

News Release

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FINANCIAL CONSUMER AGENCY OF CANADA RELEASES RESULTS OF MYSTERY SHOPPING EXERCISE

OTTAWA, December 10, 2003 – The Financial Consumer Agency of Canada (FCAC) today released the results from a mystery shopping exercise conducted at more than 1,600 bank branches across Canada last spring.

“Mystery shopping is a tool we use to get a sense of what information is available to consumers when they go into a bank branch,” explains FCAC Commissioner Bill Knight. “The more information consumers have, the better financial decisions they will make.”

For the purposes of this exercise, FCAC evaluated both legislative disclosure requirements and other branch practices. A summary of the results is provided below.

Legislative requirements

Topic covered by mystery shopping exercise	Number of branches where mystery shopping took place	Number of branches that had the information available, or that provided the information upon request	Percentage of branches that had the information available, or that provided the information upon request	Page number in report
Branch closure postings	37	36	97.3	4
Cashing a federal government cheque free of charge	1,651	1,569	95.0	5
Coercive tied selling	1,653	1,241	75.1	5
Holds-on-cheques policy	1,653	833	50.4	5
Interest rate and frequency of interest paid on savings accounts	1,653	700	42.3	6
Interest rates and terms on loans ¹	713	517 ¹	72.5 ¹	6
Public accountability statements	1,553	1,065	68.6	7
Service charges on savings accounts	1,653	1,414	85.5	7

¹ Results may understate the true performance of the bank branches because shoppers may have considered credit cards and lines of credit



Branch practices

Topic covered by mystery shopping exercise	Number of branches where mystery shopping took place	Number of branches that had the information available, or that provided the information upon request	Percentage of branches that had the information available, or that provided the information upon request	Page number in report
Cashing a federal government cheque for a non-customer	1,652	1,417	85.8	8
Complaint procedures	1,653	1,356	82.0	8
Low-fee accounts	1,642	1,387	84.5	9
Supply of brochures available to consumers	1,653	1,306	79.0	9

Mystery shopping is one of the tools FCAC uses to monitor the performance of federally regulated financial institutions. Other monitoring tools include an annual general examination of Canadian institutions, consumer surveys, and an analysis of complaints and inquiries.

Mystery shoppers were hired from a market research firm to shop 1,653 bank branches across Canada.

To view the full report of the Mystery Shopping exercise, visit the Compliance section of the FCAC Web site at: www.fcac-acfc.gc.ca.

The Financial Consumer Agency of Canada was created in October 2001 to oversee consumer protection measures in the federally regulated financial services sector and to expand consumer education activities.

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