

# **Newcomers to Canada and Financial Services Avoid Fraud and Get Fair Treatment**

**Forum on Financial Literacy for Newcomers to Canada  
Toronto, March 24, 2011**

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**OMBUDSMAN**

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

# Newcomers to Canada and Financial Services

## Who we are at OBSI

- An independent national dispute resolution service (able to take calls in 170 languages and conduct investigations in both of Canada's official languages)
- An alternative to the legal system for banking services and investment firms' customers with an unresolved complaint
- Started in 1996 covering major chartered banks; in 2002 became the Ombudsman for Banking Services and Investments when the mandate expanded to all members of the:
  - Investment Dealers Association (IDA), now IIROC
  - Mutual Fund Dealers Association (MFDA)
  - Investment Funds Institute of Canada (IFIC)



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# Newcomers to Canada and Financial Services

## What we do at OBSI

- Informal, confidential and independent review of complaints not resolved to the satisfaction of consumer
- We look primarily at cases of direct financial loss as a result of error, misleading information or bad advice
- Review industry standards, firm policies, regulations, laws ... and decide what would be “fair under the circumstances”
- Goal is to make the client “whole” where maladministration is found to have occurred



# Newcomers to Canada and Financial Services

## The kind of complaints we commonly see

- Liability for unauthorized debit, credit card, and on-line transactions (fraud)
- Investment suitability
- Mortgage prepayment penalties
- Service issues



# Newcomers to Canada and Financial Services

## Issues we see specific to newcomers to Canada

- Lack of familiarity with the complexity of Canadian financial services
- Lack of familiarity with Canadian law
- Don't know where to turn to ask questions or raise complaints
- Language barriers – can they read and understand what they are signing?



# Newcomers to Canada and Financial Services

## Issues we see specific to newcomers to Canada (cont'd)

- Not familiar with potential problems and liabilities (e.g., joint and several loan applications, joint accounts, handling of debit and credit cards and PINs)
- Scams that target newcomers (money remittance, building credit history)
- Reliance upon informal sector (high fees, lack of regulatory protection, no free dispute resolution)



# Newcomers to Canada and Financial Services

## Issues we see specific to newcomers to Canada (cont'd)

- Reliance upon other community members for investment advice or banking transactions rather than regulated firms and individuals (potential for fraud, lack of regulatory protection, no free dispute resolution)



# Newcomers to Canada and Financial Services

## What community groups can do to help

- Provide financial literacy training tailored to the unique needs of newcomers in their language
- Develop broad referral networks to other agencies and services (like OBSI) to meet the needs of their communities
- Help these agencies do a better job (provide feedback on your experience with them, share your insights into newcomers needs and issues)





# Newcomers to Canada and Financial Services

## What community groups can do to help (cont'd)

- Help newcomers access free or low-cost translation services to enable them to affectively access available services
- Provide orientation programs that make newcomers aware of the availability of assistance for specific issues (like questions or complaints regarding their financial services providers)



# FURTHER INFORMATION

**Ombudsman for Banking Services  
and Investments (OBSI)**

**[www.obsi.ca](http://www.obsi.ca)**

**Please refer individuals or small  
businesses  
with complaints to:**

**1-888-451-4519**

**or**

**[ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)**