

Debit card payments in Aotearoa New Zealand – a brief history

1989-2005

Eftpos cards are launched across NZ providing merchants and consumers with a cost-effective and cheap way of paying for goods and services.

Eftpos was free to consumers and merchants paid a single monthly fee for the processing of all their Eftpos transactions. As a result, paying by Eftpos grew quickly to generate the highest use of electronic payments in the world, quickly displacing cheque and cash usage.

2005-2010

Mastercard and Visa debit cards are launched enabling consumers to pay online and overseas.

2010-2016

Contactless payment technology is developed and rolled out on new Visa and Mastercard debit cards.



2016 - 2020

Visa and Mastercard debit cards go cardless with **mobile payments**. Mobile payment options, such as bank branded wallets, Apple Pay and Google Pay, become options for Visa and Mastercard debit cards.

2020 - 2022

Many merchants turn on contactless capability during the early stages of the COVID-19 pandemic with online payments and contactless transactions experiencing significant growth as a share of payments.

As lockdown restrictions eased **merchants reassessed the benefits of offering contactless payments**. Merchants who set up contactless payments or a webstore start paying more in merchant service fees. Some merchants choose to again disable contactless transactions, others begin surcharging to pass the cost onto consumers.

The industry responds by lowering merchant service fees for contactless debit card payments.

Retail Payment System Act and associated **interchange fee regulation comes into force** limiting a significant component of fees merchants are required to pay to accept Visa and Mastercard for contactless and credit transactions.