

Adopting Effective Banking Practices

QUÉBEC EDITION



NICE

National Initiative for the Care of the Elderly
Initiative nationale pour le soin des personnes âgées

We care together

Ensemble pour le bien-être des aînés

www.nicenet.ca

Banks, credit unions, trust companies, or caisses populaires are safe places to keep your money.

Deposit Insurance

- Deposits of up to \$100,000 in most banks and trust companies are insured by the Canadian government.
- Deposits of up to \$100,000 in most caisses populaires are insured by provincial governments.
- Deposit insurance is only available in Canada for Canadian funds held by Canadian banks.
- The bank must tell you if it is not covered by government deposit insurance.
- You should always inquire if the investment product that you are buying is covered by deposit insurance.

Credit Unions and Caisses Populaires

- Credit union and caisse accounts differ from banks and trust companies because you become a member and owner of the institution.
- Members are paid a share of the institution's profits.

HOW TO OPEN A PERSONAL BANK ACCOUNT

In Canada, you can open a bank account even if:

- You do not have a job
- You do not have money to put in the account right away
- You have been bankrupt

To open an account, you must go to the bank in person and present two pieces of original identification from those listed below. You have three choices.

Choice #1: Show two pieces of I.D. from this list:

- Canadian driver's license
- Current Canadian passport
- Canadian birth certificate
- Social Insurance Number (SIN) card
- Old Age Security card with your Social Insurance Number on it
- Certificate of Indian Status
- Provincial or territorial health insurance card (this cannot be used in Ontario, PEI or Manitoba)

HOW TO OPEN A PERSONAL BANK ACCOUNT (CONTINUED)

Choice #1: (continued)

- Certificate of Canadian Citizenship or Certification of Naturalization.
- Permanent Resident card or a Citizenship and Immigration Canada form IMM 1000, IMM 1442, or IMM 5292.

If you do not have two pieces of I.D. from *Choice #1* you can:

Choice #2: Show one piece of I.D. from *Choice #1* and one piece of I.D. from the following list:

- Employee I.D. card
- Debit card or bank card with your name and signature on it
- Canadian credit card with your name and signature on it
- Current foreign passport

Choice #3: Show one piece of I.D. from *Choice #1* and have someone the bank knows confirm that you are who you say you are.

To find out other types of acceptable I.D. call the [Financial Consumer Agency of Canada](#) toll-free at: 1-866-461-3222.

OPENING A BANK ACCOUNT

Having Difficulty Opening a Bank Account?

Speak to your bank. If you are not satisfied, you can contact the bank's ombudsman or the [Ombudsman for Banking Services and Investments](#) toll-free at: 1-888-451-4519. For a list of ombudsmen for individual banks, please call: 1-800-263-0231.

Before you Open a Bank Account, Ask Some Questions

- What are the monthly fees?
- What transaction fees are included, and how many?
- What are the different accounts available?
- Does the bank require you to maintain a minimum balance to avoid monthly fees?
- Are there additional fees, on top of the monthly fee?
- **Ask about seniors' personal banking plans** with low or no monthly fees.
- Check out the fees of other financial institutions.

WHICH ACCOUNT IS RIGHT FOR ME?

Savings Accounts

- Banks pay you to keep money in your account, by giving you interest on the funds in the account.
- You can earn a small amount of interest on the money you put into a savings account.
- Savings accounts are a good place to keep money for an emergency or money you don't need for day-to-day transactions.
- These accounts are usually easy to withdraw money from using a debit card or at the bank.
- Fees may be charged for withdrawals.

Chequing Accounts

- You earn very little or no interest.
- Gives you access to your money quickly and easily.
- Useful for day-to-day transactions such as paying bills and withdrawing cash.
- Fees may be charged for cheques, using your debit card or for withdrawals.
- You may be charged a flat monthly service fee.

BANK CARDS

You will get a bank card (debit card/access card) when you open an account and you will create a Personal Identification Number (PIN), a secret password that **only you** know. Your PIN will allow you access to your account by phone, internet, or bank machine.

Your Personal Identification Number (PIN)

- You create your PIN.
- **Do not** use a number that is easy to guess or contains personal information.
- Keep your PIN secret. Do **NOT** write your PIN on your bank card.
- If you share your PIN and money goes missing from your account, you will not get your money back and will be held responsible.
- Wherever you use your bank card, always use one hand to cover the buttons so no one can see your PIN.

BANK CARDS (CONTINUED)

Safety Tips

- Keep your card safe. Do not give or lend your card to anyone.
- You can change your PIN at your bank or with the bank over the phone anytime.
- If you forget your PIN, you can choose a new one at the bank.
- If you lose your bank card or it is stolen, call your bank right away.

What You Should Know About Payday Loan Services

- A payday loan is a short-term loan that you must pay back from your next pay cheque within 2 weeks or less. Interest is charged until the loan is repaid in full, and the rate is considerably higher than those set by other financial institutions.
- Payday loans are offered by privately owned companies and cash-chequing outlets.
- The federal government does **not** regulate these companies.
- Payday loans have high-cost late payment fees, interest charges, and administrative fees.
- **A payday loan is a very expensive way to borrow money.**
- When possible, avoid using payday loan services.

This is one of the series of Financial Literacy for Older Adults pocket tools. For more information about NICE tools or related training events, please visit www.nicenet.ca

Disclaimer

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