

September 28, 2017

AR32452

Director
Financial Institutions Division
Financial Sector Policy Branch
Department of Finance Canada
James Michael Flaherty Building
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Director of the Financial Institutions Division:

Thank you for the invitation to participate in the consultation as part of the Review of the Federal Financial Sector Framework. As the ministry responsible for consumer protection in Alberta, Service Alberta has a direct interest in several of the issues identified in relation to Improving the Protection of Bank Consumers.

Specifically, it is essential that any amendments to the *Bank Act* do not attempt to exempt federally-regulated financial institutions from provincial consumer protection legislation, as was previously proposed in Bill C-29. Where the federal government does legislate specific consumer protections for bank consumers, federal legislation would already take precedence over applicable provincial legislation in the event of any conflicts.

Provincial consumer protection laws of general application cover a wide range of consumer issues, particularly as it relates to the operation of the credit industry. In Alberta, exempting federally-regulated banks from provincial consumer protection provisions would prevent provincial action if banks were to engage in a range of activities that are prohibited or regulated under the *Fair Trading Act*, including soliciting wage assignments, breaching credit reporting requirements, engaging in negative option sales practices, or otherwise engaging in unfair practices.

Additionally, exempting federally-regulated financial institutions from rules that apply to all businesses operating in Alberta could place other institutions or businesses at a competitive disadvantage.

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I would encourage you to continue to include Service Alberta and other provincial bodies responsible for consumer protection as you continue the Review of the Federal Financial Sector Framework. If you have questions regarding Alberta's position, please contact Darren Thomas, Statute Administrator, at 780-422-8046 or by email at darren.thomas@gov.ab.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Morhart". The signature is fluid and cursive, with a large initial "D" and a stylized "M".

David Morhart
Deputy Minister

cc: Darren Thomas
Statute Administrator, Service Alberta