



FINANCIAL SERVICES FEDERATION

**Media Release**  
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## CCCFA reforms – a return to commonsense

The reforms announced by Minister of Housing, the Hon Chris Bishop and Commerce and Consumer Affairs Minister, the Hon Andrew Bayly, are a welcome return to commonsense and will make credit more accessible for all New Zealand consumers, says the Financial Services Federation (FSF).

The FSF is the industry association representing non-bank lenders committed to responsible lending and supporting consumers and businesses across the country through innovation and competition. Its members help finance 1.7 million Kiwis and \$17 billion in lending.

“The Ministers’ announcement that the overly prescriptive affordability assessment regulations are to be revoked will make the process of obtaining credit for all purposes, including to purchase a home and to access small personal loans for situations like car repairs easier and less intrusive for all consumers”, says FSF Executive Director, Lyn McMorran.

“FSF members stand for the responsible provision of credit, and we have been fully supportive of some of the changes to the CCCFA such as defining in the law a high-cost loan and placing limits around the amount that can be charged in interest and fees under such loan contracts.”

“However, the affordability regulations required lenders to examine borrowers’ expenditure to such a granular level that responsible lenders were often unable to assist consumers in need of access to finance. They effectively treated every borrower as being in vulnerable circumstances, even when clearly they were not.”

“There has certainly been a significant increase in responsible lenders having to decline loan applications from consumers who they would have been able to assist prior to the introduction of the affordability regulations in December 2021. This has been particularly concerning to FSF members as the borrower’s need has not disappeared just because a lender is unable to assist them and the FSF agrees with Minister Bayly that the alternative for these people is to seek credit from loan sharks.”

“For those consumers who were still able to demonstrate that they could meet the onerous affordability criteria, the process to access credit was very time-consuming and the

questioning as to how they spend their money intrusive so these changes will be welcomed by all consumers seeking access to credit.”

“The FSF does not believe that these changes will open the floodgates to irresponsible lending. The CCCFA still requires lenders to abide by the principle that they will not lend to people who cannot afford to make the repayments without substantial hardship and there are still substantial penalties for lenders who breach this principle.”

The FSF notes that Minister Bayly will be consulting further on a range of other financial services reforms over coming weeks, and we look forward to working further with him to ensure good financial outcomes for New Zealanders.

**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.

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