



Paying it forward

• Modernising New Zealand's
payments system

Event summary

10 March 2026

MinterEllisonRuddWatts.

Setting the scene

Emma Geard, Senior Associate, MinterEllisonRuddWatts

The recently concluded event facilitated by MinterEllisonRuddWatts, brought together public sector leaders, key industry experts and consumer advocates who are actively shaping the payments ecosystem to discuss world class payments systems and New Zealand's current payments architecture.

New Zealand is at a pivotal moment in its payments infrastructure journey. With government having signalled clear intentions to modernise the systems that underpin how money moves across the economy, the question is no longer whether change is coming but how we get it right.

Internationally, the face of payments is changing and while the pace and approach differ across jurisdictions, there are clear common threads emerging. There is a lot to learn from overseas experiences but we also need to consider the needs of New Zealand's unique society and cultural landscape.

Throughout the day, discussions examined some of the most pressing challenges confronting global payment systems, and explored how New Zealand might overcome the coordination challenge to advance towards a payments system fit for the future.





The opportunity – world class payments system

Dr Scott Farrell, Strategic Counsel, Mallesons, Trent Gunthorpe, General Manager, Pacific, ACI Worldwide,
Robbie Taylor, Manager – Money and Cash Policy, Reserve Bank of New Zealand,
Steve Wiggins, Chief Executive, Payments NZ

Facilitator: Emma Geard, Senior Associate, MinterEllisonRuddWatts

Start with understanding the why

Payments sit at the core of national digital infrastructure and money is a big part of culture, as much as data is, within the digital ecosystem. Key questions to ask when beginning to analyse payments systems are:

Why are we doing this? Why do we need change? How will the future play into this? Who are we here to serve?

How can New Zealand move towards a world class payments system?

- World-class payment systems are not one-size-fits-all. Specific economic, social, and regulatory context of the market must be considered when developing a payments system for New Zealand. We have the advantage of being able to learn from jurisdictions that have already begun this journey but must resist the temptation to simply replicate models that were built for different markets.
- Modernisation is not simply a technology upgrade, but it is a governance, policy, and coordination challenge that requires alignment across government, regulators, and industry and it must be anchored in a clear, shared vision that connects payments modernisation to the broader digital economy and data strategy.
- Efficiency and innovation are important, but the ultimate measure of a world-class system is how well it serves consumers and the broader economy.

The opportunity – world class payments: Building a system fit for New Zealand

Key strategic drivers in implementing a next generation payments system for New Zealand may include:

- the need for a single, consolidated road map for wayfinding;
- strong and disciplined alignment between industry and regulators;
- designing a right sized utility functionality appropriate for New Zealand's market; and
- avoiding the assumption that New Zealand is "bigger than it is".

Design elements

- Governance must include strong leadership that brings together all ecosystem stakeholders, takes decisive actions and has clear accountability.
- Real time payments is a common feature of modern payment systems architecture but there are many other design elements to consider. A major lesson internationally is that many systems failed to build fraud and scam management from day one. New Zealand has a significant opportunity to embed fraud controls early and use data more effectively to reduce scams and protect customers.
- Regulatory architecture must enable trust at a consumer level, at a systems level and between participants. Innovation relies on simplicity of regulatory regimes and clear access rules.

An effective payments system must:

- be resilient, reliable, safe and trusted. This is a base requirement;
- support innovation, collaboration and inclusion;
- be low cost, including for cross border payments; and
- be supported by appropriate regulatory settings, and be continually modernised over time and not be treated as a one-off project.

An overview of the New Zealand payments system

Simon Jensen, Independent Commercial Barrister, Brian Bonar, Head of Payments, Industry and Risk, ANZ

New Zealand's payments architecture has served the market and consumers reasonably well historically, but it is inherently complex and outdated. Interbank governance and payments are working well but there is no structure when you start adding new players in.

Governance of the New Zealand payments system

Trust must be the foundation of the entire system because without this, the whole system will disintegrate.

New Zealand has focused almost exclusively on system safety and resilience to date.

The existing system works well for what it currently does – an efficient, interoperable and resilient interbank payments system.

Outside of the interbank payment system, the ecosystem has evolved on an ad hoc and market-driven basis and is fragmented. This creates barriers to entry, competition and innovation. New Zealand is yet to shift focus to the future and what will be needed from our payments system in an increasingly fast moving digital and international economy.

Key learnings

- New Zealand's payments system has historically been industry-led, leaving many government agencies with steep learning curves as digital economy, data, AI, and payments workstreams converge.
- New Zealand currently does not have a banking payments code and there is a need for the regulatory structure to be strengthened to enable trust as better access for new entrants.
- Government is starting to recognise market failures but fragmented and competing government intervention is slowing payments progress. Better alignment is essential for a cohesive digital and payments strategy.
- Payments are only one part of a larger digital ecosystem. Integrating payments with e-invoicing, data flows, and digital identity will support economic efficiency.





There is still work to be done on the trust model underpinning New Zealand's payments system to enable meaningful participation beyond the traditional players.



Simon Jensen
Independent Commercial Barrister

Addressing financial fraud

Sarah Parker, Deputy Banking Ombudsman, Banking Ombudsman Scheme, Duncan Robertson, Chief Executive Officer, GetVerified, David O'Mahony, Business Analyst, AusPayNet

Facilitator: Aaron Lloyd, Partner, MinterEllisonRuddWatts

What the industry is seeing

New Zealand has lost approximately \$265 million to scams in the past 12 months. Common scam types include authorised/unauthorised transaction scams, bank impersonation, fake websites, marketplace and investment scams, remote access scams, and card/device theft. AI is also making scams more believable and effective by enabling more convincing, trust-based interactions.

Real-time payments introduce new risks that must be managed before efficiency gains can be realised.

Faster payments are not automatically safer and speed increases exposure to irrevocable fraud. Lessons from Australia show that rushing real-time capability without embedding strong controls leads to systemic issues (e.g., extremely high complaint volumes).

'Safety by Design' must be embedded across the entire payments ecosystem

International lessons highlight that safety cannot be an afterthought. Safety must be built into architecture, standards, governance, and user experience. Clearer communication of controls to end users and consistent standards across players reduce risk and confusion.

Fraud and scam responses must centre on the human experience

Consumer impacts are significant and often severe. We heard from Sarah, the cases brought through the Banking Ombudsman. These are human stories that illustrate how criminals exploit ecosystem weaknesses. Real-life examples (deep-fake scams, marketplace fraud, bank-payment manipulation) show failures across multiple touchpoints, not just in banks. Any future system design should be anchored in protecting people first.

The increase in fraud is affecting all corners of society, from retirees to digital natives.

An ecosystem approach is necessary to solve fraud

A holistic "payments ecosystem map" helps understand where vulnerabilities exist and where coordinated action is needed.

Continuous learning is also essential – institutions must analyse incidents and redesign controls to intervene earlier.



Addressing financial fraud



Safety cannot be an afterthought — it must be built into the architecture of any modern payments system from day one.



Financial fraud in New Zealand is growing in scale and sophistication

It is no longer a fringe concern — it represents a systemic risk to consumers, businesses, and the financial system as a whole and it is outpacing existing controls.

Technology is a double-edged sword

The same tools that enable faster, more convenient payments also create new vectors for fraud. Innovation and security must be developed in tandem, not in sequence. The New Zealand payments system requires stronger risk design.

Current fraud prevention measures in New Zealand have meaningful impacts but also meaningful gaps

There is no comprehensive, coordinated national response, and the burden of detection and prevention is unevenly distributed across the ecosystem.

In the last 12 months, we have seen a significant drop as a result of the implementation of the confirmation of payee and other initiatives but there are still meaningful gaps.

A coordinated, cross sector response is essential

No single organisation (be that either a bank, regulator, or government agency) can address fraud effectively in isolation. This problem is ecosystem-wide and requires collective action. Additionally, human harm must also be central to scam response framework.

Designing fraud protections into payments systems

In relation to fraud protections, confirmation of payee brings substantial benefits in reducing misdirected payments and prompting behavioural pauses. Device biometrics have proven effective in identifying compromised devices and risk scoring can help identify high-risk accounts and transactions earlier.

There is value in a centralised approach, supported by clear government leadership.

Game changers vs hype – innovation and efficiency

Alan Carnaby, Director, Smart Data Economy, Ministry of Business, Innovation and Employment, Tim D'Shea, Head of Product, BlinkPay, Tristan Dakin, Country Manager, Director Australia and New Zealand, Wise, Phil Bruno, Chief Strategy and Growth Officer, ACI Worldwide

Facilitator: Suzy McMillan, Special Counsel, MinterEllisonRuddWatts

Why innovation and efficiency within the payments infrastructure matters

- Not all innovation is equal. The payments space is crowded with promising-sounding concepts, and a critical discipline is separating genuine game changers from well-marketed hype. The test is whether an innovation demonstrably improves outcomes for users and the economy.
- Real time payments and other real time capability are increasingly the baseline expectation in leading economies. New Zealand's progress in this area has been slower than comparable markets. While consumers and businesses may not be demanding real time today, closing that gap is both a competitive and public interest imperative.
- Digital identity is an enabler, not just a feature. Without a trusted, interoperable digital identity framework, many of the most promising innovations in payments will remain difficult to scale safely and inclusively.
- The most successful way to drive things forward is through aligning private opportunity and public benefit. This is not always achievable but should remain the goal.
- Policy settings should be designed to attract private investment while ensuring the gains are broadly shared. New Zealand's relatively small market size can be an advantage. It allows for faster iteration, closer collaboration between stakeholders, and the ability to move with agility if the governance and regulatory environment supports it.





The recipe to an innovative system includes access to infrastructure, real time capability and transparency.



Tristan Dakin

Country Manager, Director Australia and New Zealand

Wise

Game changers vs hype – innovation and efficiency: The focus must be on genuine game-changers that improve consumer outcomes

True innovation comes from applications and use cases – not infrastructure alone

Simply modernising the "plumbing" (payment rails) is not enough. The biggest outcomes come from applications that solve real-world problems and deliver value.

The real public benefit will depend on market-driven applications, especially in B2B use cases. Infrastructure modernisation can be delivered quickly, but long-term success hinges on enabling application development alongside it. We need to enable access and private investment both in the design but also in the communication of the roadmap.

International experience shows modern payment systems deliver consumer value through competition

Overseas markets that prioritised customer experience, price, speed, convenience, transparency saw stronger innovation and consumer benefits. New Zealand lacks competitive pressure in payments, reducing incentives for modernisation. Additionally, our payments guardrails must be strong enough to build trust but not so restrictive as to stifle participation.

Allowing new entrants and lowering barriers for new entrants is key to driving innovation. This does not mean compromising on safety and security but communicating clear expectations to new entrants.

New experiences can be created on old rails – but it is not sustainable

Innovators often build "pseudo real-time" experiences on legacy systems, but without modern rails the experience is limited.

Starting fresh gives New Zealand a strategic advantage. While we have not begun the modernisation journey, this does give New Zealand the opportunity to design a modern payments ecosystem from day one and learn from other's mistakes.

Fintechs want to be regulated

The lack of a basic regulatory framework for payments service providers negatively impacts credibility and trust with consumers and other market participants.

Policymakers need to develop legislation that is easy to navigate and ensures modern solutions can be supported without regulatory barriers.



Building a road map

Dr Scott Farrell, Strategic Counsel, Mallesons

Australia's payments modernisation journey offers New Zealand an invaluable and proximate case study. The parallels between the two markets are significant, but so are the differences, and both matter.

Reform of this complexity and scale takes longer than expected and requires sustained political will, clear legislative mandate, and consistent resourcing. Australia's experience demonstrated the cost of reform fatigue and the importance of maintaining momentum.

Stakeholder coordination is one of the hardest problems to solve. Australia's journey highlighted the friction that arises when government, regulators, and industry operate from different timelines and priorities and the importance of establishing clear roles early.

A practical road map for New Zealand should be sequenced and achievable. Attempting to reform everything at once risks paralysis. A phased approach with clear milestones and accountability structures is more likely to deliver lasting outcomes.

The goal is not simply to modernise for modernisation's sake but it is to build a payments system that is genuinely efficient, secure, and fit for purpose for New Zealand's economy and society over the long term.

New Zealand should establish a governance framework that enables the payments system to continuously adapt in the face of an uncertain future.



The world is not in your books and maps, it's out there.

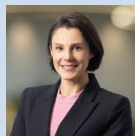


Contact

Paying it forward: Modernising New Zealand's payments systems was hosted by the MinterEllisonRuddWatts

Banking and Financial Services Division.

Our sector-leading specialist team are trusted advisers to New Zealand's major banks, payments service providers, payments technology providers and government organisations, leveraging deep market insight and strong regulatory relationships to guide significant market participants and other stakeholders.



Emma Geard
Senior Associate
+64 4 498 5007
+64 27 428 9147
emma.geard@minterellison.co.nz



Kane Lane
Division Leader and Partner
+64 9 353 9992
+64 21 610 860
kate.lane@minterellison.co.nz



Chris O'Brien
Partner
+64 4 498 5133
+64 21 888 739
chris.o'brien@minterellison.co.nz



Jeremy Muir
Partner
+64 9 353 9819
+64 21 625 319
jeremy.muir@minterellison.co.nz



Lloyd Kavanagh
Partner
+64 9 353 9976
+64 21 786 172
lloyd.kavanagh@minterellison.co.nz



Aaron Lloyd
Partner
+64 9 353 9971
+64 21 532 000
aaron.lloyd@minterellison.co.nz



Sonya Forbes
Special Counsel
+64 9 353 9756
+64 27 519 1297
sonya.forbes@minterellison.co.nz



Suzy McMillan
Special Counsel
+64 9 353 9929
+64 22 167 7893
suzy.mcmillan@minterellison.co.nz

