



COMPLIANCE ORDER

IN THE MATTER OF

***THE BUSINESS PRACTICES & CONSUMER PROTECTION ACT [SBC 2004] c. 2
and PAYDAY LOANS REGULATION***

Respondent: Cashco Financial Inc. also carrying on business as Cashco

Adjudicator: Robert Penkala

Date of Order: June 24, 2020

CONTRAVENTION

In a decision of the director dated June 12, 2020 the respondent is found to have contravened section 23 (2)(b) of the *Payday Loans Regulation* by:

 failing to ensure that payday loan agreements provided for repayments to be made by borrowers over at least the next two “pay periods”, as required in the applicable prescribed loan circumstances.

REQUIREMENTS OF THE ORDER

Pursuant to section 155 (4) (a) and (d) of the Act, the respondent is ordered:

1. Within 30 days of service of this order, to reimburse Consumer Protection BC **\$600** for its inspection costs in respect of the above-noted contravention.
2. To implement any system, technical, or procedural changes required to identify and prevent recurrence of the above contravention, and report to Consumer Protection BC the steps taken, including means by which Cashco will monitor or self-audit for compliance in this respect, by no later than July 29, 2020.
3. To comply with section 24 of the *Payday Loans Regulation* by returning all payday loan fees for the borrowers identified in the payday loan agreements listed in Tables 2, 7 and 10 of the Report in case #30309, refunding the fees for those 26 loans either by cash or electronic funds transfer, cheque, money order, or credit against currently outstanding loan repayments as between these borrowers and Cashco, and, to:

- a. make all reasonable efforts to notify borrowers and refund fees at the earliest opportunity;
- b. keep a record of all fee refunds provided and upon request provide particulars of the refunds to an Inspector without delay;
- c. report to Consumer Protection BC the status of the fee refunds including any amounts remaining outstanding, by August 31, 2020;
- d. if, after taking all reasonable steps required by this Order, the respondent has not issued all of the refunds by August 31, 2020, the respondent shall provide the balance of the unpaid refunds to Consumer Protection BC by no later than September 16, 2020.
- e. any unpaid refunds received by Consumer Protection BC will be held in trust for a period of six months during which time the unpaid refund amount will be used by Consumer Protection BC exclusively to satisfy claims made by the borrowers. After six months any refund amount remaining unclaimed will be transferred by Consumer Protection BC to the Consumer Advancement Fund.
- f. the respondent must comply with any additional direction of Consumer Protection BC made under this Order respecting the administration of refunds, the holding of refund money, or the transfer of unpaid borrowers' fee refunds described above.

RECONSIDERATION (APPEAL)

Under section 181 of the Act, the respondent may apply for reconsideration of this Order **within 30 days** of receiving it (the director may extend time for the request if special circumstances exist). The application must be in writing and identify the error the applicant believes has been made or other grounds for reconsideration. A **\$252 application fee** must be submitted with the request for reconsideration, which will be refunded if the reconsideration results in cancellation of the original determination.

The director may vary or cancel an Order only if new evidence has become available, that:

- is substantial, and material to the Order; and,
- did not exist at the time of the original decision or did exist but could not have been discovered at that time through the exercise of reasonable diligence.

A decision on reconsideration is final and may only be judicially reviewed. Information about the reconsideration process can be found at www.consumerprotectionbc.ca

A request for reconsideration must be delivered to:

Consumer Protection BC
Attn: Shahid Noorani, Vice President Regulatory Services
200 – 4946 Canada Way, Burnaby, BC V5G 4H7
shahid.noorani@consumerprotectionbc.ca

SUMMARY

The respondent is required to comply with this Order and, if requested by this office, provide proof of compliance. Failure to comply with this Order may result in the imposition of an administrative penalty of up to \$5,000 on an individual and up to \$50,000 on a corporation. This Order may be filed in British Columbia Supreme Court and once filed is deemed an Order of the Court and enforceable as such.



Robert Penkala, Mgr. Enforcement Hearings

June 24, 2020

Date

Method of service: email