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Dear Mr. Lebel,

On behalf of Trans Union of Canada, Inc.'s (TransUnion) I am pleased to submit our comments to the draft *Regulations respecting complaint processing and dispute resolution in the financial sector* (Regulations) made under the *Credit Assessment Agents Act* (CAAA).

From the outset it's important to note some key developments affecting how we operate and how we're regulated in Québec. On February 2, 2021, TransUnion was officially designated as a credit assessment agent in Québec. That designation was made under authorities granted to the Autorité des marchés financiers (AMF) and prescribed within the CAAA. The CAAA gives broad regulatory making powers to the Minister of Finance (on the advice of AMF) in areas such as setting the conditions for complaints processing and dispute resolution.

Our relationship with AMF is relatively new, but we believe we share a mutual desire to ensure a regulatory environment that offers rights and protections to consumers, and also fosters opportunities for CAAs to innovate and grow. Specific to this consultation, and despite not having credit reporting legislation in Québec prior to the CAAA, TransUnion has always had a process for assisting Québec residents with accessing and disputing any information contained in their TransUnion credit report. We have an agile and efficient complaints handling framework that is able to process thousands of requests each year and we are typically able to resolve disputes within 30 days, to the satisfaction of the consumer.

It's with this experience in mind, that we've identified three areas where we'd recommend changes to the draft regulations to ensure business efficiency and consumer satisfaction.

1. Language requiring organizations to communicate an "offer" for consumers to accept as part of resolving a complaint will not function given the nature of the CAA industry.
2. Communicating the prescribed, excessive amount of information required under the Regulations to a consumer as part of the complaint process, regardless of the type of dispute, exceeds consumer demands and places unnecessary, heavy administrative obligations on CAAs.
3. Requirements to provide names and contact information of employees poses health and safety risks and should be substituted with organizational contact information.

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Below we address each of the above-mentioned concerns to provide further details on why these provisions should be amended or removed from the Regulations.

### **1. Communicating an “offer” to resolve a complaint does not reflect how CAAs are able to resolve a complaint**

It is important to highlight that CAAs are not like the other parties that AMF regulates—such as credit unions, cooperatives, insurers, and financial intermediaries. In attempting to create a broad set of complaint processing regulations for a wide-range of industries, there are some provisions that do not align with the types of disputes CAAs typically handle and how we are able to investigate and respond to consumers when resolving complaints.

Several sections of the draft Regulations (Sections 13, 14(2), 18(8), 21(4), 22, 26(1)) make reference to extending an “offer” to the consumer to essentially negotiate a resolution to the consumer’s complaint. For the purposes of highlighting our concerns with these provisions in this submission, we are grouping the types of complaints received by TransUnion into two types of disputes. Firstly, given the definition of complaint under the Regulations, TransUnion primarily handles escalated matters regarding the information on their credit report, which is reported as it was reported to TransUnion by the party supplying the data, such as the creditor that has a credit account for the consumer. Additionally, TransUnion will handle escalated complaints regarding TransUnion’s broader investigation and information handling processes.

Neither of these two categories of complaints lend themselves to an “offer and acceptance” type process. If the consumer’s complaint is with regard to specific information on their credit file, TransUnion is never in a position to change the records of a financial institution regarding a contractual credit arrangement between the consumer and the creditor without direction from the creditor. TransUnion is the credit reporting party and cannot make judgment terms of the credit contract or the creditor’s internal records. Also, even if TransUnion made changes without direction from the creditor, the regular updates to that credit report information provided by the creditor would continue to reflect what is in the creditor’s records. Based on all this, we cannot “offer” a modification/ resolution change for such escalated complaints, as the information reported on a consumer’s credit file must align with the agreement and historical account records between the creditor and the consumer.

Additionally, as mentioned above, we have other types of complaints that are escalated concerns regarding our broader policies and practices and for these types of disputes, we are not in a position to offer to change our internal processes on a case-by-case basis for individual consumer complaints regarding our practices. We always endeavour to help a consumer in every way we can and continuously evaluate our processes for improvements, but the nature of operating a CAA requires a particular level of standardization to ensure consumers concerns are addressed efficiently and consistently.

Given the above, we would request that CAAs be excluded from the Regulation provisions requiring extending an “offer and acceptance” structure to a consumer for the consumer to accept or reject as a required step for resolution to a complaint.

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**2. Regulation requirements regarding the information that is to be provided to consumers needs to provide the consumer with relevant information, and avoid creating unnecessary and inefficient steps that will increase administrative burdens without providing additional consumer benefits.**

The Regulations set out several requirements regarding when and what is to be communicated to consumers at multiple points during the complaint process. Specifically, under section 15 of the Regulations, a CAA is required to send written correspondence to the consumer within ten (10) days of receiving a complaint stating that the consumer must also file a complaint with other CAAs and provide contact information. Further, section 39 of the CAAA requires that a CAA, within ten days after a complaint is entered in the register, send the complainant a notice stating the registration date for the complaint and the consumer's right to have the complaint record examined. Section 20 of the proposed Regulations now also requires that the acknowledgment of receipt include: a complaint record identification code; date received; name and contact information of the staff responsible for processing the complaint; statement that the complainant may contact that person to determine status; next steps in the complaint process; date of final response; and, signature of the complaints officer.

Finally, at the conclusion of the investigation, under section 21 of the Regulations, the CAA must summarize the complaint, outline the conclusion of the analysis, reasons for the conclusion, outcome of the complaint, statement that the complainant has the right to have the complaint record examined by the AMF, an offer to resolve the complaint and the signature of the complaints officer.

When considering complaints as defined under the Regulations, the above process is extremely inefficient and will likely result in significant confusion for consumers while also preventing the CAA from effectively and efficiently addressing significantly different types of complaints. While the Regulations do outline some opportunities to streamline some responses, essentially this involves three separate types of correspondence letters going to a consumer regarding one complaint. This adds significant administrative costs and burdens that do not necessarily benefit the consumer and will most likely confuse consumers while increasing the amount of time needed to address the consumer's complaint.

It is unclear what benefit comes from advising the consumer multiple times for the same complaint that they have the right to contact the AMF to have their record reviewed. Additionally, the prescriptive nature of the Regulation around the content of the ten-day notice and the final response does not allow for the significant differences that can occur between the types of investigations regarding complaints covered under the legislation. While TransUnion does many things that already comply with many of the main requirements of the Regulations, such as providing a case ID for each consumer, it is generally not possible to outline each next step or timing for each step of an individual consumer investigation. The majority of TransUnion's investigations require that TransUnion contact creditors, etc. to investigate the consumer's concerns. While TransUnion sets deadlines for providing a response, these can differ depending on nature of each specific complaint and the third party involved in the investigation can respond at any time. As we advise our consumers, we aim to respond in 30 days or less, but to require each complaint to have each step in the investigation outlined in written correspondence on a case-by-case basis is administratively challenging and in most instances, not something our associates can easily determine. We believe that we can look to ensure our complaints processes as outlined generally for consumers, provide clear information on the general steps that we take when responding to a complaint, but to require individual information in an acknowledgment notice at the outset of a complaint is inefficient and unnecessary.

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Further, TransUnion has a Special Handling team that is responsible for investigating escalated matters that would be considered complaints under the Regulations. This Special Handling process was developed for the benefit of consumers, as a result of TransUnion's extensive history in handling consumer complaints since 1989. Our Special Handling team is equipped with special training to handle escalated matters, such as complaints under the CAAA, and also provides multiple ways for consumers to contact the team to ensure the consumer's concerns are handled promptly and efficiently. Additionally, while this will be discussed in more detail below, our Special Handling associates do not have direct numbers that could be provided to consumers, as a protection measure for our employees. We do provide consumers that have escalated complaints with a phone number and email address for the Special Handling team where the matter is an escalated complaint and all communication is tracked to ensure consumers are contacted within 24-48 hours after they contact Special Handling.

TransUnion handles hundreds of requests from consumers, the majority of which are resolved quickly using existing processes provide the consumer with an efficient and effective process. While TransUnion does provide consumers with more detailed analyses around a complaint outcome, requiring that a CAA provide such detail for all complaint analyses is not reasonable. The amount of manual work required under the Regulation will serve to increase the amount of time needed to respond to matters that would otherwise be quick or could be efficiently standardized to not require manual drafting. Where we have escalated complaints that require more fulsome and detailed responses, such responses are already provided. However, this should be managed on a case-by-case basis rather than a prescriptive regulation requiring such additional work without accounting for the type of complaint and the type of response that is best for the consumer in that circumstance, given the significant differences between types of complaints.

Another example of our concerns with the prescriptive requirements for responding to consumers is the requirement that the CAA summarize the complaint in every response. We are concerned that this requires substantial manual work by the CAA when the consumer initiated the complaint and is therefore also familiar with the reasons for the complaint. Additionally, the complaint from the consumer is retained in the case history records for that consumer, so the consumer or the AMF can request and receive the details of the initial complaint, should the consumer request that information.

We believe that consumers benefit most by prompt remedies, and want to understand the outcome in an efficient and concise manner. TransUnion believes that the prescriptive and overly detailed requirements in sections 15, 20 and 21 obliges CAAs to provide excessively detailed information in the response to every complaint regardless of whether such information is relevant or necessary for the consumer's specific complaint. TransUnion recommends that regulations allow CAAs to respond to consumer complaints in the most efficient and relevant way for each unique complaint. From a business perspective, as drafted, these requirements under the Regulation require significant changes to systems that will incur substantially increased costs and will slow the ability of CAAs to efficiently address service complaints in the most timely way possible. We do not believe that this will ultimately benefit the interests of the consumer. We request that the prescriptive, detailed requirements set out in the Regulations be struck.

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### **3. The Regulations introduce the potential for harm and/or harassment of employees responsible for resolving complaints by requiring individual employee name and contact information**

TransUnion has significant concerns with the specific requirements in sections 15, 20, and 23 regarding providing employee names and contact information to consumers as part of various communications with consumers on complaints, in addition to publishing that information in the consumer facing dispute process on our website. While we appreciate the desire to ensure consumers are able to promptly contact a CAA, this requirement to provide contact details for specific, named employees does not provide sufficient additional benefit for the consumer to justify the significant risk for our employees. TransUnion receives and processes thousands of consumer requests a year across Canada and, while the vast majority of complaints are resolved amicably and to the consumer's satisfaction, we have experienced instances where consumers have succeeded in tracking our employees and harassing them on an ongoing basis. As such, we have an obligation to protect our employees from harassment and from consumers using their personal information to potentially cause harm.

While we appreciate that these requirements regarding employee contact information is a requirement on multiple industries, TransUnion, as a CAA, has a higher responsibility for ensuring that it deals with every consumer, regardless of the behaviour of that consumer. Credit reporting is essential to the provision of financial services to consumers. Regardless of a consumer's behaviour, TransUnion cannot refuse to deal with a consumer as we must provide a consumer with access to their information and the ability to dispute or amend that information. We cannot refuse to have a credit file for an individual, as that would mean that the consumer would not be able to obtain financing for a home or car, for example. Where other organizations can refuse to provide a loan to a consumer, we cannot refuse to allow a consumer to have a credit report. Given this, while there are some limited steps we can take regarding harassing behaviour, we have a responsibility to continue to provide all consumers with access to their information, making it even more important to protect our employees from risk of harassment and other such behaviour.

While we have these concerns, we appreciate that consumers need ways of contacting CAAs throughout a complaint review. TransUnion provides consumers with many methods of contacting us to ensure they are able to address their concerns and follow up on the status of any investigation request. Additionally, directing consumers to only one employee does not ensure consumers can promptly get the information they are looking for more promptly than they can through our existing process. For each consumer that contacts TransUnion about their credit file, TransUnion maintains a case history that is accessible to all employees trained to handling consumer complaints. Each of these employees have access to the systems that are necessary for addressing all consumer matters. Further, as mentioned above, TransUnion has a Special Handling department that provides consumers that have escalated complaints with tailored investigation handling. This process allows consumers to contact that department directly through a phone number and email dedicated to Special Handling matters. All associates in Special Handling receive training for escalated matters and monitor all messages from consumers to ensure consumers are contacted within 24-48 hours of contacting the department. These measures ensure that, regardless of naming an employee, consumers are equipped with ways of contacting TransUnion for updated information on their investigation, while protecting our individual employees from being exposed to harassment and other safety concerns.

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Regarding the requirement to publish the complaints officer contact information in the consumer facing complaint process on our website, this will encourage and direct all consumers to contact one employee regarding any matter pertaining to a dispute of credit information, regardless of whether or not the complaints officer is the correct party to address the matter. As set out, TransUnion handles hundreds of requests and providing the contact details for the one employee in the general process will only and ultimately cause all requests to be funnelled through that one employee. This is clearly inefficient and impractical. The complaints officer will not be conducting each and every investigation into matters on the consumer's file, but rather, they will need to engage with the trained associates that handle consumer day-to-day requests. The complaints officer role should be responsible for managing policies and procedures and supervising the complaint process. However, if their direct contact details are published online as part of the general dispute process, complaints officers will be prevented from handling the responsibilities intended by the legislation for a complaints officer because they will be forced to triage hundreds of requests that could and should be handled by the CAAs investigation and special handling teams.

We feel that these sections of the draft Regulations, while well intentioned, are inefficient and have the potential to cause serious harm to our employees by exposing employees to harassment, and safety risks, while also preventing CAAs from ensuring complaints are handled efficiently by the correct party in an organization. TransUnion recommends that the requirement for individual employee contact information to be included in all consumer responses and published broadly in the online dispute process be removed from the Regulations.

### **Conclusion:**

We appreciate the opportunity to collaborate with AMF and the Government of Québec to develop an efficient and effective set of regulations for processing complaints and resolving disputes. The recommendations and amendments suggested above will support broader policy objectives to ensure that consumers get the information they need in a timely manner, without creating onerous obligations on business and inefficiencies that will not ultimately benefit consumers. We believe that the recommendations above will serve to protect our employees who handle complaints, without sacrificing the objective of giving consumers access to understand the status of their complaint. Consumers have the ability to contact TransUnion to initiate a dispute or follow-up on the status of their complaint in an efficient and effective process.

Furthermore, as an organization we believe that the best regulatory frameworks are those that protect and empower consumers, address real problems, avoid creating unnecessary complexity and costs. Additionally, we hope that any major regulatory proposal provide adequate time for businesses to properly implement changes to comply with new rules. On this last point, we want to briefly comment on the absence of a coming-into-force date for the Regulations. We are not able to comment regarding the time needed to comply with the Regulations without knowing what final form the Regulations will take. The amount of time required to implement the Regulations will greatly depend whether amendments to the draft Regulations are able to accommodate our recommendations. As such, we would request that the Government of Québec delay any decision on the date the Regulations are to come-into-force until CAAs and other regulated parties have had a chance review amendments and provide feedback on the time required to adapt.

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Thank you for the opportunity to provide comments on the draft Regulations and we would be happy to discuss further, should you require additional information or clarification on the above.

Sincerely,



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