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October 14, 2021

Director General  
Financial Services Division  
Financial Sector Policy Branch  
Department of Finance Canada

Dear Director General,

We are writing to express our support for Prosper Canada's submission in response to the consultation on strengthening Canada's external complaint handling system (see attached). Prosper Canada sought input from SEED Winnipeg and other lead financial empowerment organizations across Canada in developing this submission.

Consumer protections and access to safe and affordable financial products are key pillars of our financial empowerment work. This work is focused on financially vulnerable community members with multiple barriers to financial inclusion. Canada's external complaint handling structures and processes can help to offset the inevitable imbalance of power between large financial institutions and individual consumers by instituting protections and regulations for consumers and financial service providers. In our experience, the power imbalance between financial institutions and consumers is especially pronounced for low-income community member who often experience barriers to accessing the financial products and services they need. These individuals typically have the least ability to absorb financial losses yet face the most barriers when resolving disputes.

Currently, Canada's external complaint handling system fails to align with internationally accepted standards and best practices. Fundamental flaws in our system have been substantiated by the review conducted by the Financial Consumer Agency of Canada. These flaws must be addressed and the recommendations from Prosper Canada can help achieve a fair, accessible and transparent external complaints handling system that meets international standards.

Thank you for your attention to this important issue. We strongly support the well-researched and well-informed recommendations put forward by our colleagues at Prosper Canada and fully endorse this submission.

Sincerely,



Louise Simbandumwe  
Co-Director



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