

18 June 2026
Petitions Committee
Parliament Buildings
WELLINGTON
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Retail NZ submission: Petition of Benjamin Sims - Require payment blocks on age-restricted purchases by under-18s

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. Our sympathies go out to Benjamin Sims and his family for the loss of their son.
4. Retail NZ members have noted this is a complex space and, as a result, our members held varying views on the petition to require banks to block payments for restricted goods and services by under-18s.

Current safeguards for sale of restricted goods

5. Retailers selling restricted goods in New Zealand are already legally required to verify the age of the purchaser prior to sale. In-store, retailers are required to verify age by checking a valid form of photo ID (NZ driver's licence, passport, Kiwi Access Card (18+ Card)) if the customer looks under 25. Online, retailers are required to take reasonable steps to verify the purchaser is not under 18 years of age. There are also severe penalties for retailers which are found to be in breach of these laws.
6. Retail NZ notes the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill currently before Select Committee aims to further strengthen protocols around online alcohol sales, by legislating that alcohol must be delivered to a person who is verified to be at least 18 years of age and not intoxicated.
7. Retail NZ members note that they already comply with these laws and there is already sufficient incentive to do so.

Bank verification issues

8. Some Retail NZ members say they see merit in the idea to further strengthen the current safeguards by requiring banks to block transactions for restricted goods when cards belonging to under-18s are used at the point of sale. However, they are clear the onus of this would need to lie with the banks, not the retailers.

9. Banks hold the information about the age of the card holder, its systems can read what the Merchant Category Code (MCC) is, and they have the appropriate privacy and security safeguards in place. Therefore, it is right that any responsibility to implement such an age-verification process for card payments would need to lie with the banks, if this proposal was accepted.
10. However, the payment process space is incredibly complex. Our members hold concerns around how clearly defined MCCs are and how frequently they are checked and updated as businesses adjust what products and services they offer.

Retail complexities

11. Some Retail NZ members have expressed concern about the proposal, in that it would not be practical in many retail settings.
12. The petition requests: *That the House of Representatives enact legislation to require banks and/or retailers to implement mechanisms that automatically block transactions for age-restricted goods when the cardholder is under the legal purchasing age.* Requiring a retailer to introduce such a verification system would be too technically complex to implement and manage. It is not fair, nor practical, to put this requirement on retailers, nor would it be possible for most retailers to comply with without significant investment and upskilling that would be beyond many small and medium-sized businesses.
13. While some retailers sell only age-restricted goods, such as some vape stores and lotto counters, many other retailers - such as grocery stores, superettes and dairies - sell a range of non-restricted goods, such as essential grocery items, as well as products that can only be sold to people aged 18 and over, like alcohol and tobacco. At these stores, both restricted and non-restricted goods are often purchased in the same transaction, therefore the ability of the payment system to block payment for the valid purchase of goods would prevent a retailer from undertaking their day-to-day business.
14. Additionally, while the bank can tell the MCC of a retailer, itemised product information of each transaction is not shared. So, for example, neither the bank nor payment provider would be able to identify in the moment of purchase whether a \$13.99 transaction at a grocery store is for a bottle of wine or a rotisserie chicken.
15. The committee also needs to consider whether it would be appropriate for financial institutions to have access to any itemised transaction information, due to the privacy rights of the customer. Retail NZ would not support such information being shared.
16. Retail NZ notes that while the intention is to add an extra layer of protection to ensure age-restricted goods do not get into the hands of minors, just like with any new layer of technology there is always the chance that people will find a way to circumvent it. For example, young people could just access and use the payment cards of family or friends to get around such restrictions.
17. There is also the risk that if this extra layer of protection was introduced, it could inadvertently cause a behavioural change within retail stores for age verification. If retail staff think the sale of a restricted product would be blocked by the bank card anyway, they may unconsciously become less vigilant about checking the IDs of customers because there would be an additional safeguard that would act as the last line of defence.
18. We know the majority of retailers in New Zealand are doing the right thing and diligently performing age verification checks. We believe the current system is working as it should in most instances.
19. Digital identity is a rapidly developing space in New Zealand. It may be that, in the future, this technology would be better placed to provide the additional safeguards the petitioner is seeking, if it is integrated appropriately into the retail space.

Conclusion

20. Thank you for giving Retail NZ the opportunity to make a submission.
21. 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.
22. No part of this submission should be withheld under the OIA.

Sincerely,



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CHIEF EXECUTIVE

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