ACCOUNT CLOSED WITHOUT NOTICE:

DEBANKING ADULT INDUSTRY WORKERS IN CANADA

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CONTENTS

INTRODUCTION

Account Closed Without Notice is a project responding to the phenomenon of debanking reported by adult industry workers across Canada. The goals of our project are to 1) identify systemic determinants of the financial exclusion of adult industry workers, 2) make this issue more legible to researchers, policymakers, and the public, and 3) offer recommendations towards securing financial inclusion for all.

Co-authors of this report are Canadian researchers focused on occupational health, labour, and technology systems in the pornography industry. Since March of 2023, we have been appointed members of ECP Canada's Independent Advisory Board. In our role, we provide independent advice about Ethical Capital Partner's investments and portfolio companies, including Aylo, the operator of Pornhub. Engaging with both the adult industry and academia, we have encountered mounting concerns around the impact of systemic financial exclusion of porn performers, adult content creators, and other sex workers. The bulk of existing research and reporting on this issue draws on testimony from clients who have been refused banking products and services, and/or had bank accounts closed—scenarios that we refer to here as 'debanking'. This report compliments on-the-ground attestations of debanking with a top-down systemic overview of rules and restrictions that workers from the adult industries face in Canada's financial ecosystem.

To clarify debanking, we review data from key Canadian financial institutions: documenting client policies and terms of service of the 'Big 6' domestic banks, as well as guidelines of regulatory agencies such as the Financial Consumer Agency of Canada (FCAC) and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Understanding these policies and how these organizations interact will clarify conditions that allow widespread debanking, and help determine expectations or accountability measures that might be levied on the powerful financial service providers setting these conditions. We outline some harmful implications of debanking, and recommend several courses of action that could better protect the financial rights of adult industry workers specifically and of all Canadians more broadly.

Keywords: Debanking, financial exculsion, banking services, sex work, adult industry, Canada

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DEBANKING IN ACTION

The following is a personal account of a debanking experience

“I came to porn as part of a journey of reclaiming my own sexual agency. After non-consensual image sharing at the hands of an ex-partner, I regained confidence and control in my own life by understanding that sexuality was not inherently shameful. Instead, I found there was freedom, agency, and strength in exploring it—and perhaps even the chance to build a career.

I started out in the industry in the mid 2000s, hoping to work with established websites and sending them photos to post—but quickly realized that the specific kind of porn site I wanted to be part of (that is, a porn that was very welcoming and very diverse no matter the person’s style, gender, or sexuality) didn’t quite exist. So I would build my own. A friend in business school lent me her textbooks and I set about writing a business plan. I registered my business name with the province and got to work addressing the next hurdle: access to capital.

But nothing could have prepared me for the experience of attempting to access banking services as a sex worker. The business I was building responded directly to the criticisms of the industry—people authentically representing their sexuality, with an emphasis on consent and body positivity. In approaching the banks, I was looking for information on starting up a merchant account to process credit cards, or even just a bank account to keep my business and personal income separate. And to be clear, I wasn’t looking for investment in the business—just a bank account and banking services that any other business needs to operate.

Instead of taking me seriously, the banks met my proposals with shock or disgust. None of the representatives at the five major banks I spoke with would open an account for me. It left me feeling completely shut out, and like the business that I was aiming to start up, no matter how positive, thought out, and well-intentioned, was necessarily wrong.

I wondered: if the idea is that there are bad working conditions in porn and we want to make sure that workers are treated fairly and respected on the job, how is keeping businesses from access to traditional banking systems going to help anyone?

Despite being denied an account, I moved ahead with my website. The digital marketplace is centred on the ability to process credit cards—and accumulating credit card numbers meant nothing without a merchant account to process them. Services like PayPal existed, and were later joined by contemporary processors like Square, Shopify, and Stripe. The trouble is, each of these processors had terms of service that explicitly barred adult services from using them. One of the only options was, and still is, Arizona-based CCBill.

I signed up for an account with CCBill and integrated it into a custom website for Cherrystems and later Ciné Sinclaire. CCBill charged 14% fees per transaction, in addition to thousands of dollars in additional fees levied by credit card companies to reflect the purported 'high-risk' nature of the industry. I suppose the idea is that all of the high fees are supposed to keep bad actors from entering the industry and exploiting workers, but my experience was the opposite. The inaccessibility of legitimate banking systems meant that business owners would necessarily have to go off-script unless they were backed by major independent funding. The knock-on effect is that smaller indie and queer producers are eliminated before they can even get out of the gate—reinforcing monopolies and the status quo.

But the struggle with banks wasn't done there. CCBill being an American company and my residence being in Canada, I had to receive cheques in the mail for payouts. This meant taking a physical cheque into a branch location to have the cheque, which was in United States Dollars, put into my personal bank account. Tellers were often suspicious of the origin of the funds, in a way I had never experienced with any other cheque. I was asked where the money came from, how I got it, if I knew the payor. I had prepared statements on its origin—selling art online—but one teller must have known the origin of the funds. She placed an order on my account to hold all cheques deposited into my account for 30 business days. Remember, this was my personal bank account because I was unable to get a business account. For years, any cheques I deposited were held for nearly a month and a half—despite a good credit rating. Between CCBill's payment timelines and bank holds, I would often have money sitting in limbo for months at a time.

I still wonder what things would have been like had I had access to a bank merchant account, a credit card, and business loans. Things could have been much clearer, much more efficient, and I could have kept much more of the profit that came into the site instead of handing it off to a major processor.

Years later, after building up over a decade of photography and filmmaking experience through porn, I incorporated a non-adult film company. The very first bank I approached was happy to get me set up, opening a business account and offering me credit cards and loan services in the same day. All I needed was proof of incorporation, an initial deposit, and a short description of my business. I remember sitting in that chair, being handed all the documents I'd wanted 15 years prior, and giving my head a little shake. All I had to do was not be sexual, and I'd be just fine. Frustratingly, I recognized the messaging. It's the same thing we tell sexual assault victims.

I had no control in the digital sexual abuse I was subjected to, and in my desire to recover and celebrate sexuality, I found myself with a similar loss of control. ”

- Kate Sinclaire

CONTEXT

Financial inclusion—or the ability to access essential financial infrastructures and services—is a condition necessary for economic well-being [1]. On a large scale, financial inclusion reduces collective socio-economic disparities along lines of race and gender, supporting higher rates of employment and aiding national economic development [2]. For individuals, the stability, resilience and well-being enabled by financial inclusion is key to economic security, improved health outcomes, and a decent quality of life.

Given the central role that financial inclusion plays in advancing equity and breaking cycles of poverty, it has become a priority objective in international policy to ensure financial products, services, infrastructure, and connectivity are made accessible to all [3]. But financial inclusion is not universally assured. While many of us benefit from banking, banks are also deputized to withhold access to services and selectively restrict products among their clientele. And with banks currently positioned to withhold access to essential financial infrastructure, evidence increasingly suggests this arrangement targets workers in the adult industries.

In Canada, work in the adult industries theoretically offers legal routes to income. Pornography remains largely defined through the framework of obscenity law, but it is nonetheless legal to produce, distribute, and profit from adult entertainment made by consenting adults. It is also technically legal to sell direct sexual services in Canada. However, our end-demand 'Nordic Model' criminalizes many practical activities associated with sex work. Purchasing or advertising someone's sexual services and living with or materially benefiting from sex worker earnings remain illegal under Bill C-36, the 'Protection of Communities and Exploited Persons Act' (PCEPA). Ostensibly intended to prevent exploitation, there is overwhelming evidence that the 'Nordic Model' perpetuates financial and sexual exploitation and human rights abuses [4].

[1] OECD. (2024). G20 policy note on financial well-being. OECD Publishing.
[2] Duncan, E. (2024, December 20). Is Canada bridging the financial inclusion gap? Here's what the latest data shows. Financial Resilience Institute.
[3] Lung, H. (2024, July 29). Why financial inclusion is the key to a thriving economy. World Economic Forum.
[4] Canadian Alliance for Sex Work Law Reform. (2017). Safety, dignity, equality: Recommendations for sex work law reform in Canada; McBride, B., Shannon, K., Murphy, A., Wu, S., Erickson, M., Goldenberg, S. M., & Krüsi, A. (2021). Harms of third party criminalisation under end-demand legislation: undermining sex workers' safety and rights. Culture, Health & Sexuality, 23(9), 1165-1181; Chu, S.K.H., & Glass, R. (2013). Sex work law reform in Canada: Considering problems with the Nordic model. Alberta Law Review, 51, 101-124.

Public health and human rights organizations like the United Nations, Amnesty International, the World Health Organization, and the Canadian Public Health Association agree that criminalization of any kind makes sex work more precarious, which endangers, rather than protects, these vulnerable workers [5].

Regardless, estimates suggest many tens of thousands of people across the country rely on camming, stripping, escort services, sugar arrangements, subscription sites, and other gig-work options in the adult industries to earn income [7]. These different types of work operate under varied legal, regulatory, and cultural treatments, but are subject to contextual collapse and frequently homogenized under a singular category of sex work. For this reason, a diversity of workers are impacted by the policies addressed in this report, whether their work is criminalized or not. For ease, we refer to this ensemble as 'adult industry workers' but where most pertinent we specify when the proceeds of sexual labour are criminalized, as outlined in sections 213 and 286 of the Criminal Code.

Due to longstanding stigma and criminalization, adult industry workers in Canada continue to face distinct socio-economic disadvantages. As economic activities increasingly take place on digital platforms, heightened surveillance and censorship measures online have made adult industry workers even more identifiable and vulnerable [7].

Being identified as an adult industry worker can lead to serious secondary effects such as international travel bans, evictions, and child custody battles [8]. Institutional bias limits these workers' access to social services and healthcare and exposes many to indifference or harassment from authorities like law enforcement [9].

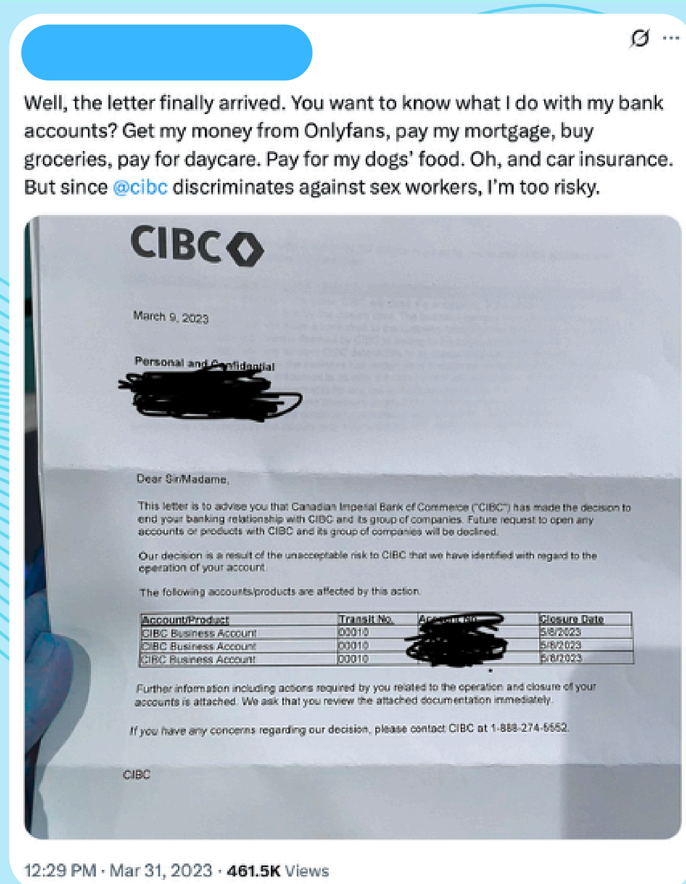
[5] United Nations Human Rights Council working group on discrimination against women and girls (2023, December 7). Eliminating discrimination against sex workers and securing their human rights; UNAIDS (N.d.) Save lives: Decriminalize; Amnesty International (2015, August 14). Sex workers' rights are human rights; World Health Organization (N.d.) Sex workers; Canadian Public Health Association. (2024). A public health approach to sex work.
[6] Kennedy, L. (2022). The silent majority: The typical Canadian sex worker may not be who we think. PloS One, 17(11), e0277550.
[7] Pearson, J., Machat, S., McDermid, J., Goldenberg, S. M., & Krüsi, A. (2024). Impacts of sex work criminalization and censorship for indoor workers: Exploring how barriers to online advertising shape occupational health and safety. Sexuality Research and Social Policy, 21(2), 578-590.
[8] Johansen, L. & Espinosa, E. (2023, April 7). Adult content creators claim Canadian banks are cancelling accounts over ties to sex industry. CityNews Toronto.
[9] Canadian Public Health Association. (2024). A public health approach to sex work; Rajaram, A., Gravely, E., Pillainayagam, J., Frank, F., Sajeevan, D., & Paramentic, J. (2024). Literature review of Canadian sex workers' experiences with police interactions, healthcare access, and social exclusion. McMaster University.

These intersecting disadvantages are highly compounded by financial vulnerability, given that banks, credit cards, payment processors, and other financial providers routinely deny accounts and services to individuals and businesses affiliated with the adult industries. For these reasons, experts have called upon the federal government and major financial institutions to revise current 'high risk' standards, develop clearer guidelines, address barriers to economic inclusion, and end financial discrimination against marginalized adult industry workers in Canada [10].

SEX WORK LAW IN CANADA	
Criminal Code Sections [11]	**Provisions**
Communicating 213(1), 213(1.1), 286.1(1)	It is illegal to communicate for the purpose of paying for sexual services, with specific provisions around stopping or impeding traffic or doing so at, next to, or within view of a school ground, playground, or daycare centre.
Purchasing 286.1(1)	It is illegal to pay for sexual services. Sexual services are defined as services that are "sexual in nature and whose purpose is to sexually gratify the person who receives it." [12]
Third party services 286.2, 286.3	It is illegal to receive a material benefit (profit) knowing it was derived from the purchase of sexual services. The law states that a sex worker cannot be prosecuted for receiving a material benefit derived from their own services, but renders their earnings criminal.
Advertising 286.4	It is illegal to knowingly advertise the sale of sexual services. The law states that a sex worker cannot be prosecuted for advertising their own services, but given they need to use a website or newspaper to do so, this would violate the laws against using third party services.

[10] Tusikov, N. (2024, May 31). Canada must end financial discrimination against sex workers. Policy Options.
[11] Canadian Alliance for Sex Work Law Reform (2015). Sex work and changes to the Criminal Code after Bill C-36 (PCEPA).
[12] Government of Canada (2023, February 2). Prostitution criminal law reform: Bill C-36, the Protection of Communities and Exploited Persons Act Frequently asked questions.

No widespread study of adult industry debanking has been conducted yet in Canada, but related research and journalistic accounts are telling. A recent survey conducted in Vancouver regarding access to COVID-19 income supports found that only 59% of participating adult industry workers had access to a bank account [13]. News reports have begun to document how adult industry workers in Canada are being denied access to financial products, from basic personal accounts to business accounts and mortgages, on the basis of legal ambiguity as well as concerns that adult industry clients do not align with the bank's "ethical standards" [14]. Adult industry workers in Canada have increasingly taken to social media to disclose their frustration with these experiences, detailing accounts being frozen and funds seized with no explanation and limited recourse [15].



[13] Pearson, J., Shannon, K., Krüsi, A., Braschel, M., McDermid, J., Bingham, B., & Goldenberg, S. M. (2022). Barriers to governmental income supports for sex workers during covid-19: Results of a community-based cohort in Metro Vancouver. Social Sciences. 11(9), 383.
[14] Bell, N. (2021, December 17). Credit unions are helping sex workers take charge of their finances. But is it enough? Xtra; Devlin, M. (2021, October 15). Vancouver sex worker speaks out after being denied business bank account. Daily Hive.
[15] MacDonald, M. (2022, September 26). Why are sex workers forced to wear a financial scarlet letter? The Walrus.

Despite the humanitarian concerns raised by this status-quo, a handful of powerful companies have established chokepoints in global financial infrastructure, which strictly limits the alternatives for clients rejected by banks [16]. With limited recourse or alternatives available, debanking has become a notorious and pervasive problem for adult industry workers worldwide.

An American study found 50% of adult industry workers were denied a loan, 39% reported losing access to credit services, and 63% reported at least one account or financial tool being withheld due to their occupation [17]. In another US study 45% of sex workers reported having applications for personal bank accounts denied or existing accounts closed [18]. The Office of the Comptroller of the Currency recently reviewed debanking practices in the US and identified adult entertainment as an industry sector inappropriately subjected to restricted access on the basis of "reputational risk" [19]. Echoing these findings, participants in a UK-based study described personal accounts being frozen or shut down after receiving payments from adult websites such as OnlyFans, and the report concluded that sex workers are routinely barred from approval for business accounts, loans, and overdraft protections for which they are seemingly eligible [20]. Accounts from the Netherlands, Australia, and the Global Network of Sex Work Projects likewise demonstrate a widespread pattern of debanking adult industry clients [21].

In accounts of debanking across national contexts, companies typically withhold justification for account closures and do not offer explanations for service refusals. When debanking has been addressed by bank representatives, rationale is kept vague, alluding to terms of service violations when accounts reflect 'suspicious' activity or

[16] Tusikov, N. (2017). Revenue chokepoints: Global regulation by payment intermediaries. In L. Belli & N. Zingales (Eds.), Platform Regulations: How They Are Regulated and How They Regulate Us (pp.213-228).
[17] Free Speech Coalition. (2023). Financial discrimination and the adult industry.
[18] Watson, S., & D'Adamo, K. (2021). Shut down & shut out: Access to financial services and online payments for sex workers in the U.S. Centre for LGBTQ Economic Advancement & Research and Reframe Health + Justice Consulting.
[19] Office of the Comptroller of the Currency. (2025, December). Preliminary findings from the OCC's review of large banks' debanking activities.
[20] Herrmann, T., & Redman, S. (2022). Sex workers' experiences of banking discrimination. National Ugly Mugs.
[21] NL Times. (2023, November 24). Dutch banks agree to make it easier for sex workers to open business accounts; Pointer. (2021, November 20). Banken weigeren zaken te doen met de seksbranche; Scarlet Alliance. (2022). Briefing paper: anti-discrimination & vilification protections for sex workers in Australia; Terzon, E. (2024, May 29). Sex worker takes on financial sector 'debanking' with outcome hailed as transformative for adult industry ABC News; Global Network of Sex Work Projects. (2024, February 21). Briefing paper: the right to housing and the unmet needs of sex workers.

unpredictable incomes [22]. Given that these opaque standards are used to justify widespread financial exclusion, it is critical that the policies and decision making processes of our banking institutions be made legible to policymakers and the Canadian public. Instead, a lack of transparency, accessibility, and reliable data obscure the logic of debanking that impacts adult industry workers across Canada.

Cryptocurrency is often framed as a utopian financial solution for adult industry workers limited by traditional banking options. While this offers an alternative for sending and receiving payments, crypto does not eliminate reliance on conventional banking systems. To pay rent, bills, and generally render crypto a viable form of income, workers must convert payments into government-issued currency. This conversion relies on the usual banks and their restrictive policies, but the infrastructure linking crypto to cash is fragile and payment processors and banking partners often refuse to work with crypto companies openly tied to adult content. Crypto platforms have been subject to scandals and market collapses, so increasingly face regulatory scrutiny. As governments tighten the oversight of exchange in this ecosystem it mirrors standards set in traditional banking, undermining the idea that crypto is ‘permissionless’ or censorship-resistant in practice. Finally, crypto introduces new technical complexities and market volatilities to the process of getting paid. Adult industry workers must manage exchanges, avoid bans, and navigate fluctuating market values. Occasionally this involves total collapse of a cryptocurrency, as observed with the once-popular SpankChain. Navigating these factors takes additional work and introduces new uncertainties rather than ensuring stability. Ultimately, crypto is not a liberatory financial system for sex workers, but a temporary workaround option—and one ultimately constrained by the same institutional powers it was meant to bypass. [23]

[22] ‘Suspicious’ activity typically refers to transactional patterns that are considered indicators of money laundering or human trafficking. See: Bernard, T.S. (2023, November 19). Sex workers have been shunned by banks, even when their work is legal. The New York Times.
[23] Khalili, J. (2023, August 8). Sex workers took refuge in crypto. Now it’s failing them. Wired.

DATA & METHODS

Our focus in this report is the under-researched sector of standard domestic Canadian banking. Data for this report is drawn from publicly available information in recent documents: personal and business client agreements, merchant policies, terms of service, and other guidelines that govern banking relationships in Canada. The scope of this project does not account for policies of major credit card networks, credit unions, or cryptocurrency providers both due to the breadth and complexity that surveying these comprehensively would entail, and given prior analysis of bias against adult industry work in payment processing infrastructure is published elsewhere [24].

We consulted legislative and regulatory texts to gain an overview of the rights and responsibilities of banks, and to clarify terms around what these institutions must provide or how they may deny banking services to residents of Canada. Specifically, we considered primary documentation outlining banks' obligations to monitor, flag, and report transactions in cases suspected to relate to human trafficking or child sexual exploitation activities. To isolate factors that define the relationship between banks and their clients, we considered personal and business accountholder agreements. A table listing these data sources can be found in the appendix of this report.

From these documents we conducted textual analysis, beginning by identifying relevant terms and the context in which these are applied in each service agreement. Our search terms were selected for proximity to adult industry work, as well as clauses or conditions wherein banking services may be denied, flagged, suspended, or closed. These include:

> *sex, porn, adult/adult entertainment, escort, explicit, illicit, improper, objectionable obscene/obscenity, exploitation, trafficking, illegal, unlawful, criminal, unauthorized, money laundering, reputation, suspicious, unusual, unsatisfactory, risk/risky/high-risk*

[24] See: MacDonald, M. (2025). Pornhub, payment processors and CSAM: moral and algorithmic authorities in platform governance. Porn Studies, 1-20; Franco, R., & Webber, V. (2025). 'This is fucking nuts': the role of payment intermediaries in structuring precarity and dependencies in platformized sex work. Porn Studies, 12(3), 411-428; Tusikov, N. (2021). Censoring sex: Payment platforms' regulation of sexual expression. In M. Deflem & D.M.D. Silva (Eds.) Media and Law: Between Free Speech and Censorship. Sociology of Crime, Law and Deviance. Emerald Publishing Limited. (pp.63-79).

With sections from these texts compiled, we arranged relevant data in a table coded by institution, document type, quote, and notes on key indicators. We then considered these quotes in connection with relevant oversight standards, procedures, and regulatory bodies, mapping relations between various financial regulators, banks, and debanking conditions in Canada.

To ensure that our findings accurately reflected their most up-to-date policies, a draft of this report was sent to publicly listed communications, media relations, or Canadian banking contacts at the major Canadian banks, the Bank of Canada, OSFI, and FINTRAC prior to publication. We received no response from TD, Scotiabank, and Bank of Montreal. The Bank of Canada, RBC, CIBC, and National Bank of Canada acknowledged receipt and had no further comments. FINTRAC responded with additional context and provided updated information that has been integrated into the findings of our final report.

MAPPING BANKS & FINANCIAL REGULATORS IN CANADA

Banking in Canada is subject to legislation meant to ensure consumer access to basic services. The most important of these is the Bank Act (S.C. 1991, c. 46), which establishes a number of foundational definitions, policies, and practices governing Canada's banks. The preamble of the Act states that it provides "clear, comprehensive, exclusive, national standards" for all banking products and services, to protect consumers, secure public confidence in the financial system, and serve the nation's economic interests. Regarding personal accounts, it requires that all banks "open a retail deposit account for any natural person who requests it" (627.17 (3)), and entitles customers to "fair and equitable dealings" (627.02) including disclosure and transparency requirements (627.55) and clear complaints processes (627.43) around services and decisions.

The Act does not, however, guarantee universal financial access, and banks have substantial discretionary power to refuse services under certain circumstances. It allows refusal or limitations on services when there are "reasonable grounds to believe that the retail deposit account will be used for illegal or fraudulent purposes" (627.18(1)(a)), when clients have a "history of illegal or fraudulent activity" related to financial services within the last seven years (627.18(1)(b)), when there are "reasonable grounds" to believe the client "knowingly made a material misrepresentation in the information provided" (627.18(1)(c)) or that refusing the client is necessary "to protect the customers or employees of the member bank from physical harm, harassment or other abuse" (627.18(1)(d)). Additionally, the act allows banks to refuse withdrawal of a client's available funds when "the institution has reasonable grounds to believe that there is a material increased credit risk" (627.23), which can include account overdrafts (a), chargebacks (d), and any unexplained changes in deposit frequencies or amounts (c). Banks may also exercise their discretionary refusal to delay account disbursements or withhold funds when they have "reasonable grounds" to suspect the above. But "reasonable grounds" are not defined in the Act, meaning banks are deputized to determine service refusals based on internal risk assessments.

Canada's financial ecosystem is also regulated and influenced by a cohort of domestic organizations. Coordinating and advising the Federal Government on Canada's financial system is The Financial Institutions Supervisory Committee, composed of five key agencies:

1. The Bank of Canada is the central bank owned by the Federal Government
2. The Department of Finance is responsible for overarching stewardship of the Canadian economy and supports the development and implementation of financial sector policy and legislation
3. The Canadian Deposit Insurance Corporation (CDIC) provides deposit insurance to Canada's major banks
4. The Financial Consumer Agency of Canada (FCAC) was established by the Financial Consumer Agency of Canada Act and is responsible for ensuring banks comply with consumer protection measures
5. The Office of the Superintendent of Financial Institutions (OSFI) supervises banks and other financial companies to determine if they are operating prudentially. Most importantly, for the purposes of this report, OSFI works closely with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)

FINTRAC is an oversight body established in 2000 by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) with the mandate to detect and deter use of Canada's financial system for illicit purposes. FINTRAC itself does not have direct access to Canadian bank accounts or other financial information, but receives information from reporting entities as outlined by the PCMLTFA. These reporting entities include over 38,000 banks and businesses who must adopt a number of risk deterrence and detection activities: establish anti-money laundering/anti-terrorist financing compliance programs, keep records, train employees, undertake Know Your Client (KYC) procedures to verify customer identities, and report large or otherwise "suspicious" transactions to FINTRAC. If FINTRAC has "reasonable grounds to suspect that the information is related to a money laundering, terrorist activity financing, sanctions evasion and threats to the security of Canada offences," they may disclose that information to national security and law enforcement agencies [25].

[25] Personal communication, FINTRAC Media Communications, January 30 2026.

FINTRAC has also undertaken a number of public-private partnerships to produce guidance tailored to specific activities (e.g. illicit cannabis, illegal wildlife trade, romance fraud, etc.). Project Protect lays out indicators of suspected human trafficking for sexual exploitation, and Project Shadow does the same for online child sexual exploitation. These indicator lists are intended to support and inform effective risk surveillance and assessment for the purposes of submitting suspicious transaction reports to FINTRAC. The PCMLTFA does not, however, prescribe any obligations to debank clients; such decisions remain with the bank alone.

In the following section we examine these two indicator lists and the account-holder policies of Canada's six OSFI-designated "domestic systemically important banks":

1. Royal Bank of Canada (RBC)*
2. Toronto Dominion (TD)*
3. Scotiabank
4. Bank of Montréal (BMO)
5. Canadian Imperial Bank of Commerce (CIBC)
6. National Bank of Canada

*RBC and TD are also considered 'globally systemically important banks', making them subject to additional requirements by international oversight bodies. Additionally, Schedule I domestic banks with a branch network located in the US are required to comply with US law regarding any account tied to US currency; such cross-border relationships incur additional regulatory obligations.

FINDINGS

We find banks' policies concerning client risk do not clearly distinguish between illegal activities and legal but 'objectionable' activities

As noted above, The Bank Act stipulates clients' right to open a bank account except in certain limited cases, namely when banks have reasonable grounds to suspect their services will be used for illegal or fraudulent purposes. However, language in the reviewed agreements tends to conflate illegal and fraudulent activity with the more subjective category of 'objectionable' activity, which broadens banks' discretionary powers considerably. This includes a right to seize funds and freeze services without requiring notice, explanation, or substantiating evidence of illegal activity. Suspicion of potential violations or risks on 'reasonable grounds' is sufficient to trigger debanking processes. Take for example:

"We may close your account, or refuse to release funds in your account **without notice to you**, including, without limitation, if required by law or at **our sole discretion** if at any time you commit, or we suspect you may have committed, fraud or other illegal act, we determine that you pose an unacceptable level of legal, **reputational, or other risk** to the Bank, you violate the terms of any applicable agreements, you use the account for any **improper** or unlawful purposes, there is suspicious activity in the account, or you operate the account in any **unsatisfactory** manner."

BMO, Agreements, Bank Plans and Fees for Everyday Banking (May 1 2025), General Terms and Conditions, p.14 (emphasis added)

"We may suspend, freeze, block or terminate your right to use your account, **without notice** even if you are not in default of this Agreement or we have never done so in the past, if: … we have reasonable grounds to believe that you did or may commit fraud, used or will use the account for any unlawful purpose, or caused or will cause us a loss; you operate the account in an **unsatisfactory manner or contrary to our policies**; … or; **we choose to**."

CIBC, Personal Deposit Account Agreements and Disclosures (March 17 2025), Suspending, Freezing, Blocking or Terminating Use of your Account, p.7 (emphasis added)

"We may limit the use of your account, or immediately close it **without notice or delay**, if you use it in a manner that is **inappropriate**, unauthorized, illegal or abusive… You agree not to use any Accounts, Term Deposits, and/or Services or give any instructions for any unlawful, illegal or **improper** purpose, or otherwise in violation of applicable laws."

National Bank, Personal Bank Holding Account Agreement (January 25 2023), Inappropriate, unauthorized, illegal or abusive use of one of your accounts, p.8 (emphasis added)

Business and merchant agreements likewise conflate illegal and fraudulent with 'improper' or 'offensive' activity. In some cases explicitly prohibiting transactions related to legal sexual goods and services for concern over 'reputational risk':

"No Service may be used for, or in connection with, any fraudulent, unlawful, dishonest, or other activity **unsatisfactory** to Royal Bank, including for any malicious, defamatory or **improper** purpose, and nothing will be done which could undermine the security, integrity, effectiveness, goodwill, or connectivity of any Service, including any activity that could threaten or cause harm to Royal Bank or any other Person. The Customer is responsible for the contents of any messages or information sent or received using the Services, and is prohibited from sending or receiving any Harmful Content or potentially Harmful Content (content, information or message that is **offensive**, defamatory, [or] illegal ...)."

RBC, Master Client Agreement for Business Clients (October 2023), General Terms, p.3 & Glossary, p.32 (emphasis added)

"You will not include in any payment, transfer, or similar communication (including Payment Instructions), content that is: (i) **harmful** to Scotiabank ... (iv) **offensive** or defamatory; (v) relates to, or is used to conduct, illegal activities; or (vi) otherwise in contravention of applicable laws and rules ... We may immediately cancel or suspend any or all Services and terminate any Service Agreement and this Agreement (including **freezing or placing a hold on any funds in any account) at any time without notice** if: (i) required by any laws and rules ... (vi) we have reason to suspect that you are engaged in any **improper** or unlawful activity in connection with the Services, or are the victim of fraud or identity theft ... or, (viii) we believe that it is necessary to terminate our relationship with you in order to protect our client or employees from physical harm, harassment or other abuse, or any other circumstances or event which we believe has created or could create **reputational risk** or harm to the Bank."

Scotiabank, Business Banking Services Agreement: Companion Booklet (February 2025), Your Instructions and Authorizations, p.6 & Holds, Changes, Suspensions and Termination, p.16 (emphasis added)

"6.4 You will not do any of the following in respect of a Transaction or a Routed Transaction: ... 6.4.7: accept Cards for types of businesses, goods or services that we or a Payment Card Network deem **unacceptable**, including without limitation: businesses, goods or services that are prohibited by law; gambling; **adult entertainment services (including escort and dating services, adult phone call services, pornography (including videos), strip clubs); massage parlours**; ... 6.4.9 knowingly submit any Transaction that is illegal or that you should have known was illegal."

TD, Merchant Solutions Terms and Conditions (no date), Accepting Cards, pp.2-3 (emphasis added)

We find that FINTRAC indicators do not clearly distinguish consensual work in the adult industries from sexual exploitation and human trafficking

FINTRAC has produced resources to support financial institutions in identifying potential illegal activity and submitting suspicious transaction reports. However, many listed indicators are indistinguishable from ordinary conduct in routine transactions. For example, FINTRAC's 'Project Protect' is intended to support banks in identifying suspected instances of human trafficking and sexual exploitation. The original 2016 indicators reference several activities typical of consensual work in adult industries:

"Online advertising and promotional services (e.g. escort services, massage services, relationship services, related peer-to-peer online booking services)" and "Accommodations in hotels, motels and other lodgings: for short stays and/or stays in multiple cities in a relatively short time period." (p.4)

"Strip clubs, massage parlors, beauty salons and modelling agencies: credit card payments for purchases made after the establishments' normal hours of business", "Cash deposits/withdrawals between the hours of 10 p.m. and 6 a.m.", "Multiple cash deposits conducted at different bank branches/ATMs, possibly across different cities and provinces", and "Multiple deposits and/or incoming email money transfers or other forms of electronic transfers, possibly using a temporary address (e.g. hotel), from unrelated third parties with little or no explanation." (p.5)

"Unrelated third parties sending email money transfers or other forms of electronic transfers to the same beneficiary with no apparent relation to the recipient or no stated purpose for the transfers", "Email money transfers to third parties with alternate names provided in brackets [e.g. jane@example.com (Bambi)]", and "Large and frequent electronic transfers between senders and receivers with no apparent relationship." (p.6)

When updated in 2021, additional indicators for 'Project Protect' included several categories of suspicious purchases:

Gift cards: "Rounded sum purchases at grocery stores and/or other retailers that sell gift cards and/or prepaid credit cards; Atypical high-value purchases at convenience stores, particularly those that sell gift cards, prepaid credit cards, or offer money transfer services; Purchases at online merchants that specialize in selling gift cards." (p.6)

Entertaining: "Purchases and/or payments at luxury vehicle dealerships or for limousine services; Purchases and/or payments at higher-end restaurants … Purchases at higher-end nightclubs … Frequent low-value payments for parking; Frequent purchases for food delivery services, often on the same day." (p.6)

Fashion/beauty: "Purchases and/or payments at higher-end clothing, footwear, or accessories retailers; Purchases and/or payments at entities offering cosmetic surgery or other medical procedures to enhance one's physical appearance … Purchases at jewellery retailers." (p.6)

FINTRAC's 'Project Shadow' indicators address the consumption or production of online child sexual exploitation materials. However, these include behaviours indistinguishable from normal interaction with legal adult entertainment, dating sites, and the use of digital privacy tools:

"Purchases at vendors that offer online encryption tools, virtual private network services, software to clear online tracking, or other tools or services for online privacy and anonymity, including encrypted email services" or "Frequent, low-value purchases of cryptocurrencies, particularly privacy coins." (p.7, p.8)

"Frequent, low-value transfers, to or through peer-to-peer funds transfer platforms, often with sexually explicit references, references to social media platforms, and/or references to file sharing and creator-content streaming websites, including those hosting artificial intelligence generated material." (p.7)

"Frequent, low-value transfers, to payment service providers, particularly those serving high-risk merchants in the adult entertainment industry or file sharing and hosting vendors/providers." (p.8)

"Purchases on webcam/livestreaming platforms, dating platforms, and/or websites offering adult entertainment, particularly those that have chat functions and those suspected to host illegal content." (p.8)

"Receiving funds from a payment processor while having a profile on a creator-content streaming website that includes adult entertainment content, especially with a subscription-based channel model." (p.8). The overview text specifically highlights "payment processors known to serve the adult entertainment industry." (p.5)

FINTRAC stipulates that their indicators are not intended to stand alone as sufficient reason to submit a suspicious transaction report. Rather:

"The decision to submit a suspicious transaction report to FINTRAC ... requires more than a 'gut feel' or 'hunch' although proof of money laundering is not required. Reporting entities are to consider the facts related to a transaction and its context that can, when taken together, give rise to reasonable grounds to suspect that the transaction is related to the laundering or attempted laundering of proceeds of crime." [26]

"Reasonable grounds to suspect" means that beyond "simple suspicion ... there is a possibility that a money laundering or terrorist activity financing offence has occurred." [27] The bank or other reporting entity should consider these indicators in relation to what they know about the client, context, and additional factors.

[26] FINTRAC (2016, December 15). Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation (p.3).
[27] FINTRAC (2025, May 22). Reporting suspicious transactions to FINTRAC: What are reasonable grounds to suspect?

We find that banks appear to flag clients as adult industry workers through presumptive inferences

The lack of clarity and transparency around debanking activities prevents us from knowing the precise mechanisms by which an account is flagged, frozen, or closed. Banks need to comply with FINTRAC's suspicious transaction reporting requirements, but FINTRAC does not exercise authority or provide guidance over banks' decisions to maintain relationships with individual clients. Nevertheless, the frequency with which indicators are indistinguishable from consensual work and legal purchases in the adult entertainment industries gives cause for concern. While not their intended purpose, it is reasonable to assume that FINTRAC indicators influence banks' internal risk-mitigation and decision-making processes vis-à-vis client relations. Even so, it appears banks' thresholds to end client relationships are more conservative than FINTRAC reporting requirements.

Banks typically do not explain the rationale behind account closures to affected adult industry clients, and we observe that bank statements to media are similarly vague. For example, in a Toronto CityNews report on debanking adult content creators, a Scotiabank representative said they "cannot comment on individual customer matters for privacy reasons. Scotiabank accepts funds from various subscription platforms, including OnlyFans, but does review each scenario independently." In the same report, a CIBC representative added "Any decision to end a banking relationship is not taken lightly and is based on a number of factors. We have inclusive banking policies, and clear processes where clients can have their concerns reviewed if they do not agree with the decision" [28].

We are left to infer that adult industry workers' are more prone to be debanked when their activity is 1) considered 'reputationally risky' or 'objectionable', and 2) associated with indicators of suspected human trafficking or child sexual exploitation. So even when adult industry workers engage in legal and consensual activities, these overgeneralized determinants put them at odds with institutional thresholds for acceptable risk [29].

[28] Johansen, L. & Espinosa, E. (2023, April 7). Adult content creators claim Canadian banks are cancelling accounts over ties to sex industry CityNews Toronto.
[29] Smith, A.N. (2023, March 24). Collateral damage in the war on sex trafficking. Bloomberg News.

We find that, once debanked, there is limited recourse and unclear guidance to appeal financial exclusion

Accounts of debanking indicate that adult industry workers are rarely provided with rationale behind their account changes, let alone satisfactory written explanations. Indeed, our review returned very few options to appeal account closure decisions. In Canada, official complaints against financial institutions follow a process governed by the FCAC. Clients must first lodge an initial complaint with frontline representatives of the bank in question. If this representative does not resolve their issue within 14 days, a bank must advance it to their complaint department, who then have 56 days (including the original 14) to resolve the matter and provide a "detailed written response" to the complainant [30]. If the bank surpasses the 56 day threshold or a written response is unsatisfactory, a client can escalate their complaint [31]. In reviewing account holder agreements we noted that most include FCAC contact information, but with varying degrees of detail concerning obligations around complaints or the role of this agency in the complaint process. No institution clearly foregrounds an appeals process in their literature or on their website, and of the reviewed agreements only two banks—CIBC and Scotiabank—offer a detailed explanation of complaint procedures that includes the role of the OBSI, as outlined below.

The Ombudsman for Banking Services and Investments (OBSI) is Canada's independent body tasked with receiving complaints and resolving disputes between consumers and their banks. While not technically a regulator, OBSI is intended to operate freely in the public interest and find fair outcomes through fair process. However, OBSI's Terms of Reference clearly state they will not intervene in complaints that relate to a firm's "risk management policies and practices," which would exempt many cases of discretionary refusal around adult industry clients [32]. So although federal consumer protections theoretically call for clarity, transparency, and an effective means to submit appeals or complaints, in practice we observe an ecosystem in which explanations and recourse for debanking decisions are largely obscured.

[30] FCAC. (2025, Sept, 25). How to file a complaint with your financial institution.
[31] OBSI. (2026). Make a complaint.
[32] OBSI. (2022). Terms of reference (p.8).

DISCUSSION & IMPLICATIONS: WHY DOES DEBANKING MATTER?

Financial inclusion is essential to protect human rights and safety

Access to one's own bank account is foundational to economic freedom, and any infringement upon someone's financial autonomy puts them at increased risk of abuse and exploitation. A bank account is typically required to build a credit score, safely store, save, and access money, or participate in our largely digital economy. Debanking severely limits adult industry workers' autonomy and prevents many from obtaining employment opportunities in formal sectors, as a bank account is typically required to be paid in non-cash jobs. Being debanked also intensifies vulnerability to abuse, exploitation, and trafficking, because losing access to financial services renders people more reliant on others to provide housing or hold their money [33]. Losing control over shelter and finances puts people into more dependent and desperate circumstances, which erodes their ability to exercise agency, mobility, and self-determination.

Additionally, when adult industry workers are denied business or merchant accounts, they still need to receive payments and process transactions necessary to their income. Relying on personal accounts, they cannot as effectively shield identifying details like legal names or location of residence from clients, which increases their exposure to doxxing, stalking, online harassment, and violence [34]. Finally, without secure access to banking infrastructure, adult industry workers are confronted with barriers to paying taxes or saving for retirement, and may likewise be precluded from income supports like provincial tax rebates or the Canada Emergency Response Benefit (CERB) payments distributed early in the COVID-19 pandemic [35].

[33] Koenig, B., Murphy, A., Johnston, S., Pearson, J., Knight, R., Gilbert, M., Shannon, K., & Krüsi, A. (2022). Digital exclusion and the structural barriers to safety strategies among men and non-binary sex workers who solicit clients online. Social Sciences, 11(7),318; Global Network of Sex Work Projects. (2024, February 21). Briefing paper: the right to housing and the unmet needs of sex workers.
[34] Stardust, Z., Blunt, D., Garcia, G., Lee, L., D'Adamo, K., & Kuo, R. (2023). High risk hustling: Payment processors sexual proxies and discrimination by design. City University of New York Law Review 26 (1), 57-138; Herrmann, T., & Redman, S. (2022). Sex workers' experiences of banking discrimination. National Ugly Mugs.
[35] Pearson, J., Shannon, K., Krüsi, A., Braschel, M., McDermid, J., Bingham, B., & Goldenberg, S. M. (2022). Barriers to governmental income supports for sex workers during covid-19: Results of a community-based cohort in Metro Vancouver. Social Sciences, 11(9), 383; Chen, Z., & Friedline, T. (2022). Make the invisible underbanked visible: Who are the underbanked? Journal of Financial Counseling & Planning, 33(2), 160-170.

Debanking has acute negative health impacts

A bank account is necessary to secure many basic tenets of health. Being debanked in a largely non-cash economy has been shown to generate significant stress and correlate with worsened health outcomes. This correlation with poorer health persists even after controlling for confounding factors, suggesting that banking itself is a structural determinant of health [36]. Debanking pushes people towards expensive 'fringe' financial services like payday lenders, pawnbrokers, and cheque cashers, imposing a 'poor tax' on low-income people that further entrenches economic disparities [37]. Bank accounts are necessary for obtaining a mortgage and are typically required to secure a rental. A lack of stable, quality housing plays a significant role in health through multiple causal pathways [38].

> Along with my shifts at a massage parlour I work as a bartender, and take home cash from both of these jobs. I want to consistently declare my income for the purposes of taxation and securing future credit, but it's difficult to find accountants who are comfortable taking on sex working clients and I fear retribution if the bank learns about the source of most of my earnings. So when tellers ask where my sizable deposits are coming from, I feel the need to hide the reality of my work. As a full-time student concerned for my financial future, I constantly navigate anxiety that my account could be frozen or closed if the nature of my job is ever made obvious.
>
> **- Charly (Ottawa, age 25)**

[36] Eisenberg-Guyot, J., Firth, C., Klawitter, M., & Hajat, A. (2018). From payday loans to pawnshops: fringe banking, the unbanked, and health. Health Affairs, 37(3), 429-437.
[37] Buckland, J., & Martin, T. (2005). Fringe banking in Winnipeg's North End. Canadian Centre for Policy Alternatives.
[38] Rolfe, S., Garnham, L., Godwin, J., Anderson, I., Seaman, P., & Donaldson, C. (2020). Housing as a social determinant of health and wellbeing: Developing an empirically-informed realist theoretical framework. BMC Public Health, 20(1), 1138.

Broader implications

The trends in debanking identified here are acutely concerning for adult industry workers, and this alone justifies the need to address the issue. Additionally, however, these trends foreshadow implications for the broader public. As we discuss below in the context of our recommendations, widespread debanking has motivated several legislative and policy proposals in other jurisdictions. In Canada specifically, there are also rising concerns. A recent CTV report discussed some 100 Canadian account holders' experiences of being debanked without explanation, with one source receiving a letter from their bank stating simply that "It has been determined that your personal and/or business activities fall outside of our risk appetite, and therefore we do not have an appropriate basis to maintain a banking relationship" [39].

Similarly, a 2025 Globe & Mail investigation of debanking in Canada found that complaints made to the OBSI have increased from 19 in 2019 to 113 in 2023, while the number of suspicious transaction reports made to FINTRAC has gone up 63% in the past 5 years [40]. While it is impossible to determine the exact cause, they suggest this might reflect an escalation in debanking. Because banks are "under tremendous pressure from regulators … to track suspicious transactions and crack down on financial crime," they are perhaps becoming increasingly cautious and implementing more sensitive detection systems and/or lowering their thresholds for issuing reports.

Whether it's due to shifts away from conventional employment patterns to gig-work arrangements, increases in the use of cryptocurrencies or international money transfers, heightened corporate concerns around the reputational risk of certain political or ideological positions, or some combination of factors, more and more Canadians might find their account activities arouse suspicion and subsequently fall outside the comfort zone of their bank with little recourse. It is imperative that we develop more robust systems of accountability and repeal processes to protect our ability to access vital financial infrastructure.

[39] Arsenych, A. (2025, October 15). Here's why you could be 'debanked' by your financial institution. CTV.
[40] Raman-Wilms, M. & Alini, E. (2025, February 11). The Decibel: What happens when your bank dumps you. The Globe & Mail; Alini, E., Posadzki, A., & Marotta, S. (2025, January 31). Why banks are closing accounts without explanation, leaving Canadians scrambling. The Globe & Mail.

RECOMMENDATIONS & KEY TAKEAWAYS

We conclude with three clear recommendations towards improving the state of financial inclusion for adult industry workers in Canada:

1. **Decriminalize sex work**
2. **Establish federal protections for adult industry workers**
3. **Strengthen federal protections for universal banking access**

Decriminalize sex work

First and foremost, improved fair access requires the full decriminalization of sex work. PCEPA purports to only target clients and potentially exploitative third parties by punishing activities like purchasing sexual services, providing amenities like housing to a sex worker, living with one, or benefitting from their financial support. Therefore while selling one's own sexual services is technically legal in Canada, the practical conditions around it remain criminalized.

While Canada's Bank Act is meant to ensure fair access to financial services, its protections are exempted in cases where clients or their accounts are associated with illegal activity. Because it remains illegal to purchase sexual services in Canada, income generated through these services is considered criminal proceeds. Therefore, the law suggests that banks run afoul of third party laws by providing sex workers with basic banking services [41]. PCEPA is supposedly intended to protect sex workers from exploitation, but not having access to a bank account clearly puts sex workers at greater risk of exploitation by limiting their financial autonomy. Therefore, withholding banking services on legal grounds runs contrary to the purported purpose of the law. A civil case from a Nova Scotia small claims court has nodded towards such an interpretation. In this 2023 decision, a sex worker successfully sued to recover unpaid fees from a client, despite the criminal character of the transaction. The Adjudicator, Darrel Pink, argued that "failure of the courts to provide a remedy for a wrong or a breach of a duty owed by a client would *contribute to the very exploitation the legislation was designed to prevent*." (emphasis added) [42].

[41] That said, the PCEPA FAQ states it is not an offence to provide services to a sex worker if "the goods or services are offered to the general public on the same terms and conditions and there is no exploitation".
[42] Donovan, M. (2023, July 4). Former sex worker's victory in small claims court sets precedent, lawyer says. CBC.

Existing protections for financial inclusion cannot be secured for adult industry workers until we abandon Canada's flawed Nordic model. Research overwhelmingly suggests that our current 'end-demand' approach is ineffective [43]. It makes sex work far more precarious while sex workers remain the primary targets of punishment, harassment, and arrest [44]. Full decriminalization of sex work is the best path towards improved working conditions, labour protections, safety, and social inclusion for all adult industry workers. **Therefore our first essential recommendation to secure financial inclusion for adult industry workers is that Canada decriminalize sex work.**

Precedents from New Zealand and Belgium affirm this position, demonstrating how decriminalization improves financial access and equity. In New Zealand, sex workers facing unfair treatment are in a better position to challenge financial bias and exclusion thanks to the country's decriminalization of sex work in 2003. In a recent prominent case, Kiwibank proposed to blacklist brothels as part of their "responsible business banking policy". However in 2020 the New Zealand Prostitutes' Collective successfully advocated against the policy and reversed Kiwibank's decision [45]. So although debanking remains an issue in the region, the decriminalized status of sex work in New Zealand aids workers in challenging debanking decisions and advocating for their own best interests [46]. Belgium decriminalized sex work more recently in 2022, providing clear amnesty for involved third parties specifically "to ensure that sex workers do not have trouble finding a banker, insurer, driver or accountant" [47]. These measures have not solved the issue of debanking overnight, but decriminalization vastly improves conditions by ensuring sex work is not associated with illegal income and thereby enabling mechanisms to safeguard financial access [48].

[43] Argento, E., Goldenberg, S., Braschel, M., Machat, S., Strathdee, S. A., & Shannon, K. (2020). The impact of end-demand legislation on sex workers' access to health and sex worker-led services: A community-based prospective cohort study in Canada. *PloS one*, *15*(4), e0225783; Macioti, P.G., Power, J. & Bourne, A. (2023). The health and well-being of sex workers in decriminalised contexts: A scoping review. Sexual Research and Social Policy, 20, 1013-1031; McBride, B., Shannon, K., Murphy, A., Wu, S., Erickson, M., Goldenberg, S. M., & Krüsi, A. (2021). Platt, L., Grenfell, P., Meiksin, R., Elmes, J., Sherman, S.G., Sanders, T., Mwangi, P., & Crago, A.L. (2018). Associations between sex work laws and sex workers' health: a systematic review and meta-analysis of quantitative and qualitative studies. PLoS Med, 15(12).
[44] Crago, A.L., Bruckert, C., Braschel, M., & Shannon, K. (2022). Violence against sex workers: Correlates and changes under 'end-demand' legislation in Canada: A five city study. Global Public Health, 17(12), 3557-3567.
[45] Franks, J. (2020, July 22). Kiwibank backs down from blacklisting brothels after anger from sex workers. Stuff.
[46] Edmunds, S. (2025, March 14). Sex workers say banks are making life more difficult. RNZ.
[47] Kim, J. (2024, December 1). Belgium becomes first country to give sex workers robust labor rights and protections. NPR.
[48] Vorster, A. (2025, July 9). Caught between compliance and inclusion: Bridging the gap between sex work and banking. The Banking Scene.

As our findings demonstrate, banks exercise enormous discretionary power over their clients. Whether they operate in criminalized sectors like escorting or in legal sectors like porn production, adult industry workers are subject to widespread and routine banking bias, so decriminalization alone does not guarantee their financial inclusion [49]. However, it is a necessary precondition that would catalyze changes in the current definitions, regulations, and mechanisms (or lack thereof) that are biased against these clients. Decriminalization would also enable sex workers to appeal debanking decisions without risk of repercussions like arrest.

Establish federal protections for adult industry workers

Another avenue to mitigate banking bias is to classify the marginalized adult industry workforce as a distinct group deserving protections. Section 15 of the Canadian Charter of Rights and Freedoms guarantees the right to equality and non-discrimination on the grounds of certain enumerated, listed categories (such as race, sex, and religion), as well as some analogous categories not listed in the Charter but which courts have deemed comparable in the spirit of the law (such as marital status or sexual orientation). In their 2023 Constitutional challenge to PCEPA, the Canadian Alliance for Sex Work Law Reform argued that sex work occupies a unique occupational status worthy of Section 15 protection. First, because workers in the adult and sex industries are disproportionately members of intersectionally marginalized identity groups; predominantly women, Indigenous, racialized, migrant, and trans [50]. Additionally, they argued that PCEPA's double-standards actually deny various protections afforded in other occupations, asserting that "In the unique circumstances of sex work, it is worth this court reconsidering occupational status as an analogous ground" [51]. Unfortunately, Justices hearing the case did not agree [52], and the Supreme Court consistently finds that Section 15 protections should only apply to "immutable or constructively immutable" characteristics, arguing that occupational status—such as sex work—is not worthy of these protections [53].

[49] Beebe, Bianca. (2022.) "Shut up and take my money!": Revenue chokepoints, platform governance, sex workers' financial exclusion. International Journal of Gender, Sexuality and Law 2 (1), 140-70; Armstrong, L. (2024, October 14). Two decades after decriminalisation, NZ's sex workers still need protection from discrimination. The Conversation.
[50] Gallant, C., & Lam, E. (2024). Not your rescue project: Migrant sex workers fighting for justice. Haymarket Books.
[51] Canadian Alliance for Sex Work Law Reform (2022, October 3). Factum of the applicants (p.94).
[52] Canadian Alliance for Sex Work Law Reform v. Attorney General. (2023).
[53] Charterpedia. Section 15 - Equality Rights; Froc, K. A. (2018). A prayer for original meaning: A history of Section 15 and what it should mean for equality. National Journal of Constitutional Law, 38(1), 35-88.

There is, however, precedent for recognizing sex work as an occupational category worthy of anti-discrimination protections. The Australian Sex Work Discrimination Act was passed in Victoria in 2022 in the process of decriminalizing sex work across the state. While it has not eliminated debanking in practice [54], this reform to the Equal Opportunity Act is an important step. It makes it unlawful to discriminate against sex workers purely on the basis of their occupation, including refusal of services like opening a bank account [55]. **Given evidence around the unique structural barriers they face, we recommend that Canadian courts ought to emulate such precedents and reconsider protected status for sex workers on the basis of their occupation.**

Strengthen federal protections for universal banking access

The targeting of adult industry workers sets an alarming precedent, but debanking impacts many demographics and evidence suggests it is on the rise in Canada [56]. Actions should be taken immediately to ensure not only access for adult industry workers, but protections for the Canadian public more broadly.

A variety of paths could reinforce our current federal protections: creating a national public banking option, revising federal policies to prevent discriminatory practices, strengthening enforcement of existing consumer protection measures, and consulting with sex workers to refine existing FINTRAC indicators and develop relevant sector guidelines.

Develop a national public banking option that guarantees universal access

As an alternative to commercial banks, Canada could establish a public option for debanked and underserved individuals. Consider the model now being developed in California following the passage of AB 1177. Signed into law in October 2021, The California Public Banking Option Act is creating a publicly funded and federally insured option for those seeking bank services. A publicly owned bank is not beholden to the shareholder influences or profit motives of large commercial banks, meaning a lower risk of debanking concerned with commercial or reputational risk. The Act's associated market study provided a detailed cost/benefit analysis, concluding that a

[54] Cheles-McLean, N. (2024). Sex, money and the law: Financial discrimination against sex workers. Australasian Legal Information Institute, 45(2), 273-309.
[55] Victorian Equal Opportunity and Human Rights Commission. Profession, trade, or occupation and Sex work discrimination: Fact sheet - what are my rights?; RhED. Discrimination.
[56] Arsenych, A. (2025, October 15). Here's why you could be 'debanked' by your financial institution. CTVNews.

public banking option offers significant individual and societal benefits. Improving household financial security translates into improved physical and mental health outcomes, which in turn fortifies national economic prosperity and enhanced public safety [57].

Develop federal policies to prohibit banking discrimination

Legislative avenues could limit commercial banks' impunity to deny and close accounts. Several recent federal legislation actions in the US, including executive orders [58], have sought to address commercial firms' authority, impunity, and arbitrary decision making over essential financial services [59]. For example, The Fair Access to Banking Act [60] was introduced to the Senate in 2025 with the goal of uplifting financially marginalized populations by prohibiting financial institutions from discriminating against clients based on protected classes like race, religion, and sexual orientation [61]. Canada's Bank Act includes provisions to ensure a person's right to open a bank account if they provide proof of name, address, and date of birth [627.17(1)] unless, as noted above, they are suspected of misrepresentation or illegal activity. Additional legislation might serve to delineate and prohibit banks' discretionary right to close accounts on the basis of risk assessments that could be considered discriminatory in nature.

Enforce existing consumer protection measures

The FCAC mandates banks must provide timely, detailed, written responses to consumer complaints—yet in cases of debanking, these guidelines are not carried out in practice. Stricter enforcement of federal guidelines is necessary for transparency and accountability.

[57] Welburn, J. W., et al., (2024). Banking the unbanked: CalAccount market study and feasibility assessment. RAND Corporation.

[58] In August 2025 an American Executive Order was issued to limit the denial of banking services on the basis of "lawful business activities." The Office of Comptroller of the Currency included debanking of the adult industry as a potential violation of the order in its preliminary report. See: Free Speech Coalition. (2025, December 11) FSC statement on OCC debanking report.

[59] In some instances legal motivations appear highly deregulatory, primarily for the benefit of corporate actors in sectors like firearms, fossil fuels, and private prisons See: Lemmi, M. (2025, May 12). FIRM Act – Why it should worry you, and the "debanking" distraction. Americans for Financial Reform.

[60] S.401 Fair Access to Banking Act. 119th Congress (2025-2026).

[61] One critique of the Fair Access to Banking Act is a failure to address potential state deployment of debanking as a strategy to quell political dissent. While this critique refers specifically to the Obama Administration's Operation Choke Point (an initiative to investigate consumer fraud that resulted in widespread debanking that some critics argued was ideologically motivated), Canadian investigation into the phenomenon of debanking should consider whether any similar campaigns are at play. See: Anthony, N. (2025, January 1). Fair access to banking, CATO Working Paper No. 84, p.8. CATO Institute.

This includes ensuring banks effectively and proactively provide consumers with the necessary information to lodge a complaint and understand the ensuing process. Customers must have access to strong, easily-navigated appeals processes when their complaints are not addressed satisfactorily. Strong rules against freezing or seizing funds in the absence of a criminal conviction should be maintained and enforced. Finally, to support consumers in escalating complaints to the OBSI, their exception to not intervene in complaints related to a firm's risk management policies and practices also ought to be carefully revisited, especially in regards to 'reputational risk'.

Consult sex workers in the development of relevant guidelines

Policy decisions impacting the lives of sex workers are frequently made without involving any meaningful insights from adult industry professionals. In order to craft effective guidelines, it is imperative that adult industry workers be consulted in developing relevant oversight concerning debanking. Sex worker advocates in the Netherlands, for example, recently helped produce the Dutch Bank's new Sector Standard in helping to ensure workers from all sectors have fair access to business bank accounts [62].

In Canada, this scope of consultation should include a review and revision of FINTRAC indicators for human trafficking and sexual exploitation, which underscores why decriminalization is essential to address debanking issues. Adult industry work is routinely targeted by frameworks that collapse and conflate it with the harms of trafficking and exploitation. As we and others have found, the status quo is broadly phrased to flag patterns that are typical not only of adult industry work, but of wider patterns of contract labour and precarious income typical in Canada's increasingly gig-based economy [63]. So to make anti-trafficking, anti-money laundering, and consumer protection initiatives effective, these human rights abuses must be legally and rhetorically decoupled from consensual and regulated work.

[62] Vixio (2023, November 28). Dutch banks issue guidelines to tackle sex worker de-risking; Dutch Banking Association (2023, November 24). Easier access to payment transactions for sex workers.
[63] LeMoon, L. (2024, April 19). Fighting financial discrimination against sex workers will help us all. Mashable.

CONCLUSION

This report demonstrates that debanking of adult industry workers in Canada is not the result of isolated misunderstandings or institutional failures. Rather, debanking is systemic—a predictable outcome for discretionary financial systems operating within contexts of sex work stigma, criminalization, and institutional risk aversion. Our analysis of client agreements, bank policies, and regulatory standards finds that opaque definitions around risky and objectionable conduct conflate legal, consensual work in the adult industries with harmful and criminal activities like fraud or exploitation. This results in a lack of transparency or protections for debanked adult industry workers, granting institutions the power to deny or revoke their access to essential financial services without offering notice, explanation, or meaningful avenues for appeal.

Consequences of this financial exclusion are severe. Access to a bank account is a fundamental need, and debanking puts many adult industry workers in a precarious state. It undermines their autonomy, exacerbates health and safety risks, and entrenches economic precarity by forcing reliance on predatory alternatives. It establishes vulnerabilities around income supports, accessing credit, growing savings, and securing stable housing. We have outlined the resulting harms to adult industry workers in this report, but the implications of unaccountable debanking practices extend beyond any single demographic. This sets an alarming precedent for all gig workers, migrants, political dissidents, and other Canadians who exist at the boundaries of institutional 'risk appetites'.

Full financial inclusion demands more than just technical adjustments. Addressing the debanking of adult industry workers will necessitate structural change, including the decriminalization of sex work, updated standards and clear guidance from regulatory bodies, increased transparency and accountability in bank practices, and more enforceable protections for universal banking access. To ensure accountability and inclusion, it is crucial that adult industry workers are meaningfully centered and consulted in the development of policies that govern their livelihoods.

We conclude with the reminder that access to a bank account is not a privilege, and financial inclusion must not be limited by the respectability awarded to various occupations. Fair banking access is a prerequisite for dignity, safety, and participation in contemporary economic life. Ensuring this access for adult industry workers will demonstrate principles of economic equity and social inclusion [64], upholding Canada’s stated commitment to human rights and financial justice for all.

[64] Employment and Social Development Canada. (2023). Economic and social inclusion.

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APPENDIX

Reviewed Documents:

PERSONAL ACCOUNTHOLDER AGREEMENTS	
Bank	**Policy Document Title (effective date)**
TD	Access Agreement (no date)
	Digital Banking Agreement (no date)
	Privacy Policy (no date)
BMO	Agreements, Bank Plans and Fees for Everyday Banking (May 1, 2025)
RBC	Personal Deposit Accounts: Disclosures and Agreements (Sept. 30, 2024)
CIBC	Personal Deposit Account Agreements and Disclosures (March 17, 2025)
Scotiabank	Personal Financial Services Agreement and Personal Credit Agreement Companion Booklet (Sept. 2020)
National Bank	Personal Bank Holding Account Agreement (Jan. 25, 2023)
	Deposit Account Agreement (June 1, 2023)

BUSINESS ACCOUNTHOLDER AGREEMENTS	
Bank	**Policy Document Title (effective date)**
TD	TD Merchant Solutions Terms and Conditions (no date)
BMO	Agreement for Business Banking (May 1, 2025)
RBC	Master Client Agreement for Business Clients (Oct. 2023)
CIBC	Business Account Operating Terms and Agreements (May 2022)
Scotiabank	Business Banking Services Agreement: Companion Booklet (Feb. 2025)
National Bank	Agreement for Business Banking (July 1, 2023)

FINTRAC INDICATORS
Policy Document Title (publication date)
Project Protect Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation (Dec. 15, 2016)
Project Protect Updated Indicators: Laundering of proceeds from human trafficking for sexual exploitation (July 2021)
Project Shadow: Laundering the Proceeds of Online Child Sexual Exploitation (Nov. 2025)