

Federal regulator bans use of common terms “to bank” and “banking” by Credit Unions

Credit Unions across Canada working together to have decision changed

Niagara, ON (July 6th, 2017) – On Friday, June 30, the federal Office of the Superintendent of Financial Institutions (OSFI) issued an advisory that essentially banned credit unions from using the term “banking” to describe the services they offer Canadians. Their advisory takes a strict interpretation of the Bank Act, and based on this interpretation, the federal government could lay criminal charges against any credit union that uses the term “bank,” “banker,” or “banking”.

“This is a disappointing decision that will have a severe impact on Credit Unions and their members across Canada as we’ll be forced to spend a significant amount of time and resources to accommodate these changes.” Explains Ken Janzen, Chief Executive Officer of PenFinancial Credit Union. “Credit Unions are member-owned cooperatives, who in addition to being highly regulated, are also held accountable by their members. All we are asking is for OSFI to take a common sense approach to this language issue in order to create a level playing field for Credit Unions.”

Credit Unions have used the verb “bank” and the term “banking” to describe what they do, without penalty, for years with the tacit support of federal officials.

“OSFI has taken a position that is inconsistent with its past practices and with common sense,” said Martha Durdin, president and CEO, Canadian Credit Union Association. “The Minister has the power to fix this so that Canadians continue to have a real competitive option to the big banks.”

Janzen continued to say “We exist to better the lives of our members and to strengthen our communities. All this restriction does is take valuable time and money away from these important community efforts.”

To view the Canadian Credit Union Association’s response to the advisory, on behalf of the Canadian credit union industry, [click here](#).

About PenFinancial

PenFinancial Credit Union has been improving lives and strengthening communities in the Niagara Peninsula for over 60 years. With 22,000 members, and over \$600 million in assets, its roots are firmly planted and its future is strong. The credit union operates 7 branches in St. Catharines, Niagara Falls, Welland, Fort Erie and Dunnville. Services also include a Commercial Business Centre, Wealth Management division and Central Services office. The credit union employs 100 residents from across the Peninsula.

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For more information contact:

Josh Juhlke

Marketing & Communications Specialist, PenFinancial Credit Union

Tel: 289-820-9744 ex. 1008 Cell: 905-328-7431

Josh.juhlke@penfinancial.com



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