HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 098 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Monday, June 5, 2017

Chair

The Honourable Wayne Easter

Standing Committee on Finance

Monday, June 5, 2017

● (1715)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): Please come to order.

Thank you all. We're now in public session on our hearing into consumer protection and oversight in relation to the schedule I banks.

We have with us for this session the Financial Consumer Agency of Canada and the Canadian Bankers Association. We'll start with the Financial Consumer Agency of Canada, with Ms. Tedesco, Mr. Bilodeau, and Mr. Ryan.

Go ahead, Lucie.

Ms. Lucie Tedesco (Commissioner, Executive Services, Financial Consumer Agency of Canada): Thank you, Mr. Chair, and good afternoon, everyone.

I have to say it's a pleasure for the FCAC to have been invited to speak on its role with respect to the sales practices of banks. Joining me today is my colleague, Richard Bilodeau, who is the director of supervision and promotion and is also responsible for and taking the lead in our industry's business sales practices review. With us is another colleague of mine, Mr. Jérémie Ryan, our director of financial literacy and stakeholder engagement.

As a federal agency, the FCAC is responsible for protecting the consumers of financial services and products. We deliver on our mandate through two distinct but complementary programs. The first is through the oversight of federal financial entities, and the second is through strengthening the financial literacy of Canadians.

These programs allow the agency to contribute to the federal financial oversight framework of promoting public confidence in a strong, stable, and competitive financial system.

[*Translation*]

Our oversight function is exercised over three types of entities. The first type is federally regulated financial institutions, which are comprised of banks, federal credit unions, federal insurance companies and federal trust and loan companies; the second is external complaint bodies; and the third type of entity we oversee is payment card network operators, such as Visa, MasterCard, American Express and Interac.

● (1720)

[*English*]

Federally regulated financial institutions are supervised to ensure compliance with their market-conduct obligations under the various federal statutes. External complaint bodies—or ombuds services, as some might call them—are monitored to ensure their compliance with applicable regulations.

These organizations are mandated to deal with consumer complaints that are not resolved to the consumer's satisfaction through the financial institution's complaint handling process. All banks must be members of an approved external complaints body.

Payment card network operators are overseen by FCAC to ensure they comply with their obligations and adhere to the commercial practices that are intended to protect merchants.

[*Translation*]

Complimentary to our supervision and promotion mandate is our mandate to strengthen the financial literacy of Canadians and enhance their financial well-being by helping them make the best decisions for their situation.

[*English*]

With that said, I will now turn to the subject of bank sales practices.

When the Wells Fargo story broke in the U.S. in September of 2016, we immediately conducted an analysis of the complaints we had received during the previous three years from consumers alleging they had received financial products or services for which they had neither signed up nor received the required disclosure. What we found at that time was that the number of complaints received with respect to these two issues had remained stable year over year. Nonetheless, we continued to monitor incoming complaints and decided to make bank sales practices related to credit cards the subject of our next industry review.

Industry reviews are conducted annually to supervise compliance with market conduct obligations and to help us identify emerging trends and issues that may impact consumers of financial services and products.

In a letter dated February 3, 2017 to the banks, we reminded them of their obligation to provide consumers with the required disclosure and to obtain their express consent when selling financial services and products to them. We also issued a consumer alert on the same day, informing consumers that banks must obtain their express consent before they can issue credit cards to them.

Following media reports alleging questionable sales practices by Canada's big banks, I announced that we would be examining banks' sales practices in relation to express consent and disclosure. That was on March 15, 2017.

[*Translation*]

Since then, our supervision and enforcement team has been hard at work reviewing and investigating complaints. They are looking at any and all factors that may be contributing to non-compliance and have been instructed to take appropriate enforcement action for all breaches they uncover.

[*English*]

I also instructed my team to accelerate plans for the broader industry review of bank sales practices, which is now in full swing. Through the review, we are assessing whether sales targets and incentive programs are contributing to sales practices that lead to poor outcomes for consumers. We are doing this by interviewing consumers and speaking to consumer groups to gain a broader understanding of the sales experience from the consumer perspective. We are reviewing the institutions' incentive programs, sales targets, and performance management policies, examining their internal controls, and meeting with all relevant bank personnel regardless of their role or level.

The initial findings of our review will be made public by the end of 2017. I want to emphasize that we will thoroughly investigate all breaches of consumer protection that we uncover during this review, and we will enforce compliance with the tools that we have at our disposal.

This industry review is an example of FCAC's approach to supervision, which is based on three pillars. First, we promote responsible market conduct; second, we monitor market conduct; and third, we enforce market conduct obligations.

Last year, together with the first four months of this year, through this very approach, we were able to facilitate the repayment of close to $50 million that was paid by Canadian financial institutions to consumers.

With that, I will conclude my remarks. I thank you for the opportunity to appear before you today. I and my colleagues look forward to answering any questions you may have.

● (1725)

The Chair: Thank you very much, Ms. Tedesco.

From the Canadian Bankers Association, we have Mr. Hannah, vice-president of finance, risk, and prudential policy, and Ms. Stephens, assistant legal counsel.

The floor is yours. Welcome, and thank you for coming.

Mr. Darren Hannah (Vice-President, Finance, Risk and Prudential Policy, Canadian Bankers Association): Thank you.

I would like to thank the committee for inviting the Canadian Bankers Association to discuss consumer protection in banking. My name is Darren Hannah. I'm the vice-president of finance, risk, and prudential policy. Joining me is my colleague Sandy Stephens, assistant general counsel.

The Canadian Bankers Association represents 63 domestic banks, foreign bank subsidiaries, and foreign bank branches operating in Canada. Banks help families buy homes and save for retirement, help small businesses grow and thrive, and help drive the economy. Banks provide over half of all the business lending in Canada. Canada's banks are prudent lenders and continually work to make credit available to creditworthy Canadians and businesses in Canada.

Banks are in the customer service business, with a history of building long-standing relationships with their clients. A key part of developing that relationship is providing advice about products and services to help customers realize their financial goals and respecting customers' right to freely choose their financial products and services. With more than 40 banks offering financial products and services, in addition to hundreds of credit unions and caisses populaires, customers know they are in the driver's seat when it comes to choice.

With that in mind, bank employees receive training and information on the principles for putting the client first. Banks work hard to provide the services and products that are right for their customers, and this means they have to keep their customers' needs and interests in mind, providing the information they need to make informed decisions when choosing financial products and services.

Banks have a strong track record of following both the letter and the spirit of the law in dealing with customers. Banks devote considerable time, effort, and resources to ensuring strong compliance. They take extensive steps to make sure that customers subscribe to the products and services they want and which they have consented to receive.

Banks have clear guidelines, policies, and procedures to ensure products are described accurately and completely to their clients. Banks also have established codes of conduct that articulate employee behaviour, including expectations related to integrity and sales practices. All employees are required to attest to compliance with the code of conduct on an annual basis. Should an employee not adhere to a bank's code of conduct, banks take corrective action to address employee behaviour.

Bank performance management systems and incentives are designed to reinforce appropriate practices and culture that promote a client-centric, advice-driven approach. Performance management systems include several layers of controls, governance, and oversight to ensure appropriate conduct and to detect and address potential incidents of inappropriate behaviour. A key factor in the goal-setting process for employees is that sales objectives are designed to align with creating value for customers and that objectives are reasonably obtainable and aligned across products and channels.

Customers are well served by their banks. As I've already mentioned, banks work hard to meet the needs of their customers, and banks are competing with each other to attract and retain customers. Canadians appreciate the reliability, trustworthiness, and stability of Canada's banks. No less important is the value that customers feel they get from their bank. Banks have worked hard to make banking more convenient—extending branch hours, introducing mobile banking and payments, and enhancing online banking—enabling banking literally around the clock and around the world. Canadians have noticed and value these improvements.

A key part of customer satisfaction is how banks respond to complaints. Should a bank customer have a complaint, banks have a very robust and thorough internal complaint process. In fact, very few complaints are not resolved within the bank. In those cases, complaints are reviewed by an independent ombudsman. In 2016, only 515 complaints were reviewed by external complaints bodies. With more than nine billion customer transactions flowing through banks each year from millions of customers, the small number of complaints demonstrates a positive customer experience across all banks.

Finally, I want to briefly comment on the banks' relationship with our regulators. We work closely with the FCAC and OSFI on consumer and prudential matters respectively. Canada's streamlined and effective financial regulatory system has become a model for the world, providing a strong federal consumer and prudential regulatory regime in which banks operate.

● (1730)

Specifically, with regard to consumer regulations, banks co-operate with the FCAC to ensure compliance with these regulations, including express consent and disclosure. As you've heard, the FCAC regularly conducts reviews of banks' business practices, and banks co-operate with them on those reviews.

Thank you, again, for the opportunity to present our views. I look forward to your questions.

The Chair: Thank you very much to all the witnesses.

The first round will go to seven minutes.

Mr. Fergus.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you, Mr. Chair.

Thanks very much to Mr. Hannah, Ms. Tedesco, and all their colleagues for being here.

My first question is for Mr. Hannah.

The newspapers have reported on complaints made by former employees of certain major banks regarding practices for obtaining consent. At the least, it appears there was not informed consent.

In your opinion, do the big banks in Canada take these complaints seriously?

At first glance, do you think there is a problem that needs to be addressed or do you think instead that it is a misunderstanding between the banks and their clients?

[*English*]

Mr. Darren Hannah: Banks certainly take the allegations very seriously. I think they've all stated that very publicly. They've also stated—and I think it's also the case—that it is certainly not consistent with their own expectations or views of the culture or operations of their institutions. Indeed, they look seriously at the issue to make sure that they are promoting a culture that is customer-centric.

Banking is really a relationship business. You want to establish, build, and sustain a strong, lasting relationship with your clients, and you need engaged and motivated employees to do that. Ultimately, that's very important.

Mr. Greg Fergus: Are they convinced that there's a prima facie case that these complaints are legitimate, or is there a sense that there is a misunderstanding?

Mr. Darren Hannah: I think what they have said is that this is inconsistent with their own expectations or their own internal reviews around their institutions, both from a customer perspective and a client perspective. I'm certain they can provide additional information around that when they come forward.

Mr. Greg Fergus: Sorry to dig just a little further on that one, but, again, I can understand how it might not correspond with their expectations, and I'd actually like to explore the term “expectations”. Are we talking about their own expectations, or are we also talking about their own codes of conduct with regard to sales practices?

Mr. Darren Hannah: I think there's a linkage here, and maybe it's best to explain it in the context of the system.

A bank always starts from culture. You want to have a strong culture because that articulates what you are trying to build as an organization: how you want your employees to behave, how you want the client relationship to look, and how you want the client to feel. You build that then into the code of conduct, which should articulate what that relationship should look like and what sort of values you want to embody within the organization. That gets translated into the actions and the directions for the employees. It all flows through, and then you monitor performance against that.

Mr. Greg Fergus: I'm assuming all schedule I banks have codes of conduct regarding sales practices?

Mr. Darren Hannah: They certainly all have codes of conduct for their employees.

Mr. Greg Fergus: All right, we could dig a little deeper on that one, but I guess we could address that with each one of the schedule I....

Is there a gap, or has it come to the attention of your membership that there is a gap in terms of having a code of conduct specifically for sales practices?

Mr. Darren Hannah: The code of conduct and, indeed, the objectives for each employee are designed to be multi-faceted. You are going to look at several dimensions because, ultimately, culture is sort of a very rich concept. You have to look at a number of dimensions of culture. Sales may be part of that, but there's also going to be consumer feedback. You have to make sure that client feedback and other factors are incorporated into your objectives.

These are growing, robust businesses. You're looking at issues, potentially, around staff leadership, mentorship, and community engagement. It really depends on the position you have. Ultimately, you're trying to bring together a number of dimensions that help reinforce the culture you're trying to build and embody it in the relationship you have with your staff.

● (1735)

Ms. Sandy Stephens (Assistant Legal Counsel, Canadian Bankers Association): Could I just follow on with that?

At a bank, there are multiple controls that relate to performance management. The code is one, but there are a number of controls: training, coaching, etc. So, that's just one control.

Mr. Greg Fergus: A long time ago, before I was in politics—and I haven't been in politics for a very long time, I should say—I used to be involved with an industry association for research-based pharmaceutical products. We set up not only a code of conduct, which of course could be thick, but also something that I thought was quite innovative, which was the notion of guiding principles, and those were very, very thin, sort of like your "Ten Commandments" of the practices you would want to encourage or the basic principles by which you would work.

Do any of your members have those kinds of guiding principles?

Mr. Darren Hannah: That's a question you should ask them. I can't speak to that specifically.

Mr. Greg Fergus: Okay. Has the CBA ever made that distinction between guiding principles and a code of conduct?

Mr. Darren Hannah: We don't typically get into the codes of conduct the institutions have, but I can certainly say that they can certainly provide insights into how they structure their codes.

[*Translation*]

Mr. Greg Fergus: Thank you very much.

Ms. Tedesco, please tell us about your role at the agency. I know that it regulates or monitors financial institutions' voluntary codes of conduct that were developed by the industry. If a financial institution or the big banks note a disparity and develop a code of conduct or guidelines, does that automatically fall under your responsibility and do you then have to ensure that they comply with those codes?

Mrs. Lucie Tedesco: Certainly.

I would like to clarify two points though.

On the one hand, there are codes of conduct for members of the financial industry. These codes govern their conduct on specific matters, and we are authorized to monitor that. These include, for instance, the code of conduct for the Canadian credit and debit card industry.

Second, there can be various internal codes of conduct governing financial institutions' activities that employees follow. We are not authorized to monitor those codes of conduct.

Mr. Greg Fergus: Thank you for that excellent clarification.

[*English*]

The Chair: Thank you. We're well over time, Greg.

Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

Thank you to all of our witnesses. It's a pleasure to have you here today.

I'm going to direct my comments mainly at the FCAC.

First of all, have you watched the CBC *Marketplace* episode in which these issues were first raised?

Ms. Lucie Tedesco: Yes, I have. I was out of the country, but, yes, when I got back, I did.

Mr. Dan Albas: What was your initial response?

Ms. Lucie Tedesco: If I can just go back a moment in time, when, in September, the Wells Fargo issue made its way into the media, we took various actions, and I mentioned those in my opening statement. As soon as the story broke on the CBC, we were getting ready to do our industry review anyway, but we decided to bring it forward, because there was an uptick in our complaints—probably because of the media surrounding Wells Fargo and the Go Public media coverage as well. At that particular point in time, I contacted all the CEOs of the the big six banks to let them know that we were going to conduct an industry review to look at their sales practices, that the industry review could result in investigations and enforcement actions, and that I expected their co-operation and their assistance in helping with our industry review.

● (1740)

Mr. Dan Albas: Again, when you saw it, you immediately contacted the CEOs, the banks, and informed them that there was considerable interest in this area and that you expect their co-operation. That's fine. But in terms of the public, if someone were to watch it, they would say that obviously, something has gone wrong.

Can you please identify what that would be? Is it a lack of oversight? Is it a lack of resources? Is there a gap in the system? How did these practices...? I would say, Mr. Chair, that Canadians would say we have a very well-governed banking system.

How did this arise, in your opinion?

Ms. Lucie Tedesco: Well, right now we're doing an industry review precisely to find out, one, if there is a problem, because quite frankly, we haven't done any investigation in this regard. Our industry review was launched April 1, so we need to satisfy ourselves that there actually is a problem, and we need to do that through the tools we have at our disposal.

Mr. Dan Albas: Being more consumer-driven, do you have the mechanism to properly be able to take the concerns raised by these former employees—or current employees, I'm not sure—and investigate them fully? Do you have all the authority you need to be able to do that?

Ms. Lucie Tedesco: I'm not sure I'm getting the employees—

Mr. Dan Albas: There's a difference between a consumer phoning up and saying they've had an issue that the ombudsperson has not been able to rectify and they would like to raise their concerns, versus an employee or former employee who says, “These are the practices that were going on in my department.”

Do you have all the tools and resources necessary to carry out an investigation?

Ms. Lucie Tedesco: I would say that part of our industry review will be to interview all of the relevant employees, at all levels, regardless of their title. It will help us conduct our investigation. We will have to look at their compensation programs, because the issue for us, for our industry review, is really trying to zero in on whether or not compensation programs and sales targets lead to poor business practices.

We are lucky enough to have worked with some international jurisdictions that have conducted such reviews and found that sales targets, particularly the compensations, drive culture and can drive poor sales practices and poor outcomes for consumers.

Mr. Dan Albas: I do appreciate the response, because I think we're starting to get more to the cusp of the issue, where we try to pin the tail on the donkey, so to speak, as to where things are.

But I asked you a very specific question. Do you have the resources and the tools necessary to carry out an investigation that would bring these things to light right now?

Ms. Lucie Tedesco: I would say yes. We are currently buttressing our supervision bench strength by creating a new enforcement unit. Additionally, we are adding resources to our supervision group. By the end of next year we will have added 10 more resources to help with our supervision group. Through our industry reviews, and this particular industry review, we will be able to look at things such as compensation programs.

Someone made the point that if there's a corporate culture and a governance culture, and all the policies and procedures are in place, what falls off? We will be able to look at that. We will be able to look at how employees are managed, how their performance is managed. What if they don't reach their sales targets? What happens to them? Those are the kinds of matters that might lead to some poor behaviour.

Did you want to add anything, Richard?

● (1745)

The Chair: There's time for a short one.

Mr. Richard Bilodeau (Director, Supervision and Promotion, Financial Consumer Agency of Canada): I was going to add that as part of looking at the complaints that we received, any information that we receive from employees will be followed up on.

Mr. Dan Albas: Thank you.

The Chair: If I may, Pierre-Luc, that was my question.

Could you tell me the process you would use in this type of an investigation? How do you handle a specific employee complaint that we've seen in the media?

I debate this myself. Is it your area? Is it the Canada Labour Code? Is it a provincial matter under their labour code?

It's one thing for you folks to handle a consumer complaint, but how do you involve yourself in an employee complaint?

Mr. Richard Bilodeau: I think it's very important to be clear on this point. Your question is very relevant.

We do not have the ability, nor is it our mandate, to get involved in an employee-employer dispute or issue. It's not our role, and we have no desire to play that role.

However, if an employee has information, and that information comes to us, that's a source that we can use to inform ourselves about what's going on, whether it's an investigation or an industry review.

We do not have that mandate. It's really just a source of information.

The Chair: Okay, thank you.

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Thank you, Mr. Chair.

My first questions are for you, Mr. Hannah.

Unfortunately, you seem to have completely left out the fact that there is a problem, despite the many people who have attested to it. We see this not only in media reports, but also in the testimony we hear. My colleagues around the table certainly share this opinion. There is most definitely a problem in the opinion of former employees and clients. So I am a bit surprised that you left that out of your introductory remarks.

I would like to focus in particular on your expertise regarding the sales targets that banks set and impose on employees. Is that indeed the practice? To what extent are employees held to those objectives set by the employer, that is, by the banks?

[*English*]

Mr. Darren Hannah: As I said, ultimately what the bank is trying to do is set objectives that align with the culture the institution is trying to put forward, to build, and to strengthen. The culture is one centred on building and strengthening a robust client relationship, and that's a multi-dimensional issue.

For clients who have a sales function, there's a sales element to that, but that won't be it. That might be one dimension. Customer feedback, client feedback will certainly be another dimension.

Potentially other issues around, let's say, leadership, mentorship, training, community involvement, and civic involvement are all factors that build toward an objective of creating a culture that is designed to both strengthen and extend the client relationship, to ensure that clients are satisfied and want to maintain, enhance, deepen, and extend their relationship with their financial institution.

Banking is, ultimately, a relationship business. It's not a single-transaction business. It is trying to build, extend, and create a long-lived relationship with the client that has many dimensions to it.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you.

I think we can probably add to that the banks' desire to make profits, since they set such sales objectives. Aside from the interest you mentioned in providing good services to consumers, I think we must not overlook the role of the profits that the major Canadian banks expect to make.

Are you aware of certain disciplinary measures taken against employees who do not meet their objectives? For example, an email might be sent to all employees listing the employees who performed well and those whose performance was lacking. This created a sub-category of employees whose performance was lacking and who have a sword of Damocles over their heads. In other words, if they do not improve, they should expect to be let go. Do you think that is a suitable practice?

Are you aware of these practices that exert pressure on employees and expose them to penalties when they do not meet their objectives? Do you think that serves consumers well?

● (1750)

[*English*]

Mr. Darren Hannah: Now I can't speak to individual employee relationships, but I can certainly say that from the institution's point of view, if you're trying to build a culture that's focused around the client, you also have to make sure the employees feel properly engaged in it. You want to have motivated employees to make sure that this works, and engaged employees. Banks very typically have very high employee engagement scores, which is a good thing. That's part of it. Banking is very much, in that sense, a very personal business. You have staff who are dealing with clients. You want to make sure that the client is comfortable. You want to make sure the client is well served. To have that, you have to have an employee who's comfortable, an employee who feels engaged and empowered. That's really important.

[*Translation*]

Mr. Pierre-Luc Dusseault: That is not necessarily what we hear in the testimony.

One person told us that he had asked one of his colleagues how he was able to meet his objective, to which his colleague replied that he sometimes gave products to consumers who had not requested them, that he falsified signatures, and that he increased interest charges and lines of credit without the client's permission.

The testimony we have heard shows that these incentive measures make certain employees resort to dubious practices in order to meet their objectives. Unfortunately, you did not address this problem today.

As to the recourse available to clients or employees who have witnessed a fraudulent situation, I understand there is a complaints process that can lead to penalties.

To give us a better idea of the scope of the problem, can you tell what penalties have been imposed on the banks in recent years?

Mr. Richard Bilodeau: I will give you a general answer because it would be difficult to provide details about each matter and each of the penalties imposed as a result.

I can tell you that the commissioner made three decisions in fiscal year 2016-17, some of which have not yet been published. These decisions identified eight violations, which resulted in $465,000 in administrative penalties.

I would add, however, as did the commissioner, that this is just part of the story. In the past year, we have led financial institutions to reimburse clients close to $15 million, owing to inaccurate disclosures or situations in which clients' account had been charged more than what they were told. We did this through our monitoring activities, using the various tools at our disposal, and by working with the financial institutions.

Aside from the pecuniary aspect, in cases where clients had received inaccurate information during transactions with their financial institution, we were also able to backtrack and inform clients that they had received inaccurate information and give them the correct information. It is just as important to correct inaccurate information. Just because there were no problems or financial losses, that does not mean that the client is not hurt more broadly speaking.

Mr. Pierre-Luc Dusseault: Thank you.

The fact that $15 million was returned to customers is obviously good news. I think, though, that we could be stricter with the banks themselves. That leads to my next question.

When you impose fines or penalties, or when you find a bank guilty at the end of an investigation, is that information made public?

In my opinion, one way of dissuading banks is to name them when they are in the wrong. Is that part of your approach? If not, would it be a good idea to do that?

● (1755)

Mr. Richard Bilodeau: I will begin by answering the question regarding the process, but I will let the commissioner finish.

The process is triggered when a statement of wrongdoing is made and there is a potential fine. The financial institution can then be heard by the commissioner, who must in turn make a decision.

All decisions by the commissioner are subject to the publication principles. The commissioner has the discretion to name the financial institution or not, something she can elaborate on. On the other hand, if the errors that represent the wrongdoing lead to a fine, the commissioner discloses the amount in her decision. In addition, for obvious reasons, all sensitive commercial information is removed.

Our goal is not only to inform consumers of the issues we are examining, but also to use the decisions as a tool to ensure that other financial institutions are well informed of their duty to comply with the law.

[*English*]

The Chair: You are over your time, Pierre.

Ms. Tedesco, do you want to add anything?

Ms. Lucie Tedesco: Thank you. I am more familiar with the wording in English, so I'll speak English if you allow me.

Under our act, the commissioner has the authority to publish or not publish the name of the institution, the nature of the violation, and any penalty that is imposed. That's a very important aspect of FCAC's flexible approach to encouraging and enforcing compliance and changing institutional behaviour. I think that's precisely what's contemplated by our act: to bring the institutions back into compliance and change their behaviour, while obtaining the best potential outcome for consumers.

Our regime is not a punitive one, so when I am looking at whether to name or not name an institution, I have to look at each case on its own merits individually. I look at things and consider factors such as the egregiousness of the actions of the institution, its willingness to take responsibility for its actions, the deterrent impact that naming might have, the impact it can have on consumers and consumer confidence, the level of collaboration and co-operation during the investigative process, and the institution's commitment to take any and all actions to prevent any future breaches and correct the ones they've already committed.

I would say that notices of violations and decisions, and the discretion afforded by section 31, are only part of the picture. When I am deciding whether or not to name an institution, I am looking at what exactly will change the behaviour of the institution, what will bring it into compliance, and, more importantly, whether the best outcome for consumers will result from the naming, and that involves reimbursement to consumers.

The Chair: We'll have to leave it there. We are well over time.

Ms. O'Connell, go ahead.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thank you, Mr. Chair.

Thank you, all, for being here. I have several questions, so I'll get right to it.

For me, the big elephant in the room, what we haven't talked about.... Some of the information in a lot of the media reports that came out was in regard to sales tactics around mutual funds. I know this is not part of the FCAC's oversight. However, I am wondering if there is a significant gap in your oversight. Perhaps when these offices were established, and the distribution of oversight....

I remember that, not that long ago, when you wanted to make investments, it wasn't always through your bank; it was somewhat of a separate investment institution. Now, when the two are so uniquely commingled, and you go in and want to sign up for a credit card or do your regular banking.... Mr. Hannah, you said that banks are in the relationship business. You said that several times. I can speak to that. In my community, I know my bankers, people I've dealt with for almost my entire life. When you are in the business of building relationships, you go in and all of sudden...“Hey, I see you have a lot of money in this savings account.” That would be regulated under FCAC, as well as any sales tactics, but if you move this into an investment portfolio that the bank now also manages, it is no longer regulated by the FCAC or its oversight.

It is my understanding that the Canadian Securities Administrators oversees each provincial securities regulator. From doing some research and from media reports, it is my understanding that in 2013 the Canadian Securities Administrators was saying that sales practices around mutual funds were a concern. Spelling “adviser” with an “e” or with an “o” actually makes a great difference to consumers, and we talk about literacy. For me, the missing piece is the fact that banks have completely different financial service packages now than they did when the oversight was first established.

Is there not a large gap, in terms of oversight and regulation, to start bringing some of these provincial and territorial oversight groups together and have the FCAC look at sales techniques within the four walls of the banks, and stop having them all in silos?

● (1800)

Ms. Lucie Tedesco: I can answer that.

Typically, any mutual funds, securities, are handled by a different arm of the bank, which is provincially regulated. It's very difficult, they're separate corporate entities, and plainly speaking we don't have jurisdiction over that business. It's clearly a provincial jurisdiction and provinces have investor education programs, and as we do they try to educate consumers on the risks and on the pros and cons of certain investment products.

Ms. Jennifer O'Connell: This is the first day of testimony, of course, but if this committee sees a consistent theme that clients are walking into banks for some other product or service and are being consistently moved into the mutual fund investments, securities—and they might be legally separate entities, however, they're within the four walls of the bank—this committee will potentially make recommendations of what needs to be done moving forward, even if that is a collaboration with provincial entities.

Especially with consumer literacy, if the FCAC doesn't really regulate or oversee all actions within the bank, then should it not be a recommendation to really work towards essentialized oversight within the four walls of those banks?

Ms. Lucie Tedesco: That might raise some constitutional issues, and unfortunately we don't debate constitutional issues at FCAC. We leave those questions to the constitutional law experts. That's really all I can say on that question.

Ms. Jennifer O'Connell: Fair enough, but we also have voluntary codes of conduct. I'm not suggesting constitutional overstepping, however, there has to be a consumer level playing field and, yes, banks volunteer for best practices, because it's in their best interests if they truly care about relationship businesses. Could this not be part of the conversation for those voluntary codes of conduct?

● (1805)

Ms. Lucie Tedesco: Perhaps, but I would submit to you that the securities arms of the financial institutions are well regulated by the provinces and if there are issues regarding investment or investor fraud and those kinds of things, they would look after that.

Ms. Jennifer O'Connell: I wanted to speak about literacy. I'm wondering if consumer literacy is being done. What is the role of FCAC in providing it or do you rely on the banks themselves?

I can tell you I never received a single course in elementary school, high school, or university about financial literacy. If it's being left up to the institutions themselves, is it getting out there or what should be done?

Ms. Lucie Tedesco: I'll start and let my colleague follow up.

I can tell you that we have a mandate to strengthen the financial literacy of Canadians and we do that through our financial literacy leader, Jane Rooney, who was appointed for that sole purpose to develop a national strategy for financial literacy. The strategy has goals and helps focus the work of those who are also involved in strengthening the financial literacy of Canadians to help them target populations such as children and youth, adults, and seniors.

There is also a separate strategy for financial literacy for seniors and some of the priority populations that the strategy is targeting are vulnerable populations.

I'll let Jérémie follow up.

Mr. Jérémie Ryan (Director, Financial Literacy, Financial Consumer Agency of Canada): There is some good news on the education front at the school level. You mentioned not receiving any financial literacy training. Over the past few months there have been some great announcements. Both Ontario and Quebec have announced that financial literacy will be mandatory. That's good news for us.

I should also state that in 2007, when FCAC's consumer education mandate was expanded, it was to look at the financial literacy of young Canadians. As such, we partnered with the Province of British Columbia to develop a youth educational resource called The City, a financial life skills resource, that is being taught throughout the country right now in all provinces at different levels. Some will be compulsory courses; others will be elective. The provinces have really come on board and are developing their own resources as well.

As Lucie mentioned, we work with a number of stakeholders across the country. There are 13 financial literacy networks that represent 532 organizations and work with various audiences, indigenous peoples in Canada, newcomers to Canada, seniors, low-income people, and people living with disabilities. We develop initiatives, workshops, and material and then we disseminate these through the networks.

Ms. Jennifer O'Connell: To clarify, did you say that program was City Financial, as in sponsor—

Mr. Jérémie Ryan: No. It's The City. It is a financial life skills resource, not the financial institution.

Ms. Jennifer O'Connell: Thank you.

The Chair: Mr. Généreux has a five-minute round.

[*Translation*]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Thank you, Mr. Chair.

Ms. Tedesco, I want to make sure I understood something correctly. Mr. Dusseault mentioned $15 million earlier. It was mentioned in his question or in the answer to his question. What I saw, however, were reimbursements of $50 million for last year.

Which is the correct amount? Did I imagine that amount of $50 million?

Mr. Richard Bilodeau: It is about $15 million.

Mr. Bernard Généreux: So that $15 million is the amount returned...

[*English*]

The Chair: Could I get clarification? It doesn't show up on the record when you shake your head, so could you give us a number?

Mr. Richard Bilodeau: I thought I had answered. Sorry. It is close to $15 million.

The Chair: It's $15 million.

[*Translation*]

Mr. Bernard Généreux: What are consumers being reimbursed for? Is it for fees they were charged?

Mrs. Lucie Tedesco: It could be fees that were charged or interest. We assess the difference between what the consumer paid and what they should have paid, and that is the amount reimbursed to them. In short, it is what they were due.

● (1810)

Mr. Bernard Généreux: How many investigations were conducted to lead to $15 million in reimbursements? Were there thousands, tens of thousands, or hundreds of thousands?

Mr. Richard Bilodeau: I cannot tell you exactly. In certain cases, there are not necessarily financial losses, while there might be in other cases. I cannot tell exactly how many cases.

I can tell you, however, that this affected approximately 1.5 million accounts. I am not talking about individuals, but about accounts.

Mr. Bernard Généreux: Ms. Tedesco, your agency is not a tribunal, but in the review you are beginning and in the investigations you will conduct, could you also impose fines or other penalties, on banks in particular?

According to a CBC report from two or three days ago, there were at least 130 cases of falsified signatures. It seems that this number is greatly underestimated.

Ms. Tedesco, without trying to be clever, I would like to know how much Tabasco you could add to the sauce to spice things up.

Mrs. Lucie Tedesco: We will conduct our review and, should we find a breach of the law, we will investigate and take the necessary steps. That includes imposing penalties on the financial institutions. That is my decision as commissioner.

The team will conduct an investigation, submit its report to the deputy commissioner, who will in turn issue a statement of wrongdoing. She will then inform the bank that she has reasonable grounds to believe that there has been wrongdoing and, if appropriate, will suggest a penalty.

Mr. Bernard Généreux: When do you think you will be able to publish the report? Will it be published?

Mrs. Lucie Tedesco: The report will be published towards the end of the year.

As our investigation progresses, if we find there has been wrongdoing, we will immediately launch investigations.

Mr. Bernard Généreux: The report will then be made public, is that correct?

Mrs. Lucie Tedesco: The investigations will be made public in accordance with our publications rules.

Mr. Bernard Généreux: Thank you.

If I may, I will now turn to Mr. Hannah.

Unlike the NDP members, I have no objection to banks making money. I am a businessman myself. It is inevitable that people in business want to make money in order to reinvest it.

It could be a problem, however, if the banks are too greedy, if they want too much, and go so far as to be willing to falsify signatures. I consider it a serious problem if sales coordinators ask employees to falsify signatures in order to collect fees from clients, since it is obvious that banks make money from fees.

As to your presentation today, as in Mr. Dusseault's case, you do not seem to recognize how serious a problem this is. The investigation will continue; the people who have conducted the investigations thus far will not leave you alone. I expect you do take that seriously.

In Canada, we cannot let the banks ruin everything. You have an impact not only on yourselves as Canadian banks, but on the Canadian banking system as a whole. Personally, I hope your employees take the bull by the horns and make sure this does not happen again. It is unacceptable.

What do you have to say to that?

[*English*]

Mr. Darren Hannah: Let me be clear. Banks take any allegations of the type that you've described extremely seriously, clearly want to investigate them, and indeed welcome the review by the FCAC, because we do not believe that what has been articulated is consistent with either the culture or the practice that the institutions have in place. Certainly, any allegation of that type is something that they're going to take very seriously.

● (1815)

The Chair: Thanks to both of you.

On this point of falsifying signatures—because I had a former bank manager write me this morning—what is the penalty for falsifying signatures in most of the banks? I expect that it would be the same in all of them. Is it firing?

Mr. Darren Hannah: I'm sorry. That's something you'd have to ask each of the institutions, but clearly it's going to be incredibly serious.

The Chair: Yes, it was for this fellow anyway, because he fired a few people over it.

Just as a point of clarification, on the number of accounts that were affected, we were having a discussion as to whether you said “1.5 million” or “1.5 thousand”.

Mr. Richard Bilodeau: It was approximately 1.5 million.

The Chair: It was 1.5 million. Thank you. That clears that up.

Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

Welcome, everybody.

I'll try to keep this as short as possible. My first question is on the literacy part, which I think is a very big component of FCAC. I believe the month of November is financial literacy month, but I think it should be year-round.... Is FCAC working with my province, Ontario? It was announced in March that starting in the fall of 2018, all high school students will have to take financial literacy in school. Are there any synergies? Are you working with the Province of Ontario on that?

Ms. Lucie Tedesco: Prior to the naming of the financial literacy leader, I approached the Province of Ontario, and I know that Jane Rooney, our financial literacy leader, has spent much time, effort, and energy in working with the Government of Ontario. I'd like to think that we have had an influence on the government's making financial education compulsory.

We've worked with all the provinces, and we've certainly worked with Ontario and the Minister of Education for Ontario specifically.

Mr. Jérémie Ryan: A few years ago, the Government of Ontario undertook consultations with Ontarians to look at how to embed financial literacy into curricula. We were invited—the financial literacy leader and FCAC—to speak about the importance of building the financial literacy of young Canadians—

Mr. Francesco Sorbara: If you can stop there, that's okay, because I only have five minutes and I have a lot to say.

Going through the presentation that was provided, there are quirks in terms of how you have oversight of debt collection practices, but you don't have oversight of the credit reporting agencies. That seems a little strange to me, but it's one of those things.

Within the mandate, one of the pillars of your mandate is to “monitor and evaluate trends and emerging issues that may affect consumers of financial products and services”. Do you think you have the capacity, or the resources, and maybe even the capability, with what is going on in the financial services sector—call it banking fintech—to stay on top of sales practices that are impacting consumers?

Ms. Lucie Tedesco: As I mentioned, when I joined the agency, I think we had close to 75 people. By the end of next year, we should have 104. We are ramping up and reassessing our needs as we get additional bench strength. There's no question that right now we are putting forward our best efforts to keep pace with the evolution in the financial sector.

Mr. Francesco Sorbara: In my view, the direction is the correct one, even the voluntary codes of conduct on interchange for merchants for debit and on mortgage prepayment. I think that's the way to go, rather than legislating everything. I want to ensure that the resources are there to ensure consumers are protected.

I'm going to go to the CBA now. I don't want to let you off the hook, to be frank.

I worked at a financial institution for many years both here in Canada and in the United States. They employ tens of thousands of people, and they do a great job for the most part. Sometimes they don't.

I want to make sure that the sales practices put in place.... There may be some overzealousness. The practices could lead to Canadians being put at risk but also the financial system in certain pockets being put at risk, whether it's forgery or whether it's providing credit—credit cards or any sort of credit, unsecured or secured—to Canadians not able to afford it. For me, that is very important. Because of that and the downturn in the economy, and so forth, the repercussions may be significant.

My comment is that the industry association...working with the schedule I banks, putting in place measures to ensure that what we saw on CBC *Marketplace* or whatever does not recur.

● (1820)

Mr. Darren Hannah: Everyone is taking these allegations seriously. There is no doubt about that. Everyone is concerned about them. But it's also true that institutions are certainly looking within their own practices to make sure and to satisfy themselves that their systems are robust and that they are incenting the appropriate behaviours to build the culture they want to build.

Mr. Francesco Sorbara: Let me interject. There's nothing incompatible with having sales targets—every corporate organization has them, that's the private sector—and having proper sales practices. We need to ensure the two are blended, or melded properly. If it goes off track in some way, on the right side right now in the sales practices, it's corrected and measures are put in place to ensure it does not happen again.

Those measures can be voluntary, in the organizations in place, or feasibly, they could be legislative measures, if that's....

I'll leave it there.

Mr. Darren Hannah: It ties in with something I said earlier. The intent is always to set the incentives in a multi-dimensional way so that they ultimately incent you to move toward the culture that the organization is trying to create. It is exactly along the lines you just described. You want to make sure that ultimately what comes out of this is a client experience where the clients feel they are getting the appropriate product, the appropriate service, and feel they're getting value from the relationship and want to extend it. That's exactly as you've described.

You need to balance a series of different dimensions in whatever objectives you set for your employees so that ultimately it travels in that direction. Then you need to set up monitoring to ensure the behaviour aligns and reinforces the culture they're trying to build.

The Chair: Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thank you, Mr. Chair.

I think most of the questions that have been asked of our guests.... I have concerns about some of the comments made as part of the questions. Questions have been asked along the lines of these incidents happening. I think we have to be careful, because we haven't heard testimony yet from those directly involved in it. I look forward to that opportunity in our other sessions.

I'm listening to the conversation, and the work that Ms. Tedesco's organization is doing, and I'm wondering if we're adding any value, since they already seem to have been launched into a pretty significant investigation. I guess we'll see some of the other testimony when the banks and the individuals appear before us here.

It seems to me it might be more beneficial to wait until the review is done, because quite honestly, that's exactly what the Financial Consumer Agency of Canada is set up to do. Here we seem to be doing the same thing all over again.

With those couple of comments, I will give my remaining time to my colleague Mr. Albas.

Thank you.

The Chair: Mr. Albas.

Mr. Dan Albas: Thank you very much, Mr. Chair.

Just quickly then, Ms. Tedesco, you said earlier that you've launched an investigation; that's ongoing. Do you have an idea of approximately when you might come to a conclusion in that process?

Ms. Lucie Tedesco: Richard, do you want to answer that because you're leading the exercise? We will have initial findings by the end of this year, but our work will be in phases. We have two streams, and one of the streams has two phases. The second phase, I believe, will be completed by June 2018.

• (1825)

Mr. Dan Albas: On the topic of the investigation and how it's going to be reported, will it be reported on a case-by-case basis, or will it be more of a generalized report? Will it be something that you will be giving to the Minister of Finance and Finance Canada for their review prior to the Bank Act review, or is there some sort of public mechanism? I would like to know whether the information that your team will gather, and its conclusions, will ultimately go back to the government quietly, or whether there is going to be a very public reporting mechanism.

Ms. Lucie Tedesco: We intend to publish our findings.

Mr. Richard Bilodeau: Perhaps I could just speak to the investigation part of your question. It's very important to note that the industry review itself of bank sales practices and their impact on employees' interactions with consumers with regard to their expressed consent is one thing. Any investigations happening either as a result of our work there, or separately—because we have received complaints, we've asked for information from the banks—coming out of that are separate from their review and will be dealt with separately. So, as those investigations progress we will follow our normal procedure. I can assure you that it is a priority for the agency and for my group to investigate those; and we will publish decisions according to our publishing principles as a matter of course. That activity is separate and they don't go through the Minister of Finance or the Department of Finance. It's entirely done within the agency.

Mr. Dan Albas: Thank you for clarifying.

Thank you.

The Chair: Just further on that point, a number of the letters that I've received relate to employees who may have gone to their human resource sections, and think they were dealt with unfairly. I don't believe that's your area of jurisdiction. Where do those folks go who have a complaint in the system? Sometimes it's personal relationships, I understand that, and sometimes it's fact. How do we deal with those folks? As I said earlier, we're in a quagmire here because there are some provincial things, there are some federal...federal labour law, provincial labour law, banking practices, and their rights. There are also individual rights of employees who feel they've been wronged, who can't find a recourse for how they've been wronged. I can tell you that some of those letters are fairly strenuous in their point of view, where they feel now they're in the health care system because of how they were treated at work. Does anyone have any suggestions on where those individuals can go to get recourse?

Mr. Darren Hannah: Sandy, do you want to walk through the employee recourse system?

Ms. Sandy Stephens: Within a bank there's a myriad of ways for an employee to escalate a concern. They can go to their direct manager, they can go to HR, but they also have an internal ombudsman system which is independent, and someone can look at their complaint. Also, we're a federally regulated institution so we're under the Labour Code, and in certain instances there is a complaint mechanism under that code as well.

The Chair: That's good information. Thank you.

Mr. Dusseault, one quick question, and then we'll go to the other side and Mr. Grewal.

[*Translation*]

Mr. Pierre-Luc Dusseault: I would like to hear from the FCAC officials about the incentives and performance objectives, which seem to be part of an ideal world for the Canadian Bankers Association. According to that association, consumers are very well served by a system that rewards strong performance: the more financial products that are sold, the more the employee is paid.

In your opinion, is this kind of practice by the banks, which want to sell more and more products even if consumers do not really need them, a good way to serve Canadian consumers?

Mrs. Lucie Tedesco: We are fortunate to have colleagues elsewhere in the world who have conducted similar reviews. Through their work, they found that incentive programs that focused on sales objectives rather than the greater consumer interest had indeed led to poor sales practices and poor results for consumers.

They also found that incentive programs were a key factor in establishing a culture in an organization, as Mr. Hannah said, since that truly illustrates the behaviours that are valued by institutions. This is a finding that was made elsewhere in the world.

They found that certain aspects of governance were lacking. The controls in place were not sufficient and there were not enough rules.

• (1830)

[*English*]

The Chair: Thank you both.

For the last round of questions, Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for testifying today.

Ms. Tedesco, you mentioned after what happened at Wells Fargo that you did proactive research on what other sales techniques are being done by Canadian banks.

Did you actually go to the branch level and witness how a customer comes into the branch, and interactions that a customer may have with a customer service rep, better known as a teller?

Ms. Lucie Tedesco: If I said that, I misspoke.

Mr. Raj Grewal: No, I'm asking about that part of your report.

Ms. Lucie Tedesco: At this point, there is no report.

Mr. Raj Grewal: This was in the response to the testimony you gave on what happened after Wells Fargo.

Ms. Lucie Tedesco: Yes.

Mr. Raj Grewal: You said that you looked at current sales practices.

Ms. Lucie Tedesco: We looked at our complaints in the same area, so complaints in the areas of express consent and disclosure. We went back three years to see what they looked like, and we determined that the number remained stable year over year. Even despite the fact that there was no red flag, if you will, from our complaints perspective, we continued to monitor incoming complaints.

We decided to focus our next industry review on sales practices to gather more information about sales practices. We knew what was going on in the United States, and we wanted to find out what was going on in Canada.

Mr. Raj Grewal: As part of your report now, will that include somebody going into a bank and having interactions with customer service representatives?

Ms. Lucie Tedesco: We are definitely going to do some mystery shopping type of exercise.

I can let Richard speak to that.

Mr. Raj Grewal: Perfect, that's fine. I just wanted to make sure it was included.

My experience as a customer of one of the big banks is that every time I go into different branches, I'm always being told, “Oh, why don't you buy the unlimited thing? What are you going to do with this balance in your account? You should invest it in mutual funds.”

That's all well and good because banks are profit driven. I want to say that we're not picking on the banks here. We're saying that at a certain point they're taking advantage of vulnerable Canadians who do not have the financial literacy to make these decisions.

Banking happens on a weekly basis. Let's say you come from my riding in Brampton East where the classic bank model still exists in which people do their banking in person. Then, TD goes over and above—that's an example of one of the banks—and they hire people who speak fluently in Punjabi and Hindi and Cantonese and Mandarin. They can speak directly to seniors or new immigrants who are working really hard, and they open accounts in these institutions. Because of where they come from, they don't trust that their money is going to be deposited at a machine or by doing it online, so they come and hand over the cash to see it being deposited into their bank. I feel that those are the types of customers who are vulnerable to deceptive sales practices and we need to do a better job of protecting them.

Further, when it comes to protecting consumers, something that I find completely unbelievable is the fact that with advisor spelled with an “o”, and adviser spelled with an “e”, one is a regulated title, and one is an unregulated title, yet banks use them both. If you know about this, why hasn't that been put to a stop right away?

● (1835)

Ms. Lucie Tedesco: The issue of “adviser” or “advisor” is an issue that deals with securities. We don't have oversight over—

Mr. Raj Grewal: That's fine. The only question is whether this was ever flagged.

At a certain point, it's not about the jurisdictional comment, because there is only one taxpayer. Your job is to protect Canadians, at the end of the day.

I'll pass it off to the Canadian Bankers Association. Your members are taking advantage of this glitch. You could pass the buck to me and say that it's not federal jurisdiction, and that's fine. You're well within your legal right to do that.

I totally understand the constitutional argument, but at a certain point, don't you think that substituting an “o” for an “e” to say that a customer service rep can use “financial advisor” as a title because it's unregulated is the definition of deception?

Mr. Darren Hannah: I'm really glad you've raised this, because there is a lot of misunderstanding around this issue. I'll let my colleague, Ms. Stephens, speak on it here for a moment, because I think it really needs clarification.

Ms. Sandy Stephens: “Adviser” is a term that is used in securities regulation for a defined set of functions, but an “advisor” is a more generic term. The reality is that people are regulated based on their functions and activities. If they're doing certain functions that fall within the “adviser” category, they would be regulated that way.

Mr. Darren Hannah: Put another way, if you are in a regulated institution doing a regulated activity, the regulator is going to regulate you, and one vowel isn't going to change that.

Mr. Raj Grewal: Those are a lot of regulations in one sentence.

Mr. Darren Hannah: It speaks to the industry.

Mr. Raj Grewal: I will say this.

Suppose you're a normal Canadian and you walk into one of the big six banks. Suppose you come across a university student who is working the till that day and whose title is “financial advisor,” the unregulated version. Suppose he then makes a pitch to you saying that you can save a certain amount of money by switching to *x* account and that you should invest your money in *y*, and suppose you rely on that advice. That's an unregulated securities transaction, in my opinion.

From my experience—and you can correct me if I'm wrong—this occurs more often than not at our banks. I believe that is an issue. Again, I'm not picking on the banks here. I just find it amazing that they would actually issue business cards with both “adviser” and “advisor”. It just seems like a problem they wouldn't want to have. Wouldn't you agree?

Mr. Darren Hannah: As I just said, in this case, candidly, it's a distinction without a difference from a regulatory point of view. At the end of the day, you should certainly expect, as a customer, that when you go in, the financial advice you're getting, irrespective of the title, is appropriate to your financial situation and that the products and services that are provided to you suit your financial circumstance. That's what every institution strives to achieve, and that's what builds a strong customer relationship and a lasting customer relationship.

The Chair: We will have to leave it at that.

Are there any last comments that you want to make, Ms. Tedesco?

Ms. Lucie Tedesco: Maybe picking up on that last point, if you're referring to perhaps tellers who are using the title of “advisor”, we don't oversee bank titles. It's not a specific consumer provision in the Bank Act, and that's what we oversee. However, if they're opening accounts or selling credit cards, they have to communicate with consumers who are approaching them to purchase these things in a clear, simple manner that is not misleading. That we can oversee.

The Chair: With that, thank you all for your appearances today. Also, thank you for the fairly quick time frame we asked you to appear under. You didn't have a lot of time to prepare for this meeting. We're on a tight schedule as well.

With that, thank you all for your presentations.

The meeting is adjourned.