



# Market Conduct Code

Contents

- Our Market Code Principles: .....**
- Preamble: .....**
- Applicability: .....**
- Proportionality: .....**
- Implementation: .....**
- Monitoring & Enforcement: .....**
- Code Reviews: .....**
- Language in this Code: .....**
- 1. Business Practices: .....**
- 2. Fair Treatment and Fair Sales: .....**
- 3. Access to Banking Services: .....**
- 4. Transparency and Disclosure: .....**
- 5. Member Complaint Handling: .....**
- Appendix #1 Complaint Procedure: .....**
- Appendix #2 Whistle Blowing Policy: .....**

## **Our Market Code Principles:**

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 Southwest Regional 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 principles that we pledge to follow for soliciting, promoting, advertising, marketing, selling, or distributing our products and 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 our provincial regulatory obligations, and continually practice excellence in consumer protection. Our code is comprised of the following five key principles:

- **Business Practices:** We are committed to providing customer service excellence 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 Practices:** 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:** Southwest Regional Credit Union uses plain-language descriptions of products and services in its communications to ensure people make informed decisions.
- **Complaint Handling:** We examine complaints, work to settle them fairly, and track them to help ensure our practices continue to improve.

**Preamble:**

Southwest Regional Credit Union members are owners that have a say in Southwest Regional Credit Union's decisions. Members elect a Board of Directors to provide leadership and ensure that their views are represented. Credit unions have always been motivated to provide service to their Members, Account Holders, Consumers and communities, not just to grow profits.

Being a member owner also means sharing in the Southwest Regional Credit Union's success. Some credit unions offer lower interest rates and service fees, others distribute patronage dividends, and many contribute to community initiatives. As a community-owned financial institution, Southwest Regional Credit Union is sensitive to its Member's, Account Holder's, and consumer's satisfaction with the level of service they receive.

Credit unions repeatedly demonstrate excellence in consumer protection, as evidenced by independent measures, local acclamations and national awards.

**Applicability:**

To promote the fair treatment of Members, Account Holders, and Consumers, this Market Conduct Code ("this Code") applies to each credit union in the province of Ontario.

**Proportionality:**

At a minimum, each credit union has implemented the requirements set out in this Code. Southwest Regional Credit Union has made all reasonable efforts to ensure the standards are met, in a manner that is best suited for its members and consumers.

Southwest Regional Credit Union has determined to implement the recommendations set out in this Code. Where Southwest Regional Credit Union has chosen to implement a recommendation, it did so in a manner that is best suited for its members.

**Implementation:**

Southwest Regional Credit Union has implemented the requirements set out in this Code into its operations. Southwest Regional Credit Union respects all regulatory obligations and codes of conduct/ethics that apply. **Monitoring & Enforcement:**

Southwest Regional Credit Union demonstrates its commitment to this Code by implementing a self-regulatory model, meaning Southwest Regional Credit Union will:

- Complete an annual self-assessment assessing its adherence to the Code
- Report the results of the annual assessment to the Board of Directors in accordance with section 1.3.

## **Code Reviews:**

CCUA, with Centrals and credit unions, will review the Code, and update if needed, at least once every five (5) years.

## **Language in this Code:**

Reference to the word "**will**" in sections throughout this Code means Southwest Regional Credit Union is *required* to adhere to that section.

Reference to the word "**should**" in sections throughout this Code means it is *an industry standard* and *recommended* that Southwest Regional Credit Union adhere to that section.

Reference to the word "**may**" in sections throughout this Code means it is *at the discretion of Southwest Regional Credit Union* to decide whether to adhere to that section.

Reference to the word "**inform**" in sections throughout this Code means it is *at the discretion of Southwest Regional Credit Union* to decide how to inform. It is recommended that when Southwest Regional Credit Union refuses a Product or Service to a Member, Account Holder, or Consumer, they do so in writing, subject to any requirements to the contrary.

## **Definitions:**

For the purposes of this Code:

**"Accounts"** includes Deposit Accounts, or Credit Accounts, or Products, or Services, as defined in this Code.

**"Account Holder"** is an individual that holds an account with Southwest Regional Credit Union but does not hold a credit union membership or credit union member share.

**"Agreement"** is a legally binding arrangement between Southwest Regional Credit Union and a Member or Account Holder and may include, financial services agreements, account operating agreements, and Terms and Conditions.

**"Consumer"** includes a potential credit union Member or Account Holder.

**"Credit Account"** includes all credit facilities, such as, loans, mortgages, credit cards, lines of credit, and overdrafts.

**"Debit Transactions"** includes, but is not limited to, in branch transactions, electronic transfers, and Automated Teller Machine (ATM) withdrawals.

**"Deposit Account"** includes an account held by a Member or Account Holder and allows money to be deposited and withdrawn. This includes accounts such as savings and chequing accounts.

**"Forms"** includes forms that are provided by Southwest Regional Credit Union to Members, Account Holders, or Consumers and are related to credit union Products or Services.

**“Member”** is an individual or entity that holds a credit union membership or credit union member share.

**“Personal Information”** is defined as in the *Personal Information Protection and Electronic Documents Act* (PIPEDA).

**“Products”** includes all products offered by Southwest Regional Credit Union, including registered products.

**“Services”** includes any activities involved in accepting and safeguarding money owned by individuals or entities, and the lending out of this money.

**“Terms and Conditions”** refers to the set of rules Southwest Regional Credit Union and a Member, Account Holder, or Consumer agree to abide by in order to acquire and/or use a credit union Product or Service.

# 1. 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.***

## 1.1 Business Culture

Southwest Regional Credit Union will promote a “fair treatment” corporate culture by making strategic decisions, demonstrating in their daily conduct, and communicating with credit union employees, the expectation that fair treatment applies to all Members, Account Holders, and Consumers.

## 1.2 Governance and Accountability

Southwest Regional Credit Union’s Board of Directors (“Board”), as elected by Southwest Regional Credit Union membership, is responsible for ensuring the overall fair treatment of Members, Account Holders, and Consumers. Southwest Regional Credit Union has implemented a policy and/or procedure that sets out:

- Southwest Regional Credit Union’s requirement to promote a “fair treatment” corporate culture, as per section 1.1;
- Who, at the Board level is responsible for supervising adherence to the Code;
- That the Board will review the report set out in section 1.3 and take necessary action to remedy deficiencies noted in the report
- The regular monitoring and review of market conduct within business practices.

## 1.3 Reporting to the Board

At least annually, Senior Management will be responsible for reporting to the Board on Southwest Regional Credit Union’s adherence to the principles in this Code, including the results of Southwest Regional Credit Union’s annual self-assessment.

## 1.4 Protection of Personal Information

Southwest Regional Credit Union will **safeguard, collect, use,** and **disclose** Personal Information in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).

Southwest Regional Credit Union also commits to collaborating with partners, contractors and third-party providers for digital financial transactions which adhere to cyber security frameworks that are informed by international or national industry standards or guidelines which support the following principles in accordance with the G7 Fundamental Elements of Cybersecurity for The Financial Sector:

1. Cybersecurity Strategy and Framework: Establishes and maintains a cybersecurity strategy and framework.
2. Governance: Defines and facilitates performance of roles and responsibilities for personnel implementing, managing, and overseeing the effectiveness of the cybersecurity strategy and framework.
3. Risk and Control Assessment: Identifies functions, activities, products, and services—including interconnections, dependencies, and third parties—prioritizes their relative importance, and assess their respective cyber risks. Identifies and implements controls—including systems, policies, procedures, and training—to protect against and manage those risks within the tolerance set by the governing authority.
4. Monitoring. Establishes systematic monitoring processes to rapidly detect cyber incidents and periodically evaluate the effectiveness of identified controls.
5. Response: Conducts timely (a) assessments on the nature, scope, and impact of a cyber incident; (b) contain the incident and mitigate its impact; (c) notify internal and external stakeholders (such as law enforcement, regulators, and other public authorities, as well as members, third-party service providers, and customers as appropriate); and (d) coordinate joint response activities as needed.
6. Recovery: Resumes operations responsibly, while allowing for continued remediation, including by (a) eliminating harmful remnants of the incident; (b) restoring systems and data to normal and confirming normal state; (c) identifying and mitigating all vulnerabilities that were exploited; (d) remediating vulnerabilities to prevent similar incidents; and (e) communicating appropriately internally and externally
7. Information Sharing: Engages in the timely sharing of reliable, actionable cybersecurity information with internal and external stakeholders (including entities and public authorities within and outside the financial sector) on threats, vulnerabilities, incidents, and responses to enhance defenses, limit damage, increase situational awareness, and broaden learning.
8. Continuous Learning: Reviews the cybersecurity strategy and framework regularly and when events warrant.

## **1.5** Financial Well-being and Financial Literacy

Southwest Regional Credit Union values and supports the financial well-being and financial literacy of consumers in their communities. In this regard, Southwest Regional Credit Union makes strategic decisions that outlines initiatives. Initiatives that support these values may include offering awareness and/or education on improving credit bureau scores, safely using internet and mobile banking, and improving financial well-being through appropriate financial planning.



## **1.6 Whistleblowing**

Southwest Regional Credit Union will provide a channel through which whistleblowers can report suspected unethical conduct in anonymity while respecting the rights of those about whom concerns are raised, to address, or answer, those concerns.

Southwest Regional Credit Union has a policy and/or procedure in place for employees to report incidents of actual or potentially improper or unethical conduct, without fear of reprisal or unwarranted negative consequences. Employees who report suspected unethical conduct ("whistleblowers") will be protected, to the extent possible under the circumstances, as described in Southwest Regional Credit Union's procedures.

Southwest Regional Credit Union's board of directors is responsible for periodically reviewing, approving, and maintaining the Whistleblowing policy and/or procedure. Management of Southwest Regional Credit Union is responsible for managing, monitoring and controlling credit union operations, in accordance with the Whistleblowing policy and/or procedure. **(See page 27)**

## **1.7 Lobbying Activities**

Southwest Regional Credit Union, like any other business, association, or individual, may occasionally interact with government and comment on policy, legislation, regulation, or other actions of government. This activity is both legitimate and in the best interests of Southwest Regional Credit Union and its Members and Account Holders.

In conducting these activities, Southwest Regional Credit Union may employ a lobbyist, either on staff or as a consultant, and when doing so will ensure that each lobbyist will:

- Identify that he or she is acting on behalf of Southwest Regional Credit Union;
- Disclose any conflicts of interest in accordance with subsection 2.1.3; and
- Act in accordance with any laws and regulations that apply to them, including be registered with the appropriate lobbyist registries.

## **2. 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.***

### **2.1 Fair Treatment**

Southwest Regional Credit Union treats Members, Account Holders, and Consumers fairly during their dealings. This section 2.1 (including subsections), sets out what fair treatment means and is meant as a minimum standard for fair treatment.

#### **2.1.1 Discrimination**

Unless the distinction is required or justified by any law, or is a special Product or Service offering that is designed for Members, Account Holders, or Consumers of a particular target market group, Southwest Regional Credit Union will not discriminate against individuals for any reason set out in the *Ontario Human Rights Code*.

#### **2.1.2 Take Advantage**

Southwest Regional Credit Union will not knowingly take advantage of anyone through manipulation, concealment, misrepresentation of facts, unfair dealings, or unethical activity, or knowingly take advantage of anyone who is unable to protect their own interests.

#### **2.1.3 Conflicts of Interest**

Where conflicting interests compete with Southwest Regional Credit Union's duty of care owed to Members, Account Holders, and Consumers, risks may be created. Southwest Regional Credit Union will take all reasonable steps to identify, and avoid or manage, conflicts of interest.

In this regard, Southwest Regional Credit Union will ensure conflicts of interest are appropriately dealt with, by having a policy and/or procedure in place for addressing them. Southwest Regional Credit Union will decline to act where conflicts of interest cannot be avoided or managed satisfactorily.

#### **2.1.4 Debt Collection**

Southwest Regional Credit Union will not use threatening, intimidating or abusive language, or apply excessive or unreasonable pressure to repay against any borrower of Southwest Regional Credit Union, including the use of any false statement, any unfair practice, or harassment.

### **2.2 Fair Sales**

Southwest Regional Credit Union provides accurate Product and Service information to assist Members, Account Holders, and Consumers in making appropriate Product and Service choices. This section 2.2 (including subsections) sets out what fair sales means and is meant as a minimum standard for fair sales.

### 2.2.1 Product and Service Advertising and Promotion

Southwest Regional Credit Union ensures its advertising, marketing materials, and communications are fair, accurate, clear, not deceptive or misleading, and in accordance with advertising standards that may apply to it. An example of such standards is the *Canadian Code of Advertising Standards*.

Southwest Regional Credit Union also ensures that where it uses the terms “bank”, “banking”, or “banker” in any Product or Service advertising or marketing materials, it will adhere to the “Banking Terminology” requirements set out in section 4.7.

### 2.2.2 Appropriate Products and Services

Southwest Regional Credit Union gives Members, Account Holders, and Consumers appropriate information on the Products or Services, including Lending Activities and Products it offers to enable that person to select the most suitable, affordable, and appropriate Product or Service for their needs.

### 2.2.3 Professional Standards

Southwest Regional Credit Union exercises reasonable and prudent judgement in the provision of Products and Services. Southwest Regional Credit Union is committed to the professional development of its employees, as needed. This includes communicating relevant product information and market conduct related topics such as ethics and integrity.

Knowledgeable employees are accessible in-person through the branch or branch telephone numbers for Members, Account Holders, and Consumers to contact if they have questions about a Product or Service. This information is available on Southwest Regional Credit Union’s website.

### 2.2.4 Tied Selling and Undue Pressure

Southwest Regional Credit Union will not impose undue pressure or coercion on Members, Account Holders, or Consumers to obtain Products or Services – this is considered coercive tied selling. This includes not imposing undue pressure or coercion on a person to buy or obtain a Product or Service that they do not want, in order to obtain another desired Product or Service.

### 2.2.5 Preferential Pricing

Preferential pricing means offering a person a better price or rate on all or part of their business. Southwest Regional Credit Union may offer preferential pricing. For example, Southwest Regional Credit Union may offer a better price or rate on a Product or Service if the Member, Account Holder, or Consumer has or acquires several of Southwest Regional Credit Union’s Products or Services. Southwest Regional Credit Union is transparent about such preferential price or rate.

### 2.2.6 Negative Option Billing

Negative option billing is a business practice with which unsolicited goods and services are provided *automatically* and where a person must either pay for the service or specifically decline it in advance of billing. Southwest Regional Credit Union does not practice negative option billing. For example, Southwest Regional Credit Union cannot provide a free or introductory trial offer for a Product or Service, and then at the end of the offer, automatically enroll the individual for the Product or Service and charge them for it.

### 2.2.7 Obtaining Consent

Southwest Regional Credit Union obtains the Members', Account Holders', or Consumers' express consent for new and optional Products or Services, and for changes made to Agreements, where the change is not contemplated in the Agreement and will affect the individual's rights and obligations.

### 2.2.8 Risk Management

Southwest Regional Credit Union may apply, to the extent necessary, reasonable requirements on Members, Account Holders, or Consumers as a condition of acquiring a Product or Service in order to manage risk, costs, or to comply with any laws that apply to Southwest Regional Credit Union.

### 2.2.9 Providing Products and Services Digitally and Onboarding Digitally

Where Products and Services are offered digitally, the same level of fair treatment, transparency, and disclosure should be applied as with traditional means, in a manner appropriate to the medium, including, where necessary, access to a knowledgeable Southwest Regional Credit Union employee.

### 2.2.10 Sales Practices

Sales practices as well as both financial and non-financial incentives should motivate employees to work in the interests of consumers and not only financial results, targets or goals. Sales practices are tracked and reported to the Board.

### **3. Access to Banking Services:**

***We ensure that all Southwest Regional Credit Union members and customers are granted access to fundamental financial services.***

#### **3.1 Opening of Deposit Accounts**

Southwest Regional Credit Union may open a Deposit Account for any individual whose identity it can verify. Identity will be verified in accordance with Southwest Regional Credit Union's Deposit Account Opening process. At a minimum, the identification requirements in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, are used to verify identity.

Southwest Regional Credit Union may refuse to open a deposit account if it has a sound business reason for doing so, including if the applicant represents an unacceptable risk to Southwest Regional Credit Union (as set out in section 3.2).

Southwest Regional Credit Union cannot refuse to open a Deposit Account if the refusal is based on a reason that is prohibited grounds of discrimination, or if the applicant does not have a job or has been bankrupt, or if reasonable restrictions can be imposed to manage risk to Southwest Regional Credit Union (as set out in sections 3.2 and 3.3, including subsections).

#### **3.2 Refusal to Open a Deposit Account**

Southwest Regional Credit Union may refuse to open a Deposit Account, if it has a sound business reason to do so. A sound business reason can include the following:

- That the account will be used to break the law or commit fraud,
- That the applicant intentionally provided false information when the account was opened,
- The opening of the account will expose Southwest Regional Credit Union Members or Account Holders, or employees to physical harm, harassment, or abuse; or
- The applicant has a history of illegal or fraudulent activity with Southwest Regional Credit Union or any provider of financial services;
- The applicant cannot or will not provide acceptable identification, in accordance with Southwest Regional Credit Union's Deposit Account opening process;
- The applicant will not allow Southwest Regional Credit Union to verify identification or information provided;
- Southwest Regional Credit Union has a sound business reason to place restrictions on the Deposit Account and the applicant will not accept the restrictions;
- The applicant represents an unacceptable risk to Southwest Regional Credit Union; or
- Southwest Regional Credit Union is a open bond of association credit union and the applicant does not meet Southwest Regional Credit Union's membership requirements.

### 3.2.1 Refusal to Open a Deposit Account – write-offs and poor credit bureau score

Southwest Regional Credit Union may also refuse to open a Deposit Account, if the applicant has previous write-offs and losses or a poor credit bureau score. However, Southwest Regional Credit Union will assess whether imposing restrictions on the account would sufficiently mitigate the risk, before refusing to open a Deposit Account for either of these reasons (see section 3.3 for Restrictions).

#### **Write-offs and Losses**

For applicants with previous write-offs or losses, Southwest Regional Credit Union will assess whether imposing restrictions will sufficiently mitigate the risk to Southwest Regional Credit Union, by considering the amount of the loss, the length of time since the loss, and any extenuating circumstances that may have caused the loss or write-off (such as job loss or injury).

For example, if Southwest Regional Credit Union has suffered a significant loss because of an applicant, it may consider the risk too great to sufficiently mitigate it with restrictions, and may refuse to open the Deposit Account.

#### **Poor Credit Bureau Score**

Not every poor credit bureau score may justify refusal to open a Deposit Account. Some weak credit bureau scores may suggest Southwest Regional Credit Union need only place restrictions on the Deposit Account (such as those listed in section 3.3).

### 3.2.2 When Southwest Regional Credit Union Refuses to Open a Deposit Account

When Southwest Regional Credit Union refuses to open a Deposit Account, it will inform the applicant that it will not be opening the Account.

### 3.2.3 When Southwest Regional Credit Union Cannot Refuse to Open a Deposit Account

Southwest Regional Credit Union will not refuse to open a Deposit Account, **solely** if:

- The refusal is based on a reason that is prohibited grounds of discrimination as set out in the Ontario Human Rights Code or
- The applicant does not have a job or has been bankrupt.

**NOTE:** *The fact that an applicant is or has been bankrupt, does not, without evidence of fraud or any other illegal activity in relation to the bankruptcy, constitute reasonable grounds to believe an account will be used for illegal or fraudulent purposes. Therefore, Southwest Regional Credit Union cannot refuse to open an account for an applicant just because they are or have been bankrupt. However, if the bankruptcy has resulted in write-offs or losses to Southwest Regional Credit Union, see **Write-offs and Losses** in subsection 3.2.1.*

### 3.2.4 When Southwest Regional Credit Union Should Not Refuse to Open a Deposit Account

Subject to sections 3.2 and 3.3 (including subsections), Southwest Regional Credit Union should not refuse to open a Deposit Account, **if**, other than for the cost of Southwest Regional Credit Union's minimum share requirement, the applicant is not making an immediate initial deposit.

### 3.2.5 Closing a Deposit Account

Where Southwest Regional Credit Union closes a Deposit Account, it will do so in accordance with the Agreement that governs the relationship between the Member or Account Holder, and Southwest Regional Credit Union.

**NOTE:** *There is a difference between closing a Deposit Account and terminating a membership. Where Southwest Regional Credit Union terminates a membership, it must do so in accordance with its provincial legislation.*

### 3.3 Restrictions on Deposit Accounts

Southwest Regional Credit Union may choose to impose reasonable restrictions on certain Deposit Accounts for risk management purposes. Restrictions may include:

- Placing temporary holds on cheques deposited to allow reasonable time for such items to clear;
- Limiting the amount of cash provided back on cheque deposits;
- Limiting or revoking:
  - Overdraft or chequing privileges,
  - Online privileges, or
  - Debit card privileges, including Automated Teller Machine (ATM) withdrawal limits; or
  - Placing restrictions mandated by law or legal judgement that applies to Southwest Regional Credit Union; or
  - Placing any other reasonable restrictions necessary for risk management purposes.

### 3.4 Low-Fee and No-Fee Deposit Accounts

Southwest Regional Credit Union offers Low-Fee and/or No-Fee Deposit Accounts to provide access to fundamental banking services to Members, Account Holders, and Consumers who would not otherwise be able to open and operate other types of accounts because of higher costs.

#### 3.4.1 Individuals Eligible for Low-Fee and/or No-Fee Deposit Accounts

Where Southwest Regional Credit Union offers Low-Fee and/or No-Fee Deposit Accounts, Southwest Regional Credit Union decides the eligibility criteria for each account. The criteria should be appropriate to meet the purpose stated in section 3.4.

#### 3.4.2 Low-Fee Deposit Account – Monthly Fees

Where Southwest Regional Credit Union offers a Low-Fee Deposit Account, it determines the monthly fee to charge for the account. The fee is appropriate to meet the purpose stated in section 3.4 and should align with the *Financial Consumer Agency of Canada's* guidelines governing federal financial institutions.

**NOTE:** *Southwest Regional Credit Union may apply charges for transactions that occur which are over the monthly limit.*

### 3.4.3 Features of Low-Fee and/or No-Fee Deposit Accounts

Where Southwest Regional Credit Union offers a Low-Fee and/or No-Fee Deposit Account, Southwest Regional Credit Union determines the features for each account. Features for each account may include:

- No charge for deposits or credits;
- A debit card, for qualifying Members or Account Holders;
- Free pre-authorization forms;
- Free online cheque image viewing;
- Free monthly account statements; and/or
- Mobile and online banking access.

### 3.5 Access to Funds

While the *Access to Funds Regulations* do not apply to credit unions, Southwest Regional Credit Union may grant Members and Account Holders with the same access to funds as set out in the *Regulations*.

#### 3.5.1 Restricting Access to Funds

For risk management purposes, Southwest Regional Credit Union may limit the amount of funds accessed or extend the hold-period for cheques deposited into Deposit Accounts. These may be changed, from time to time, as deemed appropriate by Southwest Regional Credit Union. Southwest Regional Credit Union should have a sound business reason for limiting access or changing hold periods.

Where Southwest Regional Credit Union reduces a funds access limit amount or increases a cheque hold-period, Southwest Regional Credit Union will inform the affected Member or Account Holder of that change.

#### 3.5.2 Refusal of Access to Funds

Southwest Regional Credit Union does not have to grant Members or Account Holders with access to funds deposited by cheque, into a Deposit Account, if:

- The account has been opened for less than 90 days;
- The cheque has been endorsed more than once;
- The cheque is being deposited more than six months after the date of the cheque;
- The cheque is not issued in Canadian dollars;
- The cheque is issued from a branch outside of Canada; or
- Southwest Regional Credit Union has reasonable grounds to believe that the deposit is being made for illegal or fraudulent reasons.



### 3.5.3 When Southwest Regional Credit Union Refuses Access to Funds

Where Southwest Regional Credit Union refuses a Member's or Account Holder's request to access the first \$100 deposited by cheque (on any one day) into a Deposit Account, Southwest Regional Credit Union will inform the individual that it will not be making the funds available.

### 3.6 Cashing of Government of Canada Cheques

The *Access to Basic Banking Services Regulations* for federally regulated financial institutions require that any branch that dispenses cash through a teller must cash a Government of Canada cheque if the cheque is for \$1,500 or less and the individual cashing the cheque shows acceptable identification. The federal government provides an indemnity of up to \$1,500, per occurrence, to all financial institutions that provide this service and are members of the *Canadian Payments Association*.

While the *Access to Basic Banking Services Regulations* do not apply to credit unions, Southwest Regional Credit Union should follow the *Regulations* for cashing Government of Canada cheques for Members, Account Holders, and Consumers.

Canada's *Financial Administration Act* provides those financial institutions, including Southwest Regional Credit Union, shall **not** charge a fee for cashing a Government of Canada cheque.

#### 3.6.1 Refusal to Cash Government of Canada Cheques

Southwest Regional Credit Union may refuse to cash a Government of Canada cheque if one or more of the following apply:

- The cheque is for more than \$1,500;
- The individual requesting to cash the cheque cannot produce acceptable identification;
- The cheque has been endorsed or signed by a third-party;
- There is evidence that the cheque has been altered in any way or is counterfeit;
- Southwest Regional Credit Union has reasonable grounds to believe that there has been illegal or fraudulent activity in relation to the cheque; or
- Southwest Regional Credit Union cannot verify that the cheque is legitimate, after contacting the federal government's Cheque Redemption and Control Directorate.

#### 3.6.2 Refusal to Cash Government of Canada Cheques for Individuals that are not Members or Account Holders

There is no legal requirement that a credit union cash a Government of Canada cheque for anyone who is not a Member or an Account Holder. However, in light of the federal regulations for banks and the indemnity provided to all financial institutions that are members of the *Canadian Payments Association*, this is an expected industry standard. Direct Deposit of Government of Canada Cheques.

Southwest Regional Credit Union assist its Members and Account Holders in signing up for direct deposit of their payments, upon request. Southwest Regional Credit Union should communicate the advantages of direct deposit such as: reliability, security, confidentiality and being environmentally friendly.

## **4. Transparency and Disclosure:**

***Southwest Regional Credit Union uses plain-language descriptions of products and services in its communications to ensure people make informed decisions.***

### **4.1 Properly Informed Decisions**

Southwest Regional Credit Union facilitates Members', Account Holders', or Consumers' ability to make properly informed decisions about a Product or Service, by:

- Providing information that is:
  - Easy to understand and drafted in plain language (wherever possible),
  - Clear about any risks, exclusions or limitations,
  - Up to date,
  - Does not hide, diminish, or obscure important statements or warnings, but rather makes sure important information is prominently displayed, and
  - Is based on disclosed personal circumstances and financial needs of the Member, Account Holder, or Consumer; and
- Answering any questions asked about a Product or Service;
- Having employees identify the types of Products or Services they are licensed or registered to sell or offer (if applicable); and
- Disclosing any conflicts of interest, in accordance with section 2.1.3 (if applicable).s

### **4.2 Reviewing Product and Service Information for Plain Language**

Southwest Regional Credit Union periodically, and as needed, reviews Product and Service information to ensure it is written in plain language. When necessary, Southwest Regional Credit Union will amend Product or Service information to be in plain language.

### **4.3 Legally Required Disclosure**

As a minimum standard, Southwest Regional Credit Union discloses all legally required information. For example, as set out in Southwest Regional Credit Union's provincial legislation or as set out in Agreements between the Member, or Account Holder, and Southwest Regional Credit Union.

### **4.4 Disclosure before or at the time a Product or Service is acquired**

Southwest Regional Credit Union facilitates the Members', Account Holders', or Consumers' ability to make informed decisions about a Product or Service, by informing of the following:

- The key features;
- Any associated risks, exclusions, or limitations;
- Any financial implications of a transaction;

- All costs, including fees and charges;
- Terms and Conditions that apply, including any potential renewal requirements
- The person's rights and obligations (e.g. their right to file a complaint or to cancel a Product or Service); and
- The level of guarantee associated with the Product or Service (if applicable).

These disclosures will also apply to online activities

#### 4.4.1 Product Fact Sheets

Southwest Regional Credit Union has Product or Service information available to provide to Members, Account Holders, and Consumers in the form of fact sheets. This information can be in paper or digital format, will be written in plain language, and, at a minimum, will list the features set out in section 4.5.

#### 4.4.2 Disclosure at Deposit Account Opening

When a person opens a Deposit Account in-person, Southwest Regional Credit Union, at a high level, draw the person's attention to the key areas in the **Terms and Conditions Agreement** that relate to the Deposit Account. For example, areas that speak to:

- Fair Dealings;
- Account Statements;
- Closing the Account;
- Fees and Service Charges, including notices of changes;
- Privacy information, including safeguarding, collection, use and disclosure;
- Changes to the Terms and Conditions Agreement; and
- Where applicable:
  - Restrictions associated with the Deposit Account,
  - Overdraft Protection,
  - Online, mobile banking, and electronic transfer privileges,
  - Cheque privileges,
  - Stop payments,
  - Electronic communication,
  - Cancellation terms,
  - Relationships and third-party transactions,

- Deposit insurance coverage,
- The steps the Deposit Account holder should take in the case of unauthorized transactions, including stolen cards,
- Liability of Southwest Regional Credit Union (e.g., unauthorized transactions), and
- Southwest Regional Credit Union’s complaint handling procedure, as referred to in section 5.

#### **4.5** Disclosure After a Product or Service is Acquired, including Deposit Account

Southwest Regional Credit Union helps Members and Account Holders use their Products and Services and keep them informed by providing regular statements (where appropriate) and by providing notice of changes to interest rate and service charges and advise members when Terms and Conditions change. This is done in accordance with the “Notice” section in this Code (subsection 4.6.1)

##### 4.5.1 Providing Product or Service Related Documentation

When a Member or Account Holder acquires a Product or Service, Southwest Regional Credit Union makes available to that person, a copy of the documentation associated with that Product or Service.

##### 4.5.2 Providing Product or Service Related Statements

After a Member or Account Holder acquires a Product or Service, Southwest Regional Credit Union provides statements as legislated, and when requested by the Member or Account Holder.

Where statements have already been provided to the Member or Account Holder, Southwest Regional Credit Union may charge a reasonable fee for providing duplicate copies.

##### 4.5.3 Providing Mortgage Information

Upon request, Southwest Regional Credit Union provides general mortgage information to Members and Account Holders that have mortgages. The general information should include the cost of borrowing, how the prepayment penalty is calculated, applicable prepayment privileges, and a contact number the Member or Account Holder can call to obtain specific information about his or her mortgage from Southwest Regional Credit Union. The information provided to the member is easily understandable, and does not hide, diminish or obscure important statements or warnings Southwest Regional Credit Union abides by all provincial and national regulations governing disclosure of the cost of borrowing.

#### **4.6** Notices

##### 4.6.1 Changes to Terms and Conditions, Service Fee or Account Structures, and Interest Rates

Southwest Regional Credit Union will notify Members and Account Holders of changes to Terms and Conditions, Service Fees or Account Structures, and Interest Rates in accordance with applicable disclosure legislation, or as set out in the respective Product or Service Agreement.

Where notice is not set out in legislation or the respective Agreement, Southwest Regional Credit Union will provide notice, as follows:

### **Change to Terms and Conditions**

Notice will be provided and maintained for, at a minimum, **30 days after** the change(s) take effect. Southwest Regional Credit Union can make changes to the Terms and Conditions to correct clerical errors without notice to Members or Account Holders.

Notice will be provided and maintained through Southwest Regional Credit Union's website (if applicable), and either by mail, statement message, or electronically.

The use of the Member or Account Holder's Accounts after the effective date of change is the Member or Account Holder's acceptance of the changes.

### **Changes to Service Fees or Account Structures**

Southwest Regional Credit Union will notify Members and Account Holders, at a minimum, **30 days before** any change(s) take effect.

Notice will be posted in branch and provided through Southwest Regional Credit Union's website (if applicable), or by mail, or statement message, or electronically.

## 4.6.2 Branch Closures

### **Permanent or Temporary Branch Closures**

Southwest Regional Credit Union will notify affected Members, Account Holders, and Consumers that a branch will be closing, as required (referred to in section 4.3).

Where Southwest Regional Credit Union is not required to provide notice of permanent or temporary branch closures, notice will be provided in the following manner:

### **Permanent Branch Closures**

For permanent branch closures, Southwest Regional Credit Union will provide notice, in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- Where the Branch is located in an urban area or in a rural area where there is another retail deposit-taking branch within a travelling distance of 10km from the branch:
  - With **at least four months' notice before** the branch will be closing;
  - **As soon as possible**, if the branch will be closing in less than four months; or
  - **As soon as possible**, if the branch closes permanently due to unforeseen circumstances.

- Where the Branch **is not** located in an urban area or in a rural area where there is another retail deposit-taking branch within a travelling distance of 10km from the branch:
  - With **at least six months' notice before** the branch will be closing;
  - **As soon as possible**, if the branch will be closing in less than six months; or
  - **As soon as possible**, if the branch closes permanently due to unforeseen circumstances.

### **Temporary Branch Closures**

For temporary branch closures, regardless of the branch's location, Southwest Regional Credit Union will provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- **Within a reasonable period of time before** the temporary branch closure; or
- Within **as soon as possible after** the branch is closed, if the branch closes temporarily due to unforeseen circumstances.

### 4.6.3 Automated Teller Machines (ATM) Closures

Southwest Regional Credit Union should notify Members, Account Holders, and Consumers that an ATM will be closing, as legally required (referred to in section 4.3).

Where Southwest Regional Credit Union is not legally required to provide notice of permanent or temporary ATM closures, Southwest Regional Credit Union will provide notice when **all** of the following apply:

- An ATM will be closing Permanently, Temporarily, or is closed due to unforeseen circumstances, and
- Southwest Regional Credit Union's only provision of financial services is the ATM, and
- The ATM **is not** located in an urban area or in a rural area where there is another retail deposit-taking branch within a travelling distance of 10km from the branch, Southwest Regional Credit Union will provide notice requirements

### **Permanent ATM Closures**

For permanent ATM closures, Southwest Regional Credit Union should provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner:

- With **at least two months' notice before** the ATM will be permanently closing;
- If the ATM will be closing in less than two months, Southwest Regional Credit Union will provide notice **as soon as possible**; or

- If the ATM goes out of service due to unforeseen circumstances and will be closed permanently, **as soon as possible after** the ATM is out of service.

### Temporary ATM Closures

For temporary ATM closures, Southwest Regional Credit Union should provide notice in accordance with the Notice requirements set out in subsection 4.6.4 of the Code, in the following manner

- If the ATM will be temporarily out of service, **within a reasonable period of time before** the ATM will be out of service; or
- If the ATM temporarily goes out of service due to unforeseen circumstances, **as soon as possible after** the ATM is out of service.

#### 4.6.4 Notice Content for Permanent and Temporary Branch or ATM Closures

For all Permanent or Temporary Branch or ATM Closures, notice should be posted in branch and provided through Southwest Regional Credit Union's website (if applicable), or by mail, or statement message, or electronically.

Notice for permanent and temporary branch or ATM closures, **not due to** unforeseen circumstances should include:

- The location of the branch or ATM and the date proposed for its closure,
- Alternative sites where, after that date, Members, Account Holders, or Consumers may obtain services similar to Southwest Regional Credit Union's, or a telephone number that Members, Account Holders, or Consumers may call to be informed of those sites,
- How Southwest Regional Credit Union may be contacted in respect of the permanent or temporary branch or ATM closure, and
- Where the branch or ATM closure is **temporary**, an estimated date, if known, when the branch will be re-opened or the ATM will be available for use.

Notice for permanent or temporary branch or ATM closures **due to unforeseen circumstances** should include:

- The location of the branch or ATM closure,
- Alternative sites where Members, Account Holders, or Consumers may obtain services similar to Southwest Regional Credit Union's, or a telephone number that Members, Account Holders, or Consumers may call to be informed of those sites, and
- How Southwest Regional Credit Union may be contacted in respect of the branch or ATM closure.

## 4.7 Banking Terminology Disclosure Requirements

### 4.7.1 Disclosure

When credit unions use the words “bank”, and/or “banking”, and/or “banker” in **Advertisements or Marketing Materials and when Onboarding, Southwest Regional Credit Union will disclose:**

- That the Account being opened is a Southwest Regional Credit Union Account,
- That Southwest Regional Credit Union is not a Bank,
- The province Southwest Regional Credit Union is authorized to operate in, and
- Southwest Regional Credit Union’s deposit insurance system.

### 4.7.2 Disclosure Exemptions

Disclosure exemptions include but are not limited to the following:

- *Bank account*
- *Banking*
- *Banking access*
- *Banking information*
- *Banking services*
- *Banking system*
- *Banking transaction*
- *Electronic banking*
- *Internet banking*
- *Mobile banking*
- *Online banking*

### 4.7.3 Definitions – Advertisements, Marketing Materials, and Onboarding

For the purposes of section 4.7, Advertisements, Marketing Materials, and Onboarding mean the following:

#### **Advertisements**

An advertisement includes any promotion of any credit union Products or Services, made in any manner, including in-branch, in print, on the radio, on the television, and in electronic media.

#### **Marketing Materials**

Marketing Materials includes any materials that Southwest Regional Credit Union makes available to any individual for the purpose of making that individual aware of any credit union Products or Services, including materials in print and electronic form.



## **Onboarding**

Onboarding means the opening of any Account for any individual who has **no** other Accounts with Southwest Regional Credit Union.

## **5. Member Complaint Handling:**

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

### **5.1 Complaint Handling Procedures and Processes**

**A complaint is** an expression of dissatisfaction about a Product, Service provided by Southwest Regional Credit Union.

Southwest Regional Credit Union has established a policy and/or procedure for fairly and transparently resolving complaints, internally, that are made by Members, Account Holders, and Consumers. Southwest Regional Credit Union has a designated compliance officer responsible for handling complaints.

Southwest Regional Credit Union has established a process for handling complaints that cannot be resolved satisfactorily internally. For example, an individual should have the option to escalate an unresolved complaint to a complaint handling system that is independent of Southwest Regional Credit Union.

Southwest Regional Credit Union has established a process for measuring the satisfaction of its members. This may be done by survey or another method appropriate to the size of Southwest Regional Credit Union.

### **5.2 Making Complaint Handling Information Available**

Southwest Regional Credit Union has made available to Members, Account Holders, and Consumers, Southwest Regional Credit Union's complaint handling policy and/or procedure and the contact information for accessing the service. This information is available on Southwest Regional Credit Union's website (if applicable), in branch, and upon request.

### **5.3 Handling Complaints**

Southwest Regional Credit Union handles complaints in a fair and transparent manner and responses will be timely.

### **5.4 Recording Keeping**

Southwest Regional Credit Union maintains records of complaints received and the action taken to deal with them, for reporting purposes (in accordance with section 5.5), and if needed for future reference by Southwest Regional Credit Union or regulator (if applicable). The types of complaints that require record keeping will be set out in Southwest Regional Credit Union's complaint handling policy and procedure.

## **5.5 Reporting Complaints**

Southwest Regional Credit Union reports to the Board of Directors, at least annually, on the number of complaints received, the general nature of those complaints, how those complaints were dealt with and identified trends in complaints. The types of complaints that require reporting to the Board are set out in Southwest Regional Credit Union's complaint handling policy and procedure.

### **Complaint Procedure (Appendix #1 Complaint Procedure)**

Southwest Regional Credit Union aims to provide an exemplary, fair and transparent service to all its members. However the credit union recognizes there will be occasions when some aspect of its service, procedures or processes will be perceived by the member to have failed to have come up to the credit union's business standards and this may lead to a complaint by a member.

#### **Rights of the Credit Union**

Southwest Regional Credit Union Ltd asserts its right to make appropriate business decisions about any area of its operations; including admission of new members to membership and individual eligibility for credit as referenced in the membership and loan policies of the credit union.

#### **Who can make a Member Complaint?**

Complaints may only be made by eligible complainants. An eligible complainant is:

1. a credit union member or potential or former member.
2. a nominated beneficiary or personal representative of (1) above.

#### **How do I make a Member Complaint?**

A complaint may be made in writing or orally to an employee of the Credit Union by letter, by telephone, by email direct to [info@southwestcu.com](mailto:info@southwestcu.com) or via the [Contact page](#) on the credit union website <https://www.southwestcu.com>. The employee receiving the complaint should open a record of the complaint (KYM Message).

#### **Responding to a Member Complaint**

The credit union aims to resolve the complaint to the complainant's satisfaction as quickly as possible and within the following time frames:

Within one day – Member Services Representative Supervisor to Branch Manager

Where possible we will resolve your complaint to your satisfaction at the point that you make us aware of it, or at least by the close of business on the next business day after the day on which the complaint was received.

Within 3 days – Branch Manager to Director of Sales and Service

If the officer dealing with your complaint needs more time to collect information you will receive a letter (this may be by email) within 3 working days of the date of your complaint

detailing the steps being taken and the expected date of completion. This letter will include the following information:

1. the name or job title of the person handling the complaint.
2. the credit union's internal complaint handling procedure.

### **Investigating a Member Complaint – Director of Human Resources/Complaints Officer**

Investigating a complaint is the responsibility of the Director of Human Resources.

Within 8 weeks (or Quarterly)

If still unresolved 8 weeks (or quarterly) after receiving a complaint, the Credit Union will send the complainant:

1. a final response, or
2. a response which explains the delay and advises the complainant when a final response can be expected. The complainant will be asked whether they are willing to extend the time for the investigation to be completed.
3. The complainant will be advised that if dissatisfied with the delay they can refer the complaint to the FSRA.

Final response

It is the Credit Union's intention to provide a complainant with a satisfactory final response within 8 weeks or quarterly of receipt of the complaint. The final response will include:

1. A summary of the complaint
2. A summary of the investigation into the complaint
3. Whether the credit union acknowledges it has been at fault in any way
4. Details of any redress or offer made to settle the complaint
5. The complainant's right to refer the complaint to the FSRA (Financial Services Regulatory Authority of Ontario) if remaining unsatisfied with the final response from the Credit Union.

## **FSRA Complaint Form**

<https://www.fsrao.ca/media/4186/download>

## **Instructions to file a complaint to FSRA**

Complaints can be sent to the attention of the "Complaints and Risk Assessment Branch" by email to [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca), by fax to 416-590-8480, or by regular mail to: 25 Sheppard Avenue West, Suite 100, Toronto, ON, M2N 6S6.

## **Southwest Regional Credit Union Whistleblower Policy (Appendix #2 Whistle Blowing Policy)**

### **Policy:**

The credit union requires employees, senior management and board members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It is expected that all employees, senior management and board members of the credit union practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

### **Reporting Responsibility:**

It is the responsibility of all employees, senior management and board members to comply with and to report violations or suspected violations in accordance with this policy.

### **No Retaliation:**

No employee, senior manager or board member who in good faith reports a violation of the policy shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This policy is intended to encourage and enable employees and others to raise serious concerns within the credit union prior to seeking resolution outside the credit union.

### **Reporting Violations:**

Employees should share their questions, concerns, suggestions or complaints with their immediate supervisor. If the employee is not comfortable speaking with their supervisor or not satisfied with the supervisor's response, the employee should report the concern to ***INTEGRITY IN ACTION 1-877-571-1152 or [tnwgrc.com/IntegrityInAction](http://tnwgrc.com/IntegrityInAction)***

### **Accounting and Auditing Matters:**

The Director of Human Resources shall address all reported concerns or complaints regarding credit union accounting practices, internal controls or auditing.

### **Acting in Good Faith:**

Anyone filing a complaint concerning a violation or suspected violation of this policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.