

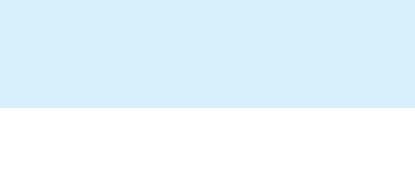
Understanding how Kiwis pay - now and into the future

Our vision is for New Zealand to have the world's most progressive payments system, while making sure payments are simple and secure for Kiwis. That's why we've partnered with Yabble to conduct some consumer research into what Kiwis think about our current payments system, and how they like to pay.

This research builds on the work we've been doing for the past 12 months, which looks into the evolving future of payments and what the industry needs to do to contribute to and prepare for that future. We've asked Kiwis to share their thoughts on how they might expect to pay into the future, and what's important to them when thinking about the future of payments.

Find out more key highlights from our research in the infographic below.

Steve Wiggins
CEO



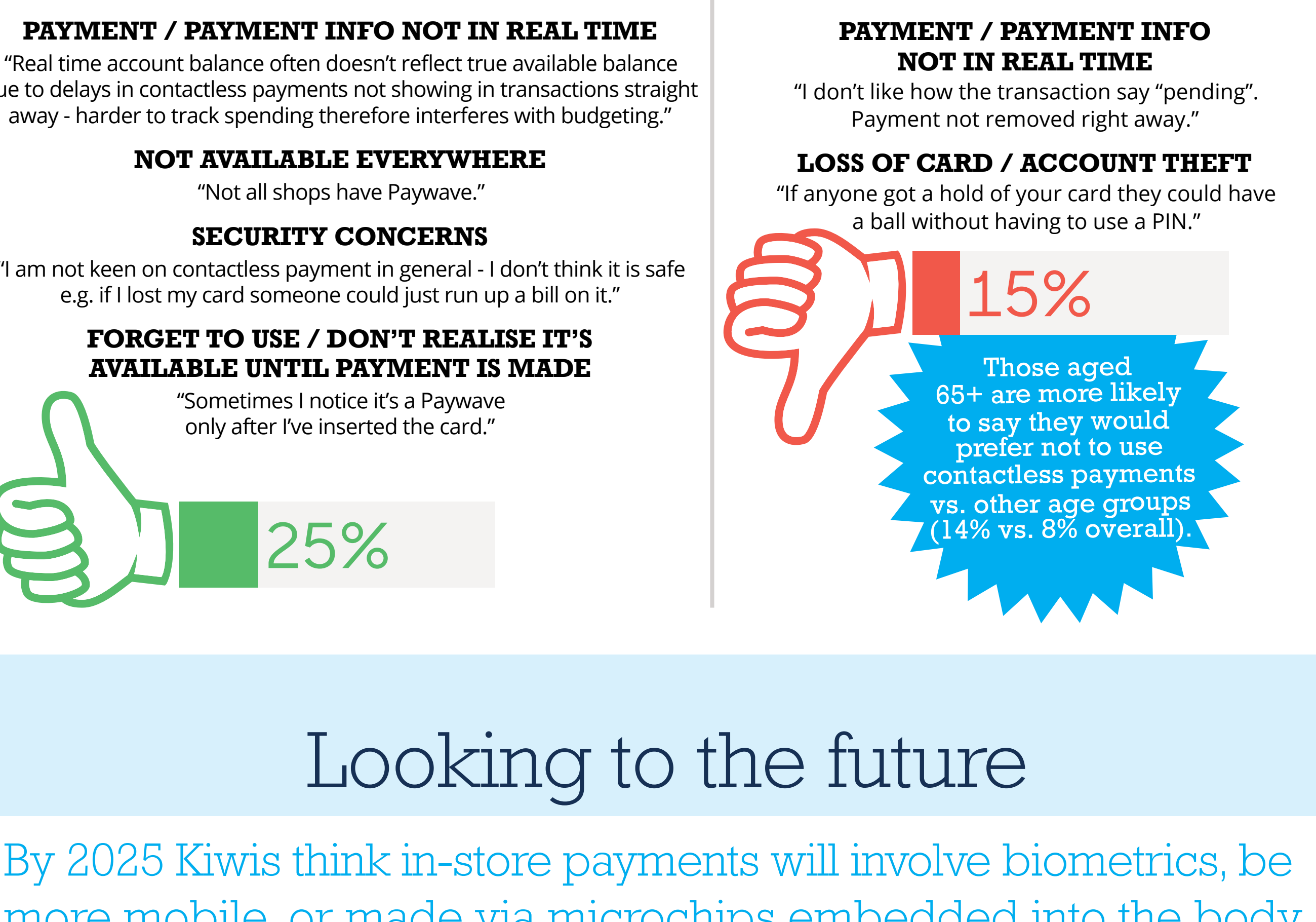
Payments behaviour

Kiwis are using a variety of payment methods, most popular are debit/EFTPOS cards, which had both high usage and preference.

PAYMENT METHODS USED IN THE LAST 12 MONTHS	PREFERRED WAYS TO PAY				
		EVERYDAY PURCHASES		LARGER LESS EVERYDAY PURCHASES	
		IN-STORE N=1,009	ONLINE N=885	IN-STORE N=1,009	ONLINE N=885
Debit/EFTPOS card <small>(i.e. money comes directly out of bank account)</small>	89%	69%	46%	48%	38%
Cash	83%	26%	N/A	11%	N/A
Banking apps or internet/online banking	83%	12%	15%	8%	14%
Credit card	68%	46%	53%	53%	55%
Account to account payments <small>(i.e. a mobile phone or website)</small>	49%	5%	7%	5%	6%
Payment apps <small>(e.g. Apple Pay, Google Pay, Alipay, PayPal etc.)</small>	39%	14%	18%	7%	12%
Direct online payment <small>(e.g. NZ Post, Education Payments Trust)</small>	33%	3%	9%	2%	6%
Inside an app <small>(e.g. Via, Uber, iBike or similar)</small>	28%	5%	3%	1%	1%
Store cards <small>(e.g. Qantas, Westpac, Farmers etc.)</small>	25%	5%	3%	8%	5%
Buy now pay later services <small>(e.g. Afterpay, Laybuy, ZipMoney etc.)</small>	23%	7%	12%	10%	12%
Personal or bank cheques	10%	1%	N/A	1%	N/A
Cryptocurrency <small>(e.g. Bitcoin or similar)</small>	2%	1%	1%	<1%	1%
Other	1%	<1%	<1%	<1%	1%

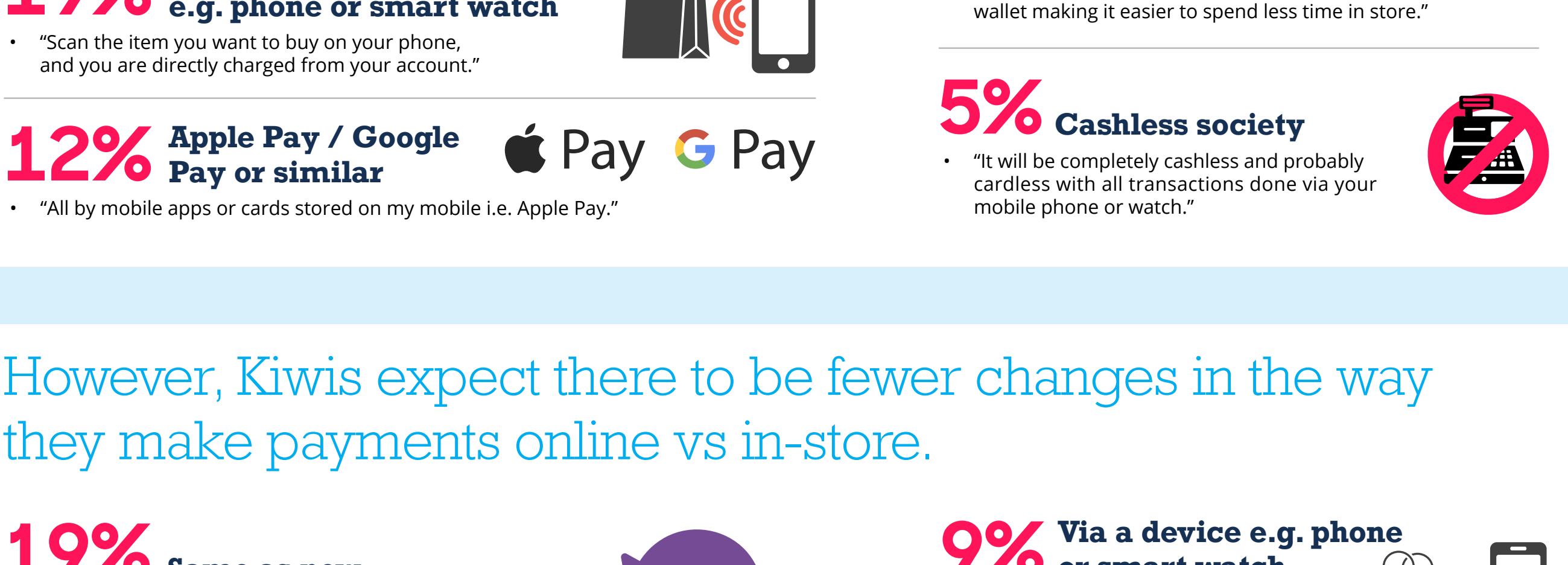


Of those who don't always use contactless payment methods,



Looking to the future

By 2025 Kiwis think in-store payments will involve biometrics, be more mobile, or made via microchips embedded into the body.

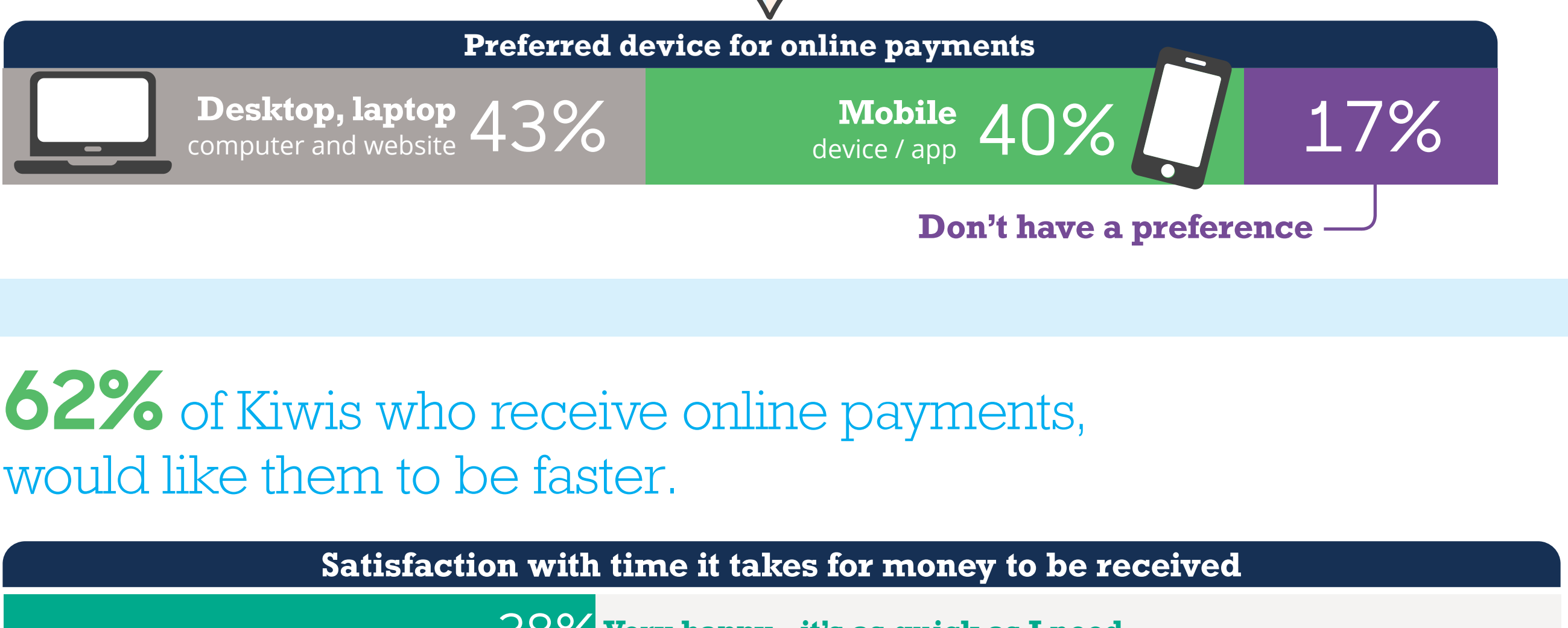


However, Kiwis expect there to be fewer changes in the way they make payments online vs in-store.

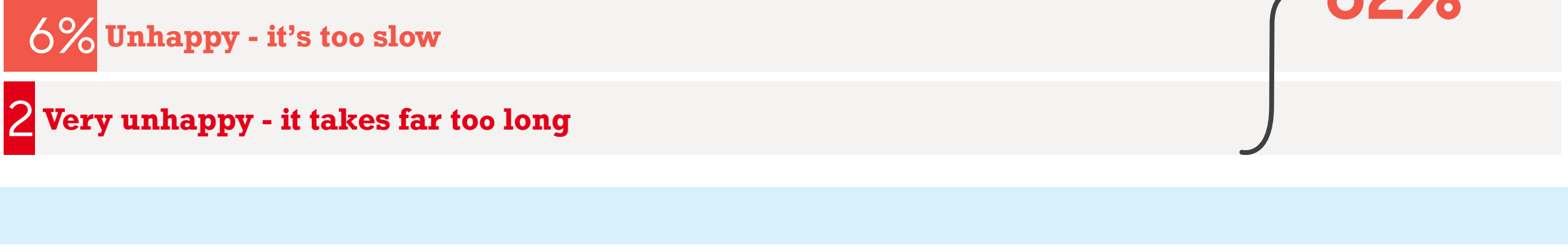


Online payments

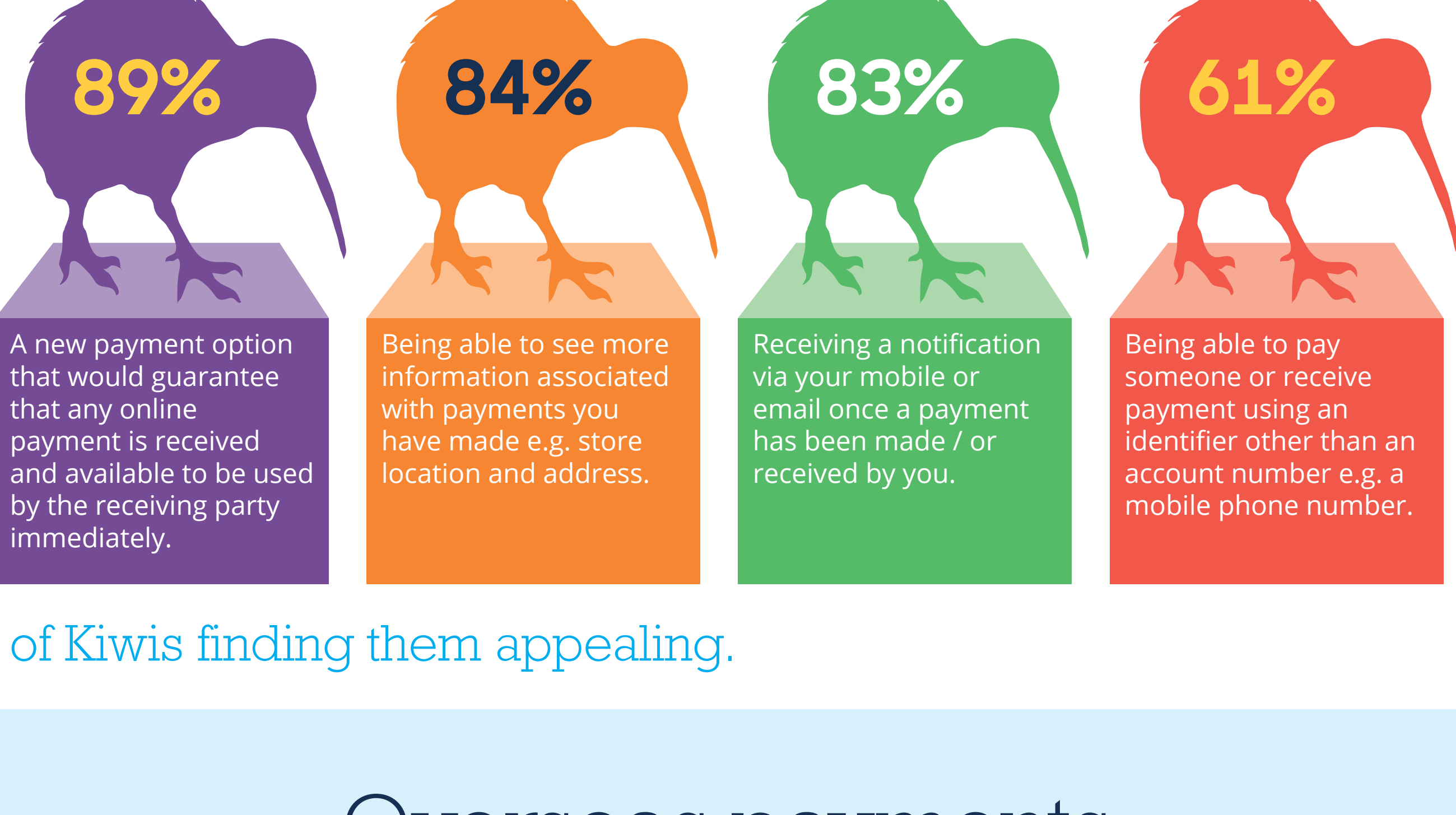
86% of Kiwis are making payments online monthly or more often. With 40% preferring to make this payment via a mobile device.



62% of Kiwis who receive online payments, would like them to be faster.



Appetite for new payments functionalities are HIGH with...



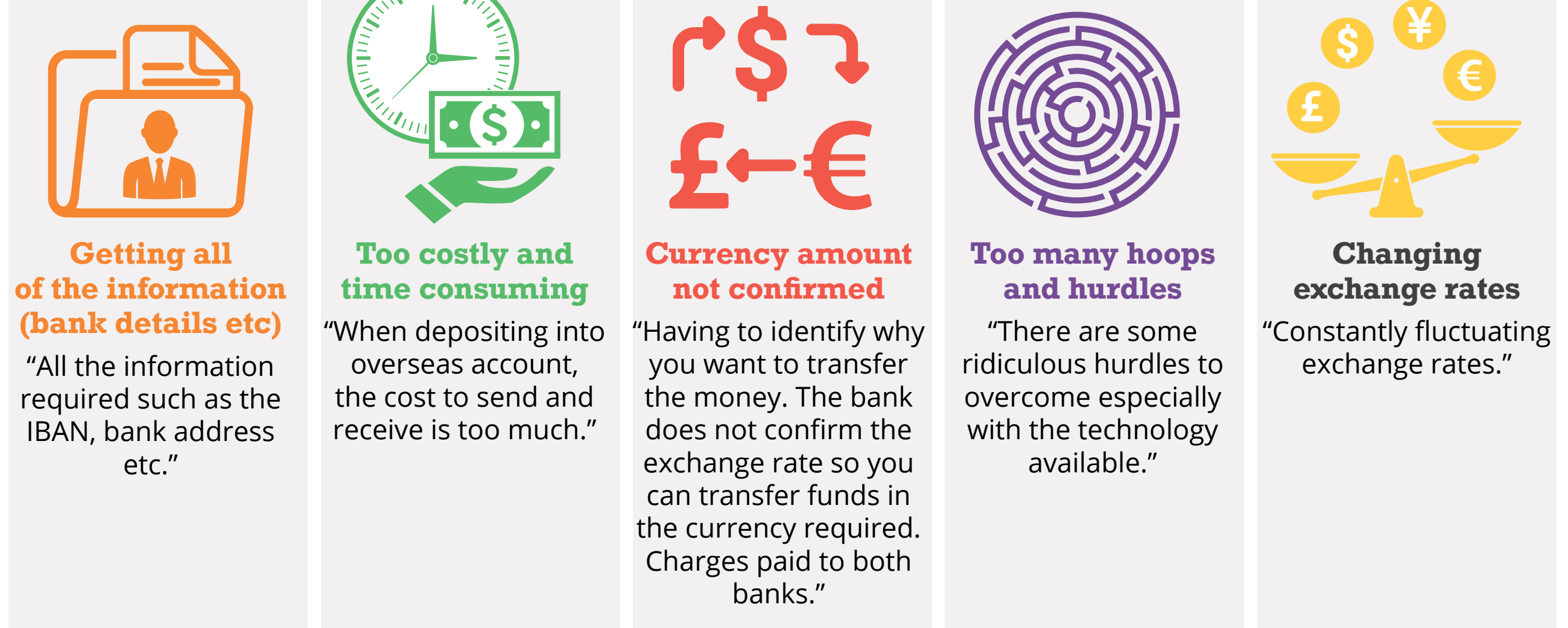
of Kiwis finding them appealing.

Overseas payments

Nearly 6 in 10 Kiwis make overseas payments at least once every 6 months, with 16% making them monthly or more.

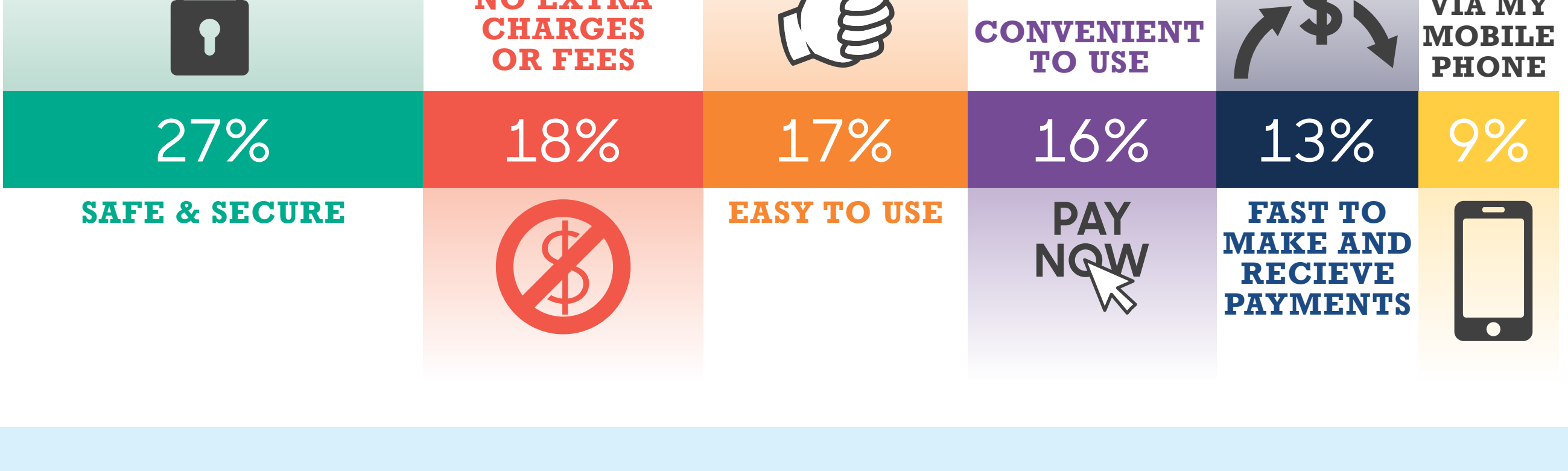


38% of those who make payments think the process could be made easier. 71% believe making the process easier is important.

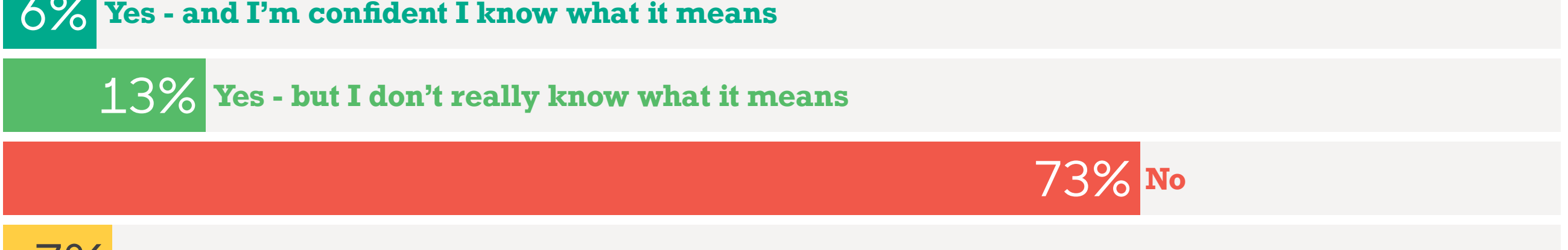


Future behaviours / open banking

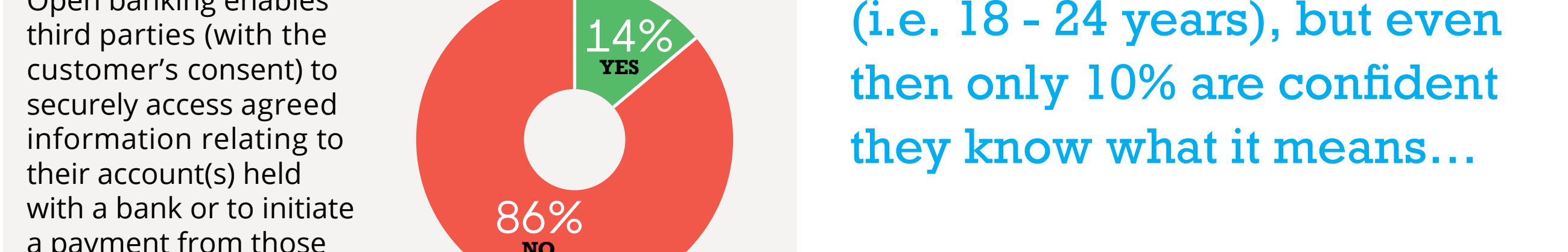
What are Kiwis looking for in new payment solutions?



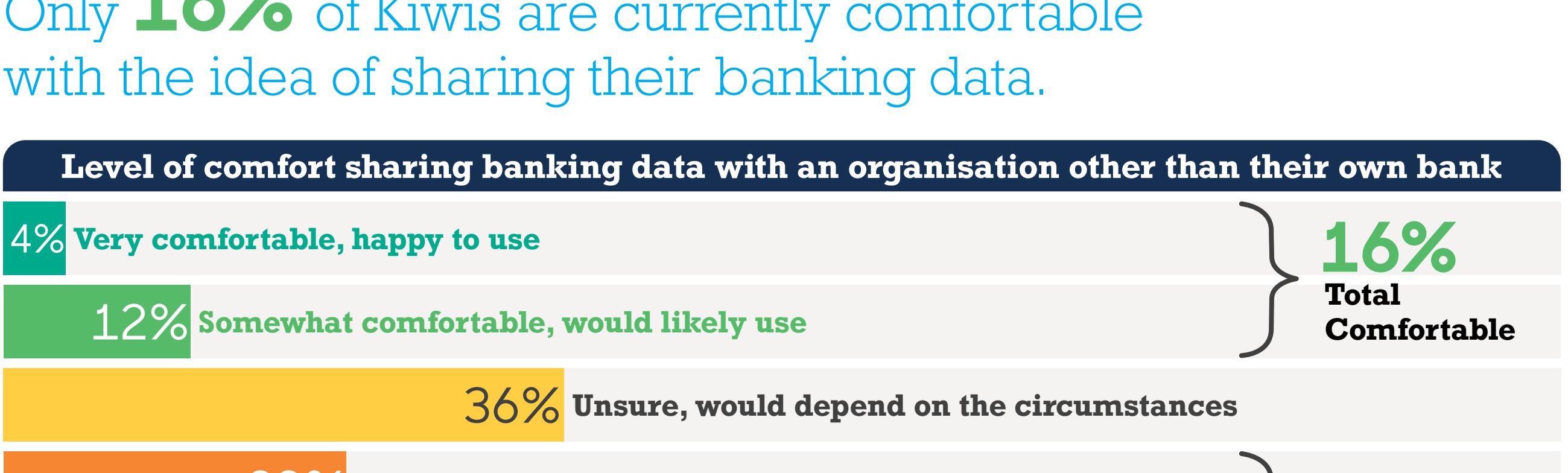
Current awareness and understanding of open banking is low



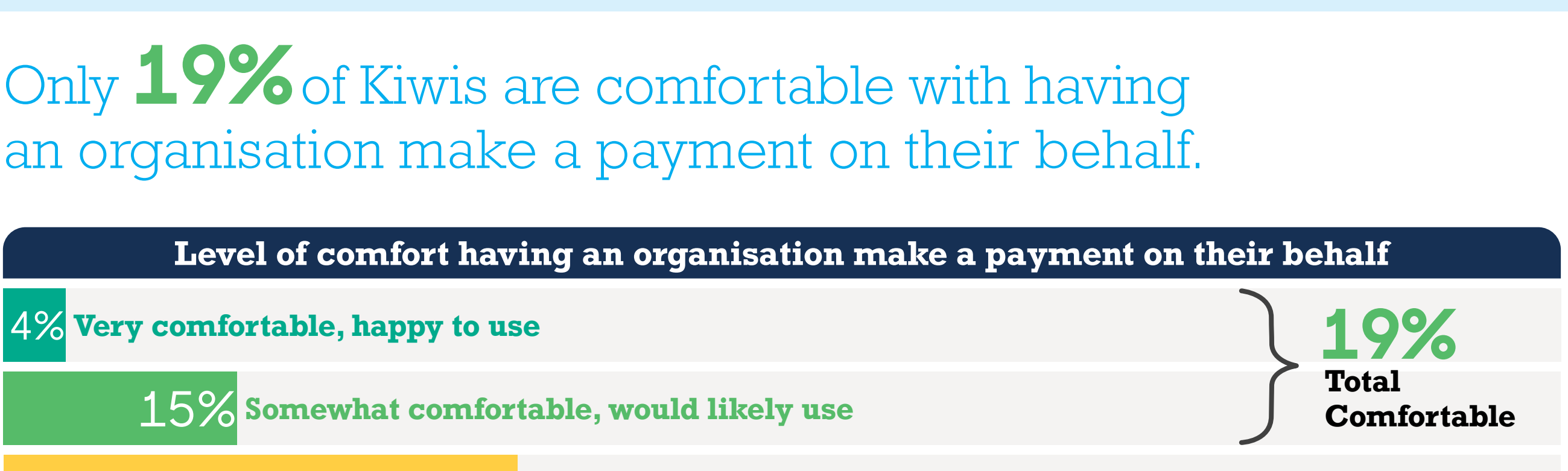
Before today were you aware of what open banking involved?



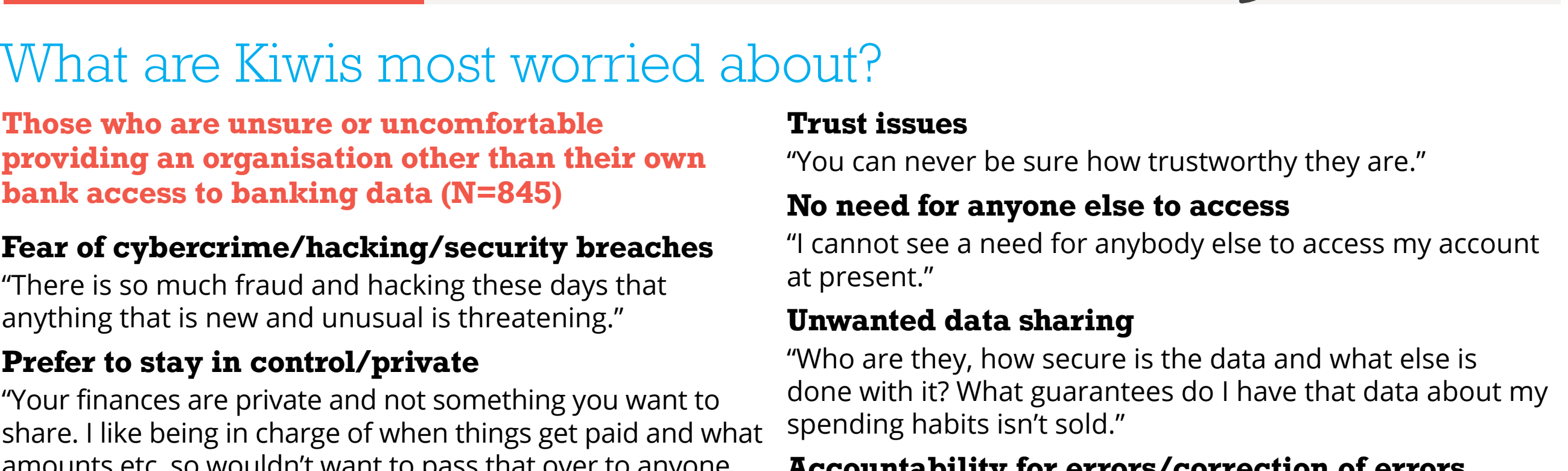
Only 16% of Kiwis are currently comfortable with the idea of sharing their banking data.



Only 19% of Kiwis are comfortable with having an organisation make a payment on their behalf.



What are Kiwis most worried about?



Study details: Online survey conducted 2nd - 16th September 2020. Designed to provide insight around how Kiwi consumers are using payments and their awareness of various payment methods. It also measured appeal of ideas for new and different future payment methods.

Total of 1,012 people answered the survey online. Representative of New Zealand population 18 years plus by age, gender, ethnicity and location. Margin of error on results of +/- 3%.