



Financial Consumer Agency of Canada

STRATEGIC PLAN
April 1, 2009 to March 31, 2014

Ottawa
Updated March 2013

Contents

1. Message from the Commissioner	3
2. Our guiding principles	4
2.1 <i>Our vision</i>	4
2.2 <i>Our mandate</i>	4
2.3 <i>Our values</i>	6
2.4 <i>Our commitment</i>	7
2.5 <i>Our strategy</i>	8
3. Strategies and performance indicators by strategic outcome and priority	9
4. Federally regulated financial entities	14
5. Financial consumers, stakeholders, partners and media	15
5.1 Financial Consumers	15
5.1.1 Individual consumers	15
5.1.2 Merchants	15
5.2 Stakeholders	16
5.2.1 Federally regulated financial entities	16
5.2.2 Parliamentarians	16
5.3 Partners	17
5.3.1 Consumer/industry groups and community-based associations	17
5.3.2 Federal and provincial/territorial government organizations	17
5.4 Media	18
6. Support for government-wide priorities and initiatives	18
6.1 Enhancing the interests of financial consumers	18
6.2 Modern management	18

1. Message from the Commissioner

The Financial Consumer Agency of Canada (FCAC) was created by Parliament to ensure that consumers have the information and skills they need to deal with the financial services sector, and that Canada's financial marketplace is healthy, competitive, and fair. The Agency has a dual mandate: to educate consumers and monitor federally regulated financial entities (FRFEs)¹.

Over the years, we have worked with our partners and stakeholders to develop and disseminate educational material to consumers. We have also developed a framework that allows us to identify, address and monitor key compliance matters.

As Commissioner of the Agency, my goal is to empower Canadian financial consumers and promote responsible financial market conduct.

To meet this goal, I intend to²:

- use our risk-based approach to effectively supervise the market conduct of FRFEs;
- Lead and implement the national strategy on financial literacy;
- update and expand the:
 - financial literacy program to target additional specific/selected segments of Canadian consumers; and
 - consumer education program to ensure resources are current and relevant to the needs of financial consumers;
- identify, monitor and evaluate trends and emerging issues related to financial consumers; and
- leverage existing partnerships and initiatives and create new ones to help achieve and raise awareness about the Agency's mandate.

¹ The definition of FRFEs includes all banks and federally incorporated or registered insurance, trust and loan companies, retail associations and payment card network operators.

² The strategic priority "Lead and coordinate the National Strategy on financial literacy", is not yet included as Bill C-28 had not received Royal Assent at the time the strategic plan updates were completed.

2. Our guiding principles

2.1 Our vision

To **empower** Canadian financial consumers and to **promote** responsible financial market conduct.

2.2 Our mandate

FCAC is an independent federal government agency established under the Financial Consumer Agency of Canada Act (FCAC Act). It fulfills the roles listed below. In 2010-11, the Government of Canada expanded the Agency's mandate to include the items in italics.

- a. Supervise financial institutions to determine whether they are in compliance with
 - i. the consumer provisions *applicable to them*, and
 - ii. *the terms and conditions or undertakings with respect to the protection of customers of financial institutions that the Minister imposes or requires and the directions that the Minister imposes under the FCAC Act;*
- b. Promote the adoption by financial institutions of policies and procedures designed to implement:
 - i. *provisions, terms and conditions, undertakings or directions referred to in paragraph (a),*
 - ii. voluntary codes of conduct that are designed to protect the interests of the customers of financial institutions that are adopted by financial institutions and that are publicly available, and
 - iii. any public commitments made by financial institutions that are designed to protect the interests of their customers.
- c. Monitor the implementation of voluntary codes of conduct that are designed to protect the interests of customers of financial institutions, that have been adopted by financial institutions and that are publicly available and to monitor any public commitments made by financial institutions that are designed to protect the interests of their customers;
- d. Promote consumer awareness about the obligations of financial institutions under consumer provisions applicable to them and about *all matters connected with the protection of consumers of financial products and services;*
- e. Foster, in co-operation with any department, agency, or agent corporation of the Government of Canada or of a province, financial institutions and consumer and other organizations, an understanding of financial services and issues relating to financial services;
- f. *Monitor and evaluate trends and emerging issues that may have an impact on consumers of financial products and services;*
- g. *Supervise payment card network operators to determine whether they are in compliance with the provisions of the Payment Card Networks Act and its regulations;*

- h. Promote the adoption by payment card network operators of policies and procedures designed to implement the provisions of the Payment Card Networks Act and its regulations;*
- i. Monitor the implementation of voluntary codes of conduct that have been adopted by payment card network operators and that are publicly available, and to monitor any public commitments made by them regarding their commercial practices in relation to payment card networks; and*
- j. Promote public awareness about the obligations of payment card network operators under a voluntary code of conduct or under the Payment Card Networks Act.*

2.3 Our values

As federal government employees, the Agency's staff adhere to the *Values and Ethics Code for the Public Service*. We also promote an organizational climate and working relationships based on the following values:

Democratic Service	Assist Ministers and Chief Executives, under the law, to serve the public interest.
Respect	We treat all individuals with respect, valuing individual and cultural differences. We communicate with each other openly, frequently, and respectfully.
Integrity	Act at all times in such a way as to uphold the trust and confidence of Canadians in FCAC and in government.
Professionalism	Serve with competence, excellence, efficiency, objectivity, and impartiality.
Teamwork	We encourage and recognize both individual and team achievements. We freely join with colleagues across organizational boundaries to advance the interests of consumers.
Creativity	We embrace creative thinking as the foundation for expanding our existing consumer programs and initiatives and developing new ones. We strive for continual improvement in everything we do.
Proactiveness	We recognize that anticipating change, leading change and adapting quickly are crucial to thriving in a dynamic environment.
Impartiality	We ensure that our dealings with consumers, stakeholders, partners and our team are equitable and unbiased.
Accountability	We will achieve results that are aligned with government-wide priorities and initiatives, and will be accountable for those results.

2.4 Our commitment

to financial consumers:

We will empower consumers by providing them with the right resources to help them make informed financial decisions.

to our stakeholders:

We will strengthen and maintain stakeholders' trust and confidence by acting with the highest degree of integrity and ethics.

to our partners:

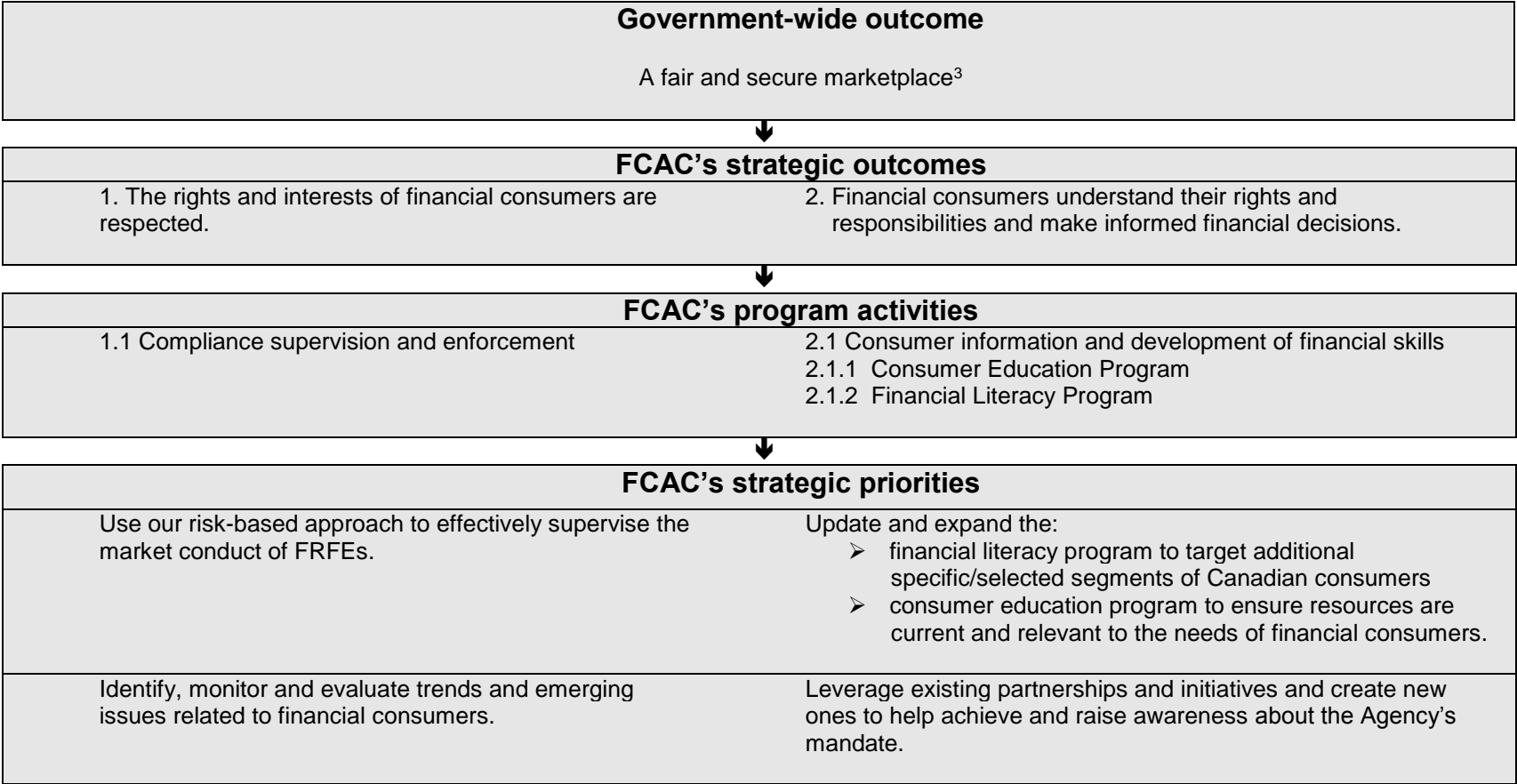
We will work with partners to add value to their organizations, while achieving the Agency's mandate.

to our team:

We will maintain a culture of excellence and execution, supported by the Agency's value.

We will provide continuous learning opportunities to staff so that they can achieve personal and career goals.

2.5 Our strategy



³ Canada's Performance 2010-11: The Government of Canada's Contribution, Annual Report of the President of the Treasury Board to Parliament, (<http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/2010-2011/cp-rc03-eng.asp#s21>)

3. Strategies and performance indicators by strategic outcome and priority

Government-wide outcome: A fair and secure marketplace		
Performance indicator related to government-wide outcome: Stakeholders and partners agree that FCAC's strategies and results help foster a fair and secure marketplace.		
FCAC's Strategic Outcome 1: The rights and interests of financial consumers are respected.		
Performance indicators related to Strategic Outcome 1: Compliance by federally regulated financial entities (FRFEs) with their relevant legislation and regulations, and their obligations under their voluntary codes of conduct and public commitments to their customers.		
Strategic priority	Related program	Key strategies
Use our risk-based approach to effectively supervise the market conduct of FRFEs	1. 1 Compliance supervision and enforcement	<ul style="list-style-type: none"> ➤ Continue improving the risk-based approach to compliance to ensure that we can: <ul style="list-style-type: none"> • assess areas of potential marketplace risks to better identify and inventory compliance issues • streamline the compliance processes to reach decisions and correct compliance issues more promptly • implement processes allowing the Agency to maximize its impact on the marketplace by effectively using its supervisory resources. ➤ Update and modernize the Agency's systems, policies and procedures to ensure they continue to support our compliance activities. ➤ Provide reliable, relevant and timely information to support the government's efforts to enhance the market conduct of FRFEs. ➤ Identify best practices in the marketplace and promote them to FRFEs. ➤ Work with the industry to develop approaches to enhance the implementation of compliance measures. ➤ Review and update the Agency's processes, systems and approaches, with the aim of supporting FRFEs' efforts to respect the consumer provisions as well as their voluntary codes of conduct and public commitments. ➤ Continue to develop and implementing mechanisms for ongoing communication, dialogue and/or consultation with stakeholders and partners.

Government-wide outcome: A fair and secure marketplace		
Performance indicator related to government wide-outcome: Stakeholders and partners agree that FCAC's strategies and results help foster a fair and secure marketplace.		
FCAC's Strategic Outcome 2: Financial consumers understand their rights and responsibilities and make informed financial decisions.		
Performance indicators related to Strategic Outcome 2: Percentage of Canadians who are aware of their rights and their responsibilities related to financial matters. Percentage of Canadians who have applied what they learned from FCAC's education material in their financial decisions.		
Strategic priority	Related program	Key strategies
Update and expand the: <ul style="list-style-type: none"> ➤ financial literacy program to target additional specific/select ed segments of Canadian consumers ➤ consumer education program to ensure resources are current and relevant to the needs of financial consumers. 	2.1 Consumer information and development of financial skills 2.1.1 Consumer Education Program 2.1.2 Financial Literacy Program	<ul style="list-style-type: none"> ➤ Monitor and analyze marketplace developments to assess the impact on target audiences and identify related educational needs. ➤ Apply clear language and presentation principles to new and existing FCAC educational materials and tools. ➤ Adapt and develop educational materials and tools for select target audiences. ➤ Enhance access to educational materials by disseminating tailored information through various distribution channels. ➤ Monitor feedback and consult with stakeholders on educational materials and tools and use the feedback to guide further development and enhancements. ➤ Offer ongoing staff training to enhance the quality of FCAC's consumer services.

Government-wide outcome: A fair and secure marketplace		
Performance indicator related to government-wide outcome: Stakeholders and partners agree that FCAC's strategies and results help foster a fair and secure marketplace.		
FCAC's Strategic Outcome 1: The rights and interests of financial consumers are respected. FCAC's Strategic Outcome 2: Financial consumers understand their rights and responsibilities and make informed financial decisions.		
Performance indicators related to Strategic Outcomes 1 and 2: Compliance by federally regulated financial entities (FRFEs) with their relevant legislation and regulations, and their obligations under their voluntary codes of conduct and public commitments to their customers. Percentage of Canadians who are aware of their rights and their responsibilities related to financial matters. Percentage of Canadians who have applied what they learned from FCAC's education material in their financial decisions.		
Strategic priority	Related program	Key strategies
Identify, monitor and evaluate trends and emerging issues related to financial consumers	1.1 Consumer supervision and enforcement 2.1 Consumer information and development of financial skills 2.1.1 Consumer Education Program 2.1.2 Financial Literacy Program	<ul style="list-style-type: none"> ➤ Build FCAC's capacity to undertake research related to financial consumer trends and emerging issues. ➤ Identify research projects to be undertaken, along with the associated data requirements; ➤ Compile inventory and ensure completeness of existing literature and research pertinent to specific projects and undertake original research to advance understanding of emerging financial market trends and issues that may affect consumer of financial services and products. ➤ Synthesize analysis from various sources, draw conclusions and make recommendations for action by FCAC and/or by policy makers, as applicable.

Government-wide outcome: A fair and secure marketplace		
Performance indicator related to government-wide outcome: Stakeholders and partners agree that FCAC's strategies and results help foster a fair and secure marketplace.		
FCAC's Strategic Outcome 1: The rights and interests of financial consumers are respected. FCAC's Strategic Outcome 2: Financial consumers understand their rights and responsibilities and make informed financial decisions.		
Performance indicators related to Strategic Outcomes 1 and 2: Compliance by federally regulated financial entities (FRFES) with their relevant legislation and regulations, and their obligations under their voluntary codes of conduct and public commitments to their customers. Percentage of Canadians who are aware of their rights and their responsibilities related to financial matters. Percentage of Canadians who have applied what they learned from FCAC's education material in their financial decisions.		
Strategic priority	Related program	Key strategies
Leverage existing partnerships and initiatives and create new ones to help achieve and raise awareness about the Agency's mandate.	1.1 Consumer supervision and enforcement 2.1 Consumer information and development of financial skills 2.1.1 Consumer Education Program 2.1.2 Financial Literacy Program	<ul style="list-style-type: none"> ➤ Expand FCAC's reach and dissemination channels by identifying and engaging influential and credible partners from government, private and not-for profit sectors and media. ➤ Build FCAC's online awareness by implementing a social marketing/media strategy to enhance the Agency's reach towards its key target audiences.

Government-wide outcome: A fair and secure marketplace				
FCAC's Strategic Outcome 1: The rights and interests of financial consumers are respected. FCAC's Strategic Outcome 2: Financial consumers understand their rights and responsibilities and make informed financial decisions.				
Strategic priorities	Use our risk-based approach to effectively supervise the market conduct of FRFes.	Update and expand the: <ul style="list-style-type: none"> ➤ financial literacy program to target additional specific/selected segments of Canadian consumers ➤ consumer education program to ensure resources are current and relevant to the needs of financial consumers. 	Identify, monitor and evaluate trends and emerging issues related to financial consumers.	Leverage existing partnerships and initiatives and create new ones to help achieve and raise awareness about the Agency's mandate.
Strategic foundation: Support the delivery of programs and FCAC's compliance with the Government of Canada policies and Management Accountability Framework.	Governance ➤ Continue implementing tools and processes to ensure that the Agency's priorities and results are aligned with the government-wide outcome.			
	Public service values ➤ Continue creating an environment that reinforces the importance of public service values and ethics in the delivery of FCAC programs.			
	People and learning, innovation and change management ➤ Support the development of the skills and knowledge of employees so that they can excel in executing the Agency's mandate. ➤ Implement career development and training programs to support retention, succession planning and knowledge transfer. ➤ Gauge employee satisfaction through internal and external surveys. ➤ Identify and document key business processes, information requirements and model to support the Agency's information management and information technology strategic direction. ➤ Update or modify systems and implement new ones, as appropriate, to meet the needs of our employees, stakeholders and partners, and to monitor the effectiveness and efficiency of our programs.			
	Policy and programs and citizen-focused service ➤ Continue assessing research capacity and implementing appropriate tools and procedures to ensure high-quality, citizen-centered services, policies and programs.			
	Risk management ➤ Continue identifying organizational risk elements and implementing risk mitigation strategies to ensure that the Agency achieves its objectives and priorities.			
	Stewardship ➤ Continue assessing and implementing key controls, procedures and processes to safeguard the Agency's assets and ensure effective service delivery.			
	Results, performance, and accountability ➤ Implement the performance measurement framework throughout the Agency and pursue monitoring and reporting mechanisms.			

4. Federally regulated financial entities

The Financial Consumer Agency of Canada monitors and supervises financial entities that are regulated at the federal level. These entities include all banks and federally incorporated or registered insurance, trust and loan companies, and retail associations, payment card network operators.

Number of organizations per category of federally regulated financial entities as at March 31, 2012

	Banks (domestic and foreign)	Trust and loan companies	Insurance companies (includes life insurance and property and casualty insurance companies, domestic and foreign)	Retail associations	Payment card network operators	Total
Number of organizations	77	67	229	1	6	380

5. Financial consumers, stakeholders, partners and media

The Financial Consumer Agency of Canada works with financial consumers, stakeholders, partners and the media to achieve its strategic outcomes and foster a fair and competitive financial marketplace.

5.1 Financial Consumers

5.1.1 Individual consumers

Individual financial consumers are the Agency's primary focus. Over the years, financial products have become increasingly complex and sophisticated. We make consumers aware of their rights and responsibilities, as well as the costs, risks and options of financial products and services, so that they are able to use this information when making financial decisions.

5.1.2 Merchants

Merchants in Canada are important consumers of financial products and services, and particularly of services that facilitate various types of payment methods (credit, debit and others). The government has put in place a framework to help ensure that the organizations who provide payment services meet market conduct requirements that promote transparency, improved choice and clear disclosure to their merchant clients. FCAC oversees this framework to help merchants benefit from the new requirements and inform these merchants of their rights within the framework.

5.2 Stakeholders

5.2.1 Federally regulated financial entities

The financial services sector is an essential pillar of the Canadian economy, and is one of the most stable in the world. It provides a system for financing, ensuring and facilitating transactions that support day-to-day domestic and international commerce within the domestic and global economies.

Federally regulated financial entities include all banks and federally incorporated or registered insurance, trust and loan companies, retail associations and payment card network operators. These entities and their industry associations are important stakeholders of the Financial Consumer Agency of Canada.

In July 2010, the Government of Canada enacted the *Payment Card Network Act* which established a new legislative framework for payment card networks operating in Canada. The framework provides the authority for the federal government to regulate certain activities of payment card network members, to ensure the adequate disclosure, improved transparency and the use of reasonable business practices in their dealings with merchants who accept payment cards. The legislation designates FCAC as the regulatory body responsible for overseeing this new framework.

In the context of the new legislation, the government and members of the payment card industry established a new *Code of Conduct for the Credit and Debit Card Industry in Canada* which has been adopted by the majority of the main payment card network operators, acquirers and payment card issuers.

Payment card network operators have agreed to incorporate the Code of Conduct into their network contracts, governing rules and regulations will be responsible for ensuring that other participants in the networks, including card issuers and payment processors, also follow the provisions in the Code. FCAC will be responsible for monitoring that payment card network operators implement and continue to adhere to all the elements set out in the new Code.

5.2.2 Parliamentarians

From time to time, FCAC's Commissioner and other senior management representatives appear before the House of Commons Standing Committee on Finance and the Standing Senate Committee on Banking, Trade and Commerce.

The Agency always welcomes opportunities to meet with parliamentarians to:

- respond to their inquiries about consumer issues in the financial services sector;
- update them on FCAC's progress in fulfilling its legislative mandate
- become more familiar with the concerns and issues of importance to them.

5.3 Partners

5.3.1 Consumer/industry groups and community-based associations

Over the years, FCAC has developed and maintained partnerships with consumer groups, industry associations and community-based organizations in support of its mandate. By collaborating with various organizations, we have expanded the reach of FCAC's initiatives and distribution channels for our educational materials. We have also shared research and implemented activities on issues of common importance, such as financial literacy.

5.3.2 Federal and provincial/territorial government organizations

FCAC works with other organizations of the federal and provincial/territorial governments. We have established different types of partnerships.

➤ *Partnerships to develop educational materials*

The Agency worked with the British Columbia Securities Commission to develop *The City, A Financial Life Skills Resource*, a course that teaches young people financial skills that they can carry with them throughout their lives. It also worked with Ontario's Investor Education Fund to develop a workshop called *Financial Basics* that helps young adults learn about budgeting, saving, credit, investing, fraud prevention and financial planning.

FCAC works in collaboration with the provinces' ministries of education to introduce *The City: A Financial Life Skills Resource* and other material and tools (e.g.: *Financial Basics*) in schools' curriculum so that teachers have the tools they need to teach financial skills.

➤ *Partnerships that expand our reach to consumers and disseminate our materials and publications*

FCAC works with other federal agencies and departments to leverage established channels to disseminate the Agency's material and tools and to raise awareness about FCAC's products and services. Whenever appropriate, we partner with other departments and agencies to address issues of common interest for consumers.

➤ *Partnerships that support best practices in FCAC's supervision and enforcement role*

FCAC is mindful that the financial marketplace evolves rapidly and has kept pace with it to effectively identify potential marketplace compliance issues. To this end, we consulted with federal and provincial counterparts to learn from each other and apply best practices in our own environment that allow us to identify and implement effective risk-based approaches that support our supervision and enforcement role.

➤ *Partnerships that support the Agency's administrative and corporate services*

We focus on delivering FCAC's legislative program as effectively and efficiently as possible. The Agency has entered into service agreements with several other federal organizations. Their experience and skills help meet FCAC's corporate support requirements.

5.4 Media

FCAC's media relations program contributes significantly to the fulfillment of the Agency's mandate and mission. FCAC considers the media to be a key channel for providing the public with valuable and timely financial information. In both official languages, the Agency maintains and expands its professional relationships with leading reporters from media outlets across the country.

6. Support for government-wide priorities and initiatives

6.1 Enhancing the interests of financial consumers

The federal government's approach to looking after financial consumers' interests is founded on two pillars: competition and disclosure. Competition provides more choices to financial consumers, and allows them to find financial products and services that best suit their individual goals and needs at competitive prices. Disclosure is required by law; it ensures that financial consumers have the relevant information based upon which to make the best decisions.

To prepare individual consumers to better understand the array of increasingly complex financial products and services offered to them, the government regards financial literacy as an essential skill that should be acquired early in life. As a result, since fiscal year 2008-09, the federal government has provided \$2 million per year to improve financial literacy in Canada. The government noted that FCAC was "ready and well placed to support financial literacy efforts across the country."⁴

6.2 Modern management

The Management Accountability Framework (MAF) summarizes the government's expectations for modern public service management in order to achieve a high quality of organizational performance.

FCAC supports this government-wide initiative by continuing to implement its own initiatives and activities for targeted improvement of key elements related to the MAF.

⁴ *Creating a Canadian Advantage in Global Capital Markets, Budget 2007*, March 19, 2007, p.37 (<http://www.budget.gc.ca/2007/themes/bkcma-eng.html>).