New Zealand
Banking Association
Te Rangapū Pēke

12 September 2025

Bryan Chapple
Commissioner
Commerce Commission
Via email

Cc Dr John Small, Chair Commerce Commission
Hon Nicola Willis, Minister of Finance
Hon Scott Simpson, Minister of Commerce and Consumer Affairs

Dear Bryan

This letter is in response to your open letter of 2 September, titled Open Banking – our observations on recent progress.

As you know, the New Zealand Banking Association and its member banks are fully supportive of the move to open banking and the establishment of an innovative, competitive and secure regime for the benefit of customers.

There is content in the letter that I want to address on behalf of members of the New Zealand Banking Association, as we do not believe it paints a balanced view of the role banks are playing in delivering open banking to New Zealanders.

Open banking progress

Your letter raises concerns that banks are seeking to delay aspects of open banking and frustrating the progression of fintechs. We do not believe this is an accurate representation of industry development and market engagement and is not supported by fact.

Firstly, the banks involved in the first tranche of open banking have been moving at pace to implement open banking, despite delays in the draft Consumer Data Right regulations which are crucial for customer protection in an opening banking environment.

These banks have enabled a range of open banking payments and data sharing services, partnered with third parties and launched their own systems. As you noted in your open letter, New Zealand adoption levels are now comparable to those in the UK, despite the UK regime beginning its roll out in 2018.

The industry has taken a considered approach to open banking development, given the need to protect customers from fraud and scam risks and provide helpful education about how open banking can benefit them. For the public to gain confidence in open banking, it is important that fraud and data protection is prioritised given that the protection of customers should be everyone's primary objective.

Some banks have, however, proactively partnered with a small group of fintechs that currently have suboptimal or less secure arrangements, in the expectation that these will improve as the regime goes live. As you rightly note in your letter, it is not in the long-term interests of consumers for these methods to continue but we believe your proposed sunset date of 2028 remains too conservative and that the Commission would be best to drive an accelerated timeframe. We support an earlier deadline to better protect customers.

Your letter also states there have been concerns with the pace of partnering with fintechs who have suboptimal or less secure methods. Our view is that bilateral alignment with specific fintechs will not necessarily lead to the widespread open banking use that the Commission envisages. Instead, the focus should be on standardising the approach across industry so fintechs only have to build to one set of standards to solve certain use cases. The success and uptake of Poli and Worldline with Online EFTPOS are clear examples of what can be achieved when there is a common approach.

The regulatory environment must support open banking implementation. Regulations for the CDR framework have still not been finalised, and the industry is pushing ahead constructively despite the inherent uncertainty with this position. In the absence of a coordinated regime, the industry-led and bilateral contracting has inevitably led to differences in banks' onboarding approaches, terms and processes, and development timeframes. Nevertheless, banks have worked to fill the vacuum left by the delayed draft CDR regulations.

Last year Payments NZ proactively sought Commerce Commission authorisation to enable enhanced industry collaboration, to support momentum and assist with the development of an accreditation regime. This work is being led by the API Centre, with strong fintech representation.

Standardised APIs should continue to be developed through the industry-led process involving API providers and third parties, which is led by existing and emerging use cases and customer demand. API providers and third parties should avoid development of costly and inefficient bespoke APIs.

The Commission's stated expectation that all smaller banks "need to" join the Open Data regime by 2027 to avoid two tier retail banking is also not accurate. The current, legislated, opt in model is appropriate for smaller banks, who, for example, do not service retail customers but focus on large business customers. These business customers will be able to negotiate effectively with a range of financial services providers and will have access to tailored products and services that meet their bespoke needs without impacting on the competitive landscape for consumers.

Role of Get Verified Limited

There appears to be some confusion over the role of GetVerified Limited (GVL) and the Confirmation of Payee system. The industry is extremely proud of the speed at which Confirmation of Payee was established, partly in response to Government expectations[1], but its success is due to its narrow remit.

GVL's role is to support the delivery of a range of fraud and scam initiatives, including Confirmation of Payee. It is not an open banking product or utility and accordingly is not a member of Payments NZ or the API Centre.

There is no intent to exclude non-bank participants. GVL has been having active discussions with new participants to the Confirmation of Payee system, despite the system only recently fully bedding in.

GVL has separately written to you in response to your open letter and I would encourage you to engage with them to understand their role more fully.

As always, NZBA and our members appreciate the work of the Commission and its interest in open banking and payments. While we disagree on some topics in your letter, we hope to continue the tradition of open engagement.

Yours sincerely

[redacted]

Roger Beaumont
Chief Executive

[1] https://www.mbie.govt.nz/dmsdocument/28096-strengthening-bank-processes-and-consumer-protections-against-scams-open-letter-to-the-new-zealand-banking-industry-pdf