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CASE SUMMARY: BCCA FINDS CLAIM ALLEGING SURCHARGES LEVIED ON FOREIGN CURRENCY CONSTITUTED DECEPTIVE PRACTICE AND BREACHED MEMBER AGREEMENTS DID NOT FALL WITHIN COVERAGE AS THE CREDIT UNION'S POLICY EXCLUDED COVERAGE FOR SERVICE CHARGES

A claim alleging surcharges levied on foreign currency constituted deceptive practice and breached member agreements did not fall within coverage as the credit union's policy excluded coverage for charges for services.

Insurance law – Liability insurance – Exclusions – Interpretation of policy; Appeals – Standard of review; Class actions

Coast Capital Savings Credit Union v. Liberty International Underwriters, [2017] B.C.J. No. 2074, 2017 BCCA 362, British Columbia Court of Appeal, October 20, 2017, D.F. Tysse, H. Groberman and G. Dickson J.J.A.

A class action was brought against a credit union alleging that the credit union imposed unlawful surcharges on members' foreign currency transactions. The claim alleged this conduct was a deceptive practice and a breach of the credit union's contractual obligations to its members. The credit union sought an order that the insurer indemnify it for defence costs in the action. The lower court held that the claims fell within the policy's exclusion for claims based upon charges for services. The Court of Appeal agreed and the credit union's appeal was dismissed.

The fact that misrepresentations or deceptive practices were alleged did not diminish the connection between the foundation of the claim being for charges for services. There was a causal connection between the alleged deceptive business practices and charges for services.

This case was digested by [Kora V. Paciorek](#), and first posted on Quicklaw and published in the Harper Grey Insurance Law Newsletter. If you would like to discuss this case further, please contact Kora V. Paciorek at kpaciorek@harpergrey.com.

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