



# Banking module

## Trainer's introduction

Banking institutions, including banks, trust companies, credit unions and caisses populaires, are essential tools for managing personal finances, yet many people do not know how to use them effectively and at least cost.

The mini-module covers the basics of how banking institutions work for those who are not familiar with Canadian banking institutions. The second covers ways to select the banking services that participants need and how to minimize the cost of banking services. Mini-modules 3, 4 and 5 cover how to avoid fraud and other problems related to banking services.

## Learning objectives

After completing the module, learners will be able to:

- Describe the basic services offered by banks, trust companies, credit unions and caisses populaires, including deposit services, card services and loans
- Explain the differences between chequing accounts, savings accounts and term deposits, and when to use each of them
- Read an account statement to identify any errors or unauthorized transactions
- Explain how to correct any errors or unauthorized transactions
- Describe what deposit insurance covers and what it does not
- Compare savings resulting from different simple and compound interest rates
- Apply the Rule of 72 to estimate the doubling time for an investment
- Describe the fees typically charged for banking services and strategies to reduce or minimize the fees
- Describe the rights of access to basic banking

## Materials/equipment required

- Copies of selected mini-modules or activities for participants
- PowerPoint file: Banking
- PowerPoint projector and screen
- Internet connection (if using)



## Time required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	<ul style="list-style-type: none"> <li>• 10 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Activity 1</li> </ul>
1: Basic banking	<ul style="list-style-type: none"> <li>• 20 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Slides 6 to 7</li> </ul>
2: Banking accounts and packages	<ul style="list-style-type: none"> <li>• 30 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Slides 13 to 14</li> <li>• Activity 4</li> <li>• Activity 6</li> </ul>
3: Alternative financial arrangements	<ul style="list-style-type: none"> <li>• 10 minutes</li> </ul>	
4: Your rights and responsibilities	<ul style="list-style-type: none"> <li>• 20 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Slides 23 to 25</li> </ul>
5: Banking and fraud	<ul style="list-style-type: none"> <li>• 20 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Slides 32 to 34</li> </ul>
Action plan	<ul style="list-style-type: none"> <li>• 5 minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Activity 11</li> </ul>

## Suggested activities and PowerPoints

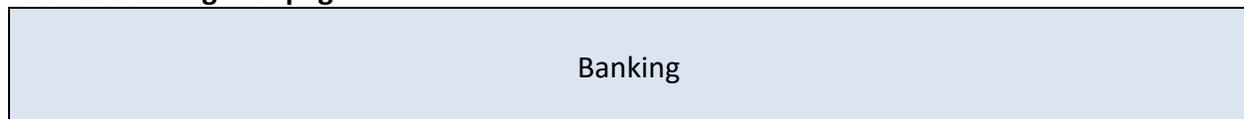
Use the slides and the online modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*

### Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

### Slide 1: Banking title page





## Slide 2: Agenda

### Agenda

Start time: \_\_\_\_\_  
 Break time: \_\_\_\_\_ (10 minutes)  
 End time: \_\_\_\_\_

Please set phones to silent ring and answer outside of the room

## Activity Icebreaker: Banking services

Raise the topic of banking by asking for a show of hands for different types of banking services. E.g.:

- How many people have a savings account? A chequing account? A debit card? A bank loan?
- How many know what their banking services cost each month?
- How many have compared the services and costs at different financial institutions before choosing the one they have?

Extend the discussion by asking questions such as the following:

- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about using banking services to manage your personal finances?
- If there's one thing you could already tell your best friend about using banking services to manage your money, what would it be?

Conclude the activity by summarizing some things people already know, and how the session is going to build on them to help participants use banking services more effectively to manage their personal finances.

## Slide 3: Banking

This module covers:

- The basic services that financial institutions offer
- How to choose the type of banking account you need
- What your rights and responsibilities are when using a financial institution
- How to keep your accounts safe
- What to do if you think someone may be using your account illegally



## Mini-module 1: Basic banking

### Slide 4: Title slide: Basic banking

Basic banking

### Overview

### Slide 5: Basic banking

This section covers:

- Basic banking services, such as deposits and card services
- How the deposit insurance system keeps your deposits safe
- How to use banking services for your everyday needs

### Banking services

### Slide 6: Banking services

Banks, credit unions, caisses populaires and trust companies offer:

- Deposit services
- Card services
- Loans
- And other services

### Slide 7: Deposit insurance

- Protects depositors if insured institution cannot return deposits
- Different deposit insurance systems:
  - One for institutions regulated by federal government
  - Others for institutions regulated by province or territory
- Check which insurance system applies to your deposit and what the insurance limits are



### Slide 8: Ways to do your banking

- In person
- By phone
- By desktop Internet or mobile device
- By automated teller machine
- By debit card reader (point-of-sale terminal or POS)

### *Banking for your future*

### Slide 9: Banking for your future

Consider automatic transfer to savings account

- Save for emergencies
- Prepare for big expenses
- Start on long-term savings and investments

### Activity Banking for your future

Have participants fill in the Banking for Your Future worksheet. Prompt discussion by asking questions such as the following:

- How many people already have an automatic transfer to a savings account?
- How many people think they or their friends can regularly achieve a savings goal without an automatic bank transfer?
- How does an automatic bank transfer make it easier to save for important financial goals?
  - **Answer:** If your money is in your savings account instead of your chequing account, you'll be less likely to spend it. You'll just adjust your spending, but the money will still be there if you need it.
- What's the best amount to have transferred automatically to a savings account?
  - **Answer:** The best amount is different for everyone, depending on their own financial needs and goals. But financial experts suggest aiming for at least 10 per cent of your monthly income after you have paid off any high cost loans. If you save more than 10 per cent, you'll achieve your savings goals faster.
- Why do you think more people don't set up an automatic transfer to a savings account?
  - **Answer:** They may not know about them, or how to set one up. They may worry that they can't get by with less money to spend.
- When would deposits in a savings account not be the best financial choice?



- **Answer:** If you are paying interest on debt, even at a low rate, it is usually better to pay off the debt first. The return on a savings account will not likely be better than that from avoiding interest payments on debt, especially when taxes are considered.

### Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

### Slide 10: Summary of key messages

- Deposit institutions include banks, credit unions, caisses populaires and trust companies
- They help you manage your money and keep it safe
- Main services include deposits, debit card services and loans
- Services are available:
  - In person
  - Online by phone or mobile
  - Through automated teller machines

### Mini-module 2: Banking accounts and packages

#### Slide 11: Title slide: Banking accounts and packages

Banking accounts and packages

#### Overview

#### Slide 12: Banking accounts and packages

This section covers:

- The main features of chequing and savings accounts



- The interest paid and how it affects your savings
- The account fees you'll pay and how to reduce them
- How to read your account statement

### Slide 13: Savings accounts

- Pay higher rate of interest
- May not offer debit card or chequing
- May have fees on basic transactions
- May have limit on number of free transactions
- May require one or more days to transfer money

**Best for money you won't need for day-to-day expenses**

### Slide 14: Chequing accounts

- Pay lower interest, or none at all
- Include debit cards and chequing
- May offer basic services at no fee
- Usually allow more free transactions
- Minimize delay for withdrawals, transfers and cheques
- May offer special rates for certain groups

**Best for day-to-day banking**

### Fees and costs

### Slide 15: Banking tools

[Click here to view page online](#)

**Account Comparison Tool**

From **Financial Consumer Agency of Canada**

Compare features for different chequing and savings accounts, including interest rates, monthly fees and transactions. Find an account that best suits your needs. Narrow your search, view search results, and compare your results below.

The information in this tool has been provided by financial institutions to help you compare chequing and savings accounts that may be available to you. Additional fees and service charges may apply. Please contact financial institutions directly for more information about their products.

**Your comparison progress**

- 1 Narrow your search
- 2 View your results
- 3 Compare your results

**Filters**

1. What province or territory do you live in?

2. Are you looking for a chequing or a savings account?  
 Chequing account  
 Savings account

3. Which currency would you keep in your chequing or savings account?  
 CAD  
 USD  
 Other

4. (Optional) Additional products or discounts may be available based on the following criteria. Choose all that apply to you.

Senior  
 OSB Recipient  
 RDSP Beneficiary  
 Youth  
 Student  
 Newcomer



### Activity FCAC banking tools

Click the slide image to demonstrate the FCAC Banking tools page if you have an Internet connection. Explain that the Banking Tools are interactive tools to help Canadians choose the best accounts for their needs.

Ask participants for selection data that they are interested in and then show the results.

Point out the tabs at the top of the results table, which provide information on additional account features.

Have participants use the selector tool during the session or later to find an account that best suits their needs.

### Slide 16: Interest

Interest paid on your accounts adds to your savings

Savings accounts normally pay **compound interest**:

- Interest on interest previously paid into your account

Some investments pay **simple interest**:

- Interest is calculated on the original amount only

### Activity Interest calculator

Go to the interest calculator online.

Ask participants for interest calculations that they are interested in and then show the results.

- E.g.: How much interest would you earn on \$1000 at 1%, 5% or 10% per year under various conditions?
- What would you have to earn to save a million dollars for your retirement, to save for a mortgage or a vacation?

Point out that interest contributes to savings, but not as much as making regular contributions to a savings account.



## Slide 17: Account statement

Refer to module for complete example

<b>ABC BANK</b> <sup>1</sup> 1425 Names Street, PO BOX 4000 Victoria BC V8X 3X4. 1-800-555-5555		CHEQUING ACCOUNT STATEMENT Page: 1 of 1			
JOHN JONES <sup>2</sup> 1643 DUNDAS ST W APT 27 TORONTO ON M6K 1V2		STATEMENT PERIOD 2012-03-18 to 2012-04-19 <sup>3</sup>	Account No. 00005-123-456-7 <sup>4</sup>		
Your account statement details					
Date	Description	Ref.	Withdrawals <sup>5</sup>	Deposits <sup>6</sup>	Balance <sup>7</sup>
2012-03-18	Previous Balance <sup>8</sup>				0.55
2012-03-19	Payroll Deposit - HOTEL			694.81	695.36
2012-03-20	Web Bill Payemnt - MASTERCARD	9685	200.00		495.36
2012-03-21	ATM Withdrawal - INTERAC	3990	21.25		474.61
2012-03-22	Fees - Interac <sup>9</sup>		1.50		472.61
2012-03-25	Interac Purchase - Electronics	1975	2.99		469.62
2012-03-25	Web Bill Payment - AMEX	3314	300.00		169.62
2012-03-27	ATM Withdrawal - FIRST BANK	0064	100.00		69.62
2012-03-28	Interac Purchase - SUPERMARKET	1559	29.08		40.54

### Activity Account statement

Point out the key elements of an account statement, including:

- 1 – Your financial institution's name and address
- 2 – Your name and address
- 3 – The time period that the statement covers
- 4 – Your account number
- 5 – The amount in the account at the start of the period
- 6 – Column shows transactions the financial institution has recorded
- 7 – Account fees charged by the financial institution
- 8 – Column shows money taken out of account
- 9 – Column shows money put into account
- 10 – Column shows total amount in the account

Advise participants to check their account statements at least every month to check for errors or any fraudulent transactions.



### Slide 18: Manage your fees

Manage your account fees to reduce your banking costs

- Watch how many transactions you make
- Use the cheapest method to do your banking
- Get only the records you really need
- Watch your account balance
- Ask for special fees based on your age or minimum balance
- Negotiate for lower fees

### Activity VIDEO: Banking tips

Screen the video, Banking tips.

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- What tips have you used in the past to manage your banking costs?
- Which tips from the video would work best for you?
- Can anyone describe how they resolved a service or cost problem they had with a financial institution?

### Video response sheet

Name: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

Name of video: \_\_\_\_\_

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?



If you had to summarize the video for a friend, what would you say were the most important points?

### Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

### Slide 19: Summary of key messages

- Pick a convenient location
- Get only the services you need
- Pick the account with the lowest fees for the services you need
- Compare rates before you open an account
- Check your account statements every month

### Mini-module 3: Alternative financial arrangements

#### Slide 20: Title slide: Alternative financial arrangements

Alternative financial arrangements

#### Slide 21: Alternative financial arrangements

Alternative financial arrangements include:

- Payday loans
- Cheque-cashing services
- Finance companies
- Unregistered services in ethnic communities

**Slide 22: Risks of alternative financial arrangements**

- They are not regulated like banks
- They offer less security
- They often charge higher fees

Read about [Payday loans](#)

**Mini-module 4: Your rights and responsibilities****Slide 23: Title slide: Your rights and responsibilities**

Your rights and responsibilities

**Slide 24: Your rights and responsibilities**

This section covers:

- Your rights when you use a regulated financial institution
- The responsibilities you have to keep your account secure
- How to make a complaint about a financial institution

**Slide 25: Consumer rights**

- Right to open an account when you present the correct ID in person
- Many banking institutions offer a basic chequing account for \$4/month
- Right to information about your account in writing
- Right to cash many government cheques for free

**Slide 26: Your responsibilities**

- Read and understand account agreement
- Check your account statement regularly
- Report anything you think is not right
- Keep your account documents, passwords and PINs secure

**Slide 27: The debit card code**

A voluntary code that protects you when you use debit card services in Canada

You must:

- Choose a PIN that is hard to guess
- Keep your PIN secure
- Check your account statements
- Report problems to your financial institution

For more information, contact [FCAC](#)

**Slide 28: Making complaints**

Financial institutions must have a way for customers to make complaints

- Step 1: Discuss problems with local branch
- Step 2: Ask for review by senior bank official
- Step 3: Ask for review by an independent official
- Contact federal, provincial or territorial regulator

For more information, contact [FCAC](#)



### Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

### Slide 29: Summary of key messages

- You have rights at your financial institution
- You can complain if your rights are not honoured
- Independent officers can help

### Mini-module 5: Banking and fraud

#### Slide 30: Title slide: Banking and fraud

Banking and fraud

#### Slide 31: Banking and fraud

This section covers:

- How debit card fraud happens
- How to protect yourself from debit card fraud
- What to do if you are a victim of debit card fraud



### Slide 32: Debit card fraud

Can happen with:

- An altered card reader or ATM
- A thief who watches you enter your PIN
- A separate card reader
- A stranger who steals your card and PIN

### Slide 33: Protect yourself from debit card fraud

Debit card tips:

- Choose a PIN that's hard to guess
- Hide your PIN and don't share it
- Keep your debit card in a safe place
- Don't lend your card
- Swipe your card yourself (or watch it)
- Notify the card issuer if:
  - Your card stops working
  - Your statement shows a purchase you didn't make
  - Your statement does not show a purchase you did make

### Slide 34: If you are a victim of fraud

If your card or PIN has been stolen or compromised:

- Contact the company that issued the card
- Contact your local police
- Contact Canada's two main credit bureaus:
  - Equifax Canada ([www.equifax.ca](http://www.equifax.ca))
  - TransUnion Canada ([www.transunion.ca](http://www.transunion.ca))
- For more information, [FCAC](#)

#### Tip:

If you have time, show the video from the Fraud module, Debit and credit card fraud, or have participants view it on the Your Financial Toolkit website.



### Activity Summary of key messages

Have participants review the topics covered.

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

### Slide 35: Summary of key messages

- Stay alert to fraud. It can happen to you!
- Keep card, PIN and other information secure and confidential
- If you become a victim, tell the company that issued the card and the police

### Action plan

#### Activity Action plan

Have participants review the Action plan.

Have participants check off any action that they may need to take.

Ask participants to decide when and how they will take the action they need.

Ask if any participants are willing to share their plans for action, using the Action plan slide if necessary.

Extend discussion with questions such as the following:

- What's the first step you need to do to better manage your banking?
- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of problems with banking services do you need more information about?



Slide 36: Summary of key messages

Banking checklist			
Step	I'm OK	Needs work	Where to look for more information
Open a chequing account for day-to-day banking	<input type="radio"/>	<input type="radio"/>	<a href="#">Types of deposit accounts</a>
Check that my chequing account provides the banking services I use regularly	<input type="radio"/>	<input type="radio"/>	<a href="#">Types of deposit accounts</a>
Compare the cost of my chequing account with other accounts. It's easy using <a href="#">FCAC's Account Selector Tool</a>	<input type="radio"/>	<input type="radio"/>	<a href="#">Types of deposit accounts</a>
Open a savings account for money I don't need every month	<input type="radio"/>	<input type="radio"/>	<a href="#">Types of deposit accounts</a>
Compare the interest I get on my savings account with other accounts. It's easy using <a href="#">FCAC's Account Selector Tool</a>	<input type="radio"/>	<input type="radio"/>	<a href="#">Types of deposit accounts</a>
Avoid ATMs or cheque-cashing services that are not provided by my financial institution	<input type="radio"/>	<input type="radio"/>	<a href="#">Transaction and service fees</a>
Check my account statement every month (either online or a mailed statement) to check for errors or transactions I did not make	<input type="radio"/>	<input type="radio"/>	<a href="#">Banking and Fraud</a>
Keep my debit card secure and use it only when it is safe	<input type="radio"/>	<input type="radio"/>	<a href="#">Banking and Fraud</a>
Create a PIN that is hard to figure out and don't share it with anyone	<input type="radio"/>	<input type="radio"/>	<a href="#">Banking and Fraud</a>