

CCAO Annual Report 2024

Customer Complaint
Appeal Office



ABOUT US - WHO WE ARE

The Customer Complaint Appeal Office (CCAO) is the third and final step in BMO's Canadian Complaint Handling Process. The CCAO provides customers an opportunity to appeal concerns that have not been resolved in either of the first two steps of BMO's Complaint Handling Process. As an appeal function, the CCAO is independent from BMO's business operations.

Our mandate is to review unresolved customer complaints using a dispute resolution process that is accessible, fair, and transparent. Although we have a broad mandate to review a wide range of financial services complaints, there are certain issues that fall outside of our scope. These matters typically include business, credit, and risk management decisions, or matters that are, or have been, before a court.

During our reviews, we often identify opportunities and make recommendations on how BMO can provide a better customer experience or improve operations, products, or services.

For additional information, please refer to our website [Customer Complaint Appeal Office - Our Impact \(bmo.com\)](https://www.bmo.com/customer-complaint-appeal-office).

OUR PROCESS - WHAT WE DO

We review unresolved Canadian 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, and BMO Estate Insurance Advisory Services).

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ACKNOWLEDGE RECEIPT OF COMPLAINT

We acknowledge receipt of the complaint and provide the customer with details of the review process and next steps.



2

SCOPE

We perform an initial review to determine if the complaint is within CCAO's scope to change the outcome (e.g., CCAO does not typically review business, credit or risk management decisions or matters before the court).



3

REVIEW

In-scope complaints are assigned for review. Depending on the nature and complexity of the complaint, the review may involve:

- Gathering of additional information from the customer and internal business groups
- Reviewing internal policies, phone calls, researching external sources and interviews
- Reviewing account history and transactions, and other relevant documentation or records
- Reviewing the customer's overall experience



4

OUTCOME

Our review concludes with a written response that may include a recommendation to resolve the complaint, re-extension of a previous offer made by the line of business or a decline that supports the business decision to take no further action on the complaint and close the matter.



5

ESCALATION

We are committed to responding in a timely manner, however if we have not responded to the complaint within 56 days for banking matters or 90 days for investment matters from the date the complaint was first received by BMO Financial Group, or the customer remains dissatisfied, the next available option is to escalate to an external complaints body: The Ombudsman for Banking and Investment Services (OBSI) for external reviews of banking and investment complaints and OmbudService for Life & Health Insurance (OLHI) for insurance-related complaints.

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2024 – A YEAR IN REVIEW

Our office completed 1,693 reviews (1,649 related to banking, 30 related to investments and 14 to insurance) and over 1,400 OBSI reviews. Over 60% of the OBSI reviews began in 2023, many involving customers who were victims of a third party scam and chose to escalate directly to OBSI. OBSI agreed with BMO’s decision 88% of the time.

Most banking complaints related to a combination of third party scams and frustration with the outcome of the review of the initial complaint. The average time for BMO to complete a banking review was 38 days, which represents the total number of days end-to-end, less any time that the customer was inactive with us. 64% of these complaints were resolved to the satisfaction of the customer.

Most investment complaints related to frustration with transactions or service issues. 50% of complaints were resolved to the satisfaction of the customer.

2024 was a challenging year for many Customers, who were navigating the impact of fluctuating interest rates against a backdrop of a higher cost of living. We also saw customers impacted by fraudulent income generating opportunities that resulted in financial loss (third party scams). In some of those cases, the customers felt that the bank should have prevented them from moving their money.

Knowledge is power, especially when it comes to managing financial goals and the safety of bank accounts, as life gets more expensive and scammers go to great lengths to manipulate, it is critical that customers exercise vigilance when it comes to their money. See below for a list of helpful habits that we share with our customers:

- Review account statements regularly and report anything that is not recognized or is unclear
- Pay monthly bills on time
- Read the terms and conditions of account agreements and offers thoroughly and ask questions to better understand the benefits and constraints of products and services
- Report a lost or stolen card immediately
- Never share personal information (e.g., bank card number, PIN, authentication codes, etc.) with a third party for any reason
- Stay up-to-date on the latest fraud and scam trends and recommendations in security, both online and off by visiting BMO’s [Security Learning Centre: Security Resources - BMO Canada](#)

FAST FACT

1,693 reviews completed, of which: 1,081 were resolved to the satisfaction of customer, 602 closed and 10 withdrawn.

Important: BMO will never contact customers via unsolicited email, text or phone call asking for sensitive information, passwords, PINs or verification codes (one-time passcodes). If a customer receives a call, voicemail, email or text from someone claiming to be from BMO and think it’s suspicious, they should not share any personal information and contact BMO immediately using the information on the back of their card. For more information, visit [How To Protect Yourself Online - BMO Canada](#).

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FRAUD & SCAMS

Securing the personal information of our customers is our priority. Customers must also do their part to help keep their personal information safe. BMO provides a Digital Banking Security Guarantee committing to reimburse eligible unauthorized transactions if the customer keeps their account details secure and meets all other responsibilities outlined in our Electronic Banking Services Agreement.

Unfortunately, customers sometimes share their personal and financial information as they fall victim to scams. Customers are convinced by scammers to share banking information over the phone or other platforms. We see situations where scammers entice customers to click a link or download an attachment that installs malicious software (also known as malware) on their device, which can allow the scammer access to information available on that device. We also know that the time between device infection and the scammer accessing a bank account can vary from seconds to minutes to months, which makes it difficult for customers to identify the exact point of compromise.

Customers must be vigilant and educate themselves on scams targeting Canadians by visiting websites such as the Canadian Anti-Fraud Centre (antifraudcentre-centreantifraude.ca) or [BMO's Security Learning Centre: Security Resources - BMO Canada](#).

SOME OF THE MOST COMMON SCAMS WE'VE SEEN IN 2024



EMPLOYMENT SCAMS

These scams involve attractive and convincing job offers for easy money, high wages, freelance work, flexible working hours or exciting future opportunities, and are marketed via text, email, or phony websites. Fraudsters may also pose as legitimate companies or executives, using their names when luring victims.



REMOTE ACCESS SCAMS

An individual receives a phone call from a fraudster claiming they work for a reputable company such as a bank, telecommunications, or retail company. The fraudster convinces the customer an error has occurred on their account: either funds meant for someone else have been deposited into the individual's account accidentally, or their computer is at risk of being infected with a virus. The fraudster claims they need access to the individual's computer to correct the error; once on the victim's device, they use remote access to install malware, access the victim's online banking accounts, transfer funds, or steal their personal and financial information.



INVESTMENT SCAMS

Fraudsters pose as financial advisors from well-known financial institutions. They offer lucrative investment opportunities and present what appear to be legitimate websites and documentation. Money transferred to the fraudster, is **not** invested, it has gone to the fraudster.



OVERPAYMENT SCAMS

When selling goods online, overpayment scams involve an "accidental" overpayment that exceeds the agreed-upon price. These scams trick you into refunding money to a fraudster who has overpaid you with a bad cheque, stolen card or electronic money transfer (EMT), or wire payment.

To learn more about the different types of scams we've seen and tips on what to look out for, visit [Scams Alerts: Learn What To Look For - BMO Canada](#).

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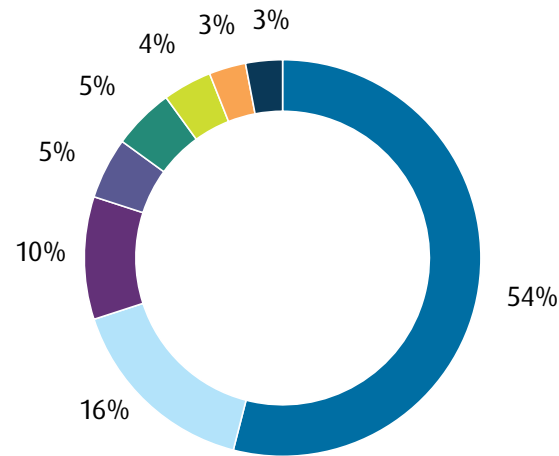
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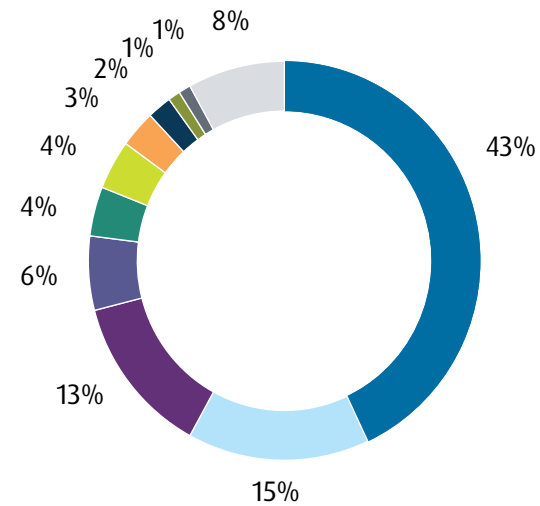
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COMPLAINT REVIEWS BY PRODUCT



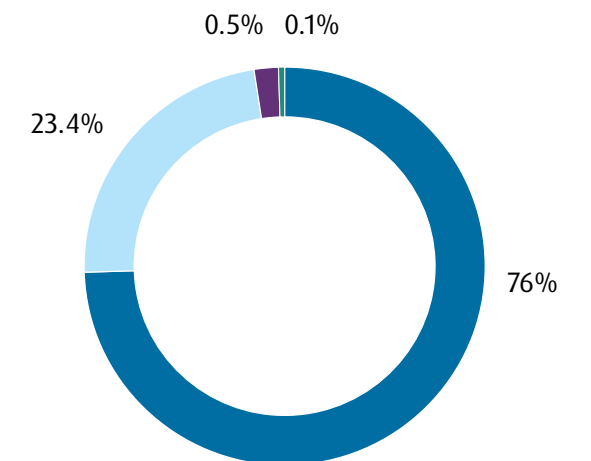
- Deposit accounts
- Credit cards
- Mortgage
- Line of credit (secured/unsecured)
- Investment accounts
- Loans
- Debit cards
- Other issues

COMPLAINT REVIEWS BY SERVICE



- Fraud
- Quality of service
- Transaction issues
- Fees and charges
- Interest issues
- Payment issues
- Product features
- Chargeback issues
- Collection issues
- Credit bureau issues
- Other

NATURE OF COMPLAINTS



- Frustration with BMO experience
- Communication/advice
- Discrimination
- Market conditions

FAST FACT

Approx 40% of the complaints reviewed in 2024 were related to fraud, of which half related to third party scams.

CUSTOMER COMPLAINT CONTACTS

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customercomplaintappealoffice