



# ***Survey of Consumers' Awareness of Their Financial Rights and Responsibilities***

## **Executive Summary**

### **Prepared for Financial Consumer Agency of Canada**

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For more information on this report, please contact The Financial Consumer Agency of Canada at:  
[info@fcac-acfc.gc.ca](mailto:info@fcac-acfc.gc.ca)

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Prepared for Financial Consumer Agency of Canada by Environics Research

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## Executive summary

### 1. Background and objectives

FCAC's priorities include promoting consumers' awareness of their financial rights and responsibilities (R&R). This report provides quantitative data to help FCAC to identify potential deficiencies in this awareness. The results also provide data about whether FCAC is achieving the R&R indicator established in its current business plan.

The objectives of this research were to:

- Gather quantitative evidence of consumers' knowledge and awareness of certain financial rights and responsibilities;
- Highlight potential deficiencies in consumers' awareness of certain financial risks identified in FCAC's recent industry review of bank sales practices; and
- Assess results against the R&R indicator established in FCAC's current business plan.

### 2. Methodology

EnviroNics conducted a random-probability telephone survey with 3,002 adult residents of Canada, from March 1 to 23, 2019. This survey targeted the general Canadian population, aged 18 and over, who have a product or service with a bank or credit union. The sample comprised a mix of landline telephone sample (47%) and cellphone sample (53%), which generated 30 percent of interviews with Canadians who use their cellphone exclusively.

The average survey length was five minutes and was conducted in the respondent's official language of choice. The sample was stratified by region to allow for meaningful coverage of lower population areas and the final data are weighted to 2016 Census information for region, age and gender:

More information about the methodology for this survey is included in *Appendix A*.

### 3. Cost of research

The cost of this research was \$79,576.63 (HST included).

### 4. Key findings

Canadian consumers of banking products/services were asked a series of true/false questions to measure awareness of their rights and responsibilities when dealing with financial institutions. Overall, just over four in ten (44%) Canadians are able to correctly answer four of the five factual questions in this survey.

- Canadians are most aware of their rights in terms of receiving easy-to-understand information about the costs of financial products/services (81%), and that a bank cannot issue a credit card (78%) or increase its limit (60%) without approval. Knowledge about credit card insurance products is not as strong, with two thirds knowing they do not have to agree to it when applying for a card (69%) but only a third (34%) aware of whether it will always cover the outstanding balance on a card.

- Only a slim majority (54%) of Canadians say it is true they almost always read the fine print before accepting a financial product/service. Those who do this, however, are not necessarily more likely to answer the factual questions correctly.

The level of knowledge and awareness that consumers have about their rights is connected to a number of factors:

- **Education and income:** Those with the lowest household incomes (\$40,000 or less) and the lowest level of education (i.e. high school or less) are more likely to have deficiencies in their awareness of their financial rights than those with higher incomes and more education. This is true both when looking at awareness of most rights individually, and when looking at overall *knowledge* of their financial rights (the total number of correct responses).
- **Age:** Senior citizens aged 65 or over have the largest deficiencies in awareness and knowledge about their financial rights, being less aware of most of the rights tested than the other age groups. People between the ages of 50 and 64 and younger people aged 18 to 24 tend to be more aware of their rights than those in the oldest age group, but those between the ages of 25 to 49 are the most knowledgeable.
- **Region:** Residents of BC, Atlantic Canada and Saskatchewan have the lowest levels of knowledge about their financial rights, while Quebec residents are consistently more aware of their financial rights than those in other regions with the only exception being the question about what credit card protection insurance covers. Quebec residents are the least likely to answer this question correctly.
- **Language spoken at home:** Those who speak English or a different (non-official) language at home are consistently less likely to be aware of their financial rights than those who speak French at home. Francophones score higher than Anglophones regardless of whether they live inside or outside of Quebec. Although French speakers are more likely to be aware of most financial rights, they are actually less likely to say they almost always read the fine print before accepting a financial product/service.
- **Limitations:** One in five Canadians (21%) report a physical or mental condition that reduces what they can do, and around one in five of this group (22%) says this limitation affects their ability to deal with their bank. Overall, around five percent of the population say that they have a condition that makes it difficult to deal with their bank.

## 5. Political neutrality statement and contact information

I hereby certify as senior officer of Environics that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.



Tony Coulson  
Group VP - Corporate & Public Affairs  
Environics Research Group  
[tony.coulson@environics.ca](mailto:tony.coulson@environics.ca)  
613-699-6882

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