

# MFDA Releases new Seniors & Vulnerable Clients Bulletin

October 27, 2019

Ahead of the MFDA's Seniors Summit scheduled for October 30, 2019, the [MFDA released a brief bulletin](#) of two dealer best practices:

1. requesting clients to name a trusted contact person (TCP); and
2. placing a temporary hold on transactions where there are reasonable concerns regarding financial exploitation of a client or a client's mental capacity.

Interestingly, both practices are triggered when the investment advisor or dealer has "reasonable concerns" about a client's capacity and/or financial situation.

## Trusted Contact Person

A TCP is a person that an advisor may call when he or she has **reasonable concerns** about a client's mental capacity. A TCP is not intended to be a substitute for a power of attorney (POA), but a complement to the POA and almost always should be a separate person. **The TCP should not be an individual who has an interest in the client's account** and/or is involved in making financial decisions to the account. As a best practice, the MFDA recommends that members take reasonable steps to obtain the name and contact information of a TCP when a client opens an account.

## Temporary Holds

The bulletin also recommends that dealers should develop policies and procedures to enable the dealer to put a temporary hold on a transaction where there is a **reasonable concern** that financial exploitation of the senior or vulnerable client is taking place or a reasonable concern regarding the mental capacity of the client related to financial decision making. The policies and procedures should address matters including identifying supervisory and staff authorized to; (1) place the hold; and (2) review, monitor or address the issues in relation to the hold; and (3) decide to complete or disallow the transaction subject to the temporary hold.

When the decision is made to put a hold on an account, the MFDA recommends that the investment advisor notify the client, contact the TCP (where appropriate) and any parties authorized to transact on the account as quickly as possible. The hold should

only last as long as is required to address the concerns and should update the client as necessary.

By

Maureen Doherty

Expertise

Securities Disputes, Banking Litigation, Banking

---

## BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

## BLG Offices

### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3  
  
T 403.232.9500  
F 403.266.1395

### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9  
  
T 613.237.5160  
F 613.230.8842

### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2  
  
T 604.687.5744  
F 604.687.1415

### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4  
  
T 514.954.2555  
F 514.879.9015

### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3  
  
T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.