

21 March 2024

## **ANZ NZ welcomes ideas to further enhance competition**

ANZ Bank New Zealand (**ANZ NZ**) today welcomed the Commerce Commission's draft *Personal banking services market study* report.

ANZ NZ CEO Antonia Watson said the bank was working through all the details and looked forward to engaging with the Commission as it tested its draft and developed final views for August.

Ms Watson said that the New Zealand banking and financial services sector was competitive and steps to further enhance competition would be good for consumers.

"Our staff go out every day to provide superior products and services to our customers and we back ourselves to beat the competition."

She said Kiwibank had been a strong competitor and had grown market share considerably since its creation, often at ANZ NZ's expense.

"Like most industries, size and scale in banking enables improved access to capital."

She said New Zealand has well-established, robust banks and that was important for a well-functioning economy. Having AA-rated banks like ANZ NZ should not be underestimated for giving consumers confidence.

"The scale of our major banks also helps attract capital to the country, and our market structure of five larger banks is consistent with other countries of both similar and larger sizes."

"There are numerous banks and non-bank providers in New Zealand, which all provide an important source of competition. In a country of our small size, we have a comparatively large range of potential providers of core personal banking services to choose from."

ANZ NZ welcomed ideas to accelerate open banking. A lot of work has been carried out in this area already while the industry awaits consumer data right legislation.

"We hope that open banking will enable us to partner more efficiently with fintechs in New Zealand to provide even better products and services for our customers."

Ms Watson agreed with the Commission that discussion about the regulatory and legislative environment was important.

"There's always a balance regulators and legislators have to strike between stability and safety of the financial system and the benefits to bank customers of healthy and strong competition."

ANZ NZ is interested in investigating solutions to improve consumer education about switching.

"It's generally acknowledged that financial literacy is low in New Zealand and anything that improves that is good for consumers and the overall economy."

There were parts of the draft report ANZ NZ disagreed with, particularly the Commission's draft view the major banks do not face strong competition and those banks had high profitability relative to international peers.

"We look forward to discussions with the Commission on these matters".

"If our pricing isn't competitive customers move to other providers. RBNZ figures show that in some months in New Zealand more than \$1 billion worth of home lending, or more than 20% of total mortgage monies advanced, switches."

"Profitability of New Zealand banks is about the same as similar banks globally. Our return on equity is around 12%, which is also in line with many other New Zealand companies in other industries."

**ENDS**

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