



December 2021

Submission to the Ministry of Business, Innovation & Employment

Ngā Tai O Te Awa Trust is a Māori organisation with a focus on community change through health promotion. We have three contracts, Kia Piki Te Ora (Suicide Prevention), Gamble Harm Minimisation and CAYAD (Community Action Youth and Drugs).

As an organisation we tāutoko the Alcohol Healthwatch submission and have highlighted some key points for consideration. We believe there are a variety of harms that can occur through the Buy Now Pay Later services from financial dependency, hardships as well as alcohol and other drug related harms.

If you have any questions on the comments we have included in our submission, please contact:

Adrian Campbell
Ngā Tai O Te Awa
CAYAD – Community Action Youth and Drugs





While we agree that the Buy Now Pay Later service has some advantages, we believe that some rules are needed to protect our most vulnerable whanau.

We believe that alcohol should not be regarded a common retail commodity; it is a psychoactive substance with addictive properties, and it is the most widely available and dangerous of all drugs available in society, with damages felt not just by the user but also by others around them. Access, visibility, and availability restrictions are among the most effective approaches for reducing harm.

Many New Zealanders have turned to alcohol in the last year to cope with the effects of the COVID-19 outbreak. During and after the lockdown, many heavy drinkers upped their alcohol consumption. Inequities in drinking have also been noted, with a higher proportion of Māori drinkers continuing to drink more than usual after being released from lockdown (20% consuming more than usual in Level 1, July 2020) than non-Māori drinkers (14%)

Rapid online alcohol delivery (within 2 hours) has added to this and 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.

We would prefer to prevent this from becoming the standard, as some BNPL services are beginning to provide alcohol items for sale through their retail partners. We are concerned that purchasing alcohol (online or in-store) 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, especially with alcohol being advertised at a perceived lower cost, a product costing \$40 becoming \$10 over a series of weeks and with many BNPL systems requiring a minimum spend could allow whānau to buy and consume more alcohol easily

Alcohol's economic accessibility, according to research, is a primary cause of alcohol use, harm, and inequity in harms. Price appears to be especially crucial for low-income, heavy drinkers, who appear to suffer disproportionately greater harm from each drink.

This BNPL service for alcohol sales and purchases may exacerbate the risks associated with pre-pregnancy alcohol usage, Foetal Alcohol Syndrome Disorder (FASD) and drinking patterns in women of reproductive age. Alcohol consumption and binge drinking among women of childbearing age is on the rise globally, owing to a variety of factors such as economic development, increased availability and accessibility of alcohol, social acceptability of drinking among women, shifting gender roles, and alcohol marketing targeting women of childbearing age.

We would also like to mention that the Buy Now Pay Later System is also in use for Vaping products, and we believe, regulations should also apply these products. We do not wish to see any addictive product be easily accessible or encouraged through this BNPL service.

At the heart of it, the two main points we would like to recommend are:

Support option 3 – that the buy now, pay later sector should be regulated by MBIE –

Because self-regulatory systems are often weak and have limited ability to provide penalties, the buy now, pay later sector should be governed by MBIE. The research on the Advertising Standards Authority voluntary code for alcohol marketing, for example, demonstrates that the rule is too inadequate to substantially minimise alcohol marketing, exposure, and harm.

Alcohol must not be eligible for buy now pay later and any other credit-like services –

Alcohol is a highly addictive drug that causes much too much harm to be made widely available in this manner. These systems have the potential to dramatically increase consumption, harm, and future hardship by making alcohol available at lower upfront prices and potentially through rapid delivery services.