



If the Canadian Government Can Freeze Bank Accounts, Should You Keep Your Money There?

Description

While the war in Ukraine has put the Canadian truck convoy firmly out of public mind, we're still cleaning up the mess protestors made around Parliament Hill. Many Ottawans watched police load camper vans from the "Freedom Convoy" on trailers and haul them away, even as we watch Ukrainians fight for their right to sovereignty.

It's an odd time to be alive, both here in North American and in Europe.

The West's sanctions on Russia are coming in — another extreme measure that will basically freeze the Kremlin's bank account. Freezing the financial funding of an aggressive leader might not warrant any suspicion. But doing the same to Canadian citizens to stop a protest — that certainly raised a few eyebrows.

Banks have now thawed those frozen accounts, but some Canadians might feel conflicted by the emergency measure. If the government can freeze bank accounts, should you keep your money there? And if not, where?

TL;DR: Yes, banks are safe

Unless you plan to storm Ottawa anytime soon, you'll probably never see your account frozen.

The Emergencies Act was an extreme measure. Whether or not you agree with it, you can at least see it as that. It wasn't some Orwellian plot hatching or a fundamental shift toward totalitarianism. A massive convoy of irate truck drivers and their supporters paralyzed Ottawa for three weeks. Trudeau just wanted everyone to go home.

It was the first time in Canadian history that the Emergencies Act was used, though that's not saying much, as it was made law in 1988 by Pierre Trudeau). Around 219 accounts were frozen, restricting the flow of about \$8 million. Many of those affected had other bank accounts that were accessible. And though the act promised to freeze accounts for 30 days, nearly all were in the process of being thawed

just two weeks later.

“But that’s my money,” you can protest. “Who gives a bank the right to freeze my money?”

Federal courts. And, well, *you*.

Banks are businesses. When you entrust your money to them, you enter a business relationship that has certain terms and agreements. Most of us never read these, but they are important to know. The terms and conditions outline your rights and responsibilities as an accountholder as well as what constitutes an account termination and, yes, freezing. Banks love loyal customers. But if you break these conditions, or you break the law, they hold the right to terminate or freeze your account.

Again, unless you plan on invading the capital, it’s highly unlikely you’ll wake up one morning with a frozen bank account. If you do, it might be a good thing: your bank may believe someone has hacked your account, and they’ve frozen it out of good measure.

I would be more worried about a fraudster hacking your bank account than I would the government freezing it. At least when your account is frozen, your funds are still there — no matter how restricted your access.

At the end of the day, the bank is still the safest place to store your money. So long as your bank is a CDIC member, your money is protected, even if frozen.

CATEGORY

1. Personal Finance

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

PP NOTIFY USER

1. kduncombe
2. sporrello

Category

1. Personal Finance

Date

2025/08/05

Date Created

2022/03/08

Author

sporrello

default watermark

default watermark