



# **SCU Market Code of Conduct**

**Statement of Principles**

**May 3, 2021**

# Contents

- Introduction: Principles in the code ..... 3
- Five key principles ..... 3
  - 1. Fair Treatment and Sales Practices..... 3
  - 2. Business Practices..... 3
  - 3. Access to Banking Services..... 3
  - 4. Transparency and Disclosure ..... 3
  - 5. Complaint handling ..... 3
- Principle 1 | Fair treatment and fair sales practices..... 4
  - Fair and equitable treatment ..... 4
  - Fair sales ..... 4
  - Preferential pricing ..... 4
  - Tied selling and undue pressure ..... 4
  - Negative-option billing ..... 4
  - Risk management ..... 5
  - Digital products and services ..... 5
- Principle 2 | Business practices..... 5
  - Financial well-being and literacy ..... 5
  - Whistleblowing ..... 5
  - Lobbying ..... 6
- Principle 3 | Access to banking services ..... 6
  - Access to deposit accounts..... 6
  - Restrictions on deposit accounts..... 6
- Principle 4 | Transparency and disclosure..... 7
  - Informed decisions ..... 7
  - Branch and ATM closures..... 7
  - Use of “banking” terminology ..... 7
  - Identifying deposit insurance system ..... 7
- Principle 5 | Complaint handling ..... 8

## **Introduction: Principles in the code**

Established in 1941, Steinbach Credit Union (SCU) is Manitoba's largest credit union and the eighth largest in Canada, with over \$7.45 billion in assets. Today, we are proud to serve more than 98,000 members in our three branches located in Winnipeg and Steinbach. Since opening our doors, our growth has been organic – we have never merged and instead have grown one member at a time.

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

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

What is most important for us as an organization is building strong relationships with our members, developing a deep understanding of their needs, and creating tailored solutions to help them live their best financial future.

We offer a robust suite of products and services for personal, business, and agricultural members, ranging from day-to-day banking, to wealth management, and lending solutions that meet their every need.

This Market Conduct Code represents best practices for soliciting, promoting, advertising, marketing, selling, or distributing our products or services in Manitoba. This Code has been adopted by SCU's board of directors and demonstrates our commitment to the fair treatment of those who use our products and services.

### **FIVE KEY PRINCIPLES**

#### **1. Fair Treatment and Sales Practices**

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

#### **2. 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.

#### **3. Access to Banking Services**

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

#### **4. 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.

#### **5. Complaint handling**

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

# Principle 1 | Fair treatment and fair sales practices

## FAIR AND EQUITABLE TREATMENT

SCU treats all members who use our services fairly, and we demonstrate equitable 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.

SCU 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

SCU members have access to accurate information to help them choose the most affordable and appropriate product or service to meet their individual 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.

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

## 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.

## TIED SELLING AND UNDUE PRESSURE

SCU does not engage in undue pressure or coercion to convince members or potential members to select any particular product or service. Our needs-based selling approach ensures we are providing members with products and services that meet their individual needs. 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

SCU does not practice negative-option billing, which means intentionally 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.

## 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, SCU follows regulatory guidance and best practices when providing internet-based products and services in a digital environment.

## Principle 2 | Business practices

SCU is a full-service financial institution that offers 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 across Canada.

Fair treatment is a core principle of SCU'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. Our culture is based on going above and beyond for our members and making strategic decisions in their best interest. Our employees support this culture by treating everyone with respect and courtesy. We expect SCU employees to be open and honest in their dealings to earn the trust and loyalty of our members.

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 the executive leadership team, led by the Chief Executive Officer, 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 enhance the level of financial literacy of our members based on their specific needs and the community we serve through appropriate financial planning. We do this by offering informational sessions, providing access to financial tools and calculators, and financial literacy materials for our members.

## WHISTLEBLOWING

SCU is committed to operating within the laws and regulations to which it is subject and in accordance with the governance policies as established by its Board of Directors. 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**

SCU's participation in lobbying activities is coordinated by the Canadian Credit Union Association (CCUA) and Credit Union Central of Manitoba (CUCM), who lobby on behalf of all credit unions and caisses as part of a collective effort. In doing so, we follow all federal and provincial laws that pertain to any lobbyist activities we might undertake.

## **Principle 3 | Access to banking services**

### **ACCESS TO DEPOSIT ACCOUNTS**

SCU aims to provide all members with access to fundamental banking services. Members have the ability to deposit cheques electronically, through the SCU mobile app, 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 work with members on an individual basis to assess whether we can mitigate risk in other ways – for example, adding restrictions to an account that can be reviewed over time.

In accordance with provincial law, SCU may refuse to open an account if the applicant does not meet SCU's risk tolerances.

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**

SCU 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 or fraudulent activity.

## **Principle 4 | Transparency and disclosure**

SCU 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 and benefits 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 us 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 through our website or branches.

### **USE OF “BANKING” TERMINOLOGY**

SCU is proud of our credit union history, and we actively share with our membership that we are a credit union. In accordance with applicable law, if we use the terms “bank,” “banker” or “banking” in our marketing materials, we do so to describe the actions of conducting transactions at a financial institution, not as a way to implicate we are a bank. As a credit union member, you have access to the deposit guarantee insurance program provided by the Deposit Guarantee Corporation of Manitoba (DGCM).

### **IDENTIFYING DEPOSIT INSURANCE SYSTEM**

DGCM ensures that SCU operates under sound business practices and maintains 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.

## **Principle 5 | Complaint handling**

SCU offers personalized services to our members – 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.

SCU 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.

At any time, SCU members can speak with a branch manager, or visit our website, **[scu.mb.ca/about/contact](https://scu.mb.ca/about/contact)**, to fill out a confidential contact form that provides a direct communication channel to our management team, CEO or the Board of Directors.