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Submission to the House of Commons Standing Committee on Finance for its Review of Budget Bill C-15

Split Omnibus Bill, Remove Cabinet Power Abuse Sections, and Strengthen Bank Account Fraud Sections to Make Them Effective

(January 27, 2026)

Democracy Watch calls for the following changes to budget [Bill C-15](#) to respect the rights of MPs and Parliament, and to remove sections that will allow Cabinet ministers to abuse their powers, and to protect bank customers effectively from account fraud:

- 1. Bill C-15 should be split into several separate bills** because omnibus bills like Bill C-15, which change many different laws in many different ways, violate the right of MPs, and the right of Parliament as a whole, to vote on bills that contain amendments which address one statute in one series of connected ways.
- 2. Sections 203 to 209 should be removed from Bill C-15 because they empower every Cabinet minister to abuse their powers** in an extraordinary, unconstitutional and dangerous manner by secretly exempting an entity from the application of “a provision of an Act of Parliament, except the *Criminal Code*, if the minister is responsible for the Act”, for a period of three years, renewable for an additional three years.

These sections are in Part 5, Division 5 “*Red Tape Reduction Act*”, and sections 203 to 207 and 209 of Bill C-15 propose amendments to that Act and related statutes that are needed to add what section 208 of Bill C-15 proposes to add to the *Act*, which is a proposed new Part 2 of the Act entitled “Exemptions to Encourage Innovation, Competitiveness or Economic Growth”.

Section 208 proposes to add new sections 12-15 of the *Red Tape Reduction Act* to (under subsection 12(1) and section 13) allow a minister to exempt an entity from the application of

- (a) “a provision of an Act of Parliament, except the *Criminal Code*, if the minister is responsible for the Act”

for a period of three years, renewable for an additional three years (under subsection 12(5)).

There are conditions that have to be satisfied in order to grant an exemption (under subsection 12(3)) but the only requirement is that they be satisfied "in the opinion of the minister" which is a closed loop with no public accountability. Information on exemption orders made under subsection 12(1) must be made publicly accessible, but only *after* the order has been made (under section 14).

Again, sections 203-209 must be removed from Bill C-15 because they are undemocratic, excessively secretive and unconstitutional as they allow Cabinet ministers to override statutes enacted by Parliament without the review and approval of Parliament.

3. **Bill C-15 must be amended by strengthening sections 333 to 336, which address bank account fraud, as the current measures are weak and ineffective** and will do little to ensure that bank customers are actually protected from account fraud, nor to ensure that customers who lose money due to bank account fraud receive their money back from the bank when the bank (or an Internet or telecommunications company) facilitates the fraud.

The bank account fraud measures proposed in Bill C-15 are similar to the so-called "airline passenger rights" measures enacted by the federal government a few years ago, which have only resulted in airline passengers wasting their time and money for months or years chasing after airlines that refuse to compensate them for failing to provide the scheduled flight that the passenger paid for when they bought their ticket.

Creating a similar system for bank customers who lose money due to bank account fraud will just result in customers wasting their time and money for months or years chasing after banks that refuse to compensate them for failing to protect them from account fraud.

The government's proposed measures in Bill C-15 are also much weaker than the protections Australia and the UK have enacted.

Sections 333 to 336 must be amended as follows to prevent, prohibit and penalize the role of the banks, telecommunication companies (including Internet companies) in facilitating account fraud, and to create rules and an enforcement system that actually and effectively protect bank customers from account fraud:

- (a) Add a new provision that requires all financial institutions established and/or operated under the *Bank Act* to at least partially compensate a customer who has lost money due to bank account fraud, and that sets out that the customer is only required to return part or all of the money to the financial institution if the institution can prove to the Ombudsman for Banking Services and Investments (OBSI) that the institution did its due diligence to**

prevent the fraud and complied with all of the requirements of sections 627.06, 627.02 and 627.131 to 627.134(1) to (3) inclusive of the *Bank Act* and/or that the customer was partially or fully responsible for the losses they suffered due to the fraud. Australia has enacted similar measures – [click here to see](#) details).

(b) Add a new provision that makes all rulings of OBSI binding on every financial institution established and/or operating under the *Bank Act* (as the Liberal Party promised in its 2021 federal election platform).

(c) Amend in section 334 of Bill C-15 the proposed new subsection 627.134(4) to require banks to report publicly in their quarterly statement to shareholders the details of each fraudulent transaction (again, without identifying the customer), and to compile the quarterly data into an annual statistical report published in their annual report to shareholders.

Currently, proposed new sections 627.134 and 627.135 will keep each bank's account fraud record secret. That denies customers key information they need to know, and have a right to know, when choosing which bank they want to use for their accounts.

(d) Amend in section 334 of Bill C-15 the proposed new subsection 627.135(1) by requiring the Financial Consumer Agency of Canada (FCAC) Commissioner to make the annual fraud report public at the same time it is provided to the Minister.

(e) Amend in section 334 of Bill C-15 the proposed new subsection 627.135(2) by requiring the FCAC Commissioner to include in the annual fraud report: detailed statistics concerning each bank's record of account fraud; what the FCAC has done in response to fraud that was allowed by each bank (and/or telecom and Internet company) to hold the bank and/or company accountable, and; what the FCAC has done to require each bank to strengthen their anti-fraud measures.

(f) Add a new section requiring the FCAC to conduct regular, unannounced audits of bank policies and procedures for preventing and stopping account fraud, and to require the FCAC to prosecute and penalize a bank for violating the *Bank Act* if the audit shows that the banks policies or procedures are ineffective.

It is not enough to just require the banks to have policies and procedures in place. The *Bank Act* was changed in 2018 to add the following two provisions requiring banks to have policies, procedures and training to ensure the financial interests of their customers are protected:

Policies and procedures — appropriate products or services

627.06 An institution shall establish and implement policies and procedures to ensure that the products or services in Canada that it offers or sells to a natural person other than for business purposes are appropriate for the person having regard to their circumstances, including their financial needs.

Training

627.02 An institution shall ensure that its officers and employees in Canada, and any person who offers or sells the institution's products or services in Canada, are trained with respect to the policies and procedures that it has established for complying with the consumer provisions.

but the FCAC was not required in those provisions to audit the banks to ensure they comply with those provisions and, as a result, the FCAC has done nothing to ensure they actually comply. The banks are clearly not complying with these provisions because these provisions alone should have been enough to ensure that banks had policies and procedures in place to protect their customers from account fraud (which is clearly a financial need that every customer has).

The new anti-bank account fraud measures will also have little effect unless the FCAC is required to conduct regular, unannounced audits and to prosecute and penalize violations (and the OBSI's rulings are made binding, as proposed above in 3(b)). As currently proposed, the anti-fraud measures are mostly voluntary.

(g) Change section 336 to make the provisions come into effect on the date that Bill C-15 receive Royal Assent.

The government is only promising measures that will possibly be enacted sometime in the future, which is just a rehash of the Liberal Party's 2021 election promise to take action on the problem of bank account fraud. If section 336 is not changed, the Liberal Cabinet will have the discretion to delay the implementation of the new anti-fraud measures for another 5 years. As currently drafted, sections 333-336 amounts to more hot air from the Liberal government instead of effective action.