



Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada

Survey of Consumers' Awareness of their Financial Rights and Responsibilities

Executive Summary

Prepared for Financial Consumer Agency of Canada

Supplier Name: Environics Research

Contract Number: 5R000-201617/001/CY

Contract Value: \$77,221.87 (including HST)

Award Date: 2021-02-16

Delivery Date: 2021-04-27

Registration Number: POR 119-20

For more information on this report, please contact the Financial Consumer Agency of Canada at:
info@fcac-acfc.gc.ca

Ce rapport est aussi disponible en français

Canada

**Survey of Consumers' Awareness of their Financial Rights and Responsibilities
Final Report**

Prepared for Financial Consumer Agency of Canada by Environics Research

April 2021

Permission to reproduce

This publication may be reproduced for non-commercial purposes only. Prior written permission must be obtained from Financial Consumer Agency of Canada. For more information on this report, please contact Financial Consumer Agency of Canada at: info@fcac-acfc.gc.ca.

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Finance Canada, 2021.

Cat. No. FC5-58/2021E-PDF

ISBN 978-0-660-40181-2

Cette publication est aussi disponible en français sous le titre *Sondage sur la sensibilisation des consommateurs à l'égard de leurs droits et responsabilités en matière financière.*

Cat. No. FC5-58/2021F-PDF

ISBN : 978-0-660-40182-9

Executive Summary

1. Background and Objectives

The Financial Consumer Agency of Canada's (FCAC's) priorities include promoting consumers' awareness of their financial rights and responsibilities. FCAC's 2020-2021 Business Plan comprises key performance indicators related to rights and responsibilities, including an indicator on the percentage of consumers who are aware of their rights and responsibilities.

A survey conducted in 2019 provided baseline results for this indicator. A reiteration of this survey in 2021 allowed for comparative quantitative data to help FCAC identify potential gaps in current awareness. The results in this report also provide data about whether FCAC is achieving the rights and responsibilities indicator established in its current business plan.

The objectives of this research were to:

- gather quantitative evidence of consumers' awareness of certain financial rights and responsibilities
- highlight potential gaps in consumers' awareness of certain financial risks identified in FCAC's industry review of bank sales practices
- assess results against the rights and responsibilities indicator established in FCAC's current business plan
- assess results against the baseline established with the 2019 public opinion research (POR) survey on rights and responsibilities

2. Methodology

EnviroNics conducted a random-probability telephone survey with 3,008 adult residents of Canada, from March 4 to 25, 2021. 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 (44%) and cellphone sample (56%), which generated 30 percent of interviews with Canadians who use their cellphone exclusively.

The six questions from the 2019 survey were repeated in 2021. The average survey length was five and a half 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.

The survey used a random probability sample, using industry-standard random-digit-dialing (RDD) techniques. A survey of this size will yield national results which can be considered accurate to within +/- 1.8 percentage points, 19 times out of 20.

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

3. Cost of Research

The cost of this research was \$77,221.87 (HST included).

4. Key Findings

Canadian consumers of banking products/services were asked a series of five true/false questions to measure awareness of rights and responsibilities when dealing with financial institutions and one question about behaviour.

- The results reveal that Canadians' awareness of the requirement to consent for certain banking products has declined, specifically that they do not have to agree to credit card insurance when applying for a card (down 5 points since 2019 to 64%), and that a bank cannot increase a credit card limit without their approval (down 3 points to 57%).
- Awareness of the other three financial rights and responsibilities was statistically unchanged from 2019. Only one-third (34%) are aware that credit card insurance will not always cover an outstanding balance. By comparison, large majorities of Canadians remain aware of their right to receive easy-to-understand information around the costs of financial products/services (81%), and that a bank cannot issue a credit card (78%) without their approval.
- Overall, seven in ten Canadians (72%) correctly answered at least three of the five factual questions, six percentage points lower than in 2019 (78%).
- A slim majority (53%) of Canadians say they almost always read the fine print before accepting a financial product/service, which is consistent with 2019 (54%). As was the case in 2019, those who first read the fine print are no more likely to answer the factual questions correctly.

The decline in the overall level of awareness about these financial rights and responsibilities is not limited to any single region or demographic segment but is generally evident across the board. The following paragraphs describe the key patterns by key segments.

- **Education and income:** Overall awareness (the total number of correct responses) declined most notably among those with a postsecondary education and those in the middle-income brackets (between \$40K and \$150K). Despite this, overall awareness remains lower among those with the lowest household incomes (under \$40,000) and the lowest level of education (i.e., high school or less), as was the case in 2019.
- **Gender:** Awareness of the specified financial rights and responsibilities have declined primarily among women, resulting in lower levels compared to men - a gap between the genders that did not exist in 2019. The exception is that women are more aware of banks' responsibility to provide individuals with easy-to-understand information; thus, the higher overall awareness among men is driven by their stronger awareness of other statements.
- **Age:** Since 2019, levels of financial awareness declined across all age groups. As a result, seniors aged 65 or over continue to have the largest gaps in awareness about most of the financial rights and responsibilities tested than other age groups. Those between the ages of 25 to 49 are the most aware, similar to 2019.
- **Region:** Overall awareness has declined across most regions of Canada, compared to 2019, with the exceptions of British Columbia and Saskatchewan. Residents of Atlantic Canada, Manitoba, and Alberta exhibit lower levels of awareness of specified financial rights and responsibilities, while Quebec residents are consistently more aware of these financial rights and responsibilities than those in other regions. Connected to this, those speaking French at home also remain more likely to be aware of the specified financial rights and responsibilities compared to those who speak English or another (non-official)

language at home, despite French speakers being less likely than others to say they almost always read the fine print before accepting a financial product/service.

- **Limitations:** One in five Canadians report a physical or mental condition that reduces what they can do, and as was the case in 2019, one in five of this group (20%) says this limits their ability to deal with their bank. In all, four percent of the population say 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.



Sarah Robertson
Vice President, Corporate & Public Affairs
Environics Research Group

sarah.roberson@environics.ca

613-793-2229

Supplier name: Environics Research Group
PWGSC contract number: 5R000-201617/001/CY
Original contract date: 2021-02-16
For more information, contact info@fcac-acfc.gc.ca