

Fair Credit Reporting Act

very false, misleading and damaging information in respect of the individual concerned. The fact is that they do provide this kind of information in respect of more than six million Canadians per year. They have various and different methods of investigation. For example, they usually obtain information from secondary and questionable sources such as what would appear in the public media, in newspaper stories or whatever information they can obtain from the neighbours and friends of the individual under investigation. Consequently, their method of operation is not noted for its accuracy.

I might quote from the author of "Canadian Consumers Handbook", J. D. James who said:

Credit investigators churn out files on individuals the way a sausage factory turns out sausages. Many are paid piece rate for each report turned out. The fact that there are many inaccuracies is not hard to understand.

A further quotation which I think is relevant is from an article which appeared in *Maclean's* magazine. *Maclean's* magazine did an exposé of this whole business of credit reporting. They quote a credit investigator who said, according to *Maclean's*:

I always tried to get one good source anyway, but I cooked up most of the supporting ones. Some guys cook an entire report, sometimes often in alleged updating of old reports, but it's too dangerous. I've seen a man dead six months being written up as enjoying good health, seen recently, steadily employed, etc.

I will agree that that is probably an exaggeration and probably does not happen too often, but the fact is it is happening in varying degrees. The general manager of the Associated Credit Bureaux of Canada says that credit is a privilege and you must lose some of your privacy to prove you deserve it. I do not agree with that statement. I do not believe that credit can any longer be considered a privilege. Credit now is an absolute essential, an absolutely vital part of this new cashless society. In any event, I question that we should have to lose any part of our privacy in order to qualify for that.

● (1710)

However, it is more than a slight loss of privacy when some of the questions of credit reporters and investigators relate to very personal affairs, matters of a personal nature such as a man's drinking or driving habits, his weight, or the kind of influence that his wife has on him. All of our rights are limited unless we do something about it. The consumer, the average Canadian, has no idea of what information is on file. He may not at any time see the information that is contained therein, even though this may be vital to his very welfare or the welfare of his family because this information is kept from him and there is no law which demands that it be divulged to him on request. There is no provision for review or revision, and no provision for challenging the information contained in such files. There is no limit on the length of time that information, which is all too often erroneous or no longer relevant, such as a bankruptcy or a minor conviction for impaired driving, is to be kept on file. In other words, there is no statute of limitation.

The Consumers Association of Canada, in a survey of various Canadian cities, discovered that the accessibility of credit records to consumers was at best difficult and all too often impossible. The British Columbia privacy act has

[Mr. McGrath.]

taken the right step in the direction of consumer protection, in my view, by making it an offence, actionable without proof of damage, for a person wilfully and without claim of right to violate the privacy of another.

It is worth quoting from the Ontario Law Reform Commission report of 1968 which is still, in my view, the most definitive work on this subject, notwithstanding the fact that it was brought down some five years ago. It proposes that:

The collection of economic, commercial and social data about an individual for the use of the collector should be governed by the basic rules of (1) consent and (2) non-disclosure to others.

Therein are contained the basic elements of the protection of privacy for which my bill is put forward.

The other recommendations of the Ontario Law Reform Commission which I think are relevant concern the collection and disclosure of such data as relate to protected areas of information which should not be included, for example, religious affiliation, mental health, personal hygiene and so on. It recommended that the collection of economic, commercial and social data about individuals done with the intention and purpose of disclosure should be licensed by the province. It went on to recommend that the risk of whether a report is libelous should be placed upon the reporting agency and its source, not upon the injured individual.

Another of its recommendations is that a duplicate of every formal report made be automatically sent to the person concerned, and a periodic listing supplied in the case of informal disclosures. It recommended the setting up of machinery whereby the individual can challenge the accuracy of any item in his credit rating and require the bureau to correct its records. It recommended the placing of a time limit on the period that undesirable material may remain on file, and that the making or publishing of a false credit report should be a serious civil offence for which the injured party would be offered damages resulting in a penalty to the offender.

Unfortunately, time does not permit me to go into the very excellent legislation which has recently been brought down by the Ontario legislature, but it certainly stands as the hallmark and the guiding light for all jurisdictions in Canada, including this jurisdiction which, in my view, notwithstanding my limited knowledge of constitutional law, has a responsibility in this regard.

It might be worth putting forward an example of what can happen and what often does happen. There is one particular case which was reported, but how many cases go by undetected and how often are the lives of Canadians permanently damaged, careers destroyed and families broken up because of irresponsible credit reporting, the using of false, misleading and unreliable information. This is a story which was published in the March 1970 issue of *Maclean's* magazine. It is about a gentleman by the name of Bruce McGrath—no relation—and it reads:

When he was 27, the future looked good for McGrath. He was the branch manager for a finance company at Sarnia, Ontario. He had climbed aggressively, rapidly in five years, through the hierarchies of three companies. He had made some enemies on the way up. But Sarnia was home and he was well known—especially as a 150 pound but terribly tenacious quarterback of the Sarnia Golden Bears and Sarnia Imperials. Then he resigned for personal rea-