



CCUA  
Canadian Credit Union Association

ACCF  
Association canadienne des  
coopératives financières

# *The Market Conduct Code*

For  
Credit Unions



You First.  
Banking Second.

[ccua.com](http://ccua.com)

## INTRODUCTION: PRINCIPLES IN THE CODE

Credit unions are unique institutions. Operating in Canada for over 100 years, credit unions are financial cooperatives that are governed and financed differently than banks. At credit unions, members are shareholders. Being a member means sharing in the credit union's success.

Our primary motivation is providing quality products and services to our members. We are committed to ensuring that our members are completely satisfied with the level of services they receive.

This is our Market Conduct Code.

The Code recognizes the best practice principles we pledge to follow for soliciting, promoting, advertising, marketing, selling or distributing our products or services. The Code demonstrates our commitment to the fair treatment of all those who use our services. We believe in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints. Individuals are entitled to the best possible care of their financial interests. We respect all our provincial regulatory obligations, and continually practice absolute excellence in consumer protection. Our best practices can be summarized in five key principles:

**Business Practices:** We are committed to providing fair treatment to all our members and customers using our products and services. It is a core component of our governance and corporate culture.

**Fair Treatment and Fair Sales:** Treating members and customers fairly and demonstrating fair sales practices at all times are integral parts of our business practices.

**Access to Banking Services:** We ensure that all credit union members and customers are granted access to fundamental financial services.

**Transparency and Disclosure:** The credit union uses plain-language descriptions of products and services in its communications to ensure people make informed decisions.

**Complaint Handling:** We examine complaints and work to settle them fairly, and we track complaints to help ensure our practices continue to improve.

## BUSINESS PRACTICES

*The credit union aspires to make fair treatment a core principle of all our business practices. It is a hallmark of our corporate culture and demonstrated in the dedication of our leadership, governance, and employees.*

Our culture is based on making strategic decisions in the best interests of our members. All our employees are expected to support this culture by treating everyone who comes into a credit union — and one another — fairly and with respect. Fairness is a fundamental right of every individual we serve.

Ensuring this culture is implemented and maintained is the responsibility of our Board of Directors, which is elected by our membership. The credit union sets fair treatment policies and procedures, and it is the responsibility of senior management to report to the board on matters of adherence to the principles with the Code.

Fair treatment also applies to how we manage personal information. Everyone has a right to expect their financial affairs will be handled with discretion. We collect, use, and disclose all personal information strictly in accordance with provincial and federal legislation. Our commitment to the fair treatment of all individuals is a key responsibility.

### Financial well-being and literacy

We put a premium on every individual's financial well-being and financial literacy. We are committed to developing and implementing policies and procedures that offer awareness and education on how to improve one's financial well-being through appropriate financial planning.

### Whistleblowing

An opportunity to anonymously report suspected unethical conduct is a critical tool for any responsible business. Our whistleblowing procedures allow employees to report incidents of actual or potentially improper or unethical conduct without fear of reprisal or unwarranted negative consequences.

These procedures also respect the rights of those about whom concerns are raised.

Our Board periodically reviews, approves, and maintains whistleblowing policies. At each credit union, our managers are responsible for monitoring and controlling operations in accordance with the whistleblowing policy.

### Lobbying

Like any other business or association, we enjoy the freedom — and the responsibility — to interact with governments and comment on policy, legislation, or regulations. We ensure that each lobbyist we hire, either on staff or as a consultant, acts on behalf of the credit union, discloses any conflicts of interest, registers with the appropriate registries, and follows all laws and regulations that apply.

## FAIR TREATMENT AND FAIR SALES PRACTICES

*Treating members and customers fairly and demonstrating fair sales practices at all times are integral parts of our business practices.*

### Fair Treatment

The credit union treats all individuals who use our services fairly, and we demonstrate fair sales practices in all our business relationships. We will not discriminate against any of our customers, or anyone considering using our services. We abide diligently by provincial human rights codes. We make exceptions only when justified by law, or if a special product or service is designed to serve a particular group.

We never take advantage of anyone by misrepresenting facts, concealing information, or engaging in manipulation, unfair dealings or unethical activities. We do not take advantage of people, and we take extra care to be clear and comprehensive with those who are unable to protect their own interests or who are only just familiarizing themselves with how we operate.

Nor do we use misleading, threatening, intimidating, or abusive language, or apply excessive or unreasonable pressure to repay, against any borrower. We take all reasonable steps to identify, avoid, or manage conflicts of interest.

### Fair Sales

Everyone who uses a credit union has access to accurate information to help them choose the most affordable and appropriate product or service. Our advertising, marketing materials and communications are straightforward, accurate and easy to understand. We provide information that helps ensure that individuals considering our products and services can make informed and suitable choices. We exercise reasonable and prudent judgment in all our business dealings.

The credit union is committed to the professional development of our employees, who are trained to provide financial information that individuals can trust. Their knowledge is gained, and improved upon, by appropriate training programs or work experience. Employees will keep abreast of changes in products and services, industry standards and regulations relevant to their role.

### Tied selling and undue pressure

The credit union does not engage in undue pressure or coercion to convince people to select any particular product or service. We do not impose any form of pressure to induce someone to buy a particular product or service they don't want as a condition of obtaining those they do want.

### Negative-option billing and consent

The credit union does not practice negative-option billing, which means automatically billing people for a product or service they have not asked to

purchase. We will always obtain people's consent for new and optional products and services

and will seek out their consent for changes made to agreements that affect their rights and obligations.

### Preferential pricing

In certain instances, we will offer a better price or rate on all or part of a product or service. This practice is permissible. For example, we may offer a preferential price if a member, account holder, or consumer has or is considering buying several other credit union products or services. We are completely transparent about these opportunities.

### Risk management

To manage risk or costs, or to comply with any laws that apply to our operations, we may make reasonable requests of our members, account holders, or consumers as a condition of acquiring a product or service.

### Digital products and services

Many legislative and regulatory requirements apply to digital financial products and services. The credit union regularly seeks regulatory guidance and follows best practices when providing Internet-based products and services in a digital environment.

## ACCESS TO BANKING SERVICES

*Credit unions are determined to ensure people have access to fundamental banking services. This is an essential part of our mission.*

We open deposit accounts for anyone whose identity can be verified, and if we refuse to do so, it is only for sound business reasons. The credit union may also refuse to open an account if it has a closed bond of association and the applicant does not meet the conditions of that association.

We may refuse to open a deposit account if an applicant has previous write-offs or losses or a poor credit bureau score. We assess whether we can minimize the risk by instead imposing restrictions on the account. Our decision is influenced by several factors. We consider the amount of past losses or write-offs, the length of time since the loss, and any extenuating circumstances.

When we refuse to open an account, we inform the applicant of our decision. We never refuse to open a deposit account for unjust discriminatory reasons, or if the applicant is unemployed, or has been bankrupt. We do not refuse to open an account when the applicant is not making an immediate deposit. If we close a deposit account, we do so only in strict accordance with the agreement that governs our relationship with that member or account holder.

### Restrictions on deposit accounts

The credit union may impose reasonable restrictions on certain deposit accounts. Restrictions include placing temporary holds on cheques to allow time for them to clear or limiting the amount of cash provided on a deposited cheque. If warranted, we may impose limits on overdraft restrictions, on debit card privileges, or on ATM and online access. We are transparent regarding any changes or restrictions imposed upon members' accounts.

### Low-fee and no-fee deposit accounts

Credit unions believe low-fee and no-fee accounts should be available to ensure fundamental banking services are available to those who cannot otherwise afford to open and operate an account due to the cost.

### Access to funds

At the credit union, account holders have immediate access to the first \$100 deposited by cheque into a deposit account (or by the next business day). We may not grant the funds if the cheque is endorsed more than once, is in a foreign currency or issued by a foreign branch, if we believe it is tied to illegal activities, or if the account is less than 90 days old. We will inform affected Members or Account Holders of any reductions to funds access limit amounts, or increases to cheque- hold periods.

## Government of Canada cheques

The Government of Canada provides indemnification for federal government cheques up to \$1500, and all financial institutions have access to a verification service. On this basis, credit unions support cashing Government of Canada cheques up to \$1500 at no cost for their members and account holders on the presentation of acceptable identification. However, credit unions may refuse to cash cheques for more than \$1,500, or for sound business reasons, such as a suspicion that the cheque has been altered in some way or is connected with a crime or fraud.

## TRANSPARENCY AND DISCLOSURE

*The credit union will provide suitable product and service information that is easy to understand, and considers the financial needs of the Member, Account Holder, or Consumer.*

Up-to-date information is made available to individuals before and after a product or service is acquired. Our documents are clear and contain all the financial implications of a transaction.

When someone opens an account, we ensure they are making an informed decision by letting them know the key features of an account and any associated risks, exclusions, or limitations. We make sure they are aware of the financial implications of a transaction, that they understand all related costs, and that they know the terms and conditions and their rights and obligations. We draw special attention to the key areas of an agreement, including fees and charges, changes to the agreement, applicable restrictions, overdraft protection, deposit insurance coverage, and other relevant terms and conditions.

To ensure people are fully informed, when a member or account holder acquires a product or service, we provide them with the related documentation. Account holders receive regular statements and are advised of any changes. If a statement has already been provided, we may charge a reasonable fee to provide a duplicate copy. The credit union gives advance notice of changes to agreements, service fees or account structures, and interest rates in accordance with applicable legislation.

In cases where notice is not legally required, the credit union may provide notice on their website, in-branch, by mail or electronically. Where no such rules exist, we follow the rules agreed to by the credit union and the provincial regulator.

### Mortgage information

The credit union provides general mortgage information for members and account holders with mortgages on request. This information includes a contact number the Member or Account Holder can call to obtain additional specific information about their mortgage.

### Branch and ATM closures

We understand the potential inconvenience that the closing of a branch or ATM may have on our Members and Account Holders, and thus we make every effort to alert our members to the closing of a branch or ATM as soon as possible. The credit union will notify Members and Account Holders of any closures – permanent or temporary – in accordance with applicable legislation. In cases where no legislation applies, notice may be communicated by the credit union on their website, in-branch, by mail or electronically.



## Disclosure

Because we often use the terms “bank,” “banking” or “banker” in our marketing materials, we make sure account applicants new to a credit union understand that the account is not being opened in a bank. We call this process onboarding. Customers new to a credit union may not be clear on the distinction. We verify that they understand the account is with a credit union and not a bank.

## Identifying deposit insurance system

When identifying our deposit insurance system, we follow the restrictions, guidance, requirements, and display and advertising rules established by provincial deposit guarantee or insurance corporations.

## COMPLAINT HANDLING

*The credit union examines all complaints and settles them fairly using a process that is accessible to everyone.*

Every credit union has procedures for fairly handling dissatisfied members, account holders, or consumers. We recognize that many complaints can be effectively resolved at point of contact.

For those that complaints that cannot be resolved at that stage, the credit union will establish a procedure for escalation and/or designate a senior employee responsible for handling these matters. That procedure and/or the designated employees contact information will be made available on the credit union website, at the branch, and upon request.

We will also establish a process for handling complaints that cannot be resolved through internal avenues.

In order to identify trends, and the types of complaints lodged, the credit union will maintain records of complaints received, and the actions taken to address them.

The credit union will review trends identified in the records on a regular basis to facilitate process improvements and improve Member satisfaction.