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## NEWS RELEASE

For Immediate Release

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### **Joint investigation by watchdogs takes aim at insurance & payday lending practices**

***Insurer ordered to stop selling policies through payday lenders & provide refunds;  
payday lenders ordered to stop selling insurance***

**Vancouver/Victoria, British Columbia** – Provincial regulators, the Financial Institutions Commission (FICOM) and Consumer Protection BC, have partnered to take action against Western Life Assurance Company (Western Life) and several BC payday lenders to protect consumers in their financial transactions.

A collaborative investigation produced evidence that payday lenders, Venue Financial Ltd. and CashCo Financial Inc., engaged in aggressive and deceptive sales of Western Life insurance products. Those practices include:

- Legally required disclosures are not being provided to consumers;
- Consumers are not clearly being made aware they have purchased the insurance or that it is a voluntary product;
- Consumers are not being provided sufficient information, or an opportunity, to make an informed decision if they want or need the insurance; and
- Controls are not in place to ensure that consumers are not sold the insurance when they are ineligible for coverage.

FICOM has issued a cease and desist order against Western Life Assurance Company (Western Life) to stop the sale of creditor group insurance through payday lenders in BC.

“The fair treatment of consumers is paramount to FICOM, and we have been clear with insurers that they must take responsibility for the way their products are sold.” said Chris Carter, Deputy Superintendent of Financial Institutions. “In collaboration with Consumer Protection BC, we have determined that Western Life has not lived up to its obligations to consumers.”

Under the order, Western Life must contact all individuals they have insured through payday lenders and inform them of the particulars of the insurance they purchased, confirm eligibility, and offer to cancel the insurance and refund affected consumers.

Licensed payday lenders Venue Financial Ltd. and CashCo Financial Inc. are also prohibited from selling creditor group insurance from any insurer in BC until FICOM is satisfied that the products are being properly sold to consumers.

View the cease and desist order here: [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca)

Consumer Protection BC is taking its own actions against Venue Financial Ltd., CashCo Financial Inc., as well as Speedy Cash (operated by Kamloops 2011 Equities Ltd., Bagan Preservation Ltd. and Kelwood Financial Services Ltd.), related to their sale of credit protection insurance. A broader Consumer Protection BC investigation into the lending practices of these businesses is ongoing.

“What we have seen causes us great concern. These actions should serve as a warning to the rest of the payday lending sector,” says Tayt Winnitoy, Executive Vice President of Consumer Protection BC. “Alongside FICOM, we are dealing with the improper sale of insurance within our respective areas of authority. For us, however, the issues with these payday lenders don’t stop there; insurance is only one element of our ongoing investigation. We encourage anyone to contact us if they feel that they have experienced a breach of BC’s payday lending laws.”

Read Consumer Protection BC’s orders against Venue Financial Ltd., CashCo Financial Inc. and Speedy Cash on the [Recent Enforcement Actions page](#) of their website. [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca)

**About:**

FICOM regulates insurance companies under the *Financial Institutions Act* and investigates complaints of regulatory matters and allegations of misconduct. [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca)

Consumer Protection BC regulates payday lenders and a variety of other sectors and consumer transactions in the province. It licenses and inspects its regulated businesses, investigates alleged violations of consumer protection laws and provides information to consumers. [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca)

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