



Quebec Bill 53 and the Consumer Credit Freeze

Background

Quebec's Bill 53, the *Credit Assessment Agents Act*, introduced the ability for Canadian consumers in Quebec to place a freeze on their credit files as a measure of fraud prevention. Credit freezes do not currently exist in Canada and the capability will need to be developed. The purpose of this document is to present background information on Bill 53 and Equifax Canada's preliminary steps toward building this capability.

Please note that when Bill 53's requirement for a credit file/security freeze will come into force under the law is not yet known. However, Equifax is working toward a "go-live" date of late October 2022 for this functionality to be available to consumers across Canada.

Impact

Under Bill 53, when a consumer places a freeze on their credit file, Equifax will be unable to deliver the credit file (nor the PII from aforementioned consumer credit file) or any products or scores to the requestor who plans on using the data for credit adjudication purposes such as:

- Entering into a credit contract
- Increasing credit
- Extending credit
- Entering into a long-term contract for a lease of good
- Entering into a contract involving sequential performance for a service provided at a distance

Frequently Asked Questions

What does this mean for Equifax customers?

What will the freeze message look like?

What steps are required of Equifax customers in response to this change?

Who can place a freeze on a consumer credit file?

What steps will be taken to grant lender access to a frozen file during the loan process?

Under what conditions will the freeze message be bypassed and regular processing occur?

How will Equifax determine whether a request for a credit file falls under exempt or non-exempt use cases for Bill 53?

When a file is exempt from Bill 53, can we still get an indication that the file is frozen?

When will this new hit designator code “7” be available for user acceptance testing for both STS and Web channels?

Is the Deposit Alert product impacted by Bill 53?

Any impact to our data submission/reporting?

Will an Inquiry be posted to the file when there is a freeze and the transaction is NOT exempt?

Use Cases and Exemptions

Updated: October 28, 2021

Non-Exempt Use Case:

- Equifax will return hit/no hit designator code “7” freeze message on the response back to the customer

- No PII, no Scores and no ancillary products (such as Deposit Alert, SafeScan, SafeScan ID, Decision Power) are returned

Exempt Use Case:

- Equifax will return the credit file as well as all products and services as per usual subscriptions
- **Optionally**, in addition to all products and scores being returned, an indicator (CD Segment Alert) can be returned on the consumer's credit report indicating that the file is frozen and that the consumer credit file data should not be used for credit adjudication purposes

Use Case by Customer Type	Exempt: Yes/No (Yes = Equifax will return the file and all products)	For the purpose of:	Batch /Online
Financial Institution	Yes	Bank Account Opening	Batch/Online
Lender, Financial Institution or Other	No	Credit Adjudication: Entering into a credit contract	Batch/Online
Lender, Financial Institution or Other	No	Credit Adjudication: Increasing credit	Batch/Online
Lender, Financial Institution or Other	No	Credit Adjudication: Extending credit	Batch/Online
Lender, Financial Institution or Other	No	Entering into a long-term contract for a lease of good	Batch/Online
Lender, Financial Institution or Other	No	Entering into a contract involving sequential performance for a service provided at a distance	Batch/Online
Employment Agencies	Yes	Background check, screening	Batch/Online
Government (Federal) or Other Agency	No	Commercial loan with a principal bureau pull: any principal's file that is frozen will not be returned, nor should be used in the business loan's credit adjudication flow	Batch/Online
Government (Federal)	Yes	Background check, screening	Batch/Online
Government (Federal)	Yes	Investigation	Batch/Online
Government (Federal)	Yes	Eligibility for social services	Batch/Online
Government (Provincial)	No	Granting a loan (VS industry code)	Batch/Online
Government	No	Student Loans	Batch/Online
Government	Yes	Debt recovery / collections	Batch/Online
Collection Agencies	Yes	Debt recovery (industry codes ending with X)	Online
Collection Agencies	Yes	Member reporting/reconciliation — Deliver a complete file with the collection items or the trade	Batch

		data associated to the customer's portfolio	
Lender, Financial Institution or Other	Yes	Fraud Monitoring — We will return trigger alerts, scores and SafeScan products such as “confirmed true name fraud”	Batch
Lender, Financial Institution or Other	No	Up-sell/cross-sell another product to existing customers	Batch/Online
Lender, Financial Institution or Other	Yes	Marketing — Access credit files to pre-screen prospects (non-government). No credit file returned. We return flags such as scorable, hit, no-hit, thin file	Batch
Lender, Financial Institution or Other	Yes	Skip Tracing — For Contact ID program. Return address data (non-collection agencies)	Batch
Lender, Financial Institution or Other	Yes	POC/Model Build/Score Revalidation — Request for data	Batch
Lender, Financial Institution or Other	Yes	Portfolio Management, Account Management	Batch
Insurance	Yes	Credit bureau pulls by insurance members for the purpose of granting home/auto insurance (industry code IG)	Batch/Online

Use Case by Platform/Product	Exempt: Yes/No (Yes = Equifax will return the file and all products)	For the purpose of:	Batch /Online
Pre-Qualification	Yes (Quote Only)	With frozen files, Equifax will only return a quote (consumer's product qualifications) and the requestor will not be able to proceed with the loan after a successful pre-qual,	Batch/Online
Other (Tenant Selector)	No	Rental Inquiries (Lease of a good)	Batch/Online
BNPL	No	Lease of a good or extension of credit	Batch/Online
EID	Yes	Authentication	Online
PPSA	Yes	Validation of file against Consumer PII and PPSA	Online
AML	Yes	Fraud Check	Online
Aggregated Scores and Products such as	Yes	Data Insights	Batch

Neighbourhood View			
Ignite Direct	Yes	Analytics using aggregated data	Batch
Ignite Marketplace	Yes	Insights using aggregated data	Batch

Contact Us. We're Here to Help!

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