

June 15, 2021

Complaint handling: World Elder Abuse Awareness Day (WEAAD)

WEAAD is marked each year on June 15. It is an official United Nations International Day acknowledging the significance of elder abuse as a public health and human rights issue. Social isolation, financial or emotional stress, and dementia can make the elderly vulnerable to abuse.

It is emotionally and physically draining for any financial consumer to file a complaint with a financial institution. It is intimidating for most elderly people. To have a valid complaint dismissed even once, let alone multiple times is a very debilitating experience. Many elderly people give up as they feel they have no chance of prevailing against the big financial institutions.

Approximately 30-35 % of all complaints received by regulators involve the elderly. The elderly complaint statistics are distorted as the elderly are usually reluctant to formally complain. Seniors often avoid publicity due to the embarrassment of having been bilked or the cost and stress of launching a civil action. They may unduly blame themselves for losses or are unaware that something is amiss.

Many elderly financial services consumers opt to not file complaints about their financial service provider because they are intimidated by the complaints process, do not understand their rights or how to navigate the process itself, are afraid of the possible negative consequences of complaining about the Firm and do not possess the written or oral skills to effectively advocate for themselves. This process can also impact physical/ emotional health and family relationships.

A [review of Canada's Big Six banks](#) released in February 2020 by the Financial Consumer Agency of Canada (FCAC) found the institutions have no clear process for dealing with complaints and the average time to resolve them can take up to seven months, which is far longer than the 90-day guideline. The review found consumers who escalate complaints "tend to experience fatigue and frustration" because of inefficient bank procedures, while lengthy delays cause consumers to drop their complaints before they are resolved. The review found banks' procedures for handling complaints objectively "are inadequate," noting the same frontline staff who deal with them "are under pressure to make sales and control costs, and these pressures may influence their decision to reimburse the customer." By any measure, such practices are abusive and disproportionately harm the elderly.

The effects of financial abuse on an elderly vulnerable adult are devastating. For many, sustaining undue financial loss is life-altering especially for near-retirees and retirees. The individual frequently may experience:

- Financial destitution; inability to replace lost assets through employment
- Inability to hire attorney to pursue legal protections and remedies

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- Becoming reliant on government 'safety net' programs
- Inability to provide for long-term care needs
- Loss of primary residence or removal from an assisted-care facility
- Loss of trust in others and loss of security
- Inability to assist with grandchildren RESP's
- Depression, feelings of fear, shame, guilt, anger, self-doubt, remorse, worthlessness potentially leading to deteriorated health

These adverse effects provide powerful socially responsible reasons to ensure the elderly get a fair shake from the financial services industry when they complain.

Governments and regulators must raise the conduct standards for Firms and individuals interacting with the elderly, increase expectations of Firms' complaint handling processes and create a single financial Ombudsman service for banking and investment clients with a binding decision mandate- the Ombudsman for Banking Services and Investments.

REFERENCE: *Complaint Handbook:* MBC Law, author H. Geller

This excellent, plain language Guide fills a critical info need for the Retail Investor.

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