




Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada

Annual Report

2018-2019





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Commissioner's message



I am pleased to present the 2018–2019 Annual Report for the Financial Consumer Agency of Canada (FCAC)—my first as Commissioner.

As this annual report shows, the FCAC is home to a dedicated team whose hard work and talents have produced impressive results. In 2018–19, those efforts were led by my predecessor, Lucie Tedesco, whose vision and

energy ably guided the Agency from 2013–2019. We thank Commissioner Tedesco for her leadership and contributions, which enabled FCAC to raise the bar in protecting and educating financial consumers through a wide range of innovative and strategic activities.

The year also marked an important and exciting phase in FCAC's evolution as a regulator and national financial literacy leader. In the fall of 2018, the federal government tabled a bill with provisions to modernize the financial consumer protection framework in the *Bank Act*, strengthen the Agency's mandate and grant it additional powers. With the passage of this bill into law in December 2018, we are more aligned with other regulators in Canada and abroad, and our financial literacy role is integrated into the purpose clause of the *Financial Consumer Agency of Canada Act*. As a result, we are better positioned to fulfil our mandate to protect consumers of financial services and products.

The Agency's new Supervision Framework, which came into effect in October 2018, is an example of this evolution. The framework will enable us to be more proactive in monitoring regulated institutions, and will help us to better understand and address emerging risks.

FCAC's strengthened mandate will also help to advance our work on consumer education and financial literacy, as well as our efforts to enhance public awareness of critical consumer issues. As such, we can look forward to building on the solid foundation of market studies, industry reviews and opinion research FCAC has created to date, as well as continuing to contribute to the growing body of evidence from which more effective policies and initiatives can be developed for the benefit of Canadians.

This past year, the Agency also continued to forge strong relationships with its many stakeholders and regulatory counterparts in Canada and internationally, through committees and networks that represent a wide range of organizations from the public, private and voluntary sectors. As demonstrated in this annual report, the Agency benefits greatly from such engagements that bring together the expertise, passion and talent of academics, financial literacy experts and industry representatives, among others, and I am committed to fostering and expanding our exceptional portfolio of collaboration and innovation.

The Agency's strong performance during 2018–2019 was supported by a focus on the renewal and enhancement of our internal services, including a dedicated and strengthened human resources team, and the addition of expertise and capacity to our finance and operations teams. This investment has already generated dividends in improving our workplace effectiveness, and will contribute to the long-term success of the Agency.

I encourage all Canadians to read this report to learn more about the Agency's ongoing efforts to protect their financial rights and interests.

A handwritten signature in black ink, appearing to read 'Judith Robertson', written in a cursive style.

Judith Robertson
FCAC Commissioner

About FCAC



FCAC was established in 2001 to protect consumers by supervising federally regulated financial entities and strengthening the financial literacy of Canadians



FCAC derives its [mandate](#) from the [Financial Consumer Agency of Canada Act](#)



FCAC reports annually to Parliament through the Minister of Finance on its activities and the performance of financial institutions in complying with consumer protection measures



FCAC supervised the market conduct of **378** [federally regulated entities](#) as of March 31, 2019



FCAC employed approximately **128** full-time employees as of March 31, 2019



For 2018-19, FCAC's activities were funded through:

\$20.6 million

recovered from assessments of the financial institutions, payment card network operators and external complaint bodies it regulated, and

\$5 million in federal government funding

378 regulated entities (as of March 31, 2019)

68 Life insurance companies

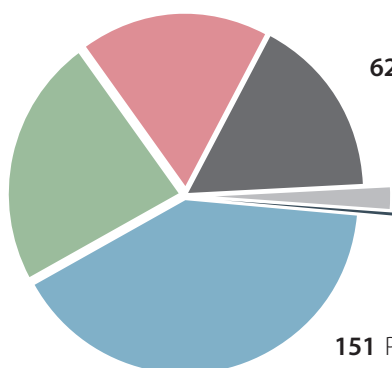
62 Trust and loans companies

7 Payment card network operators

2 External complaints bodies

151 Property and casualty insurance companies

88 Banks

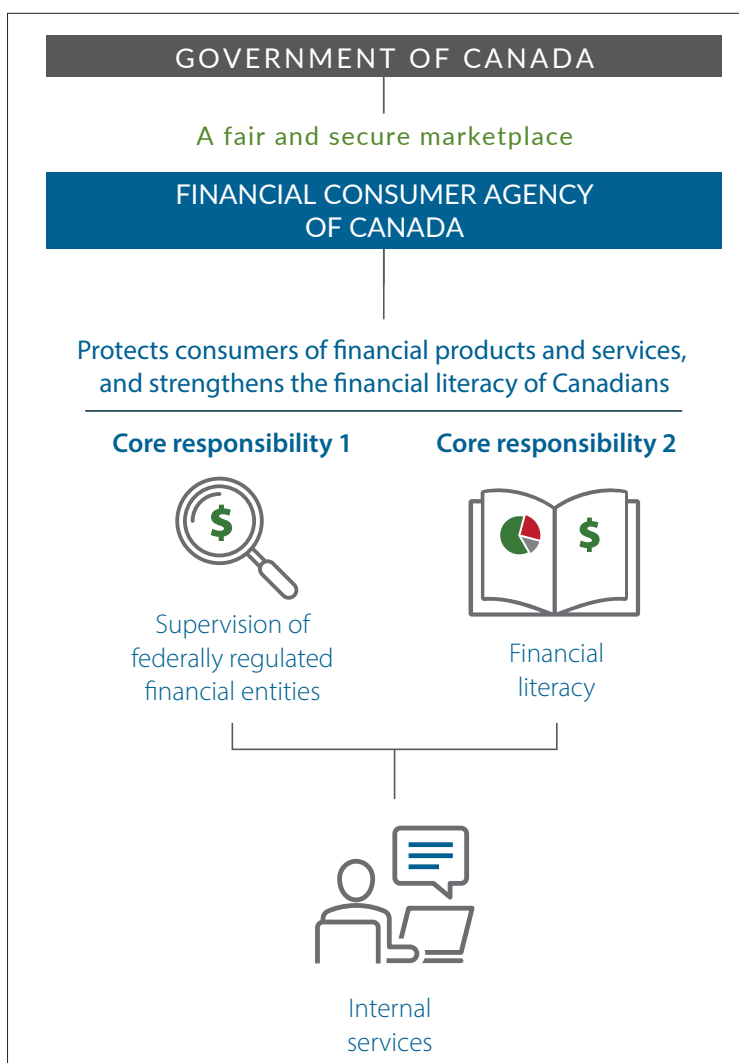


Planned and actual results

FCAC plans its activities in accordance with 2 core responsibilities:

- supervision of federally regulated financial entities
- financial literacy

These core responsibilities are sustained and enhanced by a strong foundation of internal services that ensures the Agency delivers on its priorities.



Core responsibility #1: Supervision of federally regulated financial entities

FCAC supervises the market conduct of [federally regulated entities](#), such as banks, trust and loan companies, federal credit unions, external complaints bodies and payment card network operators to ensure consumers' rights are protected. The Agency also promotes consumer awareness of their rights and responsibilities when dealing with these financial entities.

As a regulator, the Agency oversees financial consumer protections grounded in legislation, regulations, voluntary codes of conduct and public commitments. It uses a risk-based supervisory model to enforce compliance with consumer protection laws. The information the Agency relies on to carry out its compliance activities includes consumer complaints reports, on-site examinations, compliance reviews, research findings on emerging marketplace trends and issues, and input from national and international regulatory counterparts.

Results by the numbers

2018–2019 financial resources (\$ millions)		2018–2019 human resources (full-time equivalents)	
Planned spending	Actual spending	Planned	Actual
6.17	5.09	44.0	30.0

Departmental results	Departmental results indicators	Target	2018-19 Actual results	Performance notes
Federally regulated financial entities are compliant with consumer protection legislation, their public commitments and codes of conduct	Percentage of entities that are aware of the reason for, and nature and outcome of FCAC's supervision activities	80%	88%	Results are based on surveys of regulated entities conducted at annual industry sessions
	Percentage of cases of non-compliance where corrective actions (commensurate with the level of non-compliance) are undertaken by FCAC	100%	100%	All non-compliance cases were addressed with corrective actions
Canadian consumers are aware of their rights and responsibilities when dealing with financial entities	Percentage of consumers who are aware of their consumer protection rights and responsibilities	5% increase over the baseline	64.4%	These results are trending upward compared to a baseline of 58%
	Number of Canadians reached through consumer rights and responsibilities information	5% increase over the baseline	N/A	No results for this year. A baseline is being established and will be reported in next year's report

Key developments in financial consumer protection

A modernized financial consumer protection framework

In fall 2018, the Government of Canada introduced legislation to modernize the financial consumer protection framework in the *Bank Act* and to amend the *Financial Consumer Agency of Canada Act* to strengthen the Agency's mandate and tools. The changes were contained in Bill C-86, *Budget Implementation Act, 2018, No. 2*, which received Royal Assent on December 13, 2018. While some provisions are already in force, the majority are not. Parliament will determine the timing of when the outstanding framework provisions will come into force.

These legislative changes reflect the Agency's work over the last 3 years, particularly with regard to 2 reports: the [Domestic Bank Retail Sales Practices Review](#) and the [Report on Best Practices in Financial Consumer Protection](#). Once fully implemented, the changes will better align FCAC with regulators in other jurisdictions in Canada and internationally. They will do that by reinforcing and consolidating FCAC's mandate to promote, monitor and enforce the compliance of federally regulated financial entities.

To promote and help implement the new financial consumer protection framework, FCAC has been engaging and consulting with stakeholders, including banks, consumers and consumer groups. It has also been adjusting its supervisory approach to ensure it aligns with the new framework.

Fall Economic Statement 2018

In the Fall Economic Statement 2018, the Minister of Finance announced that FCAC would implement 2 initiatives: an industry review of complaints-handling procedures and the development of a code of conduct for delivering banking services to seniors. These initiatives, discussed below, required the Agency to significantly adjust its priorities and planned activities.

Industry review of complaints-handling procedures

FCAC was asked to assess banks' complaints-handling processes and the effectiveness of external complaints' bodies. This work followed FCAC's 2018 [Domestic Bank Retail Sales Practices Review](#), which found that the "big six" banks' oversight, management, reporting and analysis of consumer complaints was insufficient¹.

As part of the review, FCAC surveyed the international research literature to identify potential areas for improvement, and conducted public opinion research to better understand consumers' experience with complaints-handling processes.

The results of the review, due to the Minister of Finance by October 31, 2019, will inform the Agency's supervision of banks and external complaints bodies, as well as its consumer education efforts.

Code of Conduct for the Delivery of Banking Services to Seniors

FCAC was asked to engage with banks and seniors' groups to create a voluntary code of conduct to guide banks in delivering services to Canada's seniors. FCAC informed the principles of the Code by:

- engaging seniors' groups, financial institutions and other stakeholders to identify the issues and challenges related to meeting seniors' banking needs
- reviewing research literature and information on practices used in other jurisdictions
- conducting public opinion research

The [Code of Conduct for the Delivery of Banking Services to Seniors](#) was adopted by the Canadian Bankers Association and its 70 members in July 2019. The Code will come into effect in phases, with all the principles in effect by January 1, 2021. Banks that sign on to the Code must abide by its principles, and FCAC will monitor banks to ensure compliance.

¹ The big six banks are: Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and Toronto-Dominion Bank.

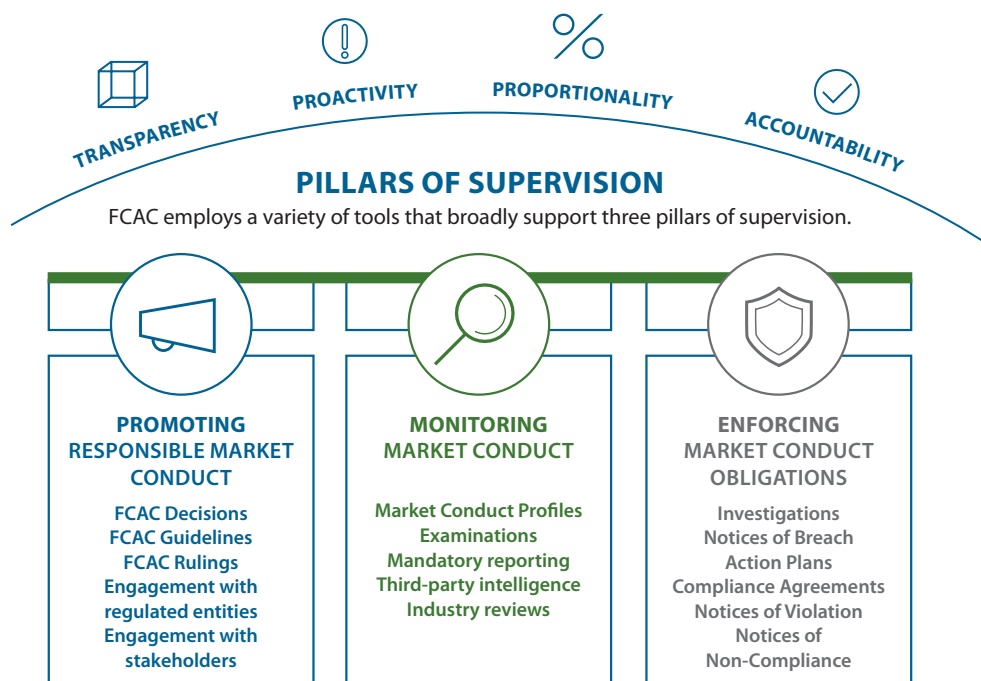
Key FCAC commitments and activities in 2018–2019

Commitments	What we delivered
Implement a new Supervision Framework	<p>FCAC implemented a new Supervision Framework, which took effect on October 1, 2018, to ensure it carries out its supervision responsibilities in a proactive, accountable and transparent way. Although the core activities governing its supervisory approach have remained consistent, FCAC has incorporated numerous enhancements, and the new Supervision Framework provides a clearer overview of that approach.</p> <p>In particular, the Supervision Framework enhances FCAC's ability to be a more predictable and risk-based regulator. Regulated entities are now classified as either tier 1 or tier 2, depending on the level of market conduct risk that is present or inherent in their business activities. The framework also outlines guiding principles according to which FCAC selects its supervision activities, giving regulated entities more insight into FCAC's actions and decisions. As well, the framework clarifies FCAC's expectations of regulated entities so they can apply their internal controls more effectively.</p>

FCAC Supervision Framework

GUIDING PRINCIPLES

FCAC's supervisory activities and decisions are driven by its mandate and guided by the following four principles:



Engage in a more comprehensive oversight of regulated entities to better protect financial consumers

Enforcement and FCAC decisions

One of FCAC's key objectives is to supervise federally regulated financial entities to ensure they comply with the federal consumer protection measures that apply to them. This work includes conducting investigations, which may result in proceedings and a Commissioner decision against a federally regulated financial entity.

From April 1, 2018 to March 31, 2019, the Commissioner decided that financial institutions had committed a total of 7 violations and imposed a total of \$625,000 in administrative penalties.

[Commissioner's Decisions](#) are published in their original forms, with minimal revisions, according to a set of principles. They provide information about entities' breaches of legislation or regulation, as well as on their non-compliance with voluntary codes or public commitments. They also promote awareness about issues and conduct violations, allowing regulated entities to review their own market practices and take the necessary steps to ensure compliance.

Market conduct audit

FCAC supported payment card network operators (PCNOs) in conducting a 3-year market conduct review, as stipulated under the [Code of Conduct for the Credit and Debit Card Industry of Canada](#) (the Code). This was the first time such a review had been conducted. In all, almost 200 Code participants took part, including 6 PCNOs, 20 acquirers², and 173 merchant-focused agents³. The review will enhance FCAC's understanding of market dynamics and allow it to better assess PCNOs' ability to be proactive in monitoring participants' compliance with Code provisions.

Compliance bulletins

FCAC occasionally issues Compliance Bulletins to provide guidance on complying with market conduct obligations. They are general in nature and meant for the information and guidance of regulated entities.

In 2018–2019, the Agency issued [B-7: Role of payment card network operators in ensuring participant compliance with the Code of Conduct for the Credit and Debit Card Industry in Canada](#). This bulletin was developed following Commissioner's [Decision #126](#), which discusses an issue of non-compliance by a third party contracted by a PCNO. Through B-7, FCAC set out its expectations for PCNOs in ensuring that their participants (e.g., issuers, acquirers and downstream participants) comply with the Code by implementing control measures and relevant tools.

Consumer Protection Advisory Committee

Created in 2018, the Consumer Protection Advisory Committee provides information on financial consumer protection issues in support of FCAC's financial consumer protection mandate. The committee, made up of leaders from the public, non-profit and private sectors, met twice in 2018-2019 and provided input and insight into multiple topics of interest to FCAC, including FCAC's review of the banking industry's complaint-handling processes and the development of a seniors' code.

² Acquirers are entities that enable merchants to accept payments by credit or debit card. They do this by providing merchants with access to a payment card network for transmitting or processing payments.

³ Merchant-focused agents are third parties that on-board merchants to accept the processing of payment cards. They can include independent sales organizations, but not acquirers.

Core responsibility #1: Supervision of federally regulated financial entities (continued)

Continue to investigate consumer complaints

Consumer complaints play an important role in monitoring the market conduct of federally regulated financial entities and gathering information on trends and emerging issues. The total number of complaints received by FCAC varies significantly each year. FCAC determines the nature of all complaints it receives, assesses the risks to consumers, and investigates further if required.

Specifically, FCAC may investigate complaints that relate to possible breaches of the consumer protection measures in [federal laws and regulations, voluntary codes of conduct and public commitments](#). If the preliminary investigation points to a potential violation, FCAC proceeds with further action as described in its [Supervision Framework](#).

Consumer complaints reported by federally regulated financial entities to FCAC in 2018-2019

Federally regulated financial entities are required to report to FCAC all consumer complaints they receive at the reportable level⁴. These complaints must involve a market conduct obligation overseen by FCAC. In 2018-2019, a total of 7,547 complaints were reported to FCAC in aggregate format. The top 3 categories were:

- express consent
- credit card and debit card fraud
- initial disclosure of lending products

Consumer complaints reported directly to FCAC in 2018–2019

Consumers can also file a complaint directly to FCAC. In 2018-2019, FCAC received 3,992 direct consumer complaints. Of those, 429 related to compliance with consumer protection measures that FCAC oversees. The top 3 categories were:

- complaint-handling procedures
- credit card fraud
- merchant fee changes and penalties

For complaints that do not relate to consumer protection measures overseen by FCAC, the complainants were referred to the appropriate regulatory body or consumer protection organization, to the extent possible.

Promote compliance by hosting annual industry sessions

In January 2019, FCAC held its annual industry sessions for federally regulated financial entities. A separate session was held in February 2019 for PCNOs and participating organizations of the [Code of Conduct for the Credit and Debit Card Industry in Canada](#).

The events were an opportunity for the Agency to clarify its expectations with the organizations it supervises and to support them in proactively managing their compliance risk. The events also permitted participants to raise subjects of interest and gain insights into market trends and emerging issues. A total of 215 representatives from federally regulated financial entities attended both sessions. Over 90% of participants were satisfied with the sessions, exceeding the target rate of 80%.

⁴ The reportable level is one level higher than the one that routinely handles and makes operational decisions about the subject matter. The reportable level may vary, based on an entity's operational profile.

Core responsibility #1: Supervision of federally regulated financial entities (continued)

Undertake a follow-up to the industry review of bank sales practices

In 2018–2019, FCAC undertook a number of follow-up activities to its [Domestic Bank Retail Sales Practices Review](#). This included providing individualized reports to each of the 6 banks that were part of the review and working with them to ensure they implemented the necessary changes to mitigate the identified risks.

FCAC also committed to undertake a nationwide mystery shopping exercise at 6 of Canada's largest banks to complement the information already gathered and analyzed. To that end, it launched a procurement process on [BuyandSell.gc.ca](#) in February 2019 to identify potential suppliers.

Continue to participate in Canadian and international fora to monitor developments and expand FCAC's network of policy makers and regulatory bodies

G20/Organisation for Economic Co-operation and Development (OECD) Task Force

FCAC continued to participate in international policy discussions and share market intelligence and expertise with the G20/OECD Task Force on Financial Consumer Protection. Agency employees contributed to the development of a risk dashboard to help individual jurisdictions identify, monitor, categorize and quantify consumer risks, which in turn can inform mitigating regulatory responses.

FinCoNet

FCAC's Commissioner continued as the chair of FinCoNet (the International Financial Consumer Protection Organisation) in 2018–2019, enabling FCAC to continue playing a leadership role in promoting sound market conduct and strong consumer protection at the international level. Of note, FCAC contributed to FinCoNet's January 2019 [Guidance to supervisors in the field of digitalisation of short-term, high-cost consumer credit](#). The guidance includes specific actions to support supervisory authorities around the world in promoting responsible lending practices in their jurisdictions.

APEC

FCAC supported the Department of Finance in its role as Canadian delegate to the Asia–Pacific Economic Cooperation (APEC), a regional economic forum established in 1989 to leverage the growing interdependence of countries in the Asia–Pacific region. In particular, Agency staff helped advance issues related to financial inclusion and the sustainable development of financial services.

Continue to monitor and evaluate trends and issues that may affect financial consumers

FCAC regularly conducts market studies, industry reviews and public opinion research to produce relevant and informative resources and tools for financial consumers. Of note, in 2018–2019, the Agency published a report, [Home equity lines of credit: Consumer knowledge and behaviour](#), based on an online survey of approximately 4,800 respondents. The report assessed Canadians' knowledge, awareness and opinions regarding the key terms, conditions, fees and risks associated with home equity lines of credit (HELOCs). It found that many consumers appear to lack awareness of the terms and conditions of these widely sold financial products—a gap that exposes them to risks like over-borrowing, debt persistence, uninformed decision-making and wealth erosion.

The survey follows up on FCAC's 2017 report, [Home equity lines of credit: Market trends and consumer issues](#). FCAC is using the research in the new survey to refine its consumer education materials, and will continue to work with financial literacy partners to contribute to financial education about HELOCs, budgeting and managing debt.

Core responsibility #2: Financial literacy

FCAC plays a national leadership role in developing and promoting initiatives aimed at improving consumers' financial well-being. It does this by implementing the [National Strategy for Financial Literacy—Count Me In, Canada](#), and offering tools and resources informed by behavioural economics.

Through nationwide coordination and collaboration efforts with stakeholders, including federal and provincial governments and private and non-profit organizations, the Agency fosters consumer understanding of financial services and related issues, and encourages stakeholders to promote and deliver financial literacy initiatives.

Results by the numbers

2018–2019 financial resources (\$ millions)		2018–2019 human resources (full-time equivalents)	
Planned spending	Actual spending	Planned	Actual
6.41	6.15	34.0	33.3

Financial tools and calculators

FCAC offers a full suite of tools and calculators to help consumers make informed financial decisions and select products and services that work best for them.



Visit canada.ca/financial-tools to access all of FCAC's tools and calculators.

Core responsibility #2: Financial literacy (continued)

Departmental results	Departmental results indicators	Targets	2018-19 Actual results	Performance notes
Canadians are strengthening their financial knowledge, skills and confidence	Percentage of Canadians who strengthen their financial knowledge	5% increase over the baseline	N/A	Results to be updated in 2019-20 after the completion of the Canadian Financial Capability Survey
	Percentage of Canadians who strengthen their financial confidence	5% increase over the baseline	N/A	Results to be updated in 2019-20 after the completion of the Canadian Financial Capability Survey
	Percentage of Canadians who adopt desired financial behaviours	5% increase over the baseline	N/A	Results to be updated in 2019-20 after the completion of the Canadian Financial Capability Survey
	Percentage of non-budgeters who are confident in their ability to make and follow a budget	5% increase over the baseline	14%	These results exceed the target of 10%
	Percentage of non-budgeters who begin budgeting	5% increase over the baseline	20%	These results exceed the target of 15%
	Number of Canadians reached through initiatives supporting the National Strategy for Financial Literacy	N/A	5,679,000	No target was set as 2018-19 was the first year this indicator was measured. The result achieved represents the number of Canadians reached via FCAC's web content and interactive tools.

Key developments in financial literacy

With the government's legislation to amend the *Bank Act* and the *FCAC Act* receiving Royal Assent in December 2018, FCAC's financial literacy role has been reinforced. The legislation achieved this by integrating financial literacy into the purpose clause of the *FCAC Act*, which states:

The purpose of this Act is to ensure that financial institutions, external complaints bodies and payment card network operators are supervised by an agency of the Government of Canada so as to contribute to the protection of consumers of financial products and services and the public, including by strengthening the financial literacy of Canadians.

This amendment will help the government meet its financial literacy objectives by fully integrating the resources and accountability related to financial literacy and consumer education within the Agency.



The main character *Floyd* and his family have been the face of many of FCAC's financial literacy products. These characters help make the content relatable to Canadians at various life stages and help build a narrative around the importance of making sound financial decisions.

Key FCAC commitments and activities in 2018–2019

Commitments	What we delivered
Continue to leverage relationships with stakeholder groups to help Canadians improve their financial well-being	<p>Stakeholder activities</p> <p>To support the implementation of the National Strategy for Financial Literacy—Count me in, Canada, FCAC works closely with stakeholder groups from all sectors and regions of the country as well as a number of committees, networks and working groups. Through these engagement efforts, a wide range of activities are organized and undertaken every year to improve the financial knowledge, skills and confidence of Canadians. Key results include the following:</p> <p>National Steering Committee on Financial Literacy</p> <p>Chaired by Canada's Financial Literacy Leader, this committee completed its two-year term in January 2019, and included leaders from the public, private and non-profit sectors across Canada. For the 2017 to 2019 period, the committee reported that a total of 217 initiatives had been completed or were under way. Taken together, these initiatives had the following reach:</p> <ul style="list-style-type: none">• More than 1.5 million people participated in learning activities (events, workshops, webinars and more)• More than 268 million media impressions were created in traditional media (e.g., newspapers) and social media (e.g., Facebook) combined• More than 261,000 publications were distributed or viewed online• More than 621,000 webpages were viewed <p>Interdepartmental Committee on Financial Literacy</p> <p>Chaired by FCAC, this committee comprises representatives from federal government departments and agencies with an interest in financial literacy. In 2018–2019, members undertook 52 activities to support the National Strategy for Financial Literacy—Count me in, Canada. In addition, a survey demonstrated that 100% of members were very satisfied with their participation on the committee.</p> <p>Networks</p> <p>FCAC collaborates with networks across the country to strengthen the financial literacy of Canadians by sharing information and coordinating activities. During the 2018–2019 fiscal year, the number of networks rose to 18 (from 14 the year before). These networks represent approximately 600 organizations and financial literacy stakeholders with longstanding connections and programs in their local communities. By working with them, FCAC is able to extend its reach across the country and support work that is making a difference in the lives of thousands of Canadians.</p> <p>Strengthening stakeholder collaboration and coordination</p> <p>In 2018–2019, FCAC took action to improve collaboration and coordination with stakeholder groups that play a role in strengthening the financial literacy of Canadians. This was part of the Agency's efforts to address key findings from its 2017 financial literacy stakeholder engagement survey. In particular, the Agency has improved:</p> <ul style="list-style-type: none">• the sharing of information with networks through a new quarterly bulletin• committee meetings by proposing a more dynamic approach that encourages stakeholders to exchange information

Progress report

The [National Strategy for Financial Literacy—Count Me In, Canada](#) was released in the summer of 2015. It has helped FCAC to mobilize stakeholders from public, private and non-profit sectors to strengthen Canadians' financial literacy and empower them to manage money and debt wisely, plan and save for the future, and prevent and protect themselves against fraud and financial abuse. To assess the progress of the strategy, FCAC collaborated with a number of stakeholder groups in fiscal year 2018–2019 to identify successes and gaps. The results will be captured in a progress report to be finalized and distributed in 2019–2020.

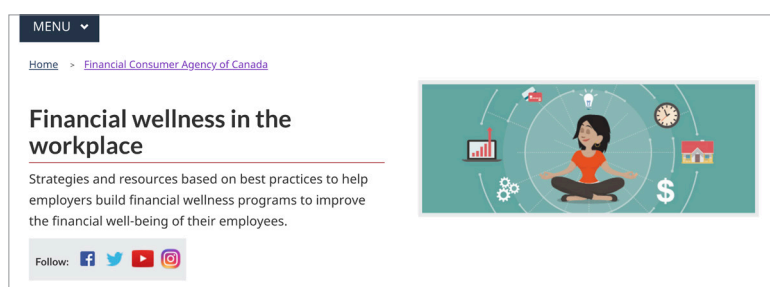
Continue to deliver on the priority areas identified by the National Steering Committee for Financial Literacy

Through consultations, research and deliberations, FCAC and its National Steering Committee for Financial Literacy identified the need to develop programs and initiatives related to financial literacy in the workplace and among Indigenous Peoples. This section outlines key results in these 2 priority areas.

Financial literacy in the workplace

FCAC promotes the importance of financial wellness programs in the workplace to help employers improve employees' financial well-being. This is to capitalize on the fact that, according to research on employee preferences, the workplace is an effective avenue for reaching and engaging adult Canadians on financial literacy.⁵ To that end, FCAC continued to build on the progress of its workplace initiative during this fiscal year to further strengthen the financial knowledge, skills and confidence of working Canadians. Much of this work was achieved in collaboration with the [Financial Literacy Working Group for the Workplace](#), created in 2017. Most significantly:

- FCAC created a new online resource called [Financial Wellness in the Workplace](#), which offers strategies and resources based on best practices to help employers build financial wellness programs and encourage employees to invest in their own financial well-being.
- FCAC also facilitated financial well-being workshops for federal public servants in collaboration with Chartered Professional Accountants of Canada. This included 4 in-person workshops held in November 2018 at the Canadian Innovation Centre for Mental Health in the Workplace, as well as 4 webinars held in February 2019. More than 2,000 people participated (in-person or via webinar or on-demand), with registrants from every province and territory in Canada, representing 74 federal departments and agencies.



FCAC's new [online resource](#) for implementing a financial wellness program in the workplace.

⁵ In 2017, FCAC included 10 questions in the Canadian Payroll Association's annual survey of employees in Canada to examine financial stress, behaviours and preferences for financial literacy. A key result was that 82% of Canadians are interested in workplace financial education programs. [financial-literacy/financial-literacy-strategy.html](#)

Financial literacy for Indigenous Peoples

Research conducted by AFOA Canada (formerly the Aboriginal Financial Officers Association of Canada) on Indigenous Peoples living on reserve—and the results of the Canadian Financial Capability Survey—indicate that Indigenous Peoples face unique barriers to achieving financial well-being. To address these, FCAC's Financial Literacy Program collaborates with stakeholders to develop new programs and initiatives and identify research priorities focused on Indigenous Peoples. Among the key achievements and activities for this fiscal year:

- FCAC created a [Financial Literacy Working Group for Indigenous People](#) in May 2018 to work with Indigenous organizations and other experts in responding to the financial literacy needs of Indigenous Peoples, including First Nations, Inuit and the Métis Nation.
 - FCAC partnered with the Seven Generations Education Institute and Martin Family Initiative to develop a financial literacy pilot project for Indigenous adults. Announced in October 2018, the project will be delivered at the Institute's facilities in Kenora, Ontario. It is part of efforts to help adults manage their personal finances and gain the confidence to make better financial decisions. The pilot will include approximately 25 hours of in-class programming on topics such as budgeting, banking, credit and debt management.
 - FCAC collaborated with a Rotary Club's Honouring Indigenous People initiative to develop a toolkit of financial literacy resources for youth. The toolkit will be installed on refurbished computers and donated to Indigenous communities and schools. It will also be shared with members of the Indigenous Financial Literacy Working Group for distribution through its networks.
 - FCAC set up information booths and participated at various events and conferences, including the 2018 Indigenous Economic Development Symposium and the 2018 Indigenous Economic Prosperity Forum.
 - FCAC strengthened its relationships with 7 Government of Canada departments that provide programs and services for Indigenous Peoples to identify where financial literacy could be embedded to achieve positive outcomes.
 - FCAC shared and updated an environmental scan of 127 financial literacy resources for Indigenous Peoples (many of which are free or low cost) developed by non-profit organizations and available for use across Canada.
-

Continue to develop and enhance educational materials and promote awareness of FCAC resources and those of stakeholders

Updated online tools

As part of its Financial Literacy Program, FCAC offers a suite of online, interactive tools that consumers can use to create a budget, practice their financial skills, see if they qualify for a mortgage, create a plan to pay down debts, and reach their savings goals. These tools are regularly updated to ensure they meet the needs of users. For example, this fiscal year FCAC:

- updated [Your Financial Toolkit](#), an online learning program providing financial information and tools for adults, with 2 new modules adapted to the needs of post-secondary students
- enhanced [Financial Basics](#), a money management workshop to help young adults learn about budgeting, saving, credit, investing, fraud prevention and financial planning, with new content on student loans and digital financial services as well as an updated look and feel
- began developing a new budgeting tool called the [Budget Planner](#) (set to go live on November 1, 2019) that incorporates behavioural insights and tailored educational content to provide users with feedback and the ability to compare their spending habits to those of other Canadians

New and updated online consumer information

FCAC publishes web content on Canada.ca to help consumers better understand financial products and services. The information is unbiased and presented in an easy-to-read format. FCAC's content was visited more than 4.1 million times in 2018–2019, up from 2.6 million the previous year. A user survey also revealed that satisfaction with FCAC's web content was generally high across a number of indicators. For example, 80% of respondents said they were very likely or likely to return to FCAC's web pages in the future.

FCAC also continuously reviews its online information to ensure it is up-to-date and addresses the gaps in consumer understanding identified in its research. As part of this, FCAC monitors developments in the financial services marketplace, consults with stakeholders, and gathers information from Canadians. This allows FCAC to improve existing content and identify new topics. In 2018–2019, the Agency added information to Canada.ca on the following topics:

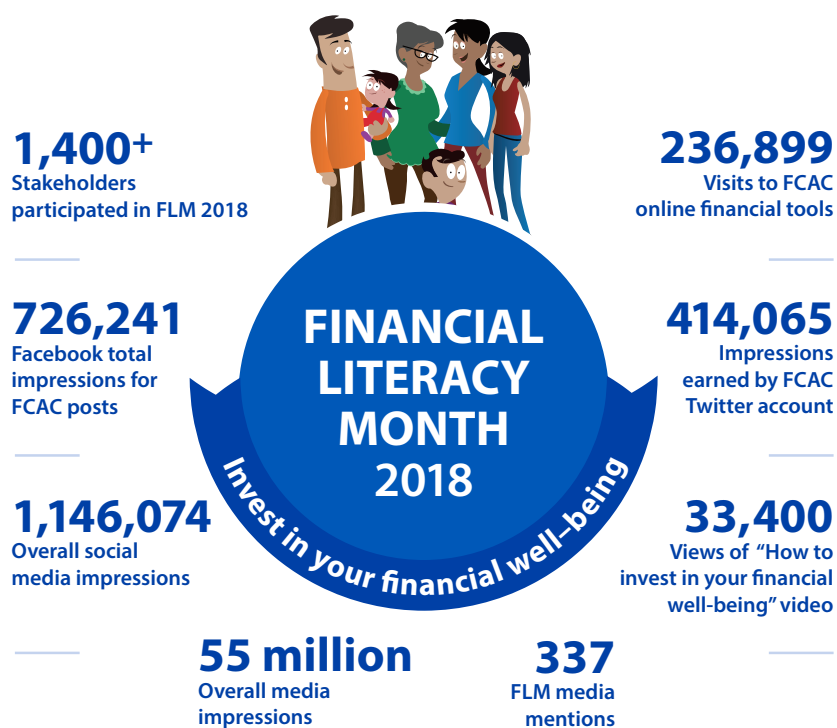
- [Personal and instalment loans](#)
- [Car title loans](#)
- [Rent-to-own plans](#)
- [Risks of sharing banking information on fintech apps](#)
- [Depositing a cheque with a mobile device](#)
- [Discharging a mortgage](#)
- [Credit or loan insurance](#)
- [Credit card balance insurance](#)
- [Turning your savings into retirement income](#)
- [Employer-sponsored pension plans](#)
- [Comparing retirement savings options](#)

Financial Literacy Month 2018

The eighth annual [Financial Literacy Month](#), held in November 2018 under the theme, “Invest in your financial well-being,” was co-launched by FCAC and the Bank of Canada. Throughout the month, Canadian consumers were encouraged to take control of their finances and reduce financial stress by making a budget, having a savings and debt reduction plan, and understanding their financial rights and responsibilities.

Core responsibility #2: Financial literacy (continued)

FCAC succeeded in engaging stakeholders and consumers through traditional and social media, outreach activities and creative marketing and communication strategies. To support stakeholders, FCAC produced new promotional material for their use, including a social media guide, digital images, infographics and articles. A number of organizations across the country contributed to the success of this annual initiative. They offered Canadians a wealth of financial literacy resources, events, tools and information, and helped raise awareness of the importance of investing in your financial well-being.



National advertising campaign: Take Charge of Your Finances

In October 2018, building on the success of the previous year's campaign, FCAC launched a nine-week, national digital advertising campaign focused on debt management under the theme, "Take charge of your finances." It encouraged Canadian adults to take concrete actions to better manage their money and debt and be vigilant about debt products on offer. The ads raised awareness of the risks associated with home equity lines of credits (HELOCs), and promoted FCAC's suite of financial tools and calculators related to debt management. They also focused on the importance of giving express consent for financial products and services. A main objective of the campaign was to increase visits to key landing pages on Canada.ca. Targets were exceeded in a number of areas.

Continue to conduct surveys and behavioural research and implement the National Research Plan for Financial Literacy

Research symposium

FCAC co-hosted the second [National Research Symposium on Financial Literacy](#) from November 26 to 27, 2018 in collaboration with the University of Toronto's Behavioural Economics in Action at Rotman. With more than 280 registered delegates and 33 speakers, the event brought together distinguished researchers and practitioners from Canada and around the world to share their research and best practices on financial literacy. Centred on the theme, "Using Research to Improve the Financial Well-Being of Canadians," the symposium underlined the important role that evidence plays in improving financial outcomes for Canadians.

At the symposium, FCAC presented the findings of 2 key research projects showing that budgeting and saving behaviours have an important impact on Canadians' financial well-being:

Longitudinal budgeting research using technology

FCAC has been conducting ongoing work to promote positive financial behaviours among Canadians via the Carrot Rewards mobile application. This app encourages users to adopt healthier lifestyles by offering them loyalty reward points (e.g., Aeroplan miles) in exchange for performing simple tasks.

The work began during a pilot study in 2016, when FCAC sent targeted financial education messages to app users to encourage them to start budgeting. This was followed in 2018 by a [study](#) to evaluate whether users had sustained their newly adopted budgeting behaviours. FCAC found that over half (54%) of Canadians who had begun budgeting during the pilot were still budgeting a year and a half later. Even more promising was the finding that those who were budgeting had better financial outcomes than those who were not.

Financial well-being survey

In 2018, FCAC conducted a national survey on financial well-being that generated a score representing how well Canadians are meeting their financial commitments, how comfortable they feel about their financial circumstances, and how resilient they are in terms of their financial futures. Overall, Canadians' financial well-being score was 65 out of 100. This was in the mid-range of scores for similar countries that had recently conducted this survey.

Financial literacy research sub-committee

In June 2018, Canada's Financial Literacy Leader and the National Steering Committee for Financial Literacy announced the members of the Financial Literacy Research Sub-Committee for 2018 to 2020. This group of thought leaders is responsible for generating evidence to inform the implementation of Canada's National Strategy for Financial Literacy. They will build on the [progress](#) made in advancing financial literacy research in Canada since the release of the [National Research Plan on Financial Literacy 2016-2018](#), which the inaugural sub-committee developed from 2016 to 2018.

Core responsibility #2: Financial literacy (continued)

Enhance international engagements: OECD/INFE

FCAC represents Canada on the OECD's International Network on Financial Education (INFE) and the INFE Advisory Board. In 2018–2019, FCAC staff participated in meetings and contributed to the work of several INFE initiatives, including:

- co-chairing the OECD/INFE Working Group on Financial Education in the Workplace
- contributing to international fact-finding exercises related to aging and financial education
- [presenting](#) at the 5th OECD-Global Financial Literacy Excellence Centre (GLFEC) Global Policy Research Symposium to Advance Financial Literacy. FCAC's Financial Literacy Leader discussed efforts in Canada to strengthen financial literacy among seniors and future seniors, with a view to how this work benefits the Canadian economy as a whole

Conduct a summative evaluation of FCAC's Financial Literacy Program

In 2018–2019, FCAC began an evaluation of its Financial Literacy Program to better understand its overall impact and ensure it continued to align with Government of Canada priorities. A firm has been contracted to conduct the evaluation and achieve the following principal objectives:

- assess the achievements and impacts of FCAC's Financial Literacy Program during the period 2014 to 2019
- assess the outcomes of FCAC's stakeholder engagement activities
- identify key considerations for improving and informing the future direction of the Financial Literacy Program

FCAC will use the evaluation results to refine program strategies and activities toward achieving the Agency's financial literacy objectives. A summative evaluation report will be completed in March 2020.

Internal services

FCAC’s core responsibilities in supervision and financial literacy are supported by a solid foundation of internal services, which includes the expert advice and services of teams working in marketing and communications, legal, human resources, finance, accommodations, security, procurement, and information technology and management.

Results by the numbers

2018–2019 financial resources (\$ millions)		2018–2019 human resources (full-time equivalents)	
Planned spending	Actual spending	Planned	Actual
16.65	14.34	80.0	65.2

Key FCAC commitments and activities in 2018–2019

Commitments	What we delivered
Strengthen internal services to better support employees and ensure the Agency achieves its priorities	<p>To meet the opportunities and challenges presented by the addition of resources and rising demands for its expertise, the Agency increased its corporate support, most notably in the areas of human resources and finance. As an important step in its evolution, the Agency appointed its first Chief Human Resources Officer and introduced a new service delivery model. FCAC also strengthened its leadership capacity by introducing new authority delegation training requirements, and offered change management training to employees at all levels in anticipation of legislative changes and expected growth.</p> <p>A roadmap was developed to staff 45 new positions. As an organization now exceeding 100 employees, the Agency submitted its first annual report pursuant to the <i>Employment Equity Act</i>. It also undertook significant engagement activities in response to the Public Service Employee Survey, which will also inform the development of an action plan in 2019–2020.</p> <p>Under the leadership of its Mental Health Champion, FCAC continued to encourage staff to invest in their mental, physical and financial well-being. The Agency regularly brings in subject matter experts and guests speakers, and promotes employee activities during Financial Literacy Month. In recognition of its efforts, Excellence Canada awarded the Agency a Certificate of Merit in Financial Wellness as part of its 2018 Canada Awards for Excellence.</p>



Internal services (continued)

Initiate a workplace modernization project

The Agency initiated a workplace modernization project to foster a culture of innovation and improve how it leverages digital technology to encourage collaboration, flexibility and efficiency. Among other key objectives, this multi-year project will:

- support the Agency as it continues to adopt Government of Canada workplace standards
- provide for greater collaboration among employees
- allow for mobility through the renewal of technology
- ensure the efficient use of resources

Initiate a business intelligence strategy

This fiscal year, FCAC started to establish a business intelligence strategy to support decision-making, information-sharing and research across the organization. The strategy is designed to help the Agency continue to identify and collect data it can trust and use to make evidence-based decisions and identify the financial issues and risks that affect Canadian consumers. During this fiscal year, the Agency focused on the following key initiatives:

- conducting preliminary research to develop a Business Intelligence Strategy that considers Government of Canada directions, industry trends and FCAC's business context
 - staffing key positions for the eventual implementation of the Business Intelligence Strategy
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