



## Backgrounder Commissioner's Decisions

The Financial Consumer Agency of Canada (FCAC) began publishing summaries of its Commissioner's decisions in 2003 to promote awareness of the consumer provisions – the federal laws and regulations that protect financial consumers in Canada. These summaries, published quarterly, describe timely compliance issues affecting financial consumers and federally regulated financial institutions.

Since 2001, FCAC has found more than 90 violations of consumer protection laws by federal financial institutions, and has taken appropriate measures to ensure or strengthen industry compliance in each case.

In cases where the Commissioner decides that a violation has occurred, he has the following options available:

**Compliance Agreement:** The Commissioner can enter into a Compliance Agreement with a financial institution. This is done to encourage improved compliance with the consumer provisions. Failure to abide by the terms of a Compliance Agreement is a violation, and may lead to further disciplinary action against the financial institution by FCAC.

**Letter of Reprimand:** This administrative procedure may be used in less serious cases of non-compliance. In the Letter of Reprimand, the Commissioner confirms that the violation has occurred and that steps have been taken to correct the problem.

**Notice of Violation:** In cases where the Commissioner issues a Notice of Violation he may impose an **Administrative Monetary Penalty** as high as \$50,000 for a person, or \$100,000 for an institution. The Commissioner determines the amount of the penalty according to the degree of intent or negligence of the person who committed the violation, the harm done by the violation and any history of previous violations.

**Application for a compliance or restraining order:** The Commissioner may also apply for a court order requiring the financial institution to comply with — or to cease contravening — a consumer provision.

The *FCAC Act* also gives the Commissioner the authority to make public the nature of a violation, the name of the person who committed it and the amount of the penalty imposed.

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The Commissioner's Decisions can be found on FCAC's Web site ([www.fcac.gc.ca](http://www.fcac.gc.ca)) in the **Compliance Information** section.

FCAC ensures compliance with the consumer protection laws 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.

- 30 -

**Media contacts:**

Christina McDonald  
Public Affairs Officer  
(613) 941-4168  
[mcdonald.christina@fcac.gc.ca](mailto:mcdonald.christina@fcac.gc.ca)

Jean-Guy St-Amour  
Consumer Education Officer  
(613) 941-4222  
[st-amour.jean-guy@fcac.gc.ca](mailto:st-amour.jean-guy@fcac.gc.ca)

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