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Memo/Update: Upcoming release of Keeping Cash Local consultation paper

Purpose

This note advises you of the upcoming release of our Keeping Cash Local consultation paper which sets out a proposed cash services standard that would apply to banks. This consultation is set to run for six weeks from 25 February to 10 April and seeks to test our views on what an adequate level of cash services looks like for New Zealand.

We have attached copies of the consultation paper and accompanying materials, noting these are subject to final formatting and edits.

Background

As previously advised, a key part of our cash policy work programme is a proposal for a minimum cash services standard to ensure an adequate cash services footprint across NZ.¹ This proposal stems from the need for the public to have adequate access to cash services (cash withdrawal, deposit and change services).

Our current assessment is that the cash system is not meeting the public's needs. We are of the view that the public's needs for cash are met when:

- The public and businesses have an adequate level of access to cash services, namely services enabling cash withdrawal and cash depositing, and change services ('change' refers to changing for different denominations of banknotes and coins);
- Businesses happily accept cash as their cash-related banking needs are met;
- The cash system is resilient in business-as-usual and crisis scenarios; and
- Subject to the above, the cash system is efficient.

The minimum cash services standard set out in our consultation paper is intended to be applied to banks. Our view is that banks have an obligation to provide cash services to their customers – this is a basic banking service they must provide as part of their 'social licence' to operate in New Zealand. It is also an essential element of banks' relationships with their customers who expect to be able to

¹ RBNZ Report #6336, Addressing NZ's cash system challenges, 12 November 2025 refers.

easily convert digital money into cash and vice versa. Moreover, banks derive significant benefits from cash including obtaining funding from customer balances held in zero (or very low) interest bearing accounts.

Public consultation on access to cash – Keeping Cash Local

We are asking the general public for feedback on our proposed minimum cash services standard to understand whether we have the right settings for an adequate cash service footprint across New Zealand. Feedback received will help guide our development of a cash services standard to apply to banks to ensure they provide the minimum level of service (or higher).

Proposed adequate access to cash standard

The proposed standards for cash services, as described in our consultation, are designed to ensure:

1. There are enough cash service sites across New Zealand to prevent lengthy queues.²
2. Most people living in an urban area will face only a walkable distance to free-to-use cash withdrawal, free-to-use cash deposit and free-to-use cash swap ('change') services.³
3. Most people living in a rural area will only face a reasonable driving distance to free-to-use cash withdrawal, free-to-use cash deposit and free-to-use cash swap ('change') services.⁴

The proposed standard centres around the concept that an efficient delivery of cash services could utilise multi-bank access, minimising the overall infrastructure needed, while ensuring local access is provided across New Zealand. However, it would remain up to banks to decide how to deliver the services in a way that meets the standard.

Alongside the substantive consultation paper on the proposal, we are also releasing materials covering:

4. Illustrative district-by-district maps showing examples of what the standard may mean in practice.
5. A technical paper setting out the benefits of cash.
6. An additional paper explaining our geospatial tool, quantifying the potential costs of the proposal to banks and examples of similar approaches taken overseas.
7. A copy of an external research report commissioned as part of the RBNZ-run community cash trials highlighting the role of cash in communities.

² In practice, the standard would say there must be at least 2.5 multi-bank, full-service cash sites per 10,000 people or the equivalent using partial service sites (partial meaning not all cash services or bank customers are accommodated at that site).

³ Here 'urban' refers to places where 1,000 or more people live in close proximity, while 'walkable' refers to no more than a 3km one way journey

⁴ Here 'rural settlement' refers to places where 200 to 999 people live in close proximity, and 'living remotely' refers to people not living in a rural settlement or urban area. 'Reasonable driving distance' refers to no more than a 15km one way journey for people living in rural settlements and no more than a 30km one way journey for people living remotely.

Next steps in our work programme


We will use the feedback to the consultation to help inform and refine our thinking on a cash services standard for New Zealand, including the appropriateness of our overall access metrics and whether/when variations to the standard may be needed.

Further consultation will also be needed to understand and assess the implementation options for such a standard. We will engage with industry to explore these implementation options. In the first instance we will begin conversations with banks on the potential for voluntary agreement to the standard. However, we consider it likely that some regulation will be required to implement the standard on an enduring basis.

This policy work to ensure adequate access to cash services forms part of our wider cash policy programme. We are also working with Treasury officials to provide advice to you on the case and scope for potential interventions to ensure the resilience of cash infrastructure, including possible regulatory interventions to support the functioning of cash-in-transit operations and the broader wholesale cash distribution sector.

Karen Silk

Signature



**Assistant Governor Money
Reserve Bank of New Zealand**

Attachment 1 – Keeping cash local: public consultation paper

Attachment 2 – Keeping cash local: implications for each district

Attachment 3 – Keeping cash local: technical paper (considering the benefits of cash)

Attachment 4 – Keeping cash local: additional background material

Attachments 1 to 4 are publicly available on the RBNZ website, at: <https://consultations.rbnz.govt.nz/rbnz/access-to-cash>