

## Research to Help FSRA Improve the Lives of Vulnerable Consumers

Vulnerable consumers of financial services tend to be less trusting, less satisfied, and less confident. They are more likely to face issues, but in many sectors these issues are less likely to result in complaints. They are more likely to report experiencing barriers like poor customer service, a lack of empathy and a lack of clear information – FSRA Consumer Research Study, 2022.

FSRA launched a research study that provides an important opportunity for FSRA to better understand consumer<sup>1</sup> attitudes (e.g., trust, satisfaction), engagement with regulated financial services<sup>2</sup> (e.g., consumer knowledge, behaviours), and consumer characteristics such as vulnerability. The study was undertaken from a cross-sectoral perspective and therefore participation was representative of consumers, members, and beneficiaries in the sectors FSRA regulates.

By establishing a baseline, the study will enable FSRA to, over time, monitor the impact of market changes, industry responses and regulatory efforts on consumers, members, and beneficiaries. As an outcomes-focused and consumer-centered regulator, it is important for FSRA to have the insights to understand the realities of consumers' changing financial lives. The study will also help to identify key opportunities for FSRA to respond to the needs of, and risks to, consumers in positions of vulnerability.

### FOUR KEY TAKEAWAYS

Key takeaway	FSRA action plan
Overall satisfaction with the financial services sector is high among Ontarians, though trust is not distributed equally.	FSRA is committed to enhancing public confidence in its regulated sectors and will use the baseline set by this study and explore other tools, such as consumer satisfaction benchmarking, to monitor consumer sentiment.
Vulnerability impacts everything from confidence to trust; from access to how consumers navigate each sector.	Consumer vulnerability will continue to be a key focal point for FSRA. <i>Read more about these findings and FSRA's actions below.</i>

<sup>1</sup> Consumer refers to consumers, credit union members and pension plan beneficiaries.

<sup>2</sup> For the purpose of this report financial services is inclusive of pensions.

Key takeaway	FSRA action plan
Awareness of FSRA is low, and in each sector many Ontarians are not aware there is a financial regulator at all.	FSRA continues to raise its profile through media outreach and consumer education campaigns that focus on tips to better understand financial services.
The frequency of issues differed by sector, but in each sector the plurality who didn't complain said there would be 'no point' as little or nothing would get resolved.	FSRA is strengthening its baseline understanding of the current complaints resolution systems in its regulated sectors, including consumer experiences with those systems.

The [Executive Summary](#) of the final report outlines the results of the survey.

## FSRA'S AREA OF FOCUS: CONSUMER VULNERABILITY

Consumer vulnerability has come into sharper focus with COVID-19 and its disproportionate impact on the circumstances of many Ontarians. With consumer vulnerability being a priority in our [2022-2025 Annual Business Plan](#), one of the key areas of focus of the study was to analyze outcomes for vulnerable consumers. These findings will strengthen FSRA's efforts to identify opportunities to respond to the needs of and risks to consumers in positions of vulnerability in the work we do to protect Ontarians.

### Four key findings on consumer vulnerability

- 1. Vulnerability impacts consumers in all sectors**  
 Vulnerable consumers tend to be less trusting and less satisfied with financial products and services, and less confident on how to navigate each sector.
- 2. Vulnerable consumers may experience more issues but are less likely to submit a complaint**  
 Highly vulnerable consumers are more likely to face issues, but less likely to formally complain. They are more likely to experience barriers in accessing financial products/services, such as poor customer service, and a lack of empathy and clear information.
- 3. "Capability" is a key factor that affects overall confidence**  
 Capability, which includes individuals that report low financial literacy and low confidence with numbers, is a key factor that affects consumers' overall confidence.

#### 4. More distrust in financial sectors amongst high vulnerability groups

High vulnerability groups have more distrust in the financial services sectors, particularly driven by “resilience”-based vulnerability (includes individuals reporting unstable or low income and limited savings).

### Learn more about FSRA’s work to address consumer vulnerability

- FSRA is undertaking supervisory work that will continue to address issues related to vulnerability. For example, the [Mortgage Brokering Sector Supervisory Plan](#) commits to supervisory research and compliance reviews of certain scenarios where vulnerable consumers may be more prone to financial abuse in the Mortgage Brokering sector.
- In 2021, FSRA started collecting consumer data, which includes markers on vulnerability, from mortgage brokerages through its Annual Information Return to understand vulnerable consumer profiles in the Mortgage Brokering sector.
- FSRA has started tracking complaint trends involving vulnerable consumers. FSRA plans to improve its capacity to monitor complaints received to help identify risks of consumer harm for vulnerable groups.
- FSRA continues to undertake consumer-focused research to gather further evidence on the impact of vulnerability in the sectors it regulates. For example:
  - As part of FSRA’s 2022-23 Consumer Research Agenda, several studies are being conducted that focus on vulnerability, including in the auto insurance and mortgage brokering sectors.
  - FSRA has partnered with Queen’s University to conduct research on the underlying reasons for vulnerability in the auto insurance sector.
  - A pilot study is being conducted based on a large consumer data set to analyze the profile of vulnerable consumers according to geographic location based on the vulnerability framework used in the 2022 Consumer Research Study.
- FSRA worked jointly with the [Consumer Advisory Panel](#) (CAP) to create a working group on vulnerable consumers consisting of CAP members to solicit advice that can help inform FSRA’s work on protection of vulnerable consumers.