

29 August 2025

Ministry of Innovation, Business, Innovation and Employment
Wellington

By email: consumerdataright@mbie.govt.nz

SUBMISSION on Exposure Draft Customer and Product Data (Banking and Deposit Taking) Regulations 2025

1. Introduction

Thank you for the opportunity to make a submission on the Exposure Draft Customer and Product Data (Banking and Deposit Taking) Regulations 2025 (the Regulations). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

Contact: Aneleise Gawn
Consumer NZ
Private Bag 6996
Wellington 6141
Phone 
Email: 

2. Comments on the Regulations

In general, we support the introduction of the Regulations as a positive step towards realising the benefits of open banking including promoting competition, choice, and innovation for consumers.

However, given the two-week time frame for making submissions we have been unable to undertake a clause-by-clause analysis of the Regulations and only wish to make some high-level comments.

Designated banks

We are concerned the delays in Kiwibank's participation risks fragmenting the consumer experience and limiting competitive pressure.

While a phased approach may be practical, delaying inclusion of Kiwibank and smaller institutions risks entrenching the dominance of the largest banks and limiting consumer choice. All consumers, regardless of their bank, should eventually have equal access to the benefits of open banking.

Designated data

We support the designation of 2 years of transaction data as a baseline but consider consumers should be able to request access to longer histories particularly for cases involving credit applications, hardship relief, or complaint resolution.

We do not support only requiring 6 months of statement data. Statements often include summaries, interest, fees, benefits, and regulatory disclosures that aren't captured in raw transaction data. Having only 6 months of statement data could hinder the ability of consumers or third parties to do meaningful financial analysis, comparisons, or budgeting.

Consumers often need to go back further than 6 months to challenge fees, interest charges, or benefits that may accrue or adjust over time. If only 6 months are readily accessible via data-sharing, consumers may be forced to manually obtain older statements, reducing the benefits of open banking.

We recommend the regulations are amended to require 2 years of statement data. Alternatively, the time frame could be determined by consumer request, rather than fixed.

Designated actions

We are concerned the designation does not currently capture payments that require the authorisation of two or more persons. In our view, this will

limit its use in a range of situations and should be addressed, ensuring appropriate safeguards are in place.

Accessibility

We are concerned the designation only applies to customers who have digital access to their accounts, via the bank's website or app. We believe open banking must be accessible to all, not just the digitally savvy.

We recommend the regulations are reviewed to ensure open banking will reduce, not reinforce barriers to financial inclusion.

Accredited requestors

We remain concerned the regime does not provide consumers with a direct right to access their designated customer data. In our view, this will reduce trust in the system and create barriers for consumers who may prefer to manage or review their data independently. It is also likely to result in some consumers being excluded from the benefits of open banking if they do not wish to use third parties.

We believe consumers should be able to make direct requests or delegate access to advisors, not just accredited requestors. This would improve transparency, control, and equity, while complementing the existing third-party access model.

Adaptability

As consumer needs evolve and technology advances, the regime should remain fit for purpose. We therefore recommend the regulations include a provision requiring a formal review in 12 months and mechanisms to add or amend data types based on evidence and demand.

Thank you for the opportunity to provide comment.

ENDS

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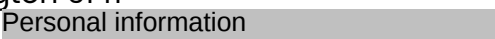
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SUBMISSION on Exposure Draft Customer and Product Data (General Requirements) Regulations 2025

1. Introduction

Thank you for the opportunity to make a submission on the Exposure Draft Customer and Product Data (General Requirements) Regulations 2025 (the Regulations). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

Contact: Aneleise Gawn
Consumer NZ
Private Bag 6996
Wellington 6141
Phone: 
Email: 

2. Comments on the Regulations

We broadly support the Regulations as a foundation for a safe and competitive open banking regime. However, given the two-week time frame for making submissions we have been unable to undertake a

clause-by-clause analysis of the Regulations and only wish to make the following high-level comments.

System access

We support the requirement for data holders to give accredited requestors access to their systems within 5 working days of receiving written notice that the accredited requestor has become accredited. We consider this is a positive step for competition and ensures a relatively prompt service.

General accreditation requirements

We support the requirement for accredited requestors to hold adequate insurance or other financial coverage. We consider this is an important consumer protection.

Charges

We are concerned with the lack of detail about charges. As stated in previous submissions, we do not think data holders should be able to charge for providing data held about customers.

Also, if data holders (banks) are allowed to charge excessive or opaque fees to accredited requestors these costs will likely be passed on to consumers. Such fees may deter innovation, entrench incumbents, and restrict consumer choice.

Reporting requirements

Requiring accredited requestors to report major events such as insolvency, litigation, or change of control is crucial for consumer trust and integrity in the system.

Annual reminders to consumers about active authorisations is a positive step toward reducing permission fatigue and unwanted ongoing access.

However, we encourage consideration to be given to a mechanism that would allow consumers to see and manage their active consents at any time, not just once a year.

Addressing insecure credential sharing practices

Finally, we consider further thought should be given to the issue of insecure credential-sharing practices, such as requiring consumers to enter their online banking usernames and passwords into third-party platforms (e.g. screen-scraping or credential-harvesting practices). These

methods, while currently used by some payment providers in New Zealand, undermine basic cybersecurity hygiene and have contributed to the normalisation of risky behaviour i.e. consumers willingly sharing their banking credentials, making them more vulnerable to scams.

In the UK, third parties have to use regulated, secure, API-based access and implement strong customer authentication. This has effectively outlawed screen-scraping services. The Australian government is also considering a ban on screen-scraping.

Thank you for the opportunity to provide comment.

ENDS