is concerned not to raise expectations with the complainant that may have to be walked back later on. While we understand this, we nevertheless think that it would be fairer and consistent with good international practice if the FSP letter was provided to both parties.

Recommendation 13.

That where OBSI prepares a written preliminary view/ facilitated settlement proposal, OBSI should provide this to the complainant (not just to the participating firm) giving the complainant an opportunity to provide their comments before OBSI finalises its view.

224. From OBSI data and as observed by us in our case review, it is apparent that a participating firm receiving an FSP will typically agree to settle with the complainant on the basis of OBSI's recommendation (sometimes after some back and forth between OBSI and the firm and sometimes after OBSI revises its view as to what compensation is fair). If so, OBSI will convey the settlement offer to the complainant.

225. Sometimes the firm will offer less than OBSI recommends. In this case, OBSI will convey the settlement offer to the complainant. OBSI may advise the complainant that the offered settlement is less than the amount OBSI would have recommended, whilst cautioning that OBSI does not have binding authority. From our review sample, it would seem that sometimes the investigator quantifies for the complainant what they consider to be a fair settlement – and sometimes they do not. Where OBSI has concluded its investigation and arrived at a preliminary view, we think that it would be fairer to the complainant if the proposed amount (and rationale for OBSI's view) is specified for the complainant. The provision of the FSP would achieve this (see Recommendation 13. above).

226. If the complaint does not settle following the FSP:

- If this is because the complainant refuses to settle for the amount OBSI has recommended and the firm has agreed to, OBSI prepares a closing letter explaining the settlement offer and why OBSI considers this to be reasonable.
- If the participating firm refuses to settle, OBSI embarks on the investigation report process described in Chapter 5. There have been no banking or investments investigation reports published since 1 December 2020.

227. Where a complainant settles for an amount that is less than the amount recommended by OBSI in an FSP or investigation report, OBSI categorises the settlement as a low settlement. Whilst the number of these is low relative to OBSI's total complaints, the impact for the complainants is often significant because of the extent of discount to the amount OBSI recommended (50% or greater discount in most low settlement complaints) and because, for investments complaints, the amount recommended by OBSI is typically at the higher end of the compensation scale (more than $100,000 compensation).

Figure 7. Low settlements – 2024 and 2025

Year	Data	Banking	Investments
2024	Number	4	4
	Total difference between OBSI recommended compensation and settlement	$2,412	$286,856
2025	Number	5	4
	Total difference between OBSI recommended compensation and settlement	$26,544	$175,714

228. Our review of closed complaints included 6 recent instances of low settlements. These were among the more complex of the complaints that we reviewed. But in each of these, we considered that OBSI's investigation was thorough, the firm was given a full opportunity to provide their perspective and evidence, the investigator carefully considered the firm's assertions and OBSI's preliminary findings and settlement recommendations were based on sound reasoning.

229. Importantly, in most of these complaints, the non-binding nature of OBSI's authority seemed to pervade the settlement negotiations creating an unequal playing field and diminishing the efficiency of the resolution process, with the investigator seeking to persuade the firm of the reasonableness of OBSI's findings, the firm sometimes giving an appearance of tactically extending the investigation timeframe and the complainant sometimes becoming impatient with the elapse of time or fearful of no outcome and one complainant pleading for a reasonable settlement.

230. We commend OBSI for monitoring and publicising trends in relation to low settlements and think that these instances of low settlements create a compelling case for OBSI to have binding authority – see Chapter 8.

Confidentiality agreements

231. A number of consumer advocate submissions expressed concern that participating firms will often include a confidentiality or non-disclosure clause in a settlement agreement. They argued, quoting a number of studies and expert articles, that the use of non-disclosure and non-disparagement agreements in complaint resolution is psychologically damaging and warrants prohibition or strict limitation.

232. OBSI's Terms of Reference establish the principle that all discussions and correspondence between OBSI and the parties are confidential and not to be used in subsequent legal proceedings or disclosed to anyone other than to a professional adviser or representative who has agreed to confidentiality. We heard that the confidentiality requirement assists OBSI's investigation process and can encourage settlements. OBSI's Terms of Reference and website guidance about confidentiality do not, however, restrict a complainant from sharing information about their dealings with a participating firm before coming to OBSI. Also, they

specifically state that nothing prevents a complainant from sharing information with a regulator.

233. We understand that participating firm settlement agreements typically include a clause that requires the complainant to keep the fact and amount of the settlement confidential. We think that this is consistent with OBSI's Terms of Reference and with ombudsman and court of law dispute resolution practice generally, so it is difficult to make any blanket observations.

234. It is, however, important that these types of clauses in settlement agreements are fair and not unreasonably wide, as recognised by OBSI in its website guidance about releases and non-disclosure agreements. Accordingly, they should allow for appropriate exclusions such as disclosure to the complainant's family, legal and tax advisors, mental health professionals and as required by law. This is something that financial services ombudsman schemes in Australia and New Zealand have cautioned to firms.

235. We were not provided with any examples of unreasonably wide non-disclosure or non-disparagement clauses (perhaps understandably) and so cannot make specific recommendations. That said, if OBSI becomes aware of unreasonable clauses in settlement deeds, it is within its remit to refer these to the appropriate regulator.

Closing letters

236. Where OBSI considers that no compensation is warranted or that the participating firm's settlement offer is fair, the investigator prepares and sends the parties a closing letter. This summarises the complaint, sometimes sets out the parties' key contentions and then sets out OBSI's conclusions and investigation outcome.

237. As with the 2021 Review, we saw some excellent closing letters. These utilised clear and simple language and were easy to read and evidently well proofed. Letters set out the complainant's right to ask OBSI to reconsider and how to request this. They also noted the complainant's right to take legal action and that if this is being considered a lawyer should be consulted as soon as possible because there is a time limit to start a lawsuit. Whilst the limitation period was suspended during OBSI's investigation, the suspension ceases 30 days after OBSI's letter. The complainant was also reminded of their confidentiality duty.

238. Whilst the standard was typically high, our closed complaint review identified a minority of closing letters that we felt were so brief in their explanation as to why OBSI rejected the complaint (a mere sentence or two) as to appear unduly dismissive – and likely to alienate the complainant. We are not suggesting a return to the very detailed letters that OBSI at one stage prepared, rather a modest change to the amount of detail. A similar observation was made in the course of the 2021 Review Banking Report. In particular, that report recommended that where OBSI relies on contractual terms for its complaint conclusion, the text of the relevant provision should be set out in the closing letter.

Recommendation 14.

That, consistent with the recommendation in the 2021 Review Banking Report, OBSI should tend to a little more detailed explanation in its closing letters as to its conclusions about the complaint and why no compensation is appropriate or the bank's offer is fair.

239. The 2021 Reviews also recommended that OBSI's closing letter (like the "What to Expect" guide – see Chapter 7) should provide more detail about the civil limitation period, particularly where OBSI has concluded that the case should be dismissed because the limitation period has expired. OBSI has not done this and for the same reasons discussed earlier we have sympathy with OBSI's position as to this.

Reconsiderations

240. If a complainant is dissatisfied with the outcome of their complaint to OBSI, Part 14 of OBSI's Terms of Reference entitle the complainant to ask OBSI to reconsider their complaint. A reconsideration request must be made in 30 days. As set out in OBSI's internal guidance for its staff *Complaints about OBSI: Service Complaints, Reconsideration Requests, Compliance Complaints and Privacy complaints* updated October 2018, a complaint will only be reconsidered if the complainant provides evidence that OBSI overlooked material information, failed to address material issues raised by the complainant, made a material error in analysing the information or where there is new material information not previously considered.

241. We received one confidential industry submission that argued that the reconsideration process should be eliminated because it unnecessarily prolongs the complaint process. We do not agree. In our view, the reconsideration process is an important fairness protection for complainants. Our experience is that it is a usual feature of financial services ombudsman schemes in comparable jurisdictions, although the precise configuration of the process differs from scheme to scheme.

242. OBSI's website provides information about the process and notes that the reconsideration officer will not previously have been involved in the complaint. This brings 'fresh eyes' to the complaint. Reconsiderations are undertaken by senior investigators.

243. OBSI experiences a significant volume of reconsideration requests as the following table demonstrates. Based on our experience with financial services ombudsman schemes in comparable jurisdictions, we would have expected to see a higher proportion – closer to around 5% - resulting in a change in outcome for the complainant.

Figure 8. Reconsideration requests in 2024 and 2025

	2024	2025
No. of Reconsideration requests	374	596
Percentage of total complaints closed	10%	11.72%
Change in conclusion	7 (1.97% of requests)	6 (1.01%)
Average time to undertake reconsideration	55 days	17.5 days

244. We reviewed 6 complaint reconsiderations – 5 complaints where the original outcome was maintained and one complaint where there was an increase in the compensation recommended by OBSI. In a couple of reviewed complaints, we felt that there were issues raised by the complainant that should have been inquired into in more depth during the reconsideration.

245. In all reconsiderations we reviewed, we felt that the reconsideration response letter was too brief to create complainant confidence that a fair reconsideration had occurred.

246. The 2021 Review reports recommended that OBSI reconsideration closing letters should contain additional information about the reconsideration process that the investigator has undertaken and provide more detailed reasons for either upholding or overturning the original OBSI decision. The cases we reviewed did not evidence implementation of this. However, OBSI has told us that the Reconsideration function has recently been re-assigned to a different senior executive and that there are now dedicated reconsideration officers who are revisiting the approach to this function.

247. These changes have already resulted in the improvement in average reconsideration response times shown in the table above. Our interviews with the Reconsideration officers provided us with some confidence that there had been identification of areas for improvement and that a number of initiatives were underway to improve the processes, guidance and tools applied in OBSI reconsiderations. To assess progress, we recommend a focused external review of the reconsideration function in mid 2027.

Recommendation 15.

That OBSI should undertake a focused external legal review of a sample of reconsiderations in mid 2027 to assess whether:

a) issues raised by the complainant in the reconsideration request are being appropriately inquired into,

b) the reconsideration process is effectively bringing 'fresh eyes' to the complaint as evidenced by a willingness to change OBSI's position when warranted, and

c) reconsideration response letters provide a reasonable summary of the steps taken by the reconsideration officer and the reasons for their conclusions

10. Policies and procedures, systems and controls

Bank Act obligations

The external complaints body shall:

- *establish policies, procedures and terms of reference that are satisfactory to the Commissioner pertaining to, among other things, dealing with complaints*

FCAC Mandatory Reporting for External Complaints Body

- The external complaints body *must have policies and procedures in place, along with terms of reference to govern its functions and activities as an external complaints body that meet legal requirements.*

MoU Obligations

- *OBSI should have effective and adequate internal controls to ensure the confidentiality, integrity and competence of its investigative and dispute resolution processes.*

Scope of Chapter

248. This Chapter reports on the written guidance, training and internal controls that OBSI has in place to ensure the effectiveness of its dispute resolution processes. OBSI's Terms of Reference are discussed in Chapter 8.

Knowledge management/ written policies and procedures and guidance

249. OBSI has an extensive body of policies and procedures and templates to guide and assist its staff. For example, OBSI has a *Policies & Procedures Manual* last updated in November 2025 that provides a general framework. This is supported by more detailed policies and procedures about matters including evidence collection and management, facilitating settlements, managing challenging behaviour by stakeholders particularly consumers, data integrity, file organization etc. OBSI also has a body of templates that staff can utilise. This includes an Investigation Plan and Investigation Matrix. There are also extensive sector-specific materials, for example, a guidance note in relation to disputed credit card charges and a guidance note about the respective responsibilities of investors, advisors and firms. Typically, guidance material is prepared by OBSI subject matter experts. In addition, OBSI has a knowledge manager who has centralized responsibility for coordinating, tracking, project managing and sometimes delivering this guidance material.

250. Despite clearly considerable efforts to building and maintaining this guidance material, we are concerned that some investigator guidance has evidently not been reviewed and updated for many years.

251. We are aware that OBSI is in the process of strengthening its knowledge management function. A former investigations manager is now a dedicated knowledge manager working with subject knowledge experts to apply continuous improvement to procedures, guidance, tools and templates. We suggest that an internal review of the guidance material should be undertaken and additional resourcing is applied if required.

Recommendation 16.

That OBSI should conduct an internal review of its policies and procedures and other guidance for investigators and develop a prioritised program of work to update this material – and if necessary, increase its resourcing of knowledge management development work.

Training and development

252. As is appropriate for an organization that has grown rapidly in the last couple of years, OBSI has placed much focus on training and development of its staff with classroom training/ presentations and external courses, as well as on-the-job training.

253. The knowledge manager works closely with the Deputy Ombudsmen and the HR manager on an approach that includes:

- New recruit introduction to OBSI (2 weeks) which includes introduction to OBSI, the basics of case handling, OBSI's Terms of Reference, IT matters including IT security, privacy, compliance and whistleblowing.
- New investigator classroom training program.
- Close oversight by a manager of new investigators including a structured allocation of complaints to new investigators to enable them to steadily build experience and confidence.
- Regular all-staff training presentations.
- External courses about, for example, ombudsman practice, banking law and fraud, private markets, estate and trust administration, investing in bitcoin, protecting aged and vulnerable clients, ethics, excel, coaching and leadership and so on.

254. We were impressed by the training program and think that this positions OBSI well to ensure the confidentiality, integrity and competence of its investigative and dispute resolution processes.

Manager oversight

255. We were also impressed by the manager oversight of investigations. OBSI has documented its expectations in *Investigation Standards for Manager Oversight, Peer Review and Approval, Quality Assessment and Data Integrity Review Standards* effective 1 November 2025. Whilst managers are primarily responsible for overseeing an investigator's work,

learning and development, OBSI also utilises peer review processes, particularly for more experienced investigators.

256. In our review of closed complaints, we regularly saw manager input into investigations plans and closing letters and considered that this input enhanced the quality of the work.

Data integrity and quality assessment

257. Managers are also responsible for undertaking post closure reviews of complaints to assess whether OBSI expectations are being met. There are 2 aspects:

- Managers are required to undertake a data integrity check for each complaint. As set out in *Data Integrity – Manager Guide, Date Integrity Guidance Note, Data Integrity Job Aid*, this is to ensure that OBSI's case management system data is accurate and up-to-date and all fields have been populated so that OBSI can manage its workload and reports provided to stakeholders are accurate.
- Managers must complete a minimum of 6 quality assurance reviews per investigator per quarter. In the case of investigators with a tenure of less than one year, managers complete a minimum of 4 quality assurances per month. The manager selects the complaints to be reviewed, the investigator may be asked to undertake a self-assessment and the manager will then share with the investigator the result of their review. There are 6 criteria assessed: efficiency, information gathering, analysis and insight, writing quality, stakeholder engagement and data integrity. Records must be maintained of these reviews and results shared with the Deputy Ombudsmen.

258. We were provided by OBSI with the results spreadsheet for quality assessments undertaken for 2 investigators and combined with other enquiries, were satisfied that these review processes are being implemented effectively and that they enhance the quality of OBSI's dispute resolution processes.

11. Timeliness

Bank Act obligations

The external complaints body shall:

- *if it determines that all or part of a complaint is not within its terms of reference, provide the person who made the complaint with written reasons for that determination, and the name of any entity to whom the person may make a complaint, within 30 days after the day on which it receives the complaint;*
- *no later than 120 days after the day on which it has all of the information that it requires to deal with a complaint, make a final written recommendation to the parties*

MoU Obligations

- *OBSI should maintain its ability to perform its dispute resolution on a timely basis and deal with complaints without undue delay*

Recommendations from 2021 Reviews of OBSI

- *OBSI should require firms to provide documents within two weeks, failing which OBSI should publicly report the firm's failure to meet OBSI's timeframe.*
- *OBSI should set a target of 30 days to assign a case to an investigator, and should report on how frequently it is meeting this target.*
- *OBSI should begin counting its investigation targets when OBSI receives the consumer's signed consent letter.*
- *OBSI should revise its internal timeliness standard to require 90% of banking cases to be closed in 90 days.*

Scope of Chapter

259. This Chapter reports on the timeliness with which OBSI handles inquiries, assesses whether a complaint is within OBSI's Terms of Reference and, for those complaints within OBSI's mandate, collects relevant information and resolves complaints.

260. Timeliness was an issue raised with us by both industry representatives and consumer advocacy bodies, with both focusing on the delay that often occurs before a complaint is assigned to an investigator.

Intake and Assessment process timeliness

261. As described in Chapter 3, OBSI's Case Assessment teams deal with a large number of inquiries. Where a complaint is assessed as within OBSI's mandate, a Case Assessment Officer arranges for the complainant to sign a Consent letter and to provide any missing documents and for the participating firm to provide its complaint-related documents. Once both occur, the complaint can be placed in the investigations queue.

262. OBSI has a general obligation to undertake its Intake and Assessment functions in a timely manner – and a specific 30 day resolution timeframe obligation for out-of-mandate banking complaints. OBSI provided us with the following information about its Intake and Assessment timeframes.

Figure 9. Intake and Assessment timeframes

	2021	2022	2023	2024	2025
% of Case Intakes completed within 42 days	87%	81%	56%	52%	92%

263. From this data, it is evident that OBSI Intake and Assessment timeliness was significantly lower in 2023 and 2024 but improved dramatically in 2025.

Banking complaints outside OBSI's Terms of Reference mandate

264. OBSI endeavours to identify through its initial assessment process the complaints that are outside OBSI's Terms of Reference mandate. Early resolution of out-of-mandate complaints is consistent with good international practice and is in the interests of both complainants and participating firms.

265. For banking complaints, the Bank Act requirement that OBSI resolve out-of-mandate complaints within 30 days operates as an additional imperative.

266. Of course, at OBSI as at all ombudsman schemes, there are some complaints where investigation is needed to ascertain whether or not a mandate exclusion applies. Where this is the case, the complaint will inevitably not resolve within 30 days of the making of the complaint as the following table demonstrates.

Figure 10. Banking complaints (with or without investigation) out of mandate in 2025

OBSI Stage	Closed within 30 days	Closed 31 days+
Inquiries stage	15,707	277
Investigations stage	0	139
Total	15,707	416

267. It can be seen from Figure 10 above that, for cases that do not progress to an investigation, OBSI achieves the 30 day closure requirement in 98% of cases. But where an investigation identifies that a mandate exclusion applies, the 30 day timeframe is never met.

268. As part of our closed complaints review, we reviewed 9 banking complaints that progressed to OBSI's investigation stage and were found to be out-of-mandate. In most cases, these complaints were excluded on the basis that the complainant should have known about the relevant matters more than 6 years before making their complaint to their participating firm.

We agree that investigation is often necessary to ascertain this – and so resolution of these types of complaints within the 30 day timeframe is often not possible.

269. We are satisfied that for the most part, OBSI meets its Bank Act obligations to finalise within 30 days banking complaints that are found to be out-of-mandate.

Assignment of complaints for investigation

270. Once a complaint is ready for investigation, OBSI aims to assign it to an investigator within 10 business days.

271. OBSI's 2025 Annual Report states that in 2025 all investment cases were assigned within that timeframe. The higher than expected volumes of banking complaints after OBSI became the sole banking ECB, meant that OBSI did not meet that timeframe for banking complaints.

Figure 11. Investigator assignment wait times

	2021	2022	2023	2024	2025
Average days in queue	2	3	55	40	32
Longest days in queue	114	159	152	172	148

272. To get on top of this backlog, OBSI has been working to improve efficiency and recruiting and training new investigators. Our expectation is that this will result in the backlog reducing and timeframes for allocation of complaints to investigators continuing to improve.

273. We think that there should, however, be better transparency as to this – something that a number of industry representatives and consumer advocates called for.

274. The 2021 Reviews recommended that OBSI should set a target of 30 days to assign a case to an investigator and should report on how frequently it is meeting this target. OBSI has not implemented this important recommendation which we now repeat. To be clear, the 30 days should commence once OBSI has received both the complainant's consent letter and the complaint information from the firm.

Recommendation 17.

That OBSI should set a target of 30 days to assign a case to an investigator. The 30 day period for case assignment should commence on the later of the date of receipt of the complainant consent letter and the date of receipt of complaint information from the firm. OBSI should publish in its Annual Report data as to how frequently it is meeting this target.

Collection of information from participating firm

275. In the course of our review, we heard discussion about whether OBSI could improve its participating firm document gathering processes, as a way of improving timeliness.

276. Some participating firms noted that OBSI's Case Assessment Officers often do not tailor their initial information requests to the circumstances of the complaint and instead use a standardised request list and generalised language. As we saw during our closed complaints review, this can mean, for example, that OBSI asks for account statements, even if these are not relevant for the complaint.

277. As we also saw in our review of closed complaints, the Case Assessment Officer's initial collection of documents often misses important documents that the investigator will later need to request. This is notwithstanding that the Case Assessment Officer's document request typically asks for "all other relevant documents". We felt that better specificity in the first request would sometimes have expedited the complaint.

278. There is also the (not implemented) recommendation from the 2021 Reviews that participating firms should be given just 2 weeks to respond to an information request rather than the 3 weeks that continues to be standard practice. The 2021 Reviewers also recommended that if a participating firm fails to provide its documents on time, OBSI should publicly report about this.

279. We are aware financial services ombudsman schemes in other countries often impose a shorter timeframe for the provision of information than OBSI – 2 weeks in the case of FOS UK and the Australian Financial Complaints Authority and just 5 days in the case of the Banking Ombudsman New Zealand. We think that 2 weeks would be good practice. However, while OBSI has a backlog and there are significant delays before a complaint is assigned to an investigator, we think that OBSI is not in a position to demand shorter timeframes for participating firms. Nor are we persuaded that public reporting would result in improved participating firm practices.

280. More tailored information requests would, however, likely be timelier and more efficient for both OBSI (and hence better for complainants) and for the participating firms. This is something that OBSI has recognised. Its internal *Firm File Request Guidance Note* sets out 27 different types of complaints and provides tailored guidance as to the information that should be requested for each type of complaint. We note that in some cases, it will be simpler for the firm to provide more information, which would be at their discretion. Our expectation is that overall, this will lead to better practices going forward.

Firm delay in responding to OBSI investigator requests

281. Even if information collection practices are improved at the case assessment stage of OBSI's process, it is inevitable that an investigator will often identify the need for additional information (documents or answers to questions).

282. Where this is the case, the investigator needs to set a timeframe that is fair to the participating firm – and then monitor that timeframe and ensure that the participating firm does not unduly delay in the interests of fairness to the complainant.

283. During our consultations with industry, we heard some frustration that OBSI investigators will sometimes require documents to be provided within just a few business days (OBSI's standard guidance is 3 to 5 business days). It was said that sometimes the limited timeframe does not take into account the challenges associated with identifying and retrieving the requested information.

284. In our review of closed complaints, we found that for the most part investigators set reasonable timeframes – or adjusted the timeframe where the participating firm explained particular problems in meeting an information request. We also observed diligent follow up by investigators of outstanding information requests, consistent with OBSI's internal *Document Request Process Standard* which requires an investigator who has requested information to specify the due date, to send a reminder email one day before the due date, to follow up one day after the due date, with a second follow up 2 days later and a final follow up 2 days after that. The investigator must then consult with their manager, who will contact the participating firm or escalate the matter. We were told by OBSI that a facilitated settlement proposal will occasionally draw an adverse inference in circumstances where the participating firm had failed to provide requested documents. This is standard financial services ombudsman practice in other jurisdictions.

285. As another measure to address the problem, OBSI formally records the complaint as delayed where a participating firm has failed to meet an information request deadline and this is preventing the investigation from progressing. The following table demonstrates that in 2025 over 20% of complaints were recorded as delayed.

Figure 12. Delay by participating firms - investigated complaints closed in 2025

	Banking complaints	Investment complaints
No. of complaints with delay	1071	156
% of complaints with delay	21%	24%
No. of firms with delayed cases	38	55
Average length of delay days per case	31	34

286. Delay data is reported by OBSI to its regulators. OBSI has told us that they understand banking regulators follow up on these reports with participating firms, leading to improvements in firm practices.

287. Consistent with this, we heard during our review, and saw in some reviewed closed complaints, considerable sensitivity by participating firms about OBSI recording their complaint as delayed by the firm. One confidential industry submission expressed concern about OBSI reporting a delay to their regulator without providing the firm with advance warning. To prevent surprise, we think that OBSI should be very clear about what needs to be provided when and, where applicable, whether an extension of time has been granted. Our closed complaint review suggested that this is usual practice. Also, we understand from OBSI that participating firm portal enhancements will soon include a listing of all the firm's complaints and will flag those where the firm is creating a delay – thereby improving transparency about this.

Investigation timeliness targets

288. OBSI has a mandatory requirement that all banking investigations must be completed within 120 days and a service standard that almost all investments investigations are completed within that timeframe.

289. Of course, some investigations will not require full investigation and in fact the relevant participating firms and complainants quite quickly settle. Other investigations involve more complex factual setting, more documentation and require more analysis and testing of OBSI views with the parties.

290. To set internal expectations for investigators, the internal *Investigations Policies & Procedures Manual* updated in November 2025 defines 3 categories of complexity (Category A – most complex, Category B – mid level complexity and Category C – standard level of complexity), with complaint closing timeframe guidance as per the next table. So as to exclude matters largely outside the control of investigators, time is counted from the date an investigation is assigned to an investigator and participating firm delay days are excluded.

Figure 13. Complaint closing guidance timeframes

Investigation complexity category	Banking complaints closing guidance	Investment complaints closing guidance
Category A	100 days	120 days
Category B	70 days	90 days
Category C	45 days	45 days

291. We think that this guidance meets the 2021 Review Banking Report recommendation that OBSI should revise its internal timeliness standard to require 90% of banking cases to be closed in 90 days.

292. Like its internal monitoring, OBSI's Annual Report timeliness reporting is also calculated from when complaints are assigned to investigators and participating firm delay days are excluded. As the 2021 Review Reports notes, this does not match the parties' experience of timeliness. The 2021 Reviewers recommended that for these purposes OBSI should "start the clock" from when OBSI receives the complainant's signed consent letter. We agree – and also think that participating firm delay days should not be excluded for Annual Reporting timeliness purposes.

Recommendation 18.

That for the purposes of Annual Report timeliness reporting, OBSI should begin counting its overall complaints timeframe from when OBSI receives the complainant's signed consent letter and this measure should not exclude participating firm delay days.

Timeliness of investigation process

293. To achieve its targets and timely resolution of investigations, OBSI has developed a structured investigation process. Investigators and their managers closely manage the milestones in that process.

294. OBSI also sets clear expectations as to the number of complaints an investigator should be able to complete per month and evaluates performance accordingly. This is discussed in Chapter 15.

295. The result is that over the last 5 years OBSI timeframes have improved on those reported in the 2021 Review Reports and continue to compare favourably with international financial services ombudsman practice. Each year, OBSI has also met its Bank Act 120 day complaint closure obligation (albeit calculated from assignment to investigators and excluding participating firm delay days), as the following table shows.

Figure 14 Investigation timeframes

	2021	2022	2023	2024	2025
Banking					
Percentage of complaints to close within 120 days	100%	100%	100%	100%	100%
Average days to close investigations	54	52	40	36	43
Credit unions					
Percentage of complaints to close within 120 days	100%	100%	100%	100%	100%
Average days to close investigations	68	70	36	38	45
Investments					
Percentage of complaints to close within 120 days	86%	93%	88%	93%	89%
Average days to close investigations	75	78	67	57	63

12. Information sharing and systemic issues

Bank Act obligations

The external complaints body shall:

- *inform the Commissioner in writing within 30 days after the day on which it determines that a complaint raises a potential systemic issue;*
- *without delay, inform the Commissioner in writing of cases in which an institution does not comply with a final recommendation;*
- *within 60 days after the end of each quarter, submit to the Commissioner, in a form satisfactory to the Commissioner,*
    - *(i) in relation to all investigations completed during the quarter, a copy of the record of the complaint, and*
    - *(ii) any prescribed information;*
- *within 60 days after the end of each quarter, meet with the Commissioner to discuss, among other things, complaints, operations and market trends and issues with the potential to impact consumers;*
- *within 135 days after the end of the financial year, file a written report with the Commissioner on the performance of its functions and activities for that year that meets prescribed requirements – and without delay after filing make that report available on its website free of charge and provide it to any person who requests it;*
- *meet with the Commissioner annually;*
- *comply with the Mandatory Reporting for External Complaints Body obligations*

MoU obligations

- *OBSI should share information and cooperate with the Participating CSA Members through the CSA Designates in order to facilitate effective oversight under this MOU.*

Recommendations from OBSI Review 2021

- *OBSI should work with the regulators (FCAC and JRC) to improve the systemic issue reporting system, including by amending the definition of systemic issue to include complaints raised by a single complainant; requiring OBSI to report repeated systemic issues year-after-year, even if the same issue was identified in prior years; and ensuring more robust communication between the regulators and OBSI once a systemic issue has been identified by OBSI.*

Scope of Chapter

296. This Chapter assesses OBSI's compliance with its reporting obligations to regulators and the way in which it works with regulators. Potential systemic issue reporting is a particular focus. The annual reporting obligation is discussed in Chapter 13.

Systemic issues - Introduction

297. OBSI operates under a patchwork of obligation to report systemic issues.

- There is the Bank Act obligation to report potential systemic issues to the FCAC.
- OBSI an obligation under the *Protocol for Handling systemic Issues for OBSI and JRC* (JRC Protocol) to inform the CSA Designates of potential systemic issues.
- OBSI has signed Memoranda of Understanding with respectively the British Columbia Financial Services Authority and the Registrar of Credit Unions of Saskatchewan that requires OBSI to report issues likely to have significant regulatory or systemic implications.

298. OBSI's Terms of Reference do not, however, give it a mandate to investigate or resolve systemic issues. This places OBSI as a bit of an outlier amongst financial services ombudsman schemes in comparable jurisdictions. And while an obligation to report "potential" systemic issues might be expected to lead to more reports than an obligation to report matters positively found to be systemic issues, as in other jurisdictions, in fact, OBSI formally reported only three systemic issues in 2025, two in 2024 and one in 2023.

299. It is clear from some stakeholders that this is regarded to be thoroughly unsatisfactory and is viewed as evidence that OBSI is making little effort in this space. Those stakeholders point to international comparisons. But these are particularly difficult to make because of variations in definitions, in work processes, in the style and degree of collaboration with regulators, in the legislative and regulatory frameworks and in reporting expectations.

300. For example, FOS UK has formally reported even fewer systemic matters vs. total complaints than OBSI. Because FOS UK works so closely with the Financial Conduct Authority (FCA) as part of its membership of what is known as the Wider Implications Forum with the financial regulator and other complaint schemes, we understand that there are many more types of systemic information being shared with the regulators than would appear from the statistics.

301. At the other extreme, the Australian Financial Complaints Authority reports the highest numbers of systemic matters compared with total escalated complaints. In 2024/25 AFCA conducted 163 detailed systemic issue investigations and reported 105 systemic issues to the regulators – a rate that is many multiples of the rate of OBSI and FOS UK reports. It seems that this is in part an outcome of the Financial Services Royal Commission in 2017 that began a practice of regulators looking to AFCA to take an active role in identifying and overseeing large scale remediations of participating firm error.

Stakeholder views

302. OBSI has had a history of some controversy over its role in systemic issues. This is not unusual for financial services ombudsman schemes in their early years, however it is unusual for us to find that the role is still not generally settled and accepted after 20 plus years of debate. We do not suggest that other jurisdictions do not have the occasional outbreak of tensions, sometimes leading to minor adjustments, however it is rare these days to find such polar opposite views amongst stakeholders.

303. For example, the Consumers Council of Canada submitted that "OBSI's current referral protocol to regulators lacks the independent investigative capacity necessary to identify and address recurring market conduct issues effectively."

304. The Sotos Geller submission agreed: "Since 2013, OBSI's role in identifying and addressing systemic issues has been substantially constrained. The consequences of this limitation are significant. Without a meaningful systemic mandate:

- Patterns of misconduct may remain unexamined;
- Similarly situated investors may remain unaware of negligence, harm and their potential right to seek compensation; and
- Regulators will continue to be deprived of reliable, case-based insight into recurring market conduct issues, which prevents root-cause analysis.
- Even if the current framework were sufficient to fairly resolve individual disputes, which it is not, this would not be enough. Effective investor protection requires mechanisms capable of identifying and responding to systemic risk. "

305. The OSC Investor Advisory Panel and the National Pensioners Federation supported this view along with the majority of individual submitters.

306. From industry's side, and even amongst a few consumer advocates, we heard counter argument that systemic issues are for regulators and OBSI should not court controversy by taking on more of a role in this space. Some told us that a perception of overstepping its role is what led to OBSI's systemics mandate being wound back in 2013.

307. The Canadian Forum for Financial Markets (CFFiM) submission argues that any information sharing with regulators undermines OBSI's neutrality and is a "flawed model". This view was echoed in milder form in other views from industry.

308. Regulators identified systemic issue reporting as an important issue for our review. The FCAC defines a systemic issue as a compliance issue that may impact multiple consumers or have market wide implications. The JRC Protocol defines systemic issues as encompassing

"1. multiple complaints against one or more registered individuals about products or services provided to investors,

2. multiple complaints about the same registered firm about similar products or services provided to investors, or

3. the same complaint against multiple registered firms in a registration category and/ or about similar products or services provided to investors which appear likely to have significant regulatory implications or to raise concerns about the firm's fitness for registration."

309. The FCAC has issued guidance recommending that OBSI err on the side of reporting too much rather than too little.

Our view

310. An ombudsman scheme is almost always expected to be the "canary in the coal mine" for identifying systemic issues that may affect not only those consumers who find their way to the ombudsman scheme but also potentially many other consumers who may be unaware of the option of lodging a complaint. Detecting and resolving systemic issues helps lift industry standards. It also reduces the ombudsman scheme's case load by preventing the need to address the same underlying problem repeatedly on a case-by-case basis.

311. Jurisdictions differ in the division of responsibility for systemic issues between their financial services ombudsman scheme and regulators. In some jurisdictions, regulators consider that it is efficient for the financial services ombudsman scheme to do a considerable amount of the groundwork, collecting and then passing on maximum information. This work can position regulators to take a highly strategic focus and help them to decide how to prioritise their scarce resources to maximise overall regulatory impact. In other jurisdictions, regulators want to be directly involved from the outset and themselves oversee any significant remediations.

312. Be that as it may, in Canada, the regulatory settings currently require OBSI to identify potential systemic issues and promptly (for both the FCAC and the JRC within 30 days) report these to the relevant regulator. The FCAC has a standard (one page) template that is used for this purpose. For the CSA Designates, OBSI has developed a brief template.

313. The 2021 Review recommended that OBSI work with regulators to change the definition of systemic issues, including by amending the definition of systemic issue to include complaints raised by a single complainant. This change is yet to be made. In our view, this is less of a limiting factor for banking given that the FCAC definition of systemic issues refers to an issue that "may" impact multiple consumers or have market wide implications. But for investments, the JRC Protocol systemic issues definition refers to "multiple" complaints. We think this is an unhelpful, limitation and agree with the 2021 Reviewers that OBSI should continue to discuss this aspect of the definition with the JRC.

314. Even under current settings, we encourage OBSI to take a more robust, less constrained interpretation of what it is able to report to the CSA designates, particularly because OBSI's obligation is to report "potential" systemic issues, not proven systemic issues. Where a complaint has been lodged that establishes participating firm error as a result of a systems, documentation or process problem, it may be that OBSI cannot prove that multiple complainants are affected, but this may be a highly likely consequence of the problem, justifying reporting of the "potential" for a systemic issue to exist. Again, we think that OBSI should discuss this with the JRC.

Recommendation 19.

That OBSI should discuss with the JRC that for some types of investment firm errors a single complaint may be enough to suggest a potentially systemic issue. OBSI should propose that its future reporting should be on this basis either under the existing systemic issues definition or an amended definition.

Processes to identify potentially systemic issues

315. OBSI uses a tracking spreadsheet to capture matters identified by staff that may be reportable as potential systemic issues. This can list as many as twenty matters in a single year. As we understand, senior staff regularly review the spreadsheet. Then, if the decision is made to prepare a regulator systemic issue report, the report must be approved by the Ombudsman prior to being submitted to the regulator.

316. OBSI's ability to report potential systemic issues in both banking and investments depends on its complaint handling staff being alert in identifying these issues for capture on the tracking spreadsheet.

317. Our review indicates that OBSI could be more effective in this area. During discussions with OBSI staff and in the course of our closed complaint review, we became aware of several matters with potential implications for a broader group of consumers—for example, a provider charging fees contrary to its terms and conditions, a case in which scammers exploited known system vulnerabilities to facilitate fraud, failure by a bank to clearly and accurately explain to complainants the timeframe within which a complaint to OBSI must be made. None of these issues were captured on OBSI's internal spreadsheet of potentially reportable matters.

318. We are also concerned that for matters that are captured on that spreadsheet, very few result in a report to the regulators. We think that this is inconsistent with the FCAC's encouragement to report too much rather that too little and certainly not meeting community expectations.

319. We also do not think there is much risk of overloading the regulators – given the starting point.

320. Staff should be encouraged to identify and escalate potential systemic issues to OBSI's systemic issues manager as a first step. This process and the senior staff assessment process should both operate on an "if in doubt, report" basis to ensure that emerging risks are not overlooked. To support consistent identification, frontline staff and case handlers should receive regular updates on issues that have been reported. Where a case that triggered a systemic issue report has been resolved, the details of that resolution should be shared with case handlers to promote a uniform approach to similar cases.

Recommendation 20.

That OBSI should:

a) Adopt an "if in doubt, report" approach both to encourage staff to escalate potential systemic issues at an early stage and when assessing matters to decide whether they warrant reporting to the relevant regulator.

b) Ensure all frontline staff and case handlers receive regular training and updates on systemic issues that have been identified and reported, including how similar cases should be handled.

c) Strengthen internal communication channels so that staff are promptly informed when a case has triggered a systemic issue report and how the underlying issue was resolved.

d) Monitor and review systemic-issue reporting practices to ensure consistency and to improve OBSI's effectiveness in identifying emerging risks.

Other reporting to regulators

321. We reviewed recent examples of quarterly reports by OBSI to its regulators. We also inquired into OBSI's processes for dealing with allegations that OBSI has breached its compliance obligations. Most commonly the allegations are of bias. No allegations have been upheld in recent years.

322. We are satisfied that OBSI has appropriate processes to deal with these matters. It is evident that OBSI reports diligently to its regulators and has productive informal discussions in its regular meetings with them. In our consultations with regulators, the reporting was seen as an important source of thematic information about consumer complaints – which complements and extends their ability to monitor for systemic issues.

13. Transparency and accountability

Bank Act obligations

The external complaints body shall:

- *establish policies, procedures and terms of reference that are satisfactory to the Commissioner pertaining to, among other things, dealing with … the consultation, at least once a year, of its member institutions and consumers for the purpose of raising concerns about the external complaints body*
- *within 90 days after making a final recommendation, make a summary of the final recommendation available on its website free of charge, which summary is to include*
  - *(i) a description of the nature of the complaint that is the subject of the final recommendation,*
  - *(ii) the name of the institution that received the complaint,*
  - *(iii) a description of any compensation provided to the persons referred to in paragraph 627.44(c) or (d),*
  - *(iv) the reasons for the final recommendation, and*
  - *(v) any prescribed information;*
- *within 135 days after the end of each financial year, file a written report with the Commissioner on the performance of its functions and activities for that year, which report is to include:*
  - *(i) information about*
    - *(A) its constitution, governance and terms of reference, and the identity of its member institutions,*
    - *(B) all sources of funding for its functions and activities, including the fees charged to each of its member institutions for its services and the manner in which those fees are calculated, and*
    - *(C) the results of the most recent [five year] evaluation..,*
  - *(ii) a summary of the results of any consultation with its member institutions and with persons who made complaints to it,*
  - *(iii) in respect of each of its member institutions, the number and nature of complaints that it received, the number of complaints that it determined were within its terms of reference, the number of final recommendations that it made and the number of complaints that, in its opinion, were resolved to the satisfaction of the persons who made them,*
  - *(iv) the average length of time taken to deal with complaints,*
  - *(v) the number of complaints that it determined were not within its terms of reference and the reasons for that determination,*
  - *(vi) the number of complaints for which an institution did not comply with a final recommendation,*
  - *(vii) the number of final recommendations that it made in which compensation was recommended, and*
  - *(viii) the average and total compensation provided with respect to complaints that it determined were within its terms of reference*
- *without delay after it is filed with the Commissioner, make the report available on its website free of charge and provide it to any person who requests it;*

- *submit, every five years, to an evaluation of the performance of its functions and activities that is conducted, at the discretion of the Commissioner, by the Commissioner or a third party in accordance with terms of reference that are established by the external complaints body in consultation with the Commissioner;*

MoU obligations

- *OBSI should undertake public consultations in respect of material changes to its operations or services, including material changes to its Terms of Reference or By-Laws.*
- *OBSI should have appropriate and transparent processes for developing its core methodologies for dispute resolution.*

Recommendations from 2021 Review of OBSI

- *OBSI should conduct a public consultation on its loss calculation methodology for exempt market product cases. Ideally, in order to ensure acceptance from the EMD/PM community, the resulting methodology would be approved by the securities regulators.*
- *OBSI should be required to post anonymized case summaries of all of its investments cases to its website.*
- *OBSI should post investigator bios on their website to showcase the diverse talent and the expertise each investigator brings to the file.*
- *OBSI should set out in its Annual Report the number of potential systemic issues it has identified in the previous year, both in respect of investments and banking complaints, and provide a generic description of the type of issue identified.*
- *OBSI should work with the regulators (FCAC, JRC or the CSA Designate) to issue a report to the public on what steps have been taken with respect to the potential systemic issues identified by OBSI.*
- *OBSI should increase the number of times securities industry and firm staff come into OBSI's offices to share the latest industry developments or any industry insights they feel may help OBSI's understanding of issues. OBSI should also work with the relevant industry association to develop a training program on exempt market issues for its investigators.*
- *OBSI should continue to expand its role as a thought leader in the future by using its experiences and expertise to contribute to the overall fairness, effectiveness and trust in the financial services sector in Canada.*
- *For investment complaints, until binding authority is granted, or if it is not granted, OBSI should publish not only cases of outright refusals, but also low settlements in the form of quarterly and annual chart posted to its website.*
- *OBSI's Board should establish roundtables with industry and consumers, including advocacy groups of both, to receive their perspectives and opinions on key issues of importance to OBSI and current developments and trends.*

Scope of Chapter

323. This Chapter examines OBSI's reporting to give transparency to its complaint handling and to be accountable to its stakeholders. The Chapter also examines OBSI's steps to engage and consult with its stakeholders.

Website Information

324. OBSI's website data cube provides extensive statistical information including about the inquiries made to OBSI, the products/ sectors giving rise to complaints and the issues arising in complaints. This data can be filtered by time period.

325. OBSI's website also includes over 100 detailed case studies going back to 2003. These span all sectors of complaints and are an excellent resource.

326. In addition, as required by the Bank Act, OBSI's website includes a table that lists all complaints involving a federally regulated bank that were closed with an OBSI final recommendation, whether with or without compensation. The date, name of bank, type of banking product and amount of compensation, if applicable, is specified, with the ability to sort by each of these parameters. A paragraph briefly explains the complaint allegations, what OBSI found and the reasons for its decision.

327. From our checking, it would seem that OBSI posts these informative case summaries well within the 90 day timeframe allowed by the Bank Act and otherwise meets this legislative obligation.

328. The 2021 Review Report noted that OBSI prepares similar case summaries for investments complaints, albeit on an anonymised basis, and provides these to the JRC. The Report recommended that these are also published on the website. OBSI has not yet done, but we think it should do. To our mind, case summaries provide a level of detail and context that greatly enriches the statistical information and a coverage that is much greater than case studies.

Recommendation 21.

That, as it does for banking complaints, OBSI should publish a case summary for each other sector complaint closed with a final OBSI recommendation. For non-banking complaints, the summary should not, however, name the relevant participating firm.

329. The 2021 Review Report also recommended that OBSI post investigator bios to its website (last name anonymised) to showcase particularly to participating firms the diverse talent and expertise of each. This has not occurred. Whilst we are supportive of the intent behind the recommendation, we think that this is an internal operations matter for OBSI.

Annual report

330. OBSI prepares an Annual Report, provides this to the FCAC and publishes it on its website. We reviewed OBSI's 2025 Annual Report in light of the Bank Act requirements and, as was the case in the 2021 Review, found that OBSI met those requirements.

331. OBSI's 2025 Annual Report also provided useful transparency about low settlements – the number of these, the quantum of the compensation OBSI recommended and the difference between this and the participating firms' settlements. (In view of this and progress towards binding authority at least for investments complaints, we have chosen not to repeat the 2021 Reviewers' recommendation that there should also be website quarterly reporting about investments low settlements.)

332. To enhance transparency and accountability, however, we think that there are some matters that OBSI should address in more detail in its Annual Reports.

333. In our consultations and in submissions, a number of consumer advocates stated that they would value more information in OBSI's Annual Report about systemic issues and trends as to the types of issues giving rise to complaints lodged with OBSI.

334. We agree that OBSI's Annual Report should provide more detail as to these matters. Whilst the 2025 Annual Report specified the number of reported potential systemic issues and provided a brief description of these as per the 2021 Review recommendations, the Report contained just a single paragraph about complaint trends (continued very high incidence of fraud across all product categories, steadily increasing credit card and debit card frauds and significant increase in mortgage cases). We recommend more fulsome discussion in future Annual Reports. (The 2021 Reviewers also recommended that OBSI work with the regulators on a report to the public on regulator response to OBSI's reports. No such report has been issued.)

335. As discussed in Chapter 11, we think that OBSI's Annual Report should also provide more insight into OBSI's timeliness including backlogs (delays in allocating complaints to investigators) where these arise (see Recommendation 17).

Recommendation 22.

That OBSI's Annual Report should provide more insight into systemic issues and complaint trends including case studies and qualitative discussion.

Public consultations

336. OBSI has a webpage "Public Consultations" that states that these "are an important practice for demonstrating transparency, accountability and ensuring that significant changes to our policies and procedures are made with input from all stakeholders". The webpage lists the consultations that have been undertaken and provides links to relevant documents. The list includes past Terms of Reference revisions. Our review (part of a regular 5 yearly cycle of independent reviews) is listed for 2026.

337. OBSI's most recent public consultation project (begun in September 2024 in response to a 2021 Review Report recommendation) is about how an investor's loss should be calculated where the investor was sold illiquid exempt market securities that were unsuitable for the investor. OBSI's webpage provides links to OBSI's request for public comments, the submissions it received in 2024 (from investors, consumer groups, industry groups and participating firms) and OBSI's response in August 2025 which committed to:

- "reviewing and updating all of our public information and disclosures relating to our loss calculation methodology, including our approach in cases involving exempt market products and firms with limited strategies and offerings
- publishing a document comprehensively describing our approach to benchmark selection and comparative investments to help stakeholders better understand the benchmarks we use in our loss calculations
- publishing an updated technical loss calculation methodology approach document to provide more complex and detailed information for stakeholders
- publishing a series of technical case studies to supplement the simplified case studies currently available
- continuously adjusting our methodologies to reflect emerging investment products and services".

338. This is clearly a large task. OBSI has advised us that work is in progress. We urge that priority is given to this. As was clear from our consultation with the investments industry, OBSI's loss calculation methodology for illiquid securities continues to be of considerable concern to the industry. It is important that promised project outcomes occur in a timely manner.

Recommendation 23.

That OBSI should ensure that it finishes by the end of this year the body of work in relation to loss calculation methodology that it committed to in August 2025.

Industry engagement

339. OBSI is active in engaging with industry – through regular (twice annually) roundtable meetings, regular bulletins and one-to-one meetings with industry associations and individual firms as needed. OBSI also surveys participating firms on an annual basis. This effort is appreciated, judging by stakeholder feedback.

340. In addition to these regular meetings, OBSI engages directly with industry about particular OBSI initiatives. For example, OBSI's Proactive Resolution initiative pilot to encourage firms to resolve complaints directly with consumers as early as possible in the OBSI process (see Firm Bulletins on 3 November 2025 and 26 January 2026).

341. OBSI also engages through its formal public consultation process – for example on governance, loss calculation methodology or terms of reference changes.

342. We see this effort as comfortably meeting the Bank Act obligation to consult at least once per year with member institutions for the purposes of enabling them to raise concerns about OBSI and MoU industry consultation obligations.

343. To illustrate, the Securities and Investment Management Association submission to our review commends OBSI for the level of engagement that they have experienced over past several years and says that OBSI should continue to schedule bi-annual meetings with industry associations. It argues that it is important that OBSI continues to be open and transparent about challenges/ areas for improvement, respond to questions, share developments relating to regulators, allow industry associations to invite representatives from its member firms and encourage two way conversation.

344. We did however receive some industry feedback that the meetings tend to be dominated by OBSI presenting activity update material at these sessions, with insufficient time allocated for listening to industry and discussion of current or emerging issues.

345. A confidential industry submission expressed it this way: "We appreciate OBSI's efforts to engage with participating firms through consultations and industry forums but see opportunities to improve the quality and consistency of engagement, especially regarding interpretation, process, and emerging issues."

346. We do not think there are any easy solutions to the problem of providing a meeting that satisfies everyone around the table. We have encountered this often in public purpose organization stakeholder engagement settings. We have sat through stakeholder meetings for other organisations where discussion time has either turned into an embarrassed silence or has degenerated into noisy, unstructured complaining. We encourage OBSI to regularly refresh and innovate its approach to make this engagement as effective as possible.

Engagement with consumer representatives

347. OBSI regularly meets with consumer and community groups and participates in a twice annual consumer advocates meeting as well as participating in meetings with regulator Investor Advisory Panels. Again, we think that this regularity exceeds the Bank Act requirement of annual consultation.

348. As with the industry feedback, these meetings get somewhat mixed reviews, with some consumer advocates expressing the view that these meetings are largely one-way – an "OBSI activity information dump" and rarely provide meaningful insight into the consumer harms that OBSI is seeing amongst its complaints.

349. The Consumers Council of Canada expressed the views of many succinctly. ""The 2022 dissolution of the Consumer and Investor Advisory Council removed the only structured forum through which consumer advocates could raise concerns independently about OBSI's direction and effectiveness. While OBSI has increased consumer-interest director positions on its board, board governance norms tend to absorb dissent rather than surface it, and board representation does not replace an independent consumer voice."

350. We observe that we do not think the changes to the Board are retrograde (see our discussion under Governance), nor are they responsible for this comparatively low level dissatisfaction. By all accounts, there are OBSI Directors that are well-connected to the consumer movement

and able, within the constraints of directors' duties, to contribute consumer concerns and perspectives to Board discussions.

351. We are also sympathetic to OBSI regarding the difficulty of setting roundtable style meetings up to satisfy everyone – in particular for consumer roundtables. They tend to be a very diverse group with varying levels of knowledge of the business of complaint-handling in the financial sector, some with very narrow areas of interest and easily bored when the conversation moves elsewhere, others who are professional full-time lobbyists, some much more interested in regulation and government policy than in complaint-handling.

352. We do not profess to be experts in this type of engagement, however, a few good practices that we have seen may be useful to share:

- Involving one or two of the stakeholder group in planning for the roundtable is often successful, subject to their skills, experience and standing in the group.
- Some organizations have used a dedicated facilitator to guide parts of the discussion – which can reduce the load on the most senior person from the host organization who can otherwise have to be chair, facilitator, defender, presenter and moderator.
- Making sure there is something that you need from the group (feedback, ideas, answers to a couple of specific questions) at each meeting. This leaves attendees at least feeling that they contributed something at the end of the meeting.
- Asking attendees if they have agenda items for the next meeting is useful to do – at the end of the current meeting. Often attendees won't think about OBSI for any length of time between engagements and so are unlikely to contribute to a call for agenda items closer to the next meeting.
- Debriefing immediately after the meeting for the organisers on what worked and what did not is always valuable. Some organizations send a very short meeting evaluation survey to attendees in the 24 hours after the engagement.
- Experimentation and great patience are important. One former Ombudsman we spoke with said: "Sometimes you just have to sit there quietly and take the criticism, no matter how misplaced or misinformed or how many times you have heard it before."

Thought leadership

353. The 2021 Review discussed the unique role that OBSI could play in thought leadership in consumer protection in the finance sector – and recommended greater effort and a higher profile in this. We agree that this is a common expectation from Canadian regulators and of ombudsmen services in other jurisdictions and note that many Ombudsman schemes actively put forward analysis of current complaint trends, use public speeches to advocate for improvements to regulatory frameworks or improvements to industry practice and use their public profile to alert consumers to unfair or predatory practices.

354. This seems to be one of the many pressure points for OBSI. Many stakeholders clearly agree with the 2021 Reviewers and would like to see a higher profile OBSI actively contributing to thought leadership. On the other hand, we heard from some in industry that they had the

opposite expectation of OBSI. For example, some said OBSI should not be making public comment on government policy or regulatory matters, that it should not be publicly putting forward its position on proposals that affect it directly, that it should not be promoting awareness of its service, that it should not be providing consumers with information about how to protect themselves. In other words that it should keep quiet.

355. OBSI has a public commitment to thought leadership, expressed in its 5 year Strategic Plan that includes "increase trust and strengthen the financial services sector in the public interest". OBSI contributes to public policy discussion through its submissions, publishing news bulletins from time to time and through its published cases studies. For example, on 1 May 2026, OBSI provided a detailed response to the National Anti-Fraud Strategy Consultation and on 14 February 2026 OBSI issued a consumer bulletin highlighting the increase in complaints about bank balance transfers – which was reported in some Canadian media. We see this direct, higher profile messaging as what the 2021 Reviewers mostly had in mind and something that consumer stakeholders think should be more frequent.

356. In our experience, thought leadership by ombudsman schemes adds considerable value to the consumer protection framework and promotes good industry standards. Ombudsman schemes have a unique line of sight into the things that go wrong for consumers in the sectors that they cover. They are independent and they see thousands of complaints every year and engage with thousands of consumers. It is difficult to see a public policy argument as to why that should be hidden from view.

357. We do understand from numbers of stakeholder interviews, the extent to which the Canadian environment acts against OBSI taking a more forthright, less cautious approach. We concluded that OBSI is likely doing what it thinks that it can within a culture that seems to be expecting it to try and "keep everyone happy". This is not an achievable objective. We think that OBSI should continue to press its thought leadership in its domain of expertise and, where it can, it should be seeking more overt support for this role from its Regulators.

14. Support for core business

Other evaluation criteria

- *A high-level benchmarking exercise that compares OBSI to other financial services ombudsman schemes or equivalent in comparable international jurisdictions both operationally and with respect to OBSI's general organizational approaches to matters such as accessibility and transparency*

Scope of Chapter

358. This Chapter considers OBSI's enabling functions – its leadership, change management, people management, information technology systems, financial analysis capability, financial and property management and so on – in light of our experience with financial services ombudsman schemes in particular with Australia, New Zealand, the United Kingdom. As for any organization, operational effectiveness depends on effective, efficient enabling capabilities.

359. In comparison with other ombudsman schemes we have reviewed, OBSI has consistently reported a noticeably lower ratio of support staff to operational staff – typically under 15%. We understand that, in part, this has been possible because until the recent growth of the organization, a significant part of the support and enabling functions were being done by operational management "off the corner of their desks".

360. The recent growth in workload and staffing has meant that this approach is no longer viable, and there has been a small expansion in the number of staff dedicated to support and enabling functions. In our assessment, this remains modest by comparison with other financial services ombudsman schemes (see also discussion on resourcing below). To illustrate, newly dedicated roles include a senior Director of legal and compliance, a dedicated knowledge manager, shifting responsibility for reconsiderations from a distributed model to dedicated staff and strengthening the financial analyst team.

Leadership and change management

361. As discussed under Context, we expected to find some signs of stress in the leadership and management of the organization through a somewhat turbulent time. We were pleasantly surprised by the measured, calm approach that we found in place.

362. An early stakeholder observation was that OBSI had been going through something of a quiet patch by comparison with other times in its history. The appointment of OBSI as the sole ECB for banking and federal credit unions, along with the regulatory in-principle acceptance of binding authority for investments had settled a couple of high-tension running debates and helped to reduce the general level of hostility that it had weathered in the past.

363. We think that "peace breaking out" could not have come at a better time for OBSI. In part, we think that this enabled OBSI management to focus on the internal challenge of preparing for and scaling up to accept the increased number of banking complaints.

364. We gained a very positive sense of the steps OBSI management have taken in that preparation and scaling up process. Our observation is that the approach has been thoughtful, measured, calm and importantly, responsive to the unexpected.

Communications

365. While we consider awareness building, general consumer alerts and promoting good industry practice as core business for an ombudsman scheme, communications capability can also be considered a key enabling function.

366. OBSI's Communications team also supports routine surveying of consumers, complainants and participating firms, a calendar of consultative activity with stakeholders, mainstream media monitoring and journalist engagement, government relations (more complex in Canada than most jurisdictions), assisting with OBSI contribution to government and regulatory public consultations as well as OBSI's own public consultation activity.

367. Our assessment is that these enabling functions are performed methodically and to a professional standard.

Human resources and recruitment

368. The key task of course has been to recruit a significant number of new staff. In this endeavour, OBSI has had to compete in the marketplace for the necessary skills and experience and not always able to match salaries. That said, we were impressed with the staff that we engaged with. Many had arrived with linked but not exact experience – eg. had previously worked in a bank's complaint-handling areas, with a regulator or an industry association. (Those who came directly from banks were the subject of a little good-natured grumbling from banks we consulted with.)

369. These knowledge gaps and the need for some entry-level recruitment have put pressure on OBSI's ability to onboard and train new staff.

370. OBSI has taken a very considered approach to staffing up to meet this new workload. Recruitment and onboarding has been done in small, manageable cohorts of new staff (six to eight at a time). This has provided for more efficient onboarding and has been combined with a rotation of these new staff into a dedicated 'training' team where attention can be focused on bringing staff up to speed as quickly as possible.

371. Extra capacity has been necessary, and new positions have been created and resourced to develop training and development materials and guidance tools for new staff.

372. All of this has been made more difficult because actual growth in complaint numbers was higher than the planning estimates, creating a need for recalculation of requirements and adapting on the run.

IT systems

373. OBSI operates with an IT environment common to many ombudsman schemes and indeed diverse organizations of similar size and sophistication. Office automation is Microsoft Office 365, which, in our assessment is being used with some skill. We include in this the use of Word templates and Excel macros. The IT tools used by OBSI's financial analysts are discussed in the next section of this chapter.

374. The case management system is a Microsoft Dynamics development – and we note that OBSI was a relatively early adopter of this generation of technology amongst ombudsman schemes, and using internal resources reaped the benefits of its ease of customisation and development, compared with previous generations of inflexible and costly to change software.

375. Like all organizations of its size, OBSI uses a range of third party specialist software to manage security, data integrity, backups and so forth and also relies on partner service providers to maintain systems and provide IT help and support.

376. Participating firms have access to an OBSI portal which they can use to exchange materials with OBSI and keep track of open investigation cases. Feedback from our consultations with firms was generally very positive with regard to the ease of use and reliability of the portal.

377. A consumer portal is also available for opening cases, uploading materials and tracking the status of a complaint.

378. OBSI has an extensive externally facing website and an internal knowledge management system named Simon – which provides staff with access to guidance, information resources and templates.

379. OBSI's relies on skilled financial analysts to support complex investigations. This has required its own unique IT capability (discussed below).

380. In part no doubt, due to the number of remote OBSI staff, the organization has an extensive IT security policy that governs how OBSI staff use IT equipment and how they access OBSI systems and data.

381. We found a very aligned view from OBSI of the state of the organization's IT systems. Managers and staff alike acknowledged that the systems, while comparable to their office experience elsewhere, could use improvement.

382. From staff, we learned that some parts of the case management system, dubbed OSCAR, are laborious to use, are sometimes slow in response, its search/filtering functions and indexing are not always fully reliable, there is quite a lot of manual checking needed in data entry and it could use some streamlining of its workflows. Critical to OBSI's dispersed workforce, the remote access requires some layers of security and at times can be slow to connect and occasionally unreliable.

383. A particular drag on efficiency described by staff arises from the processes used to capture email communications, to save and access attachments and to efficiently apply templates to document generation. There is some optimism that a newer generation of IT software and improved use of AI tools will provide a substantial improvement.

384. A project to redevelop the case management system is well underway and we found a shared optimism that the priorities identified to date would make a difference to OBSI's effectiveness and efficiency. During our visit to OBSI, the organization was in the middle of transitioning to a new IT Director, so we kept our intrusion and demands on people's time to a minimum.

385. We did however note from our staff discussions that there was considerable interest in the redevelopment and a number of ideas for improvement were discussed. We came away with a sense that a participative design process, with a high level of staff involvement would be welcomed and likely quite effective.

386. We would rate OBSI's application of IT as of a professional standard, using current classes of software and applying its systems to analysis, data management and efficiency objectives. That said, we think that OBSI's current efforts to update and redevelop its systems are both necessary and timely.

Recommendation 24.

That OBSI should prioritise its redevelopment and upgrading of its IT systems, with a particular focus on enhancing efficiency and involving interested staff in workflow and usability aspects of the design.

Financial analyst team

387. OBSI has long had a financial analyst team assisting with investment loss calculations – and in prioritising that capability OBSI has been something of a world leader for ombudsman services.

388. The processes and methodology have not always been supported by some sectors of the investment industry. OBSI's methodology is largely accepted now – but there is still some residual friction with stakeholders. The analyst team put in a significant effort to outreach to firms, explaining their methodology in the period leading up to 23/24 – resulting, we are told, in a noticeable reduction in industry criticism. Of late, we understand that proactive outreach has been wound back, but is available where requested.

389. The Analyst team have, naturally enough, been busy building banking complaint capability to handle the new volumes — developing methods for re-constructing loans, lines of credit, mortgages, credit cards. OBSI estimated that their work used to be solely investment complaints – and is now about 70% investments / 30% banking-related. Currently team effort is also being put into training new investigators in financial analysis approaches and in developing guidance for banking matters so that the investigative and analyst teams can work more efficiently together.

390. The Analyst team has applied technology in assessing investment risk and suitability, in calculating investment loss, and more recently for analysis of and reconstruction of banking products such as Lines of Credit, Mortgages, and Credit Card charges and interest to calculate harm when errors have occurred.

391. The analytical tools used have included analytical tools, access to securities information, previously using a Bloomberg terminal, and other data subscriptions. Importantly, because of the length of time that can be involved in the analysis of the investments that form part of OBSI investigations, an extensive historical database must be maintained. This small part of the OBSI IT environment is also being updated currently, with some worthwhile savings being produced by migrating to more modern tools.

392. The team is not limited to financial analysis and also provides ad-hoc expert advice to other parts of OBSI - in particular looking for opportunities to automate tasks. The team has recently developed an automated tool for capturing data from statements, saving many hours of manual data entry. One team member is working with the OSCAR redevelopment team. The team also assists with training newer investigators in how to best tackle financial loss matters.

393. The Analyst team has had to expand over time although it has been recently more constrained by ability to recruit for the right skills and right ‘fit’. The team has recently been expanded to seven which we assessed as sensible.

15. Resourcing, fees and costs

Bank Act obligations

The external complaints body shall:

- *establish the manner of calculating, to the satisfaction of the Commissioner, the fees it charges to each of its member institutions for its services;*

Obligations under MoU with Participating CSA Members:

- *OBSI should have a fair, transparent and appropriate process for setting fees and allocating costs across its membership.*
- *OBSI should have the appropriate resources to carry out its functions and to deal with each complaint thoroughly and competently.*

Recommendations from 2021 Review

- *OBSI should consult with industry as to whether its benchmark year for fee allocation in the banking sector should be updated more regularly.*

Scope of Chapter

394. This Chapter reports on OBSI's approach to setting levies and complaint fees and whether as funded OBSI is sufficiently resourced to carry out its functions.

Fees and levies

395. We will not attempt to set out the entire OBSI fees methodology here. That is something between OBSI and its participating firms and of limited interest to other readers. Rather, we will confine ourselves to observations about the impact of the chosen fees framework on operations and on relationships with participating firms.

396. While, in setting fees, OBSI is simply required to meet six principles set out in its by-laws, the method that has evolved is what is relevant. As a starting point, OBSI, has identified five industry sectors and using the numbers of cases for each sector and a proxy for case complexity (A, B and C), arrives at an initial basis for division of cost-recovery amongst the five industry sectors.

397. The second step is to take each of those five sectors and allocate the costs for each sector amongst the participating firms within each sector, generally on the basis of firm size – based on indicators relevant to the sector – eg. number of representatives, asset base and scale of the firm.

398. For the banking sector, case volumes are also taken into account. For the banking sector, 25% of the proposed cost recovery is allocated on the basis of bank size, and the remaining 75% is allocated according to the total number of complaints that have arisen from each bank. As a measure to smooth out any 'spikes' in volumes, this is averaged over the past three years. Banks with one or less complaint per annum are charged a small flat fee. The allocation to each sector is subject to a small range of adjustment by the Board – again as a way of tempering the impact of any sudden changes to costs.

399. We understand that OBSI has satisfied the 2021 Recommendation for reviewing the benchmark year for fee allocation for the banking sector. We also understand that a special one-off additional assessment was completed when some banks returned to membership of OBSI in 2024. Consultation by OBSI at the time did not surface any continuing concern from industry, nor was this raised with us as a separate issue by industry during our review.

Fees regime strengths and weaknesses

400. This regime is largely user pays, mainly based on actual (inarguable) retrospective data of complaints handled and only requires a periodic (for most firms, annual) invoice – therefore is comparatively efficient to collect. There are good reasons to retain a simple fees regime if possible.

401. What this funding framework does not do, compared with financial services ombudsman schemes in other jurisdictions, is provide continuous incentives for firms to resolve matters with their clients. Most schemes include case fees that are directly invoiced to the firm – sometimes quarterly, sometimes monthly or every 28 days for most participating firms in the case of FOS UK. This serves to provide a more immediate and prominent incentive for firms to resolve complaints themselves.

402. In addition, some financial services ombudsman schemes in other jurisdictions have progressively escalating case fees according to the stage of the dispute resolution process that the complaint progresses to. These can range between approximately $100 CAD and almost $10,000 CAD.

403. Another common feature of the fees model of ombudsman schemes in other jurisdictions with which we have worked is that small or new firms are provided with a few (typically 3 or 5) "free complaints" per year ie. that do not attract complaint fees. Many ombudsman schemes have found this to be important in lowering friction with firms that are not deeply experienced in handling complaints. This only works where there is a substantial contribution to OBSI costs from a metric not related to case numbers – as OBSI has with its scale-based levy.

404. More important than the general idea of incentives is the commonly used technique of 'refer backs'. For many ombudsman schemes in other jurisdictions, standard practice is, on receipt of an in-mandate complaint, to immediately refer it back to the participating firm for one last chance (typically quite brief) to resolve the matter with their customer. If resolved, the complaint either does not attract a case fee or attracts a lesser fee.

405. In some schemes, if the customer remains unsatisfied and they choose to return to the ombudsman scheme, the complaint is then accepted and registered by the ombudsman

scheme and the investigation commences. Amongst the risks of this process are complainant exhaustion (giving up) and accepting unfair low ball settlement offers. To address this, we have recommended to some ombudsman schemes that they follow up with consumers that have been referred back to their firms – to find out what the outcome was and to remind the consumer that they can return to the ombudsman scheme.

406. For the Australian Financial Complaints Authority, complaints are registered as part of the refer back process and if not reported by the participating firm as resolved within the refer back time period, are automatically progressed to the scheme's case management process. For some financial services ombudsman schemes, more than 50% of their complaints are resolved by this process.

407. Like all variations of process, there are risks that must be managed. Some financial ombudsman schemes take the view that any refer back process is simply prolonging the complaint and they choose to simply accept the complaint on receipt.

408. We note that the current OBSI Proactive Early Resolution pilot project is a limited version of this process, providing some fee relief if a participating firm resolves a complaint before it is assigned to an OBSI investigator. We understand that while having some worthwhile positive initial results, it is likely not transformative in the scale of its impact.

Directions for complaints and fees

409. We are conscious that a couple of our industry correspondents expressed a view that OBSI's fees collection model was unfair – and that there should be an independent review of the distribution of the financial burden.

410. We are cautious about recommending changes to fees collection at this time – this will need to be the subject of careful consultation by OBSI with participating firms, it will be time consuming and, we expect, will generate far more heat than insight. We make this observation from experience, having conducted a few fees reviews in the past for ECBs and similar industry-funded organizations.

411. First, funding a non-for-profit, public purpose organization like OBSI is a zero-sum game. Any reduction in one area of the fees and levies structure must be made up elsewhere. Second, the participating firms have low knowledge of the operations and demands on a financial services ombudsman, so the scheme must spend considerable energy on educating and informing its audience. Third, there is rarely agreement on the criteria that should be applied to any redesign (eg. user-pays, efficiency of collection, incentives for better internal dispute resolution) and how to balance these fairly.

412. Having said that, we are aware that OBSI's volumes of complaints and inquiries are continuing to increase. We think that there is a strong likelihood of this growth persisting for OBSI – likely in significant surges – for the foreseeable future. Every financial ombudsman scheme we spoke to in the course of this review reported record levels of complaints growth – for an array of reasons. The global economic outlook all points to significant consumer financial stress. Fraud and scams are multiplying. Financial services 'innovation' always brings new ways for the ordinary consumer and investor to lose money. And, for OBSI, it starts from an unusually low historical rate of consumer complaints.

413. OBSI will have little alternative but to grow to meet the demand and, for the most part, to meet that workload with increased fees. OBSI will continue to be subject to critical pressure from industry over costs and efficiency and this will in turn drive attention to the fairness of the distribution of the contribution. Periodic fees reviews will be a part of OBSI's future.

414. The ombudsmen services that do best at maintaining sound relationships with their participating (funding) firms, in the face of more or less continuous fee increases, also put in considerable effort to:

- Engage openly with firms on budgets and costs
- Demonstrate a high level of internal focus on efficiency and costs
- Demonstrate continuous innovation in the application of technology to workflows
- Demonstrate continuous innovation in the design of complaint processes
- Demonstrate assisting firms to handle their complaints more effectively

415. We do not suggest that OBSI has not done this, however our experience with the Canadian industry makes us think that OBSI has a tougher job to achieve these objectives than other schemes we have worked with.

416. One example goes to efficiency. OBSI showed us figures that illustrated significant year-on-year improvements in closed cases vs. budget (between 2022 and 2025 of around five times the number of cases closed for about twice the budget) and our investigation showed that OBSI was now reasonably competitive in efficiency with other ombudsman schemes (see below).

417. None of our consultations nor submissions revealed an understanding of that from industry. In fact, industry generally seemed to consider OBSI to be hugely inefficient (again, see below for our independent assessment).

418. We are also conscious that any innovations/adaptations that OBSI can consider that require engagement and consultation with stakeholders are likely to be difficult and time consuming. An example is innovations to complaints processes. From our consultations with consumer advocates, we think that efficiency-driven innovation in OBSI's complaints handling processes is likely to be viewed with some suspicion.

419. All ombudsman schemes differ in aspects of their approach to dealing with complaints. For example, OBSI told us that they generally take the view that a complaint within mandate deserves to be investigated even where, on its face, experience suggests that it is unlikely to succeed. We did not however see evidence of excessive application of this principle in our review of case files. In contrast, some other financial services ombudsman schemes are empowered by their rules to close a complaint without investigation if the complaint is manifestly without merit – and do exercise this power.

420. Of course, this power needs to be exercised with caution because usually some investigation is needed to determine merit. But there are a small number of complaints where early closure would actually be efficient for the complainant, participating firm and for OBSI. This process, while usually welcomed by participating firms, has far less impact than is often hoped for – typically only 1 - 2% of in-mandate matters will close in this way.

421. As already noted, a refer back process to the participating firm may also assist in efficient resolution as discussed at paragraph 404. We commend OBSI for its pilot project testing this concept (within the constraints of its regulatory time limit obligations). We think this piloting approach is a good model for future innovation by OBSI, with strong effort put into transparency and consultation during the conduct of the pilot.

Recommendation 25.

That, particularly if complaint volumes continue to grow significantly, OBSI should strengthen its communication of the work it does to improve its efficiency through:

a) Engaging openly with firms on budgets and costs

b) Demonstrating high level of internal focus on efficiency and costs

c) Demonstrating continuous innovation in application of technology to workflows

d) Demonstrating continuous innovation in the design of complaint processes

e) Assisting firms to handle their complaints more effectively

Efficiency

422. As discussed above, OBSI costs came in for quite some attention from industry stakeholders. This is not unusual in a review of an ombudsman scheme and we take the view that costs are an entirely fair concern and something that we must examine with some care in our reviews.

423. We do understand why some in industry will feel aggrieved by the costs of an ombudsman scheme. There is an emotional reaction in complaint handling that comes with having your views overturned as well as paying compensation where you think it is not deserved. Firms can feel that their reputations are being unfairly criticised. Complaint handling managers from participating firms have to manage their own budgets and are under pressure from their superiors when costs increase. There may even be personal financial consequences depending on the firms' performance pay arrangements.

424. In the sections below we look at some of the lenses that can be used to examine efficiency.

Investigator case closure rates

425. One lens that can be used to assess ombudsman schemes efficiency is investigator case closure rates (both expected and actual). This measure must be approached with some caution because it is highly dependent on the complaints process, the mix of complaints, the extent of specialisation, the extent to which operational staff must do other enabling work, and the need to ensure that quality standards are being maintained.

426. This measure, like many attempts at cross scheme comparison, has proven to be quite problematic. Within our cohort of referenced ombudsman schemes, there are differences that make the reported metrics very difficult to compare. These include:

- Much wider range of types of complaints - notably FOS UK and AFCA
- High degrees of investigator specialisation - notably FOS UK and AFCA
- Large numbers of very low effort complaints that are included in the count - notably FOS UK
- Large numbers of complaints that are resolved by firms as part of refer back, making the remaining complaints much more complex on average - notably AFCA
- Different ways of allowing for complexity - all schemes
- For schemes that have binding authority - all other than OBSI - a two-step decision processes where a case manager or investigator prepares a preliminary view which, if not accepted by the parties, results in a decision finalised by a more senior person (eg. a Deputy Ombudsman or Ombudsman or Adjudicator). How these extra resources are counted in closing complaints differs.

427. We found that OBSI has quite an evolved framework for setting expectations and measuring case closure rates. This includes an allowance for non-operational tasks, measures for complexity of different classes of complaint and experience in the job. Of course, an over-focus on throughput expectations can pose a risk to quality – but we are satisfied that OBSI's quality assurance checking (see Chapter 9) manages this risk sufficiently.

428. After some effort at trying to equate the measures (including by reference to the figures at Figure 15 below), we can say:

- The effort required to close an average low complexity case compared with an average high complexity case is significant - with most schemes reporting 6 to 8 times difference.
- With some allowance for the variations above, expected and actual case closure rates are similar - ranging between 18 to 20 per month and 3 to 5 per month depending on complexity.
- The exception appears to be FOS UK which reports a rate about 50% higher - which we think is mainly a function of environment differences, scale and greater automation.

429. We concluded that OBSI is within the range of other schemes albeit most likely with targets towards the lower end of the range. We think that this is unsurprising after considering factors such as:

- Low proportion of staff dedicated to enabling (non-complaints) functions - OBSI has around 12 to 15% of its workforce dedicated to enabling work, where for most other ombudsman schemes, the proportion is over 20% - which means that OBSI operational complaints staff are doing more 'off the corner of their desks' in particular policy and guidance documents, knowledge management and template development.
- We also observe that OBSI has, understandably, opted for a generalist approach to complaint-handling so that all investigators will develop the knowledge to handle a range of both banking and investments complaints. This provides greater

workforce flexibility, sensible while the numbers of banking complaints are in flux, and a richer work experience for staff. In terms purely of throughput, greater specialisation is, in our experience, more efficient.

- The recent growth which means that the average years of experience for OBSI staff is at a multi-year low
- OBSI's internal guidance, policies, templates and tools are in the process of a refresh and rebuild, not yet complete
- OBSI's IT systems are now in the process of a refresh and redevelopment and, so far as we can see, have been a little behind the level of automation being applied in other (mostly much larger) schemes in the comparison years.
- Without binding authority, OBSI investigators are often involved in a longer and more resource-intensive back and forth with participating firms where the Preliminary View is for compensation than is the case for investigators at other schemes where an unaccepted Preliminary View will typically be quickly escalated to an Ombudsman/ Adjudicator.

430. We also consider that most of these factors are readily open to improvement – and there are a number of initiatives to that end already in train.

Comparisons with banks and firms

431. It is not uncommon for financial services firms to apply a lens that compares the apparent efficiency of the firm's own most senior complaint handling processes with what seems to be a very costly ombudsman scheme.

432. While we do not have access to participating firms' complaint handling cost data, the first thing to say is that the comparison with internal complaints handling is not valid. These are different organizations. The environment is quite different. A senior complaint-handler in (say) a bank has only to deal with one set of structures, one set of systems and procedures, standard and familiar contracts and agreements, most frequently with other employees that are familiar to them and with information held in systems that are often directly accessible and that they can trust. The detail of the complaint is already captured, the basic description of the event has already been recorded, obvious bits of evidence have already been collected and an initial view has been arrived at and in most cases has been already reviewed once by a senior person.

433. The ombudsman scheme investigator must start from the very beginning and understand what the complainant is asking for. They must test the narratives and evidence provided by both the consumer and the firm with a sceptical or at the least, a critical eye. Frequently, they will need some further explanation or evidence from both the complainant and the participating firm's senior complaint-handling staff.

434. An ombudsman scheme investigator must deal with multiple firms that have their own ways of doing things, a huge range of products and services that are inevitably different to some degree, that have reports and terminology that are unique to the particular firm and their own terms and language for common processes or services, different contracts and agreements, different customer disclosures and so on.

435. The investigator must enter significant detail into the case management system including for the purposes of reporting to regulators and the public. In OBSI's case, the investigator must also prepare a case summary and an investigation plan and discuss the investigation with their manager and/or other OBSI experts - eg. the financial analysts or subject matter specialists – before beginning the investigation proper. Both parties to the complaint must be kept up to date as to progress.

436. The investigation process must be credible to the complainant. All investigations are subject to a possible reconsideration, which means that the documentation of evidence, analysis and reasoning must be kept to a reviewable standard.

437. No matter the scale of a participating firm, it will almost always be dealing with many, many more complaints than escalate to OBSI, sometimes tens of thousands more. At the very least, the comparison is unfair on an economy of scale basis.

438. Further, the costs of OBSI are those of a standalone organisation and include, amongst other things, responding to public enquiries, external communications, education and awareness activity, policy development and advocacy, reporting to two sets of regulators, its own governance overlay, the obligation for independent reviews, its reconsideration processes, administration and IT and so forth. Our experience is that these costs are rarely, if ever, included in firms' perspective of their own complaint handling costs.

439. That said, ombudsman scheme costs are often resented and criticised by participating firms and OBSI must, like other financial services ombudsman schemes, ensure that it maintains a highly visible focus on cost-efficiency. We noted that some industry input suggested an independent consulting review of efficiency. We think that this is in part motivated by an incomplete understanding of the focus OBSI does have on efficiency, but nonetheless, an ombudsman service, of all organisations, should be willing to be scrutinised. This suggestion could be worthwhile – for any insights or suggested improvements and for external assurance - but we would be reluctant to recommend an attempt of this at the moment.

440. The organization is still adapting to its recent rapid growth in complaints and a significant shift in the mix of complaints towards banking matters. It is still trying to clear a backlog in case allocation. Its staff cohort has comparatively low experience and is no doubt less efficient than it will become in the coming couple of years. It is still in the process of recruiting for key enabling positions. It is also embarking on a once in a decade redevelopment of its core IT systems – both costly and temporarily a distraction from core business. It will have the outcomes of our review and, likely, binding authority to implement at least for investment complaints. While there is never a perfect time for an efficiency review, OBSI should be allowed some breathing space to work through these immediate challenges.

Management focus

441. Another lens we apply to the question of cost efficiency is whether our review finds sufficient management and staff attention being paid to the question of efficiency. We found a very healthy level of focus on cost efficiency – one of the highest that we have seen in many other Ombuds services.

- OBSI has now reached a scale that enables dedication of resources to pursue continuous improvement and cost efficiencies which we could see is starting to have an impact.
- We reviewed agendas and attended regular management meetings as observers and found a strong, methodical focus on costs and on continuous improvement.
- From review of the Board papers and from interviews, the OBSI Board also has a strong focus on costs and has made its expectations clear to the Ombudsman and the senior management team.
- Effort has been made to streamline routine management meetings, with weekly, bi-weekly, monthly cycles as appropriate – along with quarterly Board meetings.
- Staff at OBSI have the organizational expectations of their throughput made very clear – through guidance, through supervisor/manager attention, through the performance management framework and, somewhat unusually, investigators are provided with a modest performance pay incentive to close cases beyond the expected level.
- OBSI's office accommodations are modern and of a professional standard, but by no means palatial. As per 'normal' office practice, fitout is entirely open plan, with a few shared meeting rooms. No senior staff have executive assistants. Discretionary matters such as employee travel allowance are of a reasonable but modest standard.
- The case management system is now almost ten years old and showing some signs of strain. A project has begun to redevelop the system with a clear emphasis on improving efficiency through improved workflows and harnessing AI.

Ombudsman scheme comparisons

442. A final (and the most relevant) lens of comparison is with other financial services ombudsman schemes, although these are difficult to make with any precision. Myriad environmental factors differ including the financial services markets, the national culture, the regulatory framework, regulatory resourcing and proactivity, the extent to which systemic complaints arise or are pursued and the retirement income framework.

443. There are also questions of scale and internal differences that affect comparisons including, most importantly, the scope of the scheme (eg. unlike OBSI, many financial services ombudsman schemes include some or all of general and/or life insurance, pensions and consumer credit), the definition of complaints and enquiries, the complaints process itself, the level of support and cooperation that firms provide the Ombudsman scheme, the level of active support from regulators and the powers and authority that the Ombudsman scheme possesses.

444. It is also difficult to rely solely on publicly available information, and some of our observations below are informed by our own background knowledge and interviews with senior managers of some of the schemes compared below.

445. With those caveats, a rough comparison for the most recent reporting year can be offered between a few jurisdictions – in the table below.

Figure 15. Comparative complaints v. costs

	Approx annual cost (CAD)	Approx number of complaints pa.	Un-adjusted total $ per compl.	Adjusted total $ per compl.	Approx complaints per 1,000 population	Approx $ pa. per person of population
OBSI	$22,000,000	6500	$3385	$3385	0.15	$0.54
AFCA	$235,000,000	104,000	$2260	$3671[1]	3.85	$8.70
FOS UK	$463,000,000	305,000	$1518	$2013[2]	4.36	$6.71
New Zealand (4 schemes)	Not disclosed	5,900	-	-	1.1	-
FSPO (Ireland)	$24,000,000	7,000	$3428	$3428	1.3	$4.52

446. While we understand that OBSI has a narrower mandate than the comparators shown in the table above, even if the Canadian complaint and cost numbers were increased by (say) 25% to incorporate a provision for Canadian life and general insurance complaints, Canada would still be an extreme outlier in terms of low numbers of complaints per population, and very low cost to the economy.

447. We heard views suggesting that the cost of OBSI was an additional and unwarranted drag on the economy of Canada. This simple metric of the ombudsman budget v. the population shows that the cost to the economy in Canada is a fraction of that in other countries.

448. The table also tries to show macro level per complaint cost as a rough metric of efficiency. The differences between each jurisdiction can make these ratios quite misleading, so to attempt to provide a reasonably fair comparative metric for OBSI, we have made a manual estimated adjustment to the figures for AFCA and FOS UK (see table footnotes).

Conclusions

449. We found that OBSI has a comprehensive framework for managing case management productivity and there is a strong focus on efficiency by OBSI management. OBSI's throughput is within the range of comparator ombudsman schemes. There are a few factors that may be limiting OBSI's potential efficiency currently, but they are being addressed. At a macro level, we found no evidence that OBSI is excessively costly compared with other schemes.

[1] Because AFCA's complaints refer-back process results in some 50,000 complaints being resolved by participating firms with very low effort required of AFCA, we have adjusted AFCA's complaint count downwards by 40,000 to achieve a rough comparability with OBSI (for this $$ per complaint metric only).

[2] Because FOS UK has around 50% of complaints lodged by complaint farms, we have guesstimated that half are dealt with involving very low effort by FOS and have adjusted FOS's complaint count downwards by 75,000 to achieve a rough closer comparability with OBSI (for this $$ per complaint metric only).

450. We also concluded that OBSI's current resourcing level and its ability to adjust for workload is sound. OBSI has expanded its workforce to meet the surge in workload to date, but we saw no sign of having overdone this. If anything, we saw some caution in managing the expansion. This assessment of course, will be subject to the rate of increase of complaints volumes and the rate of improvement in efficiency. At the time of writing, during 2025, OBSI had experienced a year on year increase in case volumes of around 30% - which in our view, will almost certainly mean some further recruitment.

16. Governance

Obligations under Memorandum of Understanding with Participating CSA Members:

- *OBSI's governance structure should provide for fair and meaningful representation on its Board of Directors and board committees of different stakeholders, promote accountability of the Ombudsman, and allow OBSI to manage conflicts of interest.*

Recommendations from 2021 Review of OBSI

- *OBSI's board should undertake a strategic review of its governance structure to determine how best to ensure that key stakeholder interests are most effectively considered in board oversight and decision-making. In particular, OBSI's board should:*
    - a. *add other metrics to the Governance & Human Resources Committee's diversity deliberations for recruitment purposes, including indigenous ancestry, membership in a visible minority community and disability;*
    - b. *transition towards having a board with no specific categorical requirements regarding the number of industry and community directors and amend its bylaws to remove the requirement that industry directors be nominated by IIROC, MFDA and CBA, respectively;*
    - c. *amend and update its skills matrix and use it as the basis for recruitment to ensure that directors have the skills and competencies needed to effectively oversee OBSI. The skills matrix should include experience in the range of relevant industry sectors, as well as important consumer and investor perspectives; geographic and linguistic diversity; and diversity of backgrounds should also be explicitly accounted for;*
    - d. *establish roundtables with industry and consumers, including advocacy groups of both, to receive their perspectives and opinions on key issues of importance to OBSI and current developments and trends; and*
    - e. *in light of the above, carefully consider whether it is necessary or desirable to continue having a CIAC, given that the recommended governance structure described above would see an OBSI board that has balance in industry and investor backgrounds and where the OBSI board would receive input from industry and consumer stakeholders through other means.*
- *OBSI should ensure that it is adequately serving seniors by .. changing CIAC's Statement of Expectations to require at least one member with experience in advocating for seniors.*

Other evaluation criteria

- *An analysis of OBSI governance, including particular reference to stakeholder representation on OBSI's board of directors. A highly detailed analysis of OBSI's governance is not required.*

Scope of Chapter

451. This Chapter analyses OBSI's governance with particular reference to stakeholder representation on the Board of Directors.

452. Our review scope specified that a highly detailed analysis of governance is not required in view of the governance review undertaken in 2022 to 2023. To that end, we reviewed Board papers for 2025 and interviewed the external Company Secretary who had been in place for over ten years (the position is now moving in-house), the Chair of the Board and the Ombudsman regarding the Board's effectiveness.

Board composition

453. In response to the 2021 Reviews and following a public consultation process, OBSI's Bylaws and Board Skills Matrix were amended in June 2023. The renewed Skills Matrix sets out five expertise groupings: Board experience, industry experience, consumer advocacy experience, regulatory experience and professional experience. In addition, it includes diversity measures.

454. Whilst the new structure does not achieve the 2021 Review recommendation that OBSI transition to a Board structure without category distinctions, importantly the Bylaws were changed to increase the number of Consumer Interest Directors from one to a minimum of three. We think that OBSI's new governance structure provides fair and meaningful representation on its Board of Directors of different stakeholders. Moreover, the Board provides a sound mechanism for Ombudsman accountability. It adheres to its oversight role and is not involved in the resolution of complaints and so operates in a way that does not pose a conflict of interest for OBSI.

455. At the time of announcing this change, OBSI also committed to an expansion of its formal stakeholder outreach efforts – see Chapter 13. In view of this, the Board decided not to reconvene the CIAC.

456. The Board is now comprised of three Industry Directors (one with banking and two with investments experience) and seven Community Directors (three of whom are designated as Consumer Interest Directors). As was previously the case, the Board nominates and elects new Directors.

457. Industry Directors must have direct relevant professional experience in one or more of OBSI's industry sectors and have within the past two years been a partner, director, officer, professional adviser or employee of a participating firm. Any eligible person may be nominated for appointment to the Board. Consistent with the 2021 Review recommendations, nominations are no longer just sought from the Canadian Bankers Association or the investment industry associations.

458. Community Directors must be independent and so, for example, cannot be a current or recent employee of OBSI or of a government department or agency responsible for financial services policy or regulation. Community Directors must also be independent of participating firms. The Community Directors who are designated as Consumer Interest Directors must have a particular interest in, access to and competencies with the interests and perspectives of the types of consumers which the OBSI serves.

459. Consistent with the Board's revised Skills Matrix, OBSI's Board has breadth and depth of skills. There are directors with strong governance and business experience and particularly strong regulatory and policy experience. Industry skills and experience are plentiful. There are directors with strong consumer credentials and there are directors with specialist skills that are appropriate to an organization facing OBSI's challenges – particularly in information technology and transformation.

460. That said, we encountered stakeholder perception that there is insufficient presence of a director with a close connection to an organization dealing with financial services consumer problems on a day to day basis. (Previously the Board has included the Chief Advocacy and Engagement Officer at the Canadian Association of Retired Persons and the Founder of CanAge, Canada's national seniors' advocacy organization.) We also note the 2021 Review recommendation that CIAC contain a member with experience in advocating for seniors.

461. When the opportunity presents, we think that it would be consistent with the Board's Skill Matrix and valuable for OBSI to have a Board member with close connection with an organization dealing with consumer problems on a day-to-day basis.

Recommendation 26.

That when a vacancy arises, OBSI should endeavour to appoint a Consumer Interest Director who has recent experience working as part of an organization dealing with financial services consumer problems on a day to day basis.

462. We did not hear widespread argument for restoring the CIAC or something similar, however we do think that the format and content of the current consumer meetings could be revisited – see discussion at paragraph 348.

Board oversight

463. We found that over an annual cycle, the Board is dealing with the key matters that the governance of an ECB should be. Papers and meetings are well organised and written. Action items are followed up. Interviews provided some confidence that the Board's operations have improved over time.

464. By all accounts, the culture is healthy. The Board "stays out of management's domain" and is respectful of the Ombudsman and her team. We also heard that the Board is prepared to challenge the management team – eg. making their expectations clear over the expansion of OBSI for additional banking matters and over the recent backlogs.

465. We understand that there is an open culture where both Directors and management attendees are welcome to speak. The Board has an *in camera* session at every meeting and the practice is to arrange a dinner around the meeting which provides an opportunity to discuss issues informally.

466. Our assessment is that the Board is providing effective oversight of the organization.

Attachment A – List of Recommendations

CRK Recommendations	
Recommendation 1	That, if OBSI identifies that a participating firm's internal dispute resolution response advice to a complainant does not accurately and clearly inform a complainant about their rights to go to OBSI and the applicable escalation timeframe, OBSI should raise this with the participating firm. Where there are repeat instances of this or a refusal to respond to OBSI concerns, OBSI should report these to the relevant regulator as a potential systemic issue.
Recommendation 2	That OBSI should develop written internal guidance for its staff as to when to exercise the discretion to extend the 180 day timeframe to lodge a complaint on the basis of extraordinary circumstances. Relevant factors should include illness, bereavement, vulnerability, language barriers and a protracted IDR process resulting in an IDR response letter outside the prescribed IDR time limits. OBSI's website should provide transparency about OBSI's approach to the exercise of its discretion.
Recommendation 3	That the six year limitation period for access to OBSI should remain in its current form, however OBSI should have greater regard to the particular complainant's abilities and limitations when assessing when the complainant reasonably ought to have known about the problem or issue giving rise to the complaint. To achieve a recalibration of the current approach, OBSI should provide its investigators with scenario-based training about how to apply the six year rule, giving full regard to complainants' abilities and limitations.
Recommendation 4	That OBSI should amend its Terms of Reference to include a provision prohibiting a participating firm from commencing or continuing legal proceedings in relation to the subject matter of an active OBSI complaint. This restriction should apply for the duration of the complaint's consideration by OBSI. Limited and clearly defined exceptions may apply, but in all cases OBSI's prior written consent should be required for any parallel participating firm litigation.
Recommendation 5	That OBSI should amend its Terms of Reference to increase its monetary limit and introduce a mechanism for regular indexation. Specifically: a) Reset the monetary limit to $550,000 as soon as reasonably practicable. b) Introduce automatic annual (or two yearly) indexation, tied to a transparent and publicly available measure such as the

	Canadian Consumer Price Index. This ensures the limit maintains its real value over time and avoids the need for ad hoc or politically sensitive adjustments. c) Require a periodic structural review, at least every five years, to assess whether the limit remains appropriate in light of: • changes in financial markets • the scale of modern consumer losses • international benchmarks • OBSI's mandate to provide accessible, meaningful redress • the cost of alternatives such as litigation
Recommendation 6	That OBSI should be given binding authority to decide all complaints for which it has a mandate.
Recommendation 7	That OBSI should review, with the benefit of external Canadian legal advice, whether its approach to complaints sufficiently factors in consumer protection legislation including in particular legislation that nullify contract terms that are unfair, excessive, harsh or unconscionable.
Recommendation 8	That, at least in more complex, higher value complaints, OBSI should generally only rely on participating firm documents to draw adverse conclusions against the complainant where the documents (or relevant extracts) have been shared with the complainant. If there are good reasons for not sharing key documents, the investigator should use the complainant interview to explain to the complainant clearly and with specificity what those documents establish and to give the complainant an opportunity to counter or comment on that information. OBSI's investigator training should reinforce the importance of this as a part of procedural fairness.
Recommendation 9	That OBSI should, unless impractical, undertake a complainant interview for all investigated OBSI matters.
Recommendation 10	That OBSI's training of investigators should include a focus on enhancing their confidence and skill in applying OBSI's existing Credibility Assessment guidance when weighing up all relevant information, not just the documents.
Recommendation 11	That where OBSI finds that a complainant has suffered loss, damage or harm because of an act or omission of a participating firm, OBSI should be more willing to consider what remediation action by the participating firm would best put the complainant back into the situation they have been in if the error had not occurred – which will not always be the payment of a lump sum.

	Where appropriate, OBSI should recommend other action by the participating firm, for example, rectification of the agreement between the participating firm and complainant.
Recommendation 12	That OBSI should provide more detailed website guidance about its approach to compensation for extraordinary distress and inconvenience – and use its industry engagement forums to publicise this.
Recommendation 13	That where OBSI prepares a written preliminary view/ facilitated settlement proposal, OBSI should provide this to the complainant (not just to the participating firm) giving the complainant an opportunity to provide their comments before OBSI finalises its view.
Recommendation 14	That, consistent with the recommendation in the 2021 Review Banking Report, OBSI should tend to a little more detailed explanation in its closing letters as to its conclusions about the complaint and why no compensation is appropriate or the bank's offer is fair.
Recommendation 15	That OBSI should undertake a focused external legal review of a sample of reconsiderations in mid 2027 to assess whether: a) issues raised by the complainant in the reconsideration request are being appropriately inquired into, b) the reconsideration process is effectively bringing 'fresh eyes' to the complaint as evidenced by a willingness to change OBSI's position when warranted, and c) reconsideration response letters provide a reasonable summary of the steps taken by the reconsideration officer and the reasons for their conclusions.
Recommendation 16	That OBSI should conduct an internal review of its policies and procedures and other guidance for investigators and develop a prioritised program of work to update this material – and if necessary, increase its resourcing of knowledge management development work.
Recommendation 17	That OBSI should set a target of 30 days to assign a case to an investigator. The 30 day period for case assignment should commence on the later of the date of receipt of the complainant consent letter and the date of receipt of complaint information from the firm. OBSI should publish in its Annual Report data as to how frequently it is meeting this target.
Recommendation 18	That for the purposes of Annual Report timeliness reporting, OBSI should begin counting its overall complaints timeframe from when

	OBSI receives the complainant's signed consent letter and this measure should not exclude participating firm delay days.
Recommendation 19	That OBSI should discuss with the JRC that for some types of investment firm errors a single complaint may be enough to suggest a potentially systemic issue. OBSI should propose that its future reporting should be on this basis either under the existing systemic issues definition or an amended definition.
Recommendation 20	That OBSI should: a) Adopt an "if in doubt, report" approach both to encourage staff to escalate potential systemic issues at an early stage and when assessing matters to decide whether they warrant reporting to the relevant regulator. b) Ensure all frontline staff and case handlers receive regular training and updates on systemic issues that have been identified and reported, including how similar cases should be handled. c) Strengthen internal communication channels so that staff are promptly informed when a case has triggered a systemic issue report and how the underlying issue was resolved. d) Monitor and review systemic-issue reporting practices to ensure consistency and to improve OBSI's effectiveness in identifying emerging risks.
Recommendation 21	That, as it does for banking complaints, OBSI should publish a case summary for each other sector complaint closed with a final OBSI recommendation. For non-banking complaints, the summary should not, however, name the relevant participating firm.
Recommendation 22	That OBSI's Annual Report should provide more insight into systemic issues and complaint trends including case studies and qualitative discussion.
Recommendation 23	That OBSI should ensure that it finishes by the end of this year the body of work in relation to loss calculation methodology that it committed to in August 2025.
Recommendation 24	That OBSI should prioritise its redevelopment and upgrading of its IT systems, with a particular focus on enhancing efficiency and involving interested staff in workflow and usability aspects of the design.
Recommendation 25	That, particularly if complaint volumes continue to grow significantly, OBSI should strengthen its communication of the work it does to improve its efficiency through: a) Engaging openly with firms on budgets and costs

	b) Demonstrating high level of internal focus on efficiency and costs c) Demonstrating continuous innovation in application of technology to workflows d) Demonstrating continuous innovation in the design of complaint processes e) Assisting firms to handle their complaints more effectively
Recommendation 26	That when a vacancy arises, OBSI should endeavour to appoint a Consumer Interest Director who has recent experience working as part of an organization dealing with financial services consumer problems on a day to day basis.

Attachment B - Evaluation Criteria Reconciliation

Part A – Bank Act obligations and FCAC Mandatory Reporting Guide for External Complaints Body

Bank Act Section 627.49	Our evaluation	Cross reference to report discussion
The external complaints body shall:		
a) maintain a reputation for being operated in a manner that is consistent with the standards of good character and integrity;	Met	Para 178
b) make its services available across Canada in both official languages and offer those services free of charge to persons who make complaints to it;	Met	Para 1, 104
c) establish policies, procedures and terms of reference that are satisfactory to the Commissioner pertaining to, among other things, dealing with complaints and the consultation, at least once a year, of its member institutions and consumers for the purpose of raising concerns about the external complaints body;	Met	Chapters 7 & 10
c.1) establish the manner of calculating, to the satisfaction of the Commissioner, the fees it charges to each of its member institutions for its services;	Met	Chapter 13
c.2) make information available to consumers about their rights and responsibilities in relation to the external complaints handling regime, respond to their inquiries and requests for information and offer them assistance in making a complaint;	Met	Chapters 6 & 7
d) inform the Commissioner in writing within 30 days after the day on which it determines that a complaint raises a potential systemic issue;	Met subject to discussion in report	Chapter 11
e) if it determines that all or part of a complaint is not within its terms of reference, provide the person who made the complaint with written reasons for that determination, and the name of any entity to whom the person may make a complaint, within 30 days after the day on which it receives the complaint;	Met to extent possible	Para 269
f) obtain confirmation from a member institution to which a complaint relates regarding whether the period referred to in paragraph 627.43(1)(a) has ended, unless the person who made the complaint has provided it with the written acknowledgment referred to in paragraph 627.43(4)(a);	Met	Chapter 7

g) impartially deal with complaints referred to in paragraph 627.43(1)(a) that have not been resolved by its member institutions to the satisfaction of the persons who made the complaints or that have not been dealt with within the prescribed period referred to in that paragraph;	Met	Para 182
h) no later than 120 days after the day on which it has all of the information that it requires to deal with a complaint, make a final written recommendation to the parties;	Met	Para 295
h.1) without delay, inform the Commissioner in writing of cases in which an institution does not comply with a final recommendation;		Chapter 11
i) within 90 days after making a final recommendation, make a summary of the final recommendation available on its website free of charge, which summary is to include: (i) a description of the nature of the complaint that is the subject of the final recommendation, (ii) the name of the institution that received the complaint, (iii) a description of any compensation provided to the persons referred to in paragraph 627.44(c) or (d), (iv) the reasons for the final recommendation, and (v) any prescribed information;	Met	Para 327
i.1) within 60 days after the end of each quarter, submit to the Commissioner, in a form satisfactory to the Commissioner, (i) in relation to all investigations completed during the quarter, a copy of the record of the complaint, and (ii) any prescribed information;	Met	Chapter 11
i.2) within 60 days after the end of each quarter, meet with the Commissioner to discuss, among other things, complaints, operations and market trends and issues with the potential to impact consumers;	Met	Chapter 11
j) within 135 days after the end of each financial year, file a written report with the Commissioner on the performance of its functions and activities for that year, which report is to include: (i) information about: (A) its constitution, governance and terms of reference, and the identity of its member institutions, (B) all sources of funding for its functions and activities, including the fees charged to each of its member institutions for its services and the manner in which those fees are calculated, and (C) the results of the most recent evaluation referred to in paragraph (l),	Met	Para 330

(ii) a summary of the results of any consultation with its member institutions and with persons who made complaints to it, (iii) in respect of each of its member institutions, the number and nature of complaints that it received, the number of complaints that it determined were within its terms of reference, the number of final recommendations that it made and the number of complaints that, in its opinion, were resolved to the satisfaction of the persons who made them, (iv) the average length of time taken to deal with complaints, (v) the number of complaints that it determined were not within its terms of reference and the reasons for that determination, (v.1) the number of complaints for which an institution did not comply with a final recommendation, (vi) the number of final recommendations that it made in which compensation was recommended, and (vii) the average and total compensation provided with respect to complaints that it determined were within its terms of reference;		
j.1) meet with the Commissioner annually;	Met	Chapter 11
k) without delay after it is filed with the Commissioner, make the report available on its website free of charge and provide it to any person who requests it;	Met	Para 330
l) submit, every five years, to an evaluation of the performance of its functions and activities that is conducted, at the discretion of the Commissioner, by the Commissioner or a third party in accordance with terms of reference that are established by the external complaints body in consultation with the Commissioner; and	Met	Chapter 11
m) meet any prescribed requirement.	Met	As below
Financial Consumer Protection Framework Regulations SOR/2021-181		
a) The external complaints body is to accept as a member any institution that makes a request to it for membership;	Met	Para 138
d) It is to inform the parties to a complaint about its terms of reference and procedures for dealing with complaints and, on request, provide the parties with any further information and assistance necessary to enable them to understand the requirements of those terms of reference and procedures;	Met	Para 194 and 195
e) It is to deal with complaints in a manner that affects only the parties to the complaints.	Met	Para 140
Mandatory Reporting for External Complaints Body		

1. ..the ECB must file specific information with FCAC within timeframes and formats prescribed by statute. This information includes advising the Commissioner in writing if the ECB has determined that a complaint raises a potential systemic issue, and submitting an annual report to the Commissioner on the discharge of the ECB's functions and performance of its activities	Met	Chapter 11
2. Before applying for approval, a body corporate must have policies and procedures in place, along with terms of reference to govern its functions and activities as an external complaints body that meet legal requirements. These obligations remain conditions for the ECB to maintain its approved status.	Met	Para 249
4. A reportable complaint is a complaint against the ECB that involves a market conduct obligation…. The ECB must report complaints received by or forwarded to its "reportable level" and do so using the template in Annex A: Reportable complaints aggregate report. The "reportable level" is typically considered to be the ECB's compliance liaison with FCAC… The deadlines to file aggregate complaints reports are as follows: • For the period from April 1 to June 30, the deadline is August 29 • For the period from July 1 to September 30, the deadline is November 29 • For the period from October 1 to December 31, the deadline is March 1 • For the period from January 1 to March 31, the deadline is May 30	Met	Chapter 11
5. Annual reports are to be submitted within 135 days after October 31 of each year. The ECB must make the annual report available to the public without delay after it is submitted to the Commissioner.	Met	Para 330
6. According to section 5 of FCAC's Supervision Framework, the ECB must submit reportable compliance issues to FCAC. **Definition** A reportable compliance issue must meet the following three criteria: Criterion 1: The issue must be a breach of a market conduct obligation.	Met	Chapter 11

Criterion 2: The issue would normally be reported to the ECB's compliance liaison. Criterion 3: The issue meets, at a minimum, one of the following: • once detected by the ECB, it took longer than 30 calendar days to fix the issue • the issue affected more than one complainant; or • the issue was ongoing for more than 6 months before the ECB detected it The compliance issue may have been identified through various means including, but not limited to: • internal audits • compliance or control reviews • process review • a system change/enhancement • a complaint • If a compliance issue has already been reported to FCAC through the normal reporting of a reportable complaint, it should still be reported as a reportable compliance issue and linked to the initial report. A reportable compliance issue must be reported to FCAC even though the issue was caused by an individual employee. The ECB must submit any reportable compliance issue within 60 days of the compliance issue being reported to their compliance liaison.		
7. .. the ECB must report any potential systemic issue discovered during its (complaint) investigations relating to its members. FCAC defines a potential systemic issue as a compliance issue that may: • impact multiple consumers, or • have market-wide implications Generally, potential issues may not be isolated in nature and often stem from more widespread procedural or documentation issues. Potential systemic bank issues must be reported to FCAC using the following form: Reportable compliance issues summary report – potential systemic bank issues reported by the external complaints body (PDF, 826 KB)	Met subject to discussion in report	Chapter 11

The ECB must file any potential systemic issue, as defined above, to the FCAC within 30 days after the day on which the ECB determines that a complaint raises a potential systems issue.		
8. The ECB is required to submit its investigations report on a quarterly basis, within 60 days after the end of each quarter. The deadlines to file investigations reports are as follows: • For the period from April 1 to June 30, the deadline is August 29 • For the period from July 1 to September 30, the deadline is November 29 • For the period from October 1 to December 31, the deadline is March 1 • For the period from January 1 to March 31, the deadline is May 30	Met	Chapter 11

Part B – Obligations under the Memorandum of Understanding

Section 627.49	Our evaluation	Cross reference to report discussion
a) Governance – OBSI's governance structure should provide for fair and meaningful representation on its Board of Directors and board committees of different stakeholders, promote accountability of the Ombudsman, and allow OBSI to manage conflicts of interest.	Met	Chapter 16
b) Independence and Standard of Fairness – OBSI should provide impartial and objective dispute resolution services that are independent from the investment industry, and that are based on a standard that is fair to both Registered Firms and investors in the circumstances of each individual complaint. When determining what is fair, OBSI should take into account general principles of good financial services and business practice, and any relevant laws, regulatory policies, guidance, professional standards and codes of practice or conduct.	Met subject to discussion in report	Chapter 8
c) Processes to perform functions on a timely and fair basis – OBSI should maintain its ability to perform its dispute	Met	Chapter 10

resolution on a timely basis and deal with complaints without undue delay and should establish processes that are demonstrably fair to both parties.		
d) Fees and costs – OBSI should have a fair, transparent and appropriate process for setting fees and allocating costs across its membership.	Met	Chapter 13
e) Resources – OBSI should have the appropriate resources to carry out its functions and to deal with each complaint thoroughly and competently.	Met	Chapter 13
f) Accessibility – OBSI should promote knowledge of its services, ensure that investors have convenient, well-identified means of access to its services, and provide its services at no cost to investors who have complaints.	Met	Chapter 10
g) Systems and controls – OBSI should have effective and adequate internal controls to ensure the confidentiality, integrity and competence of its investigative and dispute resolution processes.	Met	Chapter 9
h) Core Methodologies – OBSI should have appropriate and transparent processes for developing its core methodologies for dispute resolution	Met	Para 336
i) Information sharing – OBSI should share information and cooperate with the Participating CSA Members through the CSA Designates in order to facilitate effective oversight under this MOU.	Met	Chapter 11
j) Transparency – OBSI should undertake public consultations in respect of material changes to its operations or services, including material changes to its Terms of Reference or By-Laws.	Met	Para 336

Part C – Operational Effectiveness

a) Progress towards the recommendations in the 2021 Review reports

2021 Review Recommendation	Our evaluation	Cross reference to report discussion
Banking		
Governance Recommendations		
1. OBSI's board should undertake a strategic review of its governance structure to determine how best to ensure that key stakeholder interests are most effectively considered in board oversight and decision-making. In particular, OBSI's board should:	Met subject to discussion in report	Chapter 16

a. add other metrics to the Governance & Human Resources Committee's diversity deliberations for recruitment purposes, including indigenous ancestry, membership in a visible minority community and disability; b. transition towards having a board with no specific categorical requirements regarding the number of industry and community directors and amend its bylaws to remove the requirement that industry directors be nominated by IIROC, MFDA and CBA, respectively; c. amend and update its skills matrix and use it as the basis for recruitment to ensure that directors have the skills and competencies needed to effectively oversee OBSI. The skills matrix should include experience in the range of relevant industry sectors, as well as important consumer and investor perspectives; geographic and linguistic diversity; and diversity of backgrounds should also be explicitly accounted for; d. establish roundtables with industry and consumers, including advocacy groups of both, to receive their perspectives and opinions on key issues of importance to OBSI and current developments and trends; and e. in light of the above, carefully consider whether it is necessary or desirable to continue having a CIAC, given that the recommended governance structure described above would see an OBSI board that has balance in industry and investor backgrounds and where the OBSI board would receive input from industry and consumer stakeholders through other means.		
Strategic Recommendations		
2. OBSI should be empowered to make awards that are binding on the firm and on the consumer, if accepted by the consumer.	Not met	Para 165
Operational Recommendations		
3. OBSI should conduct consumer and firm interviews over a videoconferencing platform, allowing for a stronger credibility assessment	Not met but not fully supported by us	Para 206
4. OBSI investigators should, when basing their decisions on contractual terms between the parties, such as cardholders' agreements, put the text of the relevant provisions in the closing letter. Moreover, OBSI investigators should provide more detailed reasons in their closing letters.	Not consistently met	Para 238

5. OBSI should consult with industry as to whether its benchmark year for fee allocation in the banking sector should be updated more regularly.	Met in 2024 but not supported by us today	Chapter 13
6. OBSI should require firms to provide documents within two weeks, failing which OBSI should publicly report the firm's failure to meet OBSI's timelines.	Not met but not supported by us	Chapter 11, Para 275
7. OBSI should set a target of 30 days to assign a case to an investigator, and should report on how frequently it is meeting this target.	Not met	Para 270
8. OBSI should begin counting its investigation targets when OBSI receives the consumer's signed consent letter.	Not met	Para 292
9. OBSI should revise its internal timeliness standard to require 90% of banking cases to be closed in 90 days.	Met	Para 290
10. OBSI should ensure that it is adequately serving seniors by: a. changing CIAC's Statement of Expectations to require at least one member with experience in advocating for seniors; and b. requiring special training for all existing (and then, as they are onboarded, all new) investigators on working with seniors (e.g., identifying diminished capacity).	Training recommendation met	Para 28, 99, 130
11. OBSI should reform its approach to non-financial harms and indirect financial harms in the following ways: a. to provide certainty, OBSI should create multiple levels for non-financial harm/indirect financial harm (low, medium and high), with set compensation amounts or ranges for each one; and, b. when providing a determination with respect to compensation for non-financial harm/indirect harm, OBSI investigators should provide detailed reasons as to why they came to their conclusion.	Met	Para 219
12. OBSI should provide additional information in the standard consent letter and their *What to Expect* document, including: a. Legal information about limitation periods for civil actions in each jurisdiction in Canada; b. Reference to the "ought to have known" standard for limitation periods; c. An investigation pathway/steps graphic; and d. Better disclosure with respect to timing of the investigation, including the 120-day target for	Not met but not supported by us	Para 238

completion and an estimated time for collecting documents.		
13. OBSI should work with FCAC to review and improve the systemic issue reporting system, including possibly by: a. Amending the definition of systemic issue; b. Requiring OBSI to report repeated systemic issues year-after-year, even if the same issue was identified in prior years; and c. Ensuring more robust communication between FCAC and OBSI once a systemic issue has been identified by OBSI.	Not fully met	Chapter 11
14. OBSI should set out in its Annual Report the number of potential systemic issues it has identified in the previous year, both in respect of securities and banking complaints, and provide a generic description of the type of issue identified.	Met	Chapter 11
15. OBSI should work with the FCAC to issue a report to the public on what steps have been taken with respect to the potential systemic issues identified by OBSI.	Not met	Chapter 11
16. OBSI and ADRBO should work with FCAC to ensure that, when a bank changes ECBs, any investigation not completed by the transfer date remains with the ECB to which the consumer originally complained.	No longer applicable	
17. OBSI should always recommend that consumers file a police complaint when there is possible criminal misconduct.	Met	Para 129
18. OBSI should increase its compensation limit from $350,000 to $500,000.	Not met	Para 156
Value-Added and Awareness Recommendations		
19. OBSI should work with FCAC to require banks to provide link(s) to the "Make a Complaint" section of OBSI's website (as well as to other important sections, such as the upcoming video-related page) to consumers who go through the internal complaint process and do not get a satisfactory result. Written materials should still be distributed; this will ensure multiple modes of communicating the information and will ensure that those without email/computers still receive written OBSI information.	Not fully met	Para 102
20. OBSI should take measures to reduce consumer attrition. FCAC and OBSI should convene a dialogue with banks to determine measures to reduce attrition for consumers who receive a	Not fully met	Para 108

negative determination from the bank. OBSI should also work with consumer groups and CIAC to determine how to reduce attrition		
21. OBSI should continue to produce core materials for consumers in languages in addition to English and French, to the extent possible within resource constraints.	Met	Para 99
22. OBSI should add more information about limitation periods to the closing letter sent to consumers. Specifically, OBSI should include: a. information about the limitation periods in each province; and b. language indicating the "ought to have known" standard for limitation periods	Not met but not supported by us	Para 239
23. OBSI's reconsideration closing letters should contain additional information with respect to the process the reconsideration officer undertook and more detailed reasons for either upholding or overturning the original decision	Not met	Para 246
24. OBSI should post investigator bios on their website to showcase the diverse talent and the expertise each investigator brings to the file.	Not met but not supported by us	Para 329
25. OBSI should continue to expand its role as a thought leader in the future by using its experiences and expertise to contribute to the overall fairness, effectiveness and trust in the financial services sector in Canada.	Met to the extent we consider possible	Chapters 11 and 12
Investments		
Governance Recommendations		
1. OBSI's board should undertake a strategic review of its governance structure to determine how best to ensure that key stakeholder interests are most effectively considered in board oversight and decision-making. In particular, OBSI's board should: a. add other metrics to the Governance & Human Resources Committee's diversity deliberations for recruitment purposes, including indigenous ancestry, membership in a visible minority community and disability; b. transition towards having a board with no specific categorical requirements regarding the number of industry and community directors and amend its bylaws to remove the requirement that industry directors be nominated by IIROC, MFDA and CBA, respectively;	Met subject to discussion in report	Chapters 16

c. amend and update its skills matrix and use it as the basis for recruitment to ensure that directors have the skills and competencies needed to effectively oversee OBSI. The skills matrix should include experience in the range of relevant industry sectors, as well as important consumer and investor perspectives; geographic and linguistic diversity; and diversity of backgrounds should also be explicitly accounted for; d. establish roundtables with industry and consumers, including advocacy groups of both, to receive their perspectives and opinions on key issues of importance to OBSI and current developments and trends; and e. in light of the above, carefully consider whether it is necessary or desirable to continue having a CIAC, given that the recommended governance structure described above would see an OBSI board that has balance in industry and investor backgrounds and where the OBSI board would receive input from industry and consumer stakeholders through other means.		
Strategic Recommendations		
2. Until binding authority is granted, or if it is not granted, OBSI should publish not only cases of outright refusals, but also low settlements in the form of quarterly and annual chart posted to its website.	Not met	
3. OBSI should be empowered to make awards that are binding on the firm and on the consumer, if accepted by the consumer.	Not yet met	Para 165
4. OBSI's binding decision-making authority should be accompanied by certain limited procedural enhancements at the discretion of the decision-maker and a right of judicial review.	Not yet met	
Operational Recommendations		
5. OBSI should add more information about limitation periods to the closing letter sent to consumers. Specifically, OBSI should include: a. information about the limitation periods in each province; and b. language indicating the "ought to have known" standard for limitation periods	Not met but not supported by us	Para 239
6. OBSI should conduct consumer and firm interviews over a videoconferencing platform, allowing for a stronger credibility assessment	Not met but not fully supported by us	Para 206

7. OBSI should work with the JRC to review and improve the systemic issue reporting system, including by: a. Amending the definition of systemic issue to include complaints raised by a single complainant; b. Requiring OBSI to report repeated systemic issues year-after-year, even if the same issue was identified in prior years; and c. Ensuring more robust communication between the JRC and OBSI once a systemic issue has been identified by OBSI.	Not fully met	Chapter 12
8. OBSI should set out in its Annual Report the number of potential systemic issues it has identified in the previous year, both in respect of securities and banking complaints, and provide a generic description of the type of issue identified.	Met – published albeit may not be all potential issues	Chapter 12
9. OBSI should work with the JRC or the CSA Designate to issue a report to the public on what steps have been taken with respect to the potential systemic issues identified by OBSI.	Not met	
10. OBSI should ensure that it is adequately serving seniors by: a. changing CIAC's Statement of Expectations to require at least one member with experience in advocating for seniors; and b. requiring special training for all existing (and then, as they are onboarded, all new) investigators on working with seniors (e.g., identifying diminished capacity).	Training recommendation met	Para 28, 99, 130
11. OBSI should begin counting its investigation targets when OBSI receives the consumer's signed consent letter.	Not met	Para 292
12. OBSI should require firms to provide documents within two weeks, failing which OBSI should publicly report the firm's failure to meet OBSI's timeline.	Not met but not supported by us	Chapter 11, Para 275
13. OBSI should set a target of 30 days to assign a case to an investigator, and should report on how frequently it is meeting this target.	Not met	Para 270
14. OBSI should provide additional information in the standard consent letter and their What to Expect document, including: a. Legal information about limitation periods for civil actions in each jurisdiction in Canada; b. Reference to the "ought to have known" standard for limitation periods;	Not met but not supported by us	Para 239

c. An investigation pathway/steps graphic; and d. Better disclosure with respect to timing of the investigation, including the target for completion and an estimated time for collecting documents.		
15. OBSI should increase its compensation limit from $350,000 to $500,000.	Not met	Para 156
16. OBSI should reform its approach to non-financial harms and indirect financial harms in the following ways: a. To provide certainty, OBSI should create three levels for non-financial harm/indirect financial harm (low, medium and high), with set compensation amounts for each one; and b. When providing a determination with respect to compensation for non-financial harm/indirect harm, OBSI investigators should be required to provide detailed reasons as to why they came to their conclusion.	Met	Para 219
17. OBSI should conduct a public consultation on its loss calculation methodology for exempt market product cases. Ideally, in order to ensure acceptance from the EMD/PM community, the resulting methodology would be approved by the securities regulators.	Met	Para 337
18. OBSI should increase the number of times industry and firm staff come into OBSI's offices to share the latest industry developments or any industry insights they feel may help OBSI's understanding of issues. OBSI should also work with the relevant industry association to develop a training program on exempt market issues for its investigators.	Met	Para 347
Value-Added and Awareness Recommendations		
19. OBSI's reconsideration closing letters should contain additional information with respect to the process the reconsideration officer undertook and more detailed reasons for either upholding or overturning the original decision.	Not met	Para 246
20. OBSI should continue to produce core materials for consumers in addition to English and French, to the extent possible within resource constraints.	Met	Para 99
21. OBSI should be required to post anonymized case summaries of all of its investments cases to its website.	Not met	Para 328
22. OBSI should continue to expand its role as a thought leader in the future by using its experiences and expertise to contribute to the overall fairness,	Met to the extent we consider possible	Chapters 11 and 12

effectiveness and trust in the financial services sector in Canada.		

Other matters

Criteria	Cross reference to report discussion
b) An evaluation of OBSI's operations with reference to its terms of reference, internal policies and procedures, fairness statement, and loss calculation methodologies. A detailed assessment of loss calculation methodologies employed by OBSI is not required.	In particular Chapter 8
c) A high-level benchmarking exercise that compares OBSI to other financial services ombudsman schemes or equivalent in comparable international jurisdictions both operationally and with respect to OBSI's general organizational approaches to matters such as accessibility and transparency.	Throughout
d) An analysis of OBSI governance, including particular reference to stakeholder representation on OBSI's board of directors. A highly-detailed analysis of OBSI's governance is not required.	Chapter 16
e) An analysis of the reasons for settlements below amounts recommended by OBSI.	Chapter 9