

Commerce Commission lender webinar on supporting vulnerable consumers - Opening speech for Sarah Bartlett, Director Credit

August 2025

Kia ora koutou katoa, nau mai haere mai,

I'm Sarah Bartlett, Director Credit here at the Commerce Commission. It's great to have you joining us today. We appreciate your time and your continued engagement as we work together to ensure when New Zealand consumers borrow money, they can do so safely.

This session is an important one, it's all about supporting vulnerable consumers. We know that vulnerability can take many forms. It can arise from a range of circumstances, such as financial stress, language barriers, health challenges, or limited access to education. These factors can make it more challenging for some consumers to understand loan agreements or make informed decisions about borrowing money. That's why lenders have a key role to play in ensuring that all consumers especially those facing barriers are treated responsibly.

Protecting vulnerable consumers is an enduring priority for the Commerce Commission and we will take enforcement action where we consider it necessary. You may be aware that the Commission recently issued criminal proceedings against an unregistered and uncertified lender who was not only operating outside the law but had targeted consumers already experiencing financial hardship. Many of these individuals faced barriers to accessing safe and affordable credit, and the additional debt and subsequent financial pressure, meant that some had to resort to actions like selling sentimental possessions or missing rent payments to keep up with their loan obligations.

We have a full agenda for you today, all linked in different ways to supporting good outcomes for consumers in the lending sector, especially those in vulnerable circumstances.

Our team will speak about sampling by notice in credit investigations; and we'll also highlight some of the common issues we have observed across the credit sector, including areas such as benchmarking, financial hardship, debt enforcement and repossession practices.

We hope that by sharing these insights, we clarify certain aspects of your obligations under the CCCFA.

I'm also very pleased to welcome two guests to our webinar today:

- First, we have Jake Lilley from FinCAP, who will present on what lenders need to know when working with financial mentors. Many of you will know that FinCAP is an organisation that provides resources and support to assist financial mentors. They play a vital role in helping people through challenging situations and financial hardship, and I know Jake's presentation will offer valuable insights into how lenders can strengthen those relationships and ensuring we're all working towards good consumer outcomes.
- Second, we have Chris Gibson from the Insurance & Financial Services Ombudsman Scheme or IFSO, who will share case studies to help build understanding of vulnerability. We hope this offers a valuable perspective on how lenders can better recognise and respond to the diverse needs of their consumers.

Before we begin, I'd like to share a few important updates.

1. First, we are planning to update our "A Quick Guide to Borrowing Money" to reflect the revocation of the affordability regulations and to highlight the importance of lenders' registration on the Financial Service Providers Register. This guide is designed to help consumers understand their rights and responsibilities when borrowing money. It covers key topics such as affordability, comparing loan options, and where to seek help.

We encourage you to share this guide with your customers, especially those who may need help understanding the borrowing process. It's a simple but effective way to help borrowers feel more confident and supported in their borrowing journey.

2. Secondly, I am pleased to let you know that we have just published our new Consumer Credit Advertising Guidelines. These provide guidance to lenders about how to meet your obligations under the CCCFA and Fair Trading Act when advertising credit. Publication has been a little delayed but they are now up on our website.

You may also be aware that:

- An amendment bill to transfer regulatory responsibility for the CCCFA from the Commission to the FMA has been introduced to Parliament and had its first reading on 20 May. It has been sent to the Finance and Expenditure Select Committee who are due to report back to the House by 20 October.
- As the Bill progresses, work on the transfer project is ramping up. Over the coming months, you will start to see joint messaging from both regulators about some practical aspects of the transfer. We've established a webpage to provide information on the transfer, which we'll continue to update with Q&As over time. Please continue to email us if you have any questions about the transfer.
- Thank you to all those who submitted their annual return on time. We are pleased to say that over 95% of lenders have submitted a return to-date. For those lenders that haven't yet filed their return, please do so immediately. Last year we issued infringement notices against a number of lenders that didn't file their annual return on time. We note the CCCF Amendment Bill includes a provision repealing the annual return obligation. This means the current reporting year 1 April 2024 to 31 March 2025 may be the last year that annual returns are required under the Act.
- While we'll do our best to answer your questions today, please note that we're unable to provide legal advice. The shift away from prescriptive regulation around affordability gives lenders greater flexibility, but it also means you'll need to tailor your own approach to compliance. Your practices should align with the principles and expectations outlined in the CCCFA, the Responsible Lending Code, and our guidance.

- As with previous sessions, we'll be gathering your questions and publishing the ones we're able to respond to, along with all speeches and presentations from today on our website. Please note that we're currently upgrading our website, so the content will be available toward the end of this month.
- You'll also find materials from earlier webinars there, including our last one on advertising guidelines.
- And finally, the Commission recently launched Competition Matters, a new monthly newsletter. In each edition, the Commission will share insights into current work across the organisation, ways to get involved, and open consultations where you can have your say. We've sent the first edition to stakeholders on our existing mailing list. If you didn't receive it or would like to subscribe to future editions, you can sign up via our website.

Thank you again for joining us today. We look forward to a productive and insightful session.

Mā te wā.