

Financial Services Regulatory Authority of Ontario Stakeholder Audit Research - CAP/SAC

September 25, 2023 – Executive Summary

FSRA

Financial Services Regulatory
Authority of Ontario



FORUM
RESEARCH



Background and Research Objectives

Background

This project is part of Financial Services Regulatory Authority of Ontario's (FSRA) ongoing efforts to track engagement with their Stakeholder Advisory Committees and Consumer Advisory Panel. The aim of this research, through gathering feedback from these stakeholder groups, is to help FSRA continue its mission of delivering on their brand promises, mission, and track their progress over time. The preceding research took place two years prior to this study.

Research Objectives

- Understand stakeholder perceptions of FSRA in terms of:
 - Their relationship with FSRA as a member of their SACs or CAP
 - FSRA's engagement with the participant's sector
 - Provide trends analysis from the last 2021 survey
 - How valuable the engagement with them is
 - Participants' perception of FSRA's reputation
 - Participants' perception of FSRA's delivery on their brand promises
 - Participants' perception of FSRA's delivery on their mission statement
- Thus, identifying FSRA's strengths and any areas of improvement that would help FSRA's engagement with participants' respective sectors.

Methodology



DESIGN

- 77 In-depth interviews were conducted through Zoom.
- FSRA sent email communications to SAC and CAP members, and Forum Research followed up with each member to schedule an interview
 - Participants recruited participated on a voluntary basis
 - Participants recruited came from a mix of different sectors



DATE AND LENGTH

- In-depth Interviews took place between June 15th - July 7th, 2023
 - Each in-depth interview lasted between 15-45 minutes



PARTICIPANT QUALIFICATION

- Participants must be a member of either one of FSRA's Stakeholder Advisory Committees or Consumer Advisory Panel
 - Participants must have access to highspeed internet and a personal device in order to participate



PARTICIPANTS CONTACTED

- Credit Union - 12 contacted, 7 completed interviews
- Financial Planners and Financial Advisors - 13 contacted, 12 completed interviews
- Health Service Providers - 11 contacted, 11 completed interviews
- Life and Health Stakeholder - 16 contacted, 13 completed interviews
- Mortgage Brokering - 15 contacted, 11 completed interviews
- Pensions Stakeholder - 19 contacted, 9 completed interviews
- Property and Casualty Stakeholder - 12 contacted, 9 completed interviews
- CAP - 13 contacted, 5 completed interviews

**In the 2021 study, they conducted 60 interviews of 86 (70%) contacted.
In the 2023 study, 77 interviews were conducted of 111 (69%) contacted

Overall

KEY FINDINGS

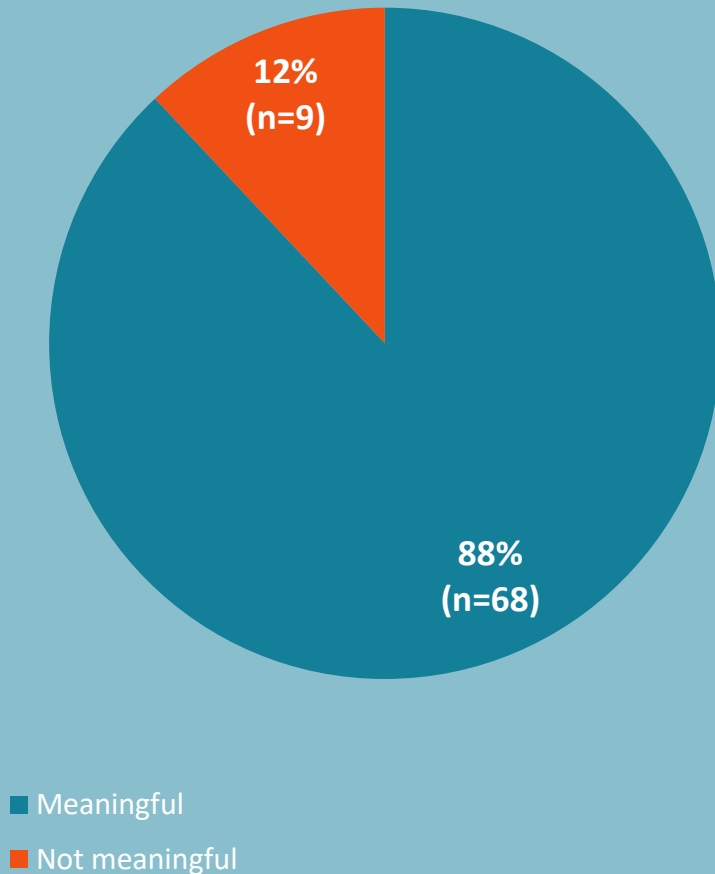
Key Finding #1

Engagement with FSRA's Management Team

- FSRA develops meaningful interactions at meetings through their willingness to set an agenda where issues get addressed.
- Participants mentioned the prepared materials FSRA sends before meetings as key to having smooth and productive discussions.
- Moreover, participants felt FSRA management was receptive to feedback and open to ideas.
- Furthermore, participants were appreciative of FSRA's responsiveness. Most participants felt that FSRA is always quick and informed with their communication.
- Some participants felt the diversity of SAC members' backgrounds further added to the quality and value of the discussions.
- When compared to the 2021 research, the above points show a noticeable improvement in transparency, engagement, and relationships with managers, which were areas of improvement from 2021.

How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)

Meaningful v. Not Meaningful Engagement



Key Finding #2

Engagement with FSRA's Board of Directors



- Many participants felt the yearly meetings with the Board are meaningful. Was seen as open to ideas and the agendas and meetings are engaging with all attending members, well prepared, with lots of great questions. Interactions were collegial and professional.
- Participants mentioned the Board's sincere desire to listen and engage in productive discussions with the SACs/CAP.
- Moreover, many participants were sympathetic to the challenges the Board faces by having meetings only once a year and covering many topics. Despite this limitation, many participants felt the Board was very interested in their insights and were able to cover important topics with sufficient depth.
- Stakeholders thought it was important for the board to welcome all communications from different companies, and not filter it through another organization who speaks on their behalf. For example, members of the Property and Casualty SAC worried about the IBC (Insurance Bureau of Canada) speaking on their behalf.
- The board mostly consults on the right materials and there is sufficient transparency in their processes.

Engagement with FSRA – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

Credit Union

Some participants found meetings with FSRA management and the Board valuable for sharing perspectives and understanding the Board's views. FSRA is seen as receptive, open, and effective in communication. Additionally, participants appreciate receiving meeting agendas well in advance, allowing for better preparation and more productive discussions.

Financial Planners and Advisors

Most participants felt their engagement with FSRA through their SAC was meaningful. They highlighted the good atmosphere and good communication as the reasons the conversations are productive.

Health Service Providers

Most SAC participants found meetings with FSRA management and the Board meaningful, with both entities demonstrating active listening and interest in their insights. Some participants noted that the diversity among SAC members enriched discussions.

Life and Health

Most SAC participants found interactions with FSRA meaningful and appreciated the sincerity and importance FSRA placed on their engagement. Experienced participants viewed SAC meetings with management as valuable for sharing insights gained over the years, while less experienced participants saw them as opportunities to share perspectives and learn simultaneously.

Engagement with FSRA – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

Mortgage Brokers

Many participants found their interaction with management and the Board to be meaningful. FSRA listens and many participants enjoyed their interactions in meetings. Some were interested in having more meetings.

Pensions

Participants felt that the interactions with management and the board were meaningful. There are great discussions and SAC members enjoy hearing what is going on with each other. FSRA listens and are flexible.

Property and Casualty

Many participants felt their meetings with management and the FSRA Board were meaningful. FSRA's leadership was seen as being transparent with issues. FSRA listens well. For some, there is a collegial and professional dialogue with good engagement back and forth.

Consumer Advisory Panel

Most participants felt their engagement with FSRA is meaningful. They felt that they were welcome to directly raise topics and express concerns and that those topics and concerns were listened to.

Key Finding #3

FSRA's Strengths

- Stakeholders applaud FSRA's excellent communication style, transparency, and responsiveness. FSRA's communication has continued to improve over time. The regular correspondence, updates, and bulletins are appreciated.
- Several participants felt FSRA's transparency created an atmosphere of openness which allowed SAC/CAP members to feel comfortable sharing feedback.
- FSRA's principle-based approach is a welcome change from the rigidity of past regulators.
- Many participants pointed to FSRA's flexibility as a major benefit of being a newly established regulator. These participants argued it is necessary to evolve with the industry and that FSRA's flexibility and openness to new ideas is part of what sets FSRA positively apart from other regulators.
- Several participants pointed to the creation of the SAC/CAP groups as positive signs of FSRA's sincere desire to understand the industry and get expert insight. Many felt FSRA's interest is sincere.
- FSRA wants to hear the voices of stakeholders. There was a strong desire by sectors to have their voices heard. FSRA has responded well in this capacity.



FSRA's Strengths – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

Credit Union

Some participants noted FSRA's strengths in communication and information sharing. Others commended FSRA's efforts to ensure proper regulation, and a few mentioned the establishment of advisory committees as a sign of their interest in industry collaboration.

Financial Planners and Advisors

FSRA was perceived by some as receptive, engaged, and knowledgeable. Others were impressed with the experienced staff and commitment to doing the right thing. Several participants highlighted FSRA's organization and preparation, including well-structured meeting materials. Additionally, some recognized FSRA's passion and determination as another core strength.

Health Service Providers

Many participants felt that FSRA's strength lay in its articulate communication and openness to new ways of thinking. Furthermore, some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor. They felt this distinction signaled a bright future for FSRA.

Life and Health

Several participants from this stakeholder group felt FSRA's greatest strengths was FSRA's openness. Participants felt FSRA was open to feedback, encouraged an open dialogue, and transparent. Furthermore, that openness made participants feel that FSRA listens.

FSRA's Strengths – Per Sector

Mortgage Brokers

FSRA by some is seen as respectful, attentive listeners who are dedicated to making a difference and value industry input. They believe FSRA is uniquely knowledgeable about the mortgage sector and plays a crucial role in safeguarding it from misconduct and fraud. Many participants view FSRA as well-organized, knowledgeable, with highly respected staff in the industry.

Pensions

Many participants find FSRA to be open and great with communication. FSRA is willing to listen. They are responsive and adept at bringing people together. FSRA is focused.

Property and Casualty

Some participants see FSRA as engaging and communicating well. Another perspective is that they have become more pragmatic. They are also perceived as adaptive. They meet deadlines. FSRA asks for a lot of input.

Consumer Advisory Panel

Several participants pointed to FSRA's responsive replies to inquiry, encouragement of feedback, and active listening, as strengths which made participants feel FSRA's sincerity in engaging with CAP members.

Verbatim - Strengths

FSRA has good communication

"They are very good communicators and are very open to discussing their approach. They are very clear about what their role is." –Pensions

FSRA is transparent and open

"I think there's, they're open, they're approachable. They are transparent in as far as they can go with that. So, I think that's been quite good. And they've created opportunities to interact with other sectors or groups. So that's all been quite positive." –Health Service Providers

"I mean, I think their strength is that they're very collaborative and open. I've written senior leaders on numerous occasions; I always get a very immediate and open response. They're also wanting to engage in honest dialogue. So, they're really collaborative and transparent." –Life and Health

"I have observed a shift in the culture to be more open and more engaging with stakeholders." –Life and Health

FSRA asks for and listens to feedback

Well, I like the approachability, I like they're willing to connect and chat and ask questions and learn. And that they're also you know, they're very accessible. So, I think those are very positive things. –Financial Planners and Advisors

"They do contact us which is great. When creating policies or guidance, they seek our input which I think is great." –Credit Unions

"They are responsive when you communicate to them. They always get back to you quickly. They sent out a questionnaire and it was on a proposed strategy deck. In the response back, we could see our feedback." –Financial Planners and Advisors

FSRA is responsive

"[FSRA's] very responsive. And there's a respect for stakeholders' time, and if you no detail is just thrown overboard, like emails get responded to, imputes get reviewed, and you get feedback. So, you feel like you're heard here, right? Instead of just speaking and then it just goes into a pile somewhere." –CAP

Key Finding #4

FSRA's Weaknesses

- While many participants agreed about what FSRA's strengths are there was less cohesion, even within the same SAC, about what FSRA's weaknesses are. Moreover, many participants were reluctant to use the term and preferred to think of these as "areas of improvement."
- Many participants were sympathetic to the multiple challenges FSRA faces such as resource limitations, scope limitations, and being a recently established entity. However, participants felt FSRA needs to be more proactive in advocating for their goals when tackling bigger industry issues that may need collaboration outside industry and other regulating entities.
- Additionally, some participants felt FSRA needed to be more proactive and efficient in identifying and punishing bad actors in the industry.
- Furthermore, some participants felt that FSRA has conflicting interests, red tape, and bureaucracy which limit FSRA's ability to take action and be effective.
- A few participants felt there was a lack of internal cohesion between different departments within FSRA which led those participants to feel issues raised were never addressed or followed up on.



Key Finding #4 – Cont'd

FSRA's Weaknesses

- Stakeholders feel that FSRA is trying to accomplish a lot in a short period of time without considering the needs and ability of sectors to respond to regulatory demands.
- Moreover, several participants mentioned problematic timelines. Some felt FSRA allows themselves long timelines to accomplish tasks while demanding short turnaround for getting information from stakeholders. This stood out particularly for those from smaller companies who felt the short timeliness required much more time and manpower than FSRA accounts for.
- A few participants felt that FSRA is not up to date with new technology prevalent in their industry.
- A few felt the management team lacked expertise in their industry and is thus unable to account for their needs and lack knowledge about what can be reasonably expected from them. Notably, this criticism was most prominent among members of the Credit Union and Pensions SACs.



FSRA's Areas of Improvement – Per Sector

Credit Union

Some participants expressed concerns about FSRA's perspective on the credit union industry, particularly regarding changes leading to larger credit unions becoming federal entities. Also, some participants feel FSRA is less likely to engage or listen to credit union SAC members, and they perceive the regulator as working in silos. There's also a call for FSRA to adopt a more future-oriented approach.

Financial Planners and Advisors

Challenges in FSRA's approach include the difficulty of treating all financial planners and advisors equally. They suggested considering variations in licenses and career stages. Some found FSRA bureaucratic and believed it could be more proactive in driving outcomes like nationwide regulation harmonization. Participants also want for more proactive communication regarding regulatory matters.

Health Service Providers

Some SAC participants sought better meetings with management due to their brevity and infrequency, understanding the challenges FSRA faces in the complex healthcare sector. Others felt their insights might not be effectively acted upon, possibly due to internal issues. There were also concerns about the principles-based approach leading to confusion and insufficient action.

Life and Health

Overall, participants from the Life and Health SAC had more difficulty thinking of “weaknesses” than “strengths.” However, a few participants from this sector felt that FSRA lacked some internal cohesion. Participants described feeling that their issues or complaints went unresolved because their issue got passed around to different groups internally without getting addressed.

FSRA's Areas of Improvement – Per Sector

Mortgage Brokers

FSRA could establish clear standards and stricter training standards within the mortgage sector in some areas. Some felt that FSRA could be more stringent in terms of licensing in the sector. There are opinions among a few participants that some people at FSRA are responsible for regulating the sector without as much knowledge and experience. This could lead to miscommunication.

Pensions

FSRA has faced some turnover and lost some expertise. Some participants also suggested that FSRA could be more proactive with their mandate and administering their act. They could be less rigid and continue to pursue a principle-based approach.

Property and Casualty

FSRA could be bolder in their approach on proposals. Some participants feel that FSRA must represent all the voices in the industry. While recognizing that FSRA has big projects, they can be slow. Some participants felt that communication should continue to be open and flexible. FSRA could bring more urgency and attention to the issues the industry is facing.

Consumer Advisory Panel

Several participants felt there wasn't strong enough enforcement of FSRA's regulations. This criticism was voiced in several times. Others felt there was little to no follow up on individuals who have been reported, and if action against those individuals has been taken it isn't relayed back to the person who made the report and thus the issue feels unresolved.

Verbatim - Weaknesses

FSRA doesn't follow through with concerns raised

"The interactions have been very positive. But I think people just feel like the constraints of FSRA being too rigid. And when things are brought up, when constructive recommendations are brought up, people feel like it just dies on a vine. Right? Like it just feels like there isn't really, you know, a place where it goes that is having some sort of impact in the end." –Health Service Providers

FSRA's timelines aren't adequate

"You know when people get hurt and insurance claims become something they need to deal with while covering it's difficult. These people are vulnerable, they experienced an injury which could change their lives. So having to deal with paperwork and getting it done on a timeline is hard. They're trying to recover, you know? I wish FSRA could be more understanding about that." –CAP

"Their time frame for the request of information sometimes seems to be a little short." –Credit Unions

"They are trying to leapfrog ahead of what some other regulators are doing. It can be very taxing on the sector to keep up with demands and timelines." –Credit Unions

FSRA is behind technologically

"We have an API that we would like to use with FSRA to be able to cut down on manual processing of students and tracking student progress if they have been licensed. FSRA has an API but are not willing or capable of sharing the information via that technology at this point." –Mortgage Brokers

"Certain areas of the of the organization like technological and the operational side will need to enhance to develop better service." –Credit Unions

FSRA is not proactive enough with complaints

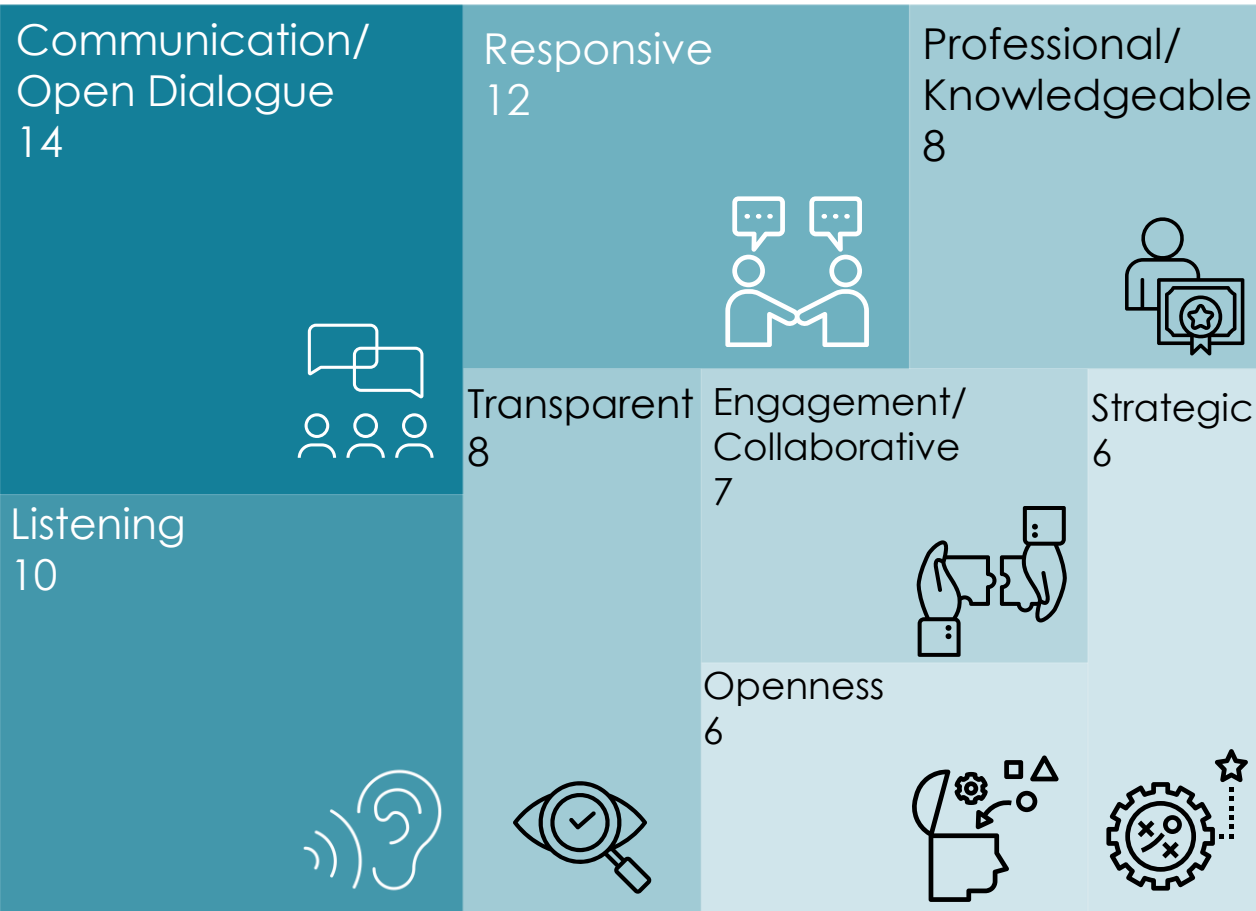
"Sometimes it is very hard to defend FSRA because it can take two to three years to get a complaint dealt with here. I think they should be more aggressive with their mandate and administering the act." –Pensions

FSRA staff lacks expertise

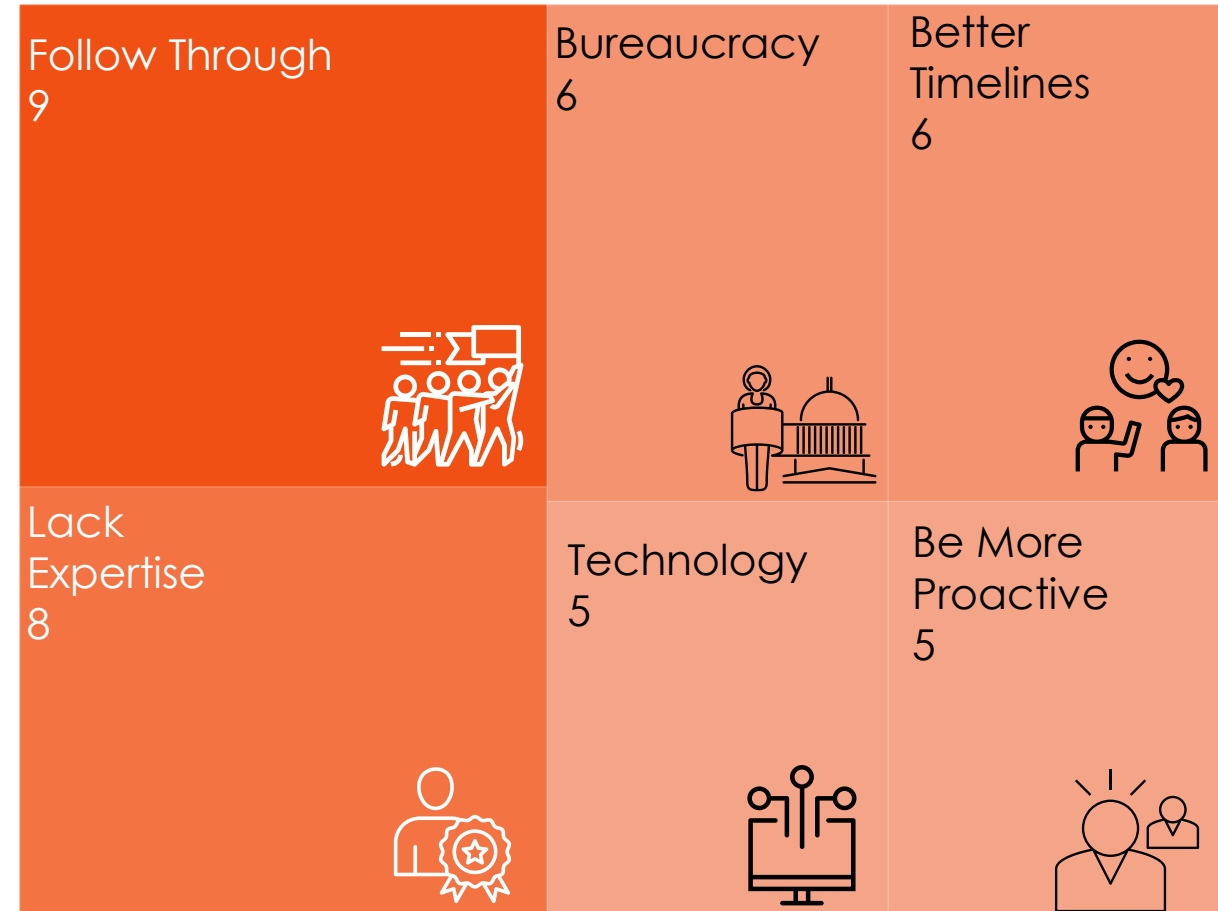
"They have some learning to do about the breadth of industries that they are regulating. Because they are spending a lot of time pushing out guidance and interpretation that has a strong consumer protection focus." –Property and Casualty

Commonly Mentioned Strengths & Weaknesses

Common Strengths

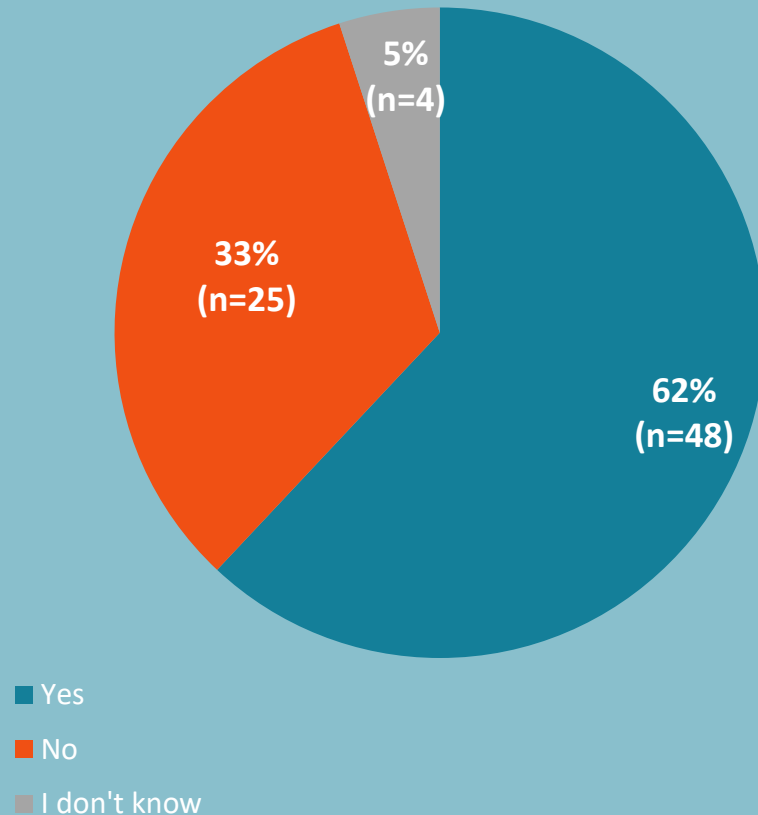


Common Weaknesses



Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?

Living up to Brand Promise



* Note about these undecided: there were a few participants who felt they couldn't really answer the question because they felt it was out of their scope, and thus they felt uncomfortable making a judgement on that from their limited perspective.

Key Insight #5

Brand Promise and Vision

- **FSRA's vision is to be a regulator which financial safety, fairness, and choice to Ontarians. FSRA's brand promise is to protect consumers, be effective, and be trustworthy.**
- There was mixed reaction from participants about whether FSRA has delivered on its brand promise.
- For some participants, there was an easy, wholehearted agreement that FSRA has delivered on its brand promise. Several felt FSRA is doing a lot of work while always keeping its mandate front and center, particularly, protecting consumers.
- However, others felt the nature of FSRA's brand promises means they need to be constantly evolving alongside the industry in order to consistently deliver those promises.
- Some felt FSRA is too young a regulator to have built up enough trust to be considered trustworthy but generally stakeholders agreed that FSRA delivered on this promise.
- Being effective is still a work in progress. Stakeholders believe it is sometimes hard to be effective with such diverse views; but FSRA is on the right path to effectiveness.
- A few participants felt consumers weren't being protected because consequences and disciplinary action against bad actors in the industry hasn't been enforced with enough rigor.
- Further, several participants were confused about what FSRA's vision of offering choice to Ontarians meant. But overall, participants agreed FSRA is working towards its vision.

Would you say it is living up to its brand promise – protecting consumers, being effective and being trustworthy?

Brand Promise— Per Sector

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Credit Union

Some participants believe FSRA fulfills its consumer protection mission, despite handling sensitive issues. Others suggest amending the slogan to include "in collaboration with the sector." However, there is concern that FSRA's focus on meeting objectives may lead to neglecting the regulated sector. Additionally, there's a noted disconnect between consumer expectations and reality.

Financial Planners and Advisors

Some participants believe FSRA has succeeded in fulfilling their brand promises, while others felt FSRA's intentions are there but had some uncertainty on if they're actually delivering. A few felt FSRA has a direction from the provincial government they must follow. There is another perception that FSRA is moving in the right direction towards fulfilling that promise over time. It is a work in progress.

Health Service Providers

Participants that felt FSRA had room for improvement in delivering on their brand promise were sympathetic to the difficulty of the task. A reoccurring theme is the interaction across disciplines, across internal divisions, across sectors, and in this case across organizations. Several participants expressed that more cohesion across government entities is needed in order to achieve FSRA's goals.

Life and Health

Many participants felt that FSRA is living up to its brand promise of being effective, trustworthy, and protecting consumers. A few who were unsure if FSRA delivered, but they felt FSRA was making an honest effort.

Brand Promise— Per Sector

Mortgage Brokers

Some participants felt FSRA had more to accomplish in this area. There are limits to FSRA's oversight and regulatory powers in the mortgage sector. Most participants perceived FSRA to be trustworthy and strive to be effective and be a strong advocate for Ontario consumers.

Pensions

Many participants from this sector addressed each brand promise separately. Overall, FSRA is perceived widely to be trustworthy. Participants felt being effective is an area where improvement could be made. A few participants thought the consumer aspect did not relate to the pension industry.

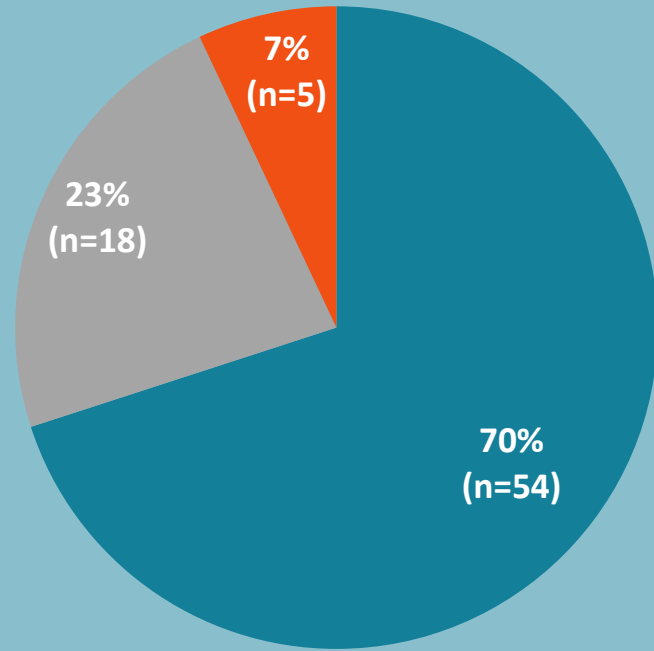
Property and Casualty

Some participants feel that FSRA has helped businesses. Others feel that FSRA must continue to address other key priorities even though there is a lot of alignment about objectives between the sector and FSRA. They are perceived as trustworthy and well on the road to protecting consumers. Being effective is a work in progress. They are living up to their mandate but need more time.

Consumer Advisory Panel

Participants were divided on this topic. Some felt due to the above criticism, FSRA isn't delivering on its goal of protecting consumers or being effective. While others felt FSRA is too new to have established strong trust between consumers and itself.

Overall Impression of FSRA



■ Positive
■ Neutral
■ Negative

Key Insight #6

Respect and Reputation

- As a regulator, stakeholders admire FSRA's strong executive leadership, including the Board. Furthermore, stakeholders believe that FSRA is quite exceptional in comparison to its predecessor, FSCO, and have made improvements to their processes in the short four years since becoming a regulator.
- Perceptions are positive regarding the wealth of experience and expertise that the leadership team possess.
- Some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor.
- For a young regulator, FSRA's reputation is excellent and compares favorably to provincial and federal regulators in Ontario and other provinces in Canada. Several participants felt that, despite its youth, FSRA is a leader in Ontario.
- However, a few participants felt it was too early in FSRA's existence to make a judgment about FSRA's reputation.
- Among the 5 CAP members who participated, 2 members have a negative overall impression while 3 members have a positive impression.

Note: there were only a few references to DICO; there were mentions of OSFI and other unnamed national regulators. DICO was mentioned by name but not commented on.

FSRA is a young regulator having been launched in 2019. With respect to reputation, how does FSRA compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?

Reputation – Per Sector

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Credit Union

FSRA is perceived to be a young regulator so they may tend to lack some maturity in their approach. Some participants credit them as being average. Most of the credit unions would not tend to rate their reputation very highly.

Financial Planners and Advisors

Overall, perceptions varied but FSRA's reputation continues to improve over time. Some participants feel that the leadership team is doing a lot of good work and that FSRA is well respected. Others agree that FSRA is well respected without expressing any doubts or reservations. Some participants felt that FSRA is well respected by people who are familiar with the regulator. A few participants had no answer to the question.

Health Service Providers

Participants had mixed feelings when asked about FSRA's reputation. It was clear that participants who felt FSRA had room to grow viewed themselves as part of helping FSRA achieve that growth. Furthermore, some participants felt FSRA was doing a good job, particularly, considering FSRA's relative newness as a regulator.

Life and Health

Overall, participants from this SAC felt FSRA is well respected due to FSRA's engagement, communication, and openness.

Reputation – Per Sector

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Mortgage Brokers

FSRA is perceived by many participants to be proactive, communicate well and are transparent. They are well respected within the industry. Some participants believe that FSRA's educational requirements could be stronger, and they need more teeth.

Pensions

Many participants felt FSRA compares favorably to other regulators, if not better, despite being a young regulator. They are respected across the sector, are professional, and do their job. FSRA is open to change and have the right agenda.

Property and Casualty

Many participants view FSRA as a top regulator. Being a young regulator, it is not always a fair comparison but "they stand out on their own." They are respected within the industry. Some participants also see them as flexible and less rigid than their predecessor, FSCO.

Consumer Advisory Panel

Some participants couldn't assess FSRA's reputation due to limited experience with other regulators. However, when asked to evaluate FSRA independently, participants were satisfied with the work FSRA is doing. Other participants interpreted reputation as a reflection of consumer awareness and thus, felt that FSRA doesn't have much of a presence to the average consumer.

Differences in CAP & SAC Members



- The main difference between CAP and SAC members was around follow up with enforcement issues. Both felt there could be more enforcement of FSRA's regulations. The CAP went further and mentioned situations where there had been no follow up on individuals who were reported. The issue felt unresolved if there was no follow up with the person who made the report.
- In terms of FSRA's strengths, some CAP members rated FSRA positively on responsiveness and listening well.
- In terms of weaknesses, some CAP members needed to show more rigor with enforcement and continue to provide strong oversight where consumer interests were concerned.

Key Concerns for Each Sector



- **Credit unions** are struggling under the burden of regulations. There are challenges dealing with all the regulatory changes. There are some concerns with execution with many requests being disjointed. FSRA is not considering the limitations of some of the smaller credit unions.
- **Mortgage brokers** have concerns about licensing the different levels of mortgage agents and brokers. The industry oversight is good but could be more stringent, in terms of entry into the business, in the sector in terms of licensing.
- Among **Financial Planners and Financial Advisors** there are concerns about the “competency profiles” of financial advisors, in providing advice. It needs to be more robust.
- Stricter enforcement of regulation against bad actors was a key area of improvement for members of the **Consumer Advisory Panel**.
- Both **Life and Health** and **Health Service Providers** felt there needs to be better understanding from FSRA of the nuances of their sector.

Recommendations from our Stakeholders

- 1. Emphasize and Uphold the Mandate:** FSRA must unwaveringly prioritize and champion its mandate. The unwavering commitment to the FSRA mission has instilled a strong sense of shared purpose among participants. However, it is important to notify when disciplinary actions are taken and that there is recourse for bad actors.
- 2. Continue Tailored Sector-specific Collaboration:** To show that FSRA has a deep understanding of the intricate nuances of each sector, FSRA should continue tailoring its collaborations accordingly. The remarkable success of FSRA's collaboration with the pensions sector during "Pension Awareness Day" serves as a shining example of the agency's ability to align its actions with sector-specific requirements.
- 3. Foster Unwavering Openness and Transparency:** FSRA's commendable commitment to open dialogue and transparency has been repeatedly praised as a cornerstone of fruitful and candid discussions. The agency should not only sustain but also intensify this approach, actively sharing its perspectives and decision-making processes with stakeholders.
- 4. Strengthen Management-Participant Relations:** The establishment of robust connections between FSRA management and SAC/CAP members has significantly improved perceptions of FSRA staff quality and the agency's sincerity in fostering collaboration. FSRA must persistently promote and nurture this essential relationship to fortify stakeholder trust and cooperation.

Recommendations Per Sector

Credit Unions

Consider Resource Implications: FSRA should be aware of the resource implications that accompany regulatory changes and assess their impact on organizational manpower requirements.

Embrace Forward-Thinking Strategy: To capitalize on their strategic strengths, FSRA should adopt a future-oriented perspective, actively exploring opportunities and potential advancements within the credit union sector.

Financial Planners and Advisors

Pursue Licensing Harmonization: FSRA should take the lead in investigating opportunities for licensing rule harmonization across the country, streamlining processes and promoting consistency.

Elevate Industry Credibility: Recognizing the need for enhanced credibility in the financial planning and advisory sector, FSRA should proactively take on the role of bolstering the industry's reputation and integrity through stringent oversight and professional development initiatives.

Health Service Providers

Examine Healthcare Industry Nuances: FSRA should inspect the intricate details and nuances of the healthcare industry, to ensure effective and tailored regulation.

Strengthen Collaboration with Providers: FSRA should seize the opportunity to forge closer collaborations with health service providers, actively engaging them in the regulatory process to refine and enhance regulations for the sector's benefit.

Recommendations Per Sector – Cont'd

Life and Health

Foster Collaborative Solutions: FSRA and the life and health sector share a common goal of safeguarding consumers' interests. The agency is urged to foster a collaborative environment to generate innovative ideas and solutions that empower the industry to efficiently serve its customers.

Practical Considerations: FSRA must remain rooted in real-world issues when dealing with this sector, carefully evaluating the implications of its decisions on the industry's operations and its ability to meet customer needs.

Mortgage Brokers

Elevate Entry Barriers: Given concerns about low entry barriers in the mortgage industry, FSRA should establish and enforce clear, stringent standards, including more rigorous training requirements and licensing protocols, to enhance professionalism and industry reputation.

Enhance Educational Standards: FSRA should take proactive measures to enhance educational standards within the mortgage industry, prepared to take a firm stance to raise the industry's standing and ensure consumers receive the highest level of service and protection.

Pensions

Energize Mandate Implementation: FSRA should adopt a more assertive stance in executing its mandate, demonstrating a proactive commitment to administering the Pension Act effectively.

Recommendations Per Sector – Cont'd

Pensions -continued

Preserve Principle-Based Approach: FSRA should steadfastly adhere to its principle-based regulatory approach and avoiding excessive prescription in guidance.

Sustain Successful Initiatives: FSRA's effective execution of Pension Awareness Day serves as a model for success. It is imperative that the agency continues to organize and promote such events to enhance engagement.

Property and Casualty

Pay attention to who is at the table: FSRA is urged to represent all the different voices in the sector to ensure each position is heard. The Property and Casualty SAC do have a deliberate strategy and desire to work closely with FSRA. Ensure that all companies, of all sizes are heard and represented.

Consumer Advisory Panel

Strengthen Regulatory Enforcement: The consumer advisory sector prioritizes robust regulatory enforcement while maintaining a principle-based approach. FSRA should bolster its enforcement efforts, demonstrating a more forceful commitment to upholding regulations.

Prioritize Consumer Protection: To be truly effective and gain recognition among consumers, FSRA must consistently prioritize consumer protection, raising its profile as a dedicated advocate for consumers' rights and well-being.

Recommendations - Verbatim

Strict enforcement of disciplinary action

"Yes, the regulators should be going out to all the financial institutions that the regulator has to regulate, use a risk-based approach to ensure that your company is complying with the rules that are in place." — CAP

Dedicate time to learning sector intricacies

"I think really just realizing that the system is complex. And it's not as simple as having these little committees, piece out this one little thing because the system is complex, and really hearing what we have to say, even though it might not be within the scope of what we're saying, because I don't think that there's follow through support." — Health Service Providers

"I think it's always important to ensure that a regulator has a deep and material understanding of the businesses that it's regulating. So, whether that means that they should have some comments from some of the companies or they should have more engagement to make sure that they understand, you know, the regulatory landscape and the operational realities." — Life and Health

Take on a boarder perspective

"Like I said, beyond the committee FSRA needs to sort of be more broad or forward looking in terms of what sector stakeholders are suggesting to them about how the sector, and overall industry, can be made better. But I think that requires them to have some form of a broader advocacy or lens than what they do currently with the committee that I sit on." — Health Service Providers

Keep consumer protection front and center

"I think that sort of implicit in everything that I've said in this interview I would like to see FSRA adopt a much more balanced approach to all of its key stakeholders. And in that regard, as I've indicated, I think there has been in its early years, and understandably so, I'm not being horrifically critical, only moderately critical. I think there has been a disproportionate focus on two of the stakeholder groups, namely, the government and industry, and inadequate focus and attention to a very important stakeholder group, namely the consumer." — Financial Planners and Financial Advisors

2021 v. 2023 Study Comparison Per Theme – Overview

| Theme | Change since 2021 |
|----------------------------------|-------------------|
| Responsiveness | ↑ |
| Internal cohesion | — |
| Engagement | ↑ |
| Communication | ↑ |
| Transparency | ↑ |
| Efficiency | — |
| SAC dynamics | ↑ |
| Overall impression | ↑ |
| FSRA Compared to Past Regulators | ↑ |
| Talent and Leadership | — |
| Approach | — |






Positive change







No change





2021 v. 2023 Study Comparison Per Theme

| Theme | 2021 | 2023 | Change since 2021 |
|--------------------------|--|---|---|
| Responsiveness | In 2021 , certain stakeholders across various sectors encountered challenges related to the lack of follow-up on issues or concerns conveyed to FSRA. | The 2023 stakeholder audit presents a transformed scenario wherein FSRA exhibits a notably high level of responsiveness. Numerous stakeholders participating in the study expressed satisfaction with FSRA's proactive engagement, including prompt responses through phone calls and emails. |  |
| Internal cohesion | In 2021 , bureaucratic processes were identified as a contributing factor to concerns not being follow-up on, compounded by instances where FSRA operated in isolated segments, impeding effective communication with internal departments in specific areas. | In 2023 , the perception that FSRA works in silos remains the same. This issue was cited again a potential reasoning for why concerns aren't addressed. |  |
| Engagement | In 2021 , FSRA's engagement with SACs and the CAP was noted as a promising indication of FSRA's willingness to engage with industry. At this time, this engagement was seen as a work in progress. | In 2023 FSRA's willingness to actively engage with SACs and CAPs was widely acknowledged and appreciated. This positive shift does not appear to be an isolated trend, as many stakeholders commented on FSRA's receptiveness to concerns and issues, comparing it favorably to the previous regulator, FSCO |  |

2021 v. 2023 Study Comparison Per Theme – Cont'd

| Theme | 2021 | 2023 | Change since 2021 |
|----------------------|---|---|---|
| Communication | In 2021 , there are mentions of some negative interactions with management and difficulty getting in touch. | In 2023 , stakeholders largely praised their interactions with management. Stakeholders referred to management as responsive and knowledgeable showing FSRA has made a major improvement in this area. |  |
| Transparency | In 2021 transparency about FSRA's decision making and FSRA's ability to act autonomously were questioned. | However, in 2023 what was a challenge, has now become a strength. Many participants cited FSRA's transparency as a strength owing this shift to regular responsive communication with FSRA and the meetings between SAC/CAP members FSRA management and the Board. |  |
| Efficiency | There were mentions in 2021 of frustration and difficulty with operational dealings such as wait times for licensing and backlogs. | In 2023 the need for efficiency remains an issue. For example, some feel FSRA needs to be more efficient in adopting new technology. Others feel licensing and processing timelines need to be more efficient echoing concerns from the previous study. |  |
| SAC dynamics | In 2021 , there appeared to be a strong dissatisfaction with SAC dynamics. | In 2023 , concerns seems to have decreased and shifted to follow-through and expertise retention within FSRA, ultimately reflecting the organization's evolving performance. |  |









2021 v. 2023 Study Comparison Per Theme – Cont'd

| Theme | 2021 | 2023 | Change since 2021 |
|----------------------------------|--|---|---|
| Overall impression | In 2021 expressed a favorable overall impression of the FSRA. | And in 2023 , stakeholders continued to highlighted their favorable impression pointing to FSRA's strengths in communication and attentive listening. |  |
| FSRA Compared to Past Regulators | The stakeholders interviewed in 2021 it appears that stakeholders felt that FSRA's predecessors (FSCO and DSCO) were rigid and adversarial. | This perception of FSRA continues in 2023 . Stakeholders emphasize the positive shift from predecessors. The findings from 2023 highlight the regulator's increased strengths in developing relationships, demonstrated by satisfaction levels in management and Board meetings. FSRA has is seen as "a breath of fresh air" from prior incarnations. |  |
| Talent and Leadership | FSRA was perceived as having a group of talented individuals who were becoming experts in 2021 . | While in 2023 there was some mention of losing expertise, most participants felt FSRA staff were knowledgeable and dedicated. |  |
| Approach | In 2021 FSRA was praised for taking on a principles-based approach. | Still in 2023 , many welcomed the principles-based approach as the innovative way forward in regulating. Notably, certain sectors conveyed encouragement for FSRA to maintain its future-oriented approach and remain vigilant in monitoring changes and trends across all the sectors under its regulatory purview. |  |

Appendix A

Participant Profiles

Participant Summary (n=77)

| Stakeholder Group | Number of Participants | |
|---|------------------------|---|
| Credit Union SAC | 7 |  |
| Financial Planners and Financial Advisors SAC | 12 |  |
| Health Service Providers SAC | 11 |  |
| Life and Health SAC | 13 |  |
| Mortgage Brokering SAC | 11 |  |
| Pensions SAC | 9 |  |
| Property and Casualty SAC | 9 |  |
| Consumer Advisory Panel | 5 |  |

Appendix B

Interview Discussion Guide



May 25, 2023

FSRA: Sector Study IDI Discussion Guide

I. Introduction to Discussion (2 minutes)

1. Hello, I am [NAME OF MODERATOR] from Forum Research. We are an independent research company, and today we are here on behalf of the Financial Services Regulatory Authority (FSRA) who wants to hear from you on your experiences on the [IF INTERVIEWEE IS FROM ANY SECTOR STAKEHOLDER ADVISORY COMMITTEE] Stakeholder Advisory Committee/ [IF INTERVIEWEE IS FROM CONSUMER ADVISORY PANEL] Consumer Advisory Panel.
 - a. [IF OTHER FORUM EMPLOYEES PRESENT, ALSO MENTION THE FOLLOWING] One of my colleagues is also present who will be observing the discussion, and will be helping me with note-taking so I can focus more on our discussion and less on taking notes.
2. This interview will last between 15 to 30 minutes, depending on your responses.
3. As a way of FSRA's appreciation of your participation, FSRA will be providing you with a copy of the executive summary of the results from this research.
4. I should also inform you that this session is being recorded for transcription purposes for accuracy when I write up the report. Rest assured that your responses are confidential, and will not be linked to you or to your organization. All responses will be reported in aggregate only.

II. Participant Introductions (1 minute)

1. So to start us off why do you tell me a bit about yourself and the organization you represent.

III. Warm Up (3 minutes)

1. What is the nature of your relationship with FSRA? How do you typically interact with FSRA? (Probe/context: do you just obtain information about them, get an examination from the regulator, was it through a function, did you have to seek consent for something, or just read information sent to you?) Tell me about your sectors and how does that relate to FSRA?
 - o Alternative question for veterans/higher management level: Looking back to when you first started being a member of the SAC/CAP, what was your

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IV. Body (13 minutes)

1. How would you describe your overall impression of FSRA? (Positive/negative/neutral? Probe: Why?) Would you say it is living up to its brand promise – protecting consumers, being effective and being trustworthy?
 - o [Probe for non-new members] How has the nature of your relationship with FSRA changed since you joined the committee? Have your interactions with FSRA changed over the course of your membership? [Were there more interactions with FSRA, less interactions? Do you feel you have a better understanding of the role of the regulator?
 - o [Probe for members with more the 1-year engagement with FSRA] Has your impression of FSRA changed over the years? Since you have been on the Committee? (Probe: Why/how has it changed?)
2. Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?
 - o [Probe for non-new members] Have you noticed any improvements since you have been on the committee/panel?
 - o [For new members] So far, since joining the committee/panel, what would you like to see FSRA doing more of?
3. [For new members] Since being a SAC/CAP member, have you had any involvement with management as a SAC/CAP member?

[Ask for all non-new members, and new members who said yes on having involvement] How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)
4. SACs/CAP now meet with the Board once a year, how would you characterize your involvement with the Board? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?) Would it be better to focus on a specific topic (deeper dive) rather than talking about several items?
5. Does the SAC/CAP process enable effective engagement?

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6. Do you find that FSRA consults on the right materials? Is there too much, too little or the right amount of engagement? Is there sufficient transparency in their processes? Do they give you sufficient time to discuss important issues? Do they encourage feedback? Do you feel they act on or adopt that feedback? Have they communicated back to you what has changed as a result of your feedback?
7. When it was launched, it was FSRA's vision to be a regulator that provides financial safety, fairness and choice for Ontarians. Overall, how well would you say FSRA is doing when it comes to delivering on this vision? (Probe: why do you say that? If low rating, how can FSRA improve? Has FSRA's delivery on this vision changed over the last few years?)
8. FSRA is a young regulator having been launched in June 2019. With respect to reputation, how does FSRA compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?
9. Do you have any final advice or suggestions for FSRA that would help it improve its engagement with you or your sector? Was there anything you expected might be covered in this interview that was not?

(MODERATOR TO CHECK WITH CLIENT TEAM FOR ANY LAST QUESTIONS TO ASK PARTICIPANTS).

V. Thanks and Wrap (1 minute)

That brings us to the end of this session. Thank you, once again, for your time and all the valuable information that you have shared. Again, rest assured that all information gathered will remain confidential and will solely be used for this research.

Have a great day/ evening, everyone!

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