

Royal Bank of Canada

Client Complaints Appeal Office

Annual Report 2023



CCAO Message



A Message from Johanne Ardouin

At RBC®, we address our clients' concerns through meaningful conversations. As a relationship-driven bank, we view your feedback as valuable insight to help us enhance our services and products. Through our work, we support positive change by identifying opportunities to improve RBC's policies and procedures. The Client Complaints Appeal Office (CCAO) is committed to ensuring all parties are heard, understood and respected to reach a fair and reasonable outcome.

Championing positive change

We are pleased to publish this CCAO Annual Report, which provides an overview of our results for the fiscal year that ended October 31, 2023. You will learn about our approach to complaint resolution as well as the evolving challenges our clients faced this past year. In this report, you will see the results of our efforts on the Canadian banking front and the outcomes of our global complaints in the "Additional information and resources" section.

Johanne Ardouin
Vice-President
RBC Client Complaints Appeal Office

Our Role

The RBC Client Complaints Appeal Office (CCAO) is committed to addressing client complaints and preserving the client's trust by conducting an objective review of their concern. The CCAO is the most senior designated office authorized to address appealed client complaints across RBC globally.

The CCAO works with business partners across all groups, and for all products, to ensure objective resolutions of client complaints and provide recommendations to continuously improve our services and products.

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 addressed in a timely manner. If our process can't resolve a complaint, the client can refer it to other external resources outlined in this report.

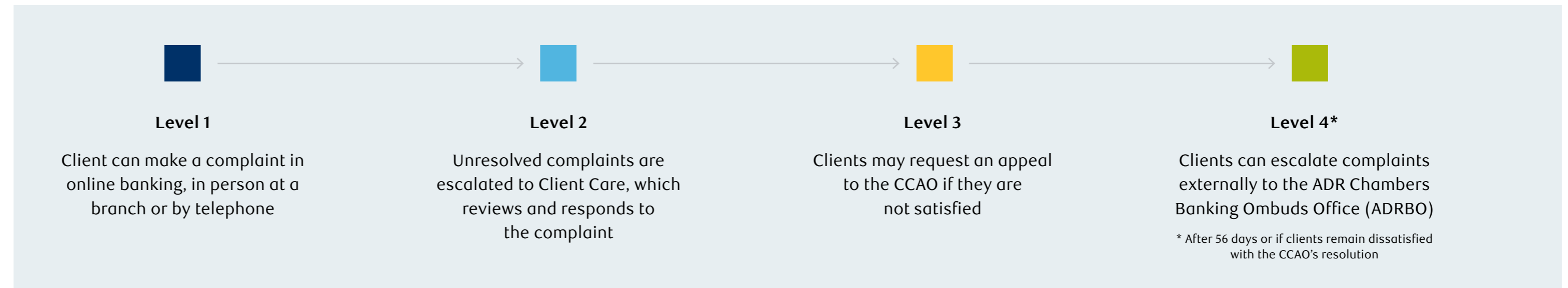
Putting our clients first

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

RBC complaint resolution process

Our approach to resolving Canadian banking complaints

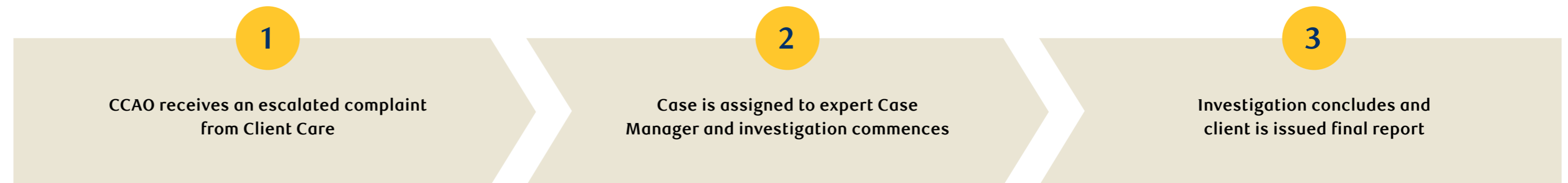
The RBC complaint resolution process consists of a progressive escalation model that aims to successfully resolve a complaint as early in the process as possible.



Appealing to the CCAO (Level 3)

If a client is not satisfied with RBC's response to their complaint, they can appeal the decision using the CCAO process outlined below. The CCAO will confirm whether there were any errors or omissions during the handling of the complaint and will act as a liaison between the client, other complaint teams and the RBC business group(s) involved.

The CCAO will not intervene in complaints related to credit and insurance adjudication and matters of general policy or issues in litigation. However, our Office will review RBC's adherence to policies in all instances.

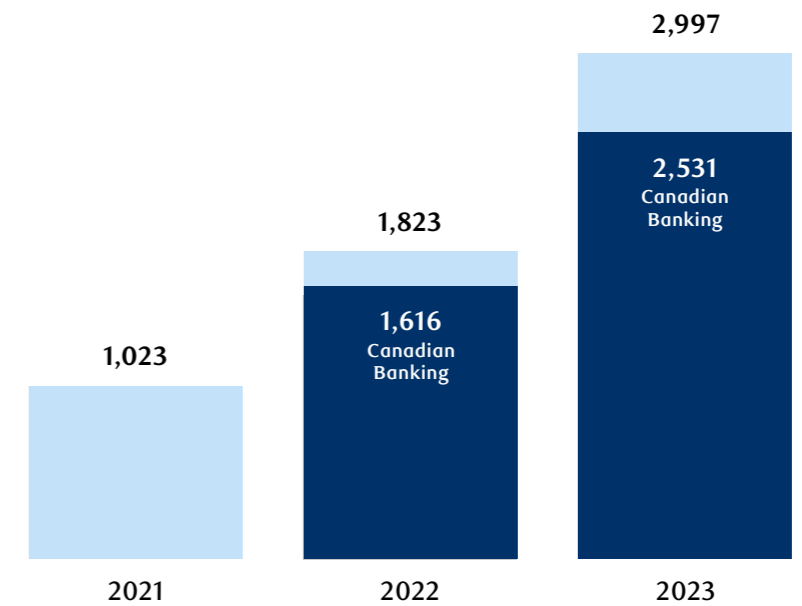


Once received, the complaint is assigned to a Case Manager, who will review the details to determine the nature of the complaint and proceed with an investigation. The CCAO Case Managers are employees fully dedicated to complaint management and problem resolution. Based on the product or service type and complexity of a concern, the complaint is assigned to a Case Manager that has the most relevant expertise.

In 2023, the CCAO received a total of 2,997 cases globally. Of these, 2,531 cases were banking-related and 464 were resolved to the client's satisfaction.

Year over year total number of cases

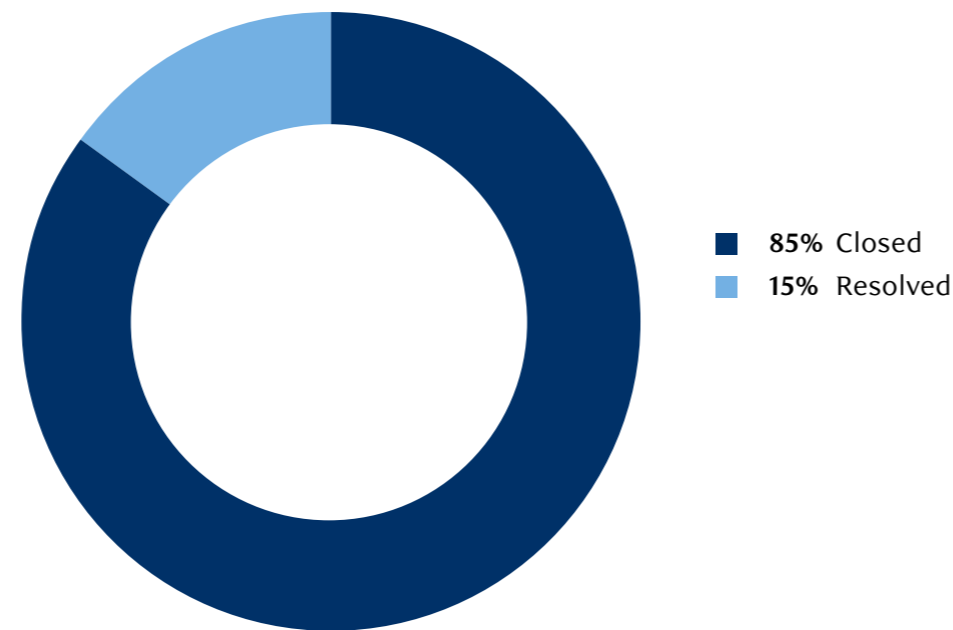
The table below shows all the complaints the CCAO dealt with during the year, including complaints for all RBC businesses globally. The increase in complaint volume can be attributed mostly to complaints involving variable rate mortgages, fraud and scams.



Step 1: Case received

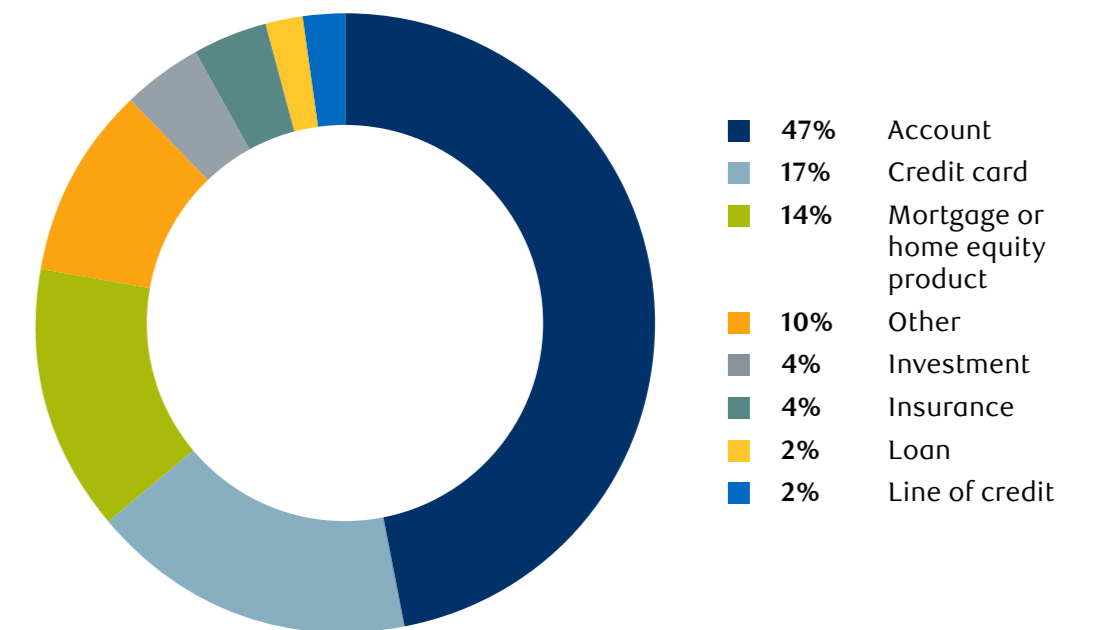
2023 Canadian banking cases by client satisfaction

Resolved files that were completed to the client's satisfaction



2023 Canadian banking complaints by product

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





Case Manager starts investigating

Once assigned, the Case Manager will contact the client to provide them with the opportunity to share any information they would like us to consider before we start the investigation.

The Case Manager will reach out to internal business partners and access the most senior management resources to determine the root cause of the issue and confirm whether RBC's policies and procedures were adhered to.

Understanding clients' issues

In 2023, our clients continued to endure challenges due to the interest rate environment. We received complaints related to disputes over mortgage interest rates and the mortgage advice clients received.

Our clients continued to grapple with combating fraud and scams, and many clients questioned reimbursement decisions on fraud claims and liability for monetary losses due to scams.

We also continued to receive client complaints related to matters of general policy, including their eligibility for promotional offers, the determination of interest rates, the retention of business relationships and the charging of service fees.

How you can protect yourself

- Never provide a one-time passcode to anyone. RBC employees will never ask you to provide a one-time passcode or PIN – only a scammer would.
- Take 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.
- Exercise caution when sending or receiving money, especially when dealing with someone you do not know well.
- Never share your banking or credit card information, passwords or verification questions and answers with others.



2023 most common complaints



Mortgages – complaints related to advice, terms and conditions, product features and interest rate negotiation



Fraud – disappointment with reimbursement decisions for unauthorized debits from their bank accounts, disputes about fraudulent transactions and dissatisfaction with RBC's fraud prevention and detection efforts



Credit Cards – disputes relating to interest charges or calculation and misunderstanding of the authorized transactions dispute process

How we protect you

Protecting our clients' personal, business and financial information and safeguarding them 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 [rbc.com/privacysecurity](https://www.rbc.com/privacysecurity) for more information on how to recognize fraudulent activities and how to contact us.



Investigation concludes and client receives final report

Once we have completed our investigation, we provide clients a final investigation report. We are committed to helping our clients understand the issue and recommending changes to prevent an issue's recurrence when there is an opportunity to do so.

In 2023, the CCAO took on average 69 calendar days to review a complaint, from submission to completion. We deployed significant effort to improve our timeliness, and were able to reduce the average duration of a review to 43 days in the last fiscal quarter. A Case Manager takes on average eight days to complete an investigation and issue the final report once the file is assigned.

Common Types of Fraud and Scams

What is fraud?

Fraud typically involves unauthorized access to personal information without the victim's knowledge or consent.

Fraud trends

- **Social Engineering:** the psychological manipulation of people to coerce them into divulging confidential information
- **Deposit Fraud:** counterfeit cheques, bank drafts and money orders
- **Account Takeover:** fraudsters impersonating an existing client to obtain access to their accounts
- **Identity Theft:** when your personal identifying information is used without your knowledge or consent
- **Elder & Financial Abuse:** the illegal or improper use of another person's funds, information, assets or property, typically through pressure
- **Skimming:** creating a fraudulent copy of a valid payment method (debit card, credit card)

Did you know?

Research shows the most common forms of financial exploitation and abuse are committed by individuals known to the client, often in positions of trust (e.g. family members, caregivers, powers of attorney) – seniors are particularly vulnerable.

What is a scam?

Scams are designed to manipulate victims into willingly providing their information.

Scam trends

- **Spoofing:** the act of disguising communication from an unknown source as being from a known, trusted source
- **Romance Scam:** a fraudulent scheme in which a cyber-criminal pretends to have romantic interest in a vulnerable individual
- **Job Scam:** a cyber-criminal asks you to accept money in your bank account and then transfer it to another individual, as part of a job offer
- **Phishing (Email)/Smishing (Text)/Vishing (Voice):** a cyber-criminal tries to convince you to provide your personal information or perform an action, such as transferring money to another account or purchasing gift cards
- **Investment/Cryptocurrency Scam:** a fraudster offers an individual the opportunity to invest, often using cryptocurrency, and promises a high rate of return over a short period of time

Did you know?

Spoofing Example: The caller will impersonate an employee of an organization (e.g. a bank employee) pretending to be conducting a fraud investigation. The caller may ask you to take money from your account and purchase gift cards and then provide the information that gives them access to the funds on the gift card.

Additional information



In addition to Canadian banking, our Office reviews complaints involving other RBC business groups including, but not limited to, RBC Wealth Management®, RBC Insurance® and RBC Capital Markets®. During the fiscal year that ended October 31, 2023, the CCAO reviewed 2,997 complaints globally.

Resources

The Financial Consumer Agency of Canada (FCAC) 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 your complaint relates to a violation of a federal consumer protection law, you may submit it to:

Financial Consumer Agency of Canada
Enterprise Building, 6th Floor
27 Laurier Avenue West
Ottawa, ON K1R 1B9
Telephone: 1-866-461-3222
Website: 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 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 with their financial institution's complaint review, an external ombudsman can provide a further review of the complaint. All external Canadian ombudsman services are offered free of charge for consumers.

Clients outside of Canada who are not able to resolve their complaint after a CCAO review should refer their concerns to banking or investment sector regulators in 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
- For investment complaints, the Ombudsman for Banking Services and Investments: obsi.ca/en/index.aspx
- For life and health insurance complaints, the OmbudService for Life & Health Insurance: olhi.ca
- Quebec residents have access to the resources offered by l'Autorité des marchés financiers: lautorite.qc.ca