

# 2023



**ANNUAL**  
**REPORT**





# OMVIC 2023 Annual Report

Page **03**  
**Introduction**

Page **06**  
**Corporate  
Overview**

Page **15**  
**Departmental  
Overviews**

Page **33**  
**Financial  
Statements**



## Message from the Chair of the Board



**On behalf of the board**, I am pleased to present OMVIC's 2023 Annual Report.

Reflecting on the achievements and challenges of 2023, I am proud of our progress in several areas, particularly in our collaboration with MPBSD to transform OMVIC's governance structure.

During the 2023 Annual Meeting, OMVIC's membership elected a new nine-member board with a balanced and skill-based composition. For the first time in our 25-year history, we had the opportunity to diversify the talent on the board through the election of three members from the industry, three from the public, and three appointed by the Minister of Public and Business Service Delivery.

These governance changes have facilitated a more efficient and effective governance model enabling a stronger focus on OMVIC's important consumer protection mandate. We welcomed four new board members, Linda Franklin, Daniel Hanna, Bruce Matthews, and Glen Padassery, who joined existing board members Sohail Ahmed, Rod Jackson, Jason Mayhew, and Patricia Perkins. Working alongside a board that is dedicated to governance, financial oversight, and risk management has been a privilege.

Building on OMVIC's governance transformation, we also introduced a two-part advisory model aimed at enhancing our consumer protection mandate. The Consumer Advisory Council and the Industry Advisory Council will meet quarterly to offer independent advice to the board on sector-related issues and approaches to strengthen consumer and industry awareness and engagement. We look forward to the contributions from these councils as we continue to advance our mandate.

Throughout 2023, considerable progress was made in implementing the recommendations set out by the Office of the Auditor General of Ontario (OAGO) in 2021. This progress was only possible through the collaborative efforts of the board, the OMVIC team,

and oversight from MPBSD. We appreciate the OAGO's recognition of our progress in their December 2023 follow-up report.

In charting a course for OMVIC's future, the board also initiated a strategic planning process to establish the organization's direction and priorities for the next three years. We are grateful to our stakeholders who participated in the critical research and engagement phase through interviews and surveys. We remain committed to consumer protection, registrant professionalism, and organizational excellence and look forward to presenting a new strategic plan in 2024.

On behalf of the OMVIC board, I want to thank CEO and Registrar Maureen Harquail and the dedicated senior management team and staff at OMVIC for their continued commitment to ensuring a fair, safe, and informed marketplace for motor vehicle sales in Ontario.

A handwritten signature in black ink, reading "Virginia West".

**Virginia West**  
Chair of the Board



## Message from the CEO and Registrar



**2023 was another significant year** of transformation and growth for OMVIC. As a modern regulator, we prioritized our consumer protection mandate and accomplished several important initiatives and projects. These achievements, outlined below, serve as the foundation for the future of motor vehicle sales regulation in Ontario for the next quarter-century.

In 2023, OMVIC successfully launched the Consumer Automotive Regulatory System (CARS), our new customer relationship management platform. CARS has streamlined our reporting and application processing and has improved how we support and interact with dealers, salespersons, and consumers. This accomplishment reflects the dedication of the entire OMVIC team. However, I want to extend a special acknowledgment to OMVIC's registration department for their invaluable support in assisting our registrants with inquiries and navigating the learning curve associated with CARS. Their commitment and expertise have been instrumental in ensuring a smooth transition to our new system.

OMVIC also launched a new website in 2023. The redesigned OMVIC.ca offers users a more intuitive experience, with simplified navigation and plain-language content. With a mobile-first approach, the website prioritizes seamless user interaction on smartphones and tablets. This means that users can easily access information and connect with OMVIC from anywhere – whether at home, at work, or at a dealership.

In 2023, our consumer support department achieved remarkable milestones, emphasizing our commitment to consumer protection and satisfaction. They ensured a record-breaking total of \$2.2 million was returned to consumers, surpassing the previous record of \$2.1 million in 2022. This significant accomplishment highlights our team's dedication to resolving consumer issues and ensuring fair outcomes.

Significant progress was made throughout 2023 in implementing the recommendations of the Office of the Auditor General of Ontario in its 2021 Value-for-Money Audit Report and by the Standing Committee on Public Accounts (SCOPA) in 2023. I am pleased to report that by October 2023, of the total actions directed specifically toward OMVIC, OMVIC had fully implemented 75 per cent of the OAGO's recommendations and 81 per cent of SCOPA's recommendations. This significant milestone reflects the organization-wide commitment to positive change, and it would not have been possible without the support and engagement of the OMVIC Board of Directors, and the unwavering commitment, passion, and hard work exemplified by every member of the OMVIC team.

OMVIC remains committed to collaborating with our stakeholders to continually enhance our process and procedures. Where appropriate, we will actively engage with the Ministry of Public and Business Service Delivery to update policies related to the Motor Vehicle Dealers Act, 2002 (MVDA), which has remained unchanged for two decades. This proactive approach will ensure that OMVIC stays aligned with rapidly evolving consumer expectations and the changing industry landscape.

As I reflect on our accomplishments in 2023, I am proud of the strides we have made and look forward to continuing our journey together toward excellence in consumer protection and industry professionalism.

**Maureen Harquail, B.A., LL.B., M.P.A., ICD.D., K.C.**  
Chief Executive Officer and Registrar

## Making Progress: Follow up on the 2021 Value for Money Audit

### Auditor General Value for Money Report

In 2023, significant progress was made toward completing the 2021 Value for Money Audit recommendations.

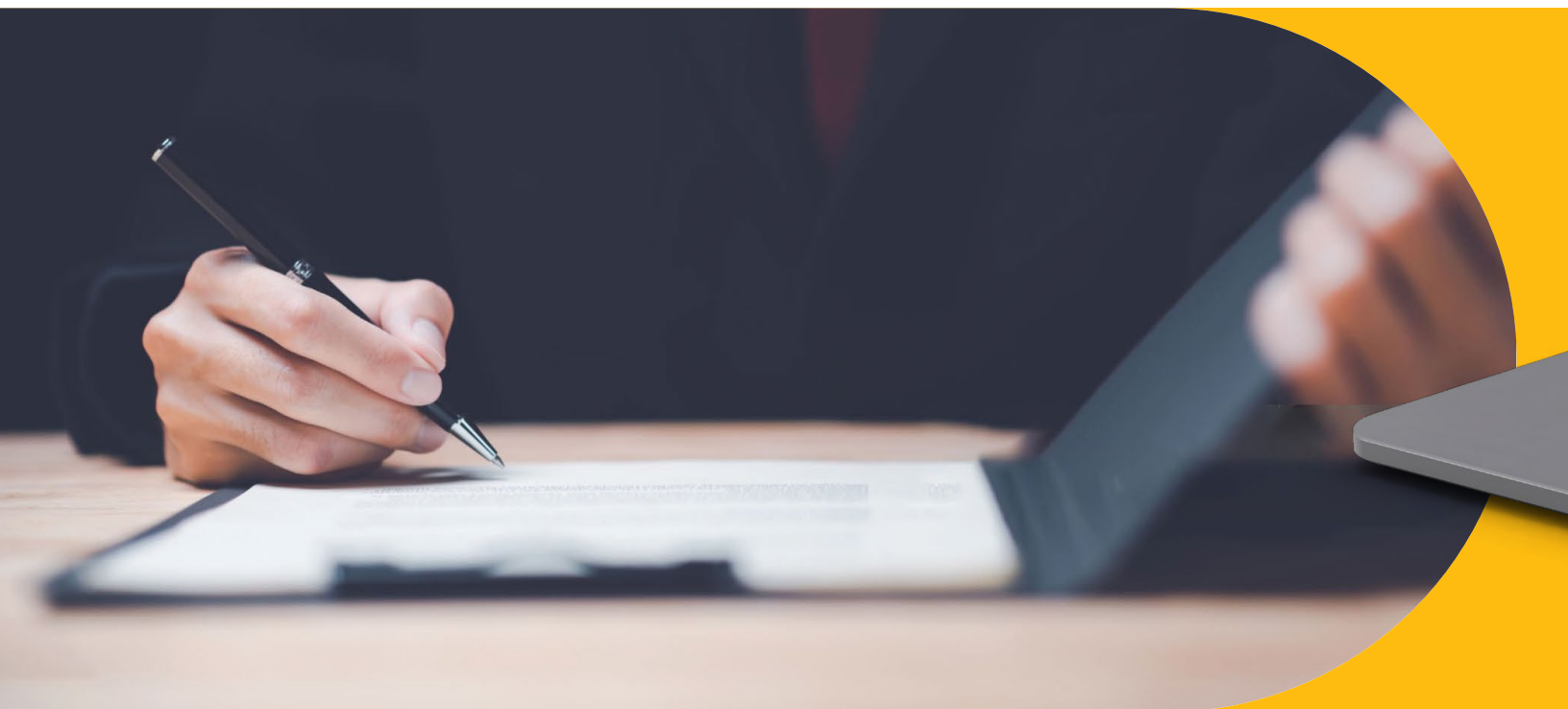
As of October 20, 2023, OMVIC had fully implemented 75 per cent of the recommendations that were specifically directed toward it during the 2021 Value for Money Audit. In addition, three per cent of the recommended action items were determined to be no longer applicable. Combined, OMVIC and the Ministry of Public and Business Service Delivery (MPBSD), as of October 20, 2023, had fully implemented 56 per cent of the recommended actions. In addition, OMVIC and the ministry had made progress in implementing 10 per cent of the recommended actions.

By December 31, 2023, OMVIC completed seven additional actions directed toward it. Going forward, there are three action items directed solely at OMVIC that are required to be completed.

### SCOPA Report

In addition to the Auditor General's recommendations, OMVIC has made significant progress in implementing recommendations made by SCOPA in February 2023.

As of October 20, 2023, OMVIC had fully implemented 81 per cent of the recommended actions that were directed solely to it. Combined, OMVIC and the ministry had fully implemented 58 per cent of the committee's recommended actions, and nine per cent of the recommended actions were in the process of being implemented. There was little or no progress on 33 per cent of the recommended actions. Most of these related to recommendations that were directed to or included the ministry. By December 31, 2023, OMVIC completed the remaining action items directed towards OMVIC alone. The outstanding action items are the joint responsibility between OMVIC and other ministries and consist primarily of regulatory changes.



# About the Ontario Motor Vehicle Industry Council (OMVIC)

**OMVIC administers and enforces the MVDA** – a public protection statute – on behalf of the MPBSD. OMVIC is a not-for-profit corporation governed by a nine-member board of directors.

As the regulator of motor vehicle dealers and salespersons, OMVIC exists to protect consumers and enhance registrant professionalism. Consumers should know they are protected and that registrants

– dealers and salespersons – will operate with honesty, integrity, and fairness.

Conducting business as a motor vehicle dealer or salesperson requires OMVIC registration. With more than 8,000 motor vehicle dealers and approximately 30,000 salespersons in Ontario, OMVIC has a strong mandate, mission, and values to ensure consumers are protected, and registrant professionalism is enhanced.





# Corporate Overview

## MANDATE

Maintain a fair, safe, and informed marketplace for motor vehicle sales in Ontario.

## MISSION

We will take pride in the results of our commitment to a fair marketplace, achieved through innovation, enforcement, and excellence in service.

## VALUES

To achieve its vision, OMVIC strives to be a diligent and modern regulator. Its work is guided and informed by beliefs and commitments including:

- Protecting consumers and acting in the public interest.
- Acting respectfully and with integrity.
- Taking fair, measured, and appropriate action.
- Monitoring industry trends, developments, and issues.
- Meaningfully engaging with consumers, registrants, and stakeholders.
- Ensuring value at every consumer, registrant, and stakeholder point of contact.
- Seeking the highest standards and performing best in class.
- Continuing to adopt the practices of a “modern regulator” with the intention of applying best practices, including:
  - Dedication to the principles of consumer protection and transparency.
  - Employing risk-based compliance/enforcement activities.
  - Enhancing registrant professionalism.
  - Improving digital processes and automation.
  - Engaging stakeholders.
  - Employing data analytics and effective performance measures.
  - Fostering a culture of innovation.
- Identifying major sources of risk to consumers and executing compliance strategies to address them.
- Keeping abreast of consumer needs and expectations, and factors that impact vehicle sales.
- Exploring and using technologies to increase, improve, and/or expedite services and registrant engagement.
- Communicating clearly to inform and educate.
- Maintaining a work environment that fosters learning and adapting, job satisfaction, enjoyment, and pride in accomplishment.

# Strategic Goals

As the **regulator** of motor vehicle dealers and salespersons, OMVIC exists to protect the public interest and to protect consumers. Consumers must have confidence that the motor vehicle purchasing process is regulated,

fair, and safe and that there are rights to protect them if they encounter problems. To accomplish this, OMVIC has set out four strategic objectives for the organization that guide priority setting and resource allocation:



These strategic goals will be achieved through operational activities. OMVIC's progress towards meeting these goals is monitored with key performance indicators (KPIs) that are tracked in a balanced scorecard (Appendix A). Management, the board, and MPBSD review the scorecard each quarter.

In 2024, OMVIC will continually review and evaluate KPIs to ensure progress is being made toward achieving strategic goals and to inform data driven decision making, and the board will also be releasing the 2024-26 strategic plan.

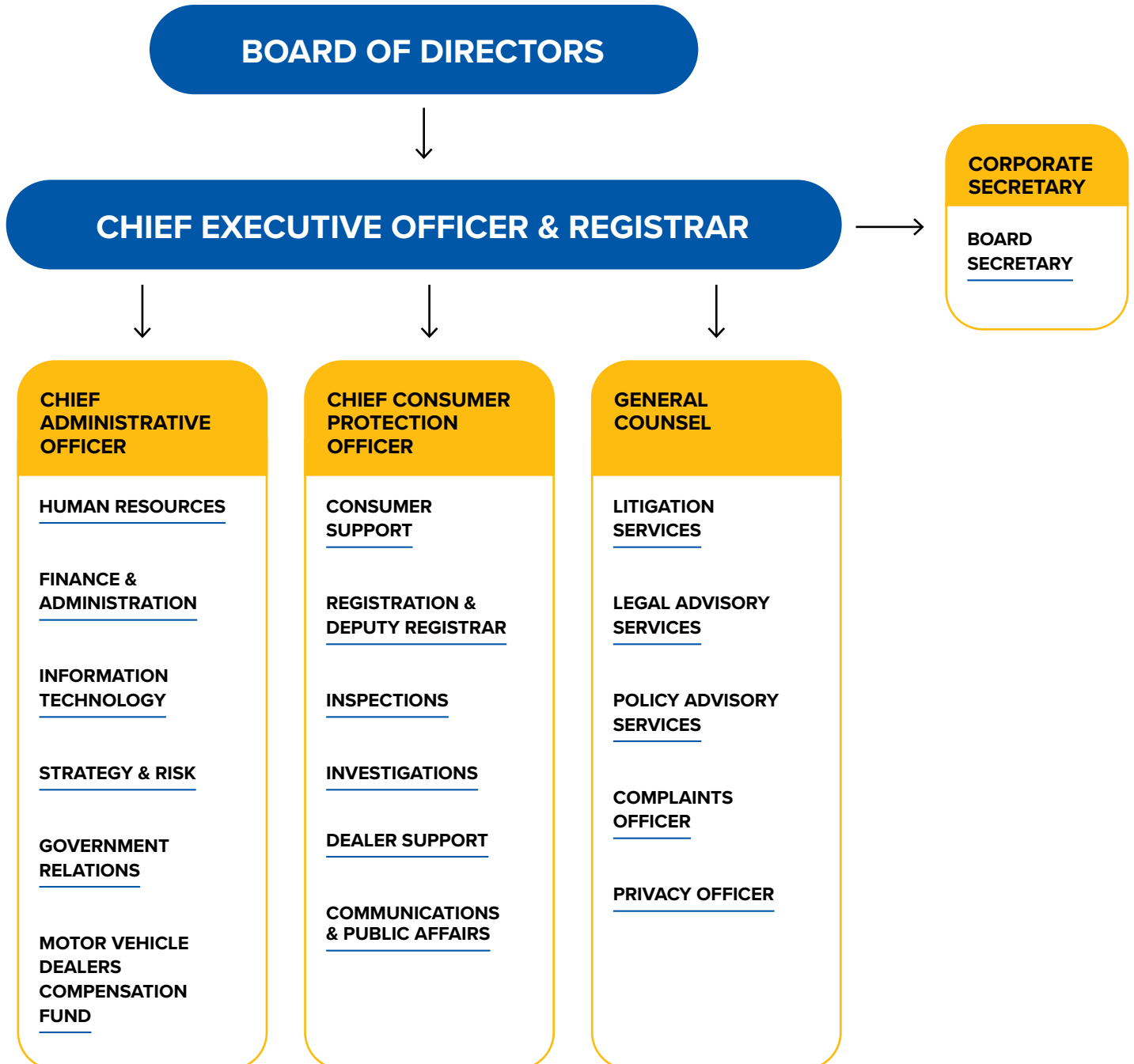
# Corporate Overview

OMVIC is governed by a nine-member board made up of three members elected from the motor vehicle industry, three from the general public, and three appointed by the Minister of Public and Business Service Delivery. The board oversees the effective and efficient implementation of the organization's mandate on behalf of Ontarians. Additionally, the board plays a crucial role in shaping OMVIC's strategic direction, providing financial oversight, supporting outreach and advocacy, and serving as an ambassador for OMVIC and its mandate. Director biographies and a list of board committees are available on **OMVIC.ca**. ✨

The CEO and Registrar lead OMVIC's overall management and administration and report to the board of directors. OMVIC's day-to-day functions are divided into operations and administration teams.



# Organizational Chart





# OMVIC by the Numbers

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Dealers

8,125

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Salespersons

29,665

---

New dealer applications

1,072

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New salesperson applications

5,462

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Total renewals

18,154

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Inspections  
conducted

**2,471**

Charges against  
curbsiders

**839**

Compliance warning letters issued  
as part of the Mystery Shop Program

**62**

Investigations  
opened

**835**

Registrar  
actions taken

**971**

Number of dealer inquiries responded  
to about compliance related matters

**1,813**

Investigations  
closed

**830**

Proposals to revoke, suspend,  
refuse or impose conditions

**45**

Escalated complaints  
closed over time

**808**

Charges  
laid

**1,595**

Discipline  
notices served

**33**

Restitution returned to consumers

**\$2,225,481**

Compensation fund claims approved

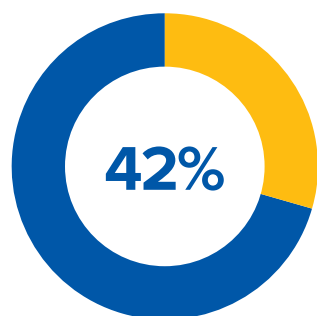
**128**

Compensation fund total value paid to consumers

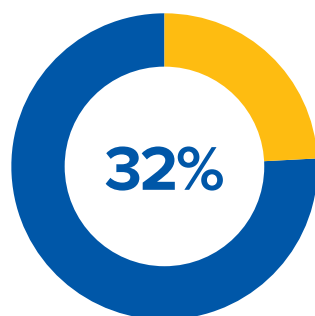
**\$842,935**

Number of consumer inquiries received

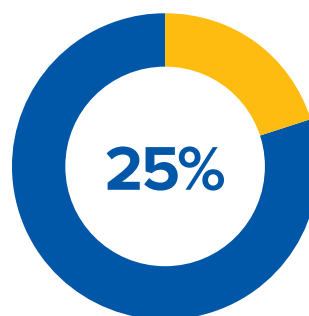
**38,274**



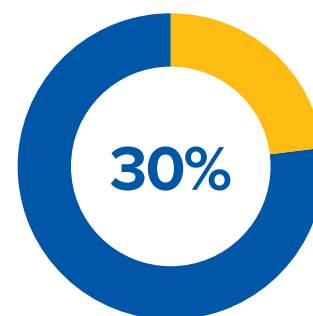
All-in pricing  
knowledge among  
consumers



OMVIC brand  
awareness among  
consumers



Consumers who  
understand what  
curbsiders are



Consumers who know  
motor vehicle dealers and  
salespersons must be registered

Total revenue

**\$19,146,786**

Total expenses

**\$24,106,677**

## Review of Regulations

In 2023, the ministry and OMVIC continued their discussions on legislative and regulatory changes. OMVIC and the ministry have been exploring a broad range of issues and changes, including regulatory changes that were subject to previous stakeholder consultations, matters raised by the Auditor General of Ontario in the Value-for-Money Audit report released in 2021 as well as new and emerging issues.

OMVIC recommended a number of regulatory amendments that will facilitate a principle-based, outcome-focused, modern regulatory approach for conducting oversight of motor vehicle trades. OMVIC expects that these discussions will continue throughout 2024 and is looking forward to providing the ministry with all of the necessary support.

## By-law and Policy Changes

At the June 2023 annual meeting, several changes were made to By-Law No. 1 to align with five statutory orders received from the Minister of Public and Business Service Delivery in April 2023. These changes were essential for implementing recommendations outlined in the Auditor General of Ontario's 2021 Value-for-Money Audit Report concerning the composition of the board of directors. Additionally, members approved several by-law amendments to ensure compliance with Ontario's Not-for-Profit Corporations Act, 2010 (ONCA), which came into force in October 2021 and mandates compliance by October 2024. OMVIC's by-laws are now in compliance with ONCA.

To enhance OMVIC's modern governance framework, in 2023, the board of directors approved three new policies: a Director Nomination and Election Policy, a Director Education Policy, and a Consent Agenda Policy. The board of directors also approved amendments to OMVIC's Procurement Policy to better align with the Ontario Public Service Procurement Directive. Administrative changes were also made to the Selection, Appointment, Evaluation, and Rotation of External Auditor Policy concerning quotations for audit services.



## Executive: Administrative and Compliance Update

**2023 saw the implementation** of several administrative initiatives that positioned OMVIC to serve Ontario car buyers and the industry more effectively and efficiently while promoting staff engagement and better governance practices.

Chief among those initiatives was the implementation of the CARS platform in May. Its development and launch were a huge team effort, led by OMVIC's IT department with input and support from staff across departments. The platform was launched as a minimum viable product, able to perform basic functions while establishing a foundation for further enhancements and improvements going forward. In the months following its release, CARS enabled the automation of some processes, particularly in registration, renewals, and reports; meanwhile, team members and IT staff contributed feedback and identified areas for improvement and new features. In 2024, high-priority action items will be completed by the end of the second quarter.

One of the goals of CARS is to enable staff to complete their jobs more efficiently and effectively while supporting employee engagement. In 2023, we acted on several other initiatives to enhance the employee experience, including continuing support of a hybrid work model. Staff social events helped to foster a collaborative workplace culture. We also introduced quarterly cross-departmental management team meetings to get to know each other, share best practices, and exchange ideas, as well as introduced voluntary employee focus groups to discuss ways to improve the workplace culture. Those initiatives came in addition to employee appreciation events, a rich and supportive professional development program, and training sessions on occupational health and safety, anti-workplace violence and harassment, and workplace diversity and inclusion training conducted throughout the year.

From a financial perspective, 2023 was a challenging year, as OMVIC experienced a substantial deficit. The finance team worked diligently throughout the year to develop approaches to right-sizing the deficit, including a review of OMVIC's revenue model. Such an effort was long overdue: many of the fees charged by OMVIC have not changed for many years and, in some cases, decades. Although OMVIC operates as a not-for-profit corporation, the revenue review made it clear that OMVIC's financial sustainability requires a long-term strategy. As well, recurring deficits necessitated a fee

adjustment to reflect inflation and the resources needed for OMVIC to successfully fulfill its mission of protecting Ontario consumers.

On a governance level, important changes were made to the board of directors. Coinciding with those changes was the establishment of an industry advisory council and a consumer advisory council to the board. The councils will provide vital stakeholder feedback and input to support the board in its work. As well, the board of directors adopted a new consent agenda policy that will help ensure that meetings are conducted efficiently.

Going forward, three action items are firmly on the 2024 administrative agenda. One is to invite proposals from qualified agencies to develop and conduct OMVIC's marketing and communications campaign; the goal is to ensure value for money while supporting the organization's growth and furthering its mission in consumer protection. Second, OMVIC will reduce its physical footprint. This involves the finalization of a new head office lease and associated leasehold improvements, with a view toward realizing cost efficiencies. Reducing OMVIC's footprint in this way will support organizational growth by freeing up resources for core supports and services, and it is made feasible by OMVIC's hybrid work model, which has significantly reduced the need for physical infrastructure. Finally, we will continue to participate in the provincial government's performance measure standardization project, an important initiative that seeks to standardize key performance indicators for OMVIC and related administrative authorities.

**Joanne Beaton,**  
Chief Administrative Officer



## 2023 Compliance Report

**OMVIC's mandate is to ensure a safe, fair, and informed marketplace for motor vehicle sales in Ontario, and its primary role is to protect consumers and ensure industry participants' compliance with the MVDA.** In 2023, OMVIC made several significant advances towards better fulfilling that mandate.

Among the most important of those was the appointment of OMVIC's first Chief Consumer Protection Officer (CCPO), Jeff Donnelly. As CCPO, Jeff, who holds a Master of Laws degree in administrative law, is responsible for overseeing all aspects of consumer protection, enforcement, and communications. He brings to the role more than 20 years of experience in professional regulation and a track record of leadership in consumer protection and regulatory oversight. With Jeff's expertise and experience in policing, enforcement, inspections, and the handling of consumer complaints, his appointment represents a major step forward in OMVIC's ongoing transformation into a modern regulator. (See Q&A.)

A key part of OMVIC's mandate to administer the MVDA is ensuring that registrants comply with the act and its regulations through inspections, mystery shops, and investigations. In 2023, OMVIC's enforcement department conducted nearly 2,500 inspections and opened more than 800 investigations, closing the vast majority of them. In total, OMVIC laid nearly 1,600 charges in 2023, more than half of which were against curbsiders – who are illegal, unregistered dealers who often pose as private sellers and frequently misrepresent the condition, mileage, or provenance of the vehicles they attempt to sell.

The purview of OMVIC's compliance efforts goes beyond investigations and charges. In 2023, the legal department issued 45 proposals to revoke, suspend, refuse, or place conditions upon registrations, largely owing to noncompliance with the MVDA. As well, OMVIC served 33 discipline notices and issued more

than 60 compliance warning letters. To further enhance compliance, OMVIC also made greater use of its power to invoke immediate suspension of dealer registrations. Immediate suspensions are expedited actions taken when registrants conduct severe violations of the MVDA and there is potential for immediate consumer harm. In 2023, four proposals for immediate suspensions were issued – more than ever before.

While OMVIC acts on consumer complaints about potential non-compliance, it also takes a proactive approach to enforcement. Focusing on all-in pricing, mandatory disclosures, regulatory compliance, and other high-risk issues, the mystery shop program, established in 2022, continues to be highly successful, with more than 200 mystery shops conducted in 2023. Meanwhile, OMVIC's full-time intelligence officer works alongside other enforcement staff to identify potential curbsiders and other individuals and organizations who may not be compliant with the MVDA.

In all of these efforts, ongoing education of industry participants and consumers is key. The dealer support department, which provides compliance-related advice and guidance to dealers, fielded nearly 2,000 compliance-related inquiries in 2023, and continues to play an important role in ensuring dealers understand their responsibilities and obligations. On the consumer side, consistent and compelling communications to the car-buying public about the risks of buying from unregistered sellers have helped create strong awareness among consumers about curbsiders and the requirement for motor vehicle dealerships and salespersons to be registered with OMVIC. Going forward, enhancing dealers' and consumers' understanding of OMVIC's role in consumer protection – and in enforcing compliance with the MVDA – will continue to be a top priority.

## Meet Jeff Donnelly, Chief Consumer Protection Officer (CCPO)



### **What is the significance of the Chief Consumer Protection Officer role?**

OMVIC's primary mandate is consumer protection, and my focus as CCPO is on reviewing and enhancing our compliance operations to better support that mandate. A big part of that will be ensuring a robust and definitive guidance for registrants on all aspects of compliance with the MVDA and its respective Code of Ethics regulation.

### **What are your key priorities when it comes to consumer protection?**

One of the top priorities is to enhance transparency and disseminate information regarding the services OMVIC can provide to consumers who lodge complaints about their dealings with registrants. We will be evaluating enhancements to information packages provided to both consumers and registrants, focusing on procedures for filing or responding to complaints. Furthermore, we will emphasize the obligation of registrants to cooperate and furnish any requested information to OMVIC staff during the course of complaint investigations.

### **How does the CCPO role complement and collaborate with other key roles at OMVIC?**

I work directly with all operational departments responsible for consumer complaint handling, inspections, enforcement, registrations, dealer support and mystery shop, as well as OMVIC's legal department. My role is to examine current operations and identify areas for improvement to ensure that OMVIC is focusing on consumer protection and industry compliance.

### **How do you see your background and expertise shaping consumer protection initiatives?**

My experience includes responsibility for enforcement activity and litigating registrant noncompliance, so I

think I bring a unique and relevant perspective to the task of streamlining administrative enforcement and prosecutions against registrants and illegal activity in the marketplace. I also have long-standing administrative adjudication experience as a former discipline chair for other regulators, this background will help me in applying best practices to industry compliance initiatives at OMVIC. One of those best practices is a commitment to "right touch regulation," to better educate registrants that OMVIC exists, first and foremost, to protect the public, and secondly to inform registrants on their compliance obligations.

### **The automotive industry is evolving rapidly as new technologies and market forces emerge. How will your role adapt to stay ahead of these changes?**

My responsibility entails monitoring and implementing best practices to safeguard public interests across regulatory bodies in Ontario. Doing this requires not only constant monitoring of administrative decisions and trends in administrative law but also applying "outside the box" thinking to establish OMVIC as a leader in modern regulation.

### **How do you plan to foster collaboration with industry stakeholders, government agencies, and other partners to strengthen consumer protection?**

Fostering collaboration with industry stakeholders starts with ensuring that all parties understand OMVIC's principal mandate: to protect the public. Regulators like OMVIC are not industry associations, but rather organizations responsible for administering and enforcing a particular legislation on behalf of the government. In order to achieve this effectively, I intend to cultivate positive and collaborative working relationships with all relevant stakeholders, with the aim of reaffirming OMVIC's position as a foremost regulatory authority.

# Departmental Overview: Communications

**2023 HIGHLIGHT:** The communications department launched a completely redesigned, mobile-responsive website to better engage and inform key audiences.

The communications department helps create two-way communication to build strong relationships with stakeholders and raise awareness about consumer rights and protections under the MVDA. The department oversees a wide range of activities to support OMVIC’s strategic goals, along with the goals and objectives of individual departments within OMVIC. The department is responsible for internal communications, media relations, consumer awareness, education, and stakeholder relations.

Through strategic outreach via earned, paid, and owned media channels, coupled with proactive stakeholder engagement, the communications department is advancing broader recognition of OMVIC as a responsive and modern regulator.

The communications department continued to adapt and hone the marketing plan launched in 2022 in response to the OAGO’s 2021 recommendations, ensuring that all communications are more closely aligned with key consumer concerns. The department refreshed the successful consumer awareness campaign that first launched in 2021, placing a new focus on the issue of all-in-price advertising. The 2023 campaign extended over nearly five months, with digital advertisements consistently running throughout the year. This ensured that OMVIC’s paid media outreach remained consistently active, delivering programming to Ontarians continuously. The consumer awareness campaign was a multi-channel initiative, running on TV, video on demand, music streaming services, online and social media platforms to engage key consumer groups.

As in previous years, the communications department conducted an awareness survey of approximately 2,000 Ontario consumers to assess the success of OMVIC’s marketing efforts. The survey probed respondents on awareness of OMVIC and their car-buying rights. Consumer awareness of all-in price advertising and OMVIC grew by three per cent compared to 2022, while awareness of the OMVIC brand grew by two per cent. While the proportion of respondents who said

they understood what curbsiders are remained steady (25 per cent), awareness of the requirement for dealerships and salespersons to be registered rose by three per cent. The department will continue to build on this solid foundation in 2024.

## Awareness

| Years | All-in price awareness among consumers | OMVIC brand awareness among consumers |
|-------|----------------------------------------|---------------------------------------|
| 2021  | 40%                                    | 29%                                   |
| 2022  | 39%                                    | 30%                                   |
| 2023  | 42%                                    | 32%                                   |

Communications plays a key role in OMVIC’s transformation into a modern regulator and in realizing its mandate for consumer protection. One of the most important public-facing platforms for any organization is its website. In 2023, with the rollout of the new customer relationship management (CRM) system (also referred to as the Consumer Automotive Regulatory System or CARS), the communications department achieved a significant milestone with the launch of a redesigned and fully integrated website. The new site is completely mobile responsive, so consumers can now access information about and contact OMVIC easily from their mobile devices. This change will have the added benefit of facilitating traffic from social media platforms, which already contribute a large number of visitors to the site. The redesigned website is fully compliant with the Accessibility for Ontarians with Disabilities Act. Furthermore, the communications department conducted a thorough overhaul and restructuring of website content to improve clarity and user-friendliness for consumers and various stakeholders.

The implementation of the new CRM system facilitated the introduction of an advanced email platform, seamlessly integrated with the CRM infrastructure. This integration enables precise audience segmentation,

targeted outreach, and in-depth analysis of email communication effectiveness. Capitalizing on these capabilities, the department intends to deploy a refined email marketing strategy in 2024, aimed at bolstering consumer awareness and fostering engagement with OMVIC.

### Effectively engaging with stakeholders

Stakeholder relations is a central part of the communications department's efforts to raise awareness of OMVIC's role and maintain a leadership position as a regulator within Ontario's motor vehicle sales industry. The stakeholder relations team fosters productive relationships with several industry organizations, including the Automobile Protection Association, Car Help Canada, the Used Car Dealers Association (UCDA), the Motor Vehicle Retailers of Ontario (MVRO), and Georgian College; the team also conducts stakeholder engagement events throughout the year.

In 2023, OMVIC events garnered significant popularity and reinforced relationships with essential stakeholders. At the 2023 Canadian International Auto Show, the OMVIC booth featured a Volkswagen photo bus that helped to attract more than 11,000 visitors who engaged with staff and received OMVIC-branded materials. The attraction was so successful that it inspired Georgian College's Automotive Business School of Canada to create their own photo bus, which, through a partnership with OMVIC, will appear at trade shows – and get the OMVIC message out – in the years to come.

Another successful event was the 2023 Vehicle Regulators Conference, hosted by OMVIC, which was attended by regulators from across Canada who oversee vehicle sales from a consumer protection perspective. At the conference, regulators and other provincial stakeholders shared information on best practices and policies for the modern regulation of the motor vehicle industry and how best to protect consumers' interests. Feedback about the event from internal and external stakeholders alike was positive.

### Registrant and consumer education

OMVIC's mandate is consumer protection. Educating industry participants and consumers is central to that mission.

One of the primary methods of stakeholder outreach conducted by OMVIC is the delivery of educational presentations to industry participants and the general public throughout the year. These sessions were opportunities to engage and inform key audiences about OMVIC and issues related to regulation, consumer

protection, and the integrity of the industry.

A re-energized organizational focus on consumer protection led the communications department – for the first time – to proactively host OMVIC's own presentations directed at the public, rather than only appearing at events hosted by third parties. In 2023, the department conducted 37 educational presentations to the public. The response was overwhelmingly positive: 98 per cent of participants said they came away from the presentations with a sound understanding of vehicle-buying consumers' rights.

### Number of consumer education

#### sessions delivered

| Years | Number of sessions delivered |
|-------|------------------------------|
| 2021  | 14                           |
| 2022  | 36                           |
| 2023  | 37                           |

Education of registrants – current and future – remains a priority for the communications department. A key part of that is OMVIC's Automotive Certification Course (ACC), which is mandatory for anyone wishing to register as a vehicle salesperson or dealer in the province. The course is administered by the Automotive Business School of Canada at Georgian College, and in 2023 the college reported a significant milestone. As of mid-December, more than 8,500 people had registered for the ACC – a 200 per cent increase over previous years. That is a sign not only of the industry's renewed strength and the high demand for skilled workers but also of the growing recognition of the educational requirements for becoming a vehicle salesperson in Ontario.

## Departmental Overview: Consumer Support

**2023 HIGHLIGHT:** In 2023, OMVIC achieved a significant milestone as it fielded over 38,000 telephone inquiries from consumers, marking the highest volume in its history. It underscores OMVIC's continual progress in enhancing awareness of vehicle buyers' rights in Ontario.

The consumer support department responds to consumer inquiries prior to the purchase of a motor vehicle, as well as issues that arise following a purchase. The department provides guidance to assist motor vehicle buyers who may have an issue with a registered dealer or who need advice before purchasing a motor vehicle. Moreover, the consumer support department aids OMVIC in staying abreast of trends by identifying prevalent industry issues and mitigating associated risks.

Thanks in large part to robust consumer-focused communications programs that enhance public awareness of the support available through OMVIC, the consumer support department has seen a steadily increasing number of consumer inquiries. The rebound of Ontario motor vehicle sales in 2023 also contributed to this trend and the number of consumer inquiries with OMVIC once again exceeded expectations. Through the third quarter, the consumer support department had already received over 30,000 calls from consumers, surpassing the total for all of 2022 by approximately 1,000 calls – and by year's end had fielded 38,274 calls.

Meanwhile, OMVIC's digital transformation – including the implementation of the CARS system in 2023, a major milestone – continues to raise awareness and facilitate more efficient processes within the consumer support department. The department received over 8,600 general inquiry emails and more than 4,000 online complaint forms in 2023 – historic highs for digital contacts. Such increases are made possible by the many streams through which consumers can contact OMVIC and the demographic trend toward more digitally aware vehicle purchasers. Over time, the new CARS system should contribute to further increases in digital contacts, as the system makes consumer interaction easier and more efficient while also enabling OMVIC to communicate more effectively with stakeholders.

As motor vehicle sales recovered in 2023, the consumer support department maintained high dealer

and consumer satisfaction levels while recording significant dollar amounts in restitutions. In total, the department facilitated the resolution of 808 escalated complaints resulting in dealers voluntarily returning approximately \$2.225 million to consumers – the fifth year in a row that consumer support facilitated the resolution of escalated complaints resulting in more than \$1.5 million in restitution to consumers. The continuing increase in consumer restitution demonstrates the consumer support department's ability to successfully facilitate its voluntary resolution process.

**2023 was the fifth year in a row that consumer support reached over \$1,500,000 in voluntary restitution to consumers.**

**A measure of success:** To guide decision-making, consumer support consistently tracks, monitors, and measures trends with consumer inquiries as well as the industry. The introduction of the CARS system will further enhance the department's data-gathering and analysis capabilities.

### Managing complaints

Consumer complaints are referred to the consumer support department. OMVIC receives inquiries from consumers where advice is offered, but the file is not escalated to a formal complaint process. On first contact with OMVIC, complainants are given information on how to resolve their dispute with the dealer and/or sales representative. The most common inquiries received relate to motor vehicle conditions, liquidated damages (occur when consumers cancel a motor vehicle purchase after signing a Bill of Sale, with dealers able to recover costs from the deposit due to the absence of a cooling-off period), contract disputes, and misrepresentation (such as a failure to disclose a motor vehicle's accident history). Utilizing the information provided by OMVIC, many common

complaints are resolved directly between the consumer and the dealer. More complex issues may require OMVIC to facilitate discussions to assist in resolving the dispute between the parties or formally investigate the complainant's allegations and take the appropriate administrative action against the dealer and/or salesperson. OMVIC classifies this process as an escalated complaint. OMVIC tracks the time it takes to complete each escalated complaint. The time to handle an escalated complaint begins when a complainant provides all documentation to support their complaint and submits a signed OMVIC complaint process acknowledgement form. This begins the process for OMVIC to formally review the complaint details and determine whether voluntary resolution or a formal investigation of the complainant's allegations is appropriate. In this process, OMVIC will provide the dealer and/or salesperson with a copy of the complaint and they will be given an opportunity to respond in writing.

**NOTE:** OMVIC cannot compel or order a dealer to cancel a contract, return money, or carry out repairs. OMVIC's role is to facilitate a voluntary

resolution between the parties, and/or conduct a formal investigation of the complainant's allegations to determine if administrative action should be taken against the dealer and/or salesperson for breaches of the MVDA.

In 2023, OMVIC acted upon an OAGO recommendation to update its policy regarding how the consumer support department records potential breaches of the MVDA related to escalated consumer complaints that were forwarded for administrative review. With the introduction of CARS, consumer support is now able to better record breaches of the MVDA in the consumer escalated complaint file.

**From my very first call, I found all OMVIC staff members amazing. [OMVIC's consumer support department] was incredibly knowledgeable and very persistent. I am very thankful [they were] there to help me."**

—Consumer feedback, 2023

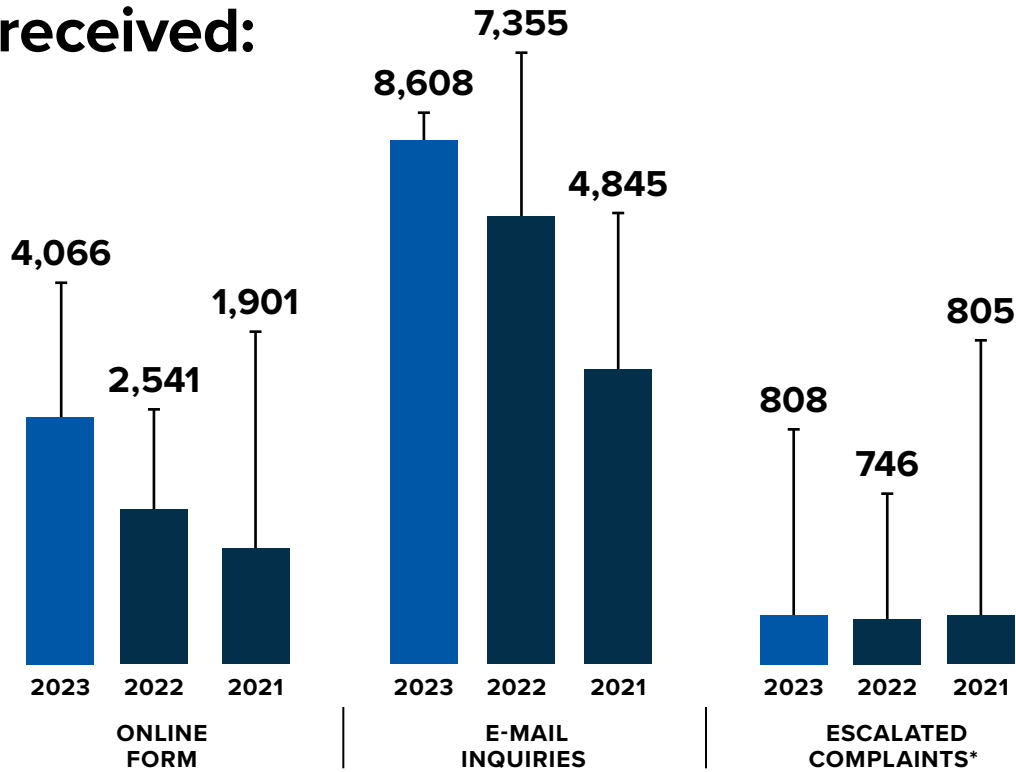
### Translation services services de traduction

OMVIC responds to all French inquiries and ensures French language services are easily available for registrants and consumers through our website and phone system. In 2023, OMVIC received 40 requests from consumers for French translation services.

To help consumers—particularly new Canadians—navigate the car buying process or access OMVIC's complaints service, OMVIC offers free, on demand translation services in more than 150 languages. Consumers can access translation services through the website or by calling OMVIC. Translators will work with consumers and OMVIC's consumer support team to help resolve issues when possible.



## Complaints received:



\*Escalated complaints are complaints filed against dealers escalated to an OMVIC resolution support specialist for review and possible negotiation.

Average  
escalated  
complaint  
handling time  
(in days)

42

2023

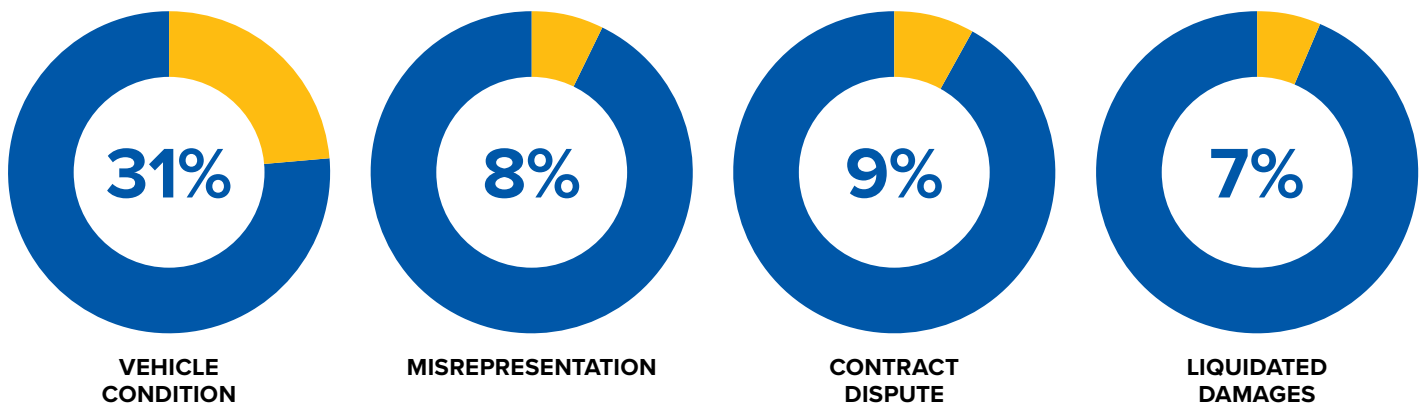
45

2022

34

2021

## Top categories of complaints:



## Voluntary dealer restitution to consumers:

2023 **\$2,225,481** | 2022 **2,063,904** | 2021 **1,637,745**

## Escalated complaints closed over time:

2023 **808** | 2022 **746** | 2021 **805**

## Money returned to consumers over time:

2023 **\$2,225,481**

These amounts  
do not capture the  
value of repairs the  
consumer support  
team negotiated.

2022 **\$2,063,904**

2021 **\$1,637,745**

Consumer satisfaction  
survey results over time\*\*:

|      | KNOWLEDGE               | COURTESY                | EFFICIENCY              |
|------|-------------------------|-------------------------|-------------------------|
| 2023 | <b>4.2<sub>/5</sub></b> | <b>4.3<sub>/5</sub></b> | <b>3.9<sub>/5</sub></b> |
| 2022 | <b>3.9<sub>/5</sub></b> | <b>4.1<sub>/5</sub></b> | <b>3.6<sub>/5</sub></b> |
| 2021 | <b>4.3<sub>/5</sub></b> | <b>4.1<sub>/5</sub></b> | <b>4.0<sub>/5</sub></b> |

Dealer satisfaction  
survey results over time:

|      | KNOWLEDGE               | COURTESY                | EFFICIENCY              |
|------|-------------------------|-------------------------|-------------------------|
| 2023 | <b>4.3<sub>/5</sub></b> | <b>4.4<sub>/5</sub></b> | <b>4.2<sub>/5</sub></b> |
| 2022 | <b>4.4<sub>/5</sub></b> | <b>4.3<sub>/5</sub></b> | <b>4.3<sub>/5</sub></b> |
| 2021 | <b>4.6<sub>/5</sub></b> | <b>4.8<sub>/5</sub></b> | <b>4.7<sub>/5</sub></b> |

\*\* Data obtained from an anonymous electronic survey from consumers who participated in the escalated complaints process.

## Departmental Overview: Enforcement

**2023 HIGHLIGHT:** Enforcement has conducted more than 53,000 inspections and 12,000 investigations since 1997.

The enforcement department is tasked with ensuring registrants comply with the MVDA and its regulations through proactive regulatory enforcement activities including inspections, mystery shops, and investigations. The department protects consumers from illegal motor vehicle sellers (curbsiders), and aids other law enforcement agencies with resources, awareness, and evidence sharing.

The department comprises three distinct teams: inspections, investigations, and dealer support. These teams work together to ensure registrant compliance is met, consumers are protected, and dealers receive the support they need.

### A focus on consumer protection

The inspection team is responsible for conducting dealership inspections province-wide, both in the field and remotely, to ensure registrants comply with the MVDA. In 2023, the department conducted 2,471 inspections, up 1,325 from the total in 2022, and completed 56 site visits, compared with 31 in 2022. OMVIC began reporting inspections and site visits separately in 2022. The average time between inspections was 2.9 years, which is within the target of three years, however, slightly higher than in 2022 at 2.6 years. Feedback from dealers about the inspection process gathered from surveys, was overwhelmingly positive.

**“[Enforcement staff were] very professional and thorough in the manner in which they conducted the audit/investigation. [They] took the time to instruct us with corrections, procedures, and recommendations to keep our dealership operating in a professional, compliant manner. This support is definitely a must-have to keep both dealerships and the public protected.”**

—OMVIC dealership feedback, 2023

The investigation team’s area of responsibility also includes conducting investigations of alleged breaches of the MVDA. Investigators are appointed as Provincial Offence Officers with the ability to lay charges

under the MVDA when violations are identified. In 2023, the investigation team laid a total of 1,595 charges — slightly less than in 2022, however, surpassing the department’s estimates — including 839 charges against alleged curbsiders.

Investigations resulting in charges in 2023 were attributed to several factors. The enforcement department lacks control over the number of violations that occur, however, the factors contributing to the increase were not wholly external. Greater awareness of OMVIC and its support for consumers, created by the ongoing efforts of the communications department, has led to a higher number of complaints being referred to enforcement. Complaints made through OMVIC’s curbsider hotline, meanwhile, also led to a significant number of investigations and charges. And finally, OMVIC’s new partnership with Crime Stoppers, launched in August, gave the public a new channel through which to make anonymous tips about curbsiders.

The investigations unit has a full-time, dedicated team assigned to the OMVIC mystery shopping program. Established in 2022, the mystery shop program focuses on all-in price advertising, disclosure compliance and other high-risk issues. The team conducted 209 mystery shops in 2023, slightly higher than the 207 conducted in 2022. The overall pass rate was 67 per cent (33 per cent failed). The pass rate in 2022 was 64 per cent. Of the 59 dealers that were re-shopped, 43 per cent failed again. Mystery shops will continue to play an important role in the enforcement department’s investigation strategy going forward.

The dealer support team, launched in 2021, provides compliance-related advice, guidance, and assistance to dealers and their salespersons. This team plays a critical role in enforcement, serving as point-of-contact for registrants with the goal of promoting registrant professionalism. In 2022, the team developed and implemented dealer support surveys, developed guidelines for consistent messaging and key information for registrants, and continued to enhance its responsiveness to registrants to provide direction and clarity and ensure compliance with the MVDA.

In 2023, nearly 2,000 dealer support inquiries were

processed; meanwhile, the team issued registrant guidelines in nine areas: retail transactions, financial obligations and responsibilities, non-financial obligations and responsibilities, auctions, exemptions, disclosures, as-is sales, wholesale transactions, and trade-ins.

Going forward, the team will continue to develop new guidelines and implement processes that deliver greater clarity and consistency. Enforcement will work closely with the communications and compliance teams on solutions to best circulate this information, from webinars to the new OMVIC website, and more. The new CARS system, launched in 2023, should significantly assist in these efforts.

### **Adapting to a changing enforcement environment**

To reinforce OMVIC's commitment to consumer protection, the enforcement department expanded its intelligence capabilities significantly in 2021 with the hiring of a full-time intelligence officer. Since then, the intelligence officer, along with other department members, has worked to identify potential curbsiders and other businesses and individuals who may be in contravention of the MVDA. As a result, OMVIC's enforcement department does not rely exclusively on incoming complaints from consumers to launch investigations but is also engaged in proactive activities to enforce the MVDA.

The motor vehicle industry is changing, and new business models that OMVIC has accepted for registration, such as online dealerships, are challenging traditional enforcement methods. In response, the enforcement department continually revisits and, where appropriate, revises its investigative practices in order to adapt to this evolving environment. Such adaptation is necessary to continue to protect consumers, and the public alike, while conducting enforcement activities in a way that is consistent with the legislation.

| Years | Investigations opened | Total Charges laid | Charges brought against alleged curbsiders  |
|-------|-----------------------|--------------------|---------------------------------------------|
| 2021  | 529                   | 1,044              | 593 charges against 88 alleged curbsiders   |
| 2022  | 448                   | 2,115              | 1,020 charges against 86 alleged curbsiders |
| 2023  | 835                   | 1,595              | 839 Charges against 118 alleged curbsiders  |

| Years | Mystery shops | Inspections |
|-------|---------------|-------------|
| 2021  | 97            | 2,382       |
| 2022  | 207           | 1,146       |
| 2023  | 209           | 2,471       |



## Departmental Overview: Finance

**2023 HIGHLIGHT:** The finance department continued to streamline and modernize OMVIC's financial processes, including supporting the integration of departmental data into the new CARS CRM system.

The finance department manages OMVIC's fiscal resources by planning, budgeting, and reporting results, and implementing internal controls. Through the annual budgeting process, finance provides support for the organization's transformation plan, seeking to drive more efficient outcomes at lower costs while ensuring departments are adequately funded and resourced.

Finance also adds value through data analysis. This analysis ensures that teams have accurate fiscal support to secure OMVIC's solvency, that senior management is equipped with accurate reporting and resources to set direction, and that the board of directors is sufficiently informed to carry out mandates and decisions effectively.

In 2023, the finance department continued to prepare forecasts and modeling to manage risk, guide decision-making and develop insights into the challenges and opportunities facing consumer and industry stakeholders. Those included an ongoing review of OMVIC's revenue model, with a view to ensuring the efficient operation and solvency of the council through its transformation into a modern, consumer-focused regulator. To support OMVIC governance with timely and accurate financial data, the finance department conducted regular working sessions with the board of directors.

The finance department continued its evolution towards a paperless environment – an effort accelerated by the implementation of the CARS system. Going forward, the finance department will continue to work closely with IT to facilitate the integration of applicable financial data and processes into the new system, and to recognize efficiencies and process automation where appropriate.

**“OMVIC's transformation into a modern regulator would not be possible without a strong financial infrastructure to support it. The finance department's efforts to enhance reporting, create efficiencies, and manage our financial resources are critical to the council's ongoing evolution.”**

–OMVIC board member feedback, 2023



## Departmental Overview:

# Human Resources

**2023 HIGHLIGHT:** HR recruited more than 33 positions and maintained the OMVIC workforce of 142 full-time permanent employees.

The human resources (HR) department develops and implements best practices across the organization to create a high-performance, employee-oriented culture focused on empowerment, high standards, and professional goal attainment. Among day-to-day duties, the department recruits employees, coordinates payroll and benefits administration, and manages professional development.

In 2023, the focus of human resources was once again on ensuring OMVIC had the capacity to support its transformation into a modern regulator. The job market, however, remained highly competitive in 2023, especially for the specialized skill sets often required by OMVIC, and staff turnover remained slightly elevated compared to previous years.

In the face of those challenges, with limited resources of its own, the HR department recruited for 33 vacant positions in 2023 and ensured individuals with the best-suited skills and experience were successfully onboarded.

The HR department also continued to streamline and formalize its processes and policies – an effort made all the more necessary in response to a larger employee base. As well, the department completed the long-term project of digitizing all employee files. That has helped reduce the time to access information and enabled enhanced reporting.

The HR department also acted on the results of a compensation review conducted in 2022 and finalized in 2023. The review found that OMVIC's compensation levels were generally market-competitive or better, and these findings were incorporated into a new salary structure implemented in January.

### A supportive and inclusive work environment

The HR department continued to institute policies and practices to ensure OMVIC employees worked in a supportive and inclusive environment. One major milestone – OMVIC's first-ever diversity, equity, and inclusion (DEI) employee survey – was completed in

late 2022 and in response to its findings, HR worked to develop DEI-oriented programming to be introduced in 2024. The department also facilitated respect-in-the-workplace training for all managers and employees.

HR further adapted OMVIC's hybrid work model to the post-pandemic environment in 2023, with the goal of maintaining excellent service levels while enhancing employee engagement. Staff enjoy flexible start times and opportunities for social engagement with other employees outside of the office. As well, HR evolved its onboarding program from a purely virtual experience to a hybrid one, helping new employees benefit from face-to-face interaction to learn about various departments and meet staff members. Meanwhile, support for employee health and wellness continued with lunch-and-learn opportunities focusing on wellbeing. HR tracked the use of vacation time throughout the year and encouraged all employees to use their annual vacation time.

The annual employee satisfaction survey, conducted in December along with employee focus groups, found that general job satisfaction (68 per cent) was similar to that in 2022. Meanwhile, more than 60 per cent of respondents said they felt their contributions at work were recognized, a similar level to 2022. However, the survey also suggested several areas in which OMVIC can continue to improve employee engagement, including encouraging employees to participate in goal setting. Going forward, OMVIC leadership and the HR department are committed to standardizing our HR practices, providing and soliciting employee feedback, providing the support and services employees need to implement action plans effectively, and fostering a culture of continuous improvement, among other priorities.

## Departmental Overview: Information Technology

**2023 HIGHLIGHT:** The IT department launched a new CRM system, called CARS, which will be central to OMVIC's ongoing transformation into a modern regulator for Ontarians.

The information technology (IT) department plays a crucial role within OMVIC, maintaining and improving technology-related systems to support the council's overall business objectives as a consumer protection agency. IT is responsible for technological infrastructure management; integration, development, and maintenance of software; data management and security; cybersecurity and IT governance, as well as staff training and compliance with all applicable best practices and policies.

A major milestone of 2023 for the IT department – as well as for OMVIC as a whole – was the launch of CARS. CARS is a new CRM system that will play an integral role in OMVIC's modernization transformation, providing new features and functionality to improve efficiency, data gathering, and analysis across departments. For consumers and registrants, CARS also enhances the user experience, supporting easier, more efficient, and more productive engagement with OMVIC's stakeholders.

With CARS, which is based on the Microsoft Dynamics 365 suite, all OMVIC applications are now online. The cloud-based system allows for more seamless integrations with third-party systems and applications, such as Canada Post, Webex, and Google Maps. It also expands the range of OMVIC's communications channels by enabling, among other things, social media and newsletter/email marketing strategies. Importantly, CARS empowers OMVIC to conduct advanced data analytics across its operations, creating actionable insights into programs, policies, and procedures. It also provided the infrastructure for the launch of OMVIC's new website.

The launch of CARS and the new website comprised a major step forward in OMVIC's ongoing transformation to a completely cloud-based IT environment. As of the end of 2023, only one internal system – a financial system – remains to be transferred to a cloud-based solution; the transfer is anticipated to be completed in early 2025.

The launch of CARS was a true team effort – the culmination of months of work not just by the IT

department, but by every member of OMVIC and every department. Going forward, the system will continue to evolve and be refined, as the IT department implements platform enhancements to continually improve its benefits for staff and stakeholders.

### Exceptional service levels through rapid change

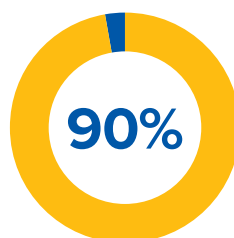
**"IT is doing a wonderful job – my issue was resolved right away! Thank you!"**

–OMVIC employee feedback, 2023

Even during a period of rapid and dramatic transformation, IT continued to follow through on its commitment to deliver exceptional service and support. IT's ticket-based internal support system ensures that tasks are tracked, logged, and resolved. In 2023, the team processed a record 7,800 support-related tickets, approximately 35 per cent more than in 2022 – an increase attributable in large part to the launch of CARS. Even with that increase, the department closed tickets at rates well above target, and thanks to our dedicated staff, internal clients reported an overall satisfaction rating of 5 out of 5 for IT services.

### A client-first commitment

IT closed more than



of 7,800 tickets  
on time in 2023

IT met its  
goal of over

**99%**

system uptime

(Inclusive of the OMVIC website, online services environment and other internal systems)

## Departmental Overview: Legal Services

**2023 HIGHLIGHT:** OMVIC initiated four proposals for immediate suspensions in response to severe violations of the MVDA and Consumer Protection Act.

OMVIC's legal department carries out the registrar's administrative actions and prosecutes offences under the MVDA and the Consumer Protection Act, 2002.

The legal department's approach to enforcement goes beyond just prosecution, disciplinary proceedings, and revocation. The department also offers strategic legal advice to OMVIC's departments and senior management.

**"Beyond taking administrative action and prosecuting offences, the support and direction provided by the legal services department to all OMVIC management and departments are vital to OMVIC's evolution as a modern, consumer-focused regulator."**

—Jeff Donnelly, OMVIC's Chief Consumer Protection Officer, 2023

The legal department measures its success based on how OMVIC maintains a responsible, right-touch approach to carrying out administrative actions. The department ensures that prosecutions are just, and that strategic advice is accurate while furthering OMVIC's interests and statutory obligations.

The legal services department continued its administrative and prosecution efforts to protect consumers and ensure compliance with all applicable laws among motor vehicle dealers. In 2023, OMVIC issued 45 proposals to revoke, refuse, suspend, or impose conditions on registration, issued 33 discipline notices to dealers, and carried out prosecutions on 211 entities.

| Years | Proposals to revoke, refuse, or suspend registration |
|-------|------------------------------------------------------|
| 2021  | 56                                                   |
| 2022  | 27                                                   |
| 2023  | 45                                                   |

As well, OMVIC issued four notices of immediate suspension, which are urgent actions taken by the registrar in response to severe violations conducted by registrants where there is potential for immediate consumer harm. Such suspensions result in an expedited administrative process that suspends a dealer's registration pending a final determination by the License Appeal Tribunal. The number of immediate suspensions issued in 2023 was higher than in any previous year, reflecting OMVIC's focus on responding more efficiently and effectively to instances of imminent consumer harm.

### Supporting OMVIC's transformation

The legal services department provides wide-ranging support to departmental initiatives across OMVIC. Among other efforts in 2023, legal services reviewed and updated OMVIC's Letter of Credit policy. The primary objectives were to implement the Auditor General's 2021 recommendations, improve dealer compliance, enhance consumer protection, and increase recoveries to the Motor Vehicle Dealers Compensation Fund (MVDCF). The department undertook a wide-ranging review of the impact of Letters of Credit in the motor vehicle industry and incorporated a risk-based analysis into revisions to the policy.

The legal services department actively supports and guides the development of responsible regulation for OMVIC. In 2024, it will continue to provide internal guidance as OMVIC further evolves as a modern regulator.



## Departmental Overview:

# Motor Vehicle Dealers Compensation Fund (MVDCF)

**2023 HIGHLIGHT:** The compensation fund paid out more than \$840,000 in compensation to consumers – more than double the amount paid in 2022.

**As a consumer protection program,** the MVDCF compensates eligible consumers up to \$45,000 if they suffer financial loss from a motor vehicle purchase at a registered dealer. The MVDCF helps maintain a safe marketplace for consumers by offering added financial security when buying a car from a registered dealer. Capital available to the MVDCF to pay consumer claims is primarily generated from one-time fees of \$300 paid by new dealers.

In 2023, 128 claims were paid by the MVDCF Board of Trustees (more than five times the number of claims paid in 2022), totaling \$842,935 in compensation to consumers. Several of these claims were against dealers who had their license revoked for failing to pay liens on trade-in vehicles (among other things), failing to submit warranty premiums to third-party providers, or going bankrupt.

The dramatic increase in the number of claims paid in 2023 was the result of several factors. This includes the nature of the claims themselves such as when they occur. In particular, warranty-related issues tend to generate a high number of claims (of generally lesser value than other types). As well, the MVDCF worked closely with the OMVIC communications department throughout the year to raise awareness of the fund and its potential benefits in the case of consumer disputes with dealers. Some of these efforts were made on an ad hoc basis. For example, when CarOne, a dealer in Kingston, Ontario, went bankrupt in January, the communications department ensured OMVIC and its role in supporting consumers received mention in local media reports.

The department's ability to manage such a large increase in claims required a true team effort and will continue to be aided by MVDCF's ongoing success in modernizing its processes. With the implementation of the CARS CRM system, the consumer application process transitioned predominantly to an online platform in 2023, significantly reducing the reliance on mail and email for document transfer. This change

has lowered service barriers and simplified the process for claim submission.

**"Thanks for supporting the consumer. It feels nice to get a bit of compensation for what was a terrible experience with a dealership."**

–Consumer feedback, 2023

## Notable Claims from 2023

### DEALERSHIP: Drivetime

**Total paid to claimants: ~\$500,000**

When this London, Ontario based dealer declared bankruptcy in 2022, Drivetime ceased paying outstanding liens on vehicles traded in by consumers, indicating a pattern of neglecting financial obligations prior to bankruptcy. That put consumers at risk of having to make debt payments that should have been settled by the dealer. Furthermore, the dealer failed to remit warranty premiums to a third-party warranty provider for warranties that consumers had paid for, leaving consumers without warranty coverage. In the MVDCF's most recent fiscal year (November 1, 2022 – October 31, 2023), it paid out 24 claims that were deemed to be eligible due to the dealer's bankruptcy; the total paid out was more than \$500,000 to support impacted consumers.

### DEALERSHIP: CarOne

**Total paid to claimants: ~\$170,000**

Based in Kingston, Ontario, CarOne had offered vehicle buyers its own in-house warranty program. But when it went into receivership in January, it meant that consumers had paid for a warranty that they could no longer access. The MVDCF helped to compensate those consumers with a prorated portion of the warranty premiums they had paid and/or compensated for repairs that were completed by consumers that would have been covered under the warranty.



## Departmental Overview: Registration

**2023 HIGHLIGHT:** Working closely with the IT department to successfully launch the new CARS CRM system, the registration department made a significant move towards modernizing all application processes online, streamlining operations and eliminating the need for paper applications.

**Registration with OMVIC** is mandatory for all motor vehicle dealers and salespeople in Ontario. Trading in motor vehicles without being registered by OMVIC (a practice known as “curbsiding”) is a serious offence. The registration department processes over 50,000 transactions annually, including new dealer/salesperson applications and renewals.

The registration department is fully responsible for processing all applications and notices for new dealer and salesperson applicants and existing registrants. It is also responsible for ensuring that all applications are processed in accordance with the MVDA and that all applicants and existing registrants meet the requirements stipulated by the MVDA. Those requirements, which determine eligibility to sell motor vehicles in Ontario, include operating the business with honesty, integrity and financial responsibility, as well as in accordance with the law.

The registration department plays a vital role in assessing applicants’ and registrants’ eligibility by ensuring that all are likely to carry on business in accordance with the MVDA and its regulations and that they meet the prescribed requirements for registration or continuing the registration. Application screening is an in-depth process at OMVIC. It helps maintain industry professionalism and protects consumers by screening out non-compliant businesses or individuals from participating in the sale of motor vehicles. During this process, if the registration department identifies any applicants operating a business without the required registration, the matter will be brought to the attention of OMVIC’s enforcement department for further investigation.

**Moving registration applications online is a major step forward for OMVIC not just because it will make us more efficient, but also because it will help us serve consumers and the industry more effectively.”**

—OMVIC employee feedback, 2023

This oversight does not only apply to new applicants, but also to registered dealerships and salespeople during the renewal application process, as the registration department works to ensure their continued compliance with the MVDA. The application renewal process involves a “responsibility check” on the business for changes in ownership or the business plan, as well as ensuring that there are no unregistered individuals involved in motor vehicle sales at the business.

In doing so, the registration department plays a key role in supporting the legal and ethical standards of the industry, protecting consumers, and maintaining the overall integrity of dealerships and salespeople, ensuring compliance with the law.

### **Delivering the benefits of a seamless application experience**

Recognizing that OMVIC’s transformation into a modern regulator depends upon an application process that is efficient, responsive, and seamless for the user; the registration department worked closely with IT to develop and test the integration of all registration applications into the new CARS CRM system. In 2023, the implementation of that system and its successful integration with the application process represented a major milestone for the registration department.

With CARS, the new online application process addresses several long-standing issues. In 2021, the OAGO report found that many incomplete applications were submitted to OMVIC; for example, in applications that are mailed or emailed, applicants could leave a section blank and submit them for processing. The new digital process prevents delays by rejecting any incomplete applications immediately. Also, the registration department incorporated into the new system several automated processes that will improve efficiency and turnaround times. For instance, an application



for which no prior review is required may now be automatically approved, and the applicant may receive a notification of approval immediately.

These changes have helped to accelerate the long-term trend of increasing online applications. In 2023, 91 per cent of salesperson change applications, 81 per cent of new salesperson applications, 97 per cent of dealer renewals and 99 per cent of salesperson renewals were filed online.

Going forward, the registration department will continue to focus on automating its processes and educating applicants about the registration requirements, the application process, and its results. Additionally, the department will continually review and enhance its best practices, ensuring registrants have the right tools to maintain their license and compliance with the MVDA.

### **Evolving with the automotive industry**

A key element of the OMVIC business plan for registration is to engage and work with applicants and current registrants who propose new and non-traditional

business models. The goal is to protect consumers as business models evolve while still fostering an environment that encourages competition and innovation.

In the past, applicants who proposed a new or non-traditional dealer model received a follow-up questionnaire from OMVIC to gather additional information and foster an understanding of the applicant's business model. That approach, while helpful, did not account for the reality that business models can change in response to e-commerce, electric vehicles, and other innovative, business trends. It also led to greater inefficiencies in processing applications for new business models than for traditional ones.

Further, to ensure efficient, effective, and responsible regulation, while addressing the Auditor General of Ontario's recommendations, OMVIC amended its registration processes to require more comprehensive business information and forecasts, including a business plan, from all new dealers – not just new or non-traditional dealership models. This information has further improved OMVIC's ability to assess whether applicants can be expected to be financially responsible and act with honesty and integrity in the conduct of their business. The business plan is focused on verifying the applicant's financial strength and viability, marketing and trading strategy, and industry knowledge and experience, among others. Addressing all applicant types into a uniform application process will also increase the department's processing efficiency since separate tracking and processes for new business models are no longer required. As well, the new, comprehensive application supports OMVIC's efforts to track, in a detailed and responsive way, how the motor vehicle industry's business models are changing, or are likely to change in the future.

Importantly, the registration department will continue to review all applications that propose non-traditional business models, such as online dealerships and brokers. In some cases, these models may require additional terms or conditions, different from those applied to traditional dealers, in order to be eligible for registration. For example, the terms and conditions may include having a cooling-off period policy for consumers, and clearly communicated procedures for vehicle returns.

These efforts are part of the registration department's general support for OMVIC's risk management framework by adding terms and conditions for registration wherever appropriate. Cause for terms and conditions may include concerns around financial stability, lack of background and experience in the industry, past conduct that raises future compliance concerns, and possible challenges with an applicant's interested or associated persons.



## Registrar actions

The registrar took 971 actions in 2023. Actions included proposals to refuse or revoke registration and the inclusion of terms and conditions on registration, as

well as immediate suspensions – among the most serious regulatory actions the registrar has the authority to take to prevent imminent consumer harm. In 2023, the registrar issued four immediate suspensions; none were issued in 2022.

### Registrant satisfaction survey results over time

Dealers and salespersons who interact with registration staff during the application process are sent an anonymous electronic customer service survey.

| Years | Survey results on a five-point scale |          |            |
|-------|--------------------------------------|----------|------------|
|       | Knowledge                            | Courtesy | Efficiency |
| 2021  | 4.8                                  | 4.8      | 4.7        |
| 2022  | 4.8                                  | 4.8      | 4.7        |
| 2023  | 4.9                                  | 4.9      | 4.8        |

### Application Processing Times (in business days)

|                                                                                                                                                                                                                                                                | 2022 Actual | 2023 Forecast | 2023 Actual |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|-------------|
| Monitor registrant satisfaction with our registration services (based on knowledge, courtesy & efficiency scores)                                                                                                                                              | 94%         | 60%           | 98%         |
| Monitor the average number of business days processing for complete/non complex new salesperson applications submitted online (excluding staff follow up time to collect missing information and review)                                                       | 2           | 3             | 5           |
| Monitor the average number of business days processing for complete/non complex new salesperson applications submitted by mail/email (excluding staff follow up time to collect missing information and review)                                                | 3.1         | 10            | 15          |
| Monitor the average number of business days processing for all new salesperson applications submitted by mail/email (including complete, incomplete, complex, and non complex applications and staff follow up time to collect missing information and review) | 9           | 30            | 15          |
| Monitor the average number of business days processing for all new salesperson application types (including complete, incomplete, complex, and non complex applications and staff follow up time to collect missing information and review)                    | 9           | 30            | 8.6         |
| Monitor the % of incomplete new salesperson applications received                                                                                                                                                                                              | 64%         | 50%           | 47%         |
| Monitor the average number of business days processing for all new dealer applications (including complete, incomplete, complex, and non complex applications and staff follow up time to collect missing information and review)                              | 111         | 90            | 83          |
| Monitor the % of incomplete new dealer applications received                                                                                                                                                                                                   | 66%         | 70%           | 2%          |

# 2023 Audited Financial Statements Overview

**For 2023, OMVIC reported** a net deficit of \$4,959,891, compared with a deficit of \$4,742,893 for 2022. The deficit for 2023 was expected, and it occurred largely because revenues from transaction and registration fees remained unchanged from the previous year while operating costs increased due to expansion of human resources and inflation. While most of the staff additions, which the board deemed were required to fulfill OMVIC's mandate as a modern industry regulator, occurred in 2022, the full-year fiscal impact of new salary expenditures took effect in 2023.

Largely stagnant revenue and higher operating expenses contributed to OMVIC's accumulated reserves declining from \$18,333,147 at the beginning of 2023 to \$13,373,256 at the end of the year. This decline was consistent with the Office of the Auditor General of Ontario's recommendation that OMVIC deploy surpluses to enhance and improve consumer protection.

Total revenues were \$19,146,786, compared to \$16,633,585 in 2022. Higher revenue was largely due to a year-over-year increase in investment income of \$674,098, reversing a decline of \$1,744,055 million in 2022. Investment income is recorded on an accrual basis and includes interest, dividends, net realized gains (losses) on the sale of investments, and net unrealized gains (losses). In 2022, OMVIC disposed of all equity holdings to protect capital for future operational use. Revenue from certification course fees and disciplinary fines also increased over 2022, by 32 per cent and 65 per cent, respectively.

At \$5,367,480, revenue from registration fees was down marginally from 2022 (less than one per cent). Transaction fee revenue, which OMVIC earns when there is a vehicle transaction such as a sale or lease of a vehicle, was largely flat at \$12,019,280. OMVIC dealer registrants report their transaction fees on a 12-month basis at various times of the year, depending on their month of registration.

Much of OMVIC's revenue outlook is correlated with trends in motor vehicle sales and leases. Industry expert market studies suggest that sales and leases began to increase in the summer of 2023, which is expected to translate into higher transaction fee income for OMVIC. However, because dealers submit transaction fees to OMVIC at various times throughout the year, increased sales, and lease volume in 2023 will likely have the

most tangible impact on revenue in 2024. As well, more positive industry conditions should contribute to higher volumes of transaction fees throughout the year.

However, stagnation in registration and transaction fees remained a significant challenge through 2023, contributing to the second year in a row of OMVIC running an operating deficit. With the increase in staff positions and other operating expenses that resulted from enacting the recommendations of the OAGO in 2021, deficit positions in subsequent years had been anticipated by OMVIC; however, continually running deficits is not sustainable from a fiscal perspective. In response to this challenge, management undertook an extensive review of OMVIC's revenue structure, particularly with regard to transaction and registration fees, some of which had not been adjusted in more than a decade.

Following extensive consultations with the ministry and with stakeholders, OMVIC has planned for fee increases beginning on April 1, 2024. As they come into effect, the fee adjustments should contribute toward resolving operating deficits and placing OMVIC on a sustainable financial footing over the long term.

Total operating expenses in 2023 were \$24,106,677 compared to \$21,376,478 in 2022. The primary reason for the year-over-year increase was the full-year impact of new full-time equivalent positions, resulting in higher salary and benefits costs. Meanwhile, inflationary pressures were primarily responsible for increases in travel expenses and rent, and the need to recruit for several senior positions in 2023 resulted in higher professional services fees. Travel expenditures were also impacted by a higher number of in-person inspections and investigations.

At the end of fiscal 2023, total assets were \$19,104,152 compared with total assets of \$24,026,714 in 2022. The 2023 audited financial statements overview is drawn from OMVIC's audited financial statements. To access the audit financial statements, please visit [omvic.ca](http://omvic.ca), contact [communications@omvic.on.ca](mailto:communications@omvic.on.ca) or call 1-800-943-6002.

| REVENUES BY SOURCES                    |                     |                     |                     |
|----------------------------------------|---------------------|---------------------|---------------------|
|                                        | 2023                | 2022                | 2021                |
| Transaction fees                       | \$12,019,280        | \$12,051,540        | \$12,410,380        |
| Registration fees                      | \$5,367,480         | \$5,380,803         | \$5,479,258         |
| Transfer fees                          | \$473,400           | \$479,175           | \$488,775           |
| Certification course fees              | \$424,751           | \$320,995           | \$302,675           |
| Disciplinary fines                     | \$108,550           | \$65,900            | \$117,450           |
| Amortization of deferred contributions | \$79,227            | \$79,227            | \$79,227            |
| Investment and other income            | \$674,098           | (\$1,744,055)       | \$868,069           |
| <b>TOTAL</b>                           | <b>\$19,146,786</b> | <b>\$16,633,585</b> | <b>\$19,745,834</b> |

| EXPENSES BY SERVICE AREA     |                      |                      |                     |
|------------------------------|----------------------|----------------------|---------------------|
|                              | 2023                 | 2022                 | 2021                |
| Investigations               | \$3,869,111          | \$3,823,288          | \$3,229,801         |
| Registration                 | \$4,264,817          | \$3,553,286          | \$3,070,055         |
| Legal services               | \$3,440,832          | \$3,056,090          | \$2,795,168         |
| Compliance                   | \$3,181,284          | \$2,368,786          | \$2,181,424         |
| Communications               | \$3,441,040          | \$3,301,129          | \$3,080,922         |
| Information technology       | \$2,138,589          | \$1,813,618          | \$1,540,946         |
| Complaints and inquiries     | \$2,238,500          | \$1,816,854          | \$1,627,923         |
| Governance                   | \$899,612            | \$1,027,852          | \$1,034,702         |
| Compensation fund            | \$387,707            | \$447,736            | \$431,804           |
| Discipline                   | \$245,185            | \$167,839            | \$40,361            |
| <b>TOTAL</b>                 | <b>\$24,106,677</b>  | <b>\$21,376,478</b>  | <b>\$19,033,105</b> |
| <b>Net Surplus/(Deficit)</b> | <b>(\$4,959,891)</b> | <b>(\$4,742,893)</b> | <b>\$712,729</b>    |

## Appendix A

# Balanced Scorecard

| STRATEGIC PLAN GOAL 1:<br>Increase Consumer Protection and Awareness             |                                                                                                                                                     |                |                  |                |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|----------------|
| #                                                                                | Measure                                                                                                                                             | 2022<br>Actual | 2023<br>Forecast | 2023<br>Actual |
| 1                                                                                | Monitor consumer satisfaction that complaint handler is knowledgeable, courteous, and efficient based on average survey score                       | 78%            | 75%              | 82%            |
| 2                                                                                | Monitor percentage of complaints that result in successful conciliation                                                                             | 50%            | 40%              | 50%            |
| 3                                                                                | Provide conciliation services to consumers and track number of complaints handled                                                                   | 746            | 900              | 808            |
| 4                                                                                | Monitor complaints forwarded for administrative review as a result of a potential breach; will be reviewed for appropriate next steps and/or action | 95             | 65               | 100            |
| 5                                                                                | Monitor the number of open investigations                                                                                                           | 448            | 400              | 835            |
| 6                                                                                | Monitor the number of closed investigations                                                                                                         | 565            | 475              | 830            |
| 7                                                                                | Maintain awareness of all-in pricing                                                                                                                | 39%            | 41%              | 42%            |
| 8                                                                                | Provide consumer education/awareness sessions                                                                                                       | 36             | 36               | 37             |
| 9                                                                                | Monitor consumer education/awareness session total attendance                                                                                       | -              | 360              | 400            |
| 10                                                                               | Average consumer understanding of car-buying rights post OMVIC education session                                                                    | 96%            | 90%              | 98%            |
| 11                                                                               | Monitor awareness of the OMVIC brand                                                                                                                | 30%            | 32%              | 32%            |
| 12                                                                               | Address dealer-centric compliance-related matters                                                                                                   | 1,731          | 1,500            | 1,813          |
| 13                                                                               | Conduct compliance inspections and track number of complete inspections                                                                             | 1,146          | 2,000            | 2,471          |
| 14                                                                               | Number of site visits of dealers conducted by inspectors                                                                                            | 31             | 30               | 56             |
| STRATEGIC PLAN GOAL 2:<br>Increase Registrant Professionalism and Accountability |                                                                                                                                                     |                |                  |                |
| 15                                                                               | Monitor anticipated number of charges laid                                                                                                          | 2,115          | 950              | 1,595          |
| 16                                                                               | Monitor anticipated number of non-compliant registrants charged                                                                                     | 65             | 45               | 100            |
| 17                                                                               | Monitor number of registrar actions                                                                                                                 | 921            | 1,000            | 971            |
| 18                                                                               | Monitor education-related orders issued                                                                                                             | 26             | 35               | 18             |
| 19                                                                               | Monitor number of caution letters stemming from the Mystery Shop program                                                                            | -              | 30               | 34             |
| 20                                                                               | Monitor discipline fines received                                                                                                                   | \$65,600       | \$145,000        | \$108,550      |
| 21                                                                               | Monitor total number of curbsiders charged (charges)                                                                                                | 1,020          | 600              | 839            |

**STRATEGIC PLAN GOAL 3:**  
**Be a Trusted and Respected Partner by Engaging Stakeholders**

|           |                                        |    |    |           |
|-----------|----------------------------------------|----|----|-----------|
| <b>22</b> | Track industry group meetings          | 17 | 16 | <b>17</b> |
| <b>23</b> | Track ministry meetings                | 27 | 8  | <b>28</b> |
| <b>24</b> | Track consumer interest group meetings | 18 | 18 | <b>18</b> |
| <b>25</b> | Track CEO dealer visits                | 20 | 12 | <b>12</b> |

**STRATEGIC PLAN GOAL 4:**  
**Increase Organizational Efficiency and Effectiveness**

|           |                                                                                                                                                                                                                                                                          |     |     |            |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|------------|
| <b>26</b> | Monitor registrant satisfaction with our registration services (based on knowledge, courtesy & efficiency scores)                                                                                                                                                        | 94% | 60% | <b>98%</b> |
| <b>27</b> | Track online services usage by dealers (renewals)                                                                                                                                                                                                                        | 95% | 70% | <b>97%</b> |
| <b>28</b> | Track online services usage by salespeople (renewals)                                                                                                                                                                                                                    | 99% | 60% | <b>99%</b> |
| <b>29</b> | Track staff job satisfaction                                                                                                                                                                                                                                             | 69% | 75% | <b>68%</b> |
| <b>30</b> | Track percentage of staff turnover                                                                                                                                                                                                                                       | 18% | 13% | <b>17%</b> |
| <b>31</b> | Monitor average number of business days processing for all new dealer applications (including complete, incomplete, complex and non-complex applications, and including staff follow up time to collect missing information and review)                                  | 111 | 90  | <b>83</b>  |
| <b>32</b> | Monitor the percentage of incomplete new salesperson applications received                                                                                                                                                                                               | 64% | 50% | <b>47%</b> |
| <b>33</b> | Monitor the percentage of incomplete new dealer applications received                                                                                                                                                                                                    | 66% | 70% | <b>2%</b>  |
| <b>34</b> | Monitor average number of business days processing for complete/non-complex new salesperson applications submitted by mail/email (excluding staff follow-up time to collect missing information and review)                                                              | 3.1 | 10  | <b>15</b>  |
| <b>35</b> | Monitor average number of business days processing for all new salesperson applications submitted by email and mail (including complete, incomplete, complex and non-complex applications, and including staff follow up time to collect missing information and review) | 9   | 30  | <b>15</b>  |
| <b>36</b> | Monitor average number of business days processing for complete/non-complex new salesperson applications submitted online (excluding staff follow-up time to collect missing information and review)                                                                     | 2   | 3   | <b>5</b>   |
| <b>37</b> | Monitor average number of business days processing for all new salesperson applications submitted online (including complete, incomplete, complex and non-complex applications, and including staff follow up time to collect missing information and review)            | -   | 20  | <b>8</b>   |

|    |                                                                                                                                |     |             |             |
|----|--------------------------------------------------------------------------------------------------------------------------------|-----|-------------|-------------|
| 38 | Monitor average number of business days for staff to screen incomplete new dealer applications and collect missing information | 44  | 30          | 25          |
| 39 | Track the average number of calendar days turnaround time for complaints handling                                              | 45  | 45          | 42          |
| 40 | Monitor call wait times for inquiries/complaints to consumer support (in seconds)                                              | 62  | 90          | 84          |
| 41 | Monitor average call wait times for inquiries to the registrations department (in seconds)                                     | 12  | 180         | 56          |
| 42 | Monitor the average number of years that elapse between dealer inspections                                                     | 2.6 | 3.0         | 2.9         |
| 43 | Track current ratio (OMVIC's ability to pay short-term obligations within one year)                                            | 2.6 | 1.9         | 1.8         |
| 44 | Monitor the compensation fund's unrestricted net asset balance                                                                 | -   | \$8,700,000 | \$8,654,000 |
| 45 | Monitor the percentage of compensation fund claim recoveries                                                                   | -   | 10%         | 14%         |



## Appendix B

# OMVIC board of directors

- 1) **Virginia West:** Chair of the board, Ministerial appointee
- 2) **Patricia Perkins:** Vice-Chair of the board, Ministerial appointee
- 3) **Sohail Ahmed:** Industry director
- 4) **Linda Franklin:** Public director
- 5) **Daniel Hanna:** Industry director
- 6) **Rod Jackson:** Ministerial appointee
- 7) **Bruce G. Matthews, P.Eng.:** Public director
- 8) **Jason Mayhew:** Industry director
- 9) **Glen Padassery:** Public director

## Notes

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