



Investing with confidence for financially vulnerable Canadians

**October 18, 2022
1pm - 2pm EDT**

Welcome!

Thank you for joining today's webinar, **Investing with confidence for financially vulnerable Canadians**, hosted by Prosper Canada.

The presentation will begin shortly. Audio will begin when the presentation starts.

Technology details:

- For technical assistance, call GoToWebinar support line at 1-855-352-9002 or visit GoTo Webinar online at <https://support.goto.com/webinar>
- Please check that the volume is turned up on your computer.
- If dial in option is required, please dial in as follows:
 - Telephone or computer mic & speakers (VoIP) - Canada: **1-647-497-9368**
 - Audio & Access Code: **726 706 512**
 - Toll free option not available

Webinar logistics

Audience members have been put on 'mute' for this webinar and **panelists' webcams have been turned off.**

Please **share any questions** and **respond to questions posed by panelists** using the **'Question' box** (located in the GoTo Webinar control panel).

PDF downloads of this slide deck and panelist resources are available in the **'Handouts' box** (located in the GoTo Webinar control panel) and will be emailed to all registrants within a few days.

This webinar is being **recorded**. We will **post a recording** on our website and **email the recording link** to all registrants within a few days.



Land acknowledgement

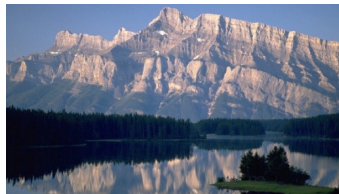
Prosper Canada – Who we are

Founded in 1986, Prosper Canada is a national charity dedicated to expanding economic opportunity for Canadians living in poverty through program and policy innovation.

As **Canada's leading champion of financial empowerment**, we work with governments, businesses and groups to develop and promote financial policies, programs and resources that transform lives and foster the prosperity of all Canadians.

We help service systems and organizations in all sectors to build proven financial empowerment approaches into their businesses in ways that:

- Are **sustainable**
- Help them **achieve their goals**
- Tangibly **increase the financial well-being of the low-income people** they serve.



Today's presentation

1. **Welcome and introduction**
2. **FAIR Canada:** important information for vulnerable investors to know
3. **Ontario Securities Commission:** basics of investment fraud and protecting your investments
4. **Investor Protection Clinic at Osgoode Hall Law School:** investment protection information for people living on low incomes
5. **Q&A**

Introduction: Our speakers



Tasmin Waley

Policy Counsel

FAIR Canada

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Christine Allum

*Senior Advisor, Investor
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Ontario Securities Commission

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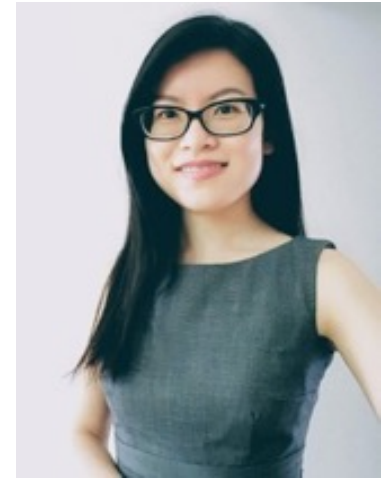


Brigitte Catellier

Associate Director

**Investor Protection Clinic at
Osgoode Hall Law School**

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Carrie Wong

*Manager, Learning and
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We'd love to hear from you

1. What part of the field do you work in?

- Government agency
- Non-profit
- Private sector
- Community agency
- Other - *please provide your response in the "Question" box*

2. Approximately what percentage of your clientele is interested in investing or currently invests?

- 0% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%
- Unsure

A photograph of a young Black woman with curly hair, smiling and looking at a smartphone. She is wearing a white shirt. The background is a blurred indoor setting with a couch and pillows. A red semi-transparent banner is overlaid on the left side of the image, containing the title text.

Investing with Confidence for Financially Vulnerable Canadians

Prosper Canada Webinar
October 18, 2022

FAIR Canada

Outline

- Why Invest?
- Is Investing Right for Me?
- Investment Tips for Lower-Income Investors
- Other Ways to Achieve Your Financial Goals
- Invest in Your Financial Well-Being

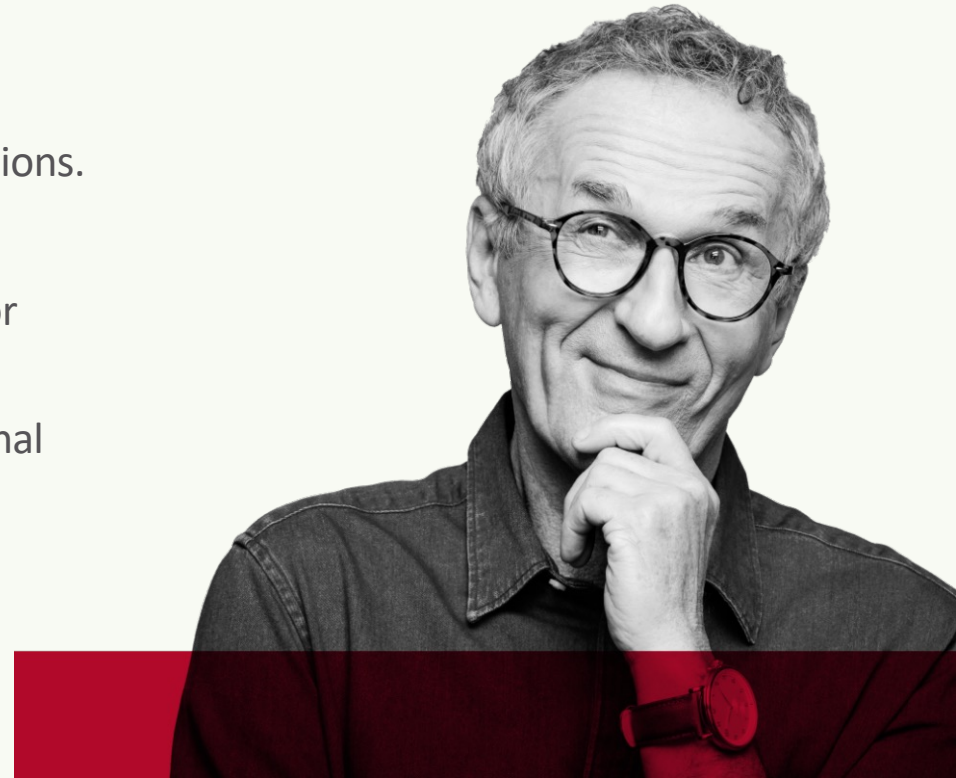
Why Invest?

- What is Investing?
- Investing is a way to help achieve your financial goals.
- It gives your money the chance to grow more quickly than it would in a savings account.
- Investing involves risk, but a disciplined, long-term investing strategy can help increase your wealth.

Is Investing Right for Me?

FAIR Canada

- Before you invest, ask yourself a few key questions.
- Does investing make sense for me?
- It may be better to pay off high-interest debt or buy life insurance rather than invest.
- If possible, work with an investment professional to help decide if investing is right for you.



Is Investing Right for Me? Risk Tolerance

What is your risk tolerance?

- How comfortable are you with not knowing what you will make from your investments and with losses?
- You don't need a lot of money to start investing, but you need to be comfortable with the risks.
- A [questionnaire](#) can help you assess your risk tolerance.

Is Investing Right for Me? Investment Knowledge

What is your investment knowledge?

- Do you understand the different types of investments and investment accounts?
- Do you understand the impact of fees on your returns?
- A [quiz](#) can help you assess your investment knowledge.



Is Investing Right for Me? Fraud and Scams

Are you susceptible to fraud and scams?

- If an investment seems too good to be true, it probably is.
- Do your own research and carefully consider your options.
- Understand the common [red flags](#).
- A [quiz](#) can help you assess your fraud awareness.

Is Investing Right for Me? Time Horizon

What is your time horizon?

- Short term: you may favour investments that guarantee your return, so your money is there when you need it.
- Long term: you may make riskier investments.
- Have realistic expectations and don't expect to "get rich quick" from investing.



Investment Tips for Lower-Income Investors

- Where possible, avoid borrowing money to invest.
- Look for financial products with lower fees.
- Take the time to understand the product to avoid surprises down the road.
- Consider getting advice from a knowledgeable, trustworthy person or exploring use of a robo-advisor.

Other Ways to Achieve Your Financial Goals



Save

- Emergency fund
- Automatic transfers to savings account
- Tax refund

Pay off Debt

- Good debt vs. bad debt
- Interest rate on debt
- Credit card debt

Invest in Your Financial Well-Being

- Financial goals look different for everyone, but the importance of financial well-being is universal.
- Financial well-being means feeling confident that you can comfortably meet your financial commitments.



Invest in Your Financial Well-Being: What the Research Tells Us¹

- Money is the greatest source of stress in our lives. It ranks higher than health, work and family obligations.
- Financial well-being often leads to less stress, happier relationships, and better health.
- Financial well-being is more strongly tied to behaviours than to income: higher income doesn't always mean better financial well-being.

1. Financial Consumer Agency of Canada: [Invest in your financial well-being](#) (November 1, 2018); [Financial well-being in Canada survey results](#) (November 2019).

Invest in Your Financial Well-Being: Key Behaviours **FAIR** Canada

Financial well-being is tied to the following behaviours:²

1. Active saving
2. Not borrowing for daily expenses
3. Keeping track of your money
4. Spending restraint
5. Limited use of credit
6. Planning use of your income
7. Informed financial decision-making
8. Informed product choice

2. Financial Consumer Agency of Canada, [Financial well-being in Canada survey results](#) (November 2019).

Thank you!

AVOIDING INVESTMENT FRAUD

Prosper Canada Webinar - October 18, 2022



ONTARIO
SECURITIES
COMMISSION

INVESTOR OFFICE

Slides are incomplete without the accompanying oral commentary

ONTARIO SECURITIES COMMISSION

- An independent agency of the government of Ontario that is responsible for regulating Ontario's capital markets
- Our mandate is to provide protection to investors from unfair, improper or fraudulent practices; to foster fair, efficient and competitive capital markets and confidence in capital markets; to foster capital formation; and to contribute to the stability of the financial system and the reduction of systemic risk
- Investor Office
 - We educate people about their finances
 - We conduct research to better understand investor issues
 - We apply a human lens to the OSC's work and the issues that people face
 - We identify and develop policy solutions

FRAUD

- In 2021, Canadians reported losing \$379 million to fraud
- In 2022, Jan. to July, Canadians reported losing \$284 million to fraud
- Estimated that < 5% of frauds are reported

CRYPTO SCAM

Target: Anyone

How it works:

- Promised high returns in crypto asset investments
- Approached by a trusted online friend offering to help you make money in crypto (romance scam)
- Approached to take part in an Initial Coin Offering (ICO)
- Unable to access crypto assets or money in investment account

AFFINITY FRAUD

Target: Groups sharing a common identity or purpose (e.g., cultural, religious, occupational, sports-related)

How it works:

- Fraudsters approach potential victims through a group or community organization that they belong to
- When they have developed a strong relationship or gained the group's trust, they convince people to invest in their scheme

PONZI SCHEME

Target: Investors

How it works:

- Investors are recruited and encouraged to recruit others
- Money from new investors are used to pay investment returns to earlier investors
- Returns are not earned from investments

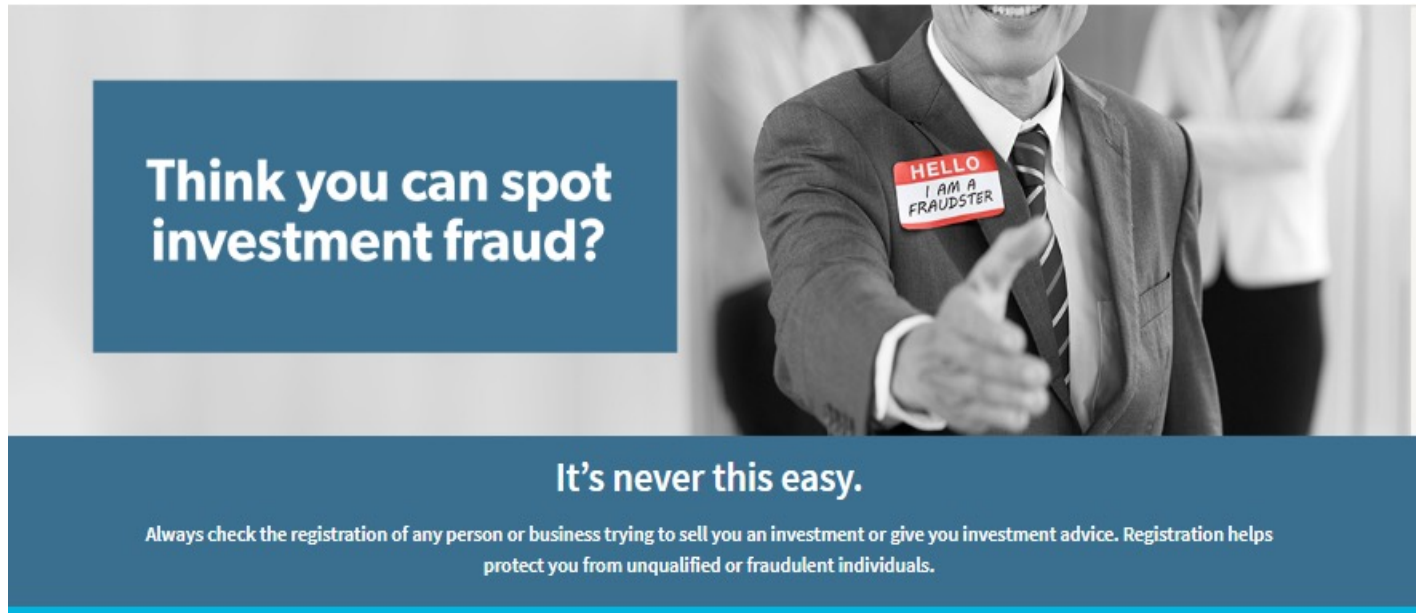
WARNING SIGNS OF FRAUD

- High pressure sales tactics, must act now
- Phone call, email or text from someone you don't know
- Free incentives
- Promise of high or guaranteed returns with little to no risk
- Encouraged to recruit friends/family
- Unregistered business or individual
- Suggest falsifying financial information
- Acting on inside information or hot scoop – insider trading

PROTECT YOURSELF FROM FRAUD

1. Keep your personal and financial information private
 - Don't respond to unsolicited calls, emails, text messages
 - Don't post personal identifiers (online profile, photos, announcements)
 - Don't send money to someone you have not met in person
2. Take time to verify the opportunity or deal
3. If a deal sounds too good to be true, it probably is
4. Know who you are working with – do a background check

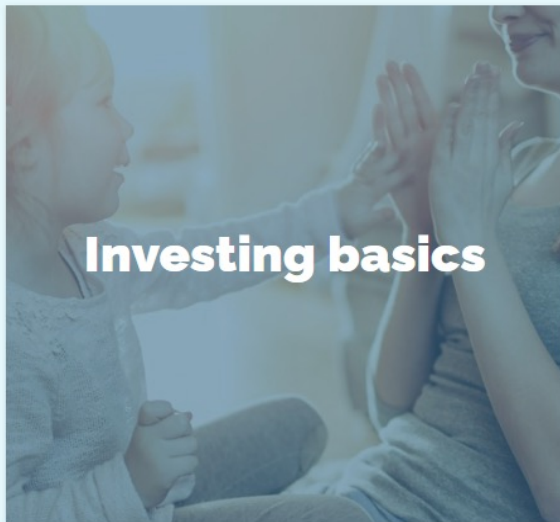
DO A BACKGROUND CHECK



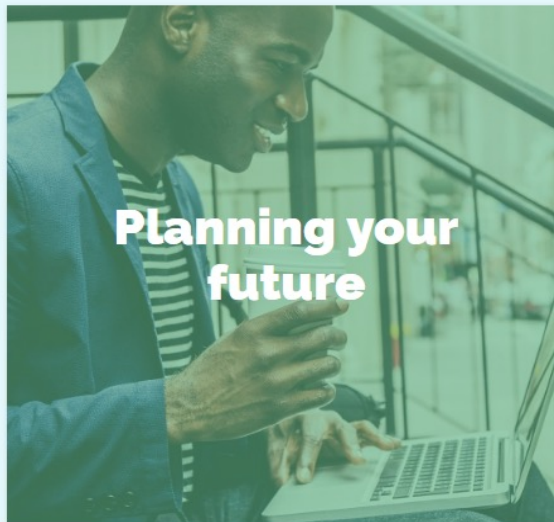
- Always check the registration of any person or business trying to sell you an investment or give you investment advice.
- Registration helps protect you from unqualified or fraudulent individuals.
- Visit: [CheckBeforeYouInvest.ca](https://www.checkbeforeyouinvest.ca) or call 1-877-785-1555

Get smarter about money

I am looking for...



Investing basics



Planning your future



Protect your money

KEY INFORMATION

Contact OSC to:

- Report fraud
- Check registration
- Ask an investing question

Tel: **1-877-785-1555**

Email: **Inquiries@osc.gov.on.ca**

OSC financial education website:

GetSmarterAboutMoney.ca

QUESTIONS?





INVESTOR PROTECTION CLINIC

Osgoode Hall Law School

Prosper Canada Webinar on *Investing with confidence for financially vulnerable Canadians* –
October 18, 2022

Executive Summary

Objectives of this Presentation



Provide an overview of the Clinic and its role in promoting investor protection



Discuss key issues facing vulnerable investors



Explain how the Clinic provides investor education

About the IPC

The **Osgoode Investor Protection Clinic** (IPC) was established in 2017 as the first pro-bono legal clinic in Canada that specializes in investor protection issues. The IPC provides free legal advice to people who believe their investments were mishandled and who cannot afford a lawyer. Case files are managed by student caseworkers under the oversight of the clinic directors and lawyers from leading business law firms in Ontario.

Types of Complaints

- Suitability of investments and fees
- Inadequate disclosure about a product or fees
- Instructions not followed by a financial services representative
- Inappropriate advice given (lack of discussion)
- Misrepresentation by a financial services representative
- Fraud
- Delays in buying, selling, or transferring funds

Scope of Clinic Assistance

Students work under the supervision of the Clinic's Directors and the supervising lawyer(s) to help clients:

- Understand their options
- Prepare complaint/demand letters
- Pursue civil claims in Small Claims Court
- Settlement negotiations



Representative Cases

- The client (aged 60+) was approached by an investment advisor at a family gathering
- The investment advisor was a registered broker
- The client was advised to take out a bank loan of \$5,000 to invest. This was found to be an unsuitable investment.
- The bank sued the client in Small Claims Court for the outstanding amount of the loan
- The Clinic assisted the client in obtaining a settlement offer from the bank of \$3,200 for the \$5,000 loan
- The Clinic then assisted the client in filing a complaint with the broker related to the recommendation of an unsuitable investment
- The broker made a settlement offer to the client of over \$7,000

Representative Cases

- The client was a single parent with low income. He had invested small amounts with the advice of a friend who was a broker at an insurance company. Over the years, he had invested a total of \$10,000.
- He asked the Clinic for help when he noticed that amounts had been withdrawn from his account without his authorization.
- Upon further investigation, the Clinic discovered that he had actually been defrauded over \$9,000 over the course of several years. His friend had falsified his signature and withdrawn amounts from his account.
- The Clinic assisted the client in filing a complaint with the police and cooperating with a police investigation.
- The Clinic also assisted the client in filing a complaint with the insurance company and obtaining reimbursement of the full amount of his loss and a refund of all transaction fees.

Key Challenges

- 1 Low Investment Knowledge
- 2 Obtaining Advice for Small Investments
- 3 Scams and Fraud

Investor Education

- 1 Video Series
- 2 Investors' Guide To Avoiding Crypto Scams.
- 3 Community Outreach

WE MAY BE ABLE TO HELP.

**We can review your individual claim
and provide specific advice.**

In addition we may:

- Write a complaint letter on your behalf to the bank, firm or regulator
- Guide you through the various dispute resolution processes
- Represent you at a hearing

The Clinic is run by Osgoode Hall Law School students supervised by lawyers from leading Canadian law firms.

The Investor Protection Clinic, a joint initiative between Osgoode and FAIR Canada and funded by the Law Foundation of Ontario.



INVESTOR PROTECTION CLINIC

Osgoode Hall Law School | York University

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PROTECTION
CLINIC**





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INVESTOR PROTECTION CLINIC

Osgoode Hall Law School

Thank you! Questions?

Resources

Resources are available for download in the "Handouts" function of this webinar, accessed in the GoTo Control panel.

They will also be emailed to webinar registrants and shared on the [Prosper Canada Learning Hub](#) in the days following this webinar.

Available resources include:

- PDF slide deck
- FAIR Canada Resource Handout
- Investor Protection Clinic Resource Sheet

Questions?



Q+A Period

Question from audience

Are there any simple investment products that are appropriate for people on social assistance?

Panelist response

From Tasmin: It's very difficult to suggest any particular investment product for a category of people. Everybody is unique and must determine their personal investment preferences considering factors such as risk tolerance, time horizon, and investment goals. Two specific savings vehicles that might be helpful are RESPs and workplace pensions, as the government/employer matches a portion of your contributions. In the case of RESPs, you may be eligible for extra government grants based on your income and the amount contributed to the account. In all cases, it's recommended that people on social assistance consult with the Ministry or their caseworker to confirm if/how investments may impact their current benefits.

Q+A Period

Question from audience

If someone is offering the opportunity to take part in a cooperative, do they need to be registered?

Panelist response

From Christine: The OSC regulates the investment industry. Co-operative credit associations are regulated by the Financial Services Regulatory Authority of Ontario (www.fsrao.ca).

Q+A Period

Question from audience

How do you check the registration or legitimacy of someone in the insurance field?

Panelist response

From Christine: Check with the financial services regulator authority in your jurisdiction. The [Financial Services Regulatory Authority of Ontario](#) regulates insurance and other financial services in Ontario specifically. For a list of jurisdictions and regulators, see the following: www.ccir-ccrra.org/Members

Q+A Period

Question from audience

What steps (if any) is the government taking to protect Canadians from fraud?

Panelist response

From Tasmin: I am unable to speak to what steps are being taken by the government, but FAIR Canada has published a [guide](#) to protect yourself against investment fraud.

From Christine: I also cannot speak to actions the government is taking. The OSC aims to provide education to Canadians to better protect themselves, while providing further protection through regulations.

Q+A Period

Question from audience

How would you encourage someone who is skeptical of investing to start their investment journey?

Panelist response

From Tasmin: If you are a skeptic, consider starting small and with a low-risk investment option to see how it goes. If you become more comfortable with it, you can adjust your investment options to better fit your preferences.

From Christine: It may help to think of investing as a way to achieve your financial goals. Investing with a plan can help reduce your stress levels about investing. A plan can help you keep track of your goals and can also be adjusted as needed. Visit [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca) to learn more about getting started with investing.

Thank you for joining us!

We will be sending you an email soon with:

- Slides from today's webinar
- Resources provided by today's panelists
- Link to webinar recording
- Link to post webinar survey

We will also post the recorded webinar on our Learning Hub:

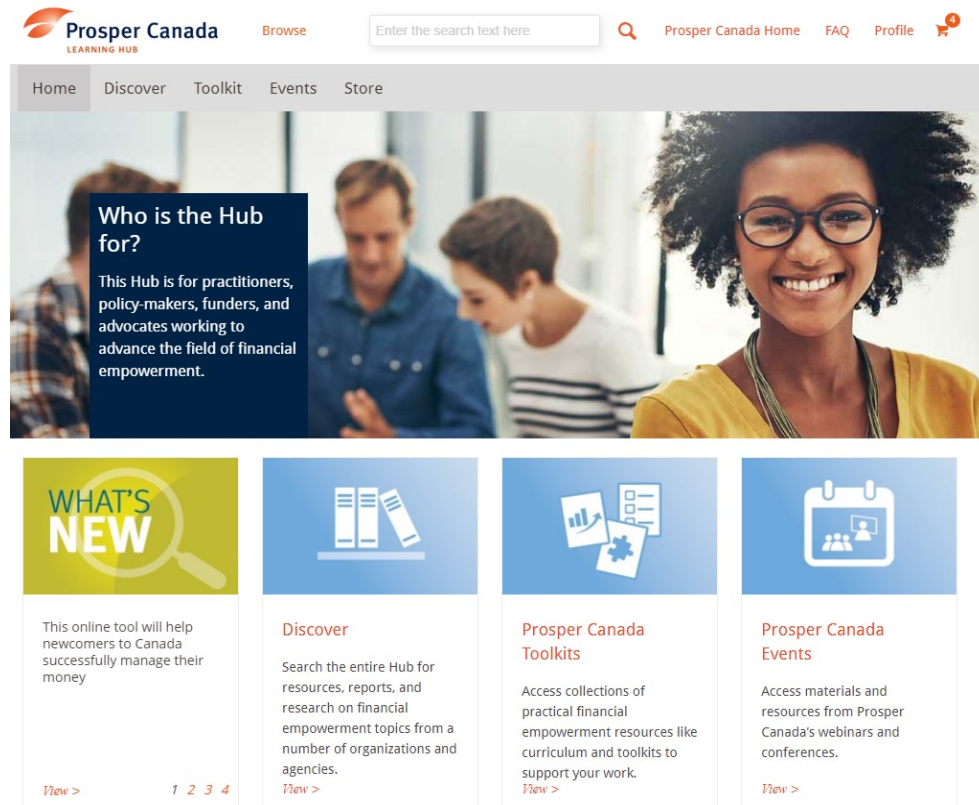
<https://learninghub.prospercanada.org/webinars/>

This webinar was developed with support from:

Ontario Securities Commission (OSC)

Investment Industry Regulatory Organization of Canada (IIROC)

Visit our Learning Hub to view our past webinars



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