

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

4 April 2024

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Email address: [REDACTED]

Would you like any part of your submission to be anonymous? No

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?
No - I disagree. Not unless you can show that current fees paid by merchants and consumers will in fact drop and remain low.	
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?
Not sure. The costs are currently high either because the system is inefficient or because the banks are taking excess profits.	
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?
Yes - I agree. The system is entirely opaque.	
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?
The final outcome for merchants and consumers is that costs must fall and the process must be transparent.	
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?
Not sure. This is designed to be read by industry folk. Therefore User (Merchants and Consumers) are excluded from the subtleties involved.	

Additional optional questions

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

An "API enables payment ecosystem" seems to be saying there is only one solution to a cheaper more effective "payment ecosystem". And maybe there is only one solution. But it might be good to consider alternatives if there are such.

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?

No. Folk want cheaper and simpler. Most folk don't know what API is. And demand may be too strong a word. Folk are in general not banging tables or badgering their MPs. They are grumbling about how expensive things, including banking, are. And (in the case of merchants) how hard it is to understand and manage banking related costs.

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

Confidence is not given enough prominence. And cost is not mentioned. Nor is transparency.

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?

I have concerns whether undesignated or not.

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?

The most useful things the ComCom could do is improve transparency and require appropriate tools. For example, the Retail Payment systems act does nothing for transparency. Nor does it help merchants manage fees. Despite the Act, cards have differing fees (overseas, commercial). And it is not possible at payment time to know what the fee for a card will be. I suspect the same will apply here. It must be transparent and cheap. Pointless otherwise.