

You have the right to submit your complaint to the **Ombudsman for Banking Services and Investments (OBSI)**, an independent external complaints body, for further review, if your complaint has gone through all three steps of our CCHP and you receive a formal response from the Bank's Dispute Resolution Office, or if it has been more than 56 calendar days from the day you made your complaint to Equitable and you have yet to receive a final response.

**OBSI contact information:**

**Telephone** In Toronto at: 416-287-2877  
Toll-free at: 1-888-451-4519

**Online Form** Through the OBSI website at [www.obsi.ca](http://www.obsi.ca) or email to [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)

**Mail** Ombudsman for Banking Services and Investments  
20 Queen Street West, Suite 2400  
P.O. Box 8, Toronto, Ontario M5H 3R3

**Financial Consumer Agency of Canada (FCAC)**

The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws and voluntary codes of conduct and public commitments. For example, financial institutions must provide consumers with information about fees, interest rates and complaint-handling procedures. If you have a complaint regarding a potential violation of a consumer provision, voluntary code of conduct or public commitment, you may, at any time, contact the FCAC. Please note that the FCAC does not become involved in matters of redress or compensation.

**Telephone** Toll-free at: 1-866-461-3222

**Online Form** Through the FCAC website at [www.canada.ca/en/financial-consumer-agency](http://www.canada.ca/en/financial-consumer-agency)

**Mail** Financial Consumer Agency of Canada  
427 Laurier Avenue West, 6th Floor,  
Ottawa, Ontario K1R 1B9



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# Prohibited Conduct

for Financial Institutions



## Information for our customers and the public

To comply with the law, and our own commitment to consumer disclosure, Equitable<sup>1</sup> is providing you with the following information on prohibited conduct that explains:

1. What is prohibited conduct?
2. What is not prohibited conduct?
3. What to do if you have a complaint or question related to prohibited conduct?

## What is prohibited conduct?

Section 627.04 of the *Bank Act* prohibits a financial institution from imposing undue pressure on a person, or coercing a person, for any purpose, including to obtain a product or service from an institution - or any of its affiliates - as a condition for obtaining another product or service from the institution, and prohibits a financial institution from taking advantage of a person.

In other words, you cannot be forced to buy a product or service that you don't want from a bank or one of its affiliates, for the bank to agree to provide another bank product or service to you.

For example, your bank's mortgage specialist tells you that you qualify for a residential mortgage; however, you are also told that the bank will only approve your mortgage if you transfer your investments to the bank or to one of its affiliates. You want the mortgage, but you do not want to move your investments.

The above practice is against the law. If you qualify for a product or service, a banking representative is not allowed to force you to buy another unwanted product or service as a condition of obtaining the product you want.

## What is not prohibited conduct?

Most businesses, including Equitable, look for tangible ways to show their interest in your business and appreciation for your loyalty. Sales practices, such as preferential pricing and

bundling of products and services, offer new and existing customers better prices or more favourable terms. These practices should not be confused with prohibited conduct, as defined by the *Bank Act*, and should be familiar to you in your dealings with other businesses.

## Preferential pricing

Preferential pricing means offering customers a better price or rate on all or part of their business. For example, a fast food outlet offers a \$0.99 hamburger if you buy a large fries and a drink. A shoe store offers a second pair of shoes at half price.

Similarly, a bank may be able to offer you preferential pricing - a higher interest rate on investments or a lower interest rate on loans - if you use more than one of its products or services. For example, you may be offered a lower, preferential, interest rate on your mortgage if you have more than one product with the bank.

The above practice is acceptable. The approval of your mortgage is not conditional on your taking another bank product or service. Rather, you are offered preferential pricing to encourage you to give the bank more of your business.

## Bundling of products and services

Products or services are often combined to give consumers better prices, incentives or more favourable terms. By linking or bundling their products or services, businesses are often able to offer them to you at a lower combined price than if you bought each product on its own.

For example, a fast food chain advertises a meal combination that includes a hamburger, fries and a drink. The overall price is lower than if you bought all three items separately.

Similarly, banks may offer you bundled financial services or products so that you can take advantage of package prices that are less than the sum of the individual items. For example, you may be offered a package of services consisting of a bank account, a GIC with a higher rate and a mortgage with a lower rate.

Bundling products in this way is permitted because you have the choice of buying the items individually or in a package.

## Managing credit risk

To ensure the safety of their depositors, creditors and shareholders, banks must carefully manage the risk on the loans they approve. Therefore, the law allows us to impose certain requirements on borrowers as a condition for granting a loan - but only to the extent necessary for us to manage our risk. For example, you apply for an operating loan for your business and, to manage the risk associated with the loan, your bank requires your business to have an operating account with the bank as a condition for obtaining the loan.

The above example is legal and appropriate. Having your business's operating account at the bank allows your bank to assess possible risks associated with your business's cash flow and manage the risk associated with the loan.

At Equitable, our requirements for borrowers will be reasonable and consistent with our level of risk.

## Contact us

We expect all Equitable employees to comply with the law by not committing any prohibited conduct. We provide our employees with information and training programs on acceptable sales practices.

If you have any questions, concerns or complaints relating to prohibited conduct, talk to the representative of the business unit with which you have been dealing. You can reach your business unit representative by:

### For Equitable Bank and Equitable Trust:

**Telephone** In Toronto at: 416-515-7000  
Toll-free at: 1-866-407-0004  
1-866-940-1201 (Western Canada)

**Email** [customerservice@eqbank.ca](mailto:customerservice@eqbank.ca) or  
[customerservice@eqtrust.ca](mailto:customerservice@eqtrust.ca), as applicable

**Mail** Customer Service, Equitable Bank/Trust  
(as applicable)  
Equitable Bank Tower  
30 St. Clair Avenue West, Suite 700  
Toronto, Ontario M4V 3A1

### For EQ Bank - Digital Banking:

**Telephone** Toll-free at: 1-844-437-2265  
416-551-3449 (Outside of North America)

**Email** [contact@eqbank.ca](mailto:contact@eqbank.ca)

**Mail** Customer Care, EQ Bank  
Equitable Bank Tower  
30 St. Clair Avenue West, Suite 700  
Toronto, Ontario M4V 3A1

If your concerns are not addressed at this level, you may follow our **Customer Complaint Handling Procedures (CCHP)**, found at [www.equitablebank.ca](http://www.equitablebank.ca) and [www.eqbank.ca](http://www.eqbank.ca).

<sup>1</sup>Equitable means Equitable Bank, a wholly owned subsidiary of EQB Inc., and Equitable Trust, a wholly owned subsidiary of Equitable Bank. EQ Bank is a trade name of Equitable Bank and is its digital banking platform.