

Submission

Petition of Benjamin Sims: Require payment blocks on age-restricted purchases by under-18s

for the Petitions Committee | Komiti
Whiriwhiri Take Petihana

18 June 2026



1. Payments NZ welcomes the opportunity to provide a submission on the petition of Benjamin Sims regarding mechanisms to block transactions for age-restricted purchases by under-18s.
2. We recognise the deeply tragic circumstances behind it and extend our heartfelt condolences to the Sims family. We have prepared this submission with care, mindful of both that loss and the need to ensure the payments system continues to work safely and effectively for all New Zealanders.

Our role

3. Payments NZ governs and operates the core infrastructure that enables electronic payments in Aotearoa New Zealand.
4. In 2025 alone, \$8.6 trillion moved safely through this system, supporting the everyday transactions New Zealanders rely on – from paying rent and wages to running businesses and public services.
5. We work alongside industry, regulators and government to support a system that is trusted, resilient and fit for purpose, including for the people and communities who rely on it every day.

Summary of our position

6. The intent of this petition is clear and reflects a genuine concern for protecting young people.
7. Payments systems are not designed to determine what is being purchased.
8. Available data is not precise enough to reliably identify age-restricted goods.
9. Responsibility for enforcement sits with retailers and regulatory frameworks.
10. Payment-level controls would introduce material challenges – accuracy, privacy, accountability and cost.
11. Future modernisation may enable stronger controls, but only with clear policy direction and system-wide design.

How the system works today

12. Payments systems are designed to:
 - a. authenticate the payer
 - b. confirm funds are available
 - c. transfer money between accounts.

13. They do not assess the underlying goods or services being purchased. In practice:
 - a. payment systems do not see individual items.
 - b. available data (such as merchant categories) is broad, not specific. We are aware of examples in other jurisdictions where card issuers apply restrictions to cards held by customers under 18 years of age using merchant category codes. These controls operate at a broad merchant category level rather than assessing the specific goods being purchased within a transaction. Supporting age-based controls in this way would across the EFTPOS network in Aotearoa would require a significant improvement in both the quality and consistency of merchant category code data as well as how it is utilised.
 - c. payment systems cannot determine whether a transaction includes restricted goods or who it is for.
14. The payments system can process a transaction, but it is not designed to determine whether that transaction complies with other rules.

Acknowledging the petitioner's perspective

15. We note the petitioner's view that where a system can identify both a customer's age and the type of merchant, it should prevent transactions that are not legally permitted.
16. This is an understandable expectation. We recognise that this issue has prompted considerable discussion across the banking and payments sector over an extended period, reflecting a genuine desire to explore practical ways of preventing harm.
17. We recognise that the petition is seeking a practical solution to a real-world concern. The challenge is identifying where controls can be applied most effectively and with the greatest certainty.
18. Expectations of the payments system have evolved significantly in recent years, as technology creates new opportunities to improve safety, security and customer protection. People also increasingly expect it to play a greater role in protecting them and supporting better outcomes.
19. We also acknowledge the petitioner's view that existing technologies and controls demonstrate that certain restrictions can be applied at a card level today. However, they do not determine whether a specific product is being purchased and therefore involve trade-offs between effectiveness, accuracy and customer experience.

20. In addition, implementing age-based blocks at a card level would require card re-issuance or integration between banks' customer relationship management systems and payment processing systems. This would involve significant industry-wide development and coordination and creates challenges in verifying a customer's date of birth during a live payment transaction.
21. The question is therefore not whether some form of control is technically possible, but where those controls would be most effective in achieving the intended outcome.
22. There is a distinction between systems that enable transactions and those that enforce rules. A payment card can be used to make a purchase, but it is the retailer's responsibility to check age eligibility at the point of sale. Retailers are also the only parties to see both the person making the purchase and the specific goods being purchased at the point the transaction occurs.
23. The payments system facilitates the transaction, but it is not designed – and has never been designed – to determine whether it should be permitted.
24. This distinction is important in understanding where controls can be applied most effectively.

Key considerations

Accuracy of payment-level controls

25. Many merchants sell both restricted and unrestricted goods.
26. Blocking at category level could stop legitimate purchases and miss others.
27. Some overseas implementations use merchant category codes to restrict transactions for customers under 18. While this approach can reduce access to certain categories of merchants, merchant category codes are broad classifications and do not identify individual products.
28. Many businesses sell both restricted and unrestricted goods, meaning category-level controls may decline legitimate transactions while failing to identify some restricted purchases.

Role clarity

29. Age restrictions are enforced through retailers and licensing frameworks.
30. Shifting this into payments would blur accountability.

Privacy

31. Would require linking age data to accounts and richer transaction data.
32. Raises privacy and proportionality concerns.

Unintended impacts

33. Risk of legitimate payments being declined.
34. Potential for inconsistent outcomes across channels.
35. Introduction of material cost and operational complexity for the ecosystem and customer.

Broader context

36. We recognise that concerns like those raised in this petition sit alongside wider issues, including fraud and scams, where harm is being experienced by New Zealanders and requires coordinated action across the system.
37. Even where payment-level controls are introduced, alternative payment methods may remain available. This highlights the importance of applying age-verification controls at the point of sale, where the purchasing decision is made.

Next-generation payments programme (timeline context)

38. The Committee has asked for context on the timing and progression of payments modernisation in Aotearoa.
39. Payments NZ developed five next-generation payments recommendations through deep industry engagement and public consultation. [These recommendations](#)¹ were approved by our Board and published in September 2025.
40. In November 2025, the Reserve Bank of New Zealand – Te Pūtea Matua wrote to Payments NZ advising that the Minister of Finance had approved the Reserve Bank leading a programme of work on payments modernisation in partnership with key agencies across government and in collaboration with the private sector. We expect the first step in this process to be an issues paper, to be released shortly.

Current position

41. The Reserve Bank has indicated its intent to lead payments modernisation in collaboration with industry.
42. Payments NZ understands further direction is still being established. A payments issues paper is expected.

¹https://www.paymentsnz.co.nz/documents/431/Payments_for_the_next_generation_Consultation_report.pdf

43. Payments NZ has remained actively engaged and has recently sought clarity on next steps.

In parallel

44. Payments NZ continues to progress near-term improvements with Participants, Members and industry stakeholders, including the New Zealand Banking Association – Te Rangapū Pēke. This includes developing a roadmap of incremental enhancements across the existing system, reflecting a shared commitment to practical improvements while broader modernisation work continues to evolve.
45. This work ensures progress continues across our core infrastructure while broader policy and system design decisions are developed.
46. With the Reserve Bank advising us that the Minister of Finance has approved their leading a programme of work on payments modernisation, we anticipate that future programme timing and implementation decisions will be determined through the Reserve Bank's work programme. We look forward to continuing to engage as that work progresses.

What this means

47. Future capability may better support richer data and more sophisticated controls. However, enabling payment-level restrictions would require clear policy settings, coordinated system design and careful balancing of effectiveness, privacy and cost.
48. Future payments modernisation may make it easier to introduce new forms of controls and functionality. Even then, decisions about whether such controls should be implemented would require clear policy direction and industry-wide agreement, and these controls and functionality would be best thought of as one component of a wider suite of protection and controls across retail, regulation and identity.
49. Payments NZ's view is there may be more effective ways to achieve the policy objective of preventing under-age purchases. In particular, electronically verifiable Digital Identity capabilities have the potential to provide a more direct and reliable means of confirming a person's age through trusted and accredited sources, both online and in person. Supported by a regulatory framework overseen by the [Trust Framework Authority](https://www.publicservice.govt.nz/about-the-commission/government-digital-delivery-agency/trust-framework-for-digital-identity/trust-framework-authority/about-the-trust-framework-authority)², these solutions are specifically designed to verify eligibility including at the point of sale, where appropriate checks can be applied and purchase decisions can be made with the greatest certainty. They may also offer privacy benefits by enabling age or eligibility to be verified without disclosing additional personal information beyond what is necessary for the transaction.

² <https://www.publicservice.govt.nz/about-the-commission/government-digital-delivery-agency/trust-framework-for-digital-identity/trust-framework-authority/about-the-trust-framework-authority>

50. More broadly, this petition highlights a wider question about how different parts of the system work together to prevent harm – not just payments, but retailers, regulation and identity.

Conclusion

51. We recognise the intent of this petition and the importance of protecting young people. However, payments systems are not currently designed to enforce purchasing restrictions, and doing so would require significant system and policy change.

52. Payments NZ remains committed to working with government, regulators and industry to ensure the system continues to evolve in a way that is practical, trusted and effective for Aotearoa.

53. In our view, decisions about whether someone is eligible to make a purchase are most effectively made at the point of sale, where appropriate checks and safeguards can be applied. Payments NZ believes there are more direct and effective ways to achieve this objective, including age-verification solutions specifically designed to confirm a person's eligibility to make a purchase.



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