

Commerce Commission lender webinar - Opening speech for Sarah Bartlett, Director Credit

March 2025

Kia ora koutou katoa, nau mai haere mai,

Welcome to our first lender webinar of 2025. I am Sarah Bartlett, Director, Credit within the Competition, Fair Trading, and Credit branch at the Commerce Commission.

This session we are focusing on our soon to be published Advertising Guidelines and the annual return portal process for 2025. In addition to the Commission team, I'm really pleased to welcome Kate Kenworthy from the Banking Ombudsman Scheme, who will present on some of the complaints they are seeing with consumer credit fees.

We encourage you to participate as your input helps ensure these sessions remain relevant and practical. Through these webinars, we aim to provide insights into key regulatory updates, clarify lender obligations, and discuss emerging issues in the industry. It's been great to see strong engagement in these sessions, and we value the opportunity to hear your perspectives and answer your questions.

Note that although we will endeavour to answer as many of your questions today, we are unable to provide legal advice. In particular, the shift away from prescriptive based regulation around affordability provides greater flexibility for lenders and we are not able to respond to specific questions around individual operational practices. Lenders should tailor their own approach to compliance, aligned with the principles and expectations outlined in the CCCFA, Responsible Lending Code and from our guidance. Lenders should seek legal advice if they remain unsure about how to comply with the law. The questions and answers from today's webinar will be included in our next lender pānui in May.

Although our webinars are not recorded, we'll be updating our webpage later this week with all the speeches and presentations. If you've missed any of our previous webinars, including our last one on Record keeping and Affordability, Larissa will post the links to these pages to the chat now.

First, some updates. The Credit sector continues to evolve, with the upcoming consumer Credit law reforms, and wider regulatory shifts shaping how lenders operate.

It has now been a year since the Minister announced that regulatory responsibility for the CCCFA would transfer to the FMA. You may be aware that we have recently had a change in Minister, with Honourable Scott Simpson now progressing this work. We understand that the Bill is expected to be introduced soon. We will continue to keep you informed as the process moves forward, in particular, around timeframes for the transfer.

As part of the policy changes, Cabinet agreed to remove the Certification regime under the CCCFA and in its place apply the market service licence regime under Part 6 of the Financial Markets Conduct Act to providers of consumer credit contracts.

Under this proposed regulatory change, all creditors who are certified by the Commerce Commission (or exempt from certification on the basis that they are licensed by the FMA or Reserve Bank) will be deemed to have a market services license when the Credit function moves to the FMA. There will be an exemption from licensing for covered bond/securitisation arrangements and non-financial business interim creditors. We will provide further updates about this and the other proposed legislative changes through our pānui, lender webinars and the Commission website, and will continue to work closely with the FMA on the transition arrangements.

In the meantime, we continue with our busy work programme in the Credit space:

- The Certification team will shortly begin contacting all certified lenders to ensure the details of individuals on the Financial Services Providers Register are complete, with a particular focus on senior managers. We recommend that you review your registration on the FSPR to ensure that details of senior managers are accurate, and complete.
- You may be aware that in December, the Commission outlined its enforcement priorities for 2024/2025, ensuring a focus on areas that have the greatest impact on market confidence and consumer protection.
- For Credit, our specific priorities include protecting vulnerable consumers, and motor vehicle finance. For many Kiwis the purchase of a car is one of the biggest financial commitments they will make. We will take action (and this is evident in our current cases) where we consider that motor vehicle finance lenders have not met their

obligations under the CCCFA, including the rules that require responsible lending practices. We are particularly focused on where motor vehicle lenders are providing credit to vulnerable consumers.

Whether or not we ultimately take enforcement action in any case, is guided by our Enforcement Criteria (find our Enforcement Response Guidelines on our website) under which we weigh up the extent of the detriment to consumers, the seriousness of the conduct, and the public interest.

- We also remain focussed on the banking sector, as we look into a number of self-reported matters from banks.

And finally, we have recently published our pawnbroking guidance on our website. We will send Pawnbrokers an email with the details of where they can find the guidance. Separately, we have also published our annual return guidance which outlines key updates and expectations for this year. Caroline will take you through it in her update shortly.

I hope that you find today's sessions useful. We really enjoyed putting it together.

Mā te wā.

Supporting links

Link to events webpage for webinar: <https://comcom.govt.nz/news-and-media/events>

Link for current webinar webpage: <https://comcom.govt.nz/news-and-media/events/lender-webinar-advertising-guidelines-and-annual-return-portal>

Enforcement guidelines: <https://comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines>

Enforcement priorities document

https://comcom.govt.nz/_data/assets/pdf_file/0031/363595/20242F25-Enforcement-and-Compliance-Priorities.pdf

Enforcement priorities webinar and webpage: <https://comcom.govt.nz/about-us/our-role/our-priorities>

Link to new Pawnbroking guidance: <https://comcom.govt.nz/business/credit-providers/pawnbroking/> [nocache](#)

Link to pānui: <https://mailchi.mp/comcom.govt.nz/panuiforlendersoctdec2024?e=97bc258276>