



Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada

Your New Banking Rights

*What you should know
about access to basic
banking services*



Protecting Consumers



Informing Canadians

Canada 



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Protecting Consumers: The New Federal Banking Regulations

On September 30, 2003, the Government of Canada introduced the *Access to Basic Banking Services Regulations*. The Financial Consumer Agency of Canada (FCAC) is responsible for enforcing these regulations, which ensure that all Canadians can obtain the following basic banking services:

- ◆ open a personal bank account to cash paycheques or pay bills;
- ◆ cash, free of charge, most Government of Canada cheques at any bank branch that dispenses cash through a teller. These rules apply only to non-customers of the bank at which you present your cheque.

This guide provides general information to inform you about your new banking rights.



Opening a Personal Bank Account

Under the new rules, a bank can't refuse to open a personal bank account for you just because:

- ◆ you don't have a job;
- ◆ you are or have been bankrupt; or
- ◆ you're not depositing money into the account immediately.

In certain situations the bank may legitimately require you to make a deposit. For example, if you're ordering cheques and they don't come free of charge, the bank may ask you to deposit enough money to pay for them.

In the next few pages, we will provide information to answer the following questions:

- ◆ When must a bank open a personal bank account?
- ◆ What do you need when opening a personal bank account?
- ◆ When can a bank refuse to open a personal bank account?
- ◆ What can you do if the bank refuses to open a personal bank account?
- ◆ What if the bank wants to check your credit file?
- ◆ How does the bank use your credit information?

The new regulations apply to personal bank accounts that you request in person at a bank branch or point of service. They don't apply to accounts you open by telephone or Internet, or to business or commercial accounts.



When Must a Bank Open a Personal Bank Account?

Except for a few specific reasons for refusal, a bank must open a personal bank account for you if:

- ◆ you request a personal account, in person, at a bank branch or point of service at which personal bank accounts can be opened. For example, if you go to a bank branch that only offers business accounts, you may not be able to open a personal bank account;
- ◆ you provide the bank with the following information:
 - ◆ your name;
 - ◆ your date of birth;
 - ◆ your address, if any; and
 - ◆ your occupation, if any;
- ◆ you can provide acceptable identification;
- ◆ you agree to let the bank verify your identification, if the bank requests it; and
- ◆ you agree to let the bank find out if any of the reasons for refusal apply to you, if the bank requests it (See *“When Can a Bank Refuse to Open a Personal Bank Account?”*, page 8). The bank often contacts a credit-reporting agency to do this.

After verifying your pieces of identification and whether the reasons for refusal apply to you, the bank may also ask you to present a piece of identification from "List A" (see page 6 and 7) that shows your photograph and signature. The bank may request this if it has reasonable grounds to believe that you're misrepresenting yourself.

Banks must publicly display a notice explaining these requirements. They must also give you this information in writing if you ask for it.



Proving Where You Live

Although having a permanent address is not a requirement, the bank may also ask you for proof that you live where you say you do. An example of such proof would be a recent utility bill that includes both your name and address.

What Do You Need When Opening a Personal Bank Account?

When opening a personal account at a bank branch, you must present either two pieces of acceptable identification or one piece and a sponsor. The documents that you present must be original and in good condition. Identification that has expired is not valid.

If you have only one piece of acceptable identification, you'll need to have someone confirm your identity to the bank. This person has to be a client in good standing with the bank or an individual in good standing, in the community where the bank is located.

To verify your identity, the bank may also ask for documents such as a recent utility bill that includes your name and address.

Also, if the personal bank account you're opening pays interest, the *Income Tax Act* requires the bank to ask you for your Social Insurance Number (SIN). If the account doesn't pay interest, you do not need to provide your SIN card to the bank as a piece of identification if you do not wish to do so.

If you don't have acceptable identification, contact your federal, provincial or territorial government for information on how to obtain the pieces of identification you need.



Acceptable Identification

When opening a personal bank account, you need to provide acceptable identification. You can use:

- ◆ two pieces of identification from List A;
- ◆ one piece of identification from List A and one piece of identification from List B; or
- ◆ one piece of identification from List A, if your identity can be confirmed by a sponsor.

A sponsor is a client in good standing with the bank or an individual in good standing, in the community where the bank is located.


It's important to note that this identification must be original, valid and in good condition.

LIST A

Acceptable pieces of identification are:

- ◆ a valid driver's licence issued in Canada¹;
- ◆ a current Canadian passport;
- ◆ a Certificate of Canadian Citizenship or Certification of Naturalization;
- ◆ a Permanent Resident card or Citizenship and Immigration Canada Form IMM 1000 or IMM 1442;
- ◆ a birth certificate issued in Canada;

¹ A Quebec driver's licence may be used if you offer it, but it can't be required by financial institutions for identification purposes.


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- ◆ a Social Insurance Number (SIN) card issued by the Government of Canada;
 - ◆ an Old Age Security card issued by the Government of Canada;
 - ◆ a Certificate of Indian Status issued by the Government of Canada;
 - ◆ a provincial health insurance card²; or
 - ◆ a document or card with your photograph and signature, issued by:
 - ◆ the Insurance Corporation of British Columbia;
 - ◆ Alberta Registries;
 - ◆ Saskatchewan Government Insurance;
 - ◆ the Department of Service Nova Scotia and Municipal Relations;
 - ◆ the Department of Transportation and Public Works of the Province of Prince Edward Island;
 - ◆ Service New Brunswick;
 - ◆ the Department of Government Services and Lands of the Province of Newfoundland and Labrador;
 - ◆ the Department of Transportation of the Northwest Territories; or
 - ◆ the Department of Community Government and Transportation of the Territory of Nunavut.

LIST B

Acceptable pieces of identification are:

- ◆ an employee identity card with your photograph, issued by an employer well known in the community.

² Ontario, Prince Edward Island and Manitoba prohibit the use of health insurance cards as identification. Quebec's health insurance card cannot be required by financial institutions for identification, but you can offer it if you wish to do so.

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- ◆ an automated banking machine (ABM) card or client card showing your name and signature, issued by a bank or other financial institution in Canada.
 - ◆ a credit card showing your name and signature, issued by a bank or other financial institution in Canada.
 - ◆ a Canadian Institute for the Blind (CNIB) client card with your photograph and signature; or
 - ◆ a current foreign passport.

When Can a Bank Refuse to Open a Personal Bank Account?

A bank can legitimately refuse to open a personal bank account for you if:

- ◆ the bank has reasonable grounds to believe that you'll use the account to break the law or commit fraud;
- ◆ you've committed a crime or fraud against a financial institution during the past seven years;
- ◆ it has reasonable grounds to believe that you intentionally provided false information when you opened the account;
- ◆ it has reasonable grounds to believe that opening the account would expose its employees or customers to physical harm, harassment or abuse;
- ◆ you do not agree to let the bank verify if the four circumstances mentioned above may apply to you and to verify the pieces of identification that you present to the bank; or
- ◆ you can't provide acceptable identification.



What Can You Do If The Bank Refuses to Open a Personal Bank Account?

If the bank refuses to open a personal account, the bank must inform you in writing of its refusal to open the account. The bank, however, doesn't have to give you a written **reason** for its refusal.

If you disagree with the bank's decision and you want to make a complaint, ask the bank about its complaint-handling process. Then follow the steps in this process to have the bank's decision reviewed.

The bank must also give you written instructions on how to contact the Financial Consumer Agency of Canada (FCAC).

The FCAC supervises banks to ensure they comply with federal consumer protection measures, including the *Access to Basic Banking Regulations*, that apply to them. It analyses the information it receives from consumers as well as the bank, and seeks appropriate compliance action if it determines that the bank has not complied with the legislation.



What If the Bank Wants to Check Your Credit File?

When you ask to open a personal bank account, the bank often contacts a credit reporting agency (also known as a credit bureau) to check the information you provided against the agency's records. Credit reporting agencies are organizations that maintain credit files, and other personal information, about millions of Canadian consumers. Your file will show and confirm to the bank, among other things:

- ◆ your personal information (your name, address and birth date);
- ◆ your employment history;
- ◆ your current and past debts;
- ◆ whether you pay your bills on time; and
- ◆ your bankruptcy history, judgments and/or third-party collections, if any.

It will also indicate to the bank any confirmed misuse or irregularity related to your address, social insurance number and telephone number.

This information helps the bank determine whether any of the reasons for refusal apply to you. It will also help the bank decide what you can do with your account.

Under the law, if the bank contacts a credit reporting agency, it can't normally use this information to deny you an account. It can only do so if the information contained in your credit file provides the bank with reasonable grounds to believe that you have been involved in dishonest or fraudulent activity. The fact that you have a poor credit rating or have declared bankruptcy in the past can't, by itself, be a reason for refusing to open an account for you.



Refusing a Credit Check

If you won't let the bank check your credit file, perhaps because you feel it isn't necessary for the type of account you want to open, the bank might tell you that it won't open the account. If this happens, ask for the bank's complaint-handling process and follow the steps in this process to have the bank's decision reviewed. You should also contact FCAC.

You can also contact FCAC if you'd like more information about credit-reporting agencies.

How Does the Bank Use Your Credit Information?

The bank may use the information from the credit bureau check to help decide what you can do with your personal bank account. For example:

- ◆ it may help establish how much you can withdraw from your account through an automated banking machine;
- ◆ it may help determine whether you will be able to deposit cheques at an automated banking machine and how long the bank will place a "hold" on money you deposit into the account by cheque; or
- ◆ it may help the bank decide whether to provide you with a chequing account or a basic savings account.



Cashing a Government of Canada Cheque

Under the new rules, you don't need to open a personal bank account to cash a Government of Canada cheque. Any bank branch that dispenses cash through a teller must cash a Government of Canada cheque free of charge.

In the next few pages, we will provide information to answer the following questions:

- ◆ When must a bank cash a Government of Canada cheque?
- ◆ What do I need when cashing a Government of Canada cheque?
- ◆ What if the bank refuses to cash the cheque?

When Must a Bank Cash a Government of Canada Cheque?

If you are not a customer of the bank (you do not have a personal deposit account or credit card with the bank) the bank must still cash your Government of Canada cheque for you as long as:

- ◆ the cheque is for \$1,500 or less;
- ◆ you show acceptable identification; and
- ◆ the bank dispenses cash through a teller.

However, a bank can refuse to cash a Government of Canada cheque if you can't provide proper identification.



It can also refuse if it has reasonable grounds to believe:

- ◆ the cheque is counterfeit;
- ◆ the cheque has been altered in some way; or
- ◆ the cheque is connected with a crime or fraud.

What Do You Need When Cashing a Government of Canada Cheque?

To cash a Government of Canada cheque, you need:

- ◆ any two pieces of identification from the list on pages 14 and 15; or
- ◆ one piece of identification from the list on pages 14 and 15, that shows your photograph and signature.

If you have only one piece of identification from the list, and it doesn't have your photograph and signature, then your identity must be confirmed by a sponsor.

A sponsor is a client in good standing with the bank or an individual in good standing, in the community where the bank is located.

It's important to note that this identification must be original, valid and in good condition.




Acceptable Identification

Acceptable pieces of identification for cashing a Government of Canada cheque are:

- ◆ a valid driver's licence issued in Canada³ ;
- ◆ a current Canadian passport;
- ◆ a Certificate of Canadian Citizenship or Certification of Naturalization;
- ◆ a Permanent Resident card or Citizenship and Immigration Canada Form IMM 1000 or IMM 1442;
- ◆ a birth certificate issued in Canada;
- ◆ a Social Insurance Number (SIN) card issued by the Government of Canada;
- ◆ an Old Age Security card issued by the Government of Canada;
- ◆ a Certificate of Indian Status issued by the Government of Canada;
- ◆ a provincial health insurance card⁴;
- ◆ a document or card with your photograph and signature, issued by:
 - ◆ the Insurance Corporation of British Columbia;
 - ◆ Alberta Registries;
 - ◆ Saskatchewan Government Insurance;
 - ◆ the Department of Service Nova Scotia and Municipal Relations;
 - ◆ the Department of Transportation and Public Works of the Province of Prince Edward Island;
 - ◆ Service New Brunswick;
 - ◆ the Department of Government Services and Lands of the Province of Newfoundland and Labrador;
 - ◆ the Department of Transportation of the Northwest Territories; or
 - ◆ the Department of Community Government and Transportation of the Territory of Nunavut.

³ A Quebec driver's licence may be used if you offer it, but it can't be required by financial institutions for identification purposes.

⁴ Ontario, Prince Edward Island and Manitoba prohibit the use of health insurance cards as identification. Quebec's health insurance card cannot be required by financial institutions for identification, but you can offer it if you wish to do so.

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- ◆ an employee identity card with your photograph, issued by an employer well known in the community;
 - ◆ an automated banking machine (ABM) card or client card showing your name and signature, issued by a bank or other financial institution in Canada;
 - ◆ a credit card showing your name and signature, issued by a bank or other financial institution in Canada;
 - ◆ a Canadian Institute for the Blind (CNIB) client card with your photograph and signature; or
 - ◆ a current foreign passport.

What If the Bank Refuses to Cash the Cheque?

A bank might refuse to cash a Government of Canada cheque for you, even though:

- ◆ you presented acceptable identification; and
- ◆ the cheque is for \$1,500 or less.

If this happens, the bank must inform you in writing of its refusal to cash the cheque. The bank, however, doesn't have to give you a written **reason** for its refusal.

If you disagree with the bank's decision to not cash the cheque and you want to complain, ask the bank about its complaint-handling process. Then follow the steps in this process to have the bank's decision reviewed.

The bank must also give you written instructions on how to contact the Financial Consumer Agency of Canada (FCAC).

The FCAC supervises banks to ensure they comply with federal consumer protection measures, including the *Access to Basic Banking Regulations*, that apply to them. It analyses the information it receives from consumers and the bank itself, and seeks appropriate compliance action if it determines that the bank has not complied with the legislation.



Who We Are

We are the **Financial Consumer Agency of Canada (FCAC)**.

The Government of Canada set up the agency to protect your rights as a consumer and give you information about the financial products and services you use.

Information

Through our Consumer Contact Centre and publications, we provide user-friendly information to inform you of your rights and help you shop around for the financial products and services that meet your needs.

When we provide information, we do not favour any product or service. We give you facts that will help you choose the one that is best for you.

Protection

We also make sure that financial institutions that are regulated by the federal government, such as banks and trust and loan companies, respect the laws of Canada that protect consumers. We monitor them to ensure they follow their own voluntary codes of conduct and respect their public commitments. You can obtain more information on the financial institutions we regulate and the laws that apply to them by contacting us.



How to Contact Us

If you think that a bank or trust and loan company has not respected federal consumer protection laws related to bank accounts, please contact us:

Financial Consumer Agency of Canada
427 Laurier Avenue West
Enterprise Building, 6th Floor
Ottawa, ON K1R 1B9

Telephone (toll-free): 1-866-461-3222

Fax (toll-free): 1-866-814-2224

E-mail for information: info@fcac-acfc.gc.ca

E-mail for publications: pub@fcac-acfc.gc.ca

Web site: www.fcac-acfc.gc.ca

**All of our information and services
are available to you free of charge.**