

MFDA Investor *Bulletin*

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JUNE 2018 SENIORS MONTH

June is Seniors' Month and to mark the occasion the MFDA is issuing an Investor Bulletin with a focus on protecting seniors and seniors' issues.



Protecting Seniors

The protection of seniors from financial harm is a priority for the MFDA. As part of its initiative to protect seniors, the MFDA places a priority on cases involving senior investors, and provides assistance to seniors in documenting and filing their complaints with the MFDA. In addition to the assistance seniors receive in documenting their complaint, all complainants receive a phone call from MFDA case assessment staff to explain the MFDA's complaint process and the services offered by the Ombudsman for Banking Services and Investments.

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Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels



Protect Yourself from Financial Harm

KEEP YOUR PERSONAL INFORMATION SAFE

To help protect yourself from identity theft **avoid providing personal information over the telephone** to individuals you are not familiar with. A common identity theft scheme involves individuals who call victims pretending to be from a financial institution or government agency. These individuals will often request that you provide an update to your personal information that is “on file”. Often the identity thief may already have some of your personal information such as your name, address or even your credit card number, and will provide it to attempt to establish trust and authenticity. Identity thieves commonly seek this information in order to fraudulently open bank accounts, apply for loans and make purchases using another person’s identity.

CHECK AN ADVISOR’S REGISTRATION

Any advisor who advises or trades in securities such as mutual funds, stocks, and bonds **must be registered** with the relevant securities regulatory authority in the Province or Territory in which the advisor’s clients reside. You should check an advisor’s registration before you open an account and provide your personal information by using the National Registration Search Tool at www.aretheyregistered.ca. A person whose name does not appear in the search cannot trade or advise on securities, and you should not deal with such a person for these purposes.



Be an Informed Investor

You always have the final say on any investment decision. As with any professional advice the goal is to ensure that you can make an informed decision. Below are some steps you can take to ensure that you and your advisor both have all the information needed during the advisory process.

Inform your advisor whenever there has been a material change in your circumstances. Any change should prompt an update to your KYC Information and will require your advisor to perform a new suitability assessment which may result in your advisor recommending changes to your investment portfolio.

Read and review all the documentation you receive. If there is something in a document that concerns you, or that you do not understand, do not hesitate to discuss this with your advisor or dealer.

Take your time making decisions and consider the advice you receive.

Keep an open dialogue with your advisor. This is particularly important to help your advisor learn about your financial situation and needs.

Review all your account statements and trade confirmations. You should receive account statement at least quarterly and a trade confirmation for every purchase or redemption of an investment product. Account statements tell you valuable information about the investments you are holding, their performance and the costs you pay for the investment. Contact the dealer’s compliance department directly if you do not receive account statements or trade confirmations, or if the information on a statement or confirmation is inconsistent with your records.

Ask questions and if you don’t understand the response do not hesitate to ask for clarification. If you don’t have a general understanding of an investment even after asking questions it is likely not the product for you.



Never Lend Money to your Advisor

You should never lend money to your advisor.

MFDA rules prevent advisors from asking for, or accepting a loan from a client. If an advisor ever asks you for a loan, or if you have lent money to an advisor in the past, you should report this fact to the advisor's dealer immediately.



When You Have a Complaint

Clients of a mutual fund dealer who are not satisfied with the services they have received have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, here are some steps you can take:

1. CONTACT YOUR MUTUAL FUND DEALER

The dealer is responsible to you for monitoring the actions of their advisors to ensure that they are in compliance with MFDA by-laws, rules and policies. The dealer will investigate any complaint that you initiate and respond back to you with the results of their investigation, in most cases within three months of receipt of the complaint.

2. CONTACT THE MFDA

The MFDA investigates complaints about mutual fund dealers and their advisors, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:



By completing the on-line complaint form at www.mfda.ca



By telephone in Toronto at (416) 361-6332 or toll free at 1-888-466-6332



By e-mail at complaints@mfda.ca



In writing by mail to:
121 King Street West, Suite 1000
Toronto, ON M5H 3T9
or by fax at (416) 361-9073

The MFDA does not order compensation or restitution to clients. If you are seeking compensation, you may consider contacting the Ombudsman for Banking Services and Investments ("OBSI"). OBSI can make a non-binding recommendation for compensation (up to \$350,000) if it determines that an investor has been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. OBSI is free of charge and is confidential. OBSI can be contacted by telephone at 1-888-451-4519, or by email at ombudsman@obsi.ca. For seniors or otherwise vulnerable clients who wish to pursue a claim through OBSI, MFDA staff are able to directly transfer their calls to OBSI staff. For more information on OBSI and its processes, please visit www.obsi.ca.



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