



Tips for Dealing with a Branch Closure

WHAT HAPPENS IF YOUR BRANCH CLOSES?

When your financial institution's branch closes, you may have to switch to another branch, or switch financial institutions completely. In some small towns, where there is only one branch, a nearby alternative may not be available. Whatever the case, it can be frustrating to have to deal with a branch closure.

The Financial Consumer Agency of Canada (FCAC) monitors the closures of bank and trust and loan company branches. Although it cannot prevent a closure, the Agency will make sure that customers of the branch have received adequate notice and that the community has been consulted well before the closure.

What is adequate notice of a branch closure?

Banks and trust and loan companies are required to provide advance notice to customers who are affected, and to the general public — at least four months and, in some cases, six months before the branch closure — depending on where the affected branch is located. This rule applies to institutions with branches where:

- retail deposit accounts are opened, and
- cash is distributed to customers through an employee.

If an institution stopped providing either of these activities without closing the branch, it would still have to follow the advance notice requirements indicated above.

Tips for dealing with a branch 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 FCAC Commissioner. If the FCAC Commissioner finds that the financial institution has failed to adequately consult the community about the closure or the cessation of activities, FCAC may 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, consult FCAC's *The Cost of Banking Guide*, which compares the features and costs of most banking packages in Canada.

Questions to ask your financial institution

- Will it waive fees for transferring accounts, 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?

Where to go for more information

The Financial Consumer Agency of Canada (FCAC) provides timely, objective information to help consumers choose the best banking products and services for their needs. FCAC also informs Canadians of their rights and responsibilities when dealing with federally regulated financial institutions and makes sure that banks and federally regulated trust, loan and insurance companies respect the laws and agreements that protect consumers.

For more information about bank branch closings, see our booklet *What You Should Know if Your Branch Closes*, which is available on line and in print. For more information about choosing a new bank account, consult our publication *The Cost of Banking Guide*, also available on line and in print. The on-line version is an interactive tool that allows you to compare the features and costs of most banking packages in Canada. You can reach us by phone through our toll-free Consumer Contact Centre at 1-866-461-3222 (our TTY number is 613-947-7771 or, toll-free, 1-866-914-6097), or by visiting our Web site at www.fcac.gc.ca.