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CFIB Victory - Credit Card Code of Conduct is now official!

Just over two years ago many CIPH members like you brought to our attention that something was wrong with the credit card system in Canada. Charges were being added to merchant statements, increases in fees seemed to have nothing to do with the contract signed, and when attempting to walk away from it, some were faced with hundreds and sometimes thousands of dollars in exit penalties. What had started with a few complaints turned into a roar as independent business owners knew that something was wrong in the marketplace. CIPH ALONG WITH CFIB TOOK ACTION! Meetings were held with all the major banks that issue credit cards, heads of the credit card companies and with major merchant services providers to both understand the problem and seek solutions.

We wanted a solution that would bring fairness to merchants and greater transparency in fees and rates. CFIB was the first to put forward a CREDIT/DEBIT CARD CODE OF CONDUCT, that laid out clearly the duties and responsibilities expected of those operating in the credit and debit card industry. CFIB's Code was largely adopted by the Ministry of Finance and announced in the 2010 Federal Budget. Soon after, all major players in the credit card industry signed on and were given three months to prepare themselves for the Code's implementation. We are pleased to announce that much of the Code of Conduct has now been implemented.

This means that as of August 16th:

- A 90-day notice must be given before rates or fees not previously negotiated can be implemented. During the 90-day period, anyone given notice of a fee or rate increase can exit their contract without penalty where their contract does not have a transparent fee/rate schedule outlining clearly future rate and fee increases;
- No "negative option" billing or systems implementation will be allowed;
- No business will be obliged to accept a debit system other than Interac just because they accept that company's credit card system;
- And many other rules have now been implemented to help protect merchants. For a full list of rules contained in the Code of Conduct visit: http://www.fin.gc.ca/n10/data/10-049_1-eng.asp

Beginning on February 17, 2011:

- Detailed statements will be required by credit/debit card companies outlining, for example, the number and volume of transactions for each type of payment transaction. This delay is in order to allow the credit card and debit companies time to reprogram their systems to provide this new level of detail.

For more information on CFIB and the Code of Conduct visit: http://www.cfib.ca/code_of_conduct.html

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Again, thank you for keeping CIPH informed of your businesses issues. It was through your actions in signing CFIB's Action Alerts, and letting us know of your concerns, that such an important victory was achieved. No other country in the world has been able to achieve this type of "contract" with the credit card industry. Rest assured, CIPH along with CFIB will continue to closely monitor how well those who operate in the credit card industry adapt to the Code and will do whatever we can to continue to strengthen the rights of merchants in relation to Canada's credit and debit card industry.

PLEASE NOTE: The Code, being voluntary, does not provide for a dispute resolution process at this time. Members believing their processor has acted outside the Code are encouraged to contact their processor or acquirer such as Chase Paymentech, Moneris, Global Payments, etc. to make their complaint. Contact details for each payment card network are available on the Financial Consumers Agency of Canada's (FCAC) website at www.fcac.gc.ca. FCAC has been charged by the Ministry of Finance with monitoring compliance of the Code for the federal government. Members can reach them by calling 1-866-461-3222. Should you have an issue to share with CFIB, please contact our Business Resources Department and speak with our counselors at 1-888-234-2232, or contact them through cfib@cfib.ca. They would love to hear from you.

Source: Canadian Federation of Independent Business

The Canadian Institute of Plumbing & Heating is a not-for-profit trade association. Founded in 1933, the Institute is a vibrant organization committed to providing members with the tools for success in today's competitive environment. More than 250 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents and allied companies who manufacture and distribute plumbing, hydronic heating, industrial, waterworks and other mechanical products. CIPH wholesalers operate more than 700 warehouses and showrooms across Canada. Total industry sales exceed \$5 billion annually.



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