

## Interbank payment network request for views paper – Submission

Questions on New Zealand's payments between bank accounts landscape	
1	Do you agree that Eftpos card use is likely to continue to decline? If not, why not? YES I AGREE.
2	Do you agree with our assessment of the factors contributing to the decline in Eftpos card use? If not, why not? YES I AGREE.
3	What do you see as the barriers to innovation and success for Eftpos? It's too slow and cumbersome. Consumers have got used to frictionless payments using contactless payment methods such as paywave. This has set the bar for consumer expectations.
4	Do you agree with our view that the decline in Eftpos card use is reducing the competitive pressure on the debit card networks for in-person payments and that this may have a detrimental impact on consumers and merchants over time? If not, why not? YES I AGREE
5	Do you agree with our view that competitive pressure in the payments between bank accounts landscape could be increased by enabling an environment where payment providers develop innovative options to make bank transfers? If not, why not? YES I AGREE
Questions on the key features of traditional bank transfers	
6	Do you agree that we have captured the existing benefits and problems with the traditional method of initiating bank transfers? If not, what other benefits or problems exist? YES I AGREE
Questions on methods to gain access to the interbank payment network	
7	Do you agree with how we have described and ranked the different methods for payment providers to access the interbank payment network to initiate payments? If not, why? YES I AGREE. We have also observed that many government departments, local authorities, and major corporations use these suboptimal methods.
8	Are there other key features of the payment initiation network access methods you would like to draw to our attention? No
Questions on the environment required to support innovation in options to make bank transfers	
9	Do you agree that these API related requirements are sufficient to enable an environment where payment providers can develop innovative options to make bank transfers? If not, why? YES I AGREE

### Questions on the benefits from a more competitive and efficient interbank payment network

10	Do you agree with our view of the long-term benefits to merchants and consumers from the development of innovative options to make bank transfers? If not, why? YES I AGREE
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### Questions on industry open API standards

11	Do you consider that the existing industry open API standards are a good starting point to enable innovative options to make bank transfers? YES
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12	Do you consider the future of industry open API standards will enable innovative options to make bank transfers? YES
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13	What gaps are there in the open API standards for innovative options to make bank transfers?
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### Questions on the key barriers preventing efficient access to the interbank payment network

14	Do you agree that the key barrier preventing payment providers from gaining efficient access to the interbank payment network is that the banks have not universally built open APIs? If not, why? YES I AGREE
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15	Do you agree that the main reason the banks have not universally built open APIs is due to the uncertainty of commercial incentives for them to do so? If not, why? UNSURE
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16	Do you consider that the industry implementation plan creates sufficient certainty that the banks will build the open APIs? And do you consider that the minimum delivery dates are appropriate? If not, why? NO. THERE HAS BEEN INSUFFICIENT PROGRESS SINCE THE ISSUE WAS RAISED IN 2019.
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17	Aside from the network access issues, are there other issues with the interbank payment network that reduce competition or efficiency? For example, the speed of payments or amount of information attached to payments?
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### Questions on efficient partnering between banks and payment providers

18	What do you consider are the main barriers to negotiating agreements between banks and payment providers for access to the interbank payment network (assuming open APIs are built)? LACK OF WILL ON BEHALF OF THE BANKS. ALTERNATIVE PAYMENT METHODS ARE SO COMMON IN ASIA AND IN THE NORTHERN HEMISPHERE. If their banks can work it out, why can't ours?
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19	Does the API Centre's partnering project enable efficient partnering between banks and payment providers? If not, what would be required to enable efficient partnering?
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### Questions on the interbank payment network

20	Do you agree with how we have defined the interbank payment network? If not, how do you consider it should be defined? YES I AGREE
21	Do you see any issues with how we have defined the interbank payment network? If so, what issues? No
22	Do you agree we have captured the correct payment products in the interbank payment network? YES I AGREE
23	Do you agree we have captured the correct network operators of the interbank payment network? YES I AGREE
24	Do you agree we have captured the correct class of participants in the interbank payment network? YES I AGREE
25	Do you agree we have identified the relevant interbank payment network rules? If not, what other network rules are relevant? YES I AGREE
26	Do you consider there are any other regulatory requirements in other New Zealand laws that we should take into account in deciding whether to recommend that the interbank payment network is designated? No

**Mary Hamilton**

Director



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