

By email

Howard Wetston, Chair
Ontario Securities Commission
20 Queen St. W.
Toronto, Ontario
M5H 3S8

May 21, 2014

Dear Howard,

Ontario's securities regulators (the Ontario Securities Commission, the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association of Canada) have designated the Ombudsman for Banking and Investment Services (OBSI) as the mandatory provider of independent dispute resolution service for clients of the firms which they regulate. In establishing OBSI, the regulators elected to not give OBSI the power to compel firms to award compensation to their clients, preferring instead to rely on the voluntary cooperation and goodwill of the firms to comply with the Ombudsman's recommendations. Sadly for investors, this reliance appears increasingly misplaced as more and more firms are refusing to accept the Ombudsman's recommendations.

When Ontario investors turn to OBSI, they do so with the understanding that this is the organization which has the support and approval of the Ontario Securities Commission. They turn to OBSI with the confidence that they will receive fair treatment. They also, rightly and reasonably, expect a timely response. Instead, over the past few years, industry recalcitrance has resulted in lengthy delays which are particularly harmful to seniors and those on a fixed income. More recently and more disturbing, we have witnessed a dramatic increase in firm refusals to compensate their clients.

Ontario investors deserve better. They rightly expect their regulators to not stand by passively as the system that they put in place falters in the face of firm non-compliance. It is long past time for the Ontario Securities Commission to address the flawed nature of the only restitution system they have made available to Ontario investors. Restitution, where warranted, must be made binding and not at the whim and goodwill of the industry that Ontario's regulators are mandated to oversee.

We call on the Ontario Securities Commission to act now to ensure that Ontario investors have access to independent, timely and binding compensation services.

Yours truly,

Connie Craddock, Chair
Investor Advisor Panel

cc: Mary Condon and Eleanor Farrell