



FINANCIAL SERVICES FEDERATION

2 October 2026

NZ Transport Agency Waka Kotahi
Wellington

Via email: s241consultation@nzta.govt.nz

S241 Decision Framework: Third party access to Motor Vehicle Register information

Thank you for the opportunity for the Financial Services Federation (FSF) to respond to the consultation document on the S241 decision framework on behalf of our members. A current list of FSF members is attached as Appendix A. Our NZBN is 94 2904 2700 234.

Introduction:

In principle, the FSF is supportive of the introduction of a decision-making framework that provides greater transparency about how NZTA exercises its discretion when deciding whether to authorise access to personal information. As the consultation states, the purpose of such a framework is to support consistent and transparent decisions and a proportionate approach to NZTA's decision-making process when considering an application for access to the Motor Vehicle Register (MVR) – which the FSF believes is entirely appropriate.

The recently released briefing pack and answers to frequently asked questions has been particularly helpful in answering some of the questions members have raised since the consultation was released, particularly with reference to the fact that representative bodies such as the FSF can still apply for section 241 access on behalf of our members as that was not clear from the consultation document.

There is mutual benefit to both NZTA and to individual FSF members in the continuation of S241 access being granted through the industry body. From the NZTA's perspective, the administrative burden of assessing applications for access from individual businesses is removed and there is also comfort in the fact that industry bodies like the FSF have Rules and a Code of Conduct for Members that must be adhered to (which includes that all regulatory obligations must be met including the responsibilities of member organisations under the Privacy Act 2020). Failure to abide by these Rules and the Code of Conduct can result in a member organisation having their membership (and thereby their access to the MVR through the FSF's authorisation) terminated.

For FSF members, being authorised to access the MVR through their membership of the FSF is seen as a significant benefit to them and part of the value they gain from their membership.

The reminder in the frequently asked questions of the alternatives that exist to S241 access which can also be used by FSF members where appropriate is also helpful, but that access is still vital to their businesses when these alternatives do not provide the information they require.

Again, the FAQ document's clarification that access to Motochek will not be removed is helpful and we look forward to receiving the information about NZTA's planning updates to the Motochek system in due course. Similarly, the assurance that these changes do not affect access to MR13C is also welcome.

We look forward to the engagement later in the year on the Identity and Access Management Standard and NZTA security standards.

However, we would welcome further engagement with NZTA on the proposal that an independent audit requirement be introduced as part of the S241 application process and ongoing compliance activities. An independent audit is a significant cost for businesses. In our view, the justification for this new requirement is not sufficiently outlined in the consultation paper and we do not support its introduction. If it is going to be introduced regardless, we believe that this should be required only where there is reason to believe that an applicant's, or an existing user's, processes around the protection of data gathered from S241 access is not of an acceptable standard, rather than applied universally.

FSF member context:

Access to the MVR by FSF members is essential for the effective operation of their businesses.

Our members rely on access to support the provision of consumer finance in particular for the purchase of a used motor vehicle – either through private sale or through a motor vehicle dealership; for insurers to verify entitlement to make a claim on an insurance policy or to ensure ownership of a vehicle before providing an insurance policy over it; providing floor plan financing to a motor vehicle dealer; or as a fleet leasing and management company keeping track of their fleet of vehicles. FSF members also access the MVR to verify ownership and the address of the registered owner of the vehicle if they need to exercise the security they hold over a vehicle in the event of default on the loan and to support repossession activities.

In the case of a private sale of a vehicle, the finance company needs to establish that the person selling the car is the rightful owner of the vehicle to ensure that the loan funds they are paying out are being paid to the legitimate owner. They then need to verify the vehicle ownership following the completion of the loan transaction to ensure that the purchaser of the vehicle is now the registered owner of the vehicle over which they have taken security. This is also the case following the financing of a motor vehicle purchase through a motor vehicle dealership.

For insurers, the verification to ensure the claimant is entitled to make a claim on the registered vehicle is hugely important to prevent fraud (which is more widespread than

perhaps NZTA is aware of) as is the verification of ownership when providing an insurance policy for a motor vehicle.

When providing floorplan financing to a dealership, the lender will need to check the MVR to determine that vehicles have been re-registered when they have been sold off the plan so the continued access to MR13C is vital.

In the case of fleet leasing and management providers, they regularly check the ownership of the vehicles in their fleet through the MVR to ensure that they have not been re-registered to someone who does have legitimate right of ownership.

Finally, where a lender is in a situation where they might need to realise on the security held over a motor vehicle through a repossession, they will seek confirmation through the MVR of the registered owner and the owner's address to enable that process to take place in order to at least partially recover the debt owed to them.

These are all legitimate purposes for FSF members being able to access the information provided by the Register and this access is therefore an essential part of their business. Therefore care must be taken when formulating the decision-making framework that an appropriate balance is maintained between putting in place adequate criteria and safeguards without unnecessarily or unjustifiably restricting a member's reasonable access.

The FSF also believes it would be helpful for the NZTA to understand that the obligation to fully comply with the Privacy Act 2020 is one which FSF members in particular take very seriously. By its very nature, the information FSF members already gather about their customers to be able to make responsible lending decisions is highly sensitive given that it is very detailed with respect to their financial position, income sources, expenditure etc. The collection, use, disclosure, storage and destruction of this information as required under the Information Privacy Principles are very much top-of-mind for FSF members because of this and comprehensive privacy training, policies and procedures are therefore already an integral part of member organisations' operations irrespective of whether they are accessing the MVR.

We also note that, as a requirement of access being granted to the MVR under S241, users are required to include the statement detailed in section 3 of the terms and conditions either on their website or by physical signage at a relevant site. This advises registered persons that their name and address may be obtained from the MVR; the relevant gazette notice under which the User is authorized to access the information; the circumstances in which this may occur and what the information will be used for; and that any person can notify the Registrar that they do not wish to have their name(s) and address(es) made available under an authorization.

This very clearly sets out to the customers of FSF members that they are authorised to gather this information and for what purpose whilst also informing the registered person(s) that they have a choice as to whether or not their information can be made available.

Finally, could the NZTA please clarify how many breaches or instances of inappropriate access of the MVR have occurred over recent years. Whilst the FSF is aware that there have been a few, given the number of times the Register is accessed it would seem to be a very miniscule percentage of the likely millions of instances in any one year that the current authorised users have used their access legitimately.

On that basis, the FSF believes that care must be taken to ensure that the decision framework is proportionate to the risk of a breach of information or inappropriate access to the Register and it is pleasing to see that the consultation does consider the need for proportionality in decision-making.

With respect to the consultation itself, the FSF has the following to say.

Consultation Summary:

Before commenting on the consultation itself, there are a couple of statements within the consultation summary that the FSF has questions about and on which we seek further clarity.

Firstly, we would appreciate some understanding with respect to the statement that NZTA believes the current approach to authorising access to the MVR no longer reflects today's privacy and security environment and why that would be the case.

Whilst we understand that in today's world the risk of cyber security breaches is increasing exponentially – and our members also take these risks and the need to mitigate them extremely seriously – this is not the same as the potential for a privacy breach or inappropriate access to the Register by a rogue staff member.

Cyber-attacks typically occur through external forces infiltrating an organisation's systems and then using this access to extort the business financially or to use the data gained from this intrusion for their own gain. This can have extremely serious consequences for the business concerned, often causing them to temporarily or even permanently lose access to their entire IT system and therefore the data they hold.

A privacy breach tends to be an internal issue relating to the mishandling or inappropriate use of data held about the business's customers or stakeholders. Whilst also extremely serious when it occurs, it is not as all-consuming or wide-ranging in terms of the adverse consequences to the entire business as a cyber security breach.

That does not mean that adequate protection of personal information held by an organisation should be minimised or not put in place and, as we have said, FSF members already have policies and procedures in place to ensure the utmost protection of customer data. We are just seeking some understanding as to why NZTA would think that the risk of a privacy breach occurring is greater now than it ever was.

The second point with respect to the consultation summary is to seek an understanding as to why the NZTA deems it necessary to reduce the number of organisations authorised to access personal information through the introduction of the framework. Surely the point

should be that the framework helps NZTA to inform their decision-making process and, if the applying organisation meets the criteria, they should be granted access and there should not be any expectation that the number of organisations authorised to access the information on the MVR should be in any way limited if those criteria are met.

Purpose of consultation:

When the consultation document states that many organisations now have alternative ways to achieve their business objectives without direct access to personal information in the Register, the FSF refers NZTA back to the outline of the reasons why FSF member organisations access the MVR as set out above. It is imperative that they retain the ability to have direct access to the Register to achieve these business objectives.

As previously stated, the FSF supports in principle the need for a published standard setting out what applicants must demonstrate to justify access or what safeguards they must have in place to protect personal information. This is likely to be helpful and will support consistent, transparent and proportionate decisions which are also desirable.

The principles guiding the decision-making therefore seem reasonable – these being stewardship of the information entrusted to the NZTA; maintaining the integrity and confidentiality of personal information; having a clear and consistent approach when assessing applications to ensure fairness and accountability; limiting access to personal information to the minimum information needed; and data security.

Justification and Safeguards Assessment

Access justification assessment:

Measure 1: Purpose

The FSF is concerned by the consideration stated under Measure 1 that NZTA will make with respect to the purpose for which a business might require access to the information contained on the Register when it says that the applicant “does not use the information as a substitute for something it was not intended to indicate (for instance, vehicle ownership).

We believe that confirming vehicle ownership is an entirely legitimate purpose for accessing the MVR by a business that requires that information in the course of their business such as an FSF member. We refer to the purposes for which FSF members access this information as stated above and reiterate that ownership verification is critical to FSF member businesses across the loan transaction chain from application through to termination of the loan.

It would be disastrous to remove access to the Register for the purpose of determining vehicle ownership for FSF members and we strongly urge NZTA to remove this bullet point from their stated assessment measures.

We believe that people registering a vehicle would find it perfectly reasonable that their personal information is able to be used for this purpose, particularly where they are seeking finance to purchase a vehicle and that should continue to be allowable. We suggest that NZTA review their privacy statement to people registering a vehicle to ensure that this purpose is reflected as being a legitimate use of the information being provided.

Measure 2: Necessity

This assessment measure seems reasonable in the FSF's view with the proviso that NZTA needs to have an understanding of the legitimate purposes for which existing users are able to access information on the Register and the fact that, where no alternative exists to access this information, it is imperative that access be maintained where the user meets all other criteria for access.

Measure 3: Proportionality

The FSF is in favour of the concept of proportionality being introduced as an assessment measure for considering the granting of access to information held on the Register. Bearing in mind, however, that FSF members legitimately require access to the Register thousands of times per week so a large volume of queries should not in itself be seen as being out of any expected proportionate levels.

Measure 4: Public benefit

The FSF would be interested in pursuing with NZTA their views on what constitutes "public benefit". For example, we would be interested in exploring whether NZTA would view access to credit to purchase a motor vehicle as being a public benefit.

In our view, this is clearly a public benefit as the purchase of a motor vehicle is one of the most significant purchases people make in their lives. A motor vehicle is essential for most people to be able to go about their lives and, in the majority of cases, a loan is required in order to purchase a suitable vehicle.

Holding security over an asset such as a motor vehicle provides sufficient comfort to lenders that the cost of credit through the interest rate charged to the borrower can be lower than if the loan was provided on an unsecured basis – which is also a public benefit.

It is essential for lenders to be able to ensure that the security being offered by way of a motor vehicle is registered to the relevant owner who is responsible for the loan or that the loan is able to be adequately protected in the event of default.

If access to the information on the MVR is not available to lenders to verify ownership of a vehicle, it is likely that instances of fraud will increase. This is then a cost to the lender that can be passed on to their customers through the cost of borrowing thereby increasing the cost of credit. Fraud prevention is therefore also of significant public benefit.

Access safeguards

We note that the access safeguards assessment is the second part of the decision-making framework and that detailed provisions on each safeguard will be outlined in section 241 standards set by NZTA. Again, we seek NZTA's assurance that these standards will be consulted on with affected parties such as industry bodies like the FSF whose members would be directly affected by them.

Safeguard 1: Security and protection of information

The FSF reiterates what we have already said with respect to our members' obligations under the Privacy Act 2020. These are overarching and the Information Privacy Principles

should be seen as the appropriate standard for the collection, usage, storage, disclosure and destruction that apply to all users of the MVR. On that basis the FSF believes our members are particularly well placed to meet safeguard 1 with respect to security and protection of information as adherence with the IPPs is already an integral part of their businesses.

On the basis that Privacy Act obligations are already well embedded in our members' businesses, access to the Register is already restricted to authorised personnel only and processes are already in place to mitigate any privacy risks, incidents and security breaches.

Safeguard 2: Restrictions on disclosure

The one concern FSF members have expressed with respect to this particular safeguard is around the use of Register information only by the authorised user. Some clarity would be helpful for members who use third party debt collection agents to assist them with debt recovery that may involve vehicle repossession. If the member has access to the Register, are they able to pass on information such as the name and address of the vehicle owner to such third parties to enable collection of a debt or exercising of their security interest?

Safeguard 3: Record-keeping and audits

FSF members are concerned about some of the requirements under this safeguard. For example, if it is required that the ability to record why the Register has been accessed should be built into a lender's existing systems, this is unnecessary when the reason for each access will be the same every time. There is no value added to either the NZTA or the member in collecting this information.

We believe that the NZTA should have a system that records the details about who accesses and captures the data points they have set out in this safeguard. That record should be able to be extracted by the entity granted access to review.

It seems very outdated and inefficient to expect users to capture largely redundant information.

Safeguard 4: compliance assurance

As we have said previously, the requirement for applicants (and presumably existing users) to obtain independent assurance through an external audit, is one of great concern for FSF members particularly given the significant cost this would involve to the business concerned. We believe that NZTA needs to be able to substantially justify the reasons why they are insisting an audit be carried out.

A particular instance where NZTA's reaction to an instance of inappropriate use by an individual within an FSF member organisation was to require a full cyber-security audit of the business concerned which was, in our view excessive (and extremely expensive) in relation to the actual breach and the potential harm caused by it. This was not caused by an external bad actor hacking into the member's systems – just a rogue employee doing something they knew they should not have been doing – and therefore the cyber-security audit was totally unnecessary overkill in the situation.

Safeguard 5: Purpose, data fields and time limits

We note with concern one of the requirements under this particular safeguard. That is that “access is limited to the approved data fields, query volumes and frequency of access” which seems to suggest that approved users will in some way be limited as to the volume of queries and the frequency with which they can access the Register. In the course of their businesses, the volume and frequency of queries will be as required and this seems to be a new – and in our view unnecessary – restriction.

Safeguard 6: Staff training

The FSF has no particular concerns with respect to this safeguard. The requirement for staff training with respect to privacy, security and information-handling and the use of the Register is business as usual to FSF member organisations.

Safeguard 7: Ongoing compliance

The FSF has no comment to make on this safeguard.

We believe that we have answered those questions of relevance to FSF members in the body of this response to the consultation. However, if there is anything further you wish to discuss with us, please contact me. As we have said, we are keen to engage with NZTA to ensure a workable framework that also recognises the vital nature of the access to information on the Register to FSF members’ businesses.

Thank you again for the opportunity to make this response.

Kind regards,

A handwritten signature in blue ink, appearing to read 'L. McMorran'.

Lyn McMorran
EXECUTIVE DIRECTOR

Appendix A



FSF Membership List as at August 2026

Non-Bank Deposit Takers, Specialist Property Lenders, Fleet Leasing Providers	Vehicle Lenders	Finance Companies/ Diversified Lenders	Finance Companies/ Diversified Lenders contd./ Social Impact Lenders, Credit-related insurers	Insurance Premium Fundors, Affiliate Members	Affiliate Members contd.
<u>Non-Bank Deposit Takers</u> Finance Direct Limited ➤ Lending Crowd General Finance (BB) Mutual Credit Finance (B+) Welcome Limited <u>Credit Unions/Building Societies</u> First Credit Union (BB) Police and Families Credit Union (BB+) <u>Specialist Property Lenders</u> Basecorp Finance Limited First Mortgage Managers Ltd. Go Lend Limited Pepper NZ Limited Resimac NZ Limited <u>Fleet Leasing Providers</u> Custom Fleet Euro Rate Leasing Limited Fleet Partners NZ Ltd ORIX New Zealand SG Fleet	Auto Finance Direct Limited Automotive Lending Solutions NZ Pty Limited ➤ Nissan Financial Services ➤ Mitsubishi Motors Financial Services ➤ Skyline Car Finance BMW Financial Services ➤ Mini ➤ Alpera Financial Services Community Financial Services Daimler Truck Financial Services AU Pty Ltd Honda Financial Services Kubota New Zealand Ltd Mercedes-Benz Financial Motor Trade Finance Movogo Limited Onyx Finance Limited Scania Finance NZ Limited Toyota Finance NZ ➤ Mazda Finance Yamaha Motor Finance	AfterPay American Express Avanti Finance ➤ Branded Financial Basalt Group Blackbird Finance Caterpillar Financial Services NZ Ltd Centracorp Finance 2000 DebtManagers De Lage Landen Limited Finance Now Future Finance Geneva Finance Harmony Humm Group Instant Finance ➤ Fair City ➤ My Finance Latitude Financial Lifestyle Money NZ Ltd Mainland Finance Limited Metro Finance Nectar NZ Limited	NZ Finance Ltd Partners Finance Personal Loan Corporation Pioneer Finance Prospra NZ Ltd Real Asset Management Ltd Speirs Finance Group (L &F) ➤ Speirs Finance ➤ Speirs Corporate & Leasing ➤ Yoogo Fleet Turners Automotive Group ➤ Autosure ➤ East Coast Credit ➤ Oxford Finance UDC Finance Limited Yes Finance Limited Zip Co NZ Finance Limited <u>Social Impact Lenders</u> Money Sweetspot Ltd <u>Credit-related Insurance Providers</u> Protecta Insurance Provident Insurance Corporation Ltd	Arteva Funding NZ Ltd Clearmatch Elantis Premium Funding NZ Ltd Financial Synergy Limited Hunter Premium Funding IQumulate Premium Funding Rothbury Instalment Services <u>Affiliate Members</u> Alfa Financial Software AML Solutions Limited Buddle Findlay Chapman Tripp Credisense Ltd Deloitte EY FinTech NZ Finzsoft Happy Prime Limited KPMG Loansmart Ltd	Match me Money Ltd Motor Trade Association Odessa Technology Inc. PWC Sense Partners Simpson Western Solifi Pty Limited Symphonix <u>Credit Reporting, Debt Collection Agencies,</u> Centrix Credit Corp ➤ Baycorp ➤ Collection House Creditworks Indebted (was Debtworks) Equifax Gravity Credit Management Limited Illion Quadrant Group (NZ) Ltd Recoveries Corp NZ Ltd Total 100 members



FINANCIAL SERVICES FEDERATION (FSF)
THE SPECIALIST LENDING SECTOR - 2026



59%

NON-BANK

BANK

of personal consumer loans are financed by the
specialist lending sector represented by FSF members

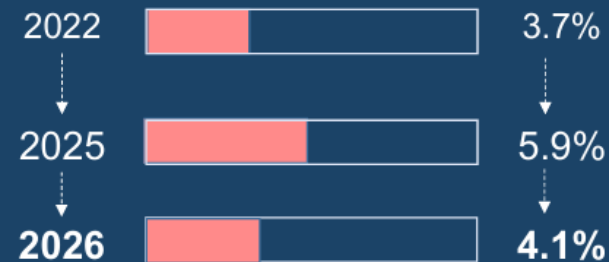
*Setting industry standards for responsible lending,
promoting compliance and consumer awareness.*

Percent of Loan Requests Approved

45%



Percent of Loan Book in Arrears



KEY FACTS: THE SPECIALIST LENDING SECTOR

FSF Members (as at 31 Mar 2026)

Number of Members	100
Number of Employees	3,533
Total Value of Loans	\$24.47B
Applications Processed	1,307,397
Loan Requests Approved	584,687
Percent of Loan Book in Arrears	4.1%
Loan Disputes Upheld	TBC

Bank Sector (as at 31 Mar 2026)

Value of Mortgage Loans	\$391B
Value of Consumer Loans	\$7.4B
Value of Business Loans	\$133B

Specialist Lending Sector Share (Mar 2026)

% of Total Mortgage Loans	0.5%
% of Total Consumer Loans	58.8%
% of Total Business Loans	8.1%

Insurance Credit Related (as at 31 Mar 2026)

Number of Employees	136
Number of Policies	163,245
Gross Claims (annual)	\$5.3M

Consumer Loans (as at 31 Mar 2026)

Total Value of Loans	\$12.7B
Number of Customers	2,131,197
Number of Loans	1,992,627
Average Loan Size	\$6,396

Total Value of Loans:

Mortgage	\$2,159M
Vehicle Loan	\$4,853M
Unsecured	\$5,336M
Other Security	\$390M
Lease Finance	\$8M

Average Value of Loan:

Mortgage	\$328,375
Vehicle Loan	\$15,877
Unsecured	\$3,230
Other Security	\$13,850
Lease Finance	\$35,541

Business Loans (as at 31 Mar 2026)

Total Value of Loans	\$11.7B
Number of Customers	175,764
Number of Loans	255,335
Average Loan Size	\$45,918

Total Value of Loans:

Mortgage	\$2,720M
Vehicle Loan	\$3,269M
Unsecured	\$1,203M
Other Security	\$2,005M
Lease Finance	\$2,527M

Average Value of Loan:

Mortgage	\$1,187,250
Vehicle Loan	\$34,467
Unsecured	\$26,287
Other Security	\$77,621
Lease Finance	\$29,182