

18 June 2026

Governance and Administration Committee

Parliament Buildings

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## Retail NZ submission: Financial Markets (International Money Transfers) Amendment Bill

### Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 222,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission.
3. Retail NZ supports the intent of this Bill to improve transparency around the fees charged by financial institutions for international money transfers. However, the Bill would benefit from further clarification and direction to attain the level of transparency it is seeking to achieve.

### International money transfers services

4. Retailers use international money transfers to pay overseas suppliers and purchase overseas products. Our members would benefit from greater transparency on the fees charged by financial institutions in advance of entering into an international purchase or contract agreement.
5. It has been a tough retail trading environment in New Zealand for several years, with retailers closely considering all costs and services to ensure they can make their income go further. It is important that all charges and fees are fully disclosed and outlined in advance of incurring the charges and fees to enable retailers to make fully-informed decisions about what is best for their business.
6. It is often not clear the level of the charges that businesses (and consumers) will be charged by financial institutions when sending money internationally, with the mid-market rate - excluding fees - usually the only price clearly advertised. Retail NZ supports the Bill's intent to require international money transfer fees be disclosed and clearly displayed prior to the transaction being entered into.
7. However, we recommend the Bill be more explicit in requiring the disclosure of the fees charged for international money transfers. Clause 5 proposes a change to 446(ja)(i) that people must be: *provided with sufficient information to be able to determine the total cost of a transaction, inclusive of all fees and rates, prior to the transaction being initiated*. While the intent of this Bill is to make the current "hidden" fees transparent, we are concerned that the way this is written, the burden is still on the business (and

consumer) to “be able to determine” the total cost. Additionally, the term “sufficient information” is very vague, and what might be sufficient information for one person, such as a financially-confident business (and consumer) with English as their first language, may not be enough for someone who might be unfamiliar with New Zealand’s banking systems or have more limited English.

8. To ensure this aim is achieved, the Bill should be as explicit as possible in its wording to ensure financial institutions are not interpreting the requirements differently, which would make it more difficult for businesses (and consumers) to shop around, compare costs and, therefore, make well-informed decisions.
9. Retail NZ recommends 446(ja)(i) be rewritten to explicitly require financial institutions to provide the total cost of the transaction, and a breakdown of the fees, prior to the transaction being initiated. For example, requiring financial institutions to clearly display the full cost, inclusive of fees (including fees found through the FX margin), for each dollar exchanged to the chosen currency. This should be required to be clearly displayed on a digital board or home web page, as well as clearly outlined at the point of sale before the transaction progresses to payment.

For example, a digital board or web page should be required to display the following:

| Currency | We buy | We sell | Total fees |
|----------|--------|---------|------------|
| A        | x.xxx  | y.yyy   | z.zzz (b%) |

And all businesses and consumers should be presented with the minimum of the following information before agreeing to go through with the transaction (whether it be online or in-person)

|  |                 |
|--|-----------------|
| Amount to be exchanged                     | \$NZ XXX        |
| Spot exchange rate                         | \$AU YY         |
| Bank/Vendor/Foreign exchange provider rate | \$AU YY         |
| Total fees                                 | \$AU Z (Z%)     |
| <b>Total</b>                               | <b>\$AU ABC</b> |

10. Retail NZ recommends the Committee also consider whether providing guidance on exactly how and where the information is displayed for businesses (and consumers) is appropriate, for example, clearly stating: “[institution] will charge [X amount] for each dollar transferred to [currency]”, to guarantee the information is clear and consistent to ensure businesses (and consumers) can make proper comparisons between different offerings.
11. Without more explicit language and direction in this Bill, we are concerned that it will not achieve the full level of transparency that is intended with these changes.

## Conclusion

12. Thank you for the opportunity to make a submission.
13. Retail NZ supports the intent of the Bill, but recommends it be more explicit in outlining the requirements for financial institutions to ensure businesses and consumers are provided with all the information they require to know the costs that will be incurred and, therefore, make informed decisions about international money transfers.
14. Retail NZ is happy to discuss any aspect of this submission further and would like the opportunity to make an oral submission to the committee.

15. No part of this submission should be withheld under the OIA.

Sincerely,



Carolyn Young

**CHIEF EXECUTIVE**

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