

August 1, 2012

Commitment on Modification or Replacement of Existing Products or Services

This Commitment excludes optional products and services as defined by the *Negative Option Billing Regulations*.

CBA member banks commit to follow the following procedures when they modify or replace existing products or services for natural persons who subscribe to products or services for non-business purposes (customers):

1. If a bank modifies or replaces an existing product or service and increases the charge applicable to that product or service, the bank will
 - (a) provide advance notice of the change to customers, as required for certain products or services under the consumer provisions of the *Bank Act*; and
 - (b) disclose to the customer
 - (i) details about the replacement or modified product or service to which the bank proposes to move the customer to assist the customer in deciding whether to accept the replacement or modified product or service,
 - (ii) the effective date for starting this modified or replacement product or service; and
 - (iii) one or more alternatives to the proposed replacement or modified product or service, which may include the next lower-cost service, à la carte pricing or a product or service with higher charges.
2. If the customer does not contact the bank to indicate a preference for an alternative to the replacement or modified product or service before the effective date of the change, the bank will move the customer to the replacement or modified product or service.
3. If, within 90 days following the commencement of the replacement or modified product or service, the customer advises the bank that an alternative or no product or service at all is preferred, the bank will refund the difference between the charges for the replacement or modified product or service and the charges for the product or service before the change.

CBA member banks will provide the information in language, and present it in a manner, that is clear, simple and not misleading.

The Financial Consumer Agency of Canada will monitor and report on compliance with this Commitment.