

**Submission to the Department of Finance Second Stage
Consultation on the Federal Financial Sector Review**

Thursday, September 28, 2017



Weyburn Credit Union (WCU) is pleased to participate in the Department of Finance's second stage consultation on its review of the federal financial sector framework.

WCU is a growing & innovative credit union. We are a full service financial institution. We are financially strong - we have assets of over \$500 million and over \$700 million in total assets under administration. We serve over 8,800 members.

Though we often use the words "bank" and "banking" when describing our products or services - for instance we may say "online banking" or "everyday banking needs" - we are always clear we are not a bank and proud of it. In fact, when we launched a new brand in July 2016, we positioned ourselves as "Different by Design" meaning though we provide similar services we are different from banks actually by design. Here is how we described ourselves:

As a credit union, we do everything a bank does, only different. Better. If banks were ice cream cones, we'd have sprinkles. It's about the sprinkles!

We are financially strong - with Assets of over \$500 million. And over \$700 million in Total Funds under Administration.

We serve over 8,800 members - and when we serve them, we are committed to providing excellent member service by offering solutions and advice centered around you.

We are a full service financial institution - from loans to investments, everyday banking to financial planning and everything in between, we have you covered.

We have great people - Not only are they some of the most professional and well-trained in the industry, but they are your friends and neighbors so they care about you, your dreams, and your community.

We are member-owned - because our members are also our owners, our members always come first. So walk in like you own the place because you actually do. Our Credit Union is owned by the people who bank with us.

We put people before profit. Our profits have a higher purpose - they're returned to you in the form of bonuses and rebates, great rates and better service, and put back into the communities where you live and work to do good.

We are local - we have branches in Weyburn, Lang and Yellow Grass. We are proud to be a large community employer and provide employment to approximately 85 local people.

You can see from our example, we make it clear who we are and what we do. In fact, we consider the detail that we are a credit union as a well-defined competitive advantage over a bank - so we would never try to mislead anyone with that!

Canadians use “bank” and “banking” terminology to describe financial services. These are terms that Canadians use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union. Credit unions are proud of our differences and work hard to promote them, but we need to speak a language Canadians use and understand. We feel a ban on the words “bank” and “banking” when describing our products and services will actually cause more confusion - imagine trying to describe online banking to a member without using those words - and how confused the member would be? Functionally, the services are the same - we offer online banking but we would never claim to be a bank.

A ban on the word “banking” would cost credit unions millions of dollars. CCUA estimates that a ban on the word “banking” will cost credit unions up to \$80 million plus create a big challenge in popularizing new terms to replace “on-line banking”, “business banking” or “bank with a credit union.” In fact, when you consider our print materials and digital marketing for our Credit Union alone, the cost outlay is in the \$1,000’s - not to mention the time it will take in staff hours - time which could be better spent on providing financial literacy education and member service.

A ban would disadvantage credit unions’ ability to compete with banks. Banking terms are words that Canadians use and understand to describe their dealings with a deposit-taking institution like a bank or a credit union. Credit unions need to speak a language Canadians use and understand in order to compete with other financial service providers.

Credit unions are fundamentally different than banks, but need to use common-sense language to explain the services we offer. Credit unions have used the terms for years without incident. That’s because credit unions have used the terms the same way Canadians do - to describe the kinds of activities that take place between members and their credit union. A return to interpreting the Bank Act in this common sense way, using judgement and discretion in the enforcement of the act, is welcome by credit unions.

We recommend the Department of Finance propose changes to the Bank Act to allow credit unions, as prudentially regulated deposit-taking

institutions, to use the terms “bank” and “banking” to describe their activities and services.

Thank you for considering this submission. We welcome the opportunity to work with you.

For more information, please contact:

Tana Torkelson
VP of Marketing
Weyburn Credit Union
221 Coteau Avenue, Weyburn, SK S4H3B9
T 306 842 6641
Tana.torkelson@weyburncu.ca