

# **2022 Consumer Research Study**

# **Executive Summary**

# Table of Contents

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## *Executive Summary*

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Survey Objectives and Key Takeaways	3
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Overall Attitudes	5
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Vulnerability Impacts	9
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Access Issues	19
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FSRA Awareness and Reputation	22
-------------------------------	----

Sector-by-sector Results	27
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<i>Methodology and Demographics</i>	40
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# Survey Objectives

The Consumer Research study, that consisted of 4,000 adults from Ontario, provides an important opportunity for FSRA to better understand consumer attitudes (e.g., trust, satisfaction), engagement with regulated financial services (e.g., consumer knowledge, behaviours), and consumer characteristics, including characteristics of vulnerability. The study was undertaken from a cross-sectoral perspective and therefore participation was representative of consumers, members, and beneficiaries of the sectors FSRA regulates.

By establishing a quantitative baseline, the study will enable FSRA to, over time, monitor the impact of market changes, industry responses, and regulatory efforts on consumers, members, and beneficiaries. The study will also help to identify key opportunities for FSRA to respond to the needs of and risks to consumers in positions of vulnerability.

# Four Key Takeaways...

01

## **Overall satisfaction with the financial services sector is high among Ontarians, though trust is not distributed equally.**

Overall consumers in every sector are more satisfied than not with the service they receive. The biggest outlier are credit unions where, despite dissatisfaction being rare, many consumers are less engaged and more likely to be unsure. In spite of this high satisfaction, trust is distributed less uniformly. Insurance providers are generally less well trusted, while banks, financial advisors, and pension plans have the highest levels of trust.

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02

## **Vulnerability impacts everything from confidence to trust; from access to how consumers navigate each sector.**

High vulnerability consumers are impacted in almost all areas examined in the survey. In every sector they tend to be less trusting, less satisfied, and less confident. They are more likely to face issues, but in many sectors these issues are less likely to result in complaints. They are more likely to face refusals, and are more likely to report experiencing barriers like poor customer service, a lack of empathy, and a lack of clear information. When it comes to how they shop, in most sectors the most vulnerable consumers are more likely to use the internet or respond to an ad and less likely to have a referral (particularly from family).

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03

## **Awareness of FSRA is low, and in each sector many Ontarians are not aware there is a financial regulator at all.**

In every sector a majority of respondents (between 59% and 74%) either indicated that they do not know if there is a regulator that protects consumers in that sector or that they believe there is *not* one. The sector with the highest share who at least “think” there is a regulator is auto (40%) with the lowest mark for credit unions (24%). In no sector could more than 5% name FSRA (or FSCO or DICO) as the regulator, with a low of 2% among credit union consumers. When directly asked if they were familiar with FSRA the number who said that had at least heard of FSRA rose to 35%, among whom 14% were at least somewhat familiar and 22% said they had only heard of FSRA but knew nothing more about it.

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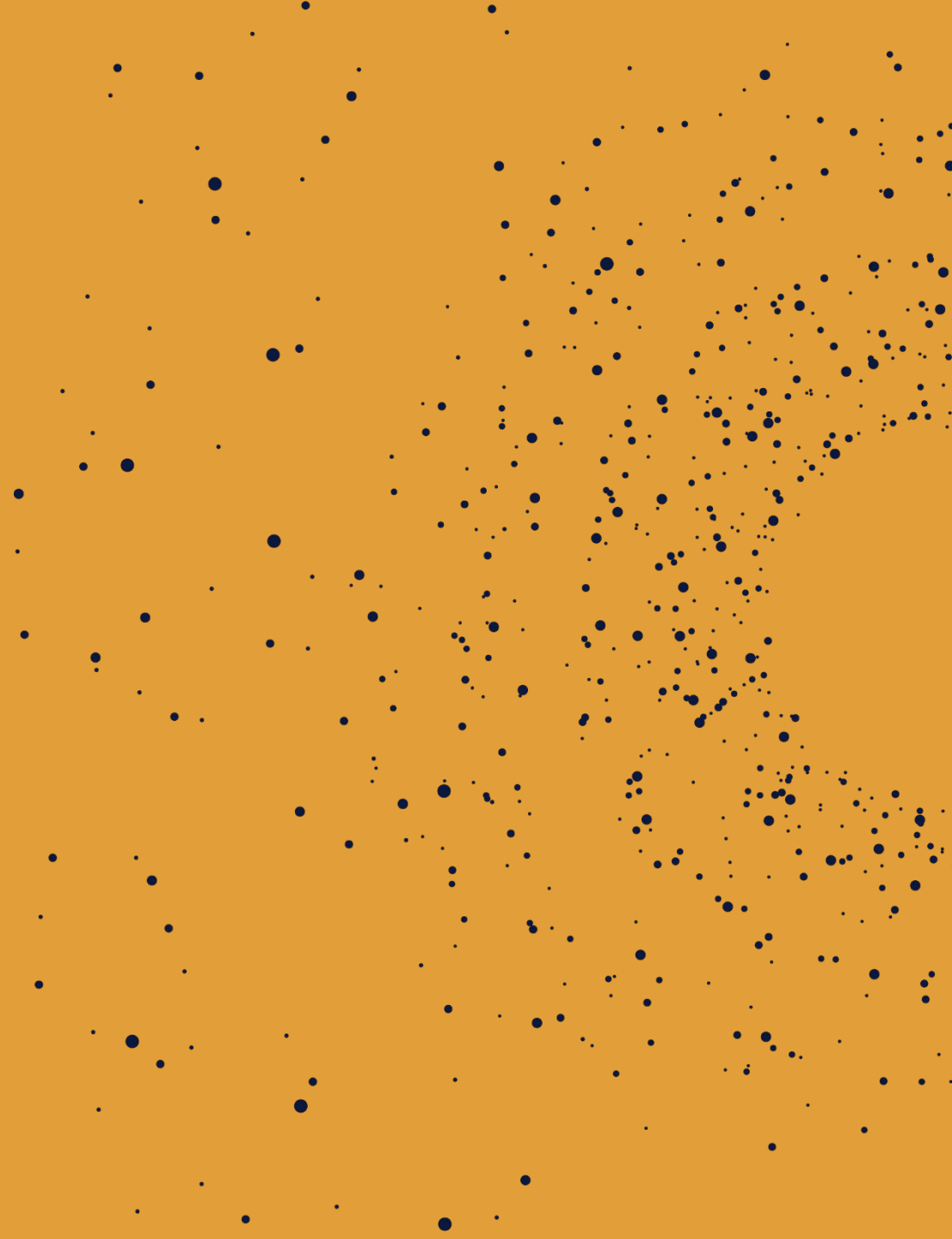
04

## **The frequency of issues differed by sector, but in each sector the plurality who didn’t complain said there would be ‘no point’.**

Problems that might warrant a complaint were most common among mortgage broker consumers. 31% of these experienced at least one issue, with no one issue type especially standing out as more common than others. Issues were least common for pension consumers at 11%. Among those who ran into a problem and opted not to complaint, the most common reason – especially among insurance consumers – was that there would be no point.

# Summary:

## Overall Attitudes

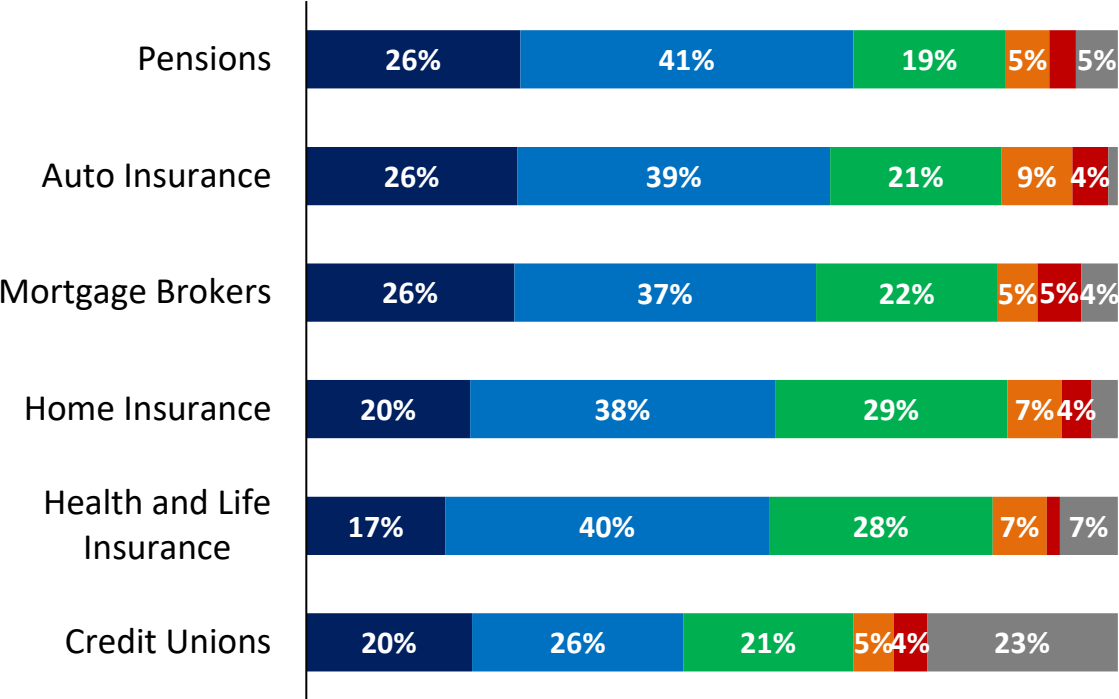


# Overall, Ontarians are satisfied with the financial products and service<sup>6</sup> sector and confident in their ability to navigate it



In general, how satisfied are you with the service you have received in the [specific sector] in Ontario?

[asked of all customers within each sector]

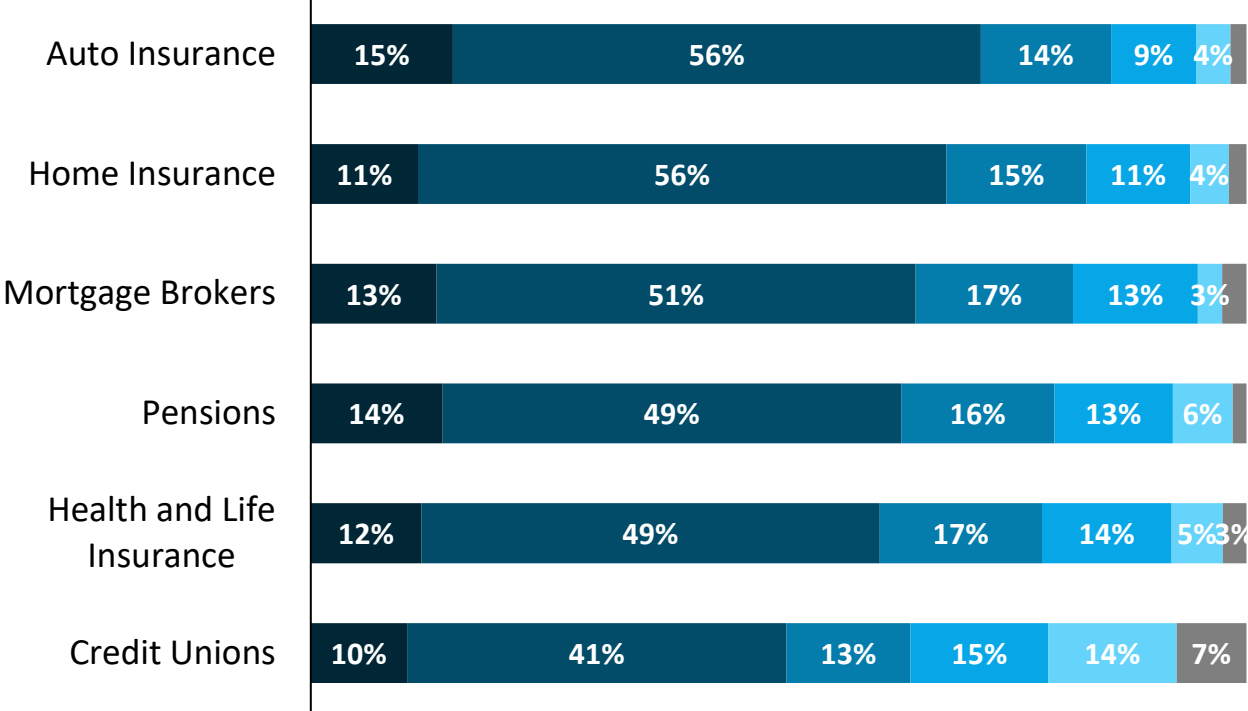


Very satisfied    Somewhat satisfied    Neither    Somewhat dissatisfied    Very dissatisfied    Don't know



When it comes to [specific sector product or services], would you consider yourself to be a confident and savvy consumer?

[asked of all customers within each sector]



Completely confident    Very confident    Neutral    Not very confident    Not at all confident    Don't know

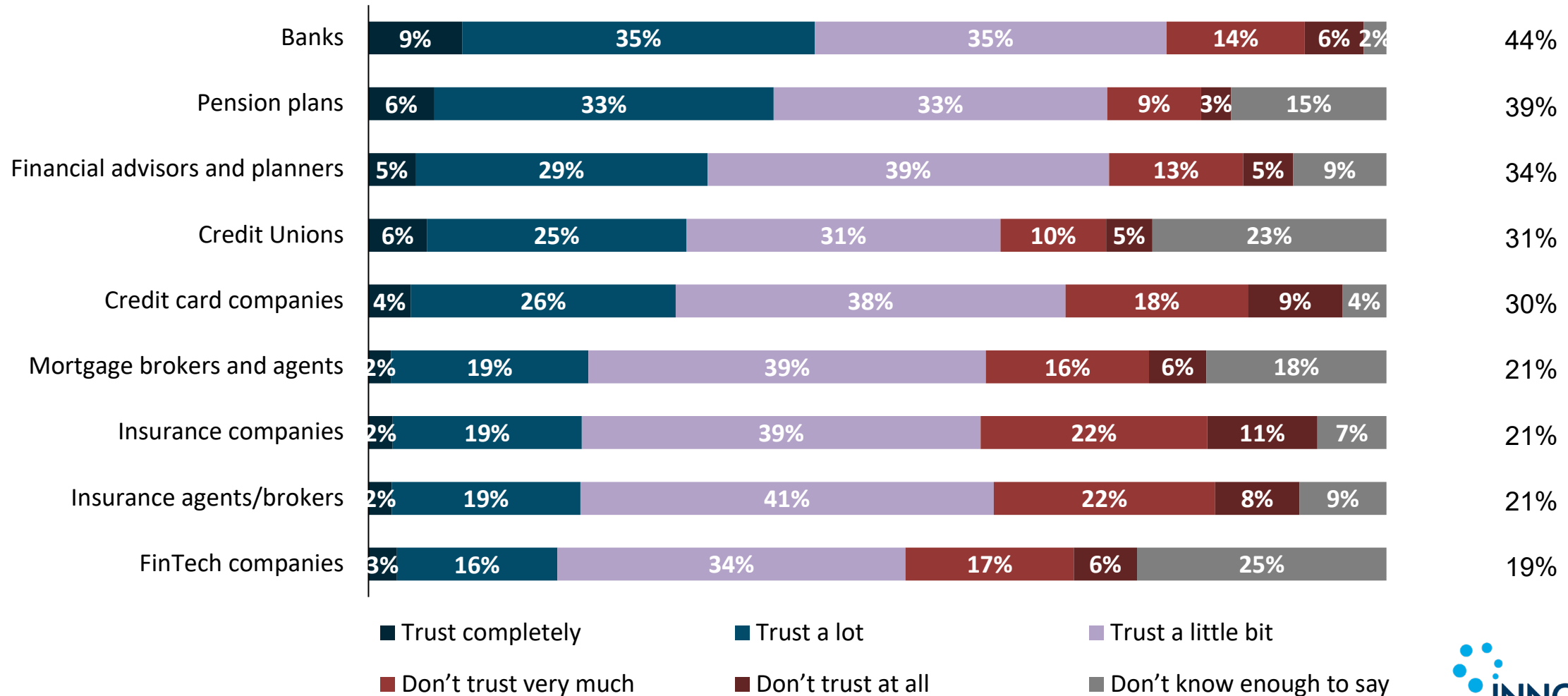
# However, they do not view the sector as a monolith, and in particular report different levels of trust in different subsectors



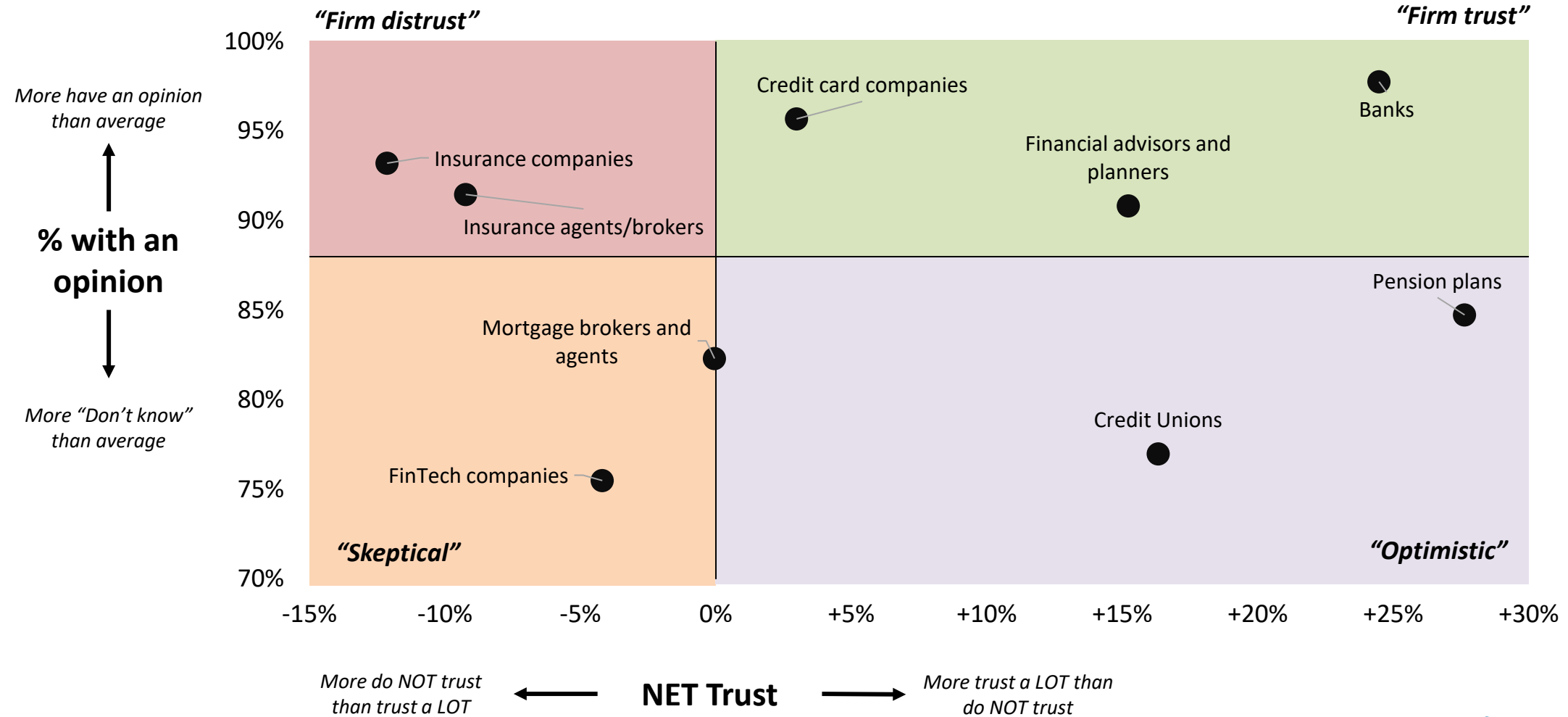
When it comes to treating consumers fairly, how much do you trust each of the following kinds of financial service providers?

[asked of all respondents, n=4,000]

% Trust a lot/completely



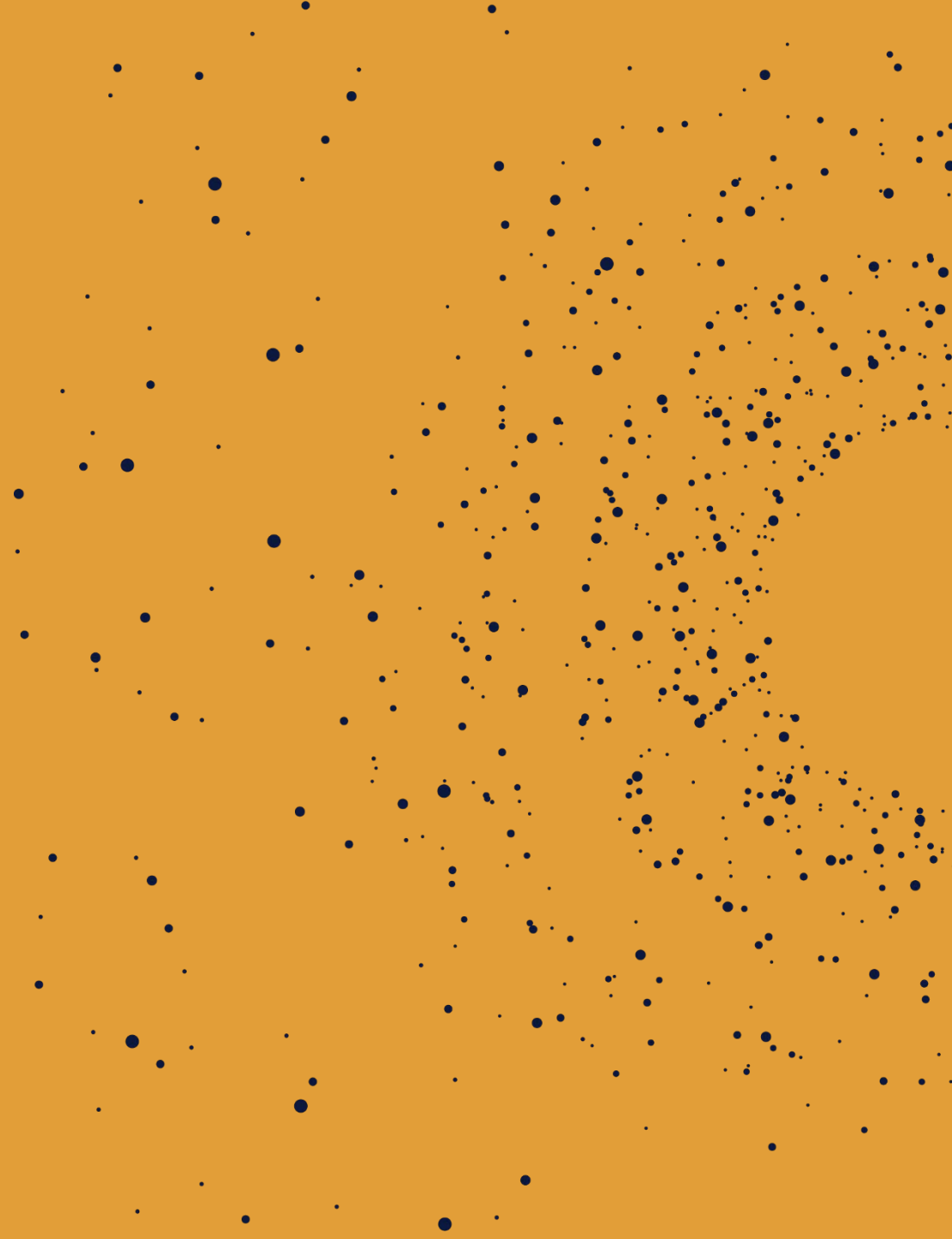
# Sectors differ both in the level of trust consumers have and in how strong their opinion is about the sector





# Summary:

## Vulnerability Impacts



# Markers of Financial Vulnerability

Financial vulnerability is organized into four categories. For each category, we identified either 3 or 4 markers of vulnerability in the survey results which we can use in the analysis. This framework was inspired by the UK Financial Conduct Authority's definition of vulnerability, that is set out in their Guidance for firms on the fair treatment of vulnerable customers, issued on February 2021.

Health	At least one physical or mental health condition		An additional physical or mental health condition beyond the first		Physical or mental health condition(s) with a “significant” or “very significant” impact
Capability	“Slightly confident” or not confident at all with numbers		Low confidence using computers and the internet		Low financial literacy (correctly answered 2 or fewer of 4 financial literacy questions)
Life events	If they are providing help/financial support to someone in their household		If they are providing help/financial support to someone not in their household		Experienced an impactful life event this year
Resilience	Agree that keeping up with household expenses is a “heavy burden”	Income that is under \$40k or is highly variable		Non-mortgage debt that exceeds \$25k	Only enough savings to last a week if main source of income was lost

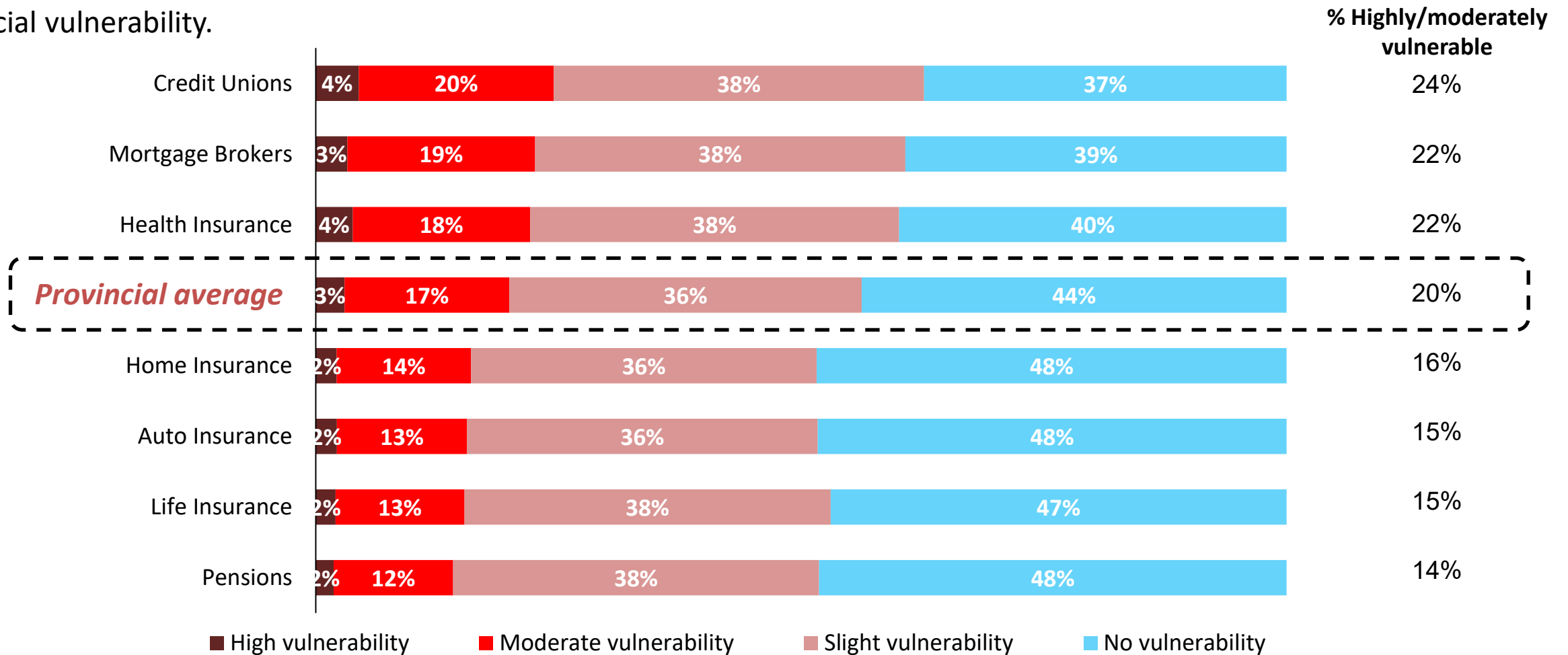
# Financial Vulnerability Segmentations

Based on the markers of vulnerability identified, we segment consumers by their level of vulnerability in each category as well as overall. These segmentations can be used to summarize the impact of vulnerability on a variety of other outcomes measured in the survey.

	Individual Categories of Vulnerability	Overall Vulnerability
<b>High Vulnerability</b>	2 or more markers	7 or more markers across all four categories
<b>Moderate Vulnerability</b>	1 marker	4 to 6 markers
<b>Slight Vulnerability</b>	--	2 or 3 markers
<b>Low/No Vulnerability</b>	Zero markers	One or zero markers

# Three sectors have consumers that are more vulnerable than average: <sup>12</sup> Credit unions, Mortgage brokers, and Health insurance

The chart below takes all customers within each sector and groups them based on their overall financial vulnerability.

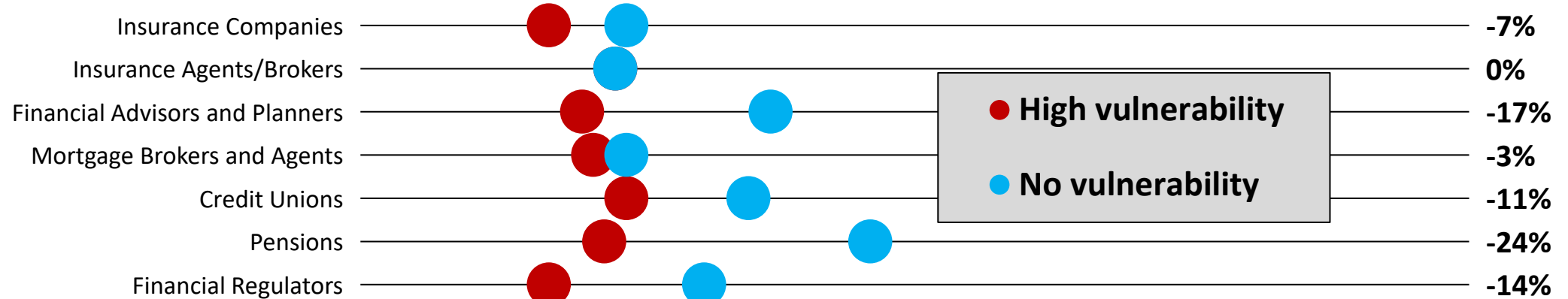


# Despite high overall trust and satisfaction, the most vulnerable Ontarians are much less trusting and less satisfied

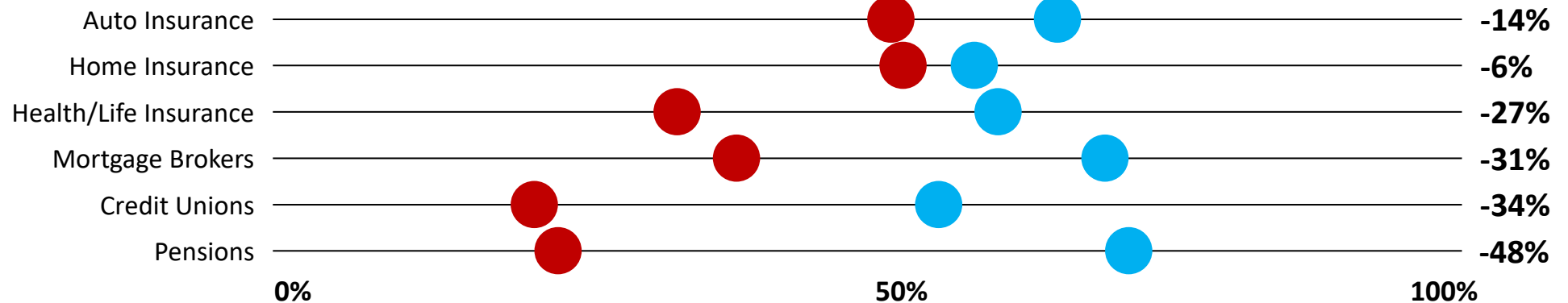
## Impact of vulnerability on trust in and satisfaction with financial product and service providers

Complete or a lot  
of trust in...

Difference:  
High vs. None



Very/somewhat satisfied  
with service in...

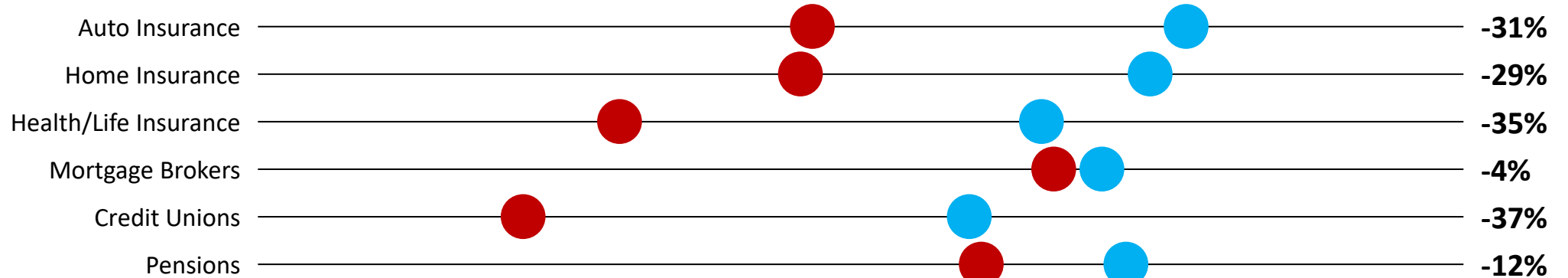


# Like trust and satisfaction, high vulnerability matters for confidence in each sector as well

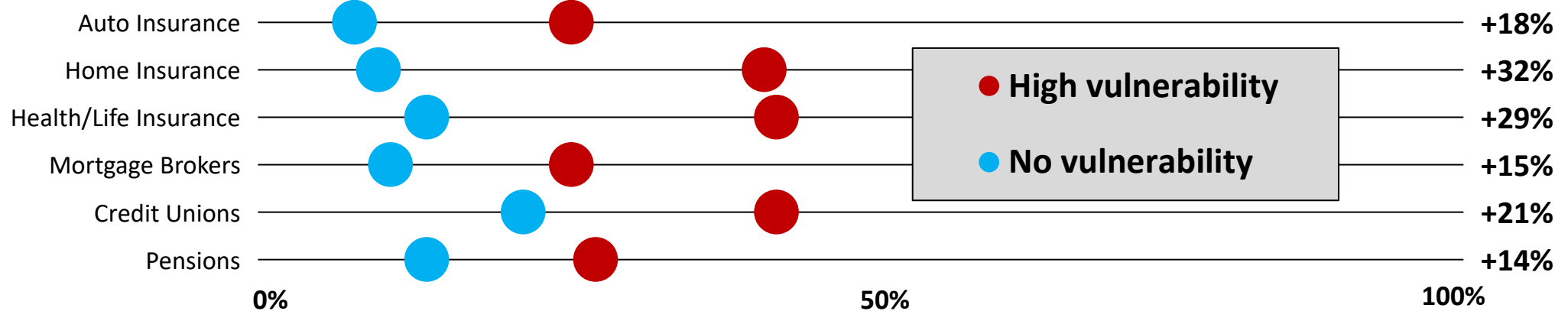
## Impact of vulnerability on confidence in each sector

Say they are confident/savvy consumers in...

Difference:  
High vs. None

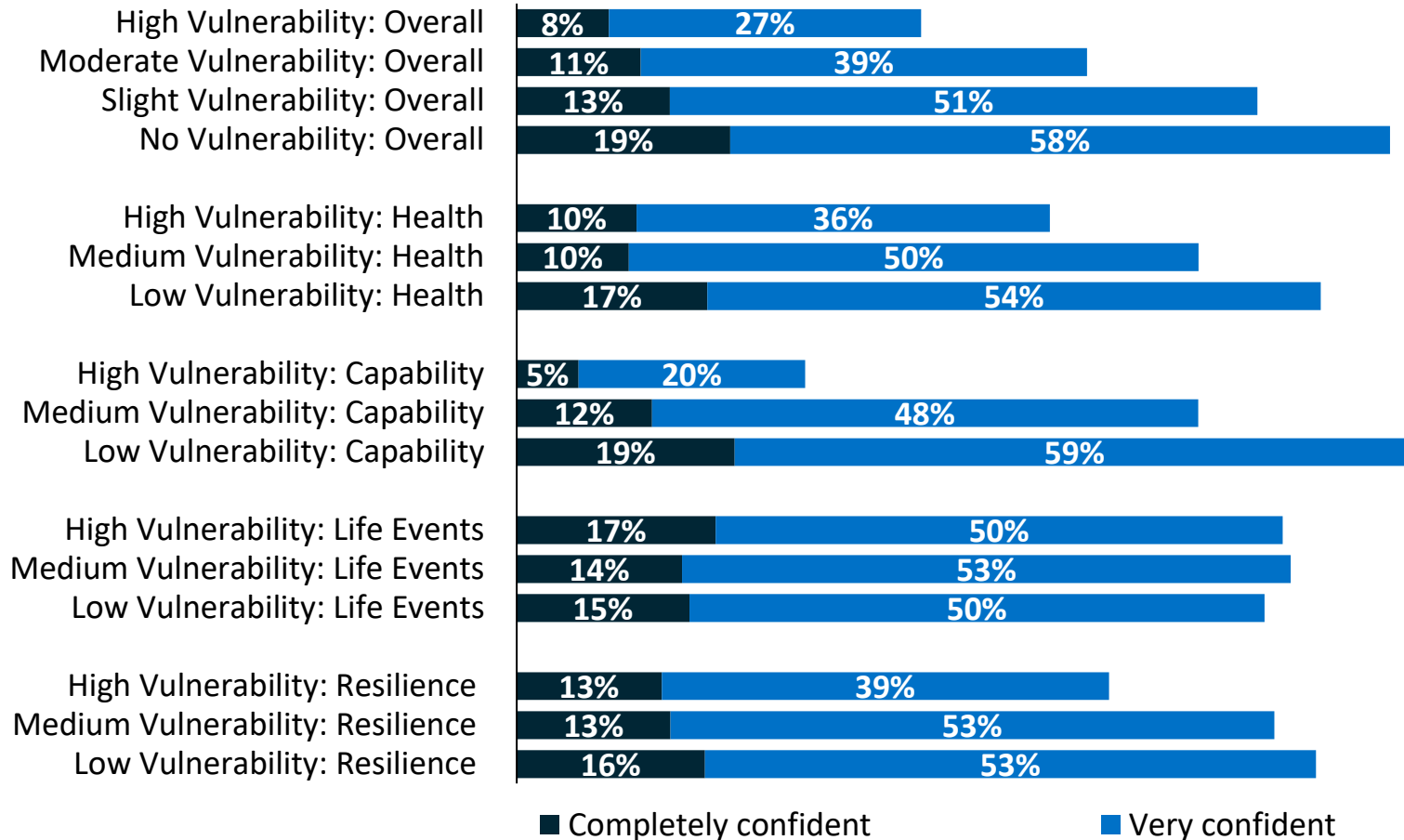


Say they *aren't* confident/savvy consumers in...



# Overview: Capability is a key vulnerability, most correlated to several attitudes, including confidence; life events is often the opposite

## “Confident and savvy consumer” overall:



When we examine each specific factor of vulnerability, capability is consistently important.

In particular, overall confidence as a consumer is most strongly correlated with capability as shown in the chart to the left. Sector by sector, we also see comparably strong correlations of capability-based vulnerability with sector-specific confidence in every sector.

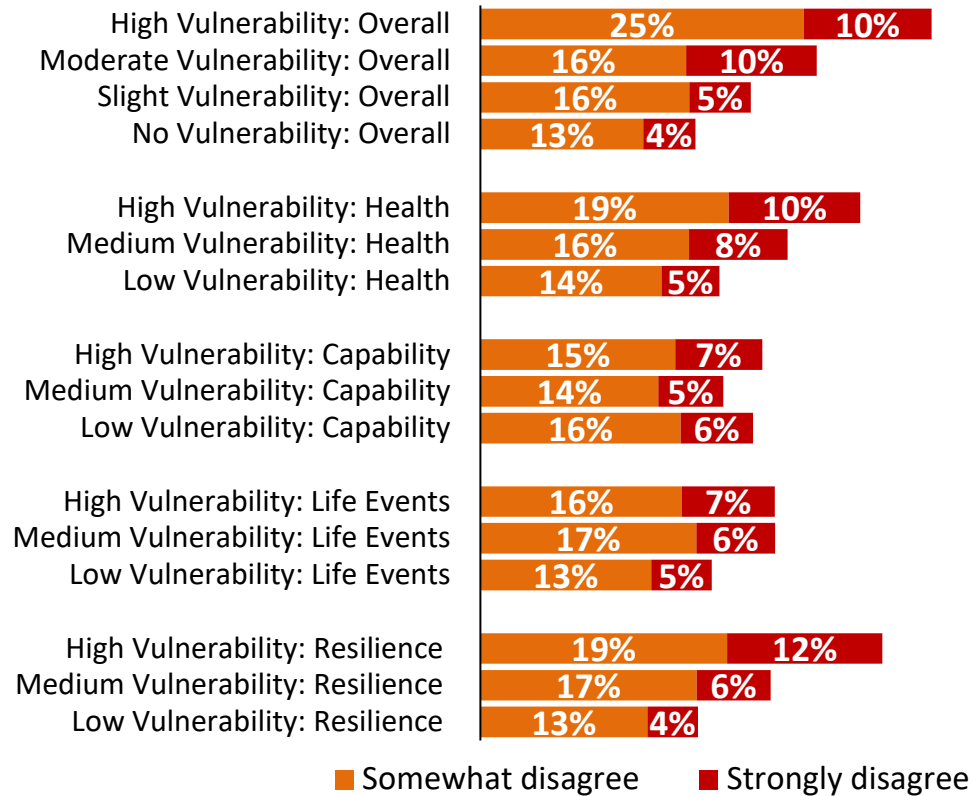
On several other measures such as familiarity with rights, trust, and access capability is frequently one of the most impactful factors.

The relationship is often the opposite for those with more vulnerability related to life events, who tend to be at least as confident as consumers and more familiar with their rights and protections.

# High vulnerability is also correlated to distrust in the financial sector, particularly driven by resilience-based vulnerability

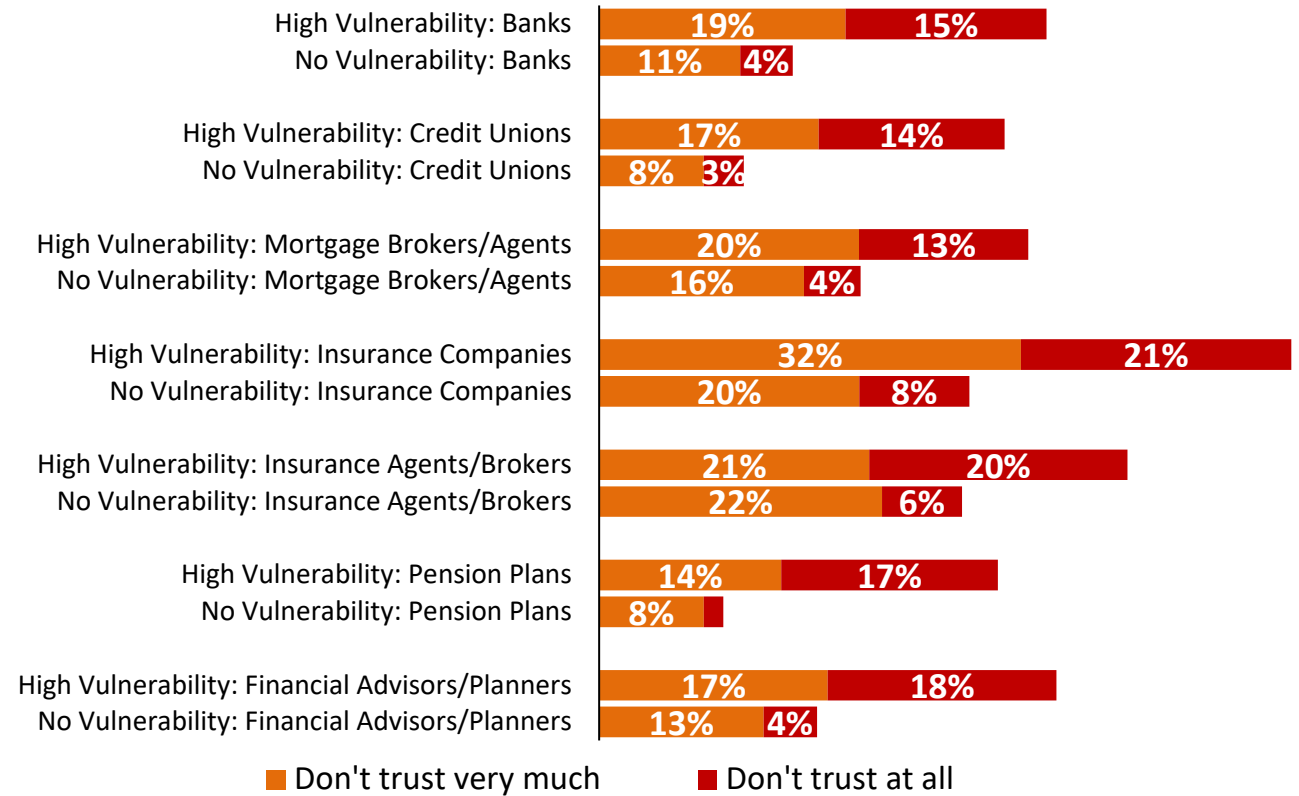
**Q** I feel most financial service providers are honest and transparent in the way they treat me.

[asked of all respondents, n=4,000]



**Q** When it comes to treating consumers fairly, how much do you trust each of the following kinds of financial service providers?

[asked of all respondents, n=4,000]

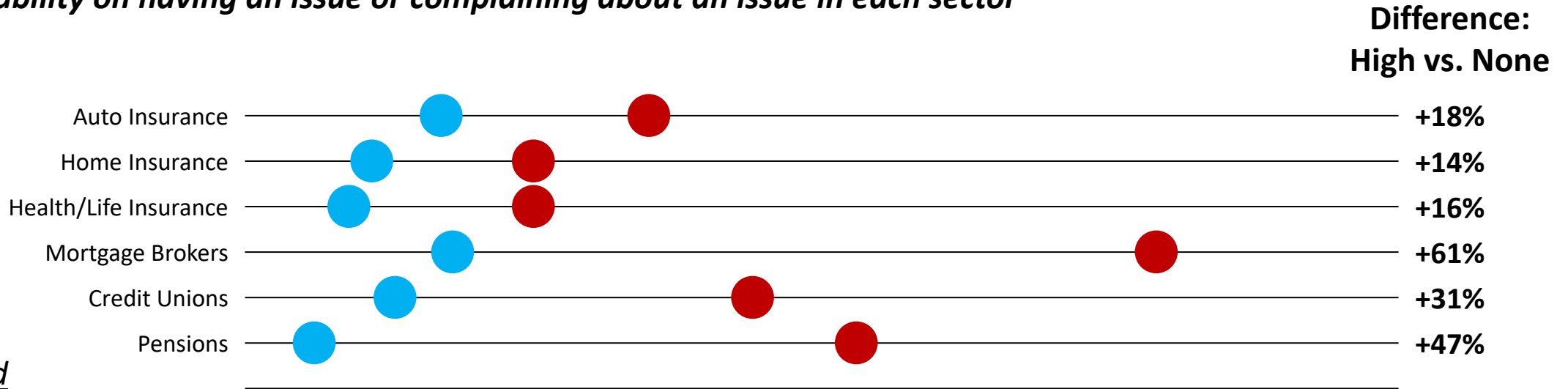




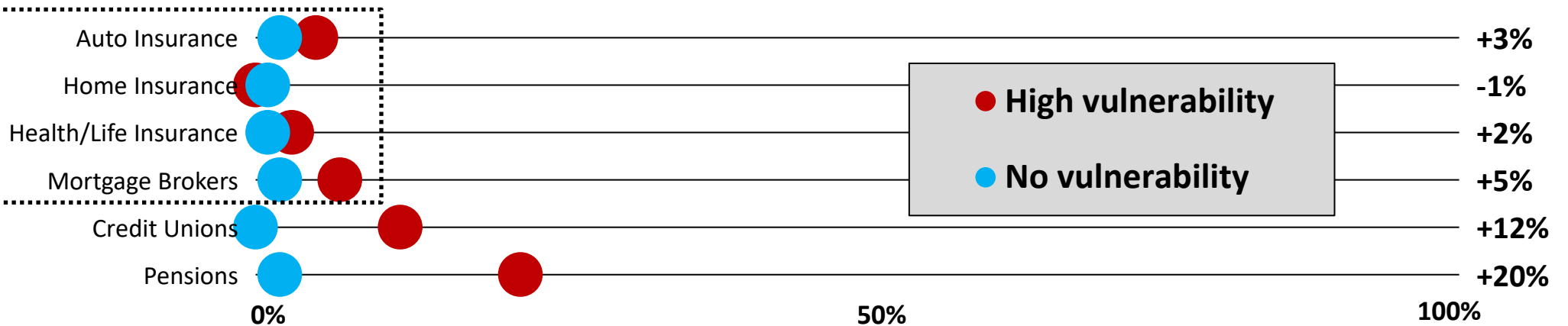
# High vulnerability groups are also likelier to experience issues, but only in some sectors does this translate to more complaints

*Impact of vulnerability on having an issue or complaining about an issue in each sector*

Consumers who  
had an issue  
with their...



Consumers who  
had an issue and  
complained...



*The disconnect between issues (higher for those with more vulnerability) and complaints (not higher in these sectors) suggests greater barriers to making a complaint for the most vulnerable consumers in these sectors.*

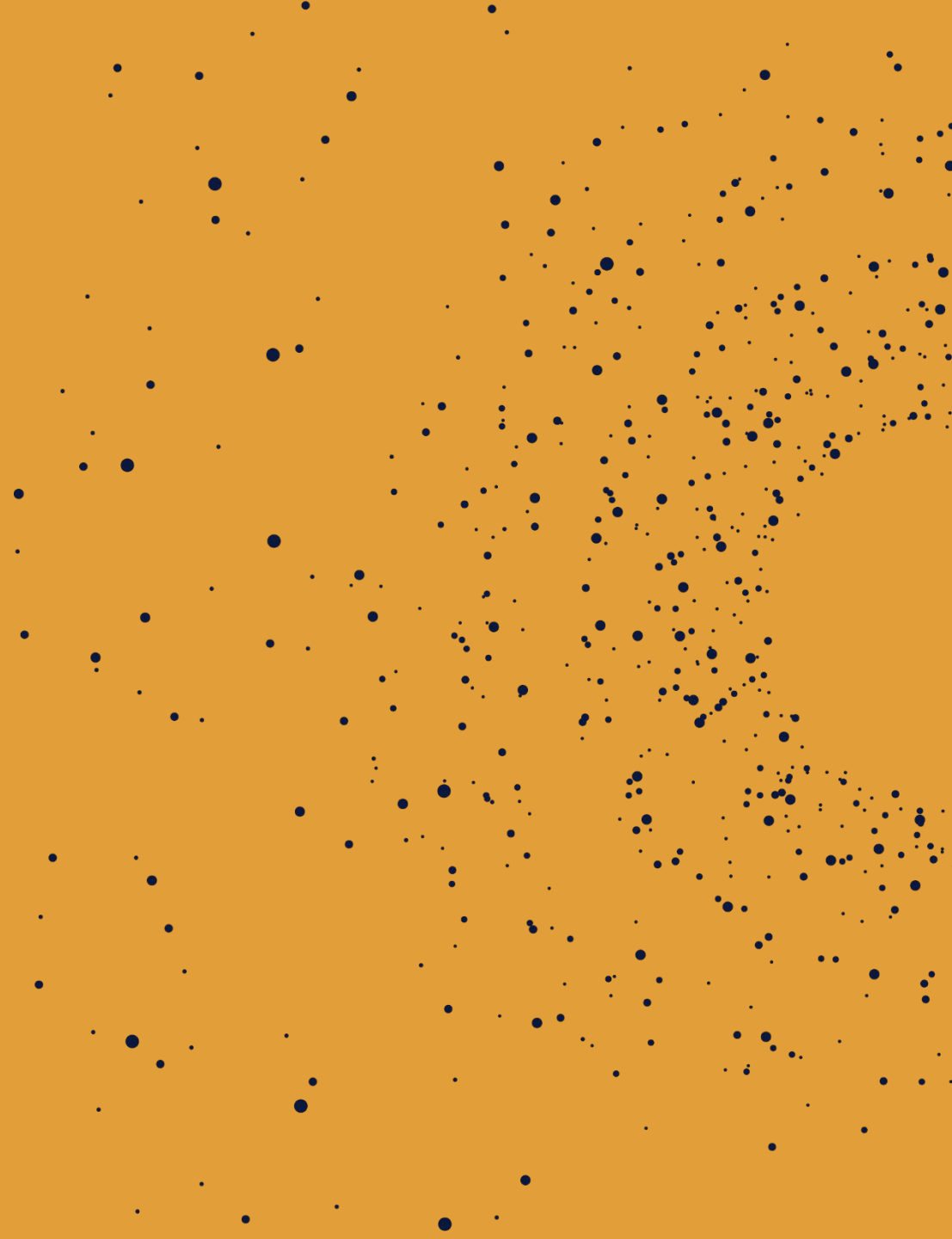
# Purchase mode: For less vulnerable family or friend referrals are most common, for more vulnerable online search and ads are more common

How did you find your [agent/service provider/broker/company] originally?	Auto Insurance			Home Insurance			Health Insurance			Life Insurance			Mortgage Broker		
	TOTAL	No Vulnerability	High Vulnerability	TOTAL	No Vulnerability	High Vulnerability	TOTAL	No Vulnerability	High* Vulnerability	TOTAL	No Vulnerability	High* Vulnerability	TOTAL	No Vulnerability	High* Vulnerability
Internet search	18%	16%	34%	16%	15%	31%	13%	11%	11%	7%	7%	25%	15%	13%	31%
Saw an ad	6%	5%	8%	5%	4%	6%	4%	4%	12%	4%	1%	9%	4%	2%	7%
They contacted me	1%	0%	2%	1%	1%	0%	3%	3%	22%	5%	5%	0%	3%	1%	0%
Family referral	22%	21%	14%	19%	19%	19%	16%	15%	0%	27%	27%	18%	23%	21%	9%
Friend referral	13%	14%	13%	14%	14%	7%	13%	14%	10%	14%	11%	4%	21%	28%	8%
Bank/credit union referral	3%	2%	5%	3%	3%	6%	4%	4%	15%	5%	5%	8%	4%	3%	22%
Well-known company	15%	17%	12%	14%	17%	15%	11%	13%	0%	9%	10%	21%	3%	4%	12%

*Note that these differences primarily hold for the smaller number of most vulnerable consumers in the “High” vulnerability group. For consumers with moderate vulnerability, shopping habits are more similar to less vulnerable consumers.*

# Summary:

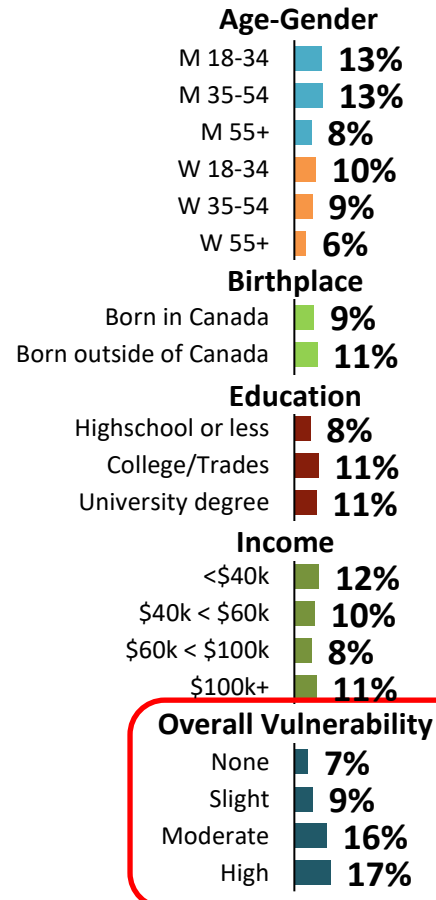
## Access Issues



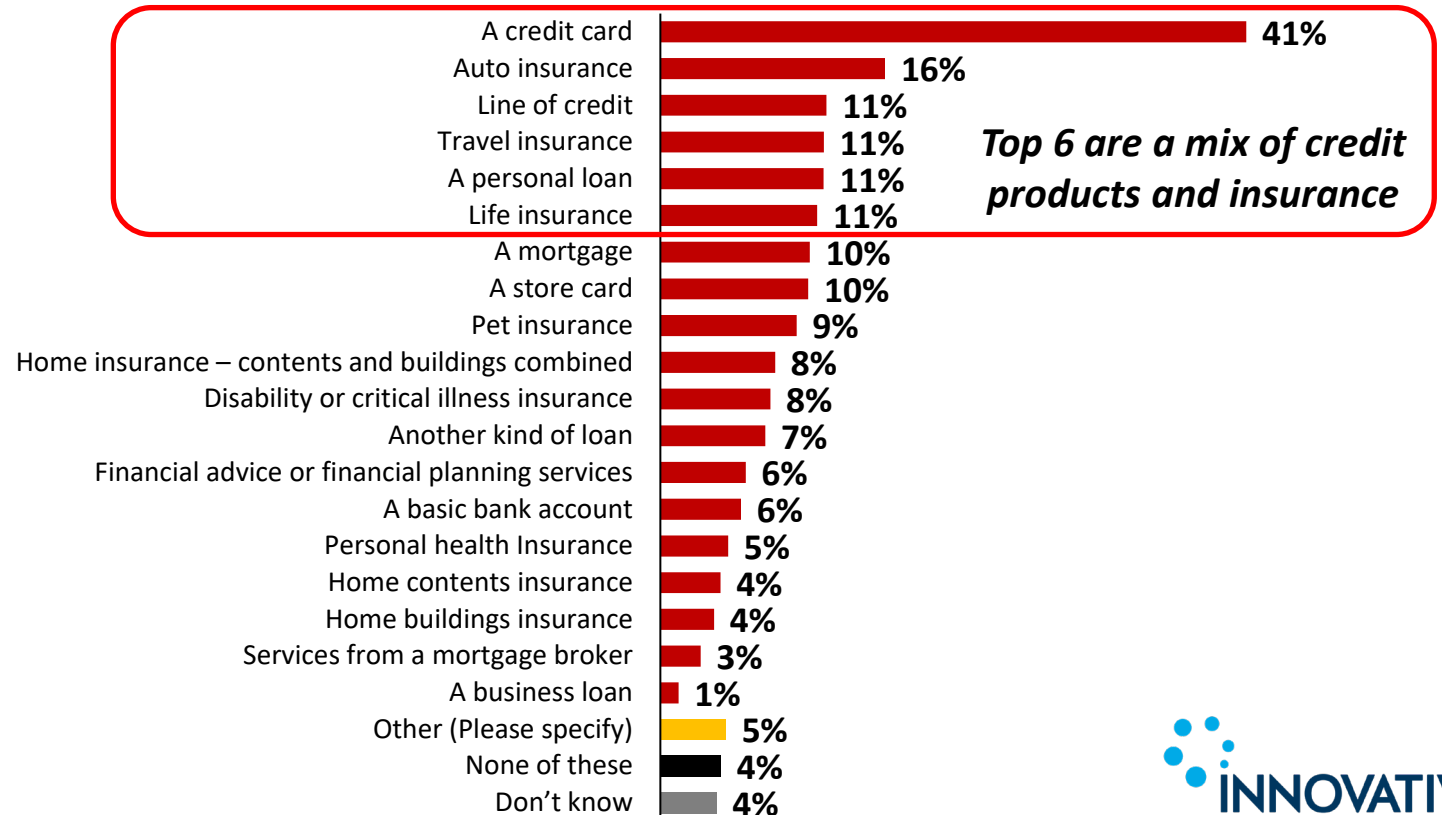
# Unreasonable terms are most common on credit products (especially credit cards) but also on insurance <sup>20</sup>

*10 percent of all respondents say that they were offered a financial product or service at a price or with terms and conditions they felt were completely unreasonable.*

## Who has been offered unreasonable terms?



## What product or service was offered on unreasonable terms?



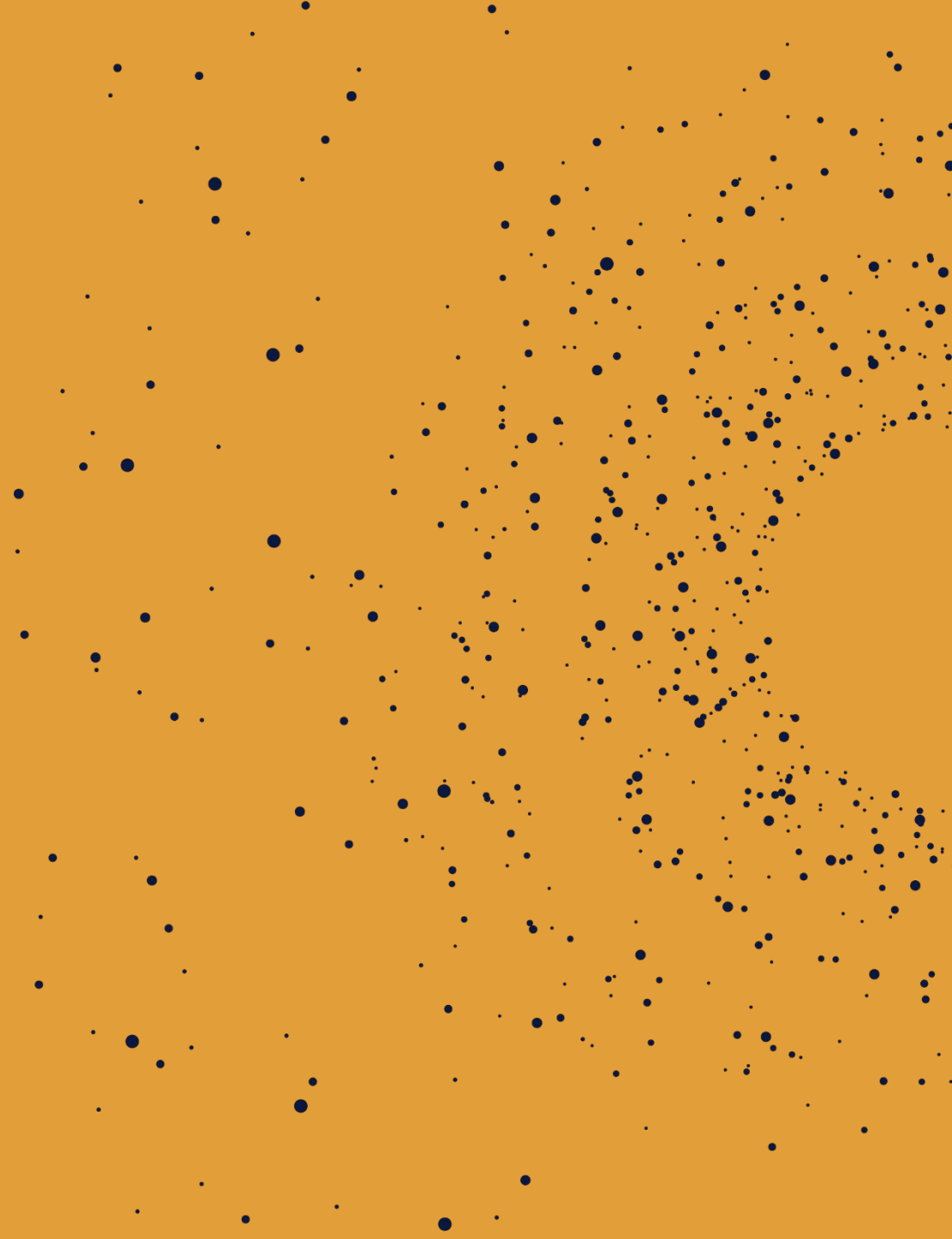
# Vulnerable Ontarians encounter other barriers to access far more frequently

Have you experienced any of the following problems when dealing with financial service providers?  
*Select all that apply.*

Percentage of respondents who selected each response	Total	Vulnerability			
		None	Slight	Moderate	High
Poor customer service	16%	11%	17%	23%	29%
Slow to respond	14%	11%	14%	21%	21%
A lack of empathy	10%	6%	11%	18%	24%
Failing to treat you with respect	7%	4%	6%	12%	18%
Processing errors	8%	6%	8%	12%	7%
Lack of clear information	11%	8%	11%	15%	31%
Not able to provide help needed	8%	6%	9%	11%	20%
No single point of contact	6%	5%	7%	8%	12%
Other	1%	1%	1%	1%	2%

# Summary:

## FSRA Awareness and Reputation



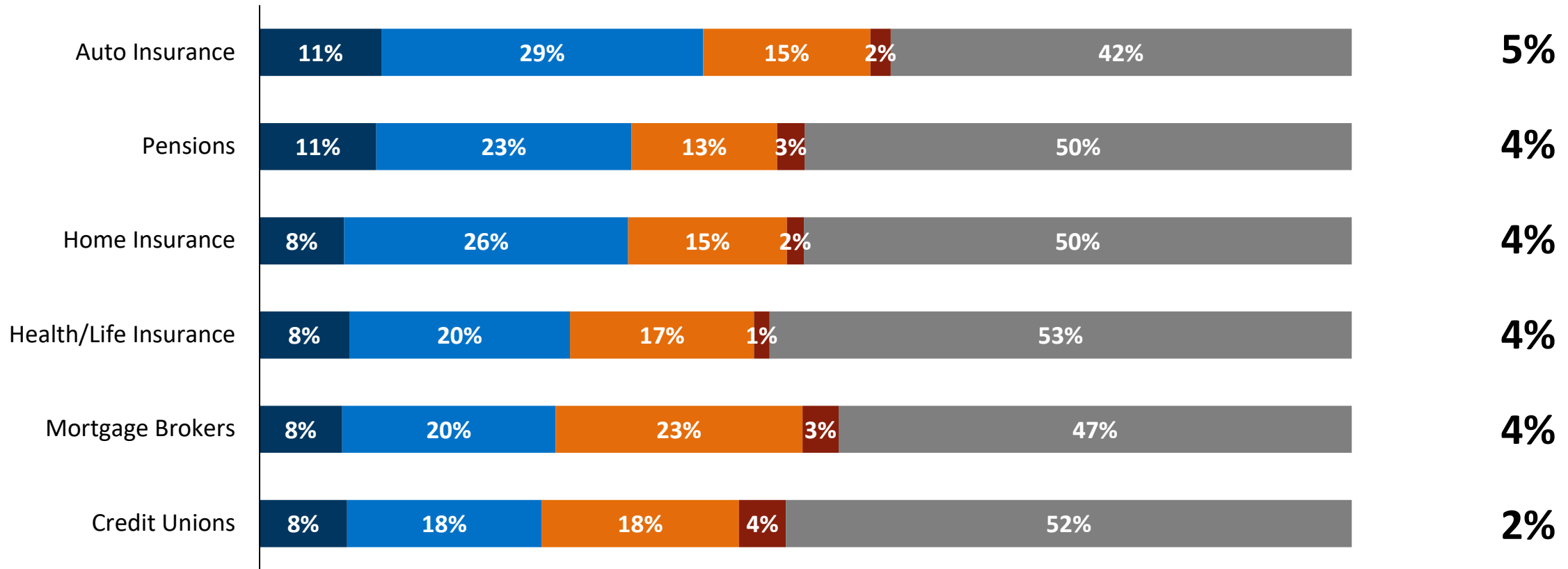
# Despite their confidence, a majority of consumers in each sector are unsure if there's a regulator or believe there isn't one



To the best of your knowledge, is there a regulator in Ontario that protects consumers in the [sector]?

[asked of all consumers in each sector]

% who could name FSRA or  
FSCO/DICO as the  
regulator



■ Yes, definitely ■ Yes, I think so ■ No, I don't think so ■ No, definitely not ■ Don't know

# Awareness is important: those who believe there is a regulator or are familiar with their rights are consistently more confident consumers

Confidence as a consumer		Familiarity with rights as a consumer		Believes there is a regulator for the sector	
		Familiar	Not familiar	Yes	No/Don't know
Auto Insurance	Confident	87%	56%	79%	67%
	Not confident	4%	21%	9%	15%
Home Insurance	Confident	85%	55%	78%	63%
	Not confident	5%	23%	9%	18%
Health/Life Insurance	Confident	81%	47%	74%	56%
	Not confident	5%	29%	12%	22%
Mortgage Brokers	Confident	81%	47%	75%	61%
	Not confident	7%	26%	11%	18%
Credit Unions	Confident	71%	34%	65%	46%
	Not confident	11%	42%	18%	32%
Pensions	Confident	82%	46%	77%	56%
	Not confident	6%	30%	10%	24%

Those who are more familiar with their rights tend to be more confident consumers, as are Ontarians who believe there's a regulator in each sector.

**However, confidence is a double edged sword.** There is still a significant portion of consumers who are very confident despite say they aren't familiar with their rights or believing there is no regulator in their sector.



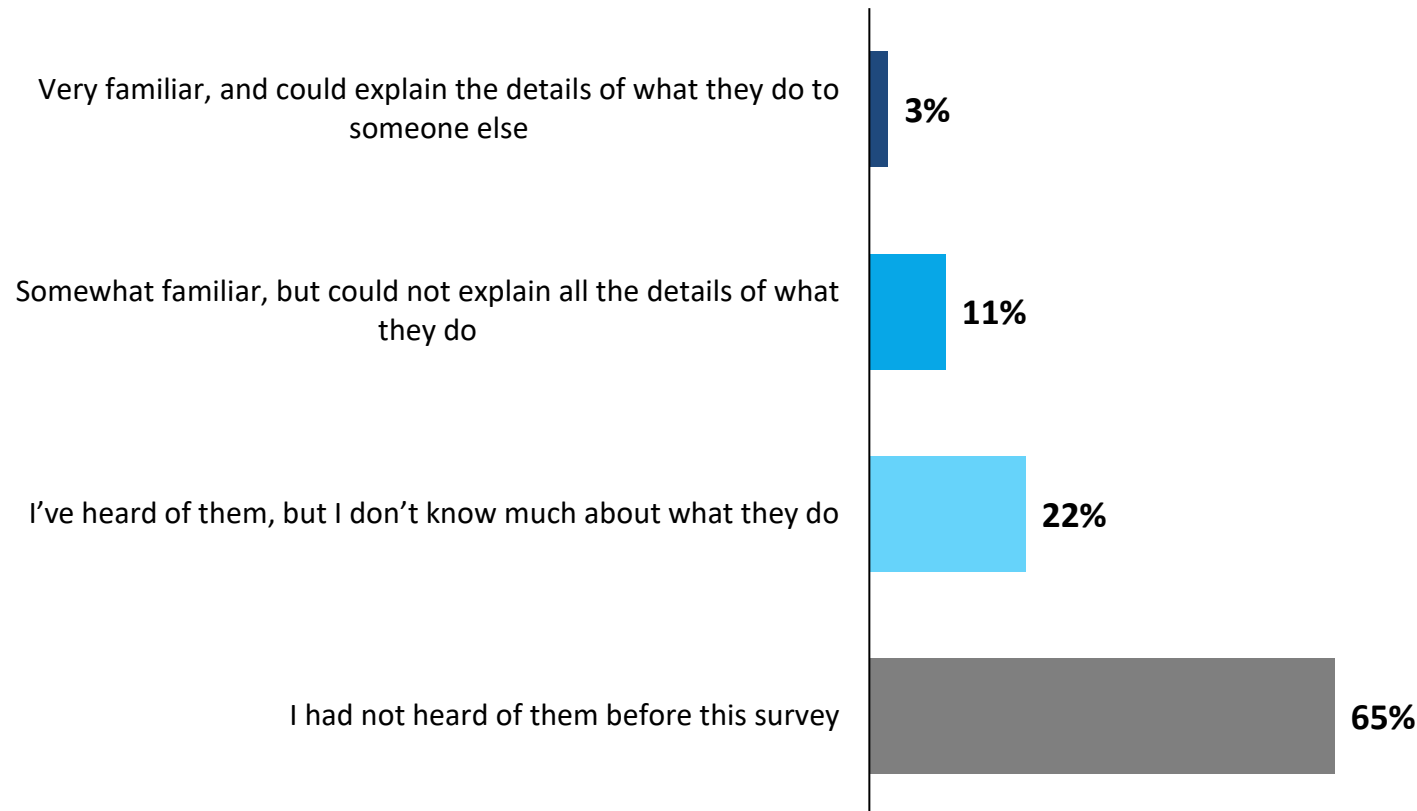
# 2-in-3 Ontarians have never heard of FSRA (or FSCO or DICO); just 3% say they are 'Very familiar'

Q

The next few questions are about the Financial Services Regulatory Authority of Ontario (FSRA) Prior to 2019, FSRA was known as the Financial Services Commission of Ontario (FSCO) and the Deposit Insurance Corporation of Ontario (DICO).

Before this survey, how familiar were you with FSRA (or FSCO or the DICO)?

[asked of all respondents, n=4,000]



## Segmentation

Those who selected somewhat or very familiar

### Age-Gender

M 18-34	17%
M 35-54	15%
M 55+	18%
W 18-34	10%
W 35-54	11%
W 55+	9%

### Birthplace

Born in Canada	12%
Born outside of Canada	18%

### Education

Highschool or less	9%
College/Trades	14%
University degree	20%

### Income

<\$40k	10%
\$40k < \$60k	9%
\$60k < \$100k	15%
\$100k+	18%

### Overall Vulnerability

None	14%
Slight	13%
Moderate	13%
High	18%

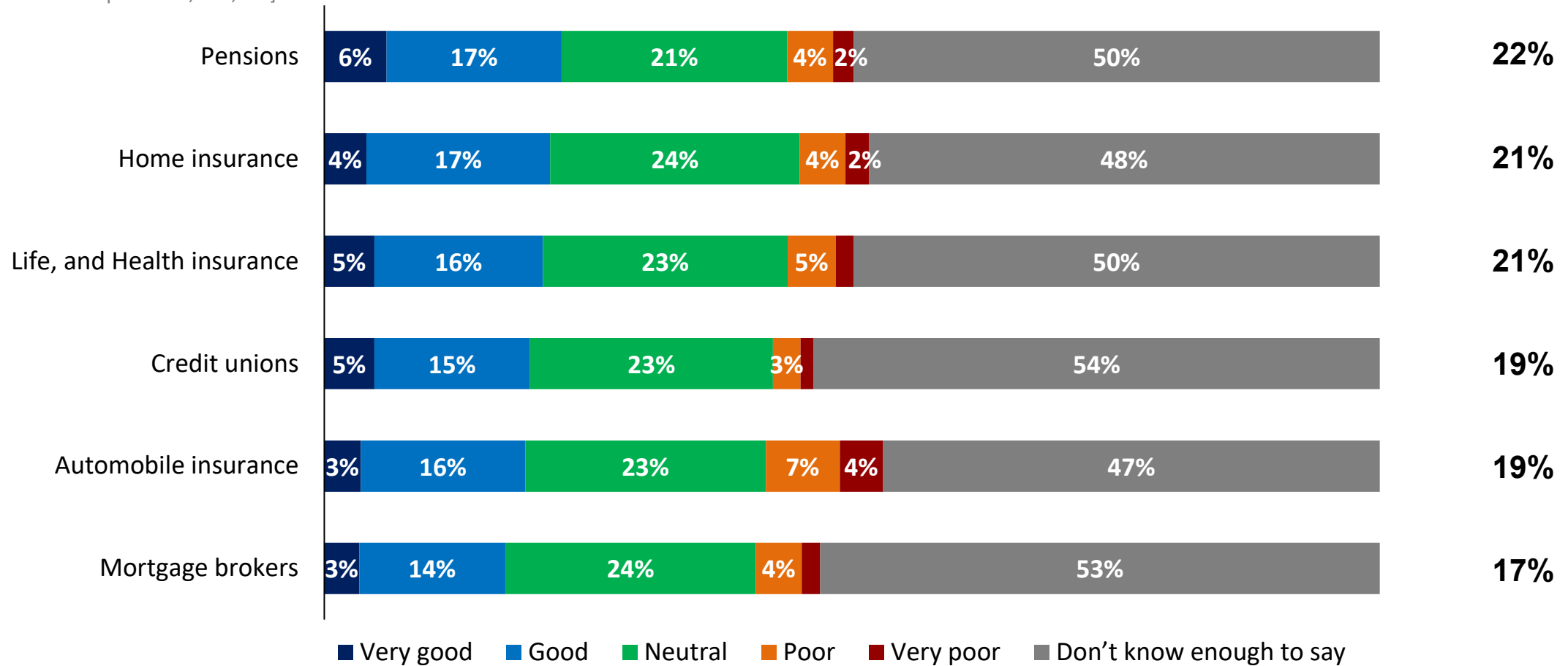
# Overwhelmingly, most people simply don't have an opinion on whether FSRA is doing a good job in each sector

Q

And when you consider each of the following sectors that FSRA oversees in Ontario, would you say they are doing a good job or a poor job when it comes to overseeing...

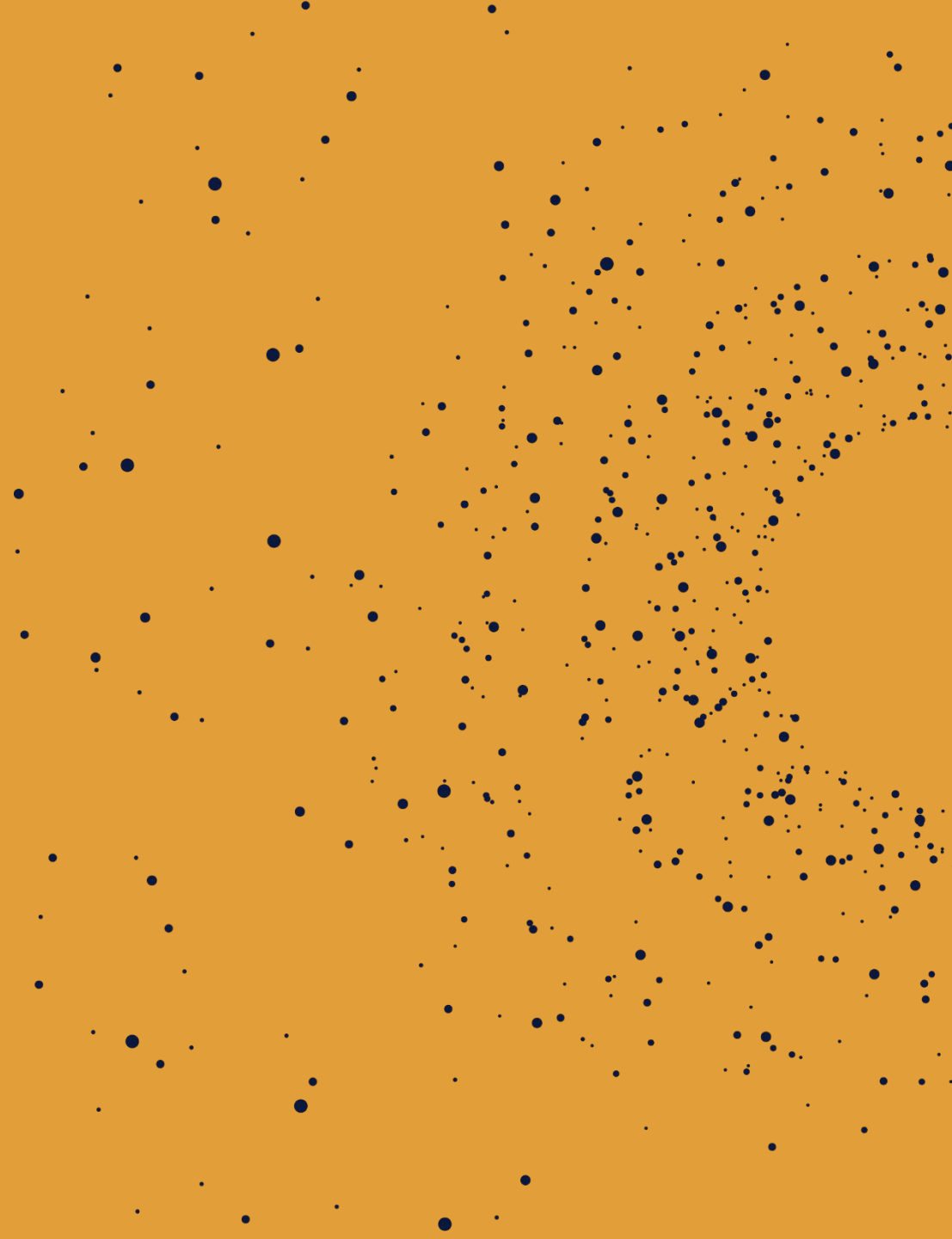
[asked of all respondents, n=4,000]

% Very good/Good



# Summary:

## Sector-by-sector Results

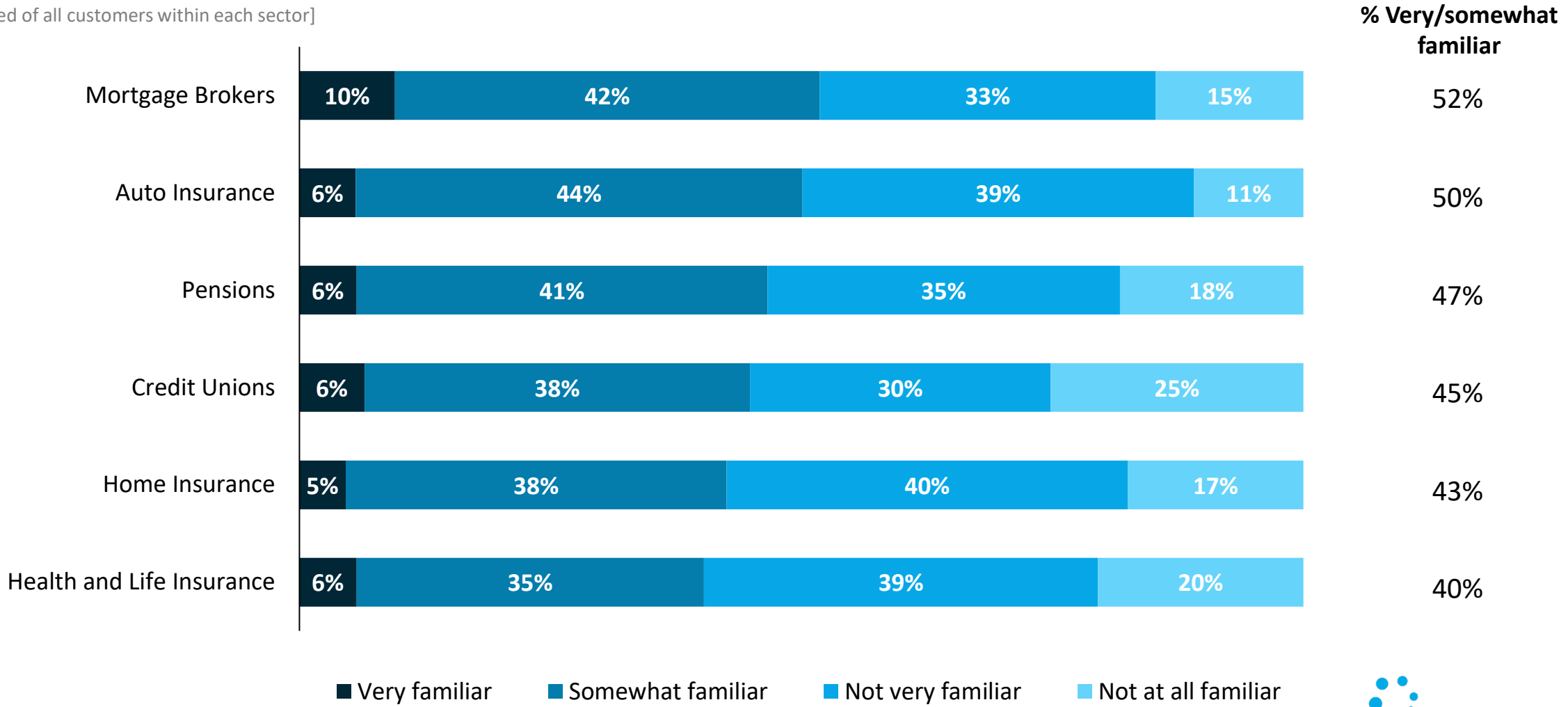


# Rights and Protections: Familiarity with rights and protections highest in mortgage broker sector (52%); few very familiar with their rights



How familiar are you with the rights and protections you have [as a customer in each sector]?

[asked of all customers within each sector]

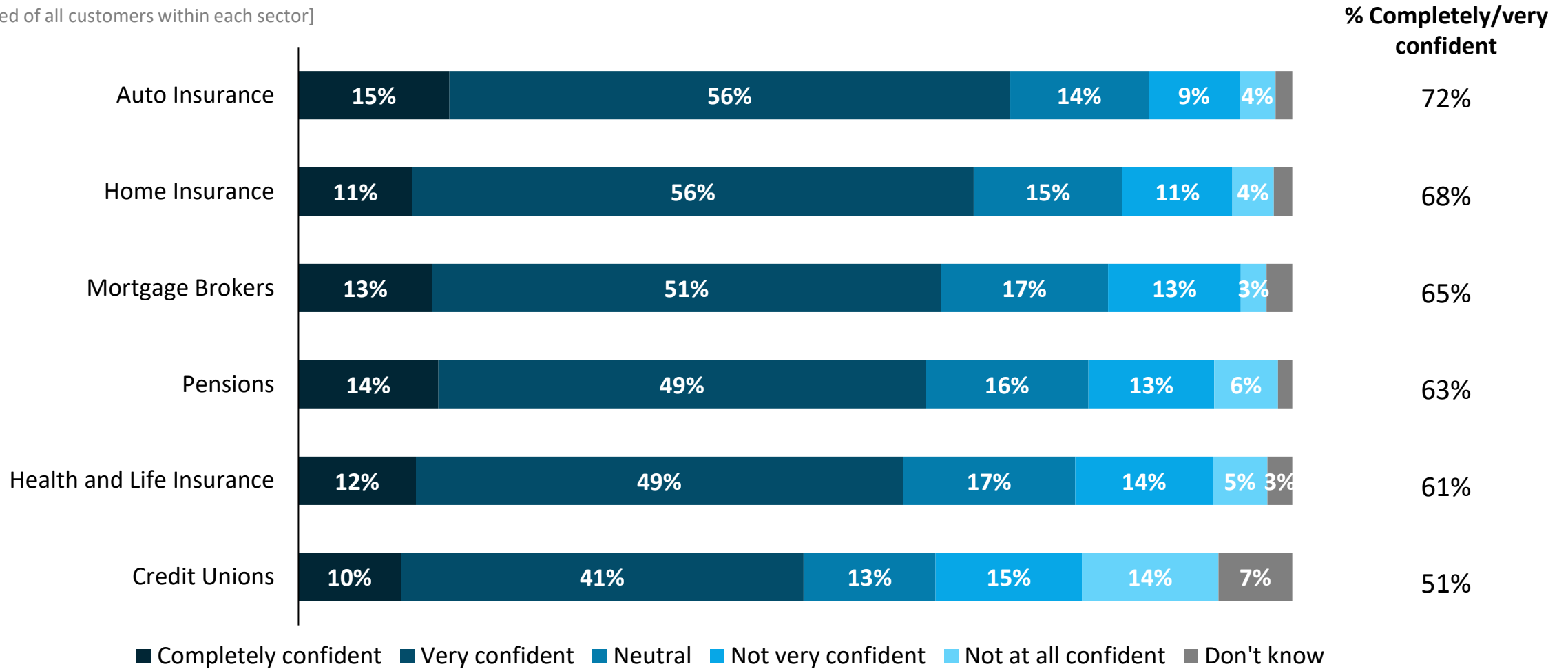


# Confidence: Majority confident in all sectors, highest among auto insurance customers (71%), lowest among credit union customers (51%)



When it comes to [specific sector product or services], would you consider yourself to be a confident and savvy consumer?

[asked of all customers within each sector]

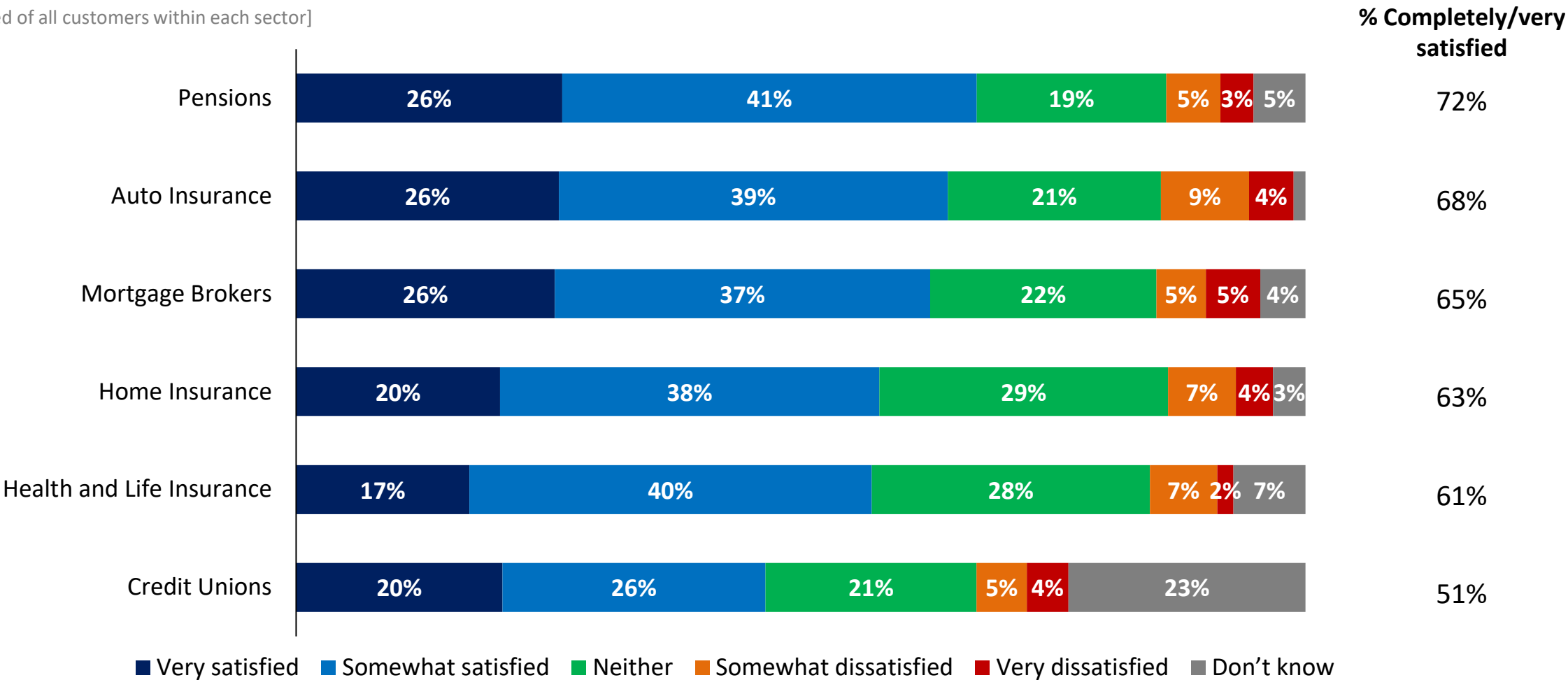


# Satisfaction: Majority are satisfied with service in all sectors; pensioners<sup>30</sup> are the most satisfied (72%); credit unions least satisfied (46%)



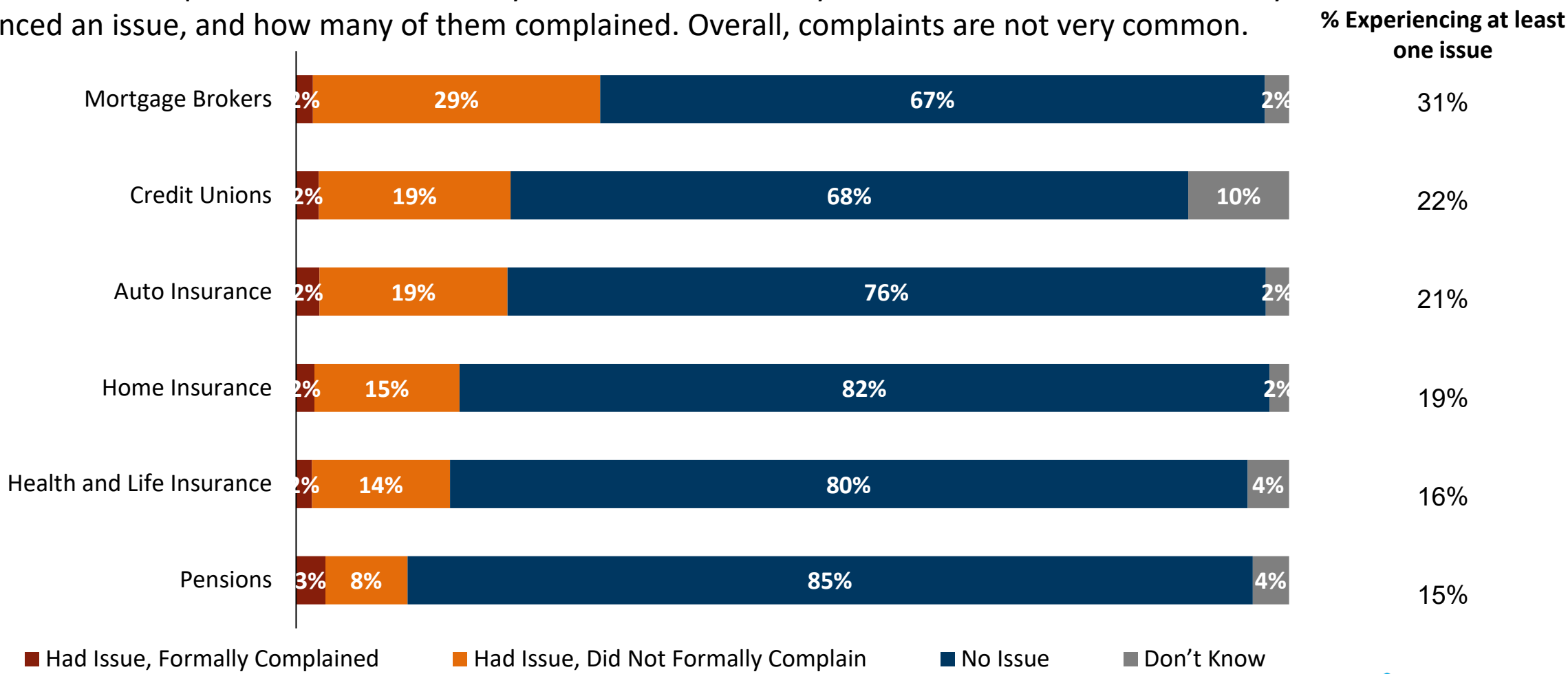
In general, how satisfied are you with the service you have received in the [specific sector] in Ontario?

[asked of all customers within each sector]



# Complaints: Few who experience issues formally complain; issues with mortgage brokers are the most common (31%)<sup>31</sup>

This chart combines questions from the survey to evaluate how many customers in each sector recently experienced an issue, and how many of them complained. Overall, complaints are not very common.



# Complaints: Among those who did not complain, many don't believe complaining makes a difference



Why did you decide not to complain? Select all the reasons that were important in your decision. Select all that apply.

[asked of all consumers in each sector who experienced a problem in the last 12 months, but did not make a formal complaint about the issue]

## Auto Insurance

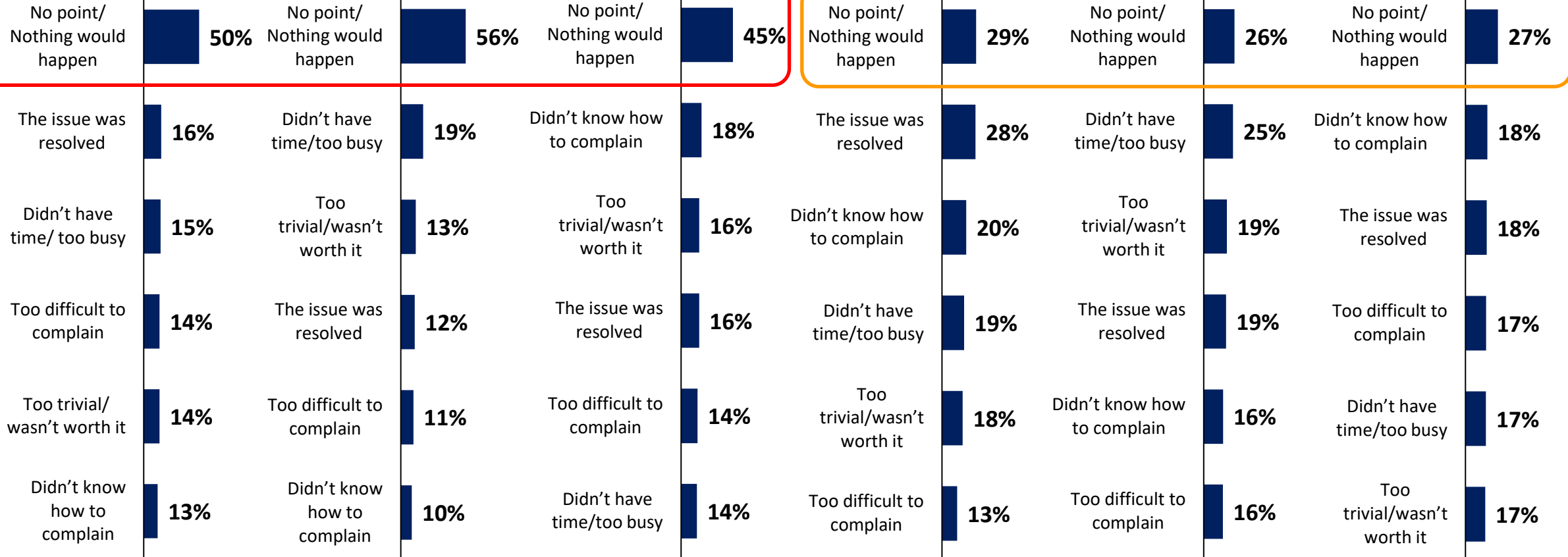
## Home Insurance

## Health/Life Insurance

## Mortgage brokers

## Credit Unions

## Pensions





# Overview - Auto Insurance

69%

of Ontarians have auto insurance

8%

of auto insurance consumers have made a claim in the past year

65%

of auto insurance consumers are at least somewhat satisfied with their service

81%

of consumers who made a claim in the past year were satisfied with the claims process

Ontarians are generally confident in and satisfied with their auto insurance purchases and services. Furthermore, most say they can navigate the claims process well and are generally satisfied with it. A healthy majority of customers are satisfied when they do have to make claims.

While a plurality of Ontarians feel the auto insurance sector is well-regulated and accessible for people like them, this opinion is less common among younger and high-vulnerability groups.

# Overview - Home Insurance

69%

of Ontarians have home insurance

3%

of home insurance consumers made at least one claim in the past year

58%

of home insurance consumers are at least somewhat satisfied with their service

30%

of consumers who made a claim in the past year say that they had their claim denied

Like auto insurance, home insurance has a large consumer base in Ontario, but satisfaction with home insurance is lower overall. Those who do not have home insurance most often say that they feel they don't need it (37%) or would struggle to afford it (17%).

A plurality of Ontarians believe the home insurance industry is safe and well regulated, and a majority believe home insurance is accessible, but young and high-vulnerability people are less likely to share this view.

# Overview – Personal Health Insurance

14%

of Ontarians say they have a personal health insurance plan

29%

of Ontarians with *no* health insurance don't think they can afford it

74%

of personal health insurance consumers are at least somewhat satisfied with their claims process

19%

of consumers who made at least one claim in the past year say that they had it denied

Group plans are the most common form of health insurance (42% of Ontarians are on a group plan), but the next largest group is Ontarians who say they are without some sort of health insurance policy (29%). Among personal health insurance customers, dissatisfaction with claims process is very low (5%).

In addition, substantial numbers don't recall where they bought their health insurance (32%) or how they found the company (26%). Vulnerable groups get their insurance through very different channels than less vulnerable groups.

# Overview - Life Insurance

35%

of Ontarians have their own life insurance; 52% of these policies are permanent life insurance

25%

of Ontarians without life insurance think they don't need it

57%

of customers were at least somewhat satisfied with the service when purchasing life insurance

71%

of customers made their purchase through an agent

Unlike health insurance, Ontarians are likelier to have a personal life insurance policy (35%) than a group plan (23%). In addition, Ontarians without life insurance more often cite lack of need (25%) rather than issues of affordability (19%). As might be expected, younger people are much less likely to have life insurance.

Like health insurance, highly vulnerable groups find life insurance through very different channels, relying more on the internet, advertising and brand recognition and less on referrals.

# Overview - Mortgage Brokers

15%

of Ontarians have worked with a mortgage broker in the last 5 years

31%

of mortgage broker customers say they have experienced an issue in the past 5 years

63%

were at least somewhat satisfied with the service they received in the mortgage industry

55%

of customers were referred to their broker through family, friends, or their real estate agent

While 61% of respondents are homeowners, only 15% say they have used a mortgage broker in the past 5 years. The most common reason cited is better/lower rates (31%). Vulnerable groups are likelier to say they chose a mortgage broker for trustworthiness, knowledge, and personability.

Customers encounter issues with mortgage brokers far more often than any other sector surveyed. Women, highly vulnerable, and low-income groups are much likelier to say a mortgage broker has suggested they commit fraud.

# Overview - Credit Unions

30%

of Ontarians say they have at least one banking product at a credit union

69%

of members haven't participated in any decision making with their credit union in the last year

47%

of members are at least somewhat satisfied with the service they receive from their credit union

23%

of members say they do not know how satisfied they are with their service from their credit union

The credit union sector is an outlier in several important ways. A majority of credit union customers say they either don't see it as different from a bank or say they aren't sure they use a credit union rather than a bank (68%).

Credit union members who do see a difference most often say they prefer credit unions over banks for financial reasons, customer service, and member control.

Most credit union members are not particularly active in decision making. High vulnerability members are the most active but least satisfied.

# Overview - Pensions

43%

of Ontarians report having a pension of some kind

82%

of Ontarians with a pension say it is “important” or “very important” to their retirement savings plan

67%

of pension members are at least somewhat satisfied with their pension plan

8%

of members *disagree* with the statement that their contributions are secure and well-managed

Pension members in Ontario report a roughly equal split between defined benefit pension plans (42%) and defined contribution pension plans (38%).

**An overwhelming majority of pension members say their pension is important to their retirement, but younger, lower-income, and more vulnerable Ontarians are less likely to say their pension is important to their retirement, and are less likely to agree the sector is well-regulated or say that they are satisfied with their pension plan.**

# Methodology & Demographics



# Methodology

**These are the results of an online survey conducted between March 4 and March 18, 2022.**

**Method:** This online survey of 4,000 adults from Ontario was conducted by Innovative Research Group Inc. (INNOVATIVE) with respondents from a representative online survey panel. The results are weighted to n=4,000, stratified by age, gender, and education based on Census data from Statistics Canada and based on personal finance characteristics from Statistics Canada's Survey of Financial Security.

**Sample Size:** n=4,000 general population, 18 years or older. The results are weighted to n=4,000 based on Census data from Statistics Canada.

**Field Dates:** March 4 to March 18, 2022.

**Weighting:** Results are weighted by age, gender, region, education, income, and job status to ensure that the overall sample's composition reflects that of the actual population according to Census data; in order to provide results that are intended to approximate a probability sample. Weighted and unweighted frequencies are reported in the table to the right.

**Margin of Error:** This is a representative sample. However, since the online survey was not a random probability based sample, a margin of error cannot be calculated. Statements about margins of sampling error or population estimates do not apply to most online panels.

**Note:** Graphs may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.

	Unweighted (n)	Unweighted (%)	Weighted (n)	Weighted (%)
Men 18-34	276	6.3%	552	14%
Men 35-54	525	12.1%	664	17%
Men 55+	1011	23.2%	706	18%
Women 18-34	732	16.8%	550	14%
Women 35-54	849	19.5%	710	18%
Women 55+	959	22.0%	809	20%
Toronto	942	21.6%	805	20%
Rest of GTA	1074	24.6%	1,016	25%
Northern/Eastern	1183	27.1%	1,106	28%
Southern/Western	1163	26.7%	1,073	27%

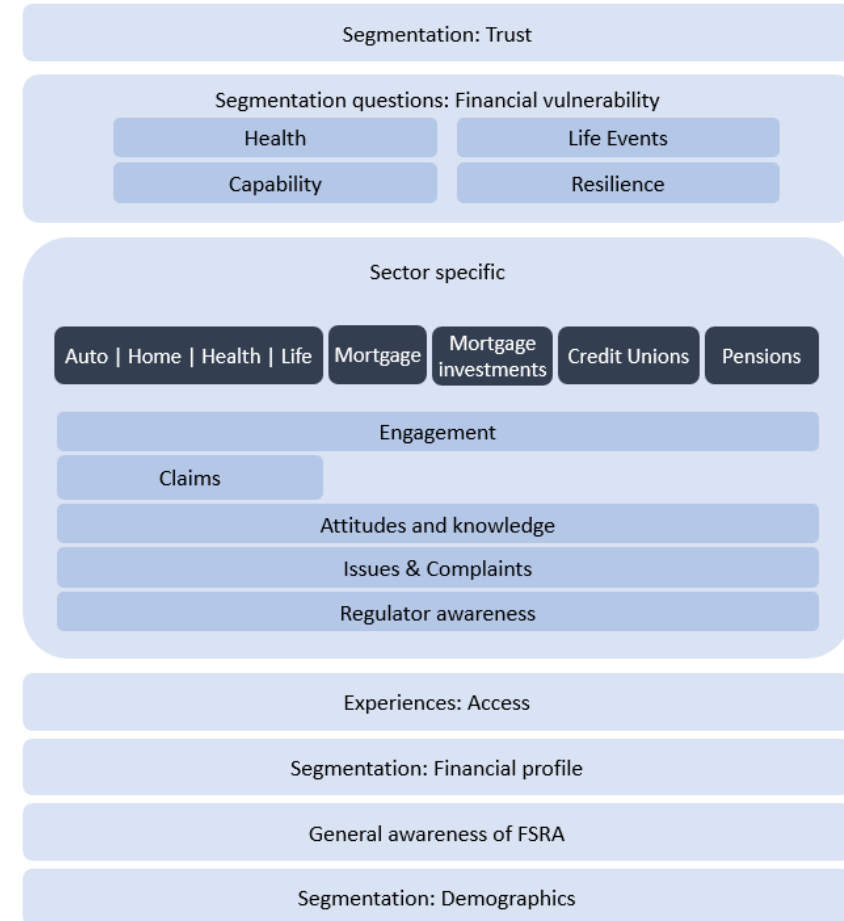
# Survey Structure

The survey is designed to identify, profile, and understand the experience of consumers in each sector FSRA regulates, as well as among Ontarian consumers as a whole.

Vulnerability is a central lens for the analysis of the results, and a detailed set of questions on consumer vulnerability is included in the survey.

After that section, consumers in each sector are identified, and a series of sector-specific sections are asked of each group of consumers. The questions are designed to be as comparable as possible across sectors.

Additionally, the survey explores trust, access issues, and FSRA awareness and reputation among Ontario consumers as a whole.



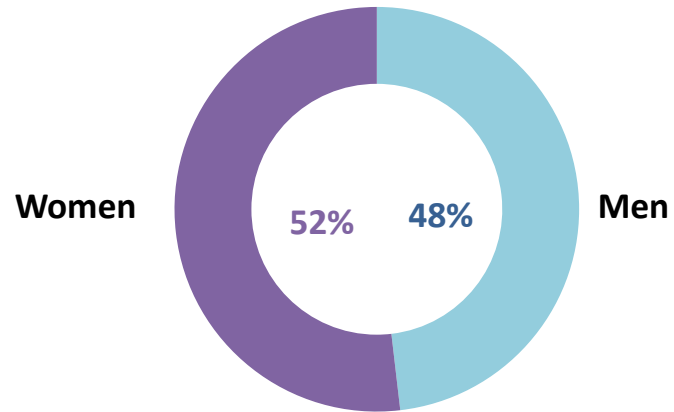
# Sample Distribution by Sector

	Sub-segment	Incidence rate	N size
<b>All adults</b>	N/A	100%	4,000
<b>Insurance</b>	Life <sup>1</sup>	29.3%	1,169
<b>Insurance</b>	Health	13.8%	552
<b>Insurance</b>	Auto	69.4%	2,767
<b>Insurance</b>	Home	69.1%	2,756
<b>Mortgage Brokering</b>	N/A	14.9%	595
<b>Credit Union Members</b>	N/A	30.2%	1,205
<b>Pension Plan Beneficiaries</b>	N/A	43.3%	1,726

1: In the survey, consumers who only have insurance-type life insurance policies are not asked the main consumer experience questions, and are not included in this definition of “Life Insurance Consumers”.

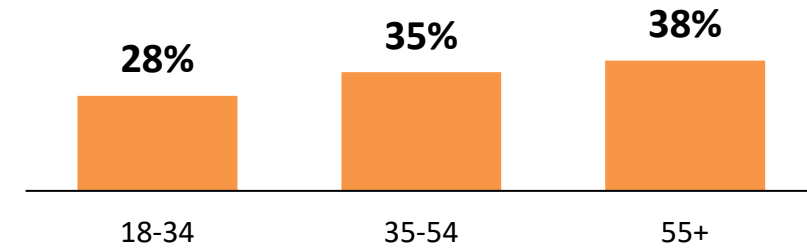
# Provincial Respondent Profile: Demographics

## Gender

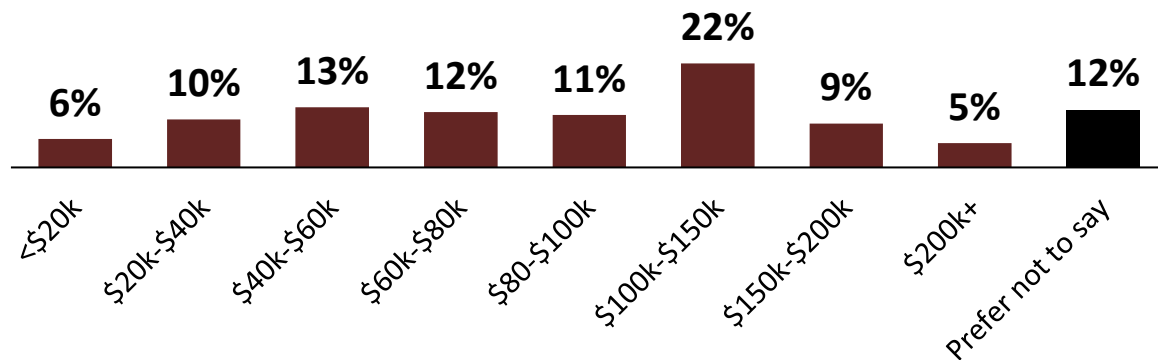


Note: Prefer to self describe (<1%) not shown

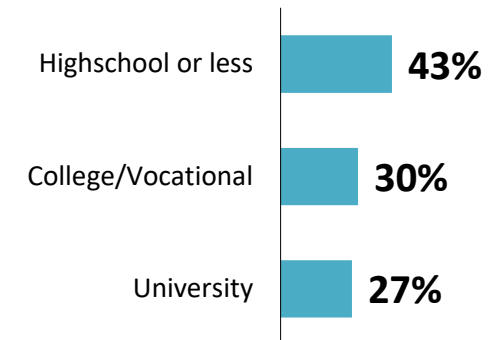
## Age



## Income



## Education





# Building Understanding.

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