

Seniors banking annual report

How we're supporting our senior customers

May 2021



Introduction

Seniors are an important and growing segment of our Canadian population. At this life stage, customers have different personal goals, and therefore different financial needs. Out of HSBC Bank Canada's wealth and personal banking customers, 38% are aged 60 and above. They represent a significant part of our clients, and over the past year, we've taken to heart the important task of improving our support for this client group.

We started by identifying our Seniors Champion, a senior executive who leads our organization on matters affecting seniors. In addition, we've implemented improvements to various areas of our business as aligned with the seven principles of the Code of Conduct for the Delivery of Banking Services to Seniors (or "Seniors Code" for simplicity).



Principle 1:

Establish and implement appropriate policies, procedures and processes

Procedures and processes

Over the past few months, we've reviewed processes and procedures that are relevant to seniors, and updated them with additional information for employees, such as:

- ♦ How to better service and communicate with our senior customers
- ♦ How to escalate financial issues impacting our senior customers
- ♦ An overview of common fraud and scams

Clear Language assessment and testing processes

We have a comprehensive assessment and testing process aligned with the Financial Consumer Agency of Canada's Clear Language guidelines. As part of our Seniors Code updates, we revised our assessment process to include best-practice guidance for seniors' communication, such as larger font size and summaries where appropriate. In addition to this, we added an assessment criterion to our testing process. This ensures that forms and disclosure documents used frequently with senior customers are tested with an age-appropriate audience, and are reviewed against our senior-specific guidelines.

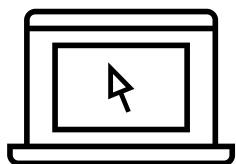


Governance



From a governance perspective, we've incorporated the Seniors Code into our regulatory compliance management framework. We've also implemented regular governance meetings, where seniors' complaints are monitored to identify trends and recurring issues.

Training



Our newly created mandatory training for employees covers key topics affecting seniors' financial wellbeing. More details can be found in the **Principle 3** section.

Principle 2:

Communicate effectively

We recognized early on that communication is important to all of our customers. To more effectively communicate with our senior customers, we've made a few improvements. As mentioned above, we revised our Clear Language process to assess disclosure materials with seniors' needs in mind. And in addition to existing support mechanisms, we've made resources available to both our customers and employees.

Resources for employees:

- ♦ **Communication tips** available on our intranet (including information on accessible formats)
- ♦ **Letter template** – designed for better information organization and visual flow. This template was tested through our Clear Language process and determined to be appropriate for an older audience (55+)

Resources available to employees and customers:

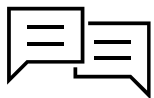
- ♦ **Seniors banking page** on our public website ([hsbc.ca/seniors](https://www.hsbc.ca/seniors))
- ♦ **Seniors banking guide** posted on our [seniors banking page](#), available for customers to view/download. Employees can also print or email the file as required by the customer.
- ♦ **Powers of Attorney (POA) and joint accounts page** on our public website ([hsbc.ca/poa-joint](https://www.hsbc.ca/poa-joint))
- ♦ **Other resources and standards** that help us communicate better:
 - Listening and reading devices in branches
 - Webpage accessibility

Principle 3:

Employee training

We want to make sure all our employees are equipped with the knowledge and skills to better service seniors. To support this, we've created mandatory training for our personal banking employees.

Topics covered include:



Awareness of senior customers and their needs



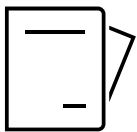
Best practices in communicating with seniors, including how to discuss or approach important topics like fraud or POAs



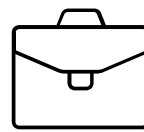
Scams and fraud seniors are likely to be vulnerable to



Escalation processes

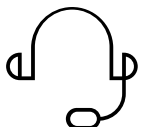


Differences between POAs and joint accounts



Other resources for servicing our senior customers

In addition to mandatory training, we've also introduced other coaching and tools to help reinforce the proper servicing of our senior customers:



Coaching calls across the branch network and for our employees servicing telephone/online banking



Training materials for branch managers to use with their teams

Principle 4: Employee resources for servicing seniors

To more efficiently serve our customers, employees must have convenient access to the tools they need. Our resources on seniors are consolidated in a few central places our employees can easily access. When the Seniors Code updates were introduced, we communicated this to all customer-facing employees to ensure they are aware.

- ♦ **Procedures intranet** – our central repository for procedures. As mentioned earlier, we’ve incorporated seniors’ considerations into our procedures which can be found on our intranet.
- ♦ **Seniors banking page** on our public website – one-stop resource for banking topics important to seniors; this is also where our [seniors banking guide](#) is posted
- ♦ **Internal team support** – we’ve identified a knowledgeable central team to support branch employees on seniors’ topics mentioned in **Principle 3**



Principle 5:

Mitigate potential financial harm

One of the most significant topics affecting seniors' financial wellbeing is fraud, scams and financial abuse. We've taken steps to help our senior customers mitigate this harm:

Reviewed and updated our anti-money laundering, fraud detection and transaction monitoring processes

Increased awareness of common scams and fraud through trainings and resources for both employees and customers (e.g. our seniors banking website and guide)

Provided guidance to employees on offering a private, accessible space at the branch so discussions can be held in private



Principle 6:

Branch closures

A decision to close a branch is never made lightly. We especially recognize that the branch is an important channel for our senior customers, and when we need to close one we want to ensure we've considered our seniors' needs. In view of this, our branch closure procedures include the following:

- ◆ Take into account market demographics when closing a branch, and take steps to support senior customers if needed (e.g. proactive calls to customers)
- ◆ Provide seniors and their support persons with contact details for additional information and assistance regarding banking options
- ◆ Hold information sessions
- ◆ Ensure any public consultations held are appropriate for the members of the affected community, including seniors
- ◆ Conduct a risk assessment with our Regulatory Compliance team to review the conditions of the branch closure

Principle 7: Annual Report

Our first seniors banking annual report was published in May 2021.

Looking ahead

As an international bank serving a diverse range of customers, we're especially conscious of how our customers have different needs. Currently, we have a variety of products and services that cover our senior customers' core banking requirements. Examples include a seniors' discount on our Performance Unlimited chequing account with unlimited transactions, as well as RRIF accounts.

In addition to our main offerings, we are continuously working on developing better solutions for seniors. We hope to achieve this by listening to our customers through complaints, surveys, as well as increased proactive outreach. We also look forward to working with more agencies in the community to better understand the needs of seniors, the issues that affect them, and how their lifestyles are changing in relation to today's ever-evolving landscape.

Together, through ongoing progress and conversations, we can continue to make banking better for our senior customers.

