Understanding Prohibited Conduct

Why are we Providing this Information?

We offer certain products of Digital Commerce Bank (DCBank). As a result, the *Bank Act* requires us to disclose to our customers and to the public that we will not engage in prohibited conduct when selling these products.

The following information explains:

What prohibited conduct is,

What prohibited conduct isn't, and

How to contact us if you have any questions or concerns.

What is Prohibited Conduct?

It is against the law for any bank or anyone selling a bank product to impose undue pressure on, or coerce, a person for any reason, including to obtain a product or service from a particular person, including the bank and any of its affiliates, as a condition for obtaining another product or service from the bank, or take advantage of a person.

Undue Pressure

Prohibited conduct can take many forms including undue pressure. Under pressure is any pressure that a reasonable person might consider excessive or persistent in the circumstances. This could include an employee persistently offering you a product even though you rejected the initial offer and made it clear that you have no interest in the product and don't want to be contacted again.

Taking Advantage

It is also prohibited for us to take advantage of a person, which includes exploiting their vulnerabilities in order to get a desired result. This could include raising fees based on a person's financial desperation or other factors that may amount to a person getting a worse product or deal than the typical customer.

Coercive Behaviour & Tied Selling

Coercion is where some form of threat, including a threat of physical harm, is used to try to persuade a customer to purchase a product or to take some other type of action.

The most common form of coercion in the sales context is called coercive tied selling, which is specifically prohibited by the *Bank Act*. Coercive tied selling is pressuring a customer to get a product on the condition of getting another product from a bank. The following demonstrates how coercive tied selling works:

Your bank's mortgage specialist tells you that you qualify for a home mortgage. However, you are also told that the bank will approve your mortgage only if you transfer your investments to the bank or its affiliates. You want the mortgage, but do not want to move your investments.

This is against the law. If you qualify for a product, you should not be pressured to buy another unwanted product or service as a condition of obtaining the product you want.

What is Not Prohibited conduct?

We look for ways to provide value to our customers and to show appreciation for their continued business and loyalty. Sales practices, such as preferential pricing and the bundling of products and services, are legally permissible ways of rewarding customers for their business.

Preferential Pricing

Preferential pricing means offering customers a better price or rate on all or part of their business. For example, after approving you for a corporate bank account, you may be offered lower banking fees if you also sign up for an electronic funds transfer service.

This practice is acceptable. You are offered preferential pricing to encourage you to give the bank more business. Unlike the prohibited conduct examples obtaining the bank account is not conditioned on getting another product or service.

Bundling

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.

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

Our Commitment to our Customers

We provide our employees with information, procedures and training programs on acceptable sales practices. Our employees are expected to comply with the law and not engage in any prohibited conduct. We are committed to protecting both our current and prospective customers.

How can you contact us?

We encourage you to let us know if you believe that you have experienced coercive tied selling or other forms of prohibited conduct in any dealings with us.

You may also contact DCBank directly at 1.844.836.6040 or customersupport@dcbank.ca.