

Banzpay submission via interview: Consultation on payments for the next generation

Views of the approach and prioritisation of capabilities

We feel the outline and approach makes sense. We support initiatives that enable innovation, competition, drive efficiency, and mitigate the risk of fraud.

From a prioritisation perspective we see access and identity being foundational followed by resilience and rich data.

We'd add global competitiveness and how we interact with other entities outside of New Zealand. For New Zealand, as an export country its important and we think this should be prioritised.

We're supportive of the modular approach and feel that should help make it easier to implement new capabilities as different working groups could be established to focus on specific areas like fraud or QR code payments etc.

Regarding real-time payments, there are a few use cases where real-time payments make a difference but it's further down the priority list. It makes sense to push ahead with other capabilities first as foundational elements.

Recommended next steps

We see the need for foundational elements such as fraud prevention, open access and efficient integration to be in place before moving to real-time payments. We support the scope and vision, but we'd like to understand how we move forward from here and open the discussion and governance to a broader group. It is critical this is resolved in the next stage.

We've seen how hard it is to influence the outcome if you're not a bank. We understand why the banks are at the table – volume, finances etc. but we need to understand how the conversation opens up to others to support the governance function.

We also need to learn from previous implementation of new capabilities in market. Once new services are live, they should be commercialised and open to all to access. Not doing this causes frustration through creation of a 2-tier system.

Who should be driving this work forward?

This is foundational piece that needs to be resolved. Non-banks need to have a seat at the table at the early stages, discussing technical and commercial requirements. It's important to have different voices at the table and if investment is required the opportunity for non-banks is available.

Currently, this work is being industry led, which hasn't got us to where we need to be, but surely there's benefit and opportunity for the government to contribute - whether it's as a sponsor (although we acknowledge there's a risk of this changing) or by contributing funding.

The role of regulators

Regulatory involvement is critical we need this early in the process and ongoing to maintain momentum.

Centralised fraud approach

Having a centralised approach to fraud prevention makes sense. Having an agency that's focused on fraud in New Zealand carries significant merit. Regulation could also help to drive efficiencies in this space. For example in card fraud, we need schemes, issuers, law enforcement and technology providers around the table to determine the approach to fraud in New Zealand. As an example Card schemes can help with providing local and international fraud data that we can harness. Extending the conversations, data sharing and participation to non-banks in Account-to-Account fraud is required now.

Banzpay is a payments technology provider with over 30 years of experience, delivering secure, high-performance solutions, such as card issuing and ATM payment switching to financial institutions across New Zealand and the Pacific.