



CONSUMER
PROTECTION BC

Business Plan 2023-2025



Our offices are located on the traditional lands of the ƲSÁNEĆ and Ləkʷəŋən (Lekwungen), hə́nqamíhəm (Hun'qumy'num), Skwəwú7mesh (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.

Contents

Message from the Board Chair and CEO	3
Corporate overview.....	4
Who we are	4
Organizational excellence.....	5
Our values	5
Values statement	5
Our commitment to diversity, equity and inclusion	5
What we do.....	6
How we protect consumers	7
How we regulate businesses	8
Business Plan 2023 - 2025.....	9
Strategic framework.....	9
Areas of strategic focus	10
Focus area 1: consumer and supplier education	10
Focus area 2: compliance with contracts and agreements	11
Focus area 3: enhancement and standardization of administrative and operational processes	13
Areas of principal risk	16
Operating and capital budget.....	17

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 2023 - 2025 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 plan illustrates our strategic direction and priorities, capturing both the challenges of a rapidly changing environment as well as the opportunities before us to further strengthen consumer protection in British Columbia.

Our first strategic area of focus, *consumer and supplier education*, will deliver continued educational activities and in-mandate campaigns, positioning them as efficient and effective regulatory tools to foster consumer resilience and supplier compliance in the marketplace. Our next strategic focus area, *compliance with contracts and agreements*, will help safeguard the rights of consumers entering into contractual agreements with businesses by ensuring contracts are compliant with legislation; consumers are aware of their rights; and that effective and modern consumer protection legislation is supported. Our third strategic area of focus, *enhancement and standardization of administrative and operational processes*, will use a quality management approach to ensure our administrative and operational processes are sound, modern and allow for maximum efficiencies across our business systems.

We will continue working in a consultative and supportive manner with the BC Government to further their mandate and in response to emerging public policy priorities. We work on behalf of British Columbians to effectively administer consumer protection legislation and add value to our stakeholder groups of both consumers and licensed businesses.

Respectfully,



Rod Dewar
Board Chair, Consumer Protection BC



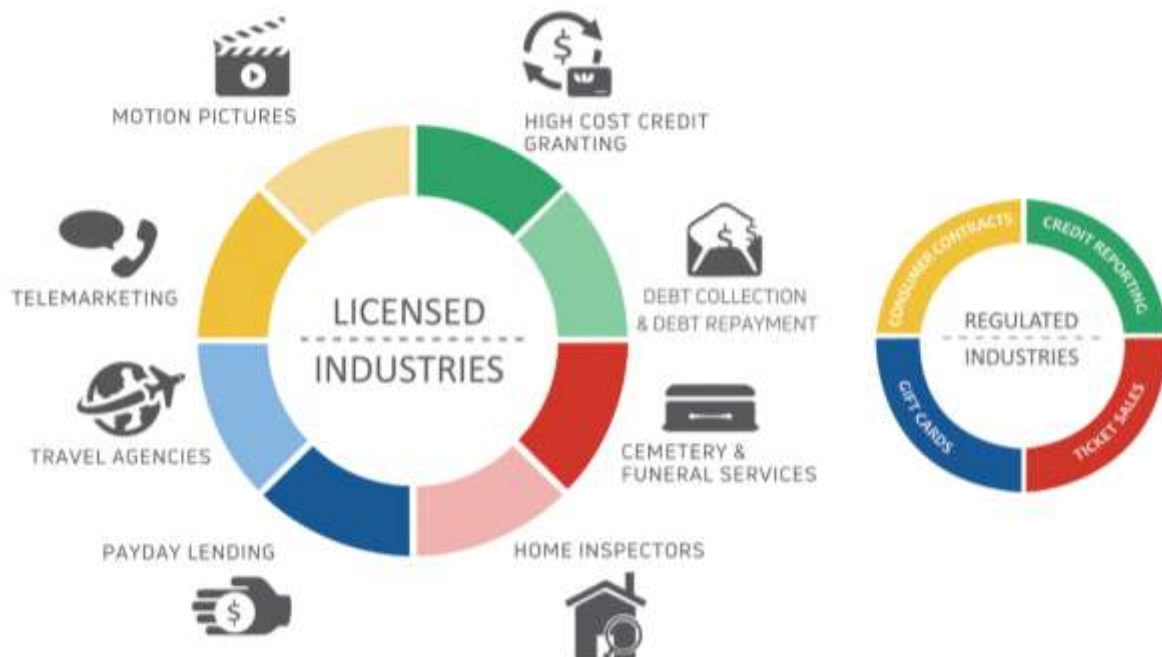
Rob Gialloreto
President & CEO, Consumer Protection BC

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 consumer protection law violations, 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]

Consumer Protection BC is a cost-recovery organization. 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

Our business activities, regulatory work, education efforts, interactions and corporate culture are guided by the tenets of diversity, equity and inclusion. In delivering the areas of strategic focus in this Business Plan, we will strive to uphold these important principles. In addition, given our authority to regulate BC's consumer protection laws, we acknowledge the responsibility we have to all British Columbians, and we honour the impact we can have to effect change within the province.

What we do

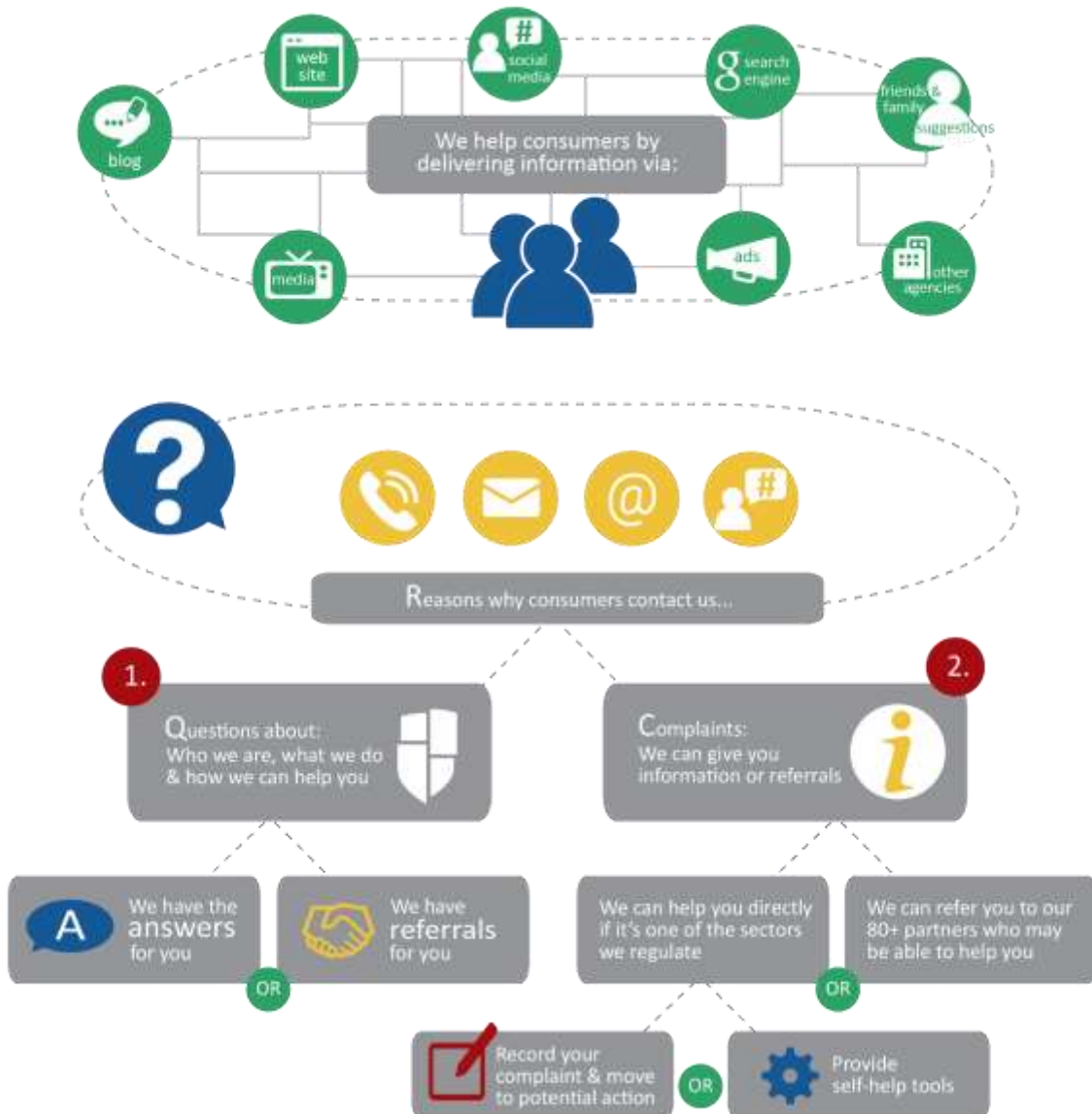
We deliver consumer protection services throughout British Columbia by:

- 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.

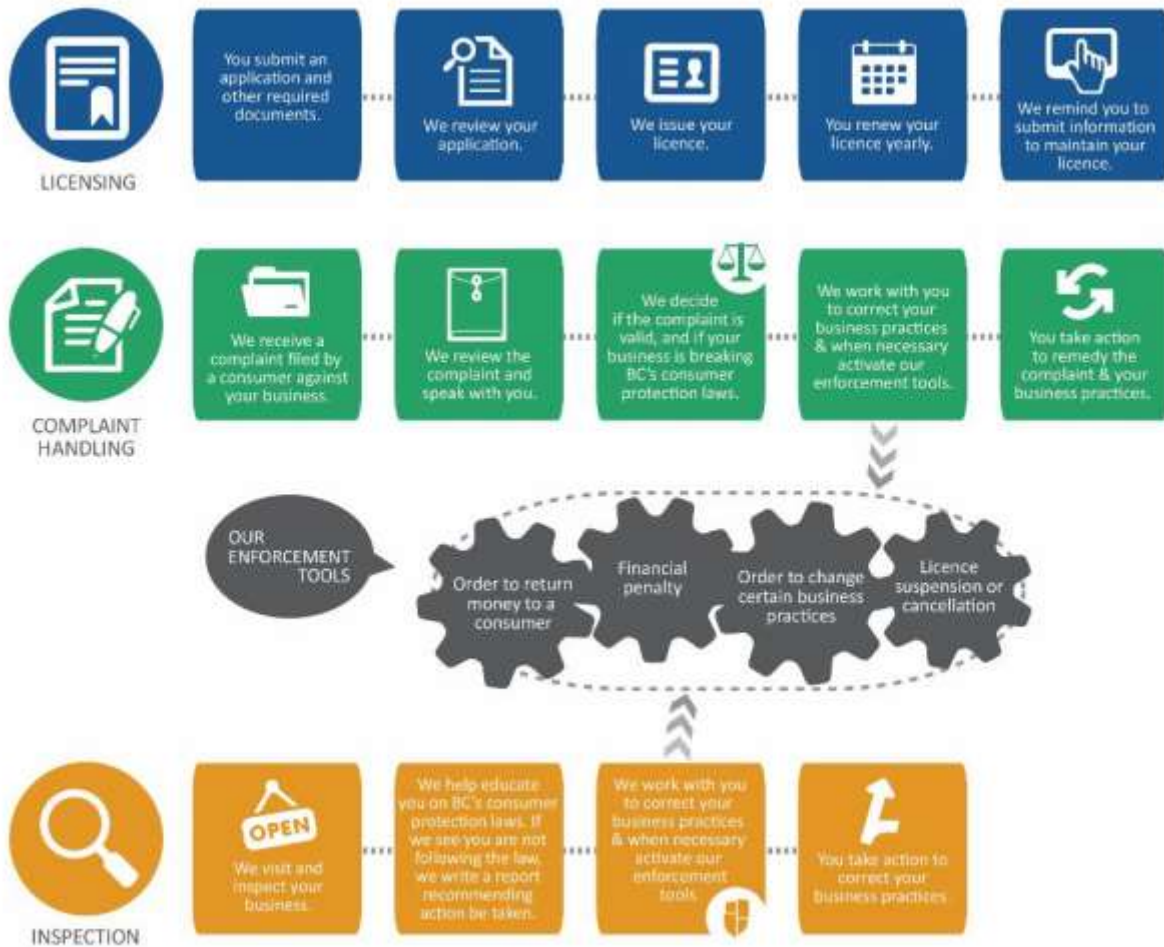
How we protect consumers

Here is how we help and protect consumers:



How we regulate businesses

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



Business Plan 2023 - 2025

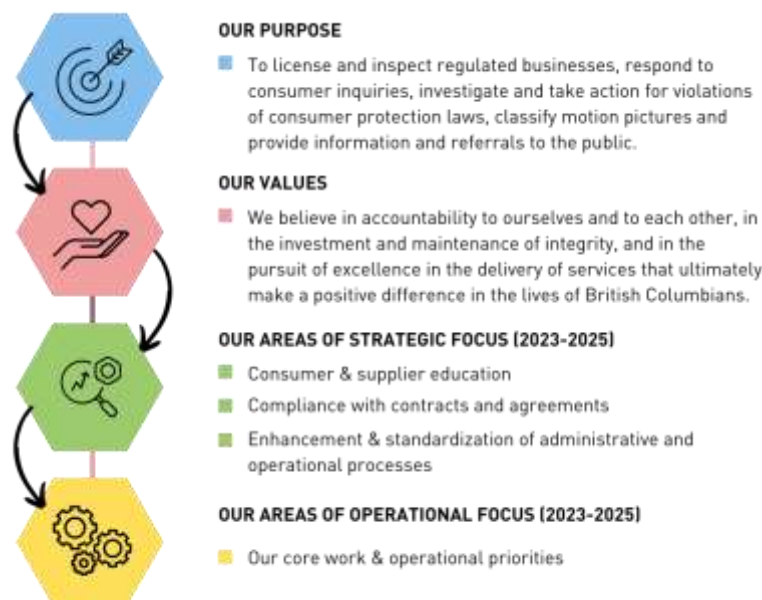
The 2023 - 2025 Business Plan describes our strategic priorities for the next three years. We live the Plan internally with our employees and Board of Directors. We share the Plan with government, regulated sectors and the public as a roadmap of how we fulfill our purpose within a dynamic regulatory environment and constantly changing marketplace.

In developing the areas of strategic focus within this 2023 - 2025 Business Plan, we used current data, assumptions and forecasting information to determine where our efforts will have the greatest impact. Our corporate values are applied in the development and delivery of our Business Plan: they are infused into our daily operating practices and serve as a guide for how we choose to act and behave as we go about our work. The Plan also summarizes 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.

While we follow the 2023 - 2025 Business Plan as a roadmap to lead to positive strategic outcomes, we continue to respond to evolving marketplace challenges, address emerging consumer risks and apply timely data analytics in agile and innovative ways. We consistently direct our regulatory resources to the most critical areas of consumer harm and evolve or create new strategic actions in the event material changes in the marketplace should occur, when appropriate and warranted.

Strategic framework

When our overall purpose as a regulator is combined with our values and areas of strategic focus, a strategic framework is established which guides the successful operation of Consumer Protection BC. Our strategic framework allows our Board of Directors to provide oversight to our strategic directions and key priorities and allows employees to develop operational deliverables which meet the needs of our key interest-holders and maximize operational productivity.



Areas of strategic focus

Each area of strategic focus for 2023 - 2025 includes an objective which is based on the strategic rationale. Our confirmed actions are documented in this Plan and other strategic actions will emerge as we respond to marketplace priorities throughout the planning cycle. Each area of focus includes the desired strategic outcome, and results will be included in the subsequent Annual Report.

Focus area 1: consumer and supplier education	
Strategic objective	Position educational activities and in-mandate campaigns related to high-priority, emerging issues as efficient and effective regulatory tools to foster consumer resilience and supplier compliance in the marketplace.
Strategic rationale	<p>The following assumptions support the strategic value of this objective and offer evidence that the application of corporate resources and capabilities to this area of focus will result in positive strategic outcomes:</p> <ul style="list-style-type: none"> • Education protects consumers by building pre-transaction resilience, offering post-transaction solutions and/or by correcting supplier non-compliance through plain language communications related to consumer protection law obligations. • Costs for educational activities can be funded through operations, the Consumer Advancement Fund (CAF) and, in certain instances, the Consumer Financial Education Fund (CFEF) and the Travel Assurance Fund (TAF). And while cross-department collaboration is needed to plan and build some educational activities, the overall investment works proactively and in concert with Consumer Protection BC's regulatory function to continue to increase consumer and business knowledge and business compliance. • Internal data related to consumer issues and supplier non-compliance will guide the need, and required tactics, to create "just in time" educational activities. • Strong social engagement and the positioning of our website as a source of trusted information allows for the effective deployment of educational activities and for key messages from targeted campaigns to persist over multiple years. • The Provincial Government supports education as a regulatory tool, as shown by their recent inclusion of the CFEF as a licensed business funding compliance resource for high-cost credit grantors and payday lenders. We are also obligated to educate, under our Administrative Agreement with the BC Government.

Strategic actions	<p>Strategic actions will be identified and validated through ongoing environmental assessments, gathering of external data, analysis of internal data and outcomes of strategic actions. Based on the current situation, confirmed strategic actions include:</p> <ul style="list-style-type: none"> • Deliver year two of the debt collection consumer campaign to ensure that consumers being contacted by debt collectors have a persistent pathway to accurate information (to be completed in 2023). • Leverage our educational resources to build awareness by licensed and non-licensed businesses about their contractual obligations (within our oversight) (to be completed in 2023).
Strategic outcome	<p>Achievement of the strategic outcome will be measured by identifying key performance indicators for each educational campaign or educational activity. Educational efforts will be based on high-priority emerging issues which will be supported by internal and external data and provide for an assessment of the marketplace risk before and after the educational effort.</p> <p>Strategic outcome achievements include:</p> <ul style="list-style-type: none"> • Through increased awareness of consumer rights information and improved access to Consumer Protection BC resources, consumers will be better informed to address and respond to debt collector communications (2023). • Business compliance will be improved through educational activities targeted at addressing common areas of non-compliance (2023). • Business compliance will be improved through the provision of new proof-of-concept self-assessment tools (2023). • A marketplace assessment and review of previous educational efforts will be completed in Q4 2023 and 2024, informing the scope and focus of ongoing annual campaigns (completed in 2024 and 2025).

Focus area 2: compliance with contracts and agreements	
Strategic objective	<p>Protect the rights of consumers when entering into contracts and agreements with suppliers by ensuring that they are compliant with legislation; consumers are aware of their rights; suppliers are complying with contract and agreement-related statutory obligations; and that effective and modern consumer protection legislation is supported.</p>
Strategic rationale	<p>The following assumptions support the strategic value of this objective and offer evidence that applying corporate resources to this area will result in positive strategic outcomes:</p>

	<ul style="list-style-type: none"> • Annually, we get an average of 1,000 in-mandate consumer inquiries related to contract matters. In 2021, in-mandate contract inquiries made up 22% of the 4,336 total in-mandate inquiries we received. • In 2021, we secured \$506,000 in restitution for consumers. Contract-related complaint files made up 97% of this amount (\$490,000). • Inspections of continuing services contracts of fitness clubs in 2021, resulted in a 100% rate of non-compliance. Similar work done in 2022 of businesses using future performance and distance sales contracts had a 96% rate of non-compliance for both types of contracts.¹ When examined individually, the rate of non-compliance for future performance contract requirements was 54%, whereas the non-compliance rate for distance sales contracts was 97%. The lower rate of non-compliance with future performance contract requirements is attributed to previous inspection work done with businesses in this area. No similar past compliance work has been done with businesses related to distance sales contracts. • The BC Government’s consumer protection modernization project may result in an enhanced legislative framework for consumer contracts. • Contract non-compliance continues to be a marketplace issue, as shown by internal data analysis and as exacerbated through changes in consumer spending behaviour (e-commerce being an example). In developing future strategic focuses, considerations will be made related to distance sales contracts, merchant refund obligations for e-commerce transactions (including credit card and other payment platforms), payday lending and high-cost credit agreements and mortgage contracts.
Strategic actions	<p>Strategic actions will be identified and validated through ongoing environmental assessments, analysis of internal data and outcomes of strategic actions. Based on the current situation, confirmed strategic actions include:</p> <ul style="list-style-type: none"> • Through document submission and analysis, assess the compliance rate of all high-cost credit grantor agreements for licensed businesses. Correct non-compliance through a variety of proven techniques, which may include escalating enforcement and education (work started in 2022 and will be completed in 2023). • Travel inspections completed in 2022 identified high rates of consumer contract non-compliance. Based on follow-up inspections completed in Q4 2022, an effort will be required across all licensed travel businesses to ensure that contracts are compliant

¹ 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 contact is an agreement that is not entered into in-person, such as an online purchase.

	<p>and that consumer transactions meet requirements under the <i>Business Practices and Consumer Protection Act</i> (to be completed in 2023).</p> <ul style="list-style-type: none"> Identify and respond to lender non-compliance related to mortgage discharge obligations under the <i>Business Practices and Consumer Protection Act</i> (to be completed in 2023). Consistent with our mandate, we will continue to monitor the marketplace and provide timely and reliable information to government, including in support of the BC Government’s ongoing consumer protection modernization project (to continue through 2024 and 2025, as appropriate).
<p>Strategic outcome</p>	<p>Achievement of the strategic outcome will be measured by defining the benchmark contract compliance rate prior to regulatory action and comparing it to the post-action compliance rate; then, if necessary, enforcement will be escalated to achieve compliance. Beyond this, further outcomes will be achieved as strategic actions are confirmed in response to a rapidly changing BC marketplace.</p> <p>Strategic outcome achievements include:</p> <ul style="list-style-type: none"> Contract compliance for high-cost credit grantors, a newly-regulated sector, is maximized (to be completed in 2023). To the benefit of both travel licensees and consumers, increased business awareness of contract requirements and improved compliance rates over those seen in 2022 (to be completed in 2023). The rate of lender compliance with mortgage discharge obligations will be validated and enforcement actions will be taken to address non-compliance (to be completed in 2023). Consumer Protection BC’s most current marketplace intelligence and data information will continue to be provided to the BC Government to support consumer protection modernization legislation, addressing potential gaps in the current marketplace or otherwise supporting more effective regulatory activities (to continue through in 2024 and 2025, as appropriate).

<p>Focus area 3: enhancement and standardization of administrative and operational processes</p>	
<p>Strategic objective</p>	<p>Using a quality management approach, consider all administrative and operational processes to create the most effective workflow and pathways to process outcomes and ensure resource deployment and productivity is maximized in all operational areas.</p>

Strategic rationale	<p>The following assumptions support the strategic value of this objective and offer evidence that the application of corporate resources and capabilities to this area of focus will result in positive strategic outcomes:</p> <ul style="list-style-type: none"> • Current administrative and operational processes have been developed over time. Due to the volume of these policies and the size of the organization, there is a need to examine these policies to either validate or increase policy effectiveness. • With consistent and standardized processes, consumers and licensed businesses can more easily conduct engagements with us. • Administrative and operational processes are most effective when they are oriented towards diversity, equity and inclusion. Accessible processes enhance our ability to fulfill our mandate and offer improved access to individuals and businesses from diverse backgrounds. • Administrative and operational processes can be a source of liability. Ensuring the quality of all processes reduces the likelihood and potential harm of a risk scenario. • The BC marketplace is dynamic and always evolving. Efforts to regulate the provincial marketplace and its wide range of consumer transactions require a commitment to continual improvement as current processes may not be as effective for future needs. • Consistent and standard processes support effective employee onboarding as it shortens the corporate learning cycle by logically connecting cross departmental, interactive policies and procedures. • Quality management supports evidence-based decision making as decisionmakers can rely on the data and information produced by systems throughout the organization. • Our Board of Directors can focus with confidence on organizational outcomes, risk mitigation and other key aspects of governance, confident that the underlying administrative and operational processes are sound as measured by independent certification (much the way financial audits certify financial processes). • Our corporate reputation with key interest-holders is increased when processes are consistently improved and enhanced.
Strategic actions	<p>These strategic actions will build on recent internal and external analysis of administrative and operational processes and an organizational restructuring completed in fall 2022. Based on the current situation, confirmed strategic actions include:</p>

	<ul style="list-style-type: none"> • Externally validate Consumer Protection BC’s cybersecurity program to confirm that best practices are deployed to manage and secure data, systems and all related technology processes (to be completed in 2023). • Create and train the internal position of Director of Quality Management which will focus on identifying, reviewing and leading the enhancement and standardization of administrative and operational processes (to be completed in 2023). • Define the most appropriate framework or approach to a quality management system and implement the system to identify those policies and procedures that have the highest priority for review and enhancement (to be completed in 2023).
Strategic outcome	<p>Strategic outcome success will be realized by developing internal quality assurance capabilities, defining the overall scope of the quality management system, measuring the quantitative and qualitative value of completed process enhancements and progress towards, achievement and maintenance of Canadian, International (ISO) and other standards.</p> <p>Strategic outcome achievements include:</p> <ul style="list-style-type: none"> • Cybersecurity certification readiness, and successful audit completion, will further harden Consumer Protection BC’s against risk of cyber incidents (to be completed in 2023). • Quality management certification will lead to the development of a Quality Management Plan to guide the identification of administrative and operational policies and procedures for enhancement (to be completed in 2023). • The application of a quality management process will provide proof of concept for future administrative/operational enhancements (to be completed in 2023). • High-priority administrative/operational policies and process will be enhanced using the principles of the Quality Management Plan (to be completed in 2024). • Quality Management ISO certification readiness and successful audit completion (to be completed in 2025).

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 interest holders, 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 licensed business, government and public risk. Mitigation efforts focus on clear and concise communications with all interest holders 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 and composition matrix, sound intelligence presented at strategic planning sessions and regular accountability reporting to interest holders.

Operating and capital budget

Consumer Protection BC is a cost-recovery organization. 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.

The following budgets outline the financial and human resources required to deliver our overall regulatory purpose and execute the areas of strategic focus articulated in the 2023 - 2025 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 fiscal direction we have taken since our establishment in 2004.

Operating budget				
Resources and outputs	Fiscal year (\$ thousands)			
	2022 estimate	2023	2024	2025
Total revenue	\$7,084,928	\$7,530,141	\$7,741,927	\$7,906,956
Total expenditures	\$6,926,428	\$7,481,512	\$7,695,881	\$7,905,916
Excess of revenues over expenditures	\$158,500	\$48,629	\$46,046	\$1,041
<i>Full time employees (FTEs)</i>	41.6 FTEs	49.1 FTEs	49.6 FTEs	49.6 FTEs

Operating reserve budget				
Investment income	(\$155,000)	\$201,683	\$135,791	\$142,290
Investment expense	\$15,000	\$16,000	\$17,000	\$18,000
Excess of revenues over expenditures	(\$170,000)	\$185,683	\$118,791	\$124,290

Capital reserve budget				
Gain/(Loss) on sale of asset	(\$290)	0	0	0
Amortization	\$83,705	\$47,035	\$96,979	\$112,824
Deficiency of revenue over expenditure	\$83,995	\$47,035	\$96,979	\$112,824
<i>Base and planned expenditures</i>	\$57,000	\$171,500	\$284,500	\$70,500