

Agenda

OBSI Meeting with Industry Associations

Thursday, June 16, 2026

Time: 2:00pm – 3:30pm

Location:

Teams Video Conference

DIAL-IN DETAILS:

See Email Invitation

OBSI Presenters:

Sarah Bradley, Ombudsman & CEO

Grace McSorley, Deputy Ombudsman

Mark Wright, Director, Communications
& Stakeholder Relations

See Appendix for the list of attendees

Mark Wright – Welcome

- Agenda
 - High-level update on key initiatives – Sarah Bradley, including:
 - Operational update
 - Binding authority update
 - 2026 independent evaluation of OBSI
 - 2027-2031 Strategic Planning
 - 2027 preliminary business planning
 - Summary of public stakeholder feedback to the external reviewer – Mark Wright
 - Group discussion: Feedback from industry associations on semi-annual meetings
 - Case study and group discussion – Grace McSorley
 - General questions
- Introduction of presenters
- Introduction of other OBSI staff and board members attending the call

High-level update on key initiatives – Sarah Bradley

Key operational highlights from 2026 to date

In 2026, the key defining environmental influence has been case volumes.

We once again are experiencing a record high demand for our services – particularly from the banking sector, though investment cases are also at record high levels.

- In our planning for 2026, we had anticipated a relatively modest case volume increase of 5% overall for the year. With a year having passed since the single ECB transition, our view was that

2026 would be a steady year, without any clear environmental indicators for significant case volume swings.

- In fact, case volumes are up 32% for banking and 45% for investments, or 33% overall
- Where we had been expecting to open 6,400 cases this year, we are on track to open over 8,500 – or over 40% more cases than last year
- We are responding to new record levels of consumer demand for our service. On its own this would be a challenge, but it also continues a multi-year trend of significantly increasing case volumes.
- As you may recall, our case volume nearly doubled last year as a result of the single ECB transition, and it had nearly tripled between 2022 and 2024 as a result of the Bank Act consumer protection framework changes.
- Overall, this year, demand for our service will be almost 8 times higher than it was in 2022.
- Our case closings have also increased significantly, and are up almost 40% year over year, and almost 7 times from 2022.
- We expect to close approximately 7,000 cases this year – well over the number we projected that we would need to this year, but not enough to meet the additional demand for our services that we have experienced.

What this means for OBSI:

- This multi-year surge has presented a huge challenge to our organization over the past several years – and I am proud to say that we have been able to meet this challenge well. But we need to continue to improve.
- Our approach to the challenge of such a dramatic increase in demand had two major components: Efficiency improvements and growth.
- I've given updates in the past with significant details of our efficiency improvements, and in the interests of time, I won't belabour the point, but will note that due to a range of initiatives that we have implemented and continue to innovate, we have dramatically improved our total productivity as well as our cases closed per investigator, and our time to complete a case once assigned to an investigator has reached all-time lows
- With increases in demand this significant, efficiency can't be the whole solution. We have had to grow by increasing our Case Assessment and Investigative team complements considerably, which has impacted our expenses and has been reflected in increased fees, primarily for the banking sector. But we continue to demonstrate economies of scale and scope that improve every year.
 - We're currently on track to close about 7 times the number of cases we did in 2022 with about 3 times the staff on our investigative team and 2.5 times the budget.
- As I mentioned previously, however, though we've made great strides in our case closings, we are not yet where we need to be.
 - Our standard for case assignment to an investigator is 2 weeks or 10 business days, and for investment and credit union cases, we are meeting that standard. However, As a result of the case volume challenges, right now, banking cases are coming in faster than we can investigate them.

- Banking cases are currently waiting up to two months, or 50 business days for assignment to an investigator.
 - This isn't good enough and we are taking steps to catch up to the demand.
- To meet current demand levels, we need to increase our case closings by about 20%, and we're pursuing a number of strategies to assist with this, including
 - Continuing to train the investigators that we have hired in the last couple of years to build their personal efficiency and case closing productivity
 - Improving the technology and tools for our investigative staff
 - continuing to expand our teams
 - Pursuing strategies with participating firms to encourage proactive settlement

Updates on major projects

Binding authority

- As many of you will recall, the CSA has been working towards a framework that provides OBSI with binding authority for many years.
- Regulators published the proposed framework in late 2023 for public comment, and last year, published a second round consultation including some changes the framework as well as proposing an oversight regime. The comment period closed last September.
- The CSA and larger securities regulators like the OSC have continued to publicly state that they are advancing this project and our understanding is that their binding authority working group has continued its activities throughout the year.
- We understand that they are currently continuing to work on refinements to the proposal that reflect the feedback received and they have been in touch with us to gather information that would support this work.
- And that's where we are now. It remains to be seen how they will proceed. It may be that regulators feel they have sufficient stakeholder feedback now to proceed with implementation, which could come relatively soon, but it is also possible that they feel that further review or consultation is necessary.

Independent Review

- The independent reviewers began their work in January and engaged in a detailed process of information gathering and case file review as well as research for international comparison, that ran through until last month.
- Thanks to all of you who participated in the stakeholder engagement part of the review – your comments and submissions were very helpful to the process.
- Last week, they delivered their final report to our board, and they will be presenting it to both securities and banking regulators later this month.
- The report is largely favourable and finds that we are meeting our regulatory obligations and performing well as an ombudservice, but also reflects stakeholder feedback received and makes a number of recommendations for refinement and improvement.
- We expect to be publishing the report, along with our response to the recommendations in July.

5-year strategic plan

- We are currently in the process of developing our 2027-2031 strategic plan, building on the stakeholder feedback received during the external review process as well as feedback and engagement inputs from our staff, management and board.
- While our last 5-year plan has stood us in good stead for the last 5 years, and many of our core mandates and business operations remain the same, we are looking forward to this refreshed plan that reflects our current operating environment and the changing landscape that we see looking ahead.

Proactive resolution pilot project

- As you will recall, At the end of October, we launched a new proactive resolution pilot project in Q1, that we later extended to Q2.
- This initiative was designed to encourage firms to resolve complaints directly with consumers as early as possible in the OBSI process. We believe early resolution can enhance consumer satisfaction and reduce resource demands, benefiting all users of our service.
- During the pilot period, we committed that any case that is settled directly between a firm and a consumer before an OBSI investigator was assigned will be excluded from our fee calculations.
- For fee setting and billing purposes, cases that have been proactively settled will be treated in the following manner for the next fiscal year's fees:
 - Cases will not be included in sectoral case volumes for the sectoral allocation
 - Cases will not be included in bank case volumes for the individual bank fee calculations
- We believe that excluding cases resolved early in our process from our fee allocations is fair to the resolving firm and is consistent with our goal of ensuring that our firm fees are fair to all participating firms because cases resolved proactively before an investigator is assigned require significantly fewer OBSI resources than those resolved during or after investigation.
- At the end of Q2, we evaluated the success of the initiative throughout the pilot period using the following criteria:
 - The number of cases settled before investigation compared to historical volumes.
 - We saw about a 40% increase in the number of cases proactively resolved, though total numbers remained relatively small. Increasing from about 7.5% of cases in the 2 years prior to the pilot project, to about 10% of all cases opened
 - We also saw however, that there was room for additional early resolutions, as firms varied widely in their commitment to the proactive resolution process.
 - In fact about 50% of proactive resolutions were made by just 2 major FIs and their subsidiaries
 - Consumer satisfaction survey results, comparing proactively settled cases to others.
 - We found that consumer satisfaction was significantly higher for proactively settled cases than those cases that had not been settled proactively
 - Feedback from firm representatives to understand operational impacts.
 - Firm feedback on the program ranged from strongly positive to neutral, with no significant negative feedback received
 - Feedback from OBSI intake staff on workflow changes.
 - No significant impacts were noted.
- As a result of these positive findings, we recommended to our board that the proactive resolution program be extended on an ongoing basis, and they agreed with this

recommendation. We will be publishing a firm bulletin to this effect summarizing the outcomes, in the near future.

2027 outlook

- On the case front:
 - We expect consumer demand for our services to remain very high, and to continue trending upward for the foreseeable future.
 - Our forecasting based on Q1-2 data concludes that we will see increases throughout the remainder of 2026 and a further 30% increase in case volume in 2027 and we are basing our annual planning around that.
 - This means that we are expecting to open over 10000 cases next year and this has implications for our budget and fees, particularly for the banking sector.
- From regulators:
 - We expect that provincial regulators will respond to the comments received in their binding authority consultations and may announce an implementation plan for binding authority or further consultation.
 - We are also closely watching the federal government's open banking initiative and payment service provider regulation process. The Consumer Driven Banking Act tabled last year includes provisions relating to liability, complaint handling, redress and the ECB framework. We are also watching as the government builds out the regulatory regime for payment service providers. We expect to engage with the federal government and the Bank of Canada on these initiatives.
- Membership:
 - We plan to undertake a simplification of our billing practices for firms in the CIRO channel to reflect the consolidation of IIROC and MFDA and simplify our billing. We will be reaching out to firms in this category so that they know what to expect from the simplified process.
- Thought leadership
 - We expect to continue to engage in communications and thought leadership where we see that we can add value to consultations and policy discussions
 - We will soon be publishing a Special report on consumer experience.
- During the remainder of 2026 and 2027 we will also be involved in two quite significant projects:
 - We plan to publish for comment a substantial revision and update of our Terms of Reference in a new format we're calling the OBSI Rules and Operating Guidance that will be easier for stakeholders to use and will better support binding authority if that is the direction that regulators decide to endorse.
 - We will also be pursuing updates to our case management system, which is now over 10 years old, to improve our infrastructure and implement technology-based efficiency enhancements for our team.

Summary of public stakeholder feedback to the external reviewer – Mark Wright

- The CRK team received 31 submissions (26 public submissions and 5 confidential submissions). Of these:
 - 11 submissions came from individual consumers

- 9 from consumer protection groups
- 2 from industry associations
- 1 from participating firms
- 8 from anonymous individuals/groups
- Stakeholder feedback
 - Public awareness and accessibility
 - Consumers: Most consumers believe OBSI awareness is low, especially among vulnerable/less financially literate.
 - Industry: Most industry stakeholders believe awareness and access are adequate – no gaps in visibility.
 - Operational service delivery
 - Consumers: Most consumers view OBSI staff as professional and view complex firm processes as a problem.
 - Industry: Most industry stakeholders consider OBSI's operations effective and staff professional, some wish to continue to focus on efficiency.
 - Encouraging good practices by firms
 - Consumers: Most consumers believe OBSI's non-binding recommendations limit its impact.
 - Industry: Most industry stakeholders believe the current voluntary-compliance model effectively promotes good practices. One industry association stressed that binding authority would add cost and complexity without clear benefit
 - Working with government and regulators
 - Consumers: Most consumers believe systemic issues identified by OBSI should be escalated more formally and transparently to regulators.
 - Industry: Most industry stakeholders support coordination but emphasize maintaining clear role separation.
 - Fairness, independence and impartiality
 - Consumers: Most consumers view OBSI as broadly fair but some express concern about perceived industry influence and limited consumer representation.
 - Industry: Most industry stakeholders believe impartiality depends on strict mandate focus. One industry association cautioned that consumer advocacy or policy-setting roles could compromise neutrality.
 - Cost efficiency and value for money
 - Consumers: Most consumers see OBSI as providing good value so long as it is adequately resourced.
 - Industry: Some industry stakeholder expressed concerns about cost-effectiveness. One industry association cautioned that binding authority could increase costs.
 - Engaging with stakeholders
 - Consumers: Most consumers believe engagement should be more structured, ongoing, and visibly influential.
 - Industry: Most industry stakeholders view engagement as constructive, regular, and working well.

- Industry stakeholder feedback on OBSI's semi-annual meetings
 - Support for current format
 - Most industry stakeholders appreciate the bi-annual virtual meetings as useful forums for updates and dialogue. They find the existing structure effective – typically including a CEO update, case trends summary, and open Q&A – and want these to continue unchanged.
 - Emphasis on openness and dialogue
 - Most industry stakeholders value the meetings' informal, transparent tone. They encourage OBSI to keep fostering open two-way communication in these sessions (e.g., candidly sharing challenges, inviting questions, and allowing member firm representatives to join). In their view, this format helps build trust and ensures industry voices are heard.
 - No major format changes requested
 - Overall, industry associations did not call for significant changes to the meeting structure. They were positive about OBSI's engagement efforts to date and are open to further collaboration to keep the meetings informative and mutually beneficial.

Group discussion: Feedback from industry associations on semi-annual meetings

- An industry association expressed support for the current format of the meeting.
- An industry association expressed support for the current format of the meeting, especially the high-level updates. The association asked about OBSI's position on participating in regulatory consultations that may affect its services.
 - OBSI management responded that its consultation submissions aim to help support fairness, trust and confidence in the financial services sector by drawing on insights from OBSI's complaint-handling experience. OBSI management considers each consultation and decides if they can contribute meaningfully based on the relevant complaint-handling experience. OBSI has supported a range of policies put forward by regulators in recent consultations.

Case study and group discussion – Grace McSorley

Case study

- Consumer asks for loan consolidation
 - Consumer met with her advisor at the bank
 - Objective was to consolidate debts in one bank loan product at a lower interest rate
 - Consumer gave her advisor the documents showing her debts
 - The debts are existing bank LOC, two credit cards from other banks and car payments
- Loan consolidation
 - The bank prepared documents which identified the “creditors” and payout amounts
 - The consumer signed the documents
 - The bank paid all “debts”
- Unpleasant surprise and complaint

- Car dealership wrote to consumer confirming that she had paid the principal and interest of the lease
- Consumer was confused and angry realizing she had paid all the interest on her car lease and now had to continue to pay additional 7.65% on the amount that was paid to the dealership
- She complained to the bank saying she is worse off now than had she not consolidated the loans
- The bank's response
 - Acted on customer's explicit request to consolidate debts
 - Consumer told her advisor she wanted to consolidate a "car loan" didn't mention this was a "car lease"
 - The bank doesn't offer products for car lease consolidation
 - Customer signed authorization for bank to pay debts in full which set out amounts
 - Consumer can ask the car leasing company to reverse the payment
 - Bank's role was limited to executing consolidation as instructed
 - Offered \$200 good will gesture in exchange for a release
- Consumer escalates and OBSI investigates
 - We review the consumer's complaint, the bank's response and the documents in the file and observed:
 - the consumer wrote to the bank saying she wanted her "car loan" and credit card debts consolidated
 - The consumer signed the direction to pay the debts which disclosed the amounts
 - The consumer also sent the lease to the bank
 - The bank's advisor sent the lease to the compliance group that approved the consolidation
 - The debt from one of the credit cards was previously subject to a promotional rate of 4.99% and is now being paid at an interest rate of debt is at rate of 7.65%
- OBSI investigates – interviews
 - Consumer:
 - Consumer wanted her debit consolidated - just one payment
 - Consumer confirmed car dealership wouldn't reverse the repayment
 - Bank:
 - Not familiar with car leases
 - Doesn't have a drivers license
 - Doesn't look into the consumer's debt products
 - Checked the consumer's credit and sent the file to compliance for approval
 - Would have advised against consolidation if known consumer was paying double interest
 - Colleague ended car lease early and didn't have to pay interest (...because they bought the car)
- OBSI Investigation – did the bank follow its policies and applicable rules
 - We asked the bank for their policies and procedures related to debt consolidation

- The bank said these were “proprietary”
- Ultimately shared that consumers can request a consolidation for any debts they have
- Later provided a snip from a policy showing some information including the one type of debt that could not be part of a consolidation
- Consumer protection framework enshrined what was already expected into the Bank Act:
 - Financial institutions must have policies and procedures to ensure products or services are appropriate for the person having regard to their circumstances, including their financial needs
 - Staff have to be trained with respect to the policies and procedures established for complying with the consumer protection provisions of the law
 - No institution shall communicate or otherwise provide false or misleading information to a customer, the public or the Commissioner
- OBSI reviews Guidelines on appropriate products and services
 - A Bank should effectively address and implement the following:
 - Know your consumer
 - A Bank should collect and assess Know Your Consumer information to understand consumers’ circumstances, including their financial needs, when it offers or sells products or services to them.
 - Know your product
 - A Bank should understand the features, charges, risks and benefits of the products or services that it offers or sells.
 - Assess appropriateness
 - A Bank should assess the appropriateness of the product or service when it offers or sells it. For greater certainty, a Bank’s Policies and Procedures should ensure that it conducts an appropriateness assessment even when these products or services have been requested by consumers.
 - Inform consumers
 - A Bank should inform consumers when it has assessed a product or service as not appropriate for them, or when the Bank is unable to conduct the assessment.
- OBSI Investigation – How does the bank promote its services
 - Bank’s website promotes its services saying things like our advisors:
 - are highly qualified
 - can help you understand your finances
 - will spend time with you to ensure you are not overwhelmed by the complex world of finance
 - work with specialists to ensure you are getting the best advice
 - are ready to help give you solutions tailored to your needs
- OBSI analysis and recommendation
 - The evidence shows
 - The consumer wanted one payment, and signed a document directing the bank to make payments and agreeing to the loan

- The bank didn't understand the consumer's financial situation, didn't take basic steps to consider whether the loan consolidation was appropriate and appears to have put the consumer in a position where she was worse off than she had been before she sought their help
 - Our analyst team reviewed the terms of the lease and credit card and calculated the consumer's loss
- OBSI recommends compensation
 - Investigator drafts a financial settlement proposal saying:
 - Bank had a copy of the lease, and access to information about the amount of interest the consumer was paying on her credit card
 - The consolidation didn't make financial sense
 - The bank hasn't shown how they met they followed policies or procedures to ensure appropriateness or its public commitments
 - The consumer paid around \$3,400 extra in interest as a result
 - We recommend the bank compensate the consumer
 - We invite the bank to give further comments or to speak with us
- The Bank responds to the FSP
 - The bank's initial response was:
 - The bank knows its products and provided appropriate advice based on the consumer wanting to consolidate their debts
 - It was the consumer who came to the bank wanting to consolidate and have one payment, yes to reduce their overall cost but it is not the bank's responsibility to know other financial company products
 - It will discuss further with legal
- Settlement
 - The bank ultimately agreed and the consumer accepted
 - There was a mix up, so the investigator followed up with the bank for three months to help the consumer receive the compensation

Case study discussion

- No comments from industry associations

General questions

- No questions from industry associations

Appendix – Meeting Attendees

Canadian Bankers Association (CBA)

Canadian ETF Association (CETFA)

Canadian Forum for Financial Markets (CFFiM)

Canadian Independent Finance and Innovation Counsel (CIFIC)

Federation of Independent Dealers (FID)

Private Capital Markets Association (PCMA)

Securities and Investment Management Association (SIMA)