



CONSUMER
PROTECTION BC

BUSINESS PLAN

2022-2024

Our offices are located on the traditional lands of the W̱SÁNEĆ and Lək̓ʷəŋən (Lekwungen), hə́ŋqəmiḥə́n (Hun'qumyí'num), Sk̓w̓x̓wú7mesh (Squamish) and Secwepemctsin (Shuswap)-speaking Peoples and ancestors, and our work extends across the homelands of the Indigenous Peoples within what we now call British Columbia. We honour the many territorial keepers of the lands and waters where we work.

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Message from the Board Chair and CEO

On behalf of Consumer Protection BC's Board of Directors and employees, we are pleased to present our 2022 - 2024 Business Plan: a plan developed through a collaborative process with our employees, Leadership Team and Board of Directors, and informed by current realities, market data and our stakeholders.

The COVID-19 pandemic continues to impact British Columbia's marketplace, affecting consumers, businesses and our own operations in unprecedented ways. The four strategies within our Business Plan guide our priorities through 2024 and represent the ways we are enhancing our effectiveness as a regulator while also addressing the persistent challenges created by the pandemic.

Our first strategy, *enhance the consumer inquiry and complaint process by leveraging technology*, builds on work completed in 2021 and focuses on providing better, faster service to consumers who reach out to us with questions or problems. Our next strategy, *create consumer insights through a corporate data strategy*, helps us translate the data we collect into action, enabling us to correctly direct our compliance resources to areas of highest consumer harm. Our third strategy, *increase business compliance with BC's consumer protection laws*, builds on momentum from 2021 and sees that our regulatory resources are focused on businesses using non-compliant future performance and direct sales contracts – an evolving area of risk as the pandemic continues to interrupt travel plans and impact the ways businesses operate. Finally, our last strategy, *respond to marketplace risks through targeted consumer and supplier education*, proactively anticipates the need for increased debt-related messages in the marketplace as government support programs wind down, as pent-up post-pandemic consumer spending is potentially realized, and as new high-cost credit grantor licensing is implemented in May 2022.

As the regulator of BC's consumer protection laws, we understand the responsibility we have to our stakeholders and our ability to effect change within the province. Our organization remains committed to, in all our business activities, including the words and images we use, uphold the principles of diversity, equity and inclusion.

We look forward to a productive three years ahead, continuing to serve our province as an effective, responsive and value-add regulator.

Respectfully,



Rod Dewar
Board Chair, Consumer Protection BC



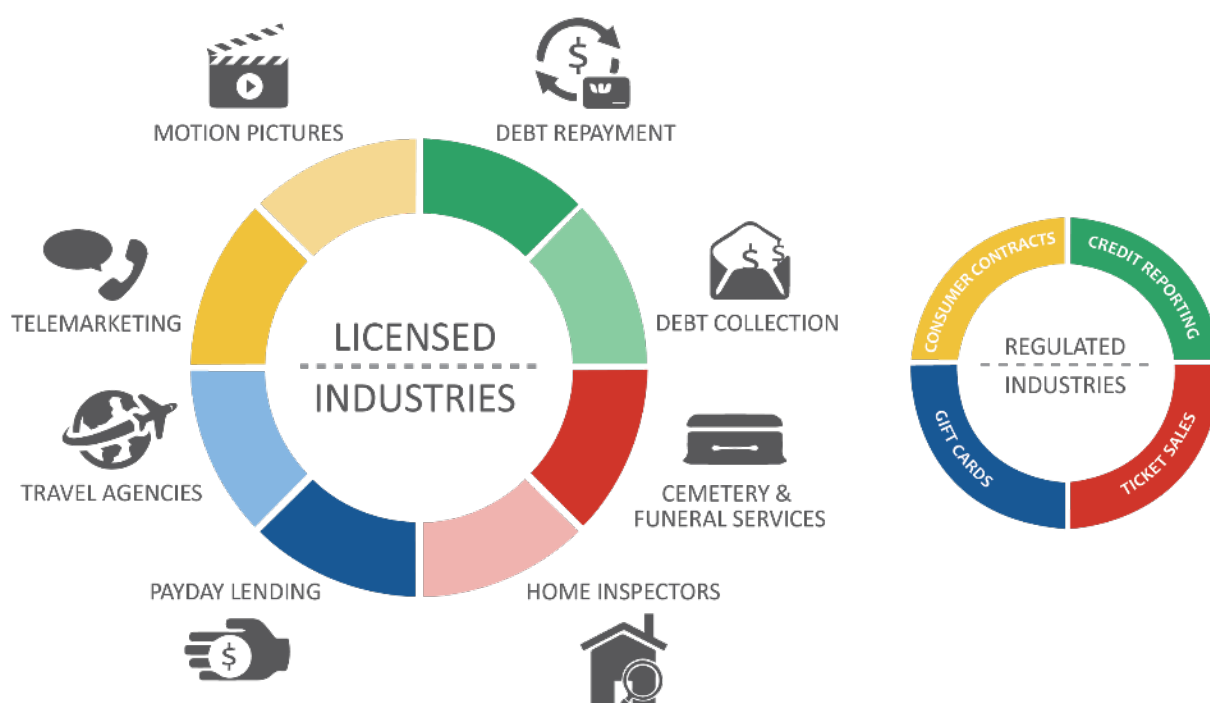
Rob Gialloreto
President & CEO, Consumer Protection BC

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 sectors and consumer transactions in the province of British Columbia.

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



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]

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

Organizational excellence

Our values

Our corporate values are developed and defined by our employees and cascade through our operational and governance systems.

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.

Values statement

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.

Our commitment to diversity, equity and inclusion

With the authority to regulate BC's consumer protection laws, we recognize the responsibility we have to our stakeholders and our ability to effect change within the province. The delivery of the strategies within this Business Plan, just like all our business activities, corporate culture and interactions with stakeholders, are guided by the tenets of diversity, equity and inclusion. In delivering the strategies within this Business Plan, and through all our education efforts and regulatory work, we will strive to uphold these important principles.

What we do

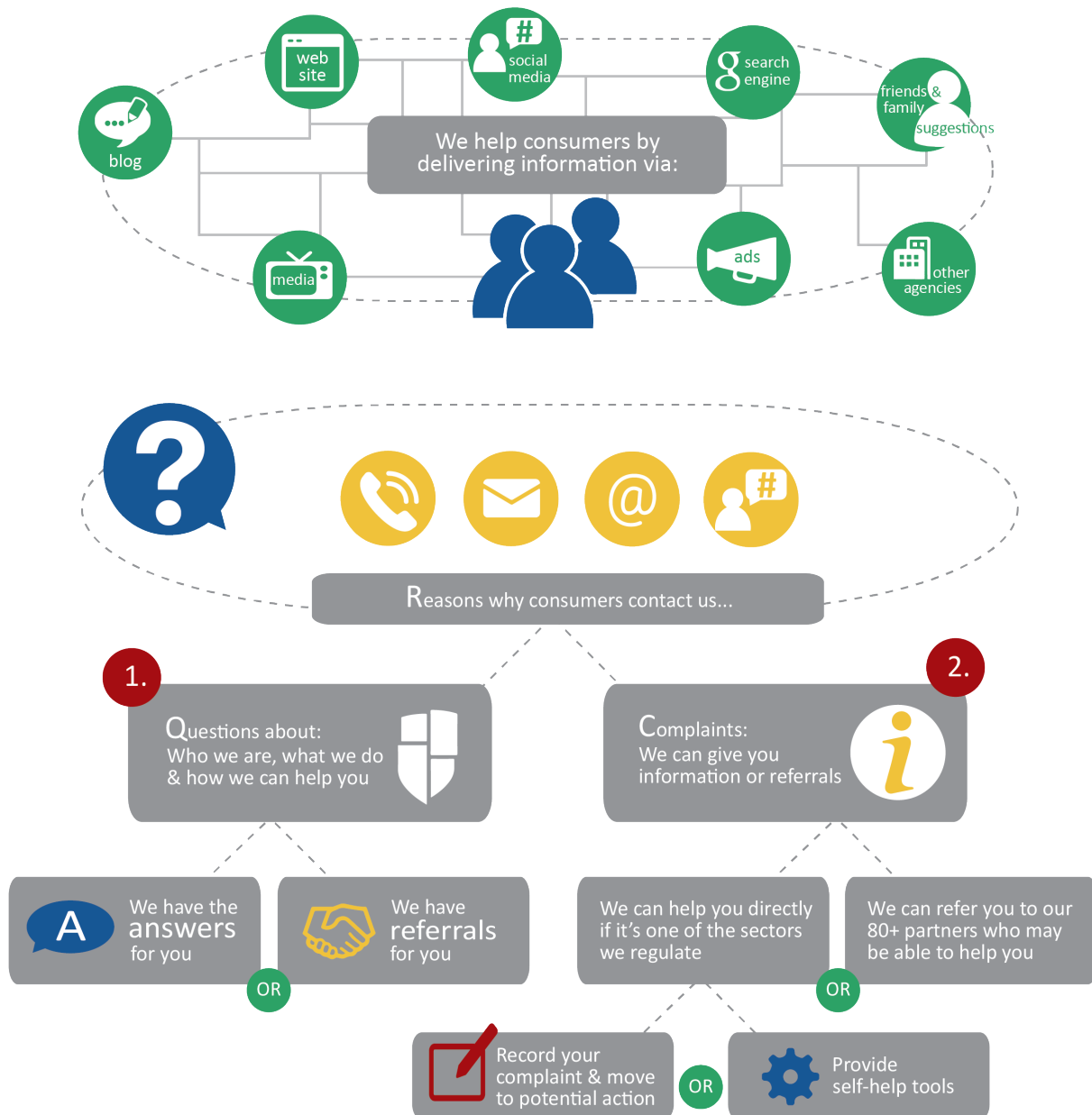
We deliver consumer protection services throughout British Columbia by:

- 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 violations of consumer protection laws, then, if warranted, resolving through progressive enforcement (such as warning letters, licensing actions, administrative monetary penalties and compliance orders).
- 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, or connect with us on social.

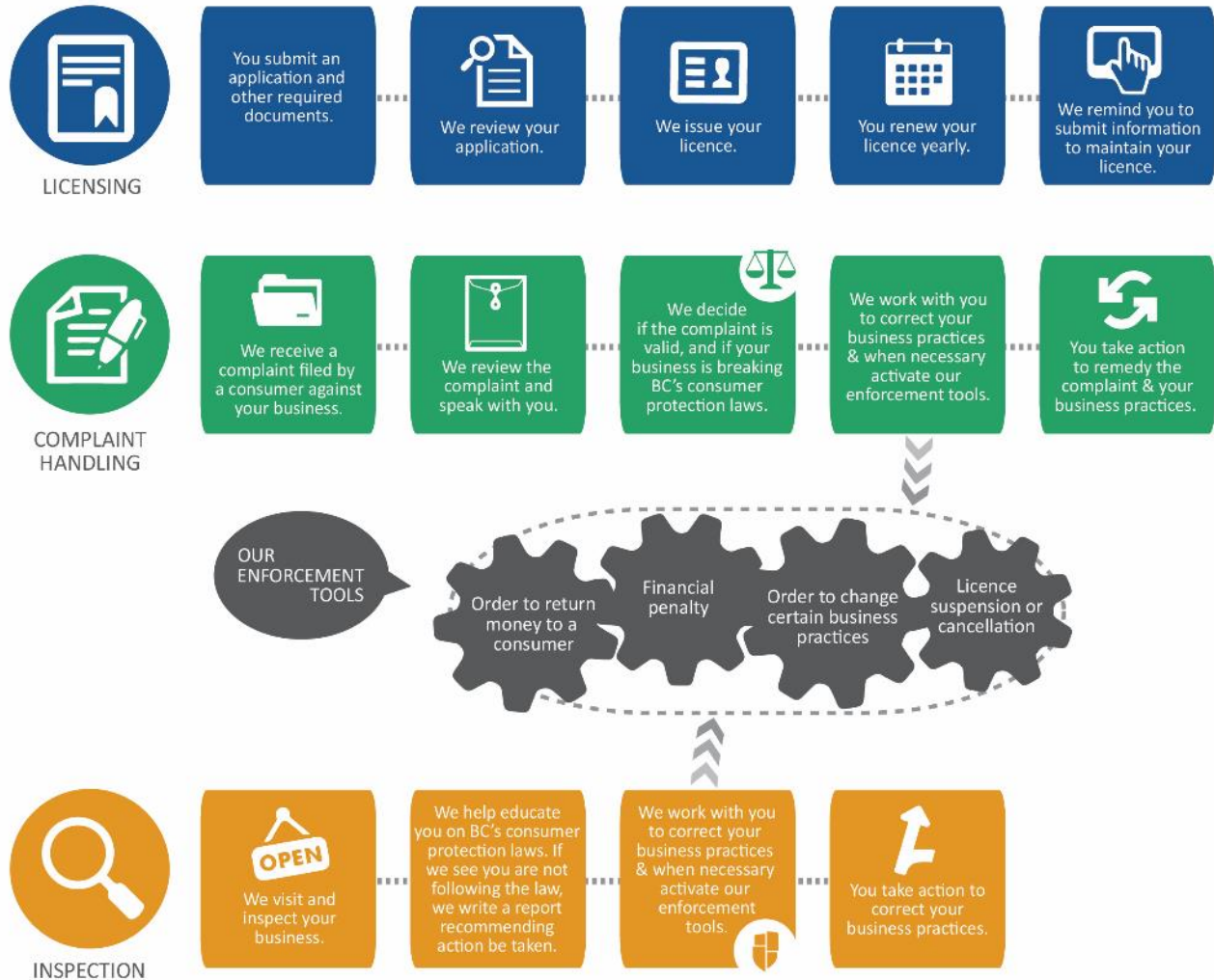
How we protect consumers

Here is how we help and protect consumers:



How we regulate businesses

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



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 credit grantor licensing

High-cost credit granting rules were announced in February 2019 as amendments to the *Business Practices and Consumer Protection Act* and the regulations were passed by Cabinet in November 2021. The regulations, and the new Consumer Financial Education Fund, will come into effect on May 1, 2022 (the Consumer Financial Education Fund will be administered by our organization and is designed to enhance consumer financial education throughout BC). In preparation, we have completed a High-cost Credit Grantor Licensing Implementation Plan.

Ticket selling

The *Ticket Sales Act* came into effect on July 1, 2021 to ensure ticket buyers have more transparency, fairer processes and better consumer protections when purchasing tickets for live events in British Columbia. As there is no licensing regime with the Act, the focus is on consumer education, complaint handling and enforcement when warranted in the public interest. While the COVID-19 pandemic has caused significant disruption for this sector in 2020 and 2021, with mandated venue closures, event cancellations and the implementation of vaccine-based orders, we expect there will be increased regulatory activity as live event capacity limits are removed and attendance returns to pre-pandemic levels.

Business Plan 2022 - 2024

The 2022 - 2024 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, regulated sectors and the public as a roadmap of how we fulfill our purpose within a dynamic regulatory environment and constantly changing marketplace. The COVID-19 pandemic continues to impact businesses and consumers throughout the province, in addition to our own operations. We continue to respond to these evolving challenges in agile and innovative ways and direct our regulatory resources to the most critical areas of consumer harm. In developing the strategies within this 2022 - 2024 Business Plan, we applied current data, assumptions and forecasting information to determine where our efforts will have the greatest impact. Our corporate values are also 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. Finally, the Plan summarizes our areas of principal risk, which are identified by our Board of Directors and mitigated on an ongoing basis to ensure that risk exposure is minimized.

Business strategies

The strategies presented in this 2022 - 2024 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 strategies

articulate how we are going to continue to innovate and deliver as an agile and responsive regulator and shows the specific steps (or tactics) we will take, coupled with a clear definition of success.

Business Strategy 1: Enhance the consumer inquiry and complaint process by leveraging technology

Last year, our Licensing & Information Services team received more than 15,000 consumer inquiries by phone and email. Historically, about 34% of inquiries are within our regulatory authority and the rest are about issues where other agencies are better positioned to help. Our employees respond to all inquiries with information and referrals streamlining the consumer inquiry 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 or get a resolution to their specific problems.

Tactics:

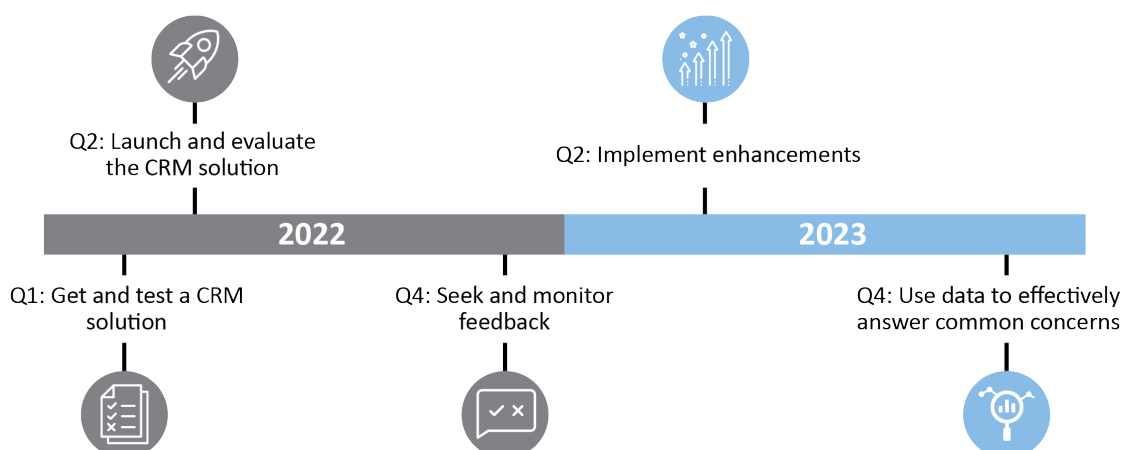
This business strategy was implemented in 2019 to capitalize on technological enhancements to streamline the consumer complaint process. In 2019, we enhanced the web-based complaint intake form on our website, which led to substantial reductions in consumer wait times. The strategy and associated tactics were paused in 2020 due to the COVID-19 pandemic. Despite the hold, our teams completed incremental changes to automated call distribution software and web-based complaint intake forms to better direct and support consumers with issues. We also completed research and made recommendations to introduce enhanced technology to further improve consumer complaint handling efficiency and effectiveness, including a customer relationship management (CRM) ticketing system.

In this plan we will:

- Acquire and test a CRM solution (ticketing system) which will help us more effectively respond to issues and capture vital data in all customer contact channels. (Q1 2022)
- Following refinements and optimization, launch the CRM solution (ticketing system) and evaluate its effectiveness in resolving issues. (Q2 2022)
- Continuously seek and monitor feedback from consumers to enhance or add channels for complaint resolution as appropriate. (Q4 2022)
- Implement enhancements or add channels for complaint resolution by leveraging existing internal resources and capabilities. (Q2 2023)
- Capitalize on data collected through our CRM solution (ticketing system) to provide answers more effectively to common concerns in the most appropriate channels. (Q4 2023)

Timeline:

The following timeline outlines the scheduled completion dates for each listed tactic:



Performance:

This business strategy is focused on consistent improvement over a multiyear period. Performance targets for 2022 and 2023 are as follows (actuals will be presented in subsequent Annual Reports):

	2021	2022	2023	2024
	ESTIMATE	TARGET	TARGET	TARGET ¹
Increase percentage of in-mandate complaints ²	40%	>50%	>55%	–
Reduce average wait times for web and written complaint responses	1.3 days	0 - 2 days	0 - 2 days	–
Divert existing or reach new consumers by enhancing or adding a communication channel	NA	1 - 3% of inquiries	5 - 9% of inquiries	–

Business Strategy 2: Create consumer insights through a corporate data strategy

The purpose of a data strategy is to ensure our data resources are positioned to be used, shared and moved easily and efficiently. This strategy started in 2021 to shift our organization from considering data as a business function to considering data as an asset, and ensure we are effectively leveraging data to generate insights and make better business decisions – from a strategic to a tactical level. The outcome will allow us to ask and answer data-related questions, thus identifying insights where we can increase our impact in the marketplace.

Tactics:

The corporate data strategy includes several tactics aimed at improving the way Consumer Protection BC uses, shares and moves data to develop insights and actions. Many of the tactics reflect specific sections of the corporate data strategy, including data identification, storage, provisioning, processing and governance. These are key activities we will accomplish to bring our corporate data strategy to life and begin to move towards our vision of specific use cases to form future strategies in our business plans.

¹ As this strategy will be complete by 2024, targets will not be set for 2024.

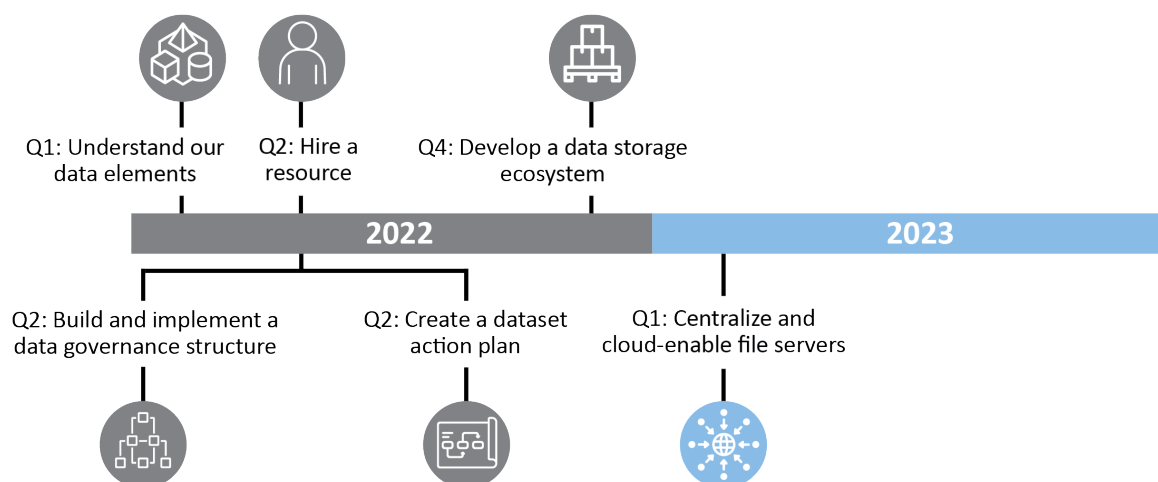
² A higher percentage for this performance measure indicates our resources are increasingly dedicated to resolving in-mandate problems, and consumers with complaints that can be resolved by partners and the courts are receiving referral information more quickly.

In this plan we will:

- Undertake various data identification activities that will allow us to effectively understand all our corporate data elements. (Q1 2022)
- Resource a data analytics function tasked with implementing the corporate data strategy. (Q2 2022)
- Build and implement a data governance framework to ensure we are establishing, managing and communicating information policies and mechanisms for effective data usage across Consumer Protection BC and beyond. (Q2 2022)
- Define and prepare action plans, ownership and management related to specific dataset creation, validation and provisioning. (Q2 2022)
- Develop a data storage ecosystem and key data storage repositories to ensure we eliminate duplication and redundant data, as well as identify strategic data access and sharing opportunities. (Q4 2022)
- Centralize and cloud-enable our file servers and document stores to ensure consistency and ease of access for both internal and external audiences. This includes enhancing credentials and security protocols to allow the right people to access data for the right purpose. (Q1 2023)

Timeline:

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



Performance:

This business strategy is focused on consistent improvement over a multiyear period. Performance targets for 2022 through 2024 are as follows (actuals will be presented in subsequent Annual Reports):

	2021	2022	2023	2024
	ESTIMATE	TARGET	TARGET	TARGET
Develop data management function including human, technological and operational resources to implement the corporate data strategy ³	90%	100%	—	—

³ As this performance measure will be complete in 2022, targets for 2023 and 2024 will not be set.

Number of data-driven compliance and inspection-oriented strategies that address high-risk market activities	1	2 - 4	3 - 5	TBD
Increase in number of targeted campaigns to vulnerable consumers based on complaint trends in data	NA	1	>2	TBD
Number of features for licensees in MyAccount portal that use data to present new information and support related to licensing and compliance	1	2	>2	TBD
Increase the number of features in our consumer assistance channels (web, social, phone, etc.) that rely on data to present relevant and topical information to serve consumer interests	NA	1	>2	TBD

Business Strategy 3: Increase business compliance with BC's consumer protection laws

At the onset of the pandemic, we started to receive a high volume of complaints alleging businesses were trying to avoid their contractual obligations for varying COVID-19-related reasons. In response, we developed a Business Plan strategy in 2021 to assess and correct non-compliance related to continuing services contracts (a type of agreement that provides for the ongoing supply of physical health services, such as gym memberships).⁴ Through this strategy, we inspected fitness facilities across BC and confirmed all of them to be acting in some form of non-compliance with the contract requirements under BC's consumer protection laws and that most were largely unaware obligations even existed. Some businesses were missing required contents in their contracts (such as specific terms and conditions), and others were failing to properly execute their compliant contract templates. Non-compliant contracts can impact both consumers and businesses: consumers are left without protections afforded under the law and businesses are positioned for significant financial risk (as non-compliance may allow consumers to cancel their contracts and demand refunds).

In 2022, we will continue to dedicate regulatory resources to assess levels of compliance with other types of contracts. Specifically, we will assess the use and execution of future performance and distance sales contracts: a future performance contract is an agreement where a consumer does not pay upfront in full or is not immediately supplied goods or services; a distance sales contract is an agreement that is not entered into in-person, such as an online purchase. This is an important area of focus as marketplace impacts caused by the pandemic, such as business closures and event and travel cancellations, continue to interrupt contract fulfillment – leaving consumers unable to recover money they are entitled to for the goods or services they paid for, but never received.

⁴ A continuing services contract provides for performance of services on a continuing basis towards instruction or training in dance, physical culture, body building, exercise, weight loss, figure development or self-defense, or the use of a health studio, gymnasium or other facility to supply those services.

For this strategy, we will apply our 2021 learnings and proactively inspect businesses that use these types of contracts to assess and address any non-compliance. Our process will involve conducting preliminary inspections to define specific areas of non-compliance; providing businesses with information about the benefits of using compliant contracts; sharing information with businesses to encourage compliance; and following up on sustained non-compliance with enforcement action, as appropriate. Our progressive enforcement approach provides opportunities for learning and for businesses in non-compliance to come into voluntary compliance, and our overall measure of success will be the degree in which BC businesses change their practices and behaviours to comply with the laws we administer.

Tactics:

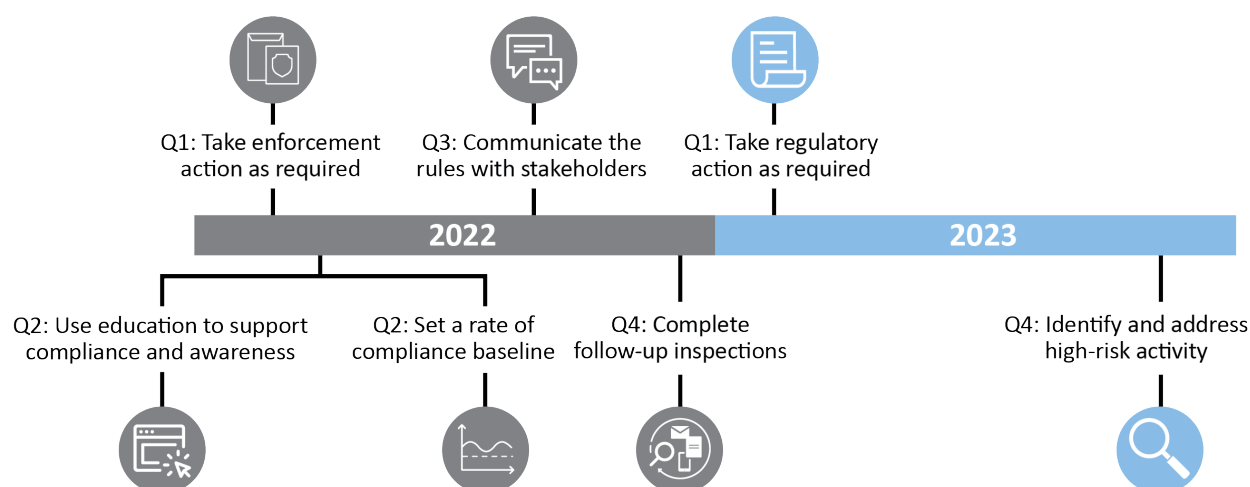
The purpose of this strategy is to increase business compliance related to the contractual obligations contained within the *Business Practices and Consumer Protection Act*. We will complete the work we started in 2021 related to the fitness sector and continuing services contracts, and then increase inspections of businesses that enter into future performance and distance sales contracts with consumers.

In this plan we will:

- Take enforcement action as required against fitness businesses, following work completed in 2021 to share inspection findings and complete follow-up inspections. (Q1 2022)
- Based on post-inspection results of fitness businesses, apply educational tools to support compliance efforts and increase awareness of BC's contract laws. (Q2 2022)
- Direct inspection resources to measure current levels of compliance with BC's future performance and distance sales contract laws. (Q2 2022)
- Deliver communications to businesses and stakeholders to raise awareness and promote voluntary compliance with BC's future performance and distance sales contract laws. (Q3 2022)
- Conduct follow-up inspections of businesses to measure any change in the rates of compliance. (Q4 2022)
- Take appropriate regulatory action against businesses that continue to act in non-compliance. (Q1 2023)
- Apply internal data to effectively deploy resources and foster compliance when high-risk contract non-compliance is identified. (Q4 2023)

Timeline:

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



Performance:

Compliance in the areas of future performance, continuing services and distance sales contracts is an integral part of consumer protection laws in BC. We will continue to resource and focus in this area to ensure businesses are aware of their responsibilities and consumers know their rights when entering into these types of contracts. Performance targets for 2022 are as follows (actuals will be presented in subsequent Annual Reports).

	2021	2022	2023	2024
	ESTIMATE	TARGET	TARGET	TARGET
Number of fitness business inspected for contract compliance ⁵	76	–	–	–
Percentage of inspections that identify fitness business non-compliance ⁵	100%	–	–	–
Percentage of follow-up inspections that identify continued fitness business non-compliance ⁵	50%	–	–	–
Number of future performance- and distance sales-focused contract inspections completed ⁶	NA	>70	–	–
Percentage of future performance- and distance sales-focused contract inspections completed that identify business non-compliance ⁶	NA	Establish baseline	–	–
Percentage of future performance- and distance sales-focused contract inspections completed that identify continued business non-compliance ^{6, 7}	NA	0 - 35%	–	–

⁵ As this performance measure will be complete in 2021, targets for 2022 through 2024 will not be set.

⁶ As this performance measure will be complete in 2022, targets for 2023 and 2024 will not be set.

⁷ A lower percentage for this performance measure indicates a higher rate of compliance and, therefore, a reduced need for follow-up enforcement.

Business Strategy 4: Respond to marketplace risks through targeted consumer and supplier education

Increasing awareness of BC's consumer protection laws through education efforts is an important compliance tool. While we educate consumers and suppliers in the normal course of business, by sharing messages on social media, our website and through targeted marketing campaigns, we also develop business plan strategies to address significant or emerging marketplace issues. By doing this, we maximize the impact of our messages for consumers and suppliers and allocate the resources necessary to meet our desired education targets.

The pandemic continues to pose economic challenges for consumers and suppliers: in response, we are anticipating the need for increased debt-related messages in the marketplace. During the pandemic, government support programs helped manage cash flow pressures – as these programs wind down, and as post-pandemic spending, fueled by pent-up consumer demand, is realized, there is risk of financial overextension by British Columbians in the coming years. This, combined with the upcoming implementation of high-cost credit grantor licensing by the Ministry of Public Safety and Solicitor General on May 1, 2022, underlines the need for focused education efforts in the debt sector.

Tactics

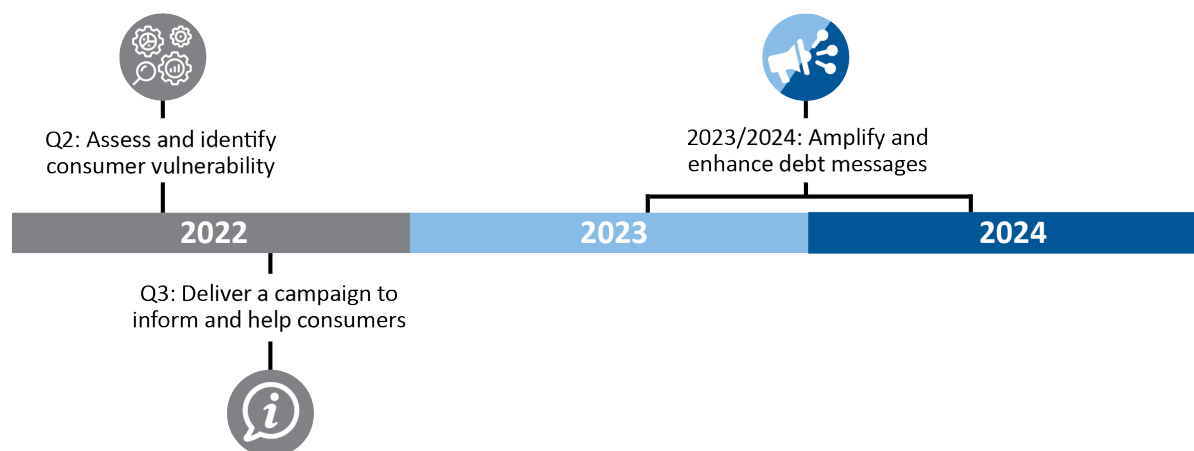
The purpose of this strategy is to address, through targeted education, areas of greatest consumer vulnerability in the debt sector. This strategy will expand in the future to encompass other areas of consumer vulnerability, as identified through data analysis.

In this plan we will:

- Assess and identify areas of consumer vulnerability in our regulated debt sectors. (Q2 2022)
- Deliver a targeted education campaign to inform and proactively offer tools to vulnerable consumers related to specific consumer risks and vulnerabilities in the debt sector. (Q3 2022)
- Build on key learning and data to amplify and enhance messages in new ways to new audiences about debtor and supplier rights and obligations in the debt sector. (2023 & 2024)

Timeline:

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



Performance:

This business strategy is focused on delivering consumer education over a multiyear period. Performance targets for 2022 are as follows (actuals will be presented in subsequent Annual Reports).

	2021	2022	2023	2024
	ESTIMATE	TARGET	TARGET	TARGET
Meet return on investment campaign targets for digital media (cost per click)	NA	\$0.60 - \$2.50 CPC	TBD	TBD
Meet return on investment campaign targets for traditional media (such as radio, newspaper, billboards or television)	NA	Establish baseline	TBD	TBD
Deliver educational content to BC consumers through online campaign content	NA	>18,000 pageviews	TBD	TBD
Minimize impact on Inquiry Centre resources by providing quality online campaign content that facilitates unassisted solutions for consumers ⁸	17:1,000 ⁹	<18:1,000 ¹⁰	TBD	TBD

⁸ While some increase in debt-related inquiries is expected, due to increased web traffic and public awareness during the campaign period, the aim is to provide unassisted solutions to consumers through quality online information and self-help tools. By providing clear campaign web content, we will divert potential out-of-mandate inquiries, thus minimizing the impact on employee time and resources. We will evaluate the success of this measure by maintaining our current ratio of out-of-mandate debt inquiries to debt-related website traffic, accounting for about a 5% increase.

⁹ From January 1 to September 30, 2021, there were 155 out-of-mandate debt inquiries and 9,164 pageviews of our debt collection web content, equaling to approximately 17 out-of-mandate inquiries for every 1,000 website pageviews.

¹⁰ The target of 18 out-of-mandate debt inquiries for every 1,000 campaign-related website pageviews represents about a 5% maximum increase in out-of-mandate inquiries over the campaign period.

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:

Financial risk	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.
Legal risk	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.
Compliance risk	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 and Solicitor General, the Office of the Information and Privacy Commissioner for BC, legal counsel and our auditors.
Technology risk	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.
Reputation risk	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.
Strategic risk	Specific risk factors include strategic planning, strategic alignment and business strategy implementation risk. Mitigation efforts focus on filling the Board skills matrix, sound intelligence presented at strategic planning sessions and regular accountability reporting to stakeholders.

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 2022 - 2024 Business Plan. We have assessed the viability of future revenue 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.

Operating budget				
Resources and outputs	Fiscal year (\$ thousands)			
	2021 estimate	2022	2023	2024
Total revenue	6,142,450	6,846,473	7,104,602	7,275,392
Total expenditures	5,834,757	6,789,747	6,853,185	7,000,808
Excess of revenues over expenditures	307,693	56,726	251,416	274,584
<i>Full time employees (FTEs)</i>	40.6	43.4	43.4	43.4

Operating reserve budget				
Investment income	118,547	185,355	205,418	223,713
Investment expense	15,000	15,000	15,500	16,000
Excess of revenues over expenditures	103,547	170,355	189,918	207,713

Capital reserve budget				
Gain on sale of asset	301	0	0	0
Amortization	119,474	94,178	95,557	82,015
Deficiency of revenue over expenditure	-119,173	-94,178	-95,557	-82,015
<i>Base and planned expenditures</i>	24,470	130,000	130,000	130,000