

9 December 2021

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

Re: Buy-Now, Pay-Later

Tēnā koe,

Regional Public Health (RPH) would like to formally register our agreement and support for the **Alcohol Healthwatch's (AHW)** submission on Buy-Now, Pay Later (BNPL).

RPH is the public health unit for the greater Wellington region (Wairarapa, Hutt Valley and Capital & Coast District Health Boards). Our purpose is to improve, promote and protect the health and wellbeing of the population in the greater Wellington region with a focus on achieving equity.

RPH supports the points noted by AHW particularly with regards to the negative and concerning impacts of purchasing alcohol via BNPL. The ability to purchase alcohol via BNPL reduces the perceived cost and increases accessibility for heavy drinkers. This can lead to increased family and child harm and financial hardship.

RPH supports AHW's recommendations that:

- alcohol be excluded from any BNPL services or other unregulated credit-like services
- BNPL sector be required to undertake a more robust affordability assessment of customers
- BNPL services should not be allowed to self-regulate but should be closely regulated with regular reviews in the rapidly changing environment of financial technology services.

In addition we would like to make the following comments:

- **Regulating the BNPL is crucial for achieving equity.**
Financial services like BNPL directly target young people and whānau who are already struggling to meet their everyday costs. BNPL is additional debt used primarily to purchase consumer goods, not meet basic needs. Services like BNPL, make buying easier and tracking spending more difficult. This results in people using their future income to service debt rather than being able to make savings and get ahead. The MBIE's discussion document explores the immediate and short-term impact of using BNPL services. There is no discussion around inequity or existing inequalities and the risks that these services will continue to exacerbate long-term and ongoing poverty particularly for children. The report does not include any reference to equity or te Tiriti lens with no analysis around particular social groups who may be disproportionately effected. RPH recommends that MBIE use an

equity lens to review BNPL and ensure that regulation of the BNPL contributes to meeting te Tiriti obligations.

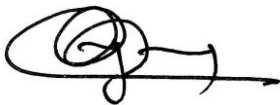
- **BNPL services contribute to the growing intergenerational wealth gap in Aotearoa New Zealand.**

Aotearoa New Zealand has a growing intergenerational wealth gap which contributes to inequity and inequality in health and wellbeing outcomes. BNPL targets younger consumers and tends to increase spending by reducing the initial ‘pain’ of payment. Young people are already disadvantaged due to student loans and increasingly unaffordable housing – BNPL services encourage spending beyond our means and contributes to increasing the wealth gap contributing to a break down in social cohesion. As Aotearoa New Zealand makes its way through the ongoing challenge that COVID-19 presents and recovers from the significant impacts it will be those who have the lowest incomes and wealth that will suffer the most. Improving equity and protecting whānau from excess debt caused by BNPL will be important for improving wellbeing for individuals, whānau and Aotearoa New Zealand as a whole.

The contact point for this submission is:

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Nāku noa, nā



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