

*Bank Act*

**Mr. Bill Attewell (Markham):** Mr. Speaker, I am particularly proud today to speak to Bill C-9, an Act to amend the Bank Act, inasmuch as I think it is honest and fair to say that I was the first MP to raise this topic about two and a half years ago. It was not the NDP. It was not the Liberals. It was the Conservative Party.

In my current riding of Markham and in Whitchurch-Stouffville I have heard a number of complaints in the past on this subject. I would like to walk through a bit of history on this Bill. Sometimes when we arrive in this House we wonder if we can actually take an issue from the riding level where people are concerned, bring it to Parliament, and actually get changes in the Act. It is clear that the answer is a simple yes on that.

In the fall of 1986 three different constituents had separate appointments with me on this type of problem. I recall that one was a Mr. Malcolm Wilkinson from Citation Drive. His problem involved buying a bank draft. They used to cost \$2.50. He used to buy a \$10 draft to send to a relative in the U.K. He went in the next year and it cost \$4.50. It was only a \$2 increase, but it was an 80 per cent increase at that time.

Another gentleman, Mr. Burt Newman of Alimosa Drive, had a problem which rested with the safety deposit boxes. He used to own a business downtown around Spadina. He did not get to the bank very frequently, maybe only once or twice a year. He went down one day to pick up his statements and noticed a charge for safety deposit boxes. He checked his records to find that the increase was well over 20 per cent for that one year. He asked at the bank and, just to make a long story short, he got absolutely no satisfaction in terms of an answer on why the rate was so high, why he was not notified beforehand, and so on. Another gentleman with a long list of complaints had a real problem, the idea of being nickelled and dimed to death.

I directed a question to the then Minister of State for Finance in this House on January 21, 1987. I will just quote briefly from it:

—we are moving toward re-regulated financial services market-place, and I support that initiative. However, I have received a number of complaints about the excessive increases in bank service charges and the lack of adequate notice. Will the Minister look into this particular problem? Can he assure us that through this re-regulation we will see more competition in the market-place to help combat these apparent excessive increases in service charges?

I had a parliamentary assistant at that time and after that statement we did our own financial analysis of the rates in 1986 versus 1985. We did a simple matrix on this, mostly on large banks and trust companies, and indeed we found that in our view the increases were excessive.

• (1650)

I guess it boiled down to a few problems that were consistent with people to whom we talked, that the increases year over year were too large. Second, there was inadequate notice of the changes that were going to take place. Third, there seemed to be no real route or process where someone could get a valid complaint dealt with.

I talked to the chairman of the Finance Committee and, with all-Party agreement, we got this issue on the formal agenda of the Finance Committee. We began hearings on March 24, 1988. We submitted to the House on June 6, 1988 a series of recommendations, which I would like to highlight.

The committee called upon the Government to strengthen the legal notification requirements of the Bank Act. Second, the committee recommended that a complaint resolution mechanism be required both within the institution and through the Office of the Superintendent of Financial Institutions.

Third, the committee proposed that banks be required to provide accounts offering basic banking services.

Fourth, the committee called for the removal of charges that are widely perceived as unfair to individual Canadians. The idea was that if one received an NSF cheque, even as the receiver, had to pay a fee at the time. That idea has since been dropped by everyone. Finally, the committee proposed stiffer penalties for contravention under the Act. The vast majority of the committee's recommendations were accepted. Regrettably, last year the draft legislation died on the Order Paper.

I am very pleased that our new Minister of State for Finance (Mr. Loiselle) acted with such haste and alacrity in developing Bill C-9 quickly and introducing it into the House on April 13. Here we are now discussing it. We want to move it along.

I want to share a few highlights of this latest piece of legislation. The Minister said: "The legislation will enable customers to shop around and make informed choices about banking services".