



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Customer and Product Data Act – Proposed Fees and Levies for Regulated Open Banking	Date to be published	16 October 2025

List of documents that have been proactively released

Date	Title	Author
September	Customer and Product Data Act – Proposed Fees and Levies for Regulated Open Banking	Office of the Minister of Commerce and Consumer Affairs
September	Annex 1 - Stage 2 CRIS - Customer and Product Data Act Fees and Levies	MBIE
10 September	Customer and Product Data Act – Proposed Fees and Levies for Regulated Open Banking ECO-25-MIN-0136 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of Negotiations and Commercial Information.

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Office of the Minister of Commerce and Consumer Affairs

Cabinet Economic Policy Committee

Customer and Product Data Act – Proposed Fees and Levies for Regulated Open Banking

Proposal

- 1 This paper seeks approval for fees and levies proposals to recover the costs of regulated open banking under the *Customer and Product Data Act 2025 (the Act)* and approval for the corresponding appropriation.

Relation to government priorities

- 2 The Government is committed to promoting competition, because it benefits New Zealanders through greater choice, lower costs, higher quality and more innovation. This work is also part of the Competitive Business Settings pillar of *Going for Growth*.
- 3 This proposal is part of the Government's response to the Commerce Commission's competition study into personal banking services. It will fund regulated open banking and enable competition and innovation in the banking sector.

Executive summary

- 4 Open banking allows customers to easily and securely share their financial data and make payments through trusted third parties – without revealing their login credentials and breaching their bank's terms of service. This ability to share financial data enables the development of innovative, personalised products and services. This gives customers greater control over data about them and helps them make more informed financial decisions. For instance, a customer could share their data with a fintech that recommends the most competitive mortgage option.
- 5 This benefits not only individual customers, but also businesses, who gain access to tools that can boost productivity and support growth. For example, businesses can adopt alternative payment methods that are less costly than traditional payment methods, saving them and their customers costs. Meanwhile, individuals can use budgeting apps that analyse real-time transaction data, helping them manage spending and plan ahead with greater confidence.
- 6 By reshaping financial services, open banking injects fresh competition into the banking sector. It empowers customers to compare products and services from a wider range of providers, often through a single interface, making it easier to shop for offerings that best suit their needs. This shift challenges the dominance of traditional banks and encourages innovation across the industry. Ultimately, New Zealanders stand to gain from more competitive pricing, improved service quality, and products that better align with their goals.

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- 7 Currently, financial technology companies (**fintechs**) face challenges negotiating access to banks' open banking systems. These difficulties limit their ability to build new services and slow innovation. And while there are alternative data-sharing methods, these are inefficient or insecure, making them unattractive and risky for customers.
- 8 To address these challenges, Cabinet has agreed to apply the Act to the banking sector [ECO-25-MIN-0039]. This means that the five largest banks (and any other banks and non-bank deposit takers that opt in) will be required to share customer data with accredited requestors (primarily fintechs) and initiate payments, with the consent of the customer [ECO-25-MIN-0039].
- 9 Cabinet agreed that the costs of implementing and operating the regime will be fully recovered through fees and levies, which would ensure that the regime is fiscally neutral to the Crown [ECO-25-MIN-0039].
- 10 Any business that wants to request customer data or payments on a customer's behalf must first be accredited by the Ministry of Business, Innovation and Employment (**MBIE**). Accreditation helps ensure that only organisations with the right systems and safeguards in place can participate in the regime. Accreditation applications will be assessed by MBIE. It is fair that the costs of these assessments be recovered by the businesses applying for accreditation, as they directly benefit from being able to participate in the regime.
- 11 For open banking to operate effectively, a range of regulatory functions must be in place. These functions will be carried out by MBIE, the Office of the Privacy Commissioner (**OPC**), and an approved standards body. These functions will be funded by levies paid by both accredited requestors and banks, reflecting that both groups will benefit from the regime.
- 12 MBIE has consulted stakeholders on proposed fees and levies, including banks fintechs and Payments NZ. Following this consultation, I propose the following to ensure the regime is fiscally sustainable and equitable:
 - 12.1. setting accreditation fees to recover the cost of processing applications and annual renewals; and
 - 12.2. setting tiered levies for data holders and accredited requestors, based on total assets and annual revenue respectively.
- 13 The total cost to be recovered over a five-year period is \$28.524 million, including \$0.192 million for administering the accreditation regime.
- 14 The proposed fees and levies are proportionate and designed to support participation, particularly among smaller startups.
- 15 Subject to Cabinet approval, regulations will be made in October 2025, ahead of the regime's commencement on 1 December 2025.

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Background

- 16 The Act provides a data portability framework that can be applied to different sectors of the economy, such as banking or electricity. It will be rolled out on a sector-by-sector basis through regulations.
- 17 Once applied to a sector, certain businesses that hold data (**data holders**) will be required to provide data they hold about customers to trusted third parties (**accredited requestors**) and carry out actions on behalf of the customer, with the customer's authorisation. Applying the Act to the banking sector will facilitate open banking.
- 18 Open banking will unlock the untapped potential of customer data and secure innovative payment methods. This will support innovation and introduce much-needed competition in the retail banking sector.
- 19 In April 2025, Cabinet invited me to report back to the Economic Policy Committee with the proposed level of funding, the level of fees and levies required to recover the costs of regulated open banking, and their attribution between participants, following targeted consultation [ECO-25-MIN-0039].

Summary of targeted consultation

- 20 MBIE undertook targeted consultation from 3 to 23 July 2025, with key stakeholders to seek feedback on proposed fees and levies. These stakeholders included banks, fintechs and Payments NZ (the payments industry body).
- 21 Submitters broadly supported the proposals in the discussion paper, particularly the principle of cost recovery through accreditation fees and the proposed objectives for setting levies.
- 22 There was a notable divergence in views among submitters regarding cost allocation. The majority of fintechs advocated for lower costs for accreditation, and a slim majority supported exempting accredited requestors from levies to minimise barriers to entry. In contrast, banks and some fintechs emphasised the need for a more equitable distribution of costs that reflects the benefits each regulated party derives from the regime.

Proposed accreditation fees

- 23 Any business that wants to request customer data or payments on a customer's behalf must first be accredited by MBIE. Accreditation helps ensure that only organisations with the right systems and safeguards in place can participate in the regime. MBIE will assess applications to become accredited and annually renew accreditation. It is fair that the costs of these assessments be recovered by the businesses applying for accreditation, as they directly benefit from being able to participate in the regime.
- 24 Cabinet's previous agreements distinguished between two types of accredited requestors:

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- 24.1. non-intermediaries - who request customer data or payments on behalf of customers in order to provide services directly to customers; and
- 24.2. intermediaries - who can request customer data and initiate payments on behalf of customers in order to facilitate other unaccredited businesses to provide services to customers.
- 25 Intermediaries must meet an additional requirement to show how they manage any risks to customers from sharing customer data with other businesses and initiating payments requested by other businesses.
- 26 Accordingly, I propose the following fees to recover the costs of operating the accreditation process:

Type of accreditation application	Fee (exclusive GST)	Expected number of applicants in 2025/26
Application to become accredited	Intermediary: \$2,000	10
	Non-intermediary: \$1,500	10
Application to renew an existing accreditation	Intermediary: \$1,700	0
	Non-intermediary: \$1,000	0

- 27 The differentiation in the fees reflects the estimated time and resources and therefore cost required to assess different kinds of applications.
- 28 Additionally, I intend to seek Cabinet agreement to prohibit banks from charging service fees for requests involving designated customer data and payments. This means that under regulated open banking, fintechs will be able to make these requests free of charge – potentially saving significant costs, especially for those whose business models rely on frequent data updates.

Proposed levies

- 29 The Act introduces a range of regulatory functions that are essential to the regime's operation, in addition to the accreditation process. These functions will be delivered by MBIE, OPC and an approved standards body, with costs recovered through a range of levies. These regulatory functions are critical to ensuring the regime operates safely, fairly, and as intended.
- 30 MBIE will provide education resources, monitor compliance, and enforce the Act. OPC will perform functions under the *Privacy Act 2020* in respect of requests for customer data under the Act where the data is personal information.
- 31 **Negotiations** has been invited to apply to be the approved standards body, and be responsible for:
- 31.1. developing technical standards;

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- 31.2. operating a register of participants;
- 31.3. providing a sandbox (a safe environment where participants can test their systems compliance with the technical standards) for participants; and
- 31.4. providing technical support to participants.

32 I propose the following tiered levies for data holders and accredited requestors, with tiers based on total assets for data holders and annual revenue for accredited requestors.

Levy class: data holder	Annual Levy (exclusive GST)	Total estimated number of levy payers in 2025/26
Data holder with assets exceeding \$100 billion	\$1,248,700	4
Data holder with assets exceeding \$20 billion, but not exceeding \$100 billion	\$578,000	1
Data holder with assets exceeding \$1 billion, but not exceeding \$20 billion	\$192,000	0
Data holder with assets not exceeding \$1 billion	\$63,400	0
Levy class: accredited requestor	Levy on renewal of accreditation (exclusive GST)	Total estimated number of levy payers in 2025/26
Accredited requestor with annual revenue exceeding \$100 million	\$85,000	0
Accredited requestor with annual revenue exceeding \$10 million, but not exceeding \$100 million	\$32,000	0
Accredited requestor with annual revenue exceeding \$1 million, but not exceeding \$10 million	\$10,000	0
Accredited requestor with annual revenue of \$1 million or less.	\$1,300	0

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- 33 To support efficient administration and ensure alignment with the cost recovery model, levies for data holders will be issued annually. Accredited requestors will be levied only upon renewal of accreditation, meaning they will not contribute levies in the 2025/26 financial year. This approach ensures predictable cost recovery and reflects the timing assumptions in the cost model.
- 34 This approach fairly allocates costs in line with the Treasury's guidelines for setting charges in the public sector, which states that those who benefit from a regulatory regime should contribute to its funding. Many accredited requestors will derive commercial benefit from participating in open banking and should therefore contribute to the cost of operating the regime.
- 35 I do not consider this approach will create significant barriers to fintech participation. The levy structure is tiered to reflect the size of the accredited requestor, and accredited requestors are not required to pay a levy in their first year of participation. Levies are only payable upon renewal of accreditation, which supports early-stage participation and reduces upfront costs for new entrants. This approach ensures that smaller and emerging businesses can participate without facing disproportionate costs.
- 36 As shown in the table below, I expect that, beyond the first 12 months (when most banks have waived fees and levies are charged to accredited requestors), total costs will decrease for fintechs compared to the current unregulated open banking.

Type of fintech	Status quo annual cost	Proposed annual cost
Fintech who provides accounting and budgeting services	Commercial Information Service fee: \$4,676,088 ¹ Commercial Information	Levy: \$85,000 Accreditation fees: \$1,500 Total cost: \$86,500
Fintech who provides open banking payment service for merchants	Commercial Information Service fee: \$2,611,500 ² Commercial Information	Levy: \$32,000 Accreditation fees: \$2,000 Total cost: \$34,000

- 37 MBIE will continue to monitor the effectiveness of the revenue tiers to ensure they reflect market realities. Once MBIE has more information about usage volumes, I will likely consider transitioning to a usage-based levy model for accredited requestors.

¹ Estimation uses BNZ's standard API pricing of 1c, with a minimum charge of \$30 per month and assumes 0.5 percent of the population use the fintech's service and make 1 account information request every 30 minutes.

² Estimation uses ASB's standard API pricing of up to 20c per request and assumes 5 percent of the population use the fintech's service and make 10 payment requests per annum.

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Exemption for data holders from paying a second levy in their capacity as accredited requestors

- 38 During targeted consultation, some submitters raised concerns about the fairness of charging a data holder two separate levies if they also choose to operate as an accredited requestor. They noted that this would result in those entities contributing disproportionately to the cost of the regime.
- 39 I agree that this would not be equitable. To ensure the levy model remains fair and proportionate I therefore propose that when a person is both a data holder and an accredited requestor, they only be required to pay a single levy at the highest applicable rate.

Cost-of-living implications

- 40 The proposals in this paper are not expected to have a direct impact on the cost of living.

Financial implications

- 41 Revenue from the proposed fees and levies will fund the Commerce and Consumer Affairs: Consumer and Product Data Services departmental appropriation within Vote Business, Science and Innovation.
- 42 An initial appropriation of \$0.500 million for 2025/26 only was agreed by Cabinet [ECO-25-MIN-0039 refers] to fund the costs incurred to get the regime established before 1 December 2025. It was also agreed that the additional appropriation for 2025/26 and outyears to be agreed when the fees and levies are set.
- 43 Accordingly, I proposed an increase in appropriation of \$3.923 million in 2025/26, \$6.175 million in 2026/27, \$6.075 million in 2027/28 and \$5.923 million in 2028/29 and outyears to fund the Customer and Product Data Services regime. No additional Crown funding is proposed.
- 44 A Customer and Product Data Services memorandum account has been approved by the Minister of Finance and established within MBIE to monitor annual surplus and deficit with a resulting nil balance by 30 June 2030.

Legislative implications

- 45 Subject to Cabinet decisions, the fees and levies are intended to take effect from 27 November 2025, with the associated regulatory amendments to be promulgated before that date under sections 133 and 135 of the Act.

Impact analysis

Regulatory Impact Statement

- 46 The regulatory impact analysis requirements apply to these proposals. A Stage-2 Cost Regulatory Impact Statement (**CRIS**) has been prepared and is attached as Annex 1. MBIE's Regulatory Impact Analysis Review Panel has reviewed the attached CRIS and considers it meets the requirements necessary to support informed ministerial decision-making on the proposed fee and levy amendments.

Climate Implications of Policy Assessment (CIPA)

- 47 The Climate Implications of Policy Assessment (CIPA) team has been consulted and have confirmed that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 48 Submitters expressed that the proposal to designate banks under the Act is likely to positively impact consumers and businesses through the provision of increased banking competition, new products and services.

Positive impact for Māori

- 49 The proposed regulations will make it easier for Māori organisations to offer specialist data capability and functionality for Māori groups and increase the range of fintech services that Māori individuals and organisations have access to.³ I anticipate there will be some Māori and non-Māori customers who may not wish to participate in the regime and therefore do not gain the benefits of open banking.

Human rights

- 50 The proposals in this paper are consistent with the *New Zealand Bill of Rights Act 1990* and the *Human Rights Act 1993*.

Use of External Resources

- 51 No external consultants or contractors have been engaged on this paper or the development of proposals in the discussion document.

Consultation

- 52 The Commerce Commission, Department of Internal Affairs, Financial Markets Authority, Inland Revenue Department, Ministry of Justice, OPC, Public Service Commission, Reserve Bank of New Zealand, Te Tari Whakatau, Te Puni Kōkiri, and the Treasury have been consulted on this paper. The Department of the Prime Minister and Cabinet has been informed.

³ Te Whata (accessed 11 February 2025) *About: He whata kai, he whata kōrero, inā he māramatanga* <https://tewhata.io/about/>

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Communications

- 53 I will issue a press release announcing Cabinet's decisions. The CRIS and the summary of submissions will be publicly released.

Proactive release

- 54 This paper will be published on MBIE's website, subject to withholdings as appropriate under the *Official Information Act 1982*.

Recommendations

The Minister of Commerce and Consumer Affairs recommends that the Committee:

- 1 **note** that Cabinet agreed to designate the banking sector under the *Customer and Product Data Act 2025* [ECO-25-MIN-0039] and that the associated costs of the banking designation be fully funded through fees and levies
- 2 **note** that Ministry for Business, Innovation and Employment (MBIE) consulted on the Customer and Product Data Services fees and levies from 3 to 23 July 2025, with 14 submissions received
- 3 **agree** that the following fees be set to recover the cost of the accreditation processing of applications and annual renewals:

Type of accreditation application:	Fee (excluding GST):
Application to become accredited	Intermediary: \$2,000
	Non-intermediary: \$1,500
Application to renew an existing accreditation	Intermediary: \$1,700
	Non-intermediary: \$1,000

- 4 **agree** that data holders who are banks and non-bank deposit takers pay an annual levy starting this financial year;
- 5 **agree** that accredited requestors pay a levy when making an application for annual renewal;
- 6 **agree** that the following tiered levies be set to recover the regulatory functions, excluding the accreditation process, that are essential to the regime's operation:

Levy class: data holder (banks and non-bank deposit takers)	Annual Levy (excluding GST)
Data holder with assets exceeding \$100 billion	\$1,248,700
Data holder with assets exceeding \$20 billion, but not exceeding \$100 billion	\$578,000
Data holder with assets exceeding \$1 billion, but not exceeding \$20 billion	\$192,000
Data holder with assets not exceeding \$1 billion	\$63,400

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Levy class: accredited requestor	Levy on renewal of accreditation (excluding GST)
Accredited requestor with annual revenue exceeding \$100 million	\$85,000
Accredited requestor with annual revenue exceeding \$10 million, but not exceeding \$100 million	\$32,000
Accredited requestor with annual revenue exceeding \$1 million, but not exceeding \$10 million	\$10,000
Accredited requestor with annual revenue of \$1 million or less.	\$1,300

- 7 **agree** that where a person is both a data holder and an accredited requestor, they only be required to pay a single levy at the highest applicable rate;
- 8 **agree** to increase the appropriation for the costs of Customer and Product Data Services regime in order to implement regulatory functions under *Customer and Product Data Act 2025*;
- 9 **approve** the following changes to appropriations to give effect to the policy decision in recommendations 3 to 7 above, with a no impact on the operating balance and net debt:

	\$m – increase/(decrease)				
Vote Business, Science and Innovation Minister for Commerce and Consumer Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Output Expenses: Commerce and Consumer Affairs: Customer and Product Data Services (funded by revenue other)	3.923	6.175	6.075	5.925	5.925

- 10 **agree** that the proposed change to appropriations for 2025/26 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increase be met from imprest supply;

Authorisation for drafting instructions and minor or technical changes

- 11 **invite** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to recommendations 3 to 7 above;
- 12 **authorise** the Minister of Commerce and Consumer Affairs to make decisions on any minor or technical matters that may arise during the drafting process;

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Publicity

- 13 **note** that, subject to any redactions as appropriate, this paper, the summary of submissions and the Cost Recovery Impact Statement will be proactively released on MBIE's website within 30 working days of Cabinet's approval; and

Final approval

- 14 **note** that the Minister of Commerce and Consumer Affairs will seek final approval of the regulations from the Cabinet Legislation Committee in the second quarter of financial year 2025/26 to implement the fees and levies from 27 November 2025.

Authorised for lodgement

Hon Scott Simpson

Minister of Commerce and Consumer Affairs

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Annex 1: Stage 2 Cost Recovery Impact Statement

Attached as separate document