



Policy on the Reimbursement of Contaminated or Mutilated Canadian Bank Notes

Context

The Bank of Canada (the “Bank”), as issuer of Canadian bank notes, offers a service for the reimbursement, in appropriate cases, of claimants who submit Canadian bank notes which have become contaminated or mutilated beyond normal wear and tear. Mutilated notes can result from many causes and often show signs of excessive damage from fire or water, have missing pieces or other forms of deterioration, and likely cannot be used for payment. This policy provides guidance on the Bank’s approach to the assessment of applications for reimbursement.

Policy Statement

In exercising its discretion to reimburse contaminated or mutilated notes, the Bank has an obligation to exercise due diligence in the evaluation of all claims. The Bank seeks to determine the legitimacy of all aspects of a claim, including the identity of the claimant, value of the notes submitted, source of the notes and nature of the damage.

Bank staff will, subject to any health and safety issues noted below, carefully examine notes submitted for reimbursement and assess the value of the claim.

As guidance to claimants, the Bank will not reimburse a claim for mutilated notes where in the Bank’s opinion there is a reasonable doubt, based on research, evidence or common sense, that all or a part of the claim is legitimate. For example, the Bank will not reimburse a claim where in its opinion:

- the identity of the claimant cannot be substantiated;

- the notes are counterfeit or there are reasons to believe that the notes were acquired or are connected to money laundering or other criminal acts;
- there has been an attempt to defraud the Bank or there exists contradictory or improbable explanations about significant aspects of the claim, such as how the notes were damaged or how they came into possession of the claimant;
- any of the security features of the notes have been removed or altered or where the notes have otherwise been altered or damaged deliberately or in a systematic fashion, including dyed or chemically washed or treated, by a process that could be reasonably expected to have the effect of altering them.

Where part of the claim is deemed invalid, the entire claim may be refused. In addition, the Bank’s mutilated notes reimbursement process is not intended to facilitate the business of multiple batch or bulk submissions from individuals or entities nor is it intended to supplement or replace the requirement within organizations for sound operational practices around the care and management of notes. The Bank does not accept claims where mutilated notes have been acquired in bulk in exchange for goods, services or currency.

The Bank may refuse to evaluate a claim or may request that a claimant cleanse the notes to the Bank’s satisfaction prior to any evaluation of a claim in the event that the notes presented for reimbursement are contaminated or have come into contact with toxic substances (e.g., blood, mould, drugs, or unknown substances).

(see over)

Where the costs associated with a claim would, in the Bank's view, be excessive, the Bank reserves the right to request that all or part of its costs relating to such claim be covered by the claimant. This may include costs related to the evaluation, production, replacement and destruction of the notes.

Claimants must complete a Contaminated or Mutilated Bank Note Claim Form in order to request a reimbursement. Reimbursements will be paid through direct deposit to the claimant's bank account and any banking-related fees shall be paid by the claimant.

Should a claim be refused, the Bank will provide a written response to the claimant providing reasons for its refusal of the claim. The Bank reserves the right to retain and/or destroy notes tendered in any claim that is refused.

The Bank may disclose any information provided in connection with any claim to third parties, including law enforcement agencies, the Canada Revenue Agency and the Financial Transactions and Reports Analysis Centre of Canada.

For further information, please contact the Bank of Canada at info@bankofcanada.ca or call toll-free at 1 800 303-1282.