

BLG Defeats Class Action Authorization for Banking Clients

Montréal, (August 9, 2019) — Significant class action victory for BLG: Authorization was successfully defeated on behalf of firm clients Bank of Montreal, Bank of Nova Scotia, Scotia Mortgage Corporation and Tangerine Bank in a mortgage prepayment fee proposed class action in Québec. The Court found that mortgage prepayment fees based on interest rate differential (IRD) calculations that exceed three months' interest are not illegal and that banks aren't prevented from factoring mortgage rate rebates into the IRD calculation. The Court further decided that prepayment clauses are regulated by the *Bank Act* and the Financial Consumer Agency of Canada and that such clauses are not abusive, incomprehensible or disproportionate. [The official reasons and decision can be consulted here](#) and an unofficial BLG translation is available.

BLG's [Mathieu Lévesque](#), [Guy Pratte](#), [Patrick Plante](#) and Anaïs Bussi res McNicoll acted for Bank of Montreal, and [Alexander De Zordo](#), [Karine Ch nevert](#), [Jean Saint-Onge](#) and [ ve Gaudet](#) acted for ScotiaBank, Scotia Mortgage Corporation and Tangerine Bank in this groundbreaking win.

For more information, please contact:

Kate Gifford
Borden Ladner Gervais LLP
KGifford@blg.com
416.350.6540



BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 725 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](https://www.blg.com)

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.