

# Money Marts - ripoff for poor

by S.D. Goldstein  
reprinted from the *Charlatan*  
Canadian University Press

It's nine p.m. and the banks are closed. A queue forms under a bright yellow Money Mart sign advertising "Hassle-free Chequing". Inside a woman stands behind a bullet proof window cashing cheques.

The decor is shoddy — second hand office furniture, dirty chip-board walls, and a half-empty bubble gum machine make the place look like the Honest Ed's of the financial world.

Some of the people grumble as they are handed their money — less three or six per cent — depending on whether this is their first visit to the Money Mart.

"My cheque came and it's dated for the first of the next month," says an elderly woman. "I have nothing in the house to feed my grandchildren and the bank wouldn't cash my cheque, because I don't got no ID and I don't got enough money to keep an account."

Many of Canada's two million welfare recipients face this situation every month.

Banks will not cash post-dated cheques nor will they cash a cheque from someone who does not hold an account with them. Opening an account requires identification low-income earners cannot afford such as a \$56 driver's licence or major credit card.

By the time the month's cheque comes these people need the money immediately. They have no choice but to go to a company like Money Mart, where a portion of their cheque is used as payment.

"These people (Money Marts) are exploiting the very people who can least afford it," says Debbie Hugh-Geoffrion, a worker for the Ottawa-based National Anti-Poverty Organization.

She says that six per cent sounds

like a small amount to pay for fast money, but to a welfare recipient who only receives \$375.75 (the average rate for a single person under the age of 65) it is the equivalent to one week's food money.

According to a Money Mart booklet, *Brief Answers to Several Questions About a New Industry*, the origins of cheque cashing stores go back 30 years to New York City.

The National Money Mart Cheque Cashing Centre, however, is Canadian-owned. There are 20 locations across Canada.

The company was founded by President Stephen Clark and Vice-President Mark McDonald in Edmonton three years ago. Since that time its head office has moved to Vancouver.

The booklet stresses that Money Mart is a 'service industry based on convenience'.

Hugh-Geoffrion balks at the thought of Money Mart claiming to be a service. "They are nothing but a rip-off."

Clark refused to comment on criticisms of his company, saying Money Mart only grants interviews to 'well-known' news organizations. He said questions submitted in writing will be looked over and a response will be sent out.

Ottawa Money Mart Manager Mr. Caouette proved to be more cooperative, but spoke like a company booklet.

"We do not only cater to the poor," says Caouette, claiming that the average customer earns \$13,000 to \$16,000 a year and 61 per cent have bank accounts.

The figures support Money Mart's claim that people go to it as a convenience when the banks close. "Our clientele is also made up of government workers as well as independent businessmen."

"That's according to his survey," Hugh-Geoffrion counters. "How impartial do you think a survey

conducted by them is going to be?"

In Toronto the latest Money Mart store to open is in the low-income area of Parkdale. And in Ottawa the two branch locations are both in low-income neighbourhoods.

The Rideau Street store is a block away from a subsidized housing development. These locations are either mere coincidence or the result of careful marketing policy.

Caouette says Money Marts are only operating on a principle all private enterprises follow — if there's a buck to be made, go out and get it.

He returns to the booklet and points out that convenience costs. Seven-Eleven stores charge 33 per cent more than the regular price for an item than a grocery store, yet no one says anything about them.

"People are free to use the same alternatives to cash their cheques as they had before," Caouette says.

But how free are these people to get their cheques cashed elsewhere? The alternatives to Money Marts are no better. Supermarkets are willing to cash cheques but demand that the person spend a certain amount on the store's premises.

This means unnecessary goods and money wasted on high prices. Some supermarkets tack on a surcharge to cover the inconvenience of bogus cheques.

Store owners say they are less willing to deal with cheques because of fraud.

An Ottawa supermarket manager says "we used to deal with government cheques, but then we had problems. People would cash their cheques, go home and call up the welfare office and claim they never received their cheque. The government would then take the money away from us."

*How are banks shirking their responsibilities towards the poor? This article continues Thursday.*

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versity Appeal Board shall review the case and may reject, confirm or vary the penalty imposed; but shall not increase the penalty to expulsion or suspension where that has not been imposed by an academic unit.

### PROPOSED

d) Where the appellant contests the severity of the penalty, the University Appeal Board shall review the case and may reject, confirm or vary the penalty imposed; but shall not increase the penalty to expulsion or suspension where that has not been imposed.

### NEW

43.12.5  
a) Where a Discipline Panel hearing is convened pursuant to Section 43.12.2(e) the panel shall determine whether or not the student has committed an academic offence. If the student is adjudged not guilty, the panel shall vacate the penalty imposed by the instructor, if any. If the student is adjudged guilty, the Panel shall determine what penalty, as listed in the Code, is appropriate and in the course thereof may vacate, add to or vary any penalty imposed by the instructor.

b) Subject only to appeal to a University Appeal Board, the decision of the Discipline Panel made pur-

suant to Clause (a) of this subsection shall be final and binding and no separate appeal shall be heard under Section 43.12.3 and 4.

### CURRENT

G. 43.12.5 Application to Academic Offences of Procedures for Non-Academic Offences

All provisions in the procedures governing non-academic offences which are consistent with the procedures for academic offences may be applied in the case of academic offences.

(Unchanged but re-numbered 43.12.6)

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