



Council Report
For the Council Meeting of January 28, 2016

To: Council

Date: January 26, 2016

From: Councillor Ben Isitt and Councillor Jeremy Loveday

Subject: Access to Financial Services through Postal Banking

Background:

Access to financial services in the City of Victoria and nationally is uneven, with low-income people, indigenous people and people living in remote communities disproportionately underserved by existing financial institutions. This problem applies to rural and First Nations communities where no financial institutions exist, as well as urban areas where many low-income people are deemed ineligible for conventional financial services and therefore rely on pay-day lending and other high-cost financial services.

Jurisdictions such as the United Kingdom, France, Switzerland and New Zealand have responded to these inequities by extending access to financial services through their postal services. Postal banks can operate as a partnership between existing financial institutions and the postal service, or as new financial institutions.

A coalition of interests has emerged in Canada calling on the federal government to explore an extension of access to financial services through postal banking. This coalition includes representatives of First Nations, senior citizens, low-income people and local governments. More than 600 municipalities in Canada have placed themselves on record supporting postal banking.

The City of Victoria's Strategic Plan clearly identifies facilitating social inclusion and increasing affordability as priorities. It is therefore recommended that the City of Victoria support the proposal for increased access to financial services through postal banking.

Resolution:

That Council direct staff to forward the following resolution to the Federation of Canadian Municipalities for consideration at the 2016 Annual Conference in Winnipeg, and that copies be sent to FCM member local governments requesting favourable consideration and resolutions of support, and that the resolution be forwarded to the Prime Minister of Canada:

Access to Financial Services through Postal Banking

WHEREAS many remote, indigenous and rural communities in Canada are not served by financial institutions;

AND WHEREAS nearly two million Canadians rely on payday lenders and would benefit from access to fair and affordable financial services;

AND WHEREAS jurisdictions around the world have introduced financial services in conjunction with postal services in order to expand access to financial services and promote social inclusion;

AND WHEREAS the federal government's review of Canada Post provides an opportunity to expand access to financial services for Canadians while modernizing the postal system;

THEREFORE BE IT RESOLVED THAT the City of Victoria supports the expansion of financial services for Canadians through the postal service, with a mandate of promoting social inclusion;

AND BE IT FURTHER RESOLVED THAT the City of Victoria calls on the federal government to include in its review of Canada Post an examination of how financial and banking services can be delivered in conjunction with the postal service.

Respectfully submitted,



Councillor Ben Isitt



Councillor Jeremy Loveday

Attachments:

Report: *Why Canada Needs Postal Banking* (2013)