

# Behind every payment is a system of trust. Why trust infrastructure matters more than ever in a digital economy.

*By Steve Wiggins, Payments NZ Chief Executive*

Most New Zealanders rarely think about payments.

They tap a card, transfer money, pay a bill, receive wages, or buy something online expecting the transaction to simply work.

Behind every payment is an invisible system of rules, standards, infrastructure, technology, governance, and coordination that makes modern economic life possible.

That system matters more than ever.

As Aotearoa New Zealand moves through rapid digital change, payments are no longer just a banking function or back-office utility. They are becoming more deeply embedded and interconnected within the country's critical economic and social infrastructure. Payments underpin commerce, public services, household cashflow, business confidence, and participation in the digital economy.

**At the same time, expectations are rising.** ➔ Consumers expect payments to be seamless, secure, digital, and immediate. Businesses expect interoperability and innovation. Regulators expect stronger competition, resilience, and good outcomes for customers. While across the system, scams and fraud continue testing public confidence.

This means the future of payments is no longer only about speed or convenience – trust is just as fundamental a consideration.



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## Trust is becoming a strategic issue

Trust in payments has traditionally been invisible. People trusted the system because it worked. Today, that trust is under greater pressure.

Scams, fraud, cyber risks, data concerns, and increasingly sophisticated digital threats are reshaping how consumers think about financial safety. At the end of last year, [MBIE reported New Zealanders lost \\$265 million to fraud over a 12 month period](#), including significant losses through authorised payment scams.

At the same time, payments are becoming more interconnected than ever with open banking, APIs, digital identity, and data-sharing frameworks. These innovations all create opportunity but also greater expectations around security, interoperability, governance, and resilience.

**The challenge is clear: how do we modernise payments while maintaining confidence in the system itself?**

## Payments are trust infrastructure

One of the biggest misconceptions about payments is that they are simply about moving money. In reality, payments are a trust network.

Every transaction depends on confidence that:

- the payment will be processed accurately and reflect the customer's instructions,
- systems can connect reliably,
- customer data is protected,
- institutions operate to shared standards,
- and the system can continue operating under pressure.

This is why interoperability is increasingly crucial.

Interoperability may sound technical, but its impact is practical. It allows the disparate payment networks operated by banks, fintechs, merchants, and new technology providers to work together consistently and securely. It reduces friction, supports innovation to become more scalable and more trustworthy, improves resilience and enables better customer experiences.

**Without interoperability, fragmentation increases complexity, costs, and risk.**

## Open banking is ultimately a trust story

**Open banking** is often framed as a competition reform, and that is an important part of the story. But it is also something bigger.

At its core, open banking is about trusted data sharing and secure customer-authorised participation in the digital economy. It relies on common standards, secure APIs, clear consent models, and confidence that the ecosystem will operate safely and consistently.

Its success will not be measured solely by regulation or compliance milestones. It will be measured by whether consumers and businesses trust it enough to use it.

That means trust must remain central to how the sector designs, explains, and implements modern payment experiences.

## Why this matters for Aotearoa

**Payments modernisation** is increasingly becoming a national economic issue.

A modern digital economy depends on fit-for-purpose digital infrastructure. The ability to move money quickly, securely, and reliably affects the wider economy.

This is not simply about replacing older technology with something newer. It is about ensuring the payments ecosystem of Aotearoa remains:

- trusted,
- resilient,
- interoperable,
- innovative,
- and fit for the future.

## The role of Payments NZ

Payments NZ's role is not to control every part of the ecosystem. Our role is system stewardship and leadership.

That means helping coordinate the rules, standards, and industry settings that support trusted payments across Aotearoa. It means supporting interoperability, enabling secure innovation, contributing to modernisation, and helping maintain confidence in a rapidly evolving system.

**Because ultimately, payments only work when trust exists. And, in a digital economy, trust is not a soft concept. It is infrastructure.**

