Ready for you

2017 Ombudsman Annual Report
This Annual Report

This report presents the TD Ombudsman’s Office results for the fiscal year ending October 31, 2017. 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 TD Bank Group (“TD” or “Bank”) charged with reviewing Canadian 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, including: TD Canada Trust, TD Auto Finance Canada, TD Wealth (Canada), TD Direct Investing, and TD Insurance. 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

1. **Initial review of your complaint**
   - Within 10 Business Days*

2. **Open a case file**
   - Within 30 Days**

3. **Complete our investigation**
   - Within 90 Days**

4. **Respond and, if appropriate, propose a resolution**
   - Within 90 Days**

5. **You consider our response**
   - 30 Days
     - (from the date of our response)

**Fast Fact**
- We completed 97% of files within 90 days and 31% within 60 days (i.e., stages 3 and 4 above)
- We proposed a resolution (partial or full) in 41% of cases

* Provided you have made available the necessary information about your complaint.
** 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 within three business days 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 ten 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 directing you to contact the Ombudsman’s Office
• 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 previous written responses you received from TD that you disagree with and why
  • What you are seeking by way of resolution (e.g., 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 investigated by the first two levels of TD’s Customer Problem Resolution Process

Total Contacts & Cases Opened

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Contacts</th>
<th>Cases Opened</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,331</td>
<td>749</td>
</tr>
<tr>
<td>2017</td>
<td>4,245</td>
<td>779</td>
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</table>
STEP 2: OPEN A CASE FILE

If your complaint falls within our mandate, we will send you an Agreement detailing the terms of the 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 2017, our Office opened a total of 779 cases, representing a 4% increase over 2016. Our average time to complete a review was 67 days, with 97% of our cases closing within 90 days. The majority of our case files originated from the Branch Banking network, with general service issues such as a lack of clarity around information or process errors comprising the majority of complaints. We continue to recommend preventative measures to TD’s various businesses to address the most common complaints and frustrations observed by our Office.

Cases Opened by Business Unit

- Banking: 71%
- Insurance: 19%
- Wealth/Investments: 7%
- Direct Channels: 3%

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 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. Many of our cases continue to be fully investigated within 60 days. We commit to keeping you informed of our anticipated completion date throughout the process.

Days to Complete
Case Study: Phone Scams

A TD customer received a call from an individual claiming to be a TD Visa Security Unit employee. The scammer advised the customer that their TD account had been accessed at a TD branch in a different province. The customer agreed to the scammer’s request to assist with investigating this alleged fraud. The scammer advised that the customer would receive a $10,000 credit to their TD account and requested that the customer wire the funds to individuals overseas. The customer granted access to their EasyWeb Internet banking to allow for the $10,000 transfer. The customer then followed the scammer’s instructions and withdrew $5,000 at two TD branches and wired the funds via a money-transfer provider.

After the transfers were complete, the customer was concerned that the situation seemed odd. They logged into their EasyWeb Internet Banking and discovered that the $10,000 credit made to the account had come from their own TD Visa. The customer immediately called the phone number provided by the scammer earlier but the number was out of service. The customer went to the branch to report the scam and requested to be reimbursed for the full amount.

The TD Ombudsman’s Office reviewed the complaint and declined the customer’s request for reimbursement. All of the disputed transactions were performed by the customer willingly. In addition, the customer did not discuss the situation with the TD customer service representatives when they were withdrawing the funds at the branches. Bank records confirmed that the customer was properly authenticated at the branches and the credits to the account were transferred directly from the customer’s TD Visa credit card through their EasyWeb. These withdrawals would not have been deemed suspicious.

Unfortunately, these types of scenarios are increasingly common. It is important that customers only complete transactions with individuals they know and trust. TD will never request access to customers’ accounts through EasyWeb banking and customers should never grant access to third parties. In order to help protect yourself, please be mindful of the following red flags, tips and resources.

Red Flags To Watch Out For

• You are asked to allow a third party access to your EasyWeb banking or credentials
• You are asked to deposit for or transfer money to someone you don’t know
• You are asked to provide personal information including name, address, email, phone number and bank account information to someone over the phone
• You are asked to participate in a security investigation

Tips to Protect Yourself

• You must keep your cards, PIN and credentials confidential and take every reasonable precaution to maintain them safely
• Never provide your banking information, including your debit or credit card number or PIN/EasyWeb credentials, to anyone, including family members, friends or other third parties. TD will never initiate a call to request this type of information
• Notify TD as soon as you become aware that this information may have become known to someone else or has been lost, stolen or misused
• If you have any concerns during a call, hang up and call the number on the back of your credit card or speak with a customer service representative at a branch
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 you outlining the investigation findings and any recommended resolution.

Case Outcomes

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<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Resolution Proposed</td>
<td>64</td>
<td>79</td>
</tr>
<tr>
<td>Partial Resolution Proposed</td>
<td>192</td>
<td>252</td>
</tr>
<tr>
<td>No Resolution Proposed</td>
<td>445</td>
<td>468</td>
</tr>
</tbody>
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*The TD Ombudsman’s Office considers a complaint to have been resolved to the customer’s satisfaction when either a full or partial resolution is proposed.

Ombudsman Observations: Tax Free Savings Accounts (TFSAs)

Our Office reviewed a few cases related to TFSAs this year and noticed recurring themes related to residency and contribution limits. To help prevent future challenges, we want to highlight the following tips.

What to Know

- Customers are responsible for their own research regarding TFSA eligibility and limits (for example, by accessing their available contribution room using CRA’s My Account feature on the CRA website)
- Consult with the CRA or a tax professional before opening or contributing to a TFSA to make sure you qualify
- You must be a Canadian resident to contribute to a TFSA without penalty
- Over-contributions to a TFSA can result in high CRA penalties
- Notify TD if your current residential address changes
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 ombudsman.

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).
- For Quebec residents, the external service is the Authorité des marchés financiers (AMF) for general insurance, life and health insurance complaints as well as for TD Investment Services mutual funds purchased at the branch.

Ombudsman Observations: Chargebacks

Chargebacks can impact our customers who are both purchasers and merchants. Issues often relate to processing errors, customer satisfaction or unauthorized transactions. Our Office reviewed several cases involving chargebacks. To help prevent future challenges, we want to highlight the following tips.

What to Know

- Be aware of all transactions that occur on your account: Reviewing your statements or viewing your accounts online frequently can help. TD MySpend provides alerts that can keep you up to date immediately with any transactions that happen on your bank accounts or Credit cards
- Treat credit card purchases like you would a cash purchase. Visa Fraud Liability does protect you if your card is used fraudulently however this does not apply if you agreed to the terms of a purchase
- Deal only with reputable merchants or know the risks of a purchase before agreeing to it
About the TD Ombudsman, Kerry Robbins

Kerry Robbins has been the TD Ombudsman since September 2014. Kerry has worked at TD for over 20 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 and 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