

Royal Bank of Canada

# Client Complaints Appeal Office (CCAO)

Annual Report 2022





## CCAO Message



### A Message from Johanne Ardouin

#### Our commitment to continuous improvement

At RBC, we address our clients' and communities' concerns through meaningful conversations. As a relationship-driven bank, we view your feedback as valuable insights to enhance delivery of our services and products. Through our work, we draw attention to areas in our businesses to support positive change. The Client Complaints Appeal Office (CCAO) is committed to ensuring all parties are heard, understood, and respected so that we can reach a fair and reasonable resolution.

#### Championing positive change

We are pleased to publish the CCAO annual report that provides an overview of our results for the fiscal year ending October 31, 2022. You will learn about our approach to complaint resolution as well as the evolving challenges our clients faced this past year.

We want to address your complaint in the most timely and professional manner possible. As of July 2022, RBC is required to address complaints for Canadian banking related concerns within 56 calendar days, down from 90 days previously. With this accelerated time to resolution, we continue to prioritize genuine conversations with our clients. In this report, you will see the results of our efforts on the Canadian Banking front, with outcomes for our global complaints in the "Additional information and resources" section.

#### Placing our clients first

RBC's Make a Complaint website at [www.rbc.com/customer-care](http://www.rbc.com/customer-care) will lead you through the complaint process and all available resources for escalation.

**Johanne Ardouin**  
Vice-President  
RBC Client Complaints Appeal Office

#### Our Role

The RBC Client Complaints Appeal Office (CCAO) has an unwavering commitment to address client complaints and preserve your trust in us through effective resolutions.

CCAO is the most senior designated office authorized to address appealed client complaints across RBC globally.

Formerly known as the RBC Office of the Ombudsman, the CCAO works with business partners across all groups, and for all products, to ensure objective resolutions for client complaints while also providing recommendations to continuously improve delivery of RBC services and products.

#### Our Foundational Priorities

Our objective is to reach equitable solutions to address client complaints.

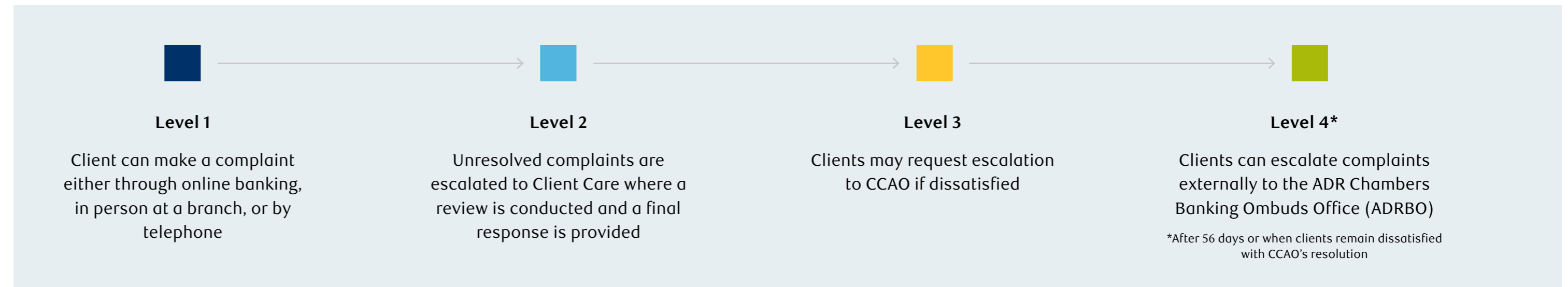
Our priority is meeting our clients' needs to ensure they feel their grievances have been heard and competently addressed in a timely manner. If unresolved by this process, a client can choose to refer their complaint to other external resources outlined in this report.

Our services are available to our clients and communities globally.

## RBC Complaint Resolution Process

### Our approach to Canadian Banking Complaints Resolution

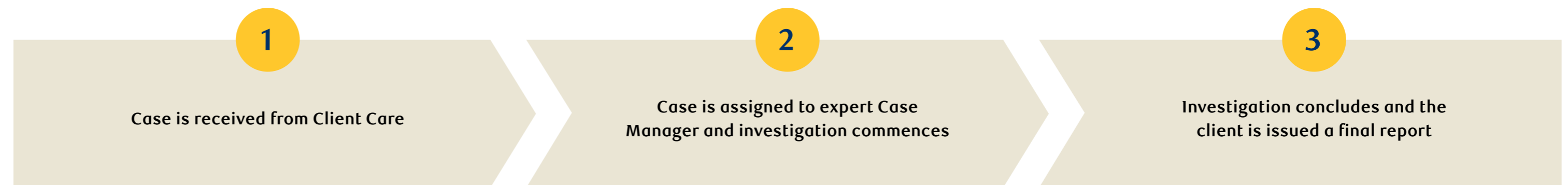
The RBC complaint resolution process consists of a progressive escalation model with a goal of successful resolution as early in the process as possible.



### Appealing to the CCAO (Level 3)

If clients are dissatisfied with the outcome of the response provided by Client Care, they will have the option to appeal their Canadian Banking complaint through the CCAO process outlined below. The objective of our Office is to act as a connection between clients, other levels of complaint teams, and all RBC business groups.

While CCAO does not report into a business group, it is an RBC internal office. CCAO does not intervene in certain types of complaints such as credit and insurance adjudication, service fees, interest rates, matters of general policy or issues in litigation. However, our Office will review adherence to policy in all instances.

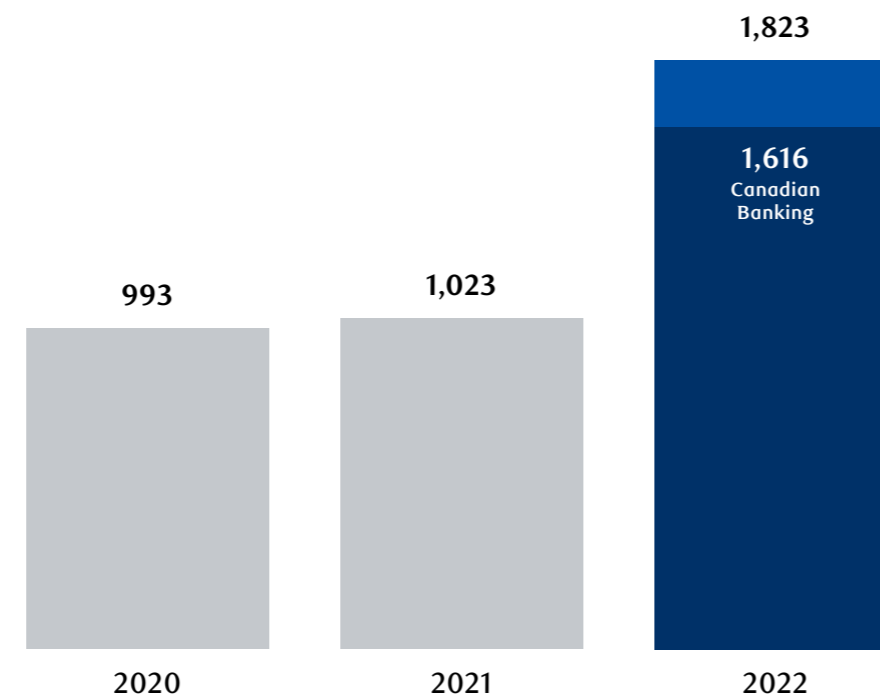


The Client Care team forwards the appealed complaint to the CCAO on behalf of the client. We review the complaint details to determine the nature of the complaint, and the product or service type in order to assign it to a Case Manager that has the most relevant expertise.

In 2022, CCAO resolved or closed a total of 1,823 cases globally, of which 1,616 cases were banking-related and 237 were resolved to the client's satisfaction.

### Year over year total number of cases

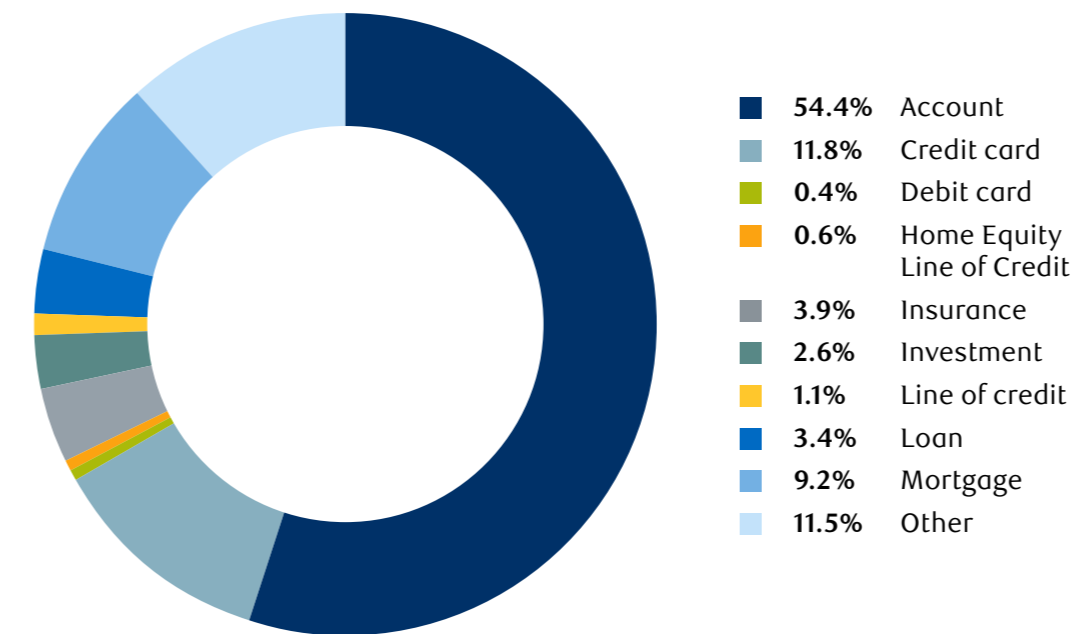
All the complaints that the CCAO dealt with during the year, including complaints for all RBC businesses globally



We observed that a significant portion of complaints stemmed from market conditions, including the effects of rising inflation, higher interest rates and volatile markets.

The most frequent complaints are related to personal deposit accounts, credit cards and mortgages, representing 75.4% of banking complaints. Complaints that are not related to specific products or non-active products have been categorized as 'Other' and are often related to service issues such as wait times, concerns with maintaining client relationships, or dissatisfaction with general policy matters.

### 2022 Canadian banking complaints by product



### Mortgage Rate Facts:

- Leading up to the 2022 second fiscal quarter, RBC clients faced a challenging real estate market with higher house prices and increasing demand.
- Many markets continue to face a shortage of new or existing homes and are challenged in meeting the demand.
- The Canadian economy is currently experiencing elevated inflation rates which translate to higher mortgage rates for both existing home owners and potential buyers.
- With a rising interest rate environment over the past year, clients with variable rate mortgages have seen more of the regular mortgage payments get allocated to the accrued interest, and less to the principal. When less of the payment is applied to the principal, the amortization will increase. When it's time to renew the mortgage, the amortization schedule will be brought back to its original timeline.
- In some cases, the increasing rate environment resulted in a Triggering Interest Rate for variable rate mortgages. This is when the regular payment is no longer enough to cover the interest portion on the mortgage.
- RBC Advisors can offer advice and answers to help you budget for the costs of homeownership and manage your mortgage with confidence. You can also make changes to your mortgage directly, through RBC Online Banking.

For more information see <https://www.rbcroyalbank.com/mortgages>

## Step 1: Case received



### Step 2: Investigation begins

#### Case is assigned to a Case Manager and investigation commences

Cases are assigned to subject-matter experts within our team. The Case Manager will proactively contact the client to discuss the complaint, and collect any useful additional information and/or documentation.

The Case Manager will also reach out to internal business partners and has access to the most senior management resources to determine the root cause of the issue and suitable resolutions. We are committed to helping our clients understand the issue and implement changes to prevent reoccurrence.

#### Understanding issues raised by our clients and communities

In 2022, our clients faced tremendous disruption as a result of a rising interest rate environment. We received complaints related to disputes over the calculation of mortgage prepayment fees, the loan renewal process or dissatisfaction with the time required to obtain a mortgage.

Along with other post-pandemic economic challenges, our clients continued to grapple with combating fraud and scams, and many clients question reimbursement decisions on debit card or credit card fraud claims, or are disputing liability for monetary losses due to scams.

We also observed an increase in client complaints related to matters of general policy, including eligibility for promotional offers, the determination of interest rates, the retention of business relationships, or the charging of service fees.



#### Client Tips: Fraud issues

##### Creating our shared future is a shared responsibility

Year over year, fraud continues to be a prevalent issue for our clients. This includes:

- Identity fraud impacting your credit bureau report
- Email and website fraud in which confidential information may have been stolen or obtained by a party without your consent
- Investment or cryptocurrency scams (and ‘too-good-to-be-true’ offers)
- Grandparent scams and other phishing scams that impersonate a loved one or a person of authority such as a Bank or a Canada Revenue Agency employee

##### How you can protect yourself

- Take the time to verify the identity of the person asking you for information, money, or access to your accounts
- Don’t click on unknown email links or attachments, and never open emails from addresses you do not recognize
- Don’t send money or give your financial information to anyone — especially someone you have not met in person
- Never share your banking or credit card information, passwords or verification questions (and answers) with others, including by text or email

##### How we protect you

Protecting our clients’ personal, business and financial information and safeguarding you from fraud are among our highest priorities.

- Fraud detection and prevention are built into our everyday business activities
- In addition to technologies, we employ around the clock sophisticated monitoring systems and controls to detect and prevent fraud

Refer to [www.rbc.com/privacysecurity](http://www.rbc.com/privacysecurity) for more information on how to recognize fraudulent activities and how to contact us.



## Investigation concludes and client is issued final report

Once we have completed our investigation and have had conversations with all parties involved, we submit a final report to our clients.

Cases that are escalated to CCAO are consistently complex in nature and more pressing as they have been unresolved by Level 1 and 2. For 2022, complaints reviewed by the CCAO took on average 59 calendar days to be completed from their initial submission to RBC. Once a file is assigned to a CCAO Case Manager, they complete the investigation and issue the final report to the client within 10 calendar days on average.

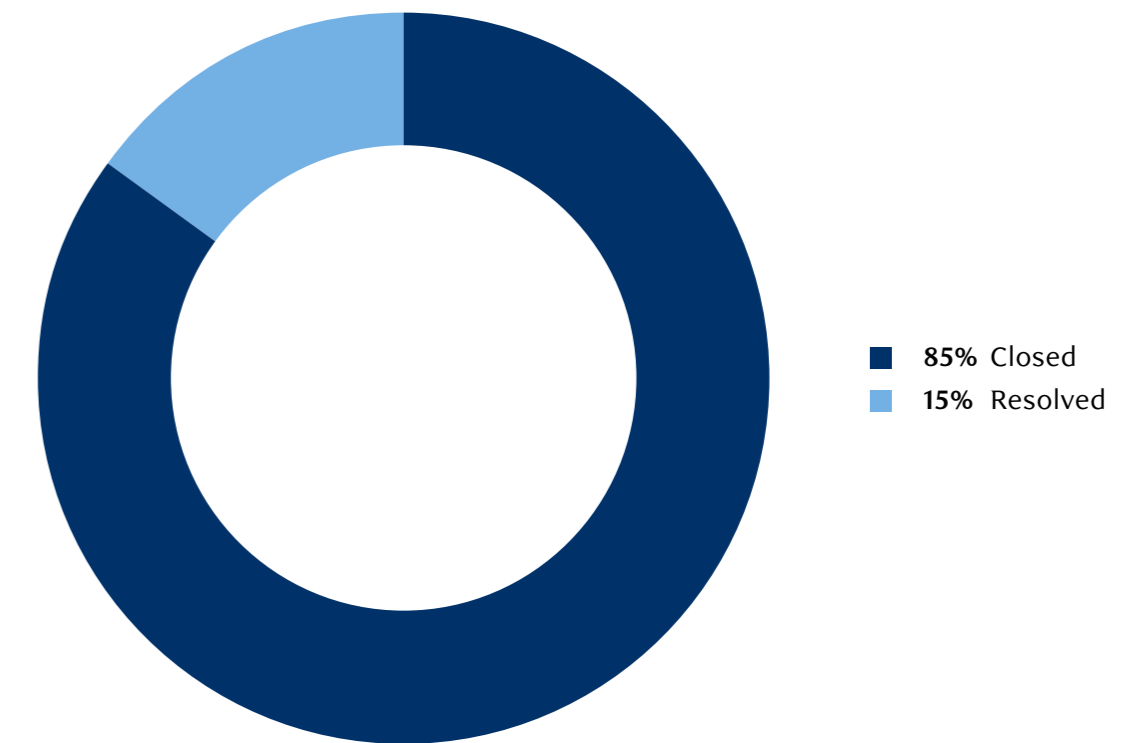
Clients that remain dissatisfied with the CCAO review may submit their concerns directly to the ADRBO if:

- RBC has exhausted the 56 calendar days prescribed time period for resolving complaints, or
- Clients are not satisfied with the resolution offered by the most senior designated office at RBC (the CCAO).

Clients have up to 180 calendar days to submit their complaints to the ADRBO after receiving a final response from RBC. The ADRBO is an industry Ombudsman that operates independently from the participating banks. Its services are free of charge to those making the complaint. The ADRBO is regulated as an External Complaints Body by the Financial Consumer Agency of Canada.

## 2022 Canadian banking cases by client satisfaction

Resolved files are considered to have been completed at the client's satisfaction





## Additional information



In addition to Canadian Banking, our Office reviews complaints for other RBC business groups including, but not limited to, RBC Wealth Management, RBC Insurance and RBC Capital Markets. During the fiscal year ending October 31, 2022, CCAO reviewed 1,823 complaints globally.

## Resources

The Financial Consumer Agency of Canada supervises all federally regulated financial institutions for compliance with federal consumer protection laws. While the FCAC does not resolve individual customer complaints, if you believe that your complaint relates to a violation of a federal consumer protection law, you may submit your complaint to:

Financial Consumer Agency of Canada  
Enterprise Building, 6<sup>th</sup> Floor  
27 Laurier Avenue West  
Ottawa, ON K1R 1B9  
Telephone: 1-866-461-3222  
Website: <http://fcac-acfc.gc.ca/>

The Canadian Bankers Association (CBA) also plays a vital role in providing information to the public. They have a website at [www.cba.ca](http://www.cba.ca) for consumers to learn more about banks and banking in Canada and financial issues that affect all Canadians.

If clients are not satisfied following their financial institution complaint review, external Ombudservices can provide a further review of the complaint. All external Canadian Ombudservices are offered free of charge for the consumers.

Clients outside of Canada who are not able to resolve their complaints after a CCAO review should refer their concerns to banking or investment sector regulators within their jurisdiction.

If you are not satisfied with our proposed resolution, the following external services are available to you:

- For banking complaints, the ADR Chambers Banking Ombuds Office (ADRBO): [bankingombuds.ca](http://bankingombuds.ca)
- For investment complaints, the Ombudsman for Banking Services and Investments: <https://www.obsi.ca/en/index.aspx>
- For life and health insurance complaints, the OmbudService for Life & Health Insurance: <https://olhi.ca>
- Québec residents have access to the resources offered by l'Autorité des Marchés Financiers: <https://lautorite.qc.ca>