

# ANNUAL REPORT OF ACTIVITIES 2017-2018

**BUYERS BEWARE**  
**COMPANIES**  
**BREAKING BAD**

# NOTICES AND CONTACT INFORMATION

© Consumers Council of Canada, 2018

Consumers Council of Canada  
Commercial Building  
201-1920 Yonge Street  
Toronto, Ontario M4S 3E2

Telephone & Fax: 416-483-2696

Website: [www.consumerscouncil.com](http://www.consumerscouncil.com)

Twitter: <https://twitter.com/ConsumersCanada>

Facebook: <https://www.facebook.com/ConsumersCouncilOfCanada>

LinkedIn: <http://www.linkedin.com/company/consumers-council-of-canada>

TABLE OF  
CONTENTS

[Principles](#)

[President’s Report](#)

[Strategic Initiatives Update](#)

[Research](#)

[Consumer Representation](#)

[About the Council](#)



1

## 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

[Newsroom](#)

News Release

# Ontario Continues to Put Consumers First

## Province Has Banned Aggressive and Misleading Sales and Advertising Tactics and Strengthened Homeowner and Tenant Rights


March 15, 2018 11:30 A.M. | [Ministry of Government and Consumer Services](#)

On World Consumer Rights Day, the province is reaffirming its commitment to protecting consumers and making sure everyone in Ontario is aware of their rights.

To better protect consumers, Ontario has recently:

- Banned unsolicited, door-to-door sales of certain household appliances to better protect consumers from aggressive and misleading salespeople. Know your rights about [door-to-door contracts](#).
- Protected consumers from losing reward points based only on the amount of time passed since they were earned. Read more about your rights when it comes to [rewards points](#).

Download


[Download Text](#)

Ontario pursued active agenda to protect consumers, with considerable all-party support for many measures

2

# PRESIDENT’S REPORT

Consumers Council of Canada continues to punch above its weight, effectively advocating for consumer rights in legislation and regulations and for vigorous enforcement of existing law.

The Council’s effectiveness depends as it has historically on the dedication, professional competence and well-honed conduct of our capable corp of volunteers, which works symbiotically and with the strong leadership of Executive Director Ken Whitehurst, who provides organizational glue and continuity.

There is no other national consumer organization on Canada that covers, in-depth and with broad perspective, the scope of issues confronted by the Council at the federal and provincial levels. This approach enables it to see and act upon common themes affecting the consumer interest and to speak to core human rights, realized through transparency and the dignified and respectful treatment of individuals essential in a modern, democratic, mixed-enterprise economy.

Together with other consumer organizations, notably Public Interest Advocacy Centre, Option consommateurs and Union des consommateurs, Canadian consumers are represented across a range of consumer issues and across government jurisdictions. All groups are faced, however, with inadequate funding to develop sustainable institutional capacity and revitalize an aging base of volunteers.

Governments call on consumer organizations for advice and policy input without providing sustainable funding to support the independent stakeholder engagement and research that must be the basis for fact-based consumer representation.

The Council continues to work on generating revenue from sources other than government. This has been a long road of experimentation.

The Council appreciates the support it receives from some Ontario delegated administrative authorities and a handful of private-sector entities. In the case of both public and private sector funding, the Council must rely on transparency and careful governance to keep the public assured of its independence.

The Council is seeking to enhance its effectiveness and work on building capacity in the future by engaging more paid staff to support the work of its executive director and increase street presence in Ottawa. The Canada Summer Jobs program awarded the Council resources to hire three university students in the Summer 2018. And the Council is taking steps to contract a part-time, Ottawa-based Director, Development.

The *2017-18 Annual Report of Activities* provides details of Council challenges, priorities and accomplishments in 2017-18.

In some ways, 2017-18 was one of the best of years, with much action across Canada to address consumer problems, but new found interest in consumer protections resulted from some of the best brand names in Canadian business ‘breaking bad’, sullied by tawdry marketplace conduct.

‘Buyer beware’ became an urgent call to action.

And a reminder to all readers, one way to help with the work necessary to improve the marketplace for Canadian consumers is to participate in the Council’s Public Interest Network, a touchstone for Council research and policy development. Get involved.

*Don Mercer, President*

MENU

news

Top Stories

Local

The National

Opinion

World

Canada

More

Calgary

f

t

p

r

in

e

699 Shares

Insurers have 'valid reason' to worry over fires in Western Canada, scientist says

Insurance claim payouts have steadily increased — and jump with extreme weather events

Rachel Ward · CBC News · Posted: Jul 18, 2017 3:42 PM MT | Last Updated: July 18, 2017

A wildfire burns on a mountain in the distance behind a house that remains standing on the Ashcroft First Nation, near Ashcroft, B.C., late Sunday, July 9, 2017. (Darryl Dyck/Canadian Press)

Fires and floods will become more severe and more frequent in Western Canada — and insurance companies should take notice, a Calgary climate change scientist says.

Extreme weather events related to climate change create and play out as “consumer issues”.

3

## 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 several recent initiatives related to Council strategic priorities.

CONSUMERS COUNCIL OF CANADA

7

2017-18 ANNUAL REPORT OF ACTIVITIES



# CLIMATE CHANGE: CONSUMERS 150 THEME

The Council partnered 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](#) was a 2-day event held September 19-20, 2017 in the Nation's Capital.



Consumers Council of Canada highlighted the major impacts on consumers of climate change.



John Fahey, a global asset management and due diligence specialist at Arcadis, joined the Council's presentation with an 'inside industry' perspective on climate change impacts.

# 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), continued in 2017-18. Participants have worked towards securing new support for the initiative to sustain 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.

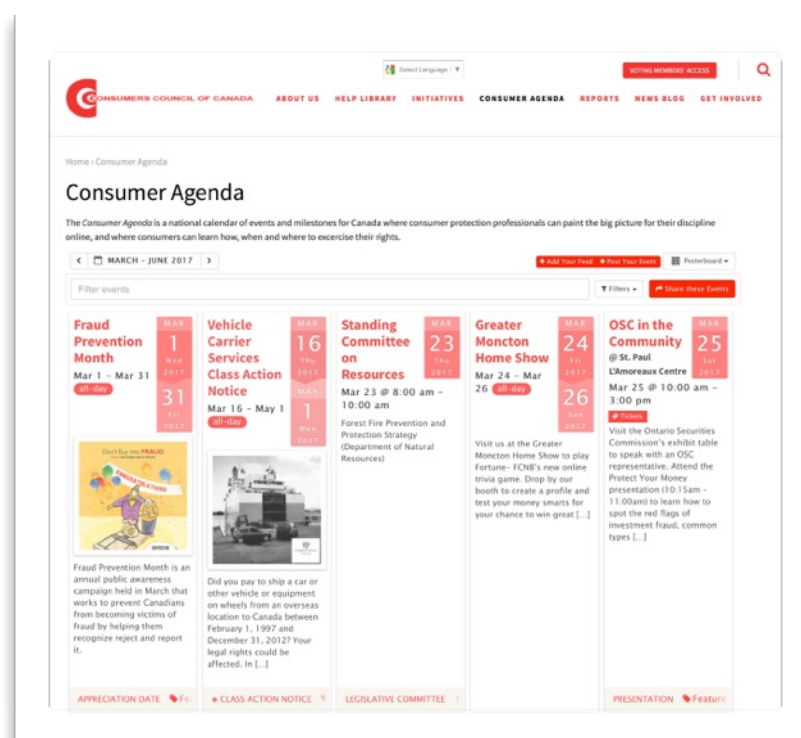
## PATHS TO ACADEMIC ENGAGEMENT

### 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](#)



The Consumer Agenda

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>



# CONSUMER GROUP PARTNERSHIP

Public Interest Advocacy Centre, with endorsement by the Council, successfully applied to the Law Foundation of Ontario's Access to Justice Fund. PIAC proposed 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.



Consumers Council of Canada's research into high-interest lending was cited by Momentum, a Calgary, Alberta, based non-profit community development organization in its own report on policy options for responding to the growth in high-cost, alternative financial services. This was one way the Council's work concerning payday lending and rent-to-own was introduced to the Alberta government, which has since reformed law governing high-interest lending.



# ONLINE ENGAGEMENT

Many ways exist for a consumer group to be useful and relevant online, as measures of Consumers Council of Canada engagement online in 2017-18 demonstrate.

2016-17 was a banner year for consumer engagement with [the Council's website](#), driven by consumers seeking information about class action law settlements related to their payday borrowing

In 2017-18 use of the Council's website resumed at more historic levels, with traditional ongoing consumer concerns re-emerging as the focus for site visits. Gasoline prices and concerns about vehicle repairs returned to their dominant positions as reasons the public visit the Council's website. As interest in the payday loan court settlements subsided, the number of unique users of the website fell to 16,071 from 31,031, a whopping 48 percent decline. Clearly Canadian consumers are highly interested in getting justice in today's marketplace.

Another measure of Council reach online continued its gradual growth. The Council's [Twitter](#) page saw its number of followers increase 9.7 percent.

Consumers began to create their own value out the Council's Twitter presence, by letting companies and government and companies know they had shared their problems, considered the Council's positions or supported its advocacy.

Other trends noted in website visits this year:

- The share of new versus returning visitors rose.
- Unique pageviews of the top page of the Council's [Consumer Agenda](#) feature, which shares consumer-interest-oriented events and milestone information were up nearly 90 percent, year over year. It was the 7th most visited page on the Council's site.
- Users are consulting more pages on the website in a visit, up 16 percent on average.
- And the share of users who visit the site only to promptly move on fell 15.2 percent.
- Organic search continues to be the dominant source of website visitors.
- It has been a challenge to build reach on Facebook based on organic growth promoted through content sharing with "friends". This may indicate an evolution of Facebook as host for private groups, largely accessible to other than group participants through paid advertising.

Among Council site visitors, Google Chrome and Apple Safari are browsers on the rise. Internet Explorer and Firefox users are declining.

Participation in the Council's [Public Interest Network](#) continues to grow. The number of active participants rose by 19 percent year over year. However, growing PIN participation in all regions of Canada deserves more concerted attention.

The Council regularly consults PIN participants for their views and insights into consumer protection problems and opportunities.

The Council also invites consumers to share their experiences in the marketplace through an online form accessible from the homepage of its website, which also may offer referrals to dispute resolution or information based on the information shared.

While the Council offers an opportunity for consumers to share both good and bad experiences, most of this sharing with the Council relates to problems. The types of problems vary, but trouble with consumer goods and automobiles figured prominently last year.

One thing the Council does automatically when taking a complaint is to determine if complainants are aware of the online [Canadian Consumer Handbook](#), a joint venture of the federal, provincial and territorial governments, and to direct them to it. About 76 percent of those who share their consumer problems with the Council have not consulted the Handbook prior to sharing their experience with the Council, and 75 percent of them learn first about the Handbook from the Council. Just 18 percent of complainants to the Council said they were aware of the Handbook before the interaction.

A significant service the Council provides through its website is the ability to download its [consumer perspective research reports](#). Collectively downloading of these reports represent a significant transfer of information in support of the Council’s mandate.



The Council’s Twitter identity continues to gain recognition. The Council’s followers have grown in number to 1,041, up 9.7 percent since last year.

% of site sessions			
Province/Territory	Trend	2016-2017	2017-18
Ontario	↑	38.22%	54.25%
Alberta	↓	19.14%	14.64%
British Columbia	↓	16.88	11.43%
Quebec	↑	4.2%	8.03%
Manitoba	↓	7.64%	3.72%
Saskatchewan	↓	5.67%	2.41%
Nova Scotia	↑	1.97%	2.31%
New Brunswick	↓	2.27%	1.54%
Newfoundland and Labrador	↓	2.96%	0.87%
Prince Edward Island	•	0.36%	0.36%
Northwest Territories	↓	0.36%	0.12%
Yukon Territory	↓	0.17%	0.08%
Nunavut	↓	0.03%	0.06%

# DOWNLOADS AND USES FOR COUNCIL REPORTS

The following is a report of downloads by reported use of Council reports, from April 1, 2017 to March 31 2018 and since their issue. Council reports are relevant to readers, usually for years after issue.

## *Dynamic Pricing – Can Consumers Achieve the Benefits They Expect?, 2017*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	53	14	17	7	0	3	2
Downloads since inception	53	14	18	8	0	6	3

## *Consumer Redress, Chargebacks and Merchant Responses in Distant Transactions, 2017*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	34	8	3	6	3	14	2
Downloads since inception	42	8	6	6	3	15	2

## *Incenting Energy Efficient Retrofits: Risks and Opportunities for Consumers, 2017*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	93	5	23	15	16	17	2
Downloads since inception	94	5	23	16	18	21	2

## *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 Apr. 1, 2017 - Mar. 31, 2018	21	7	3	1	0	7	1
Downloads since inception	67	17	10	3	8	24	2

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

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	25	1	5	5	3	7	0
Downloads since inception	108	18	24	19	18	19	6

*Towards a National Housing Strategy, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	3	2	0	0	0	1	0
Downloads since inception	16	7	3	2	1	2	0

*Residential Intensification: The Impact on Consumers, 2016*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	10	2	1	2	1	0	2
Downloads since inception	286	52	42	30	86	46	20

*In Touch with e-Consumer Protection, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	7	3	0	1	0	1	0
Downloads since inception	93	27	19	14	9	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 Apr. 1, 2017 - Mar. 31, 2018	33	7	19	6	0	1	1
Downloads since inception	143	19	69	21	3	17	8

*Consumer Experiences with Online Payday Loans, 2015*

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	24	9	1	0	7	4	0
Downloads since inception	296	70	72	20	59	36	23

*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 Apr. 1, 2017 - Mar. 31, 2018	7	2	0	2	1	1	0
Downloads since inception	79	11	16	6	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 Apr. 1, 2017 - Mar. 31, 2018	7	3	1	0	0	1	0
Downloads since inception	94	25	19	7	16	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 Apr. 1, 2017 - Mar. 31, 2018	3	1	1	1	0	0	0
Downloads since inception	64	8	25	8	6	12	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 Apr. 1, 2017 - Mar. 31, 2018	1	1	0	0	1	1	0
Downloads since inception	25	10	2	1	7	4	0

*Cyber Threats on Mobile Devices, 2013*

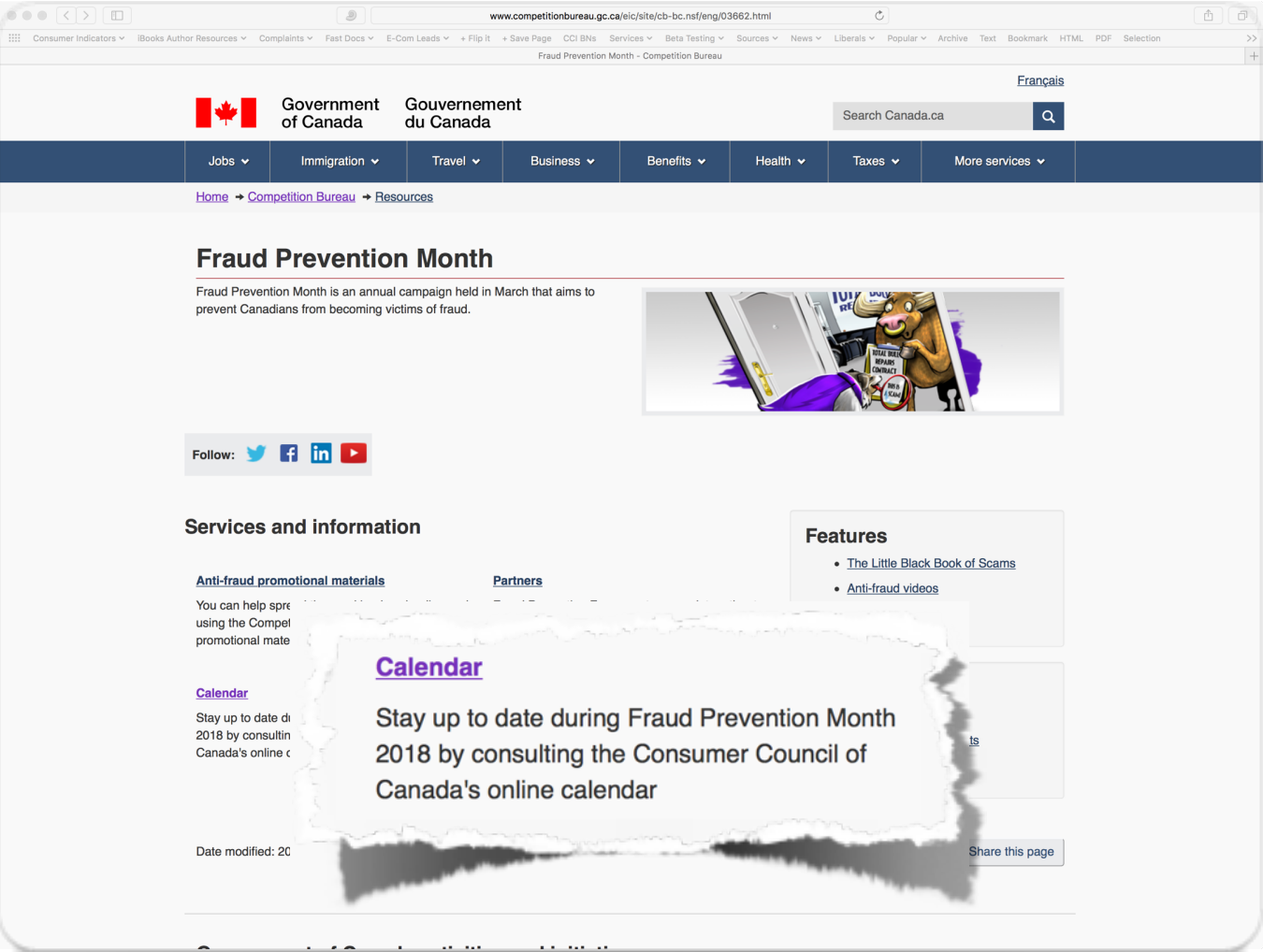
	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	1	0	1	0	0	0	0
Downloads since inception	62	14	13	6	4	22	3

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

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	6	2	2	2	0	1	1
Downloads since inception	172	36	45	17	20	33	14

Do Smartphones Make for Smarter Consumers?, 2012

	Total	Academic Research	Government Research	Support Advocacy	Industry Research	Consumer Information	News Media
Downloads Apr. 1, 2017 - Mar. 31, 2018	2	2	0	0	0	0	0
Downloads since inception	125	33	20	9	11	39	7



The Consumers Council of Canada’s Consumer Agenda calendar was an official calendar of Fraud Prevention Month in Canada.





At Ryerson University in December, Denise Barrett presents the results of the Council's research *Consumer Redress, Chargebacks and Merchant Responses in Distant Transactions* to the Canadian Partnership for Public Policy Oriented Consumer Interest Research.

4

# RESEARCH

## RESEARCH UNDERWAY IN 2017-18

The Council was awarded the following research projects by Innovation, Science and Economic Development Canada in 2017-18, which will become completed and public in the summer of 2018.

### 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.

## 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.

## 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.

*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 2017-18 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 PROPOSED BY THE COUNCIL FOR 2018-19

The Council sought awards for the following research projects by Innovation, Science and Economic Development Canada for 2018-19.

## CONSUMER ATTITUDES AND THEIR ROLE IN REDUCING THE IMPACT OF COUNTERFEIT AND PIRATED GOODS AND SERVICES

Counterfeiting and piracy impacts middle class jobs, new innovations and consumer health and safety. Experts forecast that if current trends continue, the total value globally of “counterfeit” goods by 2022 will reach at least \$991 billion. This does not take into account the economic, social, environmental, and consumer costs which are borne by business, government and consumers. For example, the online safety coalition Digital Citizens Alliance released a 2015 report finding that 1/3 of content theft websites distribute malware. The report notes that this malware generates \$70 million a year by luring unsuspecting consumers into infecting their own devices with the promise of free, unlawful access to movies and TV programs. The Council proposed creating an ad hoc stakeholder advisory committee to explore consumer attitudes regarding counterfeit goods and to discuss the demand-side dimension of counterfeiting and write a report with recommendations. The committee would seek answers regarding the quality and safety assumptions consumers have about consumer goods, what they expect the government's and industry's role to be, and what they think they need as tools to protect themselves in an environment that is difficult to police.

## UNIT PRICING: TIME FOR A NATIONAL APPROACH?

Unit Pricing is the act of displaying the price of a commodity at a standard unit of measurement adjacent to its selling price on retail store shelves (currently mostly prepackaged food products) and online. For example, the unit price representation of



a 500 ml carton of milk offered at \$2.00 is “\$4 per litre”; the unit price representation of a 2 litre carton of milk offered at \$7.00 is “\$3.50 per litre”. Unit pricing is also known as comparative pricing.

The widespread introduction of unit pricing labelling practices in most advanced globalized economies took place over 40 years ago, yet the majority of Canadian consumers still do not have access to reliable unit pricing information to assist them in making informed decisions. Quebec is the only province in Canada that regulates unit pricing. Retailers in other provinces and territories provide unit pricing information on a voluntary basis, or not at all.

Research conducted by Canadian consumer groups in the past 10 years has led to recommendations for a national approach to ensuring all Canadians have access to unit pricing information. However, no efforts appear to be forthcoming from retailers or governments to institute a national system.

The Council’s proposed research will seek out consumer and government views on the value of unit pricing as a factor in promoting consumer interests, gauge receptivity to adopting national systems such as those being implemented in other countries, and discuss the challenges and barriers to adopting similar systems in Canada.

## **SUPER COMPLAINERS: GREATER PUBLIC INCLUSIVENESS IN GOVERNMENT CONSUMER COMPLAINT HANDLING**

A primary source of information for market conduct reviews and enforcement investigations is regulators’ consumer complaint data. Regulators rely on consumer complaint data to identify

business practices, unusual trends and sector- or industry-wide patterns that warrant investigation. Yet regulators tend to pay little regard to consumers and the detriment they experience once the complaint is filed.

Trends are appearing in the U.S. and Europe where governments provide greater transparency of their consumer complaint databases, to give consumers and consumer advocacy groups a greater role in the complaints management processes.

In 2002, a “super-complaints” system was established in the UK government by the then Office of Fair Trade (now the Competition & Markets Authority). This system allows a designated consumer body to submit a complaint that “...any feature, or combination of features, of a market in the UK for goods or services is or appears to be significantly harming the interests of consumers”.

The process is in public view and regulators are required by law to provide a response to the public within a reasonable period of time. By most accounts the program has been a success and several super-complaints have been launched and resolved over the years.

This research proposal sought to reveal consumer and government views on the current government complaint handling systems, gauge receptivity to alternative systems being implemented in other countries where greater transparency, consumer and consumer advocacy group participation is encouraged, and discuss the challenges and barriers to adopting similar alternative systems in Canada.

## HOME ENERGY LABELS IN CANADA: HOW WELL DO THEY SERVE CONSUMERS?

The Council proposed to examine how consumers understand home energy labels and if they want further information that is not currently available on these labels, in order to make informed home purchasing, renovating and upgrading decisions. The objective of the research would be to identify ways to strengthen the usefulness of energy labels for consumers. This project is intended to clarify the functionality and impact of home energy labels on consumer purchasing decisions.

Home energy labels are intended to provide the consumer with an understanding of the energy efficiency of their home. It is unclear whether consumers are interested in the information the label conveys, whether they understand it and whether they find the information useful.

Consumers may be aware of a number of commonly used home energy labels in Canada. EnerGuide for Houses, Energy Star for New Homes, LEED and R-2000 are among the most prevalent home energy labels used in Canada. Although these labels have been used for many years, few studies have examined how well they are understood by consumers and how they factor into purchasing decisions. Indeed, it is not clear if consumers are even aware of the existence of these common energy labels or what the labels mean for their homes. The research seeks to identify what information consumers draw from each of the labels, how they use the information and what additional information they want and need.

## COUNCIL RESEARCH AVAILABLE ONLINE FOR FREE DOWNLOAD

*Incenting Energy Efficient Retrofits: Risks and Opportunities for Consumers*, 2017

*Consumer Redress, Chargebacks and Merchant Responses in Distant Transactions*, 2017

*Dynamic Pricing - Can Consumers Achieve the Benefits They Expect?*, 2017

*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

*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](#)

## Newsroom

## News Release

## Ontario Bans the Expiration of Reward Points

### Province Taking Another Step To Protect Consumers

December 21, 2017 9:00 A.M. | [Ministry of Government and Consumer Services](#)

Ontario is protecting consumers from losing reward points based only on the amount of time passed since they were earned. Beginning on January 1, 2018, consumers will be protected against losing reward points that they have been saving up for larger purchases, and the change will be retroactive to October 1, 2016.

Consumers who believe their points improperly expired will be able to request that businesses reimburse them, or may file a complaint with [Consumer Protection Ontario](#).

Banning the expiration of reward points is one of a number of changes the province has proposed to [increase protection for consumers](#), including:

- Adding new protections for new home warranties and condo owners
- Strengthening rules and professional standards in the real estate sector

## Download


[Download Text](#)

The Council represented Ontario consumers in public processes leading to law and regulatory reform involving rewards programs, condominium management and dispute resolution, and new home warranty.

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.

Each year the Office of Consumer Affairs of Innovation, Science and Economic Development Canada, Competition Bureau of Canada, Financial Consumer Agency of Canada and the Canadian Radio-television and Telecommunications Commission hold at least one three-day set of meetings in February or March or sometimes in November or December. The Council is represented at these meetings by its president and/or executive director. In 2018, they were joined by Jay Jackson, one of Canada's most experienced consumer policy analysts and now a Council member and chair of the Council's Consumer Representatives in Standards Committee.

The elephant in the room in these sessions in early 2018 was the difficulty of financially sustaining Canada's consumer organizations, along with the issue of governments relying on consumer organizations to balance input into consultations without providing funding to enable their work. This has meant many federal and provincial consultations have lacked quality, independent consumer representation.

These meetings provide an opportunity for an exchange of views about consumer problems relevant to the priorities of the participating federal departments and agencies. As well, the meetings provide a forum to exchange ideas, experiences and lessons learned. The Council hopes these meetings continue, but are better funded to permit the Council to bring a range of expertise to the table.

# TRADE

## INTERNAL TRADE

### INTERVENTION BEFORE SUPREME COURT OF CANADA R. VS COMEAU

The Council, represented by Paul Bates of Siskinds, applied for intervenor status in November 2017 before the Supreme Court of Canada in the case of R. Vs Comeau, an important case dealing with barriers to interprovincial trade in Canada.

Subsequently on November 2017, intervenor status was granted. The court accepted the Council as a representative of consumer interests concerning internal trade and related consumer protections in Canada. The Council has supported free trade and opposed protectionist constraints on trade that have no legitimate regulatory reason.

On December 7, 2017, Bates gave oral argument before the Court during a week of oral hearings. The court rendered its judgment on April 19, 2018. The decision concerned section 121 of the Constitution Act, 1867 (formerly the British North America Act, 1867). The section reads:

“121. All Articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.”

The gist of the decision is that section 121 will be engaged in circumstances where a law imposes a tariff (or tariff-like) restriction on cross-border trade, and such restriction is the primary purpose of the law. It's unclear how much, if at all, this test will alter the pre-Comeau landscape, as the “primary purpose” test seems extremely permissive.

There were some clear wins for the Council's representation. In particular, the Supreme Court made very clear that laws enacted for the purpose of protecting the health and welfare of people within their borders would not violate section 121.

The decision left decisions about consumers' rights in the marketplace firmly in the hands of the federal and provincial legislatures. A purely libertarian vision of consumer freedom was not accepted.

The Council intervened in the case on behalf of Canadian consumers, seeking to remind the court of both the rights affected in the Comeau case and the need for Canada's constitutional visions to consider the importance of protecting consumers, as well.

The Council finds the court has placed the responsibility for assuring fair treatment and protection of consumers by supply managers in the hands of governments and legislatures. However, the Council's past research has demonstrated significant gaps in enabling the consumer voice in these systems, whether they govern private or public sector enterprise conduct.



The Council will seek intervention status in other cases before the Supreme Court of Canada in trade or other matters when appropriate, and as resources permit. It is important that the Council have the credibility to intervene in cases before the Supreme Court of Canada. Its 2014-15 research *Options for a 'Sustained Institutional Role' for Consumer Organizations in 'Internal Trade' Harmonization Initiatives* formed a foundation for the intervention, demonstrating the importance of the Contributions Program for Non-profit Consumer and Voluntary Organizations of the Office of Consumer Affairs, Innovation, Science and Economic Development Canada, which funded that research.

## INTERNATIONAL TRADE

### NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The elephant in the room for the Canadian economy continues to be Canada's predominant reliance on its trading relationship with the United States of America as an engine of prosperity. Canadian consumers live in a very topsy-turvy world, in which heretofore stable security and economic relationships are disrupted. NAFTA is a case in point.

The Council obtains some insights into the negotiation process and its challenges, beyond the political rhetoric, because the Council's president is a Canadian NAFTA Civil Society Roundtable member. While regrettably the Roundtable has never been convened by the Government of Canada, its members participate in regular briefings that permit questions and answers on moderated conference calls. Without breaching confidentiality, it can be



Council Executive Director Ken Whitehurst participated in CBC's radio open-line program *Maritime Connection* after the ruling.

said reported difficulties do exist in the NAFTA negotiations. Indeed, only one or two Chapters of the Agreement have neared completion. The Canadian government has demonstrated interest in avoiding dilution of consumer protection. While Canada, the United States and Mexico have re-signed the agreement confirming continuation of the NAFTA-fostered Regulatory Cooperation Council, the NAFTA agreement appears to be in jeopardy.

Something from history overlooked in current public discussion about trade matters is that the global Depression of the 1930s was an outcome of trade wars that turned into total war. While NAFTA and other agreements can and should be improved, in particular, to contribute to global environmental sustainability and workers' rights, destroying the global trading system will harm the prosperity of the vast majority of consumers while benefiting just a few businesses in the very short term, until they too fall victim to a shrinking world economy.

# CONSUMER REPRESENTATIVES IN STANDARDS

The Consumer Representatives in Standards Committee (CRISC) was revived in the late summer of 2017. A new Chair, Jay Jackson, was appointed and members were recruited. There are currently 12 members who are highly experienced in standards and regulatory policy and development, and actively engaged with national and sub-national regulatory and standards development agencies such as:

International Organization for Standardization (ISO)

International Consumer Product Health and Safety Organization (ICPHSO)

Canadian Standards Association (CSA)

Canadian General Standards Board (CGSB)

Underwriters Laboratories of Canada (ULC)

Advertising Standards Canada

Pharmaceutical Advertising Advisory Board

Province of Ontario Designated Administrative Authorities (in particular TSSA, ESA, OMVIC, RECO, TICO)

Health Canada/Canadian Food Inspection Agency

CRISC endeavours to represent the Canadian consumer interest in the creation of technical standards, especially those developed to support the implementation of Canadian laws and public policies developed at all levels of government. Members also engage in policy fora on

the application of standards, including market surveillance and enforcement, accreditation and conformity assessment schemes. It seeks to influence the development or revision of Canadian legislation related to products and services that is likely to affect the consumer, including where reference is made to standards.

CRISC will support Council's objectives by:

- Identifying, reviewing, and describing, needs for consumer interest advocacy in standards development;
- Providing an institutional interface with standards organizations;
- Providing a forum for the Council's members engaged with standards development and development organization to develop best practices and training for consumer representatives in standards;
- Working towards the institutionalization of relationships between the Council and organizations involved with the development of standards;
- Developing the financial and human resources necessary for the Council to participate effectively in standards development and operate the committee;
- Propose to the Executive Committee of the Council policy recommendations



and/or the Council's position in the area of subject responsibility for the purpose of supporting Council priority identification for engaging with the development of standards and for development of its relationships with standards organizations;

- Advocate for meaningful engagement of independent role players for the consumer perspective and interest in the development of standards; and
- Make known the Council's involvement in standards development.

The first six months of operation to the end of fiscal year 2017-18 was dedicated to refining the Committee's Terms of Reference, writing a Statement of Purpose, recruiting members, creating a member profile, and discussing strategic objectives, priorities and plans.

Workplans will align with the following three core expected outcomes agreed upon by members:

*Advocacy.* Standards being developed by CRISC members are used to support advocacy efforts to advance policies and programs that benefit all Canadian consumers.

*Consultations.* CRISC member participation in public consultations influences public policy in the consumer interest.

*Peer Support.* CRISC is a forum for group or individual discussions to advance advocacy, consultations, and standards development.

Members used the LORROS discussion forum and online meetings system to seek peer support and discussion on a variety of matters including:

- Ontario regulations to amend the TSSA Upholstered and Stuffed Articles Regulations and develop new home inspection standards regulations;
- Health Canada's Canadian Chemical Management Plan;
- Health Canada's consultation concerning a regulatory modernization plan for natural and non-prescription health products;
- Pharmaceutical Advertising Advisory Board consideration of using real world experience (RWE) data in health and consumer product advertising;
- ISO draft standard Guideline for inclusive service: identifying and responding to consumers in vulnerable situations.

A short written representation was sent to the Standards Council of Canada about the importance of consumer representation on standards writing committees, especially when the standard has a direct impact on the health, safety and financial security of Canadians. In the referencing of standards, not all standards can be adopted without some deviations to ensure compliance with other Canadian requirements, e.g. bilingual labeling. Deviations from standards are sometimes necessary in the Canadian context. As well, the question of what agency or association controls the referenced standard and the mechanism for revision should be considered.

The CRISC chair was also active in representing Council and CRISC issues including: the Canadian Anti-Counterfeiting Network; the annual federal government meeting with consumer and public interest organizations; a meeting with two Senators regarding the need for inclusive and objective interventions by consumer and public interest organizations at Senate hearings; the ISO Consumer Policy Committee, SCC's Consumer Mirror Committee, the CSA's Consumer Advisory Steering Panel, and the TSSA's Consumer Advisory Committee.

In addition to the chair and the Council's executive director, CRISC members include:

Jeanne Bank  
Howard Deane  
Graham Rae Dulmage  
Dolly Gerrior  
Marshall Leslie  
Norma McCormick  
Elizabeth Nielsen  
Agni Shah  
Christine Simpson  
Anne Wilcock

# FINANCIAL SERVICES

## FINANCIAL CONSUMER AGENCY OF CANADA

Two meetings with the Director and senior staff of the Consumer Advisory Committee of Financial Consumer Agency of Canada (FCAC) generally take place in February or March and in the Fall of each year. These meetings generally are grouped with separate meetings with FCAC, Competition Bureau, Canadian Radio-television and Telecommunications Commission and Office of Consumer Affairs. The Council appreciates the integrated scheduling of these meetings, as a way to save time and treasure but also to benefit from synergies in dealing with overlapping issues while discussing distinct issues that arise out of each jurisdiction.

A big step taken by FCAC by the end of March 2018 was to announce the creation of its Consumer Protection Advisory Committee (CPAC) and following an application process publicize the nine members appointed to the Committee. Council President Don Mercer was appointed to this committee, which held its first meeting on April 11, 2018. The next meeting is scheduled for the Fall of 2018.

FCAC Commissioner Lucie Tedesco is to be commended for this initiative, bringing into play a forum that is redefined beyond the defunct External Stakeholder Advisory Committee, which dealt with both consumer literacy and law enforcement issues. This step reflects the institution of a separate

National Steering Committee on Financial Literacy earlier in Commissioner Tedesco's mandate.

The FCAC continues to be closely scrutinized for both weak enforcement of existing laws that fall under its purview and the weakness of the laws it enforces. The hearings before the House of Commons Standing Committee on Finance and Commissioner Tedesco's testimony on June 5, 2017 were a recognition of the concerns brought forward by the Consumers Council of Canada and others earlier and subsequently in the year. Much remains to be done to ensure that the Government of Canada moves forward with tougher banking legislation especially concerning bank "investment" product sales and loan and credit card marketing and sales practices. Also on the table and very much outstanding is the weakness of Canada's voluntary-code-driven Ombudsman system for both banking and investments. As this is an ongoing challenge in 2018-19, the Council plans to devote more volunteer time and resources to these issues.

## PAYMENTS CANADA

Payments Canada operates the core exchange, clearing and settlement system through which its banking members (direct clearers) and others (indirect clearers) clear and then settle accounts with the Bank of Canada. Some \$3 million go through Payments Canada each second, or more than \$46 trillion annually. The efficiency, effectiveness and

access to the payments system is essential to the successful functioning of the Canadian economy and its connections and competitiveness within the global economy. The Canadian Payments Association Act mandates a fully representative Stakeholder Advisory Council (SAC) of 20 members representing the broad spectrum of business and retail consumer users of the payments system – small and medium-sized business, large business transactors such as mobile companies and government agencies, large retailers, credit card companies, online payment facilitators, and financial service providers. Two of the SAC members are required by the law be representatives of recognized consumer organizations. Council President Don Mercer has been a member since April 1, 2014, with his membership renewed on April 1 2017. Membership is based on a competitive nominations process with selected nominees being approved by the Minister of Finance.

The payments system is undergoing a worldwide modernization as the old COBOL-based software ages and new software development systems and hardware platforms with faster speeds, greater security and improved connectivity are developed. Canada has benefit from learning the experiences of other countries such as the UK and Australia, which are implementing change faster. A key benefit of the new technology is a new message standard, ISO 20022, of 140 characters versus the 35 characters used presently. This will mean a richer dataset will travel with each transaction, meaning much more information is available related to transactions without requiring a paper trail. The benefits of the new system include greater speed, reliability, related data, enabling peak time payments without delay for

small transactions, greater security and tools to combat money laundering and fraud .

The intention is that new systems will provide greater access to the system of payments for financial service innovators.

The key thing to know is that a role of SAC in the process of modernization is to ensure the job gets “done right,” with strong consumer protections while facilitating competition and innovation in marketplace now dominated by established financial institutions.

The discussions on SAC are vigorous. All points of view are on the table and the impact should result in a modernized payments system fully protective of consumer rights that facilitates innovation and enhanced safety and security.

## PAYDAY LOANS

A number of provinces have been updating their law and regulations governing the payday loans and cheque-cashing industry this year. The Council contributed both research and representation to many of these reviews.

In Ontario, Bill 59, the Putting Consumers First Act (Consumer Protection Statute Law Amendment), 2017 makes it mandatory for payday lenders to provide borrowers with an extended payment plan if they take out three or more loans with the same lender within a 63 day period. Although borrowers would have to enter into the extended payment plan agreement, they would still be able to pay back any part of the loan at any time without any prepayment charge or penalty. Payday lenders can only lend up to 50 per cent of a borrower’s net pay per loan. The

cost of borrowing a payday loan must be disclosed as an annual percentage rate (APR) in advertisements and agreements. The example loan amount in payday loan posters and advertising will change from \$300 to \$500. As of January 1, 2018 in Ontario, the maximum cost of borrowing with a payday loan was set at \$15 for every \$100 borrowed.

And amendments to the City of Toronto Act, 2006 and the Municipal Act, 2001 allow municipalities to regulate the number and location of payday lenders.

The maximum fee for cashing government-issued cheques will be capped at \$2 plus 1% of the face value of the cheque, or \$10, whichever is less. It will be mandatory for cheque cashing service providers to provide a receipt when cashing government-issued cheques.

New Brunswick implemented new regulations and a regulatory framework for licensing payday lenders. The *Cost of Credit Disclosure and Payday Loans Act* came into force on January 1, 2018, requiring all payday lenders to be licensed with the Financial and Consumer Services Commission (FCNB) to operate in New Brunswick; setting the maximum fee on a loan at \$15 per \$100 borrowed; allowing borrowers to cancel a loan within 48 hours at no charge; limiting the number of loans that a lender can provide to a recipient at one time; and limiting the loan amount to no more than 30 per cent of the recipients' net pay, among other requirements.

Ontario and New Brunswick matched the payday loan rate ceiling imposed in Alberta in 2016.



# ENERGY

## ONTARIO ENERGY BOARD

The Council regularly participates as an intervenor in Ontario Energy Board (OEB) 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 and Alectra Utilities Corporation, which is the newly formed utility resulting from the merger of Horizon Utilities Corporation, Hydro One Brampton, PowerStream Inc. and Enersource Hydro Mississauga. It participated in the application by Oshawa PUC Inc. for approval of rates beginning January 1, 2018. 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, the previous year, with the Decision Being released in September 2017. The Decision regarding the payment amounts for Ontario Power Generation Inc., which was the subject of a proceeding in the previous period was released in December 2017.

#### **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 made reductions to HON's capital budget, reduced compensation costs, and emphasized the importance of performance metrics for HON. The OEB also made changes to the amounts of income taxes recoverable arising from the transformation from an entity wholly owned by the Province to a company with publicly traded shares.

#### **Alectra Utilities Corporation**

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. 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 are ongoing annual rate applications for each of the four rate zones throughout the plan term. The Council participated in the proceeding to consider rates effective January 1, 2018.

The proceeding was limited to issues dealing with the annual rate adjustments (arising from a pre-approved formula) and Alectra’s request to recover in rates an incremental \$56.18 million to support projected incremental capital requirements. The Council did not support the request for incremental amounts, on the basis that Alectra did not justify that the projects qualified for incremental cost recovery and that as a consolidated entity, capital requirements should be considered on a company-wide basis. The OEB only approved \$28.79 million of the request capital funding. The OEB also required that for rates beyond 2020, Alectra is required to file a consolidated, company-wide system plan to support any future incremental capital funding.

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

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, which is expected to go into

service in 2020. The need for the project has been determined through Ontario Government regulation, but the costs impacts will be considered in this proceeding by the OEB. The proceeding is also considering the costs impacts of extending the operations at the Pickering nuclear generating station out until 2024.

The hearing was completed on April 12, 2017. Final submissions were filed in May and the Decision released on December 28, 2017.

The OEB reduced OPG’s Operations, Maintenance and Administration budget mainly due to the results of poor performance against its competitors and excessive compensation levels when compared to benchmarked comparators. The reductions were \$100 million per year. The OEB approved the application to add to rate base \$4.8 billion in 2020, when the first of four refurbished reactors at Darlington are expected to come back into service. The OEB imposed a requirement for higher productivity in the setting of the payment amounts. In addition, the OEB rejected OPG’s request for a higher level of equity, and maintained the existing debt/equity ratio.

## **NATURAL GAS**

### **Union Gas**

Union Gas Limited (Union) applied for its annual rate adjustment for 2018 as it is in year 5 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 2018 as it is in year 5 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 those proceedings that dealt with a limited number of issues that were not contested by parties. The annual rate adjustments are largely mechanistic.

### **Merger Application: Union and Enbridge**

Union and Enbridge have applied to the OEB for approval to amalgamate, as they are currently both owned by Enbridge Inc. In addition, they have applied to the OEB for approval of a 10-year rate plan. The hearing is scheduled for May 2018.

### **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 made applications to the Board requesting approval of their 2017 compliance plans, which were approved by the OEB. The Council has intervened in the combined proceeding to consider the 2018 compliance plans. Its primary focus was on the costs of implementing the plans. Intervenor

have a restricted role, as much of the evidence regarding strategies has been deemed confidential. The OEB Decision is pending.

## **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.



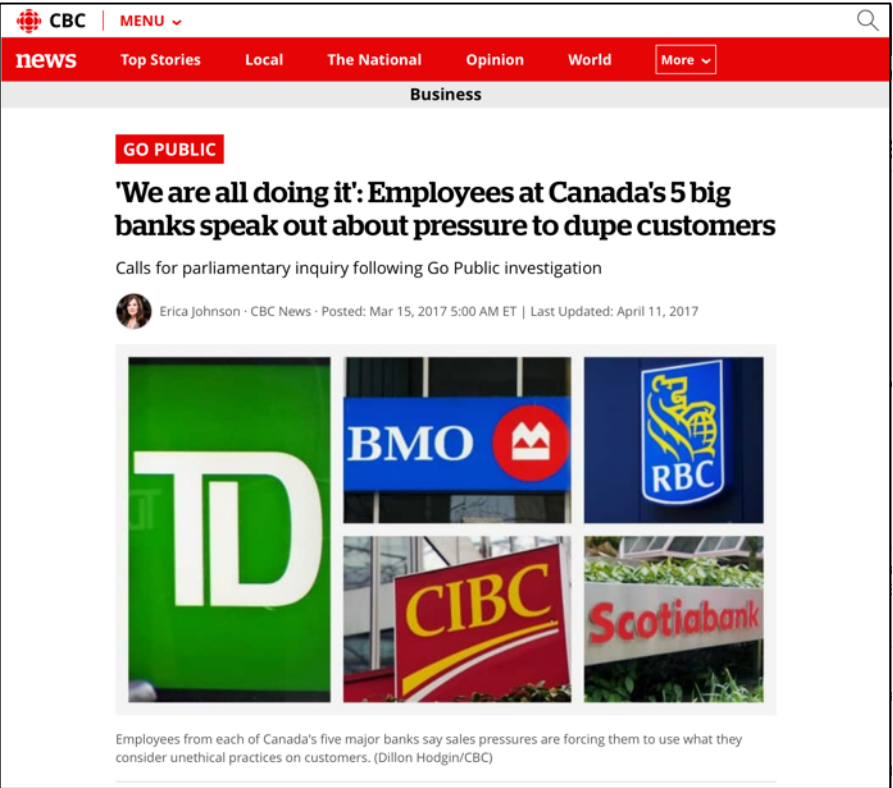
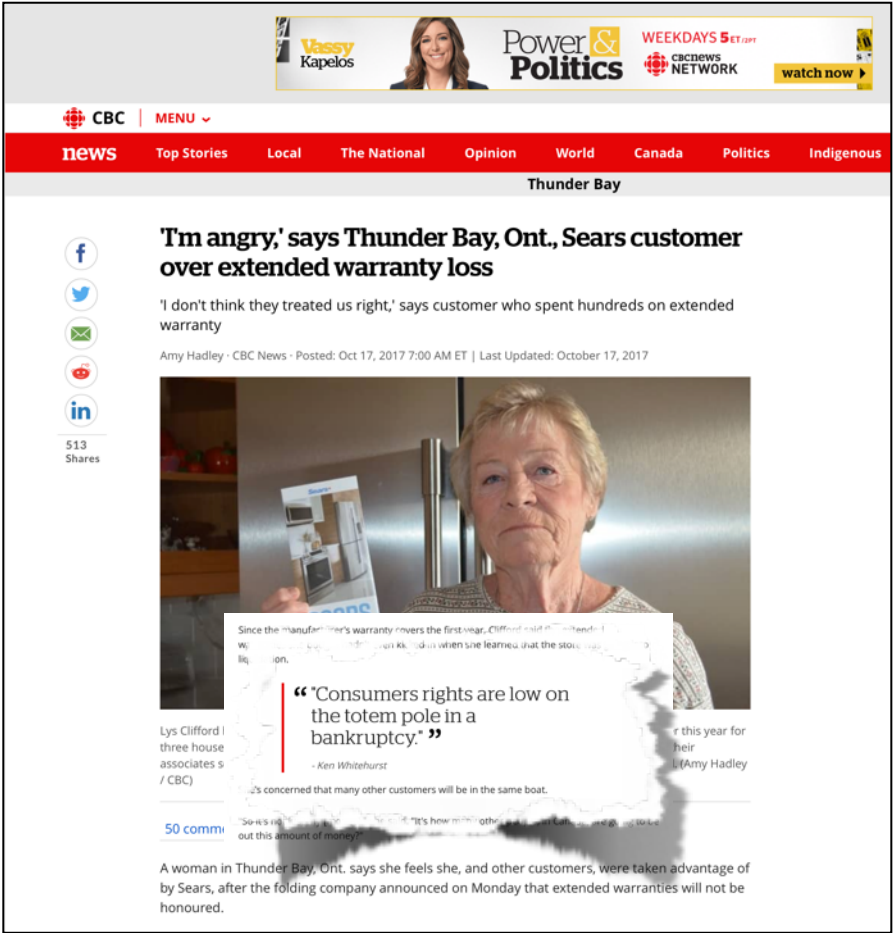
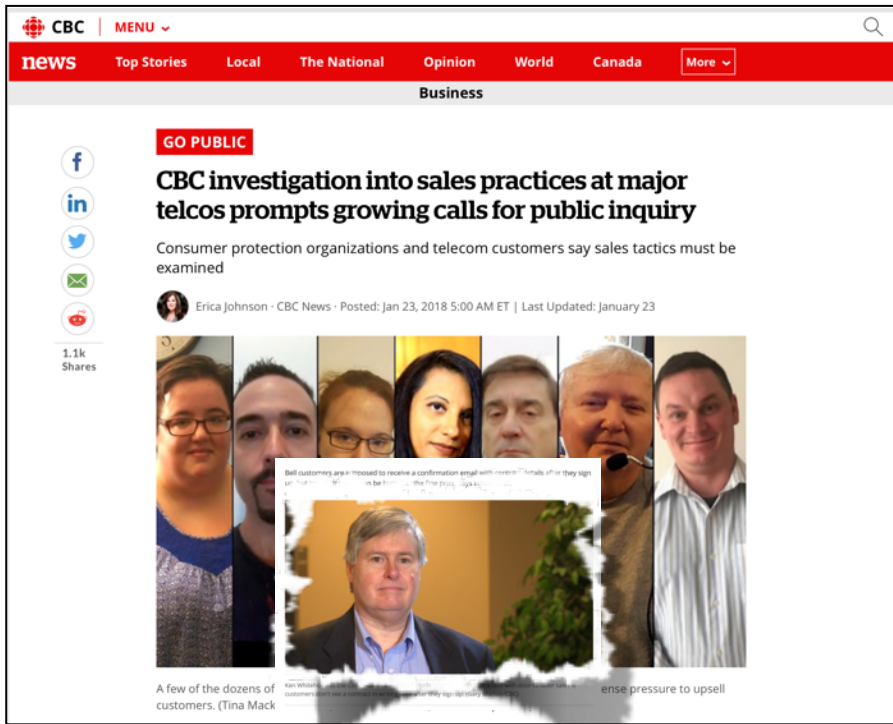
# SALES PRACTICES

The year gone by seemingly was one of ‘blue chip’ companies being turned over to the court of consumer opinion by values-conflicted employees who felt their employers were ‘breaking bad’.

Bank and telecommunications company ‘upselling’ methods hit the news, and looked a lot like the kind of practices that have led to bans on door-to-door selling in some jurisdictions. It appeared questionable sales methods usually associated with flim-flam artists had made the big leagues.

Companies associated with some of the best known names in retailing and food products either admitted to or are subject to investigation for price fixing.

And then a venerable name in retailing sold branded service contracts right up to bankruptcy, leaving consumers with worthless ‘protection’.



On CTV News about bread price fixing allegations

# 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



6

## 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 – 2017-18

## **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

**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.

**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.

**Larry Swartz**, Toronto

Larry Swartz is a professional leader, award-winning lawyer, CFA Charterholder, and in-house counsel. He has expertise in independent financial, regulatory compliance, pensions, and corporate governance practice. He is a member of the adjunct Faculty at Osgoode Hall Law School, with an emphasis on investments and insurance, administration and risk management, contracts and drafting, restructuring and insolvency, mergers and acquisitions,

negotiation and litigation, benefits and tax. He has worked for Canada's largest firm administering pensions and fastest growing administrator of retirement savings plans. Experience includes public sector, financial institutions, and international law.

Larry is a resident of Toronto.

**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
- 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