

Financial Literacy Month 2020: Protect your finances

**CNPEA Webinar
November 2020**



OBSI OMBUDSMAN FOR BANKING
SERVICES AND INVESTMENTS
OSBI OMBUDSMAN DES SERVICES
BANCAIRES ET D'INVESTISSEMENT

About me



Robert Paddick
Deputy Ombudsman
OBSI

OBSI: Who we are

National

Complaint resolution

Free service



OBSI: What we do

Answer consumer questions



Investigate complaints



Share knowledge and expertise



Assistance to
all Canadians
(regardless of situation)

\$350,000
max.
recommendation

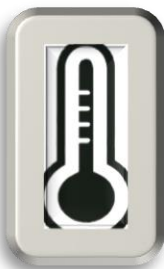
Financial sector
Government
Canadian public

Current environment



How does COVID-19 affect us?

Threat of illness



Isolation



Mental health



Market volatility



Financial strain



Fraud/Scams



How are we vulnerable?

External factors

- Health challenges
- Loss of income
- Fraudsters
- Market changes or disruptions
- Problem with financial services provider

Our decisions

- Sharing account information and/or passwords
- Signing agreements without reading them carefully
- Not asking questions if you don't understand
- Being too trusting with others or when using technology
- Not planning ahead

How can we protect ourselves?



Protect yourself all the time ...

- **Keep your account information and passwords confidential.**
- **Make sure you read and understand an agreement before signing it.**
- **Ask questions if you don't understand something.**
- **Be cautious about all unfamiliar emails and text messages with links and attachments.**
- **Plan ahead if you think you might need help to manage your finances in the future.**

Situation # 1

You read over your monthly credit card statement and don't recognize some of the purchases.



What should you do?

Contact your bank immediately.

Situation # 2

A family member or friend tells you to buy some new stocks that sound like a good investment.



What should you do?

An investment that's right for someone else may not be right for you. Speak to a registered investment advisor before you agree to invest.

Situation # 3

Your bank recommends a new product or service to you, but you're not sure if you should take it.



What should you do?

Ask questions. It is important to understand what you are agreeing to and know what your responsibilities will be before signing any kind of contract.

Situation # 4

You want to plan ahead in case you get ill or need assistance with your finances.

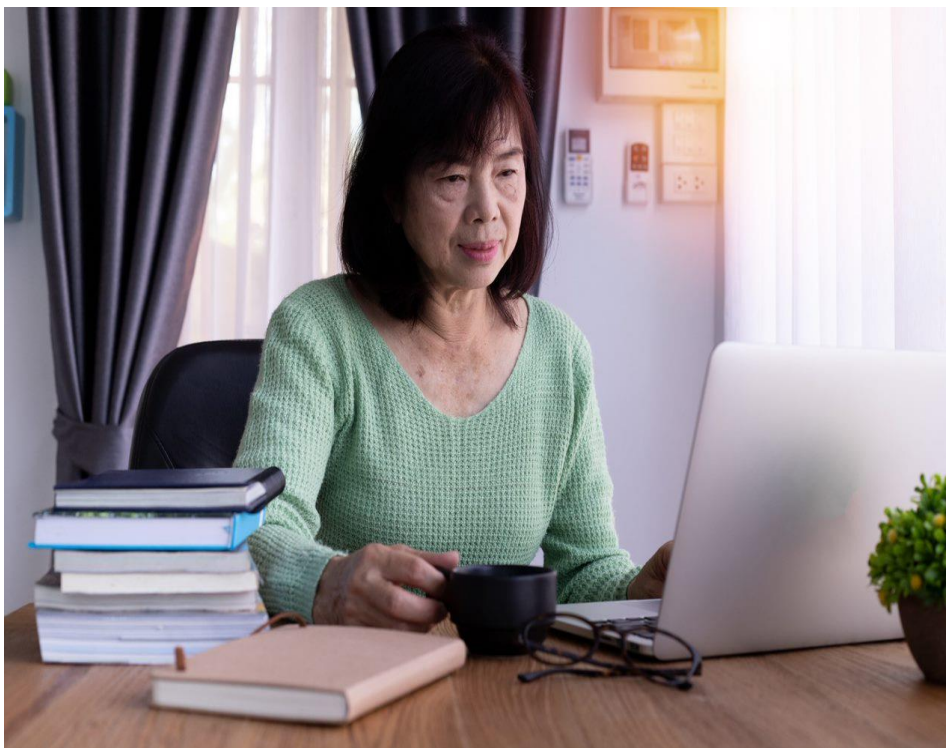


What should you do?

A Power of Attorney (POA) is a legal document that allows a trusted friend or relative to make decisions about money and property on your behalf. You can always update it to reflect current wishes.

Situation # 5

A “friend” or family member repeatedly borrows money without paying it back or pressures you to help them out.

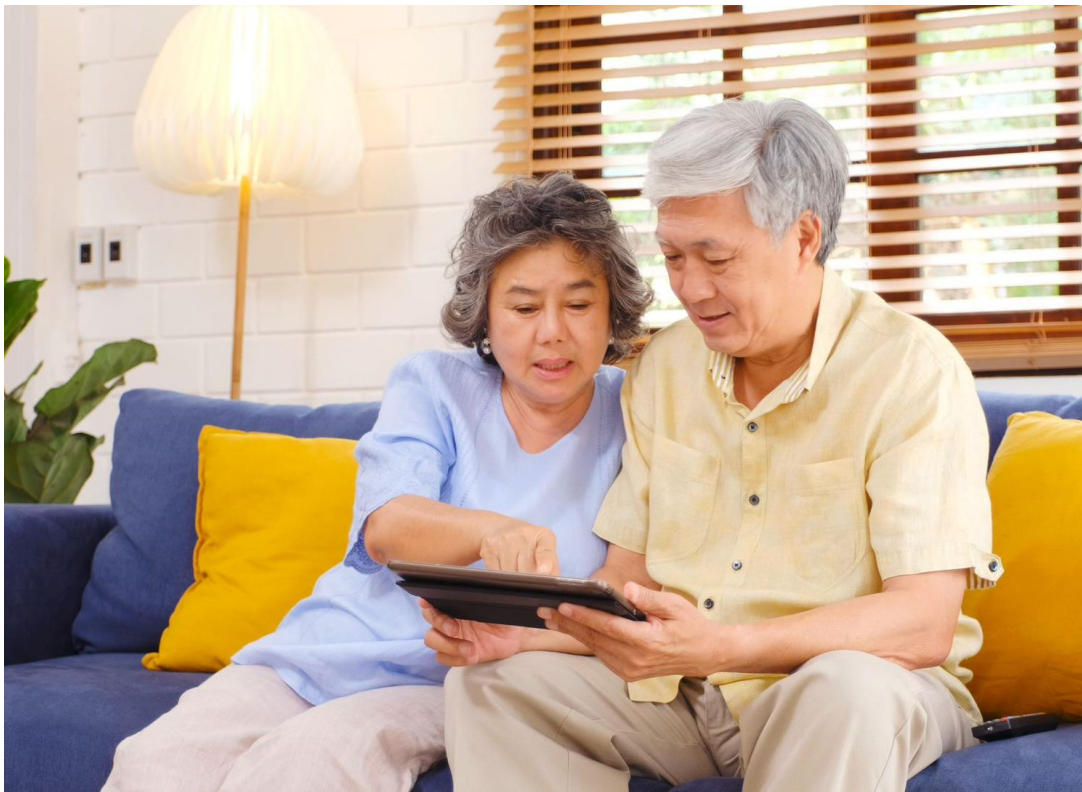


What should you do?

You can say “NO” when anyone pressures you for money or to buy something – even family. Do not give your bank card, cheques or PIN to anyone. Set up direct deposit, so your pension and other sources of income go directly into your account.

Situation # 6

You get an email or text message that says it's from your bank. The message is asking for your account number.



What should you do?

Never click on any links. Contact your bank first if you are not 100% sure that the message is from them. Always keep your personal information confidential.

Situation # 7

Someone who sounds like your grandchild contacts you by phone or email. They want you to send them money.



What should you do?

Call your grandchild directly to verify if they need help. Fraudsters will pretend to be a grandchild in need to trick you into sending them money. Never send money unless you are 100% sure of who you are sending it to.

Situation # 8

The caller claims to be from CRA and tells you to pay the taxes you owe, or implies that a criminal case is against you for tax fraud.



What should you do?

Do not give this person your personal information. The CRA will never call or leave you a message to ask for immediate payment, send you a link for a refund, or threaten to arrest or deport you. To check your tax account, call CRA directly.

Situation # 9

You meet someone online and the two of you grow close. Then, they ask you for money to help with some emergency.

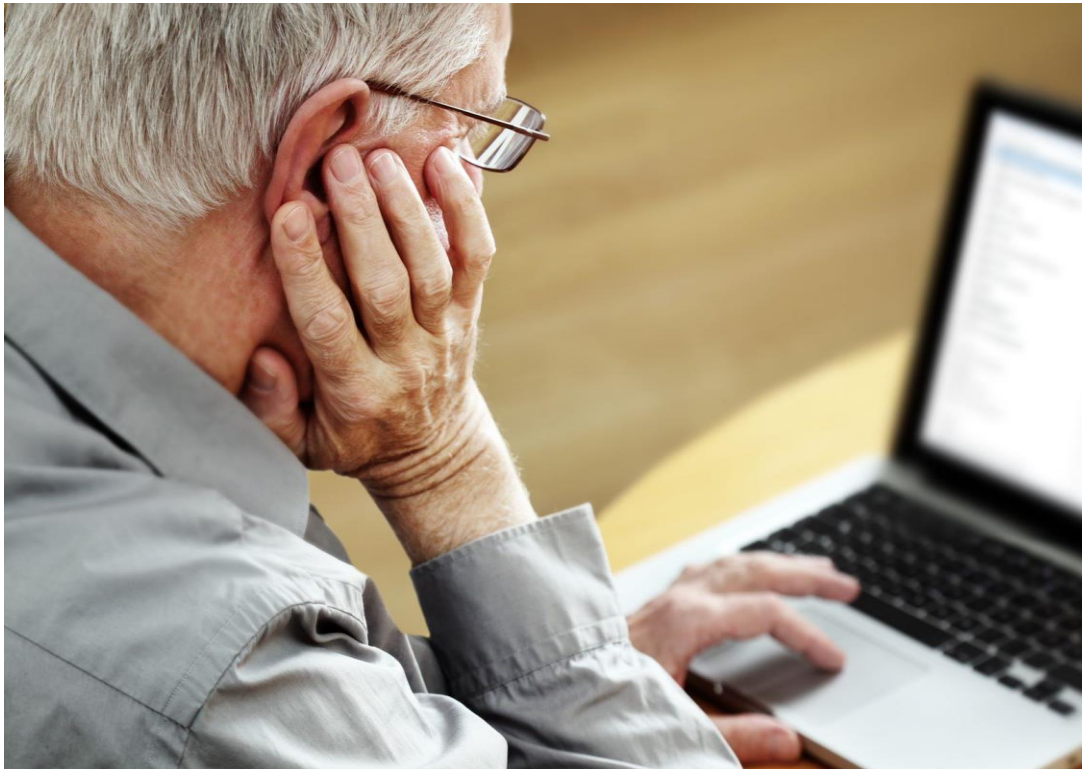


What should you do?

Do not send money to this person. This is a common example of a romance scam. The scammer engages as a friend or romantic partner for the purpose of stealing money from their victim.

Situation # 10

You are selling an item online. The person who agrees to buy it says they wired too much money and asks you to send it back.



What should you do?

Do not send this person any money or give them your personal information. This is a common example of the overpayment scam. The scammer asks you to wire the excess funds, and their payment turns out to be counterfeit.

Situation # 11

You have a concern about how your bank or investment firm has handled your finances.



What should you do?

Contact your bank or firm. Tell them about your concerns and ask them for an explanation.

If you're not satisfied with how they handle your concern, contact us.

OBSI: How we can help



Types of complaints OBSI investigates

BANKING



254

investigations
opened

\$2,425

average
compensation

INVESTMENTS



388

investigations
opened

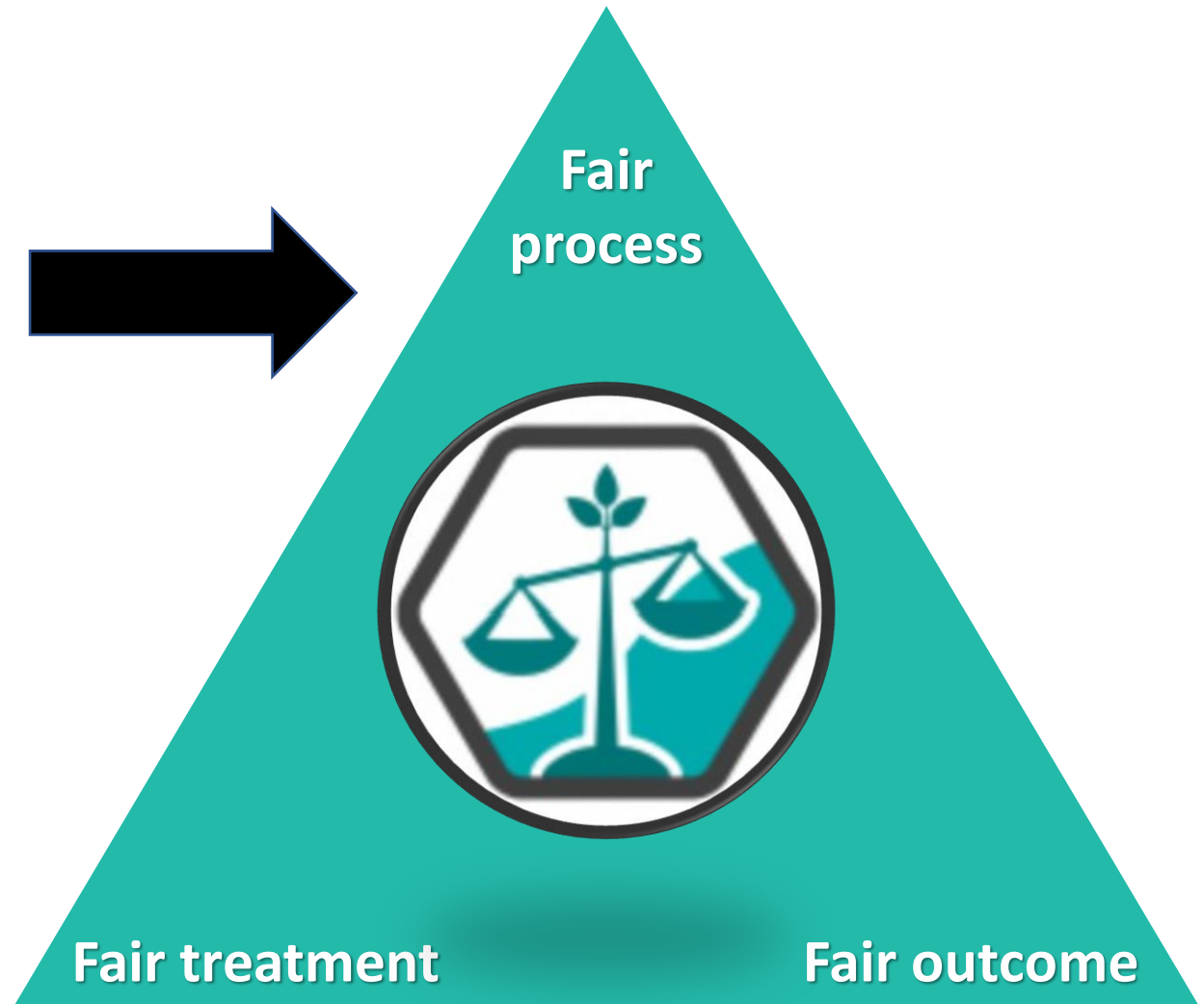
\$14,291

average
compensation

OBSI: Our role



**Respond to
complaints**



OBSI: Common complaints

Transaction errors



Mortgages



Credit cards



Unsuitable investments



Fraud/Scams

OBSI: Alternative to the courts



Free to consumers



Less formal process



Quicker resolution

OBSI: 25 years experience assisting consumers 60+



- Nearly 2 in 5 of OBSI cases come from consumers over 60
- Over half (54%) of senior complainants report a household income below \$60K
- As Canadians age, they are more likely to make a complaint
- Top OBSI complaints: fraud, credit card disputes & investment suitability
- Knowledgeable about issues: elder abuse, POAs, fraud/scams, investments and more

OBSI: NEW Special income report



- Complainants with household income below \$60K (lower-income) represent nearly 40% of OBSI cases
- Most lower - and middle-income (\$60K - \$80K) complainants are over 50
- Lower - and higher-income (\$100K +) complainants equally likely to receive recommendation
- Investment suitability and fraud are top issues for lower-income consumers

OBSI: Contact us



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Question and answer period

QUESTIONS?

THANK YOU!