



Financial Consumer
Agency of Canada

Agence de la consommation
en matière financière du Canada



What You Should Know About
Low-Cost Accounts



Protecting Consumers



Informing Canadians

Canada



What are low-cost accounts?

Low-cost accounts are bank accounts that cost a maximum of \$4 per month and that include the following features.

- **A debit card** – A debit card is a plastic bank card that allows you to do most of the same things at a bank machine or ABM that you would do at a bank teller. You can also use this card to buy things at stores. The amount you can spend at stores, or take out from a bank machine, is usually limited to the amount of money you have in your bank account.

You will need a password to use your debit card. This password is called your Personal Identification Number or PIN. You will use your PIN every time you use your debit card. You will need to remember your PIN. Never tell ANYONE this number, and don't write it down or keep it in your wallet.

- **Free deposits** – When you make a deposit you are putting money into your bank account. This does not cost you anything.
- **Cheque-writing privileges** – Cheques do not necessarily come with the account. They may cost extra.
- **A monthly statement or a bank book** – Depending on which bank you use, you can usually choose between either a monthly statement or a bank book. A statement is a list mailed to you once a month by your bank. Your statement shows you all the money that came out and went into your bank account during the month.

What can you do with a low-cost account?

With a low-cost account, you can make deposits and debit transactions at a bank teller (see #1 below) or self-serve (see #2 on next page).

What is a debit transaction?

A debit transaction is any transaction where money comes out of your bank account. Writing a cheque, paying a bill, taking money out of a bank machine, transferring money between accounts or buying something at a store with your debit card are all debit transactions.



1. Debit transactions at a bank teller

Debit transactions at a bank teller are transactions that you make with the help of a bank teller, such as:

- withdrawals (taking money out of your account) at a bank
- transfers between accounts, at a bank: this means switching money from one account to another account
- bill payments at a bank.



2. Self-serve debit transactions

Self-serve debit transactions are transactions that you make without the help of a bank teller, such as:

- withdrawals (taking money out of your account) at a bank machine
- transfers between accounts at a bank machine, by phone or on the Internet
- bill payments at a bank machine, by phone or on the Internet
- writing cheques

- buying things at a store with your debit card
- pre-authorized payments – where you sign an agreement allowing a company to take money out of your bank account to pay a bill. For example, if you have a pre-authorized payment agreement with your phone company, the phone company would take the money out of your account each month to pay your phone bill.



Ask your bank¹ for more details about its low-cost account package.

¹ Some banks that did not sign the agreement, or other financial institutions that are not under federal jurisdiction (such as credit unions and caisses populaires), may offer accounts similar to the low-cost accounts listed in this booklet. Ask your financial institution if they offer such an account.

Do all banks have the same low-cost accounts?

No. Eight banks have agreed to offer low-cost accounts. However, their characteristics differ from one bank to another. The table below gives you information about the characteristics of low-cost accounts at each bank. Ask your bank for more details about these accounts.

Some banks only allow you to make a specific number of debit transactions at a bank teller every month. If you make more debit transactions than you are allowed, you will have

Bank — Name of account	Monthly fee
BMO Bank of Montreal — Practical Plan	\$4.00
CIBC — CIBC Everyday Chequing Account	\$3.90
HSBC — Performance Chequing – Limited	\$4.00
Laurentian Bank — Transact a little	\$2.95
National Bank — Accessible	\$3.95
Royal Bank — RBC Day to Day Banking	\$4.00
Scotiabank — Basic Banking	\$3.95
TD Canada Trust — Value Account	\$3.95

to pay extra fees. The number of debit transactions you can make in a month is listed in column 3 of the table below. Ask the bank how much it will cost if you go over the monthly limit. The fees may not be the same for different transactions. For example, the fee for writing a cheque may be higher than the fee for taking money out at a bank machine.

To find out more about these low-cost accounts, please call the Financial Consumer Agency of Canada (FCAC) toll-free at 1-866-461-3222 or talk to your bank.

Maximum number of debit transactions per month	Extra fee if you make a bill payment at a teller
10 (at a teller or self-serve)	\$0.00
10 (at a teller or self-serve)	\$0.00
10 (at a teller or self-serve) (one additional free debit for each direct deposit per month)	\$0.00
2 at a teller and 6 self-serve	You will pay \$2.00 for every bill you pay at a teller. This is on top of the monthly fee of \$2.95.
2 at a teller and 10 self-serve	You will pay \$2.00 for every bill you pay at a teller and \$1.00 for every bill you pay at an ABM. This is on top of the monthly fee of \$3.95.
15 (one additional free debit per automated pay deposit)	\$0.00
12 (up to 4 can be made at a teller)	You will pay \$1.50 for every bill paid by cash or cheque drawn on another financial institution at a teller. This is on top of the monthly fee of \$3.95.
10 (at a teller or self-serve)	You will pay \$1.00 for every bill paid by cash or cheque drawn on another financial institution at a teller. This is on top of the monthly fee of \$3.95.

We are the Financial Consumer Agency of Canada (FCAC)

The Government of Canada set up the agency to protect your rights as a consumer and to give you information about the financial products and services you use.

Information

All of our information and services are available to you free of charge. You can call us or read our free publications to learn more about your rights.

Our publications also help you shop around for the financial products and services that meet your needs. We give you information that will help you choose the product that is best for you.

Protection

FCAC also makes sure that financial institutions such as banks, trust, loan and insurance companies respect the laws and agreements that protect you. Call us for more information about these laws and agreements.

If you think that a bank, trust, loan, or insurance company has not respected the law or its agreements, please contact us:

Financial Consumer Agency of Canada

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