



Financial Consumer  
Agency of Canada

Agence de la consommation  
en matière financière du Canada

# *Connecting with Canadians*



*Annual Report 2002–2003*

Protecting Consumers  Informing Canadians

Canada 

## *Our mission*

The Financial Consumer Agency of Canada is committed to improving Canada's financial marketplace by:

- **supervising financial institutions efficiently and effectively with respect to meeting their obligations to consumers; and**
- **providing information that enables consumers to understand their rights and make informed financial decisions.**

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Enterprise Building  
427 Laurier Avenue West  
Ottawa, Ontario K1R 1B9

September 22, 2003

The Honourable John Manley, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
House of Commons  
Ottawa, Ontario K1A 0M6

Minister:

I am pleased to submit to you the annual report of the Financial Consumer Agency of Canada for the period from April 1, 2002, to March 31, 2003, its first full year of operations.

Yours truly,

A handwritten signature in blue ink, appearing to read "William G. Knight".

William (Bill) G. Knight  
Commissioner

cc: The Hon. Maurizio Bevilacqua, P.C., M.P.  
Secretary of State, International Financial Institutions

# Connecting with Canadians

## A letter from the Commissioner

*During the first full year of operations of the Financial Consumer Agency of Canada (FCAC), we have focused on helping Canadians deal with the multitude of financial issues that affect them every day. We have committed ourselves to familiarizing consumers with their rights and responsibilities, and helping them understand the financial products and services that they use.*

As regulators, in 2002–03 we have been involved in major consumer issues such as access to bank accounts, bank branch closures, disclosure of credit card interest and fees, and the cost of borrowing. We have also made progress in establishing a compliance framework for financial institutions, with mechanisms to monitor their compliance and detect behaviour patterns. Over the year I have found that in 23 cases, there have been 43 violations of the consumer provisions and 13 cases of non-adherence to codes of conduct (see charts 9 and 10, pp. 32 and 33).

To encourage ongoing improvement of the marketplace, we have provided information to each financial institution and to consumers about the type and number of inquiries and complaints we have received during the year. With this same objective in mind, we will post on our Web site general summaries of decisions that I have taken with respect to compliance matters.



*As regulators, in 2002–03 we have been involved in major consumer issues such as access to bank accounts, bank branch closures, disclosure of credit card interest and fees, and the cost of borrowing.*

In carrying out the various aspects of our mandate, we are confident that we will continue to be effective in helping more and more Canadians have access to the right information at the right time, in order to make the right decisions about their financial affairs.

## ***Our accomplishments***

During 2002–03, we undertook many informational and regulatory initiatives — for example, making mortgage documents more accurate and user-friendly, and improving the level of disclosure of the terms and conditions for using credit cards. We established a framework for holding financial institutions accountable for their compliance with the consumer provisions of the applicable federal financial legislation. We worked to provide consumers with comparative market information that was not easily available, such as details about automated banking machine (ABM) fees. We gave consumers information tools to help them comparison-shop for credit cards and banking services. We also produced several consumer education brochures and publications; Canadians have requested copies of these by the tens of thousands.

One indication of our success is the interest FCAC has attracted from the media and the public. With minimal financial outlay, we have succeeded in obtaining substantial media exposure from coast to coast. Between April 1, 2002, and March 31, 2003, FCAC received coverage in every major daily newspaper in key urban centres across Canada, as well as in community newspapers, on radio, and on several well-known consumer, business and news television shows. The coverage has alerted millions of Canadians to the fact that we are there to help them. The result has been thousands of contacts between Canadians and FCAC through our Web site, e-mail, faxes and our Consumer Contact Centre.



Thousands of Canadians connect with us every month in search of credible, understandable information that will help them make more informed financial decisions. They are quickly learning that FCAC has a key role to play in protecting and informing them. This, in fact, is how we measure our success — not by the number of complaints we handle but by how many people we have helped.

In addition, we have worked effectively with federally regulated financial institutions. We have set up a regulatory framework that allows FCAC to supervise the compliance of financial institutions with consumer provisions of the laws governing them. Under the framework, we enforce such matters as proper information disclosure by institutions to consumers, respecting rules about bank branch closures, establishing complaint procedures, issuing Public Accountability Statements, and participating in third-party dispute resolution mechanisms. FCAC also monitors the financial institutions' adherence to voluntary codes of conduct, investigates complaints, and reports to the Minister, Parliament and the public about adherence to these codes.

FCAC has worked to establish a professional relationship with financial institutions — one that is open and transparent, and that benefits all stakeholders.

During our first full year of operations, we took some very tough positions in negotiating Compliance Agreements with the financial institutions. By setting these precedents we have encouraged mature institutions to build compliance into their business model and their marketing, and we have shown both financial institutions and consumers what they can expect from FCAC.

In the research we have carried out, citizens have stated their views very clearly: They want to make their own decisions about financial matters, and they want to have the facts that will enable them to do so.

Through our compliance and information program, we have provided consumers with the tools to make the choices that are important to them as individuals. This has a larger social significance, as well. The authors of the *Citizens' Dialogue on Canada's Future* noted this explicitly when they wrote:

Citizens [are] ready to take more responsibility for their own individual lifestyle and consumer choices to improve environmental and personal health outcomes. To do so, however, they [insist] on having better and more accessible information — from business and governments.<sup>1</sup>

I believe that people are willing to become participatory citizens if they can obtain the necessary information. FCAC contributes strongly to widespread citizen engagement because we help many people take part in decisions affecting their lives and financial well-being.

*We established a framework for holding financial institutions accountable for their compliance with the consumer provisions of the applicable federal financial legislation.*

<sup>1</sup> Mary Pat MacKinnon et al., *Citizen's Dialogue on Canada's Future: A 21st Century Social Contract* (Ottawa: Canadian Policy Research Networks, 2003), p. 26.

*A further major FCAC accomplishment in the past year was the hosting of the first International Forum on Financial Consumer Education and Protection, held in Ottawa in February 2003.*

We have learned a key lesson since FCAC's inception: As we deal with individual consumer complaints, we also affect a large number of other Canadians. One intervention we made with a financial institution has clarified an interest penalty clause on mortgage loans for consumers who wish to prepay their mortgage balance. This single action by FCAC has improved the clarity of mortgages for at least 180,000 consumers directly and will benefit all future mortgage customers. Similarly, a single complaint to FCAC about a lack of disclosure concerning a credit card had far-reaching results: refunds to several tens of thousands of consumers, and improved disclosure to them by their institution. We have also had proactive responses by certain financial institutions, which advised FCAC of a problem and at the same time took action to correct it. In such instances, FCAC worked with the institutions to verify that corrective measures had been implemented.

A further major FCAC accomplishment in the past year was the hosting of the first International Forum on Financial Consumer Education and Protection, held in Ottawa in February 2003. This was an opportunity for regulators from various countries to learn from each other about best practices and potential pitfalls, and to discuss emerging issues such as disclosure related to financial products, trends with respect to household debt, and the progress of consumer education programs. The forum also provided the chance to share educational tools and research that participants had found useful.

FCAC seeks to protect consumers and to ensure that they have the knowledge they need to make informed financial decisions. Our successes during the past year are proof that FCAC is becoming a very valuable resource for Canadians.

## ***Our concerns***

The past year has revealed several issues and trends that are of concern to FCAC.

### **Access to banking**

Fundamental to the enjoyment of full rights as a citizen is access to a basic banking account. Whether for cashing a pay cheque, building a savings account for the family, or paying bills or rent, access to a bank account is essential for all Canadians to participate fully in our society.

However, our experience indicates that Canadians are still being denied bank accounts because of poor credit history. In fact, 25 percent of all compliance-related complaints are about a bank's refusal to open an account. The most frequently given reason for refusal is a poor credit history, followed by bankruptcy.



To address this situation, the government has been moving forward with the development of regulations that will improve access to basic banking services. In our first annual report last year, we recommended the establishment of specific regulations covering access to basic banking accounts for Canadians. I am pleased to report that these key regulations have been put into place and will take effect as of September 30, 2003. The coming into force of the regulations will enable every Canadian to gain access to this country's financial system — a key step to becoming an active participant in our economy and society.

I must note the role of the Department of Finance in carrying out extensive consultations with the financial industry and moving forward on such an important social issue.

The new "Access to Basic Banking Services Regulations" will set out the requirements for opening a basic bank account. In most cases, poor credit history or a past bankruptcy will no longer, on their own, be reason for refusal. There will, of course, be legitimate reasons for a bank to refuse to open an account for an individual. Among these are a reasonable belief that the account will be used for illegal activities, awareness that the person has defrauded a financial institution in the past seven years or a discovery that the person has made false representations to the bank.



FCAC will be extremely vigilant in enforcing the access regulations. We will make sure that institutions respect the intent of the regulations and that they provide the access to banking services that Canadians need.

*In January 2003, for the first time, FCAC participated in a meeting with a number of organizations that deal with consumers who, for economic or educational reasons, are vulnerable to financial problems.*

## Branch closures

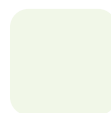
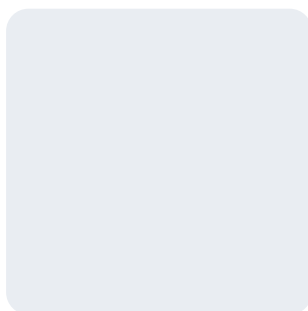
This year we received 282 notices of branch closures, as required under the law. There are no laws prohibiting the closures; like most businesses in Canada, financial institutions decide where and how they will serve their customers. For the first time, however, formal rules now exist governing the circumstances of branch closures. Under the new rules, the institutions must give their customers and FCAC at least four months' notice of such closings. They can also be required to hold public meetings about the decision to close a branch and about the impact of the closure.

For consumers and small businesses, the meetings provide a formal way to discuss the effects of closing a branch, since the bank is required to meet with its customers and listen to their views. The meetings also give customers time to make new banking arrangements and thus lessen the effects of the closure.

The rules have led to some surprising and positive results: In several communities, consultations between financial institutions and local residents have taken place to find alternatives to the closure plans. In some cases, institutions have offered to maintain an ABM at the place where the branch closed. In others, they have provided extended hours at the new bank location and sometimes have even arranged for transportation to the new location.

In one instance, a credit union agreed to move into the community to fill the gap left by the departing bank. For its part, the bank waived the fee for transferring RRSPs to the new institution. Another bank left a community representative in place to pay home visits to loan and mortgage customers.

While these initiatives are a good start, more can certainly be done. This is especially true with regard to the impact of branch closures on the elderly. We are particularly concerned about consumers who will have problems reaching a new branch, or consumers who may have difficulty accessing or using banking services through ABMs or new technology.



## Financial literacy

In January 2003, for the first time, FCAC participated in a meeting with a number of organizations that deal with consumers who, for economic or educational reasons, are vulnerable to financial problems. Participants discussed the issues these Canadians face and explored ideas about how best to reach them. As a follow-up to the meeting, FCAC plans to hold discussions with the stakeholders involved, both to examine joint initiatives and to discuss a possible pilot project with specific partners.

## Payday loans

FCAC participates in the Consumer Measures Committee, a federal-provincial working group that deals with the alternative consumer credit market. The Committee is concerned about the consumer impact of this market, which is made up of alternative financial services such as the payday loans industry. As FCAC Commissioner, I have accepted a request from the Committee for FCAC to design information material that will help consumers understand the pitfalls of payday loans.



## Credit history

Our statistics this past year showed that many consumers are contacting FCAC because they need help with reducing debt or with debt consolidation, or because they have been refused credit on the grounds of a poor credit history. As a result, we now track the number of people we refer to consumer credit counselling.

Related to this is our tracking of consumer inquiries about credit bureaus. These are private organizations that are regulated provincially. They collect credit information on consumers and provide the information to their member organizations after the customer has given the necessary authorization.



FCAC receives frequent inquiries from individuals who want to know how to obtain their credit file or how to contact a credit bureau. We also receive many complaints from consumers about errors in their credit files. FCAC provides consumers with the information they need directly, and also makes general information on this subject available on our Web site and in our publications. Given the types of inquiries and complaints that we have received about credit issues, we are concerned whether consumers have the ability to manage the debts they are accumulating, particularly when economic conditions worsen.

## Our work continues

“Governments,” write the authors of the *Citizens’ Dialogue on Canada’s Future*, “are still expected to create an effective framework for business, to set standards and to hold businesses to account.”<sup>2</sup>

In providing information that enables consumers to make informed financial decisions, and in supervising how financial institutions meet their consumer obligations, FCAC fits naturally into this larger social context. As public awareness of FCAC’s activity grows, citizens will realize that we intend to hold institutions accountable for their actions in the financial marketplace. When Canadians see the types of decisions I have taken as Commissioner and realize that I consider a violation to be very serious, they will have greater confidence about their right to act as full participants in the marketplace.

<sup>2</sup> MacKinnon, p. xi.

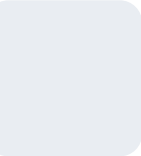


**A key focus of FCAC**

**is accountability, transparency and, above all, citizen participation.**

**To encourage participation, we are intent on**

**ensuring that financial institutions meet their obligations to consumers.**



A key focus of FCAC is accountability, transparency and, above all, citizen participation. To encourage participation, we are intent on ensuring that financial institutions meet their obligations to consumers. But we also seek to provide consumers with the tools to make informed financial decisions, because we know that knowledgeable citizens give a strong impetus for competitive discipline in the financial marketplace.

While we have accomplished a great deal in enforcing the law and improving the marketplace, we still have much to do. For example, we are currently undertaking a review of hundreds of mortgage documents across the industry because of our concern about the manner in which information is disclosed to consumers.

In 2003-04, FCAC will:

- continue to supervise financial institutions' compliance with the consumer provisions;
- carry out qualitative research to make our consumer education material more accessible to low-income and low-literacy audiences;
- continue to raise public awareness about FCAC's services by developing our relationships with financial consumer reporters and columnists, and with university, ethnic and local media; and

- continue to issue both new and updated consumer publications that fill information gaps in the marketplace, such as the *Cost of Banking Guide* (which reaches a potential audience of 5 million), an updated version of the report *Credit Cards and You*, and new consumer information materials on opening accounts, loans, mortgages and credit history.

Looking back on our first full fiscal year of operations, I want to express my deep appreciation for the keen interest Canadians have shown in financial issues, and for the diligence they have demonstrated in bringing their concerns to the attention of the Agency.

I also thank our many stakeholders, including the consumer associations and the financial institutions we regulate, for their valuable participation in helping to build a better financial marketplace for industry and consumers alike.

Finally, I wish to acknowledge the outstanding work of FCAC's innovative and committed staff during the past year. Their dedication to the Agency and to FCAC's mission has made our success possible.

William (Bill) G. Knight, Commissioner  
Financial Consumer Agency of Canada

# The year in review

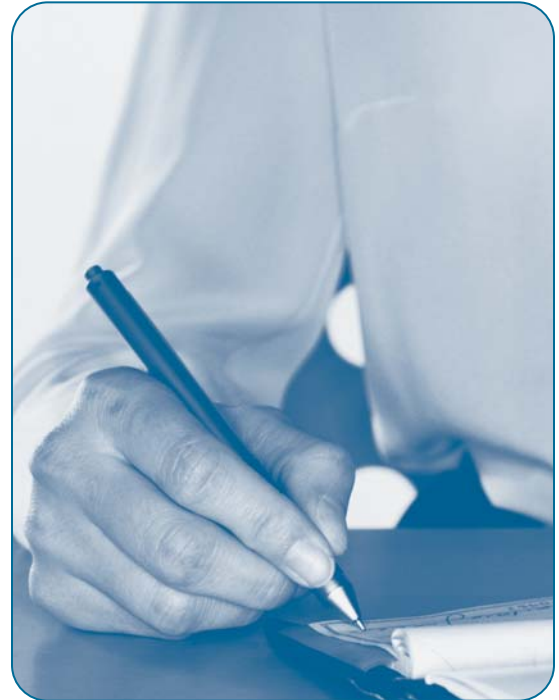
## Operational roles, responsibilities and accomplishments

### Commissioner

The FCAC Commissioner is appointed for a period of up to five years. The first and current Commissioner is Bill Knight. His responsibilities include:

- reporting to Parliament annually, and to the Minister of Finance regularly, about FCAC's activities and findings;
- managing the operations of FCAC, which includes taking responsibility for all aspects of its program, finances, administration and human resources management;
- supervising more than 470 federally regulated financial institutions to determine whether they are complying with applicable consumer protection legislation, and with their own voluntary codes of conduct and public commitments; and
- expanding national education initiatives to identify and meet consumers' needs for financial knowledge.

The FCAC Commissioner is an ex officio member of the Board of Directors of the Canada Deposit Insurance Corporation (CDIC) and a member of the Board's Governance Committee.



He is also a member of both the Financial Institutions Supervisory Committee, chaired by the Superintendent of Financial Institutions, and the Senior Advisory Committee, chaired by the Deputy Minister of Finance. In this latter capacity, the FCAC Commissioner advises on key consumer issues, offering important input into the policy advice that this committee provides to the Minister of Finance.

## Consumer Education and Public Affairs Branch

The *Financial Consumer Agency of Canada Act* requires FCAC to promote consumer awareness about the obligations of financial institutions under the applicable consumer provisions, and to foster an understanding of financial services and related issues. To fulfil this requirement, FCAC's Consumer Education and Public Affairs Branch is responsible for:

- producing information materials to enhance consumers' knowledge of financial institutions' legal obligations, and of financial products and services;

- carrying out research and surveys;
- disseminating information via the media, the FCAC Web site and stakeholders; and
- conducting outreach with community groups, associations and other stakeholders.

### Media relations

In 2002–03, FCAC continued to expand its publishing operations and undertook several new communications initiatives. Chart 1 shows the coverage in print, broadcast and electronic media received by FCAC in 2002–03.

**Chart 1: Media mentions by topic**  
April 1, 2002–March 31, 2003

Topic	Number	Percentage
Accounts	19	8
Annual Report	7	3
Banking fees	12	5
Banking services	5	2
Cashing federal government cheques	9	4
Cost of Banking Guide	34	13
Credit cards	44	17
Credit Cards and You (fall)	15	6
Credit Cards and You (spring)	47	19
Financial Forum	5	2
General	29	12
Payday loans	5	2
Other	18	7
<b>Yearly total</b>	<b>249</b>	<b>100</b>

Note: Media coverage includes print, broadcast and electronic coverage. Since FCAC did not have a complete tracking system in place for the full year, results may under-represent the *actual* number of media mentions for the period.

*The Financial Consumer Agency of Canada Act requires FCAC to promote consumer awareness about the obligations of financial institutions under the applicable consumer provisions, and to foster an understanding of financial services and related issues.*

Some figures may be approximate because FCAC did not have a complete tracking system in place for the full fiscal year. We do know that we were mentioned in the media at least 249 times during the period. Chart 1 shows how media references to FCAC and its information material increased on the release of high-profile new publications, such as the *Cost of Banking Guide* and the spring issue of *Credit Cards and You*. FCAC has received strong media coverage all across Canada and in both official languages.

This type of coverage is by far the most cost-effective way of informing Canadians and publicizing FCAC to consumers. Newspapers are particularly useful in getting our messages out. Statistics show that most of those who have contacted our call centre found FCAC's telephone number in the newspaper. Through the media we have been able to reach millions of Canadians within a very short time.

## ***Distribution of information***

During the past year, the Consumer Education and Public Affairs Branch distributed more than 95,000 publications to various audiences, including consumers, consumer groups, parliamentarians, libraries and financial institutions.

Visitors to FCAC's Web site downloaded FCAC publications more than 45,000 times. The Branch distributed nearly 10,000 FCAC publications at trade shows. Individual consumers and organizations requested and received more than 9,500 publications.

The top three documents requested were: *Credit Cards and You* (21,115 copies); the *Consumer's Guide to Basic Banking Services* (13,347 copies); and the brochure *What you don't know can affect you* (12,660 copies).

**Chart 2: Distribution of FCAC information materials**  
April 1, 2002–March 31, 2003

	<i>Downloaded from FCAC Web site</i>	<i>Direct requests</i>	<i>Via FCAC mailing list</i>	<i>Special outreach<sup>1</sup></i>	<i>Subtotal</i>
Brochures	17,224	8,245	—	2,500	27,969
Joint FCAC–CDIC publication	—	—	—	25,000	25,000
Reports <sup>2</sup>	28,392	1,350	8,020	5,000	42,762
<b>Total</b>	<b>45,616</b>	<b>9,595</b>	<b>8,020</b>	<b>32,500</b>	<b>95,731</b>

1 Includes mail drops, trade shows and meetings.

2 Includes the FCAC *Annual Report*, *Cost of Banking Report*, *Consumer Inquiries and Complaints*, and *Credit Cards and You*.



## Informing Canadians

### **Credit Cards and You**

The Branch produced three issues of this popular publication during the year. Using plain language, *Credit Cards and You* explains:

- the types of credit cards available to consumers, with comparative tables illustrating interest rates and other factors;
- credit card terminology;
- how to save money when carrying a balance;
- how credit card interest is calculated;
- the “interest-free” period on new purchases;
- how to get the most from low introductory rates;
- building a credit history; and
- how to protect yourself from unauthorized transactions.

### **Cost of Banking Guide**

This new guide is a more comprehensive version of last year’s *Consumer’s Guide to Basic Banking Services*. It was designed primarily as an on-line, interactive tool that financial consumers can use to find the best banking package for their needs. It includes virtually all the service packages available at 14 Canadian financial institutions.

For Canadians without computer access or skills, FCAC also produced the guide in an easy-to-use, interactive print format. Both versions include information about student, youth, seniors’ and low-fee accounts, and provide tips and information to help consumers reduce their monthly banking fees.

### **Update on ABM fees**

The Consumer Education and Public Affairs Branch continued its research on automated banking machine fees and produced a consumer update, available on FCAC’s Web site, concerning fees for cash withdrawals at ABMs.

### **Brochures**

The Branch continued to promote awareness of the obligations of financial institutions and the responsibilities of consumers, by distributing brochures such as:

- *What you should know if your branch closes*
- *Do you have a problem or a complaint?*
- *Low-fee accounts*
- *Protecting your interests*
- *Working to educate and protect consumers*
- *A new approach to helping consumers*
- *What you don’t know can affect you*

*During the past year, the Consumer Education and Public Affairs Branch distributed more than 95,000 publications to various audiences, including consumers, consumer groups, parliamentarians, libraries and financial institutions.*



### **Newspaper and magazine articles**

In February and March 2003, the Branch wrote articles on credit cards and on consumers' rights and responsibilities, and circulated these to community and rural newspapers across Canada. The distribution had a potential readership of approximately 1 million Canadian consumers.

The Branch also placed a full-page ad in *Protégez-Vous*, a Quebec consumer magazine with a readership of nearly 70,000. FCAC plans to place a similar ad in the English magazine *50 Plus* in 2003-04.

### **Consumer Inquiries and Complaints**

FCAC receives many consumer calls, letters, e-mails and in-person visits on a wide variety of topics. *Consumer Inquiries and Complaints* is a new quarterly publication that highlights the types of inquiries and complaints received.

The publication is distributed by e-mail to media and is available on-line on FCAC's Web site. The on-line version includes questions commonly asked by people who contact FCAC, along with easily understood answers.

### **Quizzes**

The Branch produced two interactive Web site quizzes: the "Rights and Responsibilities Quiz" and the "Credit Card Quiz". These help consumers test their knowledge of financial products and their awareness of their rights under federal law. Both quizzes provide plain-language answers so that consumers can learn while they check their score.

### **Protecting Yourself Against Debit Card Fraud**

As a member of the Electronic Funds Transfer working group, the Branch helped develop *Protecting Yourself Against Debit Card Fraud* — a brochure that tells consumers what to do if they fall victim to this type of fraud, and that provides information about liability issues. Consumers can consult the guide on Industry Canada's Web site (<http://strategis.ic.gc.ca/SSG/ca01832e.html>) or through a link from the FCAC site ([www.fcac-acfc.gc.ca/eng/consumers/resource/debitcards.asp](http://www.fcac-acfc.gc.ca/eng/consumers/resource/debitcards.asp)).

### **Outreach**

In 2002-03 the Branch joined forces with the Canada Deposit Insurance Corporation to participate as an exhibitor in the Financial Forum. Held in Toronto and Vancouver, this major financial-sector trade show attracted nearly 10,000 Canadian consumers. The Agency's booth and the information materials it distributed at the Forum greatly enhanced the visibility of FCAC. The materials included a new corporate brochure, a new publication produced jointly by FCAC and CDIC, and a CD-ROM containing FCAC's key publications.

In late January 2003, as a pilot project, FCAC also organized a general mailing of the joint FCAC–CDIC publication *Financial Facts & Fiction*. This was distributed to 22,500 households in the Halifax area.

In February 2003, FCAC hosted an International Forum on Financial Consumer Education and Protection. Attending were regulators and educators from six agencies in five countries and from the United Nations, as well as representatives of federal government partners. The Forum helped establish an international network of regulators, while promoting valuable exchanges of information. The most common issues facing all jurisdictions were plain-language disclosure concerning financial products and how to inform consumers about their rights.

## Consumer Contact Centre

Many consumers' first point of contact with FCAC is the Consumer Contact Centre, which is a joint call centre managed by the Canada Deposit Insurance Corporation. Inquiries officers from the Centre answer questions from callers and offer assistance in both official languages.

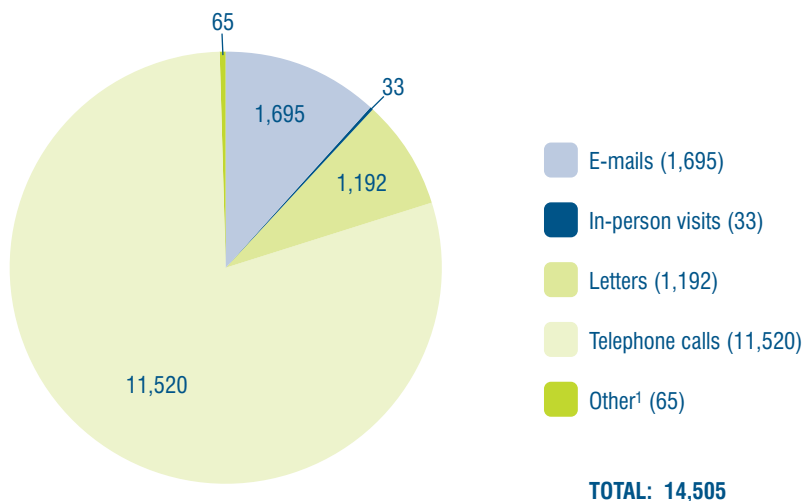
The Centre operates from 8:30 A.M. to 6:00 P.M. Eastern Time. Callers may leave a message after hours, on weekends or on statutory holidays. The messages are returned the next business day.

For statistical purposes, callers are asked for their postal code and about how they heard of FCAC.

Chart 3 shows that approximately 82 percent of the contacts received by FCAC in the past fiscal year were in the form of telephone calls made to our Consumer Contact Centre. (See Chart 12, p. 36, for a breakdown by topic.)

*In February 2003, FCAC hosted an International Forum on Financial Consumer Education and Protection. The Forum helped establish an international network of regulators, while promoting valuable exchanges of information.*

**Chart 3: Total contacts received by FCAC for fiscal year 2002–03, by source**



<sup>1</sup> Cases initiated by FCAC concerning a potential compliance issue, as well as complaints reported to FCAC by federally regulated financial institutions.

**Chart 4: FCAC Web site statistics by year**

	Oct. 24/01–Mar. 31/02	Apr. 1/02–Mar. 31/03
Number of visits <sup>1</sup>	34,718	132,197
Average number of visits per day	190	362
Average length of time per visit <sup>2</sup> (measured in minutes)	16:27	13:38
Median length of time per visit <sup>3</sup> (measured in minutes)	2:14	2:23

- 1 Number of visits:** Number of times a visitor came to FCAC's site. If a visitor is idle longer than the idle-time limit, it is assumed that the visit has been voluntarily terminated. If the visitor continues to browse the site after reaching the idle-time limit, a new visit is counted. The default idle-time limit is 30 minutes.
- 2 Average length of time per visit:** Average = total time spent on the site ÷ total number of visits.
- 3 Median length of time per visit:** Median is the midpoint in time from which half the visit lengths are longer and half are shorter. This number is often closer to the "typical" visit length than the average visit length.

## FCAC Web site

The FCAC Web site ([www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca)) is our public face. From October 24, 2001, to March 31, 2002, FCAC averaged 190 visitors per day; this figure rose to an average of 362 per day from April 1, 2002, to March 31, 2003 (see Chart 4). Most frequently visited is the consumer information section of the site, followed by the media section.

The consumer provisions are listed in Appendix C, p. 64. They include requirements related to activities such as:

- opening retail deposit accounts;
- cashing federal government cheques;
- closing retail branches;
- coercive tied selling;
- disclosing cheque-holding policies;
- providing information to consumers about FCAC;
- establishing procedures for dealing with complaints; and
- disclosing the cost of borrowing.

## Compliance and Industry Relations Branch

FCAC's Compliance and Industry Relations Branch monitors financial institutions to ensure that they comply with the consumer provisions of the *Bank Act*, the *Trust and Loan Companies Act*, the *Insurance Companies Act* and the *Cooperative Credit Associations Act*. The Branch also monitors adherence to voluntary codes and public commitments put in place by financial institutions or their associations.

Voluntary codes are commitments that the financial institutions themselves have put in place. The codes cover such topics as debit cards and credit relations with small businesses. Since the codes are voluntary, FCAC cannot enforce them; even so, it expects financial institutions to abide by them. FCAC therefore monitors adherence to the codes, investigates complaints about them and publicly reports the results of its monitoring.

The responsibilities of the Compliance and Industry Relations Branch include:

- investigating and responding to consumer complaints that fall under any of the acts under its jurisdiction;
- managing the compliance framework and ensuring that federally regulated financial institutions comply with it;
- monitoring adherence to voluntary codes of conduct or public commitments designed to protect the interests of consumers; and
- monitoring FCAC's tracking systems to identify trends.

Among the Branch's monitoring tools are "mystery shopping", consumer surveys, analysis of complaints and inquiries, annual examinations of federally regulated financial institutions, and studies by third parties.

Our tools for encouraging compliance range from administrative measures to the imposition of fines and, if necessary, public disclosure of the nature of a violation. Among the factors determining the approach to a specific case are the severity and scope of the problem, whether the financial institution acted deliberately or negligently, and the compliance history of the financial institution.

Appendix B (p. 63) presents FCAC's case management process for alleged violations of the consumer provisions. Appendix C (p. 64) lists the types of consumer provisions and regulations with which FCAC ensures compliance. Appendix D (p. 66) lists the status of the regulations.

Chart 5 provides a breakdown of compliance matters since FCAC was established on October 24, 2001. There were 46 cases pending as of March 31, 2002, after a little more than five months of operations; in comparison, the figure was 155 as of March 31, 2003. FCAC opened 991 cases in 2002-03, versus 539 in the previous fiscal year. In 2002-03, FCAC closed 882 cases, up from 493 in 2001-02.

*Voluntary codes are commitments that the financial institutions themselves have put in place. The codes cover such topics as debit cards and credit relations with small businesses.*

**Chart 5: Compliance matters relating to consumer provisions and codes of conduct**

	<i>Cases<sup>1</sup> pending at end of fiscal year 2001–02<sup>2</sup></i>	<i>Cases opened during fiscal year 2002–03</i>	<i>Cases closed during fiscal year 2002–03</i>	<i>Cases pending at end of fiscal year 2002–03</i>
<b>CONSUMER PROVISIONS</b>				
Accounts				
Advance notice of increased or new account fees	1	35	33	3
Disclosure of account information, charges or services	1	11	9	3
Disclosure of charges for account maintenance	1	5	6	—
Disclosure of interest rates on accounts and method of calculation	—	2	1	1
Provision of account agreements and complaint procedures	1	2	2	1
Branch closures				
Provide required notice	—	17	11	6
Request to change notice requirements	6	6	11	1
Requests for meetings	—	133	119	14
Cost of borrowing (COB) — general <sup>3</sup>	2	11	7	6
Credit cards				
Credit cards — general <sup>4</sup>	—	18	6	12
Disclosure of annual credit card interest rate	—	1	1	—
Disclosure of changes to COB for credit cards	1	12	12	1
Disclosure of COB, interest or fees for credit cards	—	20	13	7
Disclosure relating to optional services <sup>5</sup> for credit cards	—	2	—	2
Receipt of monthly credit card statements	—	5	4	1
Disclosure of charges	—	10	5	5
Disclosure of interest — in advertising	—	3	2	1
Federal government cheques — fee charged to cash	1	3	3	1
Holds on cheques — for deposits	—	8	7	1
Index-linked deposits	—	1	—	1
Informing customers how to contact FCAC	2	—	2	—
Loans				
Loans — general <sup>6</sup>	—	7	4	3
Notification of changes or amendments to loan agreement or to COB	—	11	9	2
Requirement to disclose COB in advertising	4	6	6	4
Requirement to disclose COB when loan issued	1	10	7	4
Requirement to provide information on loan repayments, rebates or charges	1	3	4	—
Requirement to provide 21 days' notice before mortgage renewal date	—	4	1	3
Provide complaint-handling procedures <sup>7</sup>	—	8	8	0
Tied selling				
Coercive tied selling	1	8	8	1
Failure to display notices on tied selling	—	12	12	—
<b>Subtotal for consumer provision cases</b>	<b>23</b>	<b>374</b>	<b>313</b>	<b>84</b>

**Chart 5 (continued)**

	<i>Cases<sup>1</sup> pending at end of fiscal year 2001–02<sup>2</sup></i>	<i>Cases opened during fiscal year 2002–03</i>	<i>Cases closed during fiscal year 2002–03</i>	<i>Cases pending at end of fiscal year 2002–03</i>
<b>CODES OF CONDUCT<sup>8</sup> &amp; PUBLIC COMMITMENTS<sup>9</sup></b>				
Access to banking services				
No minimum deposit or balance required for account	—	1	1	—
Refusal to open — general	1	9	9	1
Refusal to open — because of bankruptcy	—	32	32	—
Refusal to open — because of credit history	7	80	75	12
Refusal to open — because of employment status	—	3	2	1
Refusal to open — because of lack of proper identification	1	28	28	1
Debit card code	—	67	58	9
Public commitments by financial institutions				
Commitment to cash federal government cheques (under \$1,500)	1	8	9	—
On credit cards	—	8	4	4
On investments	—	2	2	—
Other	—	4	3	1
<b>Subtotal for codes of conduct &amp; public commitments</b>	<b>10</b>	<b>242</b>	<b>223</b>	<b>29</b>
<b>FILINGS</b>				
Branch closure filings	13	302	281	34
Complaint-handling procedure filings	—	67	59	8
Public Accountability Statement filings	—	6	6	0
<b>Subtotal for filings</b>	<b>13</b>	<b>375</b>	<b>346</b>	<b>42</b>
<b>GRAND TOTAL</b>	<b>46</b>	<b>991</b>	<b>882</b>	<b>155</b>

1 For a definition of this item, see Appendix A (Glossary).

2 As a result of system enhancements, this figure differs from what was reported in the previous fiscal year.

3 Includes issues involving interest rate differentials, payment amounts and co-signer responsibilities.

4 Includes issues involving payments and associated finance charges.

5 Refers to such services as insurance products.

6 Includes issues involving payment changes and the calculation of penalty amounts.

7 For a definition of this item, see Appendix A (Glossary).

8 For a definition of this item, see Appendix A (Glossary).

9 For a definition of this item, see Appendix A (Glossary).

*Following consultations undertaken in 2001–02, FCAC finalized its compliance framework. For institutions, this sets out the rules used by FCAC to ensure compliance with laws and regulations.*

## **Examinations**

In addition to using consumer complaints as a basis for examining the day-to-day practices of an institution, FCAC conducts annual general examinations of financial institutions to verify that they are applying our compliance framework properly and are meeting their obligations under the applicable consumer provisions. The Commissioner reports the results of examinations to the Minister.

### **Examination procedures**

In fall 2002, FCAC began its first annual general examination of all Canadian federally regulated financial institutions. This involved 384 examinations of domestic and foreign banks in Canada, of foreign bank branches, and of trust and loan companies. The examinations were undertaken through a detailed telephone interview with senior compliance personnel of the institutions or through a compliance questionnaire.

To help the institutions concerned prepare for the interview, FCAC compliance officers sent them an interview guide in advance. Interviews took place over a three-month period.

Since only a limited number of consumer provisions apply to insurance companies, FCAC tailored the questionnaire to obtain specific compliance information from them. No formal interview was required with these institutions.

The cooperation and openness of the institutions greatly assisted FCAC in carrying out its supervisory responsibilities.

### **Results of the annual general examinations**

FCAC found that, overall, the federally regulated financial institutions were meeting their obligations under the consumer provisions that applied to them. Any specific non-compliance matters that were identified through this process were corrected.

Through this annual process, and by examinations on specific concerns and detailed follow-up on day-to-day issues identified through consumer complaints, we are confident that we have in place an effective monitoring system that will alert us to any substantial non-compliance behaviour.

### **Highlights**

Fiscal year 2002–03 was a productive one for the Compliance and Industry Relations Branch.

Following consultations undertaken in 2001–02, FCAC finalized its compliance framework. For institutions, this sets out the rules used by FCAC to ensure compliance with laws and regulations. It explains FCAC's handling of consumer complaints, the self-monitoring process for financial institutions and the measures the Agency has established to encourage compliance.



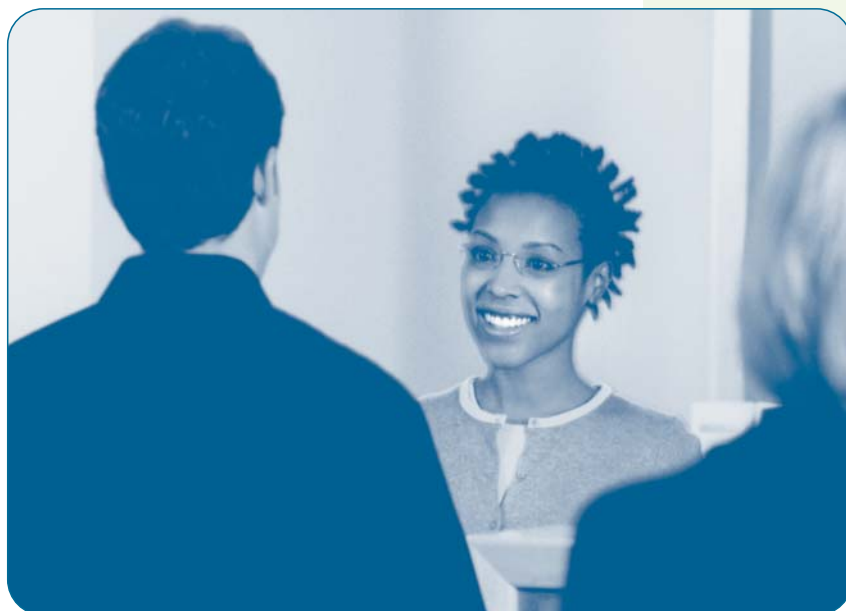
FCAC presented the compliance framework to the industry and various consumer groups during the spring of 2002. The framework came into effect on September 30, 2002. During the fall of 2002, the Branch conducted its first annual general examination of financial institutions to determine whether they had complied with consumer provisions.

The Branch has launched a quarterly newsletter, entitled *Compliance Connection*, to inform institutions about compliance issues and promote best practices for improving compliance.

The issues that FCAC handles most often are as follows.

### **Notice of branch closure**

The *Notice of Branch Closure Regulations* came into force on February 28, 2002. The regulations impose a formal process on banks and on trust and loan companies, setting time frames during which the institutions must inform their customers of branch closings. This requirement gives consumers and communities the opportunity to consider their options, to find ways to minimize the effects of the closing or to find other banking resources.





Under certain conditions, members of the affected community may ask the Commissioner to order a financial institution to hold a meeting with branch customers to discuss the closure.

Since FCAC was established, more and more Canadians are exercising their rights under the regulations. FCAC has received an increasing number of requests for public meetings.

During the past year, at the request of the public, the FCAC Commissioner ordered three public meetings involving branch closures. Some other meetings were voluntarily organized by the banks after discussions with FCAC compliance officers.

Finally, FCAC consulted with Canadian bankers to develop rules governing public meetings. The rules promote exchanges that allow customers to express their needs and opinions about impending branch closures.

## Disclosure of the cost of borrowing

A number of cost-of-borrowing regulations specify the information that the financial institution must disclose to the borrower at the time a loan is granted, renewed or advertised. Among other things, they require disclosure statements about the cost of borrowing to be written in simple, clear and concise language.

FCAC has received several complaints concerning issues covered by the cost-of-borrowing regulations. In one case, after discussing the matter with FCAC, a financial institution clarified a clause dealing with interest penalties in its disclosure documents on mortgages. The institution also developed information to remind consumers of the exact nature of the penalties, and it established a special procedure for people who might find the document confusing. Several hundreds of thousands of consumers have already benefited from the clarification, and all new borrowers will receive the advantages of this more clearly worded clause.

FCAC has begun a review of mortgage documents prepared by large federally regulated institutions, to determine whether the documents adequately disclose the penalty for terminating a mortgage.

## Credit cards

The cost-of-borrowing issue frequently arises in connection with credit cards. For example, a financial institution that issues credit cards reduced the minimum monthly payment required for its cards, but neglected to inform its clients of the changes. Clients were therefore confused to see their payments fluctuate. After FCAC intervention, several hundreds of thousands of consumers were finally informed that the percentage of their balance required as a minimum payment had been reduced. They could now decide whether they wanted to make the new minimum payment or maintain their previous minimum monthly payment to reduce their debt more quickly.

Another financial institution that issues credit cards did not disclose its foreign currency conversion fees to clients, as required by the regulations. Instead, on the monthly statement it indicated only the final, aggregate conversion rate, including its fees. As a result of FCAC's intervention, the institution changed its disclosure process to clearly identify, in its credit agreement, the fees that are part of the conversion rate. Again, several hundreds of thousands of consumers now benefit from clearer disclosure of the institution's fees.

*A number of cost-of-borrowing regulations specify the information that the financial institution must disclose to the borrower at the time a loan is granted, renewed or advertised.*

*The new  
Access to Basic  
Banking Services  
Regulations take  
effect on  
September 30, 2003.*

Yet another financial institution announced that its credit agreement had been unclear about the method of calculating interest, and that it had therefore adjusted the credit granted to its cardholders. FCAC undertook an examination of the problem to ensure that the institution had complied with the relevant section of the *Cost of Borrowing Regulations* and to determine whether the adjustment made by the issuer was appropriate.

### **Opening retail deposit accounts**

The Canadian Bankers Association has guidelines posted on its Web site, summarizing the conditions for opening bank accounts. The guidelines will be superseded by the *Access to Basic Banking Services Regulations* when they take effect on September 30, 2003.

The refusal or inability to open an account was the most common compliance-related complaint that consumers made to FCAC. The Agency is limited to monitoring the public commitment of any financial institution in this area. Nevertheless, FCAC's efforts to obtain information on individual cases often prompted the institution involved to re-examine a client's case. In certain instances, this led to a reversal of the initial refusal.

As a result, the clients were able to open a bank account, which is often a crucial step in re-entering the work force or relocating from one region to another.

In one case, an FCAC inquiry enabled the institution to identify a shortcoming in its account-opening procedures. Following discussions with FCAC, the institution changed the procedures and informed its employees of the changes.

## **Other issues**

### **Disclosure of interest**

Discussions with FCAC led an institution to change its interest-disclosure procedures for the telephone purchase of guaranteed investment certificates. The institution now mails a written confirmation to customers to disclose the interest rate of the certificate.

### **Debit cards**

FCAC examined several cases in which consumers complained that their institution had made them take financial responsibility for certain debits even though they had informed the institution that their debit cards had been used without their consent.

FCAC monitored industry codes of conduct, specifically the Canadian Code of Practice for Consumer Debit Card Services. In such situations, FCAC determines whether the code has been contravened and informs consumers of the complaint-handling procedures of the institution involved. This enables consumers to file a complaint if they are not satisfied with the way their situation was handled by the financial institution. As a result of FCAC's examination, several consumers were able to make a better case to the staff of their institution.

During 2002–03, the Compliance and Industry Relations Branch had an impact on more than 1 million Canadian consumers of financial products, not only by enforcing compliance measures but also by working with institutions to improve practices for the benefit of their clients.

### **Legal Services Branch**

The federal Department of Justice provides legal services to FCAC. A senior counsel from Justice Canada is part of the management structure of FCAC and reports directly to the Commissioner. The senior counsel furnishes advice on all aspects of FCAC’s mandate and operations.

### **Administrative Services Branch**

The Administrative Services Branch provides FCAC with such services as human resources, financial management, access to information and privacy, materiel management, facilities management, records management, informatics, security, occupational health and safety, mail, and messenger services.

FCAC contracts with the Office of the Superintendent of Financial Institutions (OSFI) for its human resources and financial services, and with Public Works and Government Services Canada (PWGSC) for its technology and communications services.



## Compliance overview

Chart 5 (p. 20) and Charts 6 to 11 (pp. 29–33) provide an overview of the compliance matters FCAC has handled.

Chart 6 presents the total compliance contacts FCAC has received since it was established in October 2001. In the first period of less than six months, the chart shows only 172 contacts. In the second period — FCAC’s first full fiscal year of operations — the chart records 685 contacts.

The chart includes a year-to-year comparison of:

- requests received for public hearings on bank branch closures;
- branch closure notices received and requests to change the notice requirements;
- inquiries and complaints related to the consumer provisions and to codes of conduct and public commitments (see definitions in Appendix A);
- filings by the financial institutions of their complaint-handling procedures with FCAC; and
- filings by these institutions of self-reported complaints.

After the branch closure regulations came into effect at the end of February 2002, there was an increase in compliance contacts related to branch closures. Similarly, after the implementation of FCAC’s compliance framework on September 1, 2002, some 40 consumer provision-related complaints were reported to FCAC by the financial institutions.

Chart 7 presents the total number of filings FCAC has received from financial institutions since it was established in October 2001.

These include:

- branch closure notices that fall under the regulatory definition of a branch (that is, a place of business where there is an individual to disburse cash and open an account);
- voluntary notices to the Commissioner about changes in retail services;
- complaint-handling procedure filings; and
- Public Accountability Statement filings.

During 2002–03, FCAC received 282 branch closure filings and 20 voluntary notices concerning changes to retail services.

*After the implementation of FCAC’s compliance framework on September 1, 2002, some 40 consumer provision-related complaints were reported to FCAC by the financial institutions.*

**Chart 6: Total compliance contacts<sup>1</sup> received  
(since FCAC was established October 24, 2001)**

	<i>Oct. 24/01–Mar. 31/02</i>	<i>Apr. 1/02–Mar. 31/03</i>
Branch closures		
Provide required notice	—	17
Requests for public hearings on branch closures <sup>2</sup>	—	133
Requests to change the branch closure notice requirements	6	6
Codes of conduct <sup>3</sup> & public commitments <sup>4</sup>		
Complaints related to codes of conduct and public commitments	81	242
Inquiries related to codes of conduct and public commitments	19	48
Complaint procedures		
Provide complaint-handling procedures <sup>5</sup>	—	8
Consumer provisions		
Complaints related to consumer provisions	55	170
Inquiries related to consumer provisions	11	21
Self-reported complaints	—	40
<b>Total compliance contacts for the period</b>	<b>172</b>	<b>685</b>

1 A contact is recorded when a person or an institution contacts FCAC about an issue or concern, including complaints and inquiries. This excludes routine filings.

2 Included in this figure are multiple requests pertaining to the same branch.

3 For a definition of this item, see Appendix A (Glossary).

4 For a definition of this item, see Appendix A (Glossary).

5 For a definition of this item, see Appendix A (Glossary).

**Chart 7: Total filings<sup>1</sup> received from financial institutions  
(since FCAC was established October 24, 2001)**

	<i>Oct. 24/01–Mar. 31/02</i>	<i>Apr. 1/02–Mar. 31/03</i>
Branch closure filings		
Closures that fall under the regulatory definition of a branch <sup>2</sup>	13	282
Closures that do not fall under the regulatory definition of a branch <sup>3</sup>	—	20
Complaint-handling procedure filings	384	67
Public Accountability Statement filings	—	6
<b>Total filings for the period</b>	<b>397</b>	<b>375</b>

1 For a definition of this item, see Appendix A (Glossary).

2 Branch closure regulations apply to any branch in which there is an individual to disburse cash and open an account.

3 These filings were not required by legislation but were filed by the financial institution to keep the Commissioner informed of changes in retail services.

Chart 8 shows the 313 cases related to consumer provisions that were closed during 2002–03. It indicates whether the case was determined to be a violation or a non-violation of the consumer

provisions, or whether it was withdrawn. (Cases are often withdrawn when consumers do not respond to FCAC’s attempts to contact them in order to continue the compliance review.) Of the 313 cases, 23 involved violations.

**Chart 8: Compliance cases<sup>1</sup> closed relating to consumer provisions by type of disposition, as of fiscal year end (March 31, 2003)**

	Type of disposition					Total cases closed during fiscal year 2002–03
	Violation <sup>2</sup>	Non-violation	Withdrawn <sup>3</sup>	Granted <sup>4</sup>	Not granted <sup>5</sup>	
<b>Accounts</b>						
Advance notice of increased or new account fees	—	26	7	—	—	33
Disclosure of account information, charges or services	—	8	1	—	—	9
Disclosure of charges for account maintenance	—	4	2	—	—	6
Disclosure of interest rates on accounts and method of calculation	—	1	—	—	—	1
Provision of account agreements and complaint procedures	—	1	1	—	—	2
<b>Branch closures</b>						
Provision of required notice	11	—	—	—	—	11
Request to change notice requirements	—	—	—	5	6	11
Requests for meetings <sup>6</sup>	—	—	—	32	87 <sup>7</sup>	119
Cost of borrowing (COB) — general <sup>8</sup>	—	4	3	—	—	7
<b>Credit cards</b>						
Credit cards — general <sup>9</sup>	—	5	1	—	—	6
Disclosure of annual credit card interest rate	—	—	1	—	—	1
Disclosure of changes to COB for credit cards	—	4	8	—	—	12
Disclosure of COB, interest or fees for credit cards	—	10	3	—	—	13
Disclosure relating to optional services <sup>10</sup> for credit cards	—	—	—	—	—	—
Receipt of monthly credit card statements	—	2	2	—	—	4



**Chart 8: (continued)**

	<i>Type of disposition</i>					<i>Total cases closed during fiscal year 2002–03</i>
	<i>Violation</i> <sup>2</sup>	<i>Non-violation</i>	<i>Withdrawn</i> <sup>3</sup>	<i>Granted</i> <sup>4</sup>	<i>Not granted</i> <sup>5</sup>	
Disclosure of charges	—	3	1	—	—	4
Disclosure of interest — in advertising	—	2	—	—	—	2
Federal government cheques — fee charged to cash	—	1	2	—	—	3
Holds on cheques — for deposits	—	4	3	—	—	7
Index-linked deposits	—	—	—	—	—	—
Informing customers how to contact FCAC	—	2	—	—	—	2
<b>Loans</b>						
Loans — general <sup>11</sup>	—	3	1	—	—	4
Notification of changes or amendments to loan agreement or to COB	—	5	4	—	—	9
Requirement to disclose COB in advertising	4	2	—	—	—	6
Requirement to disclose COB when loan issued	—	2	6	—	—	8
Requirement to provide information on loan repayments, rebates or charges	—	4	—	—	—	4
Requirement to provide 21 days' notice before mortgage renewal date	—	—	1	—	—	1
Provide complaint-handling procedures <sup>12</sup>	8	—	—	—	—	8
<b>Tied selling</b>						
Coercive tied selling	—	4	4	—	—	8
Failure to display notices on tied selling	—	12	—	—	—	12
<b>Total cases closed, by disposition</b>	<b>23</b>	<b>109</b>	<b>51</b>	<b>37</b>	<b>93</b>	
<b>Yearly total</b>						<b>313</b>

1 For a definition of this item, see Appendix A (Glossary).

2 For a definition of this item, see Appendix A (Glossary). A case may involve more than one violation; see Chart 9 for more detail.

3 Cases are often withdrawn when consumers do not respond to FCAC's attempts to contact them in order to continue with the compliance review.

4 The Commissioner granted the financial institution's request to change the branch closure notice requirements or the individual's request for a meeting.

5 The Commissioner did not grant the financial institution's request to change the branch closure notice requirements or the individual's request for a meeting.

6 Some were multiple requests pertaining to the same branch.

7 Seventy-eight of these meeting requests involved one specific branch closure, where the institution voluntarily held a meeting without the necessity of a formal decision by the Commissioner.

8 Includes issues involving interest rate differentials, payment amounts and co-signer responsibilities.

9 Includes issues involving payments and associated finance charges.

10 Refers to such services as insurance products.

11 Includes issues involving payment changes and the calculation of penalty amounts.

12 For a definition of this item, see Appendix A (Glossary).

Chart 9 presents the 43 violations, in 23 cases, that FCAC identified in 2002–03. The Commissioner issued 22 Letters of Reprimand, one Notice of Violation (including an administrative monetary penalty) and one Compliance Agreement. The majority of violations involved branch closure notices and disclosures in advertising of the cost of borrowing.

Chart 10 shows the cases closed during 2002–03 that were related to codes of conduct and public commitments. The chart indicates whether the case was determined to involve adherence or non-adherence to a code of conduct or public commitment, or whether it was withdrawn. There were 13 cases of non-adherence, 10 of which had to do with refusal of a consumer's request to open a bank account.

Chart 11 provides details on branch closures in 2002–03. There were 302 closure notices filed, both required and voluntary.

The chart covers:

- closure notices filed by banks;
- complaints received related to branch closures;
- applications received, granted and pending for exemptions from filing of required notices; and
- requests received, granted and pending for public meetings.

During 2002–03, FCAC received 213 complaints concerning branch closures and 133 requests for public meetings related to the closing of 23 branches.

**Chart 9: Compliance cases<sup>1</sup> closed where action was taken, as of fiscal year end (March 31, 2003)**

	<i>Number of cases closed</i>	<i>Number of violations identified</i>	<i>Commissioner's decision</i>
Branch closures			
Provision of required notice	11	18	11 Letters of Reprimand <sup>2</sup>
Cost of borrowing (COB) — general <sup>3</sup>	—	—	1 Compliance Agreement <sup>4</sup>
Provide complaint-handling procedures <sup>5</sup>	8	8	7 Letters of Reprimand / 1 Notice of Violation <sup>6</sup> with administrative monetary penalty
Requirement to disclose COB in advertising	4	17	4 Letters of Reprimand
<b>Yearly total</b>	<b>23</b>	<b>43</b>	<b>1 Compliance Agreement / 22 Letters of Reprimand / 1 Notice of Violation with administrative monetary penalty</b>

1 For a definition of this item, see Appendix A (Glossary).

2 For a definition of this item, see Appendix A (Glossary).

3 Includes issues involving interest rate differentials, payment amounts and co-signer responsibilities.

4 For a definition of this item, see Appendix A (Glossary).

5 For a definition of this item, see Appendix A (Glossary).

6 For a definition of this item, see Appendix A (Glossary).

**Chart 10: Compliance cases<sup>1</sup> closed relating to codes of conduct<sup>2</sup> and public commitments<sup>3</sup> by type of disposition, as of fiscal year end (March 31, 2003)**

	Type of disposition			Total cases closed during fiscal year 2002–03
	Adherence	Non-adherence	Withdrawn <sup>4</sup>	
<b>Access to banking services</b>				
No minimum deposit or balance required for account	1	—	—	1
Refusal to open — general	6	—	3	9
Refusal to open — because of bankruptcy	20	2	10	32
Refusal to open — because of credit history	45	7	23	75
Refusal to open — because of employment status	—	—	2	2
Refusal to open — because of lack of proper identification	18	1	9	28
Debit card code	40	2	16	58
<b>Public commitments by financial institutions</b>				
Commitment to cash federal government cheques (under \$1,500)	6	—	3	9
On credit cards	3	—	1	4
On investments	2	—	—	2
Other	2	1	—	3
<b>Total cases closed by disposition</b>	<b>143</b>	<b>13</b>	<b>67</b>	
<b>Yearly total</b>				<b>223</b>

1 For a definition of this item, see Appendix A (Glossary).

2 For a definition of this item, see Appendix A (Glossary).

3 For a definition of this item, see Appendix A (Glossary).

4 Cases are often withdrawn when consumers do not respond to FCAC's attempts to contact them in order to continue with the compliance review.

**Chart 11: Matters related to branch closures (for fiscal year 2002–03)**

Closure notices filed by financial institutions	302 <sup>1</sup>
Complaints received related to branch closures <sup>2</sup>	213
<b>Requests to change the branch closure notice requirements</b>	
Received	6
Granted <sup>3</sup>	5
Pending	1
<b>Requests for public meetings on branch closures<sup>4</sup></b>	
Total number of meeting requests received	133
Number of branches for which meeting requests were received	23
Total number of branches in which meetings were required by the Commissioner	5
Total number of branches in which meetings were not required by the Commissioner <sup>5</sup>	11
Total number of meeting requests pending	7

1 This figure includes all branch closure filings, including those that do not fall under the regulatory definition of a branch, as well as requests to vary the required notice.

2 These are complaints related to branch closures; the individuals were not requesting a meeting.

3 The Commissioner granted the financial institution's request to change the branch closure notice requirements.

4 Some were multiple requests pertaining to the same branch.

5 Often, institutions will voluntarily hold a public meeting without a formal requirement from the Commissioner.

# General consumer complaints and inquiries

## Addressing consumers' concerns

### Role of FCAC

The only complaints over which FCAC has jurisdiction are those involving contraventions of federal consumer provision legislation or regulations. For general complaints such as on quality of service or business policies, or specific contract disputes, we ensure that financial institutions put in place a complaint-handling procedure that includes access to a third-party dispute resolution process. We also direct consumers to the right channels in the financial institution where such complaints are handled.

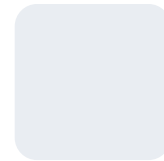
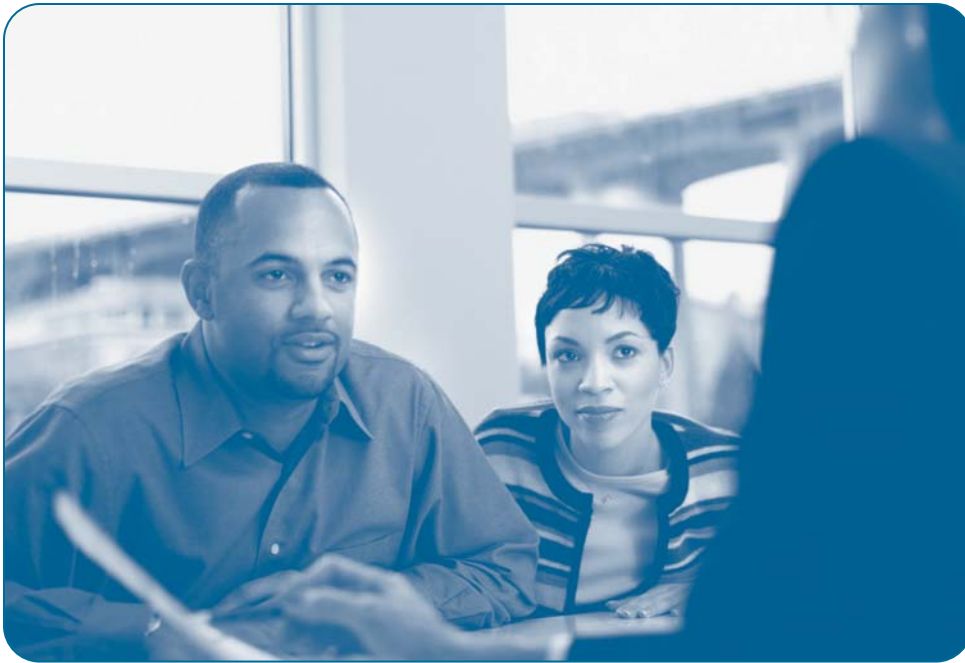
FCAC registers information about every complaint of a general nature, since the Commissioner is required to report annually on the types of complaints of which he is made aware. The information is also used to track trends and helps us determine appropriate topics for the consumer information material we produce. We provide the information in aggregate form to financial institutions so that they can respond to developing trends in terms of their business practices and in the type of information they provide to their customers.

### Complaint procedures of financial institutions

All institutions are required to file their complaint procedures with FCAC. In addition, the banks must inform new customers of their complaint procedures when a person opens an account. In a recent mystery shopping exercise, we checked on the availability of information in bank branches about complaint procedures. We found that in about one case in five, the information was not readily available.

Since FCAC came into being, many institutions have been reviewing their complaint procedures, not only to improve the process for the consumer but also to gain a better understanding of the problems that occur. It is also desirable that institutions continue to set performance standards for their employees, prompting them to respond to consumer complaints.

*All institutions are required to file their complaint procedures with FCAC. In addition, the banks must inform new customers of their complaint procedures when a person opens an account.*



### ***How FCAC processes a complaint***

When someone contacts FCAC with a complaint, it is examined to determine whether it falls under the Agency's jurisdiction and whether it involves a possible contravention of the law. If research is required, the consumer will receive a call back within 48 hours.

Once the consumer's situation is understood and the jurisdiction established, the complainant is told of the options available. If the complaint involves a possible contravention of the law, an FCAC compliance officer contacts the consumer's financial institution to discuss the complaint. If further action is recommended, an officer may request factual information in writing from the consumer and the institution.

The consumer is also informed about the institution's procedures for dealing with complaints. If the matter is not under our mandate, we direct the consumer to the organization best equipped to deal with the issue.

### ***Consumer provision complaints***

FCAC investigates complaints related to all banks and to all federally registered or incorporated insurance and trust and loan companies. FCAC is not responsible for credit unions, finance companies, mutual fund dealers, securities dealers or other financial institutions that fall under provincial jurisdiction.



**Any consumer can file a complaint with FCAC about a contravention of a consumer provision. There is no cost involved.**

Federally regulated financial institutions must comply with federal consumer legislation. If a consumer thinks a financial institution has not met its lawful obligations, FCAC will investigate the matter.

Under the compliance framework, any federally regulated financial institution is also obliged to self-report to FCAC any customer complaint not resolved initially that involves a consumer provision. In such cases the institution is further required to inform consumers immediately about FCAC, so that they can contact us directly if they wish to.

If FCAC determines that an institution has contravened a consumer provision, it may issue a warning letter or a Notice of Violation to the institution and impose a monetary penalty. FCAC may also publicize details of a violation, including the name of the institution and the amount of the penalty imposed.

If, in addition to reporting a contravention of the consumer provisions to FCAC, a consumer

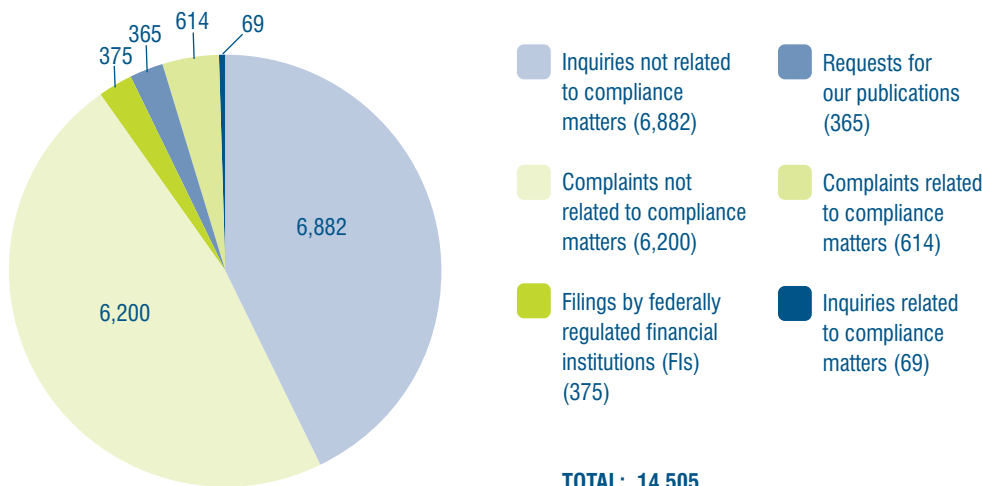
is seeking individual redress, FCAC provides information on the procedure used by the financial institution to handle such a case and directs the consumer to the department or individual in the institution dealing with this type of complaint.

Any consumer can file a complaint with FCAC about a contravention of a consumer provision. There is no cost involved. Consumers can call us toll-free at 1-866-461-3222 or e-mail us at [info@fcac-acfc.gc.ca](mailto:info@fcac-acfc.gc.ca). Appendix B (p. 63) illustrates our complaint-handling process.

### General complaints and inquiries overview

Chart 12 shows that FCAC received a total of 14,505 contacts in the past fiscal year. This figure includes requests for publications, filings, inquiries on compliance and non-compliance matters, complaints not related to compliance matters, and cases related to compliance matters.

**Chart 12: Total contacts received by FCAC for fiscal year 2002–03, by topic**



**Chart 13: Inquiries and complaints received excluding compliance matters, by province or territory<sup>1</sup> (for fiscal year 2002–03)**

Category	AB	BC	MB	NB	NL	NS	ON	PE	QC	SK	Terr.	Unknown <sup>2</sup>	USA	Yearly total by category
Accounts	68	87	20	7	5	15	244	5	251	11	3	67	3	786
Branch closures	23	74	28	2	7	40	163	0	51	4	0	9	1	402
Cheques	62	35	23	4	0	9	129	0	137	9	4	30	0	442
Complaint procedures	6	12	2	2	0	0	28	0	11	3	0	6	0	70
Credit cards	202	212	89	30	25	54	589	7	555	56	3	125	5	1,952
Debit cards	5	6	2	3	0	5	27	0	48	0	0	2	0	98
General inquiries	511	290	195	77	66	126	787	21	879	116	6	180	25	3,279
Insurance	93	52	29	26	18	64	299	5	226	10	1	33	5	861
Investments	77	72	41	7	4	23	241	3	148	18	0	33	4	671
Loans	100	74	43	26	6	51	177	7	100	15	0	48	3	650
Mortgages	57	61	25	8	8	14	171	3	153	6	0	27	1	534
Privacy	24	34	12	5	3	6	91	1	36	7	1	9	0	229
Quality of service	105	94	44	15	8	47	340	3	173	26	2	42	3	902
Service fees	41	51	20	6	4	16	135	6	1,168	13	0	23	5	1,488
Small/medium-sized enterprises	30	12	8	7	1	5	78	1	32	10	1	11	3	199
Other <sup>3</sup>	40	55	32	8	4	21	180	0	115	9	1	50	4	519
<b>Yearly total (prov./terr.)</b>	<b>1,444</b>	<b>1,221</b>	<b>613</b>	<b>233</b>	<b>159</b>	<b>496</b>	<b>3,679</b>	<b>62</b>	<b>4,083</b>	<b>313</b>	<b>22</b>	<b>695</b>	<b>62</b>	<b>13,082</b>

1 This chart also excludes requests for publications.

2 The province or territory was not indicated by the consumer.

3 Includes miscellaneous inquiries and complaints received regarding automated banking machines, electronic and telephone banking, estate matters, exchange rates, interest rates, and tied selling.

Chart 13 indicates that FCAC received 13,082 inquiries and complaints, excluding compliance matters, during 2002–03. The majority were from

Ontario (28 percent) and Quebec (31 percent). Consumers from Alberta and British Columbia also contacted FCAC frequently.

**Chart 14: Inquiries and complaints by type of financial institution regulated by FCAC, excluding compliance matters<sup>1</sup>**  
(for fiscal year 2002–03)

<i>Category</i>	<i>Banks</i>	<i>Life insurance companies</i>	<i>Loan companies</i>	<i>P&amp;C<sup>2</sup> insurance companies</i>	<i>Trust companies</i>	<i>Yearly total by category</i>
Accounts	656	4	1	3	15	679
Branch closures	393	0	0	0	7	400
Cheques	358	0	0	0	4	362
Complaint procedures	51	3	0	7	2	63
Credit cards	1,756	2	5	2	8	1,773
Debit cards	76	0	0	0	1	77
General inquiries	804	76	4	26	55	965
Insurance	37	245	0	386	0	668
Investments	267	39	1	0	31	338
Loans	353	2	4	0	7	366
Mortgages	344	13	5	2	27	391
Privacy	132	14	0	2	4	152
Quality of service	648	25	1	8	27	709
Service fees	1,344	12	1	2	8	1,367
Small/medium-sized enterprises	138	1	3	0	1	143
Other <sup>3</sup>	320	12	2	2	12	348
<b>Total by federally regulated FI</b>	<b>7,677</b>	<b>448</b>	<b>27</b>	<b>440</b>	<b>209</b>	<b>8,801</b>

1 This chart also excludes requests for publications.

2 Property and casualty.

3 Includes miscellaneous inquiries and complaints received regarding automated banking machines, electronic and telephone banking, estate matters, exchange rates, interest rates, and tied selling.

Chart 14 provides a breakdown of the types of inquiries and complaints, excluding compliance matters, received by FCAC. These are grouped by the types of financial institutions that FCAC regulates. The chart shows that 87 percent of all inquiries and complaints pertained to banks. Overall, FCAC received 8,801 inquiries and complaints about federally regulated financial institutions.

Chart 15 shows that FCAC received 6,882 general inquiries from consumers during 2002–03. Of this total, 2,968 related to general questions such as:

- whether various financial institutions were legitimate organizations;
- whether a particular financial institution was a member of the Canada Deposit Insurance Corporation and therefore whether deposits with it were insured;



- how to go about getting a student loan;
- how to obtain credit counselling advice;
- how to get a copy of a personal credit file; and
- where to get information on Canada Savings Bonds.

Many of the questions FCAC received related to credit cards. Consumers wanted to know how interest was calculated on their cards, how to cancel a credit card and how to apply for certain types of cards, such as secured cards. A significant number of consumers asked for assistance in understanding letters that described changes in their credit card fees.

**Chart 15: General inquiries received, excluding compliance inquiries<sup>1</sup>**  
(for fiscal year 2002–03)

Category	Yearly total by category
Accounts	297
Branch closures	189
Cheques	183
Complaint procedures	59
Credit cards	1,368
Debit cards	39
General inquiries	2,968
Insurance	302
Investments	324
Loans	287
Mortgages	196
Privacy	88
Quality of service	99
Service fees	135
Small/medium-sized enterprises	81
Other <sup>2</sup>	267
<b>Yearly total</b>	<b>6,882</b>

*Many of the questions FCAC received last year related to credit cards. Consumers wanted to know how interest was calculated on their cards, how to cancel a credit card and how to apply for certain types of cards, such as secured cards.*

<sup>1</sup> This chart also excludes requests for publications.

<sup>2</sup> Includes miscellaneous inquiries received regarding automated banking machines, electronic and telephone banking, estate matters, exchange rates, interest rates, and tied selling.



Chart 16 outlines the types of complaints, excluding compliance matters, received by FCAC from consumers during 2002–03. Complaints about service fees represented about 22 percent of the 6,200 contacts. Three quarters of the complaints resulted from a letter-writing campaign initiated by Option consommateurs.

FCAC received a large number of complaints from consumers about the quality of service they had received when approaching financial institutions concerning investment products and personal loans. Consumers also complained about general problems with their bank accounts: missing funds, errors by branch staff and transaction delays caused by fund transfers between financial institutions.

**Chart 16: Complaints excluding those related to consumer provisions  
(for fiscal year 2002–03)**

<i>Category</i>	<i>Yearly total by category</i>
Accounts	489
Branch closures	213
Cheques	259
Complaint procedures	11
Credit cards	584
Debit cards	59
General inquiries	311
Insurance	559
Investments	347
Loans	363
Mortgages	338
Privacy	141
Quality of service	803
Service fees	1,353
Small/medium-sized enterprises	118
Other <sup>1</sup>	252
<b>Yearly total</b>	<b>6,200</b>

<sup>1</sup> Includes complaints received regarding automated banking machines, electronic and telephone banking, estate matters, exchange rates, interest rates, and tied selling.

**Chart 17: Inquiries and complaints received about credit cards, excluding compliance matters (for fiscal year 2002–03)**

Category	Inquiries	Complaints	Yearly total by category
Applications <sup>1</sup> /cancellations	155	94	249
Bill payments	23	103	126
Disclosure on credit cards	1	3	4
Fraud	13	29	42
Grace period (during which time consumer does not pay interest)	3	6	9
Insurance on credit card	10	14	24
Interest calculation	15	42	57
Solicitation by card issuer to get consumers to apply for card	54	103	157
Transfer of balance to another card	4	17	21
Other <sup>2</sup>	1,090	173	1,263
<b>Yearly total</b>	<b>1,368</b>	<b>584</b>	<b>1,952</b>

1 Includes unwanted card applications.

2 Other topics raised by consumers included: a change in the charges associated with a particular credit card; secure credit cards; re-activation of credit card numbers; stopping pre-authorized payments; requests for payment from collection agencies; and credit cards not accepted in certain countries.

With regard to credit complaints, consumers expressed frustration about being charged interest for late payments even though they had paid their credit card bill on or before the due date. They also complained about receiving unwanted credit card applications by mail, about being considered liable for unauthorized transactions on their credit card accounts and about problems in stopping pre-authorized payments.

With regard to insurance, consumers complained that their premiums for house and automobile insurance had increased significantly. They also complained about lengthy delays in having their insurance claims settled.

Charts 17 to 21 (pp. 41–44) examine in more detail the most common topics of inquiries and complaints not related to compliance. These had to do with credit cards (Chart 17), personal loans (Chart 18), mortgages (Chart 19), service fees (Chart 20) and quality of service (Chart 21).



**Chart 18: Inquiries and complaints received about personal loans, excluding compliance matters**  
(for fiscal year 2002–03)

<i>Category</i>	<i>Inquiries</i>	<i>Complaints</i>	<i>Yearly total by category</i>
Collection of loan <sup>1</sup>	51	131	182
Contract for loan	23	23	46
Interest calculation on loan	10	21	31
Refusal to grant a loan	25	49	74
Other <sup>2</sup>	178	139	317
<b>Yearly total</b>	<b>287</b>	<b>363</b>	<b>650</b>

1 Includes problems where clients were not advised that the unpaid loan had gone to the collection agency.

2 Other topics raised by consumers included: responsibilities of loan co-signers; debt consolidation; obtaining and repaying student loans; and loan accounts closed because of late loan payments.

**With regard to personal loans, FCAC received several complaints from people who had co-signed a loan and were being held responsible for the outstanding balance when the primary borrower could not meet the repayment obligations.**

With regard to personal loans (Chart 18), FCAC received several complaints from people who had co-signed a loan and were being held responsible for the outstanding balance when the primary borrower could not meet the repayment obligations. FCAC also received inquiries and

complaints from consumers who had been contacted by collection agencies about repaying a loan that had gone into arrears. The callers wanted to know what their rights were and how they should go about repaying the loan.

**Chart 19: Inquiries and complaints received about mortgages, excluding compliance matters**  
(for fiscal year 2002–03)

<i>Category</i>	<i>Inquiries</i>	<i>Complaints</i>	<i>Yearly total by category</i>
Applying for a mortgage	13	20	33
Collection/foreclosure	16	45	61
Discharge, transfer and administrative fees	12	30	42
Existing mortgage	24	46	70
Insurance	12	26	38
Penalty/differential/refinancing	28	55	83
Property taxes	5	20	25
Refusal to renew	1	3	4
Other <sup>1</sup>	85	93	178
<b>Yearly total</b>	<b>196</b>	<b>338</b>	<b>534</b>

1 Other topics raised by consumers included: reverse mortgages; using registered retirement savings plans for mortgage down payments; and Canada Mortgage and Housing Corporation fees.

Chart 19 shows the numerous consumer complaints received by FCAC about mortgage penalties. Consumers often did not understand why the estimate of the penalty charge increased between the time they first asked about it and the time they actually renegotiated their mortgage. They also wondered how the penalty was calculated.

Chart 20 shows that the majority of consumers who contacted us about service fees were complaining about ABM service fees. A number of these complaints were initiated as a result of the campaign by Option consommateurs.



*The majority of consumers who contacted us about service fees were complaining about ABM service fees.*

**Chart 20: Inquiries and complaints received about service fees, excluding compliance matters (for fiscal year 2002–03)**

<i>Category</i>	<i>Inquiries</i>	<i>Complaints</i>	<i>Yearly total by category</i>
ABMs <sup>1</sup>	19	1,046 <sup>2</sup>	1,065
Accounts	30	76	106
Credit cards	14	41	55
Debit cards	18	13	31
Investments	13	72	85
Small/medium-sized enterprises	6	18	24
Other <sup>3</sup>	35	87	122
<b>Yearly total</b>	<b>135</b>	<b>1,353</b>	<b>1,488</b>

1 Includes inquiries and complaints about financial institution–owned ABMs as well as privately owned ABMs.

2 A number of these complaints were initiated as a result of a campaign undertaken by Option consommateurs.

3 Other topics raised by consumers included: fees on special transactions such as NSF charges; charges to non-customers for cashing personal cheques; and charges for drafts, money orders and wire transfers.



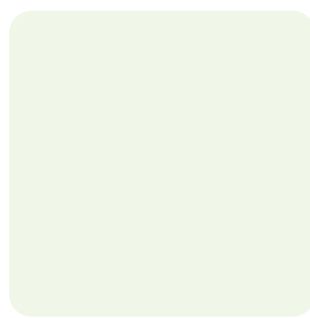
Chart 21 shows that, of the 902 inquiries and complaints received about quality-of-service issues, 803 were complaints. They accounted for 89 percent of the contacts under this category. Some of the complaints related to:

- not being able to use 100-dollar bills in branches or stores;
- being harassed by a financial institution's collection department or by a collection agency for repayment of a loan;
- finding that the contents of a safety deposit box had been tampered with; and
- being unable to cash a money order without being a customer of an institution.

**Chart 21: Inquiries and complaints received about quality of service, excluding compliance matters**  
(for fiscal year 2002–03)

<i>Category</i>	<i>Inquiries</i>	<i>Complaints</i>	<i>Yearly total by category</i>
Accounts	12	100	112
Credit cards	6	61	67
Errors/delays	14	115	129
Insurance	3	19	22
Investments	9	100	109
Personal loans	2	74	76
Mortgages	6	37	43
Small/medium-sized enterprises	0	22	22
Other <sup>1</sup>	47	275	322
<b>Yearly total</b>	<b>99</b>	<b>803</b>	<b>902</b>

<sup>1</sup> Other topics raised by consumers included: not being able to use 100-dollar bills; being harassed by an institution's collection department or by collection agencies; problems with contents of safety deposit boxes; and cashing money orders.



# Financial statements

## Financial highlights

The *Financial Consumer Agency of Canada Act* created the Financial Consumer Agency of Canada (FCAC) on October 24, 2001. While FCAC's first annual report for the fiscal year 2001-02 covered only five months of operations, this annual report covers a full fiscal year.

FCAC is funded entirely by assessments paid by federally regulated financial institutions. Since most of the consumer provisions that FCAC oversees apply to banks, bank-related issues account for the bulk of the Agency's workload. Banks are therefore assessed more than 90 percent of FCAC's costs.

This year, the Office of the Auditor General of Canada was appointed by Order-in-Council as the auditor for FCAC. Its role is to audit the annual financial statements of FCAC and to report to the Minister of Finance on the results of the audit. The auditor's opinion is included on page 49 of this report.

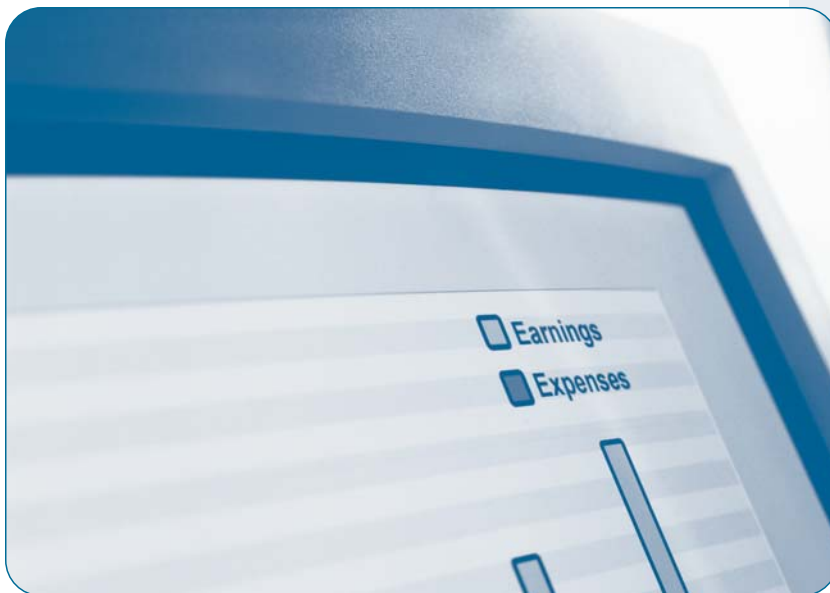
In its report for this year, the Office of the Auditor General stated:

... these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



*This year, the Office of the Auditor General of Canada was appointed by Order-in-Council as the auditor for FCAC. Its role is to audit the annual financial statements of FCAC and to report to the Minister of Finance on the results of the audit.*

*Since FCAC is a small agency, we seek to achieve economies through the use of partnerships.*



FCAC's expenses for the first full year of operations amounted to \$5.4 million. This amount was below the \$7.2 million projected in FCAC's Business Plan for the Year 2002–03. The difference is due primarily to the following factors:

- In the first full year of operations, FCAC adopted a targeted approach to its consumer education mandate. We did not implement a more aggressive communications plan that would have aimed for a higher public profile through the significant use of paid advertising. In contrast, FCAC was very successful in achieving extensive media coverage across Canada on issues of importance to consumers.

- Because of workload priorities (e.g. a "mystery shopping" contract, and the writing and production of several new publications), certain activities were postponed to the next fiscal year, 2003–04.

Since FCAC is a small agency, we seek to achieve economies through the use of partnerships. We contract out certain key services rather than creating and maintaining our own. FCAC has contracts in place with other, larger organizations for the provision of the following services:



- Human resources and financial administrative services are provided to FCAC by the Office of the Superintendent of Financial Institutions (OSFI).
- Informatics procurement and support, as well as communications services, are provided by Public Works and Government Services Canada (PWGSC).
- The Consumer Contact Centre (call centre) is a joint venture with the Canada Deposit Insurance Corporation (CDIC).

These partners have considerable experience in providing high-quality services. By working with OSFI and CDIC, FCAC is able to benefit from their knowledge and experience in dealing with the financial sector. For example, it has access to experienced call centre personnel and can use already established databases to determine assessment amounts.

During our first full year of operations (2002–03), we have better defined and established FCAC’s program of activities and services in accordance with legislation and stakeholder expectations. Now that we are fully operational, we expect that our expenditures will match our planned budget of \$7.3 million for the fiscal year 2003–04. We will also be overseeing the introduction of new regulations governing access to banking services, and will be undertaking special examinations.

As we move forward with a credible and effective program to protect financial consumers and inform Canadians, we will continue to ensure the efficient use of our financial resources.

*As we move forward with a credible and effective program to protect financial consumers and inform Canadians, we will continue to ensure the efficient use of our financial resources.*



## ***Management responsibility for financial statements***

Responsibility for the integrity and objectivity of the accompanying financial statements, and their consistency with all other information contained in this annual report, rests with the management of the Financial Consumer Agency of Canada (FCAC).

These financial statements, which include amounts based on management's best estimates as determined through experience and judgment, have been prepared in accordance with Canadian generally accepted accounting principles. Management has developed and maintained books of accounts, records, internal controls, management practices and information systems designed to provide reasonable assurance that assets are safeguarded and controlled, resources are managed economically and efficiently in the attainment of corporate objectives, and transactions are in accordance with the *Financial Administration Act* and regulations, as well as with FCAC policies and statutory requirements.

The Auditor General of Canada, the independent auditor for the Government of Canada, has audited the transactions and financial statements of FCAC, and reports on her audit to the Minister of Finance.



William G. Knight  
Commissioner  
Financial Consumer Agency of Canada



Jim Callon  
Deputy Commissioner  
Financial Consumer Agency of Canada

Ottawa, Canada  
May 23, 2003



## Auditor's Report

To the Minister of Finance

I have audited the statement of financial position of the Financial Consumer Agency of Canada as at March 31, 2003 and the statements of operations and equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

John Wiersema, CA  
Assistant Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
May 23, 2003

# Statement of Financial Position

As at March 31

	2003	2002
<b>ASSETS</b>		
<b>Current</b>		
Cash Entitlement	\$ 2,050,040	\$ 4,507,326
Assessments Receivable	27,994	6,829,109
Other Current Assets	1,625	—
Other Assets	81,571	31,376
<b>Capital Assets (note 5)</b>	683,367	719,088
<b>Total Assets</b>	<b>\$ 2,844,597</b>	<b>\$ 12,086,899</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities (notes 6, 7)	\$ 720,308	\$ 1,289,067
Unearned Revenue	650,052	3,690,589
Loan Payable (note 6)	1,350,000	7,000,000
<b>Employee Future Benefits</b>	124,237	107,243
<b>Total Liabilities</b>	<b>\$ 2,844,597</b>	<b>\$ 12,086,899</b>
<b>Equity of Canada</b>	—	—
<b>TOTAL LIABILITIES AND EQUITY OF CANADA</b>	<b>\$ 2,844,597</b>	<b>\$ 12,086,899</b>
Commitments (note 8)		

Approved by:



William G. Knight  
Commissioner, Financial Consumer Agency of Canada

The accompanying notes are an integral part of these Financial Statements.

# Statement of Operations and Equity of Canada

For the year ended March 31

	2003	Unaudited (5 months — note 9) 2002
<b>REVENUE</b>		
Assessments	\$ 5,383,452	\$ 3,297,772
<b>Total Revenue</b>	<b>5,383,452</b>	<b>3,297,772</b>
<b>EXPENSES</b>		
Salaries and Benefits (note 4)	2,848,840	988,914
Provision for Employee Future Benefits	16,994	107,243
Information Management / Information Technology Costs (note 7)	611,526	834,796
Professional Services (note 7)	835,886	621,394
Accommodation (notes 7, 8)	616,611	522,135
Interest	101,950	61,449
Travel	88,669	19,159
Other	262,976	142,682
<b>Total Expenses</b>	<b>5,383,452</b>	<b>3,297,772</b>
<b>Net Operating Results</b>	<b>\$ —</b>	<b>\$ —</b>
<b>EQUITY OF CANADA</b>		
<b>Equity of Canada, Beginning of Year</b>	<b>—</b>	<b>—</b>
<b>Equity of Canada, End of Year</b>	<b>\$ —</b>	<b>\$ —</b>

The accompanying notes are an integral part of these Financial Statements.

# Statement of Cash Flows

For the year ended March 31

	2003	Unaudited (5 months — note 9) 2002
<b>OPERATING ACTIVITIES</b>		
Net Operating Results	\$ —	\$ —
<b>Non-Cash items included in net operating results</b>		
Amortization of Capital Assets (note 5)	151,328	58,468
Accrued Employee Future Benefits	16,994	107,243
<b>Changes in working capital</b>		
Decrease / (Increase) in Assessments Receivable	6,801,115	(6,829,109)
(Increase) in Other Assets	(50,195)	(31,376)
(Increase) in Current Assets	(1,625)	—
(Decrease) / Increase in Accounts Payable and Accrued Liabilities	(568,759)	1,289,067
(Decrease) / Increase in Unearned Revenue	(3,040,537)	3,690,589
<b>Cash Flow provided by / (used for) Operating Activities</b>	<b>3,308,322</b>	<b>(1,715,118)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of Capital Assets	(115,607)	(777,556)
<b>Cash Flows used for Investing Activities</b>	<b>(115,607)</b>	<b>(777,556)</b>
<b>FINANCING ACTIVITIES</b>		
New Borrowings during the year	1,350,000	7,000,000
Repayments during the year	(7,000,000)	—
<b>Cash Flows (used for) / provided by Financing Activities</b>	<b>(5,650,000)</b>	<b>7,000,000</b>
<b>CASH ENTITLEMENT</b>		
<b>(Decrease) / Increase During the Year</b>	<b>(2,457,285)</b>	<b>4,507,326</b>
<b>Balance, Beginning of Year</b>	<b>4,507,326</b>	<b>—</b>
<b>Balance, End of Year</b>	<b>\$ 2,050,040</b>	<b>\$ 4,507,326</b>

The accompanying notes are an integral part of these Financial Statements.

# Notes to the *financial statements*

For the year ended March 31, 2003

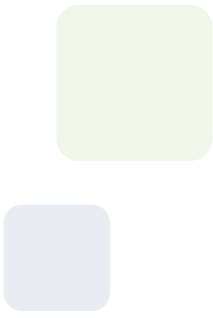
## 1. Authority and objectives

On October 24, 2001, the *Financial Consumer Agency of Canada Act* (the Act) came into force, establishing the Financial Consumer Agency of Canada (FCAC, or the Agency). The Financial Consumer Agency of Canada is responsible for strengthening the oversight of consumer protection measures in the federally regulated financial sector and for expanding consumer education activities. The Agency is a department of the Government of Canada and is listed in schedule I.1 of the *Financial Administration Act*.

FCAC's mandate is specifically set out in the *Financial Consumer Agency of Canada Act*. It must:

- a) **supervise** financial institutions to determine whether they are in compliance with the consumer provisions applicable to them;
- b) **promote** the adoption by financial institutions of policies and procedures to implement consumer provisions applicable to them;
- c) **monitor** the implementation of financial institutions' publicly available voluntary codes of conduct that are designed to protect the interests of their customers, and monitor any public commitments made by financial institutions to protect the interests of their customers;
- d) **promote** consumer awareness about the obligations of financial institutions under consumer provisions applicable to them; and
- e) **foster** an understanding of financial services and issues relating to financial services, in cooperation with any department, agency or agency corporation of the Government of Canada, or of a province, financial institution, or consumer or other organization.

Section 18(3) of the Act provides that the Agency's costs of operations are to be assessed to the industry. FCAC's operations are entirely funded through this process. No annual parliamentary appropriations are received by the Agency, and the Government of Canada made no initial investment in the Agency at start-up.



FCAC assessment revenues are charged in accordance with the *Financial Consumer Agency of Canada Assessment of Financial Institutions Regulations*, which outline the methodology used to determine each institution's assessment.

The Agency manages its working capital requirements by borrowing funds from the Government of Canada as authorized under section 13.1 of the Act.

## **2. Summary of significant accounting policies**

### **a) Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The Agency is entirely dependent on its assessments of financial institutions to fund its costs of operations, including those related to employee future benefits.

### **b) Revenue recognition**

FCAC matches its revenue to its operating costs. Any assessments that have been billed and for which costs have not been incurred are classified as current liabilities (unearned revenue) on the statement of financial position.

Assessments are billed annually based on an estimate of the current fiscal year's costs of operations together with an accounting of the previous year's assessed costs against actual costs incurred. The assessment process is undertaken before December 31 in each year, in accordance with section 18(1) of the Act. As a result, at March 31 of each year, amounts may have been collected in advance of the incurrence of costs or, alternatively, funds may be owed to the Agency to fund its costs of operation.

### **c) Employee future benefits**

#### **i) Pension benefits**

FCAC's eligible employees participate in the Public Service Superannuation Plan (the Plan) administered by the Government of Canada. Both employees and FCAC contribute to the cost of the Plan. The Agency's contribution amount is currently based on a multiple of employees'



required contributions, and may change over time depending on the experience of the Plan. These contributions represent the total pension obligations of the Agency and are charged to operations on a current basis. FCAC is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Plan.

## **ii) Severance benefits**

On termination of employment, employees are entitled to certain benefits provided for under their conditions of employment through a severance benefits plan. The cost of these benefits is periodically actuarially determined and is accrued as employees render the services necessary to earn severance benefits.

The cost of the severance benefits is actuarially determined using the projected benefit method prorated on services. The valuation of the liability is based upon a current market discount rate and other actuarial assumptions, which represent management's best long-term estimates of factors such as future wage increases and employee resignation rates.

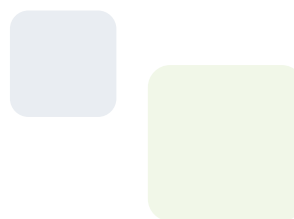
In those years where no actuarial review is performed, management prepares an estimate of the closing employee future benefits liability, based on the most recent actuarial report and current employee information.

## **d) Cash entitlement**

The Financial Consumer Agency of Canada does not deposit cash into or issue cheques from its own bank account. The financial transactions of the Agency are processed through the Consolidated Revenue Fund (CRF), a banking facility administered by the Receiver General for Canada. FCAC's cash entitlement represents the amount the Agency is entitled to withdraw from the CRF without further authority. This amount does not earn interest.

## **e) Assessments receivable**

Assessments receivable are stated at amounts expected to be ultimately realized and represent a debt due to Her Majesty.



## **f) Capital assets**

All capital assets are initially recorded at acquisition cost. Amortization of capital assets is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

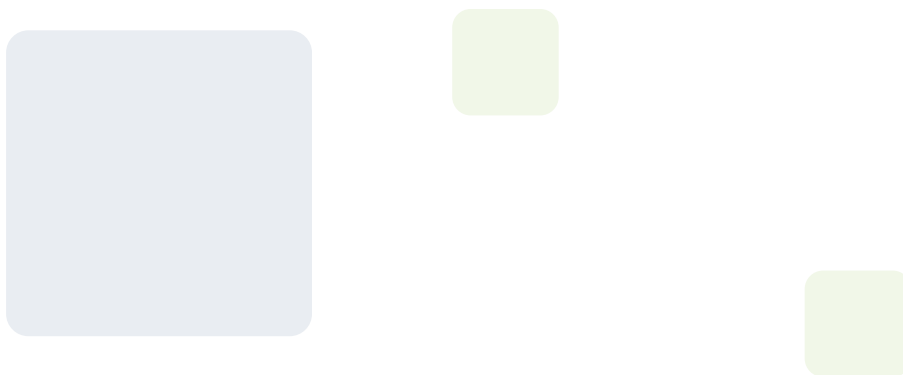
<i>Asset class</i>	<i>Amortization period</i>
Office equipment	4 years
Furniture and fixtures	7 years
Informatics hardware	3 years
Informatics software	5 years
Leasehold improvements	lesser of useful life or term of the lease

## **3. Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant item involving the use of estimates and assumptions is the Agency's allowance for employee future benefits. This liability was actuarially determined for the fiscal year ended March 31, 2002, and was estimated by management for the year ended March 31, 2003.

## **4. Benefits**

FCAC recognized benefit costs in the amount of \$507,813 during the year in respect of employee benefits using a contribution rate of approximately 27.5 percent. The majority of this amount was in respect of pension benefits for employee participation in the Public Service Superannuation Plan.



## 5. Capital assets

<i>Category</i>	<i>Opening balance</i>	<i>Additions</i>	<i>Opening accumulated amortization</i>	<i>Amortization expense</i>	<i>Closing accumulated amortization</i>	<i>Closing balance</i>
Leasehold improvements	\$ 361,654	\$ 14,156	\$ 33,898	\$ 82,329	\$ 116,227	\$ 259,583
Furniture and fixtures	362,907	29,977	21,602	52,482	74,084	318,800
Office equipment	36,845	—	1,198	9,211	10,409	26,436
Informatics hardware	7,650	—	1,062	2,550	3,612	4,038
Informatics software	8,500	71,474	708	4,756	5,464	74,510
<b>Total</b>	<b>\$ 777,556</b>	<b>\$ 115,607</b>	<b>\$ 58,468</b>	<b>\$ 151,328</b>	<b>\$ 209,796</b>	<b>\$ 683,367</b>

## 6. Loan payable

FCAC funds its ongoing operations with cash advanced from the Consolidated Revenue Fund. The terms and conditions of the loan agreement for funds advanced as at March 31, 2003, together with comparatives for the preceding year, are as follows:

Principal amount:	\$1,350,000	(2002 — \$7,000,000)
Maturity date:	Feb. 21, 2004	(2002 — May 19, 2002)
Interest rate:	3.38%	(2002 — 2.39%)

Interest is due upon maturity, and is recorded in Accounts Payable and Accrued Liabilities.

## 7. Related party transactions

FCAC is related in terms of common ownership to all Government of Canada departments and Crown corporations. The Agency has entered into service agreements with several departments and one Crown corporation for the supply of key services to the Agency and its staff in carrying out its mandate. FCAC currently works with the following partners:

- Public Works and Government Services Canada (PWGSC)
- Canada Deposit Insurance Corporation (CDIC)
- the Office of the Superintendent of Financial Institutions (OSFI)

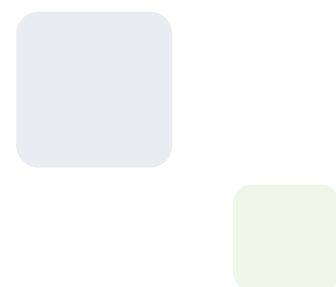
FCAC also enters into transactions with other government entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises. The details of these transactions are not set out below.

The following tables summarize the impact of the Agency's significant related-party transactions for the year on total expenses. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

<b>Expenses</b>	<b>2003</b>	<b>2002</b> <b>(Unaudited — 5 months)</b>
PWGSC — Information Management / Information Technology	\$ 557,500	\$ 700,000
PWGSC — Accommodation	\$ 458,803	\$ 450,849
CDIC — Professional Services (Call Centre Administration)	\$ 246,496	\$ 134,576
OSFI — Professional Services (Human Resources Services)	\$ 98,232	\$ 182,131
OSFI — Professional Services (Financial Services)	\$ 102,060	\$ 53,287

At the end of the year, amounts due to the above related parties are as follows:

<b>Accounts payable</b>	<b>2003</b>	<b>2002</b>
PWGSC — Information Management / Information Technology	\$ 136,000	\$ 700,000
PWGSC — Accommodation	\$ —	\$ —
CDIC — Professional Services (Call Centre Administration)	\$ 82,103	\$ 71,000
OSFI — Professional Services (Human Resources Services)	\$ 8,489	\$ —
OSFI — Professional Services (Financial Services)	\$ 8,820	\$ —



## 8. Commitments

Contractual commitments arising from service agreements entered into with various departments and one Crown corporation for the supply of key services to the Agency, as well as future minimum lease payments for the remaining term of the Agency's lease for office space are outlined below.

Year ending March 31	Service agreements	Operating lease	Total
2004	\$746,288	\$291,347	\$1,037,635
2005	92,264	291,347	383,611
2006	93,417	291,347	384,764
<b>Total</b>	<b>\$931,969</b>	<b>\$874,041</b>	<b>\$1,806,010</b>

## 9. Comparative figures

The comparative figures reflect the results of operations and the cash flows of the Agency during the five-month period beginning October 24, 2001, and ending March 31, 2002. These comparative figures are unaudited.

# Appendix A: Glossary

## **Adherence (to a voluntary code of conduct or public commitment)**

After investigation of a complaint, a finding by the Financial Consumer Agency of Canada (FCAC) that actions of the financial institution concerned are consistent with that institution's voluntary code of conduct or public commitment governing such actions.

## **Case**

A file opened by FCAC's Compliance and Industry Relations Branch on a compliance matter, such as an alleged contravention of a consumer provision, code of conduct or public commitment. Circumstances surrounding the matter are reviewed and assessed by the Branch.

## **Closed case**

Compliance case investigated by FCAC and concluded by March 31.

## **Code of conduct**

A code adopted by a financial institution or an industry association and made publicly available (for example, on its Web site), designed to protect the interests of customers of that institution or association. FCAC monitors adherence by federally regulated financial institutions to their voluntary codes of conduct.

## **Coercive tied selling**

The action of coercing or imposing undue pressure on a person to obtain a product or service from a particular person, bank or affiliate as a condition for obtaining another product or service from that same source.

## **Complaint-handling procedure**

Procedure that each federally regulated financial institution is required by law to put into place for dealing with complaints made by persons who have requested or received products or services from that institution.

## **Compliance Agreement**

Agreement entered into by the Commissioner and a financial institution, specifying corrective measures designed to further compliance with the consumer provisions and setting out a time frame for implementation of such measures.

## **Consumer provision**

A provision of federal legislation/regulations identified as a consumer provision in section 2 of the *Financial Consumer Agency of Canada Act*. Contravention of such a provision constitutes a violation.

### **Examination, annual**

An examination conducted by FCAC once in each calendar year for the purpose of satisfying the Commissioner that a financial institution is in general compliance with the consumer provisions applicable to that institution.

### **Examination, special**

An examination conducted by FCAC, as circumstances require, for the purpose of satisfying the Commissioner that a financial institution is complying with specific consumer provisions applicable to that institution.

### **Filing**

A document that a federally regulated financial institution is required by legislation (*Bank Act*, *Cooperative Credit Associations Act*, *Insurance Companies Act*, and *Trust and Loan Companies Act*) to submit to FCAC.

### **Letter of Reprimand**

An administrative measure, provided for in FCAC's compliance framework. May be used in cases where a violation by a financial institution involves an isolated problem and has limited impact on the consumer, but where a Notice of Violation is not required. In a letter sent to the institution, the Commissioner notes the violation and confirms that proper corrective action has been taken.

### **Non-adherence**

After investigation by FCAC, a determination that a complaint has merit and that the actions of a particular financial institution do not comply with the terms of a voluntary code of conduct or a public commitment applicable to that institution.

### **Notice of Violation**

A notice provided for by law and issued by the Commissioner, informing a financial institution that it has violated a consumer provision. The *Financial Consumer Agency of Canada Act* requires the notice to state the name of the institution that committed the violation, the nature of the violation and the amount of the administrative monetary penalty levied against the institution by FCAC. The Commissioner may also publicize the violation.

### **Opened complaint**

Complaint entered into FCAC's tracking system.

### **Pending case**

Compliance case still under investigation by FCAC as of March 31.

### **Public Accountability Statement**

A statement that each large financial institution is required by law to publish annually and file with the FCAC Commissioner. It describes the contributions made by that institution to Canada's economy and society.

### **Public commitment**

A commitment made publicly by a financial institution or an industry association (for example, on its Web site), designed to protect the interests of customers of that institution or association. FCAC monitors adherence by federally regulated financial institutions to their public commitments.

### **Self-reported complaint**

A complaint involving a consumer provision, escalated by a financial institution to the reportable level of that institution's complaint-handling procedure. FCAC's compliance framework requires federally regulated financial institutions to inform the Agency of any reportable complaint (as defined in the framework) that involves a consumer provision.

### **Violation**

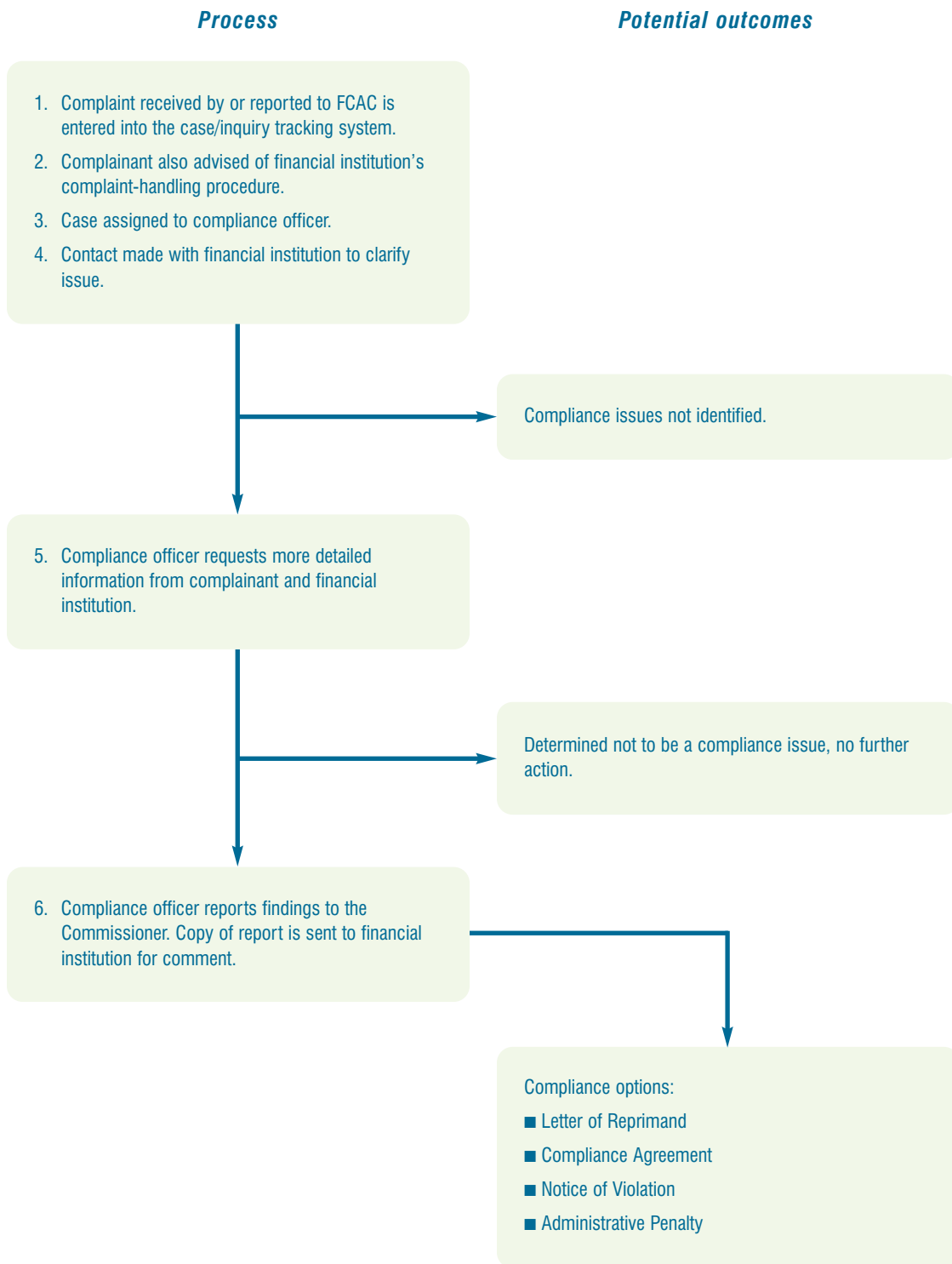
The contravention of a consumer provision, as defined by the *Financial Consumer Agency of Canada Designated Violations Regulations*.

### **Withdrawn case**

A case on which action has been discontinued, either because the consumer who lodged the complaint has requested that FCAC not proceed any further with its investigation *or* because the consumer did not respond to FCAC's attempts to contact him or her in order to continue its investigation.



# Appendix B: FCAC case management process



## Appendix C: Consumer provisions and regulations

The *Financial Consumer Agency of Canada Act* identifies consumer provisions under the following legislation:

- the *Bank Act*;
- the *Insurance Companies Act*;
- the *Trust and Loan Companies Act*; and
- the *Cooperative Credit Associations Act*.

The following table summarizes the legislated consumer provisions that the Agency administers, and the types of federally regulated financial institutions affected by each provision.

Type of consumer provisions	Banks	Trust and loan companies	Insurance companies	Retail associations
Requirement to disclose interest and charges applicable to deposit accounts	X	X		X
Requirement to disclose the cost of borrowing	X	X	X	X
Requirement to have procedures for protecting customer information (no regulations in effect)	X	X	X	X
Requirement to open retail deposit accounts (to be in effect September 2003)	X			
Requirement to provide notice that deposits are not insured when bank is not a member of CDIC	X			
Requirement to offer a standard low-cost account (not in effect) <i>Note: Instead of a regulatory approach to bring this provision into effect, the seven major banks have voluntarily committed to providing a low-cost account within guidelines established by the government.</i>	X			
Within 14 days of opening a retail deposit account by telephone, consumer's right to close the account without charge	X	X		X
Prohibition on charging for cashing government cheques	X	X		X
Obligation to cash government cheques under \$1,500, as specified by regulation (to be in effect September 2003)	X			
Requirement to provide notice before closing a retail branch	X	X		X
Requirement for large institutions (with equity of \$1 billion or more) to file Public Accountability Statements	X	X	X	

Type of consumer provisions	Banks	Trust and loan companies	Insurance companies	Retail associations
Requirement to set up complaint procedures and to file a copy of those procedures with FCAC	X	X	X	X
Requirement to join a separate complaints resolution organization		X	X	X
Restriction concerning coercive tied selling	X			
Requirements to disclose information to consumers as required by regulation (e.g. regulations on index-linked deposits, holds-on-cheques policies)	X	X	X	X
Consumers' right to prepay loans	X	X	X	X
Institution to provide information about FCAC when consumers have complaints about the institution's compliance with consumer provisions	X	X	X	X

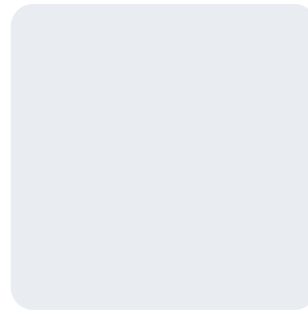
Related matters	Banks	Trust and loan companies	Insurance companies	Retail associations
Requirement for FCAC to monitor industry codes of conduct and public commitments (e.g. codes dealing with debit cards or with small and medium-sized businesses)	X	X	X	X
Requirement for FCAC to report annually, in aggregate form, on the number and types of complaints brought to its attention	X	X	X	X
Requirement for institutions to provide information to the Commissioner as necessary	X	X	X	X
Requirement for annual compliance examination and reporting	X	X	X	X
Ability to enter into compliance agreements	X	X	X	X
Requirement to pay assessments for funding of FCAC	X	X	X	X
Ability to designate contraventions that are subject to administrative penalties	X	X	X	X

# Appendix D: Status of consumer provision regulations

as of March 31, 2003

Name of regulations	Status	Reference No.
Cheque Holding Policy Disclosure (Banks) Regulations	in force	SOR/2002-39
Complaint Information (Authorized Foreign Banks) Regulations	in force	SOR/2001-370
Complaint Information (Banks) Regulations	in force	SOR/2001-371
Complaint Information (Canadian Insurance Companies) Regulations	in force	SOR/2001-373
Complaint Information (Foreign Insurance Companies) Regulations	in force	SOR/2001-372
Complaint Information (Retail Associations) Regulations	in force	SOR/2001-374
Complaint Information (Trust and Loan Companies) Regulations	in force	SOR/2001-375
Cost of Borrowing (Authorized Foreign Banks) Regulations	in force	SOR/2002-262
Cost of Borrowing (Banks) Regulations	in force	SOR/2001-101
Cost of Borrowing (Canadian Insurance Companies) Regulations	in force	SOR/2001-102
Cost of Borrowing (Foreign Insurance Companies) Regulations	in force	SOR/2001-103
Cost of Borrowing (Retail Associations) Regulations	in force	SOR/2002-263
Cost of Borrowing (Trust and Loan Companies) Regulations	in force	SOR/2001-104
Disclosure of Charges (Authorized Foreign Banks) Regulations	in force	SOR/99-278
Disclosure of Charges (Banks) Regulations	in force	SOR/92-324
Disclosure of Charges (Retail Associations) Regulations	pending	
Disclosure of Interest (Authorized Foreign Banks) Regulations	in force	SOR/1999-272, as amended by SOR/2001-468
Disclosure of Interest (Banks) Regulations	in force	SOR/1992-321, as amended by SOR/2001-469
Disclosure of Interest (Retail Associations) Regulations	pending	
Disclosure of Interest (Trust and Loan Companies) Regulations	in force	SOR/1992-322, as amended by SOR/2001-470
Disclosure on Account Opening by Telephone Request (Authorized Foreign Banks) Regulations	in force	SOR/2001-471
Disclosure on Account Opening by Telephone Request (Banks) Regulations	in force	SOR/2001-472
Disclosure on Account Opening by Telephone Request (Retail Associations) Regulations	pending	
Disclosure on Account Opening by Telephone Request (Trust and Loan Companies) Regulations	in force	SOR/2001-473

<b>Name of regulations</b>	<b>Status</b>	<b>Reference No.</b>
Financial Consumer Agency of Canada Assessment of Financial Institutions Regulations	in force	SOR/2001-474
Financial Consumer Agency of Canada Designated Violations Regulations	in force	SOR/2002-101
Index-linked Deposits Interest Disclosure Regulations	in force	SOR/2002-102
Notice of Branch Closure (Banks) Regulations	in force	SOR/2002-104, as amended by SOR/2003-70
Notice of Branch Closure (Cooperative Credit Associations) Regulations	in force	SOR/2002-105, as amended by SOR/2003-70
Notice of Branch Closure (Trust and Loan Companies) Regulations	in force	SOR/2002-106, as amended by SOR/2003-70
Notices of Uninsured Deposits Regulations	in force	SOR/99-388, as amended by SOR/2002-338
Public Accountability Statements (Banks, Insurance Companies, Trust and Loan Companies) Regulations	in force	SOR/2002-133



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