

June 21, 2021

Huston Loke, EVP Market Conduct
Financial Services Regulatory Authority of Ontario (FSRA)
5160 Yonge Street, 16th Floor
Toronto, ON M2N 6L9

Dear Huston Loke,

Re: Financial professionals title protection rule and guidance second consultation – ID:2021-003

This letter is in response to the Proposed Rule 2020-001 – Financial Professionals Title Protection (FPTP Rule) and the Proposed Approach Guidance – Financial Professionals Title Protection – Administration of Applications (FPTP Application Guidance). We appreciate the opportunity to provide our input on these proposals.

OPB is the administrator of the Public Service Pension plan (PSPP), a defined benefit pension plan sponsored by the provincial government. Our membership consists of certain employees of the Government of Ontario and its agencies, boards and commissions. With \$31 billion in net assets and 91,000 active, deferred, and retired members, the PSPP is one of Canada's largest pension plans. It is also one of the country's oldest pension plans, successfully delivering the pension promise since the early 1920s. Our commitment is to protect the long-term sustainability of the PSPP, invest assets astutely and with discipline, keep contribution levels stable and affordable, and deliver exceptional service to our stakeholders.

In our role as PSPP administrator, we have direct contact with the retail wealth industry. It is this experience that informs our views. As we shared in previous submissions, we enthusiastically endorse the increased regulation of financial professionals in Ontario and believe it is necessary to protect the retirement security of our plan members and all Ontarians. Our recommendations are consistent with FSRA's focus on consumer protection and strengthening pension coverage in the province.

We also have an interest as a provider of retirement planning advice. In 2015, OPB launched an advisory services program that provides personalized financial advice at critical milestones to ensure members understand how the pension decisions they make will affect their financial picture in retirement. We currently have six advisors, all of whom have qualified as Certified Financial Planners.

Best interest standard

We continue to be of the view that individuals holding themselves out as Financial Planners should have a duty to act in the best interest of the client. We believe it is imperative for consumers to be able to trust that the product recommendations and advice they are given are truly for their benefit and not that of the Financial Planner.

Disclosure

As noted in the FFTP Application Guidance, one of the goals of the *Financial Professionals Title Protection Act, 2019* (FPTPA) is “to mitigate confusion regarding the wide array of titles and credentials used by individuals in the financial services marketplace”. To that end, we continue to believe that the FFTP Rule should require individuals holding the Financial Planner or Financial Advisor title to disclose to their clients the credential they hold that enables them to use the title and to disclose any potential conflicts of interest. This is particularly important given that a best interest standard is not being applied. This transparency will increase consumer confidence and give clients the information they need to review the individual’s education and disciplinary history with the credentialing body.

Education requirements

Pensions are highly complex. Our experience suggests that many in the retail wealth management industry do not have an adequate understanding of the risk-reward trade off they are urging their clients to make when they recommend the withdrawal of monies from pension plans. We recommend that the FFTP Rule explicitly require both Financial Planners and Financial Advisors to receive education in public and private pension plans and all their possible variables with respect to plan and benefit design. At the very least, the topic should be included as a requirement in the FFTP Application Guidance’s Appendix 1: FSRA’s approach to assessing curriculum under the FPTPA for both Financial Planners and Financial Advisors.

We appreciate the opportunity to share our views on this important issue. If you would like to discuss anything covered in this letter, please contact me directly at 647-278-9526 or at danelle.parkinson@opb.ca.

Sincerely,



Danelle Parkinson
Director, Pension Advocacy and Legal