



OBSI OMBUDSMAN FOR BANKING
SERVICES AND INVESTMENTS
OSBI OMBUDSMAN DES SERVICES
BANCAIRES ET D'INVESTISSEMENT



CIRO · OCRI
Canadian Investment
Regulatory
Organization
Organisme canadien
de réglementation
des investissements



Canadian Securities Administrators
Autorités canadiennes en valeurs mobilières

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Investor Alert: Investors are not required to use claims management companies to communicate with the CSA, CIRO or OBSI

TORONTO – The Canadian Securities Administrators (CSA), the Canadian Investment Regulatory Organization (CIRO), and the Ombudsman for Banking Services and Investments (OBSI) remind investors that they all offer investors services related to claims or complaints free of charge. This means it is not necessary for investors to use a claims management company to interact with a regulator or oversight organization in a claim or complaint process.

What is a claims management company (CMC)?

Some CMCs may engage in activities such as advising, investigating, and managing complaints on behalf of investors for a fee that is either charged upfront or taken as a percentage of any money that may be recovered through the claim or complaint process. For example, some CMCs advertise services for recovering funds lost in cryptocurrency or other investments, in part, through filing a claim or complaint with a regulator or oversight organization – such as a CSA member, CIRO or OBSI.

Investors and consumers are not required to use CMCs to communicate with CSA members, CIRO or OBSI. The CSA, CIRO and OBSI have heard reports of CMCs charging people thousands of dollars to manage their claim or complaint. However, the services of the CSA, CIRO and OBSI are readily available and provided to investors at no cost.

Cautionary Note

CMCs are not regulated by [CSA members](#), CIRO or OBSI.

“We are concerned that people are being charged excessive fees for services that, in reality, are of very questionable benefit to the person,” said Sarah Bradley, Ombudsman and CEO of OBSI.

Investors should be cautious if they decide to use a claims management service that:

- makes overly optimistic predictions of recovery, particularly regarding cryptocurrency frauds,
- describes the role of a regulator or oversight organization inaccurately by indicating the primary purpose of the regulator or oversight organization is the recovery of lost funds, when it is not,

- prepares basic documentation for a regulator or oversight organization on behalf of a consumer or investor that does not provide sufficient information to investigate or understand the alleged fraud, and/or
- asks an investor to hide the CMC's involvement in a claim or complaint from the regulator or oversight organization they are interacting with.

The CSA, CIRO and OBSI also warn investors against entering into contracts with CMCs unless they clearly understand the cost implications. In some cases, the services provided are not necessary or of any significant value. Investors and consumers are encouraged to go directly to CSA members, CIRO or OBSI regarding any questions they have regarding the claim or complaint process that is being carried out by the regulator or oversight organization.

The CSA, CIRO and OBSI

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

CIRO is the national self-regulatory organization that oversees all investment dealers, mutual fund dealers and trading activity on Canada's debt and equity marketplaces. CIRO is committed to the protection of investors, providing efficient and consistent regulation, and building Canadians' trust in financial regulation and the people managing their investments.

OBSI is a national, independent, not-for-profit organization that helps resolve and reduce disputes between consumers and financial services firms in both official languages. OBSI is responsive to consumer inquiries, conducts fair and accessible investigations of unresolved disputes, and shares its knowledge and expertise with all stakeholders and the public. If a consumer has a complaint against an OBSI participating bank or investment firm that they are not able to resolve with the bank or firm, OBSI will investigate at no cost to the consumer. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

For investor inquiries, please [contact your local securities regulator](#).

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