

Consumers 150 Presentation

Good morning and welcome everyone to Consumers 150.

I want you to know that I am a Senator, but I am also a consumer advocate.

I was appointed in 2002 by Prime Minister Jean Chretien and I sat as a Liberal senator until February 2nd, 2016 when I chose to sit as an independent.

My choice to sit as an independent was not taken lightly and it does not reflect a rejection of my liberal perspective.

But I believe that Senators should be free of the partisan politics of House of Commons in order to better represent the people of Canada, it's regions and minorities.

To provide a place for sober second thought and not a mirror of the House of Commons.

And part of that is my belief that the fight for consumer rights is above party and politics.

I have spent a large part of my time in the Senate fighting for what I believe is right for Canadians, what is fair in a just society.

For example, I have introduced legislation to lower interest rates and credit card fees.

I have pushed for more accountability of the financial sector through a number of motions. Most recently calling for a Review the operations of the Financial Consumer Agency of Canada, the Ombudsman for Banking Services and Investment, and ADR Chambers Banking Ombuds Office .

I currently sit in the standing senate committee on banking trade and commerce and have sat on the National Finance committee

I and many other Senators are fighting for consumer rights in the Senate and I want you to know that we are here and we are listening to you and to Canadians.

I don't want to toot my own horn for too much of this speech, this isn't about me or the Senate, it's about you and the great work you do on behalf of Canadians and how we, together, can advance consumer rights.

I think that in all the politics around Ottawa, consumer protection is often overlooked. It may be because our constitution provides many instances of separate provincial and federal responsibilities in these areas, as well as some joint responsibilities. There is not always clarity in where the responsibility lies on any particular issue.

Just as transportation infrastructure linking one province to another takes a provincial issue into the federal jurisdiction, or other protections that require a national scope such as finance and airlines, I believe that many, if not all, of the issues under consumer protection go beyond provincial borders and require federal responses.

Politicians tend to focus on the business side of the economy and forget the other side of the coin.

A vibrant economy requires consumers, it requires confident consumers and it requires fairness.

It does not help the economy when consumers are ripped off and cheated.

When consumers feel that the system is fair, that they are getting what they pay for, that they are treated with dignity; they are going to be more confident in spending and that is good for the economy.

I think Ottawa forgets that sometimes.

I was once told during a discussion on credit card fees that the reason the fees were so high in Canada was that Canadians just don't want to make a fuss, maybe we are too passive as a society?

And I think there is some truth to that, but not the whole truth.

There are people who want to make a fuss, many of them are in the room right now.

Just because Ottawa doesn't always listen, it doesn't mean people aren't speaking.

There has been a decline in consumer advocacy since the 1980s in Canada, not because the issues are no longer important, not because there are not people to fight the fight. But largely, I believe, because funding for your work has been on a steady decline.

There needs to be more public funding for consumer advocacy.

And this is not just an issue of the amount, but it requires stability. The current system of donations and contribution funding through Office of Consumer Affairs is inadequate. It does not provide secured, stable funding.

Currently, there is roughly 1 million to 1.5 million annually doled out for specific projects, but no ongoing funding for consumer advocacy.

The office of Consumer Affairs is also part of Industry Canada and is often on the opposing side of the actions they are being asked to fund.

This makes it hard for long term planning and 1.5 million is not a lot of money when you are countering the lobbying of billion dollar multinational businesses

The development of a strong structure for consumer protection requires consistency so that there are always people looking out for Canadians.

There is a discussion to be had on how we should fund consumer advocacy, and I am happy to hear from anyone who wants to talk to me about it and how to mobilize consumer groups in an effective action plan that will bring organization stability.

Direct funding can be difficult as it requires the government picking who they fund and the ideology of the government of the day can interfere. As I said before, the government will often be on the opposing side of the efforts they would be funding.

But there could be other ways to do it, I have encountered a number of proposals through my discussions with advocacy groups.

One suggestion is to perhaps create an arm's length government organization that is charged with distributing base funding on a

long-term basis as well as special project funding. This would eliminate the partisan politics side of the equation.

The distribution could also be assigned to other outside groups that would be considered impartial and fair.

Another part of the equation is where the funding comes from.

It could be directly from general revenue.

Another option I have encountered is to create a pool from class action lawsuits. A mandated portion or the undistributed portions would be distributed amongst advocacy groups that have applied through a central process. The Canadian Bar Association has been suggested as a possible central agency for this.

A more controversial proposal may be a system where corporations fund advocacy, similar to the financial system, through fines from breaking consumer protections or fees.

I don't know what the right way to do it is, I am sure any system will have pros and cons, but it is a discussion that needs to happen and one I would be happy to engage in with you.

This falls prebudget consultation period would be an excellent opportunity to bring forward proposal for funding.

You should collectively develop a unified proposal that you can take to the Minister.

The funding problem is not for lack of consumer concern, we have seen repeatedly over the last few years that issues are simmering, but they don't get attention until the media decides to pick up on them.

CBC's go public has helped bring issues to public's attention, including banking and airline practices, but this is not a reliable system for consumer protection in Canada.

We need your expertise and your research, we need you working and ensuring that consumer rights are protected.

We can't always wait until things blow up before we fix them.

There are two sets of issues in consumer advocacy, I think.

There are the big issues that get media attention and the smaller ones that don't.

The big ones are important and drive the public image of consumer advocacy, but the smaller ones are where the work is even more imperative, where people don't even know they are on the losing end.

In the last few years there have been two very large and very public consumer issues.

The practices of both airlines and banks.

While these issues get the attention from the media there are many smaller issues that fall under the radar and this is where we need to have consumer advocates.

We need to have people who watch and review the government agenda's impact on Canadian consumers, who can talk to Senators, Members of Parliament and Committees. WE need the research that you do.

I think that the recent blow up and reaction to the airline and banking issues shows that government can be shown the way on consumer issues and respond, if not always in the exact way you might want, but working on the issue.

Consumer advocacy DOES pressure the government to change policy.

IN the last couple of years, the complaints people have had about airlines, getting bumped off flights, treatment on the flight, etc. have become a big issue.

And I think this is a good example of the government responding, that the pressure works to change policy.

The current system of case by case complaint resolution and mediation was shown to be insufficient. Recent reports are that Transport Canada is fielding 20-40 complaints a week.

The Trudeau government has put forth Bill C-49 An Act To Amend The Canada Transportation Act to enable the creation of a passenger rights regime through Transport Canada.

The debate on the bill continues, I urge all interested to get involved at the committee hearings and talk to the Senators when it makes it to the Chamber to ensure that the end result is what we need.

Another issue that gained attention recently was the pressure sales practices in Canadian Banks.

There was widespread attention brought to this issue after reports from CBC's go public and parliament reacted, the House of Commons finance committee has held hearings on it.

While we still need to have concrete solutions to the problem, the fact that the committee responded to the outcry once again shows that the government can be pressured to respond to consumer rights issues when pressure is applied.

While these two examples show the progress that can be made, they show one of the big problems; governments react to widespread outrage but how do we get them to respond to problems that the media has not jumped on.

This is why I am talking to you today about how parliament and consumer advocates can and need to work together.

We need to develop a system of funding and we need to open lines of communications.

We need to be able to identify and address issues that affect all Canadians, not just the ones that have gotten the attention of the media.

We need to develop consumer advocacy so that government can be proactive, not reactive.

And so that the government has reliable, arm's length consumer groups to consult, to provide a counter to the ministry advisors and industry interest groups.

One the reasons I wanted the opportunity to speak with you today is to talk about how we can work together.

As we return to the Senate Chamber this week, there will be 43 independent / non-affiliated senators. In the coming months there will be more appointed as independents. Bring the cause to them. They are not bound by party platform.

Even the Senators within political causes have more independence than ever before.

This is a unique opportunity to bring consumer issues to parliament.

Senators can propose legislation, table motions, get committee studies, and speak on the issues in the chamber. Even if it doesn't result in a policy win, it is a good way to get the message out and get heard.

Talk to Senators about upcoming committee meetings on legislation that concerns you; call the committee clerks to get on witness lists.

Let the Senate work with you for Canadian consumers.

Call us, talk to us, meet with us.

As I noted before, I have proposed legislation to limit consumer interest rates, while this legislation has not passed yet, it has provided a platform for the issue to get media attention, provided an opportunity for anti-poverty and consumer interest groups to address government.

I have proposed a motion to review the operations of the Financial Consumer Agency of Canada, the Ombudsman for Banking Services and Investment, and ADR Chambers Banking Ombuds Office .

The current complaints system for the financial sectors needs to be reviewed. The groups that adjudicate complaints are funded by those that they are supposed to be watching. This is not conducive to arm's length objectivity.

As a member of the banking committee since 2006 I have consistently called for a comprehensive review and revision of financial consumer protections in Canada, it's about time.

This motion would provide an opportunity for advocates to speak on behalf of Canadian consumers regarding how the financial sector polices itself. I have great concerns about it, I'm sure you do as well.

These are just a couple of examples of the many ways we can work together and I look forward to working with you.

I hope everyone will have a great time here over the next two days.

Thank you.