

MANITOBA) **Order No. 72/07**
)
THE PUBLIC UTILITIES BOARD ACT) **May 28, 2007**

BEFORE: Graham Lane, C.A., Chairman
Monica Girouard, C.G.A., Member
Susan Proven, P.H.Ec., Member

MAXIMUM FEES FOR CASHING GOVERNMENT CHEQUES

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1.0 EXECUTIVE SUMMARY

By this Order, and in accordance with the legislative amendment to *The Consumer Protection Act (Manitoba)*, the Public Utilities Board (Board) for the first time fixes the fee formula for the cashing or negotiating of a government cheque. Additionally, the Board provides a brief overview of cheque cashing, and its findings and recommendations.

Effective upon the proclamation date of sections 166 and 167 of *The Consumer Protection Act*, the following formula provides for the maximum fee, commission or amount a cheque casher in Manitoba may charge for the cashing or negotiating of a government cheque. A cheque casher may be a company, organization, group or individual.

Fees and Terms, Cashing Government Cheques

Government cheques include cheques of the Government of Canada, Province of Manitoba and any government agency listed in the regulation.

Fee Tariff with certain exceptions, the maximum to be the sum of \$3.00 and (plus) 2% of the face value.

Exceptions

1. For cheques on which a hold is placed and cash not then provided, the maximum charge to be levied shall be the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value; and
2. For cheques cashed with a concurrent requirement that the person purchase goods or services aggregating 10% or more of the cheque, no fee may be charged.

Cheque cashers currently charging either no fee or fees less than the maximum as set out below are encouraged to continue to do so. This Order follows a public proceeding of the Board, pursuant to a mandate provided to the Board by legislation. Public hearings were held in Thompson, Brandon and Winnipeg.

This Order provides a review of events and circumstances leading to this Order and the Board's major findings, recommendations and determinations.

The Board considers its recommendations to be as important as the setting of the maximum fee; the recommendations are provided for the purpose of providing conditions amenable to fewer Manitobans availing themselves of fringe or convenience banks to cash government cheques. The Board is of the view that reliance on fringe banks for cheque cashing contributes to familiarity with the service providers and, in some cases, payday loans and economic life outside of the main and lower cost financial mainstream of society.

This Order is being released well ahead of the anticipated effective date for the enforcement of maximum fees for the cashing of government cheques. Interveners to the proceeding that led to this Order, and/or other interested parties, may within thirty days of this Order seek the Board's reconsideration of the directions provided herein.

2.0 BACKGROUND

In accordance with the legislative amendment to *The Consumer Protection Act (Manitoba)* directing the Board on its course for the fixing of the maximum amount, or establishing a rate, formula or tariff, for cashing or negotiating a government cheque, the Board must make an Order that is just and reasonable. The Board has discretion in determining not only the maximum fees to be charged, but also the factors to be applied to come to its decision. The Board considered:

- business and operating requirements of firms and persons who cash or negotiate government cheques for a fee;
- financial risks taken by firms and persons who cash or negotiate government cheques for a fee;
- information received through the process deemed relevant;
- degree of competition, options to businesses and consumers seeking to cash a government cheque;
- relative value of options available to businesses and consumers seeking to cash a government cheque;
- particular circumstances of low-income consumers and consumers lacking mobility or access to alternative means to cash a government cheque;
- history of bank branch and credit union consolidations and/or closings, and the impact on low-income consumers seeking to cash government cheques;
- the reasons and factors explaining the increase in the number of participants in the near bank or convenience financial services industry, and the relative costs to consumers of relying on such firms rather than banks or credit unions; and
- the public interest.

There was no applicant to the Board's proceedings and thus there was no onus carried by any participant in the proceeding.

Participants

Upon the publication of notice of public hearings, hearings were held in Thompson, Brandon and Winnipeg. In Thompson and Brandon, presenters were representatives of the cheque cashing industry and in the business in their local communities. The Winnipeg hearings included three interveners, those being:

- a) Consumers' Association of Canada (Manitoba) Inc. and the Manitoba Society of Seniors (CAC/MSOS);

- b) National Money Mart (Money Mart); and
- c) North West Company (North West).

The interveners presented evidence to the Board through their witnesses; cross-examined witnesses brought by other interveners; and provided closing submissions with recommendations. The Board also received additional evidence and presentations from representatives of a number of other organizations that had been contacted by board counsel and staff in an effort to ensure the Board had the necessary factual foundation for its deliberations.

The contributions from these additional witnesses also added further perspective to the varied circumstances in which people seek to cash government cheques and the circumstances in which businesses seek to offer the service. One of these additional contributors, the Canadian Bankers Association, filed its contribution in writing. The others attended in person, provided evidence, and were cross-examined by the Board, Board Counsel and the three interveners.

Confidential filing

By a procedural motion of the interveners Money Mart and North West, a motion opposed by CAC/MSOS, the Board was asked to receive on an in-camera basis certain proprietary confidential documentary and oral evidence from Money Mart and North West. The evidence was respecting the factual particulars of their cost of operations and operating requirements related to cheque cashing services.

The Board held that it would allow for the provision of that specific evidence in-camera, and proceeded to take the confidential factual evidence of each of Money Mart and North West in-camera. A summary of the in-camera evidence of both Money Mart and North West was subsequently provided by the Board to all interveners.

As noted by the Board in its ruling on this motion, which was made at the Winnipeg hearing of December 19, 2006, the Board is mindful that *The Public Utilities Board Act* requires its proceedings generally to be open to the public. In addition, *The Consumer Protection Act* amendment providing direction to the Board in this matter requires that a public hearing process precede an Order.

The Board is provided the authority to set its own Rules of Practice and Procedure. Board Rule 13.2 allows the Board to receive information in confidence, subject to certain specific criteria and on terms and conditions deemed by the Board to be in the public interest.

The Board concluded that Money Mart and North West, being businesses operating in a competitive environment and being voluntary participants in the public hearing process, should not be compelled to disclose on the record sensitive cost information, with such disclosure being potentially detrimental to their operations. In making its decision, the Board weighed the need for public disclosure to allow for testing of the evidence with full public participation, the need for protection of the proprietary information of the firms, and the Board's need to access the specific cost details proposed to be provided in-camera. This, to assist the Board in carrying out its mandate in the public interest. Balancing these factors and concerns, the Board determined that in the circumstances it would receive the costing information in-camera.

Issues Considered

The administrative decisions herein made by the Board have required the Board to consider varied circumstances, both as to the demand side of the equation (consumer needs and desires) and also as to the supply side (to the business requirements of cashers of government cheques).

Participants to the Board's proceeding drew the Board's attention to a variety of issues, some of which were:

- Servicing low-income consumers who need to cash government cheques;
- Supply side changes to the traditional bank and credit union cheque cashing service offerings and the growth and introduction of convenience or fringe banks;
- The cost of doing business and, in particular, analysis of the costs to cash government cheques as part of a service offering in many different and often quite unique marketplaces (such as exist in northern and rural Manitoba communities);
- Consideration of the financial risk of cheque cashers in the negotiation of government cheques, and the related legal and regulatory requirements already in existence related to these transactions;
- A fair rate of return to cheque cashers for the services offered, and the impact that a new maximum rate or formula set by the Board may have on the existing market, impacting both consumers and suppliers;
- Economics of the cash economy for "unbanked" or "under-banked" consumers who are recipients of government cheques;
- Differences in current arrangements and related risk management as between federal government cheques under \$1500 (which are required to be cashed at no fee given certain criteria are met by banks and credit unions) and provincial or municipal government cheques of the same denomination;
- Variability of fees or other consideration charged throughout Manitoba for cashing government cheques in the current unregulated marketplace;
- Availability of clear comprehensible consumer information respecting fees or charges for cheque cashing, and related issues such as a code of practices for service providers;
- Practicality of implementation and adherence to a new maximum cheque cashing tariff or formula;
- The importance of not reducing consumer options; and
- This proceeding is to be the first of its kind, and subject to review no later than three years from now.

Process

Early in the proceedings, the Board advised interveners that it intended to make recommendations to government, arising out of the proceeding and within its first government cheque cashing Order. The recommendations would relate to matters coming to the Board's attention as a result of the proceedings and regulatory mandate. During the proceedings, recommendations for the Board's consideration were received from various witnesses and presenters, and some of these form a part of the recommendations the Board makes herein.

In accordance with the legislation, the Board is required to issue an Order establishing a maximum tariff, and then to review initial and subsequent Orders at least once every three years. Upon such reviews, the Board must then issue a new Order replacing the then existing Order. However, if circumstances respecting government cheque cashing change substantially, such an Order can be reviewed at an earlier time.

So, while this Board Order is final and binding, it will be only the first such Order.

This Order will be posted on the Board's website, www.pub.gov.mb.ca. As well, interested parties may review the Board's file documenting and related to the proceeding at the Board's Winnipeg offices.

3.0 BOARD FINDINGS

As previously indicated, Intervenors provided the Board with recommendations. Recommendations as to the maximum fees to be allowed were proposed by both Money Mart, which proposed a higher fee schedule than the Board provides herein, and CAC/MSOS, which proposed a lower fee schedule than the schedule now set.

North West did not recommend a particular maximum, but supported, as did the other interveners, a schedule comprised of both a fixed and variable component, based on the size of the cheque presented for cashing.

All three interveners recognized the importance and complexity of the matter before the Board and suggested caution was required on the Board's part with this first Order establishing maximum fees for the cashing of government cheques. With this Order, the Board's intention is to ensure consumers who are intended to be protected and assisted by the setting of maximum fees for the cashing of government cheques are not inadvertently damaged by the directions of the Board.

One of the identified risks in the setting of a maximum fee schedule relates to cheque cashers' forecast revenue from cashing government cheques. If the revenue recovered is below the sum of their costs and a reasonable rate of return or profit, some cheque cashers may withdraw from the market. This would reduce the availability of cheque cashers to the public, particularly to the segment of the market that lacks bank or credit union accounts, or who live in areas where only one or a few cheque cashers are present. The Board acknowledges the risk that has been identified, and thus sets a maximum fee it deems sufficient to allow *efficient* cheque cashers within the fringe bank industry to remain in the market.

The Board notes that many 'near' or 'fringe' banks, now well-represented in Manitoba, particularly in Winnipeg, have expanded their product and service offerings well beyond cheque cashing. Other services such as bill payment, "loaded" debit and credit cards, tax return preparation and instant refund, foreign currency, wire transfers, "payday" loans and mortgage referrals are now offered by many of the cheque-cashing firms.

Cashing cheques at a fringe bank may be convenient and useful for some Manitobans, but for lower-income persons, it is a high-cost approach that may lead to the receipt of other similarly high-cost services from the companies, such as payday loans. The Board understands that dealing with a fringe bank means neither external credit checks nor the

development, or enhancement, of a credit record; this may seem an advantage to some, but augurs of potential difficulties for many others.

The Board also understands that cheque cashing fees now represent a secondary source of revenue to many of the fringe or near banks, and that the cashing of government cheques represents only a fraction of the overall volume and range of cheques being cashed by these firms.

Leaving aside near banks (such as Money Mart) and mainstream financial institutions such as banks and credit unions, the Board understands cheque cashers also include pawn shops, rent-to-own companies and retail companies (such as North West). The Board understands that these firms cash cheques as a sideline to their primary services to customers, and, in many or most cases, particularly when the purchase of goods or services is involved, no charge is levied.

In the particular case of North West, it serves the north in communities that mainly lack banks and credit unions. Further, in both northern and rural communities lacking mainstream financial institutions, residents count on retailers to cash cheques, even when no purchase of goods or services is involved.

Government of Canada cheques up to \$1500 are cashed by chartered banks and credit unions without holds and fees. This is because of arrangements reached between the financial institutions and the Government of Canada that involve compensation to the financial institutions and indemnification of losses they might otherwise incur from bad cheques when the institutions cash the cheques after noting required identification.

Near or fringe banks, including Money Mart, rent-to-own operations, pawn shops and retail and other stores and organizations are not party to those arrangements in Manitoba and thus may charge fees to cash Government of Canada cheques.

There are no similar indemnity-based arrangements involving Province of Manitoba cheques or the cheques of agencies of the Province of Manitoba (including Crown Corporations, Regional Health Authorities, etc.), nor with Manitoba municipalities, school divisions, colleges and universities. Accordingly, financial institutions, fringe banks and other cheque cashers, through to the effective date of this Order, were free to set such fees and terms for the cashing of provincial cheques as they so chose.

The Board understands that some cheque cashers of government cheques, but not those that appeared before the Board in this proceeding, charge 30% or more. The Board also understands that in some of these cases the person cashing the cheque is obliged to accept merchandise or services rather than cash for all or most of the value the cheque.

It was such circumstances and concerns that may have motivated government to provide the Board the mandate to set fees and terms for the cashing of government cheques. The clear intention of government was to avoid exploitation. That said, defining "exploitation" is itself difficult, though the Board has no difficulty in associating the term "exploitation" with charges beyond the maximum levels established herein. The degree of exploitation increases with the rate charged.

The fees and terms established by this Order will make it clear to all cheque cashers and persons cashing government cheques that exploitation is unlawful. Upon conviction, the guilty party will face serious penalties. This is just and reasonable.

The hearings in Thompson, Brandon and Winnipeg considered the question of why individuals, and some firms, choose to cash cheques other than at a bank or credit union. The reason for the question is that the fees charged by fringe banks to cash cheques are higher than those of banks and credit unions. The industry average for Winnipeg fringe banks, and on this the Board accepts the evidence of CAC/MSOS' expert witness, economist Dr. Buckland, is in the range of \$2.24 fixed charge plus 2.94% of the face value of the cheque.

For a \$100 cheque, an overall rounded charge of approximately \$5 appears to be the norm, for a cheque of \$500- \$17, and for a cheque of \$1000- \$32. The Board understands that the average third-party cheque presented for cashing at a fringe bank has been approximately \$420, and the Board has heard that some of these cheques have been for in excess of \$10,000.

Assiniboine Credit Union advised the Board that for \$4 per month, members who select a basic account receive a range of basic services, which include cheque cashing. Professor Buckland's evidence supports the understanding that cashing a cheque at a mainline financial institution is considerably less expensive than cashing the same cheque at a near bank such as Money Mart.

So, the Board pondered the question: why do individuals, and even some firms, cash cheques other than at a bank or credit union? The Board accepts the evidence of all parties to the proceeding that the reasons include:

- a) convenience – location of cheque casher, and days and hours of service;
- b) inability to cash cheques at a bank or credit union, due to either the lack of an account at any mainline financial institution or lack of adequate identification; and
- c) the practice of mainline financial institutions to place holds on cheques (the decision to place a hold apparently based on the size of the cheque, the payor, the person presenting the cheque for cashing, and the person's history with the financial institution, etc.).

Canada's banks have closed and consolidated branches for reasons of profit maximization, and not everyone has a vehicle or the financial means to travel regularly to the nearest bank. Credit unions have merged and consolidated for reasons of cost efficiency and member benefit. Again, this has reduced the availability of mainline financial institutions to the residents of north Winnipeg, rural and northern Manitoba.

Yet, the Board accepts the evidence, particularly by Money Mart, that there are individuals that are of average or higher income and possessing a bank account that cash cheques at a near or fringe bank, notwithstanding the cheques could be cashed at their bank or credit union at lower cost. These individuals cash their cheques at the fringe banks for convenience – later hours, weekend service, and pleasant service – or for other reasons of importance to them. The Board also became aware through the proceeding that some companies have accounts with fringe banks, and some regularly cash cheques from their customers at those facilities. Money Mart advised that some of the companies cashing cheques at their outlets do so in order to pay employees in cash at the conclusion of a particular job or construction project. Fringe banks do not ask customers “why” they choose to cash their cheques at their facility, other than through anonymous surveys.

At Money Mart, from the Board’s observation through a site visit, the fee schedule is clearly observable for clients. Money Mart’s clients choose to cash their cheques there, either on a regular or infrequent basis, for their own reasons, even though many may have had a lower-cost option. Money Mart suggested that their firm is the "7-Eleven" as compared to "Safeway" equivalent in the money business, as an analogy on the application of these convenience factors.

However, there are other individuals that have no option but to cash their cheques for a fee at a fringe bank, a pawn shop, a rent-to-own facility, a retail store, or even a stranger. Again, there are several reasons for the lack of options for these individuals:

- a) no bank or credit union at all in their community; or
- b) the bank or credit union would likely place a hold on their cheque, and they need the money "now"; or
- c) a lack of necessary identification to open a bank or credit union account, and the cost of obtaining that identification is impossible or difficult for them to meet; or
- d) there is no bank or credit union within their near vicinity, and they lack ready transportation to where there is one.

While the large majority of Canadians, including Manitobans, have bank accounts, it is instructive to note Money Mart reports that 33% of their customers do not. So, this society has individuals and families that operate in a "cash economy" and for them the cost of turning cheques into cash can be expensive. It is primarily for these people that this Order, setting maximum fees and other terms for the cashing of government cheques, exists.

It is evident that banks operate to earn as high a rate of profit as they can legitimately earn for the benefit of their shareholders. And, credit unions exist for the benefit of their members. They are not social agencies, and their operations and submissions to the Board's proceeding made this clear. (This said, the Board congratulates Assiniboine Credit Union for its efforts to assist the "unbanked" and low-income of Winnipeg, and encourages that similar efforts be made by chartered banks and other credit unions.)

As related above, the evidence is clear that bank branches have closed, and that consolidation continues to this day. In north Winnipeg, the research of Dr. Buckland disclosed that the number of bank branches operating in the low-income areas of Winnipeg are but a fraction of what the case was fifteen and more years ago. The same goes for credit unions; mergers and consolidations have greatly reduced their presence in north Winnipeg, and, again the evidence is clear that, the average family income of north Winnipeg residents is much lower than the provincial or Winnipeg average.

Concurrent with these developments, security and risk avoidance measures taken by governments and financial institutions have risen dramatically, most lately driven by fears of terrorism and crime, the former following the tragic events of September 11, 2001.

Identify theft has become a significant problem, and banks and credit unions seek and insist upon the identification of persons presenting cheques for cashing, even when the cheques are relatively small and issued by government or its agencies. Some banks and

credit unions will not cash cheques unless the person seeking to cash the cheque is a member or established customer.

The Board is cognizant of and accepts the evidence of the interveners to the proceeding, noting the ongoing transformation of the economy from "cash based" to plastic and electronic currency exchange. It is clear that currency is becoming of lesser importance as compared to electronic transfers, credit cards and debit cards.

That said, there is a sizeable segment of the population that continues to operate strictly on a cash basis, receiving or immediately converting payments into cash and meeting all obligations in cash. While direct deposits, automated cash dispensing machines (ATMs) and computer banking are a reality and a day-to-day framework for many or most, for others cash is, still, "king".

When some consumers get a cheque, which they had waited for while their food-stock fell, they need to obtain cash as soon after the cheque has been received as possible. With bank closures and credit union consolidations, and lacking a car, they go to the nearest fringe bank or pawn shop, where they generally find courteous service and obtain their money. They don't have to wait five or ten days for their cheque to clear, as may have been the case at a mainstream financial institution. And, they have the money they need, regardless that the price they paid to obtain it was higher than it would have been if they had an account at a bank or credit union and cashed their cheque there.

The Board is aware that carrying cash presents its own set of problems. Carrying cash around presents a security risk. It is also tempting to spend cash in your pocket, which can leave the family short for essentials like food, and leave them dependent on food banks and relatives until the next cheque comes in.

The Board concludes that with respect to cheques on which a hold is placed by a cheque casher, including a financial institution, the maximum charge to be levied shall be the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value. Unfortunately, the person

seeking to cash the cheque receives no value for the cheque until the hold period is over, and during that period may be considerably inconvenienced, and may be obliged to borrow money, potentially at a high cost. The Board considered barring any charge for a government cheque to be held prior to cashing, but determined to limit the maximum instead out of concern that some customers may prefer the hold over the higher charge for instant cash from a fringe bank.

Most financial institutions do not place holds on cheques presented by customers they have confidence in, but for others, the cheques are not cashed for periods ranging from a few days to a few weeks. The Board understands that the practice of holds, even on social assistance cheques, drives some consumers to the near banks, where while a fee is involved to cash their cheque, the net cash is available instantly. Evidence at the hearing indicated that with proper identification, the risk of a dishonoured cheque made on a government agency is negligible from a percentage perspective. However, as some government cheques may be for thousands of dollars, rather than bar fees when a hold is applied, a maximum charge of the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value will be set.

Leaving aside the particular situation of North West and other retailers operating in areas of the Province where there is neither a bank nor a credit union, the Board accepts that most retailers cash cheques for customers as a service. The retailers cash the cheques to enable the customer to purchase the firm's goods or services. Given goods and services are generally sold with a profit component included in the price, and merchants are not obliged to accept cheques as payment, the Board concludes that fees should not be charged when a significant purchase is required.

For cheques cashed by a retailer with no requirement that goods or services be purchased exceeding 10% of the cheque presented, and in the case where no goods or services are obtained, the maximum fee schedule established by this Order applies.

The initial schedule of maximum fees and conditions for the cashing of government cheques follows:

Fees and Terms, Cashing Government Cheques

Government cheques include cheques of the Government of Canada, Province of Manitoba and any government agency listed in the regulation.

Fee Tariff with certain exceptions, the maximum to be the sum of \$3.00 and (plus) 2% of the face value.

Exceptions

1. For cheques on which a hold is placed and cash not then provided, the maximum charge to be levied shall be the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value; and
2. For cheques cashed with a concurrent requirement that the person purchase goods or services aggregating 10% or more of the cheque, no fee may be charged.

As previously indicated, this Order and the maximum fee schedule established herein will take effect upon the proclamation date of sections 166 and 167 of *The Consumer Protection Act*.

4.0 RECOMMENDATIONS

While average or higher income individuals and families may be able to afford the higher costs of cashing government cheques at fringe banks and other cheque cashers, the implications for low-income individuals and families include less available disposable income for what is likely an already depressed economic existence.

For those on social assistance, cashing a cheque at a near bank reduces the amount they have to purchase food, do their laundry or clothe themselves and their children. The Province does not provide an allowance for the cashing of assistance cheques. As well, depending on a near bank for one's financial transactions does not build a credit rating, except with that firm, and may lead to eventually taking on loans at high cost, further exacerbating an impoverished existence.

Accordingly, the following initial recommendations for government are made with the intent of addressing the structural and other barriers that result in many low-income individuals having financial transaction costs that represent a much higher percentage of their overall income than "banked" higher-income individuals and families:

1. Social assistance recipients should be provided photo identification, at no cost.
2. Social assistance recipients should receive counseling on the costs of cashing cheques and other financial matters, and be encouraged and assisted in opening a bank or credit union account.
3. Direct deposit of social assistance cheques into bank or credit union accounts should be actively promoted by the Province (the Board understands that a substantial number of recipients of social assistance currently receive their support by direct deposit).
4. The Community Financial Services Centre, a pilot project serving north Winnipeg, should receive government support, towards making the service permanent with expanded counseling and referral services.
5. The Province should engage banks and credit unions in discussion towards the provision and marketing of low-cost accounts for social assistance families.
6. The Province should consider providing banks and credit unions with indemnification of provincial government cheques given adequate identification, with respect to cheques of \$1000 or lower.

7. The list of provincial government agencies for which their cheques will be subject to the maximum fees set by this Board should be expanded to include:
 - a) all agencies included within the summary accounts of the Province; and
 - b) municipal governments.
8. The Province should bring about regulation to provide for the licensing of the near-bank industry, including payday lenders and cheque cashers, pawn shops, and rent-to-own firms.
9. The Consumers Bureau of the Division of Consumer and Corporate Affairs of the Department of Finance, which will oversee adherence to the Board's determinations as to maximum fees for the cashing of government cheques, should consider:
 - a) the development of a Code of Conduct for cashers of government cheques;
and
 - b) the development of pamphlets and other information for general dissemination regarding the cashing of government cheques.

The Board realizes that the government, through its agencies, has been promoting bank and credit union accounts and direct deposits. The Board also understands that to act on the recommendations will require research, coordination, time and money, and that government will have to establish its own priorities. The Board's mandate is a limited one.

Next Steps

The Board will maintain a watching brief over developments with respect to the cashing of government cheques and undertake a formal review of the directions established herein within three years of this date. Among matters then to be considered will be the effect of expected on-going inflation on the costs of cheque cashers.

Bill C-26 of the Parliament of Canada, (federal legislation involving ‘payday’ loan interest amendments to the Criminal Code) became law by Royal Assent on May 3, 2007. The Board expects that it will soon be mandated legislatively to establish the rules that will govern the fees for “payday” loans, following another public proceeding.

5.0 IT IS THEREFORE ORDERED THAT:

The following schedule of fees and conditions be effective for the cashing of government cheques in Manitoba, upon the proclamation date of sections 166 and 167 of *The Consumer Protection Act*:

Fees and Terms, Cashing Government Cheques

Government cheques include cheques of the Government of Canada, Province of Manitoba and any government agency listed by regulation.

Fee Tariff with certain exceptions, the maximum to be the sum of \$3.00 and (plus) 2% of the face value of the cheque.

Exceptions

1. For cheques on which a hold is placed and cash not then provided, the maximum charge to be levied shall be the lesser of \$5.00, or, the sum of \$3.00 and 2% of the face value; and
2. For cheques cashed with a concurrent requirement that the person purchase goods or services aggregating 10% or more of the cheque, no fee may be charged.

THE PUBLIC UTILITIES BOARD
"GRAHAM F. J. LANE, C.A."
Chairman

"GERRY GAUDREAU, CMA"
Secretary

Certified a true copy of Order No. 72/07
issued by The Public Utilities Board

Secretary

Appendix A

Appearances

Anita Southall

Counsel for The Manitoba Public Utilities Board

Paul Edwards

Counsel for National Money Mart

Allan Foran

Counsel for North West Company

Lucia Stuhldreiser

Byron Williams

Counsel for the Consumers' Association of Canada (Manitoba)

Beverly Froese

Inc./ Manitoba Society of Seniors

Appendix B

Witnesses for National Money Mart

| | |
|---------------|------------------------------|
| Norman Bishop | Lawyer |
| Sid Franchuk | President |
| Patti Smith | Vice-President of Operations |

Witnesses for Assiniboine Credit Union

| | |
|-------------------|--|
| Priscilla Boucher | Vice President- Corporate Social Responsibility and Corporate Governance |
| Colleen Dacquay | Manager of Sales and Services Processes |

Witness for CAC/MSOS

| | |
|--------------------------|--|
| Professor Jerry Buckland | University of Winnipeg, Menno Simons College |
|--------------------------|--|

Witness representative of Manitoba Pawn Shops

| | |
|--------------|--|
| Norman Glass | Owner, interests in four Winnipeg pawn shops |
|--------------|--|

Witness for Community Financial Services Centre

| | |
|-------------|---------|
| Debra Joyal | Manager |
|-------------|---------|

Witnesses of Credit Union Central Manitoba

| | |
|------------------|-----------------------------|
| Wilson Griffiths | Manager of Payment Services |
| Dale Ward | Corporate Secretary |

Witnesses of North West Company

| | |
|---------------|--|
| Leo Charriere | Executive Vice President and Chief Financial Officer |
| Brian Fox | Director of Financial Services |

Appendix C

Interveners

Consumers' Association of Canada (Manitoba) Inc./Manitoba Society of Seniors

National Money Mart

North West Company

Presenters

Winnipeg
Paul Griffin, Canadian Bankers Association (written only)

Anna Pazdzierski, Manitoba Association of Women's Shelters

Roger Procyk, Nine Circles Community Health Centre

Thompson
Brian & Sherry Kreuger, Owners- Cash Plan

Leo Sorenson, Owner- Sorenson's Loan 'til Payday

Brandon
Debbie Freeman, Manager- Fast Cash Co.