

18 August 2025

Kia ora [REDACTED]

Official Information Act request 25.017

Thank you for your request of 21 July 2025 for information related to Buy Now, Pay Later (BNPL) providers in relation to the requirements of Credit Contracts and Consumer Finance Act 2003 and the Credit Contracts and Consumer Finance Regulations 2004. This request has been considered under the Official Information Act 1982 (the OIA).

Our response

First request:

Please can the Commission tell me if any BNPL providers have sought to rely on the affordability exemption under s 18K of the Credit Contracts and Consumer Finance Regulations 2004?

It is the Commerce Commission (the Commission)'s understanding that Buy Now Pay Later (BNPL) providers like Afterpay NZ Limited, Klarna New Zealand Limited, and Zip Co NZ Finance Limited are relying on the exemption outlined in regulation 18K rather than completing an affordability assessment under section 9C of the Credit Contracts and Consumer Finance Act (CCCF Act). However, the Commission has not investigated any specific instance where a BNPL provider has sought to rely on the exemption in regulation 18K in relation to a particular BNPL loan.

Second request:

Red Rat Clothing Limited (Registration Number: FSP43181) offers a payment option called "SplitPay". SplitPay is a sister company/associated entity of Red Rat, which provides credit to Red Rat customers so that they can make purchases in twelve equal weekly instalments or six equal fortnightly instalments. SplitPay does not charge interest, but late fees are payable.

SplitPay performs credit checks as part of their application and risk assessment process. SplitPay checks information such as the applicant's credit history, existing credit accounts, payment behaviour, and any defaults or collections listed on their

credit file. These checks impact the customer's credit score, because they are hard enquiries that are recorded on the customer's credit file.

Please can the Commission tell me if SplitPay, or alternatively, Red Rat Clothing Limited, has sought certification as a BNPL credit contract per the certification requirements under Part 5A of the Credit Contracts and Consumer Finance Act 2003?

The Commission can advise that Red Rat Clothing Limited is registered on the Financial Service Providers Register (FSPR) for the service "Creditor under a credit contract – consumer credit contract" and certified by the Commission for that service under Part 5A of the CCCF Act.¹

Third request:

OPSM, owned and operated in New Zealand by Luxottica Retail New Zealand Limited, offers a payment option called "Visionplan". Under this payment option, Debitsuccess Limited provides customers with credit so that they can buy OPSM products through paying weekly, fortnightly or monthly installments. Debitsuccess does not charge interest, but late fees are payable to Debitsuccess, and Debitsuccess is in charge of collecting payments from the OPSM customers.

Please can the Commission tell me if Debitsuccess Limited has sought certification as a BNPL credit contract per the certification requirements under Part 5A of the Credit Contracts and Consumer Finance Act 2003?

The Commission can advise that Debitsuccess Limited is not registered on the FSPR for the service of "Creditor under a credit contract – consumer credit contract" and is not certified by the Commission under Part 5A of the CCCF Act for that service. We note Debitsuccess Limited is registered on the FSPR for the service of "Operating a money or value transfer service."²

Fourth request

Please can the Commission tell me if there is any enforcement action currently being taken or that has been taken since 19 May 2025 against any BNPL provider, and provide brief details of any such action.

The Commission does not have any open investigation into any BNPL provider and we have not taken any enforcement action against any BNPL provider since 19 May 2025.

¹ <https://fsp-app.companiesoffice.govt.nz/orp-fsp-register/viewInstance/view.html?id=757b371f1b6eec44bad4008937136b8fb9bb052734785546647dc2b92821b2c3&>

² <https://fsp-app.companiesoffice.govt.nz/orp-fsp-register/viewInstance/view.html?id=757b371f1b6eec44bad4008937136b8fc06ba8d7ed611e685328e524d8ebf87d&>

The Commission is intending to open a monitoring project into BNPL providers in the short to medium term to understand industry compliance with the CCCF Act (refer section 111(2)(a) of the CCCF Act).

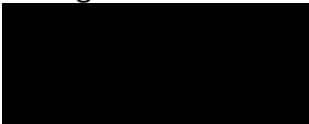
Further information

We hope this response has been helpful. If you have any questions about this response, please do not hesitate to contact us at oiia@comcom.govt.nz.

If you are not happy with our response, you have the right to complain to the Ombudsman. Information about how to do this is available at www.ombudsman.parliament.nz.

Finally, confirming the Commission may publish this response on our website as part of our proactive release process. All personal information will be redacted prior to publication.

Ngā mihi nui



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