



**CONSUMER
PROTECTION BC**



ANNUAL REPORT 2019



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Our audited financial statements are available in the [publications section](#) of our website.

MESSAGE FROM THE BOARD CHAIR AND CEO

On behalf of our Board of Directors, staff and stakeholders, we are pleased to present Consumer Protection BC's 2019 Annual Report. Marking our 15th year in operation, 2019 was a significant one in terms of growth and performance.

In 2019, the Province made commitments to ensure stronger protections for British Columbians. Starting in February, we worked closely with the Ministry of Public Safety and Solicitor General as they developed regulations aimed at high-cost credit products and services and we readied our organization to assume licensing and regulatory responsibilities once these new laws come into effect. In April, the Province introduced the *Ticket Sales Act* which will, once brought into force, increase transparency of the ticket selling process as it relates to live cultural, recreational and sporting events within BC.

Finally, in December, we were awarded a contract with the Ministry of Transportation and Infrastructure to continue to provide call centre services for taxi customers as well as for those who use ride-hailing services.

For our licensed businesses, we continued to find new ways of providing better and faster service. The technological improvements we made in 2019 now allow our inspectors to efficiently record real-time results through a mobile application, and we developed the ability to share post-inspection findings electronically to help licensed businesses quickly correct any identified issues. We also continued to make refinements to our MyAccount online platform for businesses, finding new ways to enable virtual submissions rather than hardcopy in order to speed up processes. For consumers, we started planning for a multiyear marketing initiative with a focus on vulnerable groups and the specific information they may require. We also completed preliminary work to launch a new complaint-handling channel within the coming years to help consumers quickly work through their issues, either by providing immediate information or accurate referrals to other protection agencies.



As with every year, we encountered unforeseen challenges and opportunities and responded, in turn, with nimbleness and professionalism. One of the most significant in 2019 was the unexpected shuttering of the Ontario Film Authority and the short timeline in which we had to come to an agreement with the Province of Ontario to provide classifications for all general release theatre films and trailers. We now classify motion pictures for three provinces in addition to British Columbia (including Manitoba and Saskatchewan) and we continue to work with our industry stakeholders to support positive interprovincial relations and the film sector.

The year concluded with the retirement of our Board Chair, Douglas Enns. Since 2014, Mr. Enns has led Consumer Protection BC with a persistent eye to the future and a focus on the importance of being a value-add regulator for stakeholders. His important contributions over the past five years have been vital to our organization's strong performance and we thank him for his service.

While we first learned of COVID-19 at the end of 2019, no one was yet aware of the significant impacts this virus would have on the world. Our heartfelt thoughts go out to the many people affected both physically and emotionally by COVID-19 and we extend our deepest gratitude to all the frontline workers and government decision makers who work tirelessly to keep British Columbia going during this pandemic. We remain resolute in serving British Columbian consumers, licensed businesses and all our stakeholders throughout this crisis and beyond, on behalf of the Province.



Two handwritten signatures in black ink. The signature on the left is 'Rod Dewar' and the signature on the right is 'Rob Gialloreto'.

Rod Dewar
Board Chair

Rob Gialloreto
President and CEO



**CONSUMER
PROTECTION BC**

YEAR AT A GLANCE

Travellers impacted by a travel agency failure were compensated \$448,748 from the Travel Assurance Fund

With our help, consumers got nearly \$197,000 in refunds from businesses

89% of our licensed businesses who filled out our survey think our licensing process is good, very good or excellent

92% of our licensed businesses rated our inspection process as good, very good or excellent

We performed 26% more inspections than last year

We were certified as a Great Place to Work® for the fourth year in a row!

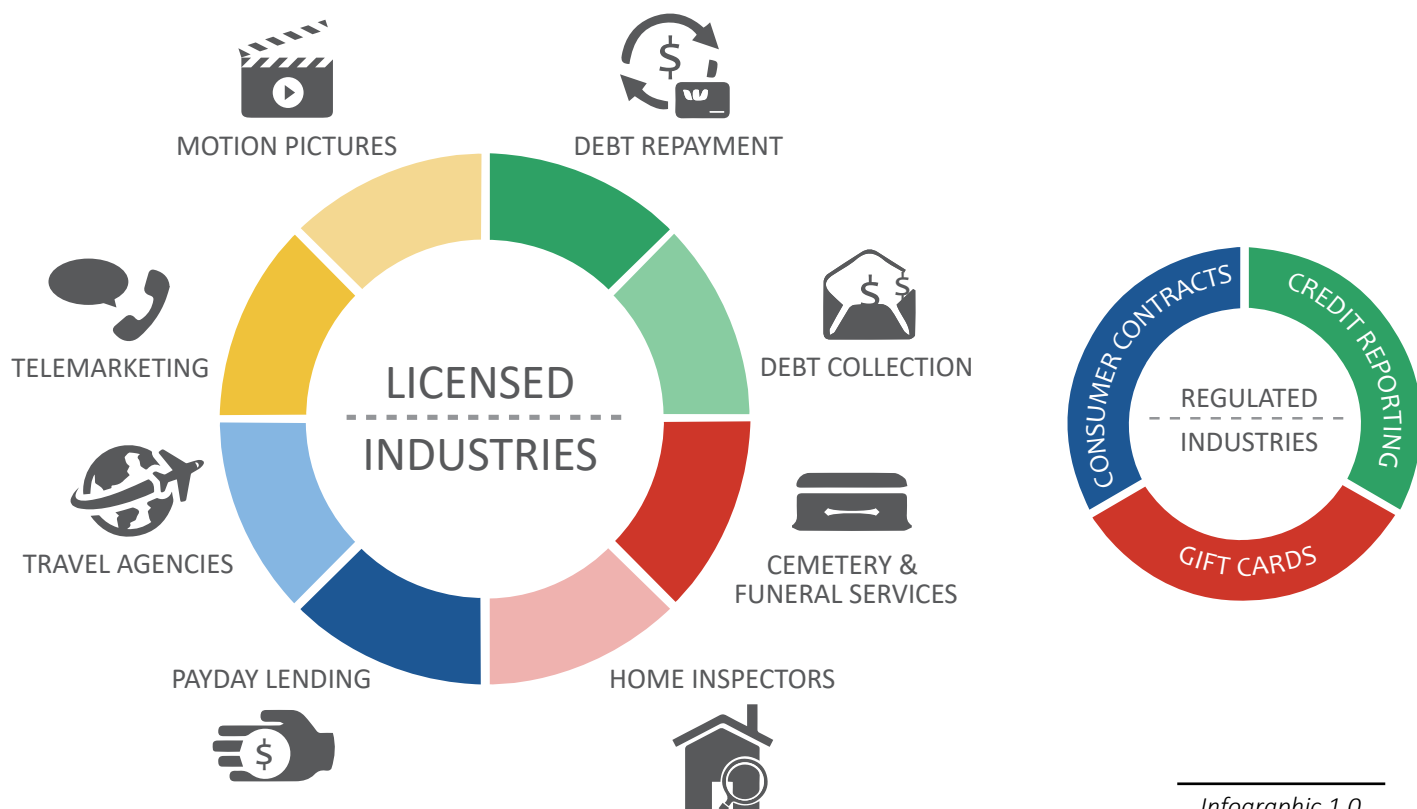
We reviewed a record-high 2,226 general release movies and trailers

We joined Instagram as a new way to educate BC consumers

CORPORATE OVERVIEW

Who we are

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



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.

Through the authority delegated by the Province of British Columbia, Consumer Protection BC is responsible for administering the following Acts in the public interest:

- *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] ¹

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.

What we do

We deliver consumer protection services throughout British Columbia by:

- 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 retail adult video products sold or rented to consumers
- Providing recommendations to government and supporting government's policymaking process regarding enhancements to consumer protection laws
- Educating consumers and businesses about their rights and responsibilities
- Responding to inquiries and complaints from BC consumers and businesses

For more information about what we do, visit our website at www.consumerprotectionbc.ca or follow us on our social media platforms.

Board of Directors

Douglas Enns
Chair of the Board of Directors (term ended Nov 2019)

Rod Dewar
Chair of the Board of Directors (term started Nov 2019)
Vice Chair (term ended Nov 2019)
Human Resources & Compensation Committee Chair

Gigi Chen-Kuo
Director

Cathy McIntyre
Director
Finance & Audit Committee Chair

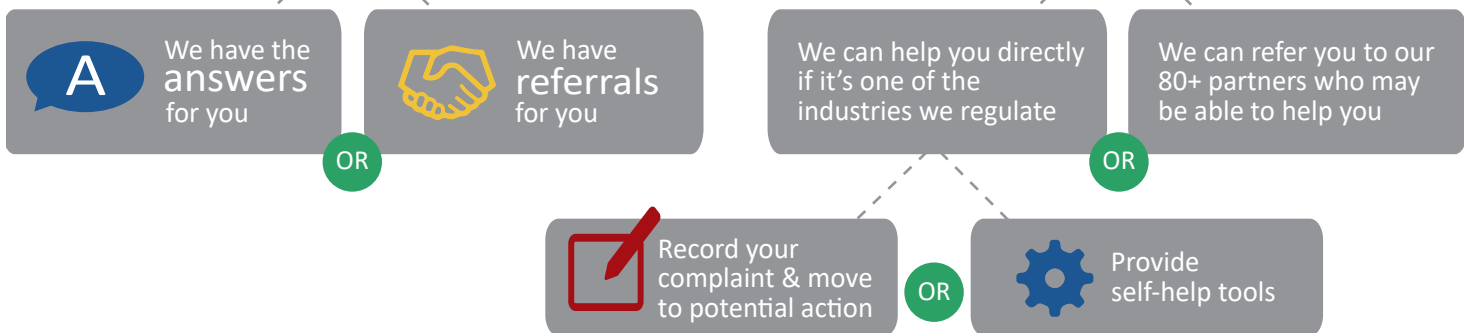
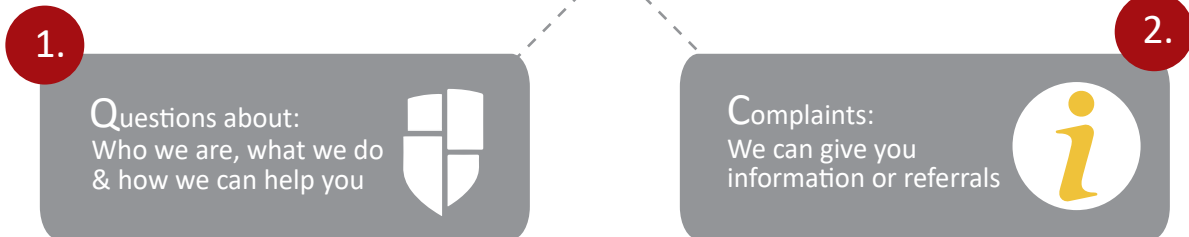
Anar Popatia
Director
Governance & Nominating Committee Chair

William Snell
Director (term started June 2019)

1. The *Ticket Sales Act* received Royal Assent on May 16, 2019, however full delegation for Consumer Protection BC to administer the Act is pending the completion of regulations required to bring the Act into force.

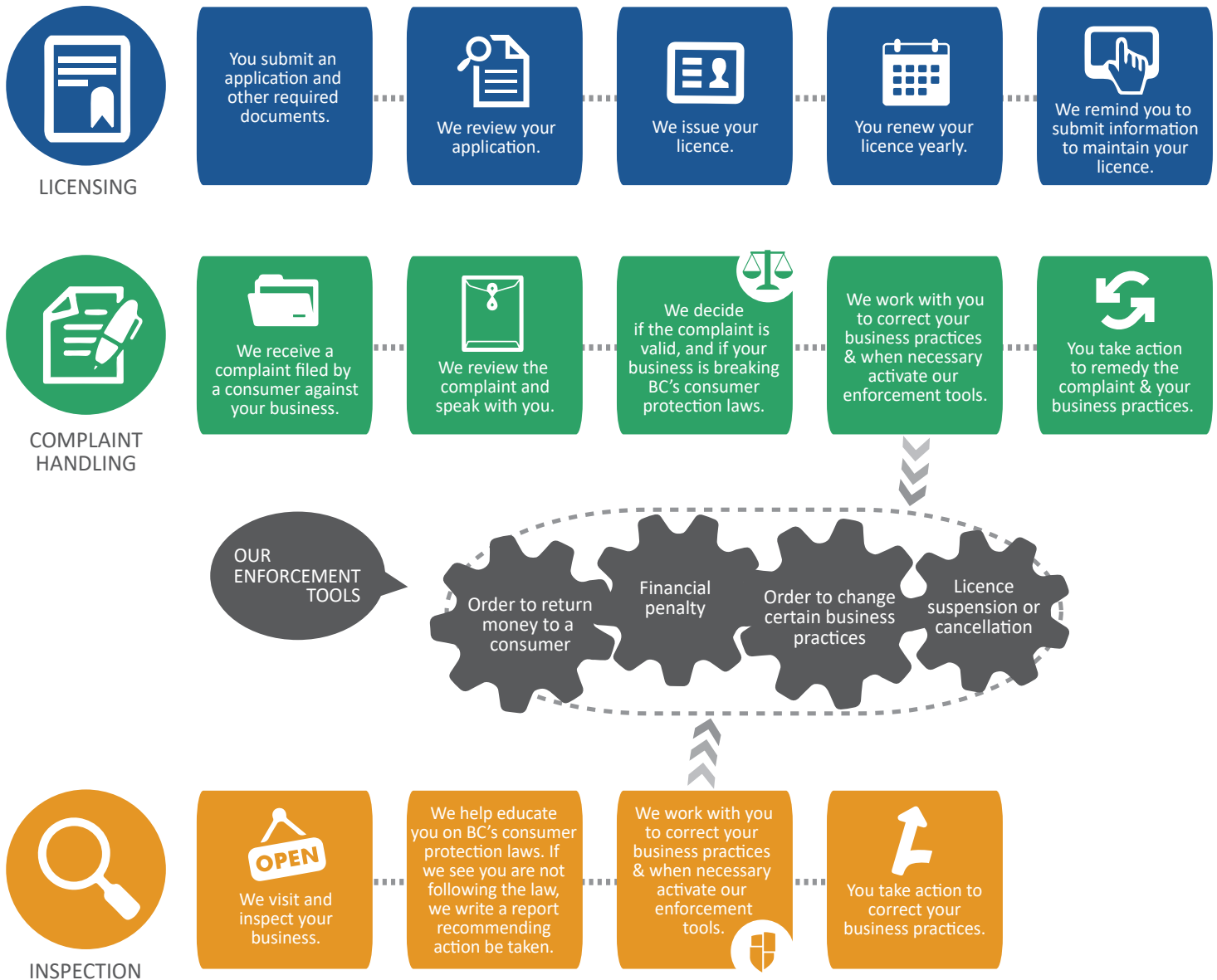
How we do it

Here's how we help and protect consumers:



Infographic 2.0

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



Infographic 3.0



Our staff enjoying nostalgic snacks at coffee break

Our story:

Building an award-winning corporate culture

Since 2013, Rob Gialloreto, our President and CEO, has worked toward making Consumer Protection BC a great place to work. A Chartered Professional in Human Resources (CPHR), he believes the key to reaching this goal is to engage with the staff and build trust. “That starts with me,” he says. “I have to be an authentic and human leader to be able to facilitate engagement with my teams and foster a great corporate culture.”

With Rob at its helm, our organization has won numerous designations and awards as a great place to work. So how did we get here? Rob takes internal culture seriously. He offers three important ways to begin to build a positive corporate culture:

- 1. Hire for mutual fit.**
Like any good relationship, an organization and its employees need to start off on the right foot. The interview process is an ideal time to assess a good fit between both parties, by communicating expectations honestly and clearly and asking values-based questions. It’s important for our people to know and understand what it’s going to be like at their “second home” and to look forward to being part of a team that balances high-quality deliverables with personal accountability.
- 2. Empower your staff to find better ways of doing business.**
Encourage employees to be innovative, find solutions to business issues and grow personally and professionally. “I see my role as to remove the obstacles on a path to the solution and empower our people,” says Rob.
- 3. Encourage life-long learning and continuous skills improvement.**
This is done through education and training, based on employees’ individual needs and organizational requirements. This includes time off to attend courses, full or partial payment of tuition, professional membership dues, conference/workshop attendance and related travel.

In late October, Great Place to Work announced the winners of their 2019 Best Workplaces in British Columbia list and, for the second year in a row, we earned a spot on that list. Qualifying is a two-step process: first, we must become certified as a Great Place to Work®, based on staff feedback through a survey about their workplace experiences. Second, management must fill out and submit information about our organization, programs and policies. The analysts at Great Place to Work review this information and award the top businesses. There is a separate awards program in April, where Canada’s top businesses are recognized as Canada’s Best Workplaces and we’ve achieved that recognition for 2017, 2018 and 2019.

MAJOR INITIATIVES



Building on our strategic partnerships

We partner with key organizations to increase operational effectiveness, identify and address common consumer issues and strengthen the overall consumer protection landscape in BC. In 2019, we leveraged and established several partnerships with relevant organizations across Canada.

We participated in the BC Government's stakeholder engagement on cell phone contracts and billing transparency, meeting with MLA Bob D'Eith, who is leading government's work in this area, to share our experiences dealing with consumers of these services.

We engaged with the Civil Resolution Tribunal (CRT) to learn more about their adjudication processes and jurisdiction, and to discuss opportunities to share information. We referred approximately 900 consumers to the CRT in 2018 and approximately 1,200 in 2019. We continue to work with the CRT to learn and prepare for future disputes involving high-cost lenders and debtors.

We continued our work with the Vehicle Sales Authority of BC and the Better Business Bureau of Mainland BC, with which we have information-sharing and partnership agreements.

Working with municipalities to increase compliance

For several years, we have strengthened relationships with municipal partners related to licensing and inspections work. This is important work, as joint efforts have a deeper regulatory impact and licensing between municipalities and the province is often contingent upon one another. This year, we worked with the City of Vancouver, City of Richmond and City of Victoria to further explore opportunities to take coordinated action after a licence suspension or cancellation.

Classifying motion pictures for the Province of Ontario

We now classify theatrical release films and trailers for the Province of Ontario after signing a two-year service agreement in October 2019. We have successfully provided classification information to Saskatchewan (since 2008) and Manitoba (since 2018) and will continue to do the same for Ontario. More information about this work [can be found on our website](#).

Reinterment of ancestral Indigenous remains

As ancestral Indigenous remains continue to be repatriated from museums and universities back to Indigenous communities (some with limited available burial space), there is a need for a process for reintering ancestral remains in contemporary cemeteries. We are working with the BC Government and Indigenous communities to address this issue within the framework and protections provided by BC's contemporary cemetery law. Central to this work has been our engagement with Indigenous communities to share learning, build understanding and offer support in this area. We will continue to engage and work collaboratively with all relevant stakeholders focused on identifying culturally sensitive solutions to these interrelated and important issues.

Preneed reporting by funeral providers and cemetery operators

Reporting requirements are in place to ensure preneed money deposited by consumers is secure and safeguarded to eventually provide funeral or cemetery services. Over the last several years, we enhanced the process for preneed self-reporting in the funeral industry. Some of the enhancements included making it mandatory to submit preneed reports, educating the industry about requirements and introducing online tools to simplify reporting processes. Nearly \$500 million dollars of consumer money is either held in trust deposits or insurance purchases for the eventual delivery of funeral services, which is why it is important to ensure these funds are secure. In 2019, by working with the industry, we achieved a 98% compliance rate for preneed reporting and followed up with the remaining 2% through progressive enforcement action.

Implementing a revitalized social media strategy

In 2018, we began reassessing our social media platforms to address the changing online landscape and ensure we were meeting the strategic focuses of building trust and extending the reach of our educational messages to British Columbians.

In 2019, and based on our data, we recommended the introduction of Instagram to our social mix, a new focused approach to YouTube and a shift of our content on Twitter. These recommendations were the basis for our 2019 - 2020 social media strategy, which included tailoring our "voice" and content for each platform's audience. In May 2019, we implemented these changes and continue to monitor and evaluate our success – you can read some of our results on page 18 of this report.

Want to connect with us? Visit us on [Facebook](#), [Instagram](#) and [YouTube](#), [read our blog](#) or follow our movie classifications on Twitter [@ConsumerProBC](#).

PERFORMANCE ASSESSMENT



The business strategies presented in the [2019 - 2021 Business Plan](#) were specifically designed to enhance our effectiveness as a regulator. They describe the outputs we deliver to enhance the delivery of our mandate for consumers and businesses. The strategies were also coupled with measures of what success would look like.

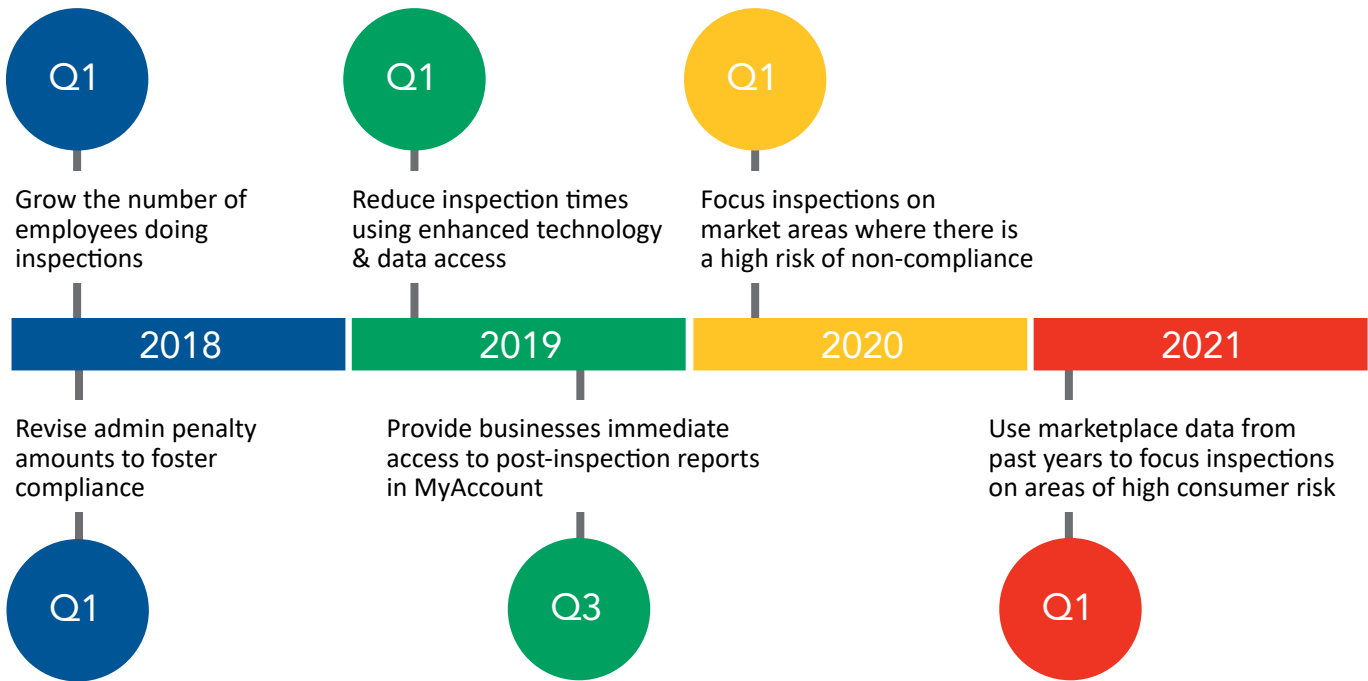
A summary of our strategic performance is presented below. For each business strategy we have used a “traffic light” assessment to show progress. A green light indicates progress or achievement of the strategic outcome, whereas a red light indicates we did not progress as planned, have changed or have not achieved the strategic outcome.

Each specific performance target is compared against actual annual performance and provides explanatory comments where required.

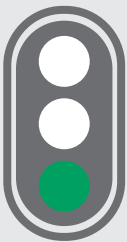
Business strategies performance summary

Our Business Plan is a three-year roadmap. The key milestones from 2019 through 2021 are represented in the graphic below. The details in this Annual Report speak to our progress in 2019.

Business strategy 1: Increase the frequency and focus of inspections



2019 progress:

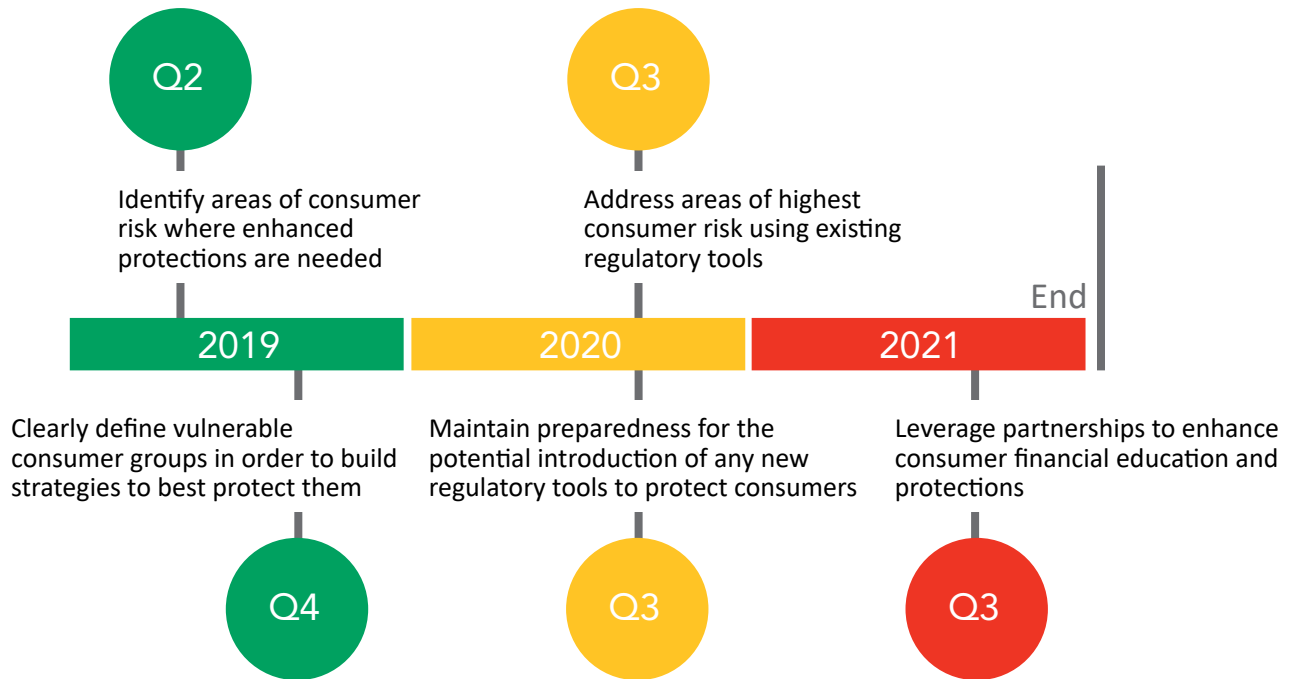


Tactic 1: Developed and deployed a mobile application to allow inspectors to record real-time inspection findings and instantly issue inspection certificates.

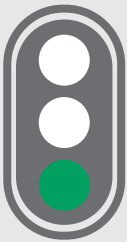
Tactic 2: Made IT enhancements to auto-populate inspection results into our letters to our licensed businesses, allowing them to have immediate email access to post-inspection information.

Performance measures	2019 Target	2019 Actual
Number of compliance inspections completed annually	625	631
Percentage of random inspections where business compliance is confirmed	89 - 93%	98%
Rate of compliance achieved following enforcement action	75 - 79%	75%

Business strategy 2: Enhance protections for vulnerable consumers in the financial sector



2019 progress:



Tactic 1: A review of research and analysis of similar consumer projects by other regulators informed the development of our vulnerable consumers report. The report defined which consumer groups may be vulnerable and the nature and degree of that vulnerability.

Tactic 2: Following support by the Board in Q2, a multiyear vulnerable consumer business strategy was drafted and included in the 2020 - 22 Business Plan. In year one the strategy will focus on high-pressure sales tactics for adults in later life.

Performance measures	2019 Target	2019 Actual
Engage in a data-driven process to define “vulnerable” consumers in British Columbia and build and adopt a focused strategy to protect them	Complete	Complete

Consumer story:

Cleaning up the pieces of a shady deal

After buying a vacuum from a door-to-door salesperson the day before, Jack and Evelyn took a closer look at the contract and noticed something odd.

“My wife and I are both retired seniors with limited means and there were thousands of dollars of extra costs that had not been explained to us,” says Jack. The couple tried to cancel the contract and get their old vacuum back, which had been traded in for a \$1,000 credit towards the new one.



“They told me my old vacuum had been sent out for recycling and couldn’t be returned,” says Jack. He told the company he wanted the value of his old vacuum refunded to him, but the company was not cooperating.

“They fought me long and hard,” says Jack. “My wife and I were very upset.” That’s when they reached out to Consumer Protection BC.

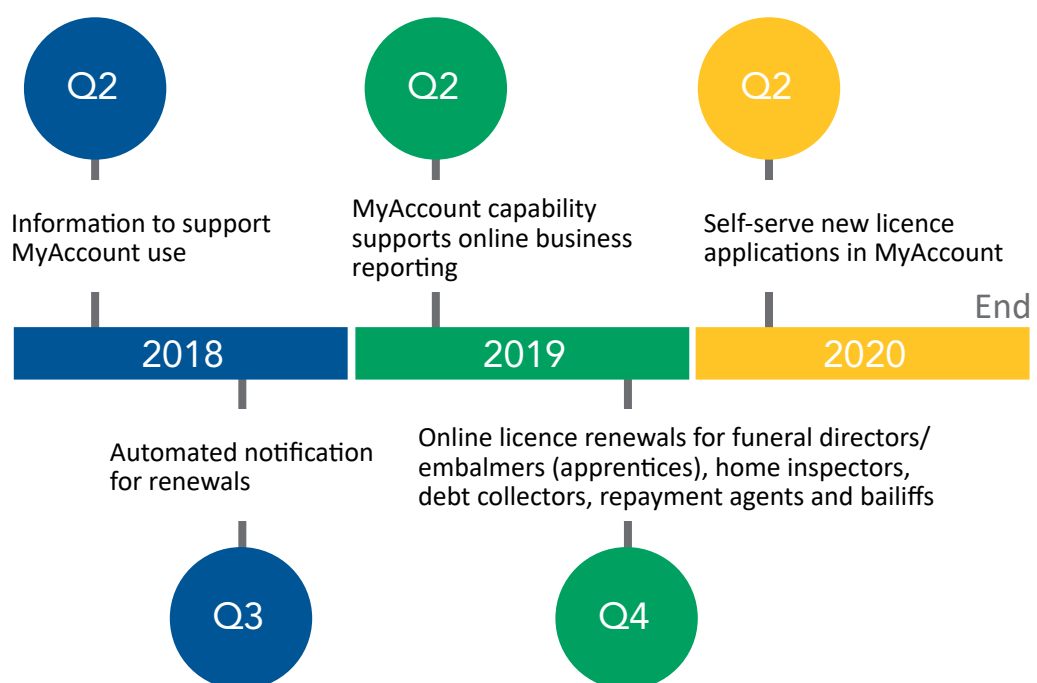
The provincial regulator contacted the business on behalf of the couple, stating that Jack and Evelyn had cancelled their contract within the first 10 days and were within their rights to receive a refund. The business relented and wrote them a cheque for \$1,000, the trade-in value of their old vacuum.

“[Consumer Protection BC] fought hard for me. My wife and I were so happy,” says Jack. The couple says that they were lucky they kept track of their interactions with the business and encourages others to do the same.

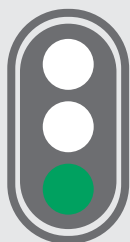
“Be meticulous and keep your information organized,” says Jack, “and contact Consumer Protection BC when you’re stuck.”



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



2019 progress:



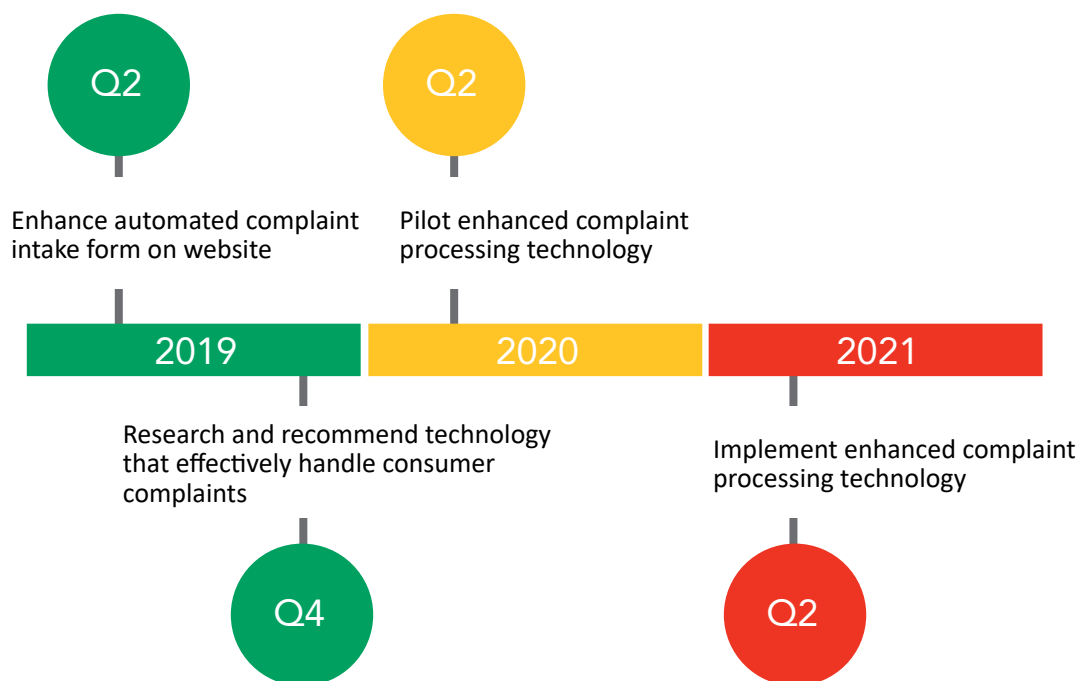
Tactic 1: In 2019, we launched a new reporting/notification module for travel agencies and wholesalers in MyAccount, streamlining information-sharing for the travel industry without the need for manual submissions.

Tactic 2: We developed, programmed and tested a new function for MyAccount to allow online renewals for individual (not business) licence holders. Our initial focus was on the highest demand sector, debt collectors, and the function will be launched in early 2020.

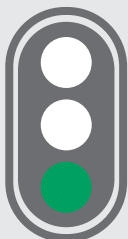
Performance measures	2019 Target	2019 Actual
Average time to complete a business licence application or renewal	3 - 4 days	3 days
Overall quality of licensing processes	80 - 83%	89%
Incomplete new business applications submitted ²	60 - 70%	50%

2. This measures the effectiveness of our new application process. A lower percentage means more completed applications and thus a positive result.

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



2019 progress:



Tactic 1: In the first quarter of 2019, we launched a new online complaint form and process. It was designed to provide more information to consumers and more quickly refer complaints to other agencies, when appropriate. These changes, in combination with a full complement of staff and focus on efficiency, reduced wait times on written and email complaints from around 10 days in 2018 to 3.1 days in 2019.

Tactic 2: We completed the research and recommendation process for new technology that will include a Customer Relationship Management (CRM) solution, and the launch of a new complaint-handling channel in 2020 and 2021.

Performance measures	2019 Target	2019 Actual
Reduce average wait times for written complaint responses	4 - 6 days	3.1 days
Decrease volume of phone and email complaints by increasing online information	10,800 - 11,100	11,221 ³

3. Complaint volumes remained high in 2020 despite our efforts to divert consumers to referral partners more quickly. However, the volume of diverted complainants also increased which told us that we received more overall inquiries in 2020.

2019 update on emerging public policy

High-cost financial products and services

On February 26, 2019, as part of BC's "Consumer Financial Protection Action Plan," the BC government introduced amendments to the *Business Practices and Consumer Protection Act* aimed at modernizing the existing payday lending law and strengthening protection for consumers who use alternative (non-payday) high-cost credit products and services. We are working with the Ministry of Public Safety and Solicitor General as they develop regulations and, once the legislation is brought into force through regulation, will take on responsibility for a new Consumer Financial Education Fund, and for licensing and regulating businesses that provide high-cost credit products, in addition to the current licensing and regulation of payday lenders.

Ticket Sales Act implementation

On April 29, 2019, the BC Government introduced the *Ticket Sales Act* which will regulate aspects of how tickets to live cultural, recreational and sporting events are bought and sold in BC. We are working with the Ministry of Public Safety and Solicitor General as they develop the regulations required to bring the law into force.

Ride-hailing

In 2019, we worked with the Ministry of Transportation and Infrastructure (MoTI) and the Passenger Transportation Board (PTB) as the BC Government developed new rules for ride-hailing in BC. We have supported the MoTI in previous years by acting as a call centre and resource for taxi complaints in BC. We were awarded [a new contract in December 2019](#) by the MoTI to continue providing complaint handling services for both taxis and Transportation Networking Services (TNS), such as Uber and Lyft.

OPERATIONAL STATISTICS



The following is a three-year snapshot summarizing our consumer outreach and engagement, media coverage, licensing and regulatory operations statistics.

Consumer education & awareness	2017	2018	2019
Website pageviews ⁴	1,226,638	1,119,471 ⁵	1,148,066
Blog pageviews	228,309	314,318	331,295
News stories ⁶	137	464	613
Facebook page likes	44,966	50,529	57,808
Twitter followers	7,088	6,938 ⁷	6,779 ⁸
Instagram followers ⁹	n/a	n/a	1,210
Email subscribers on our consumer list	1,737	2,184	4,371 ¹⁰

4. A pageview is the number of times a page was viewed/read.

5. We launched a new website in the fall of 2017 and amalgamated many pages to create a simpler, more user-friendly website, resulting in Google re-indexing our content. The combination of these two factors decreased the views to our site in 2018.

6. News stories include Consumer Protection BC quotes, mentions or references to the laws we administer. The number of stories vary year-over-year depending on such external and internal factors as a new consumer issue in the marketplace or the number of news releases we have issued. In 2018, we published double the number of news releases and web notices over 2017. June, August and December 2018 all saw over 50 stories on a range of topics mentioning us, and April 2018 had an unprecedented 134 stories: half of which were republished articles about a parent's complaint about a movie trailer. In 2019, we also saw a continued increase in news stories, including those stemming from a BC Government announcement about new payday lending laws and fee caps for government cheques and our place on the list for the Best in Biz International Awards.

7. The decrease in Twitter followers is likely a result of our decision to stop spending advertising dollars on the platform. We predicted a small decrease in followers when we ceased ads to gain new followers.

8. Following our 2019 - 2020 Social Media Strategy, we shifted our Twitter account to focus only on motion picture classification content. We anticipated a continuing decline in followers over the next few years as the audience for this content is narrower.

9. Our Instagram account was launched in May 2019.

10. The increase of subscribers is due to a sign-up campaign we ran in Q4 of 2019.

	2017	2018	2019
Total number of consumer inquiries: ¹¹	11,068	11,177	11,221

Number of consumer inquiries about our licensed sectors:	2017	2018	2019
Cremation, interment and funeral services	315	279	292
Debt collection, bailiffs and repayment agents	1,480	1,385	1,306
Home inspectors ¹²	381	220	127
Motion pictures and video retailers, distributors and theatres	92	96	74
Payday loans	184	175	220
Telemarketing	42	22	33
Travel	728	761 ¹³	691
Total number of consumer inquiries about our licensed sectors:	3,222	4,956	4,762

Number of licences by sector:	2017	2018	2019
Cremation, interment and funeral services ¹⁴	1,068	1,066	1,071
Debt collection, bailiffs and repayment agents	3,752	3,870	3,705
Home inspectors	502	481	447
Motion picture and video retailers, distributors and theatres ¹⁵	1,007	1,010	931
Payday lenders	196	181	184
Telemarketers	50	45	44
Travel agents and travel wholesalers	1,225	1,241	1,220
Total volume of licences issued and renewed: ¹⁶	9,423	8,269	8,077

11. Volumes are based on each unique contact point logged by our tracking system, not combined interactions with consumers on certain issues. Additionally, when businesses contact us about becoming licensed, the system captures each contact point with that business as an inquiry. We have identified that inquiries from individuals (looking for information about becoming licensed) significantly increased the inquiry numbers for both the home inspector and travel industries.

12. 2017 saw more home inspector inquiries than usual. This is likely a result of significant media attention on the industry due to the housing market, which led to consumer interest. The decline in home inspector inquiries for 2018 and 2019 may also be attributed to a change in the real estate market.

13. The failure of Sinorama Travel Vancouver Inc. accounted for many of the travel inquiries we received in 2018.

14. This number includes protected but not active cemeteries.

15. This number is the licensed theatre businesses, as opposed to the number of licensed screens.

16. The total volume of licences issued or renewed represents the total volume processed in one year, whereas the number of licences by sector represents a moment in time. The total volume number is higher as some licensees have January licence renewal deadlines (and, thus, some may have two licence renewals within one calendar year). In addition, the total volume number includes the total number of theatre screens (not just businesses).

Compliance inspections: ¹⁷	2017	2018 ¹⁸	2019
Cremation, interment and funeral services	58	101	212
Debt collection, bailiffs and repayment agents	18	6	30
Home inspectors	34	16	57
Motion picture and video retailers, distributors and theatres	62	154	88
Payday lenders	70	77	76
Telemarketers ¹⁹	5	4	2
Travel agents and travel wholesalers	83	145	166
Total compliance inspections:	330	503	631

Enforcement files concluded:	2017	2018	2019
Cremation, interment and funeral services	24	15	19
Debt collection, bailiffs and repayment agents	21	37	12
Home inspectors	5	7	4
Motion picture and video retailers, distributors and theatres	67	21	13
Payday lenders	7	31	18
Telemarketers	5	3	0
Travel agents and travel wholesalers	44	86	20
Non-regulated businesses	49	45	34
Total enforcement files concluded:	222	245	120 ²⁰

Assets, recoveries and restitution:	2017	2018	2019
Administrative penalties to the Consumer Advancement Fund ²¹	\$53,400	\$44,050	\$66,900
Costs recovered ²² from compliance orders and undertakings	\$13,110	\$67,572	\$37,824
Restitution	\$119,362	\$303,026 ²³	\$196,879

17. Inspections are risk-based and fluctuate year-over-year within each industry depending on where evidence of non-compliance is identified.

18. 2018 and 2019 saw a strategic increase in inspections as laid out in the 2018 - 2020 Business Plan and due to increased resource capacities.

19. Generally, compliance inspections are categorized as risk-based, random and follow up. With telemarketers, a complaint-based approach is taken.

20. The lower number of enforcement files concluded in 2019 can be attributed to fewer consumer complaints and higher rates of compliance observed at inspections.

21. By law, administrative monetary penalties are deposited into BC's Consumer Advancement Fund, to be used for specific purposes including consumer education.

22. The increase in 2018 is due to a change in policy to generally recover costs on inspection and enforcement work. Additionally, the payday lending project in 2018 collected \$24,000 in inspection and enforcement costs.

23. The increase in restitution amounts for 2018 can be attributed to the refunds obtained from the payday lending project.

Consumer story:

A yogi seeks help after being denied a refund



After a series of major surgeries, Melissa had finally found a yoga studio that suited her unique needs. Melissa was delighted when, for Christmas, her husband bought her 20 classes.

“I was doing the classes and it was going very well. There was no arm work which was perfect because of the mobility issues with my arms,” says Melissa.

When the yoga studio changed ownership, the new owner decided they would no longer offer this special type of yoga. Melissa was hesitant but tried her best to participate in the new classes.

“I couldn’t do half the poses,” says Melissa. “There was a fundamental shift. The other classes absolutely did not work for me.” Melissa told the yoga studio she wanted her money back for the unused classes and the yoga studio refused. Feeling frustrated, she visited Consumer Protection BC’s website looking for help.

“I saw something [on the website] that described a situation very similar to what I was going through,” says Melissa. She decided it was time to contact Consumer Protection BC.

“[The investigator] was very professional and extremely helpful,” says Melissa. “Now, I had someone advocating on my behalf.” Consumer Protection BC contacted the business and stated that because they had changed the services they were offering, Melissa was within her rights to cancel.

In response, the yoga studio agreed to cancel the contract and provide a refund.

When asked what advice she would give to people who are in a similar situation, Melissa stressed the importance of contacting Consumer Protection BC for help right away. “When you try and assert your rights, [businesses] can get downright nasty – it’s easier and better for you mentally to seek the help that’s out there.”



FINANCIAL REVIEW



We generated a surplus of \$407,370 compared to a budgeted surplus of \$80,363. It is important to note that unrealized gains on investment funds constitutes a significant portion of the incremental surplus for the fiscal year.

Revenue and expenses

We earned \$6.90 million in revenue in 2019, compared to \$6.21 million in 2018. The increase in revenue primarily reflects a significant recovery of costs related to the investigation of Sinorama Travel and some growth in licensing revenue. Expenses were \$6.49 million in 2019, compared to \$6.16 million in 2018.

Change in net assets

The net asset balance remained stable at \$3.65 million at December 31, 2019. Net assets are used to create a reserve for future capital and operating expenditures. We continue to meet our goal of maintaining a six-month operating reserve, enabling us to provide consumer protection services during unforeseen events. Our complete audited financial statements are available in the [publications section](#) of our website.

APPENDIX A: TRAVEL ASSURANCE FUND



We administer the Travel Assurance Fund (TAF), a fund of last resort that provides possible compensation in the event a consumer paid for, but was not provided with, travel services purchased through a BC-licensed travel agent or wholesaler.

In August 2018, we suspended and cancelled the licence of Sinorama Travel Inc. Vancouver, a Richmond-based travel agency with affiliated businesses in several provinces. Thousands of travellers were affected and claims against the TAF were accepted until the spring of 2019. Of the nearly \$1.02 million dollars in TAF claims received in 2019, \$444,885 was approved and paid back to consumers from the TAF. The funds we froze in Sinorama's bank accounts were used to pay back the Travel Assurance Fund for claims paid to consumers. The result was a reduction in TAF losses to just \$64,000.

Travel Assurance Fund claims:	2019
Claims carried forward from 2018	123
Claims received in 2019	115
Reconsiderations received	2
Claims denied	128
Claims approved	110 ²⁴
Claims carried forward to 2020	0
Amount paid out for approved claims	\$448,748

Travel Assurance Fund statement:	2019
Fund balance as of January 1, 2019	\$5,816,506
Fund income	\$961,125
Payments and expenses from the Travel Assurance Fund	\$598,838
Fund balance as of December 31, 2019	\$6,178,793

24. Denied claims related to the Sinorama failure were higher due to the large number of consumers that were able to secure refunds from their credit card provider and insurance. As a fund of last resort, the TAF only provides compensation for consumers who are unable to obtain refunds through any other means.

Our story:

Refunding travellers half a million dollars after an agency failure

2019 marked the end of a significant, year-long investigation that ultimately concluded with nearly half a million compensated to impacted travellers.

In August 2018 we took action against Sinorama Travel Vancouver Inc., a Richmond-based travel agency with affiliated businesses in several provinces. We were concerned after hearing from other provincial travel regulators about the financial standing of the business. We initiated our own investigation of the BC location and determined the business could not fulfill the travel plans it had made for its customers.



With the ability to sell travel online, the BC business had been paid millions of dollars to book travel for consumers across North America. Impacted travellers were facing the possibility of losing the money they had paid the business or risking being stranded in a foreign country.

We moved quickly to suspend Sinorama's licence to sell travel and took immediate action to inform consumers that their travel plans were at risk. We provided consumers with a series of steps on how to proceed. We shared real-time updates on our website and social channels with information about consumer rights, how to seek a chargeback from credit card providers and explained what was needed to make a claim to the Travel Assurance Fund (TAF). Our office fielded hundreds of calls and emails from worried travellers and provided step-by-step guidance on how best to secure a refund.



Our efforts resulted in many consumers being fully compensated for their financial loss through their credit card provider or travel insurance.

We then partnered with the Ontario travel regulator in a civil action against Sinorama and its affiliated company in Ontario. In a separate court action, we were successful in having funds from Sinorama's frozen bank account surrendered to us, following a judgement by the BC Supreme Court. In 2019, we began the process for accepting and reviewing TAF claims. Of the nearly \$1.02 million dollars in claims, \$444,885 was approved and paid back to consumers from the TAF. The funds we froze in Sinorama's bank accounts were used to pay back the Travel Assurance Fund for claims paid to consumers. The result was a reduction in TAF losses to just \$64,000.

APPENDIX B: ADMINISTRATION OF THE *MOTION PICTURE ACT*



We have administered the *Motion Picture Act* (MPA) since 2007. Our responsibilities include motion picture classification, licensing, consumer education and compliance and enforcement services.

As required under our Administrative Agreement with government, we report out on the following performance objectives:

- Response time in undertaking the powers, duties and functions of the director under the MPA
- Public satisfaction in the public information we provide
- Percentage of licensed businesses under the MPA that comply with the MPA
- Frequency of fee increases
- Fees charged to perform the powers, duties or functions of the director required under the MPA compared with costs of delivering those powers, duties or functions
- Administration costs in comparison to program costs

2019 highlights

- Our motion picture classification department reviewed a record high volume of 2,226 movies and advertising trailers, which is a 2.6% increase over the previous year
- With the closure of the Ontario Film Authority, we began classifying commercial feature films and related trailers for Ontario in October and worked with relevant stakeholders throughout the transition. From October through December, we issued 147 Ontario film certificates, classified 35 Ontario-only films, issued 135 Ontario trailer certificates and classified 11 Ontario-only trailers
- We classified 263 features for the province of Saskatchewan and 485 for the province of Manitoba
- We reviewed more than 83,000 minutes of feature film submitted by licensed distributors, an increase of 5% over 2018
- Our compliance team seized approximately 550 adult videos that were either unapproved or that did not have a certificate of approval, preventing these videos from entering the marketplace

Service to stakeholders

We continued to provide comprehensive and timely motion picture classification information on our website and on social media through [our Twitter account](#).

Motion picture classification:	2017	2018	2019
General release exhibition trailers & motion pictures viewed	2,042	2,170	2,226
General release exhibition trailers & motion pictures additional approvals	50,346	49,591	53,786

In October 2019, we presented at the BC Movie Theatre Association's Annual General Meeting and to their Board of Directors. We provided information and answered questions about the law and the classification process, as well as about our policies and procedures.

Public feedback

Immediately after we review a movie or trailer submission, we publish our classification decision on our website and share the rating on Twitter. This information helps consumers and their families make informed viewing choices. In 2019, we published 1,557 classification decisions.

In 2019, our motion picture ratings webpages were viewed 152,175 times²⁵, a 29% increase over the previous year. In May of 2019, our Twitter platform shifted to focus only on film classification content. We posted 752 tweets and had 2,529 engagements²⁶ for the year.

Seventeen consumers contacted our Motion Picture Classification department with questions about legislation, business practices and classification decisions. We did not receive any complaints about the comprehensiveness or timeliness of the information we provided to the public.

Response time:	2017	2018	2019
Processing adult video	N/A	N/A	N/A
Posting classification decisions	Same day	Same day	Same day
Processing video decal orders	1 day	1 day	1 day
Processing inspection reports	1 day	1 day	1 day

25. This statistic is the total number of pageviews of our [Recent ratings](#) and [Find a rating](#) pages.

26. Engagement on Twitter means total number of times a user clicked anywhere on the tweet, including re-tweets, replies, follows, likes, links, hashtags and so on.

Financials

Fees charged to perform the powers, duties or functions of the director required under the MPA compared with costs of delivering the same powers, duties or functions

Since January 1, 2017, we have had the authority to set fees with new rules under the MPA and consistent with our other licensed sectors. We operate on a cost-recovery basis when we provide services to motion picture distributors, retailers and theatres regulated by the MPA. Our fee schedule is publicly available on our website.

Fee waivers

Under our current policy, we waive review fees for films submitted by registered BC societies and registered federal charities. In 2019, we classified 669 theatrical films for these groups, representing 30% of total film content submitted.

Adult market

The adult market is comprised of decal orders for copies of already approved adult DVDs and licensing for adult retailers. We have not received any new adult videos for classification since December 2015.

In 2019, we licensed 41 adult retailers, nine fewer than in 2018.

Adult video classification:	2017	2018	2019
Adult video decals issued	32,960	16,884	3,519

Administration and program costs

We operate on a cost-recovery basis, meaning classification and licensing fees must cover direct (program) and indirect (administration) costs. Our costing model is approved by our Board of Directors and our financial statements are reviewed annually by independent auditors. The costing model separates the MPA's direct and indirect costs by service functions that include licensing, compliance and enforcement services, helping consumers, classifying films and public policy and industry relations.

Costs related to regulating the motion picture industry totaled approximately 26.6% of annual expenditures in 2019. Overall, costs for regulating the motion picture industry in BC totalled \$1.7 million in 2019.

Number of inspections:	2017	2018	2019
Motion picture distributors	1	1	2
Theatres	12	13	3
Video retailers	49	140	83
Total inspections:	62	154²⁷	88

27. 2018 saw a strategic increase in inspections and resource capacities to assess areas of risk, resulting in more inspections.

Inspection outcomes:	2017	2018	2019
Video retailers			
No action required	26	75	47
Remedial action required	8	40	26
Follow-up required	6	12	8
Report to director	9	13	2
Theatres			
No action required	7	6	2
Remedial action required	3	4	0
Follow-up required	2	3	0
Report to director	0	0	0
Motion picture distributors			
No action required	1	0	1
Remedial action required	0	0	0
Follow-up required	0	1	0
Report to director	0	0	1
Total acceptable:	45 (73%)	125 (81%)	76 (87%)
Total unacceptable:	17 (27%)	29 (19%)	11 (13%)

Enforcement files concluded:	2017	2018	2019
Video retailers			
Favourable	38	7	5
Unfavourable	18	11	5
No outcome	5	1	1
Theatres			
Favourable	2	1	1
Unfavourable	0	0	2
No outcome	1	0	0
Motion picture distributors			
Favourable	1	0	0
Unfavourable	1	0	0
No outcome	1	1	1
Total case outcomes:	67	21	15

CONTACT US

**General phone number:**

Toll-free: 1.888.564.9963

Email:

Consumers: info@consumerprotectionbc.ca

Businesses: operations@consumerprotectionbc.ca

Fax:

250.920.7181

Mailing address:

PO Box 9244 Victoria, BC, V8W 9J2

Victoria office location: #321–3600 Uptown Boulevard, Victoria, BC, V8Z 0B9

Burnaby office location: #200–4946 Canada Way, Burnaby, BC, V5G 4H7

Online:

Corporate website: www.consumerprotectionbc.ca

Blog: www.consumerprotectionbc.ca/blog

Facebook: www.facebook.com/ConsumerProtectionBC

Twitter: [@ConsumerProBC](https://twitter.com/ConsumerProBC)

Instagram: [@consumer.protection.bc](https://www.instagram.com/consumer.protection.bc)

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