



COVERSHEET

Minister	Hon Dr David Clarke	Portfolio	Commerce and Consumer Affairs
Title of briefing	Setting Consistent Rules for Approved Financial Dispute Resolution Schemes: Policy Approvals	Date to be published	5 December 2022

List of documents that have been proactively released

Date	Title	Author
October 2022	Setting Consistent Rules for Approved Financial Dispute Resolution Schemes: Policy Approvals	Office of the Minister of Commerce and Consumer Affairs
19 October 2022	Setting Consistent Rules for Approved Financial Dispute Resolution Schemes: Policy Approvals: DEV-22-MIN-0238 Minute	Cabinet Office

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Setting Consistent Rules for Approved Financial Dispute Resolution Schemes: Policy Approvals

Portfolio Commerce and Consumer Affairs

On 19 October 2022, the Cabinet Economic Development Committee (DEV):

Background

- 1 **noted** that on 24 March 2021, DEV agreed to the release of a discussion document seeking feedback on proposed changes to approved financial dispute resolution scheme rules, and invited the Minister of Commerce and Consumer Affairs to report back on the outcome of the consultation and with final policy proposals [DEV-21-MIN-0046];
- 2 **noted** that the paper under DEV-22-SUB-0238 seeks policy approval to make regulations to align approved dispute resolution scheme rules to improve and promote consumer access to redress through the schemes;

Proposed changes

Financial limits for complaints a scheme can consider and award

- 3 **agreed** that a primary financial cap of \$500,000 be set for all schemes;
- 4 **agreed** that a weekly alternative payment cap of \$1,500 for regular payment products be set for all schemes;

Limits on compensation that can be awarded

- 5 **agreed** that a special inconvenience award of up to \$10,000 be set for all schemes;
- 6 **agreed** that a consistent interest award be set for all schemes using the same method as the District Court, as set out in section 12 of the Interest on Money Claims Act 2016;

Rules for which scheme can consider a complaint where the provider has changed schemes

- 7 **agreed** that all schemes should consider complaints about current members only, regardless of when the alleged misconduct occurred;

Time periods for bringing a claim

- 8 **agreed** that a maximum time period of two months should apply for when a scheme becomes available after a complaint goes through internal dispute resolution but without internal resolution or deadlock;

- 9 **agreed** that a maximum time period of three months should apply for when a scheme becomes available for a complaint after deadlock;
- 10 **agreed** that an additional time period of up to nine months should apply for schemes to consider complaints after deadlock in exceptional circumstances;
- 11 **agreed** that a consistent six-year deadline should apply for all the schemes to consider a complaint, beginning on the date that a consumer becomes aware of an issue;

Legislative implications

- 12 **authorised** the Minister of Commerce and Consumer Affairs to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 13 **authorised** the Minister of Commerce and Consumer Affairs to make decisions consistent with the policy proposals in the paper under DEV-22-SUB-0238 on minor issues that arise during the drafting process.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Nanaia Mahuta
Hon Damien O'Connor
Hon Stuart Nash
Hon Michael Wood
Hon Kiri Allan
Hon Priyanca Radhakrishnan
Hon Meka Whaitiri
Hon Phil Twyford
Hon Kieran McAnulty
Rino Tirikatene, MP
Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV