

4 February 2025

Financial Services Regulatory Authority  
25 Sheppard Avenue West, Suite 100  
Toronto, ON M2N 6S6

**Re: Feedback on Second Consultation for Proposed Unclaimed Deposits (UD) Rule and Guidance**

Kingston Community Credit Union (KCCU) is highly appreciative of the thought and consideration given to the many submissions made in the first round of consultation on the proposed Unclaimed Deposits Rule and Guidance. Overall KCCU endorses the proposed revised UD Rule and Guidance, and has but a few additional observations for your consideration.

**Youth Accounts**

From our practical experience with youth accounts, KCCU recommends that the clock for considering as account inactive (the Rule paragraph 2(1) ) should only start ticking when the account holder/beneficiary turns 16 years of age. Parents and grand-parents open accounts for children with the best of intentions and then forget about them, and only once the account holder becomes economically active is there in these cases greater success in reuniting the holder with their funds. Overall, it should be appreciated that the success of credit unions rests on active account holders and credit unions are highly motivated to revive and retain active depository relationships.

**Accessing accounts online (Guidance page 8)**

KCCU recommends that the Guidance more clearly states that a successful log-in to a CU online service in itself constitutes “accessing the statement online”, regardless of whether the online account user opens the formal statements, generates a list of transactions, or simply views the landing page dashboard of accounts and balances. Given multi-factor authentication and other OIDC protocols, a successful log-in is considered proof of account holder authentication, and is a line with current account holder behaviors. Successful FI online authentication is, as an example, accepted as a recognized standard by CRA.

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**Original Records (Rule 3(7))**

KCCU strongly recommends that record retention be aligned with existing practices, specifically seven years as mandated by CRA (six years following the fiscal year of the last transaction). For credit unions to manage different retention protocols for different groups of members and ex-members is unwieldy, burdensome, and introduces greater risks around record management and data protection.

**Program costs**

KCCU appreciates that this is a novel program and outside the Ontario credit union system experience. Every effort should be made to curtail costs in the interest of members and consumers, who will ultimately foot the bill through bank charges. Ideally interest revenue from the funds on deposit with FSRA will pay for the UD program costs. It should be understood and acknowledged that any additional costs, whether from the implementation or ongoing, that are assessed to the credit unions will be reflected in adjustments to the inactive account fees, as the program as a whole, for FSRA and for the credit unions, should be run on a cost-recovery basis.

KCCU thanks FSRA for the work put into to the revised proposal of the Unclaimed Deposit regime, and we look forward to a collaborative and successful implementation.

Sincerely Yours,

A handwritten signature in black ink, appearing to read 'Jon Dessau', with a long, sweeping horizontal line extending to the right.

Jon Dessau  
Chief Executive Officer  
Kingston Community Credit Union