

19 June 2024

Submitted via: financialmarkets@mbie.govt.nz

Financial Markets
Building, Resources and Markets Policy
Ministry of Business, Innovation & Employment
Wellington

RE: Fit for purpose financial services conduct regulation Discussion document

We support the recommendations in the submission made by FinCap regarding the above Discussion document. Please see my comments below

Introducing our organisation and community

North Harbour Budgeting Services Inc. operates from Devonport to the Hibiscus Coast of Auckland. We have assisted clients for over 20 years after 5 Citizens Advice Bureaux budget services combined to start our service.

We have seen over 1000 individuals this year both one to one or in group situations. NHBudgeting prides itself on empowering clients to achieve their goals.

Our clients range from 16 years of age to our 90+ years old, slightly more females than males and ranging from working to no income. We work in our community including in hospitals and prisons. 30% of our clients are of Māori decent and 28% are of Pacifica decent with the rest being pakeha and other nationalities.

We have a strong mentor staff made up of paid and volunteers who are all trained and encouraged to do yearly professional development. We support many clients through disputes resolution when required.

We are seeing a huge rise in need and the complexity of cases, a rise in severe hardship cases and a rise in the working poor. All of these areas have their own degree of support need which we are always evolving to meet. Cost of living and price of accommodation is challenging for all and we continue to see a rise in homelessness.

Comments

We strongly endorse FinCap's general comments on:

- Requiring all lenders to comply with the COFI regime - breaches of fair conduct principles are common amongst lenders who are not subject to the current COFI settings and we would urge changes to be made to bring all lenders into the regime. It is often the less sophisticated and smaller lenders who fail to abide by fair conduct principles.
- Implementing the principles for better financial services enforcement as put forward by FinCap.
- Licencing requirements and accountability for debt collectors and ensuring debt collectors are covered by the Fair Trading Act 1986.
- Buy Now Pay Later lenders are held to account in same way as other lenders. Buy Now Pay Later lenders should need to check affordability and suitability under 9C(3) of the CCCFA. Credit reports alone do not provide sufficient information on which to base a lending decision
- Introduction of a super-compliant mechanism and other tools to deter unfair conduct.

We endorse all of FinCap's answers to the thirty-five questions posed, with one exception – I would prefer Option A2 to amend the minimum requirements for fair conduct programmes to include fees/charges and recording/resolving consumer complaints.

Conclusion

Thank you for considering our submission. We have chosen not to respond to each question as I consider FinCap has provided sufficient comment on each one and the examples come from financial mentors from around the country.

Please contact Claudette Wilson, General Manager, North Harbour Budgeting Services on 0800159158 or Privacy of natural persons to discuss any aspect of this submission further.

Ngā mihi,

Claudette Wilson
General Manager
North Harbour Budgeting Services Inc.