



SUBMISSION TO THE DEPARTMENT OF FINANCE SECOND STAGE CONSULTATION ON THE FEDERAL FINANCIAL SECTOR REVIEW

September 29, 2017



Gulf and Fraser Fisherman’s Credit Union (G&F Financial Group) is pleased to participate in the Department of Finance’s second stage consultation on its review of the federal financial sector framework.

With a passion for educating and empowering others to achieve their financial goals, G&F Financial Group (G&F) is focused on providing advice uniquely tailored to meet the financial needs of each of our members. We have proudly supported members, small businesses and invested in our Lower Mainland communities for over 75 years.

As a local credit union, everyone at G&F lives and works in the same neighbourhoods as the members, businesses and community partners that we support. We are in tune with local issues and opportunities of our members and we are well positioned to make decisions that will have a positive and lasting impact on our membership. Unlike a bank, our members are our owners and are empowered to have a say regarding initiatives and key decisions that will impact how our credit union is governed.

Even though we are a credit union, and not a bank, we still use the terms “bank” and “banking” in our branding, collateral and member communications activities. We rely on the fact that “bank” is a common sense term for the type of work we do and we use it to define everything from our platforms (online banking) to our tagline (*life beyond banking™*). We use the term “bank” because we know this term resonates with our membership and the general public and helps clarify our role within the financial landscape.

Our membership is as diverse as the makeup of the Lower Mainland, where we have 14 (soon to be 15) branches. We serve members from Langley to Vancouver to the Tri Cities and everywhere in between. Our legacy is that of a fisherman’s credit union and we have been an established financial organization for over 75 years. Our typical member is approximately 54 years old and has been with our credit union for over 15 years. Our membership is evenly split between men and women and we are actively working to attract millennial members with innovation and technology initiatives, such as our interactive Smart Money tools. In our efforts to support our multicultural membership, our website can be translated into over 100 languages to ensure that everyone has equal access to financial empowerment. We also work to support the small businesses that are the heart and soul of our local communities by choosing to partner with local vendors, when at all possible.

Our credit union is 30,000 members strong and growing with over \$2 billion in assets under administration. These numbers position us as a top ten credit union in BC, which means that we are big enough to make a real impact in the financial sector and also nimble and agile enough to meet the growing and changing needs of our membership. As a local employer, we employ over 200 people who live and work in the Lower Mainland, and the profits we raise as a credit union flow back into the communities that we serve.



Our credit union is dedicated to giving back to the communities and neighbourhoods that our members call home. So far in 2017, we have given back over \$260,000 in the form of donations, bursaries, sponsorships and scholarships. We have a dedicated G&F Financial Group Foundation that works to connect local charity groups and initiatives with much-needed funding to help support their work in the Lower Mainland. Our employees are truly passionate about volunteerism and have contributed over 270 hours to community activities in 2017 – our orange shirts are a common sight at events each weekend!

Our submission focuses on the Department of Finance’s consultation question about the Bank Act restrictions on the use of the terms “bank and banking” by non-banks and credit unions in particular.

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.

For G&F specifically, we are known for our tagline and hashtag “*life beyond banking*” which represents our passion for empowering and supporting our members through their financial journeys so they can focus on what is most important to them – their families, their careers and their lives. Our tagline is an important part of who we are as a credit union and it is an important part of the message we try hard to relay to our membership – that we are here to partner with them and work with them every step of the way. A ban on the term “banking” would mean that we would no longer be able to use our tagline in any of our communications or collateral, which would cost us both financially and in terms of how we are known to our current and future membership. We are not a bank and actively work to promote ourselves as a credit union, but we do use the terms “bank” and “banking” to define our work in the financial sector. By enforcing the ban, we would also lose access to the phrase “online banking” which represents the platform that our members use to conduct their financial activities in the online space.

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 in language Canadians use and understand in order to compete with other financial service providers. A ban on the terms “bank” and “banking” would cause confusion with our membership and future members as it would make it impossible for us to distinguish ourselves as a reputable financial institution and an attractive alternative to a bank.



To put the financial impact into perspective, the Canadian Credit Union Association (CCUA) conservatively estimates that a ban on the word “banking” will cost credit unions up to \$80 million plus create an immense challenge in popularizing new terms to replace “online banking,” “business banking,” or “bank with a credit union.”

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.

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