



Independent Financial Brokers
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June 9, 2017

House of Commons
Standing Committee on Finance
Ottawa ON K1A 0A6
Sent by email: FINA@parl.gc.ca

Re: Review of Consumer Protection and Oversight in Relation to Schedule I Banks

Dear Sirs/Mesdames:

Independent Financial Brokers of Canada (IFB) welcomes the review of the business practices of Schedule I Banks. IFB is a not-for-profit professional association representing approximately 4,000 independent financial advisors across Canada.

IFB members are licensed, most commonly by their provincial securities and life/health insurance regulators. They are owners of small or medium sized financial practices in their local community. They provide advice and products to individuals and families over many years, and often decades.

There are a number of initiatives currently underway in both the securities and insurance sectors that aim to enhance consumer protection. The fair treatment of the customer, disclosure, transparency, and understanding the clients' circumstances before a recommendation or purchase is made, are central to these enhancements.

The current allegations of aggressive, possibly improper, sales practices at Canada's banks serve as a strong reminder of the need for robust regulatory standards to protect consumers, regardless of the financial provider with whom they choose to interact. This review is a welcome step in that direction, and one that independent financial advisors welcome. We trust that it will result in recommendations that will promote a consumer-focused approach, a culture of compliance and a code of conduct entrenched in legislation. Compensation practices should dovetail with good governance practices.

In the most recent review of the Bank Act, proposed changes in Bill C-29 dealing with consumer protection were removed. This Committee now has the opportunity to champion a comprehensive code of conduct that clearly articulates the rights of the consumer. Canada's lack of a statutory financial consumer protection policy, in comparison to some other countries, has been cited as a fundamental weakness in oversight.

There is no doubt that Canadians deal with a bank more often and more frequently than any other financial entity. As such, the concerned is heightened. Indeed, this review also provides the Committee the opportunity to examine the role of independent advisors and the value they bring to middle-class Canadian investors. Independent advice – as opposed to the advice received from an employee of a financial institution with a proprietary suite of products.



As this Committee examines conflicts of interest inherent in this proprietary sales structure, we urge it to also examine ways in which it can support the work of independent financial professionals in order to create a more level playing field in the financial services sector.

IFB and its members will follow the work of this Standing Committee with great interest.

Yours truly,

A handwritten signature in blue ink that reads 'Nancy Allan'.

Nancy Allan
Executive Director
allan@ifbc.ca