

Submission Response: Consultation on our proposal to recommend designation of the interbank payment network

Date received: 7 May 2024

Name: [REDACTED]

Organisation: [REDACTED]

Email address: [REDACTED]

Would you like any part of your submission to be anonymous? **Yes**

Please describe which part of your submission you would like to be anonymous, and please provide a reason.

[REDACTED]

Full list of our submission questions

Questions on our proposal to recommend the interbank payment network is designated	
1	Do you agree with our preliminary position that designation of the interbank payment network will promote competition and efficiency in the retail payment system for the long-term benefit of consumers and merchants? If not, why not?
Respondent skipped this question.	
2	Do you agree that there are features of the interbank payment network that are reducing or likely reducing competition and efficiency of the network or the system?
Respondent skipped this question.	
3	Do you agree that there is conduct of participants of the interbank payment network that are reducing or likely reducing competition and efficiency of the network or the system?
Respondent skipped this question.	
4	Are there any other features of the interbank payment network or any conduct of participants that are relevant to our consideration to propose designation?
Respondent skipped this question.	
5	Do you agree with our characterisation of the nature of the interbank payment network? By 'nature' we mean the number, value, and nature of the transactions that the network currently processes or is likely to process in the future of the payments.

Respondent skipped this question.	
6	Are there any other aspects of the nature of the network that are relevant to our consideration to propose designation?
Respondent skipped this question.	
7	Do you agree with our assessment of the potential interaction between the proposed designation and the FMI Act and CPD Bill?
Respondent skipped this question.	
8	Apart from the FMI Act and the Consumer Data Rights Bill, are there any other statutory considerations you consider relevant to our proposal to recommend designating the interbank payment network?
Respondent skipped this question.	
9	Do you agree with our definition of the proposed designation? If not, why not?
Respondent skipped this question.	

Additional optional questions

10 Do you agree New Zealand has not implemented a thriving API enabled payment ecosystem?

Yes. There is a lack of timely delivery and adoption of a thriving API enabled payment ecosystem primarily lead by New Zealand's major banks and the lack of connectivity options available to third parties. As the Commission has noted, there is currently only one single API based third party payment product available by Worldline (previously Paymark) and this product is not widely available to third party payment providers due to the lack of connectivity options available.

11 Do you agree new payment methods through API enabled payment ecosystems are becoming more prevalent overseas? And, do you agree with how we have characterised the nature and benefits of these systems?

Respondent skipped this question.

12 Do you agree there is significant unmet demand in New Zealand for innovative new payment methods enabled by a thriving API enabled payment ecosystem?

Respondent skipped this question.

13 Do you agree with our characterisation of the minimum requirements for a functional API enabled payment ecosystem?

Respondent skipped this question.

14 Do you agree with our concerns regarding the timeliness, partnering, transparency, and reasonableness of fees of the API enabled ecosystem that use any undesignated interbank payment network?

Yes. Noting that the ecosystem is lead primarily by banks, there is concern that the features of the API enabled ecosystem will be limited in its benefits and impact widespread adoption across New Zealand's payment system. There should be an opportunity for all stakeholders of New Zealand's payments systems to provide input relating to the minimum requirements for a thriving API enabled ecosystem, particularly the ability for third parties to partner with banks to use the APIs.

15 Do you agree with how we've characterised the innovative new products and services for businesses within an API enabled ecosystem? And are there any other products and services for businesses you would like to draw our attention to?

Respondent skipped this question.

16 Do you have any other comments you would like to make?

Respondent skipped this question.