

Dismissing An Employee For Cause



What you need to know

Dismissing an employee for cause can be very challenging. However, on the right set of facts, it remains possible. A recent example is found in the case of *Morton v. Royal Bank of Canada*, 2024 F.C. 311. In *Morton*, the Federal Court upheld the decision of the adjudicator of the Industrial Relations Board that RBC was justified in terminating the employment of the claimant, Morton. Morton claimed unjust dismissal following her termination as an eighteen-year employee. She was found to have circumvented automated processes to manipulate client transactions, which resulted in her gaining almost \$100,000 in fees, bonuses, and commissions which she otherwise should not have earned. The adjudicator found that “RBC was entitled to lose confidence in the trustworthiness of the Complainant and to conclude that her conduct irreparably destroyed the heart of their employment relationship, which at its essence required honesty, integrity, and trust”. The adjudicator went on to find that “the nature of her employment responsibilities and her entitlement to compensation were clearly expressed in the [RBC Conduct] Code and the Guide, which she confirmed annually that she had read and understood. Instead, she chose to carelessly and recklessly disregard the Code and Guide and to put her own interests first”. It is worth noting that prior to her termination, Morton did receive a prior warning from RBC.

Context matters

The case underscores that in the right set of circumstances dismissal for cause is still available. However, it should be emphasized that establishing cause is still quite difficult and should be approached with caution from the employer’s perspective. An employer should always seek out and obtain legal advice prior to deciding to terminate an employee for cause or embarking on steps which it believes it should take in the face of a situation which may give rise to an eventual termination for cause. For instance, in this case, the law being applied is that of the [Canada Labour Code](#), which has its own nuances and distinctions separate and apart from the [Employment Standards Act](#) and the common law. Context matters.

If you require assistance with employment obligations, contact our [Trusted Employment Lawyers](#) and we would be happy to help.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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