

## **Undertaking on Unsolicited Services**

In May 2000, in response to public discussion about “negative option marketing” in the general marketplace and to assure customers of their commitment to good business practices and customer service, the Bank of Montreal, The Bank of Nova Scotia, National Bank of Canada, The Toronto-Dominion Bank, CIBC and Royal Bank of Canada collectively committed to the following practices:

### **Undertaking on Unsolicited Services**

Each of the individual banks signing this letter hereby commits to implement the following procedures for the offering of unsolicited services:

#### **New Services**

1. A bank offering an unsolicited new service (not including a replacement for or a renewal of an existing service or no charge/free service) will obtain the express consent of individual customers before providing and charging them for the unsolicited new service.

#### **Modified or Replacement Services**

2. If a bank modifies or replaces an existing service and increases the charge applicable to that service, the bank will
  - a. provide advance notice of the change to individual customers, as required under the applicable *Bank Act* Regulations disclosure requirements - Cost of Borrowing (Banks) Regulations, SOR/92-320; Disclosure of Charges (Banks) Regulations, SOR/92-324; and Disclosure of Interest (Banks) Regulations, SOR/92-321;
  - b. disclose, to the individual, details about the replacement or modified service to which the bank proposes to move the individual in order to assist the individual in deciding whether to accept the replacement or modified service, plus the effective date for starting this service; and
  - c. disclose, to the individual, alternatives to the proposed replacement or modified service, which may include the next lower-cost service, à la carte pricing or a service with higher charges.
3. If the individual does not contact the bank to indicate a preference for an alternative to the replacement or modified service before the effective date of the change, the bank will move the individual to the replacement or modified service.
4. If within 90 days following the commencement of the replacement or modified service, the individual advises the bank that an alternative or no service at all is preferred, the bank will refund the difference between the charges for the replacement or modified service and the charges for the service before the change.