

Submission Response: Costs to businesses and consumers of card payments in Aotearoa New Zealand: Consultation Paper

From: Felix Lee <[REDACTED]>
Sent: Tuesday, July 23, 2024 1:13 PM
To: Retail Payment System <PaymentsTeam@comcom.govt.nz>
Subject: consultation on payment system regulation

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Kia Ora

Thank you for the opportunity to consult as a consumer. Although it seems attractive for lower paywave fees, I have some concerns on the proposal. My concern is paragraph 4.77 of the consultation document:

> We also recognise the potential for reduced interchange fees to dampen interest from merchants and consumers in new alternative payments methods.

This regulation basically will cement the duopoly of Visa and Mastercard. Any enterprising company that wishes to undercut the big two will find themselves being kneecapped. We will not see the benefit of additional competition in the payments market and are stuck with what we have now.

In Asia you have a choice of dozens of payment providers, and they all give lots of incentives for you to choose them, way above credit card reward rates, we will not get that chance here if this proposal goes ahead.

In NZ we had a few companies that tried to enter the payments market, eg ChoiceToPay, Dosh, etc but none of them have taken off. I feel ComCom should focus more effort on measures that encourage competition in the payments market instead of picking winners and losers.

Thank you for your attention.

Felix