

Wells Fargo closes outlets in Canada

Wells Fargo Financial Corp. Canada is closing its outlets across the country and will no longer make customer loans, but will maintain existing real estate, auto and consumer loan accounts.

“In response to recent analysis of our operations, we have made the decision to stop originating consumer loan products in Canada,” the company said in a statement to customers on its website, which states that Wells Fargo has 130 stores across Canada.

The company is also suspending originations in its private-label credit card business.

Wells Fargo & Co., one of the largest banks in the United States, began to withdraw consumer lending from Canada in 2008 at the height of the financial and economic crisis. In November 2008, it decided to exit the indirect auto-lending business. Then, last July, Wells Fargo stopped offering residential mortgages and home-equity loans in Canada.

Wells Fargo Financial was the largest of the company’s five business lines in Canada, with total consumer receivables of \$1.9-billion at the end of April.

Wells Fargo and other U.S. lenders such as General Electric Co. thrived in Canada before the financial crisis. The companies loaned money to consumers and home buyers, including those who may not have qualified for loans from Canadian banks.

Canada’s financial services sector is dominated by the domestic chartered banks and while foreign players have managed to get a toehold in the country, history has been marked by dramatic entrances followed by often quiet retreats.

According to the Wells Fargo website, the company has been providing financial products and services to Canadians for more than 60 years.

Some operations will remain in Canada, including a building in suburban Toronto to administer existing loans and mortgages.

“There will be no change to our customers’ existing account terms and conditions,” said Rick Valade, president of Well Fargo Financial Corp. Canada. “We still have more than 450 team members based in Canada available to support and service existing customers.”

Business loan operations will continue through division under the umbrella of parent company Wells Fargo & Co., such as Wells Fargo Equipment Finance Inc., and Wells Fargo Global Broker Network, an insurance brokering and risk management services company.

In April, Wells Fargo & Co., which has combined assets of US\$57-billion, merged its asset lending businesses in Canada with similar operations acquired through its purchase of Wachovia Corp. in 2008. The combined operations operate under the name Wells Fargo Capital Finance.

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<http://www.financialpost.com/news/Wells+Fargo+closes+outlets+Canada/3133005/story.html#ixzz0qRuvrRe7>