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YOUR TORONTO
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BUSINESS
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Tech News
Real Estate
ENTERTAINMENT
LIFE
AUTOS
PHOTOS
DIVERSIONS
CLASSIFIEDS
OBITUARIES

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Coin collector learns the difference between legal tender and spending money the hard way

Coin collector Orest Fokine learned the hard way that just because a coin is legal tender doesn't mean you can spend it anywhere. Like some banks, for example.

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The Royal Canadian Mint's \$20 silver Queen's Diamond Jubilee commemorative coin is legal tender, but you can't always use it as cash.

By: **Morgan Campbell** Staff Reporter, Published on Thu Jul 05 2012

What's the difference between legal tender and spending money?

A big headache for a Scarborough man who learned the hard way that banks aren't obligated to honour collector's coins at face value, even if they come from the Royal Canadian Mint.

Two months ago 32-year-old Orest Fokine took advantage of a deal on [a new silver coin the mint had stamped to commemorate Queen Elizabeth's Diamond Jubilee](#).

The coin retails for \$25, but Fokine was able to buy more than 30 of them at their \$20 face value.

On Tuesday he needed money quickly, and with no cash at hand he headed to a CIBC branch near Kingston Rd. and Midland Rd. with one of his silver coins, hoping to exchange it for cash or deposit it into his account.

But the teller there told him he could do neither, rejecting Fokine's silver coin.

When he appealed to the manager he was again told he couldn't exchange the coin for cash.

When he tried a nearby Royal Bank and Bank of Montreal branches and heard the same answer, he got steamed. He had bought the coin legitimately and had been assured it was legal tender, so he couldn't figure out why the banks wouldn't recognize his coin as real money.

"This is the most ridiculous explanation I've ever heard in my life," Fokine says. "Nothing in the description of this coin states it's not currency."

So who is right, the customer with the legal tender coin or the banks who kept rejecting it?

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They're both correct, says Royal Canadian Mint Alex Reeves.

He explains all coins produced by the mint are legal tender – meaning they can be exchanged for goods or services at face value – but only circulating legal tender can be readily spent and traded at business and banks.

Non-circulating legal tender refers to items like Fokine's silver coins and designated collectibles. Reeves says business can accept the money at face value if they choose, but they're also free to reject it.

"There's nothing forcing a bank or a business to accept (the coin)," Reeves says. "If someone offers me a gold [Maple Leaf](#) (coin) for \$50 face value I'd be crazy not to take it, but it's still a coin that's not destined for circulation."

Reeves points out banks all have procedures by which customers can convert collectible coins to cash but acknowledges staff aren't always aware of them. In that case he suggests having the branch manager call the Mint so they can work through the conversion process.

Managers at the RBC branch Fokine visited have arranged to meet with him to discuss the coin. And by Wednesday afternoon Fokine says CIBC had offered to convert the coin to cash, but only after keeping it on hold for six months.

But on Tuesday Fokine wasn't aware of those avenues, or that the Mint could have intervened. Out of options, he called a friend and borrowed some cash.

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