Retail Payments – Monitoring Snapshots

Pay by bank (open banking) costs businesses much less than Visa and Mastercard*

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COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

Pay by bank (also known as open banking) is a secure way for customers to pay directly from their bank account without using a debit or credit card. For businesses, these services can offer **lower costs, faster payouts and additional functionality** than traditional card payments or bank transfers.



How can businesses securely use pay by bank today?

Online checkout - Customers pay directly from their bank account at checkout.

Payment links - Businesses send a link for customers to pay through.

Recurring payments - Customers authorise ongoing payments for subscriptions or memberships.

Invoices - Businesses can embed payment options directly into invoices.

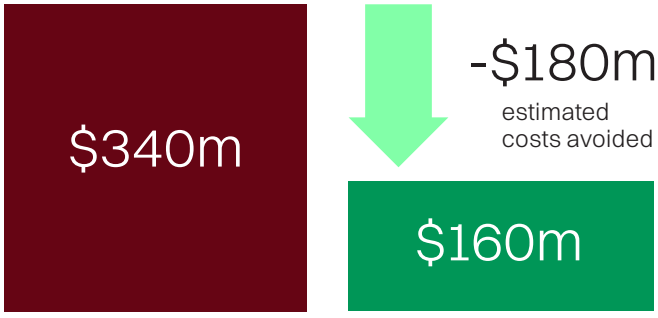
In-store payments - Customers pay in person using QR codes or mobile apps.

Our goal is to promote efficiency in the payments system, while supporting the entry and growth of new payment alternatives.

Businesses **could avoid paying around $53 for every $100 they currently spend** to accept Visa and Mastercard debit transactions by using lower-cost pay by bank options*

* Based on the estimated annual merchant cost of eligible Mastercard and Visa debit transactions from our ongoing monitoring, compared with the estimated cost of processing those same transactions using publicly advertised pay by bank pricing. Actual savings may vary depending on transaction volumes, merchant requirements, provider pricing and any volume-based discounts. Pay by bank is also known as open banking.

Businesses could avoid $180m in costs*



Annual debit acceptance cost

Pay by bank solutions available today

The providers shown offer pay-by-bank products that are available to businesses today and are accredited participants under New Zealand's Consumer Data Right. Businesses should contact providers directly, or speak with their payment service provider, to understand integration and pricing options for their specific needs.

	Cost per Transaction	Monthly Fee	In-person Payments*	Online Payments	Invoice Payments	Recurring Payments	Payout Timeframe
Akahu	15¢	Not Publicly Disclosed	✓	✓	✓	✓	1 Hour
BlinkPay	0.49-0.59%	Min $99	✓	✓	✓	✓	2 Hours
Online EFTPOS	Not Publicly Disclosed	Not Publicly Disclosed	✗	✓	✓	✓	Overnight
Direct Pay	Not Publicly Disclosed	Not Publicly Disclosed	✓	✗	✓	✗	Overnight
Payap	0.39-1%	No Monthly Fee	✓	✓	✗	✗	Daily
POLi	1% Max $3 per transaction	$10 Minimum Monthly Charge	✗	✓	✓	✓	1 Hour
Qippay	Not Publicly Disclosed	Not Publicly Disclosed	✓	✓	✓	✓	Same day
Volley	35¢	Negotiated Monthly Fee	✓	✓	✓	✓	1 Hour
Comparison							
Visa and Mastercard	0.70-2.65%	Varies by Provider	✓	✓	✓	✓	1-3 Business days

* In-person payments refer to products that have a QR payment option currently. Pricing, settlement times and features were sourced from provider websites and verified with providers at the time of publication. Customised pricing may be available depending on processing volumes, integration requirements and merchant needs.

What we're doing

We're monitoring how businesses accept and integrate pay by bank services and what factors support or hinder adoption.

We want to hear from you

Whether you've implemented pay by bank, explored it, or faced barriers to adoption, we'd be interested in hearing about your experience.

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