

# HSBC Credit Card

Cardholder Agreement

# Cardholder Agreement

This Cardholder Agreement sets out the terms of the credit card relationship between you and us. In this Agreement, **you** and **your** mean the Primary Cardholder, unless otherwise indicated. **We, us,** and **our** mean HSBC Bank Canada. You can find a list of words we define in this Agreement in Section 1.

Read this Agreement carefully, along with the terms and conditions included in the application that you submitted when you requested your Account. We consider the terms and conditions in the application a part of this Agreement and when we refer to this Agreement, both are included. Keep this Agreement so you can refer to it later. It replaces any previous agreements we may have sent to you. If you sign, activate, or use your Card or Account number, it means that you have received and read this Agreement and agree to and accept all of its terms. By accepting this Agreement you have requested the benefits and services provided automatically with any Card issued under this Agreement.

We send the Initial Disclosure Statement, the Cardholder Manual including the Cardholder Agreement, Account statements, and legal notices, such as notification of any changes to the information in the Initial Disclosure Statement and of any changes to benefits and optional services to the address of the Primary Cardholder (which includes the address for receipt of electronic communications, if the Primary Cardholder elects to receive these documents electronically). We consider that both the Primary Cardholder and the Authorized Users receive any communications sent to the Primary Cardholder's address. If you activate a supplementary card issued to an Authorized User or if the Authorized User signs, activates or uses a supplementary Card or Account number, it means that the Authorized User has received and read this Agreement and any notices we sent to the Primary Cardholder about use of the Account or Card and agreed to accept their terms.

## 1. About the words we use in this Agreement

In this Agreement, the words listed below have the following meanings. We capitalized them throughout this Agreement so you can identify them easily.

- **Account** means your HSBC Mastercard account.
- **Agreement** means Cardholder Agreement, the application you submitted when you requested your Account and the Customer Information Consent (at the end of the Cardholder Agreement), and any changes we make to these documents.
- **Authorized User** means an individual in whose name we issue a supplementary Card, if you request it.
- **Balance Transfer** means any account balance transferred from a Canadian financial institution we approve.
- **Card** means an HSBC Mastercard card we issue to you or an Authorized User, including any renewal or replacement, and any other payment device or application we provide to enable you or an Authorized User to use the Account.
- **Cash Advance** means an advance of money from us that is charged to your Account (for example, a cash advance from an ATM or in-branch) or a Quasi-Cash Transaction. We also treat transfers of funds from your Account, bill payments

made on your Account at an HSBC branch or through HSBC online or telephone banking, and Cheques as Cash Advances.

- **Cheques** means the credit card cheques we issue to access your Account, if you request them.
- **Initial Disclosure Statement** means the Initial Disclosure Statement included with the form your Card is attached to when you receive it.
- **Minimum Payment** means the total of:
  - the largest amount of the following three:
    - (i) 3% of the New Balance (or 5% of the New Balance if you reside in Quebec), rounded to the next dollar; or
    - (ii) \$10; or
    - (iii) interest charges owing on your Account statement (rounded to the next dollar); plus
  - all past due unpaid amounts; plus,
  - all amounts over your Credit Limit.

If your New Balance is less than \$10, then your Minimum Payment will be the New Balance.

- **New Balance** means the amount shown on your Account statement as the "new balance". This is the balance you owe on the statement date.
- **Payment Due** means the amount shown on your Account statement as the "payment due". This is also referred to as the Minimum Payment that you must pay by the due date appearing on your Account statement to keep your Account in good standing.
- **PIN** means your or any Authorized User's Personal Identification Number.
- **Primary Cardholder** means the person who applied for a Card, as the primary (or main) cardholder, and in whose name we opened the Account.
- **Purchase** means an advance of money from us that equals the purchase price of goods or services from a merchant that is charged to your Account.
- **Quasi-cash Transaction** means an advance of money from us that is charged to your Account to obtain a wire transfer, travelers cheque, foreign currency, money order, lottery tickets or casino gaming chips or to pay an existing debt or to place a bet.
- **Total Debt** means the total of all Purchases, Cash Advances, Balance Transfers, Cheques, interest and fees and any other amounts that may be charged to your Account under this Agreement.
- **Transaction** means any Purchase, Cash Advance, Balance Transfer, Cheque, interest charge, fee, payment, credit or debit adjustment, and other amounts that may be charged to your Account.

## 2. Using the Card

In this section, **you** and **your** means the Primary Cardholder and any Authorized User.

You may make a Purchase or get a Cash Advance by using your Card, writing a Cheque, or using any other method we may allow from time to time. The Primary Cardholder authorizes us to charge the Account with the amount of any Purchase, Cash Advance, or any other Transaction. You must not use your Card or Cheques to get a Cash Advance from a merchant. If you use your Account number without presenting your Card to make a Purchase or other Transaction (for example, buying something by telephone, by mail, or online), we treat the Transaction the same as if you had used your Card with your PIN or signed a sales slip or receipt.

The maximum amount of Cash Advances that you can obtain at an Automated Teller Machine (ATM) may be restricted. For example, we may set daily or weekly limits on Cash Advances. Limits may also apply to the ATM.

You must sign your Card as soon as you receive it. You must not use your Card after the last day of the "Valid Thru End Of" month on the front of it. If your Card or the Account is used after the expiry date, the Primary Cardholder agrees to pay the amount owing. You may only use your Card and Cheques as allowed in this Agreement.

You may not use the Account for any illegal, improper or unlawful purpose. We can refuse to authorize certain types of Transactions as we determine.

## 3. Keeping your Personal Identification Number (PIN) and Card information confidential

In this section, **you** and **your** means the Primary Cardholder and any Authorized User.

We will provide you with a PIN for your Card. We may also allow you to create your own PIN (for example, at an ATM). If you create your own PIN, select a PIN that cannot be easily discovered or guessed. For example, you must not select a PIN based on your Card number, your name, birthdate, telephone number or address, or the name, birthdate, telephone number or address of a close relative. Only you are allowed to use your PIN. You must keep your Card and PIN strictly confidential.

This means you must keep possession of your Card, and never disclose your PIN or Card information to anyone unless you are required to by law. This includes, but is not limited to:

- A family member;
- A friend;
- Another financial institution;
- A public official (or anyone claiming to be a public official); or
- An HSBC employee (or anyone claiming to be an HSBC employee).

You must also keep your PIN separate from your Card at all times. You must keep strictly confidential and not share any other security codes, access codes or passwords (including one-time codes or passwords) connected to your Card. This includes any codes or passwords that may be used or required

to access the Account or to make a Transaction. You must keep all of these codes and passwords separate from your Card. You are also responsible for the safety of any computer, mobile device, tablet or other device that you use to perform Card-related inquiries, or Transactions.

If your Card or the Account is used together with your PIN (or any other security code) to make a Purchase or Cash Advance, we will treat these Transactions as authorized by you and will hold the Primary Cardholder responsible for all charges that result from these Transactions, subject to any limits on liability under applicable law and under any zero liability or other voluntary commitments we enter into as displayed on our website at [www.hsbc.ca](http://www.hsbc.ca) from time to time.

If you do not follow what you are required to do under this Agreement to keep your Card, PIN or information associated with your Card or Account safeguarded, this could result in financial losses to you or your Account(s).

## 4. Balance transfers

In this section, **you** and **your** means the Primary Cardholder and any Authorized User. Each Balance Transfer request you make must be for a minimum of \$100. Balance Transfers are treated as Cash Advances. We can limit the number and amount of Balance Transfers or refuse to honour a request for them. We will fulfill Balance Transfer requests in the order we receive them. If you request a transfer that is more than your available credit, we may send only a partial payment to the creditor you named in your request.

You cannot use a Balance Transfer to pay an account you have with HSBC Bank Canada or its affiliates. There may be a delay in paying the transfer amount and you should continue making any payments required by the creditor. We are not responsible for fees or costs a creditor may charge as a result of any delay in paying the transfer amount or anything else related to your account with the creditor.

## 5. Promotional offers

In this section, **you** and **your** means the Primary Cardholder and any Authorized User. From time to time, we may offer limited time promotional offers on certain types of Transactions (for example, on Balance Transfers, Cash Advances, or Purchases). These offers are subject to the terms of this Agreement as well as additional terms we set out in the offer.

Promotional offers are only available to you if the Account is in good standing (see Section 14 for information on good standing). If you take an action to indicate that you are accepting a promotional offer, you will be bound by the terms and conditions that apply to it. Unless we say otherwise in the offer, the interest rates and other terms that apply to your Transactions and Account as a result of accepting the promotional offer terminate if you do not comply with the terms of the offer or if the Account is not in good standing. When the terms of the promotional offer terminate or expire, the standard interest rates and terms under this Agreement will apply to your Transactions and Account.

## 6. Credit limit

We will tell you:

- the total credit limit on your Account (the **Credit Limit**)
- the portion of your Credit Limit available for Cash Advances (the **Cash Advance Limit**)

We show your initial limits on the Initial Disclosure Statement and your current limits on your monthly Account statement. If we do not show a separate Cash Advance Limit on your Initial Disclosure Statement or inform you at a later time that your Cash Advance Limit is different from your Credit Limit, it means the Credit Limit and the Cash Advance Limit are the same.

These limits apply to your Account even if there is more than one Card issued on your Account. You can apply to change your credit limit at any time. We will not increase the Credit Limit without getting your consent. However, we may decrease the Credit Limit or change the Cash Advance Limit at any time without telling you first. Your Account balance must not exceed these limits at any time.

If a Transaction would result in your Credit Limit or Cash Advance Limit being exceeded, we may decline it. However, we may (at our choice) allow your Total Debt to go above your Credit Limit from time to time, and you authorize us to do so. If we allow you to do this once, we are not required to do so again. We will also charge your Account an over limit fee (as set out in the Initial Disclosure Statement or any notice that we provide you).

## 7. Foreign currency transactions

In this section, **you** and **your** means the Primary Cardholder and any Authorized User.

**When you make or return Transactions in foreign currency,** we bill or credit you in Canadian dollars. We convert the Transaction amount to Canadian dollars using a conversion rate based on an exchange rate determined by Mastercard that is in effect on the date the Transaction is posted to your Account. This rate may be different from the rate in effect on the date you made the Transaction.

If we show a foreign conversion markup as a percentage in the "Foreign Currency Conversion" section of your Initial Disclosure Statement, then we add that markup to Mastercard's rate when we make the conversion. We will send you a notice if we change the foreign conversion markup shown in your Initial Disclosure Statement. The total conversion rate (including any foreign currency conversion markup we charge) will be shown on your Account statement.

Some merchants give you the option to pay in Canadian dollars instead of the applicable foreign currency, and other merchants offer their service in Canadian dollars while in the backend they transact in a foreign currency. **If you choose to pay in Canadian dollars,** or if you transact with a merchant that offers their service in Canadian dollars, the merchant or the merchant's financial institution (or other payment network service providers) may use different conversion rates. The conversion rate they use may include additional costs. We do not set or collect those costs. When you choose to pay in Canadian dollars, the total amount you accept to pay in

Canadian dollars is the amount that we will post to your Account. We do not apply a foreign currency conversion markup in those circumstances.

## Refunds and credits for foreign currency transactions

If a foreign currency Purchase is refunded to your Account, or if we credit your Account (for example, while you're waiting for a dispute resolution with a merchant), the credit amount may not be exactly the same as the Purchase amount. This is because of differences in the conversion rates that apply at the time. The same would apply if we reversed a credit to your Account (for example, when a dispute is resolved in favour of the merchant).

## 8. Automatic bill payments

In this section, **you** and **your** means the Primary Cardholder and any Authorized User.

If you authorize a merchant to automatically charge payments to the Account on a recurring basis, the Primary Cardholder is responsible for these Transactions until you tell the merchant in writing to stop charging the Account. If the Account is not in good standing, we may refuse or suspend automatic bill payments without telling the Primary Cardholder first.

You are responsible for telling the merchant if there is a change to your Card number and/or expiry date. If we issue a renewal or replacement Card, we may, but are not required to, provide the new Card number and expiry date to merchants who are registered for the Mastercard Automatic Billing Updater service.

## 9. Liability for the Total Debt

You are responsible for and must repay the Total Debt to us. This includes Transactions made by:

- You
- Authorized Users
- family members or other people you or an Authorized User allows to use a Card or the Account (either by express or implied permission)

You must not use your Account to pay all or part of the Total Debt.

## 10. Interest charges

We calculate interest charges as follows:

- on Purchases, Cash Advances and fees: from the date of the Transaction
- on Cheques, Balance Transfers and other transfers of funds: from the date the amount is posted to your Account

Interest is charged until the date we receive payment in full. You authorize us to charge this interest to your Account.

## 11. Grace period

We do not charge interest on new Purchases and fees that appear on your Account statement for the first time if your New Balance is paid in full by the Payment Due date on that statement. Purchases made by writing Cheques are treated as Cash Advances. There is no interest-free period on Cash Advances, Balance Transfers and Cheques.

## 12. Interest rate and calculation

We charge the following interest rates:

- interest rates for Purchases, Cash Advances, Balance Transfers, Cheques and fees as shown in the Initial Disclosure Statement or any other notice we provide you
- promotional interest rates we may offer you (see Section 5 for information on promotional offers and the interest rates that apply)

Your Account statement shows the annual rates and their equivalent daily interest rates. We may change the interest rates (see Section 26 for information on changes).

### Missed or late payments can increase your interest rates

This paragraph applies to some, but not all, Mastercard cardholders. If the "Annual Interest Rate" portion of your Initial Disclosure Statement (and any notice we sent to you to amend it) states that your interest rates will increase as a result of missed or late payments, this paragraph applies to you.

If you do not pay the Minimum Payment in full by the due date on your Account statement two billing periods in a row (the "first" and "second" billing periods), your interest rates in effect at the end of the third billing period will increase by 5% per year. The increased rates will apply on the **first** day of the **fourth** billing period and will continue to apply until you qualify for a rate decrease.

If you pay the Minimum Payment in full by the due date on your Account statement six billing periods in a row (the "first" through "sixth" billing periods), your previously increased rates in effect at the end of the seventh billing period will decrease by 5% per year. The decreased rates will apply on the **first** day of the **eighth** billing period.

The interest rate changes described here are in addition to any other interest rate changes that may apply to your Account, including changes resulting from enrolment in or cancellation of enrolment in any low rate program.

### How we calculate interest

We calculate interest for each category of Transactions (for example, Purchases, Cash Advances and promotional offers) by multiplying the amount you owe each day by the daily interest rate that applies. We add together the interest charges for each day during the period your Account statement covers.

## 13. Payments

You may pay your Account balance in full at any time. However, each month you must pay at least the Payment Due amount by the due date on your Account statement.

If the due date for the Payment Due amount falls on a Saturday or a holiday, we will consider payment made on the next business day as being made on time.

Your Payment Due also includes past due amounts and any amount over your Credit Limit. Your available credit does not automatically adjust when you make a payment. Depending on how your payment is made, this usually takes two to four business days after we receive your payment.

We may reject payment made in excess of the total debt owing. If a payment (or any other Transaction) creates a credit balance on your Account, we may issue a credit balance refund to you and may deposit it in any personal deposit account you have with us either by yourself or jointly with other individuals. If you owe us or any of HSBC Holdings plc, its affiliates, subsidiaries, associated entities, branches and offices amounts under a loan or other obligations, we may set off or compensate such obligations against the credit balance on your Account.

## 14. Good standing

We consider your Account to be in good standing when you comply with all the terms of this Agreement. Your Account will not be in good standing, and you will be in default of this Agreement, if you fail to make any Payment Due (as shown on your Account statement) by the due date or if you do not comply with any other terms of this Agreement.

## 15. How we apply payments to the Total Debt

We group transactions into categories based on the interest rate that applies to them (e.g. Purchases, Cash Advances, Balance Transfers).

When you make payments, we apply them as follows:

### Minimum Payment

1. First applied to your interest charges:

The Minimum Payment (excluding any amounts over your Credit Limit) will be applied to the interest charges on your New Balance in this order:

- (1) first to the interest charges in the category with the highest interest rate,
- (2) then to the category with the next highest interest rate,
- (3) and so on, in descending order based on the interest rate for each category.

2. Then applied to your remaining New Balance:

The remainder of the Minimum Payment (if any) will be applied to your remaining New Balance in this order:

- (1) first to the category with the highest interest rate,
- (2) then to the category with the next highest interest rate,
- (3) and so on, in descending order based on the interest rate for each category.

### Payments exceeding Minimum Payment

If you pay more than your Minimum Payment, we will apply the excess payment(s) to your New Balance by category, in the same manner as described above.

### Payments exceeding New Balance

If you pay more than your New Balance, we will apply the extra payment(s) to amounts that have not appeared on your Account statement yet but have been posted to your Account by category, in the same manner as described above.

## Payments exceeding Total Debt

If you pay more than your Total Debt, we will apply the extra payment(s) to Transactions as they are posted on your Account. If multiple Transactions are posted to your Account at the same time, we will apply payments by category, in the same manner as described above.

## 16. Account statements

Each month, we send an Account statement to your address (which includes the address for receipt of electronic statements, if the Primary Cardholder elects to receive Account statements electronically). We do not issue an Account statement in either of the following situations:

- If there is no outstanding balance for a billing period during which there has been no Transactions or payments
- We have notified you that this Agreement or your Account has been cancelled or suspended due to default and we have demanded repayment of the outstanding balance in full

The number of days covered by an Account statement varies, depending on holidays, weekends, and the number of days in each month. Each Account statement will normally cover between 28 and 33 days.

## Review your Account statements

If there are any errors or missing items in your Account statement, you must tell us in writing or by phone within 30 days after your statement date (see Section 28 for how to contact us). If you do not tell us within this timeframe, it means you agree the Account statement is accurate. However, if we discover that we incorrectly credited your Account, we may reverse the credit at any time.

## Contact us if you do not receive an Account statement

If we cannot send Account statements on time for any reason (for example, because of a mail strike), you must still pay us on time. You must contact us at least once a month to get the information you need to keep making your payments on time.

## 17. Card benefits and services

If you are enrolled in the HSBC Rewards Program, you are bound by a separate agreement for it. We may also make special services or benefits available to you that may have their own terms and conditions. These benefits and services can be changed or cancelled without telling you first. We are not responsible or liable for any product or service we do not directly supply and you must settle any disputes directly with the provider of the product and service.

## 18. Fees

You authorize us to charge your Account the fees shown on the Initial Disclosure Statement and any notice we may give you. If any fees are subject to sales tax, such as the Goods and Services Tax (GST) or Harmonized Sales Tax (HST), we will also charge the sales tax to your Account. We reserve the right to waive any fees, at our choice.

## 19. Your liability for unauthorized use of Cards

In this section, **you** and **your** means the Primary Cardholder and any Authorized User.

You must keep your Card, PIN, and Cheques safe from loss, theft, or misuse. See Section 3 on keeping your PIN and information associated with your Card confidential.

### If your Card, Cheques, PIN, or Account number are lost or stolen

You agree that we will treat all Transactions as authorized by you until you tell us otherwise.

You must notify us by telephone immediately of any actual or suspected loss, theft or unauthorized use of your Card, PIN, Account number or Cheques. Call us toll-free at **1-866-406-4722** in North America. If you are outside North America, call us collect at **905-415-4723**.

Once you contact us, we can block use of your Card, PIN, and/or Account. We may also block use of your Card, PIN, and/or Account without telling the Primary Cardholder if we suspect illegal, unauthorized or fraudulent use. You will not be liable for any unauthorized transactions that occur after you notify us.

If your Card is used in an unauthorized manner, the maximum liability to you is \$50 unless you have demonstrated gross negligence or, in Quebec, gross fault in safeguarding your Card Information. You will remain fully responsible for all charges relating to the unauthorized use of your Card if it is determined that you demonstrated gross negligence (gross fault if you reside in Quebec) in safeguarding your card information, which includes your Card, PIN, information associated with your Account, and security codes, access codes or passwords (including one-time codes or passwords) connected to your Card.

When we assess whether you demonstrated gross negligence (gross fault if you reside in Quebec) in safeguarding your card information, we may consider the following:

- Whether you met your obligations to keep your card information confidential, as outlined in this Agreement;
- Whether you informed us in a reasonable time that your Card has been lost, stolen, used in an unauthorized manner, or that someone else may know your card information; and/or
- Other factors we believe are relevant to the assessment of gross negligence or gross fault.

Your liability for unauthorized use of your Card may be limited under applicable law and under any zero liability or other voluntary commitments we enter into as displayed on our website at **www.hsbc.ca** from time to time.

### Cooperating with investigations

You agree to cooperate with any investigation by us and/or law enforcement authorities related to the unauthorized use of your Card or the Account. As part of an investigation, you may be required to provide or sign additional documentation.

### Electronic records

We do not need a signed receipt to establish liability for a Transaction; electronic evidence of a Transaction is enough.

## 20. Problems with merchants

We are not responsible if, for any reason, a merchant does not accept a Card or Cheque or if you cannot use your Account. Once you or an Authorized User pays for something with a Card, Cheque, or Account, you cannot stop payment on these Transactions.

If you have a problem or dispute with a product or service purchased through the use of a Card, Cheque, or Account, you must settle it directly with the merchant you bought the product or service from. In some cases, we may be able to help you - contact us at HSBC Mastercard Customer Care (see how to contact us in Section 28) or initiate a dispute online at [www.hsbc.ca](http://www.hsbc.ca).

Even if you have a problem or dispute with a merchant:

- you must still make at least the Payment Due by the due date to keep your Account in good standing
- you are still responsible for the Total Debt

If we credit your Account while resolution of a dispute with a merchant is pending, we can reverse the credit if the dispute is later resolved in favour of the merchant.

## 21. Credits from merchants

If a merchant gives you a refund, we will credit your Account on the day we receive the credit for the refund in our system. However, if we charged you interest as a result of the original Transaction, we will not refund this interest to you.

## 22. Giving instructions

Only you can give us instructions about the Account. We can rely on instructions that you give us or that we reasonably believe you have given us. This includes instructions you give us by telephone (by speaking or pressing the number pads), fax, computer, mobile device or any other electronic method. You authorize us to accept these instructions, as if you gave us signed instructions in writing.

Authorized Users are allowed to use the Card and Account:

- to make transactions
- report a Card or PIN lost or stolen
- ask for a replacement Card and PIN
- activate a supplementary Card and any replacement of the supplementary Card issued to the Authorized User if the Primary card on the Account has been activated
- update the personal information we have for the Authorized User in connection with the Account,
- initiate a balance transfer request
- obtain, by telephone or otherwise, information about transactions made with the supplementary Card issued to the Authorized User
- enrol the supplementary Card issued to the Authorized User in digital wallets, enter into agreements with us about enrolment of Cards in digital wallets and authorize us to share such Account information with the digital wallet providers as may be required to provide digital wallet services requested by the Authorized User.

You authorize us to deal with Authorized Users, to accept and rely on their instructions described above and to disclose information described above to the Authorized Users. Authorized Users are not allowed to give other instructions for the Account, unless you expressly, in writing or otherwise, authorize us to accept such other instructions.

## 23. Personal information

You agree to the terms of the attached Customer Information Consent regarding your personal information. We consider any Authorized User to be a Connected Person for the purpose of the Customer Information Consent.

You agree to receive electronic communications and disclosures for the purposes set out in the Customer Information Consent from us in connection with your Card, any Card issued to the Authorized User and the Account. You agree that, unless we are required by law to use another delivery method, we can send electronic communications to you by email at any email address you provide to us and by SMS or text message to any mobile or text message number that you provide to us.

Each Authorized User agrees to receive electronic communications and disclosures for the purposes set out in the Customer Information Consent from us in connection with any Card issued to the Authorized User and transactions made with the supplementary Card issued to the Authorized User. Each Authorized User agrees that, unless we are required by law to use another delivery method, we can send electronic communications to him or her by email at any email address the Primary Cardholder or the Authorized User provides to us and by SMS or text message to any mobile or text message number that the Primary Cardholder or the Authorized User provides to us.

In the rest of this section, **you** and **your** means the Primary Cardholder and any Authorized User.

We do not charge for sending SMS or text messages, but your Internet service provider or mobile device carrier may apply its rates and data charges.

You must ensure that email addresses and mobile or text message numbers we have for you are accurate and current.

You must tell us right away if you change your address, your name or other personal information. Depending on the change, you can tell us about these changes in the following ways:

- go to your local HSBC Bank Canada branch
- call HSBC Mastercard Customer Care (see how to contact us in Section 28)
- online at [www.hsbc.ca](http://www.hsbc.ca).

## 24. Suspending or cancelling your Account or Card

We have the right at any time, without notifying you in advance (unless the law requires us to notify you in advance), to:

- suspend or cancel any Card, your Account or this Agreement
- take away or limit any of your rights and privileges related to any Card or the Account

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- require that you immediately return all Cards and Cheques or destroy them
- demand that you repay the Total Debt immediately.

## **Your right to suspend or cancel your Account or Card**

We will cancel a Card or this Agreement if you contact us and ask us to (see how to contact us in Section 28).

## **Transactions after we suspend or cancel your Account or Card**

If we cancel or suspend your Account or any Card, we may refuse to allow:

- Transactions (such as recurring bill payments)
- Balance Transfers
- Cheques written on your Account (this applies whether you write them before or after we cancel or suspend your Account or any Card).

## **You remain liable for the Total Debt**

You must still pay the Total Debt, including Transactions posted to your Account after the date we cancel or suspend your Account or any Card. Without telling you first, we may deduct money from any other account you have with us or with any of our affiliates and use it to pay the amount that you owe us. You must also reimburse us for legal fees (on a solicitor and client basis) and expenses we incur to recover amounts you may owe us under this Agreement.

## **Agreement remains in effect**

This Agreement remains in effect until the Total Debt is paid in full.

## **25. Complying with laws**

We may not be able to authorize or process certain Transactions because of laws that apply to us and/or our service providers. This includes Transactions that take place in countries subject to economic sanctions, and also Transactions from merchants whose country of origin are subject to economic sanctions. We are not responsible or liable for any loss or damage as a result of our inability to authorize or process any Transaction or for taking any other action under applicable law.

## **26. Changes**

We can change the following sections of this Agreement and Initial Disclosure Statement:

- About the words we use in this agreement
- Using the Card
- Keeping your Personal Identification Number (PIN) and Card information confidential
- Annual Interest Rates
- Balance transfers
- Promotional offers
- Credit limit
- Foreign currency transactions

- Automatic bill payments
- Liability for the Total Debt
- Interest Charges
- Grace Period
- Interests rate and calculation
- Payments
- Good standing
- How we apply payments to the Total Debt
- Security Interest
- Account Statements
- Card Benefits and Services
- Fees
- Your liability for unauthorized use of Cards
- Problems with merchants
- Credits from merchants
- Giving instructions
- Personal information
- Suspending or cancelling your Account or Card
- Complying with laws
- Changes
- Card and Cheque ownership
- How to contact us
- Assignment by us
- Governing law
- Severability
- Choice of Language
- Customer Information and Consent
- Initial Credit Limit
- Interest-free Grace Period
- Determination of Interest
- Minimum Payment
- Foreign Currency Conversion
- Annual Fees
- Other Fees
- Travel and Medical Insurance Premiums
- Balance Transfers
- Account Statement
- Minimum Payment Details
- Default Charges
- Customer Service
- Your PIN
- Lost/Stolen Cards and Unauthorized Use



# Cardholder Agreement

If you reside outside of Quebec, we will send you notice of the changes if we are required to do so by law.

If you reside in Quebec:

- Then at least 30 days before the change is effective, we will send a clear written notice that shows the new amended section, the original section, and the effective date of the change.
- You will have rights of cancellation under s.11.2(c) of the Quebec Consumer Protection Act. If the change increases your obligations or reduces our obligations under this Agreement, then you can refuse the change and cancel this Agreement without penalty. You can do so by sending us a cancellation notice no later than 30 days after the change is effective.

If we are required to provide you with notice, we will do so using any method permitted by law (for example, by mail, electronically, on your Account statement, etc.).

We are not required to provide advance notice when suspending or cancelling any Card, Account or this Agreement.

## 27. Card and Cheque ownership

All Cards and Cheques belong to us. You cannot assign or transfer your rights and obligations under this Agreement, any Card, or your Account to anyone else, but your obligations are binding on your estate and legal representatives.

## 28. How to contact us

If you need help or have questions about your Account, call HSBC Mastercard Customer Care at **1-866-406-4722** during regular business hours. If you are outside North America you can call us collect at **905-415-4723**. These numbers are also on the back of your Card.

## 29. Assignment by us

We may sell, assign, or transfer all or any portion of our rights, benefits, and obligations under this Agreement to someone else (an assignee) without telling you or asking for your permission. In connection with any such transaction or potential transaction, we may give information about you, any Authorized User and your Account to the assignee or prospective assignee.

## 30. Governing law

This Agreement is governed by and interpreted in accordance with the federal laws of Canada.

## 31. Severability

If some or all of the terms in this Agreement become illegal, invalid, or unenforceable in any way under the law of any jurisdiction, that does not affect the legality, validity, or enforceability of the rest of this Agreement in that jurisdiction.

## 32. Choice of language

The parties have expressly requested this Agreement and related documents be in English.

Les parties ont expressément demandé que la présente convention et tous les documents y afférent, y compris tous les avis, soient rédigés en anglais.

## 33. Account Alerts

If you've provided a mobile number, we'll automatically send you text message alerts when the available credit on your Account has reached a minimum set amount. When we calculate your available credit for these alerts, we don't include pending transactions that haven't been posted yet.

We won't send you a text message alert if your available credit falls below the minimum set amount for the following reasons:

- due to a change of your Credit Limit (whether the change is initiated by you or us), or
- due to us exercising our rights in the Cardholder Agreement to suspend or cancel the Account.

The default minimum set amount is \$100, but you can change this or stop the alerts anytime. By replying STOP to the text message you received, you can stop all alerts sent to that mobile number. For more opt-out and management options, please see [hsbc.ca/alerts](https://www.hsbc.ca/alerts).

Only the primary card holder will be able to set up and receive alerts.

We don't charge any fees for sending you text messages, but your carrier may charge for receiving them.

## Customer Information Consent

This Customer Information Consent ("Consent") explains how we collect, use, process, transfer and disclose your information and that of Connected Persons. We also provide information about tax compliance. This Consent forms part of your Cardholder Agreement and is binding on you.

### A. Definitions

The words defined in Section 1 of the Agreement also apply to this Consent, unless there is a different definition set out below. For purposes of this Consent, the following terms mean:

**Account** means each personal credit or deposit account that you apply for or have with HSBC Bank Canada, HSBC Mortgage Corporation (Canada), and HSBC Trust Company (Canada), either by yourself or jointly with other individuals, including a loan, HSBC Mastercard account, term deposit and guaranteed investment certificate.

**Authorities** include judicial, administrative, public, or regulatory bodies, as well as governments, Tax Authorities, securities or futures exchanges, courts, and central banks or law enforcement bodies with jurisdiction over any part of the HSBC Group. They also include agents of any of these bodies.

**Compliance Obligations** means the HSBC Group's obligations to comply with:

- a. Laws or international guidance
- b. internal policies or procedures
- c. demands from Authorities
- d. Laws requiring us to verify our customers' identities.

# Cardholder Agreement

**Connected Person** means a person or entity (other than you) whose information (including Personal Information or Tax Information) we have in connection with providing you Services. A Connected Person may include a guarantor, a director, or officer of a company; partners or members of a partnership; a Substantial Owner, Controlling Person, or beneficial owner; trustee, beneficiary, settlor or protector of a trust; account holder of a designated account; a payee of a designated payment; or other persons or entities with whom you have a relationship relevant to your relationship with the HSBC Group. A Connected Person also includes your representative, agent, or nominee.

**Controlling Person** means an individual who exercises control over an entity. For a trust, this is the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust. For entities other than a trust, these are persons in similar positions of control.

**Customer Information** means your Personal Information, confidential information, and Tax Information or that of a Connected Person.

**Financial Crime** means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, and evasion of economic or trade sanctions. It also includes acts or attempts to circumvent or violate Laws relating to these matters.

**HSBC Group** means HSBC Holdings plc, its affiliates, subsidiaries, associated entities, and their branches and offices (together or individually). Member of the HSBC Group has the same meaning.

**Laws** include local or foreign laws, regulations, judgments or court orders, voluntary codes, sanctions regimes, agreements between any member of the HSBC Group and an Authority, or agreements or treaties between Authorities that apply to HSBC or to a member of the HSBC Group.

**Personal Information** means information about an identifiable individual (including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group).

Services includes:

- a. evaluating your application for and assessing our willingness to provide you with products and services, and opening, maintaining and closing your Accounts
- b. providing you with products and services, and assessing credit and eligibility
- c. maintaining our relationship with you.

**Substantial Owners** means individuals entitled to more than 10% of profits from an entity or with a direct or indirect interest of more than 10% in an entity.

**Tax Authorities** means domestic or foreign tax, revenue, or monetary authorities (for example, the Canada Revenue Agency).

**Tax Certification Forms** means forms or documentation a Tax Authority or HSBC Group may issue or require to confirm your tax status or the tax status of a Connected Person.

**Tax Information** means information about your tax status and the tax status of any owner, Controlling Person, Substantial Owner or beneficial owner and includes Tax Certification Forms.

## B. Collecting

We and other members of the HSBC Group may collect, use, process, transfer and disclose Customer Information. We or someone on behalf of the HSBC Group may request Customer Information, and we may collect it:

- from you
- from a person acting on your behalf
- from other sources (including from publicly available information).

This information may be generated or combined with other information available to us or other members of the HSBC Group.

## C. Purposes for collecting, using, processing, transferring and disclosing.

We or other members of the HSBC Group will collect, use, process, transfer, and disclose Customer Information for the following purposes (collectively, the “**Purposes**”):

- a. providing you with Services and to approve, manage, administer and effect transactions and provide other products and services you request or authorise
- b. meeting Compliance Obligations
- c. conducting Financial Crime Risk Management Activity (as defined in Section H - “Financial Crime Risk Management Activity” of this Consent)
- d. collecting amounts due from you
- e. verifying your identity, conducting credit checks and obtaining or giving credit references
- f. enforcing or defending our rights or those of a member of the HSBC Group
- g. for our internal operations or those of the HSBC Group (including credit and risk management, system and product development and market research, insurance, audit, administration, security, statistical, and processing, transfer and storage of records)
- h. maintaining our relationship with you including, marketing and promotion (unless you withdraw your consent as explained in Section I - “Your Privacy Choices” of this Consent)
- i. honouring your privacy choices.

We may use your Customer Information to maintain accurate records on any accounts with which you are associated, such as commercial accounts.

# Cardholder Agreement

## D. Sharing

We may transfer and disclose Customer Information to the recipients below and they may also collect, use, process, transfer, and disclose Customer Information, as necessary and appropriate for the purposes:

- a. members of the HSBC Group
- b. sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors, and officers)
- c. Authorities
- d. someone acting on your behalf, payment recipients, beneficiaries, account nominees, intermediaries, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, or companies in which you have an interest in securities, as long as we hold these securities for you
- e. parties to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services
- f. financial institutions, credit agencies, or credit bureaus to obtain or give credit reports or credit references and financial service industry databases (which may share information with other industry members)
- g. third party fund managers who provide you with asset management services
- h. a broker we introduce or refer you to
- i. insurers (as permitted by law), loyalty program providers and other providers of optional products and services available to you
- j. Canadian government registries wherever they are located, including in jurisdictions with less strict data protection laws than those in the jurisdiction where we supply you the Services.

## E. Recordings

We may record any telephone conversation or electronic communication you have with us, and use these recordings for the following purposes:

- to have a record of instructions provided and information exchanged
- to provide the Services you request or authorize
- to monitor service levels.

## F. Your obligations

You agree to inform us promptly and in any event, within 30 days in writing if Customer Information you gave to us or a member of the HSBC Group changes. You also agree to respond promptly to our or HSBC Group's requests to you.

Before you give us information (including Personal Information or Tax Information) about a Connected Person, you must:

- tell the Connected Person that you are giving us (or a member of the HSBC Group) their information

- ensure the Connected Person agrees that we (or a member of HSBC Group) can collect, use, process, disclose, and transfer their information as set out in this Consent
- tell the Connected Person that they may have rights to access and correct their Personal Information.

You must ensure this has all been done, even if someone else gives us the Connected Person's information on your behalf.

If any of these things occur:

- you fail to promptly give Customer Information we reasonably request
- you withhold or withdraw consent we need to collect, use, process, transfer, or disclose Customer Information for the Purposes (except for marketing and promoting)
- the HSBC Group has suspicions about Financial Crime or an associated risk, we may take any of these actions:
  - a. be unable to provide Services, including new Services, to you and we reserve the right to terminate our relationship with you
  - b. take actions to meet Compliance Obligations
  - c. block, transfer, or close your accounts where local Laws permit it.

In addition, if you fail to promptly give your, or a Connected Person's, Tax Information to us when we ask for it, we may make decisions about your tax status, including whether you are reportable to a Tax Authority. This may require that we withhold and pay amounts legally required by a Tax Authority.

## G. Data protection

In accordance with data protection legislation, all members of the HSBC Group, their staff, and third parties to whom information is transferred by the bank, whether located in Canada or another country, will be required to protect Customer Information by a strict code of secrecy and security. Where Customer Information is transferred to another country, you understand that it may be accessed by Authorities in that country in accordance with applicable Laws.

## H. Financial Crime Risk Management Activity

We, and members of the HSBC Group, are required to meet Compliance Obligations relating to detecting, investigating and preventing Financial Crime "**Financial Crime Risk Management Activity**". We and members of the HSBC Group may take action to meet these Compliance Obligations, including:

- a. screening, intercepting, and investigating instructions, communications, drawdown requests, applications for Services, or payments sent to, by you, or on your behalf investigating who sent, received, or was intended to receive funds
- b. investigating who sent, received, or was intended to receive funds
- c. combining Customer Information with related information that HSBC Group has

# Cardholder Agreement

- d. making enquiries about a person or entity's status or identity, including whether they are subject to sanctions
- e. any combination of clause a to d

In rare cases, our Financial Crime Risk Management Activity may lead us to delay, block, or refuse to:

- make (or clear) a payment
- process your instructions or application for Services
- provide all or part of the Services.

As far as the law permits, neither we nor any other member of HSBC Group will be responsible or liable to you or a third party for your or their loss (however it arose) caused or partially caused by our Financial Crime Risk Management Activity.

## I. Your Privacy Choices

**Your optional consent to use Personal Information to tell you about offers.** We may also:

- a. collect and use your Personal Information and, where the Law allows us to, share it within the HSBC Group to identify and inform you of products and services provided by the HSBC Group that may be of interest to you
- b. collect and use your Personal Information to promote products and services of select third parties that may be of interest to you.

You may at any time refuse or withdraw your consent to clause a or b (above) by visiting a branch or contacting us at **1-888-310-HSBC (4722)**. This will not affect your eligibility for credit or other products or services.

- **Your social insurance number (SIN) and optional consent.** The Canadian government requires that we ask your SIN when necessary for tax reporting purposes. You understand that, if you give us your SIN, the bank and the HSBC Group will collect, use, and share your SIN for tax reporting purposes where this applies. We may also collect, use, and share your SIN for credit checks, to conduct Financial Crime Risk Management Activities, for collections, and for internal audit, security, statistical and record-keeping purposes. You may at any time refuse or withdraw your consent to use your SIN for these additional purposes by visiting any branch or contacting us at **1-888-310-HSBC (4722)**. This will not affect your eligibility for credit or other products or services.
- **More information about HSBC privacy policies and access.** You can read HSBC's Privacy Code to get more information about privacy policies of HSBC Bank Canada and its subsidiaries in Canada. You can also read the brochure Protecting Your Privacy. Both are available at your branch or **www.hsbc.ca**. You can access the Personal Information we have about you, or correct it, by contacting us.

## J. Tax compliance

You are solely responsible for understanding and complying with your tax obligations related to using our Accounts and Services in any jurisdiction. This includes paying taxes, filing tax returns, and filing other documents related to paying taxes.

Each Connected Person acting as a Connected Person (not in their own capacity) also acknowledges this themselves.

*Please note:* Certain countries may have tax legislation with extra-territorial effect regardless of your or Connected Person's place of domicile, residence, citizenship, or incorporation.

Neither we nor any member of the HSBC Group:

- provide tax advice
- have responsibility for your tax obligations in any jurisdiction, even if they relate to opening and using Accounts and Services we or members of the HSBC Group provide.

We advise you to seek independent legal and tax advice.

## K. General terms

If you gave us any other consents, authorisations, or waivers or permissions we asked for related to Customer Information, they continue to apply in full force and effect, as relevant local laws allow.

This Consent continues to apply even if:

- the Agreement is terminated
- we or a member of the HSBC Group, stop providing Services to you
- an Account is closed.

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