

## Industry and government responses:

*The following are statements provided by the industry and government bodies Marketplace reached out to for this story.*

### **Toronto-Dominion Bank (TD)**

#### **TD's response to recordings of 'coaching sessions' between a TD employee and her managers, provided to Marketplace:**

TD colleagues serve hundreds of thousands of customers every day in branches across Canada with professionalism and integrity. Our relationship with customers is at the heart of our Bank.

If true, the conversation captured on tape is completely unacceptable, goes against our code of conduct, performance policies and training, and does not meet the expectations we have of our managers. We are investigating to identify the manager involved in the recording and will take appropriate action.

Through colleague feedback, anonymous surveys and regular assessments, we are confident this recording does not represent the Bank or our values. Backed by continuous measurement of customer interactions and experiences, we know our people are focused on customers and their needs and are dedicated to helping them achieve their financial goals.

### **Canadian Bankers Association (CBA)**

*\*\*The CBA provided a statement on behalf of TD, CIBC, BMO, Scotiabank and RBC.*

Building and maintaining strong customer relationships is of fundamental importance for banks in Canada. The examples described do not reflect the experience millions of Canadians have every day with employees at Canada's banks, who are steadfast in their commitment to providing advice that is clear, transparent and aligns with helping customers reach their financial goals. Understanding each customer and offering products and services that are appropriate for them given their individual circumstances is core to what banks do. As such, when moving from

an initial conversation to establishing an investment, a formal analysis of a client's needs is expected to be performed.

Banks and their employees take comprehensive steps to comply with consumer protection measures and embrace the responsibility of putting customer needs at the center of all product and service recommendations. Canada's banks have well established Codes of Conduct that set standards of employee behaviour, including expectations to act with the highest standard of integrity. They also have confidential channels for employees to report and raise concerns. All feedback is treated seriously and thoroughly investigated.

### **Financial Consumer Agency of Canada**

The Financial Consumer Agency of Canada protects the rights and interests of consumers of financial products and services. This covers banking products such as chequing and savings accounts, credit cards, loans and mortgages. The sale of investment products, such as mutual funds, are the responsibility of provincial securities regulators. Bank employees who sell investment products must be accredited at the provincial level and they must follow provincial rules.

FCAC has previously expressed concerns with banks' sales practices and takes the matter very seriously.

The Government of Canada introduced new and enhanced consumer protections through the Financial Consumer Protection Framework in July 2022. The Framework is an important milestone for consumer protection in Canada. It holds banks to a higher standard and puts greater responsibility on them to improve outcomes for their customers.

Under the Framework, banks have an obligation to offer and sell products or services that are appropriate for consumers, based on an understanding of consumers' financial circumstances and needs.

It may be helpful to make the distinction between "offering" and "selling" products and services, and informing consumers about products and services. In general, informing consumers about products or services can take different forms. This could include a mention by a branch

employee, in-branch promotions or email marketing. If consumers express interest in a product or service, the bank should assess whether the product or service is appropriate, based on the financial needs and circumstances of those consumers. Banks should only “sell” a product or service to consumers if it is assessed to be appropriate. Banks are also required to obtain the express consent of consumers for each product or service. Additionally, the Framework prohibits banks from communicating or providing false or misleading information.

The Framework also strengthened the complaint handling process. Consumers who have a problem with their bank should file a complaint through their bank’s complaint-handling process. Consumers also have the right to an independent and impartial review of their complaint by an external complaints body (ECB).

The Framework introduced over 60 new and enhanced consumer protections. Many are still relatively new, including the obligations on banks to set up a whistleblowing program and designate a committee of their board of directors to oversee their market conduct obligations towards their customers. In addition, FCAC expects that banks provide training to ensure that their employees have the necessary skills to fulfill their responsibilities related to the appropriate products and services provisions.

FCAC anticipates that banks’ sale practices will continue to improve as the Framework is implemented, similar to the improvements that FCAC has noted to complaint handling under the Framework.

In 2022–23, FCAC focused its supervisory activities on banks’ compliance with the Framework. As issues became known, FCAC worked with banks to make sure that the actions were taken to address compliance issues in a timely fashion. Currently, FCAC is conducting targeted reviews of the banks’ implementation of the new obligations for complaint handling and electronic alerts under the Framework.

### **Office of the Minister of Finance**

The Government of Canada has zero tolerance for banks offering misleading information or inappropriate financial products and services to Canadians. Violations of financial consumer protection law can lead to fines and other penalties.

This fall, the Deputy Prime Minister announced

(<https://url.uk.m.mimecastprotect.com/s/UR8-CPY99TKJZLr8Tz5JYW?domain=deputypm.canda.ca>) a suite of new measures to ensure Canadians are treated fairly by their banks. This includes reducing non-sufficient fund fees charged by banks, and the designation of an independent and transparent not-for-profit organization, the Ombudsman for Banking Services and Investments (OBSI), as the single external complaints body for Canada's banking sector. This means that if you feel you have been treated unfairly by your bank, you will now have an impartial advocate who works on your behalf, instead of one who works on behalf of your bank.

We are also taking action through the modernized Financial Consumer Protection Framework. There are now new and enhanced standards and safeguards to better protect Canadians' rights and interests when dealing with their banks. These include mandating banks to take the financial needs of Canadians into consideration when offering or selling products and services.