



What You Should Know if Your Branch Closes

Your rights

When a financial institution is planning to close a branch, it must provide proper notice to its customers in order to minimize any inconvenience. To give consumers and communities time to find other service options, financial institutions¹ are required to give their customers at least four months' notice before closing a branch.

This applies to federally regulated financial institutions with branches where:

- retail deposit/bank accounts are opened for a consumer by a bank employee or "teller"
- cash is distributed to customers by a bank employee or teller.

If an institution plans to stop providing either of these activities without closing the branch, it must still notify you in advance.

Amount of notice required

In a rural area where there is no other retail deposit-taking branch of a financial institution within 10 kilometres of the branch to be closed, the institution must give six months' notice.

If the branch is located in an urban area, or in a rural area, where there is a retail deposit-taking branch of a financial institution within 10 kilometres, customers must receive four months' notice.

¹ This refers to banks and federally regulated trust and loan companies.

Types of notice required

For all branch closures, the following information must be posted in a clearly visible and public area of the branch. This information must also be sent to each customer of the branch:

- location of the branch that is closing
- proposed date of the closure
- address of the retail deposit-taking branch where customer accounts will be transferred
- alternative sites of the institution where customers may obtain services after that date, or a telephone number for customers to find out such information
- any actions that the institution will take to maintain financial services in the area served by the branch
- how to contact the institution and the Commissioner of the Financial Consumer Agency of Canada (FCAC) about the proposed closure; and
- a statement that the Commissioner will require the institution to hold a meeting with representatives of the institution, representatives of FCAC and affected parties about the proposed branch closure or cessation of activity, if:
 - the financial institution has not adequately consulted the community about the closure or cessation of activities
 - an individual from the area affected by the closure or cessation of activities submits a written request to FCAC for such a meeting, and
 - the request is not frivolous or vexatious.

For rural closures that require six months' notice, the institution must also:

- provide notice to municipal authorities
- publish a notice in a locally distributed newspaper outlining the above-mentioned information.

When notice is not required

There are a number of instances where notice of closure is not required. Some examples are:

- when a branch is sold to another retail deposit-taking financial institution, but will continue to operate as a branch
- when a branch moves to a new location that is less than 500 metres from the original location
- when a branch is temporarily closed due to events beyond the financial institution's control (for example, a natural disaster such as a tornado).

Questions to ask your financial institution

- Will it waive fees for transferring accounts, Registered Retirement Savings Plans (RRSPs) and so on to other financial institutions?
- For rural customers, will it extend hours at the new branch to allow for travel time?
- Will the new branch have a toll-free number that customers who live outside the calling area can call?
- Will it provide you with a credit reference if you decide to switch to another financial institution?
- Will it make arrangements with another financial institution for customers to use their automated banking machine (ABM) without any charge, or to make night deposits?
- Will it pay the costs associated with changing to the new branch, such as ordering new cheques, changing direct debits and so on?

Tips for dealing with a bank closure in your area

- Talk to your financial institution about the closure and about what it can do to help you find alternative services to meet your banking needs.
- If you feel that the financial institution has not adequately consulted with the community about the closure, you can request a community meeting by sending a letter to the Commissioner of FCAC. If the Commissioner finds that the financial institution has failed to adequately consult the community about the closure or the cessation of activities, FCAC will require the financial institution to hold a meeting.
- If you decide to choose a new banking package or a new financial institution as a result of a branch closure, or would like to know your options, contact FCAC. We have tools and publications to help you compare the features and costs of most banking packages in Canada.

