



FINANCIAL SERVICES FEDERATION

## **MEDIA RELEASE**

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# Banking study highlights crucial role of non-bank lenders

The Commerce Commission's draft report on their market study into banking services has highlighted the crucial role non-bank lenders play in providing competition and innovation for Kiwi consumers.

The [report's](#) recommendations to accelerate progress on open banking, and to ensure the regulatory environment better supports competition, are particularly supported by the Financial Services Federation (FSF), which is the industry association for non-bank lenders operating in New Zealand who demonstrate a commitment to responsible lending.

More than 1.7 million consumers choose to work with a non-bank lender represented by the FSF, whose 97 members include the likes of UDC Finance, Avanti Finance, Toyota Finance, Harmoney, MTF, and several credit unions and building societies.

"The report rightly highlights that without sufficient competition and disruption in banking services, including personal lending, New Zealand runs the risk of consumers missing out," says FSF's Executive Director, Lyn McMorran.

"It is vital that New Zealand's responsible non-bank lenders are empowered to fill this gap, not incorrectly viewed as "lenders of last resort", but are recognised for their entrepreneurship, agility, innovation, the competitive edge they provide, and their contribution to the economy."

**The FSF particularly supports two key recommendations in the report to enhance the ability for New Zealand's responsible non-bank sector to reach its full potential as is seen in other jurisdictions.**

The first is to ensure the regulatory environment better supports competition, and that "policy makers and regulators responsible for the personal banking sector explicitly and transparently consider the competitive effects of their decisions".

"The FSF believes that a level regulation playing field for all lenders, be they banks or non-banks, is crucial to ensure competition and innovation particularly with regards to personal lending products".

The FSF believes the Government's [new vision](#) for New Zealand's overly complex financial services regulatory landscape – a vision that recognises not all Kiwis are vulnerable consumers – is a good step in this direction.

The other key report recommendation in the FSF's view is to accelerate progress on open banking, which will provide a more transparent environment in which consumers are empowered through better ownership of their data to choose or switch providers more easily.

The FSF will continue to provide further consultation to the Commission prior to the final report being published in August 2024.

**For further information or an interview request please contact FSF Marketing, Communications, and Events Manager Hannah McKee at [hmckee@fsf.org.nz](mailto:hmckee@fsf.org.nz)**

#### **About the Financial Services Federation:**

The Financial Services Federation (FSF) is the non-profit industry association for responsible and ethical finance, leasing and credit-related insurance providers operating in Aotearoa New Zealand. FSF's 97 members touch the lives of more than 1.7 million New Zealanders, and include the likes of Toyota Financial Services, Harmoney, Turners, Avanti Finance, Mercedes Benz Financial Services, MTF Finance, Scania, Custom Fleet, John Deere, Prospa (see the full list [here](#)). With 58 years of history, FSF has stringent membership criteria and enforces a Code of Conduct to maintain high standards in responsible non-bank lending. FSF members prioritise compliance, support consumer protection enforcement, and advocate for balanced regulations that ensure New Zealanders have access to responsibly-provided credit.