

## Annex 2 - Complaints and Enquiries

OSFI's Complaints and Enquiries Unit responds to, and ensures the follow-up on, all enquiries or complaints customers may have with respect to federally-regulated financial institutions and pension plans. By legislation, financial institutions are required to establish specific procedures for handling customer complaints. These procedures must be readily available to customers and include information on how to contact OSFI.

When someone contacts OSFI, a complaints and enquiries officer analyzes the situation and, whenever possible, offers suggestions on how it can best be handled. Officers often respond directly to enquiries that are of a general nature. Complaints or enquiries of a specific nature or relating to a

specific institution are directed to individuals in the institution. Many financial institutions have an ombudsman who offers an impartial appeal process for dissatisfied customers.

OSFI's toll-free telephone line, that has been available to the public for four years, has resulted in a significant increase in the number of incoming calls. OSFI also receives complaints and enquiries through the mail and via the Internet. During 1997-98, OSFI received 2,821 complaints and 11,351 enquiries. Tables 1 and 2 provide detail on the complaints and enquiries received throughout the year (12,811 by telephone, 1,355 in writing including 444 Internet messages and 6 interviews).

Table 1 : OSFI Complaints and Enquiries  
April 1, 1997 to March 31, 1998

	Banks	Trust	Life	P&C	Pensions	Other	Total
<b>Enquiries</b>							
General	1,574	369	438	261	169	1,668	4,479
Specific	2,196	295	413	193	822	2,953	6,872
<b>Complaints</b>							
Cost of borrowing	13	3	0	0	0	0	16
Service Charges	127	5	1	0	0	0	133
Quality of Service	274	29	1	3	0	4	311
Small Business	76	4	0	2	0	1	83
Legal/Contractual Products	1,590	267	189	70	6	47	2,169
Floating Issues	30	36	29	13	0	1	109
<b>Total</b>	<b>5,880</b>	<b>1,008</b>	<b>1,071</b>	<b>542</b>	<b>997</b>	<b>4,674</b>	<b>14,172</b>
Telephone	12,811						
Written correspondence	1,355						
Interview	6						

Table 2: OSFI Complaints and Enquiries - By year and month (1989-1998)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
1989	536	519	535	493	592	374	582	490	229	335	437	260	5,382
1990	608	623	577	390	721	600	637	621	592	624	739	445	7,177
1991	708	767	659	689	849	733	788	711	582	920	857	695	8,958
1992	899	902	971	952	774	957	1,061	949	856	942	994	847	11,104
1993	1,067	1,178	1,271	939	950	1,070	982	965	979	876	1,107	798	12,182
1994	1,045	1,161	1,181	943	958	1,038	928	1,157	833	907	1,076	749	11,976
1995	1,056	1,153	1,237	995	1,087	1,030	873	983	986	1,191	1,093	739	12,423
1996	1,195	1,239	1,116	1,118	1,111	1,059	1,089	994	1,053	1,224	1,096	865	13,159
1997	1,213	1,245	1,225	1,231	1,180	1,041	1,236	979	1,191	1,200	1,268	1,005	14,014
1998	1,064	1,333	1,444	1,336	1,346	1,430	1,206	-	-	-	-	-	9,159

### Annex 3 - Disclosure of Information

In February 1995, the Government of Canada issued a White Paper, *Enhancing the Safety and Soundness of the Canadian Financial System*. It proposed that more information on the financial condition of federally-regulated financial institutions be disclosed. This proposal was enacted into legislation by Bill C-15 which was passed in 1996. The Superintendent is required to report to Parliament each year on the progress made in enhancing the disclosure of information on the financial services industry.

In July 1997, OSFI issued a guideline outlining the financial disclosure obligations of federally-regulated deposit-taking institutions. A similar guideline was issued in December 1997 for life insurance companies. Generally speaking, each institution should identify and describe the risks that are significant to its business. These include, but are not limited to, interest rate risk, credit risk, foreign exchange risk, and liquidity risk. Insurance companies are also obliged to disclose reinsurance risk and other major risks inherent in managing actuarial liabilities. An institution should describe the ways in which it monitors and controls such risks. It should also set out the responsibilities of the

board of directors and senior management for risk management, including setting policy, implementation, monitoring and review.

The requirements took effect for the 1997 fiscal year end. OSFI has reviewed a sample of financial statements for deposit-taking institutions and life insurance companies to evaluate compliance with the guidelines. This work should serve as a baseline to monitor progress in the future.

In general, deposit-taking institutions provided good information on their loan portfolios and how they manage credit risk. Reporting on other risks could be improved, particularly for trust companies and smaller banks. In the annual reports of life insurance companies that OSFI reviewed, the significant risks were discussed, but not to the level of completeness found in the annual reports of the big banks. This is an area where we expect to see improvement over the coming year.

OSFI intends to issue a disclosure guideline for property and casualty insurance companies in 1998-99. This will provide the framework for reviewing their annual reports.



(L to R): Laural Ross and  
Monique Champagne

(L to R): Aina Liepins, Brad Shinn,  
Joseph Roberge, Silvano Tittone, Bob Hanna

## FURTHER INFORMATION ABOUT OSFI

OSFI's Internet site address is: <http://www.osfi-bsif.gc.ca>.

Our site provides timely access to speeches, guidelines, legislation, policy statements, bulletins, current financial data, as well as a list of the financial institutions that OSFI regulates.

### OSFI Publications \*

OSFI Bulletin

Accounting and Supervisory Guidelines

Manuals of Reporting Forms and Instructions

PBSA Update

\* A charge for printed publications may apply

For information about these and other publications, contact Publications Distribution

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### Consumer Complaints and Enquiries

OSFI's Communications Unit is responsible for handling complaints and enquiries consumers may have with respect to federally-regulated financial institutions and pension plans.

Telephone: 1-800-385-8647

Fax: (613) 990-5591

E-mail address: [extcomm@osfi-bsif.gc.ca](mailto:extcomm@osfi-bsif.gc.ca)

## OSFI Offices

255 Albert Street

Ottawa, Ontario K1A 0H2

Telephone: (613) 990-7788

P.O. Box 39

121 King Street West

Toronto, Ontario M5H 3T9

Telephone: (416) 973-6662

200 René Lévesque Blvd. W.

Suite 903

Montreal, Quebec

H2Z 1X4

Telephone: (514) 283-4836

P.O. Box 52

155 Carlton Street

Winnipeg, Manitoba

R3C 3H8

Telephone: (204) 983-4140

P.O. Box 11

1095 West Pender Street

Vancouver, British Columbia

V6E 2M6

Telephone: (604) 666-5335

## SENIOR OFFICERS

John R.V. Palmer, Superintendent

Jack Heyes, Special Advisor

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Nicholas Le Pan, Deputy Superintendent

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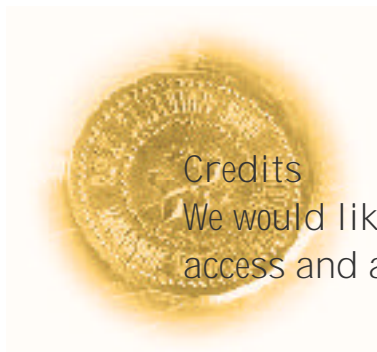
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Allan Gillich, Acting Director, Information Technology

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