



Building Together

2021 Senior Customer Complaints Office
Annual Report



We've rebranded!

After 26 years as the TD Ombudsman's Office, we recently rebranded to the Senior Customer Complaints Office ("SCCO"). We chose this new name to be more inclusive as well as make it easier to identify our purpose. The primary objective of our Office remains the same: As part of TD's holistic complaint eco-system, the SCCO will continue to focus on fairness for all customers and colleagues involved in the complaint escalation process.

This Annual Report

This report presents the SCCO's results for the fiscal year ending October 31, 2021. It also provides information about how we operate and how our customers can access our complaint resolution services. To learn more, please visit us [online](#).

Many of the challenges we all faced in 2020 due to the pandemic continued throughout 2021 as uncertainty impacted our daily lives. While direct pandemic-related complaints declined over 2021, the circumstances of the pandemic played a role in an increase in Canadian complaint volumes across all TD business areas.

Our Mandate

The SCCO 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 2021...

90%

of our investigations were resolved within 90 days. We found in favour of the customer in

36%

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.



In 2021, we reviewed 568 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:

- Credit application declines for mortgages and lines of credit
- Properly disclosed prepayment charges when a customer pays off their mortgage early
- Product pricing changes for Personal Banking accounts
- TD ending the banking relationship

1

Initial review of your complaint

Within 5 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 with a signed Release if compensation is being offered.

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

** Starting July 2022, this will be reduced to 56 calendar days for banking-related cases from the date you raised your complaint with TD.

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, 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 five 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:

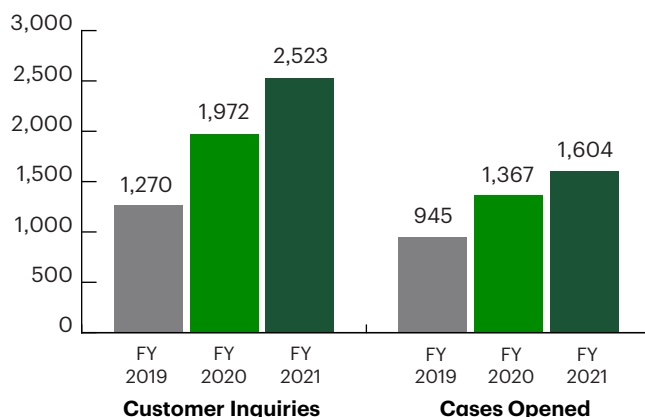
- Have already completed the first two steps of TD's Customer Problem Resolution Process and have received a response directing you to contact the SCCO if you wish to continue escalating your complaint
- Provide us with a summary of your complaint, clearly identifying:
 - The issues you would like our Office to review
 - The details of your complaint, including names of relevant parties, dates, places, times, etc.
 - Any specific aspect of the previous 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 any written response you may have received in relation to your concern, such as a letter from a TD Senior Manager or Executive
- 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 SCCO 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](#)

Customer Inquiries & Cases Opened



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

CASE OBSERVATION



Avoiding non-disclosure or misrepresentation of facts under an insurance policy

When filling out an insurance application, it is extremely important to be honest when answering every question. Similarly, if there are any changes, such as a new health condition prior to travelling, a change in the occupancy of your home, or if you add features to your property such as a swimming pool or finish your basement, make sure you keep your insurer informed to update your policy. Insurance policies contain exclusions, limitations and special limits that may result in a lack of coverage under the base policy. Additional information is necessary to assess coverage needs, risk exposures, premium charged and declination by the insurer when changes occur. The requirements to notify your insurer of changes are found in your policy documents and reminders are also included in the renewal package. Our Office has reviewed a variety of insurance claims that are denied due to a customer's misrepresentation or an undisclosed material change in risk which is discovered at the time of the claim. When this happens, whether intentional or unintentional, it can lead to a void TD insurance contract and no coverage. If you have questions when applying for insurance or if there has been a change in your life circumstances, be sure to contact TD Insurance for guidance to avoid a potential issue down the road.

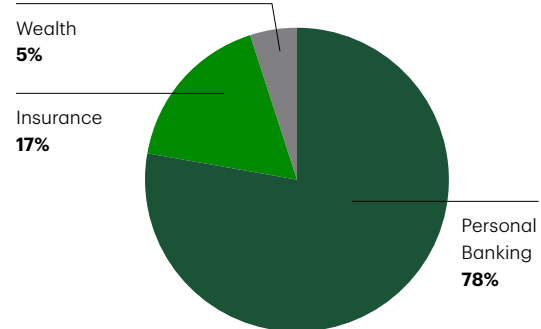
Step 2: Assign case and commence investigation

Once we receive all the necessary information to complete an initial review, you will be sent key information outlining the details of our complaint resolution process and your complaint will be assigned to an investigator. The investigator will determine whether your complaint falls within our mandate and they will commence their investigation.

The Year in Review

Our Office closed an unprecedented 1803 cases, up 57% compared to 2020 and 107% since 2019. Our average time to complete an investigation was 69 days overall: 69 days for Banking and Insurance cases and 70 days for Wealth cases. 90% of our cases were closed within 90 days. Banking-related cases comprised most of our investigations. The most frequent complaints were related to possible fraud, mortgage prepayment charges and declined insurance claims. 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



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



CASE OBSERVATION

Wire Payments Gone Awry

Whether for legitimate everyday purposes or during an unfortunate scam, wire payments are a very common type of transaction. Our Office reviewed several cases this year related to challenges with sending wire payments.

What should you be aware of when sending a wire payment?

It is critical that customers thoroughly review the Wire Payment Agreement to ensure rights, responsibilities and risks are understood. TD branch colleagues must ask about the wire payment's purpose before processing it and verify that the customer is comfortable sending the funds to the instructed recipient. When answering these questions, if the customer does not disclose the true recipient or purpose of the wire payment, TD is unable to detect a potential scam. If the wire payment is authorized by the TD customer, the customer is fully responsible for all wire transactions made on their account, regardless of whether they are made in error or are fraudulent. Wire payments are final, so once TD has processed the wire payment, it cannot be reversed. Cancelling a wire payment is not a guarantee that the funds will be returned and can only be done on a best-efforts basis.

When sending a wire transfer, make sure you:

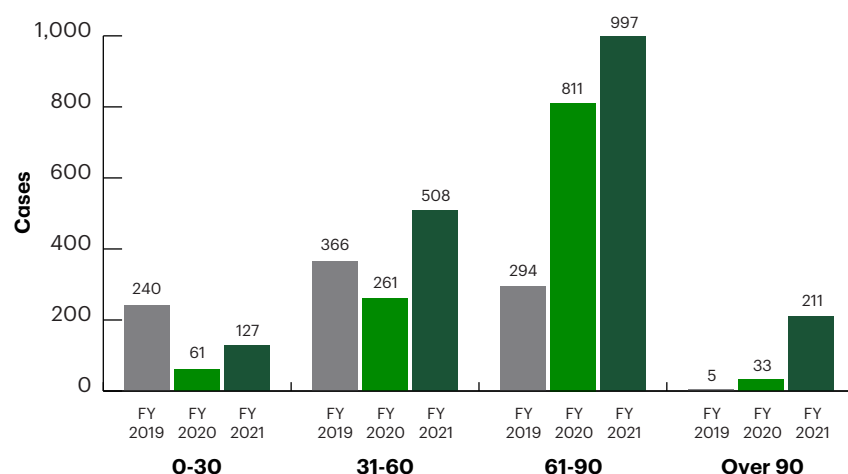
- Understand that you are responsible to ensure all payment details are correct. Ensure all spelling is correct, and the amount to be sent is in the correct currency.
- TD will send the wire payment based on the information you provide.
- Review all the terms and conditions outlined in the Wire Payment Agreement, no matter how often you send wire transfers.
- Understand that you are responsible for all fees and foreign exchange conversions related to the wire payment as outlined in the Wire Payment Agreement.

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

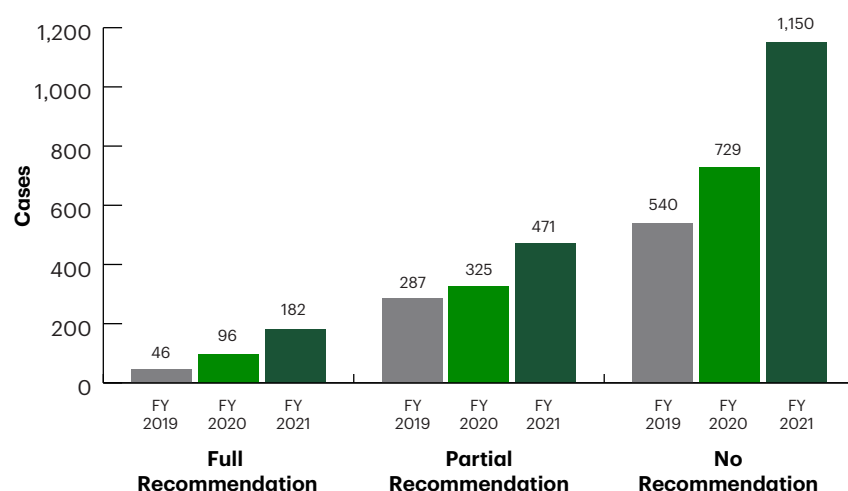
Our investigator will thoroughly examine your concerns. In doing so, they may conduct interviews, review documentation and records, research external sources and examine specific transactions. Your co-operation throughout this process is necessary to ensure a comprehensive investigation is completed. It is our objective to complete all investigations within 90 days. Starting July 2022, this will be reduced to 56 calendar days for banking-related cases from the date you raised your complaint with TD. 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 their Senior Manager or the Vice President & Head, SCCO. After approval, a written response is sent to you outlining the investigation findings and any recommended resolution.

Days to Complete



Case Outcomes



Banking outcomes for 2021: Of 1803 cases, full recommendation was proposed for 182 cases, partial recommendation was proposed for 471 cases, and no monetary recommendation was proposed for 1,150 cases.



Did you Know?

We value customer feedback and always want to hear about what we can do to enhance your experience as a customer. Whether a complaint is within our mandate or not, we are continually passing along feedback to relevant business areas across TD to help prevent future complaints. Process improvement suggestions can be related to specific product improvements, such as features on the TD App, amending a procedure to improve an experience or steps we can take to ensure we are advancing our commitment to diversity and inclusion.



Fast Fact

Most TD complaints are solved directly within the business areas across the Bank and are therefore not escalated to our Office.

12%

was the average escalation rate to our Office after customers completed the first two steps of TD's Customer Problem Resolution Process in 2021.

Cryptocurrency Investment Scam

Every year our Office reviews hundreds of escalated scams. Recently we have seen a notable increase in scams related to bitcoin and cryptocurrency investments. Every customer's situation is unique, but there are often similar trends. For example, meeting someone online only, taking their investment advice, and proceeding to authorize multiple transactions in new and/or unfamiliar trading platforms. The following case is an example of a cryptocurrency scam our Office investigated.

A TD customer met an individual on social media and a personal relationship developed, resulting in the TD customer sharing personal information. This individual used the customer's information to convince the customer to invest in cryptocurrency (Bitcoin and Ethereum). Next, they assisted the customer in setting up trading accounts on a trading platform and offered to teach the customer to learn how to trade. The customer funded the trading accounts with multiple Interac e-transfers and wire payments. The trading accounts increased in value significantly over time. When the customer attempted to withdraw the funds to realize their gains, they discovered the accounts were restricted. They were advised an additional large fee for taxes was required prior to withdrawal. When the customer requested that the fee be deducted from the profits, the request was denied. The customer realized that they had been the victim of a scam and had lost thousands of dollars.

As part of our investigation process, the SCCO investigator reviewed all relevant documentation and correspondence, which included ensuring that TD complied with applicable policies and procedures such as the Cardholder and Electronic Financial Services Terms and Conditions and the Wire Payment Agreement. It was confirmed



that the customer executed the disputed transactions voluntarily. There were no signs that any information was leaked via phishing, SMShing or Vishing attempts (another type of scam that the SCCO often reviews*). Unfortunately, the SCCO was unable to recommend any compensation for the customer as the investigation confirmed that the customer both authorized and agreed to accept financial responsibility for the full amount of all the transactions executed in their account.

To help prevent similar situations, being aware that anyone selling investments or providing investment advice in Canada, including platforms for trading of cryptocurrency, must comply with applicable securities or derivatives legislation. Customers can check the registration of any person or business trying to sell them an investment or give them investment advice. To do this, visit [AreTheyRegistered.ca](https://www.aretheyregistered.ca).

*Phishing involves an email, often using the name and logo of a legitimate company, asking you to click a link and provide account details – which are then used to commit fraud. SMShing is essentially phishing via text message, directing you to follow a link or call to provide sensitive account information. Vishing is phishing via phone, where the caller (or recording) warns you of the urgent need to confirm sensitive account information, or to call a number and provide it.

CASE OBSERVATION

Demystifying Mortgage Payment Deferrals



Mortgage payment deferrals are an agreement between the customer and TD that allows the customer to delay mortgage payments for a defined period of time. For example, at the start of the pandemic in 2020, 6-month mortgage payment deferrals were a common arrangement. Our Office received questions related to whether the payments were waived, how interest was charged and the impact on the principal because of the deferral.

What to know:

- Interest is capitalized (in other words, added to the outstanding principal balance) in all Payment Pause, Payment Vacation or Payment Extension situations.
- Taking advantage of a Payment Pause, Payment Vacation or Payment Extension can cause the mortgage to temporarily

exceed the contractual amortization. The mortgage will be brought back within the contractual amortization at renewal or if the payment frequency, payment amount or payment date is changed after the deferral period. This may increase principal and interest payments.

- If TD pays the property taxes and/or the customer has Credit Protection Insurance as part of their mortgage payment, the customer must continue to pay the property tax portion and Credit Protection Insurance premiums as they were prior to the deferral.
- Lump sum payments cannot be applied when there is an Active Payment Pause, Payment Vacation or Payment Extension. The Payment Pause, Payment Vacation or Payment Extension must be cancelled first before the lump sum payment can be applied.

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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 OmbudService](#) (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

5%

of the cases they reviewed.

About Kerry Robbins, Vice President & Head, Senior Customer Complaints Office



Kerry Robbins is the Vice President & Head of the Senior Customer Complaints Office. 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 University College at Western University 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 Chamber of Commerce. 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:

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

Protecting our Customers:

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

Senior Customer Complaints Office:

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

Email: td.scco@td.com

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

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