

# BEST PRACTICES DOCUMENT FOR BILLERS

## PURPOSE

This document has been developed by Payments Canada based on the recognition that biller's value-dating and billing practices can have negative unintended impacts on their customers. Through this best practices document, Payments Canada encourages member Financial Institutions (FIs) to share the information contained in this document with billers, with the goal of enhancing biller and consumer awareness. Billers that subscribe to a member FI's bill payment service are encouraged to adopt the guidelines outlined below on a voluntary basis.

## 1. GUIDELINE FOR DISCLOSING VALUE-DATING PRACTICES

### Background:

Billers adhere to different practices for value-dating as it relates to the date they acknowledge their customers to have made a bill payment. For example, a biller may deem their customer to have paid their bill on the date the customer made the payment at their FI (i.e., value date = date payment was made), regardless of the date that the biller reconciles bill payment remittance details. In this case, if a customer makes their payment on or before the due date, the payment will not be deemed late by the biller.

Conversely, a biller may deem their customers to have paid their bill on the date that the biller reconciles bill payment remittance details, which can be days after the customer made their payment. In this case, if a customer makes their payment on or before the due date, the payment may potentially be deemed late by the biller and could result in negative consequences for the customer, such as being charged a late fee. If a biller does not disclose their value-dating practices it is not clear to their customers when they must make a payment in order to avoid potentially being charged late fees.

### Guideline #1:

All billers that participate in a member FI's bill payment service are encouraged to disclose to their customers the date on which a bill will be considered as paid (i.e., the date that the biller will consider the payment was made), and to educate their customers on the amount of time it takes for a payment to be reflected in their account held with the biller.

### Potential benefits:

- Increased transparency and reduced confusion for customers; customers will know when they must make their payment in order to avoid late fees.
- Billers are more likely to receive payments on time, and receive less complaints from their customers.
- Billers may be able to reduce overhead costs associated with collecting late fees and handling customer complaints.
- Educating customers on the timelines for bill payments will provide customers with clear expectations.

## 2. GUIDELINE FOR BILLING PRACTICES

Background:

Billers may have customers that rely on federal and/or provincial government benefit payments to pay their bills. Depending on the date that benefit payments are sent, these customers may not have the funds available to make their bill payments until after the due date. If billers were to schedule their invoice due dates to come after benefit payments are sent, it would set their customers up for success and reduce the likelihood of late payments.

Guideline #2:

All billers that participate in a member FI's bill payment service are encouraged, where possible, to give consideration to federal and/or provincial government benefit payment dates when scheduling their invoice due dates.

Potential benefits:

- Billers are more likely to receive payments on time.
- Billers may be able to reduce overhead costs associated with collecting late fees and handling customer complaints.
- Customers that rely on federal and/or provincial government benefit payments will benefit from having funds available, and will potentially be able to avoid incurring late fees.

Additional information regarding federal and provincial government benefit payments, including various examples and their respective payment dates, can be found on the Government of Canada's website.