

27 February 2024

Commerce Commission  
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New Zealand  
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Tēnā koe

### **Wpay Submission: Payments NZ Authorisation**

1. Wpay New Zealand Limited (**Wpay NZ**) is pleased to provide a brief submission in support of Payments NZ Limited (**Payments NZ**) application seeking Authorisation to further develop its open banking framework (**Application**).
2. Wpay NZ is a wholly owned subsidiary of Woolworths New Zealand and ultimately Woolworths Group. Wpay Australia also operates in the Australian market.
3. Wpay supports innovation and competition for the long term benefit of consumers. We have two suggestions for the Commerce Commission's (Commission) consideration of the Application.

#### **Develop a dispute mechanism**

4. As part of the proposed development of the accreditation scheme,<sup>1</sup> it would be prudent to develop alongside a dispute mechanism to allow prospective applicants the opportunity to challenge a determination. A dispute mechanism could include a role for either an independent mediator or the Commission.

#### **Consult on future new entry**

5. The joint development of the partnering framework between the API Centre and existing [17 'Standard Users'](#) may not be reflective of the future applicants/users of the API services. To help optimise for public benefit we suggest that before the accreditation standards<sup>2</sup> are finalised, a broader set of payments providers should be

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<sup>1</sup> [Statement of Preliminary Issues. Payments NZ Limited: Application seeking Authorisation to further develop its open banking framework](#), Commerce Commission, 12 February 2024, para. 10.1.1., page 3.

<sup>2</sup> Above 1, para 10.2

engaged, such as [Payments NZ Members ~40 members](#) to provide broader representation.

6. If broader representation as noted above is not possible, we would suggest that Authorisation<sup>3</sup> be subject to adherence to a set of guiding principles for the development of the framework. Such principles could be drafted by the Application for approval by the Commission. For example:
  - a. a principle may include that the framework is developed with consideration of standard Australian and International payments practices to reduce the risk of onerous New Zealand obligations that discourage new entrants to the market. This may also support New Zealand's international obligations under its [Closer Economic Relations Agreement](#) with Australia.
  - b. Another principle could be for standards to be reasonable and equitable between all parties to the contract to avoid the transfer of all risks/liabilities to the applicant party.

Kind regards

James Radcliffe  
General Counsel  
**Woolworths New Zealand**

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<sup>3</sup> Specifically the aspects referred to in para 10.2, above 1.