

Investor Forum



Getting help with your complaint



>> If you want money back

Investors are encouraged to go to OBSI or to hire a lawyer if they want money back and are not satisfied with the response they get from the firm.

Here are your options

Ombudsman for Banking Services and Investments (OBSI)

OBSI is a free, independent service for resolving banking services and investment disputes. If you're not satisfied with the firm's decision on your complaint, you can bring your case to OBSI for an impartial and informal review.

You have up to 180 days after receiving the firm's response to get in touch with OBSI. OBSI can recommend compensation of up to \$350,000.

If you or the firm decides not to accept OBSI's recommendation, you can still use the IDA arbitration program (if the dispute involves an IDA member) or take legal action.

Tel: 416-287-2877
Toll free: 1-888-451-4519
E-mail: ombudsman@obsi.ca
Website: www.obsi.ca

Arbitration program

Clients of IDA members can opt for the services of an independent arbitrator. The arbitrator can order compensation of up to \$100,000. There is a cost for the service.

To be eligible, you must first go through the firm's complaint process, described in step 2. Arbitration decisions are final, and for this reason, parties often retain legal counsel.

Tel: 416-364-6133
Toll free: 1-877-442-4322
Website: www.ida.ca

Legal advice

A lawyer can advise you whether you should go to court to get your money back. Each province and territory has a time limit for taking legal action. For example, in Ontario, you generally have to start a legal action within two years of the day you discovered (or should have discovered) your loss.

>> If you want to report wrongdoing

If you think that an individual or firm has broken the rules, contact one of the regulators below. Regulators investigate possible violations of securities law and can impose reprimands, fines, suspension and/or expulsion.

Regulators normally do not recover money for investors and cannot provide legal advice or interpret the law for you. Regulators may refer investors to the police, where appropriate.

Here are your options

Investment Dealers Association of Canada (IDA)

The IDA regulates investment dealers—firms that sell securities—and their salespeople. You can find a complete list of regulated firms at www.ida.ca.

Tel: 416-364-6133

Toll free: 1-877-442-4322

E-mail: enforcement@ida.ca

Website: www.ida.ca

Mutual Fund Dealers Association of Canada (MFDA)

The MFDA regulates mutual fund dealers and their salespeople. You can find a complete list of regulated firms at www.mfda.ca.

Tel: 416-361-6332

Toll free: 1-888-466-6332

E-mail: complaints@mfda.ca

Website: www.mfda.ca

Ontario Securities Commission (OSC)

The OSC regulates Ontario's capital markets. It investigates possible violations of Ontario securities law, complaints against public companies, and complaints against dealers and advisers that are not members of the IDA or MFDA.

Tel: 416-593-8314

Toll free: 1-877-785-1555

E-mail: inquiries@osc.gov.on.ca

Website: www.osc.gov.on.ca

If you've also lost money

Contact OBSI. They can review your complaint at the same time the IDA or MFDA is looking into it.

If you're having a problem with a banking services or investment firm, we may be able to help.

OBSI is the independent dispute resolution service for consumers with a complaint they can't resolve with a banking services or investment firm.

As an alternative to the legal system, we work informally and confidentially to find a fair outcome.

Our services are free to consumers of our participating firms.

Contact

Toll-free telephone: 1-888-451-4519

Toll-free fax: 1-888-422-2865

Email: ombudsman@obsi.ca

Mail: Ombudsman for Banking Services
and Investments
PO Box 896, Station Adelaide
Toronto, ON M5C 2K3

www.obsi.ca



You can find more information about our services on our website:
www.obsi.ca

Or get in touch with us:
Toll free telephone: 1-888-451-4519
Email: ombudsman@obsi.ca

A banking services
or investment complaint?
How we can help you

Investor Protection for Clients of IDA Member Firms



INVESTMENT DEALERS
ASSOCIATION OF CANADA

OUR COMMITMENT TO INVESTORS

The IDA maintains a strong commitment to the integrity of the Canadian marketplace and the protection of investors. As part of this commitment, we provide a robust and effective system of resources dedicated to investor protection and the fair resolution of disputes.

Resolving disputes amicably, fairly, and quickly is a priority for both investment dealers and their clients. Trust and mutual respect are at the heart of any successful client—investment advisor relationship. That's why any disagreement needs to be dealt with quickly, effectively and in a manner that will maintain this relationship.

The first step for a client who has a complaint with his or her investment advisor or firm is to complain directly to the firm's management or compliance department. A prompt letter of complaint is often the fastest and easiest way to resolve disagreements and settle disputes.

Statutes of Limitations

Provincial statutes of limitations set time limits on filing court actions and accessing arbitration programs. Time limits vary from province to province. If you do not file within the time limit you might permanently lose your right to access arbitration, sue for recovery or enforce any claims you may have. You may wish to consult a lawyer to determine how best to proceed.

YOUR OPTIONS

If you need help in settling a disagreement with an IDA Member firm, here are the options available to you:

IDA Enforcement

The IDA provides front-line regulation of day-to-day activities involving clients and their investment dealer firms.

The IDA's Enforcement Department investigates complaints about activities such as making unauthorized transactions and recommending unsuitable investments. Those who are found guilty of violating IDA rules and regulations face penalties including fines, restrictions on dealings with the public, suspensions, permanent bans and expulsion from membership.

If you believe that your investment advisor has acted improperly, making a complaint to the IDA is important as it allows us to prevent continuing abuses.

Ombudsman for Banking Services and Investments (OBSI)

OBSI offers a free, independent and impartial resolution service for clients of any firm that is a member of one of four non-profit organizations: the IDA; the Mutual Fund Dealers Association (MFDA); the Investment Funds Institute of Canada (IFIC); or the Canadian Bankers Association (CBA). Disputes can involve claims for restitution of up to \$350,000.

In order to use the OBSI service, investors must first try to resolve their dispute with their

investment dealer firm. Once it is clear that a resolution of the matter is not possible, clients should take their complaint to OBSI immediately. OBSI requires that, as a general policy, investors submit their complaints within 180 days of completing the dispute resolution process at their investment dealer firm.

There are no fees associated with using OBSI and legal representation is not required. IDA Member firms are required to participate fully with any investigation carried out by OBSI.

When OBSI investigates and finds in favour of the client, it recommends a course of action to resolve the complaint, which may include compensation. All matters are confidential, although a summary of recommendations will be made public should the firm not comply with the recommendations.

Arbitration

Clients of IDA Member firms may also choose arbitration, a cheaper and faster alternative to pursuing compensation through the civil court system. IDA Member firms are required to participate if a client chooses arbitration.

Arbitration is a method of resolving a dispute in which the parties involved appoint an independent arbitrator to listen to their facts and arguments and to decide how the dispute should be resolved. Arbitrations are conducted by a neutral agency that provides arbitrators who are usually retired judges and lawyers knowledgeable about the securities industry. All aspects of the proceedings are confidential and all the hearings private, unless both parties agree otherwise.

For Investors

How to Make a Complaint

How To Make A Complaint

MFDA Investor Protection Corporation

Investor News

Investor Forum

Download the brochure entitled *How to Make a Complaint to the MFDA*

English Française

To file a complaint you may:

- [complete the online *Complaint Form*](#)
- download the *Complaint Form* in PDF format

English Française

If You Have a Complaint...

If you have a complaint about the actions of a representative of a Member firm, there are a number of things you can do. First, your complaint should be explained to your financial advisor. The person who sold you the product or service will solve most problems quickly.

1. Contact the mutual fund dealer. Some problems are easily solved with a phone call. Some matters can be resolved at the Branch level, however, the dealer's Compliance Department will investigate any complaint that you initiate in writing and will respond back to you with the results of their investigation.
2. If your issue has not been resolved, contact the MFDA. You may:
 - call our complaints area at 416-361-6332 or toll-free at 1-888-466-6332
 - file an [online complaint form](#)
 - write to us using the [complaint form](#) available on our website
 - contact us by e-mail at complaints@mfd.ca.
3. Contact the Ombudsman for Banking Services and Investments (see details, below).
4. Contact a lawyer. A lawyer can assist you with your complaint. The limitations period in each province may limit the amount of time you have to bring a claim. Therefore, if you are considering bringing a civil claim you should contact a lawyer immediately.



Ontario
Securities
Commission

Progress Report

2007 Investor Forum

Delivered by
Susan Wolburgh Jenah
President and CEO
Investment Dealers Association

On behalf of
Ontario Securities Commission
Investment Dealers Association
Mutual Fund Dealers Association
Ombudsman for Banking Services and Investments

Wednesday, October 24, 2007
Toronto, Ontario

Good evening and thank you for coming out tonight.

When we gathered at the CBC building two years ago, investors posed questions and expressed a number of concerns. We heard you. We've been taking steps to address those concerns — and we have more work underway.

What did investors tell us two years ago?

- I don't know where to go if I have a problem or complaint. It's hard to find my way through the regulatory system.
- Making a complaint is slow and can be costly, especially if I need a lawyer.
- I don't know how to get my money back. What options do I have? Where should I go?
- I don't know how to find out if a financial advisor, broker or a firm has a bad track record. Why isn't this information more easily available?
- Sometimes the information that is available to me is hard to understand. It's too technical, not in ordinary everyday English.

The feedback we heard from investors at the OSC Town Hall led us to set up a special working group comprised of the heads of our four organizations and senior staff. In forming this Committee, which I was privileged to Chair until February, we knew that we had to work together to try and address the issues investors raised. We have met regularly and have made progress on several fronts.

We know that there's still more work to be done, and we will continue to seek your views, as we are doing here tonight, so that we can listen, respond and make the improvements and changes that are needed.

On behalf of our four organizations, let me tell you about some of the initiatives we've been working on.

The registration package that you received tonight includes a new plain-language guide, presented in a concise format that we've created to help investors:

- find out what their options are;
- identify where they can go for help; and
- alert investors to some of the steps they might want to take along the way.

This guide contains information about the help that's available to you from our four organizations — from the OSC, the IDA, the MFDA and OBSI.

As an investor, you have a number of options open to you depending on your circumstances and the outcome you're looking for.

We hope that the brochure will help point you in the right direction.

We've also responded to requests for more information about the Ombudsman for Banking Services and Investments.

These brochures are in your kit and you will also find them on all of our websites. In fact, we have all made improvements to our websites in an effort to help investors when they have a complaint. We invite your comments once you've had an opportunity to review and use them.

We've taken other steps to help investors navigate the complaint process.

Investors told us that they were sometimes referred from one organization to another because it was hard to figure out which organization was responsible for regulating their broker or firm.

We've tried to take some of the frustration out of the process. For example, if you call the OSC when it's actually the IDA who is responsible for regulating your advisor, the OSC will transfer your call for you. The IDA and MFDA will provide the same helpful service. OBSI also now makes direct call transfers to more member firms. We realize this is a small step but several small steps make a big difference in terms of the overall investor experience. We hope this will lessen some of the frustration of dealing with different regulators.

Two years ago, investors raised other issues.

They told us they were concerned because recent changes to Ontario's Statute of Limitations requires them to go to court within two years or lose their right to do so.

We conveyed your concerns to the Ontario Attorney General. Although the Government did not change the 2 year Limitation Act period, they did ensure that the clock now stops when an investor makes a complaint to OBSI.

This way, an investor can take their complaint to the Ombudsman and still have the option of going to court afterwards if they so choose.

We also changed our brochures and informational materials, and our contact centres alert investors who call to the two year time period so that they can act in time to preserve all their options.

Investors also spoke out strongly about their frustrations with the complaint handling process at the firm level. They described a process that they felt was too slow, not easy to access and didn't always seem fair.

We've taken a number of steps to respond to these concerns.

First, last December both the IDA and the MFDA issued Member Regulation Notices to provide guidance to firms on how they could improve the clarity and consistency of communications

with investors who had filed complaints. This has been followed by proposed new standards on complaint handling for IDA and MFDA member firms.

Under these new standards firms would be required to:

- facilitate access to their complaint handling process so that clients are informed of how and with whom they should file a complaint. This includes making information easily available on the firms' websites.
- provide a specific point of initial contact for complaints or for questions regarding the firm's complaint handling process.
- have procedures in place so that a firm's senior management is made aware of complaints of serious alleged misconduct.
- send an initial response to a complainant within 5 business days of receipt of the complaint, and a follow-up response within a specified period of time from receipt of the complaint (the IDA is proposing 90 days; the MFDA has proposed 6 months). The response letter would include the firm's response as well as a reminder that the complainant has the right to escalate their complaint to the external ombudsman, OBSI.

We've told our members that we attach a high priority to this initiative and alerted them to our expectations. We encourage you to participate in the public comment process on the new proposed standards.

The OSC has a major initiative underway called Registration Reform. One part focuses on the retail investor with the objective of providing clarity and transparency with regard to the relationship between an individual and his or her adviser. It includes recommendations on complaint handling, including expanding the use of independent dispute resolution services. All registrants, (including those who are not members of the IDA or MFDA) would have to participate in an independent dispute resolution service, such as OBSI. The goal is to provide investors with a way to seek compensation without having to go to the courts.

Let me conclude with some remarks on our efforts to provide investors with better access to information about firms' and registrants' disciplinary records. We've prepared a guide to help investors more quickly and easily find this information on our websites. I'd encourage you to pick up a copy of the guide tonight.

The IDA also has a project underway to improve our investor information service. We are working to develop a fully automated electronic information service that will provide more detailed information about registrants' qualifications and background. And the CSA is working toward a central registry that would contain all of the decisions by commissions and SROs across the country.

There's more, of course, to be done.

The work of the Investor Advisory Committee, created by the OSC to enhance consultation with investors, has provided valuable input and advice in regulatory policymaking.

We will continue to seek ways to hear your input. Tonight's event is important. We need you to help us understand your views and to provide constructive feedback.

Thank you again for coming tonight. We've made some changes and we know that more are needed. We sincerely hope that you find the various breakout sessions informative and interesting. We look forward to your questions and comments at the plenary session.