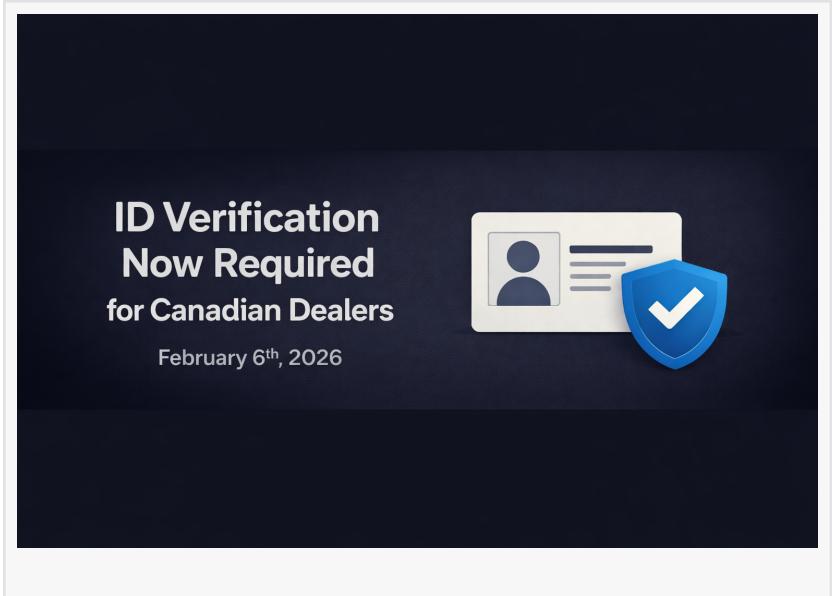


Major Canadian Banks Move to Mandatory Identity Verification for Auto Dealers

Large Canadian banks are mandating DIACC-approved ID verification for dealers, following new contracts and a major bank requirement effective Feb 2, 2026.

KITCHENER, TORONTO, CANADA, December 23, 2025 /

EINPresswire.com/ -- Canada's automotive finance landscape is shifting fast. Large Canadian banks are now formally requiring identity verification as a condition for dealers submitting finance applications, marking a decisive escalation in lender-driven compliance.



This change follows confirmation that one of Canada's largest banks will enforce mandatory dealer-side identity verification effective February 2, 2026. From that date forward, dealers working with this institution will be required to verify customer identities before finance submissions are accepted.

Critically, the bank's requirement specifies the use of [DIACC](#) members for identity verification software. This raises the bar significantly. Dealers can no longer rely on informal ID checks, visual inspections, or non-certified tools. Lenders are explicitly aligning with national digital identity standards and expecting dealers to do the same.

Platforms built to meet DIACC requirements, such as [Dabadu](#), are designed for this exact shift. DIACC-aligned identity verification ensures secure customer authentication, clear audit trails, and compliance with evolving lender and regulatory expectations, directly inside the dealer workflow.

An early subset of dealers were already pushed toward identity verification earlier this year, signaling that lenders were testing and validating identity verification workflows outside

traditional franchised automotive retail. The same expectations are moving upstream into mainstream automotive lending.

For dealers, the message is clear. Identity verification is becoming a foundational requirement for doing business with major lenders in Canada. What started as contract language and selective enforcement is now becoming standardized, date-driven policy.

For the industry, this marks a turning point. Identity verification moves on from a manual, human process to an operational reality led by technology. Dealers who delay adoption risk financing disruptions, contract issues, and lender pushback as enforcement timelines approach.

Pulkit Arora

Dabadu Inc

[email us here](#)

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