



Ombudsman Annual Report 2015



This Annual Report

This report presents the TD Ombudsman's Office results for the fiscal year ended October 31, 2015. It also provides valuable information about how we operate and how our customers can access our dispute resolution services. To learn more, please visit us online at: www.td.com/ombudsman.jsp.

Our Mandate

The TD Ombudsman's Office is an independent body within the Bank charged with reviewing customer complaints that remain unresolved after the completion of the first two steps of [TD's Customer Problem Resolution Process](#). Our office will investigate complaints and act as a liaison between customers and all business areas within TD Bank Group in Canada, including: TD Canada Trust, TD Wealth, TD Insurance, TD Auto Finance, TD Commercial Banking, & MBNA. Our Office does not report directly to any of these business areas in order to protect our impartiality in addressing customer concerns. Provided complaints fall within our mandate, our services are accessible to all TD customers, free of charge.

What You Can Expect If You Send Us Your Complaint



FAST FACTS

- We completed 98% of files within 90 days and 89% within 60 days.
- We proposed settlements in 30% of cases.

*From the date we receive the signed agreement from you.

STEP 1: INITIAL REVIEW OF YOUR COMPLAINT

When you contact our office with a complaint, whether by phone, email or post, we will acknowledge receipt of your complaint and carry out an initial review to determine if your complaint falls within our mandate to review. Provided you have made available the necessary information about your complaint, we commit to completing this initial review within five business days of receipt.

Help us with the initial review of your complaint

In order to respond to your initial complaint in a meaningful and timely manner, it is important that you:

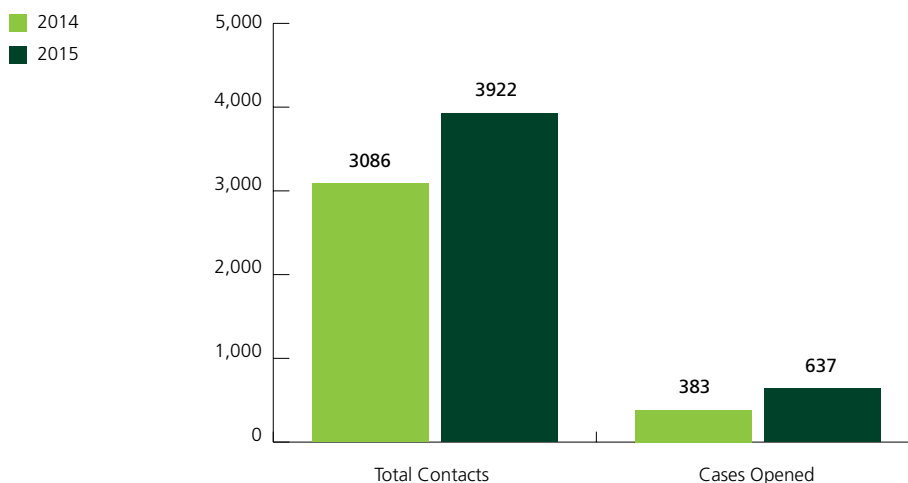
- Ensure you have completed the first two steps of [TD's Customer Problem Resolution Process](#) and have received a written response from a TD Senior Manager;
- Provide us with a written summary of your complaint, clearly identifying:
 - the issues you would like our office to review;
 - the details of your complaint, including names of relevant parties, dates, places, times, etc.;
 - any specific aspect of the Senior Manager Response that you object to and why;
 - what you are seeking by way of resolution (*i.e.*, reversal of fees, an apology, etc.);
- Confirm your contact information (e-mail, postal address and phone number) and preferred communication method.

Complaints outside our mandate

While our Office strives to be responsive to all TD customer concerns, some common complaints fall outside of our mandate to review. Unless there are extenuating circumstances, the Ombudsman's Office will not review complaints relating to:

- bank policies, including credit granting or risk management decisions;
- interest rate levels;
- other charges or fees that are disclosed;
- matters where legal action has already commenced or has been concluded;
- complaints that have not yet been responded to by a TD Senior Manager.

Total Contacts & Cases Opened



Note: 2015 data now includes TD General Insurance results, including 205 opened cases.

STEP 2: OPEN A CASE FILE

If your complaint falls within our mandate, we will send you an agreement detailing the terms of this dispute resolution process. Once we have received a signed agreement from you, a case file will be opened and an investigator assigned to your matter. We will also provide you with confirmation that a file has been opened and when you can expect to hear from our investigator.

The year in review

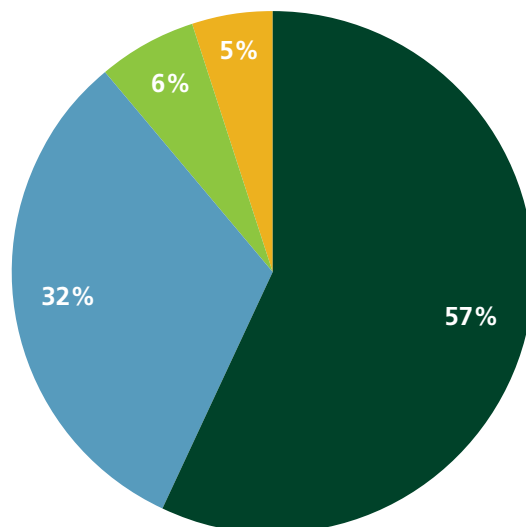
In 2015, our Office began integrating General Insurance complaint data with our pre-existing business areas. We opened a total of 205 General Insurance cases, representing 32% of the total number. In our traditional business areas, we saw a 13% increase in the total number of cases opened, primarily as a result of an increase in fraud related complaints. In other areas, such as Wealth/Investments and Direct Channels, including phone, web and ATM, the number of complaints remained stable or slightly declined in 2015.

The number of complaints related to TD Canada Trust branches also saw a decline in 2015, and now represents 27% of total cases opened. General service issues such as lack of clarity in information provided and process errors or delays continue to comprise the majority of case files originating from our branch network.

We continue to recommend preventative measures to TD's various businesses to address the most common complaints and frustrations observed by our Office. Providing guidance on how to improve business processes currently leading to complaints helps improve the overall quality of service received by our customers and improves the efficiency of TD's businesses.

Cases Opened by Business Unit

- Banking
- Insurance
- Wealth/Investments
- Direct Channels

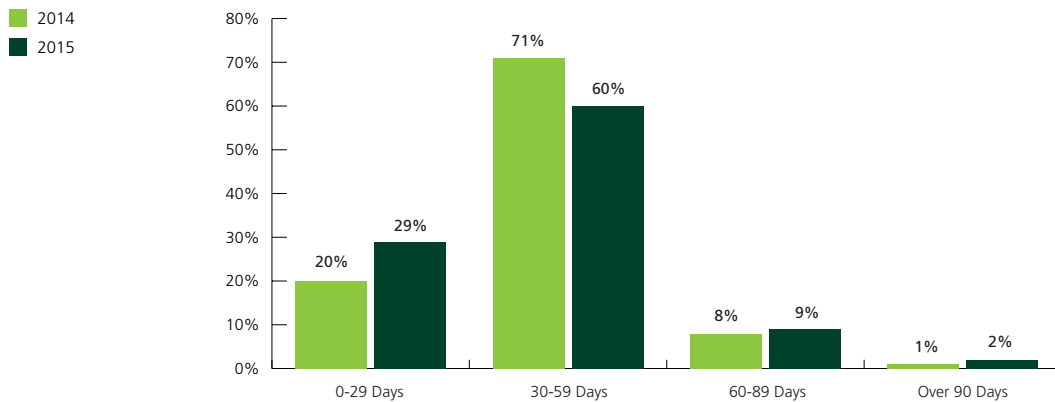


Note: Banking cases include branch, fraud, and other product related concerns.

STEP 3: COMPLETE OUR INVESTIGATION

Our investigator will thoroughly examine your concerns. In doing so, they may conduct interviews, review documentation and Bank records, research external sources and examine specific transactions. Your co-operation throughout this process is necessary to ensure a comprehensive investigation is completed. It is our objective to complete all investigations within 90 days; however, complex cases can take longer. The majority of our cases continue to be fully investigated within 60 days. We commit to keep you informed of our anticipated completion date throughout the process.

Days to Complete



Note: Average days to complete in 2015 was 53 calendar days.

Case Study: Phone Scams and Fraudsters

A customer received a phone call from an individual claiming to be from the TD Fraud Department, requesting their assistance in an RCMP led investigation. The customer was advised that TD would deposit funds into their chequing account and the customer would be asked to transfer those funds to external accounts as part of a sting operation. The customer was told additional details would be sent via email.

After reviewing the email and logging onto EasyWeb, the customer found new credits in their account and concluded the RCMP investigation was legitimate. The customer followed the instructions provided to make cash withdrawals at local TD branches and then wire the funds via Western Union to accounts located in China. In total, the customer withdrew and wired nearly \$7,000.

After growing suspicious, the TD customer examined his accounts more closely and discovered that the fraudsters had completed several internal transfers from his unsecured line of credit to his chequing account making it appear as though new funds had been received. The customer asked TD for reimbursement of the \$7,000 lost in connection with the scam.

While the customer was the apparent victim of fraud, the Ombudsman's Office concluded the Bank was not at fault for

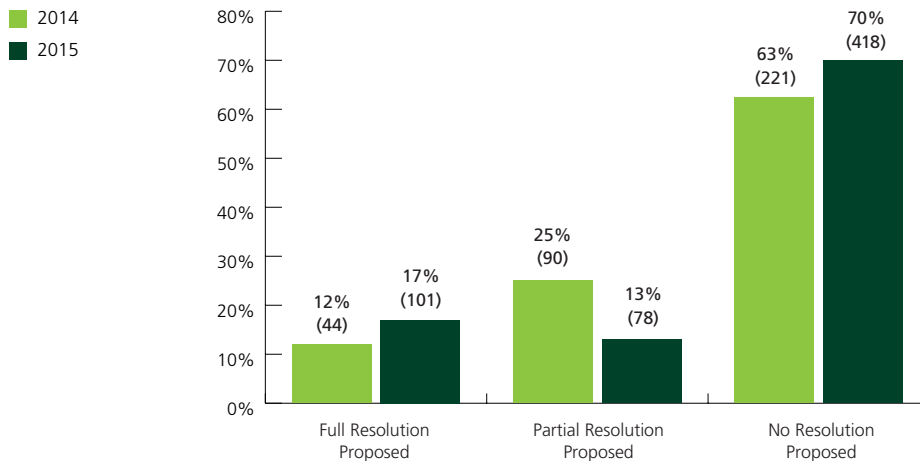


the loss and the customer was not reimbursed. The customer allowed his computer security to be compromised, authorized all withdrawals, and made the wire transfers through an external service provider. On instructions from the fraudsters, the customer did not disclose the reason for the withdrawals to any Bank employee, making detection by the Bank impossible. Unfortunately, these types of frauds are increasingly common and customers are reminded that TD will never ask them to participate in such an investigation and not to trust emails asking for their personal banking information.

STEP 4: RESPOND AND, IF APPROPRIATE, PROPOSE A RESOLUTION

Once the investigator has completed their review, they submit a final report and recommendation for review by the Ombudsman or Deputy Ombudsman. After approval, a written response is sent to the customer outlining the investigation findings and any recommended resolution.

Case Outcomes



Note: Numbers in parentheses represent actual case results.

Case Study: Understanding Porting to Reduce Prepayment Charges on a Closed Mortgage

Closed mortgages include prepayment charges so the Bank can recover the costs of acquiring funds to lend for a fixed period. The charges are typically the higher of three months interest or the Interest Rate Differential (IRD). In some cases, a borrower can port (transfer from one property to another) their mortgage to a new property to avoid paying the prepayment charges associated with prematurely discharging a closed, fixed term mortgage.

A TD customer complained that when she obtained pre-approval for her new home purchase she was never advised that in order to port her old mortgage, the purchase transaction had to be completed within 120 days of the original discharge. The customer discharged her old mortgage in January 2015 and only took possession of her new home in August, more than 120 days after the discharge. The customer asked the Bank to refund the \$13,051 IRD charge incurred.

Our investigation concluded that when the customer obtained pre-approval for her new mortgage, the branch should have noticed the closing date for her new home fell beyond the 120-day porting window. While the branch employee advised the customer of the 120-day requirement, given the closing date was already established outside of that period, they should have advised the customer that porting was not an option.



In light of the Ombudsman's Office findings, TD agreed to allow the customer to renew her mortgage under the same terms she would have received had she been able to port her mortgage. A blended interest rate was established using the original interest rate for the principal outstanding at the time of discharge and a new lower rate for the additional funds advanced. The customer accepted the overall higher ported interest rate for the balance of the mortgage term and the Bank refunded the IRD charge.

STEP 5: YOU CONSIDER OUR RESPONSE

If our recommendation is for the Bank to provide compensation or some other form of resolution, we ask you to confirm your acceptance of our recommendation within 30 days. Payments or other forms of compensation will only be extended once a customer has signed an appropriate release.

If our recommendation does not provide you with the outcome requested or you otherwise reject our recommendation, you may escalate your concern to the appropriate external ombudservice.

Where you can go if you do not agree with our proposed resolution

- For investment complaints, the external service is the Ombudsman for Banking Services and Investments (OBSI).
- For banking complaints, the external service is the ADR Chambers Banking Ombuds Office (ADRBO).
- For general insurance complaints, the external service is the General Insurance Ombudsman (GIO).
- For life and health insurance complaints, the external service is the OmbudService for Life & Health (OLHI).

FAST FACTS

- During the 2015 fiscal year, 106 TD customers appealed complaints heard by our office to an external ombudservice – ten less than in 2014.
- In 95% of cases reviewed, the external ombudservice came to the same conclusion as our office – an increase of 9% over 2014.



About the TD Ombudsman, Kerry Robbins

Kerry Robbins has been the TD Ombudsman since September 2014. Kerry has worked at TD for over 18 years in increasingly senior roles in a wide variety of areas, including Direct Channels, Branch Banking, and Real Estate Secured Lending. Kerry has a BA from King's College at the University of Western Ontario and a Masters of Business Administration from Anglia Business School in Cambridge, England. She also serves as Director on the boards of the Canadian Centre for Ethics and Corporate Policy and the London Children's Museum. Kerry is recognized in the Bank for her breadth of experience and business knowledge, as well as her wide network of contacts, sense of fairness, and integrity.

Further information

TD's Customer Problem Resolution Process:

www.td.com/comments.jsp

Protecting our Customers:

www.td.com/customer.jsp

TD Ombudsman:

www.td.com/ombudsman.jsp

E-mail: td.ombudsman@td.com

Telephone: 1-888-361-0319 or 416-982-4884

Facsimile: 1-866-891-2410 or 416-983-3460