



2020-2022  
**BUSINESS  
PLAN**



**CONSUMER  
PROTECTION BC**

## Table of Contents

Message from the Chair and CEO.....	3
Corporate overview.....	4
Emerging public policy.....	8
Business Plan 2020 - 2022 .....	8
Business strategies .....	8
Business strategy 1: Increase the frequency and focus of inspections .....	8
Business strategy 2: Enhance protections for vulnerable consumers.....	10
Business strategy 3: Add value to businesses by simplifying the licensing processes .....	12
Business strategy 4: Enhance the consumer complaint process by leveraging technology.....	13
Areas of principal risk .....	15
Operating and capital budget.....	16



## Message from the Chair and CEO

On the behalf of the Board of Directors and employees at Consumer Protection BC, we are pleased to present our 2020 - 2022 Business Plan.

This plan has been updated through a collaborative process with our employees, Leadership Team and Board of Directors and has been informed by both market data and our stakeholders. The plan represents our strategic direction and priorities, capturing the challenges of regulating within a rapidly changing environment and the opportunities before us to further strengthen consumer protection in British Columbia. As in prior years, our work to keep pace with changes in public policy, consumer needs and the marketplace will continue through 2020 and beyond; we are prepared to take on the administration of new laws in the areas of high-cost lending and ticket reselling (once brought into effect through regulation) and will continue to support government's efforts to improve cell phone contracts and billing for all British Columbians.

The four key strategies within this plan guide our focus over the next three years, representing the most significant ways in which we can increase our effectiveness as a regulator and best use our internal resources to deliver services and respond to marketplace shifts. All of our strategies are cast over several years and build on the progress and learnings of the year(s) prior. Our first two strategies are to increase the frequency and focus of our inspections and enhance protections for our province's most vulnerable consumers, while the other two will see us continuing to make strides as a value-add regulator by simplifying our licensing processes and enhancing the ways in which we handle consumer complaints.

Finally, we wish to acknowledge the strong contributions of our outgoing Board Chair, Doug Enns. During his 2014 to 2019 term, Mr. Enns has always maintained an acute focus on what is best for Consumer Protection BC, our people and our stakeholders, shaping conditions to help us grow as a value-add regulator while simultaneously maintaining our relevance and mitigating risks within an often-changing marketplace.

We look forward to continuing to work with our stakeholders and regulatory partners to ensure the protection of consumers within British Columbia.

Respectfully,



Rod Dewar  
Board Chair, Consumer Protection



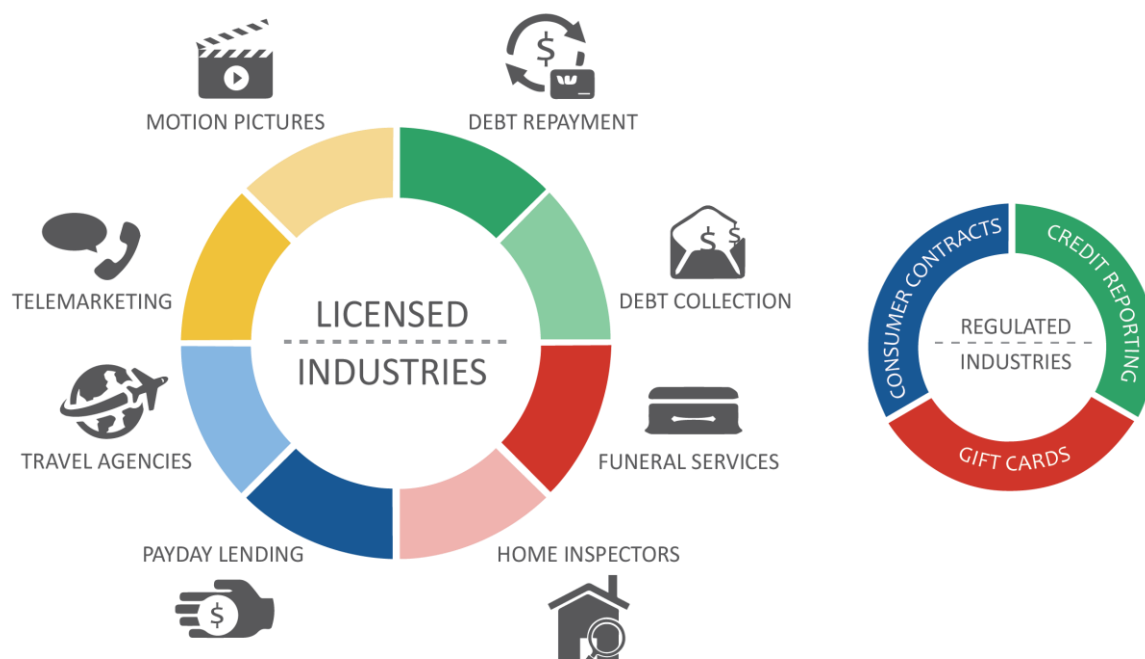
Rob Gialloreto  
President & CEO, Consumer Protection BC

## Corporate overview

### Who we are

Consumer Protection BC is a team of dedicated and passionate individuals based in Victoria and Burnaby, responsible for regulating various industries and consumer transactions in the province of British Columbia (see infographic 1.0).

Our purpose is to license and inspect regulated businesses, respond to consumer inquiries, investigate alleged violations of consumer protection laws, classify motion pictures and provide information and referrals to the public.



Infographic 1.0

In the public interest and through the authority delegated by the Province of British Columbia, Consumer Protection BC is responsible for administering four Acts:

- *Business Practices and Consumer Protection Act* [SBC 2004]
- *Cremation, Interment and Funeral Services Act* [SBC 2004]
- *Motion Picture Act* [RSBC 1996]
- *Ticket Sales Act* [SBC 2019]<sup>1</sup>

Our revenue is generated primarily through licensing fees. This ensures licensed businesses and occupations fund annual regulatory and general consumer protection costs, as required by legislation.

<sup>1</sup> The *Ticket Sales Act* received Royal Assent on May 16, 2019, however the full delegation for Consumer Protection BC to administer the Act is pending the completion of regulations required to enforce the Act and the execution of a revised Administrative Agreement.

## Our corporate values

Our corporate values are developed by our staff and cascade through our operational and governance systems. We have five corporate values:

**Trust:** We consistently come from a belief that we have the best interests of the organization and each other at the heart of everything that we do.

**Accountability:** We hold ourselves in ownership of, and take responsibility for, everything that we do.

**Integrity:** We behave in an honest and transparent way with each other.

**Excellence:** We are passionate, enthusiastic professionals continually seeking to deliver with a high level of quality.

**Impact:** We consistently strive to make a positive difference in the lives of British Columbians.

Our five values culminate in an overarching values statement, as follows:

***We believe in accountability to ourselves and to each other, in the investment and maintenance of integrity, and in the pursuit of excellence in the delivery of services that ultimately make a positive difference in the lives of British Columbians.***

## What we do

We deliver consumer protection services throughout British Columbia by:

- Educating consumers and businesses about their rights and responsibilities.
- Responding to inquiries and complaints from BC consumers and businesses.
- Licensing specific businesses and occupations.
- Inspecting licensed businesses and occupations to ensure they are following BC's consumer protection laws.
- Investigating alleged violations of consumer protection laws, then resolving through progressive enforcement.
- Classifying all motion pictures exhibited in British Columbia.
- Approving all adult video products sold, rented or exhibited to consumers.
- Providing recommendations to government and supporting government's policymaking process regarding enhancements to consumer protection laws.

For more information about what we do, visit our website at [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca), or connect with us on social.

## How we protect consumers

Here's how we help and protect consumers:



Infographic 2.0

## How we regulate businesses

Here's how we help ensure regulated business operate within the law:



Infographic 3.0

## Emerging public policy

We continue to work with the provincial government on several public policy issues, which may be implemented into our scope of regulatory authority during this business cycle.

### High-cost lending

High-cost lending rules were announced in February 2019 as amendments to the *Business Practices and Consumer Protection Act*. We are working with the Ministry of Public Safety and Solicitor General as they develop regulations which will bring the legislation into effect.

### Ticket sales

On February 27, 2019, the provincial government introduced Bill 27 (*Ticket Sales Act*). The *Ticket Sales Act* received Royal Assent on May 16, 2019. We are working with the Ministry of Public Safety and Solicitor General as they develop regulations which will bring the legislation into effect.

### Mobile phone contracts and transparency

As the provincial government moves through their public consultation and a legislative review, Consumer Protection BC will continue to engage with provincial and federal partners to support the enhancement of consumer protection as it relates to cell phone contracts and business practices. We are also well positioned to be part of efforts to educate consumers to help them make informed decisions regarding cell phone contracts.

## Business Plan 2020 - 2022

The Business Plan describes our business strategies for the next three years. We live the plan internally with our employees and Board of Directors, and share it with government, industry and the public as a roadmap of how we will strive to fulfill our purpose in a dynamic regulatory environment and constantly changing marketplace.

Our corporate values are consistently applied to the development and delivery of our Business Plan. They are infused into our daily operating practices and serve as a guide for how we choose to act and behave as we go about our work. The plan also summarizes areas of principal risk, which are identified by the Board of Directors and are mitigated on an ongoing basis to ensure that risk exposure is minimized, and any potential opportunities are explored.

## Business strategies

The strategies presented in the Business Plan are designed to improve or enhance our effectiveness as a regulator. They strive to ensure we are making the most productive use of our internal resources and capabilities to deliver services and respond to dynamic shifts in the regulatory environment. The business strategies presented below articulate how we are going to be better, including the specific steps (or tactics) we will take, coupled with clear measures of what success will look like.

### Business strategy 1: Increase the frequency and focus of inspections

Being a highly effective regulator means being able to detect, and subsequently correct, non-compliance with BC's consumer protection laws through in-person inspections. This business strategy asserts that we can increase our regulatory effectiveness and general consumer protection by increasing the frequency and focus of inspections. Completing more inspections and focusing our inspections based on effective data analysis allow us to not only uncover more cases of non-compliance, but also offers important secondary opportunities to:



- Educate our licensed businesses to reduce the likelihood of future non-compliance.
- Deter other licensed businesses from engaging in non-compliant activities.
- Gather intelligence about shifts in consumer behaviour or the business models of our licensed sectors.
- Raise awareness for our licensed businesses of the value of operating in a fair, regulated marketplace.

#### Tactics:

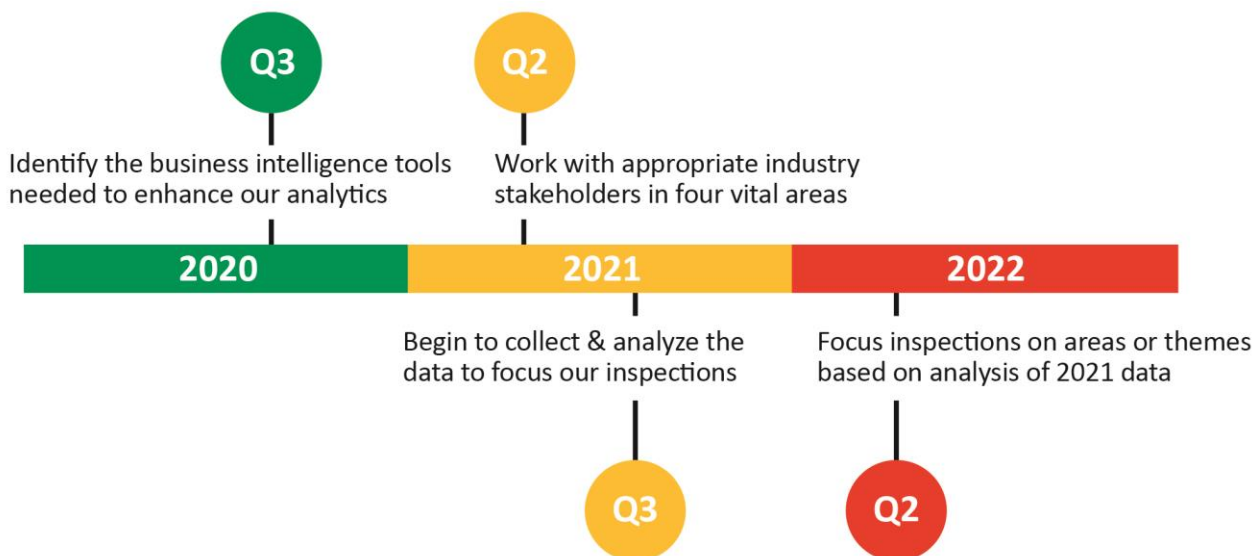
This business strategy was first implemented in 2018. The tactics for that year focused on shifting internal resources to create incremental inspection capacity. For comparison purposes, the three-year period from 2015 - 2017 saw the average completion of 340 inspections annually. In 2019, tactics were completed to reduce the time it takes to conduct and report on each inspection. These included the development and implementation of a mobile inspection application and MyAccount enhancements to allow licensed business to immediately access post-inspection reports.

In this plan we will:

- Define data and identify business intelligence tools to perform analytics to identify areas with the highest rates of business non-compliance. **(Q3 2020)**
- Work with appropriate industry stakeholders in the vital areas of preneed sales and trust account activity; prohibited payday and other lending practices; financial reviews of travel agents; and contract compliance by businesses that supply services under continuing services contracts. **(Q2 2021)**
- Complete initial population of data fields and commence data analysis to determine the focus of future inspections. **(Q3 2021)**
- Focus inspections on areas or themes based on the proactive and deep analysis of data and business intelligence collected in 2021. **(Q2 2022)**

#### Timeline:

The timeline below outlines the scheduled completion date for each tactic listed above:



### Performance:

This business strategy is focused on consistent improvement over a multi-year time period. The 2019 numbers listed below are annual targets set out in the 2019 - 2021 Business Plan; actuals will be reported in the 2019 Annual Report. Performance targets for 2020 - 2022 are presented in the following chart:

Performance Measure (Target)	2018 Actuals	2019 Targets	2020	2021	2022
<b>Number of compliance inspections completed annually</b>	503	625	650 - 675	700 - 725	725 - 750
<b>Percentage of random inspections where business compliance is confirmed</b>	n/a	89 - 93%	90 - 94%	91 - 95%	92 - 96%
<b>Rate of compliance achieved following enforcement action</b>	75%	75 - 79%	76 - 80%	78 - 82%	81 - 85%

### Business strategy 2: Enhance protections for vulnerable consumers

International research indicates that approximately 50% of consumers show one or more characteristics of potential vulnerability based on factors such as health, financial resilience and capability and life events that could have a detrimental impact on the outcome of their transactions. For example, the following statistics describe vulnerability characteristics in the general population:

- Consumer debt held by British Columbians is estimated at \$23,587 (*source: Equifax Canada, 2019*) and 45% of families don't think they can cover all future-year expenses without going further into debt (*source: MNP Consumer Debt Index, 2019*).
- It is estimated that 13.4% of British Columbians live below the poverty line (*source: Statistics Canada, 2019*) and that one in four are \$200 or less away from financial insolvency (*source: MNP Consumer Debt Index, 2019*).
- Since 2000, dementia-related illness for British Columbian adults over 40 has increased from four in 1,000 to five in 1,000 (*source: BC Centre for Disease Control, 2019*). Additionally, one in 12 Canadian youth are dispensed mood/anxiety or antipsychotic medication (*source: Canadian Institute for Health Information, 2019*).
- Of the approximately 29,000 immigrants to British Columbia each year (*source: Statistics Canada, 2016*), 60% of those whose first language is not English have a literacy rate less than level three (*source: Literacy BC, 2019*).

We have developed and implemented a number of regulatory and educational tools to assist consumers; however, our assessment of vulnerability characteristics suggests that some consumers are not currently aware of, or able to effectively access, our existing services. This strategy is designed to reduce the potential transactional detriment of these consumers through the execution of tactics in the areas of targeted consumer education, enhanced regulatory tools and supporting changes to public policy.

### Tactics:

This business strategy was implemented in 2019 based on an analysis of internal data and the work of other jurisdictions to engage more proactively with highly vulnerable consumers. In 2019, we identified and assessed areas of consumer risk where enhanced protections were needed. Following this, we defined vulnerable consumer groups and built a 2020

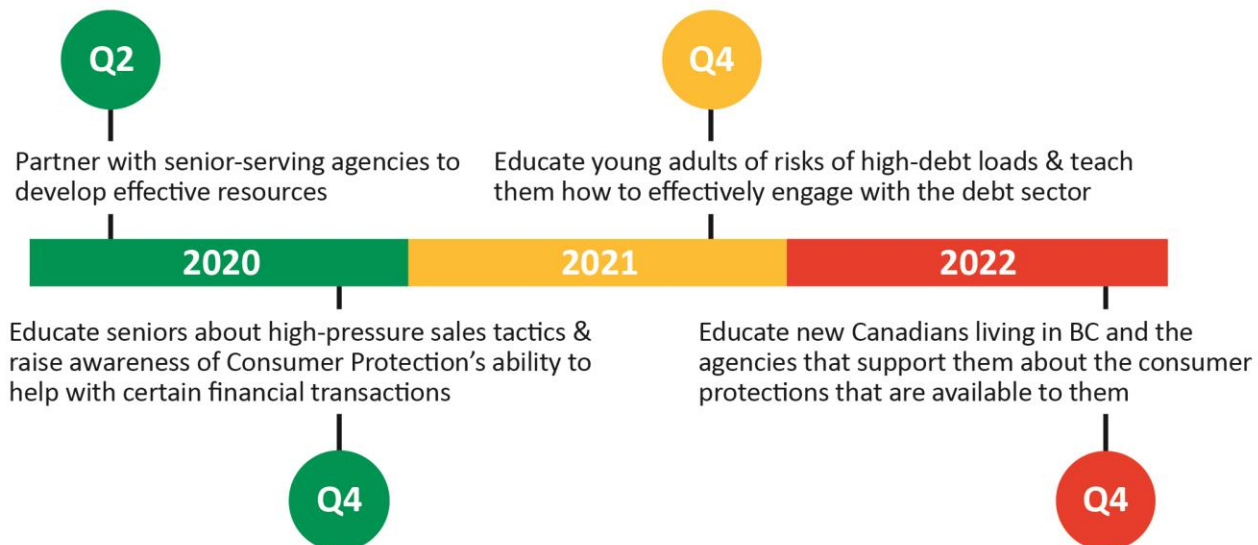
- 2022 business strategy designed to enhance protections for vulnerable consumers and best serve them in the public interest.

In this plan we will:

- Develop materials and other resources in partnership with key seniors-serving agencies to ensure we have a clear understanding of the most effective means to communicate with seniors. **(Q2 2020)**
- Provide education and resources directly to seniors and key senior-serving agencies to foster resilience to high-pressure sales tactics and raise awareness that Consumer Protection BC can provide solutions to non-compliant financial transactions. **(Q4 2020)**
- Provide education and resources directly to independently-living young adults so they: understand the financial risks and payment obligations of taking on high debt loads; recognize the impact that debt may have on their credit score and their ability to secure cost-effective credit in the future; and know how to effectively engage with licensed businesses in the debt collection and repayment sectors. **(Q4 2021)**
- Provide education and resources directly to new Canadians living in BC and to the network of agencies that serve them so they have access to consumer protection information (either in their native language or in English at a reading level they can understand) and so they become aware of the services offered by Consumer Protection BC. **(Q4 2022)**

#### Timeline:

The timeline below outlines the scheduled completion date for each tactic listed above:



#### Performance:

This business strategy is focused on continual learning about the detriments faced by vulnerable consumers to refine our consumer education, as well as our compliance efforts, to ensure fairness in our regulatory marketplace. Performance targets listed below focus on key deliverables, but each campaign will include operational metrics based on qualitative data to evaluate the effectiveness of our reach to the specific group(s) addressed in the strategy.

Performance Measure (Target)	2018 Actuals	2019 Targets	2020	2021	2022
<b>Themed-based campaign delivered to enhance protections for vulnerable consumers in British Columbia</b>	n/a	n/a	1	1	1
<b>Form organizational partnerships to leverage in-kind campaign investment.</b>	n/a	n/a	2	2	1
<b>Engage in a data-driven process to define “vulnerable” consumers in British Columbia and build and adopt a business strategy to protect them.</b>	n/a	Complete	n/a	n/a	n/a

### Business strategy 3: Add value to businesses by simplifying the licensing processes

Simplifying the licensing process allows existing businesses and new applicants to easily navigate our online business platform and submit all licensing requirements quickly and efficiently. This adds value by reducing the burden of regulatory compliance as part of their daily operations. It also allows us to reallocate our internal resources to place greater focus on initial compliance checking, auditing of the submitted information and more effective management of consumer and business complaints. Recent investments in our online business platform (called MyAccount), along with the combination and simplification of forms, has set the stage for this business strategy.

#### Tactics:

This business strategy was first implemented in 2018; however, technical work has been in progress since the migration of our data management system to a modernized web-based platform in 2016. At the time the migration was finished, the average time to complete a licence application or renewal exceeded 10 days. In 2019, tactics were completed to allow licensed businesses to upload various reports directly to MyAccount. We also implemented online licence renewal processes for funeral directors/embalmers (and apprentices), home inspectors, debt collectors, debt repayment agents and bailiffs.

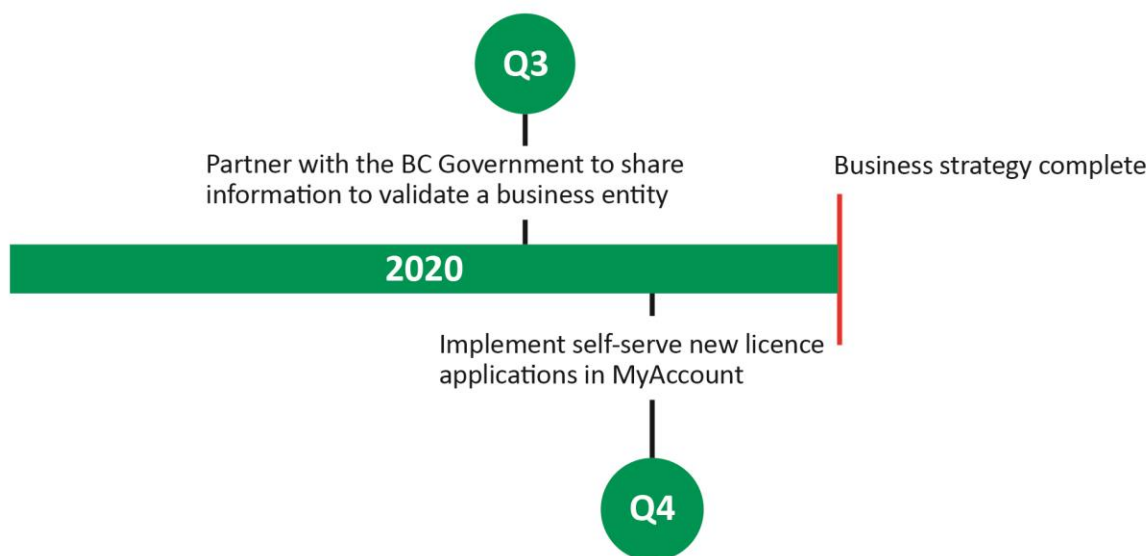
In this plan we will:

- Partner with the BC Government to share registered corporate, partner and proprietor information for new licence applicants in order to decrease processing times and ensure business validity. **(Q3 2020)**
- Implement a self-serve, new business licence application process in MyAccount. **(Q4 2020)**



**Timeline:**

The timeline below outlines the scheduled completion date for each tactic listed above:



**Performance:**

This business strategy will be fully executed by the end of 2020; therefore, no targets have been set for 2021 or 2022. The 2019 numbers listed below are annual targets set out in the 2019 - 2021 Business Plan; actuals will be reported in the 2019 Annual Report. Performance targets for 2020 - 2022 are presented in the following chart:

Performance Measure (Target)	2018 Actuals	2019 Targets	2020
Average time to complete a business licence application or renewal	5 days	3 - 4 days	3 or fewer days
Overall quality of licensing processes <sup>2</sup>	80%	80 - 83%	83 - 86%
Incomplete new business applications submitted	61%	60 - 70%	50 - 60%

**Business strategy 4: Enhance the consumer complaint process by leveraging technology**

Our Licensing and Information Services team gets more than 10,000 annual consumer inquiries each year across a variety of channels including phone and email. Historically, about 34% of these are within our regulatory authority and 66% are about issues where other agencies are better positioned to help. Our staff respond to all inquiries with information and referrals, which can be a time-consuming process. Streamlining the consumer information and complaints process and more effectively capturing and analyzing inquiry data will significantly reduce the amount of time consumers have to wait to get information about their issue.

**Tactics:**

The business strategy was implemented in 2019 based on opportunities presented through technological enhancements to streamline the consumer complaint process. In 2019, we enhanced the automated complaint intake form on our corporate website, which has already led to substantial reductions in consumer wait times. Initial research and

<sup>2</sup> As assessed by licensees through ongoing post-transaction surveys issued for new application and renewal processes throughout the year.

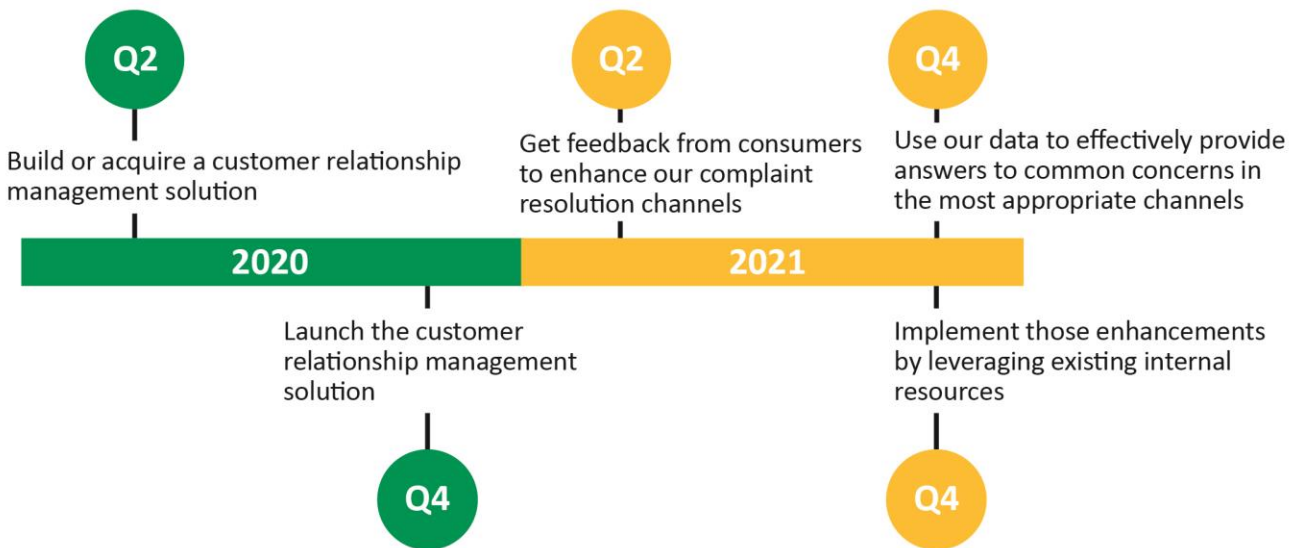
recommendations related to enhanced technology solutions that effectively handle consumer complaints have been completed.

In this plan we will:

- Identify, build or acquire and test a customer relationship management solution to be used as a ticketing system which will help us more effectively respond to issues and capture vital data in all customer contact channels. **(Q2 2020)**
- Following refinements and optimization, launch the customer relationship management solution and evaluate its effectiveness in resolving issues. **(Q4 2020)**
- Seek feedback from consumers to enhance or add channel(s) for complaint resolution. **(Q2 2021)**
- Implement enhancements or add channel(s) for complaint resolution by leveraging existing internal resources and capabilities. **(Q4 2021)**
- Capitalize on data collected through our customer relations management solution to more effectively provide answers to common concerns in the most appropriate channels. **(Q4 2021)**

**Timeline:**

The timeline below outlines the scheduled completion date for each tactic listed above:



### Performance:

This business strategy is focused on modernizing and enhancing the methods we use to receive information from, and then respond to, BC consumers. The 2019 numbers listed below are annual targets set out in the 2019 - 2021 Business Plan; actuals will be reported in the 2019 Annual Report. Specific targets for 2020 - 2022 establish performance levels that indicate the successful achievement of this strategy.

Performance Measure (Target)	2018 Actuals	2019 Targets	2020	2021	2022
<b>Divert existing or reach new consumers by enhancing or adding a communication channel</b>	n/a	n/a	n/a	1 - 3% of inquiries	5 - 9% of inquiries
<b>Reduce average wait times for email, fax and written complaint responses</b>	10 days	4 - 6 days	2 - 4 days	0 - 2 days	0 - 2 days

### Areas of principal risk

In each business planning cycle, the areas of principal risk are articulated, a risk appetite for each area is established and risk tolerances are set (which are monitored and mitigated as required). The current areas of principal risk include:

<b>Financial risk</b>	Specific risk factors include investment, liquidity, capital and business model risk. Mitigation efforts ensure enough liquidity and capital to meet our long-term operational obligations.
<b>Legal risk</b>	Specific risk factors include civil litigation, judicial review and tribunal risk. Mitigation efforts focus on consistent and reasonable administration of our delegated authority, supported, where necessary, by sound legal advice and experienced legal counsel.
<b>Compliance risk</b>	Specific risk factors include act and regulation, laws and contract (agreement) risk. Mitigation efforts focus on the completion of regular compliance assessments with various stakeholders, including the Ministry of Public Safety & Solicitor General, the Office of the Information and Privacy Commissioner for BC, legal counsel and our auditors at Grant Thornton LLP.
<b>Technology risk</b>	Specific risk factors include data breach, data loss and system failure risk. Mitigation efforts focus on the readiness of our Business Recovery Action Plan and the evolution of our IT Disaster Recovery Plan, which specifically protects our data and systems from intrusion and creates data redundancy.
<b>Reputation risk</b>	Specific risk factors include licensee, government and public risk. Mitigation efforts focus on clear and concise communications with all stakeholders and providing corporate responses to any regulatory or operational issues in a timely and transparent manner.

## Operating and capital budget

The following budgets outline the financial and human resources required to deliver our overall regulatory purpose and achieve the targets articulated in the 2020 - 2022 Business Plan. We have assessed the viability of all future revenue streams and maximized efficiencies through cost savings, wherever possible. This process is a continuation of the balanced financial direction we have taken since our establishment in 2004.

<b>Operating budget<sup>3</sup></b>				
<b>Resources and outputs</b>	<b>Fiscal year (\$ thousands)</b>			
	<b>2019</b> (Forecast)	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total revenue	\$6,737	\$6,759	\$7,063	\$7,220
Total expenditures	\$6,534	\$6,719	\$1,009	\$7,103
<b>Excess of revenues over expenditures</b>	<b>\$203</b>	<b>\$40</b>	<b>\$54</b>	<b>\$117</b>
Full time employees (FTEs)	45	47	48	49

<b>Capital budget</b>				
<b>Resources and outputs</b>	<b>Fiscal year (\$ thousands)</b>			
	<b>2019</b> (Forecast)	<b>2020</b>	<b>2021</b>	<b>2022</b>
Base and planned expenditures	\$133	\$609	\$145	\$115
Program expenditures	-	-	-	-
<b>Total</b>	<b>\$133</b>	<b>\$609</b>	<b>\$145</b>	<b>\$115</b>

<sup>3</sup> 2019 information is based on year-end estimates from the Q3 2019 Financial Statements.