

WNZL's submissions on the draft Customer and Product Data Act regulations

2 September 2025

Thank you for allowing us additional time to provide our feedback on the draft Customer and Product Data Act regulations (the **Regulations**). WNZL supports the NZBA's submission dated 29 August 2025 and therefore addresses only the following points in this submission:

- Concerns around the timing of implementation and the need for clarity and certainty on the expectations for implementation dates.
- Concerns in relation to intermediaries and fourth parties.
- Clarity in relation to the 'authorised person' appointment.
- Concerns in relation to inconsistencies between API Standards and Regulations. We also query whether it be preferable for the regulations to require adherence to the relevant standards and prescribe (for example) how often they should be updated/adopted, rather than trying to capture the current standards in the regulations (when these standards will be updated periodically). We would suggest that there should be rules about the currency and deprecation of standards, for example you cannot be more than one standard behind the most current standard at any given time.
- Exemptions WNZL would seek if the Regulations were to come into force as drafted.

Certainty around timing and expectations

MBIE has communicated informally that the 1 December 2025 go-live deadline for the new open banking regime might not require a 'full launch', but represent a 'soft launch'. However, MBIE has not clarified the expectations for 1 December or recorded that position in writing. WNZL is eager for MBIE to clarify that as soon as possible.

WNZL's primary concern is that if a full launch is required for 1 December 2025, without enough time for data holders and data requestors to prepare robustly and there are any significant issues soon after, that could harm consumer confidence which will be difficult to repair. This concern has been exacerbated by the truncated consultation period for the Regulations. Any significant issues at

or soon after launch would be a major obstacle to achieving the thriving ecosystem that both banks and third parties are working hard to build.

We appreciate your high level updates on MBIE's ongoing discussions with the API Centre in relation to its potential appointment as the 'authorised person' under the Regulations. However, given the regulated open banking regime is scheduled to launch in only 3 months, it would be helpful to understand when MBIE will announce the outcome. We would also be interested to understand MBIE's intentions regarding adopting any of the standards that have been published by the API Centre. Further, it is unclear whether MBIE has a fallback option in case MBIE and the API Centre ultimately fail to agree to terms for the potential appointment. If not, we are concerned that there is already very little time for the industry to adequately consider alternative options.

While we have aimed to provide as complete feedback as possible at this stage, we note that we are still building WNZL's open banking system as we respond to this so it's possible that further issues might arise (and existing issues might fall away) as we progress that build work. We have greatly appreciated our engagements to date and expect to be able to use those continuing engagements to raise points as they come up. It may mean the exemptions summarised below might change on short notice. It would also be helpful to have clarity as soon as possible on the timing and process for exemptions, given the short timeframe until launch of the regime.

Concerns in relation to intermediaries and fourth parties

Intermediaries play a crucial role in the open banking system as they enable parties to participate in open banking who may not ordinarily meet the required accreditation standards to participate in the system. Therefore, the public's trust in the wider system will rely in large part on the accreditation processes of the intermediaries and the safeguards and reassurances that intermediaries offer, leaving the system vulnerable for bad actors to exploit if such safeguards are not adequate.

To mitigate these risks under its existing bilateral arrangements, WNZL (a) reviews all fourth parties to assess risk and (b) maintains the right to block fourth parties and transactions where it believes it is necessary to protect its customers or to meet its regulatory obligations (e.g. fraud or AML/CFT risks).

In the absence the ability take those mitigating actions, we believe it is important that there is clarity on (a) to what extent intermediaries will be required to pass through accreditation requirements such as security obligations and fit and proper requirements to their fourth parties and (b) whether an intermediary will assume liability for the actions of its fourth parties.

At a minimum, WNZL suggests that the Regulations should include a simple, efficient process for data holders to flag/report suspected fraudulent parties and/or transactions to MBIE so that MBIE can take appropriate action against an accredited requestor if necessary. An additional suggestion would be, for example, that an intermediary could be prohibited from onboarding a fourth party that had failed to achieve accreditation because it did not meet the fit and proper requirements.

Inconsistencies between API standards and Regulations

As noted by the NZBA in its submissions, WNZL is concerned that the Regulations are not consistent with the API Centre standards in all respects. For example, the Regulations appear to require data holders to collect and provide data that they do not currently hold, which conflicts with the intention of the regime to require data holders to provide access to data that they already hold (as opposed to collecting or creating new data). WNZL refers to and repeats paragraphs 14 and 15 of the NZBA's submissions.

If the intention is that the Regulations do in fact require data holders to provide data that they do not already hold, WNZL will require an exemption for providing several categories of data noted in the regulations as it does not currently provide such information in its statements.

We also query whether it be preferable for the regulations to require adherence to the relevant standards and prescribe (for example) how often they should be updated/adopted, rather than trying to capture the current standards in the regulations (when these standards will be updated periodically). We would suggest that there should be rules about the currency and deprecation of standards, for example you cannot be more than one standard behind the most current standard at any given time.