

# Market Code of Conduct

FOR MANITOBA CREDIT UNIONS



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## INTRODUCTION: PRINCIPLES in the CODE

Credit unions are unique institutions. Operating in Manitoba for over 80 years, Manitoba credit unions are financial cooperatives that are governed and financed differently as compared to banks. There are twice as many credit union locations in Manitoba as any other financial institution, and in many communities, a credit union is the only financial institution serving residents and small businesses.

If you have a credit union account, you have a democratic say when it comes to policy and decision-making. By voting for your credit union's board of directors — or running yourself — you help guide your credit union on its path. All decisions, big and small, are made right here in Manitoba communities.

At a credit union, profits go straight back into enhancing your credit union experience and to strengthening the community. The vast majority of the funds credit union members deposit are recirculated in our communities in the form of loans to homeowners, businesses, farmers and other members.

Our primary motivation is providing high quality products and services to our members. We are committed to ensuring that our members are satisfied with the level of services they receive. We also extend this commitment to prospective members and to the community at large.

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The Market Code of Conduct represents best practices for soliciting, promoting, advertising, marketing, selling, or distributing our products or services in Manitoba. This Code has been adopted by our credit union's board of directors and demonstrates our commitment to the fair treatment of those who use our products and services. Our best practices can be summarized in five key principles:

### **FAIR TREATMENT AND FAIR SALES PRACTICES**

Treating members fairly and demonstrating fair sales practices are integral parts of our business practices.

### **BUSINESS PRACTICES**

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

### **ACCESS TO BANKING SERVICES**

We ensure that all credit union members are provided access to certain fundamental financial services.

### **TRANSPARENCY AND DISCLOSURE**

We strive to use plain-language descriptions of products and services in all our communications to allow members to make informed decisions.

### **COMPLAINT HANDLING**

We examine complaints and settle them fairly, using a process that is available to all members.

# FAIR TREATMENT and FAIR SALES PRACTICES

## FAIR TREATMENT

Our credit union treats all members who use our services fairly, and we demonstrate fair sales practices in all our business relationships. We will not discriminate against any of our members, or anyone who is considering using our services. We abide diligently by The Human Rights Code of Manitoba and make exceptions only when justified by law.

Our credit union will not take advantage of any member or potential member by misrepresenting facts, concealing information, or engaging in manipulation, unfair dealings or unethical activities, neither will we use threatening, intimidating, or abusive language. We treat all individuals with dignity and respect. We take extra care to be clear and comprehensive with those who are unable to protect their own interests. We take all reasonable steps to identify, avoid, and manage conflicts of interest.

## FAIR SALES

Members who use our credit union have access to accurate information to help them choose the most affordable and appropriate product or service to meet their needs. Our advertising, marketing materials, and communications are straightforward, accurate, and easy to understand. We provide sufficient information to ensure that members considering our products and services can make informed and suitable choices. We exercise reasonable and prudent judgment in all our business dealings.

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

## TIED SELLING AND UNDUE PRESSURE

Our credit union does not engage in undue pressure or coercion to convince members or potential members to select any particular product or service. While we may offer preferential pricing in connection with multi-product incentives, we do not impose any form of pressure to induce members to buy a particular product or service they don't want as a condition of obtaining those they do want.

## NEGATIVE-OPTION BILLING

The credit union does not practise negative-option billing, which means automatically billing members for a product or service they have not asked to purchase. We also provide notice and disclosure of any substantive changes made to member agreements.

## PREFERENTIAL PRICING

In certain instances, we may offer a better price or rate on all or part of a product or service. This practice is not "tied selling" and is permissible under existing legislation. For example, we may offer a preferential price if a member has or is considering buying several other credit union products or services.

## 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 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 at the federal level. At the provincial level, our credit union follows regulatory guidance and best practices when providing internet-based products and services in a digital environment.

## BUSINESS PRACTICES

Manitoba credit unions are full-service financial institutions that offer chequing and savings accounts, lines of credit, mortgages, business loans, financial advice, investment options, and more. We have everything you need to meet all of your financial needs. You can enjoy highly competitive rates for loans and deposits, as well as access to a vast network of surcharge-free ATMs.

Fair treatment is a core principle of all our credit union's business practices. It is a hallmark of our corporate culture and is demonstrated in the dedication of our leadership and employees, as well as in our governance practices. This culture is based on making strategic decisions in the best interests of our members. Our employees support this culture by treating everyone who comes into the credit union with respect and courtesy.

Ensuring this culture is implemented and maintained is the responsibility of our board of directors, who are elected by our membership. It is the responsibility of senior management to report to the board on matters of adherence to the principles within the Code.

Fair treatment also applies to how we manage personal information. Members have a right to expect their financial affairs will be handled with discretion. We collect, use, and disclose all personal information strictly in accordance with the law.

### FINANCIAL WELL-BEING AND LITERACY

Our members' financial well-being and financial literacy is important to us. As part of our commitment to enriching the lives of our members, we strive to increase the financial literacy of our members and the community we serve through appropriate financial planning.

### WHISTLEBLOWING

An opportunity to anonymously report suspected unethical conduct is a critical tool for any responsible business. Our whistleblowing policy allows employees to report incidents of actual or potentially improper or unethical conduct without fear of reprisal or unwarranted negative consequences. This policy also respects the rights of those about whom concerns are raised.

### LOBBYING

Like any other business or association, we enjoy the freedom — and the responsibility — to interact with government and to comment on policy and legislation that have an impact on our credit union. In so doing, we are careful to follow all federal and provincial laws that pertain to any lobbyist activities we might undertake.

# ACCESS to BANKING SERVICES

## **ACCESS TO DEPOSIT ACCOUNTS**

Our credit union aims to provide all people with access to fundamental banking services. Members have the ability to deposit cheques electronically, at ATMs or in branch. We open deposit accounts for any person whose identity can be verified in accordance with applicable legislation, and if we refuse to do so, it is only for sound risk management reasons, such as where an applicant has not fulfilled a previous borrowing commitment or has a poor credit bureau score. Where possible, we assess whether we can minimize the risk by instead imposing restrictions on the member's account.

In accordance with provincial law, a credit union may refuse to open an account if it has a closed bond of association, and the applicant does not meet the conditions of that association.

When we refuse to open an account we inform the applicant of our decision. If we close a deposit account, we do so only in strict accordance with the membership or account agreement that governs our relationship with that member.

## **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. We will inform affected members of any restrictions to deposited funds, withdrawal limits, or increases to cheque-hold periods.

If warranted, we may impose limits on overdraft, on debit card privileges, or on ATM and online access.

We are not required to grant access to funds if we suspect any deposit is tied to illegal activity.

# TRANSPARENCY and DISCLOSURE

Our credit union provides suitable product and service information that is easy to understand, and considers the financial needs of the member. We ensure that up-to-date information is available to all members before and after a product or service is acquired.

## **INFORMED DECISIONS**

When a member opens an account, we help them make an informed decision by letting them know the key features of that account. We strive to ensure members are aware of the financial implications of a transaction and draw special attention to key areas of an agreement, including fees and charges, restrictions, overdraft protection, deposit insurance coverage, and other relevant terms and conditions.

To ensure our members are fully informed, we provide helpful and relevant information when a member acquires a product or service. Members receive regular updates regarding their account(s). We provide notice of changes to agreements, service fees or account structures, and interest rates in accordance with applicable legislation. We may also provide notice on our website, in-branch, by mail or electronically, even in cases where notice is not legally required. Members are encouraged to contact our credit union when requesting specific or additional information about their accounts.

## **BRANCH AND ATM CLOSURES**

We understand the inconvenience that the closing of a branch or ATM may have on our members, and thus we make every effort to alert our members to the closing of a branch or ATM as soon as possible. We will always notify members of any closures – permanent or temporary – in accordance with applicable legislation.

## **USE OF “BANKING” TERMINOLOGY**

In accordance with applicable law, if we use the terms “bank,” “banker” or “banking” in our marketing materials to describe our business, we ensure all new members understand that their account is being opened in a provincial credit union and not a federal bank, and that our credit union participates in the deposit guarantee insurance program provided by the Deposit Guarantee Corporation of Manitoba (DGCM).

## **IDENTIFYING DEPOSIT INSURANCE SYSTEM**

DGCM ensures that credit unions and the caisse operate under sound business practices and maintain quality assets, thereby minimizing the risk of loss. DGCM provides a 100% guarantee of deposits held with Manitoba credit unions and the caisse. For additional information regarding the role of DGCM in Manitoba, please visit [dgcm.ca](http://dgcm.ca).

When making reference to the DGCM in any of our marketing materials, we comply with the guidelines established by the DGCM.

## COMPLAINT HANDLING

Credit unions are community based financial institutions, so members are offered more personalized services. That means getting to know you, and providing you with the right tools for your individual needs. The success of every member matters, and building strong relationships is a fundamental part of what we do.

Our credit union is committed to providing all members with exceptional customer service. However, from time to time, there may be situations where a member feels they've been dealt with unfairly. Whatever the nature of a member's concern, we treat it professionally, openly and courteously.