

April 22, 2026

**Consultation: Request for comment- OBSI Independent External Review**

[https://obsireview.crkhoury.com.au/wp-content/uploads/2026/02/OBSI-2026-Review-Request-for-Comment\\_EN.pdf](https://obsireview.crkhoury.com.au/wp-content/uploads/2026/02/OBSI-2026-Review-Request-for-Comment_EN.pdf)

To: [review@crkhoury.com](mailto:review@crkhoury.com)

I appreciate the opportunity to respond to this consultation.

Flawed and unfair complaint handling aren't just statistics - Canadians have been harmed, sometimes with life-altering effects. Seniors, retirees and vulnerable clients are disproportionately harmed by industry malpractices. That is why reform is needed on a priority basis. Reference

[https://www.sipa.ca/library/SIPASubmissions/ListenToTheVoices\\_letterForward\\_20180414.pdf](https://www.sipa.ca/library/SIPASubmissions/ListenToTheVoices_letterForward_20180414.pdf)

Some suggestions and thoughts on reform:

I recommend OBSI be granted a binding decision mandate in order to discharge its role as an Ombudsman.

Beyond binding authority, I strongly suggest reducing the period from the current 90 calendar days to 60 days for when Dealers must respond to their clients. The longer the resolution period, the greater chance the investor will drop the complaint or settle for less than is fair. Banks must respond in 56 days and Quebec consumers receive responses in 60 days.

A first time caller to OBSI should not have to leave a message. There should be adequate staffing for live communications. It is difficult enough for someone to have to call OBSI to begin with. They should be able to speak with a person.

The 2 year cooling off Period for "independent" OBSI Board members should be removed. Independent Directors should be persons with no prior industry affiliation.

Low-ball settlements should be treated as a refusal and exposed to Name and Shame public disclosure via a News Release (not just posting on OBSI website). Negative publicity can help incent Firms, especially banks, to settle fairly.

The absence of a structured forum for financial consumer advocacy has severely weakened the capacity for focussed consumer input into OBSI's governance, policies, practices and decision-making processes. I highly recommend the establishment of an investor advocacy committee as soon as possible.

I strongly recommend that this review examine case files related to investment cases settled below OBSI recommendations to see if there are distinct root causes for the low-ball settlements. That information would be powerful evidence supporting recommendations for changes at OBSI, CSA/CIRO

and/or investment Dealers. Is a difference in loss- calculation methodology a root cause?

The CSA must formulate and disclose its process for addressing, resolving and compensating all investors impacted by a systemic issue.

The Joint Regulators Committee (JRC) should include the CSA IAP Chair or other Panel member to bring the investor perspective front and center.

The Joint Regulators Committee /Securities Commissions should share compliance review information with OBSI.

The CSA/OSC should develop a regulatory response when Dealers outright refuse or employ low-ball offers of OBSI recommendations. These practices call into question the Dealer's duty to act fairly, honestly and in good faith; it is a serious regulatory issue and must be treated as such. Regulators can learn a lot by responding to critical incidents.

OBSI should not publicly support multi- stage Dealer complaint handling. The more stages, the greater likelihood the complainant will succumb to complainant fatigue.

The negative impact of NDA's on seniors and retiree health is too high a price to pay. The only beneficiaries are wrongdoers. Upon signature, wrongdoing could continue harming others who are not informed of the resolution of the complaint. This is no way to run a modern complaint resolution system. Non-disclosure Agreements should be prohibited as part of settlement Agreements with Dealers.. OBSI staff should receive training on the adverse impact NDAs have on complainants. NDA's are appropriate to protect trade secrets not to protect wrongdoers.

Misleading titles such as Financial Advisor (FA) cause investors to have more trust in a salesperson motivation and competency than is warranted.  
<https://www.sipa.ca/library/SIPASubmissions/500%20SIPA%20REPORT%20-%20Advisor%20Title%20Trickery%20October%202016.pdf>

External reviews should be more frequent than five years given rapid changes in govt. policies, products, distribution and technology. I respectfully recommend three (3) years minimum.

I recommend retention of the six-year limitation period for consumers to raise complaints to OBSI.

With a legal limitation period of only two short years I am concerned about a number of dangers complainants face:

- the lack of clarity around whether OBSI truly stops the clock for all parties that may ultimately be part of a legal claim (Dealer, Advice Giver, Branch Manager...)
- the fact that banks and firms and even OBSI directs clients to try and resolve things with the bank or firm first which eats up valuable limitation time

- most people think the bank or firm's appeal entity is an ombudsman and seldom hear of OBSI or when they do it is very late in the process
- OBSI reports increasing incidents of banks/firms withdrawing settlement offers and goodwill offers made to consumers who escalate complaints to OBSI, and/or telling consumers that they will withdraw their offers if the complaint is escalated to OBSI using intimidation and fear on clients. This a form of bullying.
- Banks and firms continue to offer less than what OBSI recommends as fair and consumers accepting these offers because they are worn out fearful and feel they have no other options or might get nothing
- naming and shaming has little to no impact on those with no shame, plus the public rarely hears about it when a bank or firm is named/shamed
- there is the potential and perceived conflict- of-interest in how OBSI is funded and on occasion who has been on their Board.

I note that the OSC and OBSI share the same address. This could give the impression of undue influence.

The reconsideration protocol appears very informal. I would like to see statistics on usage and what percentage of reconsideration requests resulted in overturning the original OBSI recommendation.

I urge the CSA to make the complaint handling system a top priority for 2026 .This will increase retirement income security for Canadians, improve investor confidence in capital markets and demonstrate that securities regulators can bring some semblance of order to the short-term focussed financial services industry.

D. McFadden

Please NOTE:

You may post this letter with my name revealed