Company update

As we move into the second half of 2026, we've been working alongside our Participants, Standards Users, Members, as well as regulators and wider ecosystem stakeholders to support a safe, innovative and future-ready payments system for Aotearoa New Zealand.

Across the industry, momentum continues to build in areas such as payments modernisation, open banking volumes, digital innovation and regulatory change. This update provides an overview of the work underway and the trends shaping the future of payments in Aotearoa.

Following our Annual General Meeting (AGM), we welcomed Michael Ahie as Board Chair. He brings extensive governance, financial services and strategic experience. As Chair, Michael is helping guide Payments NZ through a period of significant change and opportunity, including an independent review of our governance to ensure we are well positioned for the future. We also acknowledge and thank Cecilia Tarrant for her leadership and contribution during her time as Chair.

Key activities across the first half of 2026

Working alongside our Participants, Members, regulators and wider ecosystem partners, we've focused on the following priorities this year:

Core payments infrastructure

ISO 20022 transition activities, EFTPOS device lifecycle work, High Value Clearing System (HVCS) enhancements and industry resilience initiatives.

Payments modernisation

Established the Payments Direction Strategy Group, supporting a system-wide approach to modernisation and strengthened engagement with the Reserve Bank of New Zealand Te Pūtea Matua (RBNZ) modernisation programme. This work is helping inform future industry investment, sequencing and modernisation decisions.

Governance

Commenced an independent Governance Review following the AGM to help ensure governance arrangements remain fit for purpose as the ecosystem evolves.

Open banking

All five major banks now provide open banking services. Monthly payment volumes exceeded $100 million for the first time and close to 200,000 customers are now using open banking payments.

Regulatory engagement

Engaged with government and regulators on payments modernisation, open banking, cyber resilience, payment services regulation and Financial Market Infrastructure (FMI) supervision matters, including ongoing engagement with the RBNZ regarding the proposed designation of the HVCS.

Industry leadership and collaboration

Convened Participants, Members and wider stakeholders through events, research, thought leadership and strategic discussion.

Core work programme updates

Clearing systems update

Our clearing systems work is focused on maintaining safe, efficient and interoperable core payment systems while ensuring our core payments infrastructure remains secure, resilient and capable of supporting future innovation and evolving customer expectations.

The sunset date for 4.x EFTPOS devices has now passed, and we are working through a small number of devices operating under bespoke exemptions that expire later this year. Alongside this, consultation on proposed updates to the EFTPOS device lifecycle framework has helped inform the next phase of policy development, balancing security, operational and industry considerations.

This work helps ensure payment terminals used across Aotearoa continue to meet evolving security requirements while providing a practical transition pathway for industry participants.

Across our card payments system, the armoured payments programme is progressing through consultation and mobilisation. This work is focused on uplifting cryptography across the card payments system in Aotearoa and strengthening long-term security and resilience. It also helps position the ecosystem to respond to emerging cryptographic security challenges in the future.

Working closely with our Participants, we are assessing potential changes to High Value Clearing System operating hours to understand whether extended operating hours could deliver faster and more predictable outcomes for commercial and institutional customers, while balancing operational, liquidity, compliance and fraud-risk considerations.

Our switching work programme is progressing proposed rule and procedure changes designed to improve interoperability and the efficiency of the switching service. This supports clearer, more consistent arrangements for Participants and helps strengthen customer-facing switching capability over time.

Collectively, these workstreams support the reliability and resilience of core payments infrastructure in Aotearoa. Looking ahead, our focus is on ensuring industry changes are well coordinated, effectively implemented and deliver positive outcomes for participants, customers and the wider economy.

Supporting a system-wide approach to modernisation

Payments Direction brings together industry expertise, strategic insight and ecosystem engagement to develop a clearer view of how the payments ecosystem in Aotearoa may evolve over time. The programme supports industry conversations about future payments capabilities, modernisation priorities, system coordination and investment decisions.

This year, key areas of focus have included:

- Establishing an industry-led Payments Direction Strategy Group to explore strategic ecosystem challenges and opportunities.
- Developing a more integrated approach that provides a stronger foundation for investment and sequencing decisions, and engagement with the RBNZ's modernisation programme.
- Supporting industry-led thought leadership through environmental scanning, research, insights and strategic analysis developed alongside our Participants, Members and wider ecosystem contributors. This work is published through our **research and insights programme.**

These initiatives help build a shared view of future priorities across the ecosystem, improving coordination and supporting more informed investment and modernisation decisions.

> Looking ahead, we expect to release the results of our consumer survey later this year and will work alongside the Payments Direction Strategy Group as we refine the outputs from our programme.

Supporting open banking in Aotearoa

Open banking adoption continues to build momentum with our Standards Users across Aotearoa, with more banks, third parties and customers using services supported by the API Centre and our API standards.

Open banking has well and truly moved from concept to real-world adoption. All five large banks now provide open banking services, with Kiwibank meeting Payments NZ's version 2.3 milestone, as well as the Government's June Consumer Data Right (CDR) milestone. Monthly payment volumes from our Standards Users have exceeded $100 million for the first time and close to 200,000 customers are using open banking payments based on our API Standards. This continued growth reflects increasing customer confidence in the open banking services of our Standards Users (many of which are now also accredited in the Customer and Product Data Act 2025 regime) and the value they can deliver through greater choice, convenience and innovation.

Working closely with our Standards Users and ecosystem stakeholders, the API Centre has supported implementation, maintained standards and shared infrastructure, resolved issues and helped ecosystem members deliver safe and consistent open banking experiences.

> The Centre has played an important role in helping establish the standards, governance framework, shared infrastructure and industry coordination that have enabled open banking to develop in Aotearoa.

This year, we've also developed the next generation of open banking capabilities for inclusion in any future version 4.0 standards, including:

- Enriching the transactions endpoint to include data that appears on statements.
- Bundling consent authorisations to offer a simpler customer experience when information about the account can inform a payment (such as knowing a balance in advance of a payment)
- Unlocking the ability to have multiple people authorise a payment consent, which is essential to many businesses, trusts and not-for-profit organisations.

As the ecosystem matures, the foundations established through the API Centre are helping accelerate customer and business benefits, while we work with the Ministry of Business, Innovation & Employment – Hīkina Whakatutuki (MBIE) to support continuity, clarity and confidence through the next chapter of regulated open banking.

Regulatory engagement and governance developments

The regulatory landscape continues to evolve, with increasing focus on payments modernisation, open banking, cyber resilience and payment services regulation. As these frameworks move from policy development to implementation, we are working alongside regulators, government and industry to support coordinated progress across the payments ecosystem.

This year, our engagement has focused on helping shape regulatory settings that support innovation, competition, resilience and customer outcomes, while remaining practical and proportionate for participants. Across areas such as open banking, payment services regulation, cyber resilience and financial market infrastructure, we have contributed industry perspectives on how regulation can support a trusted and efficient payments system that benefits consumers, businesses and economic activity across Aotearoa.

Our Chief Executive, Board Chair and senior leaders also engage with regulators, government officials and the Minister of Commerce and Consumer Affairs, sharing industry perspectives, discussing emerging opportunities and challenges, and contributing to conversations about the future of payments in Aotearoa.

Connecting with the industry and stakeholders

We remain focused on encouraging and facilitating new entities becoming Participants in our clearing systems based on fair and reasonable public access criteria. Following the decision of RBNZ to expand access to its Exchange Settlement Account System (ESAS), allowing non-bank financial institutions, licensed non-bank deposit takers (NBDTs), and payment service providers to apply under updated criteria, we have engaged with a number of organisations who are interested in joining our clearing systems.

Throughout 2026, we have convened payments, fintech, regulatory and business leaders to explore the trends, opportunities and challenges shaping the future of payments in Aotearoa, helping support informed discussion and coordinated progress across the ecosystem.

Through our events programme, including The Hub, The Link and The Strategic Forum, our Participants, Members and stakeholders have explored topics including payments modernisation, resilience, digital identity, AI and the evolving policy environment. These conversations help bring together diverse perspectives; support industry understanding and contribute to a more connected and informed payments ecosystem. We're also looking forward to bringing the industry together at The Point 2026 on 25–26 November, where local and international speakers will explore the opportunities and challenges shaping the future of payments in Aotearoa. Registrations are now open.

We're also sharing many of these conversations through our Payments NZ Podcast Series, giving a wider audience access to insights from payments, technology, resilience and policy leaders.

> The future of payments will be shaped through collaboration across industry, regulators and stakeholders. Those interested in contributing to industry discussions, working groups and future initiatives can learn more about opportunities to get involved.

Future outlook

Across our work programmes and through engagement with local and international payments thought leaders and the industry, several themes continue to shape the future of payments in Aotearoa:

> Strong momentum in open banking is creating new opportunities for innovation, competition and customer choice.
> Digital payment experiences, including digital wallets and account-to-account payments, continue to gain traction with consumers and businesses.
> Increasing convergence across payments, digital identity, data sharing and emerging technologies presents significant opportunities, while reinforcing the importance of coordination, interoperability and ecosystem-wide thinking.
> As digital adoption grows, industry attention is increasingly focused on fraud and scam prevention, cyber security and maintaining public trust.

It's more important than ever to cooperate and coordinate across industry, regulators and adjacent sectors to boost innovation, ensure resilience and trust is maintained and enable the payments ecosystem to continue to deliver for consumers, businesses and the wider economy.

> As we move through the remainder of 2026, our focus remains on progressing our broad and extensive work programme and we are looking forward to seeing you all at The Point in November!