

paymentsnz

PAYMENTS DIRECTION

Consumer Research 2024

Understanding how consumers in
Aotearoa pay - now and in the future



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Foreword *Whiria te taurahere tangata / Weave the people together*



Leading the future of payments in Aotearoa New Zealand means staying in touch with the people we serve, so I'm delighted to share these insights and perspectives from our latest Consumer Research.

This research offers a window into consumer attitudes and payment preferences across Aotearoa, providing valuable insights as we navigate an always-changing landscape. The move towards a digital economy is accelerating, and as consumers respond to global trends and new capabilities, services and payment options, their preferences and expectations will continue to evolve.

Our report shows what this looks like today, from the perspective of consumers and in their own words. It's a snapshot of how they're paying, what they expect from their experiences, and what they want to see in the future. These results show continuity as well as change. Consumers value and trust traditional payment methods, although new digital options and always-on commerce continue to gain in popularity. Diversity in payment behaviours across the population adds another layer of insight. These insights help us keep consumer needs at the centre of our thinking as we consider and design new capabilities and payments experiences.

As open banking gathers pace, consumer comfort with data sharing is steadily rising. This comes with naturally high expectations around privacy, security and control. Meeting those expectations is central to fostering the same high level of trust in open banking that we already see across our core payment systems.

I encourage you to share these insights and engage with your industry peers about what they mean for you, and our door is always open for further kōrero.

Ngā mihi

Steve Wiggins, Chief Executive, Payments NZ



We're privileged to share insights on Māori consumer behaviour and attitudes within this year's Consumer Survey report – reflecting our commitment to supporting Māori representation and participation in the payments network.

These results show how Māori respondents are comparatively ahead of others in embracing digital payment methods, and in welcoming the potential of open banking. We've also built on our 2022 research to show changing payments attitudes and perceptions among Māori over the last two years.

We hope insights like these will assist the industry in better understanding the needs of Māori when it comes to payments. They will also help to inform our ongoing future of payments work and contribute to understanding the broad needs of people, whānau, communities and businesses across Aotearoa.

We'll continue to explore how our ongoing research can reflect and support our te ao Māori strategy, Tō Mātou Haerenga, and to better understand how Māori consumers and businesses experience the payments system. This will help us as an industry to foster an ecosystem that delivers on the needs and aspirations of Māori and everyone in Aotearoa, now and into the future.

Ngā mihi

Jane Retimana (Ngāti Whātua, Ngāpuhi, Te Rarawa)
Chief Strategy & Innovation Officer, Payments NZ

Key findings

Physical cards still dominate, but are slowly losing ground to digital alternatives, with Māori and younger consumers leading the change.

Buy now, pay later is gradually gaining on credit cards, especially among younger consumers.

Online marketplaces such as Trade Me buck the digital payment trend, with cash still king with both buyers and sellers.

Consumers are becoming more comfortable with data sharing to enable open banking – but only as long as security, trust and consumer control are maintained.

Popular use cases for open banking have evolved to align with the tighter economic environment.

Satisfaction with bank payment speeds is high, and seven-day payments – introduced in 2023 – are well-known and valued by consumers.

Real-time 24/7 payments remain a highly appealing future payment concept.

While contactless payments are widely used, surcharges are now top of mind for consumers.

More respondents report that they have struggled with necessary expenses in the last year, and a higher proportion appear to be financially vulnerable.

Māori respondents are more digital in their payments preferences, more comfortable with secure data sharing, and more enthusiastic about open banking services than the survey average.

Scope

Our research was conducted through Yabble and Dynata online market panels, with surveys running during February and March 2024.

We sampled a total of 1,000 New Zealanders aged 18 and over, using a nationally representative sample balanced for age, gender, region and ethnicity.

We also applied an additional sample of 40 people specifically for Māori participants.

See **Scope and Methodology** in our Appendix for more details.

Māori consumer attitudes and behaviour

Payments NZ is committed to Māori representation and participation within the payments ecosystem, and to enabling the financial wellbeing and equity of whānau, hapū and iwi.

To reflect those commitments, this report includes specific insights on payments behaviour, attitudes and preferences among Māori consumers – based on responses to the overall survey questions this year and in 2022.

We hope this work, undertaken within our existing survey model, will form a starting point for understanding how the payments ecosystem can better reflect the changing needs and aspirations of Māori.

Our Māori respondent group totalled 218 people, including participants from the main survey sample and a further 40 people through a specific 'boost' to ensure statistic validity. All respondents were asked the same set of questions. Māori respondents skew younger than the survey average, likely reflecting Māori demographics compared to the overall New Zealand population. The overall Māori respondent group is also slightly younger than in 2022.



Key Māori consumer insights within this report

Payment preferences	Pages 15-17
Open banking	Pages 40-43
Future of payments	Pages 48-50
Financial resilience and vulnerability	Pages 52, 55

Section 1

Payment preferences



Evolution, not revolution

Physical cards are the dominant payment method in New Zealand but are slowly losing ground to digital and online options.

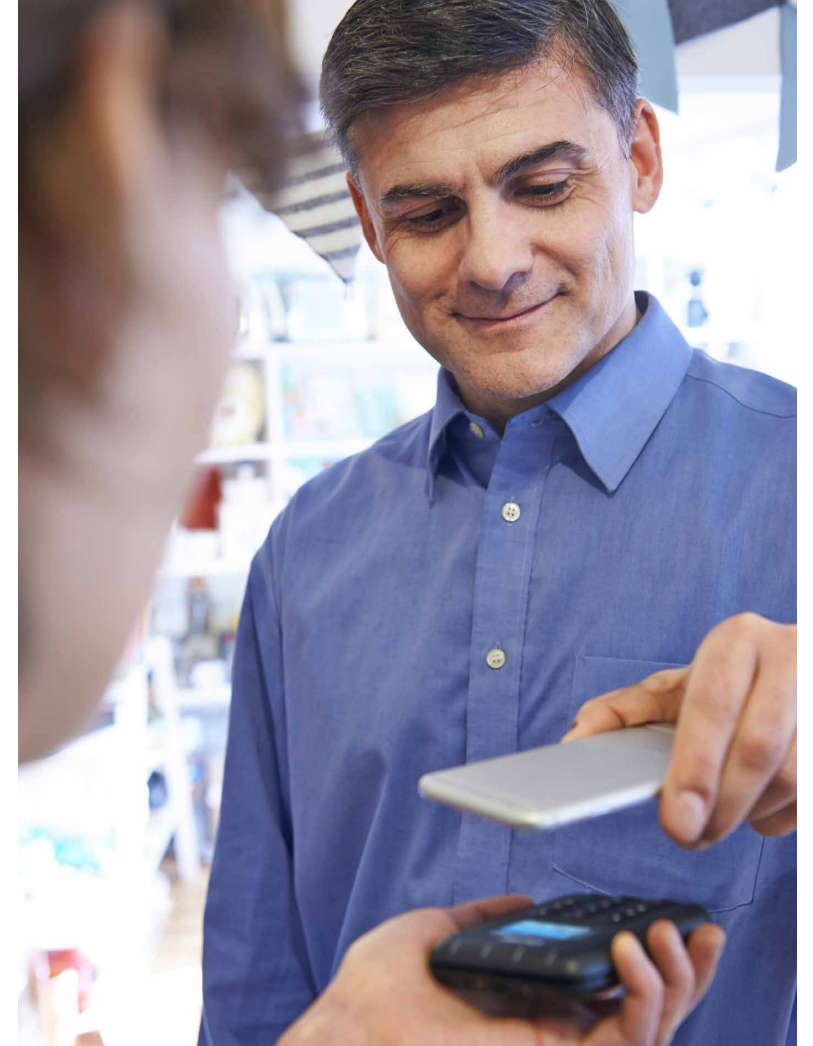
Physical bank cards were preferred by 67 percent of respondents for everyday purchases, and by 71 percent for large purchases.

However, both preferences have declined in the past two years – down from 77 percent and 84 percent respectively.

Digital wallets were preferred for everyday purchases by 15 percent of respondents, with another 2 percent preferring devices like the Fitbit or Apple Watch. This compares to a total of 10 percent for “smartphone or device” in 2022.

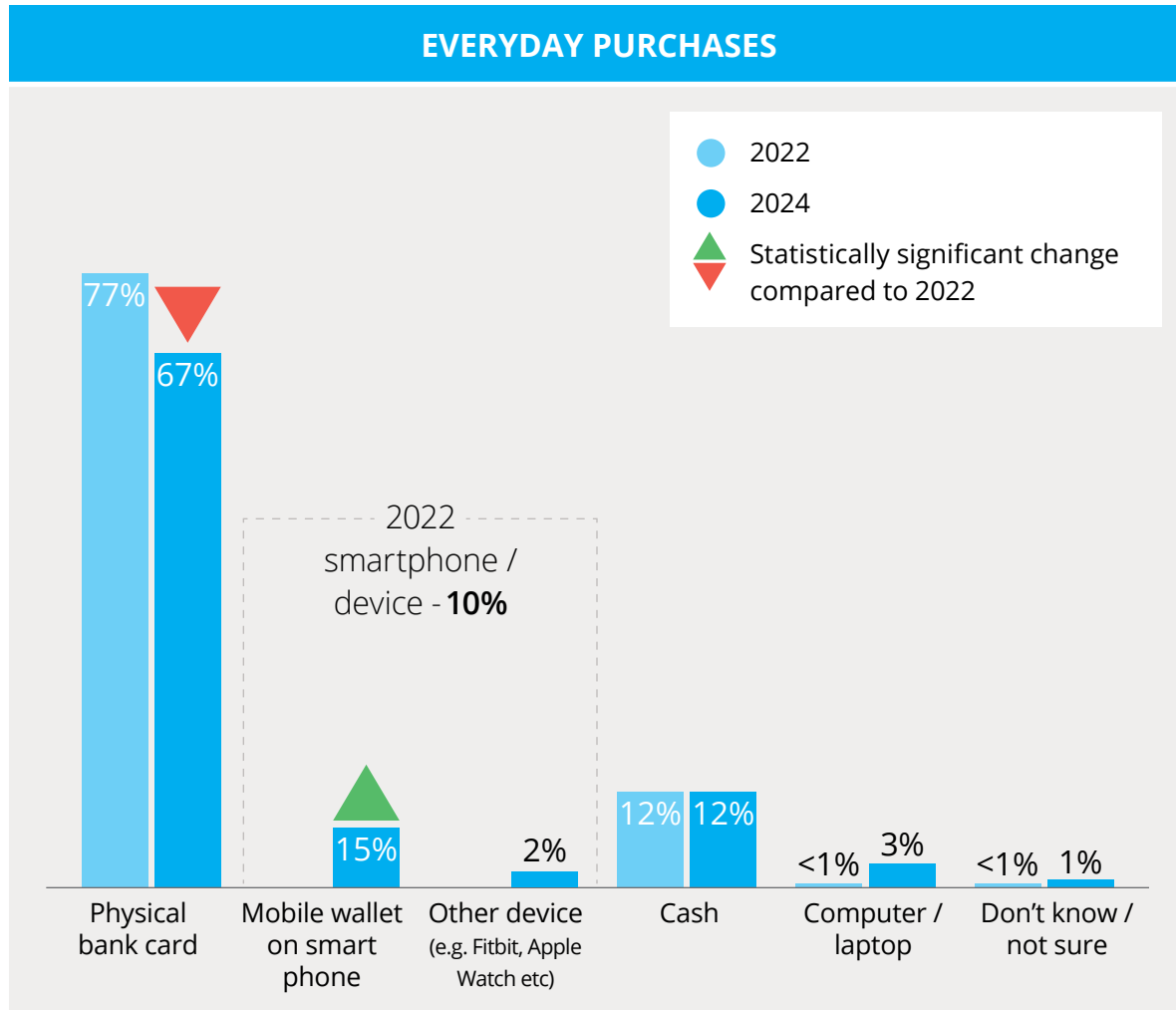
Māori and younger consumers are ahead of the curve, with a lower preference for cards and a higher preference for digital wallets than the survey average.

Desktop and laptop computers were preferred for large purchases by 11 percent of respondents – up from 5 percent in 2022.

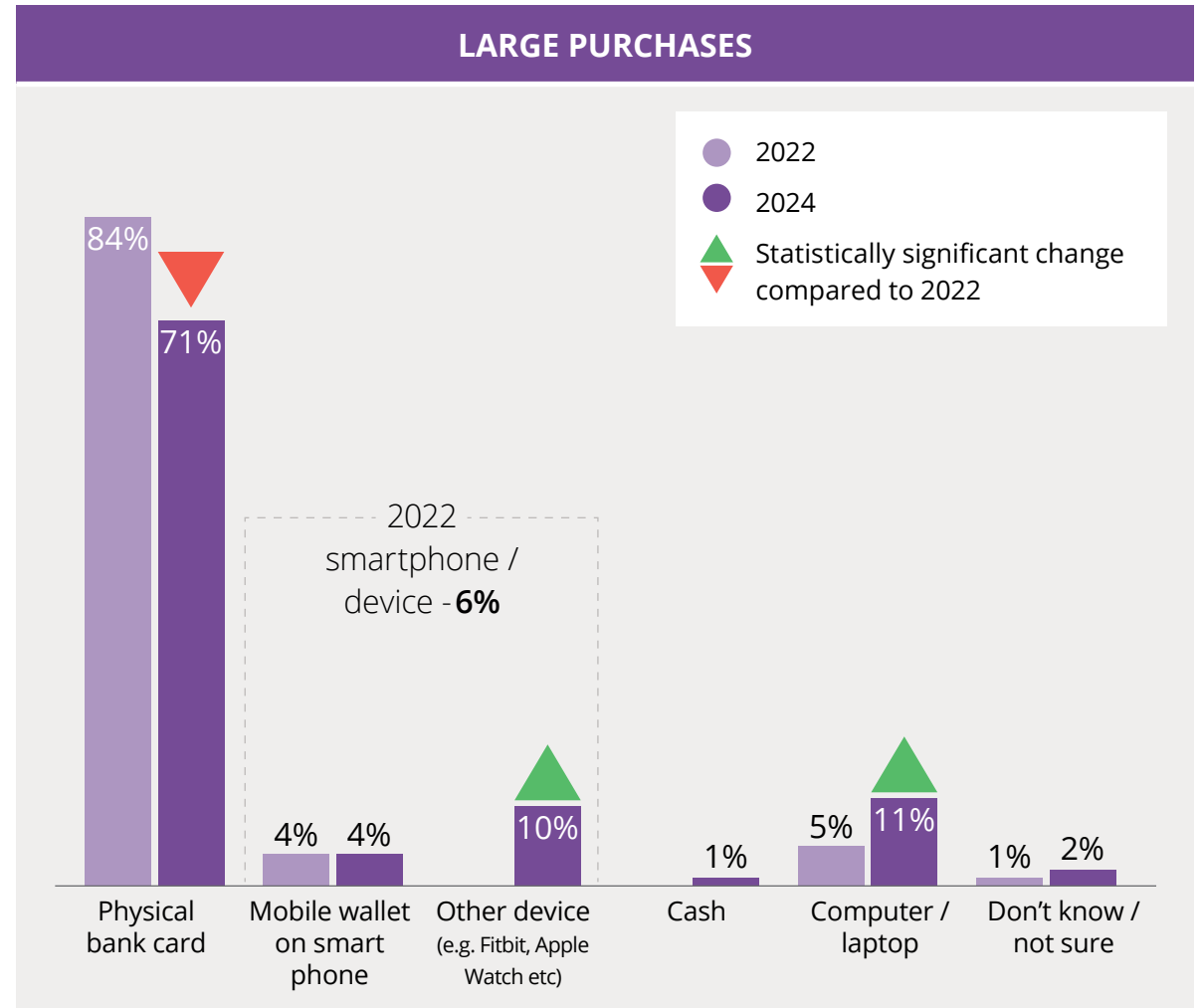


Most preferred payment methods - everyday and large purchases

EVERYDAY PURCHASES



LARGE PURCHASES



Base Total: 2022 N=1,000, 2024 N=1,019

2024: Q. Thinking about the purchases you make, what is your MOST preferred way to pay?

2022: Q. Thinking now about the purchases you make...What is your MOST preferred way to pay for everyday and larger purchases?

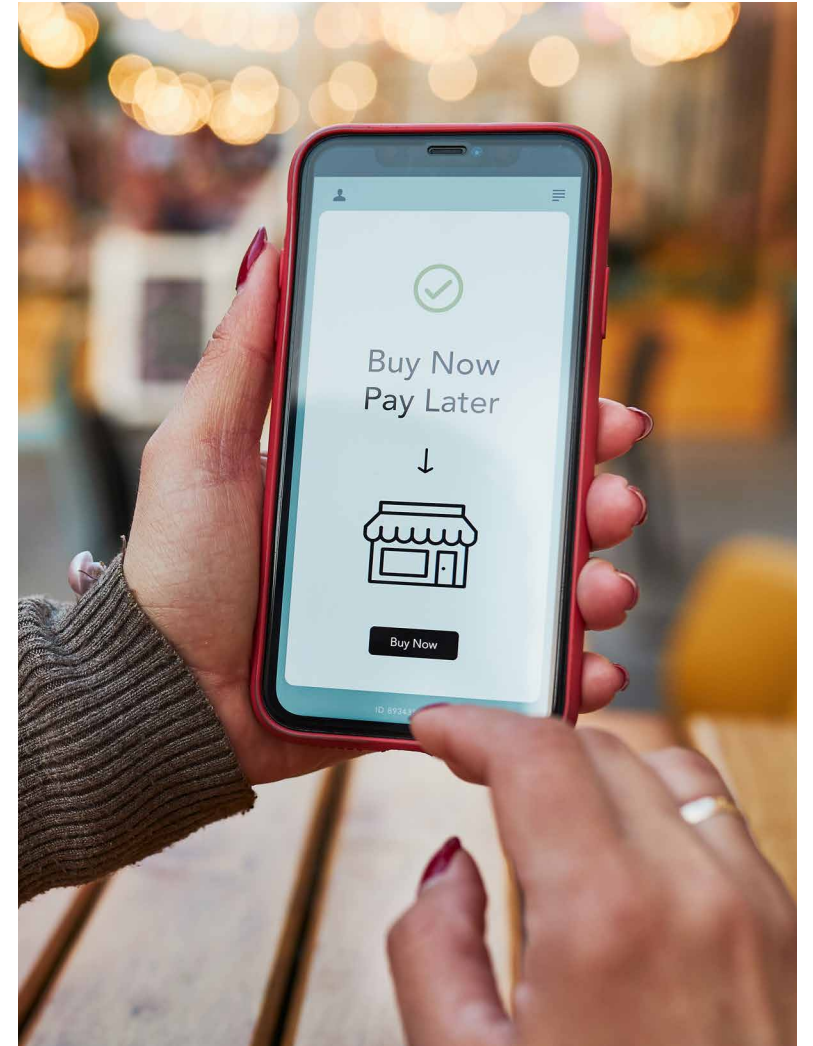
Buy now, pay later: the new credit card?

Younger consumers are moving away from credit cards, with buy now, pay later (BNPL) gaining ground.

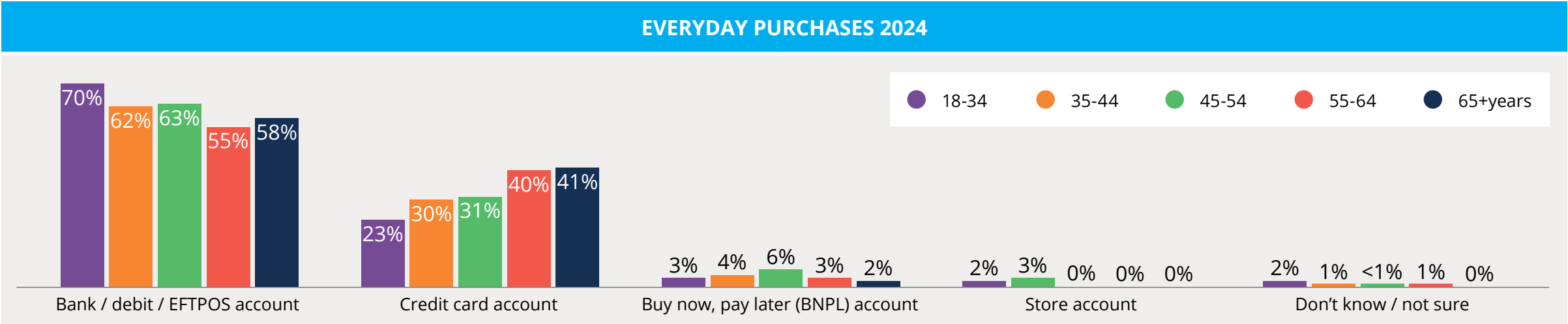
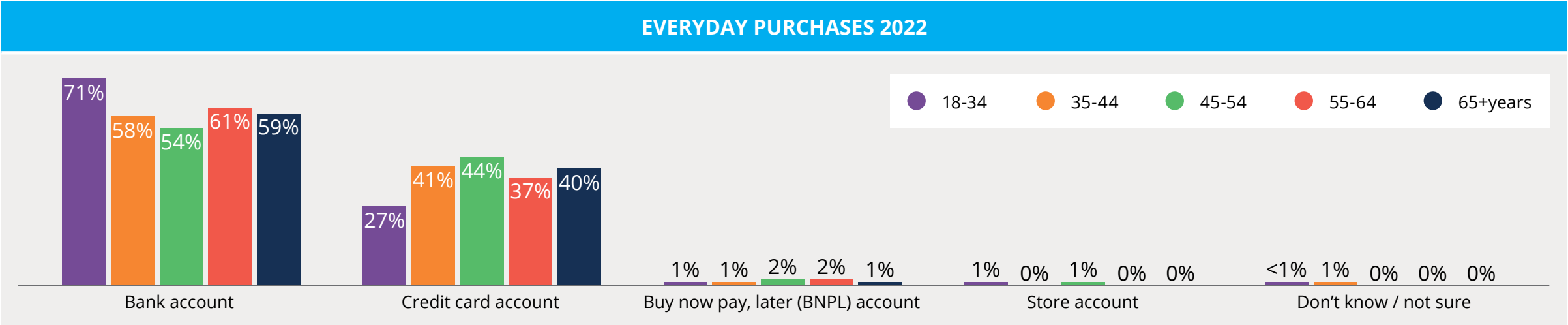
Younger consumers (18 to 34 years old) have a higher preference for bank account payments, and a lower preference for credit cards, than other age groups surveyed.

While physical credit cards are still the second-most popular payment method with younger consumers, they appear to be moving away from credit cards and towards BNPL, especially for large purchases.

BNPL has also become marginally more popular across all age groups since 2022, especially for large purchases – although it remains a third-place option behind card payments in 2024.



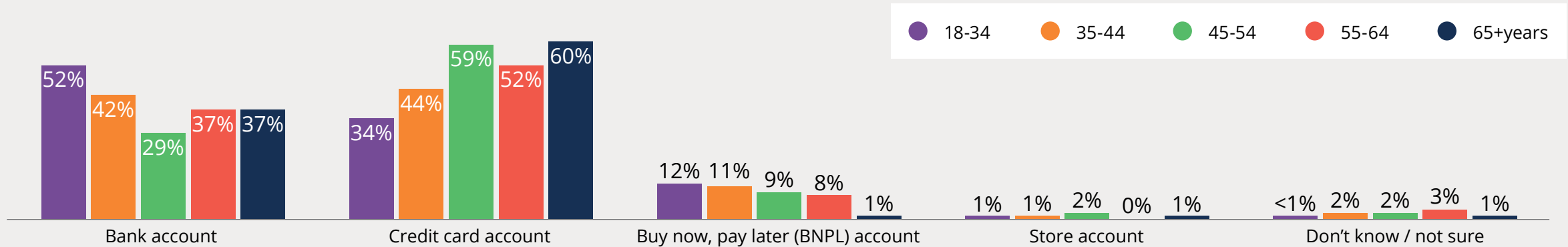
Preferred account when paying for everyday purchases



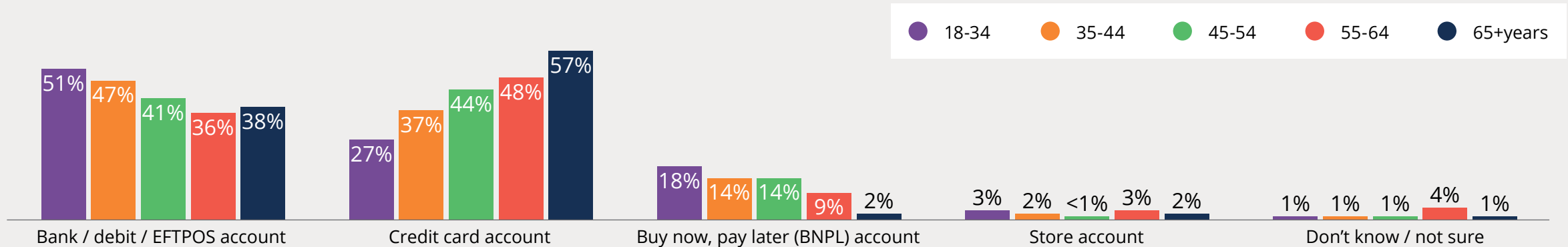
Base 2022: Total N=1,000; 18-34 years N=294, 35-44 years N=180, 45-54 years N=188, 55-64 years N=153, 65+ years N=185
 2022: Q. When you pay for your purchases, what type of ACCOUNT do you MOST prefer to use?

Preferred account when paying for large purchases

LARGE PURCHASES 2022



LARGE PURCHASES 2024



Base 2024: Total N=1,019; 18-34 years N=282, 35-44 years N=189, 45-54 years N=216, 55-64 years N=152, 65+ years N=180
 2024: Q. When paying for your purchases, what type of ACCOUNT do you MOST prefer to use?

Reasons for everyday purchase preferences

Bank / debit / EFTPOS account

- **Convenience** – no need to carry cash
- **Speed** – can make payments quickly
- **Budgeting** – easy to track spending and manage budgets
- **Security** – trust measures put in place by banks
- **Online shopping** – convenient, easy



“Some smaller amount items I will pay cash for but for most shopping the card is the easier option, that way I have a record of amounts spent.”

Credit card account

- **Convenience** – no need to carry cash
- **Rewards** – can earn points, cash back
- **Deferred payment** – temporary interest-free loan
- **Budgeting** – detailed record of purchases to aid in budgeting / financial management
- **Security** – fraud protection features
- **Credit history** – builds positive credit history, beneficial for future credit applications
- **Other perks** – e.g. extended warranties, travel insurance



“I prefer credit cards over other forms of payment for reasons such as convenience, security, rewards, and the ability to build credit history.”

Buy now, pay later (BNPL) account

- **Cashflow** – can keep cash on hand for immediate needs / emergencies
- **Simple process**
- **Affordability** – makes purchases more easily affordable
- **Interest / fee free** – avoids additional fees, interest rates charged by credit cards



“It enables me to buy things that I need e.g. last week my laptop broke. I really needed one for my studies, so I purchased a second-hand PC using Afterpay.”

Base 2024 – Use account for everyday purchases: Bank / debit / EFTPOS account N=640, Credit card account N=323, BNPL Account=36
Q. Why do you most prefer this payment method for EVERYDAY purchases?

Reasons for large purchase preferences

Bank / debit / EFTPOS account

- **Convenience** – quick and easy in person and online, widely accepted
- **Security** – safe and secure, more secure than carrying cash
- **Budgeting** – can track spend easily and manage debt as you can only spend what you have
- **Avoids fees** – no fees or interest charges

Credit card account

- **Convenience** – no need to carry large amounts of cash
- **Extended credit** – can manage cash flow
- **Rewards** – incentives to make large purchases e.g. points
- **Security** – easy cancellation and purchase protection
- **Credit history** – can build positive credit history
- **Flexibility** – can choose between full or partial instalments
- **Interest free period**

Buy now, pay later (BNPL) account

- **Budgeting** – can spread payments out over longer period of time
- **Affordability** – can purchase item even if don't have full amount at time of purchase
- **Convenience** – immediate access to goods, can take advantage of specials / deals
- **Interest free**
- **Savings** – can continue earning money on savings/investments

Store account

- **Convenience** – no need for cash or other payment methods, can set up regular payments (set and forget)
- **Budgeting** – can spread payments over a period of time
- **Interest free** – helps with affordability and can get items immediately without paying off in full in advance
- **Rewards** – store loyalty benefits, discounts

Reasons for large purchase preferences

Bank / debit / EFTPOS account



"I only buy what I have the money for, so no need to borrow money and worry about paying it back and no extra fees."

Credit card account



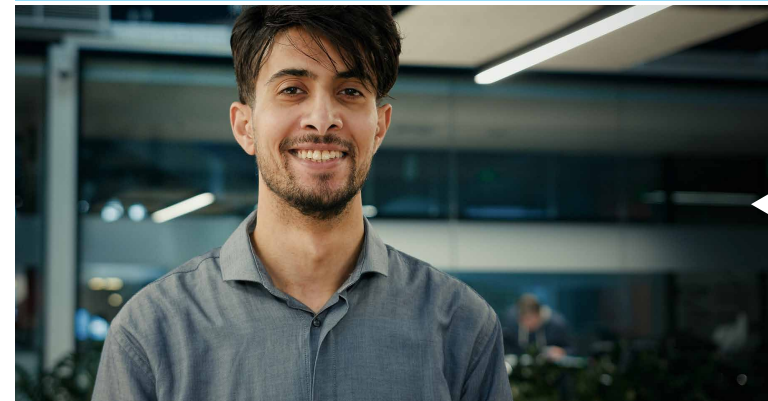
"Easy to use - earn points etc - can then transfer money from my ordinary account into my credit card account."

Buy now, pay later (BNPL) account



"Using my BNPL account lets me purchase more premium / expensive items when I want them, instead of having to save up."

Store account



"Depending on the price I will try to use a store account offering interest free terms for a period so that I am able to spread the cost to help with budgeting."

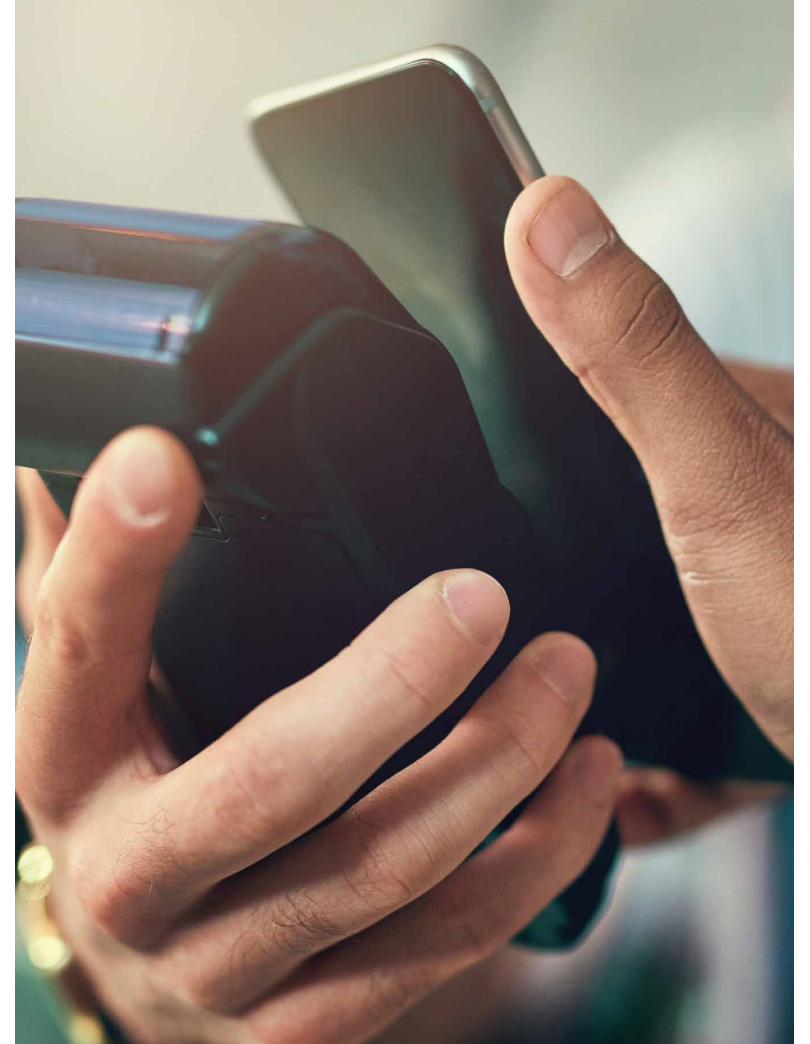
Base 2024 – Use account for large purchases: Bank / debit / EFTPOS account N=445, Credit card account N=414
Q. Why do you most prefer this payment method for LARGE purchases?

Māori ahead of the digital curve

Although Māori respondents still prefer physical bank cards for everyday and large purchases, they have a lower preference for cards than the survey average.

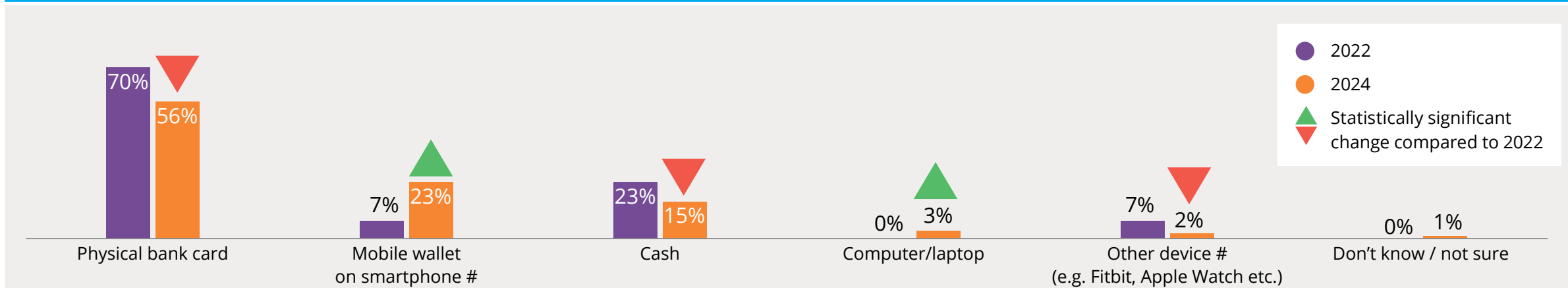
Māori are more likely than average to prefer digital wallets for everyday purchases. In this year's survey, 23 percent preferred to pay this way – well above the survey average of 15 percent – and more than triple the preference among Māori in our 2022 survey.

Māori consumers also favour credit cards less than average, with a substantial fall in preference for credit cards since 2022.

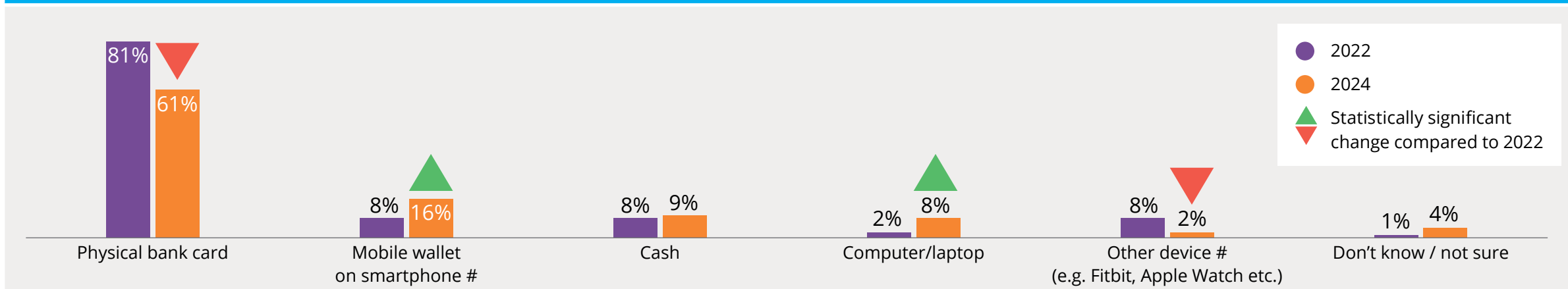


Māori respondents' most preferred payment methods

EVERYDAY PURCHASES



LARGE PURCHASES



Base Māori: 2022 N=202, 2024 N=218

2024: Q. Thinking about the purchases you make, what is your MOST preferred way to pay?

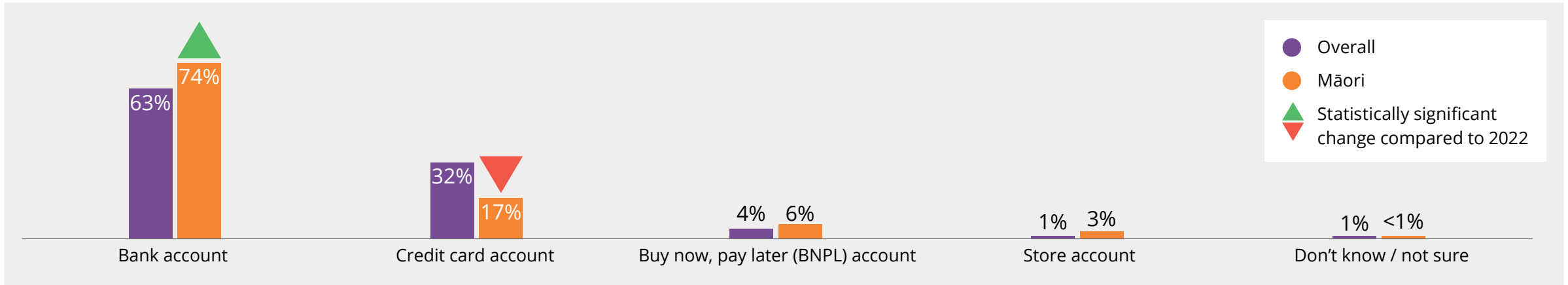
2022: Q. Thinking now about the purchases you make...What is your MOST preferred way to pay for everyday and larger purchases?

Note: 'Mobile wallet on smartphone' and 'Other device (e.g. Fitbit, Apple Watch etc.)'

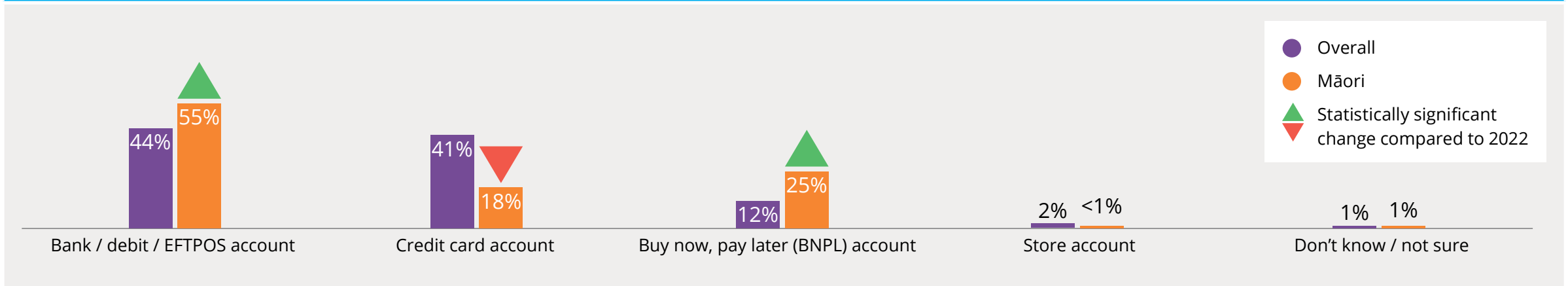
combined as a single option in 2022 survey: 'Smartphone/device (includes Fitbit, Apple Watch etc.)'

Māori respondents' most preferred account types

EVERYDAY PURCHASES



LARGE PURCHASES



Base 2024: Total N=1,019; 18-34 years N=282, 35-44 years N=189, 45-54 years N=216, 55-64 years N=152, 65+ years N=180
 2024: Q. When paying for your purchases, what type of ACCOUNT do you MOST prefer to use?

Surcharges a key focus with contactless payments

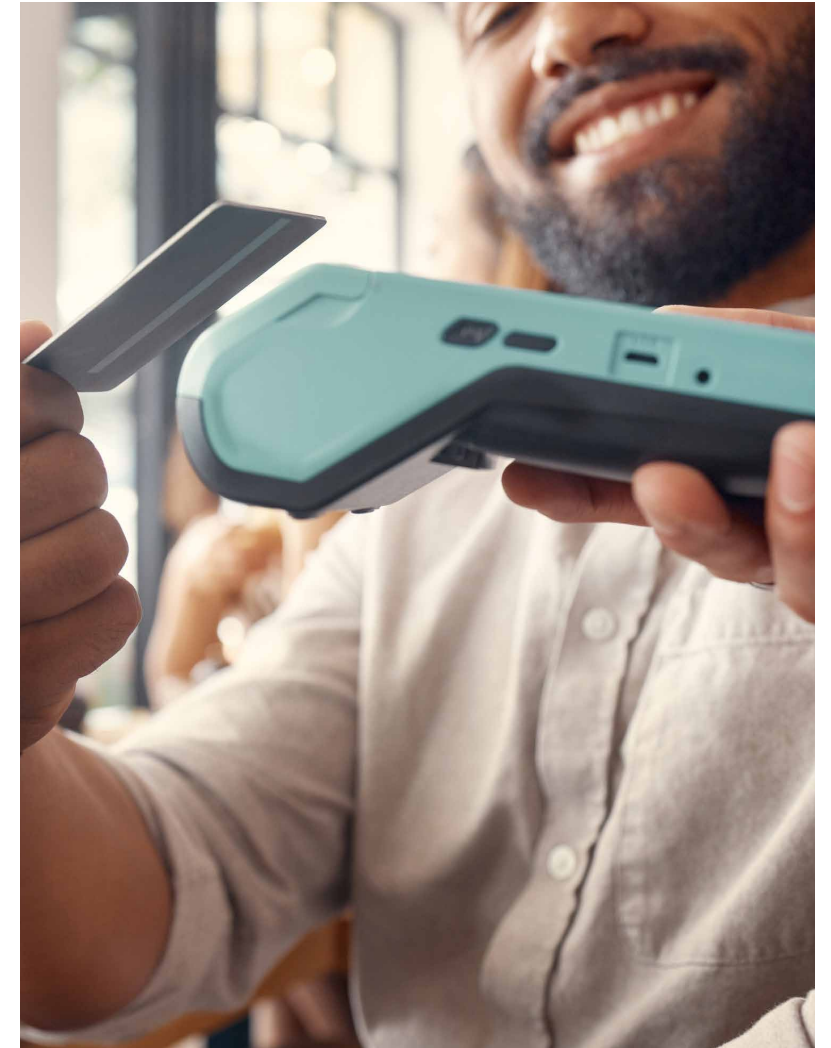
While contactless payments are widely used, surcharges are now top of mind for consumers.

Contactless payments are used at least sometimes by 88 percent of respondents, unchanged since 2022.

However, a much larger proportion now only use contactless payments when there is no surcharge – 28 percent, double the 2022 rate. Respondents who always use them when available have had a corresponding decline, to 36 percent from 49 percent two years ago.

For consumers who used contactless more often in the last year (34 percent), convenience was the top reason given. For those using them less often (18 percent), surcharges were the top reason.

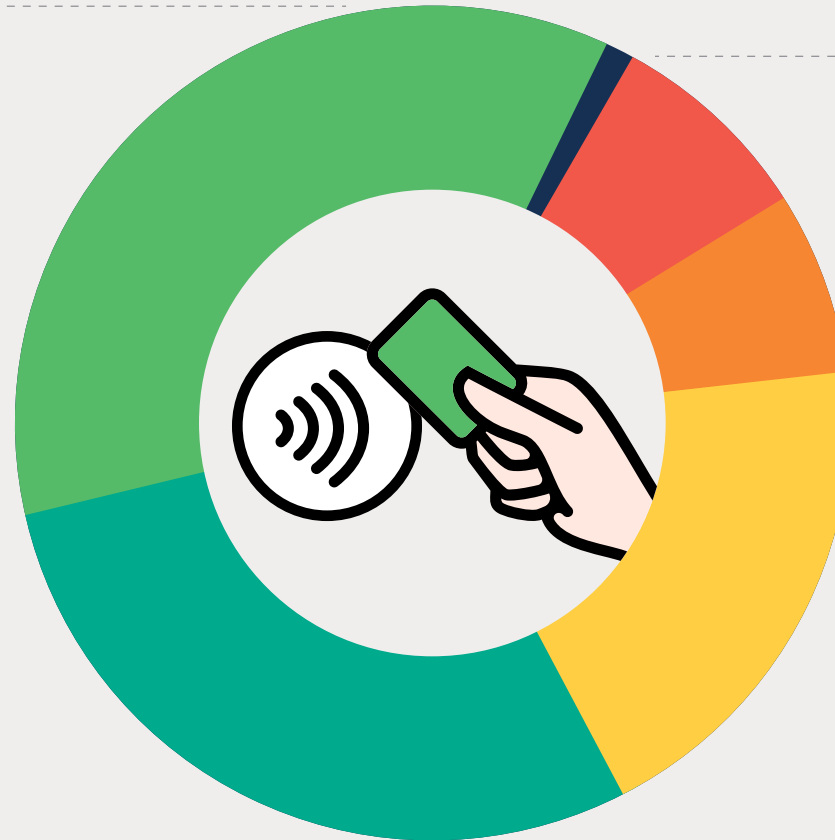
Among those who don't use contactless payments at all, security is their top objection, followed by cost.



How consumers feel about contactless payments

2024

65% Total Love/Like

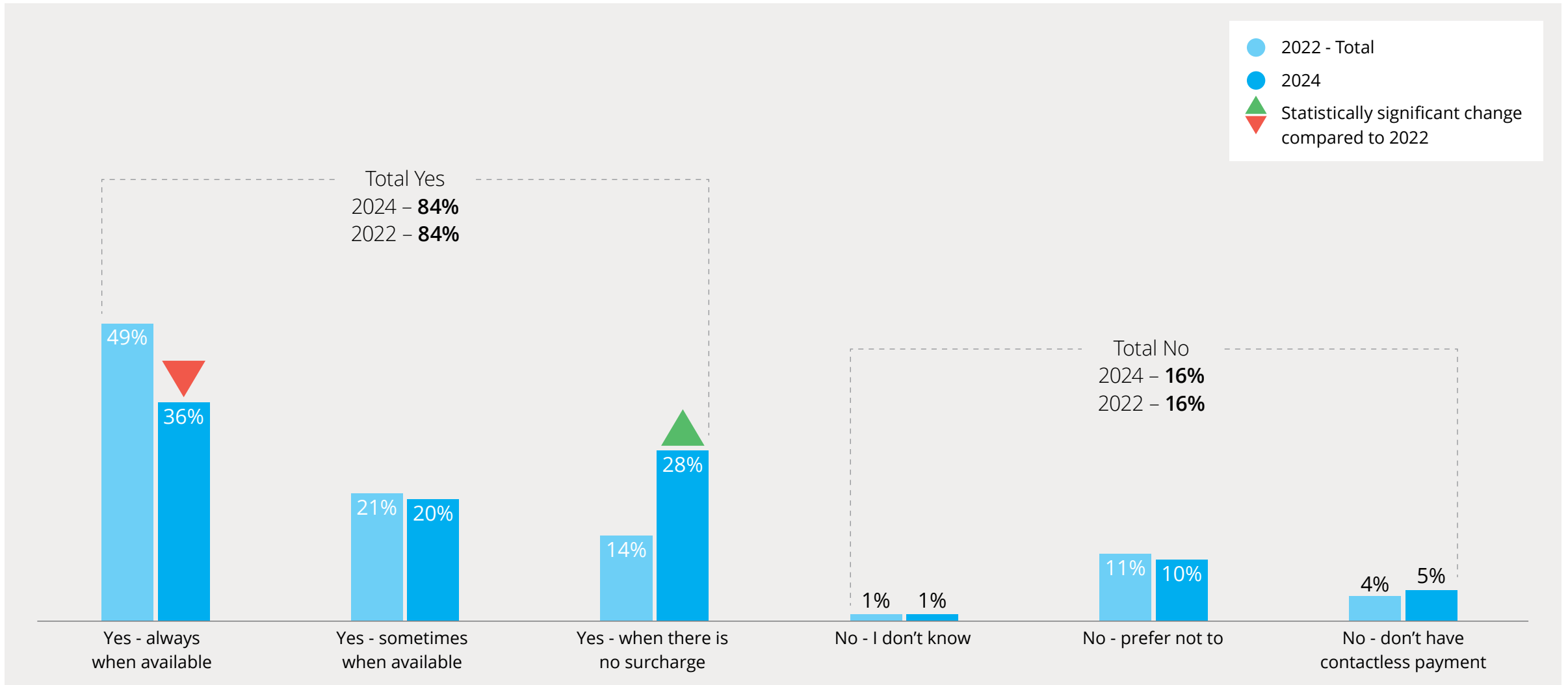


16% Total Dislike

- Love them
- Like them
- Neutral
- Dislike a little
- Dislike a lot
- Don't know what contactless payments are

Base 2024: Total N=1,019
Q. How do you feel about CONTACTLESS PAYMENTS?

Use of contactless payments when shopping in-store

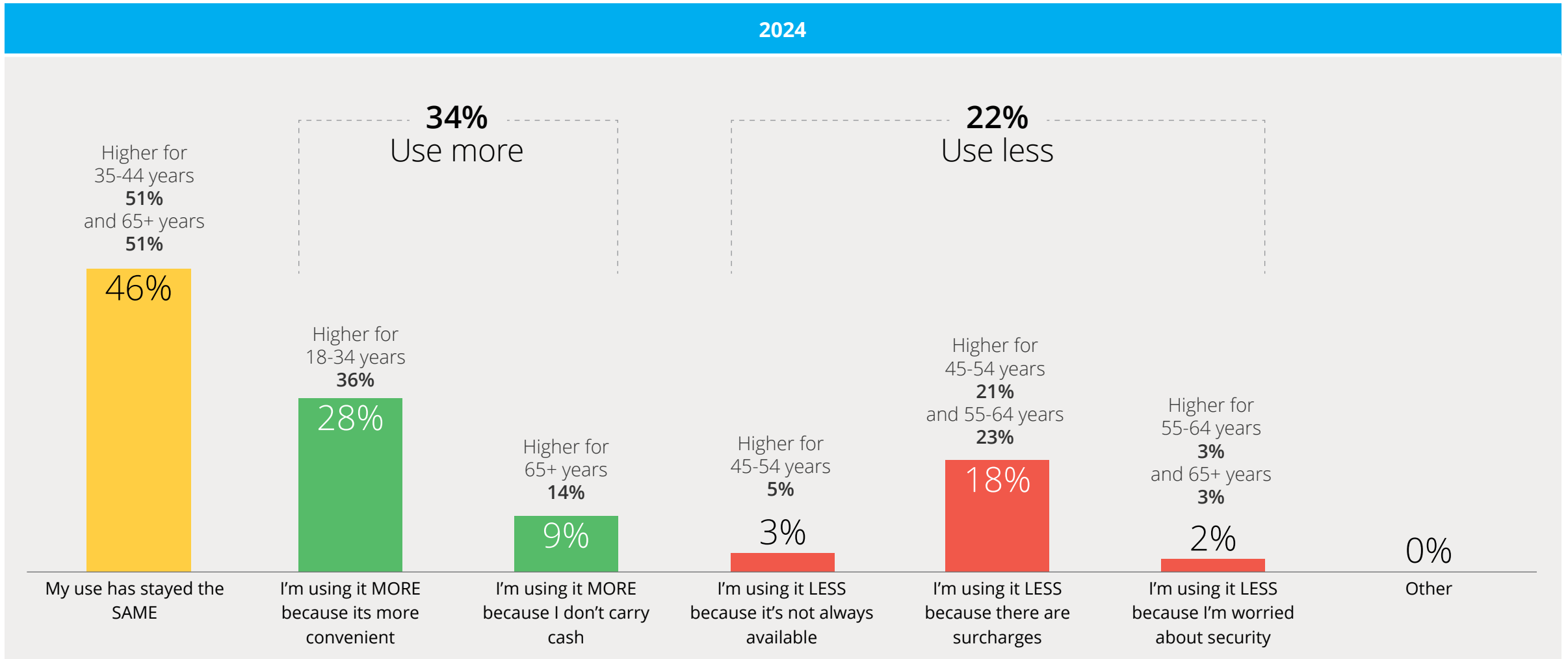


Base: 2022 - Total N=1,000, 2024 - Know what contactless payments are N=1,013

Q. Do you use CONTACTLESS PAYMENT via credit or debit cards, or mobile device when shopping in-store?

Contactless payment behaviour in last 12 months

2024



Base 2024: Use Contactless Payments N=850

Q. In the LAST 12 MONTHS which of the following applies to you in relation to CONTACTLESS PAYMENTS?

Reasons consumers prefer not to use contactless payments

Security concerns (48%)

- Vulnerable to theft/fraud
- Risk of unauthorised transactions
- Risk if card is lost
- Lack of control



"If I lose my contactless card because there is no pin number and someone can illegally make up to \$80 payments under my name."

Cost (27%)

- Surcharges / fees
- From banks and retailers



"Being charged a percentage surcharge or additional a fee to use payWave which is ridiculous considering it's no different than using a debit or eftpos card."

Preference (13%)

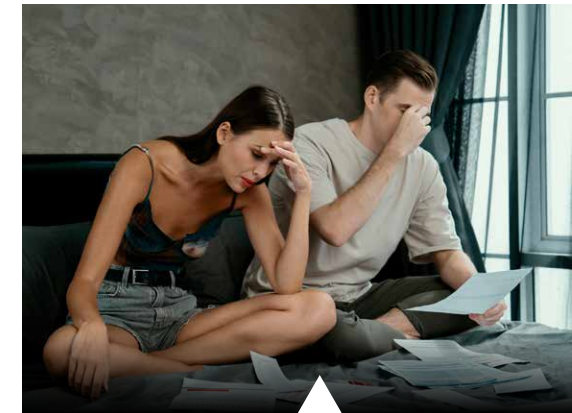
- Prefer to use PIN for extra layer of security
- Prefer to be able to select account



"Security issues, just as easy to enter a PIN."

Payment speed (9%)

- Processing delays
- Confusion about account balance



"It's too easy to spend and not think about it and usually has fees for the provider when using it. Goes through as a credit transaction when using own funds so doesn't clear instantly."

2024
(10% PREFER NOT TO)

2022 THEMES
(11% PREFER NOT TO)

Security concerns (esp. if lose card)
Takes longer for money to leave account – not in real time

Charges to credit card / wrong account
Surcharge – to either me or the retailer

Base Prefer not to use contactless payment: 2022 N=108, 2024 N=103
Q. Why do you prefer not to use contactless payment?

Digital marketplaces: where cash is king

The majority of New Zealanders are using digital marketplaces, but their preferred payment methods are firmly analogue.

More than two-thirds of survey respondents (68 percent) said they use platforms like Trade Me and Facebook Marketplace.

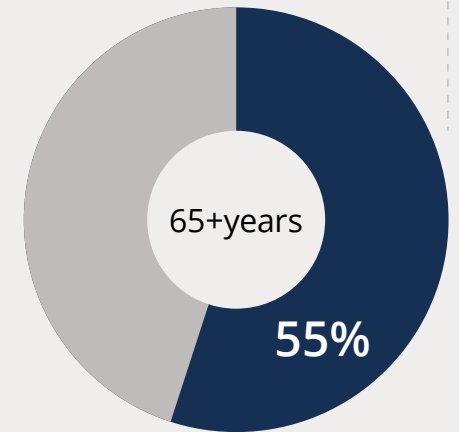
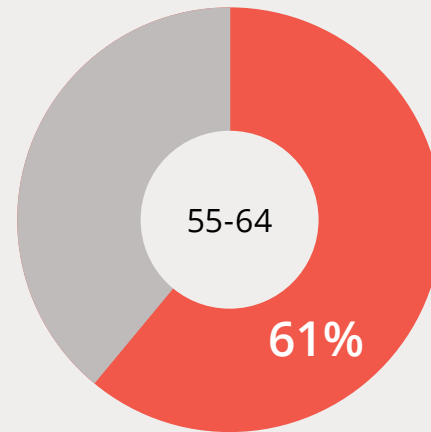
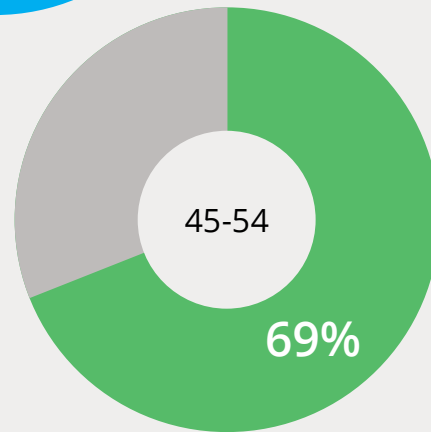
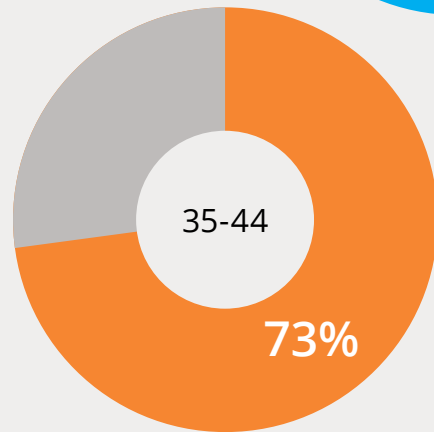
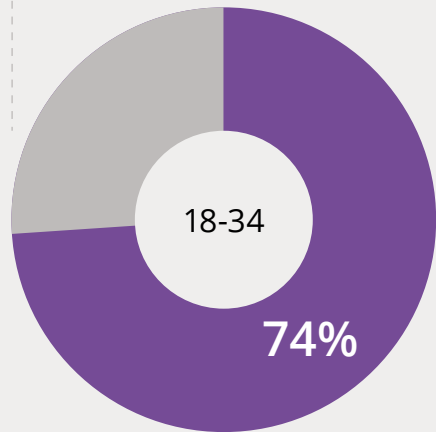
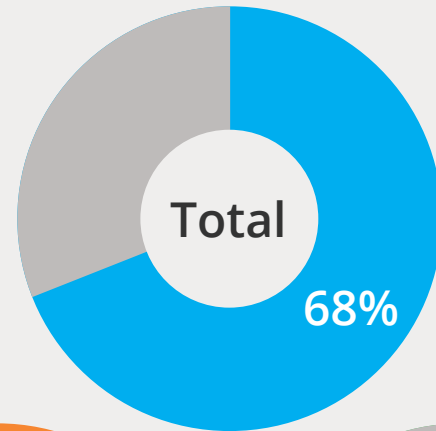
Cash on pickup is far and away the preferred payment method on marketplaces, favoured by 46 percent of respondents across all age groups. This preference holds for both buying and selling.

Only 23 of respondents preferred bank transfers before pickup – despite the suggested high satisfaction with payment speeds elsewhere in the survey. See **Speed of payments: a positive story** for more.



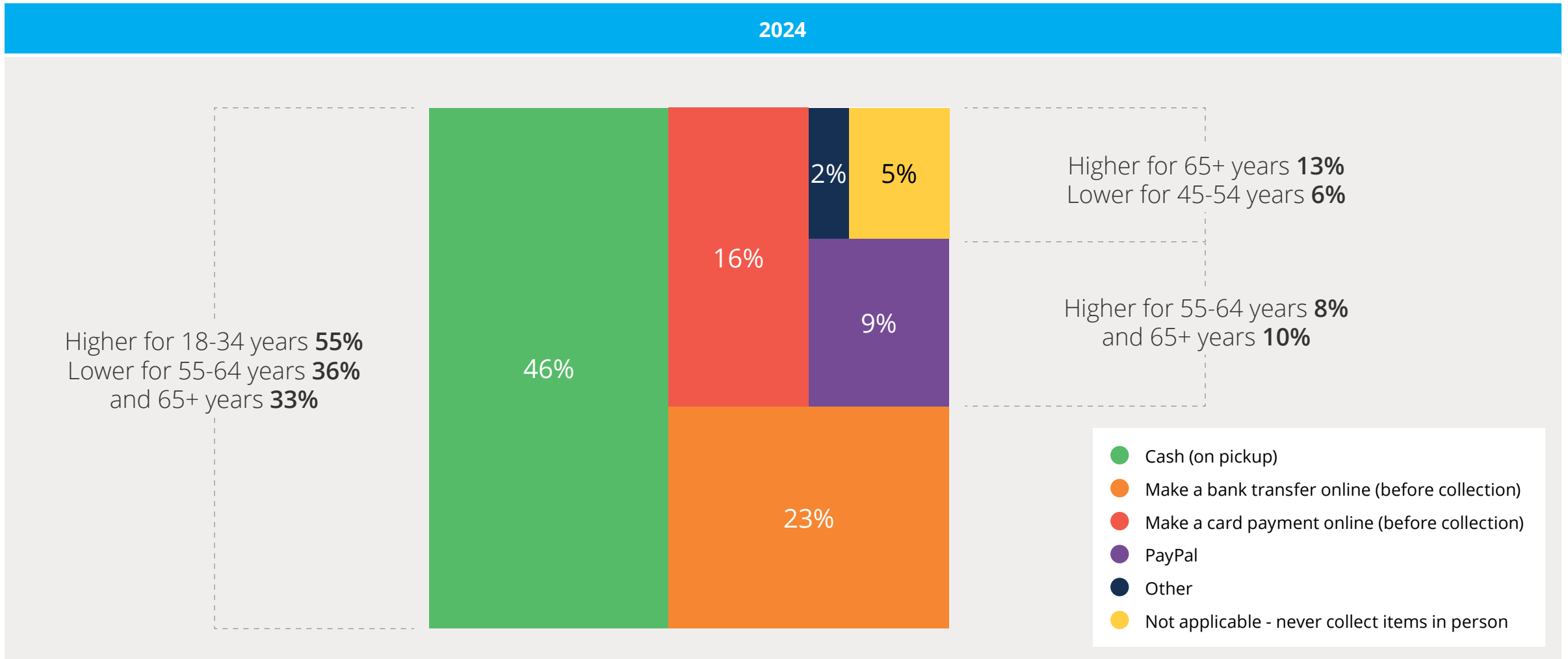
Consumer use of online marketplaces

2024



Base 2024: Total N=1,019; 18-34 years N=282, 35-44 years N=189, 45-54 years N=216, 55-64 years N=152, 65+ years N=180
Q. Do you make purchases in an online marketplace such as Trade Me or Facebook Marketplace?

Most preferred ways to pay for online marketplace purchases



Base 2024: Make purchases in an online marketplace N=688
 Q. When collecting items from a seller, what is your MOST preferred way to pay?

Reasons for online marketplace payment choice

Cash (on pickup)

- Can sight items before payment
- No need to share banking details (reduce risk of online scams)
- Simple and fast
- Sellers prefer



“You want to see item before you pay. Seller always prefers cash too.”

Make a bank transfer online (before collection)

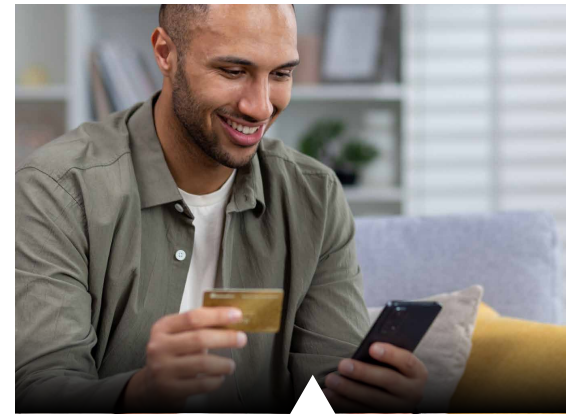
- **Safe** – protection from fraud and scams
- **Instant / fast** – no need to withdraw cash
- Easier price negotiation
- Record of purchase / payment



“It is the most secure and if something goes wrong you are able to cancel the payment via your bank to get your money back.”

Make a card payment online (before collection)

- **Safe and secure** – protection from fraud/scams
- **Convenient** – no need for cash
- **Buyer protection** – can dispute or cancel a payment
- Record of purchase / payment



“Good for tracking the order and it’s safer, protection from banks etc.”

PayPal

- **Safe** - robust security features and buyer protection
- Can recover money if something goes wrong
- **Convenient** – no need to enter bank account details
- Record of transaction
- Widely accepted



“I prefer PayPal for its convenience, security features, and widespread acceptance across online retailers. PayPal also offers buyer protection, ease of use for online transactions, and the ability to link multiple payment methods for added flexibility.”

Base 2024 – Use method of payment for online marketplace purchases: Cash (on pickup) N=318.
 Make a bank transfer online (before collection) N=156, Make a card payment online (before collection) N=113, PayPal N=59
 Q. Why do you most prefer this form of payment for online marketplace purchases?

Speed of payments: a positive story

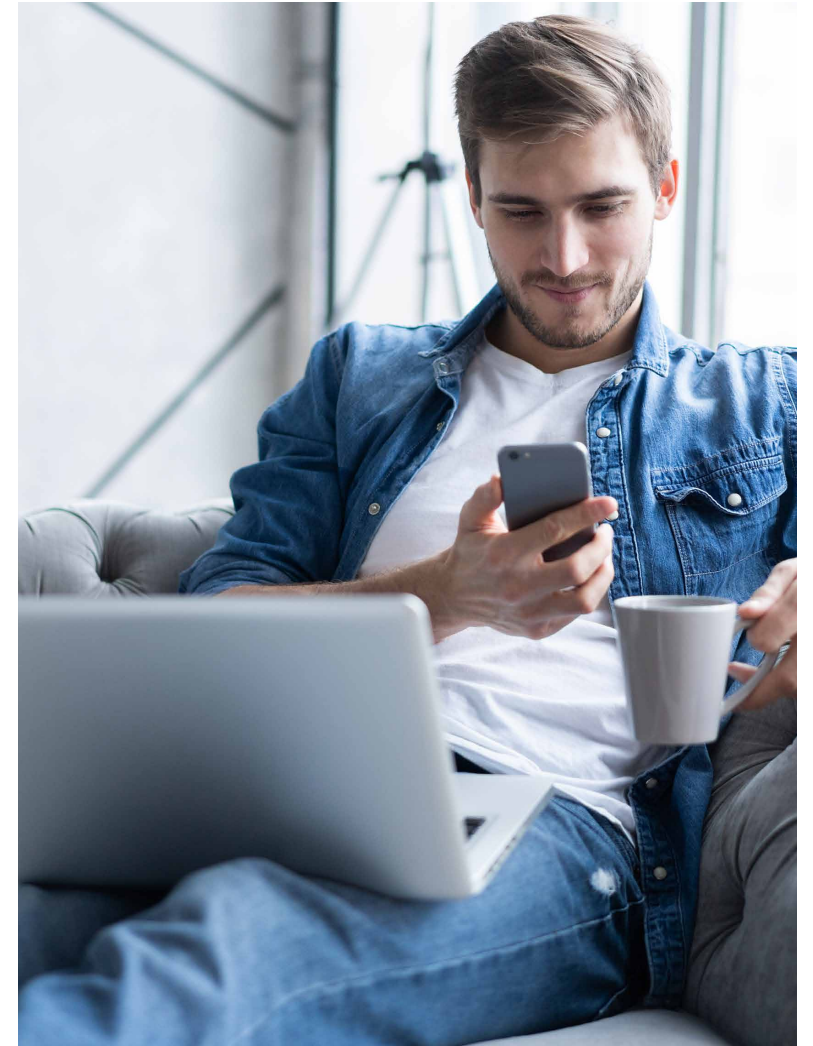
Satisfaction with the current speed of payments is high – but there's still interest in going faster.

Satisfaction with the time it takes to receive bank payments is increasing over time. 86 percent of respondents were happy in 2024, up from 80 percent two years ago and 76 percent in 2020.

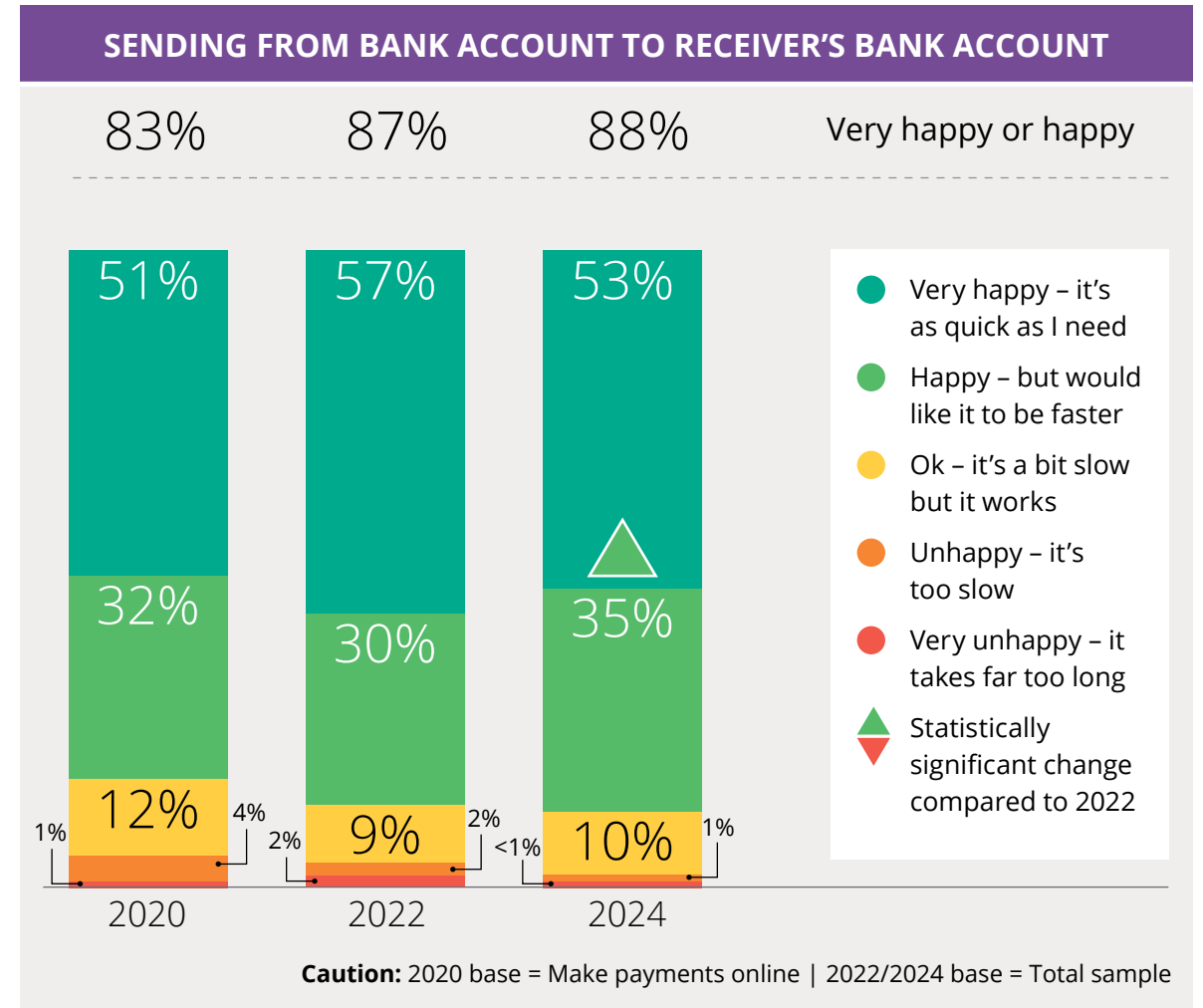
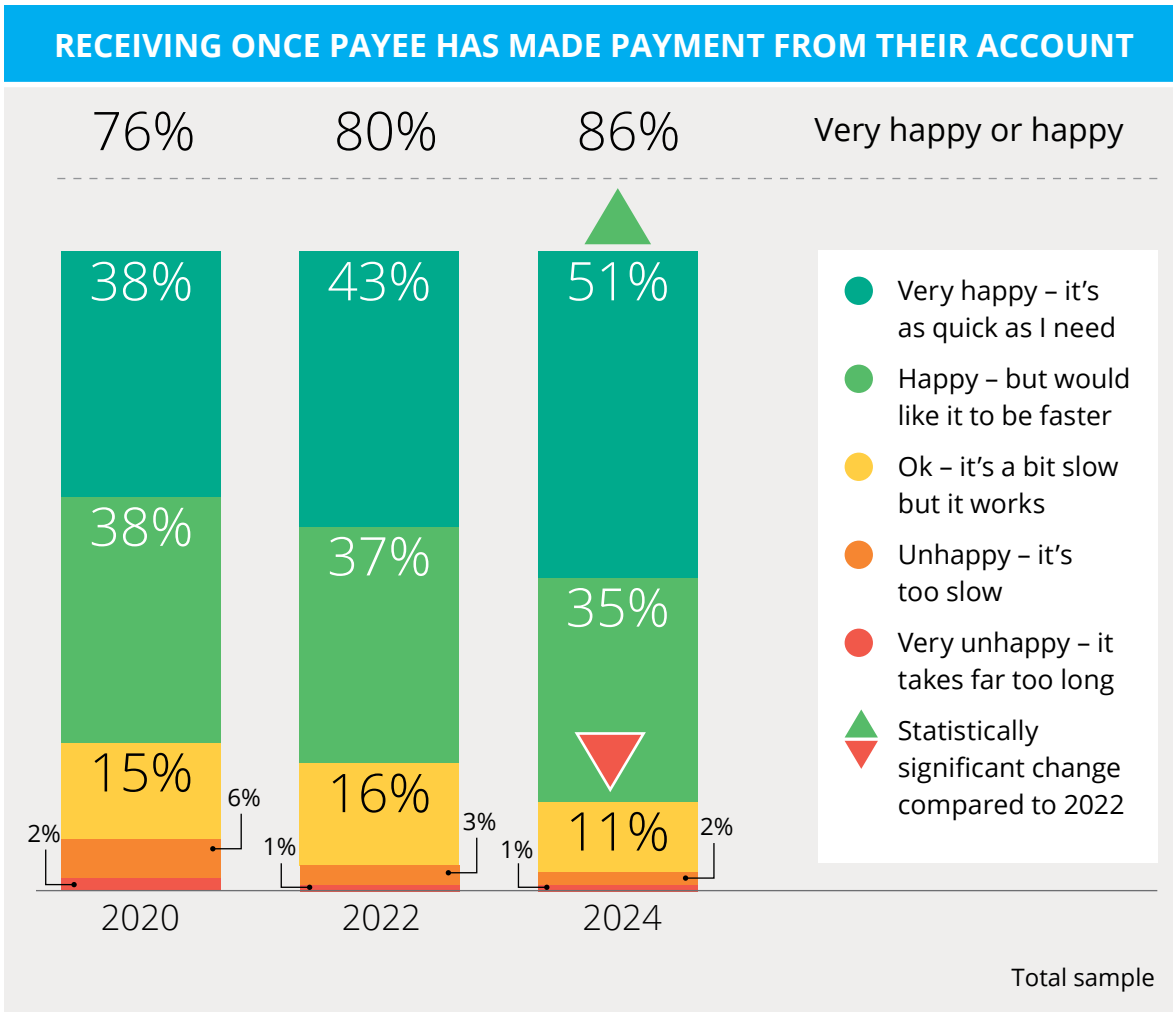
Satisfaction with the time required to make a bank payment remains high at 88 percent, unchanged from 2022.

However, faster payments are still enticing. Out of a range of future payment concepts in the survey, real-time 24/7 payments was the most appealing idea – favoured by 76 percent of respondents.

Seven-day or 365-day payments between banks were introduced in May 2023. Overall, 88 percent of respondents were aware of the move to 365-day payments, and more than half had found them to be a tangible improvement.



Satisfaction with the speed of making and receiving payments



Base: Payments Received Total: 2020 N=1,012, 2022 N=1,000, 2024 N=1,019; Payments Sent: 2020: Those who make payments online N=971, 2022; Total N=1,000, 2024: Total N=1,019

Q. Thinking about RECEIVING an online payment into your bank account...How satisfied are you with the time it takes to RECEIVE money once someone has made a payment from their account to yours? i.e. from the time they send it, to when it is available in your account to use.
 Q. Now, think about MAKING an online payment either via your bank's online banking website or their mobile app. How satisfied are you with the time it takes for money to be sent from your bank account to the receiver's bank account? i.e. the time from you sending it, to when it is available for use in the receiver's bank account.

Awareness of banks allowing payments to be sent/received 365 days a year since May 2023

2024

**TOTAL AWARE
BY AGE GROUP:**

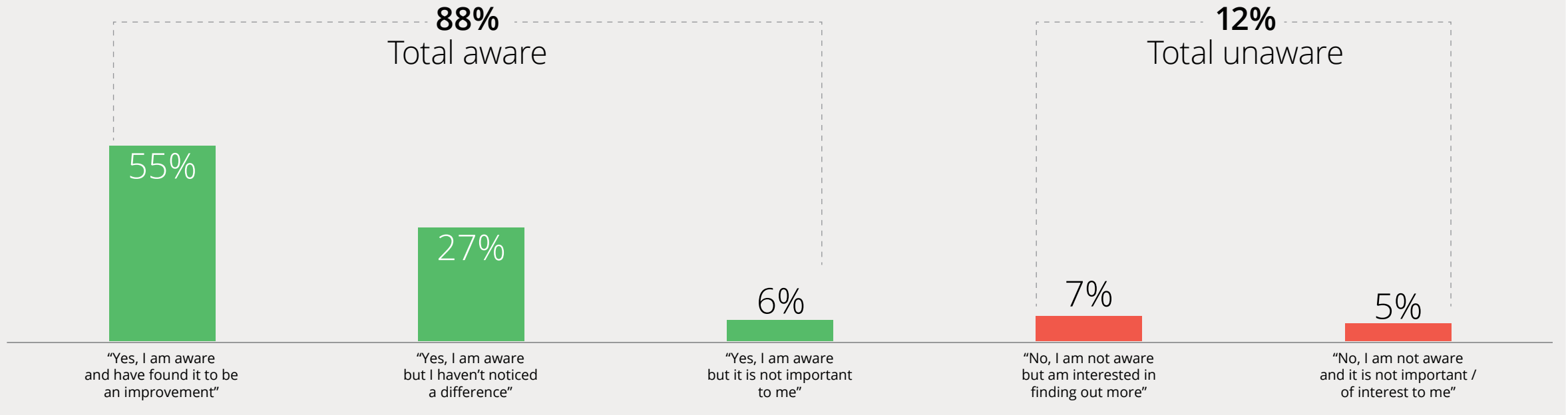
18-34 years – **89%**

35-44 years – **92%**

45-54 years – **87%**

55-64 years – **88%**

65+ years – **88%**



Base 2024: Total N=1,019

Q. In May 2023, NZ banks started to allow you to send and receive payments every day, 365 days a year, including weekends and holidays. Were you aware this was available to you?

Section 2

Open banking



Open banking appeals reflect economic headwinds

Consumers find open banking offerings appealing, but interest seems to be shifting with the economic environment.

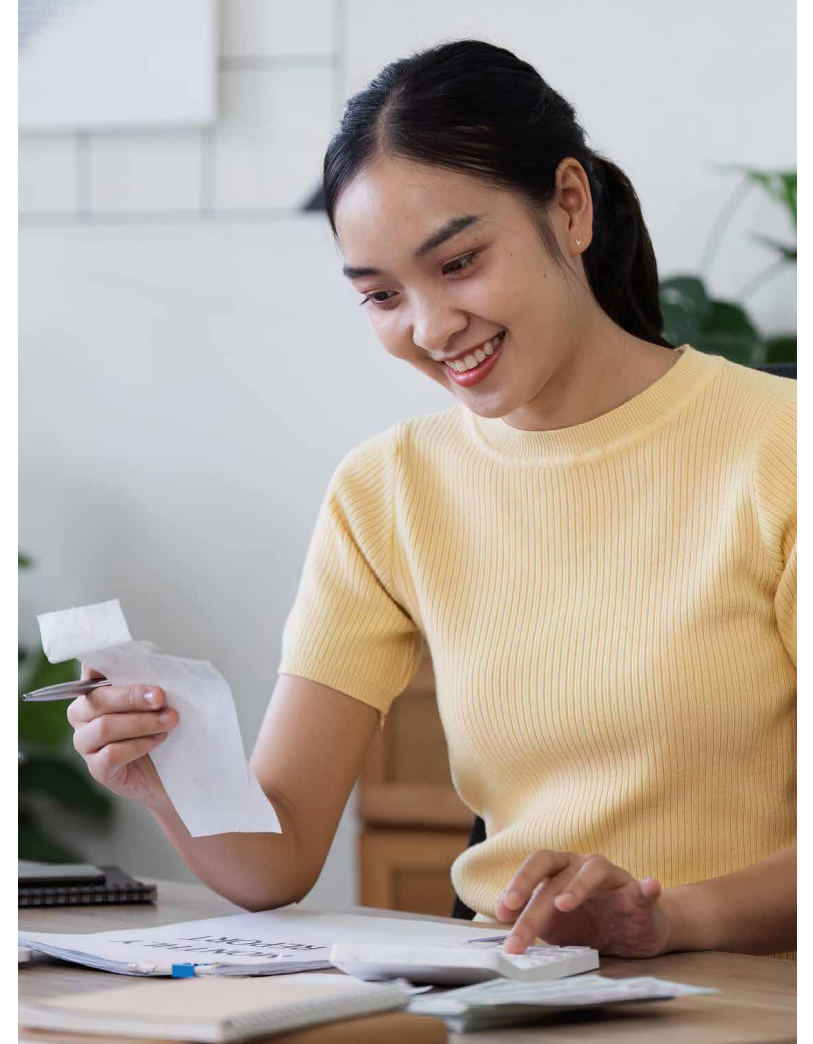
The most popular open banking concept in this year's survey was an app giving more control over bill payments. This was appealing to 57 percent of respondents, up from 52 percent two years ago.

Other concepts with higher popularity since 2022 included apps for faster and easier signup for new services using existing bank identities, and for easier loan and finance approval.

A tool for automatically moving money between accounts to avoid charges was also appealing to 54 percent of respondents.

Interest in an open banking tool to splitting restaurant or bar bills – previously the most popular concept – has fallen 10 percent since 2022. There was also lower interest in an app to manage and pay for subscription services from bank accounts.

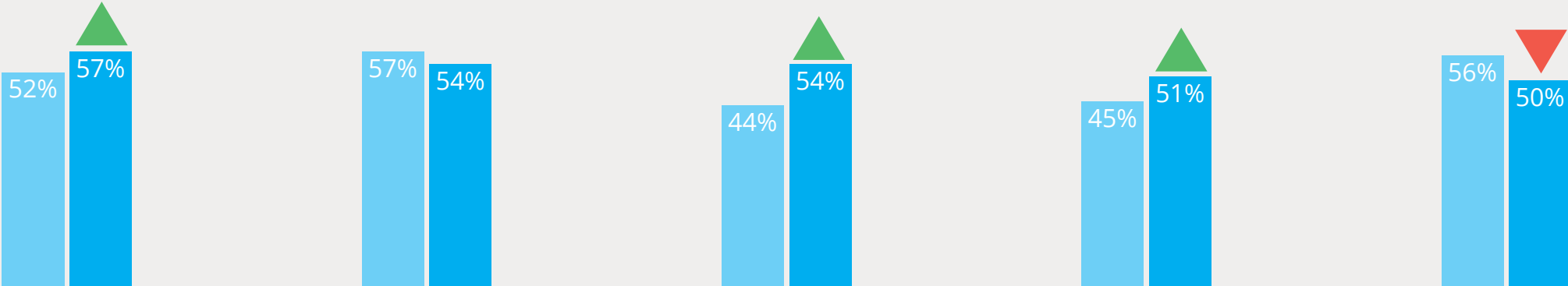
These shifts may reflect the economic environment, with more respondents this year saying they had trouble paying for necessary living expenses in the last 12 months. See our **Vulnerable New Zealanders** section for more detail.



Most appealing examples of open banking apps and services

TOTAL % APPEALING 2022 VS. 2024

● 2022 ● 2024 ▲ Statistically significant change compared to 2022



2024 STATEMENTS

An app that gives you more control over bill payments by receiving and scheduling bills to be paid when they fall due

A tool that allows you to automatically and easily move your money between accounts (allows you to set preferences to avoid overdrafts and fees)

Making it fast and easy to sign up for new services by re-using your existing bank customer identity

Easier loan and finance approvals, like getting your home loan assessed faster

A service that arranges for your subscription payments to be paid directly from your bank account (avoids having to use your credit card and incurring surcharge fees)

2022 STATEMENTS

Setting up a long-lived variable payment that would replace direct debits, increasing control over the limits of the payments i.e. automatically pay your power bill once a month if it's under a specific amount

Tool to automatically move money between your transactional/ everyday account(s) to a savings account(s) once the balance of your account reaches a certain amount as decided by you, or move money to an account if the balance falls below a certain to avoid going into overdraft and incurring fees

Ability to re-use your bank customer identity to sign up to a new service more easily

Easier credit/finance approvals i.e. faster home loan assessment because you can share your financial data more easily and safely

Being able to make online payments for digital services directly from your bank account (i.e. without using a credit card)

Base Total: 2022 N=1,000, 2024 N=1,019

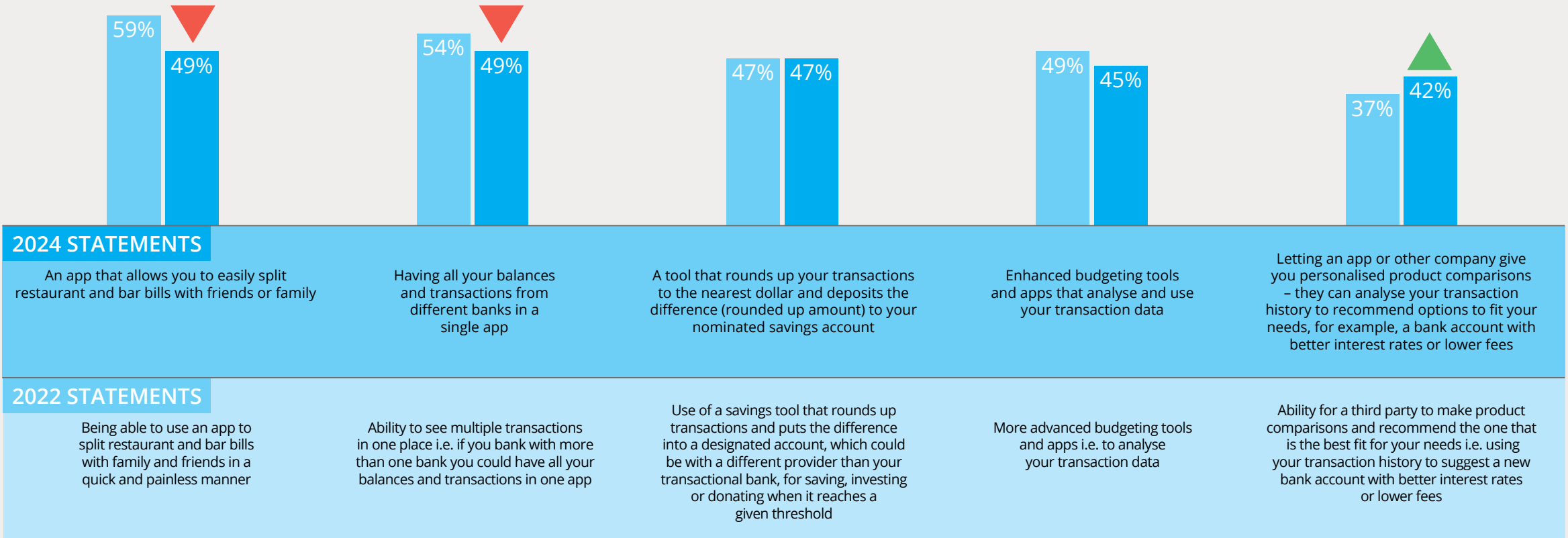
2024: Q. Below are some examples of apps and services you could be offered using open banking. How appealing are each of these to you? | Q. Here are a few more ideas for new products and services that are being created with open banking using the services of a third party connecting to your bank account. Please rate how appealing each of these are to you.

2022: Q. Below are some ideas for new products or services that could be created with open banking using the services of a third party that would connect to your bank account. How appealing are each to you?

Appeal of other potential open banking apps and services

TOTAL % APPEALING 2022 VS. 2024

● 2022 ● 2024 ▲ Statistically significant change compared to 2022



2024 STATEMENTS

An app that allows you to easily split restaurant and bar bills with friends or family

Having all your balances and transactions from different banks in a single app

A tool that rounds up your transactions to the nearest dollar and deposits the difference (rounded up amount) to your nominated savings account

Enhanced budgeting tools and apps that analyse and use your transaction data

Letting an app or other company give you personalised product comparisons – they can analyse your transaction history to recommend options to fit your needs, for example, a bank account with better interest rates or lower fees

2022 STATEMENTS

Being able to use an app to split restaurant and bar bills with family and friends in a quick and painless manner

Ability to see multiple transactions in one place i.e. if you bank with more than one bank you could have all your balances and transactions in one app

Use of a savings tool that rounds up transactions and puts the difference into a designated account, which could be with a different provider than your transactional bank, for saving, investing or donating when it reaches a given threshold

More advanced budgeting tools and apps i.e. to analyse your transaction data

Ability for a third party to make product comparisons and recommend the one that is the best fit for your needs i.e. using your transaction history to suggest a new bank account with better interest rates or lower fees

Base Total: 2022 N=1,000, 2024 N=1,019

2024: Q. Below are some examples of apps and services you could be offered using open banking. How appealing are each of these to you? | Q. Here are a few more ideas for new products and services that are being created with open banking using the services of a third party connecting to your bank account. Please rate how appealing each of these are to you.

2022: Q. Below are some ideas for new products or services that could be created with open banking using the services of a third party that would connect to your bank account. How appealing are each to you?

Comfort with data sharing is rising, but security is paramount

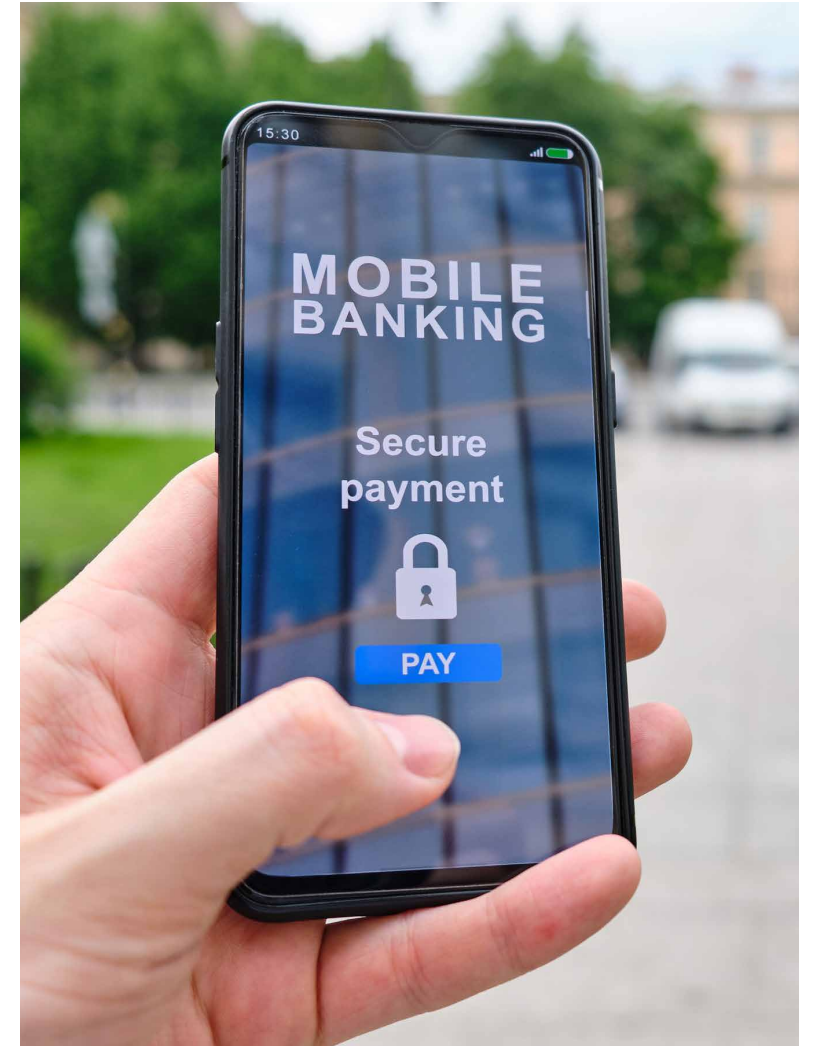
More consumers are comfortable with secure data sharing with a third party, but privacy, security and trust are non-negotiable.

Asked about secure data sharing with a third party to take advantage of open banking, 37 percent of respondents were comfortable with this – continuing a steady rise from 27 percent in 2022 and 16 percent in 2020.

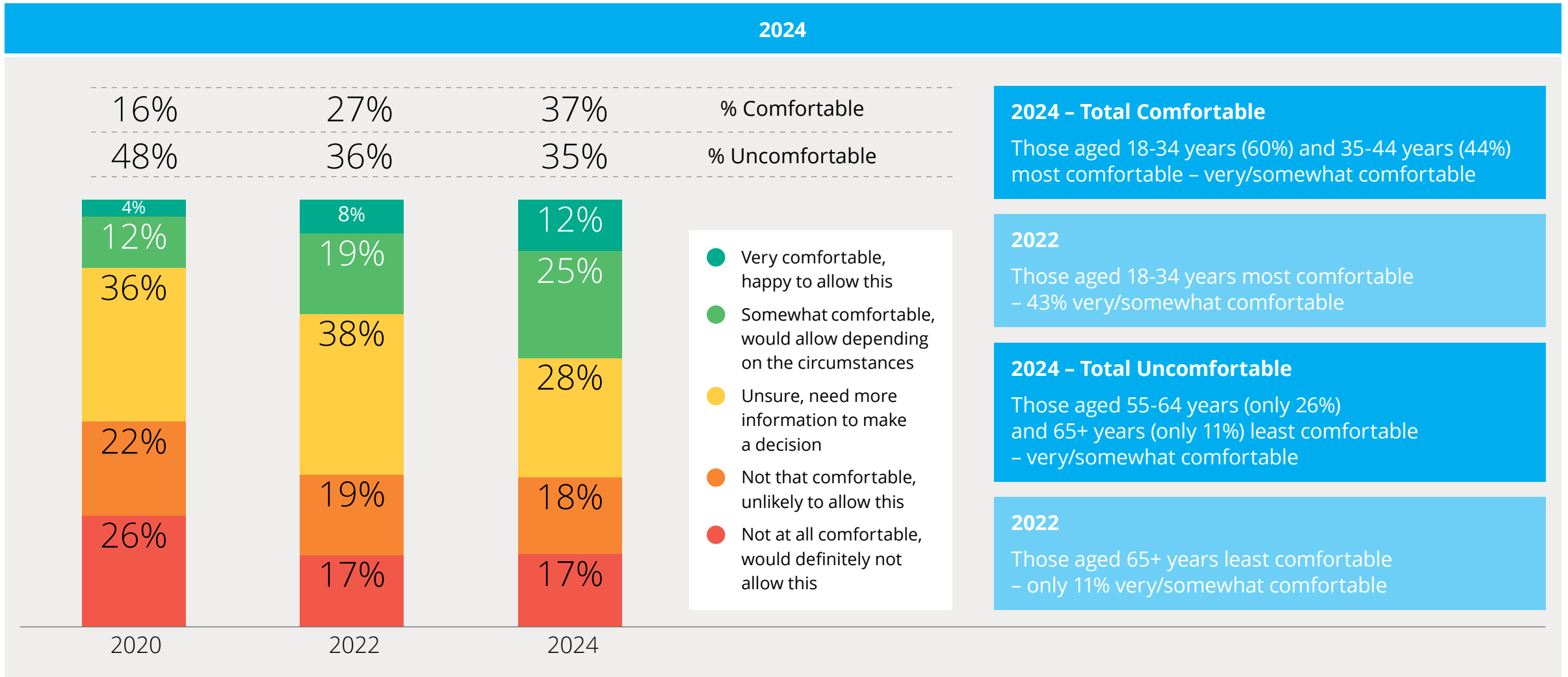
This marks the first year that comfort with data sharing has outweighed discomfort. However, while the group who are 'unsure' has shrunk since 2022, the proportion who are outright uncomfortable is largely unchanged.

Those who were 'somewhat' comfortable with data sharing sought assurances around privacy, the security and trustworthiness of third parties, and feeling like they're still in control of their banking.

Consumers uncomfortable with data sharing also cited security, trust and control as their key concerns. Some also simply preferred the status quo, including comments favouring a single bank over an open arrangement.



Consumer comfort with sharing banking data



Base Total: 2020 N=1,012, 2022 N=1,000, 2024 N=1,019

2024 Q. To take advantage of open banking apps, you would need to authorise the app to connect to your bank to access your banking data. How comfortable are you sharing your banking data with other organisations and/or apps?
2020/2022: Q. How comfortable would you be sharing your banking data with an organisation other than your bank for your own benefit? All data would be shared securely and only with your express consent.

Why some consumers are unsure about sharing banking data

Concerns about privacy and security

"It would depend on what the organisation does, and their information security practices."

"When I am unconvinced that the organisation has robust security measures in place."

Lack of trust in third party or app (esp. if unknown provider)

"The 3rd party was not deemed trustworthy or had poor data security / privacy."

"With a company that isn't well known or has poor cybersecurity."

Lack of control over banking data and personal information

"When they have full control."
"If they don't specifically disclose what they're going to use my data for."

Potential fees or other costs

"I would want to know a bit about the company and their reputation before I trusted with my info as well as what the hidden costs of them having this data is to me."

Why some consumers are uncomfortable with sharing banking data

Security concerns - worried about scams, fraud, hacking

"If there was a data breach my money and information could be stolen."

"Because there are so many scams out there at the moment, its my money it needs to be kept secure!"

Lack of trust - don't trust third party organisations / apps

"I don't really trust other organisation beside my bank."

"Cannot trust an app to have access to my banking details."

Control - will lose control of financial data

"Concerns about control and privacy."
"I want more assurance that the access is 100% secure and that the organisations are only using my information for purposes I understand and agree to."

Prefer status quo - happy with current bank, deal with one bank only

"Well I don't really see a need for open banking for me as I only use one bank and am happy enough with the products and services they provide currently."

2022 THEMES

Security – worried about hackers and scams
Trust – don't trust third party organisations

Control – will lose control of financial data
Benefit – can't see any advantage in giving access

Base 2024: Somewhat Comfortable N=253

Q. What would be the circumstances where you would NOT be comfortable providing an organisation other than your bank access to your banking data?

Base Unsure/Uncomfortable: 2022 N=737, 2024 N=642

Q. Why would you be unsure or uncomfortable with providing an organisation other than your bank access to your banking data?

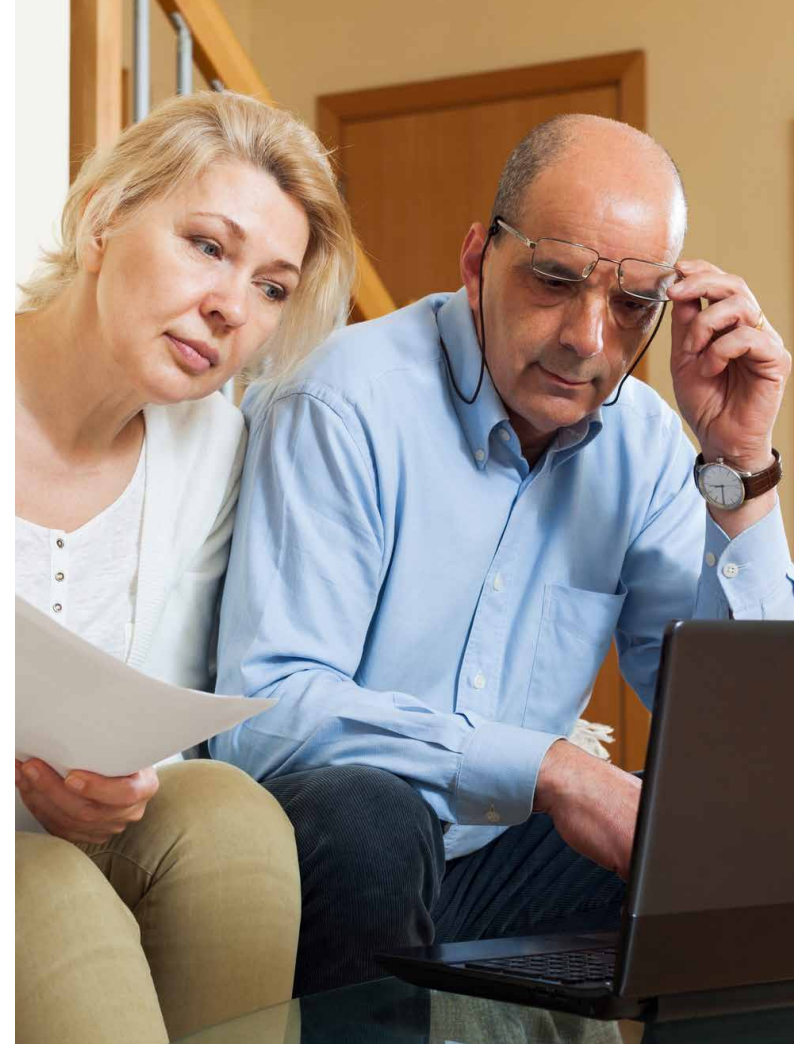
Data sharing – concerns and accountability

Hacking tops the list of concerns with sharing banking data, with third parties mostly held responsible for any errors or issues.

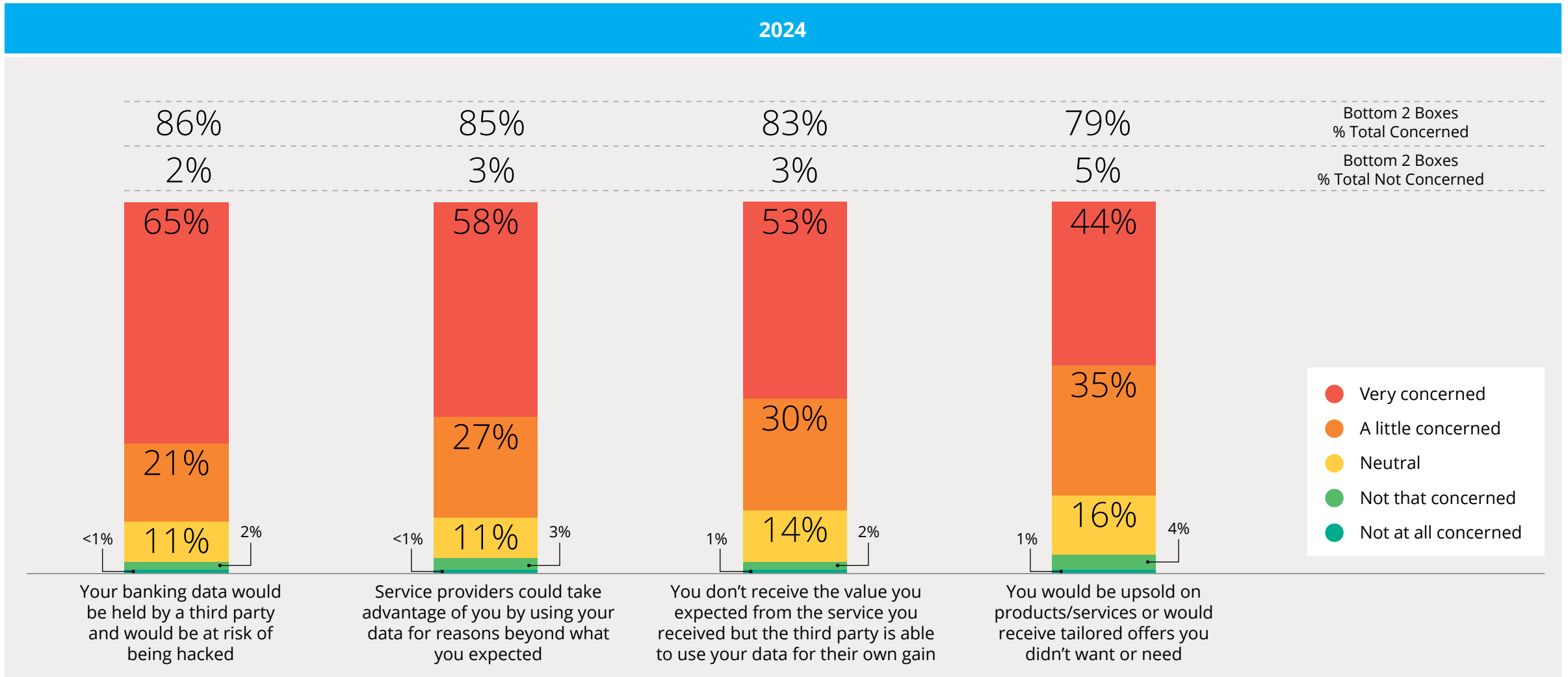
When asked about data sharing concerns, hacking or theft of banking data shared with a third party was concerning for 86 percent of respondents.

Similar proportions were concerned about their data being taken advantage of beyond what they signed up for or being used more for the third party's benefit than their own.

In the event of an error or issue with data sharing, the vast majority of respondents said the third party should be responsible. However, the gap between third party and bank accountability has narrowed since 2022, particularly in payment situations.



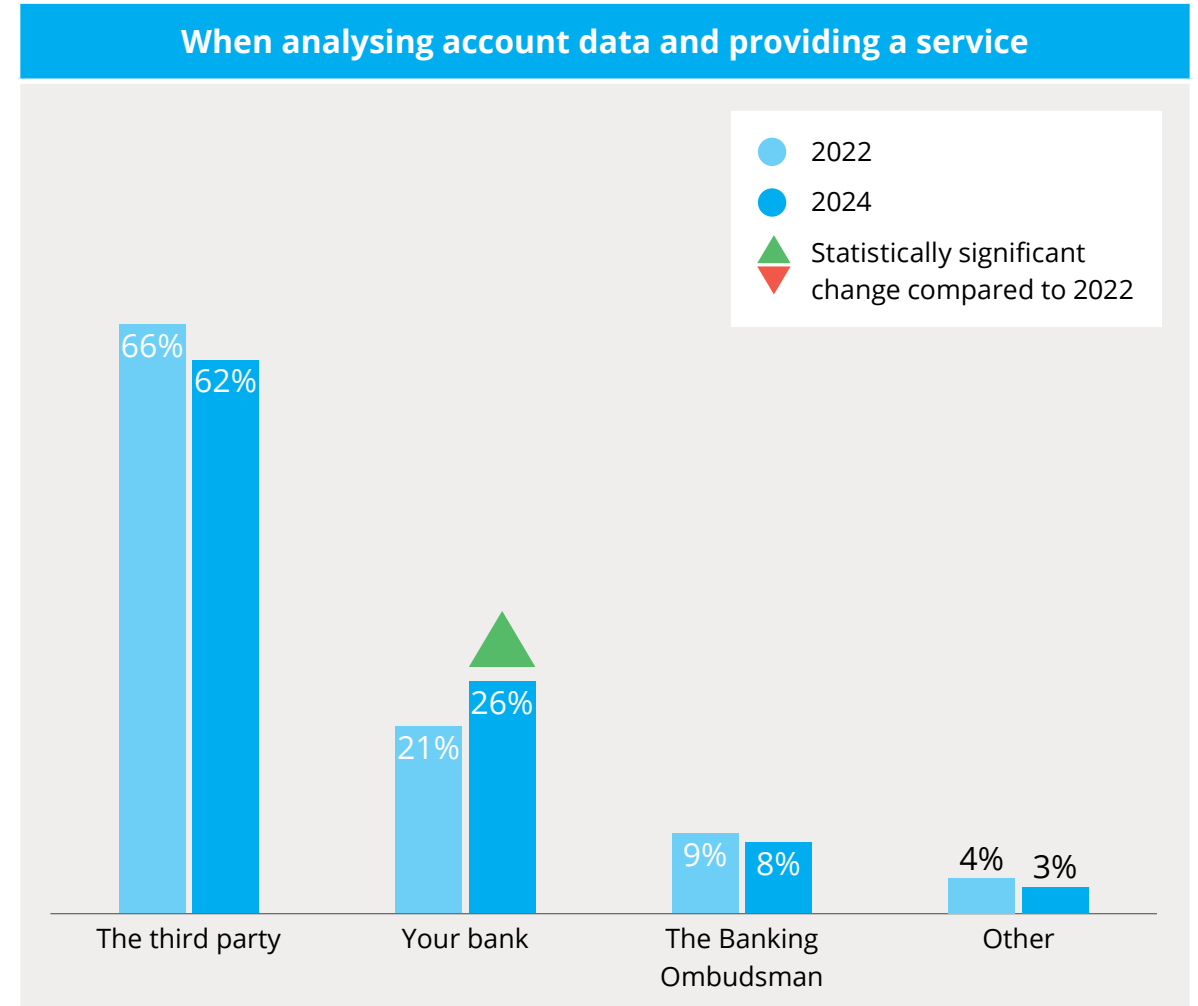
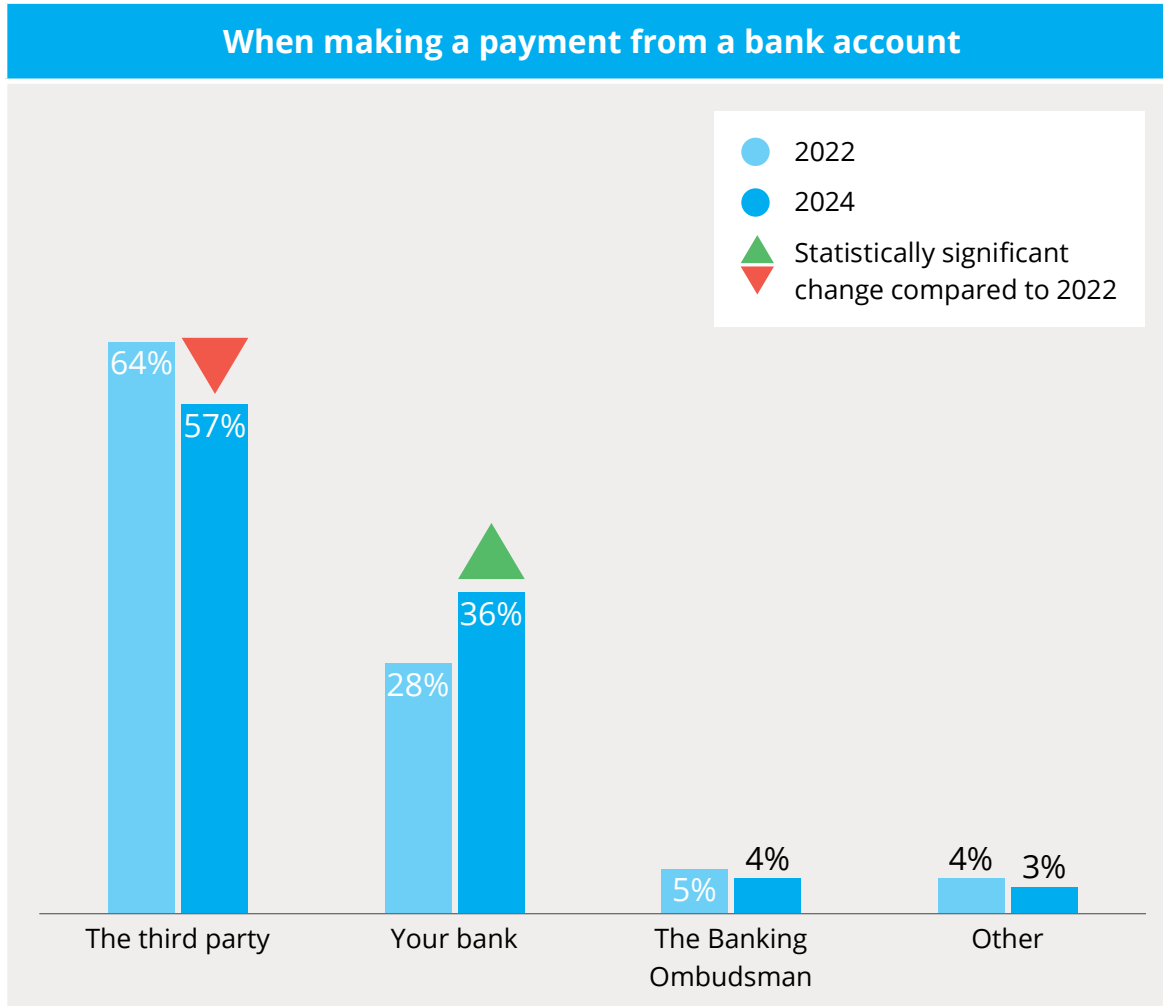
Consumer top concerns with sharing their banking data



Base Total: 2024 N=1,019

Q. For this question we'd like to understand how you feel about some of the common concerns of sharing your banking data. If you were to share your banking data with a third party, how concerned would you be that...?

Who should be responsible for issues with data sharing



Base Total: 2022 N=1,000, 2024 N=1,019

Q. If you use a third-party organisation, other than your bank, to make a payment from your bank account and the payment goes wrong, who would you expect to correct the issue?

Q. If you use a third-party organisation [2022: organisation (third party)], other than your bank, to analyse your account data and provide a service and something goes wrong or that information is compromised, who would you expect to correct the issue?

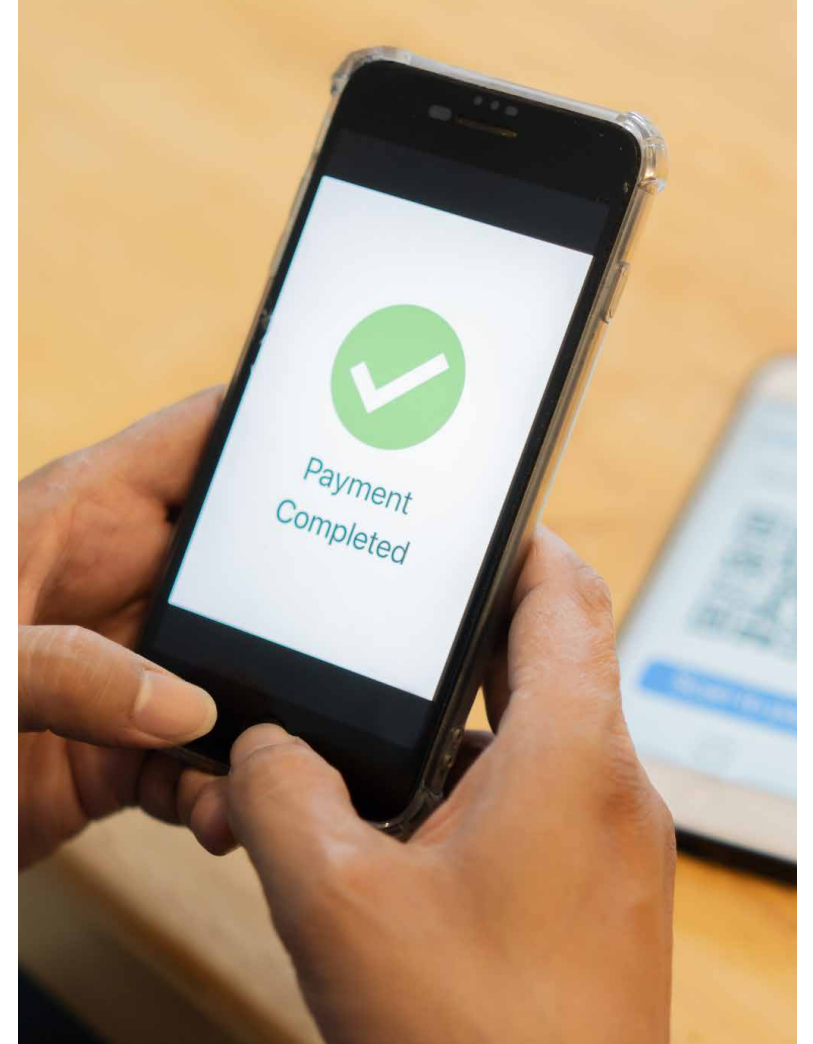
Māori respondents enthusiastic about open banking

Māori respondents are more positive about potential uses for open banking than the survey average, finding all but one example significantly more appealing.

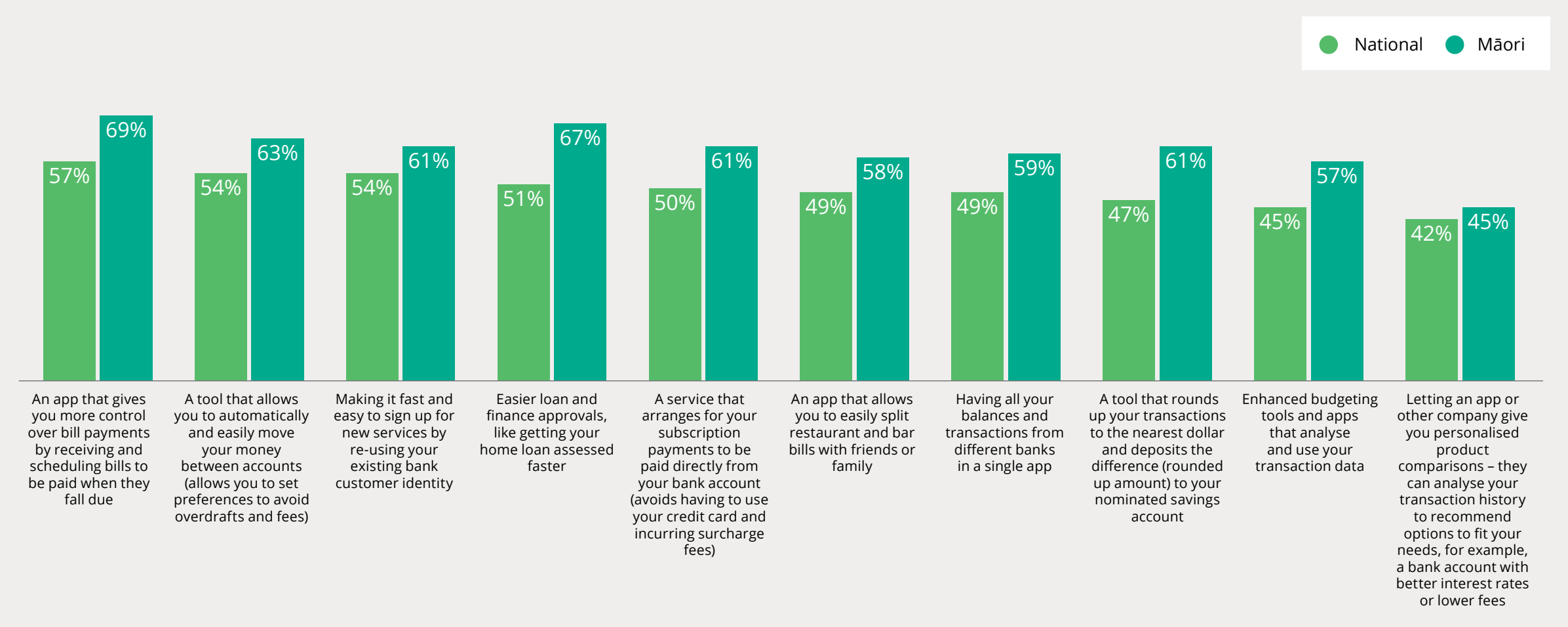
Open banking apps to manage bill payments, or to get easier finance approvals, were significantly more popular with Māori than in 2022. More than two-thirds of Māori respondents rated these two ideas appealing.

Māori are also relatively comfortable with secure data sharing to enable open banking – 48 percent, versus the 35 percent survey average.

However, hacking, service providers taking advantage of data, and third parties using data for their own purposes are top data sharing concerns for Māori respondents. Concerns about hacking have grown since 2022.



Appeal of potential open banking apps and services among Māori



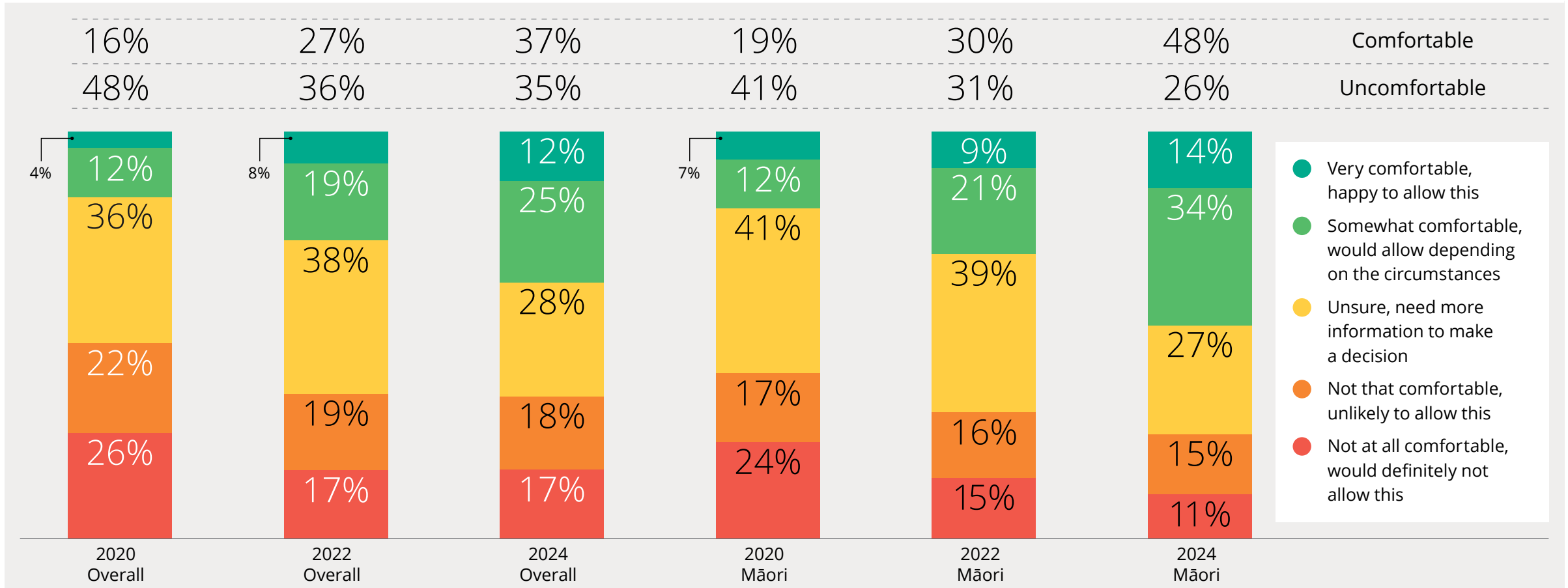
Base 2024: National: N=1,019, Māori N=218

Q. Below are some examples of apps and services you could be offered using open banking. How appealing are each of these to you?

Q. Here are a few more ideas for new products and services that are being created with open banking using the services of a third party connecting to your bank account.

Please rate how appealing each of these are to you.

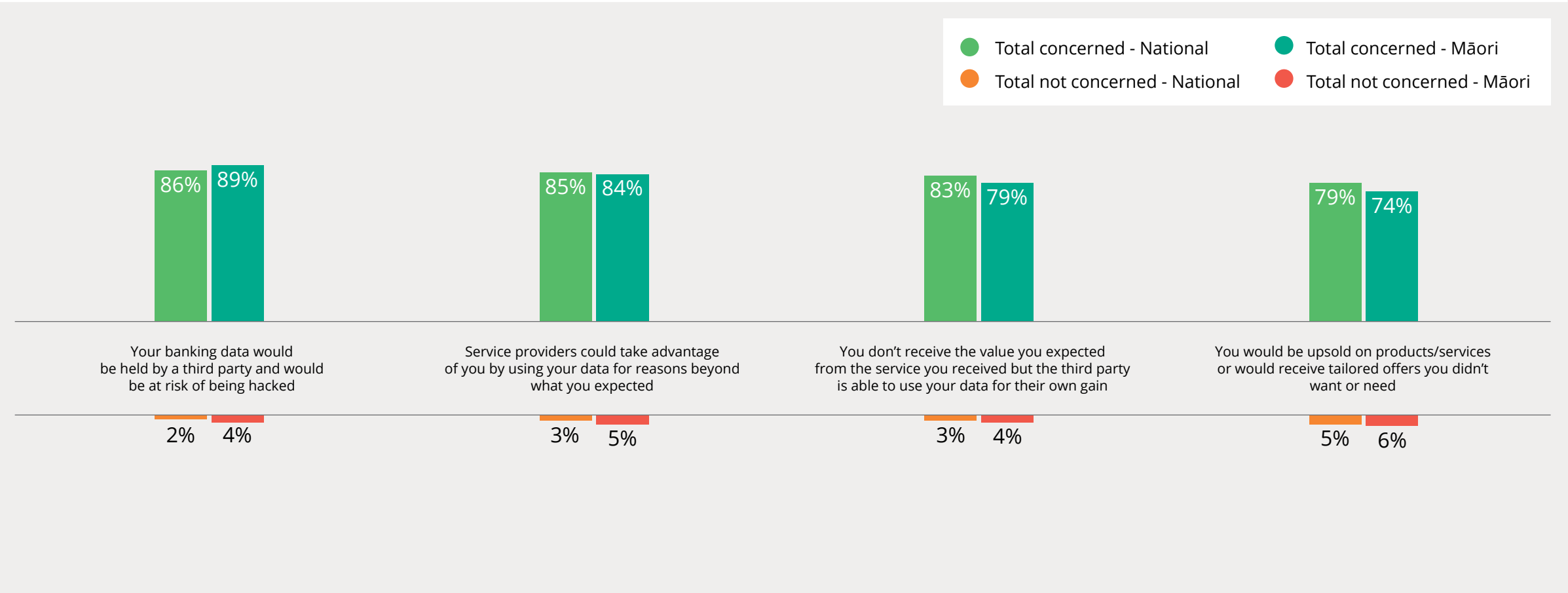
Māori respondents' comfort levels with data sharing



Base: 2020: National N=1,012, Māori N=76; 2022: National N=1,000, Māori N=202; 2024: National N=1,019, Māori N=218

2024 Q. To take advantage of open banking apps, you would need to authorise the app to connect to your bank to access your banking data. How comfortable are you sharing your banking data with other organisations and/or apps?
 2020/2022: Q. How comfortable would you be sharing your banking data with an organisation other than your bank for your own benefit? All data would be shared securely and only with your express consent.

Top concerns with data sharing among Māori respondents



Base 2024: National: N=1,019, Māori N=218

Q. For this question we'd like to understand how you feel about some of the common concerns of sharing your banking data. If you were to share your banking data with a third party, how concerned would you be that...?

Section 3

Future of payments



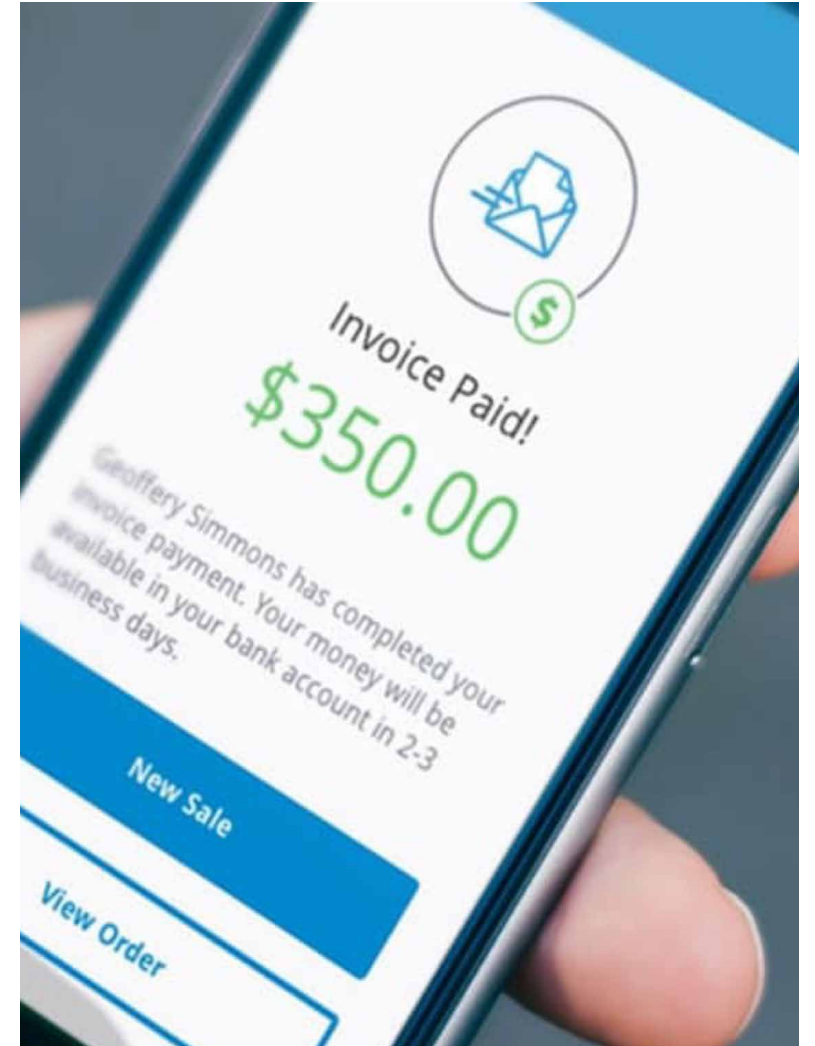
Real-time payments have strong appeal for the future

Real-time payments remain the most appealing future payment concept for consumers in 2024.

Being able to make a payment, or receive it from someone else, and have the money arrive straight away, was appealing to 76 percent of respondents.

Other popular concepts included phone or email notifications for making or receiving payments, seeing extra information about payments (such as store locations or receipts), and approving or declining payment requests instantly by phone.

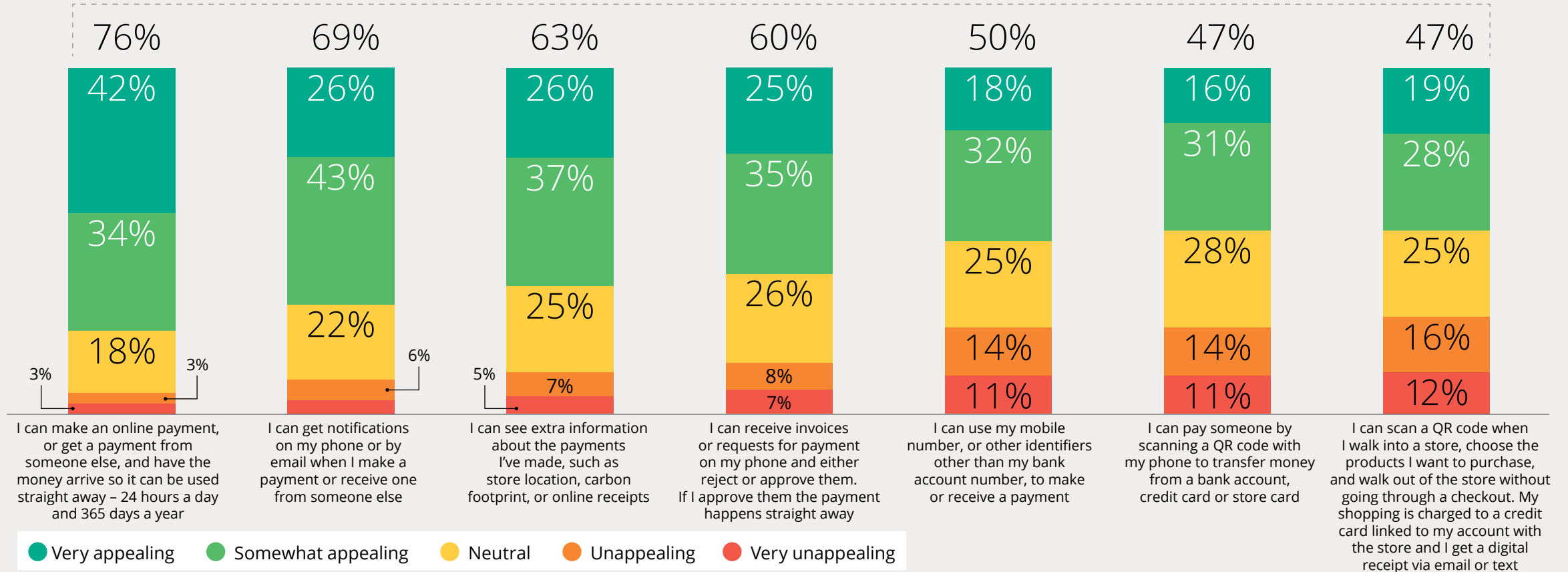
Consumers were less excited by concepts involving QR codes, with peer-to-peer payments and cashier-less shopping via QR code both appealing to less than half of respondents.



Appeal of future payment concepts - online via website or mobile device

2024

Top 2 Boxes % Total Appealing

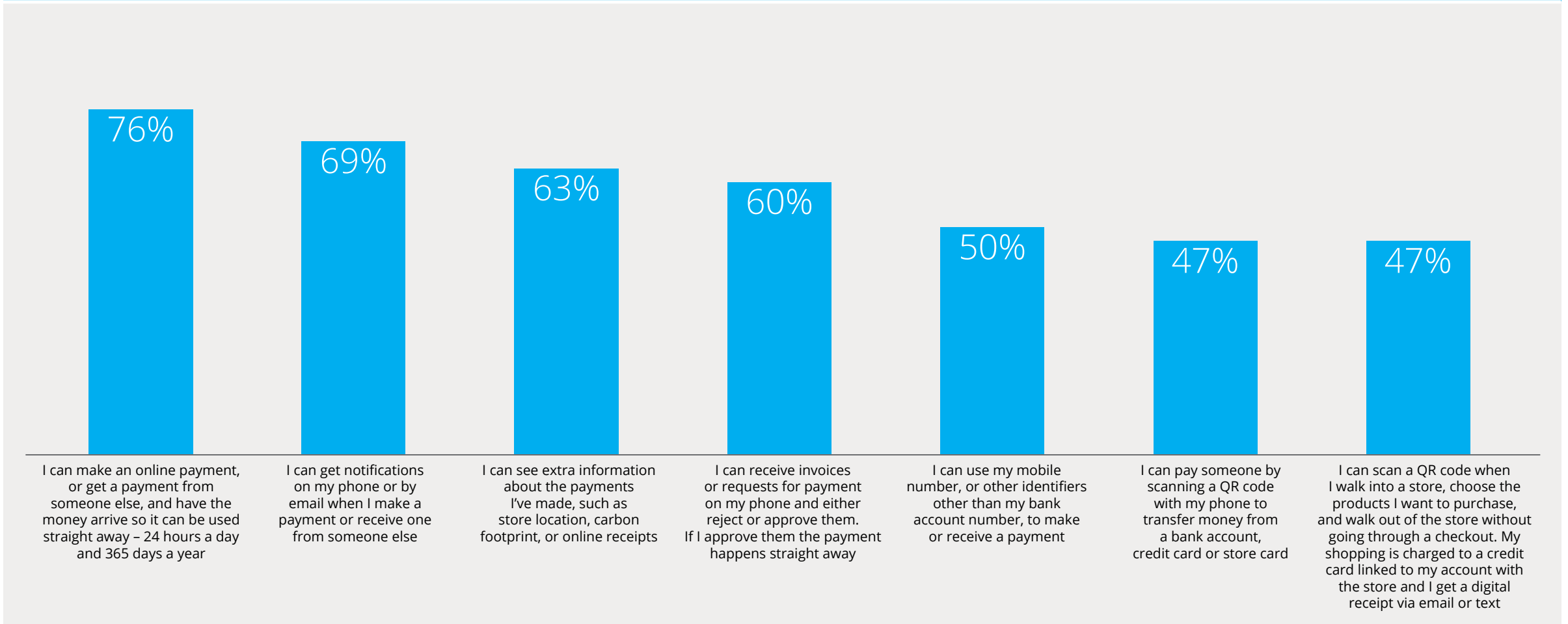


Base Total: 2024 N=1,019

Q. Below are some ideas for different types of online payments you could do via a website or mobile device. How appealing are each of these ideas to you?

Preferences for potential future payment options in 2024

TOTAL % APPEALING - 2024



Base Total: 2024 N=1,019

Q. Below are some ideas for different types of online payments you could do via a website or mobile device. How appealing are each of these ideas to you?

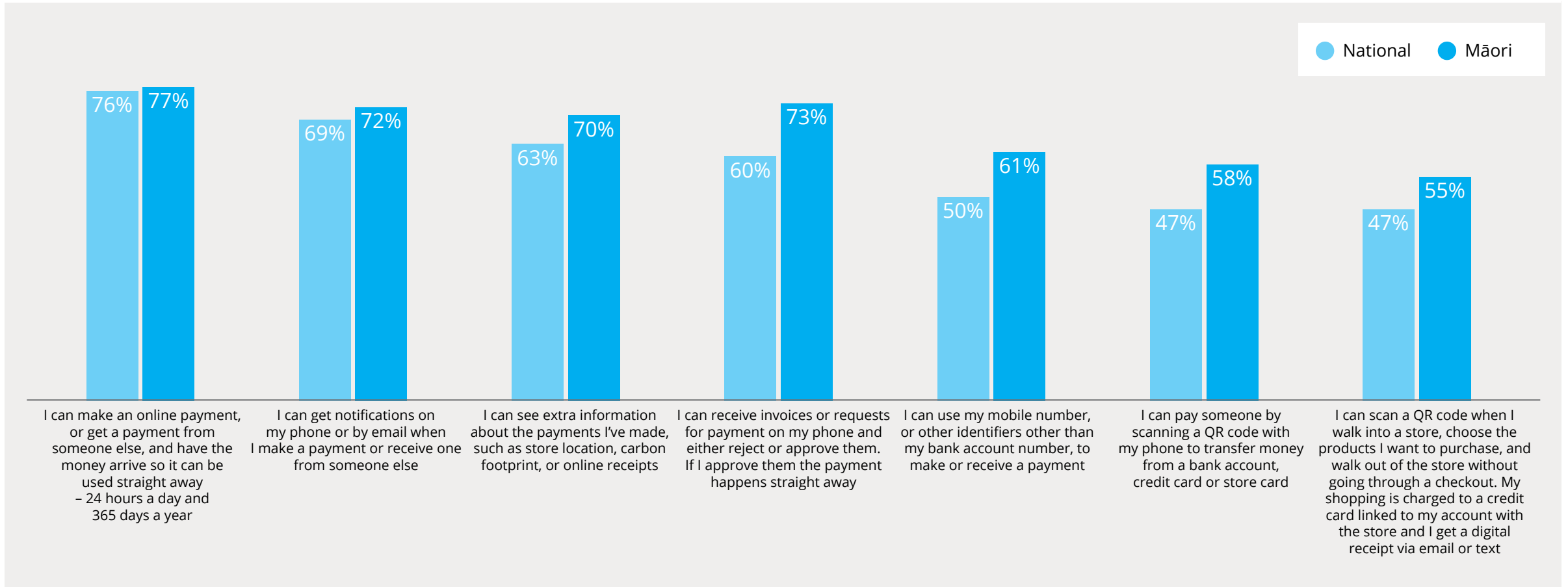
Māori consumer attitudes to the future of payments

Māori respondents share the general enthusiasm for real-time 24/7 payments – 77 percent found the concept appealing. However, this has fallen from an overwhelming 85 percent of Māori respondents in 2022.

Instant payment requests that can be approved or declined on a phone appealed more to Māori than the survey average, as did using a mobile number or other non-bank account identifier to make a payment. Both concepts were also much more appealing among Māori than two years earlier.



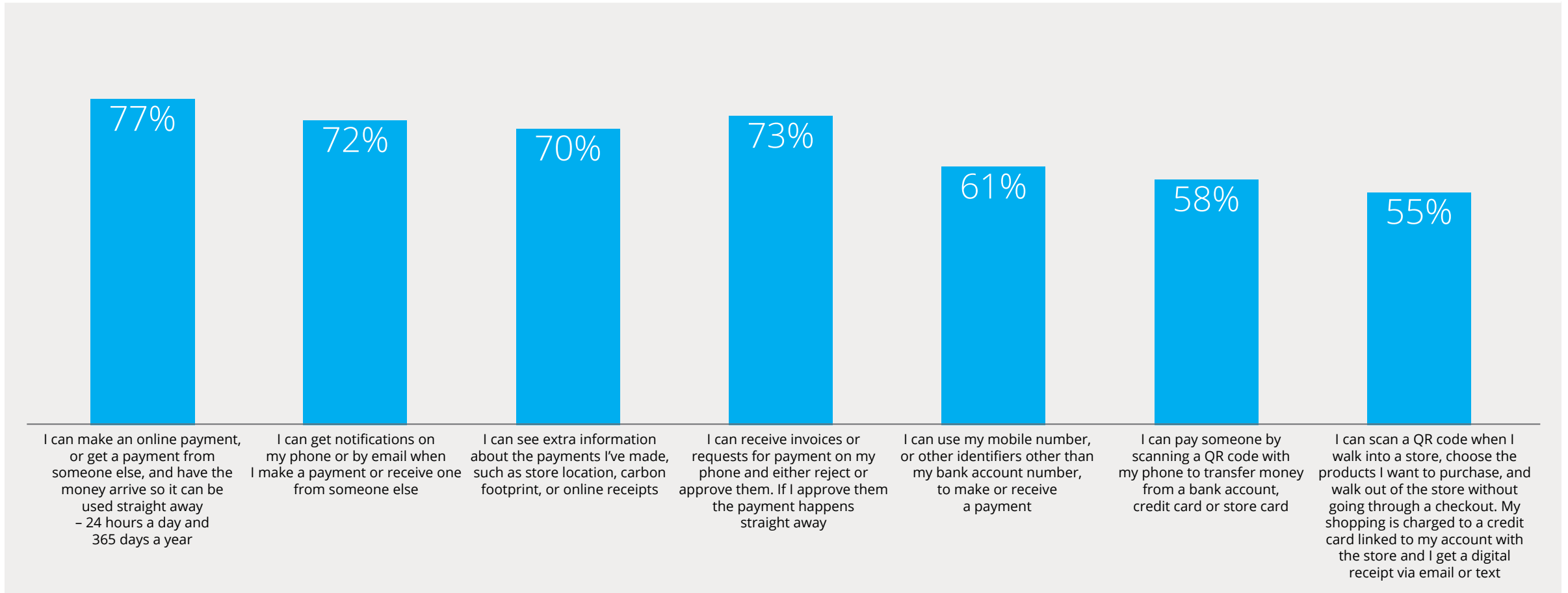
Appeal of future payment concepts, online via website or mobile device - national and Māori respondents



Base 2024: National: N=1,019, Māori N=218

Q. Below are some ideas for different types of online payments you could do via a website or mobile device. How appealing are each of these ideas to you?

Appeal of future payment concepts to Māori respondents - online via website or mobile device



Base Māori: 2022 N=202, 2024 N=218

Q. Below are some ideas for different types of online payments you could do via a website or mobile device. How appealing are each of these ideas to you?

Section 4

Vulnerable New Zealanders



Vulnerable New Zealanders

The proportion of survey respondents classed as 'vulnerable' has risen since 2022, and more report they have struggled with expenses in the last year.

Based on responses to five questions about financial resilience, 30 percent of survey respondents could be considered financially vulnerable. This is an increase on 22 percent in 2022.

Across the survey, 35 percent of all respondents said they had found it difficult to pay for necessary living expenses in the last twelve months – up from 29 percent two years ago.

We define 'financially vulnerable' people as those experiencing circumstances that may disproportionately affect their financial resilience. See **Scope and methodology** in our Appendix for details.

Vulnerability across the population

Demographic analysis of the survey highlighted groups in our communities that may be more financially vulnerable:

Gender – 67 percent of women respondents

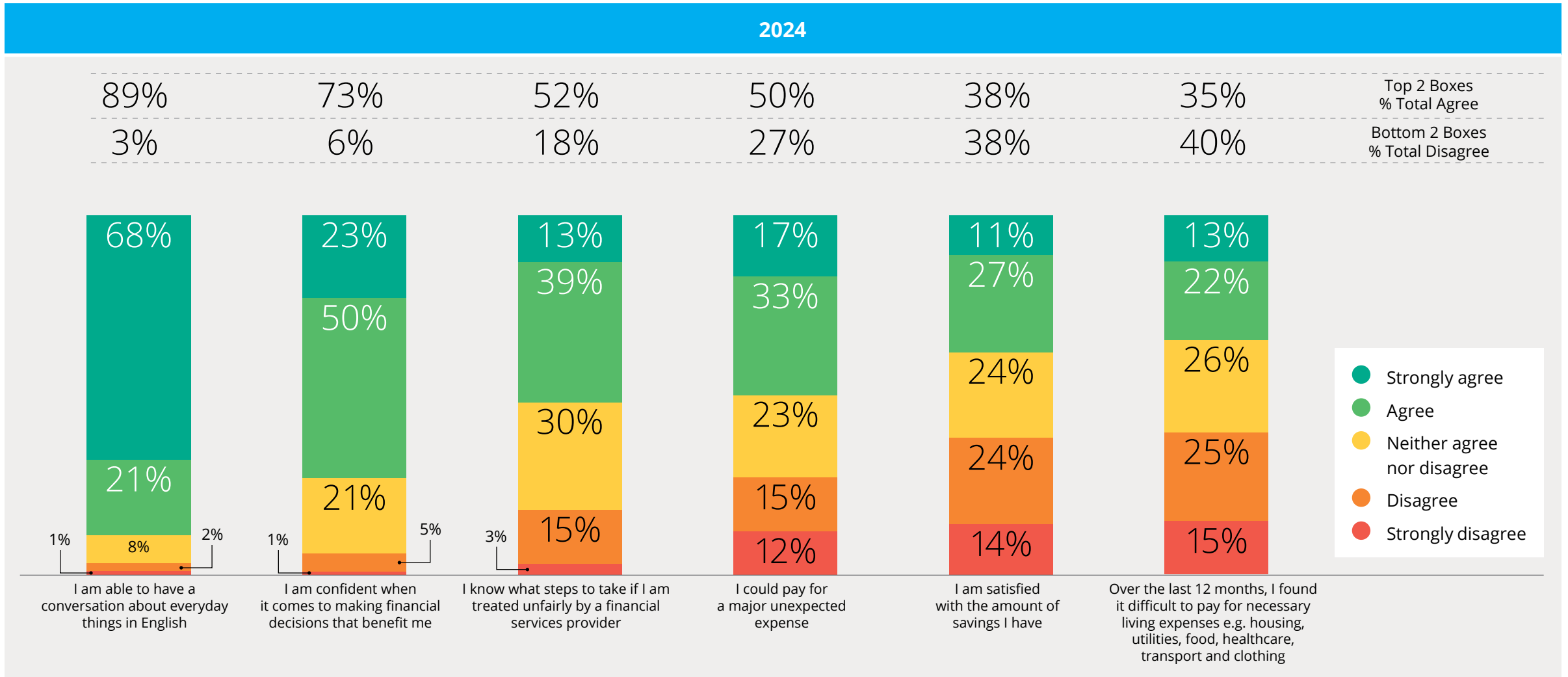
Ethnicity - Māori made up 24 percent of vulnerable respondents against 17 percent of the survey sample. Pacific Island peoples also made up 9 percent of vulnerable respondents, against 8 percent of the survey sample.

Socio-economic – those with annual incomes of \$30,000 or less, although low income was not a sole determinant of vulnerability, the correlation was strong.

Employment - 24 percent of unemployed respondents were overrepresented in the vulnerable category, even though they made up only 12 percent of the overall sample.

Age – Not a strong determining factor, with only 7 percent of retired respondents classified as vulnerable, despite making up 15 percent of the survey sample.

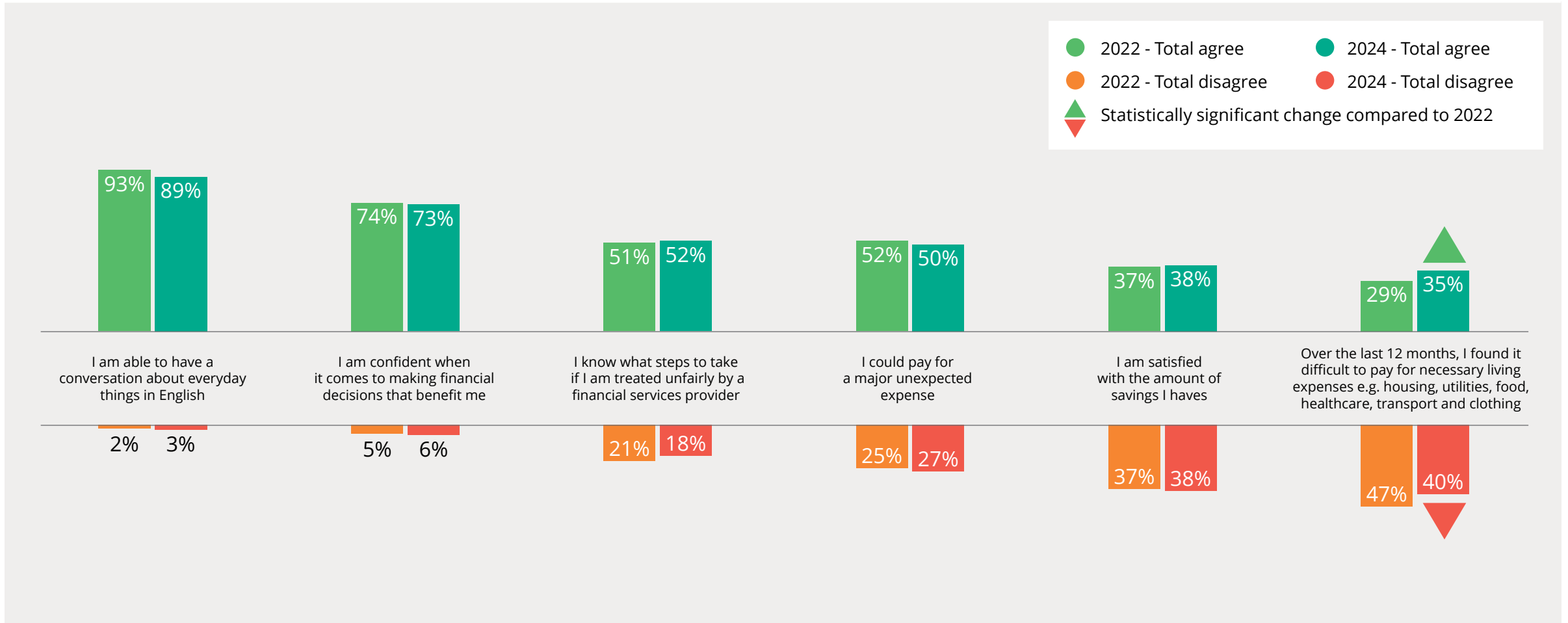
Consumer responses on financial resilience and vulnerability



Base Total: 2024 N=1,019

Q. We're interested in identifying barriers and challenges to accessing financial services and opportunities for improved access. Please rate your ability to meet your weekly living costs and any unexpected expenses. To what extent do you agree or disagree that...?

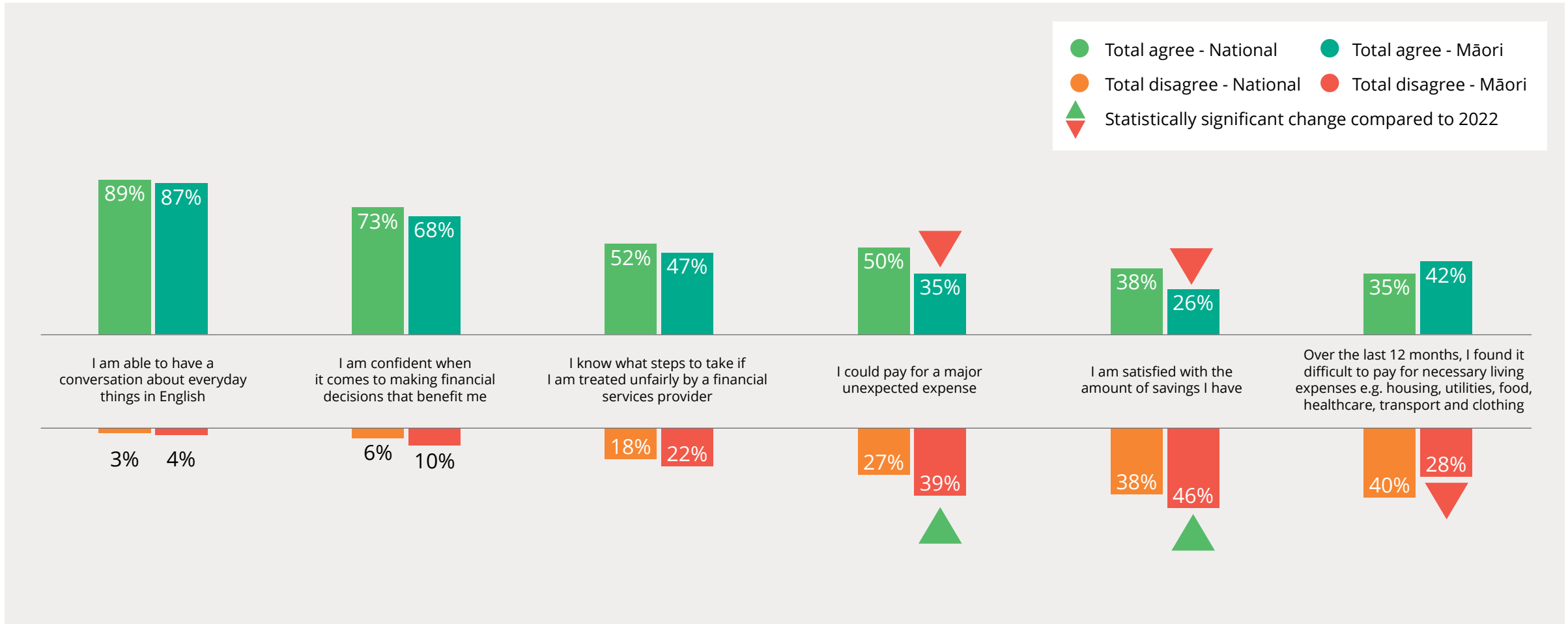
Consumer responses on financial resilience and vulnerability - changes since 2022



Base Total: 2022 N=1,000, 2024 N=1,019

Q. We're interested in identifying barriers and challenges to accessing financial services and opportunities for improved access. Please rate your ability to meet your weekly living costs and any unexpected expenses. To what extent do you agree or disagree that...?

Consumer responses on financial resilience and vulnerability - national versus Māori respondents



Base 2024: National: N=1,019, Māori N=218

Q. We're interested in identifying barriers and challenges to accessing financial services and opportunities for improved access. Please rate your ability to meet your weekly living costs and any unexpected expenses. To what extent do you agree or disagree that...?

Appendix



Survey scope and methodology

The Payments NZ 2024 Consumer Survey sample was sourced from Yabble and Dynata online market panels, ensuring a diverse and representative cross-section of the New Zealand population.

We surveyed a national sample of 1,000 people, plus an additional booster sample of 40 people specifically for Māori participants.

The national sample of 1,000 people is representative of the New Zealand population aged 18 and above, balanced for age, gender, region, and ethnicity. Ethnicity quotas ensure the sample reflects the New Zealand population as follows:

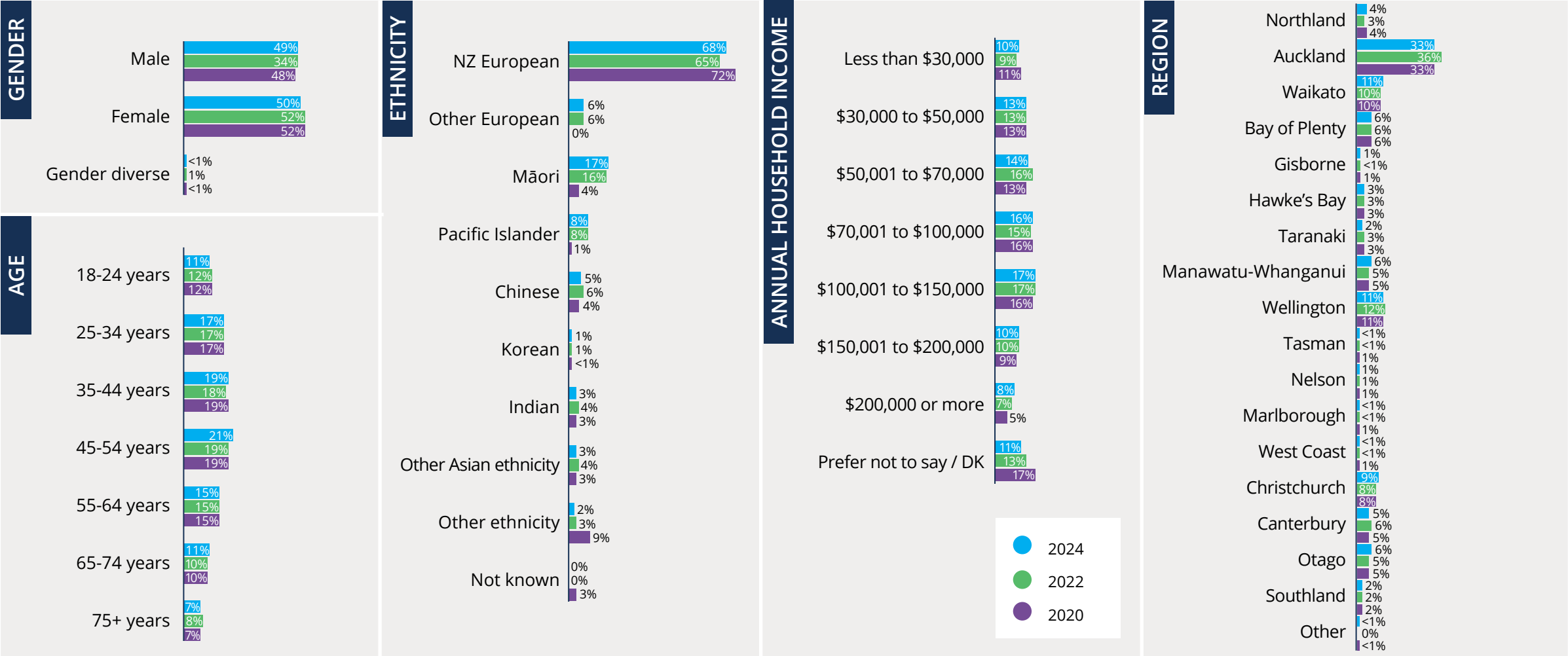
- NZ European: 70%
- Māori: 16%
- Pacific Peoples: 8%
- Asian: 15%
- Other: 2%

Respondents were able to select multiple ethnicities, resulting in a total above 100 percent.

The combined Māori sample consists of 178 people from the national sample plus the booster sample of 40 people, resulting in a total Māori sample of 218 people.

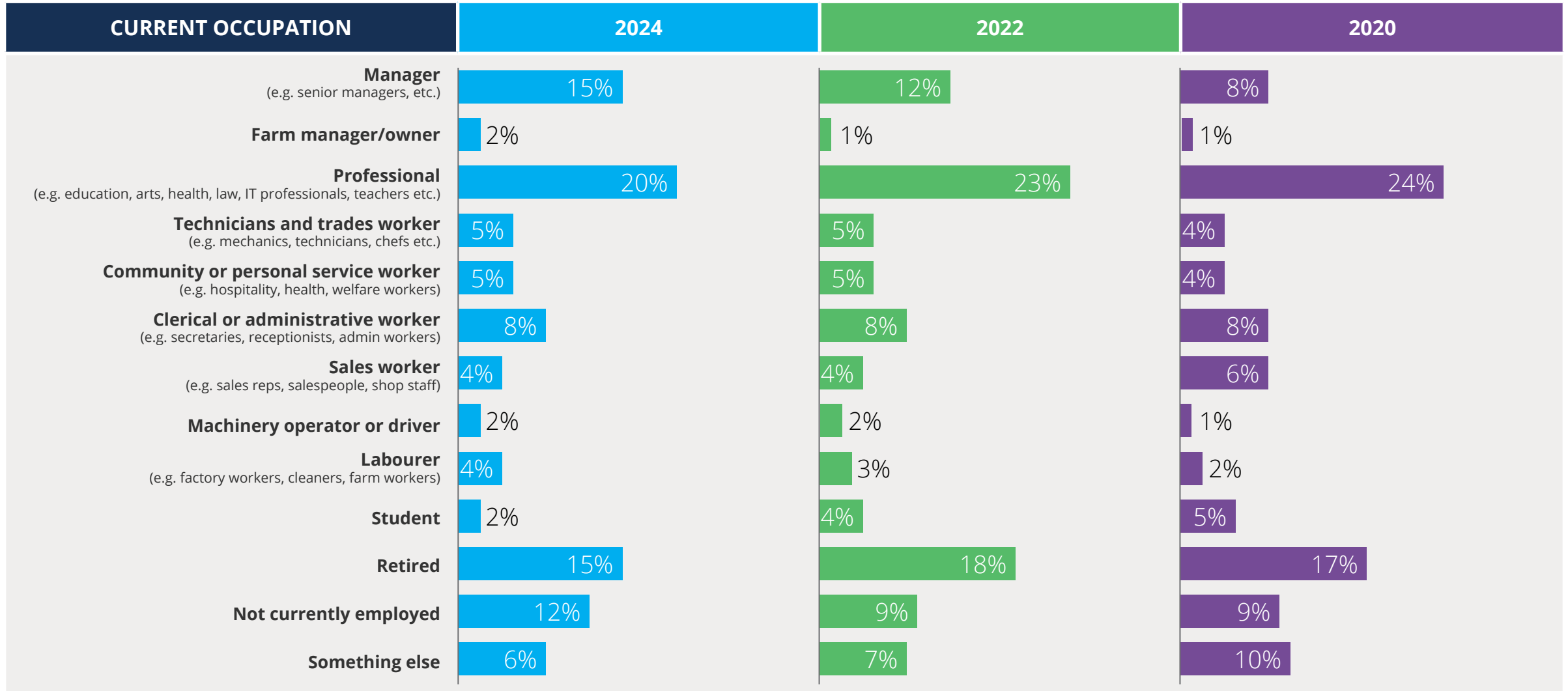
Sample profile 2024 - national demographics

Nationally representative sample for gender, age and region (plus ethnicity from 2022)



Base 2024: NZers Overall N=1,019, Vulnerable N=301

Sample profile - occupations, 2024 and previous years



Base Total: 2020 N=1,012, 2022 N=1,000, 2024 N=1,019
 Q. Which of the following best describes your current occupation?

Vulnerable New Zealanders

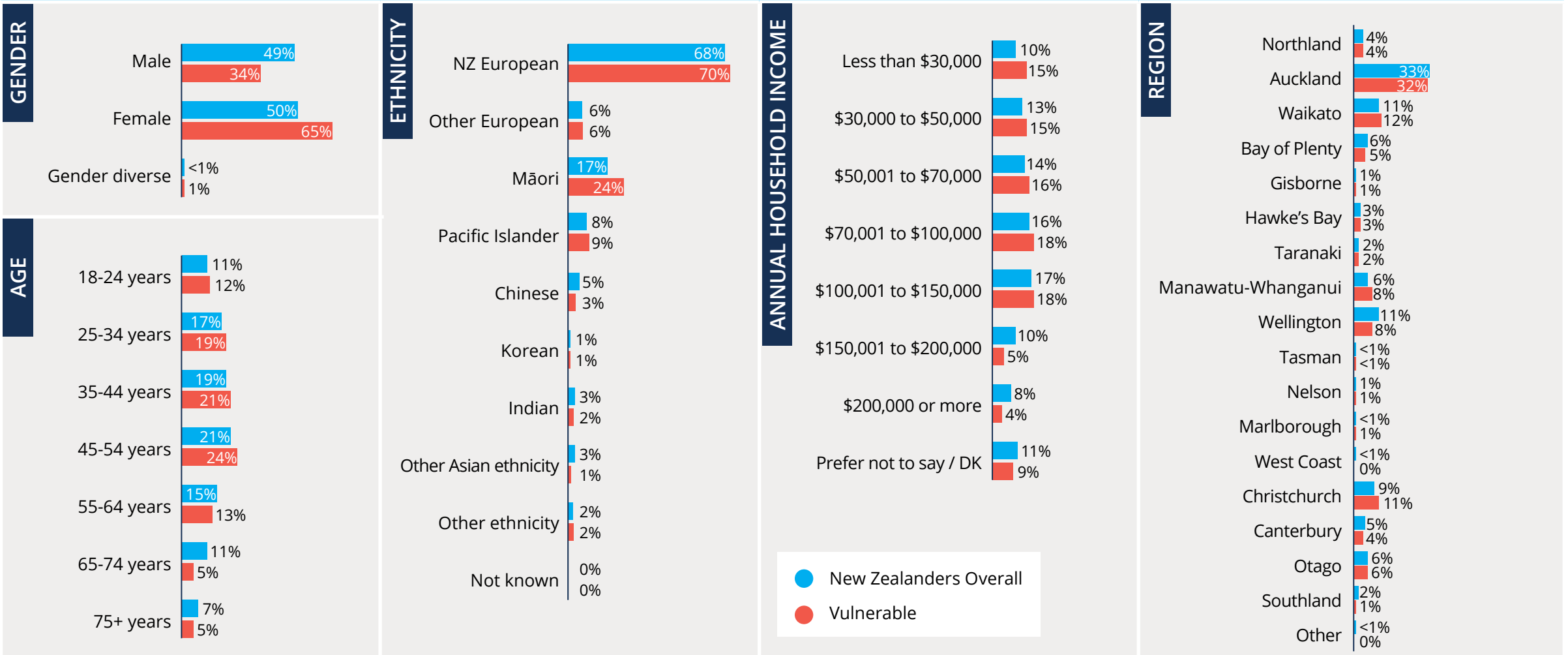
To determine the proportion of the sample who may be financially vulnerable, respondents were asked to rate their agreement with the following six statements, on a five-point agreement scale:

- “I could pay for a major unexpected expense”
- “Over the last twelve months, I found it difficult to pay for necessary living expenses, e.g. housing, utilities, food, healthcare, transport and clothing”
- “I am satisfied with the amount of savings I have
- “I am able to have a conversation about everyday things in English”
- “I know what steps to take if I am treated unfairly by a financial services provider”
- “I am confident when it comes to making financial decisions that benefit me”

We defined ‘vulnerable’ respondents as anyone who answered at the lowest two points of the scale for two or more questions, except for the final two questions where only the lowest point was taken. This reflects Council of Financial Regulators guidance and recommendations from Yabble based on responses received.

Sample profile 2024 - overall versus vulnerable

New Zealanders Overall vs. Vulnerable



Base 2024: NZers Overall N=1,019, Vulnerable N=301

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