



September 21, 2017

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

By email

Re. Consultation on “Potential Policy Measures to Support a Strong and Growing Economy: Positioning Canada’s Financial Sector for the Future” (“Second Consultation Paper”); “Limitations on Using the Terms “Bank”, “Banker”, Banking””

Dear Director:

Connect First Credit Union is pleased to participate in the Department of Finance’s consultation process around its review of the federal financial sector framework, specifically with regards to the issue of Limitations on Using the Terms “Bank”, “Banker” and “Banking”. We consent to the full disclosure of our comments.

But first, let me tell you about Connect First Credit Union

Pick a spot on a map in southern Alberta and chances are we won’t be far away. Connect First Credit Union was formed by the amalgamation of First Calgary Financial and Chinook Credit Union in 2015. This amalgamation created a robust and vibrant credit union that serves Canadians in both urban and rural Alberta markets.

Every day, our over 600 employees deliver outstanding service and experiences to more than 100,000 members through 27 branches in 14 communities, under our regional brands Chinook Financial, Legacy Financial and First Calgary Financial. We are Canada’s 10th largest credit union with \$5 billion in assets under administration and we are growing.

We’re committed to providing outstanding experiences to our members, our communities and our employees, and we’re proud to be regarded as one of the best:

1. Alberta’s Credit Union of the Year
2. Canada’s Best Managed Companies
3. Top 70 Employers in Alberta
4. Canada’s Most Admired Corporate Cultures



Our concerns

The recent advisory issued by the Office of the Superintendent of Financial Institutions (OSFI) restricting credit unions from using the word “banking” to describe the services we offer is of great concern to myself, Connect First Credit Union’s board, and our employees.

It’s important for Canadian consumers to have confidence that the financial institution they are dealing with is properly regulated by the appropriate level of government. However, chartered banks are not the exclusive provider of banking services. Since 1938, Connect First Credit Union (in addition to many other successful credit unions across Alberta) has been providing a full suite of financial services to southern Albertans under the supervision of our regulators in accordance with the Alberta Credit Union Act.

This section of the *Bank Act* is outdated and needs to be updated to reflect that financial institutions other than banks, namely credit unions, are providing banking services to Canadians under prudential regulators other than OSFI.

Impacts of the wording change

The ban on the use of the words “bank”, “banking” and “banker” would be cost prohibitive to Connect First Credit Union; requiring the removal of phrases like “on-line banking,” “mobile banking” and “commercial / business / agricultural banking” from signage, websites, forms and ads. It would also create a competitive disadvantage for Connect First Credit Union by effectively endorsing chartered banks as superior to credit unions and creating confusion amongst Canadians around the services credit unions provide. The cost of the resulting reputational and competitive disadvantage would be significant.

Our ask

The *Bank Act* should be amended to acknowledge that banking services in Canada are being provided under the supervision of regulators other than OSFI, namely provincial credit union regulators, and under legislative frameworks other than the *Bank Act*. Provincially regulated financial institutions such as Connect First Credit Union, should be permitted to continue to describe our services using the everyday, understood terms “bank”, “banker” and “banking”.

As a credit union, Connect First is different than a chartered bank – and we wouldn’t want it any other way. We are proud to be a credit union and wouldn’t want to be confused with banks, ever. However, credit unions need to speak in the language Canadians use and understand and I am respectfully asking for you to propose legislation to update the *Bank Act* to provide flexibility for credit unions, as prudentially regulated financial institutions to use the words “bank”, “banker” and “banking”.

Thank you for your consideration of our concerns. We welcome the opportunity to work with you on this important issue.

Sincerely,



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CC: Martha Durdin, CEO, Canadian Credit Union Association
Board of Directors, Connect First Credit Union
Local MPs in Connect First’s business area

