



Media release

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Switching banks being made easier for customers

Banks are making moves to update their systems and procedures so switching from one bank to another will be much easier for customers.

When customers want to shift their accounts from one bank to another the most time consuming task has always been the process of transferring over their payment authorities.

Moving payment authorities like automatic payments and direct debits not only requires help from the customer's new bank but also relies on the cooperation of the old bank to ensure that nothing is missed. In the case of direct debits the Initiator of the payment – the company receiving the money from the customer – also needs to be involved.

To make it easier and faster for banks to act on behalf of switching customers the New Zealand Bankers' Association's Electronic Credit Systems Codes and Direct Debit Systems Code are being revised to assist banks in the exchange of payments information.

"The Code and system changes that are being introduced will streamline processes so the changeover can happen faster and more seamlessly behind the scenes – it's a sensible customer service solution for the electronic age," said Sarah Mehrstens, Chief Executive of the New Zealand Bankers' Association.

Craig Foss, National Party MP, who is also Chairperson of Parliament's Finance and Expenditure Committee, has been in discussions with the Bankers' Association about removing the hassles of switching banks for customers and commented, "This is good news for bank customers and for competition in New Zealand."

The New Zealand Bankers' Association is targeting a December start date for the new, improved bank switching process. Further details will be made available later this year.

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For further information please contact Philip van Dyk, NZBA Senior Adviser, on 04 890 6754 or 021 242 0428, or Craig Foss MP on 021 774 755.