

9 December 2021

Competition and Consumer Policy
Building, Resources and Markets
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington 6140
New Zealand
buynowpaylater@mbie.govt.nz

Dear Sir/Madam,

Endorsement of Alcohol Healthwatch's submission on the Buy-Now, Pay Later Discussion Document

This is a letter of support from the Public Health Services of Nelson Marlborough Health to support Alcohol Healthwatch's submission on the Buy-Now, Pay-Later (BNPL) Discussion Document. Unfortunately due to time constraints with Public Health Units working on COVID response, Nelson Marlborough Health's Public Health Service is not able to lodge its own submission. However we have read Alcohol Healthwatch's submission and endorse the following:

- a) NMH are also strongly concerned that purchasing alcohol (online or in-store) by using BNPL services may further increase its economic accessibility, fuelling increases in alcohol use (or maintaining high levels of drinking) and resulting in alcohol harm to drinkers and others.
- b) Alcohol should not be considered an ordinary retail product. It is a psychoactive substance with dependence-producing properties and of all drugs available in society, is the most harmful (when harm to users as well as others is considered). Restrictions to its accessibility and availability are among the most effective of all measures to reduce harm.
- c) BNPL services offering alcohol products to be sold and advertised at a perceived lower cost is particularly concerning. Consistent research shows that the economic accessibility of alcohol is a key driver of alcohol use, harm and inequities in harm. Price appears to be particularly important for low income, heavy drinkers, a population group that experiences disproportionately more harm from each drink.
- d) Rapid online alcohol delivery (within 2 hours) is a specific concern with regards to online alcohol delivery. Any introduction of BNPL services in this market would significantly increase the risk of harm.

NMH recommends that

- Alcohol products should be excluded from any BNPL services or other unregulated credit-like services;
- Alcohol products should not be advertised or sold with fractional costing;
- Apply the Credit Contracts and Consumer Finance Act 2003 to regulate the BNPL sector (i.e. option 3); and
- Conduct a public inquiry into the online promotion, sale and delivery of alcohol.

Kind regards

A handwritten signature in black ink that reads "Peter Burton". The signature is written in a cursive style with a large initial 'P'.

Peter Burton
Strategic Advisor, Public Health Service