

Agenda Item 5(b)(1)
June 27/23 EOC Meeting

From: Keith Martin

Sent: Thursday, June 22, 2023 11:21 AM

To: Executive Operations Committee and Quebec/AMF Issues Committee Members

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Jake Becker <jake.becker@cafii.com>

Subject: CAFII: Draft Regulation on Complaint Processing and Dispute Resolution

Hello Members of the EOC, and the Quebec/AMF Issues Committee:

On Wednesday, 21 June, CAFII (Rob Dobbins, EOC Chair; Karyn Kasperski, EOC Vice-Chair, and Keith Martin, CAFII Co-Executive Director) held a meeting with the AMF on the *Draft Regulation respecting complaint processing and dispute resolution in the financial sector*.

At the meeting from the AMF were:

Louise Gauthier, Senior Director, who led the discussion, and who reports to Éric Jacob;

Mélissa Perreault, Director, who reports to Louise Gauthier;

Nathalie Sirois, Director, who reports to Patrick Déry;

Cindy Côté, analyst, who was also very involved in the discussion; and

Isabelle Déry.

The purpose of this note is to share the document that the AMF walked us through about clarifications and possible revisions to the Regulation, as well as to share the discussion we had about the document. The tone was very cordial and collaborative, with the AMF indicating that they understood that there were some areas of confusion.

The attached document has been shared confidentially with CAFII. The AMF said it was alright for us to share it with appropriate members, **but it is not to be widely circulated and they requested that it be treated as confidential.**

Of note in the document:

- The AMF is considering changing the shorter timeline for resolving complaints to 20 days (instead of 10 days);
- The observation “Insurers expressed their wish that the definition of a complaint corresponds to the definition established by the CCIR for the purposes of providing information on complaints in the Annual statement on market conduct”;
- The intent to clarify the definition of complaints and provide examples of what is not covered by the definition of a complaint;
- Considering allowing an 18-24 month implementation period for the regulation.

The attached document has some issues around precise language and possibly some translation problems. As such, the discussion provided some helpful clarifications. Specifically:

- The regulation will change requirements, but it is not meant to be onerous and the new definition is not as all-encompassing as some in industry have suggested.
- Page 8: The AMF acknowledged that there is a “grey zone” around what is a complaint. Administrative matters are not a complaint, but what is “administrative” is not clear. In our discussion it was agreed that for example correcting a postal code that was improperly entered is not a complaint, but if an error has an impact on the customer experience it may become a complaint. This will be a judgment call by the company interacting with the customer, and consistent with a principles-based approach.
- Page 6: The AMF will consider additional clarity around the definition of a complaint and will provide examples of what is not a complaint in the regulation. The AMF asked us if we wanted to provide examples of administrative issues that should not be captured by a complaint, but we did not do so, and instead asked the AMF to provide “goalposts” that will provide industry with additional clarity on what would fit in and what would not.
- Page 7: There is some uncertainty around fits into the shorter timeline, which was 10 days and which the AMF is considering changing to 20 days, as opposed to the longer (60 day) timeline for complaints that cannot be resolved more quickly. In general, the shorter timeline is for “simple complaints” which do not require a final response letter, and which have simplified reporting through the Annual Statement on Market Conduct (see Page 11, these shorter complaints would be reported in terms of overall numbers and their nature). However, just because a complaint is resolved quickly does not mean it does not require individual reporting to the AMF. The example given was fraud that was quickly resolved—such an issue still needs to be reported to the AMF.
- Page 9: In terms of the final paragraph, the AMF said this was an imperfect translation and that a claim where for example the process is too long or too complicated and leads to a complaint is what this is trying to capture.
- Page 11, Section 2: This appears to be a new requirement which the AMF said would be done in the Annual Statement on Market Conduct. The CCIR is currently engaged in a consultation on how best to do this and CAFII will be engaged as a key stakeholder in this initiative. This is an initiative being moved forward by the CCIR’s Cooperative Supervision Oversight Committee (Chair: Laurie Balfour, Alberta Treasury Board and Finance).
- Page 13: The AMF notes that an institution may choose to not resolve a complaint in the 20 day time period, but instead choose to take up to the 60 days also provided for.
- Page 15: The AMF is considering allowing for a different timeline if the client agrees to it and it is in the interest of the client.

There is a tight timeline to get additional feedback to the AMF. **If you have any questions or comments on the regulation or the attached powerpoint, please provide them to me by noon on Monday, 26 June**, and I will share a consolidated set of final feedback to the AMF soon after.

Keith Martin