

**01 01 40**

**X**

Applicant

c.

**HOUSEHOLD FINANCE**

Respondent

### **THE APPLICATION FOR REVIEW**

X requested the records pertaining to his line of credit with Household Finance from 1986 to 2000, including a copy of his initial loan and all payments made since the beginning on November 21, 2000. He did not obtain the information desired and made a request for a review of the decision to the Commission d'accès à l'information (Commission) on January 24, 2001.

A hearing was scheduled in Montreal for April 2, 2001 at 3 p.m. The respondent company delayed sending a representative. Only after a specific request by the Commission did a representative appear at 4.20 p.m. The hearing then proceeded.

### **THE ISSUE IN DISPUTE**

X insists on obtaining a copy of his initial loan agreements and all relevant records of payment since 1986. The company states it has no records before 1994.

**THE RELEVANT FACTS**

The following facts emerged at the audience.

X obtained what he qualified as a loan but what the company states is a line of credit in 1986. Over time he came to question how he could owe such a large sum on an initial amount of \$7,500. He therefore needed to have access to the record of all the money paid by him over the years, as he alleged he had already paid over \$12,000 between 1995 and 1999.

His accountant, Mr. Antonio D'Amico, testified that he was a tax accountant as well as a consultant on computerized accounting systems. In his experience, when there is an outstanding loan there is usually a permanent file kept for reference. He suggested that Household Finance adopt a better system of internal controls for its transactions. Without an accurate record system, he testified that he could not check the initial amount borrowed as well as the amounts still outstanding. He questioned whether there was not a bypass in the calculations as X does not remember whether, at some point, he asked for an increase in the amount borrowed from \$6,500. to \$7,500.

Ms. Zoé Let Pivaru, a director at Household Finance, testified that she personally searched for the records X wishes to obtain. She found statements from July 1994 to March 2001 only. The change in the company from Household Finance to Household Trust in 1986 may explain this. No records can be obtained from the computer.

However, she undertook to search for any paper records previous to July 1994 which might be in the company archives.

The Commission allowed her two weeks from the date of the hearing to send it the company's account of the results of this archival search.

### **THE DOCUMENTS SUBMITTED**

Within the time period allotted Household Finance sent to the Commission and to X a series of documents which it listed as follows :

As requested we are forwarding for your attention all documents on file for the account of X #145250 21 158357.

1. Payment history from July 15/94 to March 21/2001.
2. Collection notes from June 1994.
3. Contract signed by X July/15/1986.
4. 4a Payment history from July 1986 to June 1988 before HFC converted their accounts to a computer system.
5. Increase limit request signed by X.
6. "Demande de credit" signed by X.
7. Correspondence received from X dated Aug 15/90.
8. Increase limit request signed by X dated August/27/1990.
9. Correspondence received from the client Aug 1996.
10. Correspondence received from the client January 16/97.
11. Returned cheques on file.
12. Letter from HFC stating that payment history from 1988 to 1994 were not available.

This is all the information that we have on Mr. Basil McMorris file.

In an accompanying letter it gave the following explanation for the information it was unable to provide :

« Please find below the explanation received from our system department in Toronto why we cannot provide the payment history for account 145250 21 158357.

In October of 1995, Household replaced its accounts receivable computer system. The computer system in use prior to this date was called "Cardpac", and the new system was called "CII". All open accounts in existence in October of 1995 were transferred from the Cardpac system to the CII system, including the account of X. When the accounts were transferred, the transaction history for each account dating back one year prior to the transfer was loaded onto the new system. All other available transaction history was placed on microfiche. We have been unable to locate the microfiche and, therefore, have been unable to locate any transaction history for the account of X

prior to 1994. We believe the microfiche has either been lost or destroyed, likely because of its infrequent use. The information on the microfiche dated back to periods prior to 1994, which is in excess of any statutory limitation periods.

## **DECISION**

X has now obtained a significant part of the records of the transactions which he carried out with Household Finance over the years. The Commission accepts the explanation of the respondent company that further records are unavailable.

For these reasons, the Commission takes note of the documents sent to X and declares the application for review closed.

Montreal, May 24, 2001.

**JENNIFER STODDART**  
**Commissaire**