

**Ministry of Government
and Consumer Services****Ministère des Services Gouvernementaux
et des Services aux consommateurs**

Inspections and Investigations Branch
56 Wellesley Street West
16th Floor
Toronto ON M7A 1C1
Tel.: 416-326-8800
Toll Free: 1 800-889-9768
Fax: 416-326-8665

Direction des inspections et des enquêtes
56, rue Wellesley Ouest
16e étage
Toronto ON M7A 1C1
Tél. : 416-326-8800
Sans frais : 1 800 889-9768
Télééc. : 416 326-8665

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To: All licensees under the Payday Loans Act, 2008

Registrar's Bulletin – March 2020**1. Business Number Expansion Initiative**

Ontario is expanding and standardizing the use of the federally issued Business Number (BN9) across government. This is intended to make it easier for businesses to operate in Ontario.

Ontario is collecting BN9s from all businesses required to have one. The Government of Canada requires certain businesses to have a BN9. The Canada Revenue Agency (CRA) assigns and manages BN9s. If you do not already have a BN9, please visit the [CRA Website](#) to determine whether you require one. The Government of Canada's [Business Registration Online](#) will allow you to obtain a BN9, if you require one but do not already have one.

Please send your CRA-issued BN9 or provide a response stating that you do not have a BN9 to CPOlicensing@ontario.ca by **April 13, 2020**.

Collecting the BN9 supports a 'tell us once' approach, where businesses do not have to provide the same information repeatedly across government programs. This saves businesses time and money as government programs will be able to refer to a business by its BN9, making it easier to share business information among government programs.

2. Repeat Processing Charges

Section 31 of O. Reg. 98/09 under the Payday Loans Act ("the Act") prohibits repeat processing of the same payment instrument provided by the borrower if that repeat processing would result in any charge being levied against the borrower, other than the amount of the payment. Using a pre-authorized debit (PAD) as an example, if a lender finds that initial attempt to process the PAD for repayment fails, subsequent attempts to process a PAD for repayment may contravene section 31 of O. Reg 98/09 if those subsequent attempts result in the borrower's financial institution charging them fees related to those attempts. The section in question

applies regardless of whether you know of those charges and regardless of whatever consent the consumer may have given for repeat processing of a payment instrument.

If you choose to repeatedly process a payment instrument and the borrower is charged for those repeated attempts, you are at risk of financial loss. When section 31 is contravened, the borrower is only liable to repay the advance and is entitled to demand a refund of both the cost of borrowing and any charges that they faced as a result of the repeat processing.

Section 31 aims to protect borrowers from the cost of repeated fees from multiple attempts to obtain payment. Lenders who process multiple pre-authorized debits, under separate authorizations for the repayment of a payday loan, will be treated equivalently to lenders who repeatedly process a single pre-authorized debit. In both cases, a borrower with insufficient funds could face multiple charges from their financial institution.

Lenders are cautioned against adopting a narrow interpretation of “same payment instrument” and processing multiple pre-authorized debits under separate authorizations, contrary to section 31 of O. Reg. 98/09.

3. Complaints

The ministry regularly receives complaints about payday lenders. Typically, where a borrower alleges that a lender has contravened the Act and the borrower provides supporting documents, the ministry will contact the lender to request information. This request is made under the Registrar’s authority set out in section 46 of the Act. It is expected that you will respond to any request for information and documents within the timeline given, however, if there is a legitimate reason why you cannot do so, please contact the ministry as soon as possible. Failing to respond by the deadline on the notice may result in a posting on the Ministry’s Consumer Beware List.

Please contact my office if you have any questions about these items at the contact information in the letterhead or at cpolicensing@ontario.ca.

Sincerely,



Shane Gallagher

Registrar, Payday Loans Act, 2008