

TO: ACTING MUNICIPAL MANAGER

1992 MAY 20
File: L-34

FROM: DIRECTOR FINANCE

SUBJECT: CREDIT SOURCE INFORMATION

PURPOSE: To provide information requested by Council.

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RECOMMENDATIONS:

1. THAT a copy of this report be forwarded to Mrs. Lynn Hill,
683 Roslyn Boulevard, North Vancouver, B.C. V7G 1P4; and
2. THAT a copy of this report be forwarded to C.S.I., #206 -
5050 Kingsway, Burnaby, B.C. V5H 2H2.

REPORT

Council, on 1992 May 04, was advised that an 11 year old boy had received a letter soliciting business from a Burnaby based firm, Credit Source Information. Arising from the discussion, Council asked for more information about the legitimacy of this business and whether or not there are any means of controlling the manner in which this type of business contacts potential clients. This report provides the information requested by Council.

Credit Source Information is owned and operated by Mr. Michael Greig. This firm is registered by the Provincial Registrar of Companies and holds a Burnaby business licence as a resident business.

On 1992 April 30, the Licence Office received Mrs. Hill's telephone inquiry about Credit Source Information. The letter sent to Mrs. Hill's son informs the reader that it is advantageous to obtain a copy of their personal credit report. Rather than offer a credit report outright, it offers a credit report request form and a carving knife set for \$32.05.

We met with Mr. Greig and reviewed this business practice. Customers responding to the offer would be directed to complete the credit report request form, have the signature notarized, and forward it to the Credit Bureau of Vancouver. The Credit Bureau of Vancouver advises that upon receipt of such a form, a personal credit history would be sent to the customer. The Bureau further advises that this service is available free of charge to anyone.

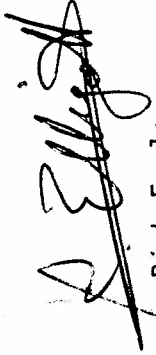
The names and addresses used by Mr. Greig for this mail out were taken from tickets deposited for a draw held as a promotion for another private company at B.C. Place Stadium. Credit Source Information sent one hundred letters, and no sales resulted.

The Municipal Act empowers the municipality to prevent or minimize misleading business practices. The Municipal Solicitor advises that the letter and sales techniques used by Mr. Greig do not appear to contravene any Federal, Provincial or Municipal regulations. The R.C.M.P. concur with this opinion.

Staff have discussed this matter with the Provincial Consumer Operations Division, which will look into this method of selling. As well, staff have advised the Better Business Bureau, the Provincial Registrar of Credit Reporting Agencies, and the Vancouver Credit Bureau of Credit Source Information's operations.

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Mr. Greig has agreed to discontinue using this sales technique. We will follow up with the Consumer Operations Division and continue to monitor the operations of Credit Source Information.



Rick Earle
DIRECTOR FINANCE

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BP:vm

cc: Director Administrative and Community Services
Municipal Solicitor
Officer-in-Charge, RCMP