

24 November 2025

s 9(2)(a) - addressed to Banks

By email: s 9(2)(a)

Dear s 9(2)(a)

Current and future initiatives to support New Zealander's access to cash

I am writing to you to update you on some important work the Reserve Bank is currently doing to support the cash system, including to find ways to make the system more efficient and sustainable for all. This work is part of our statutory role to ensure the needs of the public are met regarding banknotes and coins. **Out of Scope**

Current initiatives

Out of Scope

Out of Scope

Out of Scope

Out of Scope

Out of Scope

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Meeting the public's needs for cash

Our current assessment is that the cash system today is not fully meeting the public's needs and that intervention is likely required to meet our objectives for the cash system.

To meet the public's needs, in our view a significant increase in the quantity and quality of cash services available in urban and rural areas across New Zealand is required. The cash system also needs to be resilient, continue to operate in times of crisis, and meet the objective of a cash system that is reliable, efficient and inclusive.

It is our view is that the cash system would be meeting the needs of the public when:

- the public (acting in a business, personal or civic capacity) have an adequate level of access to services to the withdrawal and depositing of cash including low denomination banknotes and coins;
- businesses are happy to accept cash;
- the cash system is resilient in business-as-usual and crisis scenarios; and
- subject to the above, the cash system is efficient.

We have carried out preliminary analysis looking at distance and density measures of the current cash service footprint (i.e. distance from where people live and number per population). Our analysis shows that across both urban and rural areas, New Zealand is underserved when it comes to access to local cash services, and that deposit and cash change services in particular are significantly underprovided. We will share this work with industry in due course.

Policy and regulatory responses

Cash, in the form of our banknotes and coins, provides both economic and non-economic benefits to New Zealand. We are advancing multiple complementary options to help secure continued access to cash to meet the public's needs. Our preference is for banks to voluntarily increase levels of cash

access to meet the needs of the public. We believe that there are efficiency opportunities if banks do this collaboratively (and that this can be safely done under the Commerce Act).

We are also exploring the option to set regulatory requirements to support the objective of meeting the public's cash needs, should that be needed.

Securing adequate levels of cash access and acceptance will improve resilience of the cash system. However these will not be sufficient alone. We are of the view that there are regulatory gaps in the crisis readiness and resolution area. Crisis readiness and resolution powers are particularly important given the cash systems dependence on a single supplier of nationwide wholesale cash-in-transit services, which are critical infrastructure for the cash system.

As we continue to develop these options it is our intention to fully engage with industry and wider stakeholders in an open and transparent manner.

The role of banks

Banks play a critical role in providing cash services to New Zealanders. Cash services form an essential part of the services banks provide to both personal and business customers. Reasonable access to cash services is part of the expectations customers have of their banks and access to cash services supports confidence in banks by allowing bank customers to convert their digital bank account balances into cash including in times of uncertainty and crisis.

As noted at the outset of this letter, we acknowledge that the industry is currently focused on issues related to their critical cash-in-transit services, so we intend to defer any substantive engagement on the matters raised in this letter until early 2026. At that time, we will provide further information on our view of key requirements to support the cash system, and will specifically seek your feedback on a possible voluntary agreement to increase levels of cash access for the public. Ahead of this, we encourage you to consider how you can assist in ensuring the provision of cash services meet your customers' needs and those of the broader New Zealand public.

We plan to mention this in a forthcoming public release from the Reserve Bank outlining initiatives we are taking that underscore our commitment to the cash system.

Out of Scope

Should your team have questions about our broader Future of Money and Payments work, which includes cash policy work, please contact Ian Woolford, Director of Money and Cash in the first instance ian.woolford@rbnz.govt.nz.

Yours sincerely

Karen Silk

Assistant Governor Money

CC:

s 9(2)(a)

sarah.nash@rbnz.govt.nz

Attachment:

Out of Scope

Released under the Official Information Act 1982