

Wealthsimple

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Member Regulation Policy
Canadian Investment Regulatory Organization
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CC: tradingandmarkets@osc.gov.on.ca, CMRdistributionofSROdocuments@bcsc.bc.ca

Dear Sirs/Mesdames:

RE: Modernization of Requirements for Account Transfers

Wealthsimple is delighted to respond to [CIRO's proposal](#) to modernize requirements for account transfers and bulk account movements.

The proposed rule changes would meaningfully improve investor protection and consumer confidence in the investment industry. The proposal follows years of consultation and builds on the findings of the MFDA's 2021 Public Consultation on Account Transfers,¹ the CSA's Position Paper 25-404 on the New Self-Regulatory Organization Framework, public comments made by CIRO's Chief Policy Advisor in 2023,² and CIRO's recent White Paper.³

Wealthsimple serves more than three million Canadians with investments, savings, tax, and payments products. One in five Canadians under 40 is a Wealthsimple client. Our comments reflect their experiences and illustrate why the reforms proposed by CIRO are urgently needed.

¹ "[Once a client](#) has decided to transfer their account, it is reasonable to expect that delivering institutions act diligently and promptly in order to facilitate the transfer in a timely manner... We believe that [mandating] transfer timelines and the use of an automated platform that increases transparency of the process could mitigate delays arising from delivering institutions endeavoring to retain clients."

² "CIRO aims to publish proposals within the current fiscal year that will likely require firms to use automated account transfer facilities as much as possible and will also set deadlines for dealers to meet when transferring accounts." [Investment Executive](#), May 30, 2023.

³ "[Transfer complaints](#) from investors to CIRO over the last 10 years have been consistently rising and increased more than five-fold since 2015... [Complaints] regarding the lack of accountability for delays in the transfer process were commonly noted. Investors often alleged that their advisor at the delivering institution would intentionally delay the account transfer as their advisor attempted to retain their business. Investors also alleged that the delivering institution would intentionally delay the account transfer to continue to receive any interest payable on assets held."

The rising importance, complexity, and volume of investment accounts

With declining workplace pension coverage and delayed home ownership, Canadians are taking on greater individual responsibility for their long-term financial security. Registered savings and investment accounts have helped, including RESP expansion (1998), RDSP (2008), TFSA (2009) and FHSA (2023). Canadians value these accounts and they must be safeguarded from exploitation.

The number of registered accounts held by Canadians is growing quickly: the number of TFSAs grew from [12 million in 2012](#) to [28 million in 2022](#); [more than a million FHSAs](#) have been opened since their launch in 2023. Add RRSPs and other registered plans, and the total number of registered accounts held by Canadians likely exceeds the adult population.

Younger Canadians face a unique set of economic pressures: an affordability crisis, delayed home ownership, and global volatility. They are the most likely to seek to transfer an investment account (a majority of millennial and Gen Z investors would transfer an account in the next 12 months if there were no fees for doing so), yet the least likely to be able to afford the associated fees and delays (29% of investors under 50 have been deterred from transferring an account in the past).⁴ The investment industry must build and maintain trust among young investors particularly, and improving the transfer experience is critical.

Delays

“In a volatile financial world, account transfers can leave your investments in limbo for weeks and even months. Some in the industry say transfers lately have been slower than ever... There’s no incentive to rush a job that puts investment assets in the hands of another company.”

Rob Carrick, The Globe and Mail, [October 14, 2022](#)

Despite the importance of investment accounts across the population, Canadians can have vastly different experiences when transferring them. The process can be completed in a week or two at no cost, or take six or eight weeks at a cost of \$150 or more. It is hard to believe this kind of inequity and opaqueness would be tolerated in our healthcare or education systems, for example. We applaud CIRO’s recognition of the persistence and severity of the problem, and your efforts to address it.

That this consultation will close during the second postal strike in the last twelve months underscores the urgency with which action must be taken. Between Q4 2024 and Q1 2025, Wealthsimple processed several hundred thousand inbound transfers of registered plans. 45% of these were executed manually by the originating institution, by fax and mailed cheques.

⁴ [Pollara Strategic Insights](#), September 2025.

During this six-month period:

- The average transfer after the sending institution received all necessary documentation took 19 days;
- More than 13,000 registered account transfers took >45 days;
- Wealthsimple clients averaged \$1B in transit funds (peaking at \$2B in March);
- 15% of transfer requests were cancelled by clients due to delays; and
- Fees charged to clients transferring to Wealthsimple alone were in excess of \$35M.

Such delays benefit the financial institution at the expense of the client. During a manual cheque transfer, clients' capital is removed from their account and placed on the sending institution's balance sheet, available to be deployed for profit as a loan or to meet liquidity requirements, without any corresponding benefit to the client.

In essence, between October 2024 and March 2025, Wealthsimple clients provided \$1B+ in interest-free loans from their registered plans to some of the largest and most profitable financial institutions in the world, and paid \$35 million for the privilege.

But egregious delays are not limited to or solely caused by periods of labour disruption. We would encourage regulators to peruse the comments sections of [recent media coverage](#), where Canadians describe their experiences of account transfers even in normal times as "extremely frustrating, stressful, time consuming and costly," and feeling "like [their] hard earned money is being held hostage against [their] will."

Spiralling Junk Fees

"Account transfer fees are a mostly hidden but potent example of financial industry arrogance. After failing to earn your continuing loyalty, these companies charge you to make your escape."

Rob Carrick, The Globe and Mail, [May 28, 2025](#)

While outside the scope of this consultation, it is relevant to consider the ballooning fees levied on account transfers without any corresponding service standards. Despite efficiencies provided by technology (outbound electronic transfers cost Wealthsimple less than \$2 to process), exit fees charged to investors have skyrocketed: from [\\$0-\\$75 in 2015](#) to an average of [\\$150+ per account today](#). Assuming there are around 40 million registered plans in Canada, that equates to \$60 million in fees for every 1% of registered accounts transferred. These flat fees are regressive, hitting the least wealthy clients the hardest, and the proliferation of account types that can be held simultaneously compounds the damage.

Jurisdiction

In its July 2025 White Paper, CRO accurately highlighted that account transfers are an area of shared oversight, not only between a range of provincial regulators, but federal regulators as well. Confusion over this authority has been an effective delay tactic, but should be dismissed. CRO is right to caveat the impact of changes to its rules and “to encourage other regulators to adopt them as harmonized standards.” For this reason, Wealthsimple and other financial institutions have [urged federal regulators](#) to use their sole authority over registered investment accounts to regulate transfers as part of the upcoming federal budget. Harmonized standards at the plan level, via changes to the *Income Tax Act*, are the best way to guarantee uniform consumer protection and build a more cohesive Canadian economy.

However, potential federal intervention should not prevent provincial action in the immediate term. Federal and provincial regulators and policymakers share a commitment to delivering a modern financial system that is competitive, efficient, and puts consumers first. Each should work within their authority to do just that.

Sincerely,

Jessica Oliver
Head of Government Affairs

Appendix: Consultation Questions and Alignment on Key Amendments

Issue	Wealthsimple Position & Rationale
Electronic Communication (Rule 4854)	Fully supported. Manual methods (fax, cheque) are incompatible with modern investor expectations. CIRO should make digital communication mandatory and set a transition date for full automation.
Identification of Impediments (Rule 4857)	Supported. Wealthsimple's operational data confirm that impediments often appear mid-process (e.g., issuer restrictions). The rule should require <i>prompt disclosure when discovered</i> , not delay initiation until all are known.
Two-Day Notice Window	Agreed. Fixed windows risk extending total transfer time. CIRO should specify a <i>maximum</i> rather than <i>mandatory waiting period</i> . A defined SLA for the resolution of transfer impediments supports the need to initiate transfers when in good order, which we believe will reduce overall transfer times.
Ten-Day Settlement Standard (Rule 4859)	Supported with stronger accountability. Wealthsimple suggests CIRO pair this best effort duty with public performance metrics (average completion time, exceptions) to maintain pressure for improvement. We note that while these rules will ultimately align former MFDA and IIROC firms together with the same SLA, there is still room to further accelerate transfer times. For example, FINRA rule 11870 in the US mandates a 3-day SLA for transfer completion.
Indemnities and Acknowledgements (Rule 4854 (4))	Agreed. Simplify to minimize paperwork friction that could slow automation rollout.

Appendix: Implementation, Reporting, and Next Steps

Wealthsimple advocates phased, realistic implementation.

Key steps we recommend include:

1. Mandate automation and electronic communication within 12–18 months, with CISO certification of recognized facilities.
2. Adopt “best efforts” language for impediments and settlement rules, but pair with public metrics to maintain accountability.
3. Require dealers to publish transfer performance data, similar to telecom and air travel service-level disclosures.
4. Phase out manual processes (fax, cheque) entirely by 2027, except in narrow exceptional cases.
5. Further accelerate transfer resolution timelines by reducing from 10 days to 3 days by 2027.