



FINANCIAL SERVICES FEDERATION

MEDIA RELEASE

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Financial Services Federation welcomes Afterpay to its membership

The Financial Services Federation (FSF) is pleased to announce Afterpay as a member, the Federation's only Buy Now Pay Later provider.

"We are delighted to welcome Afterpay as our newest member, growing our base of responsible lenders that contribute to the important policy discussions and initiatives that make New Zealand one of the leading non-bank lending sectors in the world," says Lyn McMorran, Executive Director of the Financial Services Federation.

"The FSF is committed to responsible lending, innovation in financial services, and competition that supports consumers and businesses across the country. We are satisfied that Afterpay's approach to helping its customers and merchants is aligned with these values."

Afterpay is one of the leading BNPL providers internationally and has operated in New Zealand since 2017. The product is free when payments are made on time, and allows consumers to spread the payment of goods and services over six to eight weeks.

"BNPL is an increasingly popular and valuable payment service in New Zealand. When used responsibly, it helps consumers to manage their budgets while giving retailers of all sizes the opportunity to acquire customers through more flexible payment options," McMorran says.

In September 2023, the Government passed regulations bringing BNPL providers within the Credit Contracts and Consumer Finance Act (CCCFA) with certain tailoring, which the then Minister of Commerce and Consumer Affairs described as "striking a balance between reducing risk for vulnerable consumers and ensuring fit for purpose rules for the sector."

"Like all membership applications, the FSF's Executive Committee must be satisfied that the applicant meets membership criteria, including prioritising compliance with the CCCFA and a commitment to responsible lending, and this process has been no different."

"We look forward to working with Afterpay and all our members to continue advocating for fit-for-purpose regulations while promoting responsible lending practices across Aotearoa New Zealand," McMorran says.

Michael Saadat, International Head of Public Policy for Afterpay, says:

"Afterpay's platform was built to encourage responsible spending and our consumer safeguards are fundamental to how Afterpay works. We look forward to continuing to work with the FSF

and the New Zealand community to provide a safe and transparent financial option for customers.”

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 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.

Background on the BNPL regulations:

In October 2022, the Government agreed to bring BNPL within the Credit Contracts and Consumer Finance Act (CCCFA) following extensive consultation with the public. The BNPL regulations include the following:

- That BNPL contracts are declared to be consumer credit contracts under the CCCFA.
- That BNPL contracts are exempt from the requirement to make reasonable inquiries that the finance or credit will meet the borrower’s requirements and objectives.
- That certain BNPL contracts are exempt from affordability assessment criteria if they comply with the following:
 - The lender obtains information from a credit report, and that report includes the following:
 - The type of credit account of the borrower; and
 - The amount of credit extended to the borrower; and
 - The capacity of the borrower (e.g. account holder, joint account holder or guarantor); and
 - The status of the account as open or closed; and
 - The date the account was opened; and
 - The date it was closed; and
 - Details of the credit provider; and
 - The credit provider’s client reference number; and
 - The repayment history information (as defined in the Credit Reporting Privacy Code) in relation to the account (CCR); and
 - The lender provides to the credit reporter all the above information.
- The lender discloses to the borrower the dates and amounts of payments required for the purchase and details of any default fees that may be payable under the contract.
- The lender has a credit policy in place that explains how credit report information will be used by the lender when assessing whether or not to provide credit to a borrower, is complied with by the lender and is available to the Commerce Commission on request.

For further information or an interview request please contact FSF Marketing, Communications, and Events Manager Hannah McKee at hmckee@fsf.org.nz