



10 October 2024

Consumer Policy  
Building, Resources and Markets  
Ministry of Business, Innovation & Employment  
PO Box 1473  
Wellington 6140  
New Zealand

By email: [consumer@mbie.govt.nz](mailto:consumer@mbie.govt.nz)

**Wise Submission, Ministry of Business, Innovation and Employment consultation on open banking regulations and standards under the Customer and Product Data Bill**

Dear Consumer Policy Division,

We thank the Ministry of Business, Innovation and Employment for an opportunity to have input into suggested regulations and standards under the Consumer Product Data Bill.

**About Wise**

Wise is a global technology company, building the best way to move and manage money around the world. With the Wise account, people and businesses can hold over 50 currencies, move money between countries and spend money abroad.

Large companies and banks use Wise technology too; an entirely new cross-border payments network that will one day power money without borders for everyone, everywhere. However you use the platform, Wise is on a mission to make your life easier and save you money.

Co-founded by Kristo Käärman and Taavet Hinrikus, Wise launched in 2011 under the name TransferWise. It is one of the world's fastest growing, profitable technology companies and is listed on the London Stock Exchange under the ticker, WISE.

16 million people and businesses use Wise, which processes around £10 billion in cross-border transactions every month, and in 2023 alone, we saved customers £1.5 billion in fees. We now welcome 100,000 new personal and business customers to the platform each week.

Wise operates in New Zealand currently as a foreign FBO under our global Wise PLC. entity through which we provide our send, spend and hold money services.

We note the focus areas for the inquiry outlined in the terms of reference and note that our submission will concentrate on the lack of price illustrations in international payments and how this relates to the absence of customer switching.

Reform to increase competition in New Zealand's banking and payment systems can increase productivity and reduce costs for businesses and consumers in Aotearoa.

### **Product Data in Open Banking**

The broad principle for product data in open banking regimes is to allow third parties to illustrate the benefits and drawbacks of various different types of financial products to interested parties.

This information is usually static in nature being things like the interest rate on a credit card or the stated repayment terms and can therefore be discerned relatively easily without open banking as these terms do not change significantly and can be sourced relatively easily from product disclosure statements.

### **Foreign exchange rates as product data**

Wise would enthusiastically support the adoption of foreign exchange rates in the product data of an Open Banking regime in New Zealand as suggested in paragraph 67 of the Discussion Paper.

This is clearly a form of product data which is offered to consumers at a point of transaction. It forms an essential component of the mechanism of making an international payment the pricing of which is sadly too opaque.

FX rates are dynamic and often difficult for consumers to compare. In terms of consumer payments they can change minute-by-minute. The difficulty experienced by consumers then is that they must, if they are minded to, travel between different FX providers to assess a series of offers which are not immediately illustrated to them.

Placing this data into the product data would allow innovations which would provide consumers with an ability to compare between providers and authorised third party data holders could build useful tools which provide up-to-the-minute information to consumers which can drive more competition between FX providers.

An open banking regime would permit FX buy and sell rates on selected currency routes to be disseminated through an open API to authorised data holders. These APIs would operate on a basis which would not overburden the systems of the data

providers - a query every 15 minutes would not be overly burdensome while allowing for sufficiently up-to-date information to be conveyed.

Given the multitude of currency routes which might be potentially covered by this designation, Wise suggests that the designation cover the top 25 currency routes from New Zealand by transaction volume as well as certain specific Pacific currency routes which are of interest to the New Zealand Government by virtue of its interest in reducing the costs of remittances into the Pacific.

### **Potential applications**

Authorised data holders could then use this data to illustrate, on one page, all current retail buy/sell offers for a particular currency route. Paired with a customisable calculator by which the size of a transaction can be modified, it would illustrate the total amount which might be received by a customer - information which can be easily compared across providers.

Further, if this information was paired with mid-market rate information which is already accessible then third party providers could calculate the true cost of international payments for consumers.

### **Fixed fees**

Wise also recommends that product data on the fixed fee elements of international payments be provided through Open Banking, in addition the point at which a fixed fee is applied is necessary as a fixed fee applied up front will yield a different amount than a fixed fee applied at the end of a process.

Ministry of Business, Innovation & Employment considers this as a product which can drive more competition in banking - particularly in the market for international payments - in New Zealand.

Yours faithfully,



Jack Pinczewski  
APAC Government Relations Lead  
Wise