

# MONETICO AND IN-STORE ACCORD D FINANCING

Q&A

Updated: September 2020

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## IN-STORE ACCORD D FINANCING

- SOME RECENT DECISIONS
- HOW THIS PARTNERSHIP AFFECTS MERCHANTS
- HOW OUR DECISION AFFECTS CUSTOMERS

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## Q&A

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### **SOME RECENT DECISIONS**

#### **Why has Desjardins decided to discontinue in-store Accord D financing?**

- After extensive research, we concluded that in-store Accord D financing was preventing us from reaching our business objectives.
- Desjardins would also like to shift our efforts into providing financial advice to our members, especially when it comes to managing consumer credit. In-store Accord D financing is not in line with this goal.
- Desjardins is therefore taking a direct approach to helping members and clients assess their needs and financial capacities. This choice echoes our commitment to providing financial education.
- That's why we decided to gradually phase out in-store Accord D financing in the coming years, starting on May 1, 2020.

#### **How will this affect in-caisse Accord D financing?**

- This decision won't affect in-caisse Accord D financing, which will continue to operate normally. We'll also continue to offer in caisse Accord D financing by phone, online and through our mobile app.

#### **What will happen to AgriCard cardholders and merchants?**

- AgriCard is a point-of-sale financing tool offered as part of the in-store Accord D financing package. It will be phased out along with in-store Accord D financing. However, we'll honour all of our contractual commitments to merchants and cardholders. The AgriCard cards and points program will be shut down on January 1, 2021. Cardholders will be notified on their October account statements and participating merchants will be informed in September.

#### **What will happen to cardholders and merchants who use private-label and co-branded cards?**

- Private label and co-branded cards are offered as part of the in-store Accord D financing package. They will be phased out along with in-store Accord D financing. However, we'll honour all of our contractual commitments to merchants and cardholders.

## **HOW THIS PARTNERSHIP AFFECTS MERCHANTS**

### **How will we support merchants through the discontinuation of in-store Accord D financing?**

- We will begin gradually phasing out In-store Accord D financing service on May 1, 2020 and will complete the phase out beyond 2023. Some activities will continue after 2023 as we honour all of the financing already granted to our members and clients.
- Desjardins will respect all of its contractual commitments with merchants and clients and will ensure that there are no disruptions in business continuity for in-store Accord D financing services.
- To support our merchants during this transition, we will be offering them a “toolbox” that contains the FAQ and a series of tips and tricks that can help them continue their operations and begin thinking strategically.

### **Will merchants still be able to offer Accord D financing after they migrate to Global Payments?**

- Yes. Merchants will be able to carry out their Accord D transactions on Global Payments solutions until their Accord D agreement ends.

### **Do merchants have to keep point-of-sale financing applications and transaction slips once in-store Accord D financing has been phased out?**

- As per the *Accord D Desjardins Financing Service Agreement*, merchants are required to keep originals of point-of-sale financing applications and transaction slips for seven (7) years. This will remain the case even once in-store Accord D financing has been phased out, since the transactions in question will have taken place before the agreement expired.

### **Can merchants continue to advertise that they offer Accord D financing?**

- Yes. Merchants can continue to advertise that they offer Accord D financing until their service is discontinued, as long as their ads are in line with current standards. To review these standards, go to [desjardins.com/financing-ad](https://desjardins.com/financing-ad). Merchants must also adhere to their contractual obligations as per the *Accord D Desjardins Financing Standards Guide*, the *Accord D Desjardins Financing Service Agreement* and others. For example, it's the merchant's responsibility to submit all Accord D-related advertising to Desjardins in advance for approval.

### **Will Desjardins's financing offer change in terms of pricing, discount rates, client interest rates, available plans (DPF, EPF, a combination of the two) or any other factors?**

- We're not planning on changing our financing offer as a result of phasing out in-store Accord D financing. However, it's possible that our offer will change in the coming months as the market evolves. We'll honour all of our contractual commitments to our merchants and let them know of any changes to our financing offer in advance.

### How will phasing out in-store Accord D financing affect the companies that offer it?

- Desjardins will ensure that merchants can keep offering in-store Accord D financing through May 1<sup>st</sup>, 2020, when we will begin phasing it out. We'll honour all of our contractual commitments and expect our merchants to do the same.
- We understand that companies will be affected by the changes we recently announced, and we'll do everything we can to support them. Respect and trust have always been at the forefront of our business relationships and we intend to keep it that way. We've prepared a variety of support materials and tools to help merchants prepare for the transition. They can find everything at [desjardins.com/merchanttools](https://desjardins.com/merchanttools).

### When will Accord D financing be pulled from stores?

- Merchants will receive a postal notice, including the end of service date, at least 60 days before it takes effect.
- Each merchant's contractual commitments will determine when their in-store Accord D financing service will be pulled. We'll let them know of the exact date at a later time.
- Desjardins will ensure that merchants can keep offering in-store Accord D financing through May 1, 2020, when we will begin phasing it out.

## **HOW THIS DECISION AFFECTS CUSTOMERS (MEMBERS AND CLIENTS)**

### Will customers have access to similar financing products?

- Desjardins already has a complete range of consumer financing products to meet all our members' needs. This includes loans, lines of credit and Accord D financing that is still available at a local caisse, online, by phone and through our mobile app.
- We're also constantly working to improve our financing products.

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**Will customers have to pay off their loans?**

- Desjardins will always respect the initial terms of our financing agreements, regardless of the loan term. That also means customers are obligated to pay off their loans.

**Do customers have to go back to the store or visit a caisse to make any changes?**

- No. All they have to do is continue paying off their loans according to the initial terms they agreed to.

**Can customers transfer their loans to another financial institution?**

- No, customers have no obligation to transfer their loans to another financial institution. They simply have to pay it off normally. However, customers can pay off their loan whenever they want, in part or in full, without being charged penalty.

**Do customers have to switch to another financial institution?**

- No. Desjardins will always respect the initial terms of our financing agreements, regardless of the loan term. That also means customers are obligated to pay off their loans.