



Council Report

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Date: April 21, 2026
To: Anthony Haddad, City Manager
From: Shane Moroshkin, Lead Bylaw Services Officer - Administration
Subject: **QR Code Use in Parking Environments**

Staff Recommendation

THAT Council receive into the record the report dated April 21, 2026, titled "QR Code Use in Parking Environments";

AND THAT Council maintain existing parking payment practices.

Strategic priority objective

Safe & Resilient: The City of Penticton will enhance and protect the safety of all residents and visitors to Penticton.

Livable & Accessible: The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

Background

On November 19, 2025, at the Special Council Meeting, Council directed staff to investigate third party QR or alternative bylaw parking revenue options (319/2025). This report provides the results of the research into QR codes and their potential application in parking payment in Penticton. Parking revenue and other parking policy analysis will occur during the downtown planning process, anticipated to commence later this year.

QR codes are a widely used, touchless digital tool that allow users to access online information or applications by scanning a code with a smartphone. Their use expanded significantly during the COVID-19 pandemic.

Locally, QR codes are currently used by the City of Penticton in official public notices and public engagement initiatives, and by private vendors in the retail, hospitality, and tourism sectors. To date,

QR codes have not been deployed by the City of Penticton for parking payments, though they may be used by private parking operators (for example: The Lakeside Resort).

Jurisdictional Review

Across Canada, authorities have repeatedly warned that QR codes are not recommended for parking payments, pointing to a consistent pattern of fraud involving fake stickers placed on public infrastructure. At this time, no municipalities in British Columbia have been identified as using QR codes for on street or municipal parking payments.

Several municipalities have reported fraudulent QR codes on parking infrastructure. In Kelowna, City staff removed 75 fake QR code decals from parking meters, reaffirming that QR codes are not used on pay stations and are intentionally avoided due to fraud risk. This followed an earlier incident where a resident scanned a fake QR code and incurred unauthorized charges. Similar incidents occurred in Whistler, where at least 24 counterfeit stickers were removed from municipal lots; in Ottawa, where 51 fake QR codes were found during inspections of approximately 650 pay machines; and in Vancouver, where fraudulent QR codes redirected users to fake payment websites.

Together, these cases demonstrate a recurring, multi-jurisdictional pattern and reinforce that QR codes on public parking infrastructure present a significant security risk. These incidents align with guidance from the Canadian Centre for Cyber Security, which warns that QR codes are highly susceptible to cloning, phishing, and malware because users cannot verify destinations before scanning.

In Penticton, the City does not use QR codes for parking payments; however, counterfeit QR code stickers have appeared on or near parking meters and signage. These fake codes were designed to look legitimate and were used to attempt to collect personal or financial information. Penticton RCMP have advised residents not to scan QR codes and to report any suspicious signage, noting that the City's official parking system, Passport Parking, does not use QR codes. Additionally, Penticton RCMP do not recommend the City adopt QR-based payment options, as they are unmonitored, easily manipulated, and can enable further fraudulent activity, particularly affecting those less familiar with technology.

Analysis

QR codes can offer some operational benefits in parking management, including quicker access to authorized digital payment platforms, support for touchless interactions, and the ability to update information through signage changes rather than hardware modifications. They may also assist with wayfinding for visitors unfamiliar with local parking systems. While the City does use QR codes for information sharing, given the above considerations and risk of fraud when dealing with financial information and payments, the risk is considered to outweigh the benefits of the convenience.

In addition to the risk considerations, logistically there are some hurdles to the implementation of QR payment for parking. Preliminary discussions with the City's current digital parking vendor, Passport Parking, indicate that limited QR code functionality could be implemented at a nominal cost (estimated at under \$5,000). However, this functionality would only direct users to the Passport Parking app and would not support direct payment via QR code. Users would still be required to open the app or download and configure it if not already installed, resulting in minimal operational or user-experience benefits. Passport Parking does not currently support QR-to-payment capability.

Achieving direct QR-based payment would require transitioning to an alternate vendor. While such a vendor has been identified, this option would increase costs. The alternate platform would introduce a \$0.75 service fee per transaction, a 2.9% payment processing fee, and a \$50 monthly fee per parking zone. By comparison, the City's current Passport Parking arrangement includes only a \$0.20 service fee per digital transaction and no additional platform, processing, or zone-based charges.

Based on an average of 11,284 digital transactions per month (February 2025–February 2026), the City currently incurs approximately \$2,300 per month, or \$27,100 annually, in digital transaction fees. If the alternate vendor were adopted and the City continued its current practice of absorbing service fees, monthly costs would increase by approximately \$6,200, resulting in over \$75,000 in additional annual operating costs, excluding zone fees. Zone charges would add a further \$650 per month, or \$7,800 annually, based on the City's 13 parking zones.

Alternatively, passing these costs on to users would materially increase parking rates. For example, a \$2.00 one-hour parking session would increase to \$2.81 once service and processing fees are applied. While one-time implementation costs are expected to be relatively modest and replacement signage is estimated at approximately \$50 per sign, the total number of signs required has not yet been determined.

These limited operational benefits and elevated costs are outweighed by the security, equity, and administrative risks associated with QR codes on public parking infrastructure. As documented in multiple Canadian jurisdictions, counterfeit QR code stickers can be easily applied to meters and signage, creating significant fraud risks. Such incidents expose users to potential financial harm, increase administrative and enforcement burdens, and pose reputational risks to the City. Equity and accessibility concerns also arise for individuals without smartphones or with limited digital literacy, and federal cybersecurity guidance discouraging the scanning of publicly posted QR codes further limits the viability of this approach.

If QR codes were implemented despite these risks, additional mitigation measures could be implemented, including tamper-resistant signage, harder-to-replicate materials, inclusion of plaintext URLs for verification, and frequent integrity inspections. These measures would require ongoing monitoring, likely on a weekly basis. Any marginal efficiency gains would likely be offset by these operational and financial demands.

Finally, replacing Passport Parking to fully enable QR-based payment functionality would require multi-departmental transition involving IT (systems integration and cybersecurity), Finance (payment processing and reconciliation), Public Works (signage installation), and Procurement (contracting and compliance). Attachment A provides a detailed review of the options considered and supports the recommendation to maintain the City's existing parking payment practices.

Financial Implications

There are no financial implications with maintaining the existing parking payment practices. Should council choose the Alternative Recommendation, staff will bring back additional information on the costs of QR Code implementation and a request for budget amendment.

Recommendation

Given the limited operational benefits, the lack of direct QR-to-payment functionality within the current system, and the identified financial, security, equity, and administrative risks, including the potential for increased operating costs, it is recommended that the City not implement QR code-based parking payment.

Attachment A below provides a more detailed analysis of the options considered.

Maintaining existing payment methods through Passport Parking and physical meters or pay stations continues to offer a stable, cost-effective, and accessible solution for the broadest range of users, while avoiding additional service fees, contractual expenses, and the added requirements associated with system transitions, fraud prevention, and ongoing monitoring, costs.

Alternative Recommendation

Council may determine that the convenience offered by QR codes outweighs the risks outlined in this report and that these options warrant further exploration. Should Council choose to proceed on that basis, staff recommend adopting one of the following alternative recommendations.

Alternative 1 would direct staff to work with the current parking vendor to implement a QR code that redirects users to download the Passport app, without enabling direct payment through the QR code itself. This option can be accommodated within existing budget allocations.

- Alternative 1: THAT Council direct staff to work towards implementation of QR code enabled parking payments via the Passport Parking app.

Alternative 2 would direct staff to pursue full QR-code payment enablement through a new vendor. This option would require a budget amendment.

- Alternative 2: THAT Council direct staff to work towards implementation of full QR code enabled parking payment via a new third-party vendor.

Attachments

Attachment A – Options & Implications

Respectfully submitted,

Shane Moroshkin
 Lead Bylaw Services Officer - Administration

Concurrence

<p>General Manager Public Safety & Partnerships</p> <p><i>je</i></p>	<p>GM, Corporate Services</p> <p><i>AMC</i></p>	<p>GM, Development Services</p> <p><i>BL</i></p>	<p>GM, Infrastructure & Deputy City Manager</p> <p><i>KD</i></p>	<p>City Manager</p> <p><i>SH</i></p>
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Attachment A: Options & Implications

Options Considered

1. **Status Quo (No Change – Physical Payment using City infrastructure or through Passport Parking mobile phone app)**

Maintain the current parking payment practices using Passport Parking and physical meters or pay stations, with no implementation of QR code workflows.

Implications:

- No additional costs, contract changes, or operational impacts.
- Avoids introducing fraud, security, accessibility, and equity risks associated with publicly posted QR codes.
- Preserves a stable, well understood system that accommodates both digital and nondigital users.
- No incremental efficiency gains; operations continue as currently designed.

2. **QR Codes via Passport Parking (Limited Functionality)**

Implement basic QR codes provided by Passport Parking that link users to the Passport Parking application, without direct QR-to-payment functionality. QR codes placed on existing infrastructure and/or investment in tamper-resistant signage.

Implications

- Low implementation cost (estimated under \$5,000) and no change in vendor.
- Minor usability improvement for app-enabled users through faster access to the application.
- No material efficiency gains, as users must still complete the existing app-based payment workflow or install and configure the app.
- Introduces QR-related security and fraud risks, requiring mitigation and monitoring, with limited benefit in return.
- Benefits accrue primarily to a small subset of technologically comfortable users.

3. Transition to a New Vendor for full QR-to-Payment Capability

Terminate or transition away from Passport Parking and procure a new vendor capable of supporting direct QR-to-payment workflows with enhanced safeguards.

Implications:

- Enables end-to-end QR-based payments, providing modest time savings for users who prefer mobile-only transactions.
- Requires contract termination or transition costs, vendor procurement, system integration, and widespread signage and communications updates.
- Ongoing costs associated with enhanced fraud-prevention measures (e.g. tamper-resistant material) and increased staff monitoring.
- Introduces higher financial, operational, equity, and reputational risks relative to limited incremental benefits.
- Represents a substantial system change for marginal gains affecting a limited portion of users.
- Extended transition time would be required for Passport Parking customers to utilize outstanding in-app monies, thereby necessitating in-depth Communications campaign.
- Implementation would require complex, cross-departmental coordination and system changes that existing staffing and vendor constraints do not support.

Significant increase to City operational costs or parking fees, despite low implementation costs.