Championing competition in uncertain times

2020-21 Annual Report
Against the backdrop of global disruption brought on by the COVID-19 pandemic, our Strategic Vision helped the Competition Bureau adapt to challenges during uncertain times. Even in a pandemic, we delivered results for Canadians using the law enforcement, advocacy and collaboration tools available to us.

Our achievements showcased in this annual report are consistent with that vision: to be a world-leading competition agency, one that is at the forefront of the digital economy and champions a culture of competition for Canada.

In the 2020-21 fiscal year, we continued to focus on the importance of safeguarding and promoting competitive markets in the digital economy. For example, Facebook paid a $9 million penalty after our investigation found that it had made false or misleading claims about the privacy of Canadians’ personal information online. And we hosted the Digital Enforcement Summit, where the Bureau and its key partners tackled emerging issues related to enforcement in the digital economy.

We also continued to protect Canadians through enforcement across multiple industries. We took action against dozens of businesses to stop potentially deceptive marketing related to COVID-19 prevention and protection. Our bid-rigging investigations led to $5.4 million in payments by three engineering firms in Quebec, as well as criminal charges against multiple construction companies in Ontario. Our merger reviews preserved competition in the animal health and datacom industries, and we took action to maintain competition in the pharmaceutical industry.

In addition, we championed competition in regulated sectors of the economy. As the pandemic highlighted how instrumental digital solutions are in meeting the health care needs of Canadians, we launched a Digital Health Care Market Study to examine how Canada can support access to innovative digital health care services through pro-competitive policies. We also published the Competition Assessment Toolkit, a step-by-step guide to assist policymakers at all levels of government leverage competition to drive economic growth, innovation and productivity.

We renewed our relationships with our key international partners to enhance our collaboration on cross-cutting issues in the digital era. We signed a new competition enforcement framework with our counterparts in the United States, the United Kingdom, Australia and New Zealand. And we took on the Presidency of the International Consumer Protection and Enforcement Network, leading authorities from more than 65 countries in tackling key issues in the digital marketplace.

We accomplished all this by first ensuring our employees are well supported and equipped with the tools they need to fulfil the Bureau’s mandate. I’m thankful to have such a devoted team that continuously strives for excellence and works so diligently to advance our efforts in serving all Canadians.

Matthew Boswell
Commissioner of Competition
In brief

The Competition Bureau (the “Bureau”) is an independent law enforcement agency that ensures Canadian businesses and consumers prosper in a competitive and innovative marketplace. It is headquartered in the National Capital Region with regional offices in Montreal, Toronto and Vancouver.

Responsibilities

Headed by the Commissioner of Competition, the Bureau administers and enforces the Competition Act, the Consumer Packaging and Labelling Act (except as it relates to food), the Textile Labelling Act and the Precious Metals Marking Act (collectively referred to as the Acts).

Vision

To be a world-leading competition agency, one that is at the forefront of the digital economy and champions a culture of competition for Canada.

Budget and people

The Bureau had an annual operating budget of 52.1M and a staff of 379 full-time employees in the 2020-21 fiscal year.
Protecting Canadians through enforcement action

Protecting Canadians is at the forefront of our Strategic Vision. In 2020-21, we continued to use all the tools at our disposal to address the issues that matter to Canadians so they benefit from competitive markets across the country. We continued to expand our proactive intelligence gathering efforts and modernize our technologies to more quickly detect and stop anti-competitive activity and deceptive marketing conduct.

Enforcement action in key sectors

Ensuring digital giants are held accountable

Facebook has previously estimated that it has 24 million monthly active Canadian users. Those users need to trust representations about how their personal information is shared, and the extent to which they can control access to such information. However, a Bureau investigation concluded that the company made false or misleading claims between 2012-2018 about the privacy of Canadians’ personal information on Facebook and Messenger.

Canada’s Competition Act prohibits deceptive marketing practices, including false claims about privacy protection. Facebook paid a $9 million penalty, plus an additional $500,000 for the costs of the Bureau’s investigation. The payments are part of a settlement registered with the Competition Tribunal in which Facebook has agreed not to make false or misleading representation about the disclosure about personal information. This includes representation about the extent to which users can control access to their personal information on Facebook and Messenger. Canadians expect and deserve truth from businesses in the digital economy, and claims about privacy are no exception. The Bureau will not hesitate to crack down on any business that makes false or misleading claims to Canadians about how they use personal data.

Checking claims about hockey helmets

Hockey is a high-impact sport, and anyone who plays hockey can appreciate the appeal of a helmet that reduces the risk of concussion. While the Bureau supports innovation and new technology, businesses are responsible for supporting performance claims about their products with adequate and proper testing. That is essential to ensure consumers can be confident when making buying decisions. In November 2020, the Bureau reached a settlement with TRUE Sports Inc. about certain performance claims the manufacturer made about its TRUE Dynamic 9 Pro hockey helmet. The Bureau’s investigation
concluded that the testing used to support the claims was not adequate. As part of the settlement, TRUE Sports agreed to halt all claims, donate $100,000 to support youth sports, and pay $20,000 to cover the Bureau’s investigation costs. This was the Bureau’s third investigation into the marketing of hockey helmets since 2014.

**Weight-loss claims that seem too good to be true**

Every day, people put their trust in weight-loss companies who, in turn, make claims that their product will help shed pounds and burn fat. But when companies make performance claims that are not supported by adequate and proper testing, consumers may not be getting what they have paid for. The Bureau took action in March 2020 against NuvoCare Health Sciences Inc. and its President and CEO, Ryan Foley. We applied to the Competition Tribunal for a temporary order to stop the company from making unsubstantiated weight-loss and fat-burning claims in the marketing of certain natural health products. In May 2020, the Bureau and NuvoCare entered into a temporary consent agreement, prohibiting NuvoCare from making unsubstantiated weight loss and fat burning claims when marketing their products while the Bureau completes its ongoing investigation. Health and online marketing are priority sectors for the Bureau: we will continue to do everything in our power to protect consumers.

**Risk-free trials are risky business**

Consumers are often enticed by companies offering products or services that claim to improve health and wellness for a nominal fee. However, when these claims are part of a subscription trap, the costs can be much higher. In January 2021, Revive You Media was fined $15 million after a Bureau investigation concluded that the company was operating a subscription trap scam. Consumers were led to believe they were ordering free trials for health and dietary supplements without any further obligations. In fact, they were unknowingly trapped into monthly subscriptions, costing them up to $100 a month or more. The use of catchy wording, such as “risk-free trial,” and “just pay a small shipping fee” were meant to mislead consumers and lock them into an illegal subscription trap.

**Protecting consumers from hidden fees**

As pandemic restrictions begin to ease, airline travel will resume and consumers will be looking for deals. Many will shop and make travel arrangements online, and have every right to expect honest information. The Bureau’s investigation into FlightHub Group Inc. concluded that the online travel agency made millions in revenue from charging customers hidden fees; that it authored positive customer reviews to promote its services; and that it made numerous false or misleading claims about prices and a variety of services, including seat selection and cancellation policies. The investigation led to a settlement of $5.8 million in total penalties, including $400,000 each for two of the company’s directors. FlightHub was also required to remove any false reviews that were posted online, and the company and two directors were prohibited from making any further false or misleading claims.

**Dropping the hammer on bid-rigging**

Bid-rigging is a serious criminal offence that undermines competitive markets and drives up the prices of products and services. When companies conspire to rig bids for municipal contracts, it raises costs for the municipalities, effectively stealing taxpayer money that could otherwise be used for important public needs.
Since 2019, the Bureau’s investigations have resulted in six engineering firms paying more than $12 million for their respective roles in bid-rigging schemes that targeted infrastructure contracts in numerous municipalities in the province of Quebec.

This includes settlements reached in 2020-21 with the following three companies:

- **CIMA+:** In December 2020, CIMA+ was ordered to pay $3.2 million for bid-rigging on municipal infrastructure contracts in Québec City, Montréal, Laval, St-Eustache and Gatineau. The Court also ordered the company to maintain its corporate compliance program, which is designed to prevent further anti-competitive activity by its employees.

- **SNC Lavalin:** In June 2020, SNC-Lavalin was ordered to pay $1.9 million for rigging bids on municipal infrastructure contracts in Montréal and in the Québec City area. The Court also ordered the company to maintain its corporate compliance program, which is designed to prevent further anti-competitive activity by its employees.

- **Génius Conseil Inc.:** In June 2020, Génius Conseil Inc. was ordered to pay a $300,000 penalty for bid-rigging on municipal infrastructure contracts in Montréal and North Shore municipalities. The penalty took into account that Génius collaborated with the Bureau early in the bid-rigging investigation through its Leniency Program.

**Four companies charged in alleged bid-rigging case in the Greater Toronto Area**

In March 2021, the Bureau laid multiple criminal charges against four companies and three individuals in connection with an alleged bid-rigging scheme targeting condominium refurbishment contracts in the Greater Toronto Area (GTA). The Bureau alleges that the accused conspired to commit fraud and rig bids for refurbishment contracts issued by private condominium corporations in the GTA between 2009 and 2014. The condominium corporations and the condominium owners who fund them are the alleged victims.

Bid-rigging in the private sector can cause serious damage to our economy. The Bureau will do everything in its power to investigate allegations of wrongdoing and bring the evidence to court.

**Fighting to maintain competition in pharmaceuticals**

Canadians spend millions annually on prescription medications that are essential to their health and wellbeing. If large pharmaceutical companies dominate the market and restrict the entry of generic drug companies, this could result in the cost of brand name products being even higher. Generic drug companies exist so consumers have choice in the brands they purchase. The Bureau will not tolerate anti-competitive barriers to competition from generic alternatives.

Thus, in October 2019, we launched an inquiry into alleged conduct by Otsuka Canada Pharmaceutical Inc. This occurred after receiving a complaint alleging Otsuka had restricted access to samples of its branded product, Jinarc to prevent or delay the entry of competing generic drugs to the market. Shortly after the launch of the investigation, Otsuka provided Jinarc samples to the generic manufacturer and resolved the Bureau’s concerns.
The Bureau continues to monitor the pharmaceutical industry for any conduct that prevents or delays the supply of branded drugs samples to generic drug manufacturers.

**Inviting input as part of an ongoing investigation**

In August 2020, the Bureau invited market participants to provide input to help inform its ongoing civil investigation into conduct by Amazon. The ongoing investigation is being conducted under the restrictive trade practices provisions of the *Competition Act*. The Bureau is examining whether Amazon is engaging in conduct on its Canadian marketplace, Amazon.ca, that is impacting competition to the detriment of consumers and companies that do business in Canada. Sellers and businesses with relevant information were asked to confidentially share their experiences with the Bureau.

### Merger reviews

**Ensuring competition doesn’t get scrapped**

This past year, we published our position statement and decision to close the investigation on the non-notifiable acquisition of Total Metal Recovery Inc. (TMR) by American Iron & Metal Company Inc. (AIM). Pre-acquisition, TMR and AIM were the two largest scrap metal processors in Quebec. Their merger warranted an in-depth competition review that included obtaining orders from the Federal Court, requiring the merging parties and a third party to produce information to the Bureau, as well as a thorough failing-firm analysis—given the financial situation of TMR. Following an expedited review in which the Bureau rigorously assessed the evidence gathered during the investigation, the Bureau concluded TMR was a failing firm and its assets were likely to have exited the market in the absence of the merger. Therefore, no further action was taken by the Bureau.

In an economic landscape where failing firm claims may rise, the Bureau will conduct a rigorous evidence-based analysis to prevent anti-competitive transactions from proceeding.

**For the love of animals**

Animal health products play a critical role in pet care and in the agri-food sector across the country. To avoid harm to competition in the animal health care products industry, the Bureau entered into a consent agreement with Elanco Animal Health Incorporated that resolves concerns related to its proposed acquisition of Bayer Animal Health. Elanco and Bayer were each other’s closest competitor, and without the Bureau’s intervention, there would have been a limited number of competitors left in the supply of animal health products for both companion animals and farm animals. Throughout our review, we cooperated with our counterparts in other jurisdictions, including the U.S. Federal Trade Commission, the European Commission and the Australian Competition and Consumer Commission.

**Keeping Canadians plugged-in**

In August 2020, the Bureau registered a consent agreement to address its concerns related to WESCO International Inc.’s $6.1-billion acquisition of Anixter International Inc. Without the Bureau’s intervention, the merger of two of the largest distributors of pole line hardware and data communication (datacom) products in Canada would have limited competition significantly in these industries. The Bureau concluded that the impact on contractors, utilities, cable companies and telecommunication service providers would
To protect and maintain competition for farmers near Virden, Manitoba, in December 2019, we filed an application with the Competition Tribunal challenging Parrish & Heimbecker’s (P&H) acquisition of a primary grain elevator from Louis Dreyfus Company. The purchase gave P&H control of the only two grain elevators along a 180 km stretch of the TransCanada Highway and eliminated the rivalry between two close competitors, which could have resulted in farmers in the Virden area earning less for their wheat and canola. The hearing and final arguments were held over four weeks in January and February 2021, and we are awaiting the Tribunal’s decision. Safeguarding competition in this area will protect farmers from financial harm.

Maintaining competition in the airline industry

In March 2020, we concluded our review of Air Canada’s proposed acquisition of Transat and outlined our significant concerns with the proposed transaction in a report to the Minister of Transport. Our review found that the proposed transaction would likely lessen or prevent competition in the sale of air travel or vacation packages to Canadians. Subsequently, we provided the Minister of Transport with our assessment of the adequacy of the undertaking proposed by Air Canada and Transat to address the concerns identified, as required by the Canada Transportation Act. In February 2021, the Minister of Transport announced that the Government of Canada had approved the acquisition subject to strict terms and conditions. In April 2021, the parties announced that they had agreed to terminate their agreement for the proposed acquisition.

Proactive enforcement through intelligence-gathering

Stopping anti-competitive activity that’s under the radar

The Bureau continued to expand its intelligence-gathering techniques through its bid-rigging detection tools and by establishing dedicated intelligence units.

We revamped and promoted the online form for the Federal Contracting Fraud Tip Line in collaboration with our partners (Public Services and Procurement Canada and the Royal Canadian Mounted Police) to help Canadians report suspected fraud, collusion, corruption or unethical behavior in Government of Canada contracting. We received over 340 tips from April 1, 2020 to March 31, 2021, which helped support our various cartel investigations. Furthermore, our enhanced cooperation and information sharing with law-enforcement partners continues to strengthen our criminal intelligence capacity.
In 2020-21, we established a Monopolistic Practices Intelligence Unit to examine and analyze trends in the marketplace and to detect and deter anti-competitive behavior early on. This unit is focused on intelligence gathering and outreach in important sectors of the economy, and on centralizing the handling of incoming complaints. By deterring potential anti-competitive behaviour before it occurs or detecting such conduct early through dedicated intelligence gathering efforts, the Bureau has been better positioned to support competitive outcomes.

**Enforcement and the digital economy**

**Taking to new heights with the Digital Enforcement Summit**

In our Strategic Vision for 2020-2024, we made it a priority to encourage open dialogue and collaboration with international and domestic stakeholders on competition enforcement in the digital era. To help achieve this goal, the Bureau hosted the Digital Enforcement Summit in a series of virtual events. The summit provided an opportunity for the Bureau and its international counterparts to share best practices and explore new tools and strategies for tackling emerging enforcement issues brought on through the digital era. It featured four panel discussions that followed the stages of an investigation from detection to resolution, which helped advance dialogue on emerging issues in the digital economy. Each event brought together 150-270 participants—from international competition authorities, federal regulators as well as the business, legal and academic communities—all of whom contributed greatly to the success of the summit.

**Deploying digital tools to optimize data processing**

As the digital economy continues to grow, having the right tools to keep pace with evolving technologies and business practices is essential, especially with respect to competition enforcement. With the pandemic causing more consumers and businesses to operate virtually, we put a greater emphasis on advancing our Digital Strategy and on being digital by design.

Over the past year—with the help of our Chief Digital Enforcement Officer—we continued to modernize and establish strong digital foundations in support of our enforcement capacities. With the volume of data we process exploding, we introduced automation technology, solidified our cloud strategy and advanced investigative tools by leveraging artificial intelligence and machine learning—all with a goal of improving the efficiency, reliability and speed of our evidence analysis, review and data processing.

**Supporting consumers and businesses during the COVID-19 pandemic**

**Unmasking deceptive marketing claims**

With COVID-19 affecting many facets of the economy in 2020-21, we saw a substantial increase in complaints and issues specifically related to false or misleading marketing claims on products or services linked to the pandemic.
The Bureau took immediate action to stop potentially deceptive claims that might give Canadians a false impression that products or services could treat or protect against COVID-19 infections. During 2020-21, the Bureau issued warning letters to sellers making unsubstantiated or potentially false claims related to COVID-19. These warnings concerned claims linked to masks, food and natural products, UV products, ventilation and air purification products, as well as the Canadian Emergency Response Benefit. Businesses took corrective action, pulling products that raised concerns from their shelves or stopping the claims.

The Bureau also took steps to make companies and individuals making fabric face masks aware of their responsibility to comply with the *Competition Act* and the *Textile Labelling Act*. The Bureau developed a series of social media posts related to claims and labelling requirements associated with non-medical textile masks that generated close to 400 comments, and responded to many inquiries with advice on how to comply with the law.

**Supporting Canadian businesses**

With the onset of the pandemic, Canadian businesses faced a number of unprecedented challenges brought on by the disruptions caused by COVID-19. To support the crisis response efforts, the Bureau issued a formal statement recognizing the need for quickly-established business collaborations of limited duration and scope to ensure the supply of critical products and services to Canadians. While emphasizing that the Bureau remained vigilant against anti-competitive activity, we signalled that the Bureau would generally refrain from scrutinizing companies who collaborated in good faith to contribute to the crisis response. The Bureau also invited businesses to reach out for further guidance if needed.

**Providing clarity on employment practices**

Following public concerns in Canada about potential communications between employers related to wages during the pandemic, the Bureau issued a statement to provide clarity and transparency on the application of the *Competition Act* to agreements between purchasers (also known as “buy-side agreements”), including employee no-poaching and wage-fixing agreements. The Bureau’s stated approach is based on legal advice obtained from the Department of Justice Canada and the Public Prosecution Service of Canada.
Promoting competition in Canada

As Canada’s competition authority, we advocated to regulators and policy-makers across Canada to encourage competition and innovation in areas that matter the most to Canadians. We expanded our leadership role in the international community, positioning the Bureau as a competition authority at the forefront of the digital economy. We also expanded our awareness efforts through social media to reach more stakeholders in the business and legal communities and promote compliance with the law.

Promoting competition to drive economic recovery

Competition is essential in a thriving, free-market economy. It is needed now more than ever as Canada looks to recover from the economic effects of COVID-19. As the Commissioner of Competition stated in December 2020: “We urge governments across Canada to use competition as a focal point in facilitating economic recovery.”

Providing tools to support a competitive economy

Competition underpins a productive, innovative and resilient economy, and policies that support competition can accelerate Canada’s post-pandemic economic recovery. It creates ideal conditions for productivity, innovation and for new businesses to enter the market. In August 2020, the Bureau launched a Competition Assessment Toolkit to help policymakers across the country promote competition in Canadian industries during and after COVID-19. It provides a step-by-step guide to assess the impact of new and existing policies on competition and innovation. Since the Toolkit’s launch, the Bureau has actively promoted it to regulators and policymakers at all levels of government.

Supporting small and medium enterprises

Small and Medium Enterprises (SMEs) are the lifeblood of the economy. They create jobs, bring innovative products and ideas to the market and put pressure on larger businesses to remain competitive. They have also been hit disproportionately hard during the pandemic. In August 2020, the Bureau filed a submission to the Ontario Standing Committee on Finance and Economic Affairs, highlighting the importance of pro-competitive policies in supporting the ongoing participation of SMEs.
in the marketplace. The Bureau encouraged the Government of Ontario to make use of its Competition Assessment Toolkit and to take competition issues into consideration as it conducts its review of barriers to entry and expansion for SMEs.

**Advocating for a culture of competition**

In December 2020, the Commissioner of Competition addressed the Standing Committee on Industry, Science and Technology (INDU), where he highlighted the importance of competition in protecting Canadians when they are most vulnerable. He emphasized that competition plays a major role in lowering prices, improving productivity, increasing levels of innovation and ultimately supporting an economic recovery.

**Helping Canadians switch**

Competition works best when consumers shop around. Businesses need to offer consumers good value for money if they want to keep them as a customer or win them over as a new one. Research conducted for the Bureau revealed Canadians could be overpaying around $1,860 per year for their telecom, banking and insurance plans combined. That’s why in January 2021, the Bureau launched its first annual “Switch Week” campaign, aimed at encouraging Canadians to take advantage of competition by considering switching providers or renegotiating their contracts to lower their monthly bills for these key services. Throughout Switch Week, the Bureau issued practical tips and tools to Canadians on social media and news media.

**Advocating for pro-competitive regulations**

Over-and-above providing leadership during Canada’s pandemic response, the Bureau advocated for pro-competitive regulations on a range of issues of interest to Canadian consumers.

**Access to digital health care**

The pandemic highlighted just how instrumental digital solutions are in meeting the health care needs of Canadians. In July 2020, the Bureau launched its market study into Canada’s health care sector. The Bureau invited stakeholders to share their views on a variety of factors that may impede access to digital health care, or limit innovation and choice in the sector, as well as possible opportunities for change. In December 2020, the Bureau also launched a Digital Health Services Survey to hear from Canadians about their experiences accessing and using digital health care services. We published the summary of results from our public consultation and survey in February 2021. That valuable input has helped inform the scope of the Bureau’s market study.

**Keeping Canadians connected**

With social distancing becoming the norm, digital communication tools became more important to Canadian consumers than ever. In July 2020, the Bureau filed its final submission to the Canadian Radio-television and Telecommunications Commission’s (CRTC) review of mobile wireless services. The Bureau’s analysis found prices can be more than 50% lower for all cell phone users in markets where there is strong competition from regional carriers. The Bureau recommended a Mobile Virtual Network Operator policy, in which national facilities-based incumbents would sell temporary access to
In August 2020, the Bureau also filed an intervention with the CRTC on the approach to rate setting for wholesale telecommunications services. Building on the findings of the Bureau’s 2019 Broadband Market Study—among other substantial research—the Bureau analyzed the effects on competition of five proposed rate-setting methodologies. The Bureau’s intervention concluded that instead of agreeing on a specific rate-setting methodology, the general rules and procedures guiding how the methodology will be implemented should be considered first. Based on this approach, the Bureau offered its support with the design and development of these rules and procedures to ensure pro-competitive policies are considered for the benefit of all consumers.

Banking on competition

As the Bank of Canada works to renew Canada’s Monetary Policy Framework, we advocated strongly for a greater focus on competitive markets as a key driver of a productive, dynamic, and resilient economy. Our submission focused on three areas where competition supports better outcomes: lowering inflationary pressures; driving productivity; and that promoting a culture of competition to reinvigorate Canada’s economy. In the current climate, Canada can benefit from a strong culture of competition to ensure wealth and prosperity of all citizens in the years ahead.

The Bureau supports a competitive and innovative open banking system

Greater competition in the Canadian financial services industry results in a wider range of innovative financial products being made available at lower prices. As Canada’s competition expert, the Bureau offered its perspective and analysis relevant to supporting competitive and innovative open banking regulatory design. In January 2021, the Bureau provided its comments to the Advisory Committee on Open Banking. This is the Committee’s second phase of work to consider the implementation of open banking in Canada.

Encouraging choice in the rental appliance market

The Bureau was pleased to assist the Ontario Ministry of Government and Consumer Services (OMGCS) when it asked for the Competition Bureau’s views on competition in Ontario’s rental appliance industry. The rental appliance industry represented the largest source of complaints received by our Monopolistic Practices Directorate between 2015 and 2019. The vast majority of those complaints stemmed from consumers seeking to exit rental water-heater contracts, and 99% of these originated in Ontario. The Bureau recommended to the OMGCS that key terms in rental appliance contracts be disclosed to consumers in a prominent, simple and accessible way. In addition, the Bureau believes consumers would benefit from the implementation of rules regarding the identification of
Many Canadian consumers are joining “right to repair” campaigns. It includes calls by repairers (i.e., those who don’t belong to a device manufacturer’s repair network) to be able to repair devices. Typically these campaigns are aimed specifically at electronic devices. While the Bureau respects the intellectual property rights of manufacturers, we also know the benefits of competition. Thus, we submitted our observations to the public consultation held by the Government of Quebec’s Consumer Protection Office on the sustainability, reparability and obsolescence of certain consumer goods. The Bureau’s response included recommendations that any person designated by the consumer—including independent repairers—be granted access to repair parts as needed, when the consumer asks the manufacturer to do so. This would give independent repairers the chance to compete with manufacturer-affiliated repairers, and could be beneficial to the consumer.

**Right to repair**

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**Procuring good value for the public’s dollar**

Canadians expect good value for their tax dollars, which makes competitive bidding processes in public procurement processes essential. This is especially the case as all levels of government begin to invest public funds in economic recovery. The February 2021 edition of our *Competition Advocate* highlighted common warning signs of bid-rigging and provided best practices for government officials to ensure a competitive public procurement process. Pro-competitive policies will lead to increased levels of innovation, lower prices, improved productivity and better use of Canadians’ tax dollars.

**Collaboration, Outreach and Support**

Ensuring competition in the marketplace hinges on more than enforcement and advocacy. It also requires the Bureau to engage in ongoing collaborative efforts with its key partners, to expand its outreach activities to forge new connections, and to continue making investments within the organization to support its team.

**Collaborating with partners**

Building and maintaining relationships with partners is vitally important, especially in today’s global, ever-changing digital marketplace, and in support of Canada’s all-hands-on-deck response to COVID-19.

**Building trust in a changing marketplace**

As an international leader in building relationships with our foreign counterparts, the Bureau began a one-year Presidency of the International Consumer Protection and Enforcement Network on July 1, 2020. As President, we lead the network of consumer protection and law enforcement...
Supporting economic recovery on the international stage

In the aftermath of multiple lockdowns imposed worldwide during the pandemic, many countries began considering how to fully support economic recovery. To contribute to an international discussion with our counterparts about how competition can stimulate—and aid in—economic recovery, the Bureau provided a submission to the Organization for Economic Co-operation and Development’s Competition Committee. The submission highlighted what we have done to support economic growth in Canada, including the Bureau’s crack-down on anti-competitive and deceptive conduct brought on by the pandemic, as well as our work in promoting the positive outcomes of pro-competitive policies to public decision makers.

Expanding our reach

Non-delivery scams: when nothing comes to those who wait

The convenience and simplicity of delivery to your doorstep—just add-to-cart and pay—is attracting more Canadians to shop online. With the rise of online shopping also comes the spread of non-delivery scams. Imagine being promised an item, paying for it…and then the purchased item never showing up! Many Canadians fall victim to this scam: in 2020 alone, there were an estimated $8.7 million in Canadian losses connected to merchandise scams. In March 2021, the Bureau released a consumer alert, highlighting non-delivery scams and offered quick tips for consumers to help them detect and avoid this type of scam.

Taking care of businesses

With so many working remotely now, scams targeting businesses and employees by email have been on the rise. In the last year alone, Canadian businesses reported losing $24.5 million to scam artists. But since it is estimated that only 5% of fraud is reported in the first place, its true impact is likely far greater. In March 2021, we released a business alert drawing attention to the most common scams targeting Canadian businesses, including phishing, tech support and fake CEO scams. We also provided tips to help businesses stay vigilant and avoid becoming victims of fraud.

Fraud Prevention Month

As Canadians continue to use online services and rely on the online marketplace more than ever, it is important they’re empowered with information and tools to protect themselves against online fraud. We first initiated a Fraud Prevention Month campaign in 2004 with the support of the Fraud Prevention Forum, consisting of more than 60 Canadian organizations, ranging from consumer and
volunteer groups, government agencies, police services and law enforcement organizations, and private companies. In February 2021—our 17th year of Fraud Prevention Month—the Bureau joined forces with the Royal Canadian Mounted Police and the Canadian Anti-Fraud Centre to focus on fighting online fraud in Canada. Awareness of fraud and other scams is vital for Canadians to navigate the digital marketplace with confidence. During our campaign, we pushed our messaging including tips and various contact points to report fraud. The Bureau’s social media campaign had a potential reach of more than 11.4 million in 2021, which represents a significant increase from the previous month-long campaign in 2019.

Compliance Bootcamp

In December 2020, we launched the Compliance Bootcamp, introducing the first in a series of learning modules to help businesses stay on the right side of the law. The first instalment features a variety of tips and resources to help businesses and marketing professionals avoid any potentially deceptive marketing that might put them in the Bureau’s enforcement crosshairs. The modules are targeted at small and medium sized enterprises and the organizations that support them, such as chambers of commerce and trade associations. When the series is complete, it will cover deceptive marketing practices, labelling matters, business collusion and abuse of dominance.

Listening to our stakeholders

Ensuring that stakeholders have the information they need to make informed decisions is essential to achieving our objectives. In 2020-21, we conducted public opinion research to learn more about the level of awareness and understanding consumers, businesses and policy makers and regulators have about the Bureau’s activities. This research included focus groups and surveys with 1,500 participants across Canada and allowed us to assess the impact of our work on their behaviours. The results showed that although stakeholders have limited levels of awareness and understanding of our organization and activities, some of their decisions were informed by our work: particularly our Consumer and Business Alerts, Little Black Book of Scams and Deceptive Marketing Practices Digest publications. These insights will help us target our messaging to key stakeholder groups and enhance our broader outreach and communications efforts.
Investing in our organization

Investing in our organization is paramount to our success. To support our team, we promote a culture of wellbeing, diversity and inclusiveness, and support the learning and development of our people. As our workplace shifted quickly to work-from-home, having the right tools for that environment became essential. By modernizing our processes and upgrading our technology, we can be more efficient and keep pace with the digital world. Recruiting from diverse educational and professional backgrounds will also ensure our teams benefit from wide-reaching expertise and varying perspectives.

Supporting our employees through digital learning

Learning methods changed significantly over the last several months as we moved from an in-person to a virtual work environment. There are many benefits to online learning: it reduces costs, facilitates participation from employees across the country, and allows employees to learn at their own pace with the availability of more on-demand training. We worked closely with subject-matter experts and facilitators to increase employee engagement in new virtual learning opportunities.

Using innovation to tackle challenges

In 2020, we launched the Bureau Innovation Garage (BIG)—a platform where employees can experiment with new concepts, pilot new ideas and explore digital technologies—and our staff participated in over 30 introductory sessions. The purpose of BIG is to align on current challenges and explore new technologies and concepts, such as cloud computing and data governance. With the use of an online collaborative platform, we gathered staff feedback on the 2019-20 Public Service Employee Survey, which will assist management in addressing concerns in a collaborative fashion.

We also established a Digital Evidence Community of Practice, which will work at finding efficiencies by sharing knowledge and best practices related to automation and artificial intelligence for evidence gathering and analysis.

Supporting mental health during the pandemic

Health and safety is our top priority. That commitment gained renewed focus at the outset of the pandemic, recognizing that the first way we serve Canadians is by staying healthy and taking steps to avoid spreading COVID-19. The Bureau implemented health and safety measures recommended by Innovation, Science and Economic Development Canada, which were developed in accordance with the Office of the Chief Human Resource Officer guidelines. These measures helped ensure a safe work environment for our employees.

As we navigated through the murky waters of the pandemic, we’ve increased our efforts to protect the wellbeing of our employees: supporting activities that encourage workplace wellness, including several
mental health panels and the publication of our Mental Health Matters newsletter, plus our COVID-19 Express series.

**Leveraging new digital tools**

While encouraging a healthy, respectful and inclusive workplace, we continued to support a culture of innovation and continuous improvement to ensure business continuity. We put every effort into pursuing our mandate—even in the most challenging circumstances—to deliver competition benefits to Canadians: lower prices, more choice and greater innovation. In that regard, we leveraged new digital tools to boost collaboration with internal and external partners and stakeholders. Implementing them have allowed Bureau staff to continue serving Canadians as an organization at the forefront of the digital economy.

**Breaking down barriers**

Diversity, inclusiveness and accessibility are essential components of employee wellbeing. With recent events bringing heightened awareness to racism and discrimination in all of its forms, it is more important than ever to ensure every employee feels included and is well supported. The Bureau began by assessing the services it provides to the public and training staff, so they have the skills to ensure all communications and documents are accessible. The Bureau’s Diversity and Inclusion Working Group successfully launched the “Your Voice” platform, which was created to give every employee a voice. There has also been a series of safe-space discussions, so employees can share their lived experiences and perspectives with their coworkers without fear of reprisal or judgement. The Bureau is also advancing an initiative toward achieving 50% gender parity and 30% representation of other underrepresented groups on all governance committees in-line with the 50/30 challenge issued by Innovation, Science and Economic Development Canada.
Annex A

Financial snapshot

The Bureau’s budget for 2020-21 was $52.3M, including $13.7M from user fees and a $2.6M material expense relating to employee benefits and accommodation. The high degree of economic uncertainty experienced in 2020-21 meant that user fee revenue fluctuated significantly throughout the year (Figure 1). This impacted the Bureau’s spending throughout the year, resulting in year-end expenditures (Figure 2) being lower than the Bureau’s overall budget.

Figure 1:

User Fees: Received by year and quarter (in millions)

Figure 2:

Spending Trend for 2018-2019 to 2020-2021 (in millions)

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1 The Bureau collected $13,706,925 in user fees (including $13,694,925 from pre-merger notification and advance ruling certificates, and $12,000 in written opinions.)