

FINRA®

2021 FINRA Office of the Ombudsman Report





A Message from the Ombudsman

The Office of the Ombudsman is an independent, neutral and confidential resource for FINRA stakeholders—investors, members of the brokerage industry and others—who have questions or concerns about the activities of FINRA and its employees. We advocate for fair FINRA processes and the fair administration of those processes.

This report describes how we help constituents and provides information on cases we received in 2021. The report details the types of constituents who sought our assistance, categories of cases we received and common themes in complaints about FINRA.

I hope you find the report informative and helpful. Please contact us if you have questions about the Office of the Ombudsman, have feedback about the report or seek our assistance.

Sincerely,

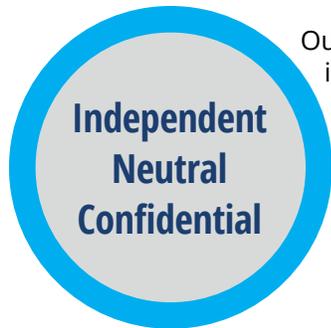
Sarah Gill
FINRA Ombudsman

Contact us

- ▶ **Call:**
(888) 700-0028
- ▶ **Email:**
ombudsman@finra.org
- ▶ **Submit Online:**
www.finra.org/OMBportal
- ▶ **Mail:**
FINRA Ombudsman
9509 Key West Avenue
Rockville, MD 20850
- ▶ **Learn more:**
www.finra.org/ombudsman

You can contact us
anonymously or
confidentially

What Is the Office of the Ombudsman's Role?



Our mission is to provide a forum for investors, brokerage firms, registered investment professionals and others who interact with FINRA to voice concerns of unfair practices or treatment. As an independent, neutral and confidential source of assistance, the Office of the Ombudsman addresses complaints—whether anonymous or not—about operations, enforcement or other activities of FINRA and its employees. We also answer questions and help people navigate FINRA.

For more information about how we can assist you, visit www.finra.org/ombudsman

What Can You Expect If You Contact Us?

Initial Contact

- ▶ We would listen to you and discuss your concern or inquiry
- ▶ We would work to understand the outcome you seek

Office of the Ombudsman Action

- ▶ We would determine if and/or how we can assist you
- ▶ If permitted by you, we would discuss the matter with relevant FINRA staff to attempt to resolve your concern
- ▶ We would review issues presented—this may include discussions with FINRA staff and management, as well as review of documents, recordings, etc.
- ▶ We would research and review rules, regulations, policies and procedures

Resolution

- ▶ We would discuss with you options that may address your concern or inquiry
- ▶ We would answer any remaining questions
- ▶ We would provide you with relevant information and resources
- ▶ We would address internal issues with FINRA management

Reporting

- ▶ We periodically share thematic observations, trends and recommendations with FINRA's Board of Governors and senior management

Examples of Types of Cases We Addressed in 2021

Scams – In 2021, individuals from multiple countries contacted the Office of the Ombudsman about fraudulent schemes. Some of the schemes were imposter scams that involved people fraudulently pretending to be FINRA staff in order to obtain account or other sensitive information. Others were advance fee schemes: investors were told they must pay a fee in advance to redeem their funds.

We answered questions about the fraudulent activity, shared educational resources and took other steps. If the individuals did not seek confidentiality, we submitted information to FINRA's investigatory team and law enforcement as appropriate.

Investor Complaints and Regulatory Tips – We received complaints from investors about FINRA staff's handling of investor complaints and regulatory tips. In these situations, we reviewed staff's work on the matters and discussed any questions or concerns with FINRA staff or management.

In a number of cases, investors asked us to provide details regarding FINRA's investigations of investor complaints or regulatory tips. Because FINRA investigations are confidential, we were not able to discuss the investigative steps or findings of FINRA staff.

FINRA Fees – Individuals contacted us about FINRA fees—from late disclosures fees to arbitration fees. We reviewed the assessment of the fees, provided constituents with information about fee waiver requests and in some cases raised concerns with FINRA staff or management.

FINRA Reviews, Investigations and Examinations – Brokerage firms, registered investment professionals and issuers contacted us about FINRA regulatory matters. Complaints addressed issues including the volume of requests for information, the time provided for responding to requests, the timing of staff's responses and staff's interpretation of rules. Our actions in these cases included clarifying FINRA's policies and procedures, facilitating discussions between the parties and raising concerns with FINRA staff or management when appropriate.

Information on the Central Registration Depository (CRD®) and BrokerCheck® – Registered investment professionals and brokerage firms contacted us with concerns regarding information on CRD and BrokerCheck. Although we do not have the authority to remove items from CRD and BrokerCheck, we can help clarify the disclosure process. In some instances, we facilitated communication between individuals and FINRA staff that helped to address concerns.

Avoid Scams

[Beware of Broker Imposter Scams](#)

[Advance-Fee Frauds Keep Dropping the FINRA Name—Don't Fall for "Regulator" Imposter Ploys](#)

[Protect Your Money](#)

Investor Resources

[File a Complaint](#)

[Questions to Ask Before You File a Complaint](#)

[File a Tip](#)

Fee Information

[Arbitration Fees](#)

[Late Disclosure Fee Frequently Asked Questions](#)

Regulatory Processes

[2022 Report on FINRA's Examination and Risk Monitoring Program](#)

[FINRA Enforcement](#)

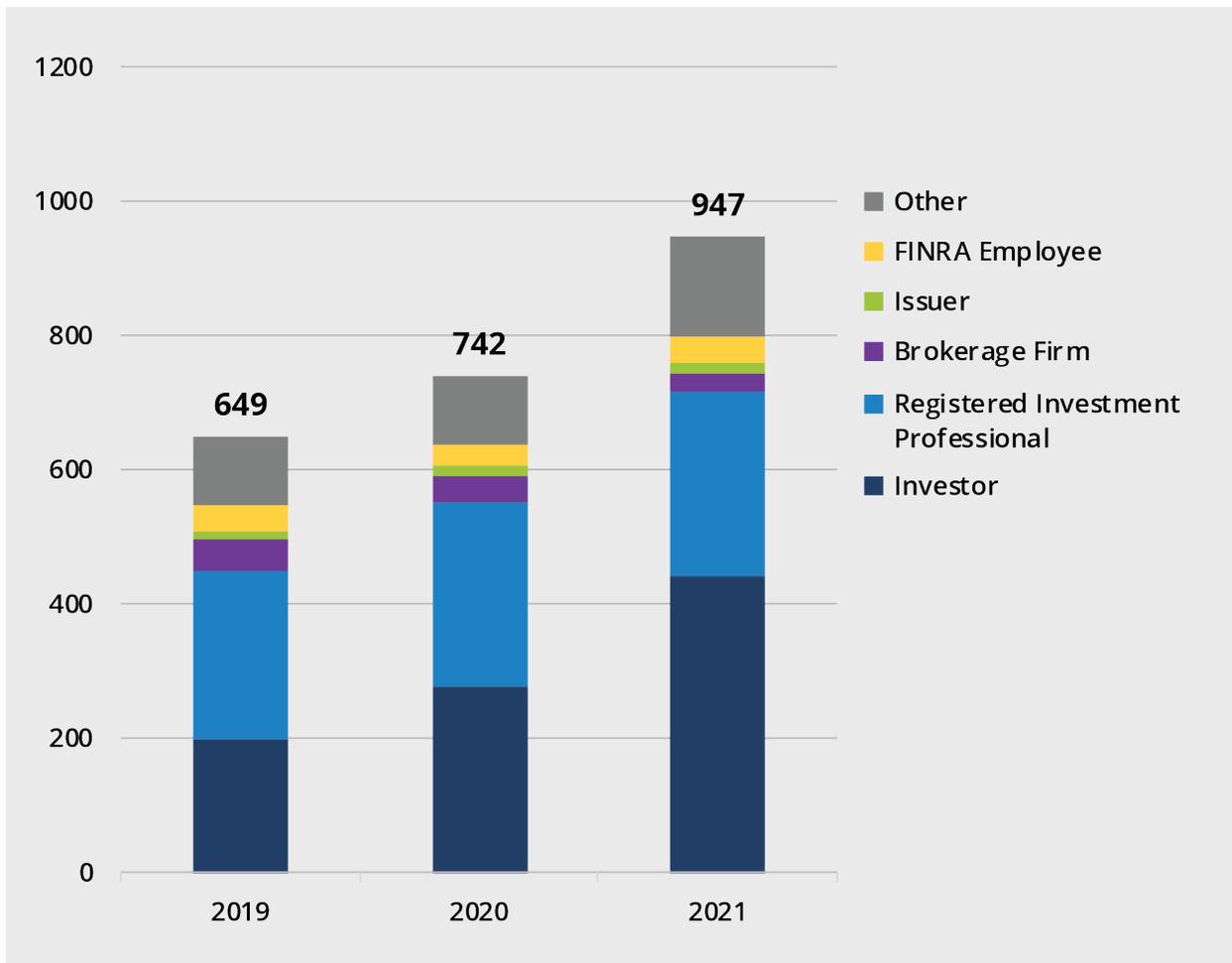
Learn More

[Central Registration Depository \(CRD\)](#)

[BrokerCheck - Find a broker, investment or financial advisor](#)

Cases By Constituent Type

This chart illustrates the Office of the Ombudsman’s total cases by constituent type in 2019, 2020 and 2021. In those years, a significant majority of our cases were from investors and registered investment professionals.



Issuer – A publicly traded company appearing on an exchange or another quotation system

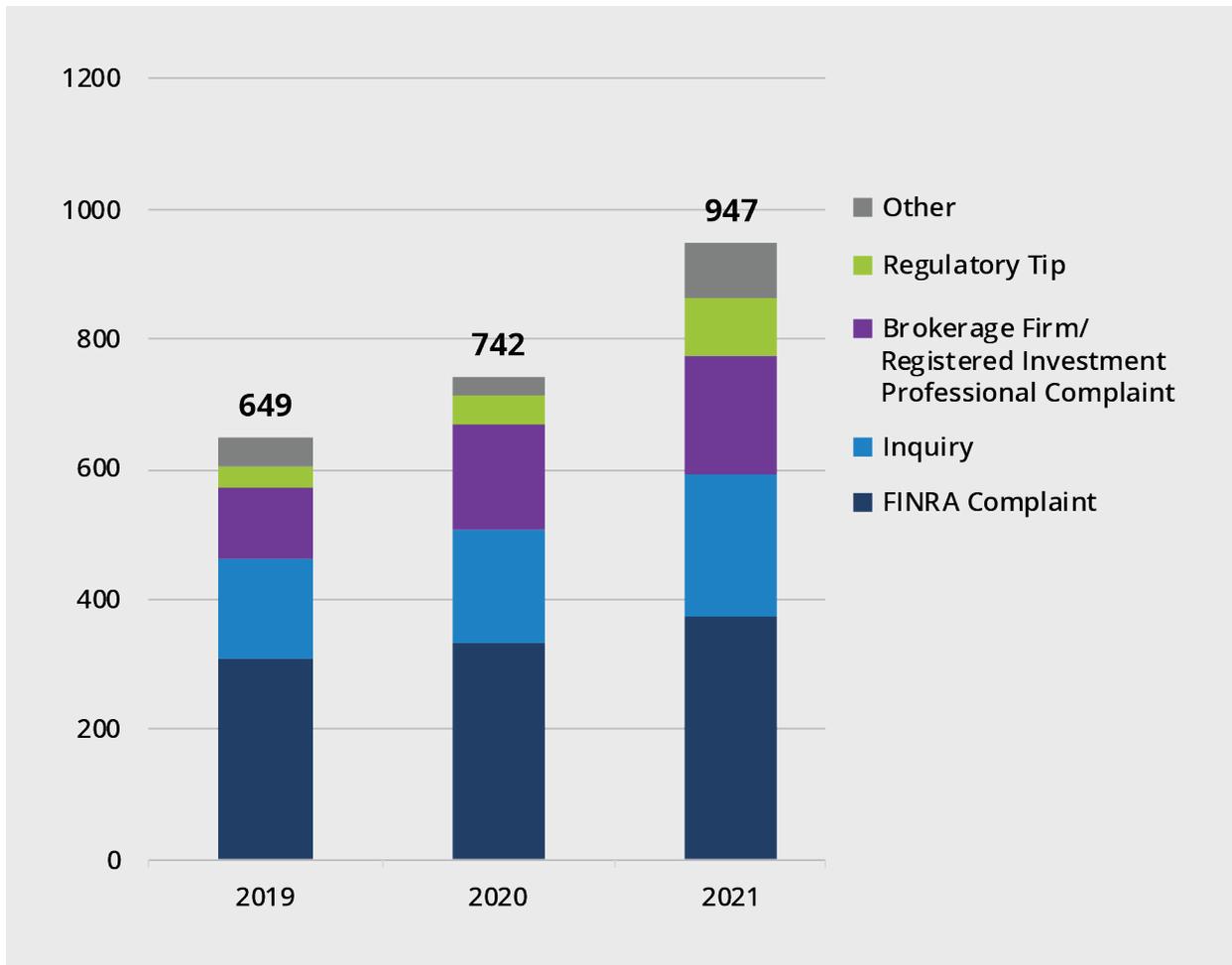
Brokerage Firm – A firm currently or previously registered with FINRA

Registered Investment Professional – A person who is, was or seeks to be registered with FINRA as a representative of a brokerage firm

Investor – A member of the public who currently has a brokerage account or may intend to open a brokerage account

Cases By Category

This chart details the categories of cases the Office of the Ombudsman received in 2019, 2020 and 2021. In those years, complaints about FINRA, inquiries and complaints about brokerage firms and registered investment professionals were the case categories with the highest volumes.



Regulatory Tip – A Report of suspicious activity—including potential scams or fraudulent schemes—or possible securities rule violations by brokerage firms, registered investment professionals or others

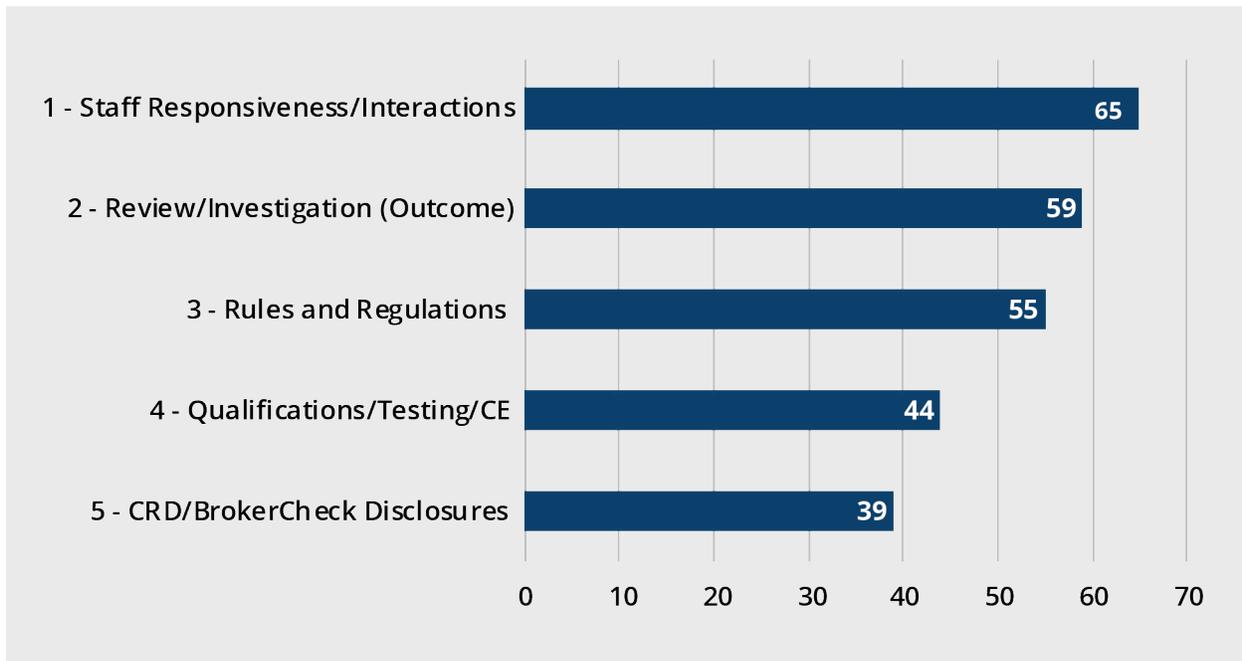
Brokerage Firm/Registered Investment Professional Complaint – A complaint regarding currently or previously registered brokerage firms or investment professionals

Inquiry – A question about FINRA processes, rules, policies and procedures

FINRA Complaint – A complaint regarding FINRA activities, policies, processes, staff actions, etc.

Top Five Categories of Complaints About FINRA–2021

This graph includes the five most common categories of complaints about FINRA that the Office of the Ombudsman received in 2021.



Staff Responsiveness/Interactions – Staff’s alleged actions, behaviors or responsiveness to constituents’ queries

Review/Investigation (Outcome) – The outcome of FINRA reviews (*e.g.*, reviews of investor complaints or regulatory submissions), investigations or examinations

Rules and Regulations – FINRA’s rules, regulations or written interpretive guidance

Qualifications/Testing/CE – The portion of the registration process for investment professionals involving qualification examinations, maintaining qualifications and continuing education (CE); including examination accommodations, content and scheduling

CRD/BrokerCheck Disclosures – The portion of the registration process for investment professionals relating to Forms U4 and U5 disclosures (*e.g.*, disclosure of customer complaints or regulatory actions) and their public display on BrokerCheck

The FINRA logo is positioned in the top left corner of a blue background. The background features a pattern of overlapping, semi-transparent blue lines that create a grid-like structure. The logo itself consists of the word "FINRA" in a white, sans-serif font, with a registered trademark symbol (®) to its upper right.

FINRA®

Investor protection. Market integrity.

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