10 years of open banking:

A New Zealand snapshot

New Zealand
Payment Choice Report

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Foreword

It was ten years ago, in 2016, that Online EFTPOS was launched, giving Kiwis a way to pay for online purchases using their bank account and approve those payments through their mobile banking app.

Simple, secure and embedded in their banking journey. Since then, more than $1 billion has been spent through the service.

Ten years on, and with open banking still discussed as "the next chapter" in New Zealand payments, this singular use case is an opportunity to consider what a decade of practical experience can tell us about the future.

> *"...we're confident the next decade is full of opportunity and promise."*

New research commissioned by Cuscal Paymark shows open banking is still not well understood by consumers. While a majority of respondents had heard of it, 42% were unsure what it meant. But when clear use cases were put to them, the majority of respondents said the ability to pay direct from a bank account appealed to them, and the majority valued the ability to use bank information to verify identity or account details. They liked the capability of open banking without necessarily knowing what it is.

What this tells us is that open banking is meaningful when it moves out of the abstract and into an experience people can use. The next decade will involve more services, more providers and more ways for consumers to use their accounts and financial information.

Those products can and should improve the payment and financial experiences of consumers and businesses.

Growth in open banking will require services that are simple to understand, secure in practice and clear about permission, responsibility and control. It will require businesses, banks, payment providers and policymakers to work together so new functions can be integrated, trusted and offered at scale.

Coordination and collaboration of this kind will deliver the most important factor required – a system that, for the consumer and the business owner, just works. Simply, easily, quickly and reliably.

At Paymark, we're confident the next decade is full of opportunity and promise. New Zealand, and our payments sector, has deep practical experience to build on, and a rich, locally grown payments heritage to rely on.

Let's use these strengths to move open banking forward. Together.

Michael Blomfield

CHIEF EXECUTIVE OFFICER
CUSCAL PAYMARK

About this research

Cuscal Paymark commissioned research company Perceptive to examine New Zealanders' awareness and understanding of open banking, their response to several open banking-enabled payment concepts, and the factors that may encourage or prevent them from using open banking services.

995

survey responses

Perceptive conducted an online survey in May 2026, collecting responses from 995 New Zealanders using a nationwide sampling framework*. The results were weighted to Statistics New Zealand census data for gender, age and location.

The survey covered:

- Awareness and understanding of open banking
- The appeal of different services open banking can enable
- Stated likelihood of using open banking payments in different situations
- Payment methods used during the previous six months
- Attitudes towards phone-based and traditional payments
- Digital Pay — a proposed New Zealand-based digital payment system
- Online EFTPOS
- Repeat Pay — an open banking-enabled recurring payment concept.

*Digital Pay was assessed by the full sample of 995 respondents. Online EFTPOS and Repeat Pay were assessed separately by split samples of 486 and 483 respondents respectively.

Introduction

Online EFTPOS was launched by Paymark and ASB in 2016. It was available to ASB customers through its mobile banking app and first offered commercially at online retailer Mighty Ape.

The service introduced a straightforward proposition: pay for an online purchase directly from a bank account without entering card details. The nature of its design meant the experience brought together the merchant checkout, the payment provider and the bank within one live transaction.

Throughout the last decade, the market has changed substantially. Customer expectations have evolved, open banking standards have developed, and New Zealand now has a legislative framework for consumer data. Added to that, new providers and services are entering the market.

The value of Online EFTPOS is that it moved account-to-account payment from a technical possibility into an operating customer and merchant experience, making it the ideal starting point for considering what should come next.

What New Zealanders are telling us

The concept of open banking is recognised more often than it is understood.

> *Others confused it with card payments, mobile wallets...*

Just over half of the people surveyed had heard of it. But only 32% selected the correct definition: allowing approved services to connect to a bank account, with the customer's permission, to share information or make payments.

A further 42% said they were unsure what it meant. Others confused it with card payments, mobile wallets or direct debit.

Previous New Zealand industry research has repeatedly highlighted limited understanding of open banking. Cuscal Paymark's latest research shows the challenge remains, despite substantial progress in the infrastructure and regulatory framework supporting it.

Online EFTPOS was considerably better known. Nearly three-quarters of respondents, 74%, had heard of the service, making it the most widely recognised of the payment options included in the research.

Recognition does not necessarily mean people understand Online EFTPOS in detail. But the difference is telling: a specific service that has been available for nearly 10 years is more familiar than the wider category behind it.

For many people, their first encounter with open banking may not be through the term itself.
It may be through a service that gives them a clear way to pay or complete another financial payment.

But people can see the potential value. When respondents were shown examples of what open banking can make possible:

54% found paying online directly from a bank account appealing.

51% liked the idea of using bank information to verify identity or account details.

48% found recurring payments from a bank account appealing.

47% liked the idea of paying in store directly from their account using a phone.

The results show that those surveyed could assess the appeal of specific services even when the wider category was not well understood.

At the same time, new payment options are entering a market where many people already feel well served. When respondents considered Digital Pay, 52% said their current payment methods already worked well. Almost one-third were unsure what clear personal benefit the new service would offer them.

This is the challenge for open banking.

It is not enough to make another option available. The service needs to show what it does differently and why customers should choose it.

Customers may not be looking for open banking. They are looking for a useful way to pay, manage money or complete a financial transaction.

The payment experience matters

Online EFTPOS was made possible by significant investment in payment infrastructure, bank connectivity, standards and merchant integration.

Those foundations are essential. They provide the security, reliability and interoperability needed for payment innovations such as this to work.

For customers, that infrastructure comes to life through the payment experience itself: another way to pay at checkout, directly from their bank account and approved through their banking app.

> *"There is still a role for education."*

The research points in the same direction. Only one-third correctly identified open banking, yet each of the six services tested attracted positive appeal scores from between 43% and 54% of respondents.

There is still a role for education. People need to understand that open banking connections are permission-based and that approved providers are involved. But customers should not have to understand the entire system before a product makes sense.

1. A checkout payment should explain how the customer pays.
2. A recurring-payment service should explain how payments can be viewed, managed or stopped.
3. An identity service should explain what information is being confirmed and who will receive it.
4. Start with the task, then make the technology, permission and protection easy to understand.

Trust and security are table stakes

It goes without saying that security matters in every payment. But the research shows that people are also thinking about responsibility, control and what happens if something goes wrong.

When respondents considered Digital Pay:

60% said a secure, authorised connection to their bank was a must-have.

56% wanted clear responsibility if there was a problem.

56% wanted control over what information was shared.

52% wanted the service to be easy to understand.

49% wanted it to be supported by their bank.

These expectations are connected.

A service may be secure behind the scenes, but customers still need to know what they are authorising, which organisations are involved and where they can get help.

As we've seen via similar research reports throughout the development of open banking in New Zealand, that information needs to be clear when the service is used, not buried in the terms and conditions.

The same issue appeared across the concepts tested. Security or fraud was the most commonly selected potential barrier for Digital Pay, at 54%. For Online EFTPOS and Repeat Pay, a combined concern about security, fraud or refund disputes was the leading barrier, at 47% and 44% respectively.

Trust is a key driver behind how a product is designed, how permission is requested, how a payment appears in the banking app, and how support or disputes are handled.

Customers should not have to work out which organisation is responsible after something has gone wrong.

Trust needs to be clear at the point where the customer makes the decision.

Understanding is linked to stronger consideration

People who correctly identified open banking were more positive about every service and payment situation tested.

Among those who selected the correct definition:

64%	found paying online directly from a bank account appealing, **compared with 50%** among other respondents
63%	found identity or account verification appealing, **compared with 44%**
57%	found paying in store directly from an account using a phone appealing, **compared with 42%**
56%	found recurring bank payments appealing, **compared with 44%**

The same pattern appeared when people were asked how likely they would be to use an open banking payment.

For a lower-value online purchase, stated likelihood was 53% among people who correctly identified open banking, compared with 35% among other respondents.

For subscriptions, memberships and regular bills, the figures were 51% and 36%.

Importantly, the research does not tell us that understanding alone caused the more positive response. But it does show a clear association between understanding the category and being more open to the services it enables.

That makes clarity commercially important.

The research suggests that consumers do not need to understand every part of the infrastructure. However, they do need enough information to use a service and feel confident with what they are authorising and what they can expect of the experience.

Clearer understanding sits alongside stronger consideration.

Conclusion

New Zealand is entering a different phase of open banking.

The infrastructure and standards developed over recent years, together with the Customer and Product Data Act and the regulations now in force, have created a stronger and more consistent foundation for secure data sharing and payment initiation.

> *"...10 years of Online EFTPOS is both a milestone and a starting point."*

Open banking itself is not new to New Zealand. Online EFTPOS has been working in practice for a decade. It turned direct bank-account payments into a service customers could recognise and use within an everyday online checkout.

What is changing now is the scale of the opportunity.

The foundations are in place for open banking to support a much wider range of services, from direct and recurring payments to identity verification, faster applications and tools that help people manage their money.

Our research shows New Zealanders can see the appeal across each of these areas when the service is described in practical terms.

The possibilities are considerable, however infrastructure and legislation alone will not determine whether they are realised.

The research shows that open banking is still not well understood. It also shows that people are more open to its services when they understand what they enable. Security remains essential, but customers also want clear responsibility, control over their information and confidence about what happens if something goes wrong.

The next phase will depend on how successfully the capability behind open banking is turned into services with clear purpose, value and protections from the start.

For Cuscal Paymark, 10 years of Online EFTPOS is both a milestone and a starting point. It demonstrates that New Zealand has the skills and experience to drive open banking forward, while the new infrastructure and regulatory framework create the opportunity to do much more.

Open banking now has the foundations to deliver more for New Zealand. Its full potential will be realised when customers understand, trust and have a clear reason to use its services.

0800 729 627 (NZ)
support@paymark.co.nz
paymark.co.nz

Cuscal Paymark