

the hearings, a number of such instances were raised by witnesses appearing before the Committee. These complaints included long line-ups at tellers' windows, unexplained service charges, the lack of information regarding electronic funds transfer, loan rejections, the unexpected calling of demand loans, inadequate financing, etc. Undoubtedly, many of these customer complaints have some validity.

In some instances, these grievances are far from trivial. A small business which is denied financing or has a loan unexpectedly called, can suffer serious financial difficulties. The fact that no systematic biases exist, is of little comfort to the individual who suffers from an isolated case of such discrimination. The testimony of Mrs. Alix Granger before the Committee was replete with such case histories of individuals who had a long and mutually-beneficial relationship with a particular bank only to be treated as a poor credit risk. Unfortunately, the Committee has no way of judging the validity of such complaints.

The Consumers' Association of Canada supplied the Committee with a survey of complaints against financial institutions. This survey was useful in indicating the nature and areas of complaints; but, again, the Committee could not put this information into historical perspective nor could it evaluate the extent of these problems.

Nevertheless, the fact that the public used these hearings as a forum in which to air their grievances indicates the perceived need for a body designed to record and possibly resolve such complaints regarding the banks.

While the broad statistical evidence that is available does not support the contention that the banking sector is able systematically to favour some customers to the detriment of others, it is evident that individual cases of valid complaints against the banks do exist. The Committee feels that individuals need a forum where complaints can be registered and which will give the public confidence that, where necessary, appropriate action will be taken.

The Committee is somewhat surprised that individual banks have not established offices in which objections pertaining to their own operations can be dealt with. In this economic climate, it should be expected that the banks would be the target for an increasing number of complaints, and it would seem to be in their own best interest to set up some mechanism to deal with this.

We strongly suggest that those banks which have not yet done so, immediately set up offices to deal with complaints concerning their own operations. In the event that no other means are set up to deal with these matters, we recognize the role of the Office of the Inspector General of Banks as the ultimate arbiter of complaints concerning the banks, as Mr. Kennett pointed out to us in our hearings.

Where the complaints concern the payments system as a whole, as in electronic funds transfer, they should be directed to an office established and maintained by the Canadian Payments Association. We expect that a growing number of future complaints will be directed to this particular service in the future.