

**CIPF Podcast Series – Investor Protection in Times of Crisis  
No. 6 – Resolving Customer Disputes in Times of Crisis**

Transcript<sup>1</sup>

Moderator: Donna Howard

Speakers: Sarah Bradley

Donna Howard:

Hello, and welcome to another episode of the CIPF podcast series. I'm Donna Howard, Chair of the Board of Directors of the Canadian Investor Protection Fund. Our topic of conversation today is “Resolving Customer Disputes in Times of Crisis.” The Ombudsman for Banking Services and Investments, or more commonly known as OBSI, resolves disputes between participating banking services and investment firms and their customers. My guest today is Sarah Bradley, Ombudsman and CEO of OBSI. Our discussion will explore how OBSI has adapted to COVID-19, as well as observations and lessons learned during this time of crisis. Sarah, it is a pleasure to have you join us for this podcast.

Sarah Bradley:

Thanks so much, Donna. It's great to be here.

Donna Howard:

Great. Well, let's start off with - during times of crisis, how do you convey confidence to your stakeholders, and what have been some of the most effective communication tools that your organization has used to meet this goal?

Sarah Bradley:

Such an interesting question. Thank you very much for having me and for raising such an interesting topic for us to discuss today. Times of crisis are obviously highly unusual times, but they do provide a very unique opportunity when we're talking about communication, because outside of a crisis, it can be very difficult to be relevant, to capture people's attention, to be delivering messages in a way that people will care about. But, during a crisis, some of that initial difficulty is overcome. If you have something that's relevant to say, people are ready to listen, because in a time of crisis, people are looking for answers, or maybe they're looking for order when they have a sense of disorder or they're looking to improve their understanding, so that initial hurdle of getting to the start line of having somebody listening to you is often actually a little easier to overcome as long as you have something relevant to say.

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<sup>1</sup> This transcript has been edited for clarity and ease of reading. This podcast is for informational purposes only and is not intended to constitute advice of any kind.

So, thinking about communications, I always sort of bucket this into two categories and they're a bit separate. The first would be direct, interpersonal communications, and the other would be digital communications, both of which have been super relevant during the recent crisis we've been going through. So, looking at it from a personal or a team communication perspective during a crisis, I think one of the lessons we've learned is - more is better, just being available, being connected, being engaged. We're all physically separated. Everybody is going through their own experience in terms of the pandemic that we're going through. There's a real variety out there of experiences that people are having, but being present, making those connections - it's absolutely critical. I don't think I can identify anybody who's doing too much of it.

Sarah Bradley:

There's always an appetite for more. And in those communications expressing empathy and understanding, relating to what people are going through has been so key because I think we all have something that we're going through that's unique, and it's nice to feel that while we're socially and physically isolated, nice to feel that sense of connection on an empathy level. Part of that, I think when you're a leader, too, is being okay with expressing a bit of vulnerability, letting people know that this is challenging for you, too. Sharing your own challenges and experiences I've found is really important to being able to establish a connection with the people that you're talking to. I think, though, it comes more naturally, I would say, to some people than to others, but I've found it to be a really important tool in the toolbox. But, at the same time, I think for those of us who are in a leadership position, I think communicating personally during a time of crisis requires a sense of confidence as well.

Sarah Bradley:

So, to be, in fact, leading and to be expressing yourself with confidence, understanding the challenges of the situation, but having a plan, sharing the plan openly, expressing your own views of why the plan will be effective, but still showing flexibility and agility, openness to new ideas. But, remembering that in a time of crisis, people will be looking to leaders for a sense of direction, a sense of confidence if things seem uncertain. It might sound a bit in conflict with expressing vulnerability, but I think the two can actually marry together quite well. And that applies to internal team communications, of course, talking to your own internal stakeholders. I think that the ideas of engagement and empathy and leadership are equally important when we're talking to our external stakeholders as well. They need to hear from you. They need to feel that you feel and understand their challenges too, and they need to understand your plan, understand your organization's resiliency. So, I think that those are messages that track across all personal communications.

Donna Howard:

What about for OBSI specifically?

Sarah Bradley:

For us, this has translated into more opportunities for frequent team check-ins, for coffee break meetings with colleagues, or even with direct reports and others in the organization, for just as many touch points as possible, that we can organize between team members or encourage the team members to organize with each other. We've also been organizing some bi-weekly town halls. This has been a great tool where all of our staff are invited. It's a range of presentations. Sometimes, it's me talking, sometimes, it's other senior management team members, or other colleagues. It's a chance for us to talk about new initiatives or for teams to provide updates to the rest of the organization about what's happening on their team. I also have an anonymous 'Ask Sarah' question Dropbox on our intranet site and nothing is off limits. Any of our employees can ask any question that they want.

Sarah Bradley:

Some of them have been interesting and I'll answer it. I'll address it at the next town hall. And we've also just been more intentional about more frequent brief check-ins with our key stakeholders. So, reaching out externally as well. Those are all ways that we've been trying to touch base with people inside and outside the organization, but we've also opened up some online portals, using some electronic and digital technology to open up different lines of communication. We have a firm portal; we have a consumer portal. These are digital spaces where firms and consumers can log in and securely see information about the cases that they might have with us, upload documentation, they can deal with administrative matters, and firms can see how their firm compares to aggregated data for other sectors. A lot of that was previously done through other channels, but now it's more of a self-serve option for our stakeholders. I guess that brings us to the other major bucket of communications during a crisis.

Sarah Bradley:

There's the personal bucket, but then there's the digital communications during a crisis. From an organizational point of view, that's been really key and has also changed through the crisis. Digital communication just seems to be the default for so many people today. I think that's especially true during a crisis where people are maybe looking for information with urgency or they're dealing with short notice or they're on a different schedule to others. Having a way to be able to provide information on demand is, I think, even more valuable during a crisis than not, and being as transparent as possible, having the information that is available that people might be looking for - and on this, I think more is better, but it comes with a caveat because more information and a depth of information can also lead to a bit of an overload and make it hard for people who are seeking that information to actually find or pinpoint the pieces that are relevant to them.

Sarah Bradley:

This is where digital tools around searchability and the effective use of the digital tools is so key, it's its own whole profession. I don't know that much about it. I know that we do hire people who understand it. We've certainly found at OBSI that investing in search engine optimization has driven a lot of improvement for us and understanding, too, the structure of the information and how we present it. Our newsletter format has been updated so there are short headers and links back to website content and more focus on sharing content in small bites, through different channels, like social media channels, and even things like changing the formatting of information on our website. We're moving away from PDFs, which are challenging from an SEO perspective and have their own accessibility challenges, and we are using alternatives instead. All of those things have been really helpful for us.

Donna Howard:

Changes in technology are probably a good segue into the next question. In the virtual environment that you're working in today, have you made any tweaks to your leadership style that you plan to adopt on a permanent basis going forward?

Sarah Bradley:

Yes, I have. I've found that there are both opportunities and challenges in leading in a digital environment. During this period of time, when so many of our staff have been far more productive, I'm not sure that I can necessarily say the same for myself or at least I think it's fair to observe that my productivity has changed. I'm certainly saving a lot of time on the things that we all used to do a lot of - moving physically between home and work, in between meetings, and doing things like traveling to other cities and so on - but I'm also having a lot more meetings, having a lot more intentional and thoughtful meetings. I think it's been really critical to be in touch with people to ensure, or to try to ensure, that feeling of connectedness personally, but also as an organization. And it's that feeling of connectedness also to the mission, right?

Sarah Bradley:

To an understanding of what we're all about and to feeling an important part of it. There are not really shortcuts to that. It takes time, it takes effort. And, so, I found doing that myself, I'm more intentional about it, more focused on it. I'm also certainly encouraging other leaders in our organization to do that as well. A key challenge of remote work is that sense of disconnectedness. And, for us as leaders, we really need to do what we can to bring people together, closer to us, closer to each other as well, even though we're physically separated. So, those are, I think, lessons that won't go away when we are able to be back in person. Again, I think we're going to be needing to keep up our regular team meetings, keep up our updates, the transparency. A lot of those things have been so valuable for us. It will be those bi-weekly town halls - I'm sure we're going to keep doing them. They've been very popular and I'm sure they'll be just equally relevant once the crisis is over, hopefully soon.

Donna Howard:

Good lesson to have learned to date. Do you have any other important, valuable lessons that you've learned to date while leading your organization during this COVID period?

Sarah Bradley:

If the pandemic's taught us anything, it's really that we need to be prepared for change. And, a lot of changes are not that easy to prepare for. So, prepared might not even be the right word, but being ready, being light on our feet. The word agile is such a loaded term these days. It seems to mean different things to different people. But, the idea of being prepared to be flexible, understanding that our routines, our traditions - they aren't what keep us who we are, right? They aren't what keeps us moving forward. That we can pursue our organizational goals in a variety of ways. There are many paths to the end points that we want to reach. And, so, ensuring that we're comfortable personally with that kind of mindset and making sure that our teams are comfortable with that mindset and feel supported through change, that's probably the biggest takeaway from the pandemic for me.

Sarah Bradley:

I could name a couple of others - the incredible importance of the people that make up our organization. I think that's always been true. Any professional services organization can and should say the people are incredibly important, but, whereas before I might've said, well, people are the hub of our organization's wheel, now I'd be more inclined to say that people are the hub, they're the spokes, they're the rim, they're the tire of our organization. And, so, the investments that we've made in communications and engagement and so on and ensuring that that personal support is there has been really key in terms of lessons for me.

Donna Howard:

Getting back to the mission you've referred to before, what are some of the common disputes between customers and investment dealers? And, have you seen a shift in the types of disputes from customers during COVID-19?

Sarah Bradley:

Yeah, we have seen a bit of a shift. One of the things that's interesting about the work at OBSI is that we have such an incredible variety of things that can go wrong from the consumer's perspective, in an advisory relationship. We do see a very wide variety of cases. And, remember, too, the cases that reach OBSI are cases where the investor has complained to the firm and the firm has looked into the issue and really has not been able to resolve that issue with the client themselves. So, a lot of more straightforward cases or issues really won't end up getting escalated to us. But, when the cases do come to us, the typical cases that we would see - one of the most common certainly involves suitability, the suitability of investments, the suitability of leverage or margin. These are cases that are more difficult to resolve.

Sarah Bradley:

There tends to be different perspectives. And, in some cases, an unwillingness to see the other party's perspective. Those are cases that we see quite a bit of. Service issues have been prominent, transfer delays have been prominent, transaction errors where something has gone wrong in the processing of the transaction. We get complaints about product information or misrepresentation - where the consumer is concerned that they either haven't received information or the information they received was incorrect. And, we get quite a few cases about fees as well, about the disclosure of fees or whether fees were misrepresented. During the pandemic, I will say we've seen a very significant increase in our investment related cases, pretty much across the board. All of those issues that I just mentioned that make up the bulk of the complaints that we deal with in a year, they're all up.

I guess there are certain trends unique to the pandemic, or at least that have started since the pandemic started. We're seeing a lot of complaints about OEO firms and I know-

Donna Howard:

OEO firms are?

Sarah Bradley:

Order execution only. So, your direct invest type of firms where there's no advice being given. Consumers are responsible for their own decisions, but they are using the firm's platform to do their own DIY investing. We know from talking to others in the industry that DIY investing is up significantly. There's a lot more retail investors using those services. And, we're seeing an uptick in cases that come from those platforms. They're generally not about advice, of course, but they are sometimes about delays and errors and information problems, and so on.

Sarah Bradley:

Through the pandemic as well, which did certainly include a period early on in 2020 of a significant market drop, and then very significant volatility throughout the year since, we've seen a lot of margin issues and margin is another area where things can go wrong and it can be hard for the parties to see eye to eye about what has taken place. So, margin issues and service issues. It's all of us throughout the whole industry who have been forced to switch our service model almost immediately to working from our dining room tables and basements, and that's naturally thrown some challenges in the way of good customer service. So, I'd say all of those have been a little bit more common than they previously were.

Donna Howard:

Thanks, Sarah. Maybe now's a good time to sort of step back and ask - how do you see the role of OBSI evolving into the future?

Sarah Bradley:

Oh, it's a great time for you to be asking that question, Donna. We're right now at the end of our current five-year strategic plan - it ran from 2016 to 2021. So, we're just nearing the end of that. And, through that strategic plan, we were able to make some great improvements in terms of modernizing our organizational practices from strategic planning to new terms of reference and our social media strategy. We've done a lot of process and efficiency improvements. We have a new case management system and digital transformation and automating our case intake. We've been working on improving our value to stakeholders. We've published a new website and published the consumer and firm portals and launched the firm help desk. And, we've also been focusing on some more core strategic issues like minimizing enterprise risk. So, we've been building our financial reserves, focusing on our IT security, and that kind of thing.

Sarah Bradley:

So, now that we've really done a lot internally and with our stakeholders, it's time, I think, for OBSI to be taking stock, thinking about what we can be doing to improve the value that we offer to consumers and firms in the industry as we go into this new strategic cycle. First, I think we really need to always ensure that we're providing the best possible services that we can - effective dispute resolution that's accessible and fair and independent, and really helping consumers and firms to put disputes behind them, to preserve relationships, and build confidence where we can. There are other possibilities as well, I think, such as including maybe a renewed focus on the communication of our insights. It's been about five years now since we implemented our new case management system that lets us capture a lot more statistical information about each case.

Sarah Bradley:

I think there's a lot of opportunity around what we do with that information and do with those insights, and especially in the area of effective consumer dispute resolution. Things that firms can do to really use the feedback that they should be receiving from their consumers through the complaints process. Sharing our insights more broadly with consumers and the public as well. And, of course, we also need to stay focused on our resiliency. If the pandemic has taught us anything, as I mentioned before, we really need to be prepared for change and for OBSI, in particular, we need to be responsive to our environment. Our workload and people's need for our services is really not constant. It's quite counter cyclical. So, we need to be ready to serve investors and the industry when we're called upon.

Donna Howard:

Thanks, Sarah. Do you have any final remarks that you'd like to leave with our listeners?

Sarah Bradley:

Sure. I think the theme of your series is investor protection at a time of crisis, which I just love. I think it's so apropos and something that everyone in the financial services sector always needs to be considering carefully. It's one of those things, though, investor protection, that is such an

essential part of the architecture of a financial system, that its true value, I think, sometimes can only really be apparent when something has gone wrong, right? When there's been a failure. And, at that point, it's too late, and usually some significant harm has occurred that can take years to repair. But, consumer protection is really important for all of us to be encouraging. Positive investor protection measures are a great leveler. We all know that bad apples in the barrel are costly for the whole industry, but when everyone is held to an appropriate standard, then the investments that are made by firms that focus on best practices and are very intentional about investor protection, they don't get undermined by the under investments of others. So, everyone benefits in this, not just the investor. Kudos to you for focusing on investor protection. I think it's a very worthwhile effort for us all to be thinking about.

Donna Howard:

Well, thanks very much, Sarah. It was a pleasure to have you with us today. It has been an engaging and thought-provoking discussion. In listening to you, it reminds me of Winston Churchill's words that were repeated so often after the financial crisis of 2008 - "Never let a good crisis go to waste." It's an opportunity to do things that you think you could not do before. And, clearly you have done a lot during this period.

Donna Howard:

If I can take away three things, I guess the first is communication is key. Partly because stakeholders are willing to listen as long as you have something relevant. And, that communication vehicles and content are being transformed all the while maintaining engagement, empathy, and leadership in the form, as well as the content, of messaging. And, you used the words both flexibility and agility as key elements of preparedness for future crises, because you can't always know what new challenge will be thrown in your path, but strong human resources and a strong mission and strong leadership and strong engagement will support solutions to emerging problems.

Donna Howard:

You mentioned strong connections are also important, not just hearing concerns, whether it be from staff working remotely or investors providing complaints but listening and understanding. And, finally, it struck me that the role of OBSI is similar to CIPF, in terms of ultimately helping to preserve confidence in Canada's financial system, by protecting investors interests, despite the distinction between our two roles.

Donna Howard:

Unfortunately, our time together is now up. I'd like to thank our listeners for their attention. And, I hope that you found the discussion as interesting as I have. We always welcome your comments and the best way to reach us is through our website. Finally, we look forward to welcoming you back to listen to the next CIPF podcast. In the meantime, stay tuned and be well.