Gift cards and loyalty programs

Things to know

- With limited exceptions, gift cards cannot have an expiration date, and consumers cannot be charged usage, dormancy or other fees.
  - Key exceptions to the prohibition on expiration dates include gift cards issued for promotional purposes (e.g., the consumer did not pay for the gift card), or issued for a specific good or service.
- Any restrictions, limitations and conditions must be printed on the card.
- Some provinces require the issuer to provide a cash refund of an unused balance on the gift card in certain circumstances.
- The term "gift card" is defined broadly in provincial consumer-protection legislation, and includes physical and electronic gift cards, certificates, vouchers, and other devices.
- Certain provinces also regulate points earned pursuant to loyalty programs, and also impose limitations on the ability of the issuer to expire the reward points.
  - The term "points" is defined broadly to prevent circumvention of the legislation.
  - Similar to the gift card legislation, there are certain exceptions from the prohibition on the expiration of points, including points issued for a specific good or service.

USEFUL RESOURCES

Government of Ontario
- Rules for loyalty reward points

osler.com
- Not so happy New Year: Ontario Rewards Points Legislation coming into force January 1, 2018

View our disclaimer at osler.com/disclaimer.

Things to do

- Ensure that you fully disclose any permissible usage limitations and fees to the consumer prior to purchase.
- Ensure that your gift card provides all disclosure required by the gift-card legislation.
- Refrain from having your gift card expire unless an exemption applies.

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