

What we heard: Engaging with civil society on a digital Canadian dollar

In February 2020, the Bank of Canada announced a [contingency plan](#) to build our capacity to issue a digital Canadian dollar if the need were to arise. The need for a digital dollar doesn't exist yet, but we're getting ready in case one day Parliament and the Government of Canada ask us to issue one.

All Canadians would need to be able to use a digital dollar. That's why it's important that we understand the abilities, needs and preferences of a wide range of potential users. This will help us design a digital dollar that everyone could use.

From September 2022 to January 2023, we met with civil society organizations to introduce the idea of a digital Canadian dollar. This phase of discussions focused on high-level questions about policy and design, and implications for the people and communities these organizations serve.

This report summarizes what we heard from these stakeholders. It also outlines how we will use this feedback for further consultations with civil society organizations about designing a universally accessible digital dollar.

What we did

In this first series of consultations, we wanted to hear perspectives from organizations representing and supporting Canadians with different preferences and needs. We met with five civil society organizations that advocate for the following groups:



We hosted seven bilateral meetings online. In each session we:

- introduced a digital Canadian dollar as a form of central bank money and explained why we are consulting on it
- discussed barriers that current payment methods pose to different communities
- explored design concerns related to universal access for a digital dollar, including:
 - ease of use
 - smartphone and internet access
 - useful features in existing banking and payment applications
 - authentication and biometrics
 - support from trusted individuals

The way we gathered feedback ensured that information cannot be attributed to individual participants or their organizations. A full list of participating organizations is available in the [Appendix](#).

What we heard

Digital and financial exclusions

Participants noted that people living in poverty or who are marginalized by cognitive or physical disabilities often lack access to financial services and technology. Marginalized Canadians may:

- have limited access to the internet
- not have a bank account
- need extra help to make a payment or purchase

Participants described examples of the barriers these Canadians experience. Each is described below.

Mobile data plans

Civil society groups and focus group participants raised significant concerns about how data plans in Canada are among the most expensive in the world. While free public Wi-Fi and pay-as-you-go mobile data plans are available, they are not secure or adequate methods for conducting financial transactions and shopping online. For individuals with limited internet access, many everyday tasks and activities tend to:

- take longer
- involve extra travel time
- be more expensive

Access to smart devices themselves was a lesser concern because many Canadians have these devices despite not being able to afford data plans. However, civil society groups and focus group participants said a significant number of Canadians still do not have access to smart devices. These Canadians would need alternative ways to use a digital Canadian dollar, such as a physical card or different devices.

High banking fees

Participants raised concerns about extra service fees for certain types of transactions, such as cashing cheques and having insufficient funds available. These fees add to:

- the cost of banking
- the financial challenges faced by people living on a low income

Closures of bank branches and automated banking machines

Civil society groups highlighted that bank branches are closing and automated banking machines are being removed—especially in small towns and rural areas. This makes it more difficult to open a bank account or access cash in these communities.

Declining access to and acceptance of bank notes

Many financial institutions and civil society groups identified cash-dependent Canadians as potential users of a digital Canadian dollar. These organizations said that a future where more payments are made for digital goods and services or where physical cash is refused as a method of payment could further exclude these Canadians financially. A digital dollar could provide Canadians with a digital method of payment that is:

- universally accessible
- readily accepted by merchants both in person and online

Government benefits

Civil society groups identified advantages in using a digital Canadian dollar to provide government benefits. These groups said that a digital Canadian dollar would be best suited for unrestricted benefits, which can be spent or saved as a recipient wishes. They also indicated that other tools like rebates or grants would be better suited for benefits that have restrictions on their use, such as a rent supplement. In other words, government benefits disbursed in the form of digital Canadian dollars should come with no strings attached. This distinction would preserve the role of the Canadian dollar as a universal medium of exchange.

Universal access

All participating organizations said universal access was the top priority for a potential digital Canadian dollar.

Participants highlighted these features of accessibility:

- easy to use
- intuitive design
- plain language communications and product support
- built-in and customizable accessibility features

Most participants also indicated that a digital dollar should also be available offline. This means that someone could use digital dollars for transactions without having an internet connection.

Privacy and security

Several participants noted that marginalized Canadians have low levels of trust in government and financial institutions. These participants also said that the design of a digital dollar would need to strike a delicate balance between privacy and security.

Participants said that some users would welcome the ability to easily track and review their transactions with digital dollars—something that can't be done with cash. But participants also noted that others would be wary of how that information could be used to monitor and report on their activities.

On the topic of loss and theft protection, participants mentioned that it would be helpful if people—especially marginalized individuals—could recover lost or stolen money. They wondered if consumer protections like credit card chargebacks would be in place so users could dispute fraudulent or unsatisfactory transactions.

Design it for the 20% of the population who are marginalized and it will serve 100% of the population well.

— *Stakeholder comment*

Some participants also raised concerns about the use of biometrics from both privacy and accessibility perspectives. Biometrics could offer users enhanced security in some situations. However, participants recommended that the use of biometrics should be easy to use for users with different abilities. For instance, not all users have the sight, limbs or fingerprints that may be needed for authentication.

Considerations for future adoption

The different populations that participants serve have different levels of financial literacy and a general distrust of government agencies and banks that could discourage them from using a digital dollar.

Participants mentioned a few factors that could support future adoption by marginalized Canadians:

- engagement from community organizations and leaders to raise awareness and understanding of the potential benefits of a digital dollar as a new way to use and hold money
- availability of easy-to-understand educational materials and resources
- training of trusted individuals and community organizations to deliver product support
- clear differentiation between digital dollars, digital bank accounts and other digital currencies

Appendix: Participating organizations

- CNIB Foundation
- Inclusion Canada
- Option consommateurs
- Prosper Canada
- United Way Centraide Canada