Regulatory Affairs

Commercial information

29 August 2025

Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140
Email: consumerdataright@mbie.govt.nz

Dear Sir or Madam

Bank of New Zealand's response on the exposure draft of Customer and Product Data Regulations 2025

1 Introduction

1.1 E mihi ana te Pēke o Aotearoa ki te whai wāhi ki te tuku urupare ki te Hīkina Whakatutuki mō te arotake i te Exposure Draft of Open Banking Regulations under the Customer and Product Data Act. E whakamihi ana mātou ki tēnei pepa whakawhitiwhiti whakaaro nui, i te mea ka whai painga tēnei anga ki ngā tāngata katoa o Aotearoa.

1.2 Bank of New Zealand (BNZ) welcomes the opportunity to provide a response to the consultation on the Exposure Draft of Open Banking Regulations under the Customer and Product Data Act. We believe this is an important paper and support the Government's goal of creating an Open Data framework that will benefit all New Zealanders

1.3 BNZ has consistently been a leader in the development of Open Data. We remain strongly supportive of a model that enables consumers to access and share their data in ways that promote innovation, competition, and consumer benefit whilst ensuring system stability, privacy, and trust are not compromised.

1.4 We acknowledge the significant effort MBIE has undertaken in progressing these regulations within a compressed timeframe. At the same time, we are mindful that the short consultation period and the rapid pace of development may limit the opportunity for stakeholders to fully engage, and for MBIE to consider the full breadth of the issues in detail.

1.5 Allowing adequate time for consultation and refinement would support the development of stronger, more enduring regulations. BNZ submits that a measured and well-sequenced legislative approach is an important factor in regulatory practice that leads to better outcomes for both industry and consumers.

1.6 We appreciate MBIE's collaborative engagement with industry stakeholders and our recommendations below are offered in the spirit of further strengthening the regulatory framework to support successful outcomes for customers, requestors, and data holders.

2 Timing for onboarding accredited requestors

2.1 BNZ acknowledges the importance of timely onboarding to ensure accredited requestors can participate in the ecosystem quickly and fairly. We support the principle of setting clear timeframes to promote consistency and predictability across the system. Our recommendations are aimed at ensuring the policy objective of timely access is met, while allowing data holders to complete the necessary technical, risk, and security steps. We believe achieving the correct balance will help ensure the onboarding process is smooth, safe, and sustainable. This is particularly important during the initial phase of the regime when request volumes are likely to be high.

2.2 We make the following recommendations:

2.2.1 Define the five-day requirement from the time the accredited requestor has completed quality assurance testing and provided their necessary production technical and security materials.

2.2.2 Extend the timeframe for full production access to 20 working days. This allows participants to manage the operational risks of onboarding and avoid the need for "workarounds" that could compromise system stability.

2.2.3 Allow for maintenance or blackout periods where onboarding is paused to protect critical system change windows, settlement periods, or security patching cycles.

2.3 We submit that adequate time for robust testing and phased onboarding are critical to consumer protection as has been recognised in international jurisdictions. We recommend adopting a similar staged approach in New Zealand.

3 Scope and consistency of data sharing requirements

3.1 BNZ supports clear and consistent data sharing rules that align with New Zealand API Standards which currently underpin data sharing in New Zealand. We believe consistency will support operational integrity. We submit that inconsistencies are likely to require banks to develop new electronic facilities and data feeds. This work is technically complex, costly, and impractical within the current timeframe.

3.2 We see value in ensuring the regulations reflect, rather than diverge from, the New Zealand API Standards, which already provide a tested and practical foundation for data sharing. We submit that aligning these frameworks will support faster delivery of benefits to customers by keeping costs manageable for both data holders and accredited requestors.

3.3 We also note that the inclusion of certain less core data categories, such as loyalty programmes, risk slowing delivery of the core regime, as they do not form part of the current API Centre standards.

3.4 We recommend the following:

3.4.1 Clarify whether the customer data examples listed in the regulations are illustrative or prescriptive. This will give participants certainty about the scope.

3.4.2 Align the scope of data sharing requirements with existing API Centre standards, ensuring interoperability and compliance feasibility.

3.4.3 Provide additional clarity on:

a) Transaction particulars: we believe that without a clear definition, there is a risk of inconsistent interpretation across institutions which then has the potential to undermine standardisation.

b) Statement information: we would like to confirm that data holders are only required to provide the information that appears on customer-issued statements, rather than retroactively formatting data.

4 Scope of accounts for data and sharing and payment information

4.1 BNZ supports the broad objective of ensuring customers can access and use their accounts consistently across Open Data services. We agree that alignment of scope is important for customer clarity and for the efficient development of interoperable solutions.

4.2 We submit that aligning account scope with the API Centre standards provides a strong and practical starting point. We believe this also ensures account types designed for day-to-day transactions are prioritised, whilst products such as PIE and Term Deposit, which are not designed for payment functionality, can be considered at a later stage if appropriate.

4.3 BNZ recommends the following:

4.3.1 Initially exclude products not technically catered for within the existing API Centre standards (e.g. PIE and Term Deposit accounts) with the option to revisit inclusion in a subsequent phase if demand and feasibility support it.

4.3.2 Clarify that bank-set payment limits cannot be unilaterally be overridden by customers through electronic facilities. This preserves important risk controls and helps maintain customer and system security.

4.4 We submit that by sequencing the scope in this way, MBIE can ensure that customers receive a consistent and reliable service from day one, whilst still allowing opportunity to expand coverage as the ecosystem matures.

5 Liability provisions

5.1 BNZ acknowledges that the regulations already contain a framework for liability. We agree with MBIE's approach of focusing on implementation and system readiness.

5.2 We also see value in MBIE retaining flexibility to consider liability provisions as the regime matures. Future consultation could provide an opportunity to build on practical experience, ensuring any changes are targeted, proportionate, and evidence based. We believe this will enhance system confidence and consumer protection.

5.3 We believe this staged approach allows the liability framework to evolve in a way that supports confidence without imposing unnecessary complexity upfront.

6 Definition of "electronic facility" and data availability

6.1 BNZ supports clear definitions to ensure consistent interpretation across industry. We believe refinements will help avoid misunderstandings and ensure realistic customer expectations.

6.2 Our recommendations are the following:

6.2.1 Refining the definition of "electronic" facility to explicitly exclude SMS banking and to clarify expectations regarding data availability.

6.2.2 We also recommend that MBIE adjust the regulations to explicitly acknowledge the role of standard system refresh intervals and payment settlement delays.

6.2.3 Ensure that data availability requirements are consistent with current internet and mobile banking capabilities, as appears to be intended, and remove any risk that a party may suggest they imply real-time processing.

6.3 We believe this will give customers confidence in what they can expect, whilst ensuring obligations are clear and achievable.

7 Joint account and secondary users

7.1 Joint accounts and secondary user arrangements are an important and common feature of banking in New Zealand, supporting families, businesses, and community groups to manage their finances together. BNZ recognises that these arrangements also raise additional considerations in the context of customer-directed data sharing. In particular, ensuring consent, protecting privacy, and maintaining clarity of authority.

7.2 BNZ believes clear and practical regulations in this area will help build customer confidence in the regime and support smoother implementation for both requestors and data holders. We submit that providing a phased approach will allow time for customers to understand their options whilst enabling industry to build solutions that are transparent and secure.

7.3 We recommend the following:

7.3.1 Make it clear that, for joint accounts, data holders may follow their established customer authority practices including sharing the names of all account holders or not. We submit this ensures transparency for customers and avoids confusion when customers access different bank channels.

7.3.2 Clarify that payment initiation obligations only apply to accounts where the customer has sole authority. We believe this will ensure a straightforward and consistent starting point for industry delivery.

7.3.3 Consider phasing in requirements for secondary user access at a later stage of the regime. We submit this will provide a strong foundation in the early phases whilst allowing for the creation of further solutions as the regime matures.

8 Requirements for accredited requestors

8.1 BNZ strongly supports high standards for accredited requestors, as their capability and integrity will underpin customer trust in the entire regime. In particular, requestors should demonstrate adequate resources and resilience to manage contractual disputes and maintain system integrity.

8.2 We recommend strengthening financial resource assessments for insurers, guarantors and self-insured entities This will help to ensure accredited requestors can meet obligations even in adverse scenarios. We also submit that it should be a requirement for requestors to maintain insurance, guarantees or self-insurance capability and to promptly notify MBIE if cover lapses.

8.3 We believe these measures will provide additional assurance that requestors can meet their obligations and contribute positively to the ecosystem.

9 Accreditation as an intermediary

9.1 BNZ agrees that intermediaries play a unique role in the ecosystem. We believe this unique role should be subject to appropriate standards to ensure trust in the system. Customers must be confident that their data is subject to the same safeguards whether it is accessed directly by a requestor, or passed on through an intermediary.

9.2 We are concerned that the carve-out in regulation 9(3) could create uncertainty and allow some requestors to avoid intermediary obligations despite undertaking activities that present similar risks. We submit this risks undermining consistency. We believe ensuring a clear and level playing field would strengthen both consumer protection and industry confidence.

9.3 In particular, where an accredited requestor is receiving data and passing it on to any others (whether or not they are also obtaining it for their own use), it is critical that they are subject to requirements equivalent to those faced by other intermediaries. We believe that this will ensure customers have clarity and assurance about how their data is being handled once it leaves the originating requestor. We also recommend that the regime recognise that some intermediaries only pass on the data obtained, while other intermediaries pass on data and also store it within their own system.

9.4 We recommend the following:

9.4.1 Remove regulation 9(3), to ensure that all entities that pass on Customer and Product Data Act data to other entities, including those who store or use it themselves, are captured under the intermediary accreditation and assurances framework.

9.4.2 Clarify that there is no carve-out from the intermediary requirements if a requestor is considered to be "mainly" providing services to customers.

9.5 We submit that these clarifications will create an even playing field and ensure consistent standards of consumer protection.

Should MBIE have any questions in relation to this submission, please contact Paul Hay on the details below:

Yours sincerely

Paul Hay
Āpiha Matua: Waeture me te Tūtohu (Chief Regulatory and Compliance Officer)
Bank of New Zealand

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