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# News Release

## FINANCIAL CONSUMER AGENCY OF CANADA RELEASES RESULTS OF ITS SECOND MYSTERY-SHOPPING EXERCISE

**Ottawa, October 26, 2005** – Today the Financial Consumer Agency of Canada (FCAC) publicly released the results of its 2004-05 mystery-shopping exercise.

FCAC works proactively to monitor the compliance of the federally regulated financial services industry with the federal laws designed to protect consumers. Mystery-shopping is an important tool the Agency uses to gather information and to identify issues in the financial services marketplace. “We work to support a fair and competitive market place. Mystery shopping helps us achieve this objective by providing us with key information”, stated FCAC Commissioner Bill Knight.

The purpose of this year’s mystery-shopping exercise, which took place between November 2004 and March 2005, was to gather information and identify any problems related to access to basic banking services. *The Access to Basic Banking Services Regulations*, introduced in 2003, allow Canadians to cash a federal government cheque for less than \$1,500, free of charge, and to open a retail bank account, with no minimum deposit.

Overall, the banks that were shopped attained a 84 percent success rate with respect to the legislative requirements for the opening of basic retail deposit accounts and a 91 percent success rate when cashing federal government cheques.

A summary of the results is provided in the table below.

<b>Mystery Shopping 2004-05 — Summary of Results</b>				
<b>Opening accounts</b>				
Total number of attempts	Number of unsuccessful attempts	Success rate in opening an account	Minimum deposit required	Number of written notices of refusal issued
292	48	84%	30	5
<b>Cashing federal government cheques</b>				
Total number of attempts	Number of unsuccessful attempts	Success rate in cashing a federal govt. cheque	Fee required to cash a federal government cheque	Number of written notices of refusal issued
212	20	91%	2	1



“While there is always room for improvement, the overall results are positive,” stated FCAC Commissioner Knight. “However, this exercise did point to a problem with banks providing notices of refusal to consumers. The Regulations clearly state that a bank must provide consumers, in writing, with a notice of its refusal to open an account or to cash a federal government cheque. In addition, consumers should also receive, in writing, instructions on how they can contact FCAC if they wish to report their situation. This process is crucial for keeping consumers informed of their rights, and is essential when it comes to FCAC monitoring the industry’s compliance with federal consumer protection measures,” the Commissioner added.

For more information about FCAC’s 2004-05 mystery-shopping exercise, please see the attached backgrounder. To view the results of the mystery-shopping exercise, the public may visit FCAC’s Web site at: [www.fcac.gc.ca](http://www.fcac.gc.ca) and go to the Compliance section.

FCAC ensures compliance with the consumer protection laws, codes of conduct and public commitments that apply to banks and federally incorporated trust, loan and insurance companies. FCAC also provides consumers with accurate and objective information about financial products and services, and informs Canadians of their rights when dealing with financial institutions.

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