

UNDERTAKING

Pursuant to Section 154 of the *Business Practices and Consumer Protection Act [SBC 2004] c. 2 as am. ("BPCPA")*

THIS UNDERTAKING is made with an effective date of August 1, 2023

Between

HSBC Bank Canada ("The Respondent")

And

**The Director of the Business Practices and Consumer Protection Authority
dba as Consumer Protection BC (the "Director")**

WHEREAS:

- A. The Business Practices and Consumer Protection Authority dba Consumer Protection BC is the authority delegated by the Province of British Columbia to administer and enforce the BPCPA.
- B. The Respondent is a Canadian financial institution headquartered in Vancouver and operates branch locations in British Columbia.
- C. The Respondent is a credit grantor, as defined under Part 5 of the BPCPA.
- D. For the purposes of this Undertaking, a credit grantor has the same meaning as given under Part 5 of the BPCPA.
- E. For the purposes of this Undertaking, a borrower has the same meaning as given under Part 5 of the BPCPA.
- F. For the purposes of this Undertaking, a mortgage loan has the same meaning as given Under Part 5 of the BPCPA.
- G. For the purpose of this Undertaking, a revolving mortgage loan has the same meaning as given Under Part 5 of the BPCPA. For greater certainty, a collateral charge mortgage (including an HSBC Equity Power Mortgage) is a "revolving mortgage loan" under Part 5 of the BPCPA.
- H. Pursuant to section 72(2) of the BPCPA, the Respondent is required to give a borrower(s) a discharge of a mortgage loan, registrable under the Land Title Act [RSBC 1996] c. 250 as am. within 30 days after (a) the whole amount of principal and interest owing under the mortgage loan is repaid to the Respondent (the "**Repayment Date**");

and (b) a borrower(s) of revolving mortgage loan has requested a registrable discharge of the mortgage loan (the “**Request Date**”).

- I. Consumer Protection BC undertook an inspection of the Respondent’s compliance with mortgage discharge obligations under section 72 of the BPCPA during the years 2017 to 2022.
- J. The results of the inspection brought forward an allegation the Respondent had contravened section 72(2) of the BPCPA.
- K. The findings of the inspection and the allegation have been reported to the Director.
- L. The Director is prepared to terminate the inspection and any subsequent proceedings resulting from the allegation against the Respondent upon acceptance of this Undertaking.

NOW THEREFORE the Respondent undertakes, acknowledges, and agrees with the Director to the following:

- [1] The Respondent will make a payment to the Consumer Advancement Fund in the amount of \$305,900. Payment is to be made to Consumer Protection BC within 30 days of this Undertaking being executed.
- [2] Beginning June 30, 2023, the Respondent shall track for each quarterly period thereafter until the earlier of (a) June 30, 2024 or (b) the date which is 2 days prior to the closing date of the purchase of the Respondent by the Royal Bank of Canada, and will provide, for each tracked period, a written report (which may be in the form of an excel document) to Consumer Protection BC (via email to: operations@consumerprotectionbc.ca) that details the following information with respect to mortgage loan and revolving mortgage loan discharges subject to s. 72(2):
 - An anonymized reference number for the mortgage;
 - In the case of a mortgage loan where the Repayment Date is within the tracked period, the number of days between the Repayment Date and the date the executed Form C was provided to the borrower or the borrower’s agent for registration (the “**Provided Date**”);
 - In the case of a revolving mortgage loan where the Repayment Date or the Request Date, whichever is later, is within the tracked period, the number of days between the Repayment Date or the Request Date (whichever date is later) and the Provided Date;
 - If the Provided Date is greater than 30 days after (a) in the case of a mortgage loan, the Repayment Date, or (b) in the case of a revolving mortgage loan, the Request Date or the Repayment Date, whichever is later;

- The reason for the delay,
 - In the case of a mortgage loan, the Repayment Date and the Provided Date or if the Respondent has not provided the executed Form C to the borrower or the borrower's agent for registration at the time of the reporting, indicate in the reporting this has not occurred.
 - in the case of a revolving mortgage loan, the Repayment Date, the Request Date, and the Provided Date or if the Respondent has not provided the executed Form C to the borrower or the borrower's agent for registration at the time of the reporting, indicate in the reporting this has not occurred.
- [3] With respect to the delivery date of the written report in item 2 above, the report will be emailed by the Respondent to Consumer Protection BC within 15 business days of the end of the reporting quarter (which, for greater certainty, such deadline will fall on October 23, 2023, January 22, 2024, April 22, 2024, and July 22, 2024, as applicable to the respective preceding reporting quarter). However, in the circumstance where the reporting period ends 2 days before the closing date, the written report will be emailed by Respondent to Consumer Protection BC no later than end of day on the closing date.
- [4] The Respondent will reimburse Consumer Protection BC costs associated with the inspection in the amount of \$6,000 within 30 days of this Undertaking being executed.
- [5] This Undertaking is binding on the Respondent and its successors and assigns until such time as it is either terminated in writing by the Director or terminated by order of the Supreme Court of British Columbia.
- [6] In addition to rendering the Respondent liable to further penalties and proceedings as provided for under the Act, it is an offence under the BPCPA to fail to comply with any part of this Undertaking that has not been previously terminated.
- [7] Any communication with the Director in connection with this Undertaking shall be made to the following:

Shahid Noorani
Vice President
Consumer Protection BC
200 – 4946 Canada Way
Burnaby, British Columbia V5G 4H7

Unless another address for delivery is given to the other party, in writing, by either the Director or the Respondent.

DATED this 1st day of August, 2023



Signature
Shahid Noorani
Vice President
Consumer Protection BC



Larry Tomei
EVP and Head of Wealth & Personal Banking
HSBC Bank Canada

Duly Authorized signatory of HSBC Bank Canada