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To: Member Regulation Policy
Subject: Complaint Handling Resolution Timelines

[EXTERNAL EMAIL / COURRIEL EXTERNE]

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Complaint Handling Resolution Timelines | Canadian Investment Regulatory Organization consultation

I greatly appreciate the opportunity to provide commentary on this consultation.

First off, I commend CIRO for its leadership role in constraining overly broad NDA's that have caused complainants so much stress, aggravation and anxiety navigating the complaint system.

The 60+30 day scheme

The 60+ 30 days timeline is consistent with dated NI31-103 guidance requiring all complaints to be resolved in 90 days.

However, the 60+ 30 day standard proposed by CIRO is unbalanced because it pre-emptively grants CIRO members a response time exemption for common complaints like suitability, personal financial dealings, or issues involving former employees. This flexibility practically guarantees that such complaints will not meet the 60 day standard as there is no dealer incentive to improve complaint handling performance. I recommend CIRO meet with world leading ASIC with its 30 calendar day timeline standard and make appropriate adjustments to the proposal.

If CIRO desire to harmonize with the AMF it should employ the same definition of complaint, not pre-emptively grant exemptions for commonly occurring complaints and should impose monetary sanctions for non-compliance with the 60 days response time obligation.

The CIRO complaint rule should also harmonize with the AMF complaint rule regarding systemic issues. *"The complaint processing and dispute resolution policy must set out the measures taken by the financial intermediary to develop a comprehensive view of the complaints received, particularly in order to identify the causes common to, and address the issues raised by, such complaints".*
https://lautorite.qc.ca/fileadmin/lautorite/reglementation/traitement-plaintes/2025-07-01/NON_EN_VIGUEUR_-_R_traitement_plaintes-anglais.pdf Addressing systemic issues is the primary reason Quebec investment dealers have been able to resolve 69.4% of complaints in 60 calendar days. [AMF data for Mutual Fund Dealers with activities in Québec show that, since the implementation of the AMF Regulation, the proportion of complaints resolved within 60 days increased to 91% from 33%.]

Use of internal dispute resolution services

The optional additional 30 days for internal escalation undermines regulatory intent and should be deleted from the final rule. Four months (60+30+30) is wholly unfair and unreasonable in this day and age.

Guidance in Companion Policy 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations concerning compliance with the requirements under section 13.16, clearly states:

"A registered firm should not make an alternative independent dispute resolution or mediation service available to a client at the same time as it makes OBSI available**.** Such a parallel offering would not be consistent with the requirement to take reasonable steps to ensure that OBSI will be the independent service that is made available to the client. Except in Québec, we expect that alternative service providers will only be used for purposes of section 13.16 in exceptional circumstances." CIRO rules should explicitly prohibit dealers from confusing complainants at the time a final response letter is issued.

Since there are very rarely *exceptional* circumstances, there is no need for an IDRS for yet another 30 days of complainant torment. This extra option diverts complainants from independent OBSI, wears down complainants and also erodes the timeline available for civil action under the Limitation Act. If this controversial option is retained, the limitation time clock should cease running immediately upon escalation to IDRS.

In conclusion, I am not convinced the proposed rule will materially improve the response time experience for retail investor complainants. Simpler complaints will continue to be responded to in 60 days or less and complaints explicitly defined as exceptional by CIRO will most likely continue to exceed 60 days. There is in fact no motivation for dealers to reduce cycle time but there is an incentive for them to wear down complainant patience leading to complaint abandonment or acceptance of low-ball settlements.

More work is required to make this rule work for Main Street investors instead of CIRO members.

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