



**CANADIAN ASSOCIATION
OF RETIRED PERSONS**

Seniors' Day of Action - Ontario Legislature

November 24, 2025

CANADIAN BANKS' DUTY OF CARE FOR SENIOR INVESTORS

Briefing Summary - Members of Provincial Parliament

Queen's Park - Toronto

Protecting Ontarians from Conflicted Investment Advice in Bank Branches

Purpose

To inform Ontario MPPs of the significant concerns raised in the recent joint report by the Ontario Securities Commission (OSC) and the Canadian Investment Regulatory Organization (CIRO) regarding investment advice delivered through bank branches, and to outline CARP's recommendations for ensuring fairness and protection for Ontario's seniors and younger investors.

Issue

The OSC/CIRO report confirms what CARP members, former bank advisors, and investigative media have raised for years:

Investment advice delivered in Canadian bank branches is restricted, conflicted, and often not in the best interest of clients — especially seniors.

This issue undermines the financial security of millions of Ontarians and disproportionately harms older adults who cannot recover from lost investment returns.

Key Findings from the OSC/CIRO Report

- **94% of bank-branch advisors are limited to selling only bank-owned, bank-managed mutual funds, even when better, lower-cost, or higher-performing options exist.**
- **Two-thirds of advisors agree that clients would benefit from access to comparable third-party funds.**
- **One in four advisors admit they recommend products that are not in the client's best interest — at least "sometimes."**

Bank branches remain the most trusted source of investment information for both seniors and younger Canadians (15–34).

One in three Canadians – approximately six million investors – invest through a bank branch.

Mutual funds are the most widely held investment product in Canada, ahead of GICs, ETFs, and equities.

After CPP, personal investments are the second-most important source of retirement income.

Conclusion:

This is a structural issue within bank-branch distribution models – not a “few bad actors.”

Why This Matters for Ontario Seniors

Seniors often have lower financial literacy and long-standing trust relationships with branch advisors.

With fixed incomes and shorter time horizons, seniors cannot recover from lost compound returns caused by restricted or conflicted advice.

CARP members report:

- **Advice steering into in-house products**
- **Limited choice**
- **Misaligned incentives**
- **Conflicts of interest that jeopardize their retirement security**

Why It Also Harms Younger Ontarians

Younger investors lose decades of potential compounding when steered into suboptimal products.

Harm is often invisible today but results in significantly lower long-term returns.

This is both a seniors' issue and an intergenerational fairness issue.

CARP's Call to Action to the Canadian Bankers Association

CARP has sent a formal letter to Anthony Ostler, President & CEO, CBA, calling on banks to take immediate voluntary action, rather than waiting for regulators or legislation.

CARP is asking banks to:

Adopt a fiduciary-duty standard for branch advisors, prioritizing client interest over product quotas.

End bank-only product restrictions to give branch clients the same access to investment options that wealth-division clients receive.

Reform compensation structures that reward in-house product sales.

Provide full market access so recommendations reflect performance, suitability, and client well-being.

Improve transparency and accountability, especially for seniors relying on stable returns.

Principle:

If high-net-worth clients receive open-architecture advice and fiduciary-level care, so should every Ontarian.

Safeguarding seniors

- Building a competitive, transparent financial sector
- Ensuring Ontarians receive the value and service they expect from institutions they trust
- The Ontario government has already expressed a commitment to:
 - Greater choice
 - Greater competition
 - Improved customer service
 - Fairness in consumer-facing sectors
 - Protection for vulnerable people

This issue aligns directly with that mandate.

What CARP Is Asking of Ontario MPPs

Acknowledge the findings of the OSC/CIRO report and the systemic impact on Ontario investors.

Support transparency and fairness in consumer financial services.

Encourage Ontario's major banks to adopt higher standards of client care voluntarily.

Elevate this issue with federal counterparts, including the Minister of Innovation, Science and Industry.

Champion seniors' financial security as part of Ontario's long-term population strategy.

Why Immediate Action Is Needed

Every year banks delay reform, both seniors and young Ontarians lose investment returns.

Trust in financial institutions is eroding — and trust, once broken, is difficult to rebuild.

Ontario has the opportunity to be a national leader by standing with its 150,000 CARP members and millions of investors.

Conclusion

The OSC/CIRO report makes clear:

When Ontarians — especially seniors — rely on in-branch advice, they're getting average service at best and exploitation at worst.

This is a two-tier system that disadvantages ordinary Ontarians.

CARP stands ready to work with MPPs, provincial officials, regulators, and the banking sector to restore fairness, transparency, and trust.