

TIED SELLING POLICY

The *Bank Act* requires banks to inform customers in plain language that coercive tied selling is illegal. To comply with the law, we have created this policy to help you understand coercive tied selling.

What is Coercive Tied Selling?

Section 459.1 of the *Bank Act* prohibits banks from practicing coercive tied selling. More specifically, it is against the law for a bank to “impose undue pressure on, or coerce a person to obtain a product or service from a particular person, including the bank and any of its affiliates, as a condition for obtaining another product or service from the bank.” You cannot be unduly pressured to buy a product or service that you don’t want, from a bank or one of its affiliates, to obtain another bank product or service.

The following two examples will help to explain coercive tied selling and what is not allowed.

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

Your bank’s credit officer tells you that you qualify for a Registered Retirement Savings Plan (RRSP) loan. However, you are also told that the bank will approve the loan only if you use the money to buy the bank’s mutual funds. You want the loan, but you want to invest the money somewhere else.

Both of the above practices are against the law. If you qualify for a product, a banking representative is not allowed to unduly pressure you into buying another unwanted product or service as a condition of obtaining the product you want.

What is Our Commitment to You?

Rogers Bank expects all of its employees and representatives to comply with the law by not practicing coercive tied selling. If you believe that you have experienced coercive tied selling in any dealings with us, please let us know. You can find out how to contact us at the end of this policy.

What is NOT Coercive Tied Selling?

Most businesses, including Rogers Bank, look for tangible ways to show their interest in your business and appreciation for your loyalty. Sales practices, such as preferential pricing and bundling of products and services, offer potential and existing customers better prices or more favourable terms. These practices should not be confused with coercive tied selling, as defined by the *Bank Act*. Many of these practices will be familiar to you in your dealings with other businesses.

Preferential Pricing

Preferential pricing means offering customers a better price or rate on all or part of their business. For example, a printer offers a lower price for each business card if you buy a thousand cards instead of a hundred. A shoe store offers a second pair of shoes at half price.

Similarly, a bank may be able to offer you preferential pricing – a higher interest rate on investments or a lower interest rate on loans – if you use more of its products or services. The following two examples will help to explain preferential pricing in banks.

After approving your application for a home mortgage from the bank, your bank's mortgage specialist tells you that this mortgage would be available at a lower interest rate if you transferred your investments to the bank or its affiliates.

After approving your application for an RRSP loan, your bank's credit officer offers you a lower interest rate if you use the loan to buy the bank's mutual funds.

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

Bundling of Products and Services

Products or services are often combined to give consumers better prices, incentives or more favourable terms. By linking or bundling their products or services, businesses are often able to offer them to you at a lower combined price than if you bought each product on its own. For example, a fast-food chain advertises a meal combination that includes a hamburger, fries and a drink. The overall price is lower than if you bought the three items separately.

Similarly, banks may offer you bundled financial services or products so that you can take advantage of package prices that are less than the sum of the individual items.

The following example will help to explain the bundling of bank products and services.

You plan to open a bank account that charges you for individual transactions. The banking representative offers you a package of services that includes a comparable bank account, a credit card with no annual fee and a discount on purchasing traveller's cheques. The total price for the package is less than if you purchased each part of the package separately.

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

Risk Management

To ensure the safety of their depositors, creditors and shareholders, banks must carefully manage the risk on the loans and credit cards they approve. Therefore the law allows us to impose certain requirements on borrowers as a condition for granting a loan - but only to the extent necessary for us to manage our risk.

The following example will help to explain how banks manage such risk.

You apply for an operating loan for your business. To manage the risk associated with the loan, your bank requires your business to have an operating account with the bank as a condition for obtaining the loan.

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

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

How Can You Contact Us?

Please let us know if you have any questions, complaints or concerns about your dealings with Rogers Bank:

Mail: Rogers Bank
PO Box 57130
RPO Jackson Square
Hamilton, ON L8P 4W9
Attention: Customer Service

Tel: 1-855-775-2265 (or collect at 1-705-522-7412 if you are outside Canada and the U.S.)

Most concerns are resolved before they reach this step; however, if you are still not satisfied with the outcome of your complaint, please contact the Rogers Bank Ombudsman office as follows:

Email: RogersBankOmbudsman@rci.rogers.com Fax: 416-935-3604

Mail: Rogers Bank
Office of the Ombudsman
350 Bloor Street East
Toronto, ON M4W 0A1

External Agencies Bodies

There are a number of external agencies that monitor Canada's financial industry to ensure compliance and reliable access to financial services.

Ombudsman for Banking Services and Investments (OBSI)

You can contact the OBSI, an independent office responsible for assisting bank customers with concerns that have not been successfully resolved by a member bank. You can reach the OBSI as follows:

Toll-free Telephone: 1-888-451-4519

Toll-free Fax: 1-888-422-2865

Email: ombudsman@obsi.ca

Mail: Ombudsman for Banking Services and Investments

401 Bay Street, Suite 1505

P.O. Box 5

Toronto, ON M5H 2Y4

The Financial Consumer Agency of Canada (FCAC)

You can also contact the FCAC. The FCAC supervises federally regulated financial institutions to ensure they comply with federal consumer protection legislation. The FCAC will investigate any complaint that relates to a possible breach of a federal consumer provision. You can reach the FCAC as follows:

Toll-free Telephone: 1-866-461-3222 (English)

Toll-free Telephone: 1-866-461-2232 (French)

Toll-free Fax: 1-866-814-2224

Website: <http://www.fcac-acfc.gc.ca>

Mail: Financial Consumer Agency of Canada

6th Floor, Enterprise Building

427 Laurier Avenue West

Ottawa, ON K1R 1B9