

30520

■ Users

# ANNUAL REPORT OF ACTIVITIES 2016-2017

26140

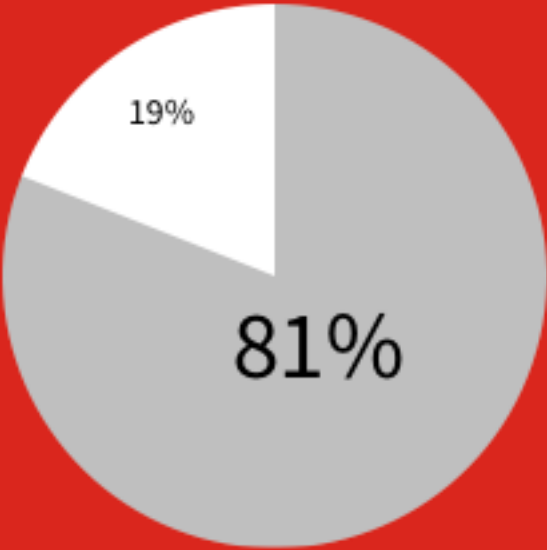
CONSUMER INTEREST  
ONLINE SURGES HIGHER

21760



17380

● New Visitors ● Returning Visitors



2014-15

2015-16

2016-17

# NOTICES AND CONTACT INFORMATION

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# PRINCIPLES

The Consumers Council of Canada works towards an improved marketplace for consumers in Canada, seeking an efficient, equitable, effective and safe marketplace for consumers by informing and advocating concerning the following consumer rights and responsibilities.



**Basic Needs** – *The right* to basic goods and services that guarantee survival. *The responsibility* to use these goods and services appropriately. To take action to ensure that basic needs are available.

**Safety** – *The right* to be protected against goods or services that are hazardous to health and life. *The responsibility* to read instructions and take precautions. To take action to choose safety equipment, use products as instructed and teach safety to children.

**Information** – *The right* to be given the facts needed to make an informed choice, to be protected against misleading advertising or labelling. *The responsibility* to search out and use available information. To take action to read and follow labels and research before purchase.

**Choice** – *The right* to choose products and services at competitive prices with an assurance of satisfactory quality. *The responsibility* to make informed and responsible choices. To take action to resist high-pressure sales and to comparison shop.

**Representation** – *The right* to express consumer interests in the making of decisions. *The responsibility* to make opinions known, to take action to join an association such as the Consumers Council, to make your voice heard and to encourage others to participate.

**Redress** – *The right* to be compensated for misrepresentation, shoddy goods or unsatisfactory services. *The responsibility* to fight for the quality that should be provided, to take action by complaining effectively, and to refuse to accept shoddy workmanship.

**Consumer Education** – *The right* to acquire the knowledge and skills necessary to be an informed consumer. *The responsibility* to take advantage of consumer opportunities, to take action by attending seminars and workshops, and to work to ensure consumer education takes place in schools.

**Healthy Environment** – *The right* to live and work in an environment that is neither threatening nor dangerous and which permits a life of dignity and well-being. *The responsibility* to minimize environmental damage through careful choice and use of consumer goods and services, to take action to reduce waste, to reuse products whenever possible, and to recycle whenever possible.

**Privacy** – *The right* to privacy particularly as it applies to personal information. *The responsibility* to know how information will be used and to divulge personal information only when appropriate.

The Council is committed to:

Being a voice for consumers

Listening to consumers

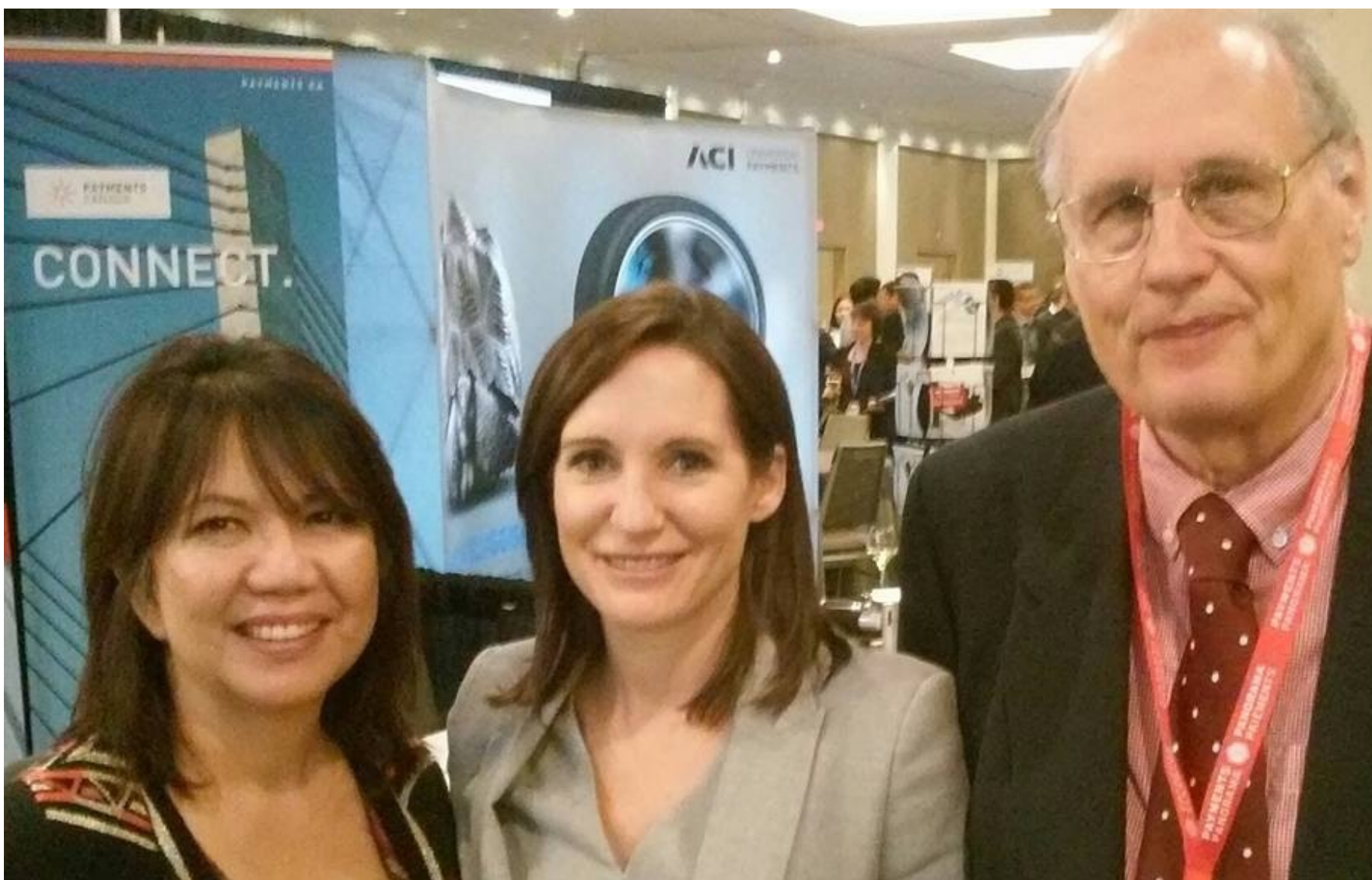
Consumer Empowerment

Integrity

Stakeholder involvement

Excellence in stakeholder and member services

Financial sustainability



Council President Don Mercer (right) with wife Susan (left) and Amanda Lang (centre), host of Bloomberg North on Bloomberg TV Canada at Payments Panorama. Mercer represents consumers at Payments Canada.

## 2

# PRESIDENT'S REPORT

Canadian consumers are rapidly losing their meaningful voice in policy development due to funding cuts. Public investment in innovative consumer protection policy is in decline in much of the country. Trade-related economic benefits do not always flow to consumers as smoothly as hoped for – or at all – because of this.

The Office of Consumer Affairs, Innovation, Science and Economic Development Canada, for example, [underspent its allocation](#) by nearly \$1.2 million in 2015-16, amounting to an effective 25 percent cut from the budgeted amount, despite well-documented underfunding of consumer representation in Canada. The Contributions Program, of the same office, has remained constant in the federal budget at \$1.69 million for many years. With inflation, fewer projects could be funded with the same allocation. The track record of other federal ministries in meaningfully engaging consumer groups in ways that contribute to their capacity to participate is similarly poor.

Most of Canada’s provincial governments demonstrate similar disinterest in facilitating quality consumer representation by consumer groups in regulatory processes, talking a good game about public access, but failing to support that access. Ontario and Quebec carry a heavy load for consumer policy development among Canada’s provinces, but still do not adequately fund consumer groups to participate. In Ontario, for example, a major review of the auto insurance sector was undertaken without consumer representation for exactly this reason. The Council exists to represent consumers, it considered auto insurance to be an important issue, but because it did not have developed capacity to participate in the consultation with sufficient expertise, it chose not to do so.

Other examples: The Council has limited its consumer representation in British Columbia because often providing it is a hollow gesture. Alberta some years ago ended the ability of consumer advocates to intervene in energy price decisions. Nova Scotia government officials have reached out to the Council in the past seeking consumer representatives to participate in consultations, because the lack of organized consumer representative capacity in that province meant they could find none.

Rather than being prepared, by investing in the ongoing benefits that consumer representation supported by good research can bring, provincial governments leave themselves reacting to outbursts of public discontent or even anger resulting from the perceived or actual abuse of consumers. For example, the Ontario Legislature is poised to implement the Protecting Rewards Points Act, passed in late 2016, so that expiring reward points

**Budgetary Financial Resources: Consumer Affairs (\$s)**

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
4,605,144	4,599,059	4,355,064

Source: Government of Canada Estimates:  
<https://www.ic.gc.ca/eic/site/017.nsf/eng/07569.html>

based on the passage of time alone will soon become illegal in Ontario. The Council perceived this risk years ago and warned of rewards program devaluations in its 2015 report [Stuck in the Middle: Consumers, Transaction Fees and Loyalty Programs](#). The threat to consumer value continues to exist nationally, as highlighted in a recent CBC Marketplace [update on consumer experiences](#). Rather than reacting quickly to our earlier in-depth study, unfortunately, it took extensive media coverage for the province to react. And most other provinces still trail behind.

Something else should be considered – where governments take the initiative, at whatever level, to support strong consumer representation, more good consumer protection policy emerges. So, federal investment in consumer group research into payday loans has contributed to reforms in a growing list of provinces. Ontario’s significant support for the Council a few years ago to look into e-commerce issues helped our organization gain the knowledge to begin representing consumers in private, NGO and public processes ranging from those of Internet Corporation for Assigned Names and Numbers, to the ISO committee developing a standard for online consumer reviews, to appearances before committees of Parliament. It helped the Council



form the foundation necessary to begin examining improvements to consumer redress in distant contracts and pricing presentations in e-commerce. The additional good news is that the Ontario and federal governments have been informal partners in helping consumer groups advance this work. This has the semblance of a success story.

Our research has found trust in government and business to represent the interests of consumers is low. Consumers trust, want and feel it necessary to have independent advocacy for their rights. While consumers can rely on the good behaviour of business and government most of the time, instances of poor conduct toward consumers looms large for many people. Consumers value independent sources of the checks and balances in commerce and regulation that ensure fair treatment.

Not all markets are sufficiently competitive to assure consumers that the exercise of their choice among products or services will obtain satisfactory outcomes from either government or business.

In many areas of the economy, regulated because competitive conditions do not exist to give consumers choice, consumer representation is inadequate. For example, I was appointed, with the approval of the federal Minister of Finance, to the Stakeholder Advisory Council of Payments Canada and sit on its Payments Modernization Working Group to represent consumers. This work is important because it shapes the implementation of new payments technologies, the access of new participants to the system of payments, and will likely define the competitive landscape of payments in Canada for at least the next two decades. The structure of the payments system should foster

competition and innovation to benefit consumers, facilitate prosperity and be safe and reliable. The Council attempts to support my ability to act independently in this vital role with virtually no source of income to pay for that work. I receive no compensation to do the job. The sole funding for this role is to pay for the frequent travel required to attend meetings. Most other participants are from industry or academia – well-paid professionals.

Virtually no resources are available to support independent capacity for the representation of consumers' interests in the system of payments.

This same problem exists on boards and advisory committees across the country meant to include consumer representation.

Agencies and authorities derive legitimacy, in the minds of consumers, based on how they enable consumer representation related to their processes, not just through features of internal governance. The Council discusses the challenges of developing the capacity for consumer representation in its report [\*Options for a 'Sustained Institutional Role' for Consumer Organizations in 'Internal Trade' Harmonization Initiatives\*](#), 2015.

Despite the lack of adequately supportive public policy for consumer representation, the Council is taking action with its partners using the means at its disposal, as readers of this report will learn.

For example, the Council expressed its concerns at meetings with Canada's consumer groups in Ottawa March 29-31, 2017 that were convened by the Canadian Radio-television and Telecommunications Commission (CRTC), Competition Bureau, Financial Consumer Agency of Canada (FCAC), Treasury Board

of Canada, Health Canada and the Office of Consumer Affairs, Innovation, Science and Economic Development Canada. A central theme from all groups attending was the need for capacity building to support consumer representation. In addition, groups highlighted specific consumer protection issues and, in particular, complained of industry capture of FCAC.

Fortunately, the Council's redesigned website has attracted more interest from the public, so its ability to raise its concerns with the public is growing. New information and service features have contributed to improved communication with Canadians. Our organization is implementing innovative technology to enable national, democratic engagement among its members while being as economical as possible. We are working to become a more active, organized listener to consumers and expanding our stakeholder network, among consumers, consumer protection professionals and academics.

Despite many constraints, 2016-17 was an active year for the Council's advocacy, bringing about and promising significant reforms for consumers.

Taking a country-wide perspective, the Council attempts to identify best practices and problems at all levels of government. With regulatory harmonization, which many governments support, the impetus for consumer protection reform may originate anywhere in Canada.

The Council's federally funded research [\*Consumer Experiences in Online Payday Loans\*](#) was considered by the Public Utilities Board of Manitoba as part of its 2016 Payday Loans Reviews.

The Council also played a role in advocating for the enactment in April 2017 of provisions within Ontario's Bill 59, the *Putting Consumers First Act*, which:

- reduces the risk to consumers who use alternative financial services, such as payday loans;
- regulates the home inspection industry to better protect consumers; and
- curbs door-to-door contracts for certain to-be-prescribed goods and services.

Likewise, the Council is a vigilant observer and participant in emerging regulatory processes, which have been the subject of its research and advocacy.

Aubrey LeBlanc, immediate past president of the Council, was named as board chair of the new Condominium Management Regulatory Authority of Ontario.

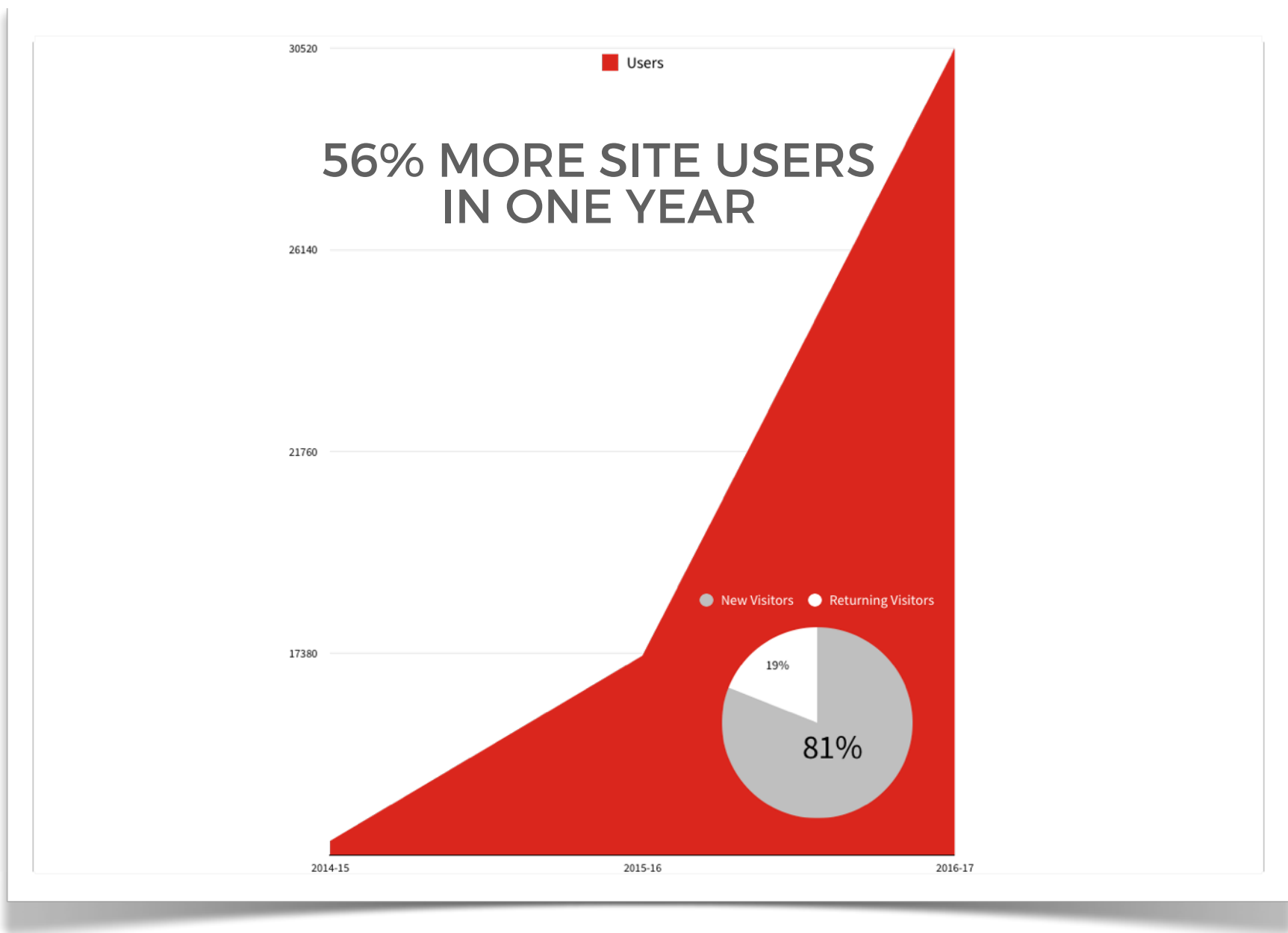
Council recommendations concerning Ontario's new home warranty program were reflected in related reforms announced by Ontario's Minister of Government and Consumer Services Tracy MacCharles as the Council's fiscal year ended.

The Council was an active intervenor on behalf of consumers in the the Wireless Code Review by the CRTC, and awaits the outcome, hoping for further protection for buyers of wireless telecommunications services.

I am pleased to conclude my remarks able to say that despite the significant challenges for consumer representation faced today, the Council – its board, executive director, devoted volunteer members and supporters – have made a difference for Canadian

consumers this year, as these remarks and the following pages of this *Annual Report of Activities* attest.

*Don Mercer, President*



The Council has experienced an accelerating number of new visitors to its website over the last two years.

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# STRATEGIC INITIATIVES UPDATE

The Consumers Council of Canada’s board of directors conducted a mid-term review of its three-year strategic plan this year. Significant progress has been made on measures to support the Council’s strategic objectives, particularly in the areas of public outreach and stakeholder engagement.

In addition to its ongoing consumer representation, research and issues advocacy, the Council intends to focus effort in the year ahead on financial and human resource development. In particular, it looks forward to participation in a national consumer affairs conference and work on expanding its volunteer capacity.

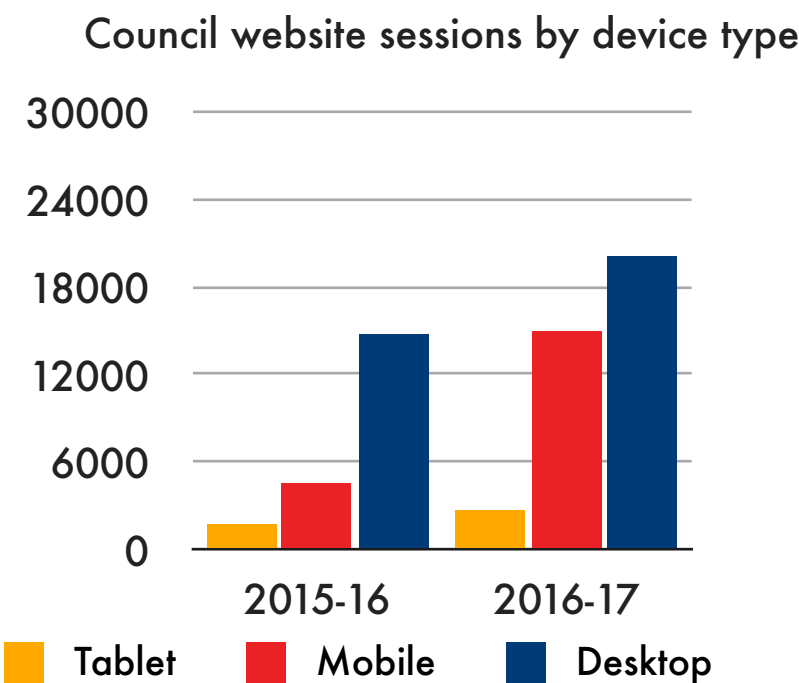
What follows is a recap of a series of accomplishments upon which the Council will build for the year ahead.

# ONLINE ENGAGEMENT

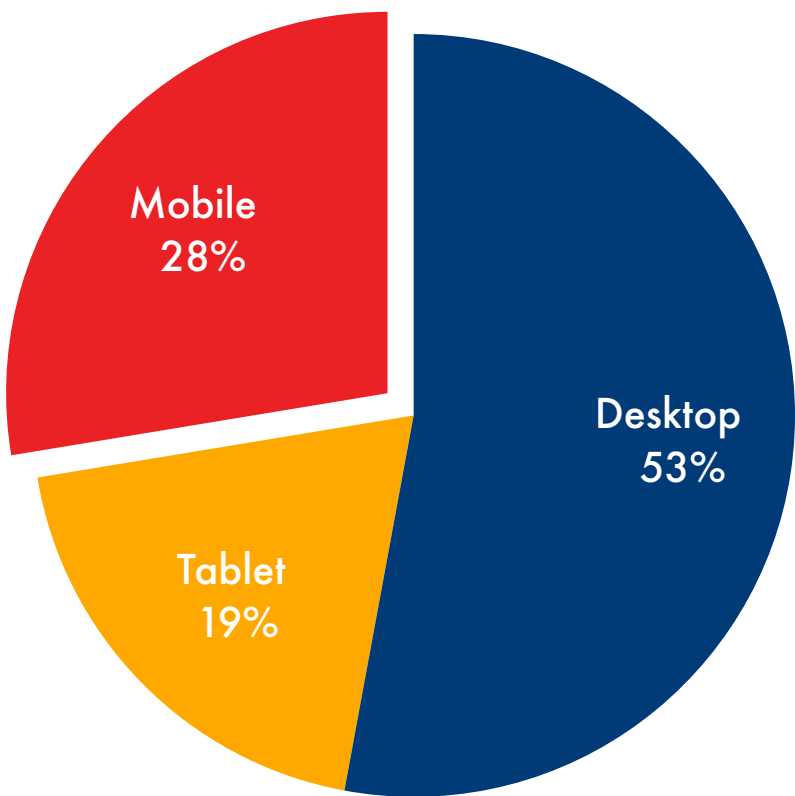
An important objective of the Council’s strategic plan has been increased public outreach to and engagement with consumers. The actions so far have found success.

The Council upgraded its website, improving its appearance, adding new features and making it more “mobile friendly.” Last year the Council reported the introduction of new services, Consumer Agenda and Consumer Experience (with Consumer Referral), on its website. It highlighted a new push to engage Canadian consumers through increased exposure of the opportunity to join its Public Interest Network.

A growing share of the Council’s website sessions come from “organic search”. On a year-over-year basis, the Council’s Internet presence was less dependent on referrals from the sites of others. Acquisition of sessions was up due to organic search (103%), direct visits (34%) and social media (190%). Social media referrals were a small fraction of the total, however. Referrals from other web sites were down 18 percent as a share of the total. Google searches continue by a large margin to be the source of sessions. A significantly large share of the growth in site visits due to organic search resulted from the Council’s decision to publish notices related to class



Sessions by Device Type – Apr. 1, 2016 - Mar. 31, 2016. Mobile sessions in 2016-17 grew to the level of desktop sessions the previous year. Use with devices by all types was higher.



Sessions by Device Type – Apr. 1, 2016 - Mar. 31, 2017. Sessions accessing the Council’s website using mobile devices is a significant and growing share of site visits.



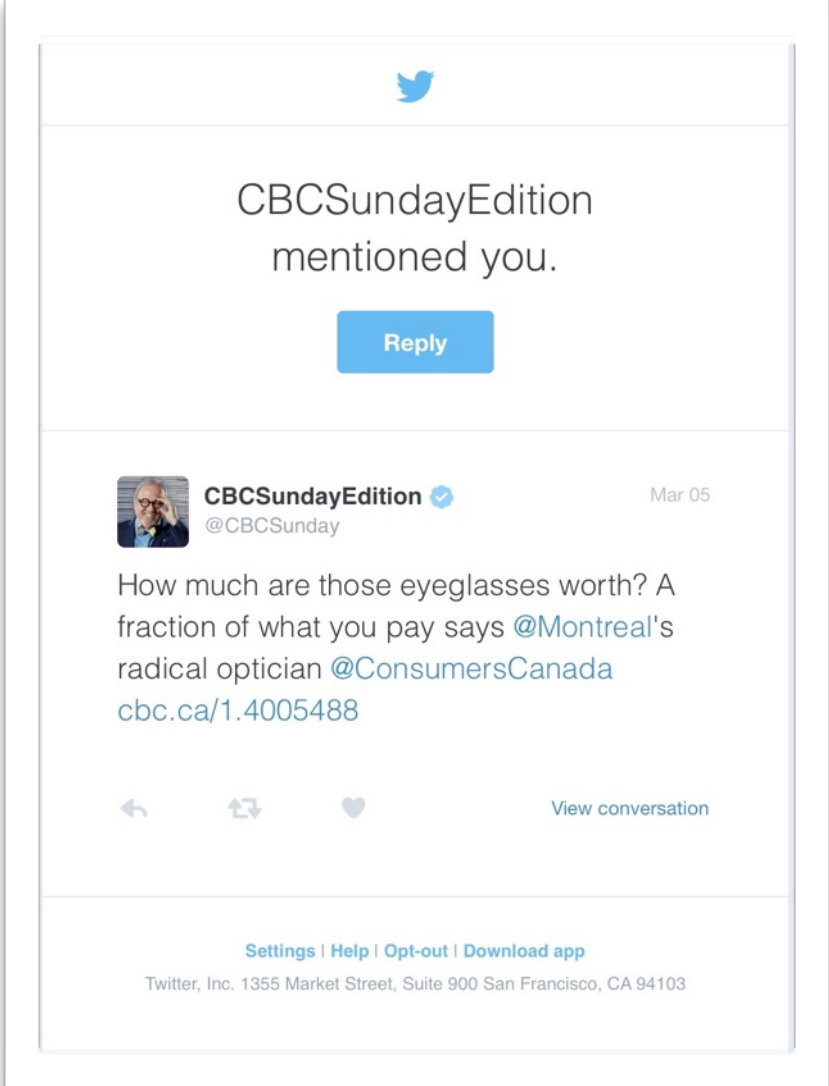
action lawsuits. Class action notices, now a part of the Council’s Consumer Agenda service, attracted many readers (for example, one notice attracted 19,500 unique page views), as did content about resolving automobile-related disputes, gasoline prices and the Council’s research reports.

Notably web pages of Ministry of Innovation, Science and Economic Develop continue to provide a small yet declining share of site referrals.

The Council gets most of its social network referrals from Facebook and Twitter. The number of consumers sharing detailed experiences with the Council through its online form (at the heart of its Consumer Experience and Consumer Referral services) has risen by about 43 percent since last year.

Requests to join the Council’s Public Interest Network, of Canadians concerned about or experienced in consumer protection, were up 92 percent over the prior year. The Council has made registering with the Network the most prominent feature of its homepage. The change appears to have reversed awareness of this opportunity to engage with the Council.

The Council regularly consults Network participants for their views and insights into consumer protection problems and opportunities. It surveyed PIN participants five times in 2016-17. Topics included the Council’s priority issue areas, dynamic pricing, consumer protection in travel, and wireless service agreements and satisfaction with the CRTC’s Wireless Code of conduct for mobile telecommunications service providers.



The Council’s Twitter identity is gaining recognition. The Council’s followers have grown in number to 949, up 19 percent since last year.

Province/Territory	2016-17 % of site sessions
Ontario	38.22%
Alberta	19.14%
British Columbia	16.88%
Manitoba	7.64%
Saskatchewan	5.76%
Quebec	4.2%
Newfoundland and Labrador	2.96%
New Brunswick	2.27%
Nova Scotia	1.97%
Northwest Territories	0.36%
Prince Edward Island	0.36%
Yukon Territory	0.17%
Nunavut	0.03%

## DOWNLOADS AND USES FOR COUNCIL REPORTS

The following is a report of downloads by reported use of Council reports, from April 1, 2016 to March 31 2016 and since their issue. Council reports are relevant to readers, usually for years after issue.

*Strengthening the marketplace through a Consumer Protection Framework for consumer online reviews, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	41	10	3	2	10	17	1
Downloads since issue	41	10	3	2	10	17	1

*Consumer Experiences with Rent-to-Own, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	77	16	18	14	14	12	6
Downloads since issue	77	16	18	14	14	12	6

*Towards a National Housing Strategy, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 31, 2017	10	3	1	2	1	1	0
Downloads since issue	10	3	3	2	1	1	0

*Residential Intensification: The Impact on Consumers, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 31, 2017	75	14	5	11	20	13	2
Downloads since issue	271	50	43	29	89	48	20

*In Touch with e-Consumer Protection, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 31, 2017	69	23	6	2	2	4	1
Downloads since issue	82	23	19	13	11	19	1

*Options for a 'Sustained Institutional Role' for Consumer Organizations in 'Internal Trade' Harmonization Initiatives, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	26	8	9	5	0	4	1
Downloads since issue	106	14	49	19	4	19	8

*Consumer Experiences in Online Payday Loans, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	79	33	17	7	17	8	5
Downloads since issue	268	66	73	29	59	44	24

*Stuck in the Middle: Consumers, Transaction Fees and Loyalty Programs, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	19	5	3	3	5	3	1
Downloads since issue	72	10	16	5	25	14	3

*Improving Online Agreements: "It's Not Rocket Science!", 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	23	11	4	2	1	4	0
Downloads since issue	86	22	19	7	17	18	4

*Will Consumers Benefit from Enhanced Product Labeling on Energy-Efficient Products?, 2014*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	5	1	2	0	1	2	0
Downloads since issue	60	7	24	7	6	13	4

*Hockey Equipment Comparison Price Study, 2013 vs. 2014, Canada and United States, 2014*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	3	2	0	0	1	0	0
Downloads since issue	22	10	2	2	6	3	0

*Cyber Threats on Mobile Devices, 2013*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	5	2	0	1	0	2	0
Downloads since issue	61	12	12	5	4	20	3

*Report of the Consumer Group Panel on Food Information, Labelling and Advertising, 2013*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 31, 2017	11	0	1	2	1	1	1
Downloads since inception	164	37	44	19	25	36	15

*Do Smartphones Make for Smarter Consumers?, 2012*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads April 1, 2016 - March 15, 2017	1	1	0	0	0	0	0
Downloads since issue	148	33	15	12	16	77	9

# ACADEMIC PARTNERSHIP

The Council expanded its reach and worked to accomplish its mission through its partnership with academic initiatives, leveraging relationships to reinforce and expand its capacity to do its work.

## PPOCIR

The Council's involvement with the [Canadian Partnership for Public Policy-Oriented Consumer Interest Research](#) (PPOCIR), hosted by the University of Waterloo and funded by the Social Sciences and Humanities Research Council (SSHRC), has been helping to develop a Canadian interdisciplinary network of researchers and practitioners interested in PPOCIR and to support the conduct and dissemination of PPOCIR with an end objective of improving public policy approaches pertaining to the well-being of consumers. The Council looks forward to continuing its involvement with this initiative, which has helped engage academic interest in Council research and led to forums in which the Council can share its research and advocacy agendas.

## HACKJUSTICE

An example of this was the February HACKJUSTICE, a two-day “hackathon” that brought together legal professionals, computer programmers, students, computer scientists, software developers, members of the public, and professionals of various disciplines to code and create technology applications to improve access to justice. Event organizers, The Winkler Institute for Dispute Resolution (Osgoode Hall Law School, Toronto) & the Cyberjustice

Laboratory (Université de Montréal), invited the Council to issue one of the HACKJUSTICE challenges to participants.

## BEAR

The Council agreed recently to partner on another SSHRC application, this one led by Rotman School of Management, University of Toronto, and led by well-known behavioural economist Professor Dilip Soman. The proposal titled “Creating Value in Organizations Through Behavioural Insights” emanates from the research centre [Behavioural Economics in Action at Rotman](#) (BEAR).



Simon Wong, Council Secretary, (foreground, second from left) participates in HACKJUSTICE, held simultaneously at MaRS Discovery District in Toronto and at the Cyberjustice Laboratory in Montreal, connected by live video streams.



## PATHS TO ACADEMIC ENGAGEMENT

### A Public Policy Oriented Consumer Interest

Researcher can easily take action to increase their awareness of consumer issues, learn about other researchers and their work, mobilize knowledge they have created, and have their expertise recognized within the Council's research and representation.

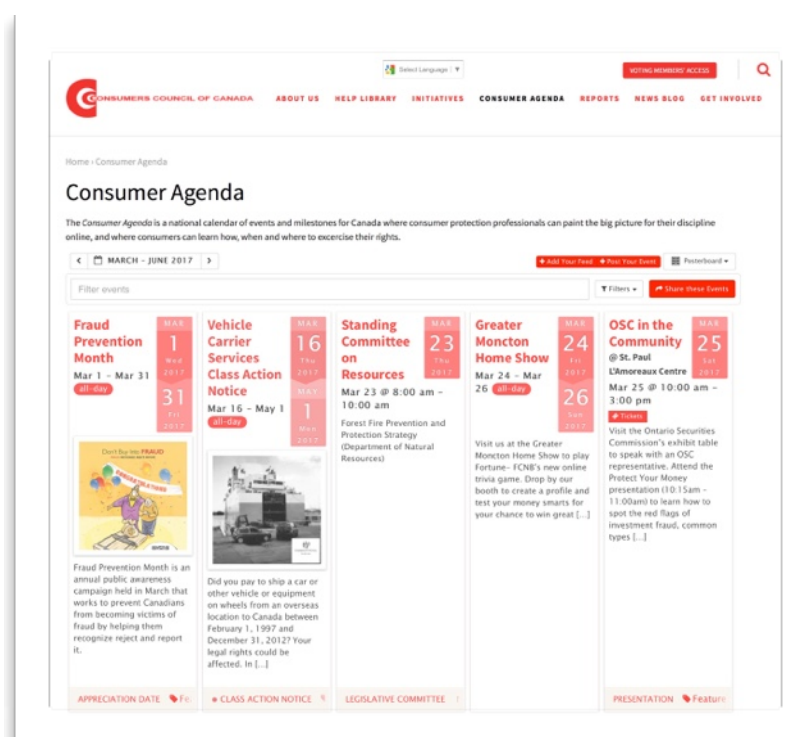
The Council offers eight easy steps academic researchers can take to engage with the Council and strengthen the Public Policy Oriented Consumer Interest Research Discipline.

1. Bookmark Consumers Council of Canada website: <http://www.consumerscouncil.com>
2. Subscribe to the Council's RSS feed by adding: [http://www.consumerscouncil.com/site/ywd\\_prototype/admin/applications/rss.cfm?siteid=376&chapterID=169&ID=13930](http://www.consumerscouncil.com/site/ywd_prototype/admin/applications/rss.cfm?siteid=376&chapterID=169&ID=13930)
3. Download and Read recent [Council Annual Reports of Activities](#) to learn how the Council may mobilize the knowledge you create.
4. [Review the Appendices of Options for a sustained institutional role for consumer organizations in internal trade harmonization initiatives](#) to get an exhaustive list of hot topic areas for consumer interest research.
5. Register for the Council's PPOCIR e-mail list: <http://www.consumerscouncil.com/ppocir-register>
6. Join the Council's Public Interest Network. If they are prepared to share their personal insights when the Council seeks out external insights through questionnaires in support of its consumer interest policy development or

research, they can participate. This is easily done from the Council's homepage:

<http://www.consumerscouncil.com>

7. Contribute free of charge important research milestone dates and events for inclusion in the Council's [Consumer Agenda calendar](#) of consumer interest events and milestone dates. By contributing this information, researchers create an opportunity for easy national awareness of their work, by consumers and the consumer protection professional community.
8. Tell the Council about their completed or new work by completing a simple form on the Council's website at: <http://www.consumerscouncil.com/cir-research>



# CONSUMERS 150 CONFERENCE

The Council will partner with Public Interest Advocacy Centre, Option consommateurs and Union des consommateurs in a national consumer protection conference, sponsored in part by the consumer group contributions program of Innovations, Science and Economic Development Canada. [Consumers 150: The State of Canadian Consumers and Advocacy](#) will be a 2-day event held September 19-20, 2017 in the Nation's Capital. The conference will analyze a series of Canadian consumer issues. As well, the event is designed to facilitate a discussion about how to meet present and future challenges associated with consumer advocacy in Canada.

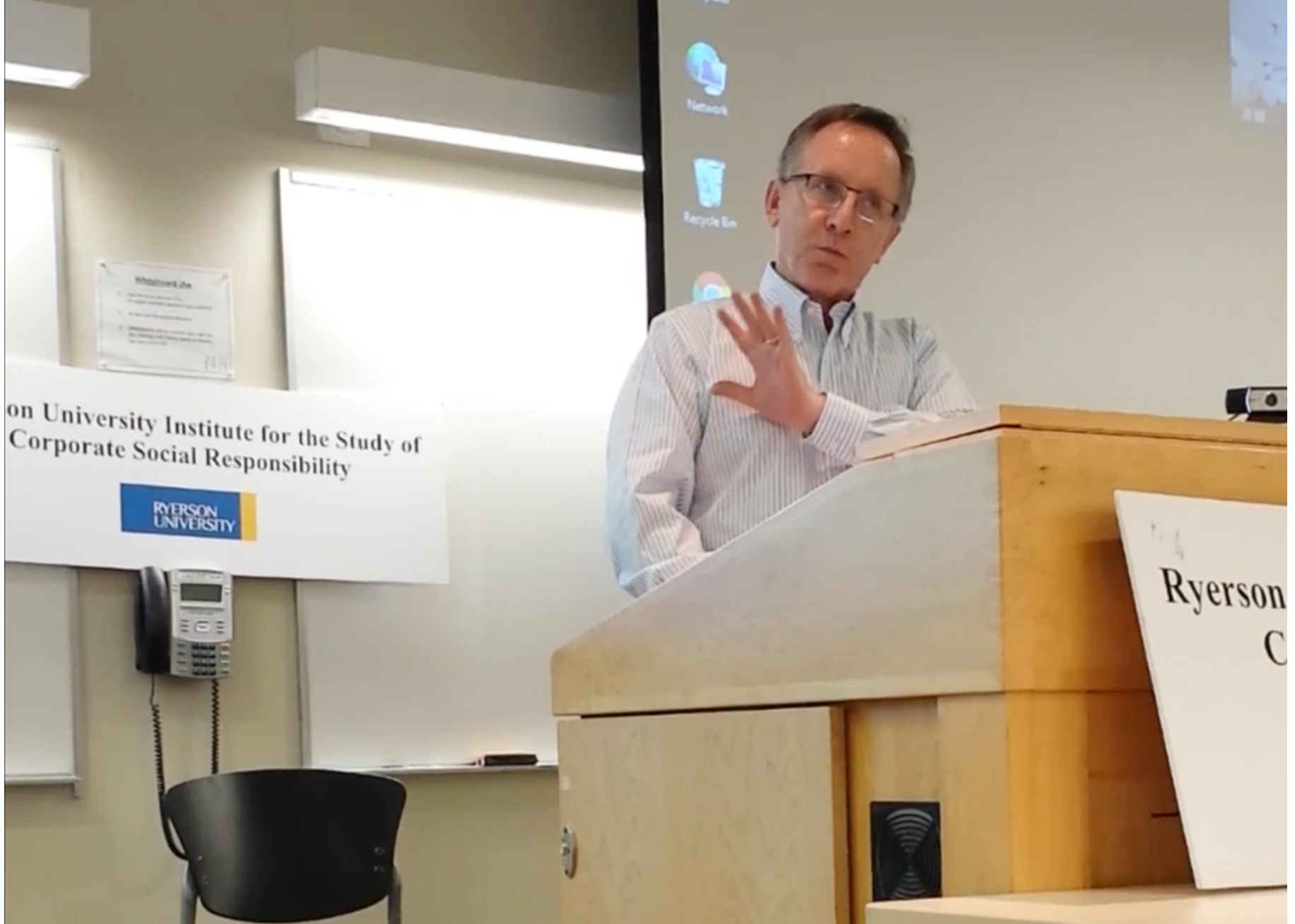


Contact conference organizers to ask about sponsorship or register to attend Consumers 150.



# CONSUMER GROUP PARTNERSHIP

Public Interest Advocacy Centre asked for the Council's endorsement of an application to the Law Foundation of Ontario's Access to Justice Fund, which was provided. Under this proposal, PIAC proposes to design a model policy framework to support the establishment of an ombudsperson regime to oversee payday loan complaints, disputes, and violations, with the goal of promoting and realizing access to justice for vulnerable consumers of payday loans. The framework would be focused on the province of Ontario and related provincial laws, as well as consumer protection best practices in payday loans, but will also provide a model to emulate and tailor to other provinces.



Howard Deane, a Council researcher, speaks to Ryerson University Institute for the Study of Corporate Social Responsibility

4

# RESEARCH

## RESEARCH UNDERWAY IN 2016-17

The Council was awarded funding for three research projects by the contributions program for non-profit consumer and voluntary organizations of the Office of Consumer Affairs, Department of Innovation, Science and Economic Development:

### CONSUMER REDRESS, CHARGEBACKS AND MERCHANT RESPONSES IN DISTANT TRANSACTIONS

The Council studied consumer attitudes and merchant responses related to disputes in e-commerce (or distant) transactions. It examined what consumers do to reconcile disputes with merchants, how merchants respond to what those consumers do, how the changing accounts management and debt collection practices affect and are affected by these trends.

## DYNAMIC PRICING – CAN CONSUMERS ACHIEVE THE BENEFITS THEY EXPECT?

This research examined the possible harms to consumers from potentially exploitative pricing practices as retail business moves to more extensive use of dynamic pricing, what consumers can do to protect themselves, how aware they are of the risks, and what business and government can do to ensure consumers' rights are protected.

## INCENTING ENERGY EFFICIENT RETROFITS: RISKS AND OPPORTUNITIES FOR CONSUMERS

This research focused on the risks and opportunities for consumers of home energy efficiency retrofits and renovations that are driven by government and utility incentives. The Council examined how consumers benefit from incentive programs and what risks they assume when renovations or retrofits are completed. The study considered the safeguards governments and utilities have adopted to protect consumers from renovations that are not properly executed.

*Consumers Council of Canada received funding from Innovation, Science and Economic Development Canada's Contributions Program for Non-profit Consumer and Voluntary Organizations for its 2016-17 research. The views that are expressed in these reports will not necessarily be those of Innovation, Science and Economic Development Canada or the Government of Canada.*

## RESEARCH PROJECTS PROPOSED FOR 2017-18

The Council proposed the following research topics to Innovation, Science and Economic Development Canada for the year ahead and is awaiting the results of the awards competition conducted by the ministry's contributions program for non-profit consumer and voluntary organizations.

## CONSUMERS' EXPERIENCE WITH HIGHER COST CREDIT

Canadians with poor credit ratings can often get credit – if they're willing to pay the price. An array of lending facilities – some known as instalment loans, or alternative credit or fringe lenders – will provide credit to those unable to borrow from banks or other more conventional means. Loans can be obtained through stores or online, but the high lending costs – part of a higher-risk clientele – can add to consumers' troubles rather than solve them.

## 21ST CENTURY CONSUMER PROTECTION ISSUES IN TRAVEL

The disintermediation of travel – the ability of consumers to literally chart their own course – has outstripped the regulatory environment. Federal and provincial governments and legislatures are drafting new measures to match regulation with practices.

## CONSUMERS AND PRODUCT INSURANCE PURCHASE DECISIONS

Purchasing a high-priced appliance or electronics is a risk many consumers do not accept easily. A manufacturer's warranty offers some comfort that if a product fails to perform, the consumer will be compensated. To extend that comfort, consumers are presented with additional alternatives. They may be called different things – “service plus” or “product protection plan” or “extended service plan”, but they are designed to give consumers some level of additional protection – for a fee.

## **IDENTIFYING OPTIONS FOR LOWERING BARRIERS TO AFFORDABILITY, SAFETY AND SECURITY, UNDERSTANDING, CHOICE AND MEETING BASIC NEEDS FOR CANADIANS PRODUCING AND CONSUMING MEDIA CONTENT**

A copyright entitlement originates in the creative work of individuals. Increasingly in the digital realm a way copyright is protected and a relationship established between buyers and sellers in content markets is through systems that manage rights to access and use content. Digital Rights Management systems are legally protected to protect copyright. This research will review how copyright holders and consumers of digital media use DRM services, how and whether they benefit from them or get the tools needed to exercise their rights and responsibilities.

## **“BIG FAMILY” IS WATCHING - CONSUMER PROTECTION IN AN IOT ENABLED WORLD**

Significant consumer impacts are resulting from the explosive expansion of Internet enabled devices capable of capturing and storing information about consumers and their habits. The Council proposed to study the data privacy and security issues facing consumers with emerging Internet of Things (IoT) technologies and devices now being embedded increasingly in Canadians' everyday lives. The research will review the marketplace for these devices, with a focus on security and privacy as disruptive technologies flourish and get more use.

## **MANDATORY ENERGY RATING AND DISCLOSURE FOR EXISTING HOUSES: OPPORTUNITIES AND RISKS FOR CONSUMERS**

The Council proposed to examine options for mandatory home energy rating and disclosure for

existing houses and its potential impact on consumers. The objective will be to develop recommendations for provincial governments that are considering developing energy rating and disclosure systems, to ensure that the systems consider the impact on homeowners.

## **THE IMPACT OF SUBSIDIES ON THE AFFORDABILITY OF BROADBAND IN RURAL AND REMOTE COMMUNITIES**

With the CRTC's decision on the Basic Service Objective proceeding and ISED's launch of the Connect to Innovate initiative (building on the previous Connecting Canadians program), there is clearly strong interest from policy-makers in ensuring broadband service extends to rural and remote regions of Canada. Policy-makers and regulators recognize the need for people living in these regions to keep pace with changing technology and the growing demand of new applications and services, including e-commerce, telemedicine and e-learning. The CRTC has announced its intention to mandate the creation of another fund to build or upgrade infrastructure to deliver broadband to “underserved” communities. What remains unaddressed in these programs is the matter of affordable high-quality broadband.

## **ROBO-ADVICE AND THE FINANCIAL ADVICE GAP**

Robo-advice – discretionary investment accounts provided online – have jumped to the fore in Canada as a low-cost way to invest and as a harbinger of the benefits and “disruptive” impact of “fintech”. They make use of exchange traded funds and low-cost mutual funds to build portfolios for clients according to their risk tolerance – their capacity to absorb a monetary loss. Their emergence comes at a time of change in the regulation of the investment industry,



as securities administrators move from tackling transaction costs (CRM2) to the duty of care an investment provider owes a client. Robo-advice represents a potential breakthrough on the cost front, but leaves to the side the nature of “advice.”

*Research on Consumer Protection, Civil Enforcement & Consumer Advocacy, 2009*

*Nanotechnology and Its Impact on Consumers, 2008*

*Energy Efficiency and Building Codes, 2007*

*Gaps in New Home Warranty Programs Across Canada, 2007*

*Improving the Effectiveness of Consumer and Public Representatives on Delegated Administrative Authorities, 2006*

*Consumers' Willingness to Pay for Climate Change, 2004*

[Download a research report](#)

## COUNCIL RESEARCH AVAILABLE ONLINE FOR FREE DOWNLOAD

*Strengthening the marketplace through a Consumer Protection Framework for consumer online reviews, 2016*

*Towards a National Housing Strategy, 2016*

*Consumer Experiences with Rent-to-Own, 2016*

*In Touch with e-Consumer Protection?, 2016*

*Residential Intensification: The Impact on Consumers, 2016*

*Improving Online Agreements: "It's Not Rocket Science!", 2015*

*Options for a 'Sustained Institutional Role' for Consumer Organizations in 'Internal Trade' Harmonization Initiatives, 2015*

*Consumer Experiences in Online Payday Loans, 2015*

*Stuck in the Middle: Consumers, Transaction Fees and Loyalty Programs, 2015*

*Hockey Equipment Comparison Price Study, 2013 vs. 2014, Canada and United States, 2014*

*Will Consumers Benefit from Enhanced Product Labeling on Energy-Efficient Products?, 2014*

*Consumer Perspective 360° - Residential Intensification: Density and Its Discontents, 2014*

*Report of the Consumer Group Panel on Food Information, Labelling and Advertising, 2013*

*Cyber Threats on Mobile Devices, 2013*

*Do Smartphones Make for Smarter Consumers?, 2012*

*Canadian Consumers' Online Reputations - Awareness, Misuse and Repair, 2011*

*The Impact of Higher Energy Efficiency Standards on Housing Affordability in Alberta, 2011*

*Tax-Free Savings Accounts, 2010*

*Wireless Plans, 2010*

*Corporate Social Responsibility, 2010*

*Assessing Consumer Impacts, 2010*

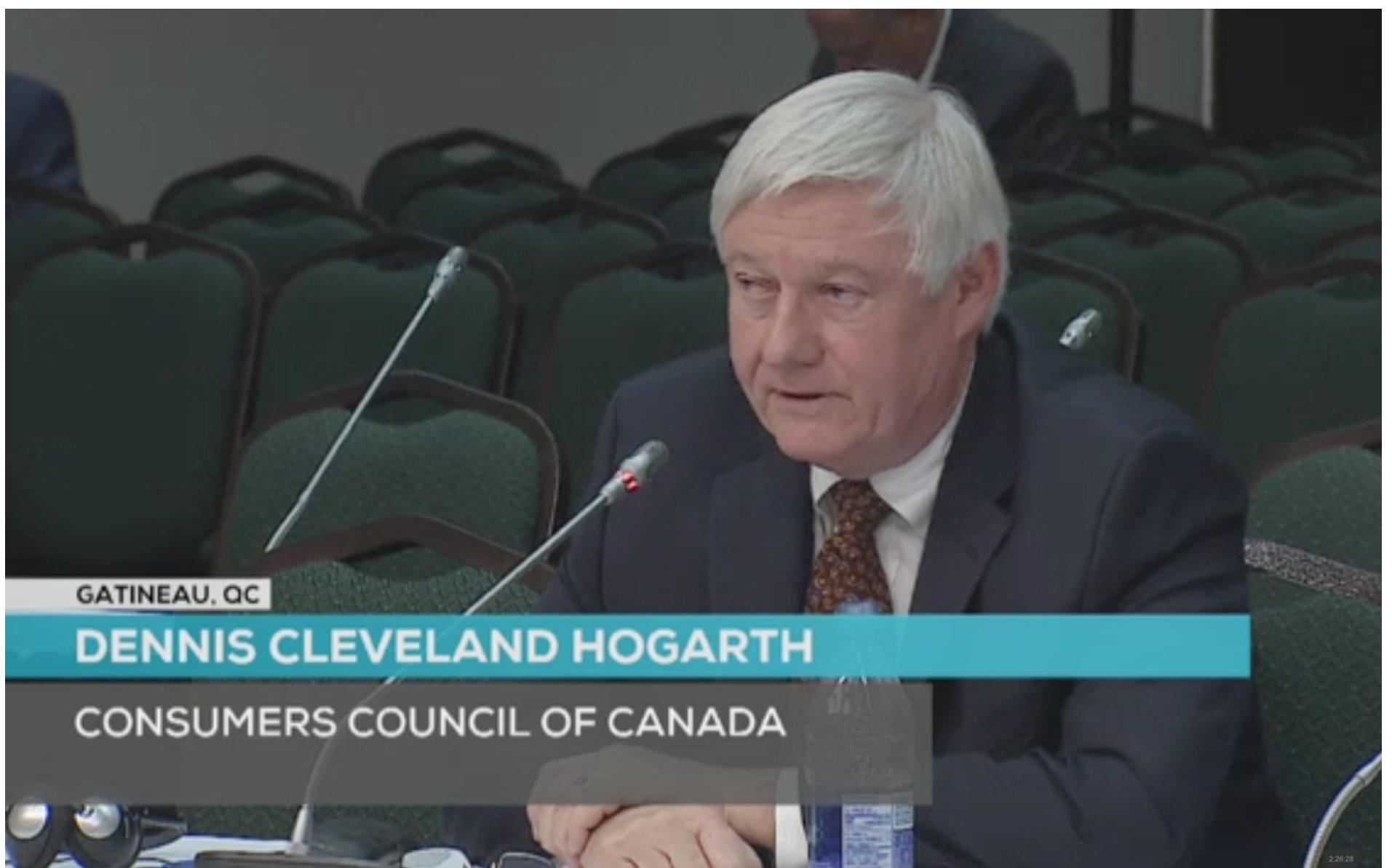
*Sustainable Household Consumption: Key Considerations for a Canadian Strategy, 2009*

*The Ontario Smart Metering Initiative - What Does It Mean for Ontario's Residential Consumers, 2009*

*Long Distance Phone Cards - Are Consumers Satisfied?, 2009*

*Renovation Rip-Offs: Problems and Solutions, 2009*

*Creditors Insurance - Are Consumers Being Well Served?, 2009*



Dennis Hogarth, Council Vice President, testifies at Canadian Radio-television and Telecommunications Commission at the commission's review of the "Wireless Code," intended to protect consumers in wireless services contracts.

## 5

# CONSUMER REPRESENTATION

Members of the Consumers Council of Canada are highly active as representatives of consumers in a wide range of roles and forums. *Almost all of this work is unpaid volunteer work.* The Council is recognized as an experienced contributor to many important public processes that enable consumer protection. The Council continues to turn down more requests and opportunities to consult than it can pursue, for resource reasons.

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## CRTC

The Council represented consumers this year at the Wireless Code review conducted by the Canadian Radio-television and Telecommunications Commission. Dennis Hogarth represented the Council at the associated public hearing.

The Council identified concerns about mobile devices being locked to carrier networks, and the difficulty and costs to get them unlocked. This provides a disincentive to consumers changing service providers, long after they have paid for their cellphone. The Council suggested separating the device agreement from the telecom services agreement. This could make the markets in each of devices and telecommunications services more individually competitive.

**“Wireless Service Providers argue that locking of phones is necessary to prevent fraud. However, when questioned about this during the CRTC hearing, they had difficulty explaining the nature and extent of this fraud.”**

The Council pointed out that the bundling of other, unrelated services with wireless services inhibits inhibit consumers from switching products, by making agreements complex and costly to change, and

frequently resetting anniversary dates of agreements.

**“We believe that the practice of locking phones and charging the consumer an unlocking fee has the effect of reducing competition in the Canadian wireless marketplace.”**

The Council awaits the outcome of the CRTC’s review.



CBC TV News anchor Wendy Mesley introduces report on *The National* about cellphone unlocking



Dennis Hogarth is interviewed on CBC's *The National*, providing the Council's views about unlocking



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## INVESTORS' BEST INTERESTS

The Council provided comment on the Canadian Securities Administrators' Consultation Paper 33-404 concerning proposals to enhance the obligations of advisers, dealers and representatives towards their clients.

With strong leadership from Alison Knight, members of the Council's Financial Services Issues Committee wrote the 13-page comment paper in September 2016. Knight has served on the Investor Advisory Panel of the Ontario Securities and is a lifetime member of the Council

In synopsis, the paper said:

- The Council recommends the financial consumer protections found in High-Level Principles on Financial Consumer Protection endorsed by the G20 Finance Ministers and Central Bank Governors in 2011.
- The Council agrees that the CSA's proposed framework for a regulatory 'best interest' standard is consistent with the fundamental principles of integrity in the capital markets and investor protection which underlie Canadian securities legislation.

- It is time for Canadian securities regulators to stop blaming the investor. The product-centric suitability approach to protection, which relies on disclosure “working”, ignores fundamental truths and societal norms. It not only harms investors, it has created a regime within which investors will be deliberately and intentionally harmed.
- A ‘best interest’ approach to investor protection is investor-centric and aligns with regulatory goals and purpose. A best interest standard treats investor interests – individually and as a collective – as paramount. It protects against those who are self-regulated engaging in practices that are self-serving.
- The Council is in the company of other investor-protection oriented organizations calling for better retail investor protection.
- A regulatory approach which puts the retail investor interests as paramount would necessarily have provided a system of accessible, fair and affordable redress and restitution many years ago. Now is the time to get that done.

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## CONDOMINIUM AUTHORITIES

In late 2015, action was taken to better protect condo owners by passing the *Protecting Condominium Owners Act*, 2015, marking the first overhaul of Ontario's condo laws in over 16 years.

Aubrey LeBlanc, the Council's immediate past president, has been named chair of the Condominium Management Regulatory Authority of Ontario. CMRAO's mandate is to strengthen consumer protection and support healthy, positive condominium communities by working toward implementation of an effective condo manager licensing system. To inform its plans, the authority convened a Stakeholder Implementation Working Group, which the Council's Housing Issues Committee Chair Marshall Leslie joined. Members of this Working Group get the opportunity to provide feedback and practical insights and to hear about key factors that the CMRAO must consider in establishing its operations.

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## ENERGY

### NATIONAL ENERGY BOARD

In December, the Council wrote the National Energy Board Modernization Expert Panel to lament the state of consumer representation before the NEB. The Council complained that there is no mechanism for cost-funded intervention for bona fide consumer representative groups before the NEB. Thus, Canadian consumers are glaringly denied more effective models for representation, such as before the CRTC at the federal level of government and the Ontario Energy Board at the provincial level in Ontario.

Also, the Council expressed concern that there is no mechanism for the National Energy Board to regularly and properly consult consumer representative groups outside of its hearing process. And it suggested the formation of a Stakeholder Advisory Council such as exists at Payments Canada, which operates the core of Canada's payments system linking financial institutions to the Bank of Canada for clearing and settlement of transactions.

**“... consumer representation is rarely if ever requested for decisions of long range impact. What is known, suspected or simply believed by Canadians is that the lobbyists for powerful interest groups are always there to be heard ... without the presence of independent, capable parties concerned for consumer rights to either challenge or support the views being heard concerning decisions affecting consumers.”**

Similarly, the Council is able to participate in regular meetings with other agencies of the federal government, including Competition Bureau, Canadian Radio-television and Telecommunications Commission, Financial Consumer Agency of Canada, Canadian Food Inspection Agency and the Office of the Privacy Commissioner of Canada.

The Council is a member of an advisory committee convened by the chair of the Ontario Energy Board, as well.

The lack of capable representation of retail consumers of energy at the National Energy Board is a serious deficiency of the system.

## ONTARIO ENERGY BOARD

The Council regularly participates as an intervenor in Ontario Energy Board (OEB or Board) natural gas and electricity utility rate applications. In addition, the Council participates in the OEB's consultation process and policy reviews that deal with a wide range of issues relevant to electricity and natural gas regulation. The following sets out the major applications and policy reviews that the Council was involved in over the last year.

## ELECTRICITY

The electric utilities are regulated by the OEB under the Renewed Regulatory Framework for Electricity.

That framework provides a number of multi-year rate-setting models that the utilities may choose to apply for. Over the last year the larger utilities have been on multi-year plans and applied for relatively simple one-year rate adjustments consistent with those plans. The Council participated in the proceeding for Horizon Utilities Corporation. It participated in the application by London Hydro for approval of rates beginning January 1, 2017. In addition, it participated in the proceeding to deal with Hydro One Networks Inc. Transmission application for approval of rates for a two-year period beginning January 1, 2017.

### **Move to 100% Fixed Distribution Charges**

In April 2015 the OEB established a policy that requires distribution utilities to move their rate structures (for residential ratepayers) from a combination of fixed and variable charges to a 100% fixed charge. The Council had originally opposed the policy primarily because of its negative impacts on conservation efforts and small volume customers. In July 2015 the OEB directed utilities to phase the rates in over a four-year period (beginning in 2016), or over a longer period if the annual bill impacts for lower volume customers resulting from the implementation exceeded 10%. All of the electric utilities are making annual adjustments to their rates as they move towards the 100% fixed charge rate structure.

### **Hydro One Networks Inc. (Transmission) – 2017 and 2018 Rates**

Hydro One Networks Inc. (HON) applied to the OEB for approval of rates for the period January 1, 2017 to December 31, 2018. The proposed rate increases (2.16% for 2017 and 4.8% for 2018) result in large measure from significant increases in spending as



part of HON's capital plans. The proposed budgets for the two-year period are significantly above historical levels. The Council argued for reductions in the capital budgets on the basis that HON did not undertake a robust planning process and that the increases were not justified. The Board's Decision in this case is pending.

### **Horizon Utilities Corporation – 2017 Rates**

Horizon Utilities Corporation (Horizon) had a five-year rate plan approved by the OEB for the period 2015-2019. Horizon applied for approval of rates for 2017. The Council intervened in order to ensure that the 2017 rate adjustment was consistent with the approved rate plan. After a brief discovery process, it concluded that the application was consistent with the plan and the rates should be approved as filed.

### **PowerStream Inc.**

PowerStream Inc. filed for approval of rates for a five-year period beginning January 1, 2016. The application was for significant rate increases over the period largely related to its capital plan. At the time PowerStream filed its application there had been announcements regarding a proposed merger of PowerStream, Enersource, Horizon, and Hydro One Brampton. The OEB allowed parties to make submissions on whether the merger should be a consideration for the Board in determining rates for PowerStream. The Council took the position that the merger was relevant and it would be inappropriate for the Board to set rates on a stand-alone basis with a pending merger. The OEB rejected those arguments and determined that it was appropriate and consistent with its own policies regarding mergers and acquisitions.

The hearing proceeded even though at the time the merger had been approved by all of the relevant municipalities. The Council and the other ratepayer groups challenged the proposed budgets for the five-year period in a number of areas and argued that its proposed rate plan was not consistent with the OEB's Renewed Regulatory Framework for Electricity (RRFE). The Board's decision in this case, released on August 4, 2016, was to reject PowerStream's application for a five-year rate term as it was not consistent with the RRFE and did not advance the Board's policy objectives as set out in the RRFE. Instead they approved rates for 2016 based on the application of its approved incentive rate-making formula. For 2017 the Board made downward adjustments to PowerStream's proposed capital and operating budgets. Rates beyond 2018 will be set on the basis of the formula approach.

### **Merger**

PowerStream, Enersource, and Horizon applied to the OEB to seek approval to amalgamate and purchase the shares of Hydro One Brampton. The Council participated in this proceeding. Although it did not oppose the merger, as it is expected to generate operating savings over time, it did oppose many elements of the application.

Although the application was made pursuant to the Board's policies regarding mergers and acquisitions, the proposals in the Council's view did not appropriately balance the interests of the utilities and their customers. Under the proposed plan the new merged entity is not required to share savings generated through operating efficiencies with its customers for at least six years. They are not required to re-base their rates for 10 years, but can come before the Board during that time and seek

increased rates for incremental capital requirements. The Council argued that the merger should be focused on benefiting the customers and not taking money out of the electricity sector (through increased profits) to benefit other sectors.

The Board approved the application on the basis that it was consistent with its policies and there would be “no harm” to the customers if the merger was finalized. There will be ongoing annual rate applications for each of the four rate zones throughout the plan term, but these will only be dealing with a limited set of issues. There is no further opportunity for us to advance a revenue sharing mechanism for the customers.

#### **London Hydro Inc. – 2017 Rates**

London Hydro Inc. (London) applied for approval of its rates for 2017. The application was for one year and thereafter London’s rates will be set on the basis of the OEB’s price cap incentive rate-making model. London had applied for relatively modest rate increases. Through a negotiated settlement process the parties (London and the intervenors) agreed to a revenue requirement (on which rates are set) that included some reductions to the capital and operating budgets. For residential customers the bills are not increasing relative to current levels, although London is required to increase the fixed charges as per the OEB’s policy. The Board accepted the Settlement Agreement.

#### **Ontario Power Generation Inc. - 2017-2021 - Payment Amounts**

Ontario Power Generation Inc. (OPG) applied in May 2016 for approval of payment amounts for the period January 1, 2017 to December 31, 2021. The Council has intervened in this proceeding. The

consumer impact arising from OPG’s application will be significant as it intends to apply for approval to recover the initial costs of the Darlington Nuclear Refurbishment Project. Need for the project has been determined through Ontario Government regulation, but the cost impacts will be considered in this proceeding by the OEB. The proceeding is also considering the cost impacts of extending the operations at the Pickering nuclear generating station out until 2024.

The hearing was completed on April 12, 2017. The next stage in the process is for parties to submit final argument by the end of May.

## **NATURAL GAS**

#### **Union Gas**

Union Gas Limited (Union) applied for its annual rate adjustment for 2017 as it is in year 4 of its 5-year incentive rate-making plan. It also applied for approval to dispose of the balances in certain OEB approved accounts. The Council participated in these proceedings that dealt with a limited number of issues that were not contested by parties. The annual rate adjustments are largely mechanistic.

#### **Enbridge Gas Distribution**

Enbridge Gas Distribution Inc. (Enbridge) applied for its annual rate adjustment for 2017 as it is in year 4 of its 5-year incentive rate-making plan. It also applied for approval to dispose of the balances in certain OEB approved accounts. The Council participated in these proceedings that dealt with a limited number of issues that were not contested by parties. The annual rate adjustments are largely mechanistic.

#### **Cap and Trade**

On March 10, 2016, the OEB initiated a consultation process to develop a natural gas regulatory

framework to support the implementation of Ontario's proposed Cap and Trade program. The focus of the process was to develop approaches to assess compliance plans developed by the natural gas utilities and methods for recovery of costs from ratepayers. The Council and other interested parties made submissions on an OEB Staff Discussion Paper setting out the issues regarding options for a compliance plan framework. On September 26, the OEB issued a report setting out the framework for compliance plans.

Union and Enbridge have made applications to the Board requesting approval of their compliance plans. The Council has intervened in the combined proceeding. Its primary focus will be on the costs of implementing the plans. Intervenor's have a restricted role, as much of the evidence regarding strategies has been deemed confidential. The proceeding will commence on April 8, 2017.

### **Community Expansion**

On February 5, 2016, the OEB initiated a generic proceeding to consider mechanisms that may be used to recover the costs of expanding natural gas service to Ontario communities that are currently not served by Union and Enbridge. Under the existing Board policies gas expansion projects are only approved if they are economic and the revenues over time pay for the costs. The policy was put in place to ensure that new community expansion projects are not subsidized by the existing customer base.

Both Union and Enbridge made proposals that would result in new expansions that would be funded in part by existing customers. Although the new customers would benefit from lower fuel costs,

they would not be required to pay for the full cost of the expansion to their communities. Many of the expansions proposed by Union and Enbridge were very uneconomic. Together Union and Enbridge would be bringing natural gas to approximately 34,000 customers at an overall cost of more than \$500 million. The Council opposed the proposals on the basis that the existing customers should not be required to fund expansion that essentially brought them no benefit. Instead it proposed that the utilities be allowed to charge location-specific rates for new communities. The customers in those communities could essentially fund the expansion costs through their lower heating bills (using natural gas rather than other more costly fuels). The OEB rejected the utility proposals on the basis that cross-subsidies are not appropriate. Customers of a monopoly service should bear the costs required to serve them and should not be given a subsidy by the other customers that are not getting any benefit. The OEB also accepted that location-based rates should be permitted to facilitate gas expansion, something that had not been approved before. Under the new framework, communities can choose gas service if they are willing to pay for it.

## **OTHER INITIATIVES**

### **Independent Electricity System Operator**

Julie Girvan continues to be a member of the Stakeholder Advisory Committee to the Board of Directors. This stakeholder group advises the IESO's independent board.

### **Ontario Fuels Sector Review for the Long-term Energy Plan**

Last Spring and Summer, the Council sent our Executive Director and the chair of our Housing and Energy Committee to participate in the Ontario



Ministry of Energy “Fuels Sector Working Group”, at the invitation of the Ministry. The working group was asked to help develop a fuels sector long term energy plan (natural gas, oil and propane) to advise on key themes and potential opportunities, and provide technical advice, information and data.

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## HOUSING

### ONTARIO REVIEW OF TARION WARRANTY CORPORATION

The Council participated in the independent review of the Ontario *New Home Warranties Plan Act* and the Tarion Warranty Corporation that was launched in November 2015, by the Minister of Government and Consumer Services. Retired Justice Douglas Cunningham was appointed Special Advisor and the Council gave him two written presentations, as well as participating in consumer consultations. Mr. Cunningham singled out the Council – with thanks – in his interim report and mentioned the Council for its contribution in his final report. The Council has supported a single warranty provider, changes to Tarion’s Consumer Advisory Council, increased consumer education, improved inspections, expanded coverage, and better options for adjudicating warranty claims. Many of the Council’s concerns were mentioned in both Justice Cunningham’s report and a subsequent policy statement made by Ontario’s Minister of Government and Consumer Services.

## NATIONAL HOUSING STRATEGY CONSULTATION

In Spring 2016, Canada Mortgage and Housing Corporation (CMHC) announced a consultation on the development of a National Housing Strategy called “Let’s Talk Housing”. The Council sent Marshall Leslie (chair of the Council’s Housing and Energy Committee) to participate in national consultations in September, and made a written submission in October entitled *Towards a National Housing Strategy: A Consumer Perspective* that can be [downloaded from the Council’s website](#). Our submission described the Council’s past and present activities in the housing marketplace, and singled out the most important “pillars” that describe consumer protection, consumer choice and priority special needs.

## NEW ONTARIO HOUSING RELATED LEGISLATION

The Council has been active in advocating for several years for components of Ontario’s Bill 59, the Putting Consumers First Act, which at this writing has been ordered for third reading and, if passed would:

- regulate the home inspection industry to better protect consumers;
- curb door-to-door contracts for certain to be prescribed goods and services, in particular involving heating, ventilation and air conditioning systems.



The Council was an earlier supporter of a private members bill in the Ontario Legislature to curb door-to-door sales abuses, which was later incorporated into the provincial government’s Bill 59.

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## CONSUMER INFORMATION

### ONLINE CONSUMER REVIEWS

Howard Deane is the convenor of the international Working Group 1 of ISO'S TC 290 (Online Reputation), which is drafting the ISO 20488 on Online Consumer Reviews. It is about to be released at the Inquiry Stage for public comment. A final standard should be available early next year. The standard is applicable for online consumer review platforms and their processes for the collection, moderation, and publishing of these reviews. Research conducted for the Council by Deane, [\*Strengthening the marketplace through a Consumer Protection Framework for consumer online reviews\*](#), provided considerable input into the drafting process. He recently participated in the Standards Council of Canada and CSA Group's ISO International Workshop on The Sharing Economy, a fundamental piece of which is the trust mechanism provided by online reviews. The resulting ISO International Workshop Agreement is expected late this summer.

### PRODUCT INFORMATION FOR CONSUMERS

On behalf of the Standards Council of Canada, Dr. Elizabeth Nielsen was the Canadian representative for the revision of ISO/IEC Guide 14 Product Information for Consumers. The Guide's primary purpose is

to advise those responsible for drafting national or International Standards on what information prospective purchasers (whether goods or services) require and expect. Improving the quality of information increases consumers' ability to make a reasoned choice at the point of purchase. They help to minimize the risk of incorrect or inappropriate purchases or contracts. Consumer uncertainties are reduced and consumer satisfaction is increased.



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## FOOD & DRUGS

### FOOD, DRUGS AND THE ENVIRONMENT

Sherry Monahan served as the Council's representative to the Health Canada Consultation on Non-regulatory Initiatives to Reduce the Release into the Environment of Food and Drugs Act Substances and Products. The consultation has offered an opportunity for stakeholders to discuss where existing non-regulatory initiatives could potentially be improved or better supported, and where development and implementation of new such initiatives may be appropriate.

In the context of the consultation, non-regulatory initiatives were defined as voluntary initiatives (therefore non-binding) that can take the form of policies, guidelines, standards of practice, procedures, environmental stewardship programs, extended producer responsibility, good manufacturing processes, etc., designed to reduce the exposure of the environment to products subject to the Food and Drug Act throughout their lifecycle.

The consultation touched on four themes, summarized in the following table.

Theme	Description
Take-back Programs	Canada does not have nationwide take-back programs for consumers for any Food and Drug Act products. Efforts to harmonize, streamline and coordinate the programs/strategies that do exist at the provincial/territorial, municipal and community levels (and to implement programs where none currently exist), and methods of facilitating the return of F&DA products by consumers, could lead to the reduction in the risks to the environment and indirectly to human health posed by improperly used, stored and discarded F&DA products.
Education and Guidance	Effective communication and education methods will be key to improving and leveraging existing non-regulatory initiatives, such as take-back programs, to reduce potential environmental impacts. NRI will need to focus on educating stakeholders for maximum impact. Most of the suggestions provided under this theme address human drugs and personal care products, sharps and veterinary drugs.
Logos and Labelling	Improvements to the development and use of logos and labelling could play a key role in educating stakeholders and consumers on proper disposal practices. PPCPs, sharps and veterinary drugs would be the main products targeted for NRI for this theme.
Uniform Definitions, Information Monitoring and Tracking	Large-scale coordinated management of Canada's F&DA products requires a common understanding of terminology and definitions, and appropriate information monitoring and tracking procedures.

Source: Health Canada, *Summary Report for the Consultation on Non-regulatory Initiatives to Reduce the Release into the Environment of Food and Drugs Act Substances and Products*, 2017

## FOOD INFORMATION, LABELLING AND ADVERTISING

Health Canada and the Canadian Food Inspection Agency have conducted public meetings to present its plans for updating the nutrition facts label on packaged foods. In November 2016, Council Executive Director Ken Whitehurst presented in Ottawa to a group of consumers brought together to learn more about the Health Canada/CFIA initiative. On December 14, 2016, amendments to nutrition labelling, list of ingredients and food colour requirements of the Food and Drug Regulations came into force. Amendments dealing with food

colour specifications and removal of the synthetic colour certification requirement were effective then. However, regulated parties have a five-year transition period to meet the new requirements. The Council made a contribution to this process by producing the [\*Report of the Consumer Group Panel on Food Information, Labelling and Advertising\*](#), 2013. The Council has represented consumers at CFIA’s Consumer Association Roundtable, which also last met in November.

Dr. Elizabeth Nielsen participated in public consultations on labelling of food, and drugs; revised regulations for drugs, natural health products and

cosmetics; and regulations under the consumer product safety act.

CFIA's [consultation on the proposed Safe Food for Canadians Regulations](#) closes soon. These regulations will implement a major reform of the food safety system.

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## TRAVEL

### ONTARIO TRAVEL INDUSTRY REVIEW

The Ontario Ministry of Government and Consumer Services has been conducting [a review of the Travel Industry Act and Regulation](#), to which the Council has offered representation.

Goals of the government's review are to update and modernize the consumer protection legislation, to strengthen protection for consumers buying travel services in Ontario.

The review is badly needed because of significant shifts in the way travel services are promoted and sold, as consumers flock to the Internet to order travel services, in many cases bypassing traditional travel brokers, around which the Act was framed in 1975, 1997 and 2002. One of the Council's research projects this year focused on credit card redress mechanisms in "distant transactions," which today describes most travel service purchases.

The Council has heard the concerns of Ontario consumers who have experienced regulatory confusion when they approach the Travel Industry Council of Ontario (TICO), which advertises itself as "Ontario's Travel Regulator", for dispute resolution and find out TICO

did not have regulatory authority over their transaction. Some consumers have expressed feeling misled by TICO's mandate claim or frustrated to find it impossible to identify regulated versus unregulated service offerings.

## THANKS TO TRICIA JENSEN

The Consumers Council of Canada wishes to recognize Tricia Jensen for her 12 years of dedicated service on the board of directors of TICO, representing Ontario consumers.

Tricia, a member, former board member and Treasurer of the Consumers Council of Canada, ended her service on the TICO board in December 2016. Her long tenure on the board, representing consumers, is unlikely to be repeated, because board members now serve two-year terms with one renewal permitted.

Vacancies for positions previously held by consumer representatives exist on the board of directors of TICO, as of the date of preparation of this report.



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## CONSUMER PRODUCTS

### ANTI-COUNTERFEITING

Christine Simpson has represented the Council on the Intellectual Property Rights (IPR) Enforcement Working Group, which has recently been reconvened and was to meet in April in Ottawa. The group consists mainly of law enforcement agencies (eg. CBSA, RCMP), the Canadian Anti-counterfeiting Network (CACN) and IP lawyers.

The goal is to coordinate efforts to maximize efficiency and value now that there are new tools available in the *Combating Counterfeit Products Act*. It is important to have consumer representation on the working group, which is currently very business oriented. Since the aim of the legislation is, in part, to protect consumers it is only reasonable that the Council participate in these bi-annual meetings focused on enforcement.

### UPHOLSTERED AND STUFFED ARTICLES

Dr. Elizabeth Nielsen has been involved with monitoring the review and revisions to the Ontario *Upholstered and Stuffed Articles Act*. The Act currently requires all manufacturers of stuffed articles to register and apply stuffing labels to all identified articles. A program

evaluation done by KPMG has recommended the province roll back the scope of the legislation to require only mattresses to be labeled. Consumers' health and safety concerns are not recognized in this proposal, and the Council's position put forward by Dr. Nielsen is to convince the government that this restriction in scope is not beneficial for consumers.

## MANAGEMENT OF PUBLIC RISKS

Dr. Nielsen participates as the consumer representative on a development committee to develop guidelines on Management of Public Risk for the National Public Safety Advisory Committee (NPSAC), with the purpose of arriving at a framework for developing public policy across risk sources, governments, regulators and risk bearers. NPSAC is the national body working at the policy level to promote the common adoption and consistent administration of safety codes and standards for the following discipline areas:

- elevating devices; passenger ropeways (i.e.: ski lifts)
- amusement rides
- fuel (i.e.: oil, natural gas and propane)
- boilers and pressure vessels
- electrical safety

## POTENTIALLY HAZARDOUS SUBSTANCES

Dr. Nielsen sits on the Stakeholder Advisory Council for the Canadian Chemical Management Plan (CMP). The CMP is a Government of Canada initiative aimed at reducing the risks posed by chemicals to Canadians and their environment. The current phase of the CMP, launched in May 2016, will address the remaining 1,550 priority chemicals out of the original 4,300 chemicals identified as priorities

during the categorization. Canada's Minister of Health and Minister of Environment and Climate Change have committed to addressing these chemicals by 2020.

CMP's Stakeholder Advisory Council is a multi-stakeholder group that contributes to the implementation of the CMP. Its purpose is to provide stakeholders the opportunity to offer advice and input to Government on the implementation of the CMP, and to foster dialogue on issues pertaining to the CMP between stakeholders and government, and among stakeholder groups. Issues may include risk assessment, risk management, risk communications, monitoring, research, indicators of success, chemical policy, and other cross-cutting, integrated activities across the CMP.

In a similar role, Dr. Nielsen is a member of the Consumer Advisory Committee and the Natural Gas Advisory committee for Ontario's Technical Standards and Safety Authority. The purpose of the committee is "to provide independent, non-partisan advice and guidance on any aspect of TSSA which has an impact on the public or on consumers who are purchasers or users of products and/or devices regulated by TSSA, and affects public safety of activities regulated by TSSA." In addition, she is a consumer representative on the Natural Gas Industry Advisory Committee of TSSA.

## NANOTECHNOLOGY

Dr. Nielsen participated in a national symposium and workshop on nanotechnology organized by Pollution Probe and McGill University, where she provided information about opportunities and concerns related to nanotechnology in consumer products.

# ONGOING CONSUMER REPRESENTATION

Organization	Role	Sector
Advertising Standards Canada	Board of Directors	Advertising
Advertising Standards Canada	Children's Clearance Committee	Advertising
Independent Electricity System Operator	IESO Stakeholder Advisory Committee	Energy
Hydro One Networks	Customer Advisory Board	Energy
Canadian Payments Association	Stakeholder Advisory Council	Financial Services
ICANN	North American Regional At-Large Organisation	Internet
Canadian Food Inspection Agency	CFIA Consumer Association Roundtable	Food
Competition Bureau	Fraud Prevention Forum	Fraud Avoidance
Pharmaceutical Advertising Advisory Board	Board of Directors	Health
Condominium Management Regulatory Authority of Ontario	Chair, Interim Board of Directors	Housing
Bereavement Authority of Ontario	Interim Board of Directors	Bereavement
Standards Council of Canada	Consumer Panel	Standards
Technical Standards and Safety Authority	Consumer Advisory Council	Standards Enforcement
Commissioner for Complaints in Telecommunications Services	Consumer Representatives Working Group (Unofficial)	Telecom
Travel Industry Council of Ontario	Board of Directors	Travel
Canadian Standards Association	Consumer Representation	Many
Waste Diversion Ontario	Board of Directors	Waste Management
Ontario Securities Commission	Investors Advisory Panel	Financial Services
Canadian Partnership on Public Policy-Oriented Consumer Interest Research	Partner/Executive Committee	Academia



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## ABOUT THE COUNCIL

The Consumers Council of Canada works towards an improved marketplace for consumers.

Working together, our members form Canada's most active, multi-issue consumer group. A non-profit, voluntary organization, the Council works with consumers, business and government towards efficient, equitable, safe and effective markets, in which consumers know their rights and understand their responsibilities and in which strong consumer protection exists when they do not.

# BOARD OF DIRECTORS – 2016-17

## **Don Mercer**, President

Don Mercer has been involved in a variety of roles with the Council since he retired in April 2007 after a long career in Ottawa, Toronto and Vancouver with Competition Bureau Canada, which administers the Competition Act, the Consumer Packaging and Labeling Act, the Textiles Act and the Precious Metals Marking Act. These laws, intended by Parliament to foster healthy competition and a trust in the marketplace, interdict anti-competitive behaviour, such as price-fixing and abuse of dominance among marketplace players and help ensure trust in Canada's marketplace by outlawing misleading advertising, misrepresentations, fraud and deception.

Don and spouse Susan are ardent boaters, hikers, walkers and global travellers. Don is past Commander, Vancouver Power and Sail Squadron, a Unit of Canadian Power and Sail Squadrons (CPS), and is currently national MAREP (marine reporting re navigation chart and aids to navigation issues), officer of CPS as well as holding CPS Pacific Mainland District and Vancouver Island North District positions.

He resides in Ladysmith, B.C.

## **Dennis Hogarth**, Vice President

Since entering the audit and accounting profession, Dennis Hogarth has been a pioneer and leader in the innovative uses of digital information in large

organizations and in the management of the associated risks. Dennis has more than 38 years of experience working with KPMG, including 27 years working in international leadership positions as a Partner. Starting in the Toronto Office in 1973, he moved to KPMG's National Office in 1984 where he headed up the Computer Audit and Audit Automation initiatives for the Canadian firm. In 1994, Dennis moved to KPMG's International Headquarters in The Netherlands to form and lead the firm's first Global Technology Group. After returning to North America in 1999, he continued working for KPMG International as a Partner in KPMG's U.S. firm, where he formed and led a global team devoted to the assessment and mitigation of risks associated with the emerging uses of IT, focusing on cross-border personal data privacy and client confidentiality issues in particular.

Dennis' primary focus for the past decade has been in the area of Information Risk Management, concentrating on emerging issues surrounding Personal Data Privacy, Information Risks, IT Security and Data Governance.

As an avid sailor, Dennis participated as a member of the Canadian Admiral's Cup Sailing teams in 1979 and 1983. From 1982-1986, he served as a director of Toronto Brigantine Inc., a not-for-profit organization dedicated to building character in youth through sail training. In 1987, he was elected as a member of the Committee of Management of the Royal Canadian Yacht Club, and went on to serve as



Vice-Commodore, Finance and Administration from 1990-1993. He also served as a Trustee of the RCYC Capital Trust Fund, and a member of the RCYC Long Range Planning and Canada Cup Committees before moving overseas in 1994. Since returning to Canada in 2009, Dennis has resided in Port Hope, Ontario with his wife and two children. He currently serves as Treasurer of the Port Hope Branch of the Architectural Conservancy of Ontario, a Trustee of the Capitol Theatre Endowment Trust Foundation and as a member of both the Risk and Audit Committees for the Port Hope Community Health Center.

He resides in Cobourg, Ontario

**Simon Wong**, Secretary

Simon Wong is an information professional who focuses on the complex interplay between business needs and information systems. He has been involved in the design and implementation of a variety of information system projects, including the Public Policy and Governance Portal spearheaded by the University of Toronto, and the OCREB Online system under the Ontario Institute for Cancer Research.

He resides in Markham, Ontario.

**Howard Deane**, Treasurer

Howard Deane owns Acme Metric Company Ltd., a Greater Toronto Area based consultancy in social media, web analytics, knowledge management and search engine optimization. He is a Chartered Accountant with more than 30 years of experience, most of it with KPMG, where he was the Chief Knowledge Officer of the Canadian firm, managing significant portions of the firm's knowledge and

research functions. He also ran the IT Consulting Group for KPMG in the Bahamas.

He resides in Pickering, Ontario

**Paul Bates**, Director

Paul Bates has extensive experience in high-stakes business litigation, class actions, and appeals, including commercial relationships of every kind, securities litigation and shareholders remedies, franchise and distribution law, financial services, real estate development, intellectual property, professional liability, and class proceedings.

In his 30 years of professional experience, Paul has appeared at all levels of the Canadian court system, including the Federal Court of Appeal, and the Supreme Court of Canada, generating countless reported decisions.

Paul has extensive experience in the full range of interlocutory and permanent extraordinary remedies, including mandatory and prohibitory injunctions, Anton Pillar orders, Mareva injunctions, Norwich Pharmacal orders, receiverships, and special statutory remedies.

Paul is experienced in complex international reinsurance claims and disputes, including AIRROC and ARIAS-U.S. practice.

Paul is a frequent presenter at continuing legal education programs sponsored by The Canadian and Ontario Bar Associations, the Law Society of Upper Canada, the Advocates Society and commercial providers of CLE. Paul's papers have been published in numerous professional journals, including the prestigious Advocates Quarterly, on diverse topics.

He resides in London, Ontario

**Julie Caissie**, Director

Julie Caissie is currently working for Neil Squires Society as an Employment Specialist and is also the business owner of JC Research and Consultation. She has bachelor's and master's degrees in family studies and a doctorate in francophone minority education from the Université de Moncton. She just recently obtained the Newborn Behavioral Observation certification (level 1) from the Brazelton Institute located in Boston. She is a member of the Greater Moncton Chamber of Commerce, the International Federation for Home Economics, the New Brunswick Common Front for Social Justice and the New Brunswick Home Economics Association. She is acting as a member of the continuing education committee for NBHEA and she is also responsible for their Facebook page.

She resides in Dieppe, New Brunswick

**Dolly Gerrior**, Director

Dolly Gerrior is a project management professional with experience across a variety of sectors. She is currently working on regulatory process improvement in support of an integrated technology solution for a provincial financial regulator. Dolly actively promotes the consumer interest as it applies to her work. Dolly is an active consumer representative as a member of the Consumers Advisory Council for Technical Standards and Safety Authority. In the past, she was actively involved in the development of Consumers Council of Canada's youth network, and developed and assisted a number of the Council's research projects.

She resides in Toronto, Ontario.

**Aubrey LeBlanc**, Director

Aubrey LeBlanc, immediate past president of the Council, is Chief Administrative Officer, Ontario Building Officials Assoc., as well as principal of his own building and residential consultancy, with services that include: strategic planning, government relations, negotiation and dispute resolution, crisis management, research and policy analysis, training and association management. His clientele has been: governments and agencies, builders and developers, consumer groups, political parties, start-up businesses, construction materials and innovation enterprises, and industry and professional organizations. He is currently providing executive management services to a major energy services company, and national home inspection franchisor.

Aubrey was Senior Associate in Public Affairs at Hill & Knowlton Canada, specializing in the areas of building, urban development, infrastructure, and conservation. He was the Chief Operating Officer of the Ontario Association of Home Inspectors, Executive Director of the Association of Architectural Technologists of Ontario, and created training platforms for the Ontario Building Officials Association.

For a decade, Aubrey was CEO and Registrar of one of the consumer protection delegated administrative authorities of the Government of Ontario - the Ontario New Home Warranty Program (now TARION). He also served as Director of the branch in the Ministry of Municipal Affairs and Housing responsible for the Ontario Building Code, and was Chief Building Official for Ontario. His relationship with the building code and standards authorities

continues to today via several technical project contracts, chairmanship of the Part 9 Technical Advisory Committee for the Ontario Building Code, member of the Building Advisory Committee to the Minister of Municipal Affairs and Housing, and Vice Chair of the Canadian Standards Association's Construction and Civil Infrastructure Strategic Steering Committee, responsible for all built environment standards.

Internationally, Aubrey has represented the Canadian building industry and the Governments of Canada and Ontario as a conference keynote speaker, representative or consultant in Washington, Holland, Germany, Chile, Great Britain, Australia and most Canadian provinces, and provided counsel to several other national jurisdictions around the world.

As a volunteer, in addition to serving as President of the Council, he has been Chair of the Board of the Hearing Foundation of Canada and served on the Board of Alumni Western.

Aubrey has an Honours BA in Geography from Western University (formerly UWO), M.Sc. from the University of Wisconsin (Madison), and an MBA from York University (Schulich).

He resides in Toronto.

#### **Marshall Leslie, Director**

Marshall Leslie is the owner and principal of M. Leslie Inc., a consulting firm in Toronto, Ontario, Canada. Since 1985 – employing a project based business model – the firm has helped integrate the market plans, competitive analyses, market research, forecasts, and distribution plans of manufacturers, and other organizations, that serve the construction

industry. Clients include some of North America's largest manufacturers of building products, Canadian and American trade associations, independent power generators, First Nations, and standards development organizations.

He resides in Toronto.

#### **Sherry Monahan, Director**

Sherry Monahan has spent 25 years as President or Vice President of organizations directing consultations with health care organizations across Canada and internationally. She is experienced in professional staff recruitment, team building and delivery of services, aimed at achieving superior client satisfaction.

She has led interdisciplinary health teams, with service providers from the full care continuum, to implement best practices, improve patient flow, reduce length of stay and improve benchmark performance. Expertise in performance improvement, process redesign and change management, applied to processes in the clinical setting. Her clients have included academic health science centres, community general hospitals, provincial ministries of health and community-based agencies. Sherry has a BSCN, Nursing, from the University of Washington, Seattle and an MBA from Concordia University.

She resides in Toronto.

#### **Andrea Rosen, Director**

Andrea Rosen has more than 30 years experience in law enforcement and regulation. She was a senior executive in the Canadian public service, and has deep and extensive experience in law enforcement

and fostering compliance with regulations. Andrea is now President and CEO of Andrea Rosen & Associates, and draws on this experience when providing private sector firms with advice on how to design compliance programs to ensure adherence to laws and regulations and demonstrate due diligence. She also provides advice and technical assistance to governments that seek to optimize their legal and regulatory regimes, providing blueprints for concept and design, mounting and operating enforcement programs, and advising on strategic direction.

She resides in Ottawa.

**Christine Simpson**, Director

Christine Simpson is an experienced consultant with extensive knowledge of consumer product safety issues. She developed her experience based on her many years of public service as a Consumer Product Safety Officer at Health Canada. She has specialized knowledge about toys, children's products, textiles and consumer chemical products and has more than 35 years of experience working with manufacturers, importers and third-party test labs in Asia and the U.S. related to ensuring compliance with Canadian requirements.

She resides in Toronto.

**Sally Southey**, Director

A seasoned bilingual leader with 35 years of Canadian and international experience managing difficult communications challenges, shaping policy and advocating for Canada, Sally Southey is president of Southey Consultants. She provides strategic communications and policy advice and execution, including planning, messaging, writing, and media relations. She has served as Director

General Strategic Communications and Parliamentary Affairs, Canadian Radio-television and Telecommunications Commission; Vice President, External Relations and Communications, Natural Sciences and Engineering Research Council (NSERC); Minister-Counsellor Public Affairs, Canadian Embassy, Washington, D.C.; Director of Communications for different sectors for Industry Canada, Senior Policy Analyst, Communications, Privy Council Office; and Chief Media Relations, Canadian Human Rights Commission.

She resides in Ottawa.

**Ken Whitehurst**, Executive Director

Ken Whitehurst has served as Director of Research and Communications and then Executive Director of the Consumers Council of Canada since 2008. He has 30 years of senior-level general and project management experience in consumer representation and research; news media; sales, marketing and regulated disclosure communications; business information systems; management consulting; and financial services.

He has served as manager for Canada of news agency United Press International, vice president and general manager of broadcast news network Standard Broadcast News, director of media services for Global Strategy Financial Inc., and editor-in-chief of Metroland North Media.

He resides in Aurora, Ontario.

# SUPPORTERS

- Canadian Fuels Association
- Consumer Health Products Canada
- Canadian Credit Union Association
- Electrical Safety Authority
- Enbridge Gas Distribution
- Interac
- Investment Funds Institute of Canada
- Ontario Motor Vehicle Industry Council
- Real Estate Council of Ontario
- Retail Council of Canada
- Technical Standards & Safety Authority
- Visa Canada