



# Guide to Creating a Summary of Member Complaint Handling Procedures

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## **I. INTRODUCTION**

Amendments to MFDA Policy No. 3 “Complaint Handling, Supervisory Investigations and Internal Discipline” (“the Policy”) became effective on February 1, 2010. Additional guidance on the complaint handling requirements set out in the updates to the Policy was provided in MR-0073 “Complaint Handling” issued on April 5, 2010.

Pursuant to the Policy, Members must provide a summary of their internal complaint handling processes to new clients on account opening, and as part of the initial response to all complaints that are subject to the Additional Complaint Handling Requirements under Part II of the Policy (“the summary”). The summary must be written in a manner that can be clearly understood by clients. The summary should clearly identify from a client perspective the steps the Member will take to investigate and analyze the case, the communications that the client will receive during the process and the general timelines expected for the receipt of a substantive response to their complaint. The summary must be posted on the Member’s website.

By providing complainants with a summary of their complaint handling processes, the Member proactively discloses to the complainant how they can expect their complaint to be handled, when they will receive communications from the Member and when they will receive a response to their complaint. This will help to eliminate unnecessary inquiries from complainants as to the status of their complaint and also keep Members accountable to their internal complaint handling procedures.

This guide is intended to assist Members in drafting the summary of their complaint handling procedures. A sample summary is included as Appendix A to this guide.

## **II. DRAFTING THE SUMMARY**

The summary should be drafted by compliance or legal personnel at the head office of the Member who are familiar with the Member’s internal complaint handling processes, as well as MFDA complaint handling requirements. The final version of the summary should be approved by senior management at the Member. The Member may use plain language in drafting their summary, for example, using “response” instead of “substantive response.”

## **III. DISTRIBUTING THE SUMMARY**

The Member should distribute the summary to new clients at account opening and to complainants each time a complaint is received that is subject to Part II of the Policy. It should also be available on the Member’s website.

## **IV. CONTENT OF THE SUMMARY**

- a. Background/Introductory Statement

The summary should begin with a statement explaining that the Member has complaint handling procedures in place to address both verbal and written complaints from their clients and others who do business with the Member and its Approved Persons. The Member may wish to refer to their responsibility for fair and prompt handling of complaints, the complaint section of their website (if applicable), their Client Complaint Information Form (“CCIF”), or make reference to their compliance with MFDA Policy No. 3 complaint handling standards.

b. How to File a Complaint with the Member

The summary should contain information about how to file a complaint with the Member. Pursuant to the Policy, reference should be made to the designated head office point of contact, whether that is a toll-free phone line with a continuously monitored voicemail box, a dedicated e-mail address, or an actual individual at the Member. The summary should provide guidance on how to file a complaint (e.g. via e-mail, in writing, in person, on the phone) and the preferred method of receiving complaints. It is permissible for the Member to encourage written complaints where the complainant is able to do so. The Member should state that they will deal with verbal complaints as well. The Member may also wish to state who they will deal with when attempting to resolve the complaint. For example, they may wish to state that they will only deal with the client, or a designated individual who has written authorization to act on behalf of a client.

c. How the Complaint is Handled at the Member

The Member should then identify what happens after the complaint is filed. The summary should explain how complaints are handled, who they are handled by (i.e. qualified compliance staff) and the general timelines the Member adheres to when handling complaints. Members may wish to consider the following topics in this section:

i. Handling Complaints

How is information about the complaint gathered? What types of documents are reviewed? Does the Member conduct interviews? Will the Member contact the complainant for a statement? What is a substantive response? Will it be in writing?

ii. Complaint Handling Staff

How do I know who is handling my complaint? Can I contact them with questions or additional information?

iii. Timelines

For example, how long does it generally take to acknowledge complaints? How long does it generally take to conduct the review and analysis? How long does it generally take to provide the substantive response to the complainant?

d. The Substantive Response

The Member should set out the possible outcomes of a complaint for the complainant. For example, the substantive response may include an offer to resolve the complaint, a denial of the complaint with reasons or another appropriate response. If the substantive response is to a complaint that is subject to Part II of the Policy, the summary should also describe the additional information that is required to be provided in conjunction with the substantive response pursuant to the Policy. This section should also include information about communicating after the substantive response has been sent and any other options for the complainant if they are unsatisfied with the Member's response (e.g. OBSI, MFDA).

e. Settlement

The Member may wish to include information regarding any releases or waivers they may require complainants to sign in the case of an offer of financial settlement.

## Appendix A – Sample Summary of Member Complaint Handling Procedures

### SUMMARY OF [MEMBER NAME] COMPLAINT HANDLING PROCEDURES

[Member Name] has procedures in place to handle any written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients, clients who have filed a complaint and that we also make available on our website at [insert link].

#### *The Client Complaint Information Form*

We also provide new clients and clients who complain with separate information [or “a separate document”] called the *Client Complaint Information Form* (“CCIF”) that provides general information about their options for making a complaint.

#### *How to File a Complaint with [Member Name]*

Clients wishing to complain to [Member Name] may make their complaint to our head office by contacting [*designated head office point of contact*] or to any branch manager or [*AP title*]. All complaints are forwarded to qualified compliance or supervisory personnel to be handled. We encourage clients to make their complaint in writing or by email<sup>1</sup> where possible. Where clients have difficulty putting their complaint in writing, they should advise us so that we can provide assistance. For confidentiality reasons, we will only deal with the client or another individual who has the client’s express written authorization to deal with us.

#### *Complaint Handling Procedures*

We will acknowledge receipt of complaints promptly, generally within five days. We review all complaints fairly, taking into account all relevant documents and statements obtained from the client, our records, our [*AP title*], other staff members and any other relevant source. Once our review is complete we provide clients with our response, which will be in writing if the complaint was made in writing. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response. Where the complaint relates to certain serious allegations<sup>2</sup>, our initial acknowledgement will include copies of this summary and the CCIF. Our response will summarize your complaint, our findings and will contain a reminder about your options with the Ombudsman for Banking Services and Investments.

We will generally provide our response within ninety days, unless we are waiting for additional information from you, or the case is novel or very complicated.

We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

#### *Settlements*

If we offer you a financial settlement, we may ask you to sign a release and waiver for legal reasons.

#### *Contacting [Member Name]*

Clients may contact us at any time to provide further information or to inquire as to the status of their complaint, by contacting the individual handling their complaint or by contacting [*designated head office point of contact*].

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<sup>1</sup> Clients who choose to communicate by email should be aware of possible confidentiality issues regarding internet communications.

<sup>2</sup> As defined in the Policies of the Mutual Fund Dealers Association of Canada of which [Member Name] is a Member.