



News Release

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CONSUMER-PROTECTION SERVICES FLYING BELOW PUBLIC'S RADAR: AUDITOR GENERAL

(TORONTO) Ontario's Ministry of Consumer Services is not doing enough to let people know it can help them with consumer problems so most Ontarians look elsewhere for assistance, Auditor General Jim McCarter says in his *2009 Annual Report*, issued today.

"The Ministry received about 40,000 inquiries and written complaints in 2008/09, down about 12% from peak levels four years ago," McCarter said. "Quebec has just 60% of Ontario's population but its consumer protection agency receives more than 250,000 consumer inquiries and complaints a year.

"We commissioned an independent external survey and found the Ministry would *not* be among the top choices for Ontarians seeking to resolve a consumer complaint," McCarter added. "However, even if more consumers had contacted the Ministry, it's questionable whether appropriate action would have been taken."

Among the Report's findings:

- The 6,000 written complaints received in 2008/09 led to just 148 inspections and educational field visits from the Ministry, whose lack of inspection powers under the *Consumer Protection Act, 2002* hinders it from proactively identifying consumer-protection violations.
- During the last several years, the Ministry employed four or fewer inspectors to inspect businesses it receives complaints about to determine whether further action is required—roughly one inspector for every 100,000 businesses. During 2008/09, the Ministry made not a single proactive visit to business types in the Top 10 Complaints list.
- The Ministry was not dealing effectively with repeat offenders and problematic industries such as collection agencies, home repairs, car repairs, home furnishings, health and fitness clubs, and credit reporting. Collection agencies, in particular, were the subject of more than 10% of all public complaints the Ministry received during 2008/09, yet the Ministry assigned a relatively low priority to investigating those complaints.
- The Ministry was not monitoring its registration and licensing processes for collection agencies, debt collectors, and bailiffs adequately enough to ensure that applicants meet standards for integrity, honesty, and financial viability, and that they comply with legislation for their industry.

The Report noted that the Ministry recently improved its oversight of the eight delegated authorities, a group of industry-led not-for-profit corporations responsible for a number of specific consumer and public-safety statutes. Several changes to legislation have also strengthened consumer protection by imposing larger penalties and longer maximum sentences for illegal activities.

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