



Montreal, March 8, 2024

Mr. Mark White
Chief Executive Officer
Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6
contactcentre@fsrao.ca

Re: Strengthening Protection of Vulnerable Consumers in Financial Services Sectors

Sir,

On behalf of Desjardins Group, we are pleased to respond to your request for comments regarding the possible need to strengthen protection of vulnerable consumers in the financial services sectors regulated by FSRA. Desjardins Group is the leading cooperative financial group in Canada serving over 7.5 million¹ members and clients across the country. For over 120 years, Desjardins has listened and responded to its members' needs and adapted to change. We provide Canadians with banking, wealth management, life & health insurance, property & casualty insurance, and personal, business, and institutional financial services.

Acting in the best interests of consumers is an ongoing journey, shaped by the evolving needs and expectations of consumers as well as changes in our business and societal landscape. We fully support FSRA's reflection on this matter and commend the commitment to monitor and address the market conduct of regulated entities to uphold a fair treatment of consumers, particularly vulnerable individuals.

We submit our answers to FSRA's questions to further this endeavour.

1. To what extent does this topic require more attention from FSRA?

We believe that FSRA's primary role in overseeing the market conduct of regulated entities to ensure compliance with existing legislations and regulations pertaining to fair consumers treatment serves as a crucial safeguard for vulnerable consumers.

We advocate for any additional consumer protections to be tailored to the needs of vulnerable individuals, allowing them voluntary access when they feel susceptible while dealing with financial services providers. We find that existing legal frameworks provide the means to adequately address consumers protection concerns and would advise against additional and separate expectations. Thus, we believe efforts should focus on enhancing financial literacy to empower consumers with the knowledge and facilitating access to the support needed to make informed decisions.

Moreover, any additional protections should be based on principles and risks, allowing flexibility for providers to tailor solutions according to their offerings, organizational structures, and client preferences. Harmonization of these protections across Canadian jurisdictions is essential for national scope entities.

¹ [Investor fact sheet Q4 2023 New.indd \(desjardins.com\)](#)

2. In addition to the activities proposed in the chart under Section A, are there any additional activities, such as outlining a set of expectations or defining specific requirements for entities across all of its regulated sectors, that FSRA should consider for its approach to strengthening protection of vulnerable consumers?

We encourage FSRA to prioritize enhancing financial literacy programs to empower all consumers, especially vulnerable groups, with the knowledge and tools necessary to make informed financial decisions. By providing understandable and useful financial services guidance and knowledge, and identifying relevant support organizations, FSRA can significantly improve consumers outcomes and mitigate the impacts of vulnerability.

We also believe FSRA should facilitate cross-sector collaboration and support by creating platforms like cross-sectoral Technical Advisory Committees on vulnerable consumers. Such initiatives would help foster dialogue, share best practices, and develop unified approaches to address vulnerability across various financial services sectors.

Referring to [AMF's practical guide for Protecting Vulnerable Clients](#), we endorse the provision of additional support and advice to vulnerable consumers as a tangible step forward and believe the guide to be a valuable blueprint for additional work. FSRA should adopt measures to allow vulnerable consumers the choice to access additional support and advice whenever they feel vulnerable while dealing with their financial services provider. We find the assistance measure, referred to in the guide, to be a great step in allowing vulnerable consumers to access the required support to navigate and access financial services without having to resort to a more intrusive power of attorney. The measure is similar to the Trusted Contact Person in securities regulation², another approach that FSRA could consider in ensuring vulnerable consumers access to the support required.

Finally, within sectors like auto insurance, which often features complex products, simplifying communications and claim processes could significantly benefit vulnerable consumers. Auto insurance communications related to its purchase and navigating through the claim process is highly prescribed by government. Opportunities exist to simplify - in terms of plain language wordings, coverage choices and to lessen the need to engage in and understand claim disputes by building greater trust and claim entitlement clarity. FSRA has an opportunity to help vulnerable consumers in this sector by recommending and supporting future government reforms that address existing pain points in this system.

² [2021-07-15 CSA Notice - TCP and Temp Holds final.pdf \(novascotia.ca\)](#)

3. Do you have any comments on FSRA's proposed approach to defining vulnerable consumers in Section B? Do you think it is useful to have a definition of vulnerable consumers? Are there any other factors that FSRA should consider in better understanding vulnerability in its sectors?

Defining vulnerable consumers can provide clarity and guide regulatory efforts effectively. However, FSRA's definition is broad, given the varying impacts and durations of vulnerability, making proactive identification challenging for regulated entities. As such, in the interest of identifying and protecting vulnerable consumers, we believe that consumers should not be required to provide additional personal information to their financial services institution if they choose not to, preferring to safeguard their security and privacy, particularly given the broad scope of the definition.

We further encourage FSRA to ensure its definition is and remains aligned with other regulators. Establishing a common definition of vulnerability could facilitate connecting vulnerable consumers with relevant support organizations and resources.

4. If you are from one of FSRA's regulated sectors, what should FSRA know about how you, your firm, or your industry serves marginalized, underserved, and/or vulnerable consumers? For example, do you have any targeted programs or communications tactics or controls in place to reduce risk of unfair outcomes for these groups?

Desjardins' efforts to serve vulnerable consumers include designating trusted contact persons, promoting financial education, and providing accessible advice and resources. In fact, Desjardins' "In Charge of Your Life and Your Property" program for employees was specially designed to combat financial abuse of people in vulnerable situations, including seniors. Additionally, our commitment to equity, diversity, and inclusion underscores our dedication to addressing the needs of marginalized and underserved groups.

The following examples demonstrate the efforts of Desjardins Group to act in the best interests of its members and clients regarding vulnerability:

- [Designate a trusted contact person | Desjardins](#) (inspired by the AMF Vulnerable Consumer Practical Guide)
- [Financial education - Financial literacy is power](#)
- [Advice and resources - Browse our advice articles to better understand complex concepts, get simple tips and make sound decisions.](#)
- [Equity, diversity and inclusion](#)

5. What additional information, (such as leading practices, tools, opportunities, or risks) should FSRA be considering to inform its approach?

While vulnerable groups often exhibit lower levels of trust, satisfaction, and confidence in financial services, benchmarking their sentiments against other industries could provide valuable insights. Tracking and comparing consumer sentiments across various sectors may shed light on the unique challenges vulnerable consumers face within financial services, guiding FSRA's approach effectively.

We are committed to serving marginalized, underserved, and vulnerable consumers and are open to further collaboration, and sharing of best practices in this regard. We appreciate FSRA's efforts to strengthen protection for vulnerable consumers and offer our support in this endeavor. We remain committed to promoting fair and inclusive financial services for all consumers.

We would encourage further consultation if FSRA, in the future, finds it opportune to create specific metrics or other standard expectations that further define the finalized desired consumer outcomes.

Thank you for the given opportunity to provide commentary and accompany you with further advice on this important journey.

Sincerely,

Senior Director | Regulatory Affairs,

A handwritten signature in blue ink, appearing to read "Giuseppina Marra". The signature is fluid and cursive, written in a professional style.

Giuseppina Marra, CPA auditor, ICD.D

Cc.

Mr. William Boucher, General Manager and Chief Operating Officer, DOCU

Mrs. Marie-Andrée Alain, Chief Compliance and Privacy Officer

Mr. Mario St-Hilaire, Vice-President, Insurance Risk Division