WEB OF DECEPTION

Opening Pandora’s Box

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FOREWORD

The title “Web of Deception” is based upon the analogy of the spider creating a web to catch his prey. Likewise, the industry uses optics and deception to engage clients in order to sell them products to maximize their profits. Unfortunately, it can be without regard for what is best for the client.

The fundamental issue is that the industry generates an image of advice and service when in reality it is based upon selling product. There are no doubt exceptions to this behavior, especially when there is fiduciary responsibility involved. However the deception appears to be systemic and has many facets.

The financial services industry and the regulatory system in Canada are complex. The provinces have responsibility for securities regulation but the federal government has responsibility for regulating federally incorporated banks and insurance companies.

One of the facets of the web of deception is selling products created by banks and insurance companies that are similar to securities at least to the average Canadian. Since they contain an element of insurance they are not classified as a security and therefore not subject to the regulations of the provincial Securities Acts.

The federal regulators seem to be less effective than the securities regulators even though the latter are also failing to effectively protect investors.

This report is meant to provide an overview of some of the deceptive practices with concentration on the sales of investment products. The same practices prevail throughout the financial services industry from the up-selling of bank services and selling insurance products to the selling of securities that include shares and mutual funds.

The CBC Go Public program has been important to expose the behavior that does exist in the financial services industry and is at variance with the image created by the industry.

The harm done to Canadians by the financial industry is huge in magnitude and there are countless personal tragedies.

Can you trust your financial institution?
INTRODUCTION

For far too long, the truth has been covered up.

Then on March 6th, 2017 three brave individuals came forward anonymously to bear witness to the facts. This revelation by CBC’s Go Public has pried loose the cover of Pandora’s Box and has begun to unveil the public deception by the financial services industry. This program has led to thousands of individuals speaking out to confirm unethical and shameful behaviour that desperately needs exposing.

Go Public started with one major bank. Then the flood gates opened and witnesses came forward to reveal that all of the banks had the same behaviour. It is a system wide culture that is preying upon an unsuspecting and trusting Canadian public. Now that our longstanding trust of the banks is being questioned, Canadians are rightfully concerned that our trusted financial institutions do not appear focused on clients’ best interests as the public had previously assumed.

The people Canadians have trusted to provide them financial services and advice are now being pushed to meet unreasonable sales quotas that produce the most profit for banks and apparently to use whatever means necessary to do so. These demands placed upon staff to meet performance targets, call them to behave in a fashion that is contrary to their feeling of moral responsibility towards their fellow citizens.

In the days following the initial airing of CBC Go Public’s program on the Big Banks more employees from all major banks stepped forward. It became abundantly clear this misleading, deceptive, unethical behaviour went far beyond just tellers and implicated every position held in the bank from Financial Advisors and Wealth Managers to Certified Financial Planners. These people are handling the life savings and future retirements of many Canadians.

This web of deception attracts Canadians like a spider web attracts flies as prey. The deception is complex and widespread and unfortunately reaches far beyond just our banking institutions.

WHAT IS GOING ON?

People are encouraged to save and invest, to help them enjoy a comfortable retirement. Yet many fail to achieve that objective.

Many Canadians wonder:
- Why their mutual fund investments do not perform well
- Why there are redemption fees when they sell a mutual fund
- Why their Advisor lives rich, while they struggle, when he says he invests in the same products
- Why they can’t find out how much they pay their Advisor
- Why it seems they are the only ones losing money
- Why regulators claim to protect investors but won’t help get their money back
• Why Advisors’ activities that seem like fraud are not criminally prosecuted
• Why firms don’t accept responsibility for their representatives’ actions

The answer is:

“It is all about protecting the distribution platform and the money that participants earn from it. The distribution platform is an unethical and inefficient one. The trouble in Canada is that virtually the entire industry is structured around product/transaction distribution. Everybody wants to be seen as giving advice but few want to be accountable for it. For the industry it is a free lunch.” - Andrew Teasdale – August 28, 2016

Or simply put, you are dealing with a sales person. Sales persons are motivated by commission and driven to conform to industry culture. This culture of greed strives to maximize profit without regard to rules and regulations that require them to act fairly, honestly and in good faith. At the same time financial institutions are claiming that trust is important and their clients’ interests are a priority.

Regulators state they will protect investors from fraud and wrongdoing.

At SIPA we have witnessed the activities of the markets and the regulators for nearly two decades and the pattern has not changed. We continue to hear from investors who have placed their trust in a Financial Advisor and yet have lost everything. The regulators appear to either not care and/or are seemingly powerless to protect investors or to provide any appropriate means for victims to gain restitution.

DISPUTE RESOLUTION

Dispute resolution mechanisms provided by industry appear to serve the industry and deflect client efforts to seek restitution. Delay and deny tactics frustrate victims often leaving only civil recourse for them to pursue any justice. For many this option is out of reach.

Approaches to company management, compliance officers, and internal ombudsmen are generally met with defer, delay and deny tactics, exhausting the bewildered investor and eating up valuable time that elapses in the Two Year Limitation Period. Canadians are unaware that the limitation period for taking civil action was quietly reduced from six years down to two years and passed in an omnibus bill without discussion in the legislature.

The regulators are reluctant to investigate and will do so only to determine if their rules have been broken. Regulators do not get the victim’s money back even on the occasion when they discipline the member for breaching rules. Instead they suggest arbitration or approaching the Ombudsman for Banking Services and Investment (OBSI).

OBSI does not have the power to order restitution but can only recommend a settlement to both parties and either party can refuse. OBSI can also publish the name of any firm that refuses their recommendation, referred to as naming and shaming. Firms try to negotiate lower
settlements with victims threatening that if they don’t accept their lowball offer, civil litigation will be their only option.

Civil litigation is a long and costly experience and is often not possible for many victims.

Victims faced with this situation will often accept minimum restitution and then are forced to sign a non-disclosure agreement (Gag Order) to prevent them from speaking out so the public will not find out the extent of the problem.

**WHY DO SO MANY CANADIANS GET FLEECED?**

Faced with seeing so many victims of industry fraud and wrongdoing we believed there had to be a fundamental reason why this was happening.

We have interviewed many hundreds of victims and found that most of them knew very little about investing. They simply trusted their Financial Advisor to look after their savings. They truly believed that he would and many believed he had a fiduciary duty to do so.

Sadly many trusting Canadians saw their life savings disappear and they were left with nothing but the mortgage on their home and trying to meet the mortgage payments on meagre Government assistance. Many lost their homes and their health. Many considered suicide. Some attempted.

"As a result of the activities of this broker, I not only lost my entire life savings, I lost the savings of my company and I found myself in debt to the tune $1.8 million. I can tell you there was the day when I stood on the deck of my boat with a 50 pound weight tied around my waist because I had to put an end to it all and it is only because of the intervention of my wife, a very timely intervention, and the subsequent support of my two children that I am here before you today."

There have been studies, reports and conferences for decades to define the separate issues. From time to time activity would seemingly focus on individual issues such as: fund fees, access to justice, disclosure, lack of enforcement, need for a national regulator, and a litany of other issues. All were indicators, but none by itself seemed to be a fundamental reason.

The regulators seemed to settle on investor education as the solution. We do not agree. People have families and careers that absorb their time. They depend upon doctors, dentists, lawyers, and other professionals or trades people to attend to their needs while they are engaged with making a living and providing for their families. For their savings they trust their Financial Advisor. After all it is claimed that Canada has a great regulatory system and all of the advertising suggests that the industry will look after investors to ensure they will have a happy retirement.

We came to the conclusion that investors are being deceived on a broad scale. We feel it is Strategic Insidious Deception:
- Strategic - relating to the identification of long-term or overall aims and interests and the means of achieving them
- Insidious - causing harm in a way that is gradual or not easily noticed
- Deception - the act of making someone believe something that is not true

**STRATEGIC INSIDIOUS DECEPTION**

The industry uses optics to create a public perception that we can place our trust in the financial industry that is well regulated. Industries statements say trust us; regulators say we protect consumers; media carries advertisements to entice us and publish articles complimentary of regulatory actions. On rare occasions the media reports about something gone wrong they refer to those regulated fraudsters as rogue individuals.

The industry and regulatory system is complex and understanding it is beyond the average Canadian. There is an ever new proliferation of complex financial products.

Canadians are busy with career and families and need advice they can depend upon.

Although there are some good people selling financial products they are limited in what they can do for clients and there is a great number who are driven by commission grids to meet ever increasing targets or risk losing their employment. The corporate demands for ever increasing profits results in corporations disregarding the rules and forcing their representatives to sell inappropriate products and use unsuitable strategies for those who are seeking to have their savings secure to provide for their futures.

The exposure of bank behaviour by CBC Go Public is indicative of the culture and practices that are systemic throughout the financial world. These have also been exposed in the United States recently with the Wells Fargo fiasco.

**EXEMPTIONS TO THE LAW**

Although the laws and rules and regulations would seem to provide sufficient regulation and consumer protection there are exemptions to the rules and regulation that are allegedly meant to protect consumers.

What do these exemptions end up costing our country? A SIPA report, currently being prepared, examines the financial cost to Canadians of investment industry and regulatory ‘closeness’. Are they truly acting at arms-length from one another? While government statistics place the size of economic harm from all crime in Canada, at between $50 billion and $60 billion or higher each year, SIPA has found issues such as ‘exemptions to the law’, which have caused economic harm to Canadians in the tens of billions of dollars at a time. Most consumers are not informed that investments they purchase may have received permission to ‘bypass’ Canadians laws. This needs to be explored in depth.
One example is a pharmaceutical company, which used an exemption in 2012 from the laws of financial disclosure, granted by the OSC. By 2015 it was worth more in market value than the worth of the Royal Bank of Canada (RBC). Now executives have been charged with fraud and the decline in the share price has erased some $380 billion from stock market values.

Interestingly it is US officials who have pursued the fraud charges, while the company was Canadian, and it was Canadian regulators that granted the exemption. Most investors are shocked to learn this (hidden exemptions to law) occurs in Canada. The exemptions are hidden in plain sight, but in a way that only experts will be informed and never the general public. That secrecy may in fact be replacing fair and honest dealing.

There are approximately 14,000 examples in Canada where regulators have granted exemption to our laws, without notifying investors, nor releasing any public interest reasons for doing this. True professionalism requires full disclosure.

**MISLEADING ADVERTISING**

There are many facets to consumers being deceived. Industry advertising slogans, taglines, mantras, catchphrases, positioning statements, and rallying cries contribute to the grand deception being played out on the public. This is covered extensively in SIPA’s report “Lack of Truth in Advertising Deceives Investors”.

Many Canadians believe they are dealing with a fiduciary when they deal with a “Financial Advisor”. Industry advertising and titles reinforce that perception. Common sense and decency tell us that a person handling another person’s savings needs to be held to the highest standard. They need to be fiduciaries.

**FALSE TITLES MISLEAD**

In SIPA’s report “Advisor Title Trickery” there were 121,932 total registrants in Canada as of Sept 16, 2016 in the investment industry. 4,076 persons or 3% of that total are legally registered in the category of Adviser or Advising Representative. Only 3% are registered in the category where a true fiduciary professional responsibility is legally required to be delivered to you as the investor. All others are registered as Dealing Representative, i.e. salespersons who legally act as an agent of the dealer, and NOT firstly an agent of the investor. Client relationship rules currently allow this to be hidden from your view, and the investor is expected to be responsible for learning this. This bait and switch is a root cause of a great deal of harm being played out upon nearly every Canadian investor.

Dealing with a salesperson when you think you have a professional “adviser”, is the epitome of a Buyer Beware relationship, despite new Client Relationship (CRM2) rules in 2016. Seven out of ten Canadians believe they are working with a financial expert with a legal obligation to look out for their best interests.
In response to intense SIPA questioning to the Canadian Securities Administrators over several months Chris Besko Acting General Counsel & Acting Director stated in August 2014:

“Financial Advisor, as you noted, is a common title which many persons use, whether they are registered under securities legislation or not. The use of this title is not generally prohibited, and may be used by anyone, including persons who are only licensed to deal in insurance products, mortgage brokers, deposit agents, or employees of financial institutions.

As with Financial Advisor, the title of Vice President is increasingly a common title used in the financial services industry. While an officer of a firm may be designated to be a vice president, the use of the title is not reserved to actual officers of a corporation. As such, it is not safe to assume a person described as a vice president is in fact an officer of that corporation.”

Although the regulators claim that “Financial Advisor” is an unregulated business title that can be used by anybody, the use of a non-registered title is contrary to Securities Laws in most provinces. It seems that the Securities Administrators are unwilling or unable to enforce these laws, with the result that the industry is free to deceive investors with false titles. The regulators are claiming that it is important for investors to check the registration of their Financial Advisor to ensure that he is registered with the regulators ... but is that enough?

There is great hoopla about measures being taken to educate investors and helping them by asking them to check to see that their advisor is registered. To be sure this is the basic step to avoid being defrauded by an unregulated fraudster, but it is no protection against having your savings destroyed by a registered sales person. Sales persons (dealing representative) have no legal requirement to look after an investor’s best interests. However, it is in the sales person’s interest to maximize his commissions. This can be done by selling the products that pay the highest commissions and by the use of leverage to increase the amount of assets under management (AUM) on which he generates commissions. Both of these initiatives are contrary to an investor’s best interests. A commission grid is used by the industry to motivate sales persons to maximize their commissions. Bonuses and incentives are offered for those who do. This often results in deceitful activity and loss for investors. Read the full SIPA report "Above the Law" for further details.

OPTICS AND PERCEPTION

Canadians are bombarded with daily advertisements leading us to believe financial advisors will put the interests of investors ahead of their own, but then they all deny any such duty, when it comes to complaint cases filed by investors.

Although many institutions claim in their advertising that they provide financial planning and holistic advice, few actually provide comprehensive planning with written financial plans. This fact is best illustrated by Alan Goldhar, Professor of Financial Planning at York University and Manager for the Ontario Public Trustee.
The Public Trustee takes over the finances for people that are mentally unable to make financial decisions. They have taken over more than $500 million in investments for 10,000 clients, most of which had a financial planner, broker or bank advisor. They interview the client and the family and then send in a team to obtain all financial documents. The shocking fact they discovered is that, of the 10,000 clients they took over, none had a financial plan! Not a single one!


The current suitability regime, loaded with conflict-of-interest, can hardly be called “advice”. But now it is being used as a basis to provide what is purported to be ever more fulsome financial advice and its deficiencies are glaringly apparent. Additionally, with an aging client population, fewer defined pensions being offered by employers and more defined contribution plans being part of the future, there is an increasing need for Canadians to have access to impartial professional financial advice that can be trusted is in their best interests.

The facts show that many Canadians are losing their life savings due to systemic wrongdoing, including fraud, by the regulated investment industry. Examining the facts revealed by the many disciplinary investigations indicates the regularity of nefarious acts by registered representatives and the failure of firms to properly supervise their representatives. This list describes some of the most common infractions. Manipulation, Conflict of Interest, Unauthorized or discretionary trading, Inappropriate personal financial dealings and outside business activities, Unsuitable Investments, Wash Trading, Front-running & Client Priority violation, Falsification / Forgery of Documentation, Misrepresentation, Theft, fraud, Inadequate Supervision, Failure to Deliver Best Execution, Churning or Excessive Trading. Source:

http://www.iiroc.ca/industry/enforcement/Pages/Guide-to-Common-Infractions.aspx

**HEADLINE GRABBING FINES**

Headline grabbing fines create the perception that regulators protect investors. Securities Regulators routinely announce fines against some of the wrongdoers attempting to demonstrate that they are dealing with issues.

Based on our investigation of these fines we find that the pronouncements are an illusion of effectiveness – most aren’t paid. See SIPA report “Unpaid Fines: A National Disgrace”. The unpaid total runs into the hundreds of millions of dollars accompanied with an alarming air of indifference among regulators. We determined that there was more than $899,216,448.32 in fines owing to Canadian regulators in early 2016 and climbing. Unpaid fines contribute to a breakdown of trust in the system and reduced investor protection.

**CONFIDENTIALITY AGREEMENTS**

Confidentiality Agreements or “gag orders” are often requested by defendants as part of any civil settlement. It appears to be a standard industry practice to use a “boiler plate” confidentiality clause in the typical settlement agreement, which includes a provision that the parties agree to keep the terms of the settlement confidential. Many investors think these
agreements prevent them from ever again disclosing or discussing their experience. But for survivors of financial abuse, where embarrassment and shame are often part of their experience, having to maintain silence in return for a payment can have very negative consequences. It is important that those who have been abused financially keep their voice. Not just for the victim's own healing, but for society as a whole. We could learn many ways to improve the system, just by listening to investor voices.

NON-DISPARAGEMENT AGREEMENTS

It is fact that some bank employees are being made to sign Non-Disparagement Agreements with their employers. Here is an example of one shared recently with SIPA:

"You agree that you will not make any oral or written communication to any person which disparages or damages the reputation of the Bank, including its affiliates or their respective officers, directors, employees, shareholders, or products or services”

What is the motivation for such a request? This prevention of the public speaking out results in Canadians not knowing and enabling the financial services industry to continue harvesting Canadian workers wealth unimpeded.

NO CONTEST SETTLEMENTS

On March 11, 2014, the Ontario Securities Commission (“OSC”) introduced a new program permitting the OSC to reach settlement agreements which do not have to include admissions of fact or liability, called No Contest Settlements.

Since 2014 some our largest and trusted institutions have taken advantage of this new rule and disclosed some startling information that had gone on undetected for years.

TD Bank subsidiaries (TD Waterhouse Private Investment Counsel Inc., TD Waterhouse Canada Inc. and TD Investment Services Inc.) agrees to return more than $13.5 million to clients whose accounts were charged excess fees, in some cases dating back more than a decade.

CIBC (CIBC World Markets Inc., CIBC Investor Services Inc. and CIBC Securities Inc.) agreed to repay $73 million to more than 80,000 customers who were overcharged for their investments since 2002.

Three Bank of Nova Scotia dealers (Scotia Capital Inc., Scotia Securities Inc. and Holliswealth Advisory Services Inc.) were to compensate $20 million to current and former clients who overpaid to hold various types of investments. The fee overcharges date back to 2009 and went undetected for years, affecting roughly 45,703 client accounts that were invested in various mutual funds, exchange-traded funds and structured products.

Four divisions of Bank of Montreal (BMO Nesbitt Burns Inc., BMO Private Investments Counsel Inc., BMO Investments Inc. and BMO InvestorLine Inc.) were to repay almost $50-million to
60,393 client accounts that were overcharged on their fee-based accounts and on mutual-fund costs for eight years between 2008 and 2016.

The biggest No Contest Settlement reached was with the mutual-fund company CI Investments Inc., which settled allegations that it made errors in calculating mutual-fund valuations, agreeing to return $156-million to 360,000 clients who bought mutual funds over a five-year period.

The OSC said it found “no evidence of dishonest conduct” “prompt, detailed and candid cooperation” and they "created a plan to return money to the affected clients." Isn't it big of them to return what wasn't rightfully theirs to begin with?

At the present time we also note that there is also approximately $18 billion in A class funds with discount brokers, paying trailer fees even though no advice service is being provided!

**FINANCIAL CONSUMER AGENCY OF CANADA (FCAC)**

SIPA referred to the FCAC website to determine who the FCAC is, what their role is and how they perform in that role.

The FCAC website states:

"The Financial Consumer Agency of Canada (FCAC) ensures federally regulated financial entities comply with consumer protection measures, promotes financial education and raises consumers’ awareness of their rights and responsibilities."


Regulator’s calling on Canadians to become better financially educated to protect themselves from the big banks is unfair. Regulators must be required to respect their mandate to protect consumers. It must not be Caveat Emptor when Canadians are placing their life savings and their trust in our financial institutions.

The Bank Act is the primary legislation governing banks and federal credit unions in Canada. The Financial Consumer Agency of Canada (FCAC) is responsible for administering sections of the Act designated as consumer provisions, in addition to monitoring the financial institutions’ compliance with voluntary codes of conduct and public commitments.

The FCAC has limited punitive power. They can fine wrongdoers up to a maximum of $500,000. This is a pittance to banks that have consecutive quarterly profits in the billions. If the FCAC finds a very serious allegation, they can also name the institution. This is commonly referred to by regulators as "Name and Shame".

When questioned by the CBC, Brigitte Goulard Deputy Commissioner of FCAC answered:

"Well I think there are always serious consequences when financial institutions don’t respect their obligations. So in terms of consequences, if we do see some institutions who are not complying, we will investigate the matter and if the investigation leads to a violation they could be subject to
a fine up to $500,000 and if it is a very serious allegation then we could actually name the institution.”

Since all five major banks have already been named by CBC, there is no meaningful investor protection impact with either of these measures at the FCAC disposal. They are neither sufficient to effectively punish, nor to act as a deterrent.

The FCAC as recently as October of 2016, released a positive report on our banks.

“The FCAC's report indicates that the agency has observed, "Strong market conduct" among federally regulated financial services firms, such as banks and insurers. Specifically, the FCAC's compliance efforts uncovered 'no major or systemic concerns.'


Remarks recently made by the Commissioner of the Financial Consumer Agency of Canada, Lucie Tedesco at the Annual Industry Session 2017, lead Canadians to believe they can trust the banks:

“Well-informed, well-protected consumers make loyal consumers. Consumers can be confident that, in Canada, their interests are safeguarded by the laws, regulations and frameworks in place to protect them.”

"I can tell you, as Chair of the International Financial Consumer Protection Organization that the Canadian financial protection regime serves as a model for others around the world”

In light of recent CBC’s Go Public investigations and thousands of employees and consumers coming forward one has to ask, “How can there be such disparity between what Canada’s financial regulators state and what people’s voices are telling us?”

“This year, FCAC continued to solidify itself as Canada's financial consumer watchdog–ready for any challenge on the road ahead. The future is now and FCAC is ready."

Lucie Tedesco,
Commissioner, Financial Consumer Agency of Canada 2015-2016 Annual Report

The Deputy Commissioner also extols the regulator’s effectiveness.

“In 2015–2016, we strengthened our capacity to research and analyze trends in financial consumer issues. We also made great strides in updating the tools we use to promote, monitor and enforce responsible market conduct."

Brigette Goulard,
Deputy Commissioner, Financial Consumer Agency of Canada


What exactly are they ready for? How exactly are they enforcing market conduct when in 2015-2016 zero fines were levied? CBC referred to their banking investigation of unethical conduct as what appeared to them as an "open secret". It was right out there in the open for anyone looking or asking questions to discover.
There are only twenty four existing Commissioner’s Decisions published on the FCAC’s website. That is a very small number for such a large territory they are responsible to oversee. Not a single name was made public, even when ten of the violations resulted in an administrative monetary penalty (AMPs).

The FCAC has not found any Canadian bank violations in the past five years. They appear to be oblivious to breaches of ethical conduct, failing to ask questions or to shed light on how they regulate banks or protect consumers and what they actually do in terms of reviewing their activities.

Their regulatory role needs to be brought into the 21st Century. Their paternalistic attitude with more of the same refrain "trust us", without any obvious form of accountability is not acceptable. The FCAC would appear to be no more than a web page and does not instill confidence.

It is time, not just for a review of the banks but also of the relevance of the FCAC as it presently stands. It is unacceptable for our Government to rely upon the Financial Consumer Agency of Canada (FCAC) to do the required review needed. They are clearly not up for this important consumer protection role or investigation.

**CONCLUSION**

This report ties many different strands together, demonstrating an intricate web of deception that ensnares trusting Canadians. Even employees are now saying, "Enough is enough!" The greed culture has overflowed! It used to be explained away by "rogue advisors" or "consumers failing to take responsibility", but now thanks to CBC Go Public, the bigger contextual picture is finally emerging.

If this is what is happening in the slower lane of branch banking, what influence do you think is being brought to bear on financial advisors and what type of individual is going to flourish and be attracted to such an advisory system?

Canadians are losing their savings at a rate estimated to be well in excess of $25 billion per year due to fraud and wrongdoing by a financial services industry that does not put clients’ best interests first, regardless of laws or rules and regulations.

A Fiduciary Standard is required if retail investors are to trust the “advice” they receive. Big Banks say trust us, advisors say trust us, regulators say trust us.

Are these meaningless words?

In Canada, it appears possible to defraud tens of thousands of clients for up to a decade under recent No Contest Settlements by paying fines to evade admitting responsibility and civil action.
There are many deficiencies in our current system, due largely to industry culture. Therefore, it is essential that Governments act to revise Statutes to ensure that all firms and individuals offering investment advice are held to a fiduciary standard regardless of their titles.

Those tasked with over-viewing industry conduct must be impartial, willing and capable of effectively punishing those who persist in unfairly harvesting Canadians savings. They must levy appropriate financial fines and incarceration when warranted. Victims must be paid restitution without having to turn to costly civil litigation.

Canada is in dire need of an ongoing informed, independent and thorough assessment of financial regulation. An Independent Consumer Protection Agency would greatly improve the governance of financial regulation and would help compel regulators to act in the public interest by giving a viable voice to public concerns.

Speak with the people. Do not rely upon industry and its regulators, to do the work our Government must, to protect its citizens from financial harm. With so many regulators across Canada tasked with consumer protection mandates, the question arises why is it left to CBC Go Public to break this story?

This important public inquiry should not be done by asking the failed protectors if they are doing a good job. The implications here for Canadians are enormous. Given the potential extent of continuing financial harm to Canadians, it is essential that our Government takes positive action without undue delay.

The expectation that Canadians need to increase their financial literacy in order to better protect them is both unfair and unrealistic. It must not be Caveat Emptor in a relationship that is based solidly on trust. Canadians are entrusting their hard earned money, savings and futures with what should be trusted institutions and individuals. Regulators must be required to fulfill their mandate to protect consumers.

We demand that trust be brought back into our lives and back into our financial service relationships. On behalf of all Canadians, SIPA calls on our Government to do what all Canadians should rightly expect:

- To immediately launch a public commission of inquiry and to change forever attitudes towards consumer rights in the financial services marketplace.

- To establish an Independent National Investor Protection Agency with the sole mandate to protect the Canadian public.

**It is just the right thing to do.**
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