

Changes in the payments system

October 2025



If you're a New Zealand business, there are changes coming in the payment system that will affect you.

We want to support you to get ahead of the changes and make the most of opportunities to lower costs and deliver benefits for you and your customers.

Lower Merchant Service Fees

We've lowered the costs you pay to accept Visa and Mastercard payments, **saving small and medium businesses around \$500 each year**.

These savings will come to you through lower Merchant Service Fees paid to your bank. We've lowered interchange fees which make up the largest component of the merchant service fee you pay each time you accept a Visa or Mastercard payment.

We saw banks automatically pass through 90% of savings from previous fee reductions and we expect a similar passthrough with this reduction.

- From 1 December you can expect to pay less to accept domestically issued cards, which will be the majority of payments you accept
- From 1 May 2026 you can expect to pay less to accept foreign issued cards that are used by the many tourists that visit New Zealand.



Open Banking

New payment methods powered through open banking are providing new ways to pay, like 'scan to pay' options that use QR codes. These new ways to pay are expected to become more widespread from 1 December this year as they start to be regulated.

This presents an opportunity for you and your customers as these payment methods may be **lower cost, more efficient, and be easier for you and your customers to use**.

We encourage you to consider if your current payment methods are right for you and your customers and explore open banking options. Some are already available, and we expect this to increase.

Surcharging Ban

The Government is planning to ban payment surcharges in New Zealand. More information is available [here](#).

Under a surcharge ban, you won't be able to surcharge customers if they choose to pay with Eftpos, Visa, or Mastercard when making purchases in person irrespective of whether they choose to tap, swipe or insert their card, or use a digital wallet on a phone or watch. The ban on payment surcharges does not apply to online payments.

What you should do

We encourage you to take time now to understand what you need to do to comply with the ban and consider if your payment options are providing value to you and your customers.

Importantly, if you currently apply a surcharge for any in-person payments, we encourage you to contact your card reader or terminal provider to check if you need to do anything to turn off the surcharging capability ahead of the ban taking effect.

Are you a business offering Mastercard and Visa payment options for in person purchases?

Yes

No

Contact your bank to make sure lower interchange fees are passed onto you

The changes to Merchant Service fees and surcharging won't affect you.

Are there other payment options you could offer, i.e. scan to pay?

Consider if your range of payment options work for you and your customers.

Are you happy with the Merchant Service Fee offered by your bank or does a different bank offer one better?

Do you currently surcharge for Visa and Mastercard in person payments?

Yes

No

Contact your card reader provider to find out if they can turn off surcharging remotely

No action needed to comply with the surcharging ban

Yes

No

Follow instructions from your provider to make sure surcharging can be switched off automatically

Create a plan with your provider, this could be a store visit, or instructions for you to turn the function off

Ensure that surcharging is turned off