



Consumer Protection Act Review
Manager, Consumer Policy Unit
Ministry of Public and Business Service Delivery
56 Wellesley Street West - 6th Floor
Toronto, ON, M7A 1C1

March 17, 2023

On behalf of Fintechs Canada and its members, I would like to thank you for the opportunity to share our perspectives on modernizing the *Consumer Protection Act*.

Fintechs Canada is a not-for-profit association that serves as the collective voice for fintechs in Canada. Collectively serving millions of Canadians on a daily basis, our membership includes Canadian fintech market leaders, global fintech companies, payment networks, financial institutions, and start-ups and scale-ups that are defining the future of financial services. According to a market survey published by Accenture in 2021, [60 percent of Canada's fintech companies are located in Ontario](#).

Fintechs Canada's mission is to improve the economic well being of Canadians by making Canada's financial sector more competitive and innovative, as well as stable and secure. A modernized *Consumer Protection Act* is an important piece of the puzzle.

We applaud the Government of Ontario and the Minister of Public and Business Service Delivery for the work they are carrying out and support the majority of proposals that have been put forward. As a result, we'd like to focus our feedback on a couple of specific proposals.

1. Contract Amendment Rules: Improving Consumer Rights

The ministry is proposing that rules for amending contracts need to better protect consumers from unilateral changes. In particular, the proposal is to apply the



principle of explicit consent to contract amendments if contract amendments reduce supplier's obligations or increase customer's obligations.

We agree that contract amendment rules need to better serve consumers, including by ensuring customers are given an opportunity to explicitly consent to changes that affect their economic well being. However, this proposal, as it is currently written, raises two issues:

- **Increases in administrative burden without additional benefits.** Not all amendments materially change the obligations of the supplier or the consumer. By requiring firms to obtain explicit consent in each and every case, particularly when amendments result in immaterial changes to the supplier's and consumers' obligations, suppliers administrative costs will increase without any improvements in consumer outcomes. In many cases, terms for products and services are posted on supplier websites, and amendments are made by providing notice and updating those terms.
- **Possible reductions in consumer welfare.** In cases where express consent is not obtained despite repeated efforts by the business—for example, when a customer ignores requests for consent by email, phone, or in-app prompts—and the supplier subsequently suspends the services, consumers and their interests may end up being harmed if the service is critical to their economic well being.

We propose that the *Consumer Protection Act* should:

- Require express consent for contract amendments only in cases where obligations materially change, such as when prices escalate
- Require only notice of amendments in cases where the changes in obligations are immaterial, regardless of whether it's an indefinite or fixed-term contract, with or without cancellation fees

2. Unsubscribing From or Exiting a Subscription-Based Contract

The ministry has identified an important issue: businesses offering contracts that a consumer cannot terminate or unsubscribe from in the same way they entered into it, which can make cancellations difficult. We support making it easy for consumers to terminate their contracts or unsubscribe from services. This includes by requiring suppliers to not erect unnecessary barriers that prevent their consumers from doing so.



As the government continues to consult on ways to make it easy for consumers to terminate their contracts or unsubscribe from services, the government should avoid any requirements that make it so that consumers must be able to exit a subscription-based service in the same way they entered it. For example, many start-ups and scale-ups offer applications that allow consumers to subscribe in-app or online. However, some of these start-ups and scale-ups don't have the resources to automate the exit process and may require their customers to cancel by email or phone. In many cases, automating the exit process so that it's the exact same as the on-boarding process is too expensive.

We agree that unsubscribing from a contract should be easier, but making it easier doesn't require that the on-boarding and off-boarding process for customers be the exact same.

Once again, I would like to sincerely thank you for the opportunity to share our thoughts on a modern *Consumer Protection Act*. We are happy to see the Government of Ontario do this important work, and hope that you will take our diverse membership's perspectives into consideration.

In the meantime, Fintechs Canada would be more than happy to meet in order to discuss the current proposals, share our membership's experiences and insights, or answer any questions that you may have.

We look forward to continuing the dialogue and strengthening Ontario's *Consumer Protection Act*.

Sincerely,

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