

Cameron Brewer
Chair of the Finance and Expenditure Committee
By Email: Cameron.Brewer@parliament.govt.nz
CC: fe@parliament.govt.nz

13/10/2025

Dear Chair,

I am writing to you regarding the Retail Payment System (Ban on Merchant Surcharges) Amendment Bill currently before the Finance and Expenditure Committee.

The issue of surcharge fees is not insignificant. I understand that some consumers may feel confused when a purchase costs slightly more due to the use of a contactless payment; these surcharges exist to offset the fees imposed on businesses by the payment method. This is a complex issue, and the challenge lies in ensuring fairness and transparency for both consumers and merchants.

To help maintain this fairness, I am proposing an amendment to make the ban applicable only to merchants that do not offer consumers a fee-free alternative mode of payment. This approach will support consumer choice by ensuring that they are not forced to pay a surcharge when there is no alternative available. It also acknowledges that retailers face legitimate and unavoidable costs in providing contactless or credit card payment options, and that it would be unfair to remove their ability to recover some of these costs when they do provide choice.

This approach will create a fair and adaptable system, encouraging businesses to provide a range of payment options while ensuring that regulation does not inadvertently hinder innovation within the banking and fintech industries. This would strike the appropriate balance needed.

I look forward to your response.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Parmjeet", with a long horizontal stroke extending to the right.

Dr Parmjeet Parmar MP

ACT Party spokesperson for Commerce and Consumer Affairs
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Parmjeet.Parmar@parliament.govt.nz