

NEWS RELEASE

For immediate release

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Reports to firms to help improve compliance and customer service

Unsuitable investments top investor complaints, IIROC statistics show

October 31, 2016 (Toronto, Ontario) – [Statistics](#) published today by the Investment Industry Regulatory Organization of Canada (IIROC) indicate that unsuitable investments generate the greatest number of complaints by investors to IIROC about the firms it regulates.

IIROC reported that, of the 838 complaints it received from clients of IIROC-regulated firms over the past two fiscal years, (April 1, 2014 to March 31, 2016), unsuitable investments topped the list with 222 complaints. Other complaints rounding out the top five included: service issues, disputed fees, firm policies and procedures and unauthorized trading. Together these five issues accounted for 48 percent of all complaints to IIROC.

The finding regarding unsuitable investments is consistent with statistics published in IIROC's [2015 Enforcement Report](#) showing almost 50 per cent of prosecutions against individual registrants involved violations of suitability requirements. The majority of suitability cases involve elderly and/or vulnerable clients.

IIROC's statistics also show that seniors are the largest demographic group contacting IIROC with complaints and inquiries.

"It's not surprising that suitability is the top investor complaint as it continues to be the number one matter that IIROC prosecutes every year," said Andrew Kriegler, IIROC President and CEO. "The trend of unsuitable investments reinforces exactly why IIROC needs and is committed to seeking more effective enforcement powers under provincial securities legislation so all investors, particularly seniors and vulnerable investors, are better protected."

In conjunction with publishing these statistics IIROC has issued confidential Complaints and Inquiries Statistics Reports to all the firms it regulates. Most dealers received firm-specific information and ranking compared to their peers. Others received general statistics only, due to the nature of their business and small number of investor contacts.

“We wanted to share this important information with IIROC-regulated firms to help them improve their compliance and customer service,” said Warren Funt, IIROC Vice-President, Western Canada. “Going forward, dealers will receive an annual Complaints & Inquiries report so they can strengthen their internal processes and reduce the number of complaints.”

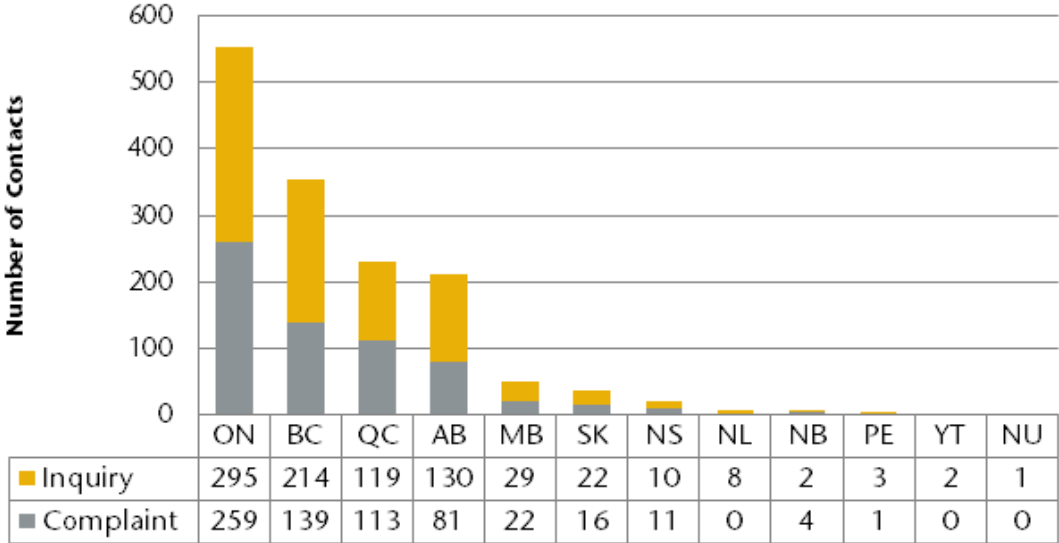
IIROC also produces firm specific reports on cyber security preparedness and risk trend reports to help them reduce risks, protect their clients and their organizations.

Quick Stats

From April 1, 2014 to March 31, 2016:

- IIROC received 838 complaints and 1,423 inquiries from investors.
- Seniors from ages 61 to 100 accounted for approximately 63% of complaints and 59% of inquiries of those who disclosed their age. (Note: Only 41% of contacts disclosed their age to IIROC.)
- Men made more complaints (370 vs. 182) and inquiries (659 vs. 294) than women of those who disclosed their gender. (Note: Only 67% of contacts disclosed their gender to IIROC.)
- Non-Regulatory matters accounted for approximately 46% of complaints and inquiries.
- Requests for information on filing a complaint (33%) was the top investor inquiry. Other common inquiries included: information on firm policies and procedures, questions about IIROC rules, general inquiries about an investment advisor or firm, and information on compensation options.
- The top five inquiries accounted for 60% of all investor inquiries received by IIROC.

**Total complaints and inquiries by complainant location
April 1, 2014 to March 31, 2016**



The majority of inquiries and complaints came from Ontario, British Columbia, Alberta, and Quebec. Ontario residents account for approximately 37% of the total complaints and inquiries received. Note: The numbers in this chart do not match the total number of complaints and inquiries as only 66% of contacts provided IIROC with their location.

How to contact IIROC C&I

Investors can contact IIROC's Complaints & Inquiries team if they have general questions, concerns about potential rule infractions or would like to report misconduct by their IIROC-regulated advisor or investment firm by calling 1-877-442-4322 (toll free) or emailing InvestorInquiries@iroc.ca.

IIROC is the national self-regulatory organization which oversees all investment dealers and their trading activity in Canada's debt and equity markets. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while supporting healthy Canadian capital markets. IIROC carries out its regulatory responsibilities through setting and enforcing rules regarding the proficiency, business and financial conduct of dealer firms and their registered employees and through setting and enforcing market integrity rules regarding trading activity on Canadian equity marketplaces.

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