

## 10 points from The Point

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Last week our payments team attended the highly successful biannual payments industry conference, The Point, in Auckland. Congratulations to Payments NZ for putting on this excellent event. Committed to this important part of the financial services sector, Buddle Findlay was once again a Gold Session sponsor.

For those who were not able to attend, here are our 10 points from The Point.

1. FATBAG is the new GAFA – Facebook, Ant Financial Services, Tencent, Baiku, Amazon and Google. Looks like Apple no longer makes the cut. Payments for the FATBAG are simply an enabler to make the customer experience better (in the same way payments are seamless in Uber).
2. Open Banking risks shifting power in the data war from the banks to the FATBAG. To deal with the FATBAG's market power (which arguably is significantly greater than the banks), rather than breaking them up the competition regulators may be better to open them up by applying the concepts of open banking to that sector.
3. Data is the new oil – but big data is the toxic waste. The key to using data is consumer trust. Getting informed consent to using data (particularly large bodies of data collected over time) is going to be a challenge.
4. The RBNZ doesn't see a strong enough case to issue a digital currency now, but deputy governor Geoff Bascand stated that the RBNZ "is going to continue to explore digital currency both for its benefit and benefits to the financial system".
5. Hon Kris Faafoi, Minister of Commerce and Consumer Affairs, stated that his interest is in "encouraging competition and innovation, as new and innovative payment products can provide significant benefits to consumers, merchants, the financial sector and the wider economy". The Minister is happy that the voluntary reductions in interchange made by the card schemes have removed some of the unfair burden on smaller retailers. But regulation "remains very much on the table" if fees increase again.
6. The Minister said he "is encouraged by the range of work taking place across the industry to introduce new methods of payment and improve functionality of existing methods", but wants to see progress on open banking accelerated with tangible examples of banking data being accessed within the next year.
7. New Zealand should follow a New Zealand first, but not a New Zealand only, approach to creating a digital identity. Ideally a digital identity should be able to be used globally. Collaboration across industries and jurisdictions is the key to creating a truly effective digital identity.
8. The use of proxy identifiers, particularly phone numbers, for payments (in place of bank account numbers) has had significant uptake in Australia with the introduction of the New Payments Platform. Customers like the convenience of being able to use their phone numbers to make payments.
9. The world is becoming a better place with:
  - 120,000 people per day going out of extreme poverty
  - 300,000 people per day getting access to clean water
  - Murder rates around the world decreasing significantly.
10. The pace of technology change has been doubling every year for 100 years. In about 20 years \$1,000 of computing power will be equivalent to the brainpower of the entirety of today's human race. Artificial intelligence will not destroy jobs, but those that can use AI will continue to hold jobs with those that can't not being so lucky.

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