

McGuinty Government Starts the Clock to Ban Gift Card Expiry Dates

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Becomes First Province to Regulate Gift Cards

TORONTO, May 29 (www.AllPayNews.com) - Beginning October 1, 2007 the McGuinty Government is giving consumers what they paid for by banning expiry dates, controlling fees and providing better information on cash equivalent gift cards, further boosting its leading consumer protection laws, Government Services Minister Gerry Phillips announced today.

"By eliminating expiry dates on these type of gift cards, consumers can have peace of mind by knowing cash-equivalent gift cards will retain their value for life," said Phillips. "Cash-equivalent gift cards are one of the most popular products in retail today, and we have taken steps to ensure they retain their full value no matter when consumers redeem them."

As well as eliminating expiry dates, new rules will require retailers to clearly and prominently disclose gift card terms and conditions and restrict applicable fees.

Gift cards have become enormously popular with businesses and consumers alike. According to Statistics Canada, more than 80 per cent of large retailers offered gift cards in 2005, up from just 29 per cent in 2003. Other studies estimate that in 2005, 55 per cent of Canadian adults gave or received a gift card.

"People who receive gift cards shouldn't have to rush into a purchase just so they can get full value from their card," said Consumers Council of Canada Vice-President Eleanor Friedland. "Ontario is setting an example for other provinces to follow in this area."

"This law strikes a good balance between responding to the concerns of consumers and taking into consideration the legitimate needs of retailers," said Retail Council of Canada President and CEO Diane J. Brisebois. "We're very pleased that the government has consulted broadly to arrive at this workable solution."