



OMBUDSMAN

for Banking Services | des Services Bancaires
and Investments | et d'Investissement

OBSI Answers Industry's Questions

The Ombudsman for Banking Services and Investments (OBSI) is Canada's national independent dispute resolution service for consumers and small businesses with a complaint they cannot resolve with their banking services or investment firm.

As non-profit organization, OBSI is guided by the principle that every complaint deserves a fair and prompt resolution.

An alternative to the courts, our process is confidential and non-legalistic. Funded by participating firms, our services are free to consumers.

What is involved in OBSI's dispute resolution process?

OBSI resolves complaints between participating firms and their customers when they cannot come to a resolution on their own.

Your client has the right to bring their case to OBSI if they are not satisfied with your final response to their complaint or at least 90 days have passed since the complaint was filed. Your client must also have filed the initial complaint within six years of when they knew or should have known of the problem.

If these conditions are met, we then ensure that the complaint falls within our mandate. If it does not, we advise your client as soon as possible.

If the complaint does fall within our mandate, we get your client's permission to discuss their case with you, then collect and review all relevant material. Typically, this includes your final response letter.

Once the investigation is complete, we send a draft report to both you and your client for a brief comment period. If we receive comments and we find that they have merit, we will revise our report. After the commenting period, you both receive a final report with our findings and recommendation.

If we determine that your firm has acted fairly, we will advise your client accordingly. If we determine that compensation is owed, we will recommend a settlement that aims to make the client 'whole.' We may also recommend non-financial actions, such as correcting a credit bureau record.

We review each case impartially to determine a fair outcome, taking into consideration financial services and business best practices, the law, regulatory policies and guidance, as well as professional body standards, codes of practice and codes of conduct.

As OBSI is neither a court, nor a regulator, we do not fine or sanction firms or individuals. While our recommendations are not binding, if your firm refuses to comply, we are required to make this public. We have an excellent rate of acceptance by both firms and clients.

OBSI does not handle matters that have already been through a court or an arbitration that ended with a binding decision or finding on the merits of the complaint. If a client is not satisfied with our conclusions, they can pursue legal action or other avenues, subject to statutory limitation periods

Can OBSI investigate transactions that took place before a dealer became an OBSI member?

OBSI's mandate requires us to look at complaints that are made up to six years from the time a complainant knew or ought to have known about the problem that led to the complaint. This means that transactions that took place before a dealer became a member could still be brought to OBSI for investigation. However, the complaint must arise after the date of OBSI membership.

What is OBSI's position on the notion that all exempt securities are high risk?

OBSI assesses every security, including Exempt Market products, on an individual and case-by-case basis. We don't have a standard view on the characteristics and risks of any security.

How will complaint data for the Exempt Market be reported by OBSI?

OBSI reports both publicly and to securities regulators information related to the complaints that come to our office. Sometimes the reporting is grouped by sector, such as banking or investments. Other times it is by a registrant category, such as Exempt Market Dealer or portfolio managers (securities regulators have indicated that firms holding both an Exempt Market Dealer and portfolio manager registration should be reported by OBSI as portfolio managers). We also report on the products and issues involved in the complaints we investigate. The primary means of reporting complaint data is through our Annual Report.

The questions found here were put to OBSI by Exempt Market Dealers. If you have other questions you would like answered, please email them to membership@obsi.ca. They may be addressed in future editions of Exempt Edge magazine.