

February 8, 2018

Gift Card Changes
Consumer Policy and Liaison Branch
Ministry of Government and Consumer Services
6th Floor, 56 Wellesley Street West
Toronto, ON M7A 1C1

Re: Canadian Marketing Association comments regarding proposal to clarify the gift card rules under the Consumer Protection Act, 2002

The Canadian Marketing Association (CMA) supports the efforts being undertaken by the Government of Ontario to clarify the gift card rules in Ontario Regulation 17/05 under the Consumer Protection Act, 2002.

While the current rules intend to protect consumers who purchase gift cards, and include restrictions on expiry dates and fees, understanding the various options and how gift cards differ depends largely on the level of consumer knowledge and this has sometimes resulted in some unintended consequences for businesses.

A number of CMA members have dealt with consumer complaints due to the confusion surrounding how the rules apply to certain types of cards. Therefore, we believe there is a need for further clarity as well as public education. Expanded online resources on the Consumer Protection Ontario's website that provide plain language summaries of the rules and their applicability to the different gift card options would be beneficial.

The ministry's proposed regulatory changes include clarification that the gift card rules would apply to gift cards, even if they are not purchased as gifts. However, CMA is concerned that the Government may inadvertently capture gift cards given free with purchase, as part of a promotion for example. Our understanding is that these are not covered, and it is important that the regulations are clear on this point. Online information and similar educational resources outlining the application of the rules to different types of gift cards would be of significant value.

The business community and consumers could also benefit from further clarification on the issue of what constitutes a single good or service. In the case of a one-time or single day redemption for an experience at for example a spa, theme park or golf club, where that single one-time redemption of a certificate may include several services, food items and/or drinks, does that fall within the exemption for gift cards for a single good or service? Given that the consumer must redeem the entire gift card or certificate for access to that singular experience, it can be argued that such a one-time redemption is akin to using a gift card that is good for a single product or service, in this case a singular experience.

We fully support the ministry's proactive steps to address any marketplace confusion, as this will result in lessening undue burden placed on businesses while fostering positive consumer experiences and competitiveness. The Canadian Marketing Association appreciates the opportunity to provide input into this consultation.

About the CMA

The Canadian Marketing Association embraces Canada's major business sectors and all marketing disciplines, channels and technologies. The Association's members make a significant contribution to the economy through the sale of goods and services, investments in media and new marketing technologies and employment for Canadians. Against this backdrop, the Canadian Marketing Association is the national voice for the Canadian marketing community, with CMA's advocacy efforts designed to create an environment in which responsible marketing can succeed.

For any further information regarding CMA or this submission please contact Florentina Stancu-Soare at 416-644-3766 or fstancu-soare@thecma.ca.

Sincerely,

A handwritten signature in blue ink, appearing to read 'W Hill'.

Wally Hill
Vice President, Government & Consumer Affairs
Canadian Marketing Association