



Ready for you

2020 Ombudsman Annual Report



This Annual Report

This report presents the TD Ombudsman's Office results for the fiscal year ending October 31, 2020. 2020 was a challenging and unique year for many of us where we were all adapting to new realities and living with more uncertainty in our daily lives. With more at stake for customers during the ongoing COVID-19 pandemic, our Office saw escalated complaints evolve in nature and complexity. This report provides valuable information about how we operate and how our customers can access our complaint resolution services. To learn more, please visit us [online](#).

Our Mandate

The TD Ombudsman's Office is an impartial 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](#).

What You Can Expect If You Send Us Your Complaint

Our Office will investigate complaints and act as a connection 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 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.



Fast Facts

In 2020...

96%

of our investigations were resolved within 90 days and

65%

within 60 days. We found in favour of the customer in

37%

of cases we completed.

In these cases, the recommendation for resolution fully or partially supported the customer's requested outcome and may have included re-extending a previous recommendation made during an earlier step in TD's Customer Problem Resolution Process.

1

Initial review of your complaint

Within 10 Business Days*

2

Assign case and commence investigation

Within 30 Days**

3

Complete our investigation, respond and, if appropriate propose a resolution

Within 90 Calendar Days

4

You consider our response

30 Days (from the date of our response) to review and respond.

* Provided you have made available the necessary information about your complaint.

** From the date we receive the signed Agreement from you. The Agreement is sent after the initial review of your complaint (Step 1) is complete. Please note that due to volumes, wait times to commence an investigation in our Office were slightly higher in 2020.

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. Once you have provided the necessary information about your complaint in writing, we will carry out an initial review to determine if your complaint falls within our mandate to review. We commit to completing this initial review within ten business days.

Help us with the initial review of your complaint

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

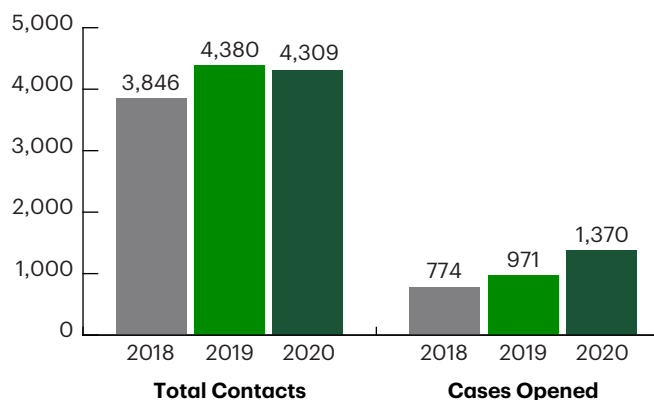
- Have already completed the first two steps of [TD's Customer Problem Resolution Process](#) and have received a written response directing you to contact the Ombudsman's Office
- Provide us with a written summary of your complaint, clearly identifying:
 - The issues you would like our Office to review
 - 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.)
- Share a copy of the written response signed by a Senior Manager you would have received in relation to your concern
- 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:

- The content of 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 steps of [TD's Customer Problem Resolution Process](#)

Total Contacts & Cases Opened



Note: Many of the contacts to our Office were inquiries outside our mandate or that required a warm hand-off to another area within TD, such as the relevant business area in the first or second step of TD's Customer Problem Resolution Process.



What is an Interest Rate Differential (IRD)?

Our Office reviewed several cases related to prepayment charges. One such charge is known as an IRD. This charge occurs when a customer closes their mortgage before the end of the term or wants to make a lump sum payment that is higher than the amount allowed under their mortgage terms. Depending on how much time is left on your mortgage term and the posted interest rate minus any discount received on the original rate on the day compared to the interest rate at the time the mortgage term began, a prepayment charge can cost several thousands of dollars. It is therefore very important customers understand the terms of their mortgage in order to make an informed decision about next steps.



In 2020, we reviewed 320 cases that were outside our mandate.

These cases are not included as part of our Cases Opened volumes as we do not open a full investigation. Common complaints we received that were outside our mandate were related to:

- TD ending the banking relationship
- Properly disclosed prepayment charges when a customer closes their mortgage early
- Non-Sufficient Funds fees being charged
- Discontinuing Passbook updates

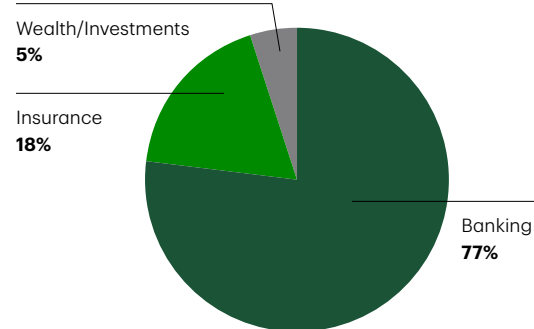
Step 2: Assign case and commence investigation

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

The Year in Review

Our Office opened an unprecedented total of 1370 cases, up 41% compared to 2019 and 77% since 2018. Our average time to complete an investigation was 69 days both overall and for Banking cases, 73 days for Insurance cases and 75 days for Wealth cases. 96% of our cases were closed within 90 days. Banking-related cases comprised the majority of our investigations. The most frequent complaints were related to possible fraud, product features and quality of service by the line of business. We continue to recommend preventative measures to TD's various business areas to address the complaints and customer frustrations observed by our Office.

Cases Opened by Business Unit



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



CASE OBSERVATION

Interac e-Transfers

Our Office reviewed several cases this year related to intercepted *Interac* e-Transfer transactions. These unfortunate situations occur when a third party is able to intercept the email notification that funds are ready to be transferred and correctly provides the answer to the security question required to deposit the funds.

What to know:

TD has the responsibility to make your online and mobile transactions as secure as possible. As a customer, you also have responsibilities to protect yourself during online banking activities. If possible, set up *Interac* e-Transfer Autodeposit for your account so any funds you receive via *Interac* e-Transfer are immediately deposited and you don't have to enter an answer to a security question to obtain the funds.

Here are some steps you should take to help avoid this type of fraud when sending an *Interac* e-transfer:

- Provide an accurate email address for the recipient
- Where possible, ask whether the recipient has set up Autodeposit and encourage them to do so
- If Autodeposit is not set up, create a question where the answer is a shared secret between you and the recipient. Do not use a security question that would be easy for someone else to guess or to find the answer on social media or a person's inbox. You must keep the answer confidential at all times.
- Answers can be between 3 and 25 characters long and include letters and numbers. Spaces and special characters like @, # and \$ can't be used.
- Contact the recipient over the phone or in person to make sure they know the answer and the correct spelling of the word
- Do not include the answer in the message field of the *Interac* e-transfer
- Do not send the answer via email or text message to the recipient
- Always be cautious if you receive a call or message from an unknown individual asking for your personal information, especially if action is requested in a very short timeframe

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Step 3: Complete our investigation, respond and, if appropriate propose a resolution

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.

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.



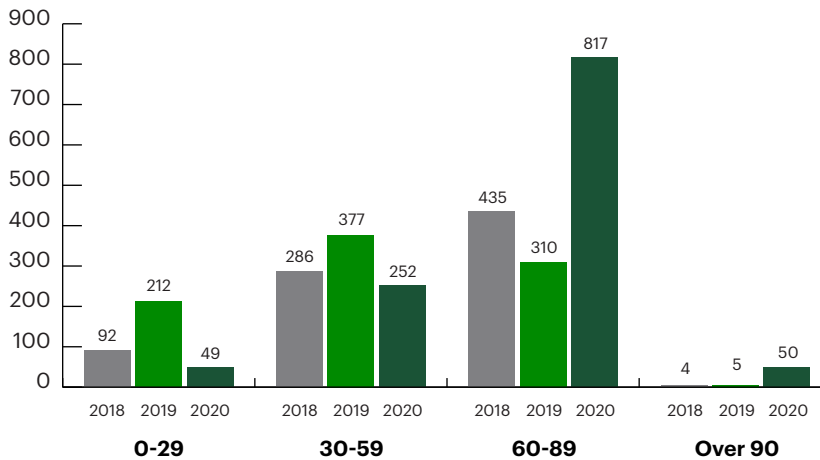
Fast Fact

The vast majority of complaints are solved directly within the business areas across the Bank and are therefore not escalated to our Office.

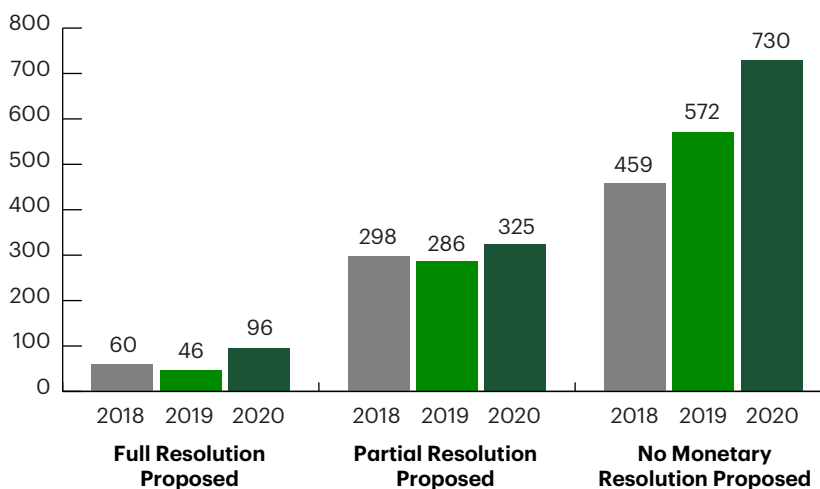
6%

was the average escalation rate to our Office after customers completed the first two steps of [TD's Customer Problem Resolution Process](#) in 2020.

Days to Complete



Case Outcomes



Note: Banking outcomes for 2020: Of 909 cases, full resolution was proposed for 83 cases, partial resolution was proposed for 277 cases and no monetary resolution was proposed for 534 cases.

Cancelling Travel Plans Due to an Accident

Every escalated complaint is unique, and we review each one on a case-by-case basis from a fairness perspective by balancing both the customer and TD's perspective through an impartial lens. As a result, there are times when our Office reaches a recommendation that differs with the business area, even when we are in full support of that business' decision-making and review process. The following case is an example of this type of situation.

A TD customer booked a trip using their TD First Class Travel Visa and paid an initial deposit. A few months later, the customer unfortunately had an accident and required surgery. The medical team treating the customer was encouraged by the progress of the injury following the accident and the team was confident the trip could continue as planned. As a result, the customer paid the remaining balance for the upcoming trip. A subsequent visit to the doctor confirmed that progress was good and there was still no reason to cancel the trip. Unfortunately, in the subsequent months leading up to the trip, complications arose that impacted the injury and the medical team advised that the trip should be cancelled. The customer therefore cancelled the trip and submitted an insurance claim to be reimbursed.

As part of the insurance that came with their TD First Class Travel Visa, the Cardholder Agreement stated that if a pre-existing medical condition (such as this injury) occurred 180 days before the trip, the customer would not be eligible for reimbursement. As a result,



the customer's initial deposit could be covered because it was paid before the accident but the remaining balance that was paid after the accident could not be covered because it happened less than 180 days before the trip.

Given our mandate and the specific facts in this case, our Office recommended instead that a one-time goodwill gesture be offered equivalent to the maximum coverage that would have been available had there been no pre-existing condition. The customer had no reason to cancel the trip when the remaining balance was charged; it was only after this payment that the customer's doctor advised to cancel the trip.

CASE OBSERVATION

Property Tax Payments

Our Office reviewed several cases this year related to concerns around the payment of property taxes, particularly for new build homes. Some of the issues included:

- The city not sending property tax bills to TD directly
- Customer delay or failure to provide TD with property tax bills they received which can result in late payment penalty fees from the city
- Confusion when TD revised the scheduled property tax payments to an amount that is too high or too low which can happen when no property tax bills are received by TD

Note: This can also arise when the property tax bill changes for new build homes from land-only to including the new home as well

- A customer withdraws their tax account surplus, but this results in a tax account deficit and increases property tax payments

What to know:

- If TD is paying your property tax payments on your behalf:
 - Check with your city to make sure they have your correct address and banking information
 - Submit any property tax bills you receive promptly to TD
 - The property tax portion of your mortgage payments are adjusted automatically based on the property tax bills TD receives and any outstanding deficit
 - For newly built homes, property taxes are for land tax only in the first three years. Be sure to review any notices you receive and to contact your branch to adjust the tax portion payment to avoid any deficits at the end of three years
- If you have at least 20% equity in your property and the mortgage is not insured against default (also known as high ratio), you may elect to make your own property tax payments rather than have TD do it on your behalf
- You can reach out with questions or concerns to your TD representative at any time about the process



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Step 4: 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 in writing within 30 days.

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 banking complaints, the external service is the [ADR Chambers Banking Ombuds Office \(ADRBO\)](#)
- For investment complaints, the external service is the [Ombudsman for Banking Services and Investments \(OBSI\)](#)
- 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 [Autorité des marchés financiers \(AMF\)](#) for general insurance, life and health insurance complaints as well as for investment complaints



Fast Fact

The external complaint bodies for TD customers' banking and investment complaints, the ADRBO and the OBSI, found in favour of the customer in

6%

of the cases they reviewed.

About the TD Ombudsman, Kerry Robbins



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 Master 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 Chamber of Commerce. 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:

<https://www.td.com/to-our-customers/resolving-your-problems/comments.jsp>

Protecting our Customers:

<https://www.td.com/to-our-customers/customer.jsp>

TD Ombudsman:

<https://www.td.com/ombudsman.jsp>

Email: td.ombudsman@td.com

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

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