



2020

ANNUAL REPORT



**CONSUMER
PROTECTION BC**

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

MESSAGE FROM THE BOARD CHAIR AND CEO

To say 2020 was challenging is, of course, an understatement. And while it was a year characterized by sustained disruption, it was also a time where the resilience of our stakeholders was never more evident. In response to the imposition of pandemic restrictions and change of consumer buying habits, our licensed and regulated sectors showed incredible innovation and strength – abilities that will serve these businesses well as we move from crisis to recovery in the months and years ahead.

Going into the pandemic, Consumer Protection BC was well-prepared from a business continuity perspective and positioned to quickly react and support consumers, licensees, our employees and the BC Government. Much of our team was repositioned in the early stages of the pandemic to support the Province in identifying instances of price gouging and working with businesses to ensure fair practices were maintained. We then moved to recast our 2020 Business Plan, recognizing the original strategies were no longer viable within the new crisis environment. We narrowed our focus to maintain business continuity and service delivery; ensure financial resilience; and address stakeholder needs and foster employee engagement.

Full information about our work in these areas, and the actions we took as a value-add regulator, can be reviewed in the following pages of this report.

In closing, we would like to acknowledge the tremendous efforts and dedication demonstrated by our employees, our most valuable resources in responding to this crisis. Despite the challenges created by the pandemic, this group collectively delivered extraordinary work while remaining strong in their values and with the utmost professionalism – thank you.

We remain steadfast in serving our stakeholders, throughout this crisis and beyond, and on behalf of the BC Government. We are optimistic for what lies ahead for our organization and province and will persist in our efforts to emerge from the pandemic as a stronger, more effective regulator.



Rod Dewar
Board Chair



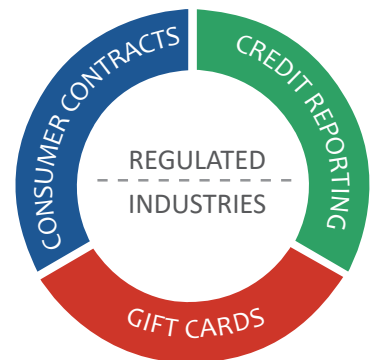
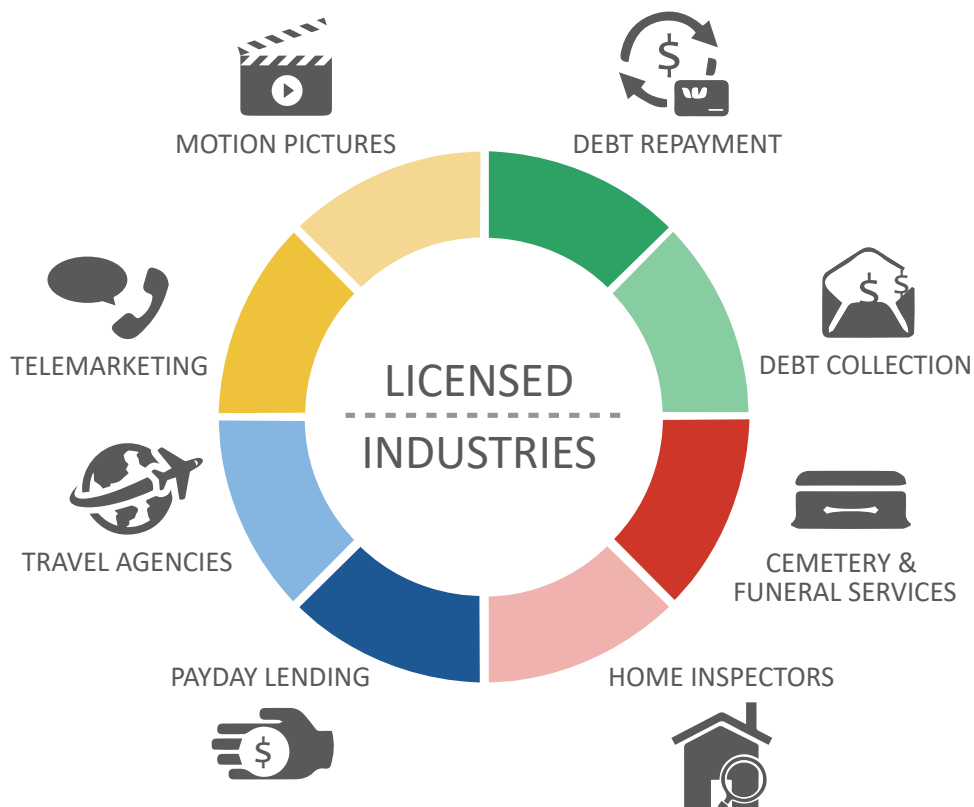
Rob Gialloreto
President and CEO

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

Rod Dewar
Chair of the Board of Directors

Gigi Chen-Kuo
Director

Cathy McIntyre
Director
Human Resources & Compensation Committee Chair

Anar Popatia
Director
Governance & Nominating Committee Chair

William Snell
Director
Finance & Audit Committee Chair

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:



1.

Questions about:
Who we are, what we do
& how we can help you



2.

Complaints:
We can give you
information or referrals



A

We have the
answers
for you



We have
referrals
for you

OR

We can help you directly
if it's one of the
industries we regulate

We can refer you to our
80+ partners who may
be able to help you

OR



Record your
complaint & move
to potential action

OR



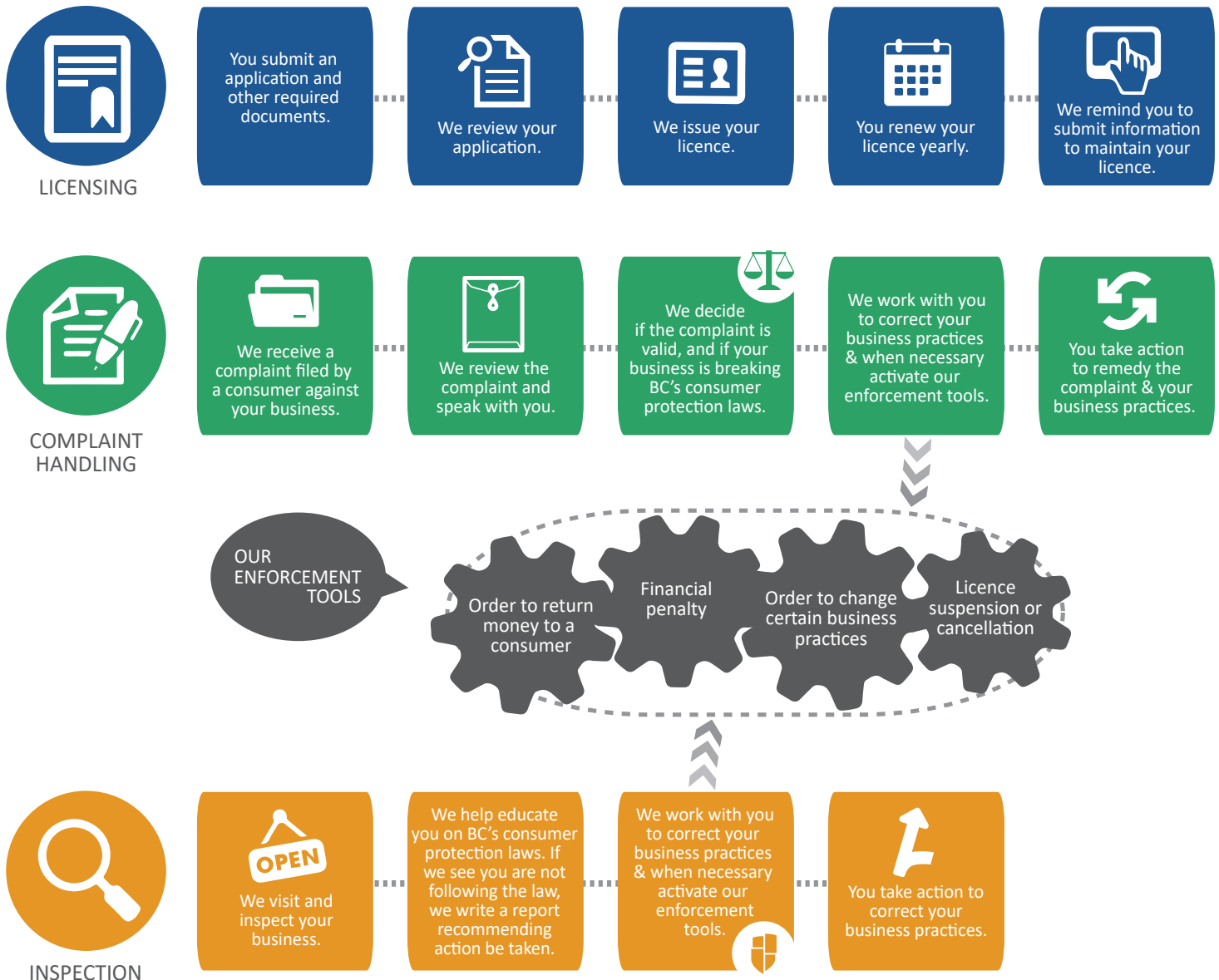
Provide
self-help tools

Infographic 2.0

4

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



Infographic 3.0

Consumer story:

BC couple's spring skiing plans go downhill fast

In March 2020, Alek* and Linda* had only been skiing a handful of times when they received an email from their local mountain saying it was closing due to COVID-19. Like many others that year, the BC couple was encountering new consumer issues as businesses made changes in response to the pandemic.

Alek and Linda had used only five of the 10 days of their prepaid ski passes and were originally told they would receive a refund for the unused portion.

"We were waiting and waiting," says Alek, "but then [the business] told us that instead of refunds, we would have our passes transferred to the next season." Alek and Linda continued to work with the local mountain to try and get their money back, but the business would not budge. That's when they decided to contact Consumer Protection BC.

Consumer Protection BC investigators contacted the business and informed them of their obligations under the law. When businesses offer contracts for services that are ongoing and physical in nature (like ski passes), consumers have specific cancellation rights. Because the ski mountain had closed and changed the services they were offering, Alek and Linda were within their rights to cancel their contract and receive a refund for the unused passes.



The business agreed to refund Alek and Linda along with six others who had contacted Consumer Protection BC about the issue, for a total of \$4,500. The business also agreed to change its cancellation policy to comply with BC law.

Alek was happy to hear the outcome of the investigation and hopes the business learned from the situation. "It's not just about the money," says Alek, "I want to live in a fair society. I immigrated to Canada for this reason."

**Names changed to protect the privacy of the individuals involved.*

OUR RESPONSE TO THE PANDEMIC



The COVID-19 pandemic had a significant impact on our core work and required us to quickly respond to a rapidly-changing environment. As some licensed businesses became financially strained and uncertain consumers looked for reliable information, many turned to us for help. Despite the challenges, we supported and provided value to our stakeholders in a COVID-19 environment while balancing our duty to enforce the law.



The pandemic presented new challenges to our operations: transitioning quickly to a fully remote workforce, responding to new consumer issues in the marketplace and managing financial pressures as a not-for-profit, cost-recovery regulator. As a result, we shifted our strategic course and revised our 2020 - 2022 Business Plan to respond to the changing landscape. Our focus for the year was to: maintain business continuity; contribute to the reduction of price gouging; ensure financial resilience by reducing spending and implementing other measures; and meet stakeholder needs while fostering employee engagement.

PERFORMANCE ASSESSMENT

Each strategy in this section represents an updated, short-term direction in response to the pandemic. Due to the challenges of setting measurable targets in an evolving landscape, a combination of stand-alone quantitative metrics and qualitative narratives are used to assess performance.

Business strategy 1: Maintain business continuity to ensure service delivery, organizational sustainability and safe working environments

While moving to a fully remote workforce marked a significant change for our operations, we remained committed to our stakeholders and maintained service delivery throughout the transition.

Despite the pandemic environment, employees effectively balanced the delivery of core functions with new responsibilities. We achieved new levels of service for stakeholders by lowering the number of days required to process a licence application or renewal from three to two, responding to a historic-high 15,025 consumer inquiries and developing timely and relevant consumer information.

At the onset of the pandemic, we developed new virtual inspections to continue monitoring business compliance. This was an innovative and successful response to the pandemic, and, out of 361 inspections conducted by the Inspections & Case Management team throughout the year, nearly 200 were virtual.

Performance measures	2020 outcomes
Number of days of core service delivery interruption	0 days
Number of virtual and in-field inspections completed	361 ²
Number of licence applications or renewals processed	8,016
Number of days required to process a licence application or renewal	2.0 days
Development of a Pandemic Learnings Documentation & Implementation Report	Complete
Completion of a WorkSafeBC compliant Return to Office Work Plan	Complete

2. 331 inspections were conducted of licensed businesses; an additional 30 inspections were conducted of unlicensed businesses – either whose contracts are regulated by us or to test for compliance on businesses subject to recent enforcement action.

Business strategy 2: Contribute to the reduction of price gouging in British Columbia

At the onset of the pandemic, certain goods and supplies became scarce with prices exceeding marketplace standards. In early March, we began accepting price gouging tips through our website, generating more than 1,500 tips about price gouging in BC in just over a month and helping us assess the scope of the issue.

On April 17, 2020, we entered into a three-month General Service Agreement with the provincial government, under which we became the main point of contact for all complaints related to price gouging and reselling of essential goods and services in the province. We were responsible for taking in and assessing complaints, working with businesses to voluntarily correct behaviours and liaising with other law enforcement agencies when escalation was deemed necessary.

To deliver on our price gouging commitments, we increased our operating hours from five days a week to seven and redeployed certain employees to areas of need. We used several communication tools to educate consumers and businesses about the rules, resulting in significant uptake and engagement from the public and media.

Performance measures	2020 outcomes
Number of price gouging complaints processed	958 ³
Number of price gouging investigations opened	473 ³
Number of price gouging investigations where voluntary compliance was achieved	34 ³
Number of price gouging investigation referrals made to the Province (for possible ticketing)	59 ³
Number of price gouging media interviews completed	11
Number of price gouging news stories generated	582
Volume and value of outgoing price gouging communications to consumers	Qualitative*

*Qualitative summary: *volume and value of outgoing price gouging communications to consumers*

The main source of price gouging information for consumers was website content, viewed more than 15,550 times during the General Service Agreement period. Social media content and ads increased the reach of price gouging-related messages and key statistics are as follows:

- Facebook posts were viewed by 94,222 people and generated more than 2,300 comments, likes and shares.
- Facebook ads (five total) were viewed by 220,910 people, generated almost 1,800 comments, likes and shares, and resulted in 3,262 clicks to access more price gouging information.
- Promoted Instagram posts (two total) were viewed by 55,427 people and generated 257 visits to Consumer Protection BC's website.

3. Represents data during the April 17 to December 31, 2020 period. "Complaints processed" means all price gouging complaints received, including ones deemed out-of-mandate and referred to other agencies.

Business strategy 3: Ensure financial resilience and sustainability by reducing expenses, protecting financial assets and creating liquidity to meet future obligations

As a not-for-profit, cost-recovery regulator, we were presented with several financial challenges produced by the pandemic.

These impacts were mitigated by deferring the hiring of staff to fill vacancies, reducing planned expenditures, providing fee-for-service activities (such as price gouging) and initiating a capital spending freeze. We ensured the organization remained financially viable, while continuing to deliver on our mandate. We did this by conducting extensive industry research to monitor organization and stakeholder revenue fluctuations and through risk analysis and financial management to maintain sufficient working capital.

Performance measures	2020 outcomes
Recast 2020 - 2022 Budget approved by the Board of Directors	Approved
Deficit projected in Recast 2020 - 2022 Budget	(\$690,630)
Reduced expenses included in Recast 2020 - 2022 Budget	\$411,000
Full-time vacancies held in Recast 2020 - 2022 Budget	6
Capital projects deferred in Recast 2020 - 2022 Budget	\$440,000
Actual 2020 year-end deficit	(\$69,625)
Total value of fees-for-service earned	\$508,626 ⁴
Travel Assurance Fund investment return objectives	Met
Operating Reserve and Cash Balance Policy targets	Met

Business strategy 4: Deploy employees to meet emerging stakeholder needs and foster high employee engagement in a remote work environment

With a hold on motion picture classification activity, we redeployed employees to support other departments to meet emerging needs within the organization. Several Motion Picture Classification employees were trained and they quickly assumed their new duties to support the Communications & External Engagement and Inspections & Case Management teams. Business Practices Officers were also redeployed to support the work of Licensing & Information Services and Inspections & Case Management, until regular core work returned to normal levels.

4. Number includes the total cost recovered for price gouging work and funds received through the contract with the Ministry of Transportation and Infrastructure to provide telephone and web-based services to direct comments and concerns regarding taxi services and transportation network services (ride hailing).

To promote employee well-being, engagement and connection to the organization while working remotely, we created a new online community through an internal communication platform called Yammer. This tool provided new ways for employees to connect and communicate authentically with one another while building on a positive corporate culture. Despite the new realities brought on by the pandemic, employee engagement levels and leadership trust remained strong in 2020 with all engagement-related measures met or exceeded.

Performance measures	2020 outcomes
Number of hours of non-classification work delivered by Motion Picture Classifiers (due to theatre closures)	4,364
Number of hours of non-business practices work delivered by Business Practices Officers (due to price gouging work)	208
Reach and volume of Yammer engagement, supported by an employee survey on platform efficacy	Qualitative*
Percentage of annual leave taken	Within budgeted norms
Employee engagement score and survey analysis	Goal met
CEO and Vice President performance scores and survey analysis	Goals met

***Qualitative summary: reach and volume of Yammer engagement, supported by an employee survey on platform efficacy**

Overall Yammer satisfaction, as assessed through a staff survey for the platform's inaugural year, was 84%. Other key indicators showed the platform helped employees feel connected to the organization (94%) and increased knowledge of colleagues (94%).

Consumer story:

Ballet studio keeps frustrated parents on their toes

Heather's* daughter, Kate*, had been enrolled in ballet classes since she was little. Now in high school, she was an experienced ballerina in a pre-professional program.



When the COVID-19 pandemic hit and in-person fitness and dance classes became a health risk, the ballet studio was required to close its doors. That meant Kate would miss out on nearly 25 hours a week of professional instruction from the studio in which she was enrolled.

"Eventually [the studio] started offering classes through Zoom," says Heather, "but they were not of the same calibre as what we had signed up for." There were also fewer instruction hours than before.

Heather recognized the business was in a challenging situation but knew her daughter was not getting the professional instruction for which she had paid. She wanted to cancel the contract with the dance studio and get a refund for the unused services.

Heather tried to work with the business to reach a fair solution. "I tried to negotiate with [the business] but there was no clear fee structure in the contract," says Heather. The ballet studio refused to refund her all the money she was owed. Heather decided it was time to contact Consumer Protection BC.

Consumer Protection BC contacted the business and stated that because they had changed the services they were offering, Heather was within her rights to cancel. After determining the business was closing permanently and selling off their assets, Consumer Protection BC put a freeze on the studio's bank account to secure the refund amount. In response, the ballet studio eventually agreed to provide Heather with her refund.

Heather wishes more people knew about Consumer Protection BC. "The other parents in this scenario thought their money was gone," she explains. "I recommended they reach out to Consumer Protection BC for help."

**Names changed to protect the privacy of the individuals involved.*



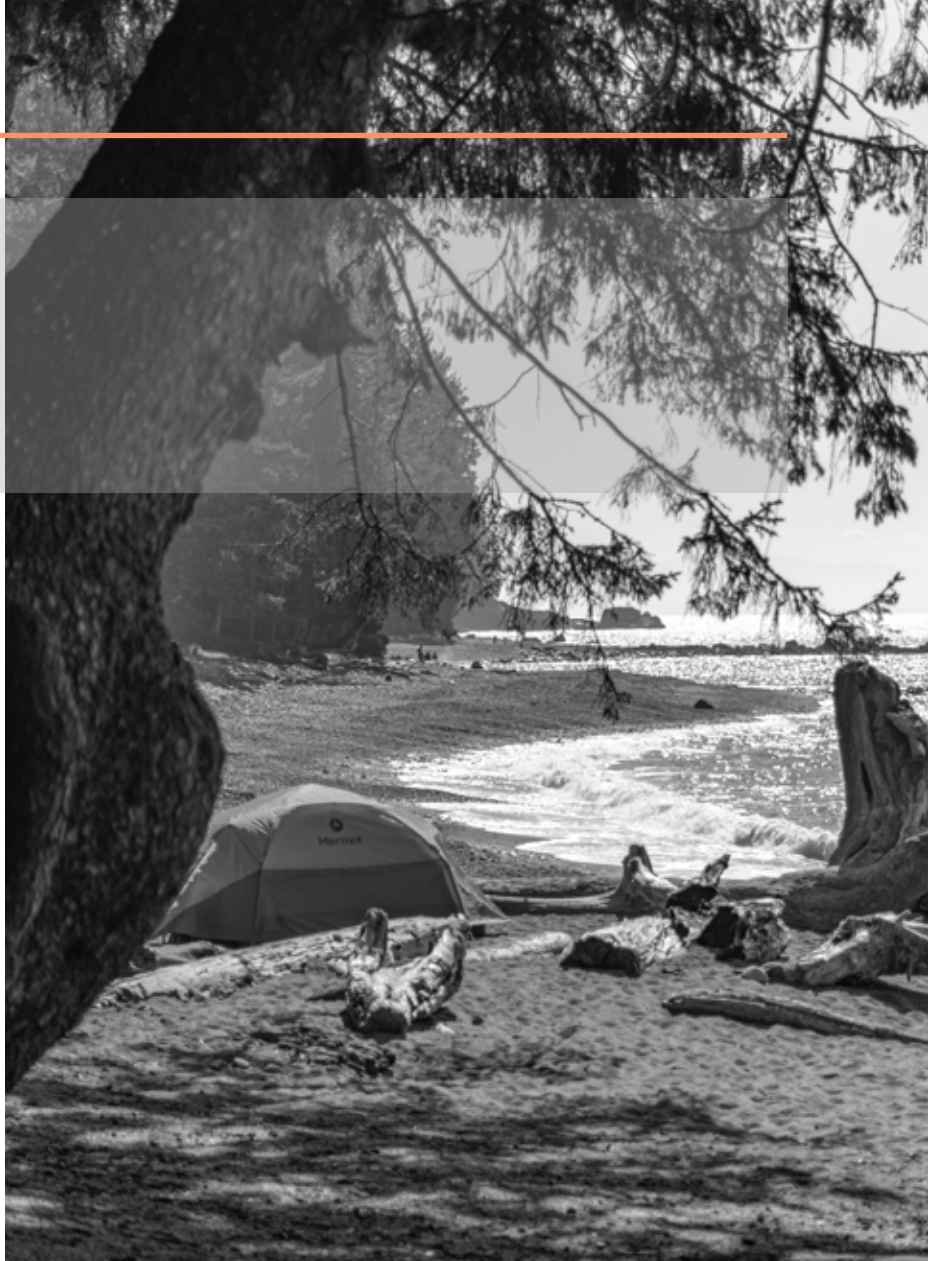
2020 UPDATE ON EMERGING PUBLIC POLICY

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 the regulations required to bring the legislation into force.

Ticket Sales Act implementation

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 the regulations to bring the legislation into force.



OPERATIONAL STATISTICS



The following is a three-year snapshot summarizing our consumer outreach and engagement, media coverage, licensing and regulatory operations statistics. In late 2019, we introduced a new data analytics tool that changed the way we report on our statistics, resulting in minor variances to the reported 2018 - 2019 data (in comparison to historical Annual Reports).

Consumer education & awareness	2018	2019	2020
Website pageviews ⁵	1,119,471	1,148,066	1,239,022
Blog pageviews	314,318	331,295	441,651
News stories ⁶	464	613	1,232
Facebook page likes	50,529	57,808	62,762
Twitter followers ⁷	6,938	6,779	6,588
Instagram followers	n/a	1,210	2,380
Email subscribers on our consumer list	2,184	4,371 ⁸	4,306

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

6. News stories include Consumer Protection BC quotes or mentions, or references to the laws we administer. The number of stories vary year-over-year depending on such external and internal factors as new consumer issues in the marketplace or the number of news releases we have issued.

7. 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. In late 2020, we decided to close our Twitter account in early 2021 as an evaluation of the platform showed the effort was not worth the limited results.

8. This increase is due to a sign-up campaign we ran in Q4 2019.

Our story:

COVID-19: Sharing information with consumers on social media

In March 2020, we quickly recognized that COVID-19 would create new consumer issues for British Columbians and many would turn to us for help. We needed to proactively identify areas for consumer education and use the tools at our disposal to share information and resources with the public. It became clear that our trusted social media channels, with a combined audience of more than 65,000 people, were the right place to offer reliable information to help consumers navigate the new reality. Within days, we began focusing on sharing key COVID-19 information and resources on our platforms.

It was important for us to share credible information and do our best to elevate and amplify the messages coming from the provincial government and health authorities. As misinformation about COVID-19 began to circulate on social media, we were determined to use our platforms responsibly to help point consumers to legitimate information.

“Our goal was to connect our followers with trustworthy sources of information related to provincial restrictions, developing health updates, financial supports and changing consumer transactions,” says Tatiana Chabeaux-Smith, Director of Communications and External Engagement. “We wanted to help people understand and adopt the new guidelines and be aware of their rights in the growing list of transactions that had been impacted by COVID-19.”

An example of one of these transactions was the issue of price gouging. As essential goods became scarce at the onset of the pandemic, frustrated consumers believed they were paying above-market prices for certain items. When we became responsible for assessing and responding to consumer complaints about price gouging, we used social media as our main tool to help consumers understand the rules and how to submit complaints.

Throughout the year, our efforts on social media resulted in increased engagement, including a 57% increase in direct Facebook messages and a 220% increase in Facebook comments compared to 2019. This data, along with other metrics, indicated that people were highly engaged and interested in what we were sharing. To ensure our information remained relevant as the pandemic evolved, we regularly reassessed our strategy and incorporated feedback from our community.

“This year showed the value of building and maintaining a trusted reputation on social media so we can be heard and relied upon by British Columbians during a time of crisis,” says Chabeaux-Smith. “At the end of the day, that’s why we use these platforms – we want to be as helpful as possible to the consumers of BC, especially in uncertain times.”



	2018	2019	2020
Total number of consumer inquiries:⁹	11,177	11,221	15,423¹⁰

Number of consumer inquiries about our licensed sectors:	2018	2019	2020
Cremation, interment and funeral services	279	292	240
Debt collection, bailiffs and repayment agents	1,385	1,306	868
Home inspectors	220	127	164
Motion pictures and video retailers, distributors and theatres	96	74	65
Payday loans	175	220	149
Telemarketing	22	33	23
Travel	761 ¹¹	691	1,225
Total number of consumer inquiries about our licensed sectors:	2,938¹²	2,743¹³	4,734

Number of licences issued and renewed by sector:	2018	2019	2020
Cremation, interment and funeral services ¹⁴	1,066	1,071	1,122
Debt collection, bailiffs and repayment agents	3,870	3,705	3,895
Home inspectors	481	447	470
Motion pictures and video retailers, distributors and theatres ¹⁵	1,010	931	1,181
Payday lenders	181	184	187
Telemarketers	45	44	46
Travel agents and travel wholesalers	1,241	1,220	1,115
Total volume of licences issued and renewed:¹⁶	8,269	8,077	8,016

9. Volumes are based on each unique contact point logged by our tracking system, not combined interactions with consumers on certain issues.

10. The significant increase in consumer inquiries in 2020 was due to the COVID-19 pandemic. Increased calls and emails were primarily related to price gouging complaints and consumers seeking redress for impacted travel service arrangements.

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

12. This number was incorrectly reported as 4,956 in the 2019 annual report due to a data error.

13. This number was incorrectly reported as 4,762 in the 2019 annual report due to a data error.

14. This number includes protected but not active cemeteries.

15. This is the number of 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 of licensed businesses: ¹⁷	2018 ¹⁸	2019	2020
Cremation, interment and funeral services	101	212	96
Debt collection, bailiffs and repayment agents	6	30	7
Home inspectors	16	57	65
Motion pictures and video retailers, distributors and theatres	154	88	20
Payday lenders	77	76	72
Telemarketers ¹⁹	4	2	2
Travel agents and travel wholesalers	145	166	69
Total compliance inspections of licensed businesses:	503	631	331

Enforcement files concluded:	2018	2019	2020
Cremation, interment and funeral services	15	19	11
Debt collection, bailiffs and repayment agents	37	12	11
Home inspectors	7	4	4
Motion pictures and video retailers, distributors and theatres	21	13	7
Payday lenders	31	18	9
Telemarketers	3	0	0
Travel agents and travel wholesalers	86	20	27
Non-regulated businesses	45	34	571 ²⁰
Total enforcement files concluded:	245	120 ²¹	640

Assets, recoveries and restitution:	2018	2019	2020
Administrative penalties to the Consumer Advancement Fund ²²	\$44,050	\$66,900	\$24,000
Costs recovered ²³ from compliance orders and undertakings	\$68,272	\$37,824	\$15,316
Restitution	\$307,026 ²⁴	\$196,879	\$271,789 ²⁵

17. Inspections 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 significant increase in 2020 was due to the COVID-19 pandemic. Increased enforcement activity related to price gouging, consumer contracts with fitness clubs, travel services and distance (online) sales.

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

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

23. The increase in 2018 is due to the payday lending project which collected approximately \$56,000 in inspection and enforcement costs.

24. This amount has been updated for accuracy.

25. The total amount of the restitution from Cashco Financial Inc, as part of a 2019 payday lending project, was not fully captured until 2020 so the amount (\$109,000) appears within the 2020 data.

Consumer story:

BC consumer wins fight against airline for refund

Declan* and two friends were scheduled to leave in June 2020 for a trip of a lifetime to Europe. Like many other travellers, his flights were cancelled by the airline because of the COVID-19 pandemic.

“We were really disappointed,” says Declan. On top of missing out on his much-anticipated trip, he was out nearly \$2,000 in airfare and was having trouble contacting the airline. “I called. I emailed. I wanted to know about getting my refund.”

When he eventually heard back, he was told the airline was not offering refunds, only vouchers for future travel. With his work up in the air due to COVID-19, Declan was determined to get his money back. That’s when he contacted Consumer Protection BC and began to follow the necessary steps to secure a refund.

After reviewing Declan’s file and supporting documents, Consumer Protection BC investigators determined he was rightfully owed a refund under BC law. Because Declan had booked his flights online, he had entered what’s called a distance sales contract. With these types of contracts in BC, if a consumer does not get the services they paid for within 30 days of the supply date, they are within their rights to cancel their contract and receive a refund.



The investigators contacted the airline on Declan’s behalf and sent a letter demanding they comply with the law by refunding Declan the cost of his flights. After much back and forth with the investigators, the airline eventually agreed to refund Declan the full cost of his cancelled flights.

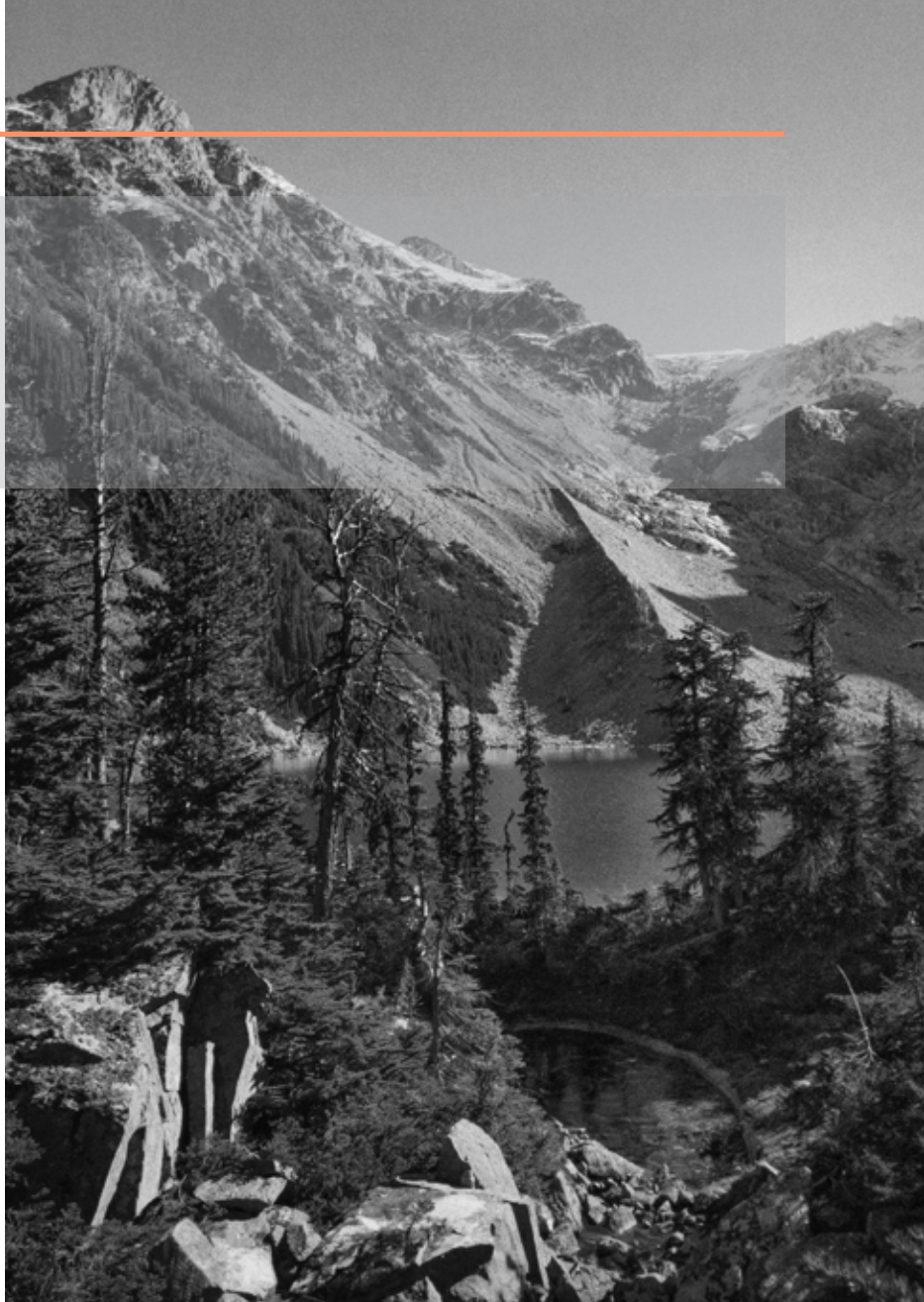
“It was a huge sense of relief,” says Declan. “When your money is tied up and you could really use it, it can be really stressful. Especially in these unprecedented times.” When asked what advice he would give to others in similar situations, Declan stressed the importance of having a resolution.

“Don’t give up. Some of these companies will make you believe that you can’t get your money back. Become educated about your rights in BC and if you’re not getting anywhere, contact Consumer Protection BC. The process is long, but it’s worth it.”

**Names changed to protect the privacy of the individuals involved.*

FINANCIAL REVIEW

We ended the year with a deficit of \$69,625 compared to a budgeted deficit of \$690,630. The projected deficit was offset by several measures, including significant fiscal restraint, federal subsidies as appropriate and suspension and/or cancellation of both capital and staffing investments. 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.

Despite the travel challenges created by the pandemic, there were not significant claims to the TAF in 2020. The few claims received were largely ineligible as the losses related to COVID-19 trip cancellations, which were not covered because of force majeure clauses in many travel contracts. The claims approved in 2020 were from a 2018 action taken against Sinorama Travel Inc. Vancouver. Most of the eligible claims from this action were paid out in 2019.

Travel Assurance Fund claims:	2020
Claims carried forward from 2019 and earlier	6
Claims received in 2020	20
Reconsiderations received	0
Claims denied	15
Claims approved	7
Claims carried forward to 2021	4
Amount paid out for approved claims	\$30,842

Travel Assurance Fund statement:	2020
Fund balance as of January 1, 2020	\$6,178,793
Fund income	\$369,226
Payments and expenses from the Travel Assurance Fund	(\$180,842)
Fund balance as of December 31, 2020	\$6,367,177

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, and
- Administration costs in comparison to program costs.

Service to stakeholders

The impact of the pandemic on the motion picture sector led to a significant decrease in classification requests from industry stakeholders:

Motion picture classification:	2018	2019	2020
General release exhibition trailers & motion pictures viewed	2,170	2,226	683
General release exhibition trailers & motion pictures additional approvals	49,591	53,786	14,875

Public feedback

Immediately after we review a movie or trailer submission, we publish our classification decision on our website. In 2020, we published 683 classification decisions. Historically, classification information was also shared on Twitter. In 2020, we decided to close our Twitter account in early 2021 as our data indicated there was limited stakeholder interest and that the public and the industry were viewing classifications mainly on our website.

In 2020, motion picture-related webpages were viewed 143,982 times.

Four 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:	2018	2019	2020
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	N/A
Processing inspection reports	1 day	1 day	1 day

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

We have the authority to set fees that are 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 2020, we classified 229 theatrical films and trailers for these groups, representing 25% of total film content classified.

Adult market

The adult market comprises 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 2020, we licensed 19 adult video retailers.

Adult video:	2018	2019	2020
Adult video decals issued	16,884	3,519	0 ²⁶

26. As a result of a continued decline in the adult video market, we received no requests from distributors for decal orders in 2020.

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, classifying films and public policy and industry relations.

Costs related to regulating the motion picture industry totaled approximately 13% of annual expenditures in 2020. Overall, costs for regulating the motion picture industry in BC totaled \$0.8 million in 2020.

Number of inspections:	2018	2019	2020
Motion picture distributors	1	2	0
Theatres	13	3	0
Video retailers	140	83	20
Total inspections:	154²⁷	88	20

Inspection outcomes:	2018	2019	2020
Video retailers			
No action required	75	47	14
Remedial action required	40	26	4
Follow-up required	12	8	2
Report to director	13	2	0
Theatres			
No action required	6	2	0
Remedial action required	4	0	0
Follow-up required	3	0	0
Report to director	0	0	0
Motion picture distributors			
No action required	0	1	0
Remedial action required	0	0	0
Follow-up required	1	0	0
Report to director	0	1	0
Total acceptable:	125 (81%)	76 (87%)	18 (90%)
Total unacceptable:	29 (19%)	11 (13%)	2 (10%)

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

Enforcement files concluded:	2018	2019	2020
Video retailers			
Favourable	7	5	2
Unfavourable	11	5	1
No outcome	1	1	1
Theatres			
Favourable	1	1	2
Unfavourable	0	2	0
No outcome	0	0	0
Motion picture distributors			
Favourable	0	0	1
Unfavourable	0	0	0
No outcome	1	1	0
Total case outcomes:	21	15	7

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