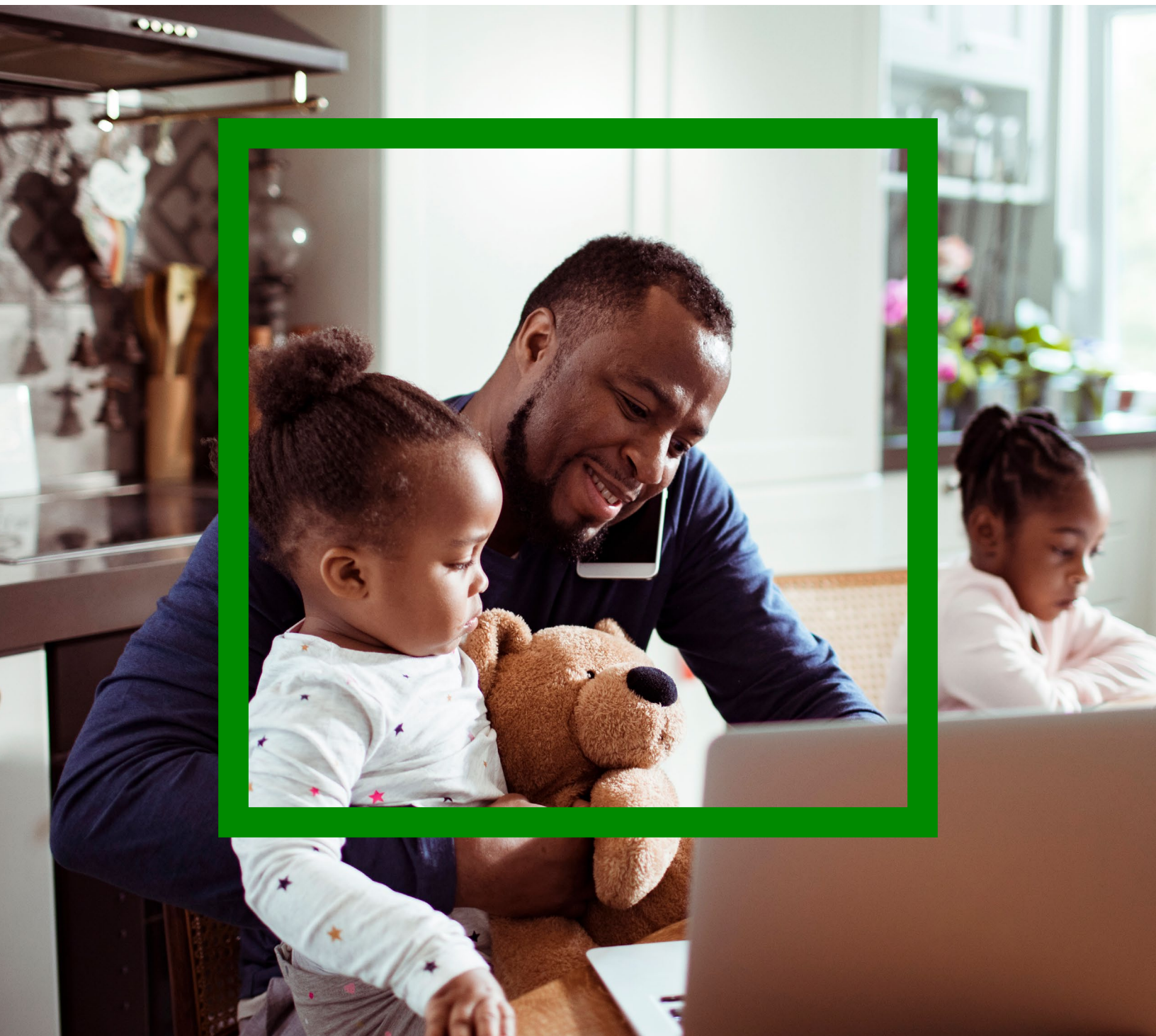




Customers at the Centre

2022 Senior Customer Complaints Office (SCCO)
Annual Report



This Annual Report

This report presents the SCCO's results for the fiscal year ending October 31, 2022. It also provides valuable information about how we operate and how our customers can access our complaint resolution services. To learn more, please visit us [online](#).

While the pandemic remained a concern as uncertainty continued to impact our daily lives, 2022 came with a new set of challenges brought on by an effort to rein in inflation by the Bank of Canada. Combined with evolving customer communication preferences when looking to have their voices heard, and new regulatory requirements overseen by the Financial Consumer Agency of Canada which took effect on June 30, 2022, the SCCO has seen an increase in complaint volumes across all Canadian 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 (TDI). 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 2022...

97%

of our investigations were resolved within 90 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 2 Business Days*

2

Assign case and commence investigation

Within 5 Business Days

3

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

Within 90 Calendar Days**

4

You consider our response

30 Calendar 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 was reduced to 56 calendar days for applicable 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 two 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 two 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:

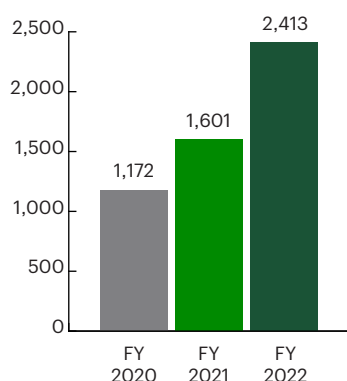
- Have already completed the first two steps of TD's Customer Problem Resolution Process and have received a response directing you to contact the SCCO if you wish to continue escalating your complaint
- Provide us with a summary of your complaint, clearly identifying:
 - The issues you would like our 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

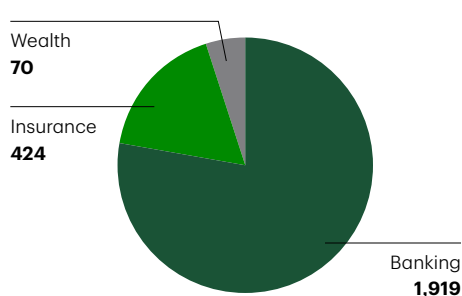
While our Office strives to be responsive to all TD customer concerns, some common complaints fall outside of our mandate to review. Unless there are extenuating circumstances, the SCCO will not review complaints relating to:

- The content of Bank policies, including credit granting or risk management decisions
- Interest rate levels
- 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 Cases Opened



Cases Opened by Business Unit



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



In 2022, we reviewed 406 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
- TD ending the banking relationship
- Pricing-related complaints for personal accounts, credit cards, foreign exchange, etc.

Rising Interest Rates

By the end of TD's fiscal year, the Bank of Canada, like other major global central banks, had hiked its trend setting interest rate significantly from 0.25% earlier in the year. This in turn has led to a rise in borrowing rates on Real Estate Secured Lending (RESL) products such as mortgages and home equity lines of credit and other credit products. With rates rising and changing at a frequency not seen in decades, our Office has seen complaints about interest rate changes and customers' RESL products.

A TD Customer initiated a mortgage refinance with the intention of funding it by the 15th day of the month. The Customer had decided on a variable interest rate mortgage (VIRM) and the Mortgage Loan Agreement (MLA) signed had specified a specific principal and interest payment amount. Upon funding, the Customer found their payment had changed from the original amount listed in the MLA and escalated their complaint requesting their payment to remain as agreed.

As a part of our investigation process, the SCCO Investigator reviewed all relevant documentation and correspondence, which included ensuring TD complied with its policies and procedures. It was confirmed that the MLA was signed on the 11th day of the month with a funding date of the 15th. During this time the TD Mortgage Prime Rate had changed as a result of an increase in the Bank of Canada rate. The MLA discloses that if TD's Mortgage Prime Rate changes between the date of signing to the funding date, the principal and interest payments will be adjusted so the amortization period remains the same. However, once funding has occurred, no adjustments will automatically be made to the payment amount when TD Mortgage Prime Rate changes, even if the customer hits their trigger rate.



Additional Facts about VIRMs and Trigger Rate:

- Trigger Rate is disclosed in the MLA (but changes throughout the term) and is the rate above which the principal and interest payments can no longer cover the interest charged
- Once the VIRM interest rate passes the Trigger Rate, the balance will increase unless the customer intervenes and increases their regular payments enough to cover the outstanding interest at minimum or applies a lump sum payment to the principal. At a certain point, the Trigger Point will be reached, and customers are required to make changes.
- Regardless of whether they've hit their Trigger Rate, the VIRM will be brought back to contractual amortization at the time of renewal or when payment schedule changes are initiated.
- Customers who have reached the Trigger Rate will be notified via a letter (determined by the customer's disclosure preferences) that reiterates their options.



CASE OBSERVATION

TFSA Contribution Limit

A Tax-Free Savings Account (TFSA) was introduced in 2009 by the Government of Canada as an incentive for eligible Canadians to save. It is a registered tax-advantaged savings account that can help you earn money tax-free.

Your contribution room consists of the current year's contribution limit, any unused contribution room that you have accumulated from previous years and the total value of TFSA withdrawals made in the previous year.

What you need to know:

- All contributions made during the year to your TFSA, including the re-contribution of withdrawals, count against your contribution room.
- Every year, the government calculates how much TFSA contribution room you have available, and it is important to be aware of your withdrawals and contributions to avoid any penalties.
- While your TD Advisor is available to provide general guidance on the TFSA (see [here](#)), ultimately it is the responsibility of you as the account holder to keep track of the contribution limit and not exceed it, as there are implications for over-contributing to your TFSA (further details can be found on the CRA website [here](#)).

Step 2: Assign case and commence investigation

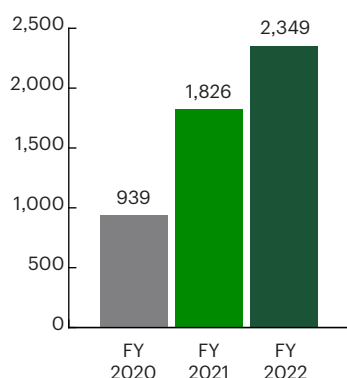
Once we receive all the necessary information to complete an initial review, you will be sent key information outlining the details of our complaint resolution process and your complaint will be assigned to an investigator. The investigator will determine whether your complaint falls within our mandate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

The Year in Review

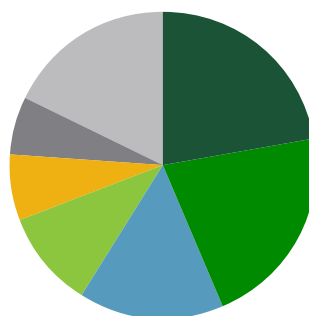
Our Office closed an unprecedented 2,349 cases, up 29% compared to 2021 and 151% since 2020. Our average time to complete an investigation was 40 days overall: 38 days for Banking, 51 days for Insurance and 54 days for Wealth cases. Since June 30th, 2022, 96% of applicable banking related cases that reached our Office were closed within 56 days from the time they were raised at first point of contact per [TD's Customer Problem Resolution Process](#).

We continue to recommend preventative measures to TD's various business areas to address the complaints and customer frustrations observed by our Office.

Total Cases Closed



Cases Closed by Nature of Concern



Fraud	524	22%
Service-Related and Errors	502	21%
Product Feature & Policy	363	15%
Pricing and Fees	241	10%
Credit-Related Decisions	160	7%
Insurance Claims	143	6%
Others	416	18%



Did you Know?

We are grateful for 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 products or services, such as features on the TD App, amending a procedure to improve an experience or steps we can take to ensure we are advancing TD's commitment to diversity and inclusion.

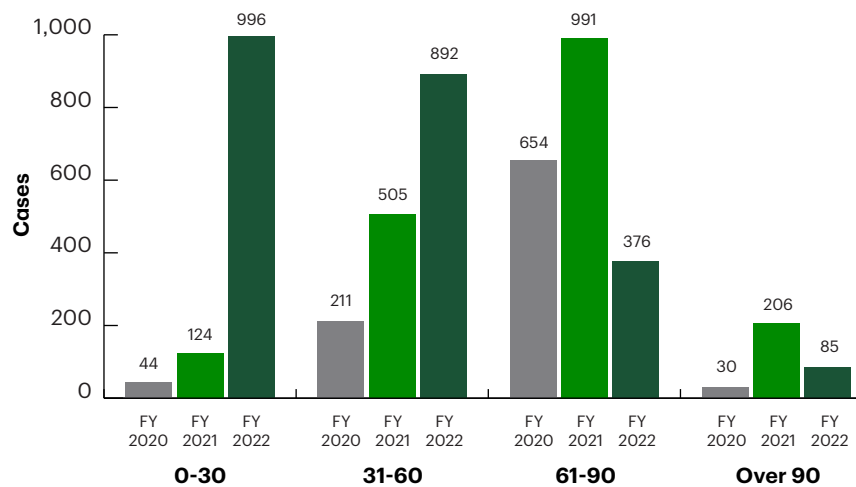
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Step 3: Complete our investigation, respond and, if appropriate propose a resolution

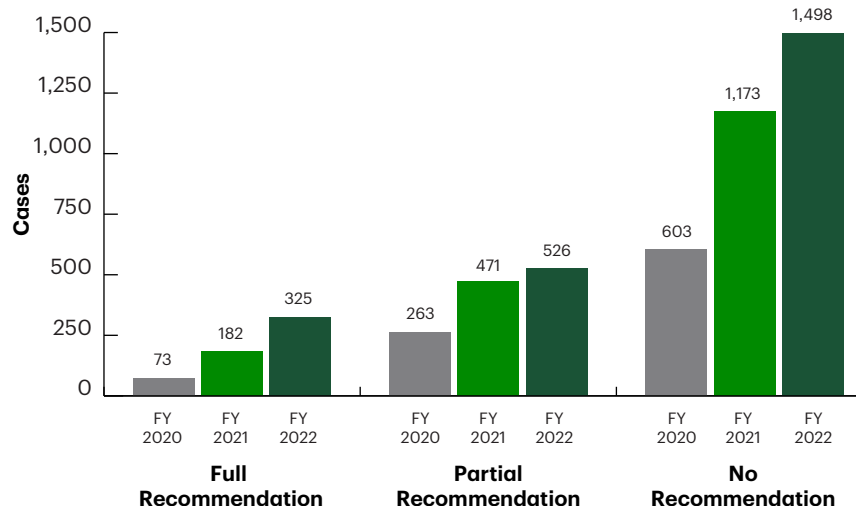
Our investigator will thoroughly examine your concerns. In doing so, they may conduct interviews, review documentation and records, research external sources and examine specific transactions. Your cooperation throughout this process is necessary to ensure a comprehensive investigation is completed. It is our objective to complete all investigations within 90 days. Starting July 2022, this was reduced to 56 calendar days for applicable 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 2022: Of 2,349 cases, full recommendation was proposed for 325 cases, partial recommendation was proposed for 526 cases, and no recommendation was proposed for 1,498 cases.



Fast Fact

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

5%

was the average rate of escalation to our Office after customers completed the first two steps of TD's Customer Problem Resolution Process in 2022.

Bank Investigator Scam

Every year our Office reviews escalated concerns related to various types of scams. The Bank Investigator scam is when a fraudster impersonates a bank employee and asks you to assist in an investigation to catch a scammer. The following case is an example of a Bank Investigator scam reviewed by our Office.

The TD Customer received a call from a fraudster claiming to be an employee of TD. The fraudster asked the Customer to confirm two attempted transactions and advised them there was another attempt at a nearby retailer by a scammer indicating their account had been compromised. The fraudster then asked the Customer to help TD identify the scammer by completing a series of transactions at no cost to them; the fraudster stated the funds had already been transferred into the Customer's account and asked the Customer to use the funds to purchase gift cards.

The Customer followed the direction of the fraudster and proceeded to purchase gift cards and provide the redemption credentials to the fraudster over the phone. The fraudster directed the Customer to various TD branches to complete cash withdrawals and ATM withdrawals to deposit into a bitcoin machine. The Customer followed the directions of the fraudster and was told they had received an email money transfer of \$250 in recognition of their support with the investigation.

Upon realizing they had fallen victim to a scam, the Customer escalated their complaint to the SCCO. As a part of our investigation process, the SCCO investigator reviewed all relevant documentation and correspondence. The findings concluded that the Customer had provided their personal TD login credentials to the fraudster which allowed them to input TD's one time Password to sign into a new device. With this access the fraudster transferred funds from the Customer's own Unsecured Line of Credit (ULOC) into their chequing account to complete the withdrawals. The Customer also withheld information when the branch inquired about the purpose



of the withdrawals, limiting the Bank's ability to assist in identifying the fraud. Ultimately, the SCCO investigation confirmed that the Customer had performed the disputed transactions voluntarily, disclosing their personal TD login in credentials that allowed the transfers between their ULOC and chequing account.

Tips when looking out for Fraud:

- If you receive a call from someone who says they're from your bank, take down their name and hang up. Call the bank back using the bank's public phone number.
- TD Bank will never ask you to disclose your passwords, or PIN over the phone.
- TD Bank will never request your assistance with an undercover investigation or ask you to be untruthful with TD. See [here](#) for more to learn more about what your Bank would never ask you.
- For more information on ways to protect yourself from common fraud and scams see [here](#).



CASE OBSERVATION

Car Insurance Claim

If you are in the unfortunate situation of being in a car accident, as soon as you are safely able to do so, it is critical to contact your TDI insurer.

As you are going through the claims process it is important to:

- Understand your policy coverages and limitations; for instance, coverage for a rental vehicle may be limited to a certain number of days or to a certain amount – check how much coverage you have so you can manage your costs and don't end up paying out of pocket.
- Do your research and make a timely decision on who you want to repair your vehicle – TDI offers approved repair shops, but you can also choose to have the repairs done by your shop of choice.
- In the event your vehicle is deemed to be a total loss, TDI will consider various factors and look at comparable vehicle sales in your local area. Be sure to share all pertinent details about make, model, upgrades, mileage, age and condition to help obtain an accurate valuation.

4

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

3%

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 been with 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 board of 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