



Virtual debit cards and consumer protection

RESEARCH REPORT

Produced by Option consommateurs
and presented to Industry Canada's Officer of Consumer Affairs
June 2014

Option consommateurs received funding for this report under Industry Canada's Program for Non-Profit Consumer and Voluntary Organizations. The opinions expressed in the report are not necessarily those of Industry Canada or of the Government of Canada.

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Bibliothèque nationale du Québec
National Library of Canada
ISBN: 978-2-89716-017-3

Option consommateurs
Head Office
50, rue Ste-Catherine Ouest, Suite 440
Montréal (Québec)
H2X 3V4
Tel.: 514 598-7288
Fax: 514 598-8511

Email: info@option-consumers.org
Website: www.option-consumers.org

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Option consommateurs

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Option consommateurs is a not-for-profit association whose mission is to defend the rights and interests of consumers and to ensure that they are respected.

HISTORY

Option consommateurs has been in existence since 1983, when it arose from the Associations coopératives d'économie familial movement, more specifically, the Montreal ACEF. In 1999 it joined forces with the Association des consommateurs du Québec (ACQ), which had already pursued a similar mission for over 50 years.

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Acknowledgements

This research was conducted and written by Mtres. Karine Robillard and Alexandre Plourde, under the supervision of Ms. Maryse Guenette, head of research and representation at Option consommateurs, with the financial support of Industry Canada's Office of Consumer Affairs.

The authors would like to thank Jacques St Amant, lecturer at Université du Québec à Montréal (UQÀM), for his unwavering support in exploring the intricacies of the Canadian payments system.

The authors also wish to thank all those who contributed toward this research, including Tamara Amoroso Gonçalves, a member of the Order of Lawyers of Brazil, for so generously making her talent available to Option consommateurs and Mtre. Clarisse N'kaa, for his help with some difficult legal analysis. Thanks also go to Rosa Khati, Nassima Lahlou and Eliane Leblanc, paralegal students at Collège Ahuntsic, and to Sophie Gonthier, Caroline Tremblay and Jiaoyu Wu, law students at Université de Montréal. They also wish to convey their appreciation to all the employees and internees at Option consommateurs who directly or indirectly contributed to this research.

The authors would like to express their gratitude to all those who agreed to grant them an interview within the context of this research: Jacques St Amant (once again), Ira Rheingold, Director of the National Association of Consumer Advocates (U.S.A.), Marc Lacoursière, law professor at Université Laval and Sue Whitney and Eric Lamoureux, representatives of Visa Canada.

Finally, the authors wish to thank Professor Jean-Pierre Beaud, Dean of the Faculty of Political Science and Law at UQÀM and Bruno Marien, sociologist and lecturer in the Department of Political Science and Law at the same university for their methodological support.

Summary

Visa and MasterCard are currently getting into the Canadian debit card market. With the virtual debit card offered by three financial institutions, you can make debit purchases remotely via the Visa system, just like with a credit card. However, to carry out a transaction in person, at a retailer's or through an ATM, the consumer still has to use the Interac system.

Canada provides practically no legal protection for consumers who conduct transactions with such cards. There is no legislative framework for debit cards or for electronic payment systems in general at either the federal or the provincial levels. Until now, apart from the rules of the payment card systems themselves, or those of the CPA system, it is a mainly voluntary approach, with its advantages but mostly its disadvantages, that has been favoured by the competent authorities. Today, it is still the credit card that offers Canadian consumers their best legal protection.

In the absence of binding rules, it is most often the provisions of the cardholder agreement that must serve as law for the parties. However, these cardholder agreements are often weighted against consumers. They give the issuer broad discretion regarding the protection afforded to consumers in the event of fraud or theft of a card. Nor is there a clear commitment that the issuer will make a chargeback in cases of dispute with a merchant, even if the consumer has legally cancelled the purchase.

Many consumers and even some merchants are inadequately informed about this new product. While Visa and MasterCard are well known in Canada as issuers of credit cards, there is considerable confusion about debit cards that use these networks. More importantly, many consumers are unaware of their rights and responsibilities when it comes to virtual debit cards; some, demonstrating great confidence in their financial institution, believe they have equivalent protection regardless of the type of payment card concerned.

As a solution, Option consommateurs proposes the adoption of a legally binding framework for debit cards that would establish rules that stipulate the extent of liability in cases of unauthorized use and dictate the obligations of the issuer in the event of a dispute between the merchant and the consumer. Option consommateurs also recommends that the whole range of issues raised by the proliferation of payment instruments in Canada be addressed by establishing a harmonized legislative framework that is able to adapt to new technologies.

“Nor did I deem thy edicts strong enough,
Coming from mortal man, to set at naught
The unwritten laws of God that know not change.”

Sophocles, *Antigone*, lines 496-499

1. Introduction

Winning the hearts and minds of Canadian consumers: that is the goal of the struggle currently being waged by the major Canadian payment card companies. At the center of this struggle is the debit card, a means of payment that Canadians have embraced enthusiastically.

Historically, the debit card market in Canada has been the preserve of the Interac Association, which operates the only debit card system that consumers can use to make payments to merchants. However, the recent arrival in this market of Visa and MasterCard, better known in Canada as the two leading credit card networks, has led to the emergence of an unusual new payment instrument: the virtual debit card.

Until now, Canadian consumers who made transactions online could either use a credit card or a prepaid card¹. The virtual debit card changes the rules of the game. This card, which is currently offered by three Canadian financial institutions, also allows consumers to make debit purchases online via the Visa network, just like a credit card.

1.1. Three cards, two networks

There are currently two variants of the virtual debit card². The first is the Visa Debit card, offered by CIBC and TD Bank; this is a regular debit card that lets you use the Visa system to conduct transactions remotely. The two systems, Interac and Visa, coexist on the same card: Interac lets you make transactions at a point of sale or an ATM, while Visa allows you to make transactions remotely³. The second is the RBC Virtual Visa Debit card, which can only be used to perform remote transactions; to pay a merchant using debit or to withdraw money from an ATM, the cardholder must use another card that has the Interac logo. Consumers who use virtual debit cards online do not have to provide a PIN⁴ or a password⁵ to perform a transaction.

¹ Note that some online payment services such as PayPal, also allow consumers to make purchases over the Internet and pay directly from their bank account. The Interac Online service makes such payments possible by redirecting consumers to their financial institution’s online banking services. This is therefore not a direct procedure that simply uses the consumer’s card number, as with the other types of cards (see Section 2.3).

² For a precise definition of the virtual debit card as intended in this report, see Section 2.3

³ A “remote transaction” means a transaction made online, by phone, or by mail.

⁴ The PIN is the “personal identification number,” i.e. the security code that allows consumers to authorize a transaction in their account.

⁵ Except in certain cases when they subscribe to the “Verified by Visa” program.” See Section 2.3.

1.2. Methodology

And what about the consumers who are caught between these newcomers competing for access to their bank accounts? Are they sufficiently informed about this new payment instrument, and are they adequately protected?

In seeking answers to these questions, we first produced an overview of virtual debit cards in circulation in Canada, the context in which they appear, and the relevant legal framework (Sections 2 and 3). We then analyzed the agreements governing these and other types of payment cards, in order to understand the rights and obligations of the consumer set forth within them, and draw parallels with other payment methods (Section 4). In addition, we studied the debit card situation in the United States (Section 6)⁶.

To understand the perceptions and experiences of consumers with regard to virtual debit cards, we conducted four focus groups with consumers who had procured a card of this type. We also analyzed the information about the card displayed on the websites of ten merchants who accept this payment method (Section 5).

Finally, we contacted several professionals conversant with such payment systems in order to obtain more information about this new product and to hear their views on it⁷. We conducted interviews with Jacques St Amant, a lecturer at the l'Université du Québec à Montréal (UQÀM), Ira Rheingold, the Director of the National Association of Consumer Advocates (U.S.A.), Marc Lacoursière, a law professor at l'Université Laval, and Sue Whitney and Eric Lamoureux, representatives of Visa Canada.

⁶ However, given the wide disparities between the Canadian and U.S. debit card markets and the applicable legal frameworks (Section 6), we did not make any comparisons between U.S. debit card agreements and those for virtual debit cards.

⁷ Several of the parties we contacted declined our interview requests, including the banks that issue virtual debit cards to their customers.

2. The Canadian debit card market

2.1. A few notes on how the payment card system works

Each payment made by a debit card involves several players, each of whom plays a distinct role in the operation. First, of course, there is the cardholder, i.e. the consumer who uses the card to pay for purchases. He obtained it from the issuer, i.e. the financial institution where he has a bank account; it is this institution that sets the conditions for using the card that he must adhere to⁸. The retailer is the commercial entity from which the consumer acquires goods or services through use of the card. The latter obtains the equipment and services required to accept debit card payments from a designated intermediary known as the acquirer⁹.

All these players are coordinated by the network operator, who oversees the transfer of information and funds between the various players. In Canada, the major payment card systems are Interac, a non-profit association, and Visa and MasterCard, two commercial¹⁰ networks. These systems impose rules that issuers and acquirers must comply with, such as respecting the premiums offered by each category of card¹¹.

The network operators set the fees to be paid by certain actors in the system. Among these are the network access fee, which consists of one fixed amount per operation¹² paid to the network by the issuer or acquirer, or both. They also set the disputed “interchange fee¹³,” a percentage of the amount of each transaction paid by the acquirer, not to the network, but to the issuer. This rate, which varies depending on the type of card and privileges associated with it¹⁴ is ultimately passed on to the retailer by the service charge the latter pays the acquirer. As we will see later, Interac does not impose any interchange fees.

Other players may also play a role in a debit card transaction. One of these is the Canadian Payments Association (hereinafter “CPA”), a corporation incorporated under the *Canadian Payments Act*¹⁵ whose mission is to regulate and carry out the multiple transfers of scriptural money¹⁶ that occur between financial institutions¹⁷. The CPA issues binding rules for its

⁸ We analyze a sample of these banking agreements in Section 4.

⁹ This terminology is taken from the Task Force for the Payments System Review, *Debit and Credit Card Markets*, [2011], p. 18; Note that more than one role may be played by a single entity, for example issuer and acquirer.

¹⁰ According to the Competition Tribunal, the rules and activities of Visa and MasterCard are very similar and their differences are not significant, see: *Competition Commissioner v. Visa Canada Corporation and MasterCard International Incorporated*, 2013 Comp. Trib. 10, para. 1.

¹¹ *The Competition Commissioner v. Visa Canada Corporation and MasterCard International Incorporated*, 2013 Trib. 10, para. 14.

¹² This may be a fixed amount or a percentage.

¹³ The terms “interchange commission,” “interchange charges” and “interchange fee” are used indiscriminately in this report to refer to these charges.

¹⁴ On average, this rate is approximately 1.7 %.

¹⁵ *Canadian Payments Act* R.S.C., 1985, c. C-21

¹⁶ Scriptural money refers to money in the form of bank deposits, which constitute the essential part of the money supply.

¹⁷ *Canadian Payments Act*, R.S.C., 1985, c. C-21, s. 5. Section 5 (1) a) of the *Act* states that the object of the CPA is to “establish and operate national systems for the clearing and settlement of payments and other arrangements for the

members, which incidentally may also affect the rights of consumers¹⁸. It should be noted, however, that most CPA rules do not apply to the Visa and MasterCard networks, which unlike Interac, operate their own interbank clearing systems.

2.2. The birth of a somewhat unusual payment card

The virtual debit card is a truly Canadian curiosity that came to be as a result of the unusual history of payment networks in Canada. The undisputed star of this story is the Interac Association, which operates the only payment card network in Canada that allows one to make debit transactions at points of sale at a retailer, in addition to completely dominating debit transactions carried out via ATM¹⁹.

The association was born in 1984 out of a collaboration²⁰ between nine major Canadian financial institutions. Introduced as an ATM cash distribution system, it developed in just a few years into the point-of-sale payment system known as “Interac Debit” that became available nationwide in 1994²¹.

The Interac Association occupies a dominant place in the debit card market. It is in fact an exclusive club in which only the major Canadian financial institutions have a real voice. In the early 1990s, its totalitarian style of management was raising sufficient concern in the eyes of the Competition Bureau for it to launch an investigation into its alleged anti-competitive practices²².

In 1996, the investigation resulted in a consent order, which imposed major restrictions on the association²³. First of all, it was obliged to become a non-profit organization. The fees it imposed, which were henceforth limited to network access fees, could reflect only actual costs; unlike the commercial networks, it would not be able to impose interchange fees. It would also permit merchants to request an additional charge from consumers who chose to pay by debit

making or exchange of payments.” Included among its members are the Bank of Canada, and Canadian banks and credit unions. For more information on the CPA interbank clearing system, the explanations of Jacques St Amant 2002 are still valuable. See: Jacques St Amant, *Le cadre juridique des paiements électroniques au Canada : quand Fortune se fait virtuelle*, report presented to Industry Canada’s Office of Consumer Affairs, Option consommateurs, June 2002.

¹⁸ *Canadian Payments Act*, R.S.C., 1985, c C-21, s. 18-19

¹⁹ There are two other entities involved in the operation of the Interac network: Acxsys Corporation, a for-profit company that provides the necessary software to run the network, and Interac Inc., which owns the trademarks used in the network.

²⁰ This number will be reduced to 8 when TD Bank merges with Canada Trust.

²¹ John Bulmer, *Payment Systems: The Debit Card Market in Canada*, Background Paper No. PRB 09-09-E, Library of Parliament, 2009, p. 4.

²² It is alleged that the association engaged in anticompetitive practices by limiting access to the network, by creating barriers to product innovation and by controlling the tariffication of access and services. See: Task Force for the Payments System Review: *Credit and Debit Card Markets in Canada*, discussion paper [2011].

²³ *Director of Investigation and Research v. Bank of Montreal et al. (1995)*, CT-1995-002 (Interac). The order underwent some minor changes in 1998 and 2000 regarding the possibility of imposing monetary sanctions on members of the network who do not comply with its rules. In 2005, a new amendment authorized Interac to impose an annual fee on certain members.

card²⁴. Finally, its administrative rules would be modified to allow more members to join, and to extend the right to vote on important issues.

The Competition Bureau order sealed Interac's dominance over Canadian debit card market for more than a decade. It was not until 2008, when Visa and MasterCard began to make inroads into the market, that Interac's grip was seriously threatened. These two networks, known primarily in Canada for their credit cards, were simply continuing their global strategy: they already offered debit cards in numerous States, and were seeking to expand these activities into Canada.

In 2008, MasterCard introduced its Maestro debit card in Canada. This card, which carries both the Interac and MasterCard logos, allows consumers to pay for purchases at a retailer's just as they would with their regular debit card. However, MasterCard has priority over Interac when the merchant accepts both networks and the transaction is carried out by the MasterCard network. Although the Maestro card cannot be used to make purchases online, MasterCard is already planning to add this function²⁵.

Not everyone welcomes these newcomers to the debit card market. In fact, the Visa and MasterCard networks are already widely criticized by merchants for the interchange fees they impose on acquirers for transactions carried out by credit card, which the merchants themselves ultimately have to bear²⁶. In the debit card market, where Interac fees are much lower than those of credit cards, it is feared that the arrival of these networks will also be attended with what are seen as prohibitive costs²⁷.

The Interac Association is equally unenthusiastic about the arrival of these new players. While the 1996 order forbade it to generate profits or impose interchange fees, Visa and MasterCard have the flexibility to impose all types of charges on retailers and generate profits from network participation fees. On the one hand, this pricing strategy allows them to attract consumers by offering free payment cards – even rewards. On the other hand, if greater numbers of consumers subscribe to these cards, merchants will be forced to accept the new networks to avoid losing a large customer base, and will end up paying the fees²⁸.

²⁴ Note, however, that this might raise a question in Quebec about the legality of such a practice pursuant to s. 224 c) of the *Consumer Protection Act*, which prohibits merchants from imposing a higher price than the one they display.

²⁵ Task Force for the Payments System Review, *Credit and Debit Card Markets in Canada*, [2011], p. 29. According to the information we received, the use of this card does not involve an interchange fee similar to those for credit cards.

²⁶ Several trade associations, including the Canadian Retail Council, the Canadian Federation of Independent Business and the Conseil québécois du commerce de détail, denounce the situation. See: *The Commissioner of Competition v. Visa Canada Corporation and MasterCard International Incorporated*, 2013 Comp. Trib. 10, para. 47-51.

²⁷ Hugo Fontaine, "Combat de titans à Ottawa," *La Presse*, Montréal, April 22, 2009; Radio-Canada, "Visa et MasterCard convoitent le marché du débit," *L'heure des comptes*, broadcast April 15, 2009.

²⁸ A payment card market is what economists call a two-sided market: in this type of market, the value of the service increases the more it is used. The more consumers conduct transactions with network cards, the more profitable the network will be. Consequently, Visa and MasterCard base their whole pricing strategy on this logic: they attempt to reduce costs for consumers to encourage them to use their network cards, sometimes even offering rewards, and transfer the cost to retailers. However, given its regulatory limitations, Interac, cannot follow suit. See: Philippe Bergevin and Todd Zywicki, *Debit, Credit and Cell: Making Canada a Leader in the Way We Pay*, C.D. Howe Institute, Commentary no. 353, 2012, p. 6.

Complaining of an uneven playing field, the Interac Association began in 2009 to ask the Competition Bureau for authorization to restructure itself into a for-profit organization, which would give it more leeway in facing its new competitors. However, this request was denied, as the Office considered that the order was still appropriate to protect consumers from potentially anticompetitive practices²⁹.

However, the Competition Bureau did go so far as to ask the Competition Tribunal to contest some of the rules imposed on merchants by the Visa and MasterCard networks. In essence, it was testing the prohibition on imposing additional charges on consumers who choose to pay by credit card, as well as the obligation to accept all cards from a network, including the so-called privilege cards, whose fees are higher for the merchant. In 2013, however, this request was rejected by the Competition Tribunal, which considered, for various reasons, that such a measure tended to be anti-competitive³⁰.

It was rather a normative approach that, temporarily at least, came to Interac's rescue. In 2010, pressure from merchants ultimately convinced the Department of Finance Canada to adopt the *Code of Conduct for the Credit and Debit Card Industry in Canada* (hereinafter the "*Code of Conduct*")³¹. The primary aim of this short document is to arbitrate between the sometimes divergent interests of the credit and debit card networks, retailers, issuers and acquirers. While in theory it is a voluntary code overseen by the Financial Consumer Agency of Canada (hereinafter "FCAC")³², in practice it more resembles a regulation which, if not respected by the parties, could easily be replaced by stricter, binding rules³³.

In addition to granting retailers some rights to offset the service conditions imposed by the major networks³⁴, the *Code of Conduct* imposes major restrictions on the payment card system

²⁹ Task Force for the Payments System Review, *Credit and Debit Card Markets in Canada*, [2011], p. 29.

³⁰ While the Competition Tribunal finds that the practices of the networks actually do harm competition in this market, it refuses to grant the reparations proposed by the Commissioner. He believes, among other reasons, that the authorization fees would allow merchants to make additional profits rather than encourage consumers to use other payment methods, in addition to unduly favouring other payment networks such as Amex. For all the reasons given by the Tribunal, see: *Commissioner of Competition v. Visa Canada Corporation and MasterCard International Incorporated*, 2013 Trib. conc. 10, para. 391 et seq. Note, too, that in 2011, a class action was also filed on behalf of merchants based on the provisions respecting to price fixing under the *Competition Act*, the outcome of which now seems uncertain given the Competition Tribunal's decision. See: *Watson v. Bank of America Corporation*, 2012 BCSC146.

³¹ Department of Finance Canada, *Code of Conduct for the Credit and Debit Card Industry in Canada*, 2010

³² The *Code of Conduct* has also been the subject of guidelines by the FCAC Commissioner. Guideline CG-7 clarifies items 2 and 3, which relate to the notice of change sent to the merchant and the cancellation of the contract. See: FCAC, *Application of the Credit and Debit Card Code to 90 Days Notice of Any Fee Increases or the Introduction of a New Fee*, Guideline CG-7, October 2011. CG-10 clarifies items 1 and 3; see: FCAC, *Code of Conduct for the Credit and Debit Card Industry in Canada - Increased Disclosure in Sales and Business Practices and Cancellation of Contracts Without Penalty*, Guideline CG-10, February 2013.

³³ The *Payment Card Networks Act*, S.C. 2010, c. 12, adopted the same year as the *Code of Conduct*, gives the federal government the power to regulate the sector. Although not yet exercised, this power could be an important lever in negotiating compliance with the *Code of Conduct*.

³⁴ There are several elements in the *Code of Conduct* that address these points. Element 1 provides that the merchants' monthly statements should contain a more extensive, clear breakdown of the fees paid. Under Elements 2 and 3, 90 days' notice (or 180 days for "structural" changes) must be given before a fee increase, following which merchants will be able to cancel their contract without penalty. Element 4 provides that merchants are not required to accept credit cards from a network that accepts debit cards, and vice versa. Element 5 allows the merchant to give

in Canada. The central provision of the *Code*, which further adds to the uniqueness of the Canadian debit card market, is enunciated in Element 6:

Competing domestic applications from different networks shall not be offered on the same debit card. However, non-competing complementary domestic applications from different networks may exist on the same debit card.

*A debit card may contain multiple applications, such as PIN-based and contactless. A card may not have applications from more than one network to process each type of domestic transaction, such as point-of-sale, Internet, telephone, etc. This limitation does not apply to ABM or international transactions.*³⁵

In addition, the *Code* stipulates that “Payment card network rules will ensure that debit and credit card functions shall not co-reside on the same payment card³⁶.” In short, two competing networks cannot offer the same service on the same card, and one card cannot be used as both a credit card and a debit card. For example: the MasterCard and Interac networks cannot offer, on the same card, the possibility making a debit payment at a merchant’s point of sale. Nor can a consumer, with the same card, make online payments with both Visa or Interac.

Excluding competing networks and modes of payment on the same card was a disappointment for Visa and MasterCard, which could not offer point-of-sale debit sales with cards that also carried the Interac logo. In 2010, MasterCard simply abandoned its Maestro card, except for purchases outside Canada: consumers who leave the country may use the card to pay for purchases via the MasterCard debit network³⁷. Visa adopted another strategy, which was to focus on the explosion of e-commerce in Canada³⁸ and the under-representation of debit payments in that sector³⁹. They offered a card that could be used online with the Visa network and could also, if the issuer agreed, be used with Interac for regular payments. The virtual debit card was born.

Interac was now left facing an uncertain future. The current regulatory framework still allowed commercial networks to offer debit cards that could be used both at ATMs and with merchants,

a discount for different methods of payment or different payment networks. Element 10 prohibits obliging merchants to accept, by default, any new services or products offered by a network.

³⁵ Department of Finance Canada, *Code of Conduct for the Credit and Debit Card Industry in Canada*, 2010, Element 6. In 2011, The FCAC issued a compliance bulletin to dispel any doubt over the interpretation of this element, stating that it is also applicable to payments made online without a PIN, and therefore includes virtual operations, see: FCAC, *Application of the Credit and Debit Card Code to Online Debit Transactions*, Compliance Bulletin B-1, April 28. Element 7 states that the brand logos of each payment network appearing on a card must be displayed equally.

³⁶ *Code of Conduct*, Element 8

³⁷ *Task Force for the Payments System Review, Credit and Debit Card Markets in Canada*, discussion paper, [2011], p. 30. This card has not been studied further in this report, since in its current form, it does not correspond to our definition of a “virtual debit card.”

³⁸ An eMarketer study, *Canada Retail Ecommerce Forecast: Measured Growth Ahead*, February 2011, predicts that online spending in Canada in 2015 will be \$CAN30.9 billion, compared to \$CAN16.5 billion in 2010. See also: Business Development Bank of Canada, *Mapping your future growth: Five game-changing consumer trends*, 2013.

³⁹ In 2010, according to Statistics Canada, the percentage of orders paid by debit card or electronic bank transfer was 7.2%. See: Statistics Canada, *Table no. 358-0158 - Canadian Internet use survey, electronic commerce, electronic orders, for Canada and regions, occasional CANSIM* (data base), 2013.

as long as they did not carry the Interac symbol⁴⁰, leaving Visa and MasterCard with their hands free to launch an assault on the debit card market in Canada. Considering that a Visa or MasterCard debit operation is far more profitable for the issuer than one made through Interac, it also seemed that it was only a matter of time before they did so.

2.3. Virtual debit cards: the current situation

The option of making debit payments online via the Visa network constituted a minor revolution in the Canadian debit card market. Indeed, although “Interac Online” provides a theoretically comparable payment option, the procedure is different and far more cumbersome for the consumer than that of the commercial networks, since it involves redirecting users to the website of the financial institution to make their payments. Moreover, despite being around for several years, the service is only available to online merchants on a very small scale, and only four Canadian banks subscribe to it⁴¹.

At the time of writing, three Canadian financial institutions already offer debit cards that allow their customers to pay for purchases remotely (by Internet, telephone or mail) using the Visa network, in the same way as a debit card. Based on information received, these cards are accepted by over 20,000 merchants in Canada⁴².

First, the CIBC and TD banks issue, respectively, the “CIBC Advantage Debit Card⁴³” (hereinafter “CIBC Card”) and the “TD Access Card⁴⁴” (hereinafter “TD card”). These are called “co-badged” cards, which means that they display both the Interac and Visa network logos. They are regular debit cards that allow the consumer to make transactions at both a point of sale or via an ATM through the Interac network. On the other hand, they also allow consumers to use the Visa network to make remote transactions, which they call “Visa Debit on bank cards.” Added to this, in countries where Canadian rules do not apply, the Visa network can be used to make payments directly at a point of sale⁴⁵. The CIBC card has been offered since 2010, and the TD card since 2012; in both cases, it is the bank’s standard debit card that is automatically issued to clients to replace an expired debit card or upon opening an account.

RBC Bank offers a different product: the “RBC Visa Virtual Debit Card⁴⁶” (hereinafter the “RBC card”). This card does not carry the Interac logo and cannot be used at a retailer’s or an ATM. To make point-of-sale purchases or ATM withdrawals, the RBC client has to continue using a regular debit card. The RBC card, in fact, is simply a memory aid – with no chip, magnetic stripe

⁴⁰ Philippe Bergevin and Todd Zywicki, *Debit, Credit and Cell: Making Canada a Leader in the Way We Pay*, C.D. Howe, Institute, Commentary 353, 2012, pp. 11-12

⁴¹ <http://www.interac.ca/index.php/en/interac-online/interac-online-for-consumers>

⁴² According to sources, estimates vary between 15,000 and 30,000. The Visa Website gives more than 20,000 : http://www.visa.ca/en/personal/visa-debit-card/visa_debit_merchants.jsp

⁴³ See: <https://www.cibc.com/ca/how-to-bank/chipcard/advantagecard.html>

⁴⁴ See: http://www.tdcanadatrust.com/products-services/banking/electronic-banking/access-card/access-card.jsp?cm_sp=cPAY001-772#what-is-it

⁴⁵ Note that it is also possible to use an Interac card to make debit payments in the United States, albeit in a more limited way under an agreement with the U.S. NYCE Network.

⁴⁶ See: <http://www.rbcroyalbank.com/products/deposits/virtual-visa-debit.html>

or embossed lettering – that carries a number for online purchases performed via the Visa network. RBC also says that the card number can be used to pre-authorize payments without requiring a blank check or any other banking information. Unlike the CIBC and TD cards, the RBC card, which has been available since 2012, is not issued automatically to bank customers, although many report having been solicited to obtain one.

The procedure to make an online purchase with these cards is identical to that used for a credit card. No PIN is required; the cardholder is asked to enter his name, the card number and its expiration date on the payment form. Sometimes, the form asks for a confirmation number⁴⁷. Visa also offers a service for adding a password to the card: “Verified by Visa⁴⁸.” This service, which is optional for both the consumer and the merchant, involves asking the consumer to enter a password to make online purchases with the card.

There are thus two types of cards. First of all, the CIBC and TD cards, which carry the Interac and Visa logos; these can be used for all transactions, whether in person or remotely. Second is the RBC card, which carries only the Visa logo and is restricted to online transactions. However, our definition of “virtual debit card” blurs the distinctions between these two variants. A virtual debit card, as defined in this report, is a payment card that allows someone in Canada to make purchases remotely via bank debit through a network other than Interac, in a similar way to a credit card. These cards may or may not also enable one to make a payment at a point of sale or carry out a transaction at an ATM via Interac. The focus of this report is primarily on what are known as “virtual operations,” i.e. remote (mostly online) transactions using such cards⁴⁹.

⁴⁷ In the jargon of payment cards, the second number is called “CVV2”. This is a short number, often on the back of the card, which helps those processing the payment ensure that the consumer is actually the cardholder. “CVV1” incidentally, means the number that appears on the front of the card.

⁴⁸ <http://www.visa.ca/en/personal/securewithvisa/vbv/index.jsp>

⁴⁹ We also consider these to be “virtual debit” operations.

3. Minimal consumer protection

In Canada, the legal protection afforded to consumers who perform debit card transactions is minimal; in the case of virtual operations performed without a PIN, it is practically nonexistent. At neither the federal nor provincial level in Canada is there a legislative framework for debit cards or one relating more generally to electronic payment systems. Until now, apart from the rules of the payment networks themselves or of the CPA, it is mainly the voluntary approach, with its advantages, and especially its disadvantages, that is favoured by the competent authorities. In the absence of binding rules, it is most often the provisions of the cardholder contract that hold sway in this Kafkaesque scenario.

3.1. Federal and provincial legislation

By virtue of its constitutional jurisdiction over money and banking, the power to regulate payment methods belongs first to the federal legislature⁵⁰. Until now, however, the only payment instrument for which there is a complete federal legislative framework is the cheque⁵¹.

Although the *Bank Act* authorizes banks to issue debit cards and to advertise them⁵², it does not detail their obligations toward consumers in relation to this card. Both the *Canadian Payments Act*⁵³ and the *Payment Card Networks Act*⁵⁴ give the federal government the power to regulate the practices of the operators of national payment card networks (such as Visa and MasterCard); however, no regulation specifically targeting them has ever been adopted under these acts⁵⁵. The *Payment Clearing and Settlement Act* was primarily adopted for the purpose of overseeing one of the CPA's settlement systems, the *Large Value Transfer System (LVTS)* and monitoring and regulating the Bank of Canada, given the systemic risks that could arise⁵⁶.

The Canadian provinces also have no legal framework that covers debit cards. In common law jurisdictions, there are consumer protection laws regulating credit cards, but not debit cards. The same situation prevails in Quebec, even though in 2011 the legislature considered

⁵⁰ *Constitution Act, 1867*, 30 & 31 Vict, c 3, ss. 91(14) and 91(15). Although in practice it is difficult to distinguish between a bank and a quasi-bank such as credit union, note that for the purposes of this report, this constitutional issue does not arise, since at the time of this writing, only banks offer virtual debit cards, see: Nicole L'Heureux *et al.*, *Droit bancaire*, 3rd edition, Yvon Blais, 1999, p. 7

⁵¹ *Bills of Exchange Act*, RSC 1985, c. B-4. See also: Marc Lacoursière, "Propositions de réforme pour une protection des titulaires de cartes de débit victimes de transferts de fonds non autorisés," (2009) 54 *McGill Law Review* 91, p. 93.

⁵² *Bank Act*, SC 1991, c 46, ss. 409 (1) d) and 410 (1) d); Marc Lacoursière, "L'intervention étatique dans le secteur des services bancaires canadiens," (2013) *Rev. Fac. Direito UFMG, Número Especial : Jornadas Jurídicas Brasil-Canadá* 189, p. 198.

⁵³ *Canadian Payments Act*, RSC 1985, c. C-21. Sections 37 and 38 of the *Act* allow the Department of Finance Canada to designate, in the public interest, a payment system and to formulate the rules governing it.

⁵⁴ *Payment Card Networks Act*, SC 2010, c 12, s 1834 c. 12

⁵⁵ Note, however, that several regulations have been adopted under the *Canadian Payments Act*. However, these regulations govern the operation of the Canadian Payments Association, not payment card networks such as Visa and MasterCard, and do not constitute a consumer protection framework.

⁵⁶ See also: Jacques St Amant: *La triste histoire d'un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2005, p. 8

amending the *Consumer Protection Act*, to allow consumers, in the event of unauthorized use of their debit card, protection equivalent to what they would have received with a credit card, for a maximum liability of \$50⁵⁷. By default, then, it is provincial common law that applies in resolving disputes, and this will provide very few solutions for consumers.

3.2. Canadian Payment Association

The CPA, as we have seen, issues rules governing transactions involving a transfer of funds between financial institutions via the Automated Clearing Settlement System (hereinafter “ACSS”)⁵⁸. These rules are highly technical, and are not primarily designed to protect consumers, rather to ensure the effectiveness of the Canadian interbank clearing system. Nevertheless, some fragments may incidentally contribute toward better consumer protection.

Rule E1, which governs operations authorized with a PIN entered by a consumer at a point-of-sale terminal, is the most frequently cited in this regard. This rule sets forth various security and confidentiality requirements for CPA members⁵⁹. For example, the terminal used by the consumer should not show his or her “secret code” (PIN), which must be encrypted when it is entered into the device⁶⁰. The amount of the proposed transaction must be displayed; the consumer must also be able to make corrections while entering instructions and to cancel the operation before giving authorization⁶¹. Rule E1 centers on the financial institution’s responsibility to verify the consumer’s identity and approve the transaction: once this approval is given, it shall be deemed to have accepted the payment⁶². Consequently, it must honour the transaction even in the event of error on its part or of insolvency⁶³, and the payment item cannot be returned and redirected via the CPA’s systems⁶⁴.

Rule E2 is similar to Rule E1, but applies to operations carried out online⁶⁵. Just like when the consumer enters information into a point-of-sale terminal, the amount to be debited from the account must be clearly indicated. The consumer also should be able to make corrections at any

⁵⁷ Bill 24: *An Act Mainly to Combat Consumer Debt Overload and Modernize Consumer Credit Rules*, 39th legislature, 2nd session, 2011, s. 10. Section 65.5 of the draft *Consumer Protection Act* states that these provisions could be extended by regulation to other payment instruments.

⁵⁸ This system ensures the clearing and settlement of payment items exchanged between Canadian financial institutions, such as checks or electronic payments made by consumers. Consequently, a very large volume of payments are processed through it every day.

⁵⁹ These include the general obligation to protect the confidentiality of the cardholder’s personal information and to collect only the information necessary for the operation. See Canadian Payments Association, *Rule E1 - Exchange of Shared Electronic Point-of-Service Payment Items for the Purpose of Clearing and Settlement*, 2013 (hereinafter “*Rule E1*”), s. 5 a), 6 c). This is also a requirement that could fall within the general framework of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5

⁶⁰ *Rule E1*, ss. 17 b) and c)

⁶¹ *Id.*, s. 17 f)

⁶² *Id.*, ss. 8 e), 18 and 23 a)

⁶³ Or in the event of a defect in the systems of the financial institution, see: *Id.*, s. 8 e)

⁶⁴ *Id.*, s. 24

⁶⁵ Canadian Payments Association, *Rule E2 – Exchange for the Purpose of Clearing and Settlement of Electronic On-line Payment Items*, 2013 (hereinafter “*Rule E2*”). Accordingly, members always have a general obligation to ensure the confidentiality and security of the consumer’s personal and financial information. See : *Rule E2*, ss. 5 a), 8 b) (ii)

time during the payment process and have the opportunity to cancel the transaction before it is authorized⁶⁶. After giving its approval, the issuer is deemed to have accepted the transaction and must honour the payment⁶⁷. In case of online payment fraud, issuers must have clear procedures for dealing with consumers' complaints⁶⁸. The issuer must investigate any complaint submitted to it by a consumer, and give an answer within 10 business days⁶⁹.

Other CPA rules applicable to other types of transactions include provisions of a similar sort. For example, Rule E4⁷⁰ concerns contact-less⁷¹ (and PIN-less) transactions made at a point of sale. Rule H1⁷² provides safeguards for consumers using pre-authorized debit.

That said, these CPA rules do not apply to many situations. First, as was mentioned earlier, transactions that do not involve several financial institutions, for example, when the merchant and the consumer have an account at the same bank, are not covered.

More importantly, the CPA rules do not apply to transactions carried out using Visa or MasterCard, and are therefore inapplicable to online operations performed with a virtual debit card. In fact, these two commercial networks have their own internal clearing and settlement systems and operate independently of the ACSS. At Visa, for example, payment is made through VisaNet, its proprietary transaction processing network⁷³. In contrast, Interac only transfers payment orders to financial institutions, where clearing and settlement is carried out through ACSS⁷⁴. This therefore eliminates Rule E2, which might otherwise have been applied to online transactions carried out with a virtual debit card. Hence, the CPA rules apply mostly to the "Interac Online" service.

And even when a transaction is subject to the CPA rules, the extent to which the consumer can rely on them remains uncertain to say the least. Indeed, in 2009, after a decades-long legal debate on the question⁷⁵, the Supreme Court finally ruled that the CPA rules apply only to its members and do not confer any rights on third parties, since they are not included (explicitly or implicitly) in a service contract between a member financial institution and its customers⁷⁶.

⁶⁶ Rule E2, s. 12

⁶⁷ *Id.*, s. 19 a)

⁶⁸ *Id.*, s. 29. These procedures should also allow the consumer to appeal at a higher level.

⁶⁹ *Id.*, s. 30. This period could be suspended while awaiting records for the purpose of the investigation.

⁷⁰ Canadian Payments Association, *Rule E4 – Exchange of PIN-less Point-of-Service Debit Payment Items for the Purpose of Clearing and Settlement*, 2013.

⁷¹ The term "contactless payment" means payment carried out using a device, such as a payment card or a mobile phone, which uses near field communication at a point of sale.

⁷² Canadian Payments Association, *Rule H1 - Pre-Authorized Debits (PADs)*, 2010. Note that this rule has a rather tenuous link with payment cards, since these debits are authorized by means of the account number. Consequently, the role of networks and payment cards is limited in this type of operation.

⁷³ Visa Canada, *About Visa Canada*, a presentation given to consumer associations on October 3, 2013.

⁷⁴ Jacques St Amant, *La triste histoire d'un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*, report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2005, p. 9.

⁷⁵ See : Marc Lacoursière, "L'intervention étatique dans le secteur des services bancaires canadiens," (2013) *Rev. Fac. Droit UFMG, Número Especial : Jornadas Jurídicas Brasil-Canadá* 189, p. 205.

⁷⁶ *B.M.P. Global Distribution Inc. v. Bank of Nova Scotia*, 2009 1 SCR 504, paras. 54-60.

3.3. Payment card networks

All major Canadian payment card networks publish promotional statements regarding the security or protection afforded to consumers. For instance, they have adopted various initiatives or policies aimed at limiting consumer liability in cases of fraud or simply increasing their security. “Interac Zero Liability Policy,” Visa’s “E-Promise”, “MasterCard SecureCode” — no hyperbole is spared in the battle to win the consumer’s trust. Ultimately, the implementation of these policies is laid down in the rules of each network that their members are obliged to respect⁷⁷.

We focussed mainly on the rules and promotional claims of the Visa network, which, as mentioned, is the only one that currently offers a virtual debit card⁷⁸. Visa begins by stating that it offers several levels of security to consumers who make payments over its online network. For example, Card Verification Value 2 (CVV2), a three-digit code complementary to the main card number helps network representatives ensure that the cardholder is truly the owner of the card. There is also an address verification system that compares the information provided by the consumer with that are associated with the card. The “Verified by Visa” initiative also merits attention: this is a system for adding a password to authorize online transactions made with Visa. However, support for this system is voluntary for both consumer and retailer⁷⁹. All of these programs or policies apply generally to both credit and debit cards bearing the Visa logo.

The “Zero Liability” program that Visa advertises as providing an additional level of security for users of virtual debit cards, contains a laudable basic principle: “No consumer liability on fraudulent transactions⁸⁰.” According to Visa, online consumers who fall victim to a fraudulent use of their virtual debit card will have “not a penny” to pay. In interviews, Visa representatives added that the issuer will reimburse the consumer disputing a transaction with the card within two days, even if the investigation is not terminated⁸¹.

However, the information we obtained with regard to this program advertised in Visa’s promotional materials is tempered by reservations that significantly limit its scope. For example, one Visa prospectus states (in small print) the following condition:

Visa cardholder must establish, to the satisfaction of the financial institution, that the transaction is not the responsibility of the cardholder in accordance with the financial institution’s cardholder agreement. Zero Liability does not apply to PIN-initiated transactions (e.g. ATM transactions) or commercial cards.⁸²

⁷⁷ While Visa and MasterCard make such rules public, most of the rules governing the Interac network are not available to the general public.

⁷⁸ Visa, incidentally, granted us an interview in which it explained several of its policies to us.

⁷⁹ The TD and RBC agreements, incidentally, state that the consumer may have to subscribe to this service to make an online purchase from certain merchants.

⁸⁰ See: <http://www.visa.ca/en/personal/securewithvisa/liability.jsp>

⁸¹ We assume that the issuer will recoup these funds if it turns out that the transaction was authorized.

⁸² Visa, *Card-Not-Present Security*, document undated. A similar reserve is expressed on the website: “Visa cardholders must establish that the transaction is not their responsibility as per all applicable agreements of the issuing financial institution. Does not apply to ABM transactions or PIN transactions not processed by Visa. Individual provisional credit amounts may be withheld, delayed, limited, or rescinded by an issuer based on factors such as gross

Thus, to benefit from this program, the consumer must show his bank that he is not responsible for the transaction under the terms of the contract. In other words, if these representations are to be believed – and they also need to be clarified – the provisions of the cardholder agreement will have major importance in the event that the consumer is a victim of fraud.

Another of the protective measures promoted by Visa is the policy it calls the “E-Promise.” According to the information provided by Visa, this policy allows consumers who make remote purchases with their Visa card to request a refund from the issuer when a merchant with whom he has attempted to cancel a purchase proves intractable. It is, in short, a chargeback commitment, which is already included in several provincial laws for remote purchases paid by credit card - but not for debit cards (see also Section 4.4). According to Visa, application of the “E-Promise” policy is limited to cancellations made in accordance with the merchant’s own exchange and refund policy, or when the consumer received the wrong item by mail or simply did not receive the item⁸³. While these reservations are less important than in the “Zero Liability” program, it should be noted that Visa’s “E-Promise” policy contains the proviso that “any refund may be subject to conditions⁸⁴” which mostly leaves the consumer in the dark.

For consumers wishing to avail themselves of the “Zero Liability” or “E-Promise” policies, the devil is truly in the lack of details about the applicable conditions for benefitting from the advertised coverage. Beyond a few brief assertions, we found no specific terms that consumers could invoke. In the best case scenario, they are simply redirected to their cardholder agreement⁸⁵.

These programs derive quite simply from the Visa network protocols that govern its relationships with its members. These protocols are set forth in a bulky document over a thousand pages long entitled *Visa International Operating Regulations*⁸⁶. In fact, it was right in the middle of this document crammed full of technical standards, that we found provisions to the effect that the cardholder will not have to pay out any money for transactions for which he can demonstrate, to the satisfaction of the issuer, that he is not responsible – all, once more, subject to the terms of his cardholder agreement⁸⁷. In this regard, the statements made by Visa cited above are consistent with the content of the rules for joining the network, which however remain highly laconic and accord wide discretion to the issuer in settling contentious issues with consumers⁸⁸.

negligence or fraud, delay in reporting unauthorized use, investigation and verification of claim, and account standing and history “ See: <http://www.visa.ca/en/personal/securewithvisa/liability.jsp>

⁸³ See: <http://www.visa.ca/en/personal/securewithvisa/epromise.jsp>

⁸⁴ *Id.*

⁸⁵ For example and as previously mentioned, Visa refers to the terms of the cardholder agreement in the case of the “Zero Liability” program. <http://www.visa.ca/en/personal/securewithvisa/liability.jsp>

⁸⁶ Visa, *Visa International Operating Regulations*, October 15, 2013. On pp. 49 and 59-60, it states that at the international level, these rules also apply to national courts (including Canada).

⁸⁷ *Id.*, p. 170, the clauses: “Limitation of Cardholder Liability – Canada Region” and “Limitation of Cardholder Liability for Unauthorized Transactions – Canada Region”

⁸⁸ The regulations we found are contained in two short paragraphs, very similar to the representations in the Visa promotions. Interestingly, there is a stipulation to the effect that any advertising or representation concerning the “Zero Liability” policy must state that cardholders are responsible for protecting their PIN, and that this statement

We noted the same match between the rules and Visa's assertions about its "E-Promise"⁸⁹ policy. Indeed, in the midst of very technical⁹⁰ provisions clearly not intended to be read by consumers, it stipulates, among other things, that the issuer must make a chargeback if the cardholder does not receive the goods ordered or if the product received is not consistent with the description given, provided that the cardholder has first attempted to resolve the dispute directly with the retailer⁹¹. There are, however, some exceptions to this obligation, such as when the quality of the product or service supplied is contested⁹².

While Visa's efforts to protect the consumer should be commended, the possibility for the general public to invoke before a court of law the policies and programs it advertises seems tenuous. In fact, the situation here is similar to that prevailing with regard to the CPA rules (see Section 3.2), namely that consumers are third parties in the contractual arrangement governing relations between network members. Visa's regulations also explicitly stipulate:

The Operating Regulations do not constitute a third-party beneficiary contract as to any entity or person, nor do they constitute a contract, promise or representation, or confer any rights, privileges, or claims of any kind as to any third parties⁹³»

Everything suggests that these rules should be incorporated within the cardholder agreement to be directly enforceable by the consumer against the issuer. However, as we shall see later, virtual debit cardholder agreements are rather conservative on these issues; for example, the possibility of chargeback is only mentioned in passing (see Section 4.4). By the admission of the FCAC, which addresses these initiatives as they apply to credit cards, "This type of policy is not usually listed in a credit card agreement since it is a public commitment, not a legal requirement⁹⁴."

One is left wondering about the legal status of the assertions made by Visa and the public commitments of the issuers on these policies – "Zero Liability" and "E-Promise" figure among the public commitments made by the three banks that issue virtual debit cards⁹⁵. In fact, if consumers find it impossible to invoke the rules of the Visa network on a contractual basis, they might attempt to assert their rights by citing the promotional representations that Visa made to them.

must be incorporated within the text and not in a footnote. See: *Id.*, p. 171, Clause "Advertising for the Zero Liability Program – Canada Region"

⁸⁹ "E-promesse" in French

⁹⁰ The whole is expressed in "Reason Codes," in very technical language, and extends over several difficult-to-understand pages. Very unusual reading for someone wanting to know the rights of consumers!

⁹¹ Visa, *Visa International Operating Regulations*, October 15, 2013, pp. 710-728

⁹² Note that a minimum purchase amount is required to ensure that the consumer is entitled to chargeback; these amounts range from \$10 to \$25 depending on the type of transaction. See *Id.* 717 and 728

⁹³ *Id.*, pp. 49 and 58

⁹⁴ FCAC, Credit card fraud: Your rights and responsibilities, [online] <http://www.fcac-acfc.gc.ca/Eng/forConsumers/topics/yourRights/Pages/CreditCa-Fraudepa.aspx>

⁹⁵ We found these public commitments on the Internet. RBC: <http://www.rbc.com/voluntary-codes-public-commitments.html>; TD : <http://www.td.com/francais/services-ala-clientele/code.jsp>; CIBC : <https://www.cibc.com/ca/cibc-and-you/to-our-customers/service-commitment/voluntary-codes.html>

3.4. Voluntary codes

In the absence of binding rules governing debit cards, the Canadian authorities have supported the adoption of voluntary codes. Such an approach, which has failed to rouse the enthusiasm of consumer associations, was chosen primarily due to the constitutional difficulties involved in the legislative approach⁹⁶. Various voluntary commitments have been adopted in recent years and are overseen by the FCAC⁹⁷.

The *Canadian Code of Practice for Consumer Debit Card Services* (hereinafter “*Code of Practice*”), a voluntary, non-compellable code, is indispensable in debit card matters. Endorsed by seven organizations⁹⁸, including the Association of Canadian Bankers⁹⁹, this code was developed in 1992 and has been updated several times, the latest revision being in 2004¹⁰⁰. The code sets forth a number of standards – often undemanding for issuers – governing the issue, use and settlement of disputes relating to debit cards.

The Code of Practice first of all asks the issuer of the card¹⁰¹ to satisfy certain requirements when the card is issued. It must inform the consumer about, among other things, how to avoid unauthorized use of his or her card¹⁰² and the extent of the losses that could result from such use¹⁰³. He must also submit to the consumer a copy of the agreement governing the use of the card, either when it is issued, or requested¹⁰⁴. This document must include certain topics of information¹⁰⁵ and be written in plain language¹⁰⁶. In the event that the terms are modified, the consumer will be informed¹⁰⁷. Similarly, the transaction records and periodic statements must

⁹⁶ Jacques St Amant, *La triste histoire d'un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2005, p. 24-25

⁹⁷ *Financial Consumer Agency of Canada Act*, S.C. 2001, c. 9, s. 3 (2) c)

⁹⁸ These organizations are listed in Section 8 of the *Code*: the Canadian Payments Association, the Canadian Bankers Association, Credit Union Central of Canada, Fédération des caisses Desjardins du Québec, Retail Council of Canada, Canadian Federation of Independent Businesses, Consumers' Association of Canada.

⁹⁹ Note that the banks themselves have not endorsed the *Code*: they seem to have ceded this role to the Canadian Bankers Association. Note also, however, that the debit agreements studied state that they adhere to the *Code*; see Section 4.1.

¹⁰⁰ Electronic Funds Transfer Working Group, *Canadian Code of Practice for Consumer Debit Card Services*, revised 2004, Financial Consumer Agency of Canada, 1992 (hereinafter “*Code of Practice*”)

¹⁰¹ The *Code* distinguishes the issuer of the PIN (personal identification number) from the issuer of the card, but in fact it is the same organization that issues both the card and PIN. According to St Amant, this distinction stems from the fact that at the time the Code was written, these two practices could be performed by different entities, see: Jacques St Amant, *La triste histoire d'un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2005, p. 20.

¹⁰² *Code of Practice*, para. 2 (2) b). For example, by avoiding certain combinations when choosing a PIN.

¹⁰³ *Id.*, paras. 2 (2) and (3)

¹⁰⁴ *d.*, paras.2 (3) c) and 3 (2)

¹⁰⁵ *Id.*, para.3 (3). These headings are “Definitions; Dispute Resolution; Liability; Lost or Stolen Card; PIN Confidentiality; Service Charges; and Termination of This Agreement” or equivalent.

¹⁰⁶ *Id.*, para.3 (1)

¹⁰⁷ *Id.*, para.3 (4)

contain mandatory information about debit card transactions¹⁰⁸. The Code also provides a process for resolving disputes over transactions performed with a debit card¹⁰⁹.

The keystone of the *Code of Practice* is to be found in Section 5, which deals with the apportionment of liability when the consumer is a victim of unauthorized use of his card. The importance of this section was underscored in 2002 with the addition to the code of Appendix A, which was included to provide a more detailed interpretation framework.

First, the *Code of Practice* stipulates that the consumer is responsible for any use of his card he authorizes¹¹⁰ and any errors he commits¹¹¹. Similarly, when the consumer contributes to an unauthorized use of his card¹¹², he must bear the losses up to the amount that can be debited from his account¹¹³. Such contributory behaviour may consist of a “voluntary” disclosure of the PIN, for example by writing it down close to the card in a poorly disguised form¹¹⁴, or by omitting to notify the issuer within a reasonable time of the loss, theft, misuse or the possibility that someone knows his NIP¹¹⁵. It follows that, to make sure that he is not liable for unauthorized use of his card, the consumer must notify the issuer promptly of the loss or theft of the card. He must likewise avoid exposing his NIP carelessly¹¹⁶.

The Code of Practice further states that the consumer is not responsible for losses incurred when the unauthorized use is the result of circumstances beyond his control¹¹⁷. The way that this highly laudable principle is phrased poses potential problems for the consumer, however, since it lists three examples that seem to limit the circumstances in which such situations may arise: technical malfunctions of the payment system, unauthorized use in cases when the bank knew (or should have known) that the security of the card was compromised, or unauthorized use resulting from an “involuntary” contribution by the consumer (as opposed to a “voluntary contribution” as we saw above). On the other hand, it does not explicitly mention cases in which the consumer is a victim of theft of the card and an unauthorized withdrawal is made from his account before he discovers the theft. However, the combined reading of Section 5 and Appendix A, which states that consumers are not liable for any losses in the event of fraud or

¹⁰⁸ *Id.*, para.4 (1)

¹⁰⁹ *Id.*, ss. 6 et 7

¹¹⁰ *Id.*, para.5 (1). According to Appendix A, an authorized transaction is any transaction in which the consumer has not been a victim of “trickery, force, intimidation or theft.”

¹¹¹ *Id.*, para.5 (2). For example, and according to Appendix A, consumers can be held responsible for inputting errors at ATMs, provided that the instructions or messages on the device are in plain language.

¹¹² The contribution referred to here can only be voluntary, since under para. 5 (3) c), consumers are exempt from liability in cases of “involuntary” contribution.

¹¹³ *Id.*, para.5 (4). This could therefore include an amount exceeding the balance of the consumer’s account, for example, if he has a line of credit. See also Section 4.3

¹¹⁴ Appendix A also mentions, for example, that the fact of using a PIN consisting of a combination of one’s name, telephone number, date of birth, address or social insurance number may be considered voluntary disclosure. However, the fact of using the same PIN on multiple cards does not constitute such disclosure.

¹¹⁵ *Id.* para.5 (5). According to Appendix A, a reasonable time is “as soon as the cardholder becomes aware of the loss or disclosure.”

¹¹⁶ Jacques St Amant, *La triste histoire d’un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada’s Office of Consumer Affairs by Option consommateurs, 2005, p. 28-29

¹¹⁷ *Code of Practice*, para.5 (3)

theft if they report the incident “promptly” to the issuer, suggests that they will not be held responsible – given that the *Code* should be respected in its entirety in deciding the situation¹¹⁸.

Indeed, there is little chance of seeing the *Code of Practice*, in its current form, being applied to a PIN-less operation performed by virtual debit card. First, of course, because it is a voluntary framework that must at the very least be incorporated in some way within a cardholder agreement if it is to be compellable¹¹⁹. But most of all because, mandatory or not, the *Code* has not been revised since 2004 and even today, applies only to PIN-authorized debit transactions¹²⁰. In other words, not only does it not apply to virtual debit operations but also to any PIN-less operation such as contactless payments. Note, however, as we shall see later, that the cardholder agreements for the CIBC and TD, in which Interac and Visa coexist on the same card, state that they adhere to the *Code* in practice. These agreements, which essentially state the same rules irrespective of the network through which the operation is performed, contain stipulations with an unmistakable family resemblance to the *Code of Practice*, even though their provisions are occasionally more generous toward the bank (see Section 4).

It also needs to be pointed out that the *Code of Practice* is not the only normative instrument devoid of binding force that attempts to address virtual debit operations. The same is true of the *Canadian Code of Practice for Consumer Protection in Electronic Commerce*¹²¹, which contains a number of principles that might provide some inspiration for online merchants with regard to payment instruments. For example, it proposes that the online merchant should inform the consumer, prior to an electronic transaction, about the payment mechanisms that are available and the additional fees or discounts applicable to each¹²². However, it must be borne in mind that this is just a non-binding statement of best practices for merchants.

¹¹⁸ While such a situation is clearly beyond the consumer’s control, Option consommateurs noted in 2005 that some debit card agreements were written in such a way that the responsibility nonetheless fell to the consumer. See: Jacques St Amant, *La triste histoire d’un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada’s Office of Consumer Affairs by Option consommateurs, 2005, p. 27.

¹¹⁹ Jacques St-Amant, however, puts forward some interesting legal hypotheses in the hope of making the *Code* more binding, including arguing that its provisions could constitute a usage in the banking sector, which could be incident in the content of the cardholder agreement. See: Jacques St Amant, *La triste histoire d’un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada’s Office of Consumer Affairs by Option consommateurs, 2005, p. 26. See also: Marc Lacoursière, “Propositions de réforme pour une protection des titulaires de cartes de débit victimes de transferts de fonds non autorisés,” (2009) 54 *McGill Law Review* 91, p. 93.

¹²⁰ *Code of Practice*, para.1 (4). In 2005, the Canadian Bankers Association nevertheless made public its commitment “to applying the principles and provisions of the *Canadian Code of Practice for Consumer Debit Card Services Debit Card Code* as applicable to online payment items in respect of customer deposit accounts.” However, since this short memo was released well before the arrival of Visa and MasterCard in the Canadian debit card market and since in addition the reference was to CPA rules that are inapplicable to these commercial networks, it is clear that the intended reference was the Interac Online service. Given the non-binding nature of this statement, we did not consider it any further in our analysis. See: Canadian Bankers Association, *Online Payments*, 2005

¹²¹ Working Group on Consumer Protection in E-commerce, *Canadian Code of Practice for Consumer Protection in Electronic Commerce, 2003* (hereinafter “*Electronic Commerce Code*”). This code is itself based on another voluntary document: Working Group on Electronic Commerce and Consumers, *Principles of Consumer Protection for Electronic Commerce: A Canadian Framework*, 1999, see: <http://www.ic.gc.ca/app/oca/crd/dcmnt.do?id=1006&lang=eng>

¹²² *Electronic Commerce Code*, s. 1.5 c). There are also some other standards that are quite interesting with regard to payment instruments. For example, once the transaction has been concluded, the merchant must, as soon as possible, provide the consumer with a record of the transaction (s. 1.6). In addition, the merchant must apply effective controls to ensure the integrity and confidentiality of the payment and ensure that any third parties involved

In fact, the only so-called “voluntary” code that is fully complied with is the *Code of Conduct* cited above (Section 2). While designed primarily to regulate the relationships between the players in the payment card industry, some of its standards may incidentally be of interest for the protection of consumers. This is the case, in particular, with the possibility for the merchant to grant discounts depending on the mode of payment or the payment card network chosen by the consumer, provided that such discounts are clearly displayed at the point of sale¹²³. Similarly, a premium credit or debit card for which the merchant is charged higher fees should only be issued to consumers who request it or give their consent to this effect¹²⁴.

in the transaction (presumably the network, the acquirer or the issuer) meet these requirements. To do this, merchants are encouraged to disclose the security measures they use on their website, and to use certification services for the purpose of validation (Principle 5).

¹²³ *Code of Conduct*, s. 5

¹²⁴ *Id.*, s. 9

4. The cardholder agreement: the law of the parties

There is one clear, inexorable conclusion: in the absence of a truly binding legal framework, it is the agreement entered into by the holder of a virtual debit card that will dictate solutions to disputes. To properly understand the rights and obligations of consumers who use such cards, it was imperative that these agreements be read and analyzed.

We first collected and analyzed the agreements governing the three virtual debit cards offered in Canada¹²⁵. CIBC lays down the conditions that apply to the debit cards it issues in a document entitled “CIBC Cardholder Agreement” (hereinafter “CIBC Agreement”), which covers all the operations performed by both Visa and Interac¹²⁶. The TD document we analyzed was entitled “Cardholder and Electronic Financial Services Terms and Conditions” (hereinafter the “TD Agreement”)¹²⁷. Like the CIBC agreement, it covers transactions on both networks. As for the RBC bank, the document analyzed was entitled “RBC Royal Bank® Virtual Visa Debit Agreement” (hereinafter “RBC Agreement”). Unlike its counterparts, this agreement obviously covers only virtual payment operations, given that the RBC card cannot be used via the Interac network, at point-of-sale terminals or at an ATM¹²⁸.

In addition, we analyzed fifteen agreements for other types of payment cards in order to draw parallels between them: five regular debit card agreements, five credit card agreements and five prepaid card agreements. We first selected the cardholder agreements of the three banks issuing virtual debit cards: CIBC, TD and RBC¹²⁹. To the agreements of these three banks, we added those of two other financial institutions: BMO and Desjardins¹³⁰. Finally, since the CIBC and TD banks do not issue prepaid cards, we completed our sample by selecting prepaid card agreements issued by Citizens Bank of Canada and Peoples Trust¹³¹. We assigned a code to each document selected in order to facilitate retrieval, as follows:

¹²⁵ All the agreements analyzed in this report are easy to locate on the Internet and were collected from that medium, taking care to ensure that the documents were as up to date as possible when they were analyzed.

¹²⁶ As we shall see later, there is little distinction between the obligations undertaken with different networks. Interestingly, Clause 7 of the CIBC agreement contains additional provisions for the “Advantage Plus Debit Card,” which, as we have seen, is the virtual debit card offered by that bank.

¹²⁷ TD also refers to the “Financial Services Terms” as a source of obligations for the parties, but this document contains little information that is relevant to this analysis.

¹²⁸ The heading “WHAT THIS AGREEMENT COVERS” in the RBC agreement states that the document regulates “the terms under which you may use your Virtual Visa Debit Number.” The reference here is to a “number” rather than a card, which is sometimes referred to as a “Reference Card” in the agreement.

¹²⁹ As mentioned previously, the regular CIBC and TD Bank debit card agreements also cover virtual operations. In other words, this sample contains both the CIBC and the Bank TD agreements. We do not consider this overlap problematic because it does not prevent drawing effective parallels between the various cards.

¹³⁰ These financial institutions were selected both because of their economic importance in Canada and the availability of the payment card agreements they offer to consumers.

¹³¹ Peoples Trust Company and Citizens Bank of Canada are financial institutions regulated under the *Bank Act*, which allows them to be members of the Visa and MasterCard payment networks and issue prepaid cards that are transacted over these networks. Few major Canadian financial institutions issue prepaid cards using the Visa or MasterCard payment networks: we found no such prepaid cards offered by Scotiabank, National Bank or Laurentian Bank. It was for this reason that we chose these smaller financial institutions.

	Standard debit card	Credit card	Prepaid card
CIBC	D-CIBC	C-CIBC	
TD	D-TD	C-TD	
RBC	D-RBC	C-RBC	P-RBC
BMO	D-BMO	C-BMO	P-BMO
DESJARDINS	D-DESJARDINS	C-DESJARDINS	P-DESJARDINS
CITIZENS			P-CITIZENS
PEOPLES			P-PEOPLES

The codes listed in this table are used in the footnotes to refer to these agreements.

All the cards covered by these five agreements, except one¹³² are used at PIN-authorized points of sale. Although they permit both point-of-sale and online operations¹³³, we soon discovered that the contractual provisions that govern them are equivalent *mutatis mutandis* to those found in virtual debit card agreements. Given this similarity, the legal analysis we offer here focuses on the three types of virtual debit card agreement we have identified, drawing parallels with other types of payment card only when relevant.

4.1. The rules of the game

The rules governing the operation of virtual debit cards are identical, without exception, to those for regular debit cards. For instance, the consumer may be required to activate the card in order to use it; such activation constitutes the consumer's consent to the terms of the agreement¹³⁴.

The fees charged for the use of a virtual debit card do not vary depending on the type of operation performed, regardless of whether the consumer uses the card at a point of sale or over the Internet¹³⁵. Generally, the monthly account fee covers a certain number of free transactions; beyond this limit, the consumer must pay a fee for each transaction made. One notable exception is that transactions made with the RBC card are not included in the monthly transaction limits that apply to the cardholder's account¹³⁶.

Since the bank charges are usually much lower than those stipulated in prepaid card agreements¹³⁷ the virtual debit card should prove a much more economical payment option for

¹³² Unlike other prepaid cards, which are reloadable, the RBC prepaid card is non-reloadable and does not use a PIN.

¹³³ Except for regular debit cards, which cannot be used online.

¹³⁴ CIBC Agreement, preamble and Clause 5; TD Agreement, Clauses 2 and 3; RBC Agreement, heading "WHAT THIS AGREEMENT COVERS," "YOUR RIGHTS AND DUTIES AS A CUSTOMER USING VIRTUAL VISA DEBIT."

¹³⁵ CIBC Agreement, Clause 15; TD Agreement, Clause 13. The CIBC service charge makes no distinction between Visa and Interac transactions. See CIBC, Personal Account Service Fees 0289C-13 6291, December 8, 2013.

¹³⁶ RBC Agreement, heading "SERVICE CHARGES"

¹³⁷ For example, we analyzed the Peoples Trust prepaid MasterCard agreement, which imposes a charge of \$0.50 per transaction, a fee of \$2 for each withdrawal from an ATM and a monthly fee of \$4.95, all in addition to charging between \$2 and \$3.95 in reloading fees. Note that the new *Prepaid Payment Products Regulations* SOR/2013-209, which were not in force at the time of drafting this report, might help reduce these costs.

consumers¹³⁸. Credit cards, for which there is no user fee, remain competitive with virtual debit cards provided that the consumer pays the balance in full at the end of each period (to avoid applicable interest charges) and that the annual fee is not prohibitive.

The three virtual debit card agreements, despite their sometimes abstruse wording, mention the possibility of a variation between the amount initially authorized by the consumer and the amount ultimately charged to the consumer's account¹³⁹. Such a situation may occur, for example, if the card is used to reserve a hotel room or if the price of an item is subject to fluctuation before the payment is settled.

As with all the standard cardholder agreements we analyzed, the CIBC and TD agreements explicitly state that their banks subscribe to the *Code of Practice*¹⁴⁰. Since this code is voluntary (see Section 3.4), such an indication may give ammunition to consumers wishing to constrain its application, for example by invoking a clause external to the agreement¹⁴¹. However, it must be remembered that this code applies only to PIN-authorized transactions, which means that in theory, no operation performed online via the Visa network is subject to it. Moreover, the RBC agreement that relates solely to virtual operations simply does not mention this code.

4.2. Obligations for consumers, rights for banks

In matters of security, the virtual debit card comes with a set of obligations for the consumer. These are usual obligations for all payment cards and do not vary significantly from one type of card to another¹⁴². In the agreements governing virtual debit cards, these obligations are equivalent, without exception, regardless of which network (Visa or Interac) is used to make the payment¹⁴³.

First, all the agreements we analyzed require the consumer to take precautions to protect the card against unauthorized use and to preserve the confidentiality of the information associated with it, such as the PIN and the various other numbers on it¹⁴⁴. Although these agreements do not forbid writing this information down, they do, however, require that the card number be kept in a safe place¹⁴⁵, that the PIN not be written down near the card itself¹⁴⁶ and that it be

¹³⁸ This was a very important aspect that consumers pointed out during the focus groups (see Section 5).

¹³⁹ CIBC Agreement, Clauses 7 b) and e); TD Agreement, Clause 2; RBC Agreement, heading "VIRTUAL VISA DEBIT TRANSACTIONS"

¹⁴⁰ TD Agreement, Clause 20; CIBC Agreement, Clause 19

¹⁴¹ An external clause is a clause that is not contained within a contract, but to which the contract refers and is applicable to the parties.

¹⁴² The only significant distinction, naturally, is the addition of a certain number of obligations for cards equipped with a PIN. For instance, the CIBC and TD agreements, which require consumers to enter their PIN when making a transaction via the Interac network, impose special obligations. For example, they must exercise caution in choosing their PIN (such as avoiding using a social insurance number as a PIN) or take reasonable precautions when entering the PIN in a terminal in order to ensure confidentiality.

¹⁴³ For example, Clause 2 of the TD Agreement states: "You may use your Card without the PIN for Interac Flash and Card Not Present Transactions at participating merchants. For those transactions, you will have the same rights and responsibilities as if you had used your Card and PIN."

¹⁴⁴ This also includes PIN protection for CIBC and TD cards that also use the Interac network

¹⁴⁵ RBC Agreement, heading "PROTECTING YOUR VIRTUAL VISA DEBIT NUMBER."

disguised. Cardholders are also asked to exercise a measure of physical control over their card, for instance, knowing at all times where it is located¹⁴⁷ and not allowing others to use it¹⁴⁸.

Consumers are required to check their statements regularly and contact the bank if they find irregularities¹⁴⁹. They must also notify the bank when the card is lost or stolen, or simply if they suspect that the information on it has been compromised¹⁵⁰. While CIBC allows consumers twenty-four hours to contact them after such situations are noted, RBC and TD Bank ask consumers to contact them immediately¹⁵¹. In this regard, the banks impose more severe obligations than the *Code of Practice*, which suggests that notice be given within a “reasonable time¹⁵².”

Banks reserve numerous rights for themselves, including the power to change the contract unilaterally¹⁵³ and include general clauses releasing them from liability¹⁵⁴. Similarly, the requirements they impose on themselves are not equivalent to those of the cardholder¹⁵⁵. In essence, this is a veritable contract of adhesion; the terms that the consumer must agree to are non-negotiable and are most often for the benefit of the bank.

4.3. Who’s liable?

Who has to bear the losses resulting from unauthorized use of the virtual debit card? The bank or the consumer? The agreements we analyzed answer this question, in some cases, with a considerable amount of gymnastics.

In the CIBC and TD agreements, apportionment of liability for unauthorized use of the card is similar to that set forth in the other debit agreements we studied, which are largely based on the precepts of the *Code of Practice* (see Section 3.4). First, consumers are responsible for all transactions they have authorized and for any inputting errors they make, such as entering the wrong amount in a terminal¹⁵⁶. The banks, for their part, absorb all losses due to their own fault,

¹⁴⁶ CIBC Agreement, Clause 1; TD Agreement, Clause 5. CIBC specifies this obligation by asking the user not to keep, for example, their PIN in their wallet if that is where the card is kept, or not to record it on or near a telephone.

¹⁴⁷ RBC Agreement, heading “PROTECTING YOUR VIRTUAL VISA DEBIT NUMBER”

¹⁴⁸ RBC Agreement, heading “PROTECTING YOUR VIRTUAL VISA DEBIT NUMBER”; CIBC Agreement, Clause 2

¹⁴⁹ RBC Agreement, heading “SETTING LIMITS”; CIBC Agreement, Clause 4

¹⁵⁰ TD Agreement, Clause 6; RBC Agreement “LOST OR STOLEN CLIENT CARD”; CIBC Agreement, Clause 3

¹⁵¹ In this regard, the RBC and TD agreements seem to find their inspiration in the interpretation guide in the *Code of Practice*, which in para.5 (5) that deals with the reasonable notification period, asks consumers to notify the financial institution as soon as they become aware of the incident.

¹⁵² *Code of Practice*, para.5 (5)

¹⁵³ CIBC Agreement, Clause 16; RBC Agreement, heading “CHANGES TO TERMS OF THIS AGREEMENT”; TD Agreement, Clause 11

¹⁵⁴ RBC Agreement, heading “PROBLEMS WITH MERCHANTS/LIMITATION ON OUR LIABILITIES”; TD Agreement, Clause 21; CIBC Agreement, Clause 17

¹⁵⁵ Marc Lacoursière, “Propositions de réforme pour une protection des titulaires de cartes de débit victimes de transferts de fonds non autorisés,” (2009) 54 *McGill Law Review* 91, p. 114

¹⁵⁶ TD Agreement, Clause 7; CIBC Agreement, Clauses 4 a) and b)

such as those caused by technical problems or employee negligence¹⁵⁷. Also, they agree to take responsibility for all unauthorized transactions that occur after the consumer has given notice of the loss or theft of the card, or of his suspicions in this regard¹⁵⁸.

However, things are less clear when the consumer is an unwitting victim of card theft or skimming. In fact, the CIBC and TD Bank agreements set conditions for not holding consumers responsible for losses due to theft or fraud: they must report any unauthorized use promptly¹⁵⁹ and they should not have “contributed” to this unauthorized use¹⁶⁰. However, this notion of “contribution” to unauthorized use allows the bank to blame a large number of actions (or inactions) on consumers – and therefore refuse to compensate them for a loss.

Essentially, any breach of the contractual obligations referred to previously (Section 4.2) may constitute “contribution.” The CIBC agreement, for example, equates failure by the consumer to notify the bank within the required time that he suspects that his information is compromised, with contribution¹⁶¹. Non-compliance with the confidentiality of information associated with the card, such as its number, can also be enforceable against the consumer¹⁶². Hence, defrauded consumers can be blamed for many things, including failing to report all their “suspicions,” for taking too long to contact the bank after the loss of a card, or, from the bank’s point of view, for not adequately protecting the numbers associated with it.

In the CIBC and TD agreements, the rules of apportionment of liability apply indiscriminately to any type of transaction, whether online via Visa or at a point of sale via Interac. The CIBC agreement, however does contain a few lines that refer directly to the Visa “Zero Liability” policy (see Section 3.3), which seem to suggest that the issuer may be subject to greater obligations when the consumer uses this network:

*Fraud Protection for Visa Network Transactions: The Visa Zero Liability program provides that, subject to all other terms and conditions of this Agreement, you are not liable for purchase Transactions made with the CIBC Advantage Debit Card which were processed through the Visa network or any other network Visa permits if your CIBC Advantage Debit Card is used fraudulently. For greater certainty, this protection does not apply to Bank Machine Transactions, or PIN-authorized Transactions not processed through the Visa network or any other network Visa permits.*¹⁶³

¹⁵⁷ TD Agreement, Clause 8; CIBC Agreement, Clause 4 e). Although the agreements contain general clauses releasing the issuers from liability, a coherent reading of the documents compels the conclusion that they cannot oppose these particular stipulations.

¹⁵⁸ TD Agreement, Clause 8; CIBC Agreement, Clause 4 e) iii)

¹⁵⁹ That is to say, once a suspicious transaction is brought to its attention. This is a much more stringent obligation than that stated in the U.S. law, which allows the consumer up to 48 hours (see Section 6).

¹⁶⁰ CIBC Agreement, Clause 4 e) iii); TD Agreement, Clause 7. Agreements also add the further condition that the consumer must “cooperate” with the bank in investigating the unauthorized use, an obligation which seems obvious as long as the cooperation required of the consumer is not excessive.

¹⁶¹ CIBC Agreement, Clause 4 c) and Clause 3

¹⁶² *Id.*, Clause 4 c) and Clause 1

¹⁶³ CIBC Agreement, Clause 7 d)

However, in reading this dismal paragraph, it is difficult to comprehend how the consumer supposedly enjoys greater protection against fraud when making a virtual transaction. From the outset, we are told that the consumer's excluded liability is "subject to all other terms and conditions of this Agreement"; as a result, all the conditions listed previously that exclude such liability are still enforceable. In short, the bank is reiterating what it has already stated, with no further commitment.

The possibility of invoking the Visa "Zero Liability" program as an external clause, is also a vain fancy (see also Section 3.3). Indeed, the information easily accessible to the public about the program on the Internet drily declares that in order to avail themselves of it, consumers "must establish that the transaction is not their responsibility as per all applicable agreements of the issuing financial institution¹⁶⁴." Here, two observations should be made: first, the CIBC and TD agreements jealously defend their roles as legislators for the parties; second, the provisions that determine the responsibilities of each party in the event of unauthorized use of the card are essentially the same, regardless of which payment network is used.

The RBC agreement, which does not necessarily relate only to transactions via Visa, is even more cagey about apportioning liability than its CIBC and TD counterparts. It does not explicitly state, for example, that the bank will bear any losses incurred as a result of a fault attributable to the issuer. Nor does it clearly stipulate that the consumer's liability will be reduced after he has fulfilled his obligation to notify the bank of the loss or theft of the card. It does, however, contain a specific commitment from RBC: the bank undertakes to "respond" within two working days to any consumer who notifies it of an unauthorized transaction, to inform the latter whether or not it holds him responsible for the operation¹⁶⁵.

Apportionment of liability for unauthorized use under the RBC agreement is similar to what we found in several prepaid card agreements¹⁶⁶. According to the terms of the RBC agreement, the consumer is not liable for losses resulting from unauthorized use of the card, provided that he has not "contributed" to its unauthorized use¹⁶⁷ and that he is able to demonstrate to the "reasonable satisfaction" of the bank that he has taken reasonable measures to protect the confidentiality of the card. While the issues raised by the concept of "contribution" are already familiar to us, here they are exacerbated by the imposition of a second, stricter requirement on the consumer: rather than asking him to report suspicious transactions as soon as he has knowledge of them, he is asked to demonstrate that he has taken "reasonable steps" to avoid compromising his passwords and card information. It is clear that such a provision gives the bank wide discretion in determining whether consumers have been negligent, thereby placing the burden of proof on their shoulders.

¹⁶⁴ <http://www.visa.ca/en/personal/securewithvisa/liability.jsp>

¹⁶⁵ RBC Agreement, heading "PROTECTION AGAINST UNAUTHORIZED USE"

¹⁶⁶ Including these agreements: 3-RBC, BMO-3, 3-PEOPLES. Interestingly, the BMO prepaid card agreement adds to these conditions that the consumer must not have reported two or more unauthorized transactions in the previous 12 months. Too bad for you if you're unlucky!

¹⁶⁷ RBC Agreement, heading "PROTECTION AGAINST UNAUTHORIZED USE." As with the CIBC and TD agreements, consumers are also asked to cooperate in any investigation of the issuer.

Finally, all the agreements are careful to state that the amount that the consumer must pay, if held liable for losses could in certain circumstances exceed the balance of his account, for example, if a line of credit (or any other form of overdraft protection) is linked to the account¹⁶⁸.

In short, the rules regarding apportionment of liability for the unauthorized use of a virtual debit card are, barring necessary modifications, practically the same as those stated in regular debit card agreements; the rules for the RBC card more closely resemble those for prepaid cards, which offer the consumer even less protection. In Canada, therefore, it is still the credit card that appears to offer consumers the best protection with regard to electronic payments. In fact, most provincial laws limit the maximum amount of liability in the event of loss or theft to \$50¹⁶⁹. Although these standards, and especially their interpretation, vary from one province to another¹⁷⁰, it should be noted that the courts have frequently maintained that the non-fulfillment of contractual obligations regarding the security of the PIN or the failure to notify the bank of the theft of a card within a reasonable time does not make the consumer liable beyond this amount¹⁷¹. In the case of a virtual debit card, considering the provisions of the agreements that we have analyzed and in the absence of regulation, it is clear that the outcome would have been considerably more unfortunate for the consumer, who would have had to bear the losses.

4.4. Disputes with merchants

As previously mentioned (Section 3.3), Visa also promotes its “E-Promise” policy. According to its promotional information, this is a commitment by the issuer of the virtual debit card to issue a chargeback when a merchant fails to reimburse a consumer who canceled his purchase in accordance with merchant’s terms, who received the wrong item by mail or simply did not receive the item that was ordered¹⁷². However, a close reading of the virtual debit card agreements reveals that such promises are difficult to keep, leaving some doubt as to how far consumers can rely on them.

Only the CIBC agreement raises the possibility of chargeback in case of an insoluble dispute with a merchant, following an operation carried out via the Visa network¹⁷³. The contract states as follows:

¹⁶⁸ TD Agreement, Clause 7; RBC Agreement, heading “YOUR LIABILITY MAY EXCEED ACCOUNT BALANCE,” CIBC Agreement, Clause 4 d)

¹⁶⁹ See, in particular: *Business Practices and Consumer Protection Act*, SBC 2004, c. 2, ss. 98-99 (British Columbia); *Fair Trading Act*, RSA 2000, c F-2, ss. 88-89 (Alberta); *The Cost of Credit Disclosure Act*, SS 2002, c. C-41.01, ss. 37.1-37.2 (Saskatchewan); *Law on Consumer Protection* C.P.L.M. c. C200, s. 35.8 (Manitoba); *Law on Consumer Protection*, R.S.Q., c. P-40.1, ss. 123-124 (Quebec); *2002 Law on Consumer Protection*, SO 2002, c. 30, s. 69 (Ontario); *Consumer Protection and Business Practices Act*, SNL 2009, c. 31.1, ss. 73-74 (Newfoundland and Labrador)

¹⁷⁰ Nicole L'Heureux and Marc Lacoursière, *Droit de la consommation*, 6th Edition, Carswell, 2011, pp. 286-292

¹⁷¹ See, in particular: *Gilbert v. CIBC* 2013 QCCQ 3270; *Soucy v. Visa Desjardins*, 2005 CanLII 23556 (QC CQ); *National Bank of Canada v. Mohamed*, 2004 CanLII 23733 (QC CQ)

¹⁷² See: <http://www.visa.ca/en/personal/securewithvisa/epromise.jsp>

¹⁷³ Like the other banks, CIBC assumes no responsibility for any dispute with a merchant over a regular debit card transaction. See CIBC Agreement, Clause 6 a) and b)

In some circumstances you may be entitled to direct CIBC to reverse a Transaction, for example, where the Merchant has not provided you with the goods or services you purchased or the goods or services are not as described (but not in the case of quality or suitability, or for PIN-authorized Transactions). You must notify us of the dispute within 60 days of the later of the date of purchase or the expected date of delivery of goods or services.¹⁷⁴

While the essence of the Visa policy is respected here, it should nevertheless be noted that this statement does not err on the side of clarity and does not explicitly mention the “E-Promise” program. Consumers who read this provision therefore do not know where to look to find more details about the bank’s obligations. The rules are vague and the tone hypothetical, with the lopsided result that the bank enjoys wide discretion in choosing whether or not to refund a consumer who submits a claim.

The RBC and TD agreements are even more inflexible towards the consumer. Regardless of the network used to perform the operation, they both stipulate that the issuer is simply not responsible for any difficulties that consumers may experience with a merchant. If, for example, there is a problem with the item ordered, “You must settle any such problem directly with the merchant, including any merchandise returns¹⁷⁵.” However, RBC does afford the overwhelmed consumer a vague glimmer of hope, with the words: “In some circumstances, we may be able to provide assistance in resolving disputed transactions¹⁷⁶.”

This last statement is similar to several stipulations that we found in credit card agreements¹⁷⁷. It will be recalled that, in most provinces, the law gives consumers the right to request a chargeback from their credit card issuer when a merchant from whom they made an online purchase refuses to reimburse a legally cancelled transaction¹⁷⁸. The credit card agreements we studied, however, contain a clause in which the issuer begins by claiming that it is “not obliged to take any action on the dispute¹⁷⁹” but that consumers may nevertheless contact it “to discuss a challenge that they wish to assert against a transaction¹⁸⁰.” Clearly, as with virtual debit cards, these provisions seek to conflate the bank’s chargeback obligations and its desire to limit commitments to consumers – however, as in the case of credit cards, this smokescreen cannot defeat the law, which takes precedence over the contract.

¹⁷⁴ CIBC Agreement, Clause 7 c)

¹⁷⁵ RBC Agreement, heading “PROBLEM WITH MERCHANTS / LIMITATION OF OUR LIABILITY”; see also: TD Agreement, Clause 12

¹⁷⁶ RBC Agreement, heading “PROBLEM WITH MERCHANTS / LIMITATION OF OUR LIABILITY”

¹⁷⁷ Except that of the BMO MasterCard (C-BMO), which offers the consumer no way out. Note that the CIBC (CIBC-C) credit card agreement appears to be more frank than its counterparts, stating that the bank has no obligation to repay “unless we are obliged to by law.”

¹⁷⁸ See, in particular: *Business Practices and Consumer Protection Act*, SBC 2004, c. 2, ss. 46-52 (British Columbia); *Consumer Protection Act*, SS 1996, c. C-30.1, ss. 75.72-76.80 (Saskatchewan); *Consumer Protection Act*, C.C.S.M. c. C200, ss. 127-135 (Manitoba); *Consumer Protection Act*, 2002, SO 2002, c. 30, s. 99 (Ontario); *Consumer Protection Act*, CQLR. c. P-40.1, s. 54.1-54.16 (Quebec); *Consumer Protection and Business Practices Act*, SNL 2009, c. 31.1, ss. 28-35 (Newfoundland and Labrador)

¹⁷⁹ C-CIBC

¹⁸⁰ C-DESJARDINS

On the other hand, in the absence of equivalent protection to that provided in the case of credit card legislation, we are obliged to trust that the contractual provisions will serve as law between the parties in deciding whether or not to grant chargeback to consumers who make purchases with their virtual debit cards.

5. The consumer and the virtual debit card

Having acquired a payment instrument whose regulation is apparently left up to market forces, consumers who want to know what rights and obligations attach to their virtual debit cards will find them inside a banking agreement that is characterized by confusion and unfairness.

Consumer protection can certainly be improved here, but what are the practical difficulties they experience with this credit card? What do they think of it? Are they well informed by the issuers and merchants?

To find possible answers to these questions, we began by holding four focus groups (two in Montreal and two in Toronto) made up of consumers with virtual debit cards from one of the three issuing banks who had already made a purchase with their card. In total, we asked 37 consumers about their perceptions and experiences regarding their virtual debit card¹⁸¹.

Moreover, to discover what prior information merchants provide to consumers when they carry out a transaction with a virtual debit card, we analyzed 10 websites on which online purchases can be made. Since we found little relevant data on electronic commerce in the academic databases, we selected our sample from two sources¹⁸². We first identified the sites of the four largest online retailers in Canada (all categories) who accept payment by virtual debit card¹⁸³; our selection was made on the basis of a Euromonitor International classification¹⁸⁴. We then picked a different website in each of the six categories of purchases considered most important on the Internet in a survey conducted by the Centre to Facilitate Research and Innovation in Organizations (CEFRIO)¹⁸⁵.

¹⁸¹ The discussion guide for these groups can be found in Appendices 1 (French) and 2 (English).

¹⁸² These two sources are: Euromonitor International, *Internet Retailing in Canada*, March 2013; CEFRIO, *Résultats d'une enquête exclusive sur les habitudes d'achat en ligne des adultes québécois* 2013. Most of the statistical studies on e-commerce in Canada that we found were not freely available to the public or the universities. For example, Internet Retailer and Forrester Research published studies of this type, but we did not have access to them. The two sources that we did benefit from in our research contained only limited data. The Euromonitor International study establishes a ranking of a dozen e-commerce sites, only eight of which accept virtual debit cards. The document made available to the public by CEFRIO contains a summary of the main findings of an exclusive survey, with only three online merchants ranked as the most important in each of the six purchase categories selected. In addition, their investigation is limited to Quebec, although it can be assumed that their findings are representative of Canada as a whole.

¹⁸³ As we shall see later, several sites provide little or no guidance on whether one can use a virtual debit card as a payment method. In many cases, we had to contact customer service to find out if the site offered this payment method. In selecting sites, merchants who do not accept virtual debit cards were obviously removed from the sample in favour of the next merchant, in order of importance. Among the sites that do not support virtual debit cards are some major players, such as Walmart, Future Shop and Best Buy.

¹⁸⁴ Euromonitor International, *Internet Retailing in Canada*, March 2013, p. 4. This ranking of online merchants in Canada was decided on the basis of each company's share of the market. We noted that the companies' market shares are very unequally distributed. Amazon Inc., topped the list in 2012, with 32.1% market share, far ahead of his closest rival, Apple Inc., with 10.1%. Best Buy Canada Ltd. came in fifth, with only 4.2%.

¹⁸⁵ CEFRIO, *Résultats d'une enquête exclusive sur les habitudes d'achat en ligne des adultes québécois*, 2013. The categories are, in descending order of importance: "fashion," "electronics," "music, movies and video games," "tickets and concerts," "books, magazines and newspapers," and "travel and accommodation." Although these categories are based on a survey conducted only in Quebec, it did not seem problematic as they are very similar to those identified by Statistics Canada with regard to the types of goods consumers order over the Internet, see: Statistics Canada, *Individual Internet use and E-commerce, 2012*, *The Daily*, October 28, 2013. Moreover, the most

We ended by analyzing the following 10 sites: amazon.ca, apple.ca¹⁸⁶, dell.ca, sears.ca, gapcanada.ca¹⁸⁷, staples.ca¹⁸⁸, ebay.ca¹⁸⁹, ticketmaster.ca¹⁹⁰, chapters.indigo.ca¹⁹¹ and expedia.ca¹⁹². This portrait, incidentally, is in line with the impression of the market that we got from the Visa representatives in an interview¹⁹³, as well as from the major Internet sites visited by the participants in the focus groups.

5.1. A most appreciated payment option

If we are to believe the comments collected in the focus groups, Canadian consumers who have virtual debit cards really like them. They see them as a flexible tool that is easy to use and allows them to make online transactions (which they could not previously do with their debit cards). They even said they would recommend one to a family member or friend.

The consumers pointed out that the virtual debit card is a great alternative to the credit card or prepaid card for making purchases online. Several said that credit cards are synonymous with debt, or that they could not get one due to a poor credit history. Virtual debit cards, they said, allow them to avoid indebtedness¹⁹⁴ and better manage their budgets. “They stop me from getting into debt with impulse buys like splurging on a pair of shoes.” Another added, “I can forget about owing money at the end of the month. This is paid for immediately.”

Prepaid cards, on the other hand, are viewed as unlovable substitutes because of the various fees charged to the holder: “I prefer virtual debit cards because they avoid the high cost of prepaid cards.” And indeed, the fees for using them listed in the consumer’s banking package are usually considerably lower than for prepaid cards.

It is no surprise, therefore, that consumers say they are making great use of their virtual debit cards and that they have few criticisms of them. Some even claimed they had done more online shopping since they got one. Most simply stated they wished more merchants accepted this

important site in each category was selected first by prioritizing relevant companies not previously selected in the Euromonitor International ranking, then by referring to the CEFRIO category ranking when necessary.

¹⁸⁶ The Euromonitor International study gives “Apple Canada Inc.” as an important company. Several participants in the focus groups also mentioned making purchases on iTunes, the music software offered by Apple. Because iTunes is a software application, however, we chose to analyze the Apple website, which offers a wide variety of electronic devices.

¹⁸⁷ This site was selected for the “fashion” category (from Euromonitor International).

¹⁸⁸ This site was selected for the “electronics” category (from Euromonitor International).

¹⁸⁹ This site was selected for the “music, movies and video games” category (from CEFRIO).

¹⁹⁰ This site was selected for the “tickets and concerts” category. CEFRIO put Admission Network in its classification. However, because that company is owned by Ticketmaster, we considered that the latter was more representative of the Canadian market as a whole.

¹⁹¹ This site was selected for the “books, magazines and newspapers” category (from Euromonitor International).

¹⁹² This site was selected for the “travel and accommodation” category (from CEFRIO).

¹⁹³ In an interview, Sue Whitney of Visa Canada, said, “People like to buy books, music, toys, electronics, telephone services and cable, airline tickets and just about everything that you can get online, you can now get with Visa debit. It’s all over the place.”

¹⁹⁴ Provided, of course, that the consumer does not have a line of credit linked to his or her bank account.

mode of payment¹⁹⁵. Some also suggested that customer loyalty plans, such as cash rebates, should be offered with these cards.

Users of the purely virtual RBC card, however, had more complaints. Several said that they would find it more convenient if their card offered the same functionality as its cousins: the ability to buy from a point of sale and online with the same card. They found the Reference Card provided by RBC awkward to use: “Instead of having two cards, you should have two cards in one.”

5.2. Widespread confusion

Although the virtual debit card has its virtues, its arrival in the pocketbooks of Canadian consumers did not go completely smoothly. The first stumbling block was the ignorance surrounding this new hybrid payment instrument.

The fact that CIBC and TD virtual debit cards were issued automatically to the customers of these banks as replacements for expired or lost regular debit cards¹⁹⁶ sometimes raised questions among consumers. Noting that their new cards bore the Visa logo (a brand associated with credit cards in Canada) some first believed that their bank had sent them a credit card. Others simply did not notice the presence of an additional logo and were unaware of the new payment options offered by their card: “I figured it was a replacement debit card, and I treated it as such. Nobody pointed out to me that I could use it online.” For some, the fact that the card was sent automatically (not negotiable) was even a source of discontent: “I didn’t want my son to get a Visa card because he would use it for online games all the time.”

Confusion was also rife among merchants. Several consumers testified that some merchants seemed reluctant to honour a payment they made with their debit card, fearing that the payment would have to pass through the Visa network: “I wanted to pay, but the cashier told me that they did not accept Visa. It was a waste of time explaining that was is a debit card, not a credit card.” Some merchants, who otherwise accepted payments by debit card, reportedly flatly refused the transaction and asked to be paid in cash. Also mentioned were difficulties in carrying out of transactions, both online and at a point of sale. For example, one customer who booked a car online with his RBC card claimed to have found in himself in a tricky situation when the merchant demanded that the final payment be made with the same card.

5.3. Misplaced confidence?

When asked about their rights and responsibilities with regard to the virtual debit card, consumers responded by first talking about their obligations. They remembered immediately that they had to protect the confidentiality of their PIN, to refrain from giving their card to

¹⁹⁵ In fact, although Visa claims that more than 20,000 merchants accept its virtual debit card, an analysis of Web sites revealed that several major retailers in Canada still did not accept it at the time of writing. These include Walmart, Future Shop, Best Buy, Costo and the Hudson’s Bay Company.

¹⁹⁶ The RBC card was often offered by the bank itself, and issued following acceptance by the consumer.

another person, to contact the issuer in the event of loss or theft of their card and to regularly monitor their bank statements. But while they took their responsibilities seriously, their perceptions of the protection they enjoyed in relation to the use of this card reflected the same confusion we found in the bank agreements we analyzed (see Section 4.3).

Most consumers show great confidence in their banks and payment networks. They believe that their virtual debit card offers at least as much protection in the event of fraud or dispute with a merchant as that provided by any other payment card, including their credit card¹⁹⁷. For many, the presence of the Visa logo on the card seems to mean greater protection: “When you see Visa, you think something is guaranteed.” However, it is difficult for them to explain how such a card is just as, if not more, advantageous: none of the participants, for example, mentioned Visa’s “Zero Liability” or “E-Promise” programs. In addition, few understood how the payment system functioned and what was the role of networks such as Visa or MasterCard in the transaction. “I don’t think Visa makes any money; it’s just marketing” one consumer said.

Many also have the perception that their bank was looking after their security, without knowing anything about its shared liability policies. “I’m sure my bank would reimburse me if something bad happened,” one participant said. While the bank agreements we analyzed stipulate that consumers may be held responsible for an amount higher than their account balance in the event of fraud¹⁹⁸, many believed that this amount is limited to a certain threshold. Others simply believed that they have no liability, under any circumstances.

Consumers’ confidence in those controlling the payment system remains unshaken, despite the fact that they believe there is a greater risk of fraud during online transactions. Indeed, several brought up how easy it would be to make purchases online with a stolen virtual debit card, compared with a regular debit card: “It’s dangerous. If you dropped your card, anybody could empty your account.” Another added: “All they would need is the three-digit security code on the back and the expiry date.” Also, the “Verified by Visa” security system that protects access to the user’s account with a password is not used by all consumers, nor by all the sites where they make purchases.

5.4. Better information required

That consumers have limited knowledge of their rights and obligations in relation to their virtual debit card, or even the operation of the Canadian payment system, is hardly surprising. Indeed, many confessed that they were less than enthusiastic about reading the banking agreements or any of the other informational material provided by their card issuer. The majority claimed not to have read the terms of use for their card, pointing out that the length of these contracts was very off-putting: “It’s discouraging,” “I didn’t even know there was a contract.” The more curious consumers mainly get their information about their new virtual debit card over the Internet or by consulting documentation provided by their bank.

¹⁹⁷ Occasionally, consumers still said that debit cards are safer than other types of cards because they felt they were in control of the money in their account and could transfer it elsewhere in the event of problems, unlike credit. However, most thought that every payment instrument offered similar protection.

¹⁹⁸ For example, if the consumer has a line of credit, or if the unauthorized transaction gave rise to charges.

Several consumers said they did not know enough about their cards or how to use them: “I don’t think the banks tell us enough. I wanted to rent a car. I had enough in my account, but my bank never told me I couldn’t make that kind of purchase,” The main topic of discussion centered on whether or not they could pay by debit on merchants’ websites. Since many merchants still do not accept this method of payment, many consumers claim that they were misinformed about what payment methods are accepted: “It doesn’t always say that they don’t accept it.” Another added: “I do a lot of shopping online, but I find I’m short on information. I can’t see Visa debit.”

Analysis of the merchants’ websites partly confirms these consumers’ observations. Of the ten websites accepting virtual debit cards that we analyzed, only six explicitly mentioned the option of paying by Visa debit¹⁹⁹ when the consumer was ready to pay for an item. In addition, these statements are sometimes barely visible. In some cases, the payment method was only indicated by the presence of a small “Visa Debit” logo. In other cases, there were only cryptic statements such as “Credit/Debit Card.” We also noticed that many sites, even though they state that debit payment is accepted, ask the consumer to enter the information of his payment card on a form whose title refers only to “credit cards”, leaving the impression that this is the only type of card they accept. For example, dell.ca, even though it displays a “Visa Debit” logo, asks customers to enter information about their credit card²⁰⁰.

On the four other sites no mention was made prior to checkout to the effect that virtual debit cards were accepted²⁰¹. Three of these sites only offered the consumer the option of choosing a payment network²⁰² without specifying whether payment could be made by credit or debit²⁰³. One last site mentioned only the possibility of paying by credit card²⁰⁴.

Also, we found several online help pages containing references to the possibility of paying by virtual debit card. In every instance, however, this information was brief, limited to announcing the option of online debit and how to go about it. For example, the most comprehensive information we found was on the tickmetmaster.ca site, which read as follows:

« Visa Debit is now accepted as a method of payment at Ticketmaster.ca.

To use your Visa Debit card at the Ticketmaster.ca checkout page;

¹⁹⁹ These sites are: amazon.ca, apple.ca, dell.ca, sears.ca, ticketmaster.ca, chapters.indigo.ca. We considered such a mention to be any reference to debit payment at the time of purchase.

²⁰⁰ We found the same problem on amazon.ca.

²⁰¹ In this regard, we should remember that the *Canadian Code of Practice for Consumer Protection in Electronic Commerce* discussed in Section 3.4 does however suggest that merchants list the methods of payment available to consumers.

²⁰² Note here that the merchants contribute to the consumers’ confusion when they ask them to choose a “type” of payment (which normally corresponds to debit or credit) and then give them the choice between different payment networks.

²⁰³ These sites are: gapcanada.ca, ebay.ca, expedia.ca

²⁰⁴ The site is staples.ca. We had to contact the customer service department at this company to make sure that they accepted payment by virtual debit card. When asked about the lack of notification to this effect on the website, the representative referred to the newness of the payment method.

- *Select Visa as the method of payment from the dropdown menu of card types*
- *Enter your card and billing information as prompted*

You can save your Visa Debit information to your My Account for future use as you would for any other card type. »

In short, on several Internet sites, it is difficult for consumers to know whether or not they can pay for a purchase with their virtual debit card. In many cases, merchants conflate credit cards and debit cards. Consumers, who are poorly informed, either have to make an attempt to purchase with their virtual debit card, or contact the customer service department of the company to inquire about which payment methods they accept. “I learned through trial and error” said one of the consumers participating in the focus groups. There is no information on the merchants’ websites about consumers’ rights and responsibilities in relation to the use of the card: the consumer must instead refer to the agreement and the documentation provided by the bank that issued his card.

6. A glimpse south of the border

In the United States, there is no product that is conceptually equivalent to the virtual debit card described in this report. Unlike Canada, the U.S. debit card market is split up among several regional networks²⁰⁵ and a handful of large national networks, which include Visa and MasterCard. American debit cards were therefore introduced into a market that was much more competitive from the start, and was not subject to the same regulatory restrictions.

For example, several networks can coexist on the same card and offer competing payment services. In addition, these cards do not have the same limitations for online use as the Interac network in Canada; they can be used both for shopping physically in a store, using a PIN or a signature, or for shopping on the Internet using Visa or MasterCard.

One distinctive feature of the American context is that the consumer who makes a payment by debit card in person at a point of sale has two possibilities. First, he may choose to make a so-called “online” transaction, i.e. by entering his PIN into the terminal to authorize the transaction. But he can also choose to authorize a so-called “offline” transaction; in this case, the consumer is asked to sign (usually on a touch screen) to approve the transaction. While “online” transactions are conducted via the regional networks, those performed “offline” are more often conducted via Visa or MasterCard²⁰⁶.

A number of business maneuvers by these two national networks have been brought to light that explain why this archaic method of signature authorization continues²⁰⁷. Prior to 2010, the interchange fees set by Visa and MasterCard for signature debit were higher and more profitable for issuers of debit cards than those for NIP-authorized debit, and therefore, the issuers chose to promote signature debit. However, after 2010, the situation changed. A settlement following a lawsuit filed by the Justice Department of the United States against these networks’ anticompetitive practices²⁰⁸ and the American legislative response²⁰⁹ successively compelled the U.S. national networks to ease their membership rules, and more particularly to significantly reduce the interchange fee they were allowed to impose²¹⁰.

While the repositioning of the U.S. debit card market as a result of these recent changes remains to be studied, we should bear in mind that the American debit card scene is very different from the one in Canada. The same goes for the U.S. legal framework governing debit cards. In fact,

²⁰⁵ For example, the, NYCE, MAC, Tyme, SHAZAM or STAR networks. Although these networks often occupy exclusive regional niches, most have reached agreements to the effect that they will accept the cards of their counterparts.

²⁰⁶ Lloyd Constantine et al., “Lessons From an Interventionist Historically Federal Reserve and the Recent Visa Check / MasterMoney Antitrust Litigation” (2006) 2 *NYU JL & Business* 147, p. 158-159.

²⁰⁷ *Id.*, p. 160 et seq.

²⁰⁸ American Express was also named in this lawsuit, see *United States v. Am Express Co.*, No. 10-4496 (E.D.N.Y. 2011)

²⁰⁹ In 2010, the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, HR4173, among other things, amended the *Electronic Fund Transfer Act* (see below) by delegating to the Federal Reserve of the United States the power to regulate interchange fees to ensure that they are reasonable. See: 15 USC § 1693o-2. In 2011, it adopted *Debit Card Interchange Fees and Routing*, 12 CFR 235. Under this Regulation, the maximum interchange fee that can be charged by an issuer is 21 cents per transaction and 5 basis points multiplied by the value of the transaction.

²¹⁰ A class action was also filed by merchants in 2005, which was concluded in 2013 by a settlement reducing certain costs and allowing merchants to charge fees to consumers. See: *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation* [All Cases], No. 05-MD-1720 (EDNY 2012).

unlike Canada, the United States has a binding legal framework for debit cards, which applies broadly to any transfer of funds from a bank account, and covers both virtual operations and those performed at a point of sale²¹¹. This framework is enshrined in the U.S. federal law, the *Electronic Fund Transfer Act*²¹².

This law requires that issuers must, among other things, provide consumers with instructions in plain language on how to use their card upon the conclusion of the agreement; these instructions must include certain information such as the rules governing liability in the event of unauthorized use of a card or applicable fees²¹³. They must also provide a periodic transaction statement²¹⁴. There are also rules applicable to preauthorized debits: a consumer may only consent to these in writing, and may withdraw this consent simply by notifying his financial institution²¹⁵. In the event of a preauthorized payment, the amount of which may vary, the financial institution must first notify the consumer of the amount to be debited²¹⁶.

The American solution to unauthorized transactions is worth highlighting. In the event of the loss or theft of the card, the consumer's liability is limited to \$50 provided that he notifies the issuer within two business days of discovering the situation. If he fails to do so within that time but warns his bank within 60 days after the statement is issued, the ceiling is raised to \$500. If he still does not notify his bank after the 60 days are up, his liability becomes unlimited²¹⁷. Consumers whose card is not stolen or lost, but are victims of an unauthorized use of their card number, are not liable for losses provided that they notify the issuer of the non-authorized transaction in their account within 60 days of issuance of the account statement showing the unauthorized transaction.

This scheme, however, is less advantageous than in the case of credit cards, for which liability for loss or theft is invariably limited to \$50²¹⁸. In addition, the *Electronic Fund Transfer Act* does not include any provisions regarding chargeback, contrary to what is provided for U.S. credit cards in the *Truth in Lending Act*²¹⁹. This is a deficiency deplored by several authors, who note the significant degree of confusion among Americans between credit cards and debit cards, and who urge that consumers should benefit from equivalent standards, regardless of the method of payment involved²²⁰. Although the presence of the Interac network seems to have avoided this confusion so far in Canada, it is clear that the arrival of new players in the debit card market suggest that the same kind of difficulties could arise here (see Section 5).

²¹¹ *Electronic Fund Transfer Act*, 15 U.S.C. § 1693a. The definitions of “card” and “electronic fund transfer” in this section are broad, and include not only the debit card, but any method of accessing a bank account; similarly, electronic transfer of funds covers transactions carried out by computer and those made at a point of sale terminal.

²¹² This law is complemented by *Regulation E (Electronic Fund Transfer Act)*, 12 CFR § 205.6

²¹³ 15 U.S.C. § 1693c

²¹⁴ 15 U.S.C. § 1693d

²¹⁵ 15 U.S.C. § 1693e (a)

²¹⁶ 15 U.S.C. § 1693e (b)

²¹⁷ 15 U.S.C. § 1693g *Regulation E*, § 1005.6. Note that the issuer is also responsible for technical problems, with certain exceptions, see 15 USC § 1693h

²¹⁸ *Truth in Lending Act*, 15 U.S.C. § 1643g

²¹⁹ *Id.*, § 1666e

²²⁰ Neil M. Peretz, “The Single Euro Payments Area: A New Opportunity for Consumer Alternative Dispute Resolution in the European Union” (2008) 16 *Mich. St. J. Int’l L.* 573, p. 607

7. Conclusion and recommendations

The virtual debit card is a new product that is appreciated by consumers. It offers great flexibility and the costs associated with its use are low. Many find it gives better value than the prepaid card, for which user fees can be much higher. In addition, consumers who are unable or unwilling to use a credit card prefer this card, as it allows them to pay without borrowing. However, despite its undeniable advantages, the virtual debit card does raise some questions.

First, no binding legal framework has been adopted to protect consumers who use the card, at either the federal or the provincial level. As yet, neither the CPA rules nor the Visa network membership rules provide any standard of consumer protection that could be invoked before a court of law. This situation is particularly problematic with regard to the promotional representations made by Visa, which state that consumers using its network benefit from fraud protection and a chargeback process in the event of a dispute with a merchant.

The voluntary codes, which have been the solution adopted to date, enunciate precepts whose implementation the consumer is unable to compel. These codes, in the best case scenario, will provide inspiration to issuers when they compose cardholder agreements, yet retain all the flexibility one could wish to include other terms. We should add that the most important of these legal instruments, the *Canadian Code of Practice for Consumer Debit Cards*, is outdated and does not cover the online operations made possible by the virtual debit card.

In the absence of a binding legal framework, we must resign ourselves to the idea that it is the cardholder agreement that is the main source of rights, and most of all, of obligations for the virtual debit card user. The reality is that such adherence agreements are often weighted against the consumer.

These agreements allow the issuer broad discretion as to the protection afforded to the consumer in the event of fraud or of theft of the card. In particular, the issuer may refuse to compensate the consumer who is victim of fraud if it judges him to have breached his contractual obligations, for example if he did not immediately contact the issuer to inform it of the loss of a card, or if it considers that the consumer has not fulfilled his security obligations. Nor do we find a clear commitment that the issuer will make a chargeback in the event of a dispute with a merchant, even if the consumer has legally cancelled the purchase. The provisions that we found in the virtual debit card agreements are similar to those found in both regular debit card agreements and prepaid card agreements. In Canada today, it is still the credit card that offers the consumer the best legal protection.

Most consumers and many merchants are inadequately informed about this new product. While most Canadians are familiar with Visa and MasterCard as issuers of credit cards, there is considerable confusion about the features of their virtual debit cards. More importantly, many consumers are unaware of their rights and responsibilities when it comes to virtual debit cards; some, demonstrating great confidence in their financial institution, believe they have equivalent protection regardless of the type of payment card involved. These findings are not, by the way, without precedent: a report produced in 2007 for the Financial Consumer Agency of Canada

concluded that debit card holders had limited knowledge of their liability in the event of losses resulting from unauthorized use of their card²²¹.

In Canada, all debit cards should be subject to a binding regulatory framework similar to that in place in the United States. As with credit cards, this framework should include a limitation of the consumer's liability in the event of unauthorized use of the card and allow the consumer to request a chargeback for purchases made online. Given the problems identified in this report, other solutions might also be added to this framework. For example, in the case of unauthorized transactions, the contracts we studied essentially place the burden of proof on the shoulders of the consumer; legal presumption in favour of consumers claiming to be victims of fraud would help redress this imbalance²²². The length of the investigative process required for the issuer to determine whether or not a transaction is authorized should be limited. In order to prevent any harm to the consumer, provisional credit should be granted automatically. Finally, issuers should be subject to greater security obligations.

In addition, as Option consommateurs previously noted with regard to regular debit or prepaid cards²²³ a truly effective solution would require addressing the issue in its entirety through the establishment of a general framework for the protection of the consumer that would be harmonized and mandatory for every mode of electronic payment in Canada. Considering the rapid proliferation of payment instruments in the country, the choice to regulate products in a "piecemeal"²²⁴ manner as they emerge is an increasingly questionable approach: it creates inconsistencies in the protection afforded to consumers, which often varies in accordance with technical criteria²²⁵ and leaves them uncertain of their rights and responsibilities according to which payment method they use. A law must be introduced that frames all electronic payments within clear, equitable, harmonized principles that are adaptable to new technologies without compromising their development.

²²¹ FCAC's 2007 Debit Card Code of Practice—Consumer Research, <http://www.fcac-acfc.gc.ca/Eng/resources/researchSurveys/Pages/FCACs200-ACFC2007.aspx>

²²² See in this regard: Marc Lacoursière, "Propositions de réforme pour une protection des titulaires de cartes de débit victimes de transferts de fonds non autorisés," (2009) 54 *McGill Law Review* 91, p. 115

²²³ Jacques St Amant, *La triste histoire d'un code condamné : les déboires de la mise en oeuvre du Code de pratique des services de cartes de débit*; report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2005, p. 78; Jean-François Vinet, *La protection des consommateurs utilisant des cartes de paiement prépayées : Un instrument laissé aux forces du marché*, report presented to Industry Canada's Office of Consumer Affairs by Option consommateurs, 2008, p. 83

²²⁴ Recently, although constituting a commendable advance, the adoption of the *Prepaid Payment Products Regulations* (SOR/2013-209), which regulates prepaid cards that use national payment networks, poses the same problem. This is a very specific regulation that targets specific problems with this payment instrument, and should be extended to other types of cards and issues such as liability for fraud.

²²⁵ For example, as we saw earlier, the CPA rules apply to Interac online, but not to online operations carried out with virtual debit cards, for mainly technical reasons.

In the light of the preceding, we submit the following recommendations:

Recommendations to the federal government:

- **Option consommateurs recommends that the federal government implement legislation to harmonize the legal regimes for all forms of electronic payment. These harmonized binding rules should be sufficiently flexible to apply to all payment instruments, both old and new, and in particular should address issues related to consumer information, the apportionment of risk in the event of unauthorized use, and protection mechanisms in the event of a dispute with a merchant.**
- **Option consommateurs recommends that the federal government enact legislation that will allow consumers to invoke the ACP rules before a court of law.**

Recommendations to the provinces:

- **Option consommateurs recommends that the provinces consult with the federal government to advance rapidly toward the adoption of a comprehensive, harmonized framework for all forms of electronic payments in Canada.**
- **Option consommateurs recommends that the provinces change their laws to protect consumers in such a manner that the protection they afford to holders of credit cards will also apply to any operation carried out by debit card.**

Recommendations to the payment card networks, including Interac, MasterCard and Visa:

- **Option consommateurs recommends that the payment card networks require their members to incorporate within their cardholder agreements the payment network rules protecting the rights of consumers, including those regarding their liability in the event of fraud, in order that consumers may avail themselves of these rights.**
- **Option consommateurs recommends that the payment card networks ensure that the customer protection policies and programs that they promote contain complete, effective terms which are easily accessible to the public and which the issuer of the card may not waive at its discretion.**

Recommendation to the issuers of virtual debit cards:

- **Option consommateurs recommends that the issuers of virtual debit cards write fair, transparent, cardholder agreements that are easy for consumers to understand. At a minimum, these agreements should respect all the voluntary codes overseen by the FCAC as well as the obligations contained in the rules of the payment networks. In particular, issuers should explicitly inform consumers of their right of recourse in the event of a dispute with a merchant, and not attempt to evade their responsibility.**

Recommendations to merchants:

- **Option consommateurs recommends that merchants better inform consumers about which payment methods they accept online.**
- **Option consommateurs recommends that merchants better train their staff to ensure that they can recognize the new payment instruments that consumers present to them.**

Recommendation to consumers:

- **Option consommateurs advises consumers to keep themselves well informed about the terms related to the payment instruments they use. They should not hesitate to assert their rights.**

Appendix 1 –Discussion Guide (English version)

Note : participants must be identified according to a color code (IE : red cards for CIBC customers, blue for RBC and green for TD). Ideally, participants with the same cards should sit next to each other. Also, the moderator should make sure at least one person from each group answers each question.

INTRODUCTION

You all have what is called a virtual debit card. Right now, there are three major virtual debit cards in Canada: the CIBC Advantage Debit Card, the RBC Virtual Visa Debit card and the TD Canada Trust Access Card. Technically, you all have one of these cards.

During this discussion, we will only talk about your virtual debit card, not the other cards you have.

1. CONSUMERS' GENERAL KNOWLEDGE

- 1.1 Can you tell me, in your own words, what is a virtual debit card (the card we are talking about tonight)? Develop (uses, advantages, disadvantages, etc.).
- 1.2 Can you tell me the difference between a virtual debit card and...
 - a debit card?
 - a credit card?
 - a prepaid card?
- 1.3 According to you, what is Visa's role when you use your virtual debit card for a transaction? What is your financial institution's role in the transaction?

2. CONTEXT

- 2.1 Since when do you have your virtual debit card?
- 2.2 In what circumstances have you had your virtual debit card? Did you expressly ask for it or was it automatically sent to you this way? Was it sent to you when your old card was renewed or at another time?
- 2.3 Before getting this card, did you read up information about it? If so, what documentation did you read? What have you done? Did you read the entire documentation or just a few paragraphs? Did you quickly browse the document?

- 2.4 Have you checked the documentation since you have received this card? Is so, which document? What have you done? Did you read the entire documentation or just a few paragraphs? Did you quickly browse the document?
- 2.5 Have you read the contract governing the use of your virtual debit card?
- 2.6 According to you, what are the advantages of using a virtual debit card as opposed to another type of card?
- 2.7 What are the disadvantages?

3. BEHAVIOR AND EXPERIENCES

- 3.1 What do you do with this card? Purchases? Something else? (in person, on the Internet, on the phone, by the mail?)
- 3.2 Could you use it to do other things? If so, please explain.
- 3.3 For what kind of purchases do you use the card? Do you use it to buy:
 - At a store?
 - On line?
 - On the phone?
 - By the mail?
- 3.4 At what store did you use your card?
- 3.5 Why did you choose to use this card instead of a credit card to make a remote purchase?
- 3.6 Do you use this card to make preauthorized payments (for example, for your cellphone account)? Is it working well?
- 3.7 Have you ever used your card outside of Ontario? In what circumstances? Did it work well?
- 3.8 When you have used your card to make one or many purchases, did you notice if there were specific security procedures?
(For example: The "Verified by Visa" system)
- 3.9 Have you ever returned some item purchased with this card? How did the reimbursement go?
- 3.10 Did you contact your financial institution about this card? Why?
- 3.11 Have you had any problems with this card? Tell us what happened? What have you done about the problem?

- 3.12 Have you ever been a victim of fraud with this card? If so, what happened? What have you done, then? How was it resolved?
- 3.13 How often do you review your monthly statements?
- 3.14 Where do you keep the card issuer's emergency number in case of loss, theft or fraudulent activity with your card? Would you be able to easily find this number in case of loss, theft or fraudulent activity with your card?

4. CONSUMER PROTECTION

Definition of a virtual debit card: A virtual debit card is a card that uses the VISA system (instead of Interac) to access your bank account. It is not a credit card but a debit card. Right now, in Canada, you can not use the VISA system to pay debit in a store. The Interac system is the only system to make debit transactions. However, you use the VISA system when you make a remote debit purchase with your card via the Internet, the phone or the mail.

- 4.1 When you received this virtual debit card, did you know you could use it to make remote purchases (just like you would with a credit card)?
- 4.2 Do you think you are sufficiently informed about your virtual debit card?
- 4.3 What do you know about your rights and responsibilities when you are using your virtual debit card?
- 4.4 Do you think it is safe to use this card? Is it more safe than with other types of cards? Why?
- 4.5 What is your protection when you **return an item** purchased with this card?
- 4.6 What is your protection against **fraud** when you make a purchase with this card?
- 4.7 What is your protection when you allow preauthorized **payments** with this card?
- 4.8 In your opinion, what are the differences in protection if you make a purchase on line or in a store?
- 4.9 Do you think you have the same protection if you use a virtual debit card or another card (debit card, credit card, prepaid card)? Please explain and compare.
- 4.10 Do you know the precautions you have to take to protect yourself against fraud? What are they?

5. APPRECIATION OF THE PAYMENT MODE

- 5.1 Before getting this card, did you have an idea of how you would use it?
- 5.2 If so, are you using it like you were thinking you would? Why?
- 5.3 In your opinion, what are the improvements that could be done to virtual debit cards?
- 5.4 What would you say to a friend or a family member that wants to use a virtual debit card?
- 5.5 Would you like to add something else on the subject?

Appendix 2 – Guide de discussion (French version)

Note : les participants doivent être identifiés par un code de couleurs (exemple : carton rouge pour ceux qui ont une carte CIBC, carte bleue pour ceux qui ont une carte RBC et carte verte pour ceux qui ont une carte TD). Idéalement, les personnes ayant une même carte devraient être assises les unes à côté des autres. De plus, l'animateur devrait s'assurer qu'au moins une personne ayant une carte de chaque couleur réponde à chaque question.

INTRODUCTION

Vous avez tous ce qu'on appelle une carte de débit virtuelle. Actuellement, il en existe trois principales au Canada, soit la Carte de débit Avantage CIBC, la Visa Débit RBC Virtuelle et la Carte Accès TD. En principe, vous avez tous une de ces cartes.

Durant cette rencontre, c'est de votre carte de débit virtuelle que nous parlerons, et non de vos autres cartes.

1. CONNAISSANCE GÉNÉRALES DU CONSOMMATEUR

- 1.1 Pouvez-vous me dire, pour vous, ce qu'est une carte de débit virtuelle (c'est la carte dont nous parlons depuis le début de la rencontre)? Approfondir (type d'utilisation, avantage, inconvénients, etc.).
- 1.2 Pouvez-vous expliquer la différence entre votre carte de débit virtuelle et...
 - une carte de débit?
 - une carte de crédit?
 - une carte prépayée?
- 1.3 Selon vous, quel est le rôle de Visa dans la transaction? Quel est celui de votre institution financière?

2. CONTEXTE

- 2.1 Depuis combien de temps avez-vous votre carte de débit virtuelle?
- 2.2 Dans quelles circonstances avez-vous obtenu votre carte de débit virtuelle? L'avez-vous demandée expressément ou vous l'a-t-on envoyée automatiquement sous cette forme? Vous l'a-t-on envoyée lors du renouvellement de votre carte de débit ou à un autre moment?

- 2.3 Avant d'obtenir cette carte, avez-vous consulté de la documentation pour vous informer sur cette celle-ci? Si oui, laquelle? Qu'avez-vous fait? Vous l'avez lue au complet? Vous en avez lu quelques paragraphes? Vous l'avez parcourue brièvement?
- 2.4 Avez-vous consulté de la documentation depuis que vous avez cette carte? Si oui, laquelle? Qu'avez-vous fait? Vous l'avez lue au complet? Vous en avez lu quelques paragraphes? Vous l'avez parcourue brièvement?
- 2.5 Avez-vous lu le contrat régissant l'utilisation de votre carte de débit virtuelle?
- 2.6 Selon vous, quels sont les avantages d'utiliser la carte de débit virtuelle plutôt qu'une autre carte?
- 2.7 Quels en sont les inconvénients?

3. COMPORTEMENTS / EXPÉRIENCES

- 3.1 Que faites-vous avec cette carte? Des achats? Autre chose? (*en personne, par Internet par téléphone, par courrier?*)
- 3.2 Pourriez-vous l'utiliser pour faire autre chose? Expliquer.
- 3.3 Pour quel type d'achat l'utilisez-vous? Avez-vous déjà utilisé cette carte pour faire des achats :
- Directement chez un commerçant?
 - En ligne?
 - Par téléphone?
 - Par la poste?
- 3.4 Chez quels marchands avez-vous utilisé cette carte?
- 3.5 Pour faire un achat à distance, pourquoi avez-vous choisi d'utiliser cette carte plutôt qu'une carte de crédit?
- 3.6 Utilisez-vous cette carte pour faire des paiements préautorisés (par exemple, pour votre compte de téléphone cellulaire)? Est-ce que cela fonctionne bien?
- 3.7 Avez-vous déjà utilisé cette carte à l'extérieur du Québec Dans quelles circonstances? Est-ce que cela a bien fonctionné?
- 3.8 Lorsque vous avez utilisé cette carte pour faire un ou des achat(s), avez-vous remarqué des procédures de sécurité particulières?
(*Par exemple : le système « Verifié par VISA »*)
- 3.9 Vous est-il arrivé de retourner de la marchandise achetée avec cette carte? Comment le remboursement a-t-il été fait?

- 3.10 Avez-vous déjà contacté votre institution financière à propos de cette carte? À quel sujet?
- 3.11 Avez-vous déjà eu un problème avec cette carte? Racontez-nous ce qui s'est passé (situation)? Qu'avez-vous fait?
- 3.12 Avez-vous déjà été victime de fraude sur cette carte? Si oui, qu'est-il arrivé? Qu'avez-vous fait? Comment cela s'est-il réglé?
- 3.13 À quelle fréquence surveillez-vous vos relevés mensuels?
- 3.14 À quel endroit conservez-vous le numéro d'urgence de l'émetteur de la carte pour signaler rapidement la perte ou le vol de cette carte ou une transaction frauduleuse? Est-ce que vous pourriez facilement retrouver le numéro de l'émetteur de la carte pour signaler rapidement la perte ou le vol de cette carte ou une transaction frauduleuse?

4. PROTECTION DU CONSOMMATEUR

Définition de la carte de débit virtuelle : Une carte de débit virtuelle est une carte qui utilise le réseau de VISA (plutôt que le réseau Interac) pour accéder à votre compte bancaire. Ce n'est pas une carte de crédit, mais bien une carte de débit. Actuellement, au Canada, vous ne pouvez pas utiliser le réseau VISA pour faire un paiement par débit directement dans un magasin. C'est seulement le réseau Interac qui est utilisé pour ce faire. Cependant, vous pouvez faire un paiement par débit via le réseau Visa avec ces cartes pour des achats à distance : internet, téléphone, poste.

- 4.1 Au moment où vous avez reçu votre carte de débit virtuelle, saviez-vous que votre carte permettait de faire des achats à distance (comme une carte de crédit)?
- 4.2 Croyez-vous être suffisamment informés au sujet de votre carte de débit virtuel?
- 4.3 Que savez-vous de vos droits et responsabilités lorsque vous utilisez votre carte de débit virtuelle?
- 4.4 Croyez-vous qu'il est sécuritaire d'utiliser cette carte? Est-ce aussi sécuritaire que les autres types de cartes? Pourquoi?
- 4.5 Quelle protection avez-vous lorsque vous **retournez de la marchandise** achetée avec cette carte?
- 4.6 Quelle protection contre la **fraude** avez-vous lorsque vous faites un achat avec cette carte?
- 4.7 Quelle sont les protections que vous avez lorsque vous permettez le **débit préautorisé** sur cette carte?

- 4.8 Selon vous, quelles sont les différences dans les protections qui vous sont offertes si vous faites votre achat en magasin ou si vous le faites en ligne? Lesquelles?
- 4.9 Croyez-vous que vous bénéficiez de la même protection si vous utilisez la carte de débit virtuelle ou une autre carte (carte de débit, une carte de crédit ou une carte prépayée)? Expliquer. (*comparaison avec chacune*)
- 4.10 Est-ce que vous connaissez les différentes mesures que vous devez prendre pour vous protéger contre la fraude? Quelles sont-elles?

5. APPRÉCIATION DU MODE DE PAIEMENT

- 5.1 Avant d'obtenir cette carte, aviez-vous une idée de l'utilisation que vous en feriez?
- 5.2 Si oui, l'utilisez-vous comme vous pensiez le faire au départ? Expliquer.
- 5.3 Selon vous, quelles sont les améliorations qui pourraient être apportés aux cartes de débit virtuelles?
- 5.4 Que diriez-vous à un parent ou à un ami qui désire utiliser une carte de débit virtuelle?
- 5.5 Voulez-vous ajouter quelque chose?