

[REDACTED]

From: Tim Wildash [REDACTED]
Sent: Friday, 24 May 2024 1:04 pm
To: Henry Fry
Cc: Gavin McNeill; Matt Croxford; [REDACTED]
Subject: Re: Commerce Commission Next Payments interview re Evergreen / ACM merger [CCNZ-IMANAGE.FID399268]

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Henry and team,

Appreciate the extra couple of days to provide you with our thoughts in relation to cash services for NZ market

Shared services option

A)

We understand that the reduction in cash usage, closing of cash access points combined with the aggressive competition experienced in NZ has caused structural issues, we support taking action to ensure a profitable well run and resourced cash distribution program. Next Payments runs over 800 ATMs in NZ and is particularly strong throughout the regional and remote areas, includes self cashed ATMs. The ability of our merchants having access to funds is also important to enable self cashing, from reading your comprehensive statement we support action before the situation deteriorates.

Next Payments have been a client of Armorguard NZ for many years and are satisfied with the services provided and excellent communication, they are professional.

B) Over recent weeks we have received significant service price increases for both cash and maintenance (FLM), they will need to be passed on to the public via fees. Estimated to be 30%

B) Our preferred approach is at all times to have competition but we appreciate action taken now will protect the long term security of the industry

C) The preferred approach surely would be to emulate the car rental industry, where many fixed cost of operational expenses are shared, while client marketing sales and support are competitive, we would recommend an independent business lets call it Merge Co establish a business handling cash sourcing, depots, counting, security, insurance, trucks, employees etc the owner could be the two existing cash businesses or allow others to take equity possibly Banks, ATM deployers etc. we would be prepared to invest in such an important business. The customer facing aspects of business, choice of operating models, salaries, marketing, tech services, incentives, would be the cash delivery businesses choice. The two cash delivery businesses to day could compete ensuring a fair environment. Merge Co would be funded by transactions and volumes used by the cash delivery companies eg if cash delivery business one did 60% of the volume they pay 60% of costs, fair.

D) The cost savings would be significant whilst maintaining a complete landscape at the customers (our) facing level.

Alternatively Benchmarking

A) Should the sale of one of the players to the other be accepted we would like to see benchmarking with relevant industries, eg international experiences including Australia, even trucking and logistics businesses that move stock and secure goods. Quality benchmarking would protect the market. Maximum price increase criteria would be implemented and min service levels guaranteed, we need the deliver cycles to be maintained

Summary, at all times you have our support, we are all simply trying to provide the public with efficient, quality services, the thought of one party departing in an unregulated manor would not be attractive to NZ, we appreciate your involvement.

Redacted section below please



Please consider

Thank you for the opportunity and we wish you all the best with your project

Tim Wildash

Executive Chairman



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