31 July 2026

Reserve Bank of New Zealand
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Retail NZ submission: Access to cash

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. Whilst we recognise that cash use continues to decline, our members are clear that cash is still vital to their businesses and that the current system isn't serving them well enough. When surveyed, 92% of respondents agree or strongly agree that New Zealand needs a cash services standard.

4. Close to half (45%) are dissatisfied with the current level of cash services in their own district, and satisfaction is worse again when members are asked about cash services nationally, where 49% are dissatisfied and only 15% are satisfied.

5. Members agree with the proposed travel-distance thresholds for rural (70% agreement) and urban (78% agreement) areas, and 72% support the baseline 2.5 cash services per 10,000 people ratio. However, Retail NZ stresses that for small business owners, time spent travelling to or queueing at cash services carries a direct economic cost. With the vast majority of Kiwi retail businesses operated by small teams or sole owners, every hour spent securing cash or depositing takings is an hour taken away from revenue generation and business growth.

6. Members told us what "access" should look like. Distance to a service was rated very important by 68% of members. 89% said distance to service was either moderately or very important. Being able to use a service free of charge was rated very important by 81%, and during business hours by 66%. In support of these headline figures, our free-text responses are full of members describing frustration with branches that are open only a few hours a week, charge fees to deposit their own cash takings, and there was a strong preference for a human teller over a machine that has previously lost or miscounted their deposit.

7. Some members support improved access to cash but would not be willing to host in-store ATMs to help meet the proposed cash-service-to-population ratio.

8. Expanding flexibility around who can deposit cash on behalf of a business would be a simple, high-impact fix. A small number of members report operational barriers when attempting to delegate cash deposits to shop staff, forcing business owners to personally carry out routine banking runs.

9. Just over half of members (55%) think some settlements should have different rules to the standard, with a further quarter (25%) unsure. Common reasons given were: distance to the next town; the number of local businesses; and the importance of tourism to the local economy. That point was echoed repeatedly in the free-text data by members in small towns that see visitor numbers many times their resident population.

10. Emerging from the free-text responses is a theme about resilience. Cash is the only payment method that keeps working when the power, internet, or Eftpos systems go down, and several members point directly to their experience of Cyclone Gabrielle.

Survey results

11. We received 104 responses to our survey, with retailers of all sizes from across New Zealand having their say. Below is the breakdown of their data.

12. On the whole, retailers are dissatisfied with the current provision of cash services in New Zealand, although just under a quarter of respondents remain neutral. The local experience is quite evenly split, with a spread of respondents claiming to be either satisfied or very satisfied, and just under half of all respondents saying they are dissatisfied.

On a scale of 1 to 5, how satisfied are you with the level of cash services in New Zealand?	
Rating	**Count**
(blank)	1
1 - Very dissatisfied	15
2 - Dissatisfied	36
3 - Neutral	23
4 - Satisfied	13
5 - Very satisfied	3
Don't know	13

On a scale of 1 to 5, how satisfied are you with the level of cash services in your district?	
Rating	**Count**
(blank)	1
1 - Very dissatisfied	21
2 - Dissatisfied	26
3 - Neutral	18
4 - Satisfied	24
5 - Very satisfied	14

13. Busy retailers want to be able to use cash services immediately on arrival.

How important are each of these features of a cash service? How long you have to wait in a queue	
Rating	**Count**
(blank)	5
1 — Not at all important	4
2 — Slightly important	7
3 — Neutral	9
4 — Moderately important	23
5 — Very important	56

14. Respondents said very loudly that cash services must be free to use. Not a single retailer told us this was "Not at all important" or "Slightly important" suggesting this is a non-negotiable.

How important are each of these features of a cash service? **It's free to use**	
Rating	**Count**
(blank)	2
1 — Not at all important	0
2 — Slightly important	0
3 — Neutral	3
4 — Moderately important	15
5 — Very important	84

15. Retailers expressed a strong preference for being able to call on staff if required.

How important are each of these features of a cash service? **Having staff on hand to assist you**	
Rating	Count
(blank)	6
1 — Not at all important	5
2 — Slightly important	11
3 — Neutral	13
4 — Moderately important	32
5 — Very important	37

16. Being able to access cash services during business hours is vital for retailers.

How important are each of these features of a cash service? **Being able to use the service during business hours**	
Rating	**Count**
(blank)	4
1 — Not at all important	4
2 — Slightly important	4
3 — Neutral	8
4 — Moderately important	15
5 — Very important	69

17. Retailers do not want to travel far to access cash services. Taken alongside their desire to not have to queue, retailers are saying loud and clear that their time has genuine economic value and any improvements to cash services that gives retailers back their time should be prioritised.

How important are each of these features of a cash service? **How far you need to travel to use the service**	
Rating	**Count**
(blank)	1
1 — Not at all important	1
2 — Slightly important	4
3 — Neutral	5
4 — Moderately important	22
5 — Very important	71

18. Retailers would like to be able to access cash services at anytime, including outside of business hours. The convenience of a 24 hour service would give retailers the flexibility to build accessing cash services into their week.

How important are each of these features of a cash service? **Being able to use the service outside business hours, including weekends and public holidays**	
Rating	**Count**
(blank)	4
1 — Not at all important	6
2 — Slightly important	4
3 — Neutral	23
4 — Moderately important	29
5 — Very important	38

19. We categorised the open text responses into themes as they emerged.

Open text responses: Are there any other features [of a cash service] that are important to you?

(51 responses)

Theme	Description	Count
Coin and denomination exchange is hard to access	Members want an easy way to break notes into coins/smaller denominations, and say this service has disappeared from local branches	7
Depositing cash feels physically unsafe	Concern centres on street-facing ATMs and after-hours deposits, where members feel exposed carrying/depositing cash takings	7
Cash itself is valued and should remain available	General statements affirming cash's ongoing importance or legal tender status, without a specific service complaint	5
Businesses want a real person handling cash, not just a machine	Explicit preference for face-to-face teller service; some link this directly to bad experiences with deposit machines	5
Rural/regional branches are too far away	Members describe long drives (often 30-40+ minutes) to reach any branch that will accept cash	4
Branch opening hours are too limited	Branches open only a few hours or days a week, causing long queues and wasted staff time when they are open	4
Shop staff, not just the owner/account holder, need to be able to deposit cash	Members want bank rules changed so employees can deposit business cash without the owner personally attending	3
Bank processes create friction beyond hours/distance	e.g. bans on depositing directly into customer/supplier accounts, slow "pre-order and collect" style cash requests	3
Cash deposit fees should be removed	Members object to being charged to deposit their own cash takings via a teller	2
Deposit/ATM machines are unreliable, regardless of who operates them	Machines are frequently out of order or offline on weekends, distinct from wanting a human instead of a machine	2
Other	Foreign exchange, vague "consumer needs" comments, or positive/no-issue responses	9

20. The joint most common theme concerned difficulty exchanging cash for coins or smaller denominations. Several members said this service had disappeared from their local branch entirely, leaving them to informally break notes for members of the public:

> *"I wish my bank had a change machine so $50 notes could be changed for smaller notes. We get a constant stream of people off the street, asking us to change their $50 notes - and no, we are not a bank."*

21. Security also topped the table as the primary concern, particularly the vulnerability of depositing large cash takings at street-facing ATMs, especially after hours:

"[Business] customers should not be forced to stand on the street putting large sums of money into ATM's."

22. Rural and regional access and travel time was raised with similar frequency, with members describing having to travel well beyond their own town to reach a branch that would accept cash.

“Furious at the lack of Bank services in the rural areas. Object to banks requiring small business to use Armourguard services, to deposit cash! i.e. BNZ Whitianga, do not accept cash deposits over the counter ... from our family retail business.”

23. A distinct and specific ask was for bank rules to allow staff to deposit cash on the business's behalf, removing the need for the owner to personally attend regardless of distance or opening hours:

"Having staff in small towns being able to deposit cash - it shouldn't have to be an owner/account holder and they shouldn't have to drive 40-ish minutes to the closest bank, even though the town has other banks. We have no choice about who we bank with because of the business lending rules."

24. Reduced opening hours were raised almost as often, alongside frustration at wait times during limited service windows:

"I live in Whitianga. Our Westpac is open 9 hours a week. Hopeless!!!"

25. A smaller group explicitly wanted a real person handling their cash rather than a machine, in some cases as a direct response to a bad experience with a deposit machine:

"I've been forced to use BNZ machines before. They only take 50 notes at a time. The machines break down and steal cash. Several times I've had to fight over at least 2 weeks to get my money back. The bank didn't care and it was only because I insisted that we got our missing money back. I've switched to ANZ. They have human tellers. The difference is amazing."

"Prefer face-to-face rather than time-consuming, finicky machines"

26. A small group raised machine reliability as a problem:

"Having Smart ATMs available that can make fast deposits and change machines. Plus ensuring maintenance of these machines as they can often be out of order but you have travelled over half an hour to use them. So reliability is important."

"The ability to bank at the weekends... our bank, ASB, quite often over the weekend the smart ATM is 'down' and not available hence we can't use it to bank the cash."

27. There is a strong consensus from retailers that a cash services standard is required.

On a scale of 1 to 5, how much do you agree that New Zealand needs a cash services standard?	
Rating	**Count**
(blank)	1
1 – Strongly disagree	1
2 – Disagree	1
3 – Neutral	5
4 – Agree	23
5 – Strongly agree	73

28. There is broad agreement from retailers that the proposed travel maximums are reasonable.

Do you agree that most people (95%) living in rural areas should only have to travel up to 15km (or up to 30km if living outside rural settlements) to access cash services?	
Rating	**Count**
(blank)	2
1 – Strongly disagree	2
2 – Disagree	7
3 – Neutral	16
4 – Agree	26
5 – Strongly agree	47
Don't know	4

Do you agree that most people (95%) living in urban areas (cities and towns of 1000 or more people) should only have to travel up to 3 km to access cash services?	
Rating	**Count**
(blank)	2
1 – Strongly disagree	2
2 – Disagree	7
3 – Neutral	12
4 – Agree	32
5 – Strongly agree	49

Do you support our proposal of having 2.5 cash service sites for every 10,000 people?	
Rating	**Count**
(blank)	3
1 - Strongly disagree	4
2 - Disagree	4
3 - Neutral	14
4 - Agree	38
5 - Strongly agree	37
Don't know	4

Do you think people and businesses in your district will have enough access to cash services under this proposal?

29. Our members believe that the proposals would provide adequate access to cash services, although a significant number say the "Don't know" enough about cash services to say either way.

Rating	Count
About right	53
Don't know	25
Not enough	16
Too much	7
(no rating given)	3

Free text responses: Do you think people and businesses in your district will have enough access to cash services under this proposal?

Theme	Description	Count
General optimism/support that the proposal will improve on current service	Framed as a welcome step up from current bank service, without a specific local detail attached	11
Distance/travel burden to reach a cash access point	Includes long drives to a branch, branch closures, and clustering of existing services in one part of town.	10
Already well served due to urban/central location	Satisfaction tied to being in a city or CBD with nearby banks	10
Not enough information to judge the proposal	No baseline knowledge of current provision, or wants to see the full proposal and a location map first	9
Service-quality concerns beyond simple distance	Safety depositing cash, preference for human tellers over machines, machine reliability/downtime, and withdrawal access outpacing deposit/exchange access	4

Theme	Description	Count
General optimism/support that the proposal will improve on current service	Framed as a welcome step up from current bank service, without a specific local detail attached	11
Low cash usage/scepticism that more access is needed	Cites declining cash use and the cost of expanding infrastructure for a shrinking use case	4
Population/land-area ratio methodology doesn't reflect their district	Specific figures given (population, land area, distance) to argue a flat ratio doesn't work for low-density districts	3
Tourist population not reflected in the ratio	Visitor numbers, not resident population, drive local cash need	3
Branch/service opening hours too limited	Branches open only a few hours or days a week, causing long queues and wasted staff time when they are open	3
Bank practices remove tellers/counter service or force machine-only interaction	Distinct from distance: branches exist, but banks won't handle cash over the counter, or have removed staff/ATM deposit options	3
General distrust of bank motives/priorities	Criticism of banks generally (marketing, big-business focus), not the proposal or a specific access point	3
Travel/access problems led to a concrete business consequence	Stopped accepting cash entirely, or now pays for a private cash collection service	2
Coin/denomination exchange difficulty	Members want an easy way to break notes into coins/smaller denominations, and say this service has disappeared from local branches	2
Other		6

30. Members, whilst encouraged by the proposals, remain sceptical that they would be adequate for New Zealand's remote communities.

> *"We are a remote area anyway, with a large rural hinterland. So the distances suggested probably won't work here for rural customers."*

> *"The Cash Services Standard should also take into account the size of an area where there are sparse populations. I live in the Hurunui District which has a population of around 10,000 and a land area of 8,641 sqr km... If there are 2.5 cash services per 10,000 population then a lot of our district will have to travel long distances to access cash."*

31. The challenges to accessing cash have real world consequences for businesses.

> *"To access my bank I need to drive over 30 mins. Really poor service. It means that I now no longer accept cash at my business."*

32. For retailers, the resident population recorded in the census is less important that the dynamic or seasonal population which includes for example, tourists, commuters and residents. The fluctuating populations and preferential use of cash by tourists should be accounted for in the planning of cash services. Queenstown Lakes, for example, has a population of 52,000 in Winter and a peak of 120,000 in summer.

33. Members frequently proposed that tourism and wider-area population be built into the assessment. Community demographics, such as the age profile of the population, were also raised, consistent with the emphasis elsewhere in the survey on older and budget-conscious customers relying more heavily on cash.

Should there be different rules for some rural settlements, towns or parts of a city? For example, should busy tourist towns have more cash services than what we are proposing in our standard.	
Rating	**Count**
(blank)	2
Don't know	26
No	19
Yes	57

34. Retailers are clear that a holistic view of communities must be considered in the round when determining the location of cash services.

What factors should we think about when deciding whether a rural settlement, town, or part of a city needs a different level of cash service than the usual standard?	
Factor	**Count**
How far it is to the next town with cash services	82
How many businesses operate in the community	76
How many people live in the wider area	58
How important tourism is to the local economy	57
How many people live in the rural settlement, town or part of the city	56
Community characteristics (for example: average age, income, or ethnicity)	32
How much it costs to provide the service there	21
There shouldn't be any exceptions	19

Free-text responses: Is there anything else you'd like to share about cash in New Zealand?

(45 responses)

Theme	Description	Count
Cash as resilience infrastructure	Cash as an essential fallback during power cuts, disasters, internet/Eftpos outages — several cite Cyclone Gabrielle or COVID directly	8
General statements on the value of cash	Affirms cash is important/still needed, without a specific reason or story attached	6
Privacy and surveillance concerns	Discomfort with banks or card systems monitoring spending; using cash specifically to avoid this	5
Specific rural/regional access stories	Named, concrete local problems — a dirty/uninviting ATM, hours and distance, a suggestion to add ATM services where branches have closed	4
Older people and budgeting-focused customer reliance	Cash use tied to older customers and household budgeting specifically	3
Legal tender/mandatory business acceptance	Argues cash must be accepted everywhere since it's legal tender, with no cashless surcharge if the customer has no choice	2
Distrust that banks will act without regulation	Banks accused of actively suppressing cash use or only improving service if forced to	2
Tourism-driven cash demand	Visitor volumes (not resident population) drive local cash need	2
Coin/denomination exchange convenience	Positive mentions of "change station"-style machines, or removing low-value coins	2
Broader societal commentary	Tangential points on scam risk from tech-reliance, or general analogies (e.g. print vs online media) not specific to cash access	2
Other	Including some scepticism of proposals given card transactions are the dominant payment method.	9

35. The most common theme was cash's role as resilience infrastructure during power, network, or system outages.

> *"Cash still has a place whether everyone likes it or not. Experienced here after Cyclone 'Gabrielle' - no power, no internet, no phones - Nothing!"*

> *"A cashless society will not work if there is a major blackout, eftpos is of no use to someone wanting to purchase some products."*

36. Privacy and surveillance concerns were the third largest theme, describing a shift toward cash specifically to avoid transaction monitoring:

> *"We have noticed over the last few years that people are using more cash as they don't want the banks to necessarily see their expenditure."*

"It is concerning that how cash is becoming demonised, for some it's a privacy issue... as a business I am disliking being asked what I'm spending money on by the bank before they let me complete a transaction."

37. A smaller but distinctive theme raised concerns about the pace of bank automation and the removal of human tellers, linked to reduced fraud detection and counterfeit-note screening:

    "It is of concern that banks have resorted to automation. With the removal of humans from the banking system, fraud and criminal funds and counterfeit money are more likely to occur because there is no professional critiquing the funds being deposited."

38. Specific regional stories add context to the general access complaints.

    "I have a 7 day a week business in a small rural town. The ATM machine is always dirty and not very inviting to use, I bank cash every weekday."

    "The bank we have our accounts with is 35 mins drive away... The ASB have a change station like an ATM machine that Ive seen in Chch and AKL that dispenses change... what a game changer that would be here!!!"

39. Cash's legal tender status was raised as grounds for mandatory acceptance by businesses, with some members linking this to fairness for customers without card access or alternatives.

Conclusion

40. Cash, and access to cash services, is critical to daily operations for thousands of Kiwi-operated retail businesses. Our members have said loud and clear that the current provision of cash services is unsatisfactory. The proposal on the table is a genuine step forward for retailers. We encourage the Reserve Bank to consider the local detail provided by the qualitative responses outlined in this submission.

41. This submission highlights the difficulty in accessing cash services in rural and provincial communities. Currently there is a mismatch between where cash use is highest and where cash services are provided. Our members are calling on the RBNZ to ensure these communities aren't left behind.

42. Retailers want to see an improvement to cash service provision, but do not want the cost of doing business to increase. Retailers are already under severe pressure and even small increases in costs are increasingly difficult to absorb.

43. Thank you for the opportunity to make a submission.

44. Retail NZ is happy to discuss any aspect of this submission further.

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

Sincerely,

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