



FINANCIAL SERVICES FEDERATION

MEDIA RELEASE

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Code update demonstrates going above and beyond

The Financial Services Federation (FSF) has re-launched its Credit-Related Insurance Code at a member function on Thursday night. The code, originally launched in 2019, sets out what consumers should expect from responsible insurance providers, the consumers' rights and both parties' responsibilities. The relaunched version adds in Mechanical Breakdown Insurance, a product that includes 24/7 access to roadside assistance. There is also an emphasis on the requirements of the conduct regime to ensure fair customer outcomes as well as ensuring the document uses plainer language to ensure it is accessible to all. The updated code has been reviewed by FinCap and both the Financial and Insurance ombudsmen.

Credit-related insurance is designed to help protect consumers when something goes wrong. These insurance products include Credit Contract Indemnity and Payment Protection Insurance, Guaranteed Asset Protection, Motor Vehicle and Mechanical Breakdown Insurance. Insurance payments are included in the loan repayments offering an easy one payment option that ensures the customer's lifestyle and vehicle are protected for the term of their loan.

The FSF is the industry body representing specialist lenders operating in Aotearoa New Zealand. The FSF currently has over 100 members which also includes Affiliate members providing services to the sector.

"All FSF members who provide credit-related insurance must adhere to the code. These members have reviewed the Code and updated it to demonstrate how they go above and beyond what is required of them in law to ensure fair outcomes for their customers." says Executive Director Lyn McMorran.

Members providing credit related insurance are committed to ensuring consumers are aware of not only the product they are purchasing but also their rights and the responsibilities of the insurers. The code clearly states this information and that this will be shared with consumers at the time of purchase and mandates a cooling off period of at least 14 days to allow the consumer to change their mind.

Insurance helps ease pressure at difficult time

In January 2024 John* purchased a new car and decided to include Payment Protection Insurance (PPI) as part of the loan for the vehicle. The PPI would cover their loan repayments if something unexpected happened that caused them to be off work like an illness, accident or redundancy. John thought this was good cover as it would protect not only himself but his family.

10 months after taking the insurance a blood test returned an abnormal result that led to John needing to have an urgent bone marrow biopsy. The biopsy sadly confirmed John had leukaemia. This was obviously a devastating blow to John and his family and he had to immediately stop work to focus on his treatment.

When his next loan payment was made, he remembered his PPI cover and contacted his insurer. The insurer responded by covering John's monthly loan repayments, allowing John to have one less thing to worry about at a difficult time.

Some months later John's leukaemia was more serious than originally expected and his diagnosis was changed to terminal. John had been in regular contact with the insurer and shared this update with them. They were then able to pay of the remaining balance of the car loan. John continues to get treatment and now enjoys the peace of mind of having the car loan cleared through insurance protection, allowing him to focus on his health and quality of life.

**customer's name has been changed*

The Code will be made available publicly on FSF members' websites and will be distributed through the financial mentor networks of FinCap, the national umbrella organisation for financial mentors in New Zealand.

The Code was launched at a function in Auckland on 23 April, attended by members of the Federation, as well as representatives from FSCL and FMA.

View the Responsible Credit-Related Insurance Code [here](#) (and attached)

For further information or an interview request please **contact Lyn McMorran, lmcmorran@fsf.org.nz**

Background: The Financial Services Federation (FSF) is the non-profit industry association representing specialist finance, leasing and credit-related insurance providers operating in Aotearoa New Zealand. FSF members include the likes of Toyota Financial Services, Harmony, Turners, Avanti Finance, Mercedes Benz Financial Services, MTF Finance, Scania, Custom Fleet, Prospa (see the full list [here](#)). With 61 years of history, FSF has stringent membership criteria and enforces a Code of Conduct to maintain high standards in specialist lending. FSF members prioritise compliance, support consumer protection enforcement, and advocate for balanced regulations that ensure New Zealanders have access to responsibly provided credit.