



Tips About Low-Cost Bank Accounts

What is a low-cost bank account?

A low-cost account is a bank account that costs a maximum of \$4.00 per month and includes the following features:

- no charge for deposits
- the use of a debit card
- the ability to write cheques (some banks may charge additional fees for cheques)
- 8 to 15 free debit transactions per month, at least two of which can be made in the branch. Debit transactions can include:
 - writing cheques
 - paying bills
 - taking money out of an automated bank machine (ABM) or with the help of a bank teller
 - transferring money between accounts
 - buying something at a store with your debit card
- free monthly statements or a bank book – showing you all the money that came out of and went into your bank account during the month.

Where can you open a low-cost bank account?

To find out which banks offer low-cost accounts, visit our interactive tool *Which Bank Accounts are Right for You?*

Who can open a low-cost account?

Under Canadian law, everyone has the right to open a bank account.

You can open an account with a bank even if:

- you don't have a job
- you don't have money to put in the account right away
- you have been bankrupt.

To open an account with a bank, you have to:

- go to the bank in person, and
- show the bank original identification (ID) – not photocopies.

Responsibility for regulating other deposit-taking institutions, such as credit unions and *caisses populaires*, is with the provinces or territories, which may have different requirements.

For more information on the types of ID you must show, contact us at 1-866-461-3222, or consult our publication titled *Opening a Personal Bank Account*.

Things to consider when shopping around

Here are some things to consider when shopping for a low-cost bank account:

- Are there branches and ABMs of the bank close to your home, place of work or school?
- How much extra will you have to pay if you use ABMs of other financial institutions?
- How many transactions are allowed in the monthly fee? Are there any restrictions by type?
- What are the fees you must pay if you go over this limit?
- Can you order cheques free of charge, or do they cost extra?
- Do you prefer a bank book or a monthly statement?
- What kind of ID will you need to open a low-cost account?

Other FCAC information of interest

For more information on choosing a low-cost account, consult the following FCAC publications:

Tip Sheets

- Shopping Around for a Personal Bank Account

Publications and Interactive Tools

- Low-Cost Accounts
- Opening a Personal Bank Account
- Choosing the Right Savings Account for Your Needs
- Banking Package Selector Tool
- Savings Account Selector Tool

Notes

About Financial Consumer Agency of Canada (FCAC)

With educational materials and interactive tools, the Financial Consumer Agency of Canada (FCAC) provides objective information about financial products and services to help Canadians increase their financial knowledge and confidence in managing their personal finances. FCAC informs consumers about their rights and responsibilities when dealing with banks and federally regulated trust, loan and insurance companies. FCAC also makes sure that federally regulated financial institutions, payment card network operators and external complaints bodies comply with legislation and industry commitments intended to protect consumers.

Contact Us:

 Website:
fcac.gc.ca

 Toll-free:
1-866-461-3222

 TTY:
613-947-7771 or
1-866-914-6097

 Follow @FCACan
on Twitter

 Subscribe to FCACan
YouTube Channel



This tip sheet is part of a series. To view FCAC's other tip sheets, please visit our website.