Matthews Law
COMPETITION · REGULATION · POLICY · STRATEGY

Level 33, Vero Centre
48 Shortland St
Auckland 1010

22 September 2025 **PUBLIC VERSION**

Commerce Commission

By email only: registrar@comcom.govt.nz
Ritchie.Hutton@comcom.govt.nz
[redacted]

Dear Commissioners and staff

NZBA AUTHORISATION APPLICATION– CIT SERVICES (S 58 COMMERCE ACT 1986): ALL

1. As you know we act for Armourguard Logistics Limited (**ALL**). ALL is a significant participant in the provision of national wholesale CIT services and directly affected by the application.

2. Our client is concerned that the application may be invalid and incapable of lawful assessment under Part 5 of the Commerce Act (CA) as framed. It is overly-broad, vague, not evidenced, and appears to seek to cover parties and conduct beyond relevant jurisdiction.

3. Accordingly, ALL respectfully requests that the Commission:

   a. declines to progress or decline the application for want of jurisdiction and validity;

   b. refuse interim authorisation; and

   c. if NZTA wishes to proceed, requires NZBA to refile a narrowed and properly specified application (or applications) before any further steps are taken.

4. Filing the application alone has several adverse impacts:

   a. it creates risk and uncertainty when there was none;

   b. it jeopardises an existing commercial contract with **[C-I-C];**

   c. it jeopardises ALL's ability to contract with other customers whose contracts are set to expire in the next **[C-I-C]** months, many likely adversely.

5. Relevantly we are advised that no bank (individually or via NZBA) has *ever* raised non-price factors such as resilience, continuity, or consumer outcomes with ALL — the only resistance has been to higher pricing or a ten-year contract term. They have resisted price increases despite the need for a sustainable industry model or their obligation to comply with RBNZ Outsourcing Policy – BS11 which is intended to ensure the viability of critical suppliers to the banks. This conduct contradicts NZBA's narrative. The banks seek permission to engage in cartel conduct to obtain enduring monopsony (buyer) power against a much smaller entity, rather than delivering public benefit.

6. The claimed public benefits are already achieved through ALL's established pricing methodology: through use of proposed uniform national contract terms (which had been established through negotiations with **[C-I-C]** from April - August 2025) and a utility-like

regulated pricing regime (including an infrastructure access fee (**IAF**)). This is designed to be sustainable and consistent with best regulatory outcomes (ie akin to Part 4) and has been reviewed and assessed by the New Zealand Institute of Economic Research (NZIER). See **attached NZIER report**.

7. The urgency claimed by NZBA is considered artificial and self-constructed. The banks have known since the April 2024 ACM/Evergreen merger filing and the Commission's October 2024 clearance decision that ALL would be the sole national CIT provider and that new contracts were required. They had nearly a year to prepare but instead filed at the last moment, seemingly to manufacture urgency. ALL considers that they should not be rewarded for their own strategic decisions or failures, especially given the costs and disruption their actions could lead to.

8. We **attach** ALL's submission with further details.

9. ALL welcomes the opportunity to discuss.

Yours faithfully
MATTHEWS LAW

ALL SUBMISSION

Executive summary

1. The application seeks to authorise NZBA, its current and *future* members that opt-in, and "any customers of CIT services in New Zealand," for 11 years (≈12 months bargaining + up to 10 years to give effect), with interim authorisation on urgency grounds.

2. That breadth and openness prevents a lawful assessment under a full authorisation process, let alone an interim process.

3. In essence, the banks are:

    a. seeking authorisation to collude for 11 years in an already problematic industry with demonstrated signs of financial stress brought on, in large part, by the disproportionate sustained buyer power exercised by banks seeking to reduce each individual bank's total cost of cash, including reducing consumer access to cash;

    b. not providing any evidence of the relevant counterfactual, nor an analysis of potential detriments, nor a quantification/evidence of net benefits as required;

    c. framing an application so broadly it is unclear what its scope is and therefore what the detriments can be;

    d. seeking to frame a desire for them to collectively set prices as an application is having broader benefits;

    e. despite these risks arguing that there is an urgency when any urgency is simply because they do not like the price terms.

4. Yet as noted ALL has taken a cautious and forward thinking approach by establishing a pricing methodology akin to that which would be established under Part 4, which has been reviewed and assessed by the New Zealand Institute of Economic Research (**NZIER**) which found the regulated methodologies and assumptions used by ALL as customary and reasonable.

5. That regulated pricing methodology creates different pricing for some of the parties which the banks are purportedly seeking to include in their application, and which would no doubt be worse off should the banks succeed in modifying ALL's proposed utility-like regulated pricing regime which allocates a significant portion of ALL's fixed national overhead costs solely to Tier 1 banks.

6. This submission asks the Commission to:

    a. **Decline to progress** NZBA's authorisation application **as invalid** on its face (or **decline authorisation for want of jurisdiction**), because as filed it is **too vague, over-broad and insufficiently evidenced** for the Commission to form the statutory "likely and specific" views required under Part 5.

    b. **Refuse interim authorisation**. Any asserted urgency is **self-created** (contract cycles were foreseeable over a year ago), and interim relief is exceptional, requires adequate particulars and is **not** a proxy for the final test. There are clear harms and no evidenced public benefits.

c. **Alternatively**, require NZBA to **re-file a narrowed application** or applications that (a) **identifies the actual participants** (not "any customers of CIT services"), (b) sets **precise conduct limits** (including information-sharing protocols and governance), (c) **excludes** any **step-in/contract-takeover** mechanics (which are **merger** matters), and (d) includes **credible, quantified evidence** of **New Zealand** public benefits and pass-through.

7. As noted in the cover letter, the fact of the application causes harm, and in fact, creates the specific problem that the banks say they are seeking to address. If they accepted the price terms there would be no concerns. Regardless, they have not evidenced any benefit and clearly 11 years of collusion is problematic given your findings banking competition.

8. Please see **Annex A**. This is a condensed chronology of ALL engagement with the banks which highlight the lengths ALL has gone to provide advance notice of ALL's integration planning for ACM New Zealand, the initial cost savings and synergies targeted by ALL for the benefit of consumers, and ALL's plans to self-regulate by implementing a utility-style regulated pricing regime (including the establishment of an Infrastructure Access Fee (IAF) which shall be allocated solely to the Tier 1 banks) which was extensively reviewed and assessed positively by the NZIER.

Grounds for rejection of the application

Ground 1 - participants & parties affected improperly defined & analysed

9. "Any customers of CIT services in New Zealand" is not a properly defined class. NZCC practice accepts classes only where governance, registration and scope are tightly defined (cf. Payments NZ, where a structured registration framework existed and conditions were still imposed to address conflicts). NZBA's "open invitation" exceeds what the Commission can responsibly authorise.

10. Under the CA, an authorisation's effect attaches to "the applicant" (s 58A) and, at most, extends to other persons "named or referred to" in the application or those later becoming parties to the *same* specified arrangement if the authorisation is expressly framed to that effect (s 58B).

11. That framework does not enable an open-ended authorisation covering "any future customers" or an undefined class. The Commission's s 58 form reinforces the need to identify parties and provide consultation-ready particulars.

12. The Government's 2025 reforms were announced precisely to create new tools for classes/future participants, confirming the limits of the current authorisation regime in this respect. In that sense, it seems the scope of claims beneficiaries may be ultra vires.

13. Moreover, it is unclear if this class would be willing to participate and it does not seem to have considered that that extended class could well be adversely affected by the proposal.

14. The application should be rejected on this basis.

Ground 2 - attempt to vary contracting is ultra vires

15. Clause 9 of the NZBA application improperly suggests the Commission could require extensions of ALL's existing bank contracts. The Commission has no such power.

16. Under Part 5 of the Commerce Act, its role is limited to authorising conduct that might otherwise breach competition law. It cannot vary, extend, or rewrite private agreements.

Contract maturities are governed by private agreement and may only be altered by mutual consent. Any implication to the contrary risks undermining contractual certainty and verges on tortious interference.

17. At most, the Commission could authorise the banks to collectively seek extensions without liability under the Act, but it cannot compel ALL to accept them.

18. The application should therefore be rejected as misconceived and beyond the Commission's statutory remit.

Ground 3– Overly broad and vague scope

Scope of conduct, claimed benefits and claimed absence of detriments

19. The application essentially seeks permission for an 11-year cartel without clarity on what this involves and why. Without specifics, it is impossible for any parties to comment meaningfully. It is incumbent on the applicant to provide sufficient specificity on all these details which they have failed to do.

20. As noted, the application has the following effects:

    a. it creates risk and uncertainty when there was none;

    b. it jeopardises an existing commercial contract with **[C-I-C];** and

    c. it jeopardises ALL's ability to contract with other customers whose contracts are set to expire in the next **[C-I-C]** months, many likely adversely.

21. The application boldly states – without evidence – that there would be no detriments when ALL considers this is self-evidently and dangerously wrong.

22. The application lacks specificity and must be rejected.

Ground 4 - No nexus between the opposed conduct & claimed benefits

23. The Authorisation Guidelines (June 2023) require that benefits and detriments be likely and specific to the agreement and supported by relevant evidence. The Commission expects quantitative analysis where possible and warns that insufficient evidence will weigh heavily against authorisation.

24. There is no evidence that any price impacts from the claimed conduct would result in a public benefit. As a starting point, absent the banks specifying the benefit they intend to offer their New Zealand customers, the price terms would merely be a wealth transfer from a far smaller private supplier to large offshore owned banks. There is no inherent benefit in that, and it is not something capable of being authorised. There would, in fact, be adverse impacts on other customers if banks were successful in their efforts to reduce their pricing given the utility-like regulated pricing regime proposed by ALL (and agreed to by [C-I-C]) which allocates a significant portion of ALL's fixed national overhead solely to Tier 1 banks. These adverse impacts on other customers is not noted anywhere in the applicant's submission.

25. The claimed efficiencies (non-price benefits) would be obtained under the counterfactual and again there is no evidence that these would flow through to consumers.

26. More importantly, the users of cash are consumers, and their interests are often not aligned with the banks. Furthermore, there is no evidence of "pass- through" so any effort would seem to be private.

27. It is important to distinguish between the price and non-price benefits and clarify where the alleged benefits and detriments fall, and how these are a benefit to the public of New Zealand.

28. NZBA's public version does not provide quantified pass-through to New Zealand consumers, nor does it substantiate claimed sustainability or efficiency benefits with credible data. The Commission cannot be satisfied under s 58 that benefits outweigh detriments without such evidence.

Ground 5 - insufficient information to make a determination

29. The s 58 and s 65AD forms require a public version with sufficient detail to enable consultation. NZBA's public version lacks specificity regarding participants, conduct, governance, duration rationale, and quantified benefits. This impedes meaningful consultation and assessment, contrary to Commission expectations.

30. The Authorisation Guidelines require likely and specific benefits/detriments, and the public version must allow meaningful testing. As framed—open class of participants ("any customers of CIT services"), open-ended information exchanges/standardisation, undefined governance and 11-year duration—the Commission cannot lawfully "make up its mind on the evidence."

31. The Commission decides on the evidence before it; it cannot decline or approve based on uncertainty about how things might develop. Where insufficient information is provided, the Commission should not progress or should decline (or at the least refuse interim) rather than speculate. (The Commission's own forms emphasise the need for comprehensive information and consultation-ready public versions.)

32. Accordingly, the Commission cannot reach a conclusion that it would be satisfied there would be net necessary public benefits based on the application and must therefore reject it.

Ground 6 — Urgency is self-created; interim authorisation inappropriate

33. Interim authorisation is **exceptional**; it does not indicate eventual success.

34. The Guidelines make clear the Commission must still be **suitably informed**; urgency alone (especially based on clearly **foreseeable contract cycles**) **does not justify** relaxing the evidentiary standard.

35. The urgency cited by NZBA is artificial. The banks have known about ALL's position since the April 2024 filing of the ACM/Evergreen merger and the Commission's October 2024 clearance decision. They have had ample time to prepare for known contract renewals and cannot now claim urgency as justification for cartel conduct. Due to their own inaction, they now claim urgency. They should not and cannot benefit from their own conduct.

36. Further, ALL is currently incurring monthly losses and has lost [C-I-C] million during the first half of 2025 which represents a 215% increase over the same period in 2024 and is on pace to almost double the loss incurred for all of fiscal 2024. Any interim order that delays ALL's ability to execute new contracts on sustainable pricing and terms would have the result that the banks claim that they are seeking to avoid – it would risk tipping the sole remaining CIT service provider into financial distress, directly undermining the viability of the national CIT network.

37. An interim authorisation would prolong and deepen the monthly operating losses that ALL is already incurring. These losses cannot be sustained while ALL is required to commit significant amounts of essential capital to maintain the national CIT network.

38. Interim authorisation therefore risks immediate financial distress, and undermines the long-term resilience of New Zealand's cash infrastructure, a mandate which all banks are obligated to support under RBNZ Outsourcing Policy – BS11. There is no urgency or evidence of imminent failure under the status quo.

39. In fact, ALL has already completed (4 months of) negotiations and executed a new ten-year cash services contract based upon the new utility-like regulated pricing regime (inclusive of the IAF) with **[C-I-C].** As indicated in the chronology of discussions with the banks (see Annex A), in an effort to further facilitate an organised, timely and transparent transition to a utility-like regulated pricing regime for all remaining banks, ALL subsequently shared a uniform copy of the **[C-I-C]** contract terms and pricing with all remaining banks whose contracts expired **after [C-I-C]**, providing such banks with between 4 and 9 months advance notice. (A more detailed chronology is available and can be provided.) Harm from information exchange among the banks would be **irreversible**.

40. The Commission must also be alert to a **serious perverse incentive created by NZBA's application**. If banks are permitted to collectively delay or suppress pricing through coordinated negotiation, they could weaken ALL financially to the point of distress. The banks understand under their shared Deed of Cooperation they enjoy step-in rights in the event of ALL's insolvency. Allowing interim or final authorisation in these circumstances risks enabling precisely that outcome: banks engineering the collapse of the sole remaining national CIT supplier, only to allow the banks to step in under a framework originally designed for resilience and public protection. **This would be an extraordinary abuse of market power and the gravest possible public detriment**.

41. There is also a fine line between authorising collective bargaining and enabling tacit collusion or even a collective boycott. Once sensitive information is shared among the banks, coordination effects become irreversible and risk extending beyond CIT into broader financial markets. The scope of NZBA's application appears to sweep in non-price issues and other categories of users, which is unnecessary and dangerous.

42. That is especially the case when the factors we have noted above are present:

    a. a class of claimed beneficiaries/applicants that appears invalid;

    b. some of those claimed beneficiaries are, in fact, likely to be harmed given any reduction in pricing to the banks will no doubt have to be reallocated to those other classes of customers or consumers;

    c. the application is not capable of being authorised because there is insufficient specificity of the conduct;

    d. the application is not capable of being authorised because there is no analysis, nor evidence to support it;

    e. there is no analysis of the counterfactual or less intrusive options;

    f. ALL has a clear pricing methodology, reviewed and assessed by a reputable third party economist to be consistent with a regulatory regime which maximises cost effective supply to all non-bank customers by allocating a significant portion of ALL's fixed national

overhead costs solely to Tier 1 banks - revisiting that approach will lead to considerable additional costs, risk, and uncertainty; in other words, **exactly what the banks suggest they seek to avoid**;

g. regardless, if that methodology proved inappropriate a better forum would be Part 4, but the methodology adopted by ALL is consistent with Part 4;

h. contrary to the assertions in the application, there are:

i. detriments from the fact of the application;

ii. clear risks from; and

iii. no evidence of public benefit.

43. Concerning the proposal, if authorised, it could lead to the applicant's being incentivised to make our client unprofitable and then seek to exercise their step in rights.

44. The application should be rejected.

45. Given the circumstances and the risks that the Commission were inclined to bypass a proper analysis, ALL briefly submits on some of the competition points below.

Comments on some analytical flaws in the application

Point 1 – Factual vs counterfactual

46. The analysis should be based on the following factual and counterfactual:

a. **Factual:** Banks are permitted to coordinate bargaining as a block, risking monopsony effects.

b. **Counterfactual:** ALL continues to offer all bank customers uniform CIT contracts and utility-like regulated pricing (including an IAF intended to recoup minimally required national fixed overhead costs) independently reviewed and assessed by the NZIER, delivering fairness without buyer collusion.

Point 2 – the claimed public benefits will be achieved already (no nexus)

47. The banks' claim that public benefits require collective bargaining is illusory.

48. ALL's proposed utility-like regulated pricing regime (including the IAF) – independently reviewed by the NZIER— allocates a significant share of national cash infrastructure costs solely to Tier 1 banks, **thereby enabling affordable services for ATM providers, large commercial users, and SMEs**.

49. Undermining this framework through collective bargaining would **undoubtedly shift costs onto smaller players** and further threaten equitable access to cash.

50. The IAF, together with uniform contract terms, ensures ALL earns only regulated-style returns benchmarked against infrastructure peers, prevents discrimination among customers, and supports system resilience and sustainability. In parallel, ALL has already begun delivering further customer benefits through rationalisation of duplicative assets and employees,

integration of ACM and ALL infrastructure, and execution of a transition plan to capture estimated cost savings and synergies of approximately $[C-I-C] million.

51. Supporting evidence is available: NZIER IAF Review & Assessment (provided with the submission), historical annual and year to date 30 June 2025 financials (updating information previously provided), uniform contract templates, capital expenditure and lease commitments, resilience metrics, timeline of ACM integration and rationalization plan, and contractual clauses demonstrating responsiveness.

Point 3 - The real competition problem is historic buyer power

52. The sole provider outcome reflects the disproportionate and sustained buyer power exercised by banks seeking to reduce each individual bank's total cost of cash, including reducing consumer access to cash, which forced ALL and ACM to offer prices below cost, ultimately causing ACM to exit the New Zealand cash economy.

53. The application also "fudges" important concepts like market definition, market power, and market participants.

    a. it does not adopt the market definitions used in the clearance determination;

    b. it therefore extends the relevant market and ignores other players;

    c. it equates being a sole provider with market power, yet market power requires an assessment of constraints from competitors, potential competitors, suppliers and customers;

    d. none of these have been considered or addressed in the application. Most obviously, the banks continue to retain the "make or buy" option. Banks may also seek to further reduce access to cash as they chose to do over the past decade by closing bank branches and/or selling ATMs while marketing alternative forms of cash including ATM, debit, and other digital currencies.

Point 4 – The conduct could have far broader negative externalities

54. If granted, the proposal could result in the following even greater coordination between competitors in a concentrated industry which the Commission and the government have expressed concern about.

55. Tacit collusion is not illegal and could occur more often. It appears that the government will not introduce a prohibition on "concerted practices."

56. It can be expected that the banks collective dominance and market power would be increased.

Point 5 – the Australian experience is not analogous

57. The Australian Competition and Consumer Commission (ACCC) permitted only limited, temporary collaboration in the exceptional context of Linfox Armaguard's post-merger viability concerns, and subject to strict conditions, funding arrangements and ongoing reporting.

58. Those authorisations followed, and were layered on top of, a court-enforceable undertaking imposed as a condition of the Armaguard/Prosegur merger. The ACCC **did not** grant an open ended, long-dated general licence to collectively bargain.

59. NZBA's reliance on the ACCC's decisions is misplaced: the Australian authorisations addressed an entirely different fact pattern - a single supplier in documented financial distress (ie crisis) and were tightly conditioned, including limitations on the scope of coordination and regular reporting. No comparable justification or safeguard exists here. ALL is not insolvent, but does need sustainable pricing.

60. More importantly, it appears that it is the banks unwillingness to accept new sustainable utility-like regulated pricing framework which is likely to cause the very detriment (ALL viability) that they now allege collective bargaining is needed to avoid.

61. Their repeated references to a "fair" price highlights their true objective: price suppression, not resilience or consumer benefit.

62. As noted, no bank has raised non-price factors such as resilience, continuity, or consumer outcomes with ALL — only resistance to higher pricing or a ten-year contract term, which previously was acceptable when prices were suppressed by the banks, but now ALL is accused of being anticompetitive and limiting market competition. Non-price aspects could have been dealt with quite easily separately. It is considered that these factors are raised to give the application "respectability".

63. However a far less intrusive and more appropriate mechanism to review prices exists under Part 4. Indeed that has the purpose of part 4 and the authorisation process should not be misused as a "backdoor" to achieve that outcome.

Point 6 - Public detriments from authorisation

64. Interim and or final authorisation could result in the following negative effects. If interim authorisation were granted the detriment may be irreversible.

    a. Monopsony/cartel effects.

    b. Reduced resilience and safety.

    c. Information-exchange spillovers.

    d. Irreversibility of coordination harm.

    e. Innovation and investment deterrence.

65. ALL's heavy capital investment programme - including fleet renewal, facility leases, cash processing systems, and BCP/DRP upgrades - is directly aligned with national resilience obligations under the Reserve Bank's Outsourcing Policy (BS11) and the Civil Defence Emergency Management Act. Delays caused by collective bargaining would undermine these critically important objectives and weaken the resilience of New Zealand's cash infrastructure.

66. This would represent a misuse of market power with serious and irreversible public detriments, including the risk of systemic instability.

Point 7 – Less-restrictive alternatives

67. ALL has repeatedly communicated with all banks regarding the third-party independent nature of its proposed utility-like regulated pricing regime which guards against monopoly rents, its willingness to maintain transparency and uniform contract terms, periodic IAF resets, dispute resolution, and resilient KPIs.

68. These fully achieve NZBA's aims without competition detriments.

69. There are far more appropriate alternatives to an eleven-year cartel arrangement, including ALL's current targeted and evidence-based application, which separately address both price and non-price terms.

Conclusion

70. The Commission should recognise that:

a. Authorisation here would set a dangerous precedent – allowing the largest corporates in New Zealand to form a buying cartel whenever they dislike a supplier's pricing or contractual terms. This outcome would undermine the purpose of section 1A of the Commerce Act – to promote competition in markets for the long-term benefit of consumers – and risk eroding confidence in the Commission's integrity and role as guardian of competitive markets.

b. The urgency claimed by the NZBA is manufactured – the **banks and NZBA have had more than a year** to anticipate, manage and negotiate new contracts with ALL prior to existing expirations.

c. ALL's proposed utility-like regulated pricing regime (including the IAF) provides a transparent and third-party verified mechanism for regulated and fair returns.

d. Importantly, under ALL's proposed pricing regime, a significant portion of ALL's fixed national overhead is specifically allocated solely to Tier 1 banks. This structure ensures that banks shoulder their fair share of the cost of maintaining national cash infrastructure, while effectively enabling continued affordable services for ATM providers, small and medium-sized businesses, and other commercial customers. Any erosion of this framework through collective bargaining would shift costs onto smaller players and ultimately threaten equitable nationwide access to cash.

e. Interim authorisation risks financial distress at a time when ALL is already operating at a significant loss and would further delay essential capital commitments. ALL's significant capital investment programme – including fleet renewal, facility leases, cash processing systems, and BCP/DRP upgrades – is directly aligned with national resilience obligations under the Reserve Bank's Outsourcing Policy (BS11) and the Civil Defence Emergency Management Act. Delays caused by collective bargaining would undermine these critically important objectives and weaken the resilience of New Zealand's cash infrastructure.

f. The supposed public benefits are **already being delivered** through ALL's uniform bank contract terms and utility-like pricing framework (including the IAF) as well as the ongoing national infrastructure rationalisation and synergy program which is estimated to secure approximately [C-I-C] million in recurring annual infrastructure cost savings. It is also critical to recognise that **the interests of the major banks are not aligned with consumers**. Banks have consistently reduced cash availability by closing branches and ATMs, and by discouraging cash use. T**heir objective in this application is solely to continue to reduce their own costs, not to enhance consumer welfare.** There is no demonstrated benefit to New Zealand consumers – only a wealth transfer to offshore shareholders. In assessing claimed benefits, it is important to distinguish cost reductions for banks from genuine public benefits. **Reduction in banks' costs, without evidence of**

pass-through to consumers, are not public benefits under the Commerce Act framework;

g. Despite its exceptional requests, the application lacks any supporting economic evidence which **is striking** and should not be overlooked.

h. The scope of the NZBA application is excessively broad and risks scope creep and tacit collusion. Non-price terms have not previously been raised as issues and do not require cartel conduct to resolve. NZBA now claims benefits for a wide class of supposed beneficiaries without evidence and even seeks authorisation covering step-in rights under the bank's collective Deed of Cooperation. This demonstrates the overreach of the application. If the Commission does not decline the application outright, it must at a minimum clarify and narrow scope, excluding non-price terms and step-in rights.

i. Authorisation would entrench buyer power and risk systemic harm. By enabling coordinated delay and suppressed pricing, the application risks driving ALL into insolvency. The banks could then exploit step-in rights under their collective Deed of Cooperation to assume control of the national cash network. Such a perverse outcome would undermine the very stability the Deed was designed to safeguard.

71. Accordingly, the Commission should reject both interim and final authorisation, as there can be no prospect of the Commission being able to be satisfied that the unsubstantiated claimed benefits from an ill-defined proposal, which the Commission may not even have jurisdiction to accept as currently framed, do not outweigh the significant competitive and public detriments.

ANNEX A – condensed chronology of ALL engagement with the banks

This condensed chronology highlights the strong examples of ALL providing ample notice, transparency, and cooperation to transition banks to the new utility-like regulated pricing framework.

2024 – Early Notice and Market Transition

- 10 Apr 2024 – ALL filed its NZCC application to acquire ACM, giving all banks more than 18 months' notice that market change was imminent;
- 31 Jul 2024 – ALL purchased Armourguard Security's (**AGD**) CIT assets and employees shortly after the ACM filing, before realising one of its bank customer's (Bank #1) MSA with AGD contained a hidden extension. This was an unfortunate administrative oversight given the comprehensive activities during two simultaneous acquisitions, not malicious intent;
- 8 Oct 2024 – NZCC approved the ACM acquisition, again putting banks on notice anywhere from 12 to 18 months before contract expirations were set to begin.

Early 2025 – Transition Planning and Transparency

- 31 Mar 2025 – ALL closed its acquisition of ACM. At that point, all Tier 1 bank MSAs (except for Bank #1) were due to expire within 12 months, creating a clear opportunity to transition the entire market to a new pricing framework;
- Apr–Jun 2025 – ALL presented the utility-like regulated pricing regime (including the IAF) and branch integration plans to Banks # 1, 2, 4, and 5. Termination notices were issued (90–120 days) to those bank contracts which included such clauses. ALL shared the NZIER's independent review and assessment of the IAF and provided extensive opportunity to discuss bank concerns. Banks engaged in multiple meetings and were given a detailed list of FAQs regarding the new utility-like regulated pricing regime;
- Apr–May 2025 – Follow-up letters to Bank #5 and Bank #2 clarified termination dates, provided the NZIER Report and IAF FAQs;
- 19 Apr 2025 – Bank #5's termination period was extended from 90 to 120 days, showing ALL's flexibility and commitment to work constructively and develop a strong working relationship;
- Bank #2 received more than 8 months' notice, again demonstrating ALL's commitment to work in good faith and provide Bank #2 with ample time to prepare for contract negotiations and transition to a new pricing regime.

Mid 2025 – Good Faith Negotiations

- 16 Jun 2025 – Clarifications to Bank #5 included FAQs and detailed responses to concerns, supported by NZIER discussion and review;
- 24–31 Jul 2025 – CEO-level meetings with Bank #5 and senior leadership meetings with Bank #4 and Bank #3 reflected cordial and cooperative relationships. Emails with Bank #5's CEO described negotiations as constructive with "a fair amount of give and take;"
- **Notably, emails from Bank #5 CEO are especially cordial and make no assertions that they were negotiating or being forced to sign the new MSA "under duress."**

Aug 2025 – Resolution with [C-I-C] and Bank #1

- Aug 2025 – Bank #5 and ALL complete MSA negotiation; Bank #5 executes a new 10-year MSA validating the new utility-like regulated pricing regime;
- Despite the four-month constructive negotiations with ALL, Chapman Tripp (Bank #5 antitrust counsel) sends a letter to Andrew Lewis (counsel to ALL) making a host of incorrect assertions and suggesting Bank #5 signed the new MSA under duress;
- Bank #1 initially appeared aligned, but an overlooked AGD amendment extended its MSA to Sept 2031. Once discovered, ALL acted in good faith:
    - Offered to novate its MSA to ALL;
    - Offered to extend its services at loss-making prices through Mar 2026;
    - Offered Bank #1 [C-I-C] to compensate the bank for agreeing to waive its MSA extension rights and aligning its contract maturity with the balance of the banking community.
- In a surprise response, Bank #1 instead agreed to waive its MSA extension rights in exchange for AGD immediately novating its MSA with Bank #1 to ALL and continuing to serve Bank #1 for 6 more months (through Mar 2026) at loss-making prices; and
- **Bank #1 specifically requested any reference to ALL's offer [C-I-C] be removed from the settlement documentation, but ALL retains evidence of these email communications should they be requested by the Commission.**

Sep 2025 – Proactive Alignment with Broad Circulation of a Uniform Contract and Pricing to the Broader Banking Community

- 29 Aug – 15 Sep 2025 – ALL circulated revised MSAs to Bank #2, Bank #4, and Bank #3 well in advance of their contract expiry – giving [C-I-C] months' lead time. This time period provided ALL with a clear opportunity to transition the entire New Zealand market to ALL's proposed utility-like regulated pricing regime, ensuring fairness, transparency, and resilience across the system.

Summary narrative

Throughout 2024–2025, ALL provided ample notice, transparency, and cooperation. Each bank was given over a year to prepare, held several meetings and calls with ALL management, received the NZIER Report, and were provided a list of detailed FAQs in an effort to transition all banks to a new sustainable utility-like pricing framework. [C-I-C] validated the framework by negotiating heavily for four months and then signing a 10-year MSA [C-I-C]. The overall record demonstrates ALL acted as a responsible steward of national cash infrastructure, not a monopolist.