

Tēnā koutou,

Thank you for joining us for this session. My name is Caroline Andic – Senior legal counsel and I will be providing you with an update on the Annual return process for 2025.

As many of you know from last year, all lenders under a consumer credit contract must submit an annual return to the Commerce Commission. The purpose of requiring an annual return is to support the Commission's monitoring and enforcement functions by providing us with information about the consumer credit market.

We were pleased with the response of lenders last year, being the first year of the annual return requirement, with nearly all lenders submitting a return.

Note that it is a requirement to submit an annual return and failing to do so may result in the Commission taking enforcement action, for example issuing infringement notices which require lenders to pay a fine. Last year, we issued infringement notice fines of \$1,000 to a handful of lenders that failed to submit any return. Stronger enforcement action may be taken for lenders who mislead the Commission.

This year's return will cover the period 1 April 2024 to 31 March 2025. The return must be submitted by 30 June 2025.

Similar to last year, returns will be submitted through the Commission's secure online portal. On 1 April 2025 the Commission will email all lenders registered on the Financial Services Providers Register (FSPR) for the services of Creditor under a credit contract – Consumer credit contractor or Mobile Trader.

The email will include a unique account reference, access code and a link to the online portal. The email will be sent to the lender's contact email address recorded on the FSPR as at 21 March 2025.

What has changed since last year:

The required content of the credit annual return is set out in regulation 29 of the Credit Contracts and Consumer Finance Regulations 2004.

The return content has recently been amended and lenders are no longer required to report on their use of exceptions in the affordability regulations. This change follows the repeal of the affordability regulations.

Everything else in the return remains the same – i.e. the number and value of new consumer credit contracts and material changes. When viewing the online portal it will clearly indicate which information is mandatory to provide as part of your annual return submission. There are also free text boxes for lenders that want to provide an additional optional explanation regarding the data provided in the return. There will also be a separate Excel spreadsheet available for lenders to download, populate and submit as part of the

online portal submission. Completion of the spreadsheet is optional and allows for lenders to provide a breakdown of their annual return response by loan product type and by contracts that are consumer credit contracts and those they have treated as consumer credit contracts.

If you would like a refresher or want to check the details relating to the annual return obligation, you can visit our annual return webpage which includes:

- A sample return
- A video walk through of the submission process – this may be of particular interest to new lenders who didn't go through the process last year
- Updated guidance as to return content
- A Q&A section.

Larissa will post the link to the chat now.

If you have any questions about the annual return submission process or have not received an email with your unique account reference and access code by ^{2nd} April, please email creditreturn@comcom.govt.nz

That's it from me, we'll hand back to Paul now for questions.

Supporting notes:

Annual return webpage - <https://comcom.govt.nz/business/credit-providers/annual-return>

Credit return email: creditreturn@comcom.govt.nz