

# 2021 BMO Ombudsperson Annual Report

This is the **annual report of BMO's Ombudsperson** for the fiscal year November 1, 2020 to October 31, 2021. The past year saw a continuation of the global pandemic and the ensuing challenges for Canadians, including BMO customers. While many parts of our economy transitioned to new operating models and practices, social and economic difficulties persisted. It is in part due to these difficult circumstances that the number of escalated customer complaints increased. This report provides insight into complaint volumes, the nature of the complaints and more generally, BMO's complaints resolution process.



**For additional information about BMO's Ombudsperson, please see BMO's [website](#).**



## What We Do

BMO's Ombudsperson conducts impartial<sup>1</sup> reviews of unresolved Canadian consumer complaints about BMO products or services in accordance with BMO's [Complaint resolution process](#). A review by the Ombudsperson is the final step in the process. If a complaint remains resolved after review, customers have the option of contacting an independent external complaints resolution body for an additional review. BMO uses the Ombudsman for Banking Services and Investments (OBISI) for external review of banking and investment related complaints and OmbudService for Life & Health Insurance (OLHI) for insurance related complaints.

### How We Help

We provide a voluntary and confidential avenue for customers to transparently discuss complaints. Our process is based on integrity and respect and our objective is to resolve complaints fairly. We consider customer complaints carefully and seek information from both the customer and within BMO when conducting our review.

### Roles and Responsibilities

#### **The Ombudsperson is responsible for:**

- Handling customer complaints professionally, efficiently and fairly
- Collecting and examining evidence received from all parties
- Keeping customers informed of the progress of a complaint review
- Providing reasons for our decisions

#### **Customers are responsible for:**

- Providing clarity on the nature of the problem and the solution they are seeking
- Providing all relevant information they have (or know about) at the beginning of the process and advising of any new facts as they arise
- Cooperating and treating members of our team with respect

#### **BMO is responsible for:**

- Assisting in the review by providing all relevant information about the complaint and responding to queries from us in a timely manner
- Accepting and acting on our recommendations without delay

<sup>1</sup> BMO's Ombudsperson staff, while employed by BMO Financial Group, are not involved in BMO's business operations.

# Addressing Complaints

We deal with unresolved customer complaints involving banking products and services (BMO Bank of Montreal), investment products (BMO Nesbitt Burns, BMO InvestorLine, BMO Investments and BMO Private Banking), and insurance products (BMO Insurance, BMO Creditor and Travel Insurance, BMO Estate Insurance Advisory Services).

## What happens when a customer approaches the Ombudsperson with an unresolved complaint?

### 1 Confirm complaint within mandate

We check to see if the complaint is within our mandate to review.

**Timeframe:** We acknowledge receipt of the complaint within 3 business days, and provide details on how the complaint review process will unfold.

### 2 Investigation of complaint

If a complaint is within our mandate for review, it is assigned to an investigator for review. Depending on the nature and complexity of the complaint, the investigation may require input from multiple parties and additional information from the customer.

**Timeframe:** We aim to complete reviews within 40 days.

### 3 Outcome

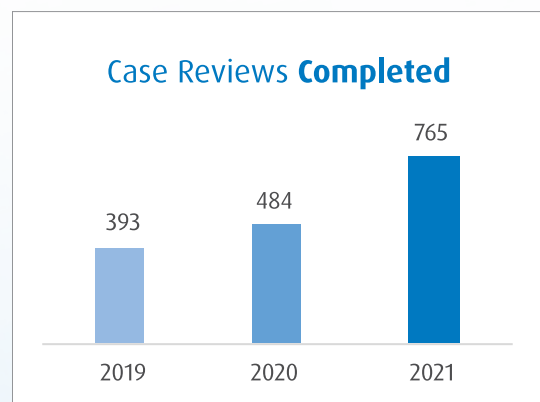
At the conclusion of our review, we may facilitate a resolution between the customer and BMO, make a recommendation to settle the complaint or agree with BMO's decision in the matter.

### 4 Further Review

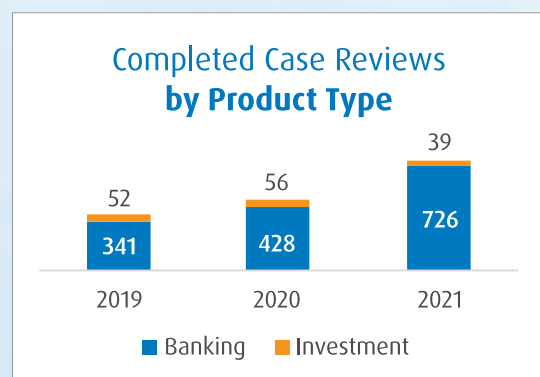
Once the customer has received our response, they can decide to accept it or request further review by an external complaints body.

**Timeframe:** Within 180 days of receiving our final response, the customer has the option of escalating the matter to an external dispute resolution service.

In 2021, the Ombudsperson reviewed 765 complaints, a 58% increase over 2020 and a 95% increase over 2019, the last full year before the COVID-19 pandemic.



The majority of case reviews dealt with banking matters. Investment related complaints (which include 4 insurance related matters) fell slightly from previous years, likely attributable to the strong positive performance of financial markets during the year. We received 108 requests for review of complaints that were outside of our mandate. These concerns are not included in our overall case count. The out of mandate complaints predominately related to business decisions including credit granting policies, decisions to close accounts and product features.



# 2021 Case Review Highlights

Number and Nature of Complaints Received

The three products that generated the most complaints in 2021 were bank accounts, credit cards and mortgages.





# 2021 Case Review Highlights *cont'd*

Complaints about fraudulent activities were the most prevalent customer issue, representing 24% of banking complaints. This volume reflects the pervasiveness of fraudulent activity and scams. Customer service complaints represented 13% of banking complaints, attributable in part to frustration with living and working in a pandemic environment. Fraud and chargebacks were common themes with credit card complaints, including customers with unresolved disputes related to travel services cancelled or not received due to the pandemic. Customer complaints regarding pre-payment charges (fees assessed when refinancing a mortgage or paying it off to transfer to another bank) was the most frequent category of disputes for mortgage related complaints. These complaints were driven by the low interest rate environment and lifestyle changes brought about by lockdowns and pandemic related income disruptions.

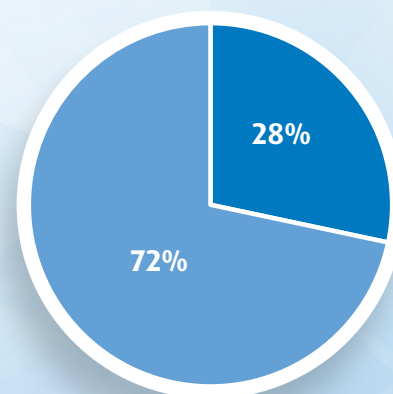


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## Outcomes

Resolution in the customer's favour takes the form of monetary payment (e.g. fee reimbursement) or non-monetary gestures (e.g. reward miles). The decision to make a recommendation to resolve is based on several factors, including whether an error was made or if the customer's experience was poor.

In 2021, we made recommendations in 28% of cases reviewed. In the opinion of the Ombudsperson, 57% of the Banking reviews and 54% of the Investment reviews were resolved to the customer's satisfaction.



- Full or Partial Recommendation
- No Recommendation

## Appeals

If a customer remains dissatisfied at the conclusion of our review, they have the right to appeal our decision to an external complaints body - the Ombudsman for Banking Services and Investments ([OBSI - obsi.ca](https://obsi.ca)) or the OmbudService for Life & Health Insurance ([OLHI - olhi.ca](https://olhi.ca)). These organizations are independent and impartial dispute resolution services.

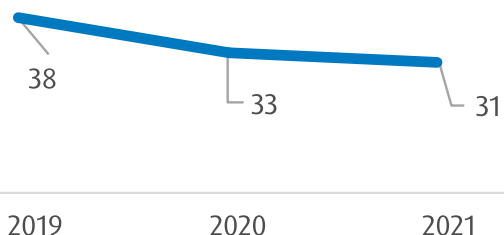
OBSI reviewed 204 BMO files in 2021 (151 banking and 53 investment files). In 89% of the cases, OBSI concurred with our decision. We believe the high degree of concurrence OBSI has with our decisions demonstrates the care and diligence we take in reviewing customer complaints and reaching our conclusions.

OLHI reviewed 1 file in 2021, reflective of the generally low volume of insurance complaints.

## Average Length of Time Taken to Review Complaints

Despite the increase in case volumes, we reduced the average length of time required to complete a review by 2 days to approximately 31 days overall, below our target timeframe of 40 days. Banking files were closed on average in 31 days while investment files, which tend to be more complex, took approximately 39 days.

### Average days taken to review a Complaint



## Process Improvements

In 2021 the Ombudsperson made several recommendations to various BMO lines of business in situations where we believed that process enhancements could improve the customer experience or avoid future complaints. Most of these recommendations focused on making information clearer and easier for customers to understand or identified situations where BMO could proactively reach out to customers to remind them about important information regarding their banking, investment or insurance products and services. We also offered advice on how BMO could make sure the customer experience remained as seamless as possible despite the pandemic-related challenges faced by both customers and staff.

## Fraud Prevention

Digital fraud and cybercrimes are growing rapidly around the world, especially as the Covid-19 pandemic has kept people home, conducting more electronic transactions and spending more time online.

While BMO has put in place advanced security measures to protect customers from the risk of fraud, there are steps you can take as well.

- Keep your card, PIN and online password secret and do not share them with anyone.
- Consider changing your PINs and passwords about every six months or at least once a year.
- Check your banking transaction information regularly. If you suspect you have been the victim of fraud or see a suspicious transaction on your account, [report it to BMO](#).
- For information on how you can bank online securely, access digital security software and protect yourself from frauds and scams, visit BMO's [Security Learning Centre](#).
- BMO has teamed up with TransUnion to provide customers with free access to [CreditView®](#) to check credit scores and identify any errors.

# About the Ombudsperson and staff

## **Ula Ubani is the Ombudsperson and Chief Ethics and Conduct Officer for BMO Financial Group.**

She is a seasoned industry senior leader with a reputation for simplifying complex situations and developing practical solutions for the benefit of all involved. Ula and her team manage the escalation of unresolved Canadian customer complaints about BMO's products or services and the whistleblower process. The team has been carefully selected for their extensive knowledge and experience with customer complaints and financial services. Collectively the team has more than 60 years of complaints resolution experience across many industries and levels of complaint from first line to external resolution services.

## Contacting BMO's Ombudsperson

You may contact the Ombudsperson by mail, fax, email, or phone.



**Email\*** [bmo.ombudsman@bmo.com](mailto:bmo.ombudsman@bmo.com)



**Phone** 1-800-371-2541



**Fax** 1-800-766-8029



**Mail\*\*** BMO Financial Group Ombudsperson  
1 First Canadian Place  
P.O. Box 150  
Toronto, ON M5X 1H3



\* IMPORTANT: Please do not send personal and/or financial information via unsecured email.

\*\* Due to on-going concerns about COVID-19, BMO has implemented safety protocols to protect the health and well-being of our customers, our employees and their families, including limiting access to our offices. Therefore, you may experience a delay in response when submitting complaints via (physical) mail.

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