

A photograph of a person walking across a stream using stepping stones. The person is wearing blue jeans and white sneakers. The water is clear and flowing over the stones. The background is a blurred natural setting with a bright light source, possibly the sun, creating a warm glow.

# The Alterna Savings Market Conduct Code

**alterna savings**

## INTRODUCTION: PRINCIPLES IN THE CODE

For over 100 years, Alterna Savings Credit Union Ltd (Alterna) has served communities across Ontario. As a financial cooperative, Alterna, like all Canadian Credit Unions, is governed and financed differently than banks. At, Alterna, members are shareholders, which means that membership includes participating in the credit union's success.

Alterna is committed to delivering good, caring and transparent financial services as a supportive partner and advisor. Together, we help our members set and reach their goals, while putting our profits towards member services and helping our local communities.

**This is our Market Code of Conduct.**

The Code recognizes the best practice principles we pledge to follow for soliciting, promoting, advertising, marketing, selling, or distributing our products or services. The Code demonstrates our commitment to the fair treatment of all those who use our services. At Alterna, we believe in fair sales practices, comprehensive access to banking services, transparency and openness, and a reasonable approach to settling complaints. Individuals are entitled to the best possible care of their financial interests. We respect all our provincial regulatory obligations, and continually practice absolute excellence in consumer protection. Our best practices can be summarized in five key principles:

**Business Practices:** We are committed to providing fair treatment to all our members using our products and services. It is a core component of our governance and corporate culture.

**Fair Treatment and Fair Sales:** Treating members fairly and demonstrating fair sales practices at all times are integral parts of our business practices.

**Access to Banking Services:** We ensure that all our members are granted access to fundamental financial services.

**Transparency and Disclosure:** We use plain-language descriptions of products and services in our communications to ensure people make informed decisions.

**Complaint Handling:** We examine complaints and work to settle them fairly, and we track complaints to help ensure our practices continue to improve.

## BUSINESS PRACTICES

*Alterna established fair treatment as a fundamental principle of all our business practices. It is a hallmark of our organization's corporate culture and demonstrated in the dedication of Alterna's leadership, governance, and employees.*

Our culture is based on making strategic decisions in the best interests of our members. Alterna's employees are expected to support this culture by treating everyone who interacts with us through any channel – and one another — fairly and with respect. Fairness is a fundamental right of every individual we serve.

Ensuring this culture is implemented and maintained is the responsibility of our Board of Directors, which is elected by our membership. We set fair treatment policies and procedures, and it is the responsibility of senior management 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. Every member has a right to expect their financial affairs will be handled with discretion. We collect, use, and disclose all personal information strictly in accordance with provincial and federal legislation. Our commitment to the fair treatment of all members is a key responsibility.

### Financial well-being and literacy

We put a premium on every member's financial well-being and financial literacy. We are committed to developing and implementing policies and procedures that provide awareness and education on how members can improve their financial well-being through appropriate financial planning.

### Whistleblowing

An opportunity to anonymously report suspected unethical conduct is a critical tool for any responsible business. Our whistleblowing procedures allow employees to report incidents of actual or potentially improper or unethical conduct without fear of reprisal or unwarranted negative consequences.

These procedures also respect the rights of those about whom concerns are raised.

Our Board periodically reviews, approves, and maintains whistleblowing policies. At Alterna, our managers are responsible for monitoring and controlling operations in accordance with the whistleblowing policy.

### Lobbying

Like any other business or association, we enjoy the freedom — and the responsibility — to interact with governments and comment on policy, legislation, or regulations. We ensure that each lobbyist we hire, either on staff or as a consultant, acts on behalf of Alterna, discloses any conflicts of interest, registers with the appropriate registries, and follows all laws and regulations that apply.

## FAIR TREATMENT AND FAIR SALES PRACTICES

*Treating members fairly and demonstrating fair sales practices at all times are integral parts of our business practices.*

### Fair Treatment

At Alterna, we treat all individuals who use our services fairly, and we demonstrate fair sales practices in all our business relationships. We will not discriminate against any of our members, or anyone considering using our services. We abide diligently by provincial human rights codes. We make exceptions only when justified by law, or if a special product or service is designed to serve a particular group.

We never take advantage of anyone by misrepresenting facts, concealing information, or engaging in manipulation, unfair dealings, or unethical activities. We do not take advantage of people, and we take extra care to be clear and comprehensive with those who are unable to protect their own interests or who are only just familiarizing themselves with how we operate.

Nor do we use misleading, threatening, intimidating, or abusive language, or apply excessive or unreasonable pressure to repay, against any borrower. We take all reasonable steps to identify, avoid, or manage conflicts of interest.

### Fair Sales

Everyone who uses Alterna has access to accurate information to help them choose the most affordable and appropriate product or service. Our advertising, marketing materials and communications are straightforward, accurate and easy to understand. We provide information that helps ensure that individuals considering our products and services can make informed and suitable choices. We exercise reasonable and prudent judgment in all our business dealings.

We are committed to the professional development of our employees, who are trained to provide financial information that individuals can trust. Their knowledge is gained, and improved upon, by appropriate training programs or work experience. Employees will keep abreast of changes in products and services, industry standards and regulations relevant to their role.

### Tied selling and undue pressure

We do not engage in undue pressure or coercion to convince people to select any particular product or service. We do not impose any form of pressure to induce someone to buy a particular product or service they don't want as a condition of obtaining those they do want.

### Negative-option billing and consent

We do not practice negative-option billing, which means automatically billing people for a product or service they have not asked to purchase. We will always obtain our member's consent for new and optional products and services and will seek out their consent for changes made to agreements that affect their rights and obligations.

### Preferential pricing

In certain instances, we will offer a better price or rate on all or part of a product or service. This practice is permissible. For example, we may offer a preferential price if a member, has or is considering buying several of our other products or services. We are completely transparent about these opportunities.

### 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. We regularly seek regulatory guidance and follow best practices when providing Internet-based products and services in a digital environment.

## ACCESS TO BANKING SERVICES

*Alterna is committed to ensuring individuals have access to fundamental banking services. This is an essential part of our mission.*

We open deposit accounts for anyone whose identity can be verified, and if we refuse to do so, it is only for sound business reasons. We may also refuse to open an account if it has a closed bond of association, and the applicant does not meet the conditions of that association.

We may refuse to open a deposit account if an applicant has previous write-offs or losses or a poor credit bureau score. We assess whether we can minimize the risk by instead imposing restrictions on the account. Our decision is influenced by several factors. We consider the number of past losses or write-offs, the length of time since the loss, and any extenuating circumstances.

When we refuse to open an account, we inform the applicant of our decision. We never refuse to open a deposit account for unjust discriminatory reasons, or if the applicant is unemployed, or has been bankrupt. We do not refuse to open an account when the applicant is not making an immediate deposit. If we close a deposit account, we do so

only in strict accordance with the agreement that governs our relationship with that member.

### Restrictions on deposit accounts

We 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. If warranted, we may impose limits on overdraft restrictions, on debit card privileges, or on ATM and online access. We are transparent regarding any changes or restrictions imposed upon members' accounts.

### Low-fee and no-fee deposit accounts

We believe low-fee and no-fee accounts should be available to ensure fundamental banking services are available to those who cannot otherwise afford to open and operate an account due to the cost.

### Access to funds

At Alterna, members have immediate access to the first \$100 deposited by cheque into a deposit account (or by the next business day). We may not grant the funds if the cheque is endorsed more than once, is in a foreign currency or issued by a foreign branch, if we believe it is tied to illegal activities, or if the account is less than 90 days old. We will inform affected members of any reductions to funds access limit amounts or increases to cheque- hold periods.

### Government of Canada cheques

The Government of Canada provides indemnification for federal government cheques up to \$1750, and all financial institutions have access to a verification service. On this basis, we support cashing Government of Canada cheques up to \$1750 at no cost for their members and account holders on the presentation of acceptable identification. However, we may refuse to cash cheques for more than \$1750, or for sound business reasons, such as a suspicion that the cheque has been altered in some way or is connected with a crime or fraud.

## TRANSPARENCY AND DISCLOSURE

*Alterna provides suitable product and service information that is easy to understand and considers the financial needs of the member.*

Up-to-date information is made available to individuals before and after a product or service is acquired. All documents are clear and contain all the financial implications of a transaction.

When someone opens an account, we ensure they are making an informed decision by letting them know the key features of an account and any associated risks, exclusions, or

limitations. We make sure they are aware of the financial implications of a transaction, that they understand all related costs, and that they know the terms and conditions and their rights and obligations. We draw special attention to the key areas of an agreement, including fees and charges, changes to the agreement, applicable restrictions, overdraft protection, deposit insurance coverage, and other relevant terms and conditions.

To ensure people are fully informed, when a member acquires a product or service, we provide them with the related documentation. Members receive regular statements and are advised of any changes. If a statement has already been provided, we may charge a reasonable fee to provide a duplicate copy. We give advance notice of changes to agreements, service fees or account structures, and interest rates in accordance with applicable legislation.

In cases where notice is not legally required, we may provide notice on our website, in-branch, by mail or electronically. Where no such rules exist, we follow the rules agreed to by us and the Financial Services Regulatory Authority of Ontario (FSRA).

### Mortgage information

We provide general mortgage information for members with mortgages on request. This information includes a contact number the member can call to obtain additional specific information about their mortgage.

### Branch and ATM closures

We understand the potential inconvenience that the closing of a branch or ATM may have on our members, and therefore we strive to alert our members to the closing of a branch or ATM as soon as possible. We notify members of any closures – permanent or temporary – in accordance with applicable legislation. In cases where no legislation applies, notice is communicated on our website, in-branch, by mail or electronically.

### Disclosure

Because we often use the terms “bank,” “banking” or “banker” in our marketing materials, we make sure account applicants new to Alterna understand that the account is not being opened in a bank. We call this process onboarding. Members new to a credit union may not be clear on the distinction. We verify that they understand the account is with a credit union and not a bank.

### Identifying deposit insurance system

When identifying our deposit insurance system, we follow the restrictions, guidance, requirements, and display advertising rules established by provincial deposit guarantee or insurance corporations.

## COMPLAINT HANDLING

*At Alterna, we examine all complaints and settle them fairly using a process that is accessible to everyone.*

We have a systematic approach for handling our members' complaints. We recognize that many complaints can be effectively resolved at the first point of contact.

For those complaints that cannot be resolved at that stage, we have a procedure for escalation to a designated senior employee responsible for handling these matters. That procedure and the designated employee's contact information are made available on our website, our branches, and upon request.

We have also established a process for handling complaints that cannot be resolved through internal avenues.

In order to identify trends, and the types of complaints lodged, we maintain records of complaints received and the actions taken to address them.

We review trends identified in the records on a regular basis to facilitate process improvements and improve member satisfaction.