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September 20, 2024

ACORN Canada is pleased to make our submission in relation to the Department of Finance Consultation on **the Review of the Bank Act**.

ACORN Canada is a national community union of low- and moderate-income people. For more information, pls visit www.acorncanada.org

1. Preventing financial fraud

ACORN supports government's proposed measures to prevent financial fraud. Many low- and moderate-income people are falling prey to financial scams. With time, the scams are becoming extremely sophisticated. Hence, banks should take responsibility for investigating as well as supporting people if this happens. We believe that especially if there is no pre-authorized payment, banks should have a system to check why a person's account was debited. Also, banks could trace where the stolen money was deposited. If a credit card or a debit card is stolen and tapped, this could be traced. Further, it is important to collect regular data on the nature of scams as there are newer forms of crime emerging and people need to be aware of these.

2. Supporting customers when banks close branches

Having access to bank branches in their neighbourhoods plays a critical role for people. Many people still prefer using the bank branch instead of doing the financial transactions online. There needs to be a strong rationale why the bank is closing the branch. This needs to cover demographic data as many times bank branch closures neighbourhoods that are low-income or have a huge proportion of people from other vulnerable groups. The bank closure analysis should also cover how it will impact people's lives as people might be forced to take a ferry which entails extra time and resources just to access a bank like what happened in Grand Manan Island.

3. Immediate access to funds deposited by cheque

Banks should take much less time to hold a cheque and release much more amount. Many people are forced to use Money Mart to cash their cheque to avoid paying NSF fee. If it takes banks two days to clear a cheque, there is no rationale



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for holding it for so much longer. Further, people shouldn't be penalized for using the bank branches to get the cheque cashed.

Other issues:

- Banks should be mandated to make public data on how much money they raised by charging NSF fees.
- There needs to be a rationale for when banks raise the fees for keeping a chequing account. Banks raised the fee in the middle of the pandemic despite bragging about billions of dollars in profit.
- Lack of fair credit is pushing many people to rely on high-cost lenders such as Easy Financial, Cash Money etc. The federal government needs to provide fair credit to low- and moderate-income people so that they are not ripped off during financial emergencies.

Thank you for considering our submission.

Yours sincerely,

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