



Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada



ANNUAL REPORT

2020 - 2021





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For more information, contact:

Financial Consumer Agency of Canada
427 Laurier Ave. West
Ottawa ON K1R 1B9

www.canada.ca/en/financial-consumer-agency

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Rapport annuel 2020-2021

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Message from the Commissioner



I am pleased to present the Financial Consumer Agency of Canada's (FCAC) Annual Report for 2020-2021. Despite the unprecedented challenges of the COVID-19 pandemic, FCAC advanced the protection of financial consumers through its core responsibilities – supervising federally regulated financial entities and enhancing the financial literacy of Canadians.

Early in the pandemic, FCAC reprioritized its work and realigned its resources to address the immediate concerns of financial consumers. I am extremely proud of the way that FCAC was able to adapt its activities and find innovative solutions to fulfil its important mandate during this turbulent time.

This enabled us to:

- supervise and track the relief measures banks offered consumers (e.g. payment deferrals for mortgages and other credit products)
- monitor and respond to COVID-19 related complaints and compliance issues
- conduct research to track the changes in the financial well-being of Canadians and to monitor their banking experiences
- create a new COVID-19 information and resource page for consumers - [Managing Financial Health in Challenging Times](#).

In 2020-2021, FCAC welcomed the coming into force of some provisions of the Financial Consumer Protection Framework (FCPF), strengthening the Agency's mandate and powers. We also continued our work with the Department of Finance on preparations to implement the remaining amendments that will come into force on June 30, 2022. These measures, when fully implemented, will provide meaningful enhancements that will result in a higher standard of financial consumer protection for Canadians.

The Agency also marked the 10th anniversary of Financial Literacy Month, which was especially meaningful this year as we joined with organizations from the private, public, and non-profit sectors to raise awareness of the importance of financial literacy for individuals and families. FCAC pivoted to create virtual content (including four online events) and programs that recognized the financial challenges and uncertainty many Canadians were facing as a result of the COVID-19 pandemic.

In addition to responding effectively to the current challenges, the Agency made significant investments in preparing for the future. The team developed a Strategic Plan, a renewed National Financial Literacy Strategy and contributed to policy discussions around the development of a federal Open Banking Framework. The Agency was successful in attracting talent and completed the staffing of the senior executive team and our organizational realignment. We have adopted a hybrid work model and are continuing to seek opportunities to use technology to enhance the diversity and effectiveness of our team members. These investments will enable FCAC to better meet future challenges.

There is no question the events of 2020-2021 have been a strong test for the Agency. The adaptability and responsiveness of our superb team, and the modernized tools and systems we have put in place, enabled us to rapidly respond to many challenging and unforeseen circumstances. In addition, they have allowed us to embrace the promise of innovation, experimentation and a focus on measurable outcomes. We have demonstrated that the Agency is well-positioned to fulfil its mandate, even in the face of a great challenge. I am privileged to work with the professional, dedicated and exemplary team at FCAC.

Judith Robertson

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 supervises the market conduct of **328** [federally regulated entities](#)



FCAC employed approximately **160** full-time employees as of March 31, 2021



For 2020-2021, FCAC's expenditures of **\$34.2** million were funded through \$29.2 million in assessments from regulated entities and \$5 million in federal government funding



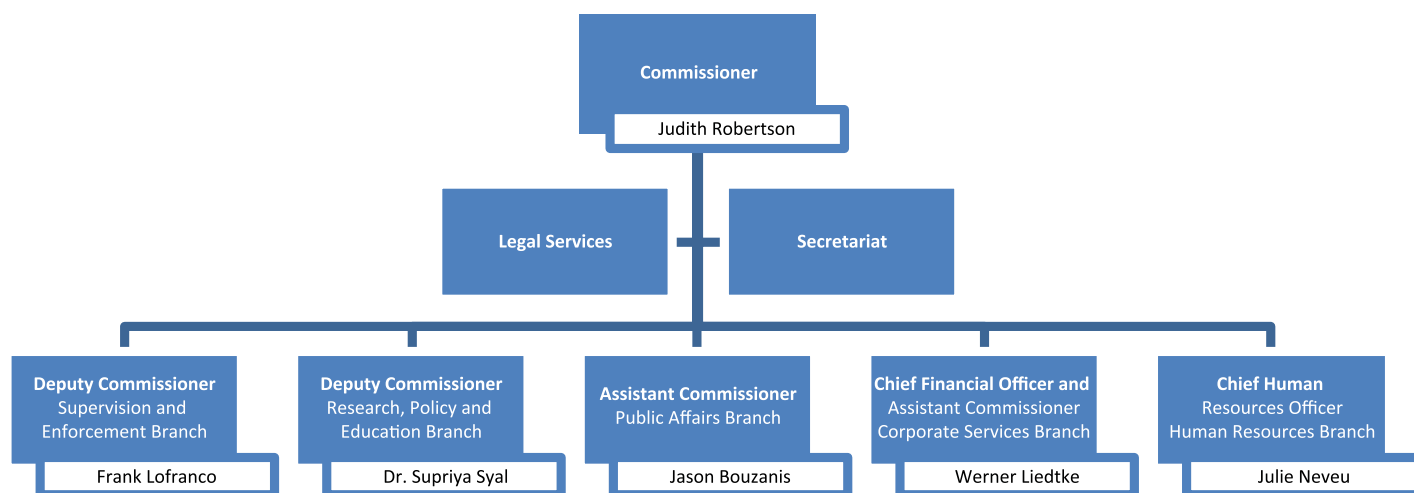
FCAC's Commissioner is a Governor in Council appointee who serves a 5-year term as head of the Agency and independent adjudicator of regulatory compliance proceedings



As part of its financial literacy mandate, FCAC provides consumers with online information, tools and resources to help them make informed financial decisions. FCAC has more than 1,500 financial literacy and consumer education web pages

Solidifying FCAC’s structure and senior leadership team

In 2019-2020, FCAC began realigning its organizational structure. Its core mandate functions are now grouped into 2 branches (Supervision and Enforcement, and Research, Policy and Education), and its enabling functions are grouped into 3 branches (Public Affairs, Corporate Services, and Human Resources). In 2020-2021, the branch-level structures of the Supervision and Enforcement, Public Affairs and Human Resources branches were re-organized and solidified. To complete its senior executive team, the Agency also filled 2 new key positions: Deputy Commissioner, Supervision and Enforcement and Deputy Commissioner, Research, Policy and Education.





Contact us

Website <https://www.canada.ca/en/financial-consumer-agency.html>

**Telephone (Consumer Services Centre) Toll-free
In Ottawa or outside Canada** 1-866-461-3222
613-960-4666

**TTY (for persons with hearing impairment) Toll-free
In Ottawa or outside Canada** 1-866-914-6097
613-947-7771

Email info@fcac.gc.ca

Twitter [@FCACan](https://twitter.com/FCACan)

YouTube [FCACan](https://www.youtube.com/FCACan)

Facebook [FB.com/FCACan](https://www.facebook.com/FCACan)

Instagram [fcac_can](https://www.instagram.com/fcac_can)

Postal address Financial Consumer Agency of Canada
Enterprise Building
427 Laurier Avenue West
Ottawa, Ontario K1R 1B9

Our raison d'être

The Financial Consumer Agency of Canada (FCAC) was established in 2001 to protect the rights and interests of consumers of financial products and services.

Our mandate

FCAC's mandate is to supervise [federally regulated financial entities](#) and strengthen the financial literacy of Canadians.

As a regulator, FCAC monitors and supervises the compliance of financial institutions, external complaints bodies (ECBs) and payment card network operators with consumer protection measures set out in legislation, public commitments and codes of conduct.

The Agency is also mandated to:

- promote awareness of the rights and responsibilities of Canadians in their dealings with financial institutions
- monitor, evaluate and promote awareness of trends and issues that may affect financial consumers
- develop and publish research, content, tools and programs to strengthen the financial literacy of Canadians
- foster an understanding of financial services and related issues in collaboration with stakeholders, including government, regulatory and community organizations

Our vision and mission

Our vision

To be a leader and innovator in financial consumer protection

Our mission

To protect consumers of financial products and services

To supervise regulated entities

To educate Canadians and strengthen their financial literacy

Our core responsibilities

FCAC fulfils its mandate through the execution of 2 core responsibilities:

- supervising federally regulated financial entities
- enhancing the financial literacy of Canadians through research and education

As the authoritative voice in matters of consumer protection, FCAC plays a critical role in the [oversight of the financial sector](#) in Canada. Consumer protection is important for Canadians and builds trust and confidence in Canada's financial system.

FCAC's strong foundation of internal services enables the Agency to support its core responsibilities and deliver on its priorities. (See Annex A for performance information related to the core responsibilities, as well as the Agency's commitments identified in the [2020–2021 Business Plan](#).) In 2022-23, FCAC will move to having one core responsibility, consumer protection, to better reflect its integrated approach to fulfilling its mandate.



Protect, supervise and educate: The year in review

COVID-19: Helping Canadians navigate financial uncertainty

The COVID-19 pandemic touched all aspects of FCAC's mandate as it sought to protect, supervise and educate financial consumers in unprecedented circumstances. Throughout this annual report there are examples of how FCAC quickly and effectively adapted its approach to protect financial consumers during uncertain times.

Early on in the pandemic, FCAC published [COVID-19: Managing financial health in challenging times](#) to provide Canadians with information and resources to help them make informed financial decisions, and deal with the financial hardships caused by the pandemic. The Agency updated this content regularly as the external environment evolved and new information became available. The web page received more than 83,000 visits during 2020-2021. Other FCAC web pages that provided relevant information during the pandemic received more than 100,000 visits.

FCAC's Consumer Services Centre receives enquiries from consumers about their rights and responsibilities when dealing with financial institutions. Through these enquiries FCAC obtains vital and timely intelligence on consumer issues, complaints, and emerging trends that inform the Agency's approach to its supervision and consumer education efforts. During the COVID-19 pandemic, the Centre provided critical support to Canadians, handling over 16,500 enquiries in 2020-2021 (a 29% increase from 2019-2020).

FCAC also launched 2 monthly surveys, one on the financial impacts of COVID-19 on consumers and the other on consumers' use of banking products and services during COVID-19. FCAC published the results in a [COVID-19 survey Dashboard](#).

In response to the pandemic, FCAC rapidly adapted its supervisory activities to engage with banks regarding the financial relief measures being provided to consumers. Throughout 2020-2021, FCAC communicated its expectations industry-wide to support positive outcomes for consumers and closely monitored banks' approaches to relief measures.

FCAC also engaged with its fellow members of the federal system for financial oversight (which includes the Department of Finance, Bank of Canada, Office of the Superintendent of Financial Institutions, and the Canadian Deposit Insurance Corporation) to highlight important consumer protection considerations and to support Canadians during the COVID-19 pandemic.

Further details of these activities are found in subsequent sections of this report.

Supervision and enforcement

FCAC protects financial consumers by supervising federally regulated financial entities for compliance with consumer protection obligations set out in [legislation, public commitments, and codes of conduct](#).

[FCAC's Supervision Framework](#), which came into effect in 2018 and was updated in August 2020, articulates the Agency's approach for effectively administering its risk-based and outcome-driven supervision of banks and other federally regulated entities. In response to this updated Framework, FCAC continued to modernize its business processes. Phase II of this work was underway in 2020-2021 and remains ongoing.

Monitoring COVID-19 financial relief measures

In addition to its other supervisory activities, from April to October 2020, FCAC [tracked the relief measures](#) banks provided to consumers in response to the pandemic. The Agency received weekly reports on the payment deferrals that banks approved for mortgages and other credit products and monitored access to branches. By the end of the deferral periods, banks had collectively received more than 2.1 million requests for relief.

The information FCAC collected on relief measures was shared regularly with fellow members of the federal system of financial oversight to help them understand, monitor and respond to the impact of the COVID-19 pandemic on consumers and the financial sector.

Bank Relief Measures (April-October 2020)

	Line of Business	Received	Approved	Declined
All regulated entities	Mortgage	792,114	787,699	3,691
	Loan	131,680	130,713	842
	Line of credit	122,047	127,659*	344
	Credit card	659,312	631,334	18,827
	Auto finance	311,982	311,704	270

*Some approvals reflect deferrals offered proactively by banks.

Over the course of the year, FCAC responded to COVID-related consumer complaints and compliance issues, and the Agency continues to assess COVID-19's impact on financial consumers and other federally-regulated financial institutions.

COVID-related consumer complaints reported by banks	FCAC investigations opened into compliance issues
597	17

Implementing the Financial Consumer Protection Framework

Despite the ongoing challenges of the COVID-19 pandemic, FCAC continued its important work toward the implementation of the new FCPF. The framework is designed to strengthen protections for consumers through legislative amendments to the [Bank Act](#) and the [Financial Consumer Agency of Canada Act](#), which passed in 2018. The FCPF will come into force in stages; while some amendments came into force on April 30, 2020, others will come into force on June 30, 2022.

Throughout 2020-2021, FCAC worked closely with the banking industry to communicate its expectations related to the new and enhanced provisions of the FCPF, while also developing the internal capacity, policies, procedures and systems to implement its various amendments as they come into force.

Research, policy and education

FCAC protects financial consumers through its work in research, policy and education. FCAC conducts research that is evidence-based, measurable, and draws on behavioural science to improve consumer financial decision-making. These findings are used to support the development of educational tools and resources that help strengthen financial literacy and financial outcomes for Canadians. FCAC also protects consumers by contributing to effective policy development that benefits Canadians.

FCAC Research related to COVID-19

Early in the pandemic, FCAC launched 2 monthly surveys on the financial impacts of COVID-19 on Canadians. Taken together, these surveys offer key insights into the evolving impact of the pandemic on the financial situation of Canadians.

COVID-19 Financial Well-being Survey

► Studies the impact of the pandemic on the financial well-being of Canadians



75%

of Canadians reported increased stress since the start of the pandemic



36%

of Canadians who already had debt saw it increase during the pandemic



54%

of Canadians report using a budget during COVID-19, compared to 49% in 2019

Survey on Canadians' Use of Bank Products/Services

► Tracks Canadians' use of financial products and COVID-19 related financial hardship programs offered by banks



1 in 10 consumers contacted their bank about hardship programs



nearly 3 in 10 consumers reported paying additional bank fees because of the pandemic, such as overdraft, late payment, and ABM fees



nearly 1 in 5 consumers reported being affected by the closure of their local bank branch

Other notable research initiatives include:

1. a Refund to Savings pilot intervention targeted at helping Canadians save money refunded to them from their tax returns
2. a National Student Competition to promote research on financial literacy
3. a review of FCAC's [Budget Planner](#) tool to seek areas of improvement

Contributions to the development of an open banking framework in Canada

Open banking is a secure way for consumers to share their financial data between commercial entities (such as banks and financial technology companies that offer online or app-based products and services). FCAC [published](#) its submission to the federal government's Advisory Committee on Open Banking. This submission supports the development of a federal framework for open banking and provides recommendations for consistent consumer protections and market conduct standards. FCAC also developed and published new educational content for consumers about [open banking](#).

Renewal of the National Financial Literacy Strategy

Over the course of 2020-2021, FCAC developed a renewed [National Financial Literacy Strategy](#) to reflect the evolving needs and expectations of Canadians in an increasingly digital financial marketplace, and the impact of COVID-19.

In addition to gaining insights from evidence-based research and international perspectives, FCAC gathered input from groups and individuals across the country over a 3-month period (November 2020 to January 2021) that informed the renewal of the National Strategy. These included 8 virtual roundtables with a total of 90 stakeholder organizations representing key population groups, including seniors, women, newcomers to Canada, people of colour, Francophones, people living on low income, and cross-sector interests (industry associations and non-profit organizations).

In addition, FCAC received 670 responses to its online questionnaire and 29 written submissions from organizations and individuals.

These consultations helped establish a new direction for the National Strategy, shifting the focus to what stakeholders can do to change the financial ecosystem to help Canadians build financial resilience. A [summary](#) of what FCAC heard through the consultations was published in June 2021. The renewed National Financial Literacy Strategy, [Make Change that Counts](#), was released in July 2021.

Financial Literacy Month 2020

For the tenth anniversary of Financial Literacy Month in November 2020, FCAC pivoted to create virtual content and programs that recognized the financial challenges and uncertainty that many Canadians were facing as a result of the COVID-19 pandemic.

During the month, FCAC launched a national advertising campaign and hosted 4 successful virtual events for Canadians and stakeholders, including:

- a launch event featuring remarks from the Honorable Mona Fortier, Associate Minister of Finance and Minister of Middle-Class Prosperity
- a free webinar for Canadians focused on budgeting and managing money and debt
- a free webinar on managing money targeted at post-secondary students and recent graduates (in collaboration with the Canadian Bankers Association)
- an event for financial literacy stakeholders focused on innovative, research-based approaches to financial literacy

Highlights from Financial Literacy Month included:

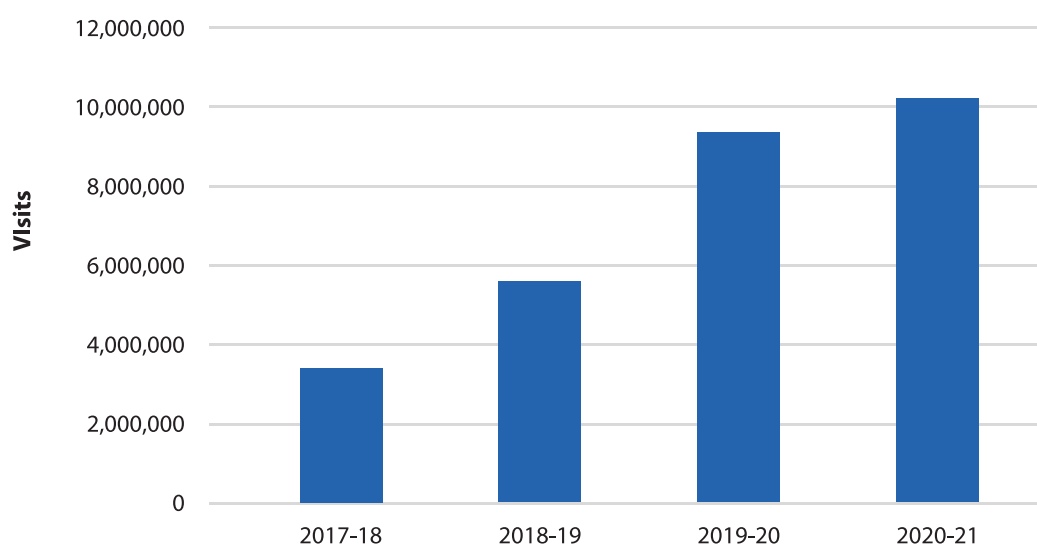
- ▶ more than 93,000 visits to FCAC's Financial Literacy Month website
- ▶ more than 12,000 uses of the hashtags #FLM2020 and #MLF2020 on social media

Digital content for consumers, stakeholders and industry

FCAC offers a broad range of online information, tools and resources to help Canadians make financial decisions and support the efforts of financial literacy stakeholders, in addition to providing industry with important information on FCAC's regulatory functions. FCAC has more than 1,500 financial literacy and consumer education web pages. Of those, 178 (12%) were updated in 2020-2021.

Last year, more Canadians visited FCAC web pages than in any previous fiscal year.

Web visits to FCAC web content including Canada.ca, tools and calculators



FCAC's social media channels played a particularly important role in sharing information and resources to help consumers manage their finances during the pandemic and inform Canadians about government support programs and bank relief measures.

By the numbers:

	2020-2021	
	Total impressions	% change from 2019-2020
Twitter	2,678,153	51%
Facebook	1,531,522	14%
LinkedIn	67,969	49%

The agency

Innovation in the workplace

Serving Canadians together, apart

Over the course of 2020-2021, FCAC provided its employees with the support they needed to continue serving Canadians despite the challenges posed by the COVID-19 pandemic. Employees were equipped with the technology and resources to carry out their work efficiently and effectively in a remote context. Flexible work arrangements also enabled employees to better balance their work and personal responsibilities. To prepare for an eventual return to the office, the Agency developed a 4-phase strategy to ensure the health and safety of its employees and developed office protocols and procedures in line with public health guidance.

Innovation in action

The 2020 Commissioner's Award of Excellence was given to a member of the IT Infrastructure Services team, in recognition of his initiative, leadership, and innovation in transitioning the Agency to cutting-edge cloud technologies and new remote working tools within a secure environment. As a result of opportunities identified to accelerate the planned transition, when personnel were suddenly required to work remotely due to COVID-19, the Agency was ready and able to remain fully operational.

Data and analytics strategy

FCAC began implementing a data and analytics strategy to enable the Agency to unlock the full value of its data assets. For example, it implemented a governance framework in support of the strategy, implemented a business intelligence pilot project, and established a process for improving the quality of data assets.

FCAC: a great place to work

FCAC created plans to modernize its Ottawa office to meet the evolving needs of its employees, including incorporating a hybrid work model. Construction will occur in phases over the next 2 fiscal years. The modernized office will support employees' productivity by providing a greater variety of workspaces, including more collaboration zones and tools. FCAC also established a Toronto office to enhance its supervisory capacity and enable the recruitment of a diverse and expert talent base.

FCAC team members are highly motivated and committed to protecting financial consumers and helping to improve their financial literacy. FCAC employees are engaged: 89% completed the 2020 Public Service Employee Survey.

The results of the 2020 Public Service Employee Survey (PSES) show that 85% of FCAC respondents agree they are proud of the work they do and 84% agree that they would recommend the Agency as a great place to work. Overall, the results on the questions related to engagement and empowerment were high, as was the confidence in leadership.

In 2020, the Commissioner became FCAC's first Champion for Diversity, Inclusion and Bilingualism and a new Champion for Mental Health and Wellness, Assistant Commissioner, Corporate Services, was appointed. As part of the Mental Health and Wellness Action Plan approved in 2020-2021, various activities and resources were promoted to raise awareness, build skills, and encourage conversations about mental health in the workplace. Utilization rates for our Employee Assistance Program showed that more employees and their families were accessing these valuable resources.

In 2020-2021, FCAC initiated many opportunities, events and training sessions to recognize, celebrate and enhance employees' understanding of the diversity of its workforce. The Agency increased its representation of employees who self-identify as members of visible minorities, persons with disabilities, and Indigenous Peoples. Percentage representation now exceeds workforce availability for 2 employment equity groups, and the Agency will continue its efforts to enhance representation and capitalize on the richness of Canada's diversity in the coming year.

Percentage representation of employment equity groups			
	Workforce availability ¹	FCAC employees 2019-2020	FCAC employees 2020-2021
Women	48.2%	56.4%	56.4%
Visible minorities	21.3%	14.1%	16.6%
Persons with disabilities	9.1%	6.7%	9.8%
Indigenous Peoples	4.0%	s ²	s ²

¹ Adapted from Statistics Canada, the 2016 Census and the 2017 Canadian Survey on Disabilities
² Data is suppressed (s) to protect confidentiality when the representation number is 5 or less.

With the coming into force of the amendments to Part II of the Canada Labour Code and the Work Place Harassment and Violence Prevention Regulations, the Agency and its Occupational Health and Safety Committee (OHSC) completed a workplace assessment to identify risks and preventative measures based on on the National Standard of Canada for Psychological Health and Safety in the Workplace. The assessment confirmed that psychological health and safety are being effectively addressed at the Agency.

Legislated reporting requirements

FCAC's reporting requirements are set out in [Financial Consumer Agency of Canada Act](#) and related acts.¹

FCAC Act

34 (a) in aggregate form, its conclusions on the compliance, in that year, of financial institutions and external complaints bodies with the consumer provisions applicable to them

FCAC monitors and supervises the compliance of federally regulated financial entities and external complaints bodies (ECBs) with consumer protection measures set out in legislation, public commitments, and codes of conduct. FCAC's supervision program is designed to be risk-based and outcome-driven and seeks to promote and enable compliance by regulated entities through proactive engagement and the early identification of emerging issues.

Through its supervisory activities, FCAC regularly engages with regulated entities to promote, monitor, and enforce compliance with their market conduct obligations. During this reporting period, these engagements did not identify areas of elevated risk of non-compliance with consumer provisions.

For more information on how FCAC carries out its supervisory mandate, please refer to [FCAC's Supervision Framework](#).

In 2020-2021 FCAC:

- engaged in 399 formal supervisory touchpoints
- held its annual industry information session and 2 industry working group meetings
- oversaw banks' efforts to establish policies and procedures to support compliance with the Code of Conduct for the Delivery of Banking Services to Seniors
- opened 12 Action Plans in relation to compliance with market conduct obligations (most of which resulted from the Agency's industry reviews of [Bank Complaint Handling Procedures](#) and the [Operations of External Complaints Bodies](#) conducted in 2019-2020)
- closed 4 Action Plans as the corrective actions had been completed
- closed 3 Compliance Agreements as the corrective actions had been completed, resulting in \$4.6 million being returned to customers and \$445,700 being contributed to charity where customer information could not be confirmed
- opened no new Compliance Agreements
- responded to 244 Reportable Compliance Issues submitted by regulated entities
- issued 255 Notices of Breach following investigations. Of those, 219 were a Level One, 35 were Level Two, and one was Level Three
- issued no Notices of Non-Compliance
- issued 6 Commissioner [Decisions](#), finding 15 violations and imposing penalties totaling \$2,725,000
- commenced its work to oversee the 5-Year Review of ECBs and supported the Department of Finance's planning for consultations on the structure of these bodies in Canada
- continued to be an active member of the governing council of FinCoNet, an international organization of supervisory authorities with responsibility for financial consumer protection

Almost all of the regulated entities that offered relief measures to consumers in response to the COVID-19 pandemic responded promptly and comprehensively to FCAC's reporting requirements on these hardship programs and consumer access to branches. Regulated entities were equally forthcoming in response to the Agency's requests for COVID-related consumer complaints.

¹ The [Bank Act](#), the [Insurance Companies Act](#), the [Cooperative Credit Associations Act](#), the [Trust and Loan Companies Act](#), and the [Payment Card Networks Act](#).

34 (b) in aggregate form, its conclusions on the compliance, in that year, of payment card network operators with the provisions of the Payment Card Networks Act and its regulations

FCAC monitors and supervises compliance of Payment Card Network Operators (PCNOs) with the [Code of Conduct for the Credit and Debit Card Industry \(Code\)](#). The Agency, through its supervisory activities, regularly engages with PCNOs to promote, monitor, and enforce compliance with their market conduct obligations. During this reporting period, these engagements did not identify areas of elevated risk of non-compliance.

For more information on how the Agency carries out its supervisory mandate, please refer to FCAC's [Supervision Framework](#).

In 2020-2021 FCAC:

- engaged in 80 formal supervisory touchpoints
- received 68 reportable complaints in aggregate from October 1, 2019, to March 31, 2021 (note: the reporting period was adjusted due to COVID-19)
- issued 5 Notices of Breach following investigations
- issued no Notices of Non-compliance
- regularly engaged with PCNOs to monitor their responses to the pandemic-related increase in card-not-present transactions (such as by facilitating increased transaction limits for contactless payments and rolling out contactless capability to businesses)
- tracked measures taken by PCNOs and acquirers to address merchant hardships (such as by waiving early cancellation penalties, providing merchants with access to free cybersecurity services and fraud prevention support)
- assumed a special advisory role on the Code of Conduct Advisory Committee which was launched by the Department of Finance to support compliance with the Code
- updated [Compliance Bulletin B-7](#), to establish expectations regarding control measures and tools that PCNOs must employ to promote the compliance when they rely on third parties. By January 31, 2021, PCNOs had collected the required attestations of compliance from all Code participants
- held its annual industry session for PCNOs and participants in the payments industry.

34 (c) its collaboration with stakeholders, and the coordination of its activities with those stakeholders, to contribute to and support initiatives to strengthen the financial literacy of Canadians

In support of strengthening the financial literacy of Canadians, FCAC conducted a comprehensive review of current and planned financial literacy research projects in Canada to summarize existing evidence and identify existing gaps. The results of the review contributed to the renewal of the [National Financial Literacy Strategy](#) and the Integrated Research Plan and will help inform and guide the work of both FCAC and stakeholders going forward. As highlighted on page 9 of this Annual Report, the Agency engaged in extensive and targeted consultations to support the renewal of the [National Financial Literacy Strategy](#).

FCAC worked closely with financial literacy stakeholders who interact directly with consumers to better understand the financial challenges that Canadians were facing due to COVID-19 and identify related trends and issues. In addition, FCAC shared timely information with stakeholders that would benefit their communities and constituencies.

In 2020-2021 FCAC:

- collaborated with 18 financial literacy networks across Canada, representing more than 575 financial literacy organizations/ individuals
- regularly connected stakeholders with each other, so that they could expand their own networks, share best practices and/or partner on initiatives
- led several stakeholder meetings and [national committees](#) either as chair or co-chair, including the Financial Literacy Working Group for Indigenous Peoples, the FCAC Research Committee on Financial Literacy and the Interdepartmental Committee on Financial Literacy
- launched a national advertising campaign and hosted 4 virtual events for Canadians and stakeholders for the 10th anniversary of Financial Literacy Month in November 2020 (see page 9)
- participated in several meetings of the Consumer Measures Committee (federal-provincial-territorial forum) and the interdepartmental Federal Forum for Consumer Awareness and Protection, to enhance horizontal collaboration and coordination and share timely research results and consumer protection information and approaches
 - supported the development of the [Consumer Hub](#), which is the government's new resource for information on consumer complaints
- held 4 meetings of FCAC's Consumer Protection Advisory Committee to discuss priorities and objectives, emerging trends, issues and research, and other matters relevant to financial consumers and the enhancement of financial literacy
- produced quarterly bulletins on financial literacy resources distributed throughout the financial literacy networks
- collaborated with other government departments and regulators, non-governmental organizations, and industry, including:
 - Employment and Social Development Canada (Canada Student Loans Program)
 - Canada Revenue Agency as part of Community Volunteer Income Tax Program
 - Canadians Bankers' Association on a webinar for youth
 - Affiliation of Multicultural Societies and Service Agencies members in BC
 - Office of the Superintendent of Bankruptcy
 - Canadian Armed Forces
 - Canadian Credit Union Association
 - Canadian Foundation for Economic Education
 - Carrefour jeunesse-emploi

In 2020-2021, FCAC also participated in meetings with the Organisation for Economic Co-operation and Development's [International Network on Financial Education](#), which included working groups on digital financial literacy, financial education in the context of an aging population, financial education in the workplace, standards, implementation and evaluation, and financial resilience. FCAC also shared information on its approach to helping consumers manage their finances during the pandemic, contributed to working group discussions, and helped develop a range of deliverables, such as policy handbooks, issue notes, reports, and joint working definitions for key concepts.

FCAC represented Canada, with the Department of Finance, on the [OECD G20 Task Force on Financial Consumer Protection](#). FCAC shared information on effective approaches for mitigating the risks to financial consumers posed by the COVID-19 pandemic and strategies for digital financial literacy. It also contributed to an ongoing review and update of the Task Force's High-Level Principles of Financial Consumer Protection.

Procedures for Dealing with Complaints

When FRFEs provide consumers with access to a fair and efficient process for resolving complaints, it promotes trust and confidence in financial institutions. All FRFEs must have complaint handling procedures in place, including access to an external complaints body (ECB).

FCAC's 2020 industry review on [Bank Complaint Handling Procedures](#) identified a number of deficiencies in banks' complaint handling policies and procedures, as well as a number of opportunities to improve the effectiveness, accessibility, and timeliness of handling complaints.

FCAC's 2020 [Industry Review of the Operations of External Complaints Bodies](#) identified a number of areas where ECBs could improve their policies, procedures and practices.

In 2020-2021 FCAC:

- issued specific recommendations to the banks involved in the review, and established Action Plans with the banks to implement those recommendations
- issued specific recommendations to ECBs and established Action Plans to follow through on them
- supported the Department of Finance's development of consultations regarding the structure of ECBs in Canada
- worked with industry working groups to establish technical specifications and standardized classifications for the more comprehensive complaint reporting required for the FCPF
- continued its consultation with industry in developing a guideline for complaint handling procedures related to the framework

Complaints Reported to FCAC

Consumer complaints play an important role in identifying concerns in the market conduct of federally regulated financial entities and gathering information on trends and emerging issues.

Consumer complaints reported by federally regulated financial entities to FCAC in 2020-2021

Regulated entities are required to report complaints by consumers that have been escalated beyond the first level and that involve a market conduct obligation overseen by FCAC. In 2020-2021, a total of 10,487 complaints were reported to FCAC in aggregate. The top 5 categories and associated percentages are shown in the table below.

Rank this year	Category	%	% point change	Rank last year
1	COVID-19	7.5%	n/a	n/a
2	Disclosure of charges for accounts	7.4%	n/a	3
3	Credit card fraud	5.3%	-1%	3
4	Disclosure of mortgage repayment and prepayment information	5.1%	+2%	9
5	Unsolicited credit cards	4.3%	-2%	2

Consumer complaints reported directly to FCAC in 2020-2021

Complaints received directly by FCAC are reviewed for information relating to the regulated entities' compliance with consumer protection measures. For complaints that do not relate to consumer protection measures overseen by FCAC, complainants are referred to the appropriate regulatory body or consumer protection organization, where possible.

In 2020-2021, FCAC received 6,861 direct consumer complaints. Of those, 376 were related to compliance with consumer protection measures that FCAC oversees. The top 5 categories and associated percentages are:

Rank this year	Category	%	% point change	Rank last year
1	Complaint handling procedures	22.5%	+4%	1
2	Unsolicited credit cards	8.2%	n/a	3
3	Penalties to merchants	5.7%	+2%	4
4	Credit card fraud	5.5%	-4%	2
5	COVID-19	4.7%	n/a	n/a
5 (tie)	Merchant agreement disclosure	4.7%	+1%	6

Spending and human resources

As a financial sector regulator, FCAC delivers high-quality programs and services that meet the needs of Canadians and ensures sound stewardship of resources.

	2020–2021 spending		2020–2021 full-time equivalents	
	Planned	Actual	Planned	Actual
Core responsibility				
Supervision of federally regulated financial entities	\$9,061,627	\$6,997,985	58	46
Financial literacy, research and education	\$6,844,238	\$4,707,711	38	29
Internal services	\$22,506,882	\$22,458,908	109	85
Total	\$38,412,747	\$34,164,604	205	160

FCAC's total expenses were \$4.2 million below budget primarily due to delays in staffing, as well as lower travel costs.

Additional information can be found in the Financial Statements for 2020-2021.

More information on FCAC's financial and human resources can also be found in [GC InfoBase](#).

Annex A: Results by the numbers: 2020–2021 performance information

Core responsibility results

Core Responsibility #1: Supervision of federally regulated financial entities

FCAC's Supervision and Promotion Program oversees federally regulated financial entities' compliance with federal financial consumer provisions, codes of conduct and public commitments. It also promotes responsible market conduct by communicating FCAC's expectations, conducting research on trends and emerging issues affecting financial consumers, contributing to policy direction and promoting awareness of consumers' rights and responsibilities.

2020–2021 financial resources		2020–2021 human resources (full-time equivalents)	
Planned spending	Actual spending	Planned	Actual
\$9,061,627	\$6,997,985	58	46

Departmental results	Departmental results indicators	2019-2020 results	Target	2020-2021 results
Federally regulated financial entities are compliant with consumer protection legislation, their public commitments and codes of conduct	Percentage of financial institutions that are aware of the reason for, nature and outcome of FCAC's supervision activities	The event where performance information is gathered was cancelled due to COVID-19	At least 80%	98%
	Percentage of cases of non-compliance where corrective actions (commensurate with the level of non-compliance) are undertaken by FCAC	100%	100%	100%
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	78%	82% (5% increase)	72%
	Number of Canadians reached through consumer rights and responsibilities information	156,846 visits	164,688 visits (5% increase)	162,652 visits

Core Responsibility #2: Enhancing the financial literacy of Canadians through research and education

FCAC's research, education and financial literacy programs strengthen Canadians' financial knowledge and skills and as well as their confidence to make responsible financial decisions. FCAC works with stakeholders and financial literacy networks across Canada to develop and deliver initiatives that help guide Canadians' financial decisions. In particular, the Agency focusses on encouraging Canadians to budget, build savings, pay down debt and choose financial products and services wisely.

2020–2021 financial resources		2020–2021 human resources (full-time equivalents)	
Planned spending	Actual spending	Planned	Actual
\$6,844,238	\$4,707,711	38	29

Departmental results	Departmental results indicators	2019-2020 results	2020-21 Targets	2020-2021 results
Canadians are strengthening their financial knowledge, skills and confidence	Percentage of Canadians who strengthen their financial knowledge	62%	65% (5% increase)	n/a ¹ Canadians' financial knowledge scores (based on an objective 3-item quiz) remained virtually unchanged, with an average score of 68.3% correct in 2021 , compared to 66.6% correct in 2019 .
	Percentage of Canadians who strengthen their financial confidence	40%	42% (5% increase)	n/a ¹ Canadians who describe themselves as either knowledgeable or very knowledgeable when it comes to finances increased to 49% in 2020-2021, up from 40% in 2019 .
	Percentage of Canadians who adopt desired financial behaviours	49%	51% (5% increase)	n/a ¹ 54% of Canadians reported having a household budget in 2020-2021 compared to 49% in 2019 .
	Percentage of non-budgeters who are confident in their ability to make and follow a budget	18%	19% (5% increase)	n/a (note: the service provider that collected this information went out of business in 2019. New indicators are being developed)
	Percentage of non-budgeters who begin budgeting	23%	24% (5% increase)	n/a (Note: the service provider that collected this information went out of business in 2019. New indicators are being developed)
	Number of Canadians reached through initiatives supporting the National Strategy for Financial Literacy	9,273,426	9,737,097 (5% increase)	10,243,558

Note: 1. The results are obtained from the Canadian Financial Capability Survey (CFCS) which is conducted every 5 years. The last time the survey was completed was in 2019. The CFCS will be conducted on an annual basis starting in January 2022. Although CFCS data to report on this indicator is unavailable for 2020-21, related data is available through our Covid-19 Financial Wellbeing Survey and is reported here.

2020-2021 Business Plan commitments

Priority 1: Enhance FCAC's regulatory effectiveness	
Strategic objectives	Results
Implement the new Financial Consumer Protection Framework in the <i>Bank Act</i>	<p>During 2020-2021 FCAC:</p> <ul style="list-style-type: none"> worked with banks and the Department of Finance to develop guidance, regulations, policies and procedures and technical specifications to implement the FCPF certain provisions came into force on April 30, 2020 (see page 8)
Implement and modernize information management and information technology tools to improve FCAC's monitoring and oversight activities	<ul style="list-style-type: none"> commenced foundational IT infrastructure to enable future application development for client relationship management, data and analytics, and artificial intelligence tools
Conduct risk-based and proactive supervision of FRFes. Prioritize resource allocation to anticipate market conduct risks and become a more proactive regulator	<ul style="list-style-type: none"> improved the quality of data and analysis by building market conduct profiles to enable risk-based supervision planning reassigned resources from the planned industry review to the COVID reporting (see page 6) enhanced enforcement capacity and reduced regulatory burden through the rapid development and introduction of a streamlined intake process
Conduct risk-based and proactive supervision of FRFes. Prioritize resource allocation to anticipate market conduct risks and become a more proactive regulator	<ul style="list-style-type: none"> established and staffed a Secretariat to formalize the adjudicative process developed an Agency-wide engagement strategy for inter-governmental engagement and coordination

Priority 2: Ensure FCAC is an insightful and effective authority in financial education	
Strategic objectives	Results
Renew Canada's Financial Literacy Strategy to mobilize and engage the public, private and non-profit sectors to strengthen Canadians' financial literacy.	<p>During 2020-2021 FCAC:</p> <ul style="list-style-type: none"> engaged in active consultations with stakeholders to inform and develop the 2021-2026 financial literacy strategy (see page 9)
Provide innovative and effective educational resources to help consumers make informed financial decisions and select products and services that work best for them	<ul style="list-style-type: none"> developed an inventory and assessed internal and external educational resources (web content, tools, programs) to identify effective and useful information for financial consumers collaborated with leading researchers at the University of Toronto to evaluate the Budget Planner and identify ideas for improvement partnered with the Social Policy Institute and Intuit to pilot Refund to Savings, an intervention designed to increase saving behaviours among tax filers

<p>Extend the reach of FCAC's educational tools and programs by working with stakeholders to ensure the Agency's resources are widely available to Canadians</p>	<ul style="list-style-type: none"> • leveraged the financial literacy stakeholder community to disseminate information and educational resources • collaborated with the Canada Revenue Agency as part of the Community Volunteer Income Tax Program • collaborated with Canadians Bankers' Association to create a webinar for youth • engaged with the Affiliation of Multicultural Societies and Service Agencies members in British Columbia • collaborated with other government departments and regulators, non-governmental organizations, and industry such as: Employment and Social Development Canada (Canada Student Loans Program), Office of the Superintendent of Bankruptcy, the Canadian Armed Forces, the Canadian Credit Union Association, the Canadian Foundation for Economic Education, and Carrefour jeunesse-emploi
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Priority 3: Invest in the future	
Strategic objectives	Results
<p>Build expertise and capacity to respond to and anticipate new developments and emerging trends to ensure FCAC can intervene promptly to protect consumers, foster sound market conduct and inform financial consumer policy discussions</p>	<p>During 2020-21, FCAC:</p> <ul style="list-style-type: none"> • created new divisions with specific expertise in strategic policy and research • contributed to Government of Canada consultations on the development of an open banking framework in Canada that includes consistent protection for consumers (for more details see FCAC submission to the Advisory Committee on Open Banking) • published web content on open banking and fintech applications to help educate and protect consumers • advanced the consumer data protection agenda, including cyber protection, by researching policies adopted by regulated entities and by completing an international benchmarking study on best practices • supported the development of the government's new resource for information on consumer complaints (Consumer Hub)
<p>Establish a comprehensive and integrated approach to FCAC's research and policy function to ensure the Agency has a standardized process to identify and prioritize research across all areas of the organization</p>	<ul style="list-style-type: none"> • created an Integrated Research Plan, providing a strategic road map for the modernization of FCAC's research and policy function • renewed the FCAC Research Committee and held 3 meetings. • developed and launched a National Student Competition (Building Better Financial Futures) in collaboration with the Research Committee • launched 2 surveys to assess the impact of COVID-19 on financial consumers (see pages 8)
<p>Establish an Agency-wide approach to communication, outreach and engagement to ensure our activities are well coordinated, clear and responsive to the diverse needs of targeted audiences</p>	<ul style="list-style-type: none"> • developed and implemented a public affairs plan in support of key activities • reviewed FCAC's web presence to improve visibility and user experience • launched an ad and social media campaign to support Financial Literacy Month (see page 9) • contributed to the development of a crisis communication plan for the financial sector

<p>Build the foundation to become a modern Agency to ensure FCAC is positioned for future success</p>	<ul style="list-style-type: none"> • completed its organizational realignment and senior executive staffing (see page 3) • established and implemented a data and analytics strategy including a governance framework • formalized an internal evaluation function to ensure the ongoing relevance, efficiency and effectiveness of programs and processes • planned a workplace modernization project including a redevelopment of the Agency's Ottawa location and the opening of a Toronto location • developed a hybrid work model including remote and flexible work arrangements • developed a 5-year strategic plan to support business planning and resource prioritization (its 4 Strategic Goals were published with the 2021-2022 Business Plan and the full report will be published in 2021) • renewed the Agency's intranet to improve employee communications and information sharing
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Priority 4: Capitalize on the diversity of FCAC's talent	
Strategic objectives	Results
<p>Attract, develop and retain a highly skilled, diverse and engaged workforce by developing and delivering human resources programs and services that aim to maximize employees' contributions and potential</p>	<p>During 2020-21, FCAC:</p> <ul style="list-style-type: none"> • continued to implement its 3-year action plan to address results from the Public Service Employee Survey, which is focused on strengthening leadership, maximizing performance and development, anchoring values and ethics, and sustaining engagement • improved internal communications and engagement through increased frequency of Agency-wide town halls, the launch of a new intranet, regular employee bulletins, a new FCAC 101 learning series, and the creation of new onboarding tools and resources • strengthened its talent management practices by completing an analysis of employee learning plans to determine pan-Agency training requirements and providing employees with more options for professional development and training
<p>Strengthen the foundational elements of a healthy, respectful and enabling workplace that capitalizes on the richness of bilingualism and diversity and enhances organizational performance</p>	<ul style="list-style-type: none"> • created a Diversity, Inclusion and Bilingualism Champion position, held by the Commissioner, to emphasize the importance of and leadership on these issues • created a schedule of guest speakers, activities, engagements, and recognition and learning opportunities for issues related to diversity, inclusion and bilingualism • launched a Mental Health and Wellness Action Plan (key activities included the promotion of mental health and wellness through Mental Health Week, Mental Illness Awareness Week, Bell Let's Talk Day and quarterly LifeSpeak campaigns) • provided training for managers and employees offered by the Mental Health Commission of Canada • provided additional resources to build awareness, skills and confidence in promoting mental health, and identifying and addressing related challenges, particularly those associated with the COVID-19 pandemic