



Independent Financial Brokers of Canada

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December 19, 2024

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto Ontario M5H 3S8

Submitted by E-mail: comments@osc.gov.on.ca

Subject: OSC draft Statement of Priorities 2025-2026

Independent Financial Brokers of Canada (IFB) appreciates the opportunity to comment on the OSC's draft Priorities.

About IFB

IFB is a national, not-for-profit professional association whose members are licensed financial advisors and planners. The majority of IFB members are life & health insurance agents and/or mutual fund registrants. Many, however, are licensed or credentialed to provide complementary financial services such as investments, deposit instruments, and comprehensive financial and estate planning.

IFB members are independent in that they are not employees or proprietary contractors with a financial company or institution. They often own small to medium-sized financial practices in their local community and are an important alternative to the services provided by banks and credit unions.

IFB provides a unified voice for these independent advisors by providing advocacy and representation on their behalf to government, regulators, and industry stakeholders. In addition, IFB supports the professional needs of its members, and the financial services industry more broadly, by offering high-quality accredited education, a comprehensive professional liability program, and compliance/regulatory support. IFB members agree to conduct themselves in accordance with IFB's Code of Ethics and Statement of Principles and renew that commitment annually.

Our comments

IFB's comments focus on the Priorities which are most relevant to its members.

Enhance the Experience of Individual Investors

Many of the OSC Priorities require input and collaboration with other regulators and industry stakeholders to be successful. We agree that this is essential to developing sound regulatory policy.

Individual financial advisors have the ability to greatly contribute to this process by sharing their day-to-day experiences with clients, and observations of client frustrations with the current system.



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We note that the OSC recently announced the 2025-26 members of its Registrant Advisory Committee and that these members represent a range of registrant categories. We hope this provides the opportunity to hear directly from everyday advisors.

Under Priority 2, the OSC also states that *“Limited competition can have an adverse effect on service offerings in certain distribution channels. The evolution of the Client Focused Reforms has led to an enhanced understanding of what investors may expect from their registrants. We will continue to focus on the quality of service obtained by investors and the choices available to them, as well as the proficiency of advisors and conflicts of interest, including those related to the firm’s product shelves”*.

This is similar to a Priority identified in last year’s SOP, which said the OSC would *“assess implementation of the CFRs and consider the impact of limited product shelves”*. We understand that a report was made available to the Ministry of Finance which was never released to the public. There have been other reports issued by the Financial Consumer Agency of Canada and CBC investigative reports in past years which have detailed the negative customer experiences at bank branches. In November, the OSC and CIRO [announced](#) a joint review into bank branch sales practices, and an investigation of reports of high-pressure sales tactics resulting in investor harm. IFB welcomes this review, however, we are concerned that there is enough evidence on this matter that regulators, including the OSC, should move forward with appropriate next steps now, and not defer action for more years.

We remain concerned about the impact that limited competition has on the financial services industry and consumer choice. Lack of competition stifles innovation and leads to higher costs. In Canada, the financial services industry is dominated by the major banks and their bank-owned dealerships. We have seen banks limit their product shelves and offer retail bank customers only proprietary products in response to the Client Focused Reforms (CFRs). This reduces investment choices for these clients, particularly as it affects their access to non-proprietary products. IFB urges the OSC to, at a minimum, require that this be disclosed to consumers upfront, and in a meaningful way, so they can make an informed decision on their investment choice.

Investors with smaller amounts to invest will be most affected by the limitations on investment products offered in the bank-owned distribution channel. Some of these smaller investors may pursue investing on their own. This speaks to the need for the OSC to have in place robust investor educational resources and disclosure requirements to help manage the increased risks of DIY investing for these individuals.

Suggested Priorities

Title Protection framework

The OSC has not included the Financial Planner/Financial Advisor Title Protection framework in its priorities. As FSRA has committed to conducting a review of the title protection framework in 2025, IFB encourages the OSC to work alongside FSRA to consider where the framework could be improved to meet its consumer protection goals.



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Seniors and vulnerable investors

In this year's Priorities, the OSC does not include specific reference to seniors and vulnerable investors as part of its investor protection mandate. Given the demographic realities of an aging population, increased cybersecurity risks, financial fraud, low financial literacy among some groups, and uncertain economic realities, this is a growing problem.

In IFB's recent submission to FSRA on its draft Priorities, we identified the urgent need for national guidance for the insurance sector on best practices for advisors dealing with vulnerable, or potentially vulnerable client situations. Consumers are often both insurance and securities clients. Life insurance and securities regulators must work together to provide advisors and firms with the support and training they need to help them recognize and deal with such situations, including investigating the need for a safe harbour provision.

IFB appreciates the opportunity to comment. Should you have any questions, please contact the undersigned.

Yours truly,

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