

# ANNUAL REPORT

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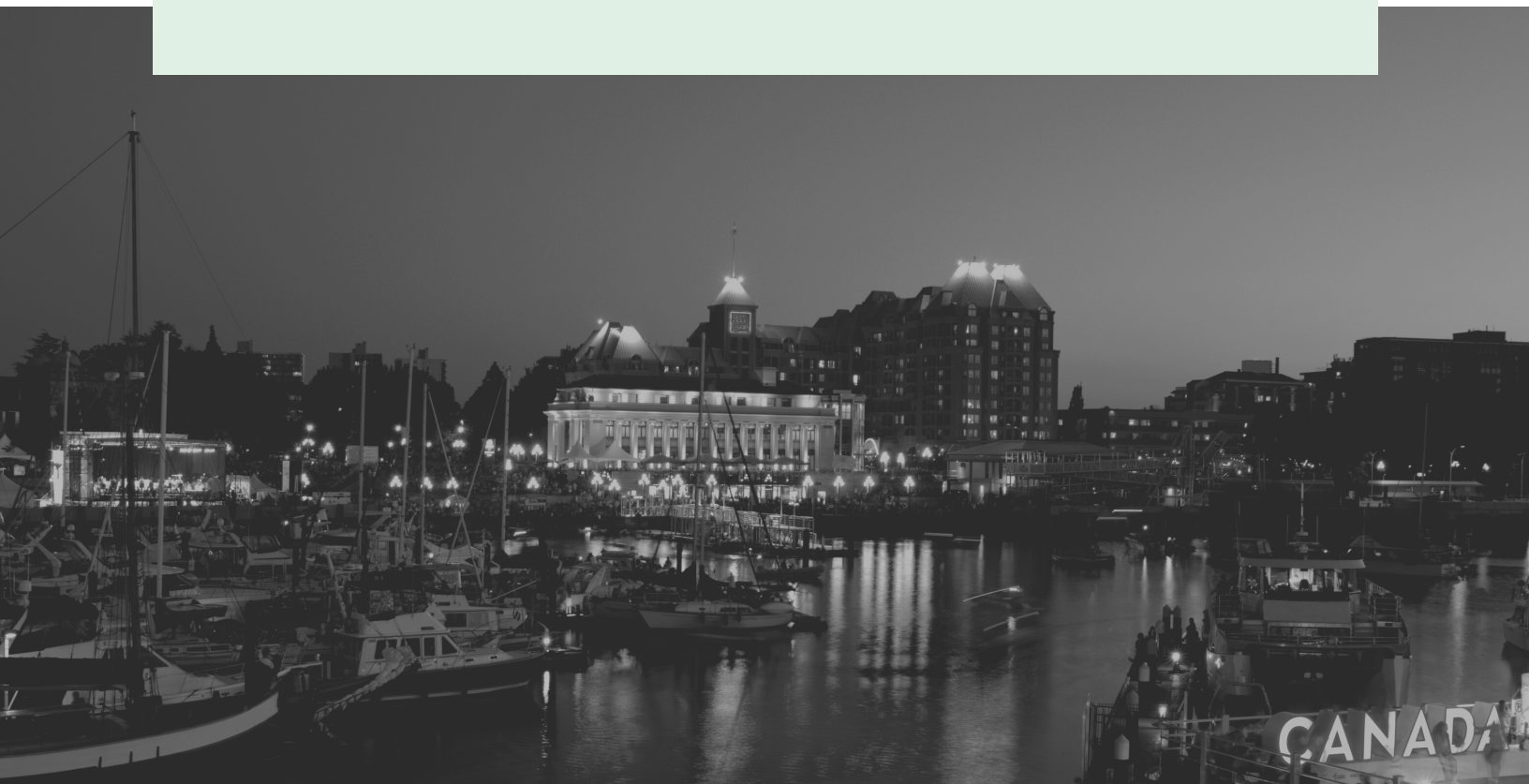
CONSUMER  
PROTECTION BC

A black and white photograph of a rugged mountain landscape. In the foreground, there are evergreen trees and a calm lake reflecting the surrounding scenery. The middle ground shows steep, rocky slopes with patches of snow or light-colored rock. The background features more distant, snow-capped mountain peaks under a clear sky.

# 2021

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# MESSAGE FROM THE BOARD CHAIR AND CEO

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On behalf of Consumer Protection BC, we are pleased to present our 2021 Annual Report.

2021 was a significant year in terms of strengthening consumer protection in British Columbia. In July, the *Ticket Sales Act* came into effect – a new law administered by our organization and designed to ensure consumers have increased transparency, fairer processes and stronger protections when purchasing tickets for live events in BC. While the COVID-19 pandemic continued to cause significant disruption for this sector in 2021, we anticipate there to be increased regulatory activity in the coming year as attendance starts to return to pre-pandemic levels. November marked another significant milestone for consumer protection in BC as the Ministry of Public Safety and Solicitor General confirmed that BC's high-cost credit granting rules will come into effect in May 2022, ensuring consumers who use high-cost financial services are better protected through licensing, new prohibited practices and education resources through a new Consumer Financial Education Fund. For the remainder of the year, we worked to ready our organization to take on the associated regulatory responsibilities and began communicating with the sector.



We made great strides in achieving our three Business Plan strategies. Our continued work to *enhance the consumer complaint process by leveraging technology* resulted in us further reducing wait times for consumers looking for our help and increasing the percentage of complaints directly referred to our call centre agents for assistance versus those referred to other agencies where the issue was not within our mandate. We also made great

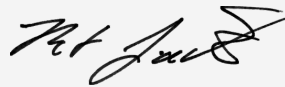
progress on our work to *create consumer insights through a corporate data strategy* and, by reviewing our data and making enhancements, we gained important compliance insights into the sectors we regulate. Finally, we worked to *increase compliance of continuing services contracts* – after inspecting 74 fitness centres and their contracts, we found all to be engaging in some form of non-compliance. Our work on this strategy will take on a new form in 2022 as we assess levels of compliance in the marketplace related to other types of contracts.

In conclusion, we would like to recognize the excellent work of our employees in 2021, the second year of this COVID-19 pandemic and certainly not the place we imagined we would be in when writing the previous Annual Report letter. This year, our employees continued to meet challenges head-on and with exceeding levels of competence and professionalism – thank you.

We look forward to continuing to serve the consumers and businesses of British Columbia in the year ahead and on behalf of the BC Government.



Rod Dewar  
Board Chair



Robert Gialloreto  
President & CEO



Rod Dewar  
Chair of the Board of Directors

Gigi Chen-Kuo  
Director  
Governance & Nominating Committee Chair

Glen MacInnes  
Director (term started March 2021)

Cathy McIntyre  
Director  
Human Resources & Compensation Committee Chair

Anar Popatia  
Director (term ended February 2021)

William Snell  
Director  
Finance & Audit Committee Chair

Ali Solehdin  
Director (term started June 2021)

# BOARD OF DIRECTORS



# 2021 HIGHLIGHTS



The *Ticket Sales Act* came into effect to provide greater transparency and accountability in the ticket sales industry

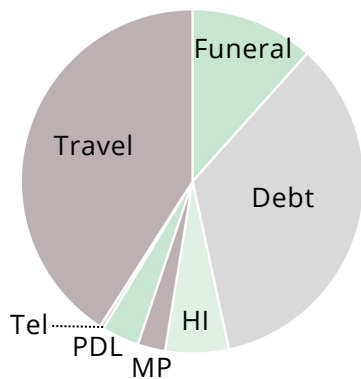


With our help, consumers received over \$506,000 in refunds from businesses

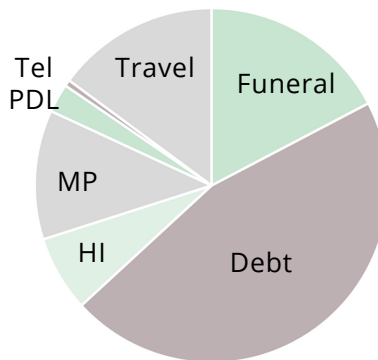


We received 10,923 consumer inquiries

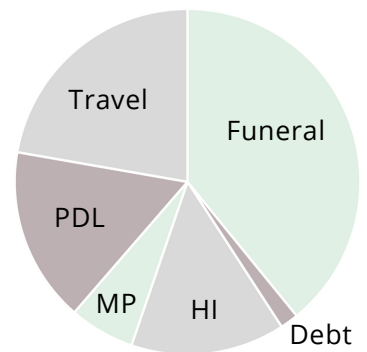
We received 2,663 consumer inquiries about our licensed sectors



We issued/renewed 6,829 licences



We inspected 409 licensed businesses



\*Abbreviations explained below



We were certified as a Great Place to Work for the fifth year in a row



We shared consumer information and resources with

- 65,045 people who like our Facebook page
- 3,390 followers on Instagram
- 4,810 subscribers on our email list



We completed 250 investigations:

- 136 were of licensed businesses
- 114 were of businesses with transactions we regulate



Our website was viewed 962,985 times and our consumer blog was viewed 272,610 times

Funeral:  
Cremation,  
interment &  
funeral services

Debt:  
Debt collection,  
bailiffs &  
repayment agents

HI:  
Home  
inspectors

MP:  
Motion picture & video  
retailers, distributors  
and theatres

PDL:  
Payday  
lenders

Tel:  
Telemarketers

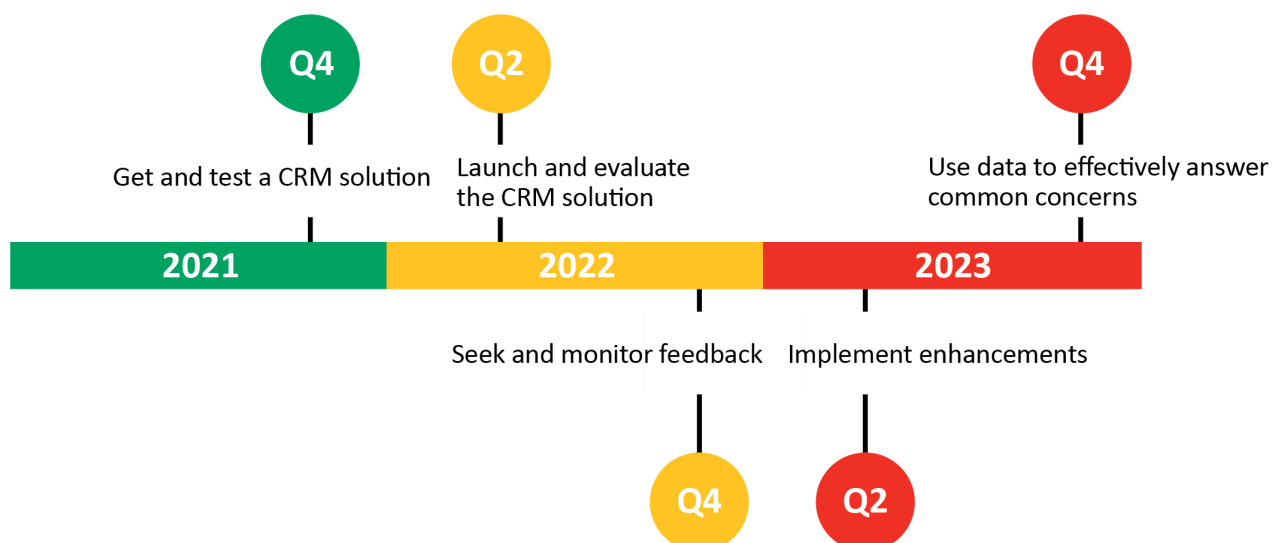
Travel:  
Travel agents  
and wholesalers

# PERFORMANCE ASSESSMENT

The business strategies presented in the 2021 - 2023 Business Plan are designed to enhance our effectiveness as a regulator. They describe the outputs we provide to enhance the delivery of our mandate for consumers and businesses. The strategies were also coupled with measures of what success looks like.

Each performance target is compared against actual annual performance and, where required, provides an explanation. Our Business Plan is a three-year roadmap and the details in this Annual Report speak to our progress in 2021.

## Business strategy 1: Enhance the Consumer Complaint Process by Leveraging Technology



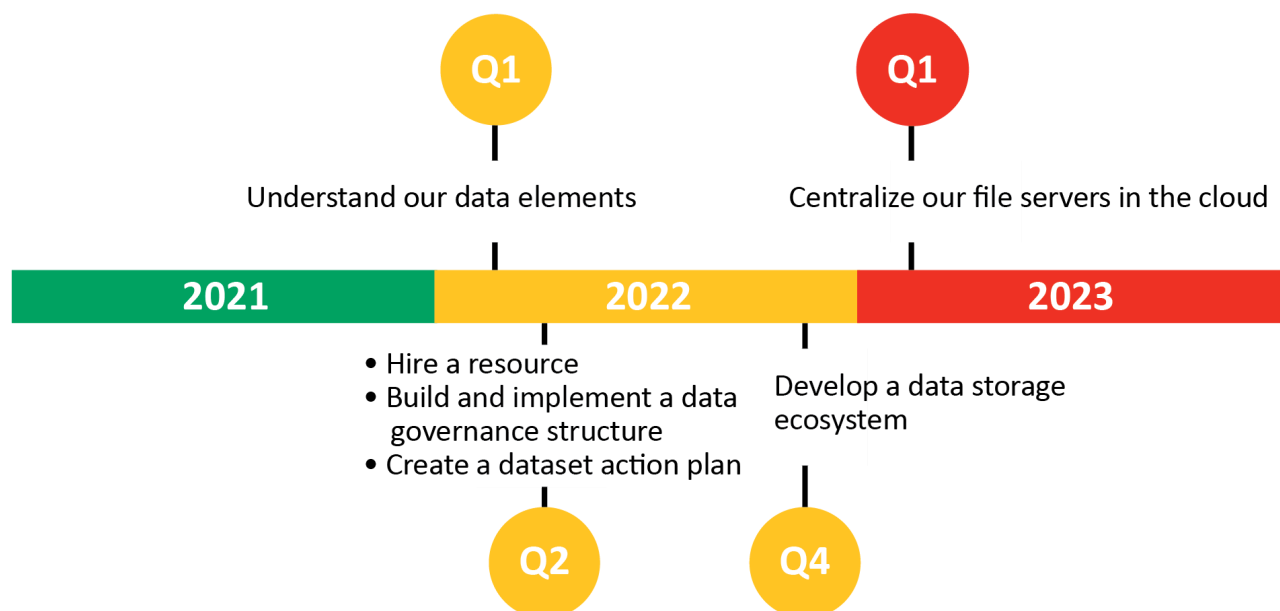


### Tactic 1:

We focused on creating a modern ticketing system to provide the best functions for receiving and responding to consumer complaints via email and phone. We developed a test platform at the end of 2021 and continue to evaluate its effectiveness for the organization. We also made significant changes to complaint intake processes that resulted in a decrease in phone call volume, an increase in email volume and a slight increase of in-mandate complaints.

Performance measures	2021 target	2021 actual
Increase percentage of in-mandate complaints	>40% <sup>1</sup>	41%
Reduce average wait times for web and written complaint responses <sup>2</sup>	2 - 4 days	1.3 days

### Business strategy 2: Create Consumer Insights Through a Corporate Data Strategy



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

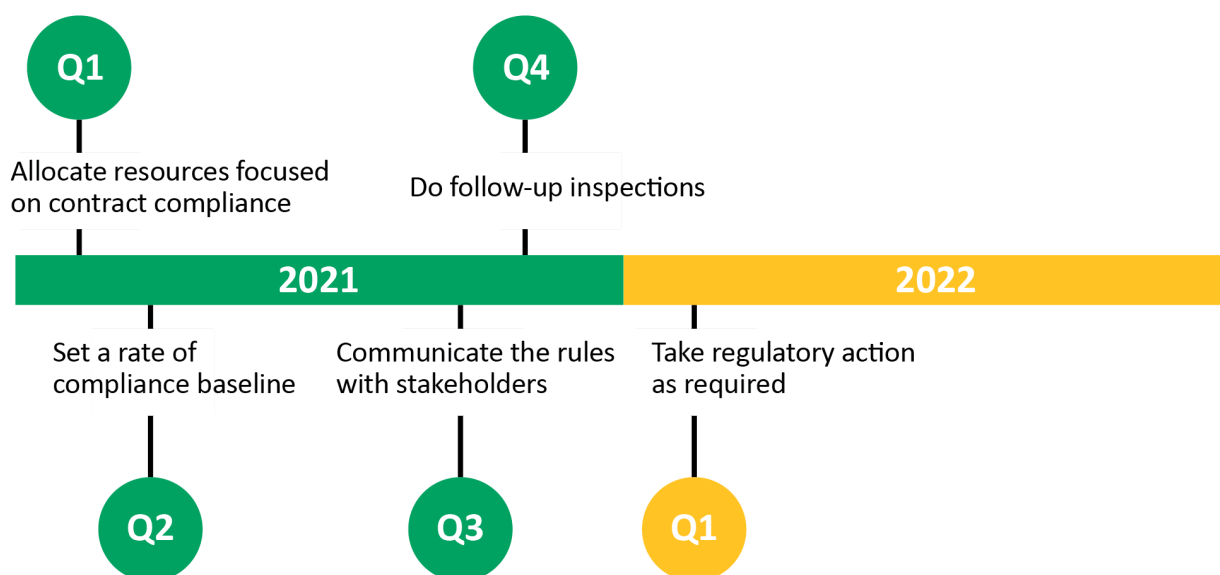
2. This target is the expected outcome, in terms of days, to respond to a consumer complaint. It measures complaint turnaround time: a lower number of days represents consumers getting information or referrals more quickly (for instance, the 2021 target was for consumers to receive a response to their complaint within two to four days; in reality, consumers were provided information within 1.3 days).

## Our 2021 work:

A new internal working group was formed in 2021 to begin a comprehensive review of all our data and create new glossaries for business, consumer, inquiry and complaint data. This review, along with glossary enhancements made, helped us gain insights into the compliance levels of fitness centres and their use of continuing services contracts. This information was used to develop a 2022 Business Plan strategy focused on contract compliance.

Performance measures	2021 target	2021 actual
Develop data management function including human, technological and operational resources to implement the corporate data strategy	90%	90%
Number of data-driven compliance and inspection-oriented strategies that address high-risk market activities	1	1
Number of features for licensees in MyAccount portal that use data to present new information and support related to licensing and compliance	1	0 <sup>3</sup>

## Business strategy 3: Increase Compliance of Continuing Services Contracts



3. In 2021, staff built and readied a new feature in the licensee MyAccount platform for debt collection financial reports. Technical issues and other priorities resulted in a deferred launch date into early 2022.

**Tactic 1:**

We focused our compliance efforts on reviewing the continuing services contracts of 74 fitness centres located across the province.

**Tactic 2:**

A compliance rate baseline was established: all of the fitness centres inspected were found to be in non-compliance with the continuing services contract requirements.

**Tactic 3:**

Our Inspections & Case Management team engaged in education efforts with the businesses, based on the rate of non-compliance. We also created new website content directed at all fitness centres in BC to help them understand the rules and promote voluntary compliance.

**Tactic 4:**

Follow-up inspections in late 2021 showed the rate of continued non-compliance was higher than expected. There are a few reasons for this, including the need by some businesses to make changes to their IT/software systems (which required more time than allotted between the two inspections) or for businesses to receive additional information from inspectors (which was then appropriately provided). This work will continue into 2022 and through the application of educational tools and, as required, enforcement action.

Performance measures	2021 target	2021 actual
Number of compliance inspections completed	74	74
Percentage of compliance inspections completed that identify business non-compliance	Baseline established	100%
Percentage of follow-up inspections completed that identify continued non-compliance <sup>4</sup>	0 - 35%	52%

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



# CONSUMER STORY: A "CATIO" TURNED CAT-ASTROPHE

Marlie\* loved her two cats but was worried about their safety with all the cars on her street. She decided she would have a cat patio built – or a “catio” – where the cats could safely enjoy the outdoors in a special area just for them.

“I wanted them to feel the earth under their feet and be able to come and go as they please,” says Marlie. She got in touch with a local contractor who had built a “catio” before. He came over to look at the property, provided a quote and said he could start construction in about three weeks. Marlie agreed and paid a 50% deposit.



Nearly nine months later, the contractor still hadn’t started the job, citing supply issues and scheduling conflicts for the delay. Marlie was beginning to get frustrated. “He just kept making excuses.”

After more delays, Marlie asked for her money back, but the business was not cooperating. “I was upset. I’m a single mother – I work hard for my money,” says Marlie. That’s when she reached out to Consumer Protection BC.

Marlie had entered what is called a future performance contract. After learning about her rights for this type of contract, Marlie sent the business a notice of cancellation because the contract was missing some required information. When the contractor received her cancellation notice, he told Marlie to take him to court.



That's when Consumer Protection BC investigators stepped in. After assessing the situation, they issued a freeze order on the business's bank accounts. When the contractor realized what had happened, he contacted Consumer Protection BC and learned that Marlie was within her rights to cancel because he had failed to include required information in the contract. He agreed to refund Marlie her full deposit.

"I was amazed at how fast it happened," says Marlie, who has since built the "catio" herself. When asked what advice she has for others in similar situations, she stresses the importance of keeping meticulous notes, getting everything in writing and to keep trying. "Don't give up. Always persevere."

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



## **CURIOUS ABOUT YOUR RIGHTS WHEN IT COMES TO CONTRACTS FOR WORK THAT WILL HAPPEN IN THE FUTURE?**

Did you sign a contract where you don't pay in full upfront or don't get the goods or services immediately (such as home repairs)? If so, you may have entered what's called a future performance contract. By law, these contracts must include specific information and, without that, may entitle you to certain cancellation rights. [Find out more.](#)



# 2021 UPDATE ON EMERGING PUBLIC POLICY

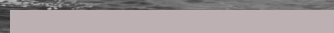
## High-cost credit grantors

Following public consultation and extensive policy work by government, the *Business Practices and Consumer Protection Amendment Act, 2019* received Royal Assent on May 16, 2019. In 2021, we worked with the Ministry of Public Safety and Solicitor General as they developed the regulations required to bring the legislation into force. Effective May 1, 2022, high-cost credit grantors will be licensed and regulated by Consumer Protection BC. The law also establishes a Consumer Financial Education Fund, which will be administered by us and used to increase compliance with the new rules and educate consumers about high-cost financial services, including payday loans, high-cost credit products and cheque cashing services.

We will be working with the new sector and all interested parties to bring the new framework into force in 2022.



# OPERATIONAL STATISTICS<sup>5</sup>



Licensed sectors:	Consumer inquiries <sup>6</sup>	Licences issued and renewed	Compliance inspections
Cremation, interment and funeral services	310	1,184 <sup>7</sup>	160
Debt collection, bailiffs and repayment agents	931	3,130	7
Home inspectors	159	472	59
Motion picture and video retailers, distributors and theatres	69	806 <sup>8</sup>	25
Payday lenders	94	180	67
Telemarketers	10	39	0 <sup>9</sup>
Travel agents and travel wholesalers	1,090	1,018	91
<b>Total</b>	<b>2,663</b>	<b>6,829</b>	<b>409</b>

<b>Total number of consumer inquiries</b>	<b>10,923</b>
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5. For more information, please read our Licensed Industry Overviews and our Financial Statements in the News and Media Centre section of our website (under [Our Publications](#)).

6. Volumes are based on each unique contact logged by our tracking system and not on multiple interactions with consumers on the same issues.

7. This number includes protected but not active cemeteries.

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

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

**Investigation files concluded:**

Licensed businesses	136
Non-licensed businesses with regulated/contracted activities	114
<b>Total investigation files concluded:</b>	<b>250</b>

**Assets, recoveries and restitution:**

Administrative penalties to the Consumer Advancement Fund <sup>10</sup>	\$40,450
Costs recovered through compliance orders and undertakings	\$23,799
Consumer restitution	\$506,479

**Motion picture classification:**

General release exhibition trailers and motion pictures viewed	675
General release exhibition trailers and motion pictures additional approvals	19,548

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10. Established through the *Business Practices and Consumer Protection Act*, the Consumer Advancement Fund (CAF) is a fund used to educate consumers and suppliers and to increase compliance with the Act, amongst other purposes. The CAF is funded, in part, by administrative monetary penalties that are levied under the consumer protection statutes Consumer Protection BC administers.

# CONSUMER STORY: HVAC COMPANY IN HOT WATER WITH BC REGULATOR OVER DECEPTIVE CONTRACTS

Simon\* was approached by a door-to-door salesperson from an HVAC company who convinced him to sign a contract for a new furnace. Because the contract was not properly written or explained, Simon didn't know the agreement was actually an expensive 10-year lease of the equipment.



When Simon's son, Justin\*, discovered the total cost of the furnace would be over \$25,000, he became worried for his father and decided to step in to help. "It was a big shock," says Justin. "At that point, I wasn't sure what to do."

Justin tried to cancel the contract, but his requests were either denied or ignored. Because the furnace had already been installed, Justin was told he could not cancel the contract. "At that point I was extremely depressed," says Justin. "The amount that was owed was absolutely ridiculous for a furnace."

Later, the HVAC company contacted Justin and Simon and said they wanted to install some missing parts for the furnace. During this visit, the HVAC company also offered to replace the previous contract with a new, less expensive one and with a different financing company. Desperate to be out of the original contract, Justin and Simon agreed.

Justin and his father later discovered that not only was the new contract more expensive than the first, but the HVAC company hadn't cancelled the original lease agreement. "They tricked us," says Justin. "They had made the whole thing intentionally confusing."



That's when Justin discovered Consumer Protection BC through a Google search and decided to reach out to see what was possible. "[The investigator] was able to answer all my questions and reassured me that she could help," says Justin.

Consumer Protection BC reviewed the information and found the HVAC company had engaged in deceptive behaviour and failed to disclose the total cost of the furnace in the contract. When everything was resolved, both contracts were cancelled and Simon was able to keep the installed equipment at no further cost.



"It was a major relief," says Justin. When asked about his takeaways from the experience, Justin encourages others to be aware of their rights, read the fine print before signing and make sure all the important information is captured in the contract.

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





# FINANCIAL REVIEW

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We ended the year with a surplus of \$460,594 compared to a budgeted surplus of \$248,516. This surplus was realized due to a prudent budgeting process, the result of a highly unpredictable marketplace due to COVID-19 and the realization of certain non-licensing-based revenue streams. Our complete audited financial statements are available in the [publications section](#) of our website.

# CONTACT US

**Mailing address:**

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**Online:**

Corporate website: [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca)

Blog: [www.consumerprotectionbc.ca/blog](http://www.consumerprotectionbc.ca/blog)

Facebook: [www.facebook.com/ConsumerProtectionBC](https://www.facebook.com/ConsumerProtectionBC)

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

YouTube: [www.youtube.com/user/ConsumerProBC](https://www.youtube.com/user/ConsumerProBC)

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