



Consultation on payment services regulation

MBIE is seeking feedback on whether New Zealand's rules for payment services are clear and fit for purpose, and on possible objectives and approaches for any future reform. This document provides a summary of the discussion document and the key topics covered.

What are payment services?

Payment services help people and businesses make and receive payments, including paying bills, buying goods, getting paid, and sending money. They include:

- › money transfers (including cross-border payments)
- › digital wallets and stored-value accounts
- › services that help businesses accept payments (for example, card payments or online checkouts)
- › services that help initiate or process payments.

Some payment services **move money**, while others **hold a balance for later use**.

Why is MBIE looking at payment services regulation?

New Zealand does not have a single set of rules designed specifically for payment service providers. Different rules apply, depending on the service and who is delivering it.

This can make it hard to understand what rules apply, what protections exist, and who is responsible if something goes wrong.

What is the discussion document about?

The discussion document does not propose a preferred solution. Instead, it asks for feedback on:

- › what is working well today
- › where there may be gaps or uncertainty
- › how payment services work in practice
- › what outcomes should be prioritised if changes are needed
- › what types of approaches could work best in New Zealand.

What may not be working well today?

The discussion document identifies several areas where the current approach may not be working well:

- › **Barriers to entry and competition:** some providers may face unclear rules, high costs or access issues that make it harder to enter the market or compete.
- › **Uneven protections for users:** people and businesses may not always know how their money is protected, what information they should get, or who is responsible if something goes wrong.
- › **New and evolving services:** some newer services, including those using digital tokens, may not fit well within existing rules.

What should we aim for?

We want feedback on the improvements we should target if we do further work. This might be:

- › clear and easy-to-understand rules
- › consistent and proportionate protections for users
- › reliable and resilient payment services
- › support for competition and innovation
- › confidence and trust in payment services
- › alignment with international approaches (including Australia) where appropriate.

Who should make a submission?

We welcome submissions from anyone with an interest in payment services, including:

- › consumers
- › small and large businesses
- › banks
- › non-bank payment service providers
- › industry bodies
- › academics, advisers and advocacy groups
- › community organisations.

What are the possible approaches?

The discussion document outlines a range of possible approaches that could be considered in New Zealand, including:

- › keeping the current approach and monitoring developments
- › making existing rules clearer or more consistent
- › introducing new rules for payment services (for example, on safeguarding or disclosure)
- › licensing or regulating some activities, particularly higher-risk services
- › using industry standards or co-regulatory models.

Have your say

Please visit mbie.govt.nz/payment-services-regulation to read the discussion document and make a submission. MBIE welcomes feedback from anyone with an interest in payment services.

Submissions will help inform advice to Ministers on whether changes are needed and what future approach could work best.

Submissions close at 5pm on **Friday 3 July**.

If you have any questions please contact: financialmarkets@mbie.govt.nz