

OMBUDSMAN FOR BANKING SERVICES AND INVESTMENTS

Code of Practice

Approved by OBSI's Board of Directors December 2015

The following OBSI Code of Practice represents a commitment to excellence in governance and operations. Drawn from the guiding principles underlying ISO Standard 10003, the Code takes the principles and moves them into standards, and offers operational measurements to gauge our success in meeting – or exceeding – these international benchmarks.

The left-hand column is an implementation of the ISO principles in the form of a Code of Practice. OBSI's commitments under the code are concrete, meet the objectives of the ISO principles, and are auditable. The right-hand column lists the operational measurements of the Code.

OBSI Standard	Operational Measurements
<p>1. Consent to participate</p> <p>Participation in the OBSI dispute resolution process is voluntary for clients, and agreeing to participate does not affect legal rights.</p> <p>Consent to participate should be based on full knowledge and understanding of the process and possible outcomes.</p>	<ul style="list-style-type: none"> • Make OBSI's Terms of Reference easily accessible on our website, inform clients about OBSI's Terms of Reference, provide explanation of procedures for dealing with complaints, provide opportunity for questions or other assistance needed to understand the Terms of Reference and procedures. • Training for staff to ensure significant issues are explained. • Signed consent letters for each client.
<p>2. Accessibility</p> <p>We can be contacted by toll-free telephone, toll free TTY, toll free fax, mail, e-mail, through our web site, and through electronic or other links from other organizations. Our services are offered in both official languages, and they are free to clients.</p>	<ul style="list-style-type: none"> • Operation of client contact points through toll-free numbers, mailing address, email, fax and website. • Links to OBSI from other sites. • Written materials, telephone reception and investigations available in both official languages. • Free service to clients.



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<p>Our services are non-legalistic and participation does not require legal representation. Findings are not admissible in any subsequent litigation or arbitration.</p>	<ul style="list-style-type: none"> • Non-legal procedures, e.g. no oath required to give evidence; legal representation not required; no cross-examination by parties. • Signed agreements between the parties that OBSI’s work is not admissible in any subsequent litigation or arbitration. • OBSI is able to handle inquiries in over 170 languages. • Accept as a member any bank or authorized foreign bank that makes a request to OBSI for membership. • If a client has made a complaint in respect of a bank or an authorized foreign bank that is a member of another external complaints body, OBSI provides the client with the name of the other body and its contact information without delay.
<p>3. Appropriateness</p> <p>The methods used and the remedies offered are intended to be appropriate to the circumstances and we strive to ensure that we achieve that goal.</p>	<ul style="list-style-type: none"> • Processes to assess files to determine appropriate resolution method in the circumstances of each case. • Remedies recommended consistent with compensation for direct financial loss to make clients “whole” with occasional awards for inconvenience. • Policies and procedures established based on standards acceptable to regulatory oversight bodies.
<p>4. Fairness and Independence</p> <p>Fairness is the fundamental principle on which our decisions are based. OBSI is impartial, free of bias and independent of both industry and government.</p>	<ul style="list-style-type: none"> • Review of internal procedures to ensure rules and practices are in place to guarantee independence in carrying out investigations and recommendations. • Annual sign off by staff on Code of Conduct. • Manager or other review of closing letters assuring unbiased conclusions and impartial consideration of all relevant documentation, industry standards and practices, the



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	<p>circumstances of the parties and the facts of a dispute.</p> <ul style="list-style-type: none"> Review of Terms of Reference and bylaws for measures to ensure independence from funding industries; governance led by independent directors not affiliated with any stakeholder group; insulation of board from case decision-making or appeal of decisions. OBSI Fairness Statement
<p>5. Competence</p> <p>Our staff are recruited for aptitude, skills, and training.</p> <p>Professional development is ongoing.</p>	<ul style="list-style-type: none"> Hiring criteria and procedures. Position descriptions. Professional designations and continuing education requirements for staff. Staff development activities as listed in performance plans. Group development activities. Internal review and quality control processes. External reviews as required by regulation.
<p>6. Timeliness</p> <p>Inquiries are responded to within one business day.</p> <p>Complaints are assessed promptly. If a complaint is assessed as being outside of our Terms of Reference, written notice is sent to the complainant within 30 days of receiving all information relevant to assessing the complaint.</p> <p>Cases are dealt with promptly. Upon receipt of all information relevant to investigating a case, a decision is reached within 120 days for cases pertaining to banking matters, and within 180 days, 80 percent of the time, for cases pertaining to investment matters.</p>	<ul style="list-style-type: none"> Review of case management system records. Review of quarterly and annual statistics.



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<p>7. Confidentiality</p> <p>We are committed to the privacy principles of CSA-Q830 which are, in turn, embodied in federal legislation (PIPEDA). In particular, collection, use and disclosure of client data will only be done with client consent and only to the extent required to conduct the investigation, unless disclosure is mandated by law or a regulator.</p>	<ul style="list-style-type: none"> • Implementation of a voluntary Privacy Policy which adheres to the highest Canadian legislative standard. • Inclusion of privacy and confidentiality provisions in signed consent letters. • Review of internal privacy controls. • Annual sign off by staff on OBSI’s Code of Conduct.
<p>8. Transparency</p> <p>Procedures and documents are in plain language where possible and are explained in plain language to all parties.</p> <p>Decisions and recommendations are explained to both parties in writing and orally if requested.</p>	<ul style="list-style-type: none"> • Review of OBSI public materials (especially website that explains total complaint handling process) available to clients in accordance with plain language standards. • Statistics released annually to the public with the number and nature of investigations undertaken by OBSI, and the outcomes. • Annual report available to the public. • Information available to the public about: <ul style="list-style-type: none"> ○ OBSI’s bylaws and governance and the identity of our members, ○ OBSI’s Terms of Reference ○ all sources of funding for its functions and activities as an external complaints body, including the fees charged to each of its members for its services and the method of calculating those fees, and ○ the results of the most recent five-year evaluation. • Advance notice to regulatory oversight bodies of and public consultation about material changes to OBSI’s operations or services, including material changes to its Terms of Reference or By-Laws.
<p>9. Legality</p> <p>OBSI is governed by both federal and provincial law. The agreement of all parties to the dispute is required before OBSI can act.</p>	<ul style="list-style-type: none"> • Review of Governing Acts - Corporation Act, Privacy Act and Terms of Reference. • Written agreement of all parties.



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<p>10. Capacity</p> <p>Sufficient resources to carry out our responsibilities effectively and efficiently is ensured by the dominance of independent directors on the board.</p> <p>The Ombudsman is responsible to the board for the prudent and efficient management of both financial and physical resources, and his/her performance is reviewed annually.</p>	<ul style="list-style-type: none">• Budget approval and minutes regarding budgeting and strategic planning.• Review of performance objectives for Ombudsman.
<p>11. Continual Improvement</p> <p>We are committed to continual improvement of our dispute resolution process.</p>	<ul style="list-style-type: none">• Participation in periodic ADR and Industry conferences and colloquia.• Membership in national and international ADR groups.• Periodic process audit/review.• External reviews as required by regulation.• Consult with participating firms and clients with respect to OBSI's functions and activities.