

Thank you for providing an opportunity to respond to FSRA's proposed service standards. Our comments are primarily reserved for those standards applicable to the credit union sector, though many of these comments could apply across other sectors as well.

Our first general comment is to applaud FSRA for taking this important step to improving, quantifying and measuring itself against these service standards. As the financial services industry becomes more competitive by the day, our institutions have had to make customer-service and ever-improving service standards the differentiator in our business. Our Members are demanding higher service standards and we think our regulatory partner should also be held to a high standard, particular when it comes to speed and quality.

Our specific comments are focused on five ways we think this service standard can be improved:

**1) Improving the "30-day" standard:**

With respect to *"Regulatory Approvals: All credit union regulatory applications processed within 30 days after all required information received"*, we endorse this as a service standard and think a 30 day turn-around is reasonable in most cases. We offer two specific suggestions for greater clarity and improvement:

- a) For regulatory applications that are based on long-established precedents or considered minor changes to existing rulings, a faster turn-around could be the standard. In the initial filing and request for a FSRA approval the credit union and FSRA could agree within a few days of the filing that the particular matter is a "simple" matter and can be turned around more quickly. Don't wait for the clock to run out. If the matter can be dispensed with quickly, every effort should be made to do so.
- b) The qualifying statement "after all required information received" is a concern. Regulated entities in other sectors often cite cases where service standards like this are abused and just before the "clock runs out", the regulator asks for further information and re-starts the clock. This can happen over and over. We know there are circumstances where filings are incomplete or that further information is needed, but we suggest that an interim deadline be set at the 15 day mark where FSRA and the credit union would agree that all relevant information has been received, or that more information is needed. Alternatively, a guideline could be put in place that would allow FSRA to only ask one time for additional information that "restarts the clock".

**2) Regular review and constant improvement of the service standards:**

These service standards should be subjected to a regular review and update. In our business, service standards are reviewed regularly and where improvements can be reasonably made, they are made. We recommend that a report of FSRA service standards be presented to the Credit Union Stakeholder Advisory Committee annually and a discussion be held on ways the standards could be raised and continuously improved. Where standards are falling short, lets

have a discussion on what is holding FSRA back from meeting those standards – be it resources, timely access to data from credit unions, etc.

### **3) Improving information dissemination**

The way information is disseminated from FSRA is an important service and needs improvement, in our view. Over the first two years of FSRA operation, information on new initiatives, directives or consultations are often shared in a seemingly ad hoc fashion. The FSRA website is generally a good source of information, and it is well organized, but that presumes credit union officials check it regularly. We recommend a FSRA e-mail distribution system that would allow credit union officials to sign up for e-mails by specific topic. Presently, FSRA's website has two options for its "subscription list" – general information and public consultations. A credit union official focused on treasury, for example, would also get all information on market conduct. An opt-in distribution list by topic would help disseminate information more quickly and help to ensure that all who need to know get the information they need.

The Credit Union Stakeholder Advisory Committee would be pleased to discuss other ways to improve information dissemination between FSRA and credit unions and the SAC is particularly interested in ways to improve the "advisory" and consultative function of this body.

### **4) Moving Toward a "Net Promoter Score" and regular quality evaluation**

Progressive and successful financial institutions (and many other businesses) are always looking for ways to connect better with their existing and potential customers and to improving that experience. One of the methods that we have found very valuable is the Net Promoter Score tool. This tool relies on a variety of inputs, chief among them quick customer interaction surveys that are sent to Members after a transaction or financial consultation. These surveys serve two purposes in our experience: They serve to provide useful data that helps spot trends requiring attention from management; and they instill a discipline in staff knowing they will be "measured" by their customer.

A "net promoter score" for FSRA may be difficult to imagine and implement, but there are elements of the concept that could be applied and, we believe, would improve the quality of interactions between the regulator and regulated entities as the relationship evolves to become a more collaborative and cooperative one. Meridian's member experience team would be pleased to sit down with FSRA to brainstorm ways such a system might be built. Certainly, if FSRA were to implement such as a "customer service-focused" initiative, it would be a world-leader among financial regulators.

### **5) Continuous quality improvement**

One frustration of credit unions dealing with regulators is related to speed and timeliness – and we appreciate that this service standard proposal seeks to address this frustration with quantitative metrics. An equal frustration, however, is with "qualitative" measure of the interactions. To be clear, there are some exceptional, well trained and very knowledgeable officials at FSRA, but we are often frustrated by dealings with FSRA staff who are not sufficiently knowledgeable of our business or lack the training in specific areas of financial regulation to

appropriately judge risk. As financial institutions like Meridian become more sophisticated and as we move together toward the objective of “principles-based regulation” which relies on greater collaboration and interchange between regulator and regulated entity, we candidly believe that a higher standard of training and greater skill is often needed.

To accomplish this, we recommend that all FSRA staff that interact with credit unions have their skills and training regularly reviewed and training and skills development should be encouraged where there are gaps. We also encourage FSRA to recruit more heavily from the credit union sector when filling important positions.

You have heard me and others refer to this last point as the “culture change” that is needed to realize the full potential of regulatory reform. The legislative underpinnings of the sector are being modernized with a new CUCPA, and the regulatory and rules-based environment is being modernized with the creation of FSRA and the shift to a “risk-based supervisory approach” and principles-based regulation. We believe the third leg of this stool is related to the culture change that defines the relationship between regulated entities and our regulator. That culture requires a more sophisticated and nuanced understanding of our risks and relies heavily on knowledgeable, creative people in place on both sides of the table.

In summary, we applaud FSRA for taking this important step to setting service standards and seeking to continuously improve those standards. We encourage FSRA to consider more than just quantitative measures for service and to work on finding creative ways to measure and improve quality as well.

Thank you giving us this opportunity to provide this feedback. We look forward to continued dialogue on ways to continuously improve these service standards.

**Michael Ras | Director, Government & Stakeholder Relations**  
**Meridian™**

3280 Bloor Street West,  
Centre Tower, 7<sup>th</sup> Floor  
Toronto, Ontario, M8X 2X3

Mobile – 416-722-8795