

## BMO MasterCard for Business FAQ

### General Questions

#### **Why are you making these changes?**

We are committed to providing the best service and products and occasionally we need to increase our fees to remain competitive. Please note that the fee changes only apply to situations where we are offering an additional service. We believe that the value offered by these services is more than equal to the fees we charge.

#### **Why are you making so many changes all at once to your fees?**

While these may seem like many changes at once, they may not all impact your account. Some of these fee changes are driven by account behaviour, for example, the dishonoured payment fee. We communicate to our customers in order to be clear and transparent on all changes.

#### **My account is closed. Why are you telling me about these changes?**

We are notifying you of these changes as they may impact closed accounts with outstanding balances.

### Interest-Free Grace Period

#### **What is the payment grace period?**

Grace period (grace days) means the number of days between the date of your account statement and the payment due date shown on your account statement.

#### **Can I keep my old grace day period?**

Your old grace day period is no longer offered on your product.

#### **Does the grace period change affect my pre-authorized payment set-up?**

If you have pre-authorized payments set up, your bank account will be debited automatically on the new payment date shown on your statement.

#### **Will the change in grace period affect how much interest is charged on my account?**

Interest charges on **purchases** and **services** included on your account statement for the first time are waived during the grace period if payment in full of your current balance is received by the payment due date shown on your account statement. Note: There is no interest-free grace period on cash advances, including cash-like and gaming transactions, and balance transfers.

### Cash Advance Fees

#### **What is changing?**

As of May 29, 2016, a cash advance fee of \$3.50 will apply to each cash advance completed through BMO Telephone Banking (self-serve and with an associate), BMO Online Banking, BMO Mobile Banking, or BMO Tablet Banking.

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Cash advances not completed through the above methods will incur a fee of \$3.50 for transactions within Canada, and \$5.00 for transactions outside Canada.

### **Will my BMO MasterCard account be charged a cash advance fee every time my BMO MasterCard is used to make a bill payment via BMO Online Banking, BMO Mobile Banking or BMO Tablet Banking?**

Yes. Bill payments completed through these methods are cash advances, so a cash advance fee will apply each time you make such a payment. For example, if you pay your cable bill directly from your BMO MasterCard account through BMO Online Banking, you will be charged the cash advance fee. This fee does not apply if you've requested the merchant or biller to charge your BMO MasterCard account directly.

### **Will my BMO MasterCard account be charged a cash advance fee if I have an automatic bill payment arrangement with a merchant?**

No. This is not a cash advance, therefore your account will not be charged a cash advance fee.

## **Dishonoured Payment Fee**

### **What is a dishonoured payment?**

A dishonoured payment is a payment made to your BMO MasterCard account that is returned by your financial institution because of insufficient funds or credit being available in the payer's account, or, is a BMO MasterCard convenience cheque returned by the payee's financial institution because you had insufficient credit available on your BMO MasterCard account.

### **Why are you increasing the fee?**

In our commitment to provide the best service and products, we occasionally need to increase our fees to remain competitive.

### **When is a dishonoured payment fee charged?**

The dishonoured payment fee is charged any time a payment made to a BMO MasterCard account does not clear because of insufficient funds in the payer's account. This fee can also be charged if a BMO MasterCard cheque is returned due to insufficient available credit on your BMO MasterCard account.

### **How can I avoid paying this fee?**

Ensure your accounts have sufficient funds to cover payments made to your BMO MasterCard account. If you use BMO MasterCard convenience cheques, ensure there is enough credit available on your BMO MasterCard account.