

OBSI 2009 annual report



OMBUDSMAN

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

OBSI

accessible

independent

fair

Ombudsman for Banking Services and Investments (OBSI)

- The national independent dispute resolution service for consumers and small businesses with a complaint they can't resolve with their banking services or investment firm
- We work informally and confidentially to find fair outcomes to disputes about banking and investment products and services
- We look at complaints about most banking and investment products and services, such as errors, mishandled accounts, misleading information or inappropriate advice, that cause loss, damage or harm
- We may recommend compensation up to a maximum of \$350,000 for an individual or small business
- Our service is free to consumers
- We operate in both English and French, with our call centre able to handle inquiries in over 170 languages



The 2009 OBSI Annual Report covers fiscal year 2009, which began November 1, 2008, and ended October 31, 2009.

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For more information please visit
our website www.obsi.ca

highlights

<p>Opened 990 case files, a 48% increase from 2008</p>	<p>↑48%</p>
<p>Over 200% increase in total case files opened over the last three years</p>	<p>↑200%</p>
<p>21% increase in banking case files opened over 2008</p>	<p>↑21%</p>
<p>73% increase in investment case files opened over 2008</p>	<p>↑73%</p>
<p>84% of case files completed in less than 180 days</p>	<p>84%</p>
<p>Continued our outreach initiatives to industry, consumer groups and other stakeholders</p>	
<p>Received over 12,400 inquiries by telephone, email and other sources</p>	
<p>Investment Suitability, Fraud, Mortgage Fees and Loan Refinancing were the most frequent complaint issues</p>	

chair



Tens of millions of relationships exist between Canadian consumers and financial sector firms with a staggering number of transactions carried out each year. The vast majority of these proceed as expected, but as in any complex system, issues arise. In most cases, these are dealt with before consumers realize something has occurred. In some cases, a complaint from the consumer alerts the firm to a problem and the issue is addressed. In others, the firm works with their customer to achieve a satisfactory outcome. Usually, this meets with success. However, there is always a small proportion of complaints that remain unresolved between consumers and their firms. At this point the consumer may request OBSI, as an external independent body, to conduct an impartial review of the complaint to determine a fair outcome.

In April 2009, David Agnew accepted a wonderful opportunity to take over the Presidency of Seneca College. We are grateful that under his leadership, OBSI completed a successful independent review, forged a new positive relationship with federal and provincial regulators and saw a significant increase in OBSI's profile.

Following David's announcement we embarked on a nation-wide search for our third Ombudsman & CEO. The successful candidate was Douglas Melville, Deputy Ombudsman for

Banking. This promotion from within our organization attests to the high quality of our staff, their wealth of industry experience and the evolving maturity of our organization. Douglas is our first Ombudsman experienced in all financial sectors. He represents a combination of traits as unique as the role itself, including not only industry experience, but elements of judgment and personal integrity, leadership and a sense of stewardship for our mandate.

The Board of Directors has continuously updated and enhanced our service standards to address the changing marketplace and mandates. Most recently, the new Terms of Reference were implemented on February 1st to align with the Investment Industry Regulatory Organization of Canada's (IIROC) and the Mutual Fund Dealers Association of Canada's (MFDA) introduction of new complaint handling rules. These changes bring specific enhancements to OBSI's mandate and more certainty for consumers making complaints through their firm by addressing the important issues of how long a firm's internal complaint review can take and promoting the protection of consumers' legal rights during an OBSI review given the existence of legal limitation periods.

The growth of our organization has been assisted by passionate, committed independent directors, possessing strong professional and/or business skills and

experience as corporate directors. They are carefully selected to reflect both the diversity and geographic breadth of Canada. Renewal of the Board has been a priority and a recent bylaw change will enable us to welcome two new independent directors to the Board this year.

During the last several years, OBSI has moved very far very fast. Although we are justifiably proud of the progress made, we have recently been pausing for reflection. We are looking inward and consulting outward. In order to ensure that OBSI and its mandate are optimally positioned within the evolving regulatory frame for financial services, we need to ensure that we have continuous meaningful dialogue with all our constituents.

Consumers of financial services in Canada and financial service firms are well served by the professionalism and competence of OBSI's team. On behalf of the Board, I want to express our gratitude to Douglas Melville, his management and staff for continuing to ensure fair outcomes delivered with integrity and impartiality in a year of unusual growth and change.

A handwritten signature in black ink, appearing to read 'P. Brown', written over a thin horizontal line.

Dr. Peggy-Anne Brown, Ph.D.
CHAIR

OBSI is pleased to have been asked to host the Twelfth Annual International Conference of Financial Services Ombudsmen. Having hosted the Sixth Annual session in 2005, this is a welcome opportunity to share ideas and to keep current on best practices of the world's financial ombudsmen. The September 2011 Conference, with simultaneous conferencing for distance participants, will be held in Vancouver/Whistler.

ombudsman



It was a privilege to have been appointed Ombudsman in August of 2009, a year of significant challenges for OBSI.

In 2009, OBSI reviewed more complaints than ever before in its history. The global economic crisis, coupled with sharp declines in financial markets, gave rise to record volumes of consumer inquiries (up 42% from 2008) and complaints (up 48% from 2008). Banking sector complaints were up 21% while investment complaints were up a staggering 73%. Ever-growing year-over-year complaint volumes have been a consistent reality for OBSI. Industry complaint handling continues to mature as more retail consumers and small businesses are being made aware of their right to have their complaints reviewed by their firms and OBSI.

Given the recent pace of growth and the changes underway in the financial regulatory environment, this is a good time to reflect on the future of OBSI's mandate. During such turbulent times, OBSI's role becomes more important than ever. It is critical that we ensure we are being faithful to our mandate, assess both what we do and how we do it, and focus our resources on providing effective dispute resolution. We are taking the opportunity to ask and answer some important questions about OBSI and its role. This involves both looking inward and consulting outward with OBSI's stakeholders.

Looking inward, we are reviewing our policies and procedures to identify opportunities to improve, streamline and simplify our complaint review process. An outside process engineering firm will

be working with our management team and staff to ensure that our resources are put to best use in achieving timely and effective resolution of retail consumer and small business complaints.

Looking outward, we have established more regular consultations with the various stakeholders who have an interest in OBSI's performance of its mandate. We meet regularly with banking and investment regulators, consumer and investor advocates, and the financial services industry. We share our observations on retail consumer and small business complaint and complaint handling trends and issues. We also seek their input on how OBSI can continually improve its effectiveness. In addition to these regular discussions, there are consultations underway on specific issues of concern which affect OBSI's operations. These include changes to OBSI's funding formula, opportunities to improve OBSI's effectiveness in conjunction with participating firms' complaint-handling offices, and key issues in investment complaints such as investment suitability, loss calculation and loss mitigation. These discussions have improved stakeholders' understanding of OBSI's mandate and approach and help OBSI to continually improve its service.

Over the past several years, OBSI has matured, becoming an important component of the financial consumer protection framework in Canada. This maturity enables OBSI to meet the dispute resolution needs of consumers, small businesses and participating

financial services firms in a dynamic and complex industry environment.

Since its inception, OBSI has diligently pursued its mandate to:

- Enhance consumer confidence in Canada's banking and investment sectors;
- Provide a free and accessible service to consumers and small businesses that achieves fair, independent, impartial, and timely resolution of individual consumer and small business financial sector complaints; and,
- Utilize the lessons learned from individual complaints to help participating firms and the financial industry as a whole better serve their customers.

This challenging work requires a team effort. I thank our dedicated staff for their continued diligence, professionalism and resiliency in the pursuit of fair outcomes. Thanks also go to those stakeholders who work with OBSI to promote fairness in the resolution of customer complaints and in the provision of financial services to Canada's banking and investment consumers. On behalf of all of OBSI's staff and stakeholders, I express our appreciation to our Chair, Dr. Peggy-Anne Brown and our Board of Directors for their guidance and enthusiastic support of our work.

A handwritten signature in black ink, appearing to read 'Douglas Melville', written over a thin horizontal line.

Douglas Melville
OMBUDSMAN

dispute resolution



OBSI – Who We Are

The Ombudsman for Banking Services and Investments, or OBSI, is a national independent dispute resolution service for consumers or small businesses with a complaint they can't resolve with their financial services firm.

Established in 1996 as an alternative to the legal system, we work informally and confidentially to find fair outcomes to unresolved disputes about banking and investment products and services. We are free to clients. Our funding is provided from a levy on all participating firms. If we find an error, mis-

leading advice or other maladministration that has caused a loss to a client, we may recommend compensation up to a maximum of \$350,000. Our independence is assured by a board of directors with a majority of independent directors and strong safeguards for our independence and impartiality.

How OBSI works

Our staff, with a wide variety of experience and training in financial services, law, accounting, dispute resolution and regulatory compliance, review unresolved complaints from clients about banking and investment products and services, such as errors in accounts, poor disclosure and inappropriate advice.

If we find the firm has caused a loss, we will recommend a settlement that aims to make the client whole. We also may recommend compensation for inconvenience in the appropriate circumstance, or non-financial actions such as correcting a credit bureau record. If we find the firm has acted appropriately, we will write to the client to explain why we came to that conclusion.

When we receive a complaint, our assessment team looks at the file to make sure it falls within our mandate. For instance, the firm has to be one of our participating banks, credit unions, investment dealers, mutual fund dealers

and managers and scholarship plan dealers. We also look for a final answer from the firm to the client, which allows us to start our review knowing the positions of both firm and client.

Depending on the file, we might try to settle the dispute through a facilitated settlement between the client and firm that aims to address the complaint quickly with a fair outcome to both parties. If we believe that the facts of the case do not warrant further review, we will let the client know quickly. We always make sure that we explain our reasons, just as we do for firms when we are recommending compensation.

If we can't facilitate a settlement, we will conduct a full investigation. When we believe the client should be compensated, we will send a draft investigation report to the firm, and then to the client. Following a brief comment period, we will send the client and the firm a final report that sets out our recommendation.

After reviewing the facts of the case, we make a decision based on "fairness in the circumstances" to both the client and the firm. We take into account laws, regulations, industry standards and practices as well as any standards established by regulatory bodies, professional associations or the individual firm involved.

Neither a court nor a regulator, OBSI does not fine or discipline firms or individuals. Our recommendations are not binding on either party, but we have an excellent record of acceptance of our recommended settlements from both firms and clients. In 2009 all of our final recommendations for compensation were accepted by firms.

While we do not handle matters that have already been through a court or an arbitration, if a client is not satisfied with our conclusions, they are free to pursue their case through the legal system, subject to statutory limitation periods.

OBSI's Commitment to You

The Ombudsman for Banking Services and Investments is committed to achieving excellence in our dispute resolution service. Our standards are designed to ensure a high-quality, independent and fair dispute resolution process for consumers of financial services in Canada.

Our Code of Practice commits us to achieving high standards of excellence in 11 separate areas of our operation and governance including accessibility, fairness and independence, timeliness and competence. These standards were based in part on emerging international complaint-handling standards through the International Standards Organization (ISO).

We are committed to regular independent reviews of our operations. Our last review in 2007 found our service to be both professional and effective. Our next review is scheduled to begin in late 2010.

Consumers' Guide to How OBSI Works



* In some cases, recommendations do not involve compensation (e.g., restored credit bureau ratings)

Participating Firms

All financial services firms regulated by the federal or provincial governments are eligible to become a participating firm in OBSI.

Current participating firms include:

- Domestic and foreign-owned banks
- Credit unions
- All Investment Industry Regulatory Organization of Canada (IIROC) member firms
- All Mutual Fund Dealers Association of Canada (MFDA) member firms
- Investment Funds Institute of Canada (IFIC) member companies
- RESP Dealers Association of Canada (RESPDAC) member firms
- Federal trust and loan companies and other deposit-taking organizations

Our Terms of Reference and guides for both consumers and participating firms are available on our website at www.obsi.ca.

Please visit our website at www.obsi.ca for more information on how we can help.

overview



OBSI experienced a large jump in caseload in 2009 for the third year in a row, with a record 990 case files opened in the year. That represented a 48 per cent increase from the previous year, more than tripling the number of cases coming to OBSI compared to three years ago. Overall, we opened 599 investment case files and 391 banking services case files.

The increase is likely from two causes. First is growing awareness of OBSI, particularly among referral sources such as regulators who are in contact with many consumers each year. That reflects significant effort by OBSI to build a broader network and a higher profile. Second is better communication by most firms telling their customers who have made a complaint, but are not satisfied with the firm's response, that they can bring their complaint to OBSI for review.

However, we still have a long way to go. As in previous years, too many clients are telling us that their firm did not tell them about OBSI and their right to bring their case to us.

As of February 1, 2010, OBSI's revised Terms of Reference took effect. Consumers now have the ability to bring their complaint to OBSI 90 days after having first complained to the participating firm, regardless of whether a final response has been received. Participating firms, when requested by OBSI and where permitted by law, will also now suspend the applicable

limitations period so that we can review a complaint without affecting the consumer's ability to commence legal action against the firm at a later date. Finally, OBSI now has the ability to investigate systemic issues uncovered during reviews of individual complaints.

We are looking forward to the day when we are confident that every customer of a participating firm knows they can bring their complaint to OBSI if they are not satisfied with how their firm responds to it. That will require the active support and participation of both regulators and financial services firms.

We continue to place emphasis on facilitated settlements as a way of resolving disputes. These settlements are a quicker and more efficient way of reaching agreement. We have received positive feedback from both consumers and firms on our efforts to resolve more files through facilitation. Of the 787 files we closed in 2009, 185 were facilitated settlements, up from 91 last year, and a 20-fold increase from just three years ago.

Compensation

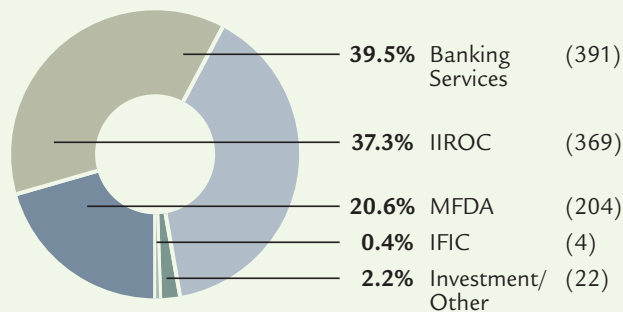
During the year, OBSI made 222 recommendations for compensation. We recommended compensation in 71 banking case files and in 151 investment case files. All OBSI recommendations were accepted by firms in 2009. In another 558 case files we upheld the firm's position, while 7 case files were withdrawn by the client.

Small Business

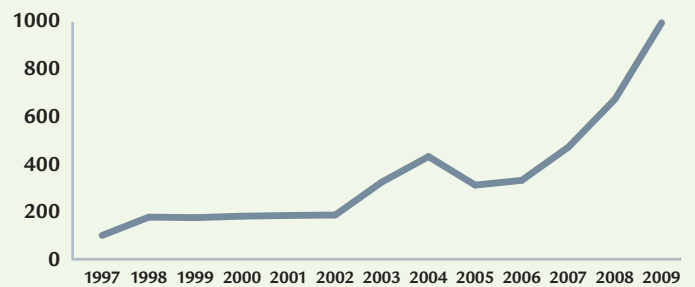
This year, we opened 33 case files for small businesses. Banking services complaints primarily concerned mortgage fees and loan pricing, as well as a mix of transaction errors and fraud. In investment case files, the complaints concerned a mix of issues including investment suitability, deferred sales charges and unauthorized trading.



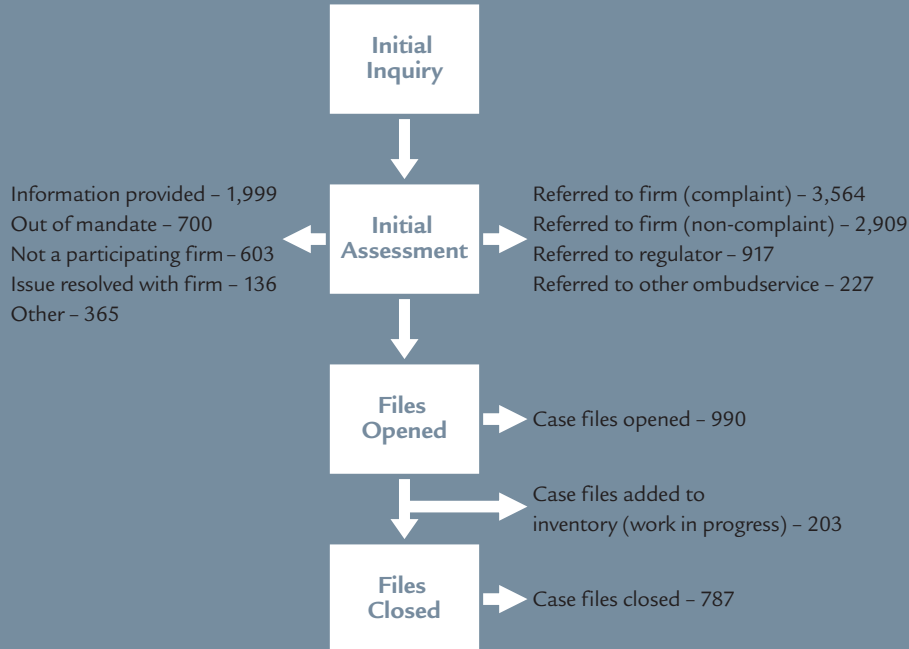
Opened case files in 2009



Opened case files over 13 years (total)



Inquiries – 12,410



Contacting OBSI

While the telephone is still by far the most common way of contacting OBSI with an inquiry or complaint, other channels of communication are growing, particularly email. Phone calls remain the largest proportion of the more than 12,400* inquiries our Consumer Assistance Officers received in 2009.

	Phone	71.5%
	Email	15.2%
	Mail	5.9%
	Website	3.9%
	Fax	3.5%
	Walk-ins	0.1%

Where do our complaints come from?

As a national service, OBSI gets complaints from coast to coast to coast, and everywhere in between. We also see files from customers of participating firms living abroad who have banking and investment relationships with firms in Canada. This table compares the percentage of complaints received by OBSI by province or territory compared to its percentage of the population of Canada. The proportionately lower number in Québec reflects the fact that the caisses populaires Desjardins do not participate in OBSI for banking services.

Province/Territory	OBSI Complaints (%)	Population (%)
Alberta	7.1%	10.6%
British Columbia	13.2%	13.3%
Manitoba	1.9%	3.6%
New Brunswick	1.4%	2.3%
Newfoundland & Labrador	0.7%	1.5%
Northwest Territories	0%	0.1%
Nova Scotia	1.6%	2.8%
Nunavut	0%	0.1%
Ontario	57.8%	38.8%
Prince Edward Island	0.6%	0.4%
Québec	12.5%	23.4%
Saskatchewan	1.7%	3.0%
Yukon	0%	0.1%
International	0.2%	
USA	1.2%	
Total	100%	100%

*OBSI changed its phone message in 2009 to include more information on participating firms' internal complaint handling procedures. This resulted in a decrease in the number of inquiries from 2008 to 2009.

banking services



Our banking services complaints come from domestic and foreign-owned banks, trust companies and credit unions. In the fluid world of financial services, we see investment product issues arise in banking files as “wealth management” spills across the former silos of banking, investment and insurance.

The economic turmoil in 2009 had a significant impact on the type of complaints we received regarding domestic and foreign-owned banks, federally regulated trust companies and participating credit unions. The most common banking issues seen in 2009 involved mortgage prepayments, interest rate increases and payment scams.

Mortgage complaints in 2009 mostly concerned prepayment penalties charged to customers seeking to refinance their mortgages to take advantage of historically low market rates. Because of the significant drop in mortgage interest rates during the year and the way in which prepayment penalties were calculated, some customers were surprised by the size of the amount they owed. OBSI received complaints relating to the amount, calculation and disclosure of mortgage prepayment penalties. We reviewed the mortgage documentation for each of the firms from which complaints were escalated. In most cases, the mortgage documentation clearly disclosed the prepayment penalty. In those instances where communication to customers was not clear or where an error was made, we recommended compensation.

The low market interest rates prompted banks to increase rates on their lines

of credit in 2009. While the pricing of a bank product is outside of OBSI’s mandate, the complaints were about the loan agreements and whether a rate increase for existing customers was permissible. In response to complaints concerning these increases, we reviewed the line of credit account documentation for each of the banks and confirmed that the increases were both contemplated by the agreements and that the banks’ ability to increase the rates was fairly disclosed. We also confirmed that customers were given adequate notice of the interest rate change before it became effective. We found no circumstances that warranted compensation in connection with this large group of complaints.

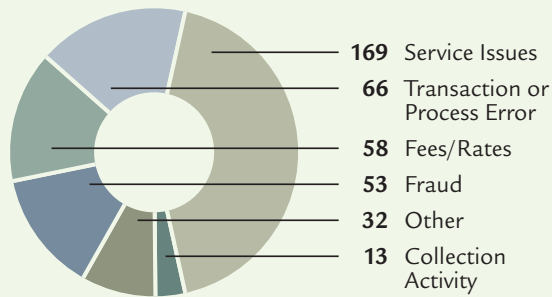
Fraudulent scams continue to be an area where OBSI still sees tragic outcomes for individual consumers. In a struggling economy, people increasingly look to anonymous individuals they find through advertising or the classifieds to seek employment or sell goods, many of whom turn out to be fraudsters. Some are drawn into financial or employment opportunities through elaborate websites and processes that appear to be legitimate. While banks are aware of these scams, if the customer does not share information with the bank surrounding the

proposed financial transactions involved with these “business opportunities”, the scam can go undetected. In these cases, by the time the scam is uncovered it is most often too late to prevent the loss or recover the funds. In particular, when money is wired to other parties, there is a significant risk due to the inability to recover the funds. In the past, we have recommended compensation in a few cases where bank staff failed to recognize warning signs of a scam when making money transfers. Likely in response to increased bank staff awareness, we have noted a definite trend where fraudsters have moved away from banks to small local money remittance services that are beyond the reach of federal regulation and OBSI’s mandate.

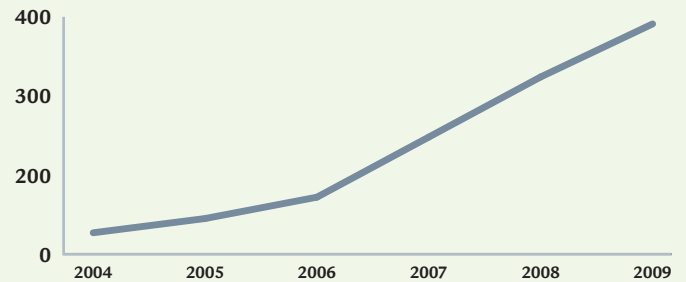
Public education through law enforcement, the media, banks, trust companies, credit unions and community groups has drawn attention to these scams. We hope this is the reason for a recent decrease in the number of such complaints coming to OBSI.

As the economy recovers and interest rates rebound, we expect the nature of banking complaints coming to OBSI will return to the usual issues of debit fraud, transaction errors and service issues. We note that the increased effort on the part of OBSI and participating banking firms to achieve a quick resolution to complaints is showing results. The vast majority of banking complaints brought to us are resolved quickly without the need for a detailed in-depth investigation, a testament to the maturity of the complaint handling system in place.

Major Issues in 2009



Opened case files over the years (banking)



Case files opened in 2009



Case files opened in 2008



Case files opened in 2007



Case files opened in 2006

Opened Case Files by Firm

1	Affinity Credit Union
1	Alterna Bank
15	Amex Bank of Canada
31	Bank of Montreal
1	BNP Paribas
1	Bridgewater Bank
2	Canadian Tire Bank
3	Capital One Bank
48	CIBC
1	Citibank
1	Concentra Trust
1	CONEXUS Credit Union
1	Equitable Trust Company (The)
1	GE Money
7	HSBC Bank Canada
1	ICICI Bank Canada
3	ING Direct
8	JP Morgan Chase Bank N.A., Canada
20	Laurentian Bank
1	M.R.S. Trust
2	Manulife Bank of Canada
4	MBNA
30	National Bank of Canada
1	Pacific & Western Bank of Canada
1	Peoples Trust Company
13	President's Choice Bank
1	ResMor Trust Company
6	Royal Bank of Canada (NON PF)
79	Scotiabank
2	Servus Credit Union Ltd.
2	TCU Financial Group
102	TD Bank
391	

* RBC withdrew from OBSI's banking services dispute resolution service effective November 1, 2008. Case files that were already under review by OBSI but had not yet proceeded to full investigation as of November 1, 2008, are reflected in 2009 statistics.



For more information please visit our website www.obsi.ca

investments



OBSI's member firms involved in investments come from three major groups. Investment dealers are regulated by the Investment Industry Regulatory Organization of Canada (IIROC), formerly the Investment Dealers Association of Canada (IDA). Client accounts may include stocks, bonds, mutual funds and other investment products. Mutual fund dealers are regulated by the Mutual Fund Dealers Association of Canada (MFDA) and are limited to dealing in mutual funds and other exempt products. Members of the Investment Funds Institute of Canada (IFIC) include the companies that create, manage and market mutual funds. We also review complaints from customers of scholarship trust plan dealers that are members of the Registered Education Savings Plan Dealers Association of Canada (RESPDAC).

The past year was another challenging one for both the investment industry and for investors. The dramatic market downturn that began in the fall of 2008 led to losses for many investors, resulting in OBSI receiving a record number of complaints. Despite this increase in complaints, the percentage of cases in which investors appealing to OBSI received compensation continued to be about 35%. Although many clients contact OBSI regarding investment losses, we only recommend compensation when we find that a client suffered a loss due to an error by the firm, lack of disclosure regarding an investment or investment strategy, or unsuitable investment advice.

As in previous years, a majority of OBSI investigations related to the suitability of investment advice. In some cases, the

investment advisors did not fulfill their "know your client" obligations. In other cases, in particular those involving complex investment products, advisors did not properly explain the risks and characteristics of the investments they were recommending. Full and plain disclosure of all relevant facts and features of an investment is critical to ensuring investors, especially those with limited investment knowledge and experience, are able to make informed investment decisions.

In 2009, we saw a sharp increase in complaints about discount broker margin calls and transaction errors. Discount broker firms are not required to ensure investments are suitable or that the risks and features of an investment are adequately disclosed. Clients investing through discount brokerage ac-

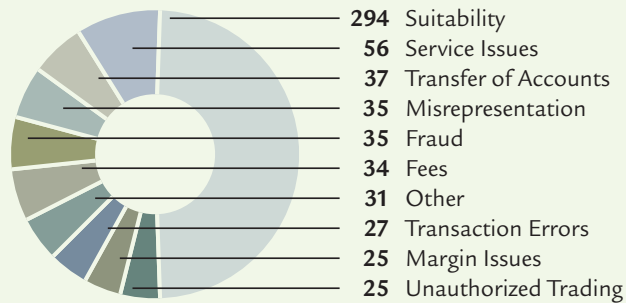
counts are responsible for making their investment decisions and monitoring their account. Although some discount brokerage clients had significant losses, we generally found that the participating firm had followed proper procedures and was not responsible for the losses.

When they realize there is a problem, investors have a responsibility to take reasonable steps to minimize losses. In some cases, we found that investors did not take sufficient steps to "mitigate" losses when they discovered the error. Each complaint is reviewed on its merits and we take into account the unique facts of the case to determine what would be fair and reasonable under the circumstances.

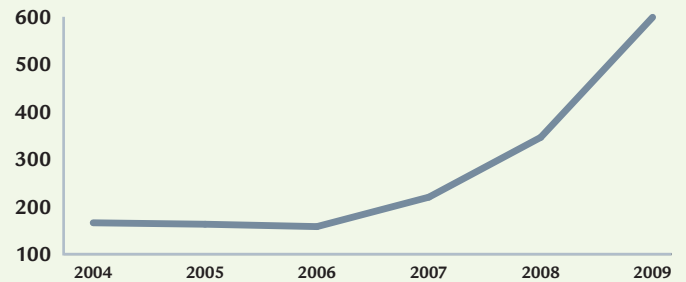
As investors exited the equity markets, some were surprised to have to pay deferred sales charges (DSC), fees paid by investors when certain mutual funds are sold. In some cases we found that the fund was not unsuitable and that the advisor had adequately disclosed the DSC fees at the time of purchase. In others, funds with DSCs were unsuitable or DSCs were not adequately disclosed and we recommended compensation.

The recent market recovery has been good news for everyone – investors and firms alike.

Major Issues in 2009



Opened case files over the years (investments)



Case files opened in 2009



Case files opened in 2008



Case files opened in 2007



Case files opened in 2006

Opened Case Files – IIROC

4	Argosy Securities Inc.
3	Assante Capital Management Ltd.
2	ATB Securities Inc.
8	Berkshire Investment Group Inc.
1	Blackmont Capital Inc.
12	BMO InvestorLine Inc.
14	BMO Nesbitt Burns Inc.
18	BMO Nesbitt Burns Ltée/Ltd.
1	Bolder Investment Partners, Ltd.
1	Brant Securities Limited
3	Burgeonvest Bick Securities Limited
1	Byron Securities Limited
18	Canaccord Capital Corporation
15	CIBC Investor Services Inc.
11	CIBC World Markets Inc.
2	CMC Markets Canada Inc.
9	Credential Securities Inc.
2	Desjardins Securities Inc.
16	Dundee Securities Corporation
1	e3m Investments Inc.
26	Edward Jones
1	First Financial Securities Inc.
2	Global Securities Corporation
1	GMP Private Client Corp.
2	GMP Private Client L.P.
1	Golden Capital Securities Ltd.
1	Hampton Securities Limited
1	Haywood Securities Inc.
4	HSBC Securities (Canada) Inc.
1	Industrial Alliance Securities Inc.
2	Interactive Brokers Canada Inc.
10	Investors Group Securities Inc.
4	IPC Securities Corporation
1	Jennings Capital Inc.
3	Laurentian Bank Securities Inc.
1	Leede Financial Markets Inc.
2	M.R.S. Securities Services Inc.
1	MacDougall, MacDougall & MacTier Inc.
9	Manulife Securities Incorporated
3	MF Global Canada Co.
2	National
1	National Bank Direct Brokerage Inc.
4	National Bank Financial Inc.
1	Northern Securities Inc.
3	Octagon Capital Corporation
2	Odlum Brown Limited
8	Questrade, Inc.
12	Raymond James Ltd.
5	RBC Action Direct Inc.
15	RBC Dominion Securities Inc.
2	Research Capital Corporation
3	Richardson Partners Financial Limited
4	Scotia Capital Inc.
14	Scotia McLeod Direct Investing
1	Scotiabank
1	Sora Group Wealth Advisors Inc.
1	Standard Securities Capital Corp.
2	TD Securities Inc.
46	TD Waterhouse Canada Inc.
1	TradeFreedom Securities Inc.
1	Trapeze Capital Corp.
10	Union Securities Ltd.
4	Wellington West Capital Inc.
1	Wellington West Capital Markets Inc.
1	Wolverton Securities Ltd.

363

Opened Case Files – IFIC

1	BMO Investments Inc.
1	IA Clarington Investments Inc.
1	Invesco Trimark Ltd.
2	Mackenzie Financial Corporation
2	PFSL Investments Canada Limited

7

Opened Case Files – MFDA

5	Armstrong & Quail Associates Inc.
1	ASL Direct Inc.
6	Assante Financial Management Ltd.
1	ATB Investment Services Inc.
1	Bick Financial Security Corporation
5	BMO Investments Inc.
1	Brownstone Investment Planning Inc.
1	CIBC Securities Inc.
6	Credential Asset Management Inc.
1	CWB Canadian Western Financial Ltd.
1	Desjardins Financial Services Firm Inc.
10	Dundee Private Investors Inc.
3	Equity Associates Inc.
1	Excel Financial Growth Inc.
1	Family Wealth Advisors Ltd.
10	FundEX Investments Inc.
1	Gateway Capital Growth Inc.
2	GIC Financial Services Inc.
2	Global Maxfin Investments Inc.
1	HSBC Global Asset Management (Canada) Limited
1	Independent Planning Group Inc.
1	ING Direct Funds Limited
1	International Capital Management Inc.
3	Investia Financial Services Incorporated
4	Investment House of Canada Inc. (The)
29	Investors Group Financial Services Inc.
13	IOCT Financial Inc.
4	IPC Investment Corporation
1	IQON Financial Inc.
5	Legacy Investment Management Inc.
1	M.R.S. Inc.
1	MacIntosh Financial Group Ltd.
2	Manulife Securities International Ltd.
3	Manulife Securities Investment Services Inc.
1	National Bank Securities Inc.
2	Partners In Planning Financial Services Ltd.
1	PEAK Investment Services Inc.
7	PFSL Investments Canada Ltd.
2	Portfolio Strategies Corporation
1	Professional Investments (Kingston) Inc.
2	Qtrade Securities Inc.
4	Quadrus Investment Services Ltd.
1	Queensbury Strategies Inc.
10	Royal Mutual Funds Inc.
3	Scotia Securities Inc.
1	Security Financial Services & Investment Corp.
1	State Farm Investor Services (Canada) Co.
3	Sun Life Financial Investment Services (Canada) Inc.
2	TD Investment Services Inc.
3	W.H. Stuart Mutuals Ltd.
24	WFG Securities of Canada
2	Worldsource Financial Management Inc.

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Opened Case Files – Other*

3	C.S.T. Consultants Inc.
2	CIBC
3	Heritage Education Funds Inc.
2	Laurentian Bank
3	National Bank of Canada
6	Other
2	Royal Bank of Canada
3	TD Bank Financial Group
6	USC Education Savings Plans Inc.

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* Includes firms that are members of RESP Dealers Association of Canada (RESPDAC) and banks that sold an investment product.

banking services



Liability for Joint Line of Credit

Due to his impending divorce, a client went to a local bank branch to remove the credit room available on a joint personal line of credit by reducing the limit to an amount just above the outstanding balance. The client was advised that it may take up to five business days for the paperwork to go through but that the changes had been made.

One week later the branch called the client and stated that over \$4,000 had been withdrawn from the personal line of credit by a co-signer one day after the client's visit to the branch. The client asserted that the bank acted negligently and demanded to be reimbursed for the amount withdrawn.

The bank denied the request. It acknowledged that funds had been

withdrawn after the request to lower the limit of the personal line of credit but did not believe it had acted negligently. The customer service representative had informed the client that it would take up to five business days for the limit reduction to become effective. In addition, he gave the client a copy of the Customer Service Request Commitment form, which also stated the limit reduction would take five business days. The bank informed the client that, had he told the customer service representative the reason for lowering the limit and expressed concern over the five-day delay, the line of credit could have been frozen immediately.

The client then appealed to OBSI. Our investigation confirmed that, under the personal line of credit agreement used by the bank, if more than one

person has signed the agreement the obligations of those people are joint and several. Each person is therefore fully responsible for the account balance and the bank does not owe compensation for any withdrawals. We also noted that the Customer Service Request Commitment form, which clearly stated the changes would take up to five business days, was signed by the client. Had the client expressed reasons for the change, the bank could have taken different action.

There is no financial loss when the balance of a joint personal line of credit is increased by one of the authorized account holders. We concluded that there was no evidence that the bank acted inappropriately in this situation. As a result, we did not recommend compensation for the client.

Boat Loan

A client applied for a \$120,000 personal loan from her local branch in order to purchase a boat costing \$140,000. The client was approved for the loan consisting of monthly payments of \$615 (principal + interest) for 15 years with a \$15,000 down payment. Nine months later, the client received a statement from the bank saying she owed more each month than what was initially agreed.

After reviewing the contract, the client noticed that monthly payments of \$615 for 15 years totaled \$110,000, not even enough to cover the principal amount owing; the bank had made an error in calculating the monthly payments. The

client immediately got in contact with her local branch to clarify the mistake. The bank's regional manager made multiple proposals to rework the terms of the loan, but all were rejected by the client. The bank then sent a final letter to the client, stating she should not benefit from an unintentional error and demanding repayment in full within 10 days.

The client tentatively accepted one of the original offers in order to get her situation out of the collections process. The client asked the bank to confirm the new terms of the loan, at which point the bank informed the client it had made yet another error; the new payment would be \$1,150 per month, over \$100

higher than what the client had agreed to. The client appealed to OBSI.

Our investigation concluded that the parties were not too far apart and that it was in both parties' interest to settle. The client would be able to retain the boat and the bank would save legal costs and avoid potential losses arising from seizing the boat and re-selling it. After thorough negotiations between the parties, OBSI facilitated a settlement between the bank and the client in which the client would pay off the outstanding balance in full according to new terms that were acceptable to both parties.

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Banking case files closed

“The service I received through the OBSI was excellent. A dispute that had been going on for several years was quickly resolved to the mutual satisfaction of ourselves and the financial institution.”

OBSI Client Comment

Elder Abuse, Informed Decisions and Independent Legal Advice

In February, 2005, an 80-year-old widowed client decided to sell her house to her daughter-in-law for \$100,000, though she would continue to live in the house. As the daughter-in-law was not able to qualify for the \$95,000 mortgage on her own, she asked the client to co-sign the mortgage, as well as act as a guarantor on a loan, which the client did. A few months later, the daughter-in-law informed the elderly client that she no longer wished to provide her with accommodation and asked her to move out of the house.

The client turned to her daughter for help and shelter. Upon receiving a power of attorney from her mother, the daughter soon learned about her mother’s financial involvement in the two loans with the daughter-in-law. Acting on her mother’s behalf, she asked the bank to release her mother from any responsibility for the loans, but the bank refused.

The client then turned to OBSI. During our investigation, we found that the bank did not breach any of its internal guidelines when assessing the elderly client’s ability to carry and eventually repay the debt, even though she was living on Old Age Security benefits. However, the evidence showed that the mortgage officer had been warned

more than once that the client could be the victim of financial abuse. Of concern were the client’s advanced age and vulnerability, her limited knowledge of financial matters, and the fact that the loans were only benefiting her daughter-in-law.

We determined that the bank should have ensured that the client was making an informed decision. Our investigation also showed that, in similar circumstances, some banks would require the client to obtain independent legal advice so that she would fully understand her commitment. Under the circumstances, we recommended that the bank release the client from any responsibility for the two loans taken out by her daughter-in-law. The bank agreed.

Mortgage Pre-Payment Penalty

One year after signing for a five-year term mortgage, the client decided to list her property for sale. At the time of closing, she discovered that a substantial penalty was charged by the bank in order to pay out her mortgage. The client had been under the impression that the mortgage prepayment penalty would equal three months’ interest. She was prepared to pay that amount but was surprised to find out later that the actual penalty would be based on

an Interest Rate Differential, resulting in a much larger penalty amount.

We reviewed the mortgage agreement as well as all the bank’s disclosure statements signed by the client. We concluded that the penalty and all relevant information were properly disclosed in the mortgage documents. The mortgage prepayment penalty clause clearly indicated that the higher of three months’ interest or the Interest Rate Differential would be charged

if the mortgage was paid out before the end of the term. In addition, we found no evidence of any misleading advice or mistake made by the bank. The client had the opportunity to inquire about the penalty either by obtaining an accurate mortgage discharge statement from the bank or by reviewing her mortgage agreement before listing her house for sale. As a result, we did not make any recommendation for compensation.



For more information please visit our website www.obsi.ca

investments



Know Your Client

The retired client's only asset was a \$500,000 one-year Guaranteed Investment Certificate (GIC). She rented an apartment with her sister and had no debts or liabilities. For income, she received Canada Pension Plan (CPP) payments and monthly interest from her GIC.

The client had recently begun spending winters in Florida with some friends and wanted to do more travelling as well as start contributing to her grandchildren's education savings. She was also considering purchasing a house with her sister.

In autumn, after discussions with her bank representative, the client decided to renew her GIC. On the day her GIC was to mature, the client received a call from the bank recommending that she meet that night with an advisor in the investment arm of the bank. A couple of weeks later, the client returned and spoke with an advisor who recommended the client not renew her GIC. Instead, the advisor said she should use her money to purchase other investments that would provide her with better returns. The client told the investment advisor that she did not want to lose any money. The advisor responded that it was important for the client's investments to grow in value, especially if she wanted to be able to spend winters in Florida, help out her grandchildren and possibly purchase a home. The advisor told the client that the investments she was recommending

might fluctuate in value but over time the client would be better off than if she had invested in GICs.

At the end of the meeting, the client agreed with her advisor's recommendations to invest her \$500,000 as follows:

- \$150,000 in a one-year GIC
- \$100,000 in a variety of medium-risk preferred shares
- \$250,000 in a medium-risk balanced mutual fund

A couple of days after the meeting, the client left for Florida. When she returned home five months later, she discovered that her investments had declined in value and called her investment advisor to express her concern. The client's advisor reminded her that the investments could fluctuate over the short-term and recommended that she should hold on to her investments.

After receiving her next month's account statement, the client again called her firm and was directed to the advisor's manager. During the call she explained that she knew nothing about investing and that she had felt pressured to accept the advisor's recommendations during their initial meeting. She said that she did not want to lose any money and asked the manager to sell her investments.

Despite the advice given by the manager, the client liquidated all assets with the bank, suffering a loss of approximately \$50,000. The client then took her

complaint to the firm's ombudsman, requesting to be compensated for the losses incurred. The firm's ombudsman found the investment portfolio to be suitable for the client, saying that the client was looking to obtain a certain level of regular income that would not have been achievable in a GIC at the rates available at the time. The client then brought her complaint to OBSI.

In investigating the file, we found that the client's Know Your Client (KYC) form did not accurately reflect the client's income objectives and low risk tolerance. The KYC indicated the client had a 60% income and 40% long term capital gain investment objective. Based on our analysis, the client's KYC should have indicated 100% income investment objective with a low risk tolerance. We also found that all of the recommended investments exceeded the client's low risk tolerance and did not address her capital preservation requirement.

Given the client's poor investment knowledge and very limited investment experience, we did not believe the client could have assessed or understood the risks associated with the investments. Similarly, we did not believe she could have properly assessed the risk or asset allocation of her account in order to have questioned it.

We recommended that the firm compensate the client for losses, and the firm agreed.



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“Without your help I would have received nothing. Your office was a big help in this matter. Thank you.”

OBSI Client Comment

Investment case files closed

Clients Must Take Reasonable Steps to Limit Losses

A client with about \$1,000,000 in GICs and a number of real estate investments met with an advisor. His account application said that he had an investment time horizon of 15+ years and objectives of balanced capital growth. He was quite knowledgeable and worked in real estate development.

On the advice of his advisor, the client invested \$500,000 in a low-to medium-risk managed investment product. Within six months, the value of the investment had declined by approximately \$15,000 and the client formally complained. In his letter to the firm the client said that he was pressured to invest in the product and was told that it would provide a guaranteed return. The firm agreed to pay the client \$15,000 for his losses. The client declined the firm's offer because it did not include interest that he would have earned if he had invested in a GIC. He then complained to the firm's ombudsman. The firm ombudsman wrote to confirm they would review the complaint, but told the client that he could make any changes to his investments he wanted and it would not affect the investigation.

During the investigation, the client transferred to another advisor at the firm. On more than one occasion, the new advisor called the client to inform him that the market value of his investment was greater than his original investment value. The client said he did not want to sell his investment because he wanted to know if he would still receive the \$15,000 offer. Unfortunately, by the time he received the ombudsman's response confirming the original offer, the stock markets had crashed and his investment had declined by almost \$200,000. The client complained to OBSI.

In reviewing the complaint, we considered that the client could have sold the investment at a small profit for at least a month. The profit he would have received combined with the firm's original offer provided a return equivalent to a GIC. Although his subsequent losses were much greater, we concluded that the client had an opportunity to limit his losses. The firm agreed to reinstate its offer of \$15,000. Since we believed this fully compensated the client, we did not investigate further.

When clients realize there is a problem, they have a responsibility to take reasonable steps to limit losses. Determining reasonableness, we take into account the client's investment knowledge and experience, as well as the complexity of the decision. In this case, the decision was relatively straightforward, as the client did not wish to take any risk and could have removed his money from the risky investment. While the client's additional losses were extremely unfortunate, we did not believe it was fair for the firm to pay for his inaction.

Good Record-keeping and Follow-up Helps Clients Receive Compensation

A couple in their sixties first met an advisor at an investment seminar. He arranged a meeting and recommended that they borrow \$450,000 to invest. Although uncertain, the clients signed the loan documents. A week later, the advisor found out that the clients only qualified for a lesser \$300,000 loan. He authorized the amendment to the loan and the money was invested a few days later. After receiving a loan acknowledgement and investment confirmation in the mail, the clients immediately called the advisor to complain as they believed they had just signed an application.

The advisor agreed to cancel the loan, but two days later arranged a meeting and convinced the clients to wait until the loan could be cancelled at no cost. The clients followed up with the advisor who reassured them that they would get out at no cost. During this time, investment losses kept growing. By the time the complaint was escalated to OBSI, the loss was almost \$100,000.

The advisor's firm originally concluded that the clients were responsible for most of the losses because they had failed to act sooner. Luckily, the clients had immediately followed up the initial meeting with an email confirming that they had not authorized the loan and should not be held responsible for any costs. The advisor responded by email saying “you will be able to walk away from this at no cost to you.” We felt it was reasonable for the clients to rely on this reassurance.

In addition to documents from the advisor's firm, we requested documents from the financial institution that provided the loan. We discovered that the advisor had submitted a cancellation request when the clients first complained, but rescinded the request after he found out what it would cost him to cancel. His firm was not aware of the cancellation request because the advisor did not keep a copy of it on file. After we brought this and other evidence to the firm's attention, the firm quickly agreed to fully compensate the clients for their losses.

In this case, the clients complained immediately, confirmed the agreement in writing and actively followed up until the issue was resolved. Thanks to this and the firm's cooperation, OBSI was able to bring about a speedy resolution.

governance



Our governance structure ensures the Ombudsman and OBSI's staff are independent and impartial, and have the necessary resources to carry out their jobs.

A non-profit and independent organization, OBSI is overseen by a Board of Directors. A majority of the directors are independent, and have not been part of industry or government for at least five years (effective in 2010, this requirement is reduced to two years). A minority of the directors are appointed by industry bodies.

Beyond the composition of the Board, further important safeguards of OBSI's independence are in place. In addition to having at least a two-thirds majority on the board, the Independent Directors control the hiring and evaluation of the Ombudsman, the budget process, the Terms of Reference and the nomination of Independent Directors.

The Independent Directors search for new independent board members, balancing diversity, geography and a variety of backgrounds and skills. Collectively, the

directors have experience in business, law, consumer affairs, economics, community organizations, dispute resolution and public service.

The Board of Directors meets at least quarterly, and in addition has an annual strategic planning session. The Independent Directors also conduct performance reviews with the Chair every two years.

Rules prohibit the Board or individual directors from being involved with individual complaints. The final decision concerning complaints rests with the Ombudsman. There is no appeal to the Board, nor can the Board influence the decisions of the Ombudsman. However, on behalf of the Board, the Chair does consider complaints from OBSI clients who believe that their case has not been handled fairly.

Accountability

The Board of Directors is responsible for ensuring that OBSI is properly fulfilling its mandate as laid out in our Terms of Reference. Various levels of government provide oversight for OBSI through Canada's Joint Forum of Financial Market Regulators (the Joint Forum). The Dispute Resolution Committee of the Joint Forum comprises representatives from provincial and federal regulators. In late 2007, the Committee established a Framework for

Cooperation that sets out the list of guidelines that OBSI is expected to meet.

OBSI is periodically subjected to scrutiny by an external reviewer who reports back to OBSI's Board and the regulators on our performance against the guidelines. The Framework for Cooperation and the results of OBSI's first external review in 2007 are both available on our website. OBSI's next external review is scheduled to begin at the end of 2010.

Board Committees

The OBSI Board of Directors has three active committees: Audit, Pension, and Independent Directors. There is also a Compensation sub-committee.

- The Audit Committee meets quarterly and reviews the financial statements of the organization, as well as receiving the report of the external auditor of OBSI.
- The Pension Committee oversees the defined contribution pension plan for OBSI, including reviewing fund performance.
- The Independent Directors Committee has several duties, including overseeing the hiring and evaluation of the Ombudsman, the budget process, and independent director nominations.
- The Compensation sub-committee, which reports to the Independent Directors Committee, oversees the performance management of the Ombudsman and his compensation.

All members of the committees and sub-committees are Independent Directors, with the exception of the Pension Committee.

directors

Independent Directors

Dr. Peggy-Anne Brown, Chair

Vancouver

Dr. Brown is President and Co-owner of Brown Crawshaw, a Vancouver-based company specializing in employee and family assistance programming, critical incident response and wellness training. Dr. Brown, a psychologist, is an active major shareholder in two other human resources consulting firms.

Adrian Burns

Ottawa/Calgary

Ms. Burns currently serves on the National Arts Centre Board of Trustees and is a member of the Executive Committee of the Board of Directors of Shaw Communications Inc. Ms. Burns is a past full-time Commissioner of the CRTC as well as a former Director of the Copyright Board of Canada. Ms. Burns also serves on the boards of several business and community organizations, including Banff Centre National Campaign, Carthy Foundation, Ottawa Art Gallery and the RCMP Heritage Centre.

Leonard G. (Len) Flett

Winnipeg

Mr. Flett, a management consultant, is a retired executive with The North West Company, the leading retailer in northern markets. He is currently Chair of the National Aboriginal Achievement Foundation, Past-President of Me-Dian Credit Union, Past-Chair of Aboriginal Business Development Corporation (Winnipeg) and past Director of Winnipeg 2000 (City of Winnipeg Development Corporation). He is also a Member of the Order of Canada.

Daniel F. Gallivan

Halifax

Mr. Gallivan is the Chief Executive Officer and Managing Partner of Cox & Palmer, an Atlantic Canada law firm. He specializes in corporate commercial, energy, and securities law. Mr. Gallivan is also a former Director of the Bank of Canada and a former Vice-Chair of the Nova Scotia Securities Commission.

James R. Savary

Toronto

Dr. Savary is Associate Professor of Economics Emeritus at York University in Toronto, specializing in financial institutions and markets and in monetary theory and policy. He is Chair of the Board of Directors of the Canadian Motor Vehicle Arbitration Plan, a member of the

Board of Directors of the Travel Industry Council of Ontario, and a member and Past-Chair of the Stakeholder Advisory Council of the Canadian Payments Association. He is also an active participant in the work of the Canadian Standards Association and the Standards Council of Canada.

Denise Verreault

Les Méchins, QC

Ms. Verreault is President and CEO of Groupe Maritime Verreault, a marine company based in the Gaspé region with subsidiaries in shipbuilding, ship conversion and ship repair. She sits on the boards of several corporations and organizations and holds an honorary doctorate degree in Management from the University of Ottawa. Ms. Verreault is a Companion of the Order of Québec and a Member of the Order of Canada. Ms. Verreault served on the Board until September, 2009.

Director Emeritus

The Hon. Lincoln Alexander

Former Lieutenant Government of Ontario

Industry Directors

Daniel W. Brintnell

President

Linell International Inc.

Mr. Brintnell served on the Board until May 2009.

Wendy Hannam

Executive Vice-President

Personal Banking and Distribution, Canada
Scotiabank

Ms. Hannam served on the Board until September 2009.

Ed Legzdins

Senior Vice-President, Retail Investments
and Managing Director, International
Private Client Group and BMO Capital
Markets, BMO Financial Group

Luc Papineau

Senior Vice President and Branch Manager
TD Waterhouse

Mr. Papineau joined the Board in May 2009.

Kerry Peacock

Executive Vice President, Branch Banking
Toronto Dominion Bank

Ms. Peacock joined the Board
in September 2009.

Director Compensation

Independent Directors receive a \$10,000 annual honorarium and \$1,800 for each meeting day. The Chair receives an additional annual honorarium of \$4,000 and committee chairs receive an additional \$2,000 annually. Industry directors do not receive compensation from OBSI.

Director Attendance

There were five meetings of the Board in 2009. The attendance of each director was as follows:

	Meetings
Dr. Peggy-Anne Brown	5/5
Adrian Burns	5/5
Len Flett	5/5
Daniel Gallivan	5/5
James Savary	5/5
Denise Verreault*	4/4
Daniel Brintnell*	1/3
Wendy Hannam*	3/4
Ed Legzdins	5/5
Luc Papineau*	1/1
Kerry Peacock*	1/1

* Director served on the Board for a portion of 2009

There were several changes to the composition of the Board this year. We thank all the Directors who are no longer with the Board for their valued contribution to OBSI over the years.

report

A non-profit corporation, OBSI is funded by a levy on its participating firms according to a formula established in 2002. Each sector is billed a percentage of the operating costs of OBSI based on a rolling average of its investigation caseload.

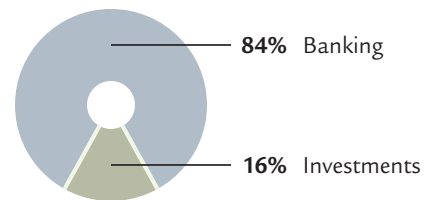
In 2009, OBSI revenues were \$5,537,716. Expenditures were \$6,363,310, with the largest part, \$4,850,314, spent on personnel costs such as salaries, benefits, staff development, staff travel and recruitment. Administration expenses were \$824,520 and governance expenditures were \$364,266. A total of \$280,388 was spent on public affairs and case management expenses.

The Board of Directors approved a 2010 budget in September of 2009 which froze expenditures and staffing at the level of projected 2009 expenditures. During 2009, expenditures had been increased with Board approval to allow the service to handle a significantly

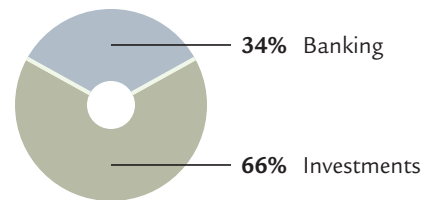
increased case load. The number of cases received has increased more than 200% since 2006, and added resources were needed if service levels were to be maintained and improved. Rather than increasing the levy on participating firms part-way through the year, the Board directed Management to rely upon OBSI's accumulated surplus. By the end of 2009, the accumulated surplus had been depleted.

The 2010 budget is projecting baseline expenditures of \$7,097,273. In addition, the Board approved one-time project funding of \$249,000 for projects focussed on improving OBSI's operational effectiveness.

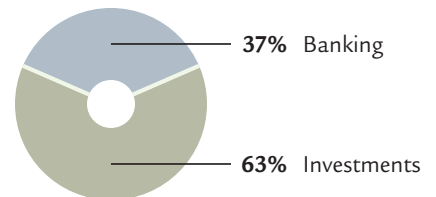
Share of inquiry costs associated with each sector



Share of investigation costs associated with each sector



Share of overall costs associated with each sector



highlights

Fiscal Year Ended October 31	2010 Budget	2009 Audited	2008 Audited	2007 Audited
Revenue				
Participating Firm Fee	\$ 7,346,273	\$ 5,524,779	\$ 4,973,987	\$ 4,135,797
Other	\$ -	\$ -	\$ 85,356	\$ 289,800
Interest Income	\$ TBD	\$ 12,937	\$ 24,619	\$ 23,845
	\$ 7,346,273	\$ 5,537,716	\$ 5,083,962	\$ 4,449,442
Expenses				
Personnel	\$ 5,595,173	\$ 4,850,314	\$ 3,718,736	\$ 2,980,512
Directors' Fees and Expenses	\$ 350,000	\$ 364,266	\$ 273,261	\$ 286,973
Rent and Operation Cost	\$ 330,000	\$ 309,028	\$ 258,942	\$ 247,260
Marketing and Membership	\$ 157,000	\$ 138,316	\$ 107,561	\$ 88,871
Supplies, Services and Travel	\$ 138,800	\$ 127,157	\$ 100,697	\$ 100,947
Telephone	\$ 106,000	\$ 103,390	\$ 92,871	\$ 72,133
Information Technology & Support	\$ 118,800	\$ 112,703	\$ 77,520	\$ 58,061
Corporate Administrative	\$ 92,000	\$ 85,659	\$ 66,898	\$ 54,483
Legal Fees	\$ 136,500	\$ 138,716	\$ 33,152	\$ 62,394
Insurance	\$ 23,000	\$ 18,419	\$ 19,635	\$ 20,769
Audit Fee	\$ 20,000	\$ 18,850	\$ 18,000	\$ 20,000
Consultant Fees	\$ 20,000	\$ 88,099	\$ 12,509	\$ 151,526
Other	\$ 10,000	\$ 8,393	\$ 1,805	\$ 4,147
Amortization		\$ 68,603	\$ 51,854	\$ 50,761
	\$ 7,097,273	\$ 6,431,913	\$ 4,833,441	\$ 4,198,837
One-time Projects	\$ 249,000	\$ 0	\$ 0	\$ 0
	\$ 7,346,273	\$ 6,431,913	\$ 4,833,441	\$ 4,198,837
Excess of Revenue over Expenses	\$ -	\$ -894,197	\$ 250,521	\$ 250,605

information



Our People

OBSI's experienced and professional staff is drawn from a variety of fields and disciplines such as law, accounting, finance, banking and investments. Our staff is committed to conscientious, fair and timely dispute resolution, which is evident in their dealings with all parties.

We currently have a complement of 48 full- and part-time staff members across Canada. Our team of consumer assistance officers responds to the thousands of initial inquiries and complaints that are received by phone, email, online, letters and faxes each year. We have two teams of assessment staff and investigators, one for banking services and the other for investments, responsible for reviewing files in depth. Each is headed by a Deputy Ombudsman. The Manager of Administration is responsible for overseeing the office and the Director of Stakeholder Relations and Communications oversees outreach and communications activities.

Language Services

OBSI's call centre is equipped to receive inquiries in over 170 languages. We use an international telephone-based service that allows us to connect a phone call we've received from someone who doesn't speak French or English to an interpreter, literally in seconds. The interpreter helps us

understand the nature of the inquiry or complaint and makes sure the client can comprehend our instructions as well.

Over the past year, we've used the language service with callers speaking Mandarin, Russian, Spanish, Cantonese, and Tamil, among others. While we can't offer to do a full case review or investigation in languages other than French or English, the interpreters help us explain to clients how OBSI works and point them to community resources where they can receive language assistance.

Financial Services OmbudsNetwork (FSON)

OBSI is one of three independent dispute resolution services that make up the Financial Services OmbudsNetwork. The two insurance services are the OmbudService for Life and Health Insurance and the General Insurance OmbudService for auto, home and business insurance.

OmbudService for Life & Health Insurance (OLHI)

Tel: 1-800-268-8099
Fax: 416-777-9750
Website: www.olhi.ca

General Insurance OmbudService (GIO)

Tel: 1-877-225-0446
Fax: 416-299-4261
Website: www.giocanada.org

How to reach us:

Ombudsman for
Banking Services
and Investments (OBSI)
401 Bay Street, Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4

Toll free telephone:
1-888-451-4519

Toll free fax:
1-888-422-2865

Greater Toronto Area
telephone: 416-287-2877

Greater Toronto Area
fax: 416-225-4722

Email: ombudsman@obsi.ca
Website: www.obsi.ca

Our complete Terms of Reference
and guides for both consumers
and participating firms are available
on our website at www.obsi.ca

