Open Banking in New Zealand

Preparing for the regulated system

August 2025

Contents

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Welcome

Kia ora and welcome

Kia ora and welcome.

Open banking in New Zealand is on the precipice of transitioning to a regulated environment.

With the regulated system becoming operational in December 2025, there are many organisations who want to understand how the system will work, what functionality will be available, and how they can participate.

We wrote this report for organisations who want to dive deep into the details. There are five key sections:

1. Introduction: A quick introduction to Akahu and the role that we play in New Zealand's open banking ecosystem.
2. Regulation: An overview of the incoming open banking regulation. This will become the long term environment for open banking in New Zealand.
3. Access options: An explanation of how to use the regulated open banking system as a direct participant or via an intermediary.
4. Product considerations: Practical recommendations for organisations that are interested in building products that use regulated open banking APIs.
5. Migration of existing activity: A snapshot of existing unregulated open banking activity in New Zealand that is facilitated by Akahu, and how the majority of this existing activity will migrate to the regulated open banking system by the end of 2026.

Please enjoy.

Comment from the Minister

Hon Scott Simpson

Minister of Commerce and Consumer Affairs of New Zealand

Te Kāwanatanga o Aotearoa
New Zealand Government

The Government is moving swiftly to ensure Kiwis will benefit from open banking by Christmas this year.

We're committed to shaking up the banking sector to give people more choice, better deals, and lower costs. Open banking is a big part of that.

We are leaving no stone unturned to drive more competition across the board. When banks are more competitive, all New Zealanders benefit.

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01 Introduction

What is open banking

Open banking is software that enables consumers to seamlessly exchange data between their banks and third party services.

The purpose of open banking is to give consumers control of their financial data, and to unlock competition and innovation in financial services.

Open banking is always the consumer's choice. The consumer decides whether there is value in linking their bank account to a third party service, and whether they trust that service with the access.

We estimate that over 1m consumers currently use unregulated open banking methods in New Zealand each year.

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Akahu's role in open banking

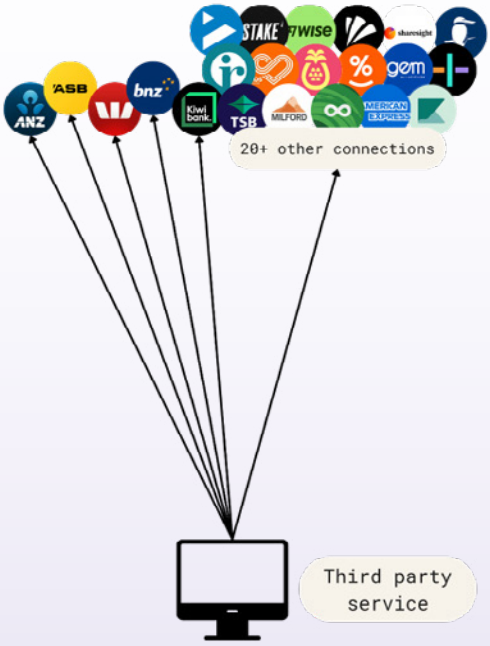
To harness open banking functionality, third party services need a way to exchange data with a user's bank. This data exchange happens via APIs, an acronym which means "application programming interface".

Many third party services use an intermediary to access bank APIs, instead of having their own internal team to manage the integrations. When using an intermediary, the third party develops and maintains an integration with the intermediary's single, unified API, rather than developing and maintaining integrations with APIs for each data source.

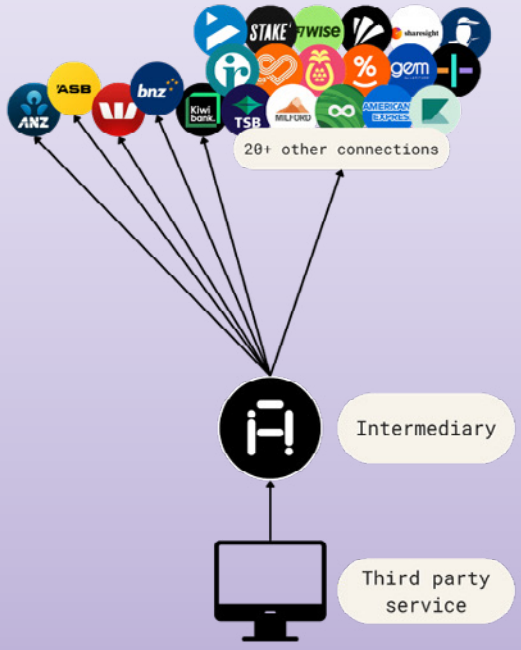
This enables the third party to outsource the "infrastructure layer", and focus instead on delivering value to users at the "experience layer".

Akahu is an open banking intermediary, focussed solely on integrations with New Zealand financial service providers.

Without an intermediary



With an intermediary



Akahu provides a range of API services to more than 75 government, corporate, and fintech organisations.

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02

Open banking regulation

In December 2025, a regulated form of open banking will become available in New Zealand.

Regulation will support the uptake of open banking in New Zealand by creating a consistent operating environment. The detailed rules that apply to accreditation, fees, liability, and API functionality will create an even playing field for innovators, and provide certainty to all participants.

Regulation can also provide participants with confidence regarding the performance of regulated open banking APIs. Most existing unregulated open banking services are interfacing with the APIs that power the web and mobile apps of the banks.

Given that these APIs are powering a bank's own products, banks are incentivised to ensure that they work well and don't suffer from outages. Regulation can help to ensure performance "equivalency" between a bank's internal APIs, and the regulated open banking APIs that are available to third parties.

And most importantly, regulated APIs will enable consumers to log in directly with their bank to grant access to a third party, removing the need for credential sharing.

This section describes details of the incoming open banking regulation.

Hon Scott Simpson addresses the audience at the Open Banking Summit hosted by Akahu and Chapman Tripp in Auckland on 2 July 2025

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The Customer and Product Data Act

The **Customer and Product Data Act** (the "Act") was passed into law in March 2025.

This Act is an economy-wide legislative framework that enables different sectors to be "designated" over time through secondary regulation.

Luke Ford addresses the audience at the Open Banking Summit hosted by Akahu and Chapman Tripp in Auckland on 2 July 2025

Designation of specific sectors

If a sector is designated, secondary regulations will be developed to set out detailed rules such as:

- The data holders in that sector who are required to comply with the regulation.
- The types of data that must be made available by each data holder.
- The timeframes for compliance with the regulation.

The Ministry of Business, Innovation and Employment ("MBIE") is currently **developing** secondary regulation that will apply to the banking sector. **Some details** have been released, and more details will be released before the end of this year.

MBIE is also **exploring** the potential to designate the electricity sector. Other sectors are expected to be designated over time.

Key dates

The largest five banks in New Zealand will be required to comply with the banking sector designation.

At some point it is expected that smaller banks will be required to meet the same regulatory requirements, but there is no certainty or timeline yet.

December 2025	ANZ, ASB, BNZ, and Westpac are required to provide an account information API and payment initiation API to accredited third parties.
June 2026	Kiwibank is required to provide a payment initiation API to accredited third parties.
December 2026	Kiwibank is required to provide an account information API to accredited third parties.
Unknown	Other New Zealand banks.

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API functionality

The regulation will require banks to deliver the following API services:

- **Account information API:** This will enable users to share personal information, balances, transactions, and a range of other information that is held by their bank.
- **Payment initiation API:** This will enable third party services to initiate payments from a bank account that has been selected by the user.

API standards

Payments NZ is a company that is owned by the major New Zealand banks. It has been **working on** open banking standards since 2017. In 2019, a dedicated business unit called API Centre was established to continue this work within Payments NZ.

Banks will be required to deliver account information and payment initiation APIs that conform to the standards that have been developed by Payments NZ.

Version 2.3 is the specific version of the APIs that will be required by the initial regulation.

Ongoing standards development

The Act allows for specific functions of the open banking regulations to be delegated. We consider it likely that the API Centre will be granted delegated authority under the open banking regulations to continue the development of open banking standards for New Zealand.

We expect that the regulation will require the delivery of more advanced versions of the API standards over time. For example, we expect that the regulation will require the delivery of **version 3.0** by some time in 2026.

Over the medium term, we think there is a reasonable chance that standards development will be re-allocated to a Crown-owned entity, which would have responsibility for developing API standards for all sectors that are designated under the Act.

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03 Options for accessing the regulated open banking system

There will be two options for accessing the regulated open banking system – becoming a direct participant, or using an intermediary service. These two options are explored below.

Option 1: Direct participation

Accreditation

Access to regulated open banking APIs will be restricted to "accredited requestors". Each accredited requestor will take on the full range of obligations that apply to direct participants in the system.

MBIE is the organisation that will manage the accreditation process. We expect that MBIE will open the accreditation process during the last quarter of 2025.

Full accreditation details have not yet been released. However based on high level details that have been shared to date or developed through the API Centre, we expect that accreditation will include the following requirements:

Requirement	Description
Initial accreditation fee	A one-off fee to apply to become an accredited requestor.
Annual accreditation fee	An annual fee to retain accredited requestor status.
Annual levies	An annual levy to contribute to the funding of the regulated open banking system.
Insurance	Insurance cover to meet obligations that will be described in the regulations.
Security	Adequate safeguards to protect data that is collected via the regulated system. We expect that the requirements will reference international standards such as SOC 2 and ISO 27001.
Key people	Assessment of character and compliance history.
Organisation	Assessment of business type, organisational structure, and compliance history.

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Operational requirements

Accredited requesters will also have a range of operational requirements when using the system as a direct participant.

Requirement	Description
Build and maintain integrations	Develop and maintain integrations with each bank, including upgrading to new API versions that are released over time.
Certificates	Purchase and renew certificates that are required as part of the authentication process when accessing regulated open banking APIs.
Consent disclosure	Ensure that user consent information meets prescribed disclosure requirements.
Consent management	Provide an interface for users to view and revoke any ongoing consents.
Consent notifications	Ensure that users are notified about ongoing consents in accordance with the regulation.
Record keeping	Retain specified records about each request.
Complaints	Provide a complaints management process that meets the regulatory requirements.

Option 2: Using an intermediary

Accreditation

If you decide to access the regulated open banking API via an intermediary like Akahu, then you will not be required to meet the accreditation requirements that are described in the section above.

Operational requirements

The operational requirements described in the section above will be obligations for Akahu as a direct participant in the regulatory system.

Akahu will deliver all of these operational requirements, meaning that it would be optional for you to replicate any of those services within your product.

However if you choose to use a different intermediary to access regulated open banking APIs, that intermediary service may choose to pass through obligations such as consent disclosure requirements, consent management, and consent notifications. If so, you would need to consider the resources involved with developing, maintaining, and operating those services.

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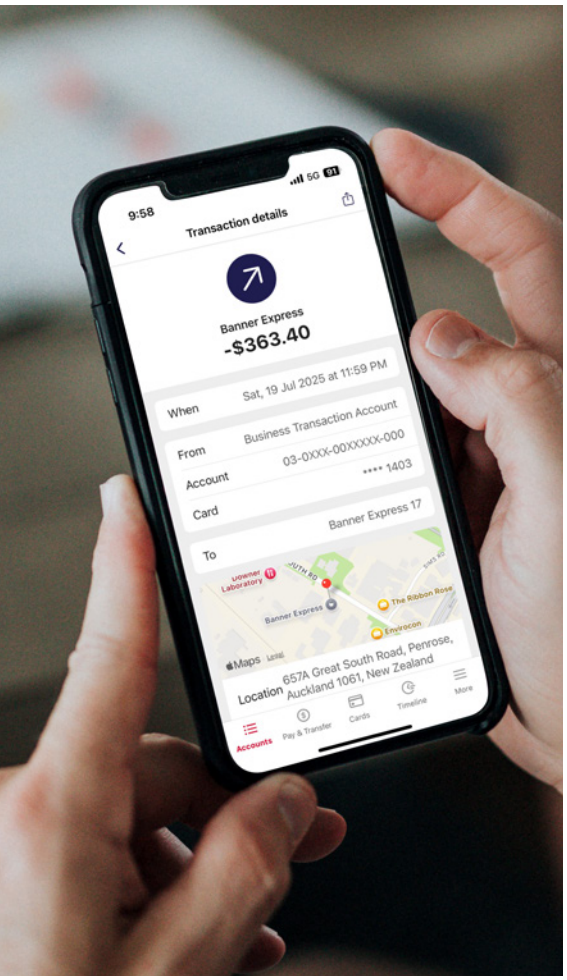
Related services

If you're developing a product that relies on bank account connectivity, there may be related services that are required such as those outlined below.



Service	Description
Coverage	As described in section 2, the regulated open banking system will initially provide coverage for consumers who hold accounts with ANZ, ASB, BNZ, and Westpac. Kiwibank will join this group by the end of 2026. If your product requires broader coverage, such as coverage of the smaller banks, non-bank card issuers, KiwiSaver providers, investment platforms, or fintechs, then an intermediary may be able to provide this type of **additional coverage**.
Data enrichment	The raw data available via open banking APIs typically requires **significant extra processing** before it becomes useful for use cases such as loan applications, accounting and tax solutions, and personal financial management tools. An intermediary may offer services to transform the raw data into a consistent format across all connected accounts, classify transfers within the dataset for a relevant user, and categorise income and expenses. For example, Akahu automatically categorises over 90% of transactions processed via card scheme, EFTPOS, and direct debit.
Ancillary services	An intermediary may offer ancillary services that are relevant to many open banking-enabled products, such as **name verification** and **confirmation of payee**, which may reduce the engineering resources that are required to use regulated open banking APIs.

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Comparing the options

In other countries, the majority of traffic to open banking APIs is facilitated by intermediaries. For example:

- UK: More than 50% of open banking traffic is facilitated by a single intermediary called TrueLayer[1].
- US: 1 in 2 adults have used a single intermediary called Plaid[2].
- Australia: More than 160 organisations use the open banking system via an intermediary[3].

The questions described below can help to compare the two options for your organisation.

Ask yourself	If yes
Are data integrations with financial service providers a long-term moat for our product?	Direct participation
Are we comfortable with the direct and indirect costs of being accredited and maintaining direct integrations with each bank's API?	Consider both options
Do we need coverage beyond major banks?	Intermediary
Do we want to ship in weeks, not months or years?	Intermediary
Do we want to build features rather than plumbing?	Intermediary

[1] https://truelayer.com/reports/open-banking-guide/what-is-open-banking
[2] https://plaid.com/how-we-handle-data/
[3] https://www.cdr.gov.au/find-a-provider?page=1&providerType=CDR%2520Representative

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04 Product considerations

This section contains important insights and considerations for using regulated open banking APIs.

Some subsections are specific to using Akahu as an intermediary, and others are relevant regardless of whether you choose to be a direct participant in the regulated open banking system or use an intermediary.

Provider coverage

Banks that provide official open banking APIs

Akahu has historically facilitated the connection to financial accounts using proprietary, reverse-engineered integrations. We refer to these as “classic” connections.

The four largest New Zealand banks have started to make open banking APIs available to selected third parties. We refer to these as “official” open banking APIs, since they have been specifically designed to be used by third parties. Currently, each bank controls access to its official open banking API, and controls the terms of access through a custom contract.

But from December 2025, any accredited entity will have a right to access these official APIs, and the regulation will govern the terms of access. We refer to official APIs as “regulated APIs” when they are accessible through the regulated open banking system rather than pursuant to a contract with the relevant bank.

Akahu develops new integrations with official open banking APIs as they are made available by each bank. Early versions of the APIs have limited functionality and performance. But as the functionality and performance improves, we will be able to migrate more of our existing traffic across to these official open banking APIs.

The decision of when to enable official open banking connections for your product can be made on a bank-by-bank basis. This allows you to opt in to a particular bank’s official open banking API as soon as it meets the needs of your product without having to wait for other banks to be ready.

We aim to migrate all traffic to official open banking APIs by the end of 2026 (where such APIs are available from a given bank).

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Banks that do not provide official open banking APIs

Over the coming years, Akahu will continue to **support integrations** with financial service providers via a combination of regulated APIs, official APIs, and classic connections.

Where regulated and official APIs are available and viable for a given use case, Akahu will migrate traffic to those APIs. But not all financial service providers will deliver official APIs in the near term, and therefore other access methods will remain important for many use cases.

To make it simple for existing Akahu API customers to start using official open banking APIs, Akahu is integrating with these new APIs in a way that causes minimal breaking changes. This means that, for the most part, you can continue to interface with Akahu in the way you currently do. If there are any breaking changes, or implementation details to consider, we will communicate these matters with you and provide **documentation**.

See section 5 of this report for more information on migrating to official APIs.

Account coverage

Official open banking APIs

The regulations will require coverage of transaction, saving, credit card, and loan accounts.

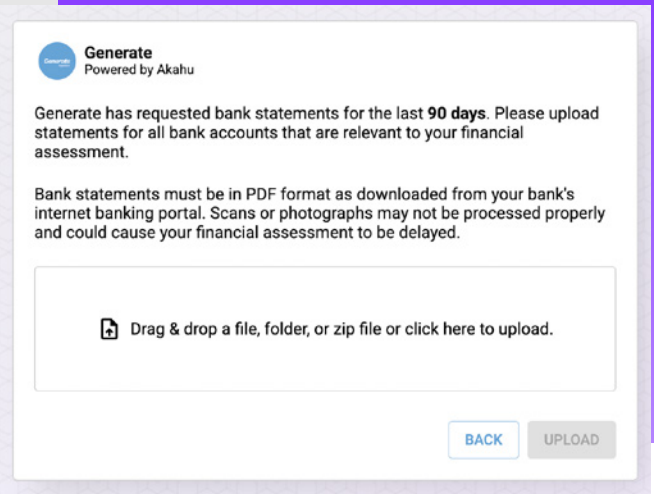
We expect that there will be some variation in how banks will interpret these account coverage requirements. For example, some banks may choose to not provide coverage of KiwiSaver accounts with their official open banking API.

If your product needs coverage of accounts that are not supported through official open banking APIs, then you may want to consider other data sharing options that are described below.

Classic connections

You could provide your users with extended coverage by using Akahu's classic connections.

The downside is that these connections require credential-sharing in order to create the connection, but the advantage is that your users will have full coverage of their financial accounts.



An example of PDF upload to support an assessment of financial information

PDF uploads

For some use cases, you may only need a point-in-time snapshot of your user's data. In these scenarios, we think it's worth giving your users a way to manually upload data like PDF bank statements.

Akahu's PDF processing system can extract the data from those uploaded files, transform it into the same format as data that has been retrieved from an official open banking API, add the normal enrichment to the data, and then serve that data back to your system via API.

This process is common for use cases like loan applications and KiwiSaver financial hardship applications.

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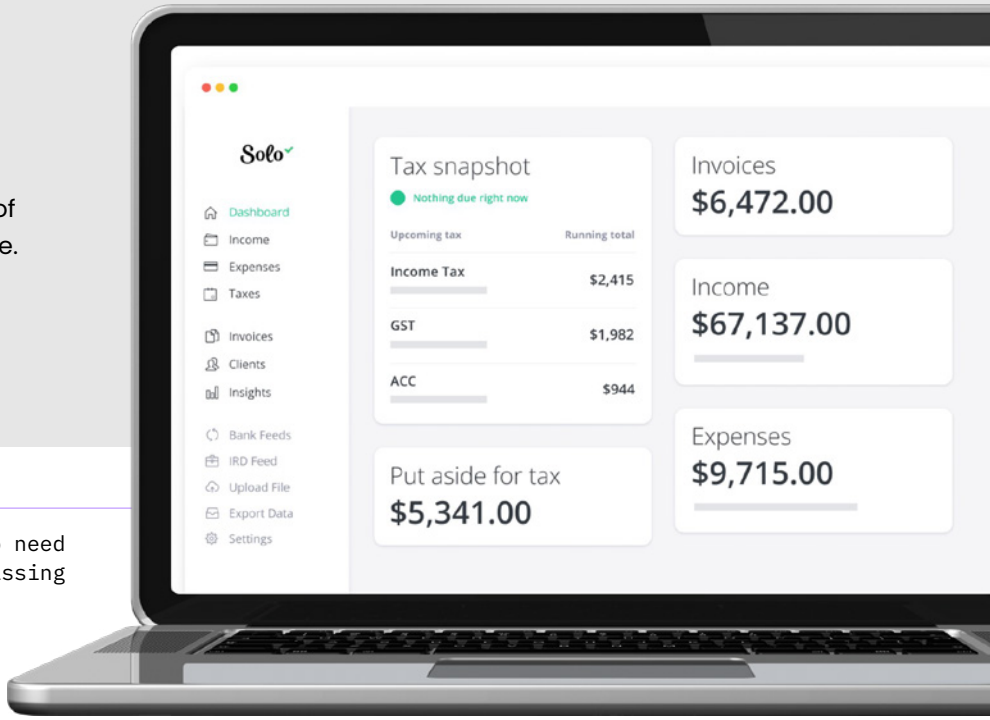
Working with transaction data

Building a product using ongoing feeds of transaction data requires significant care. The main challenge is the accurate synchronisation of data from the bank's system into your product.



Accounting and tax solutions like Solo need to ensure that transactions are not missing or duplicated

Transaction identifiers

Unlike most other data resources you might access via an API, bank transactions don't come with a unique and immutable identifier.

While the API standards include a TransactionId field, this is not a mandatory field and we haven't yet seen the banks provide IDs consistently from their official open banking APIs.

Without unique, immutable identifiers, it's difficult to reconcile the transactions that have already been ingested into your system against any new transactions that you receive from the bank's API.

Akahu addresses this issue through a comprehensive and battle-tested reconciliation process. This enables us to assign an identifier to each transaction, regardless of whether it has been sourced through a classic connection or an official open banking API.

Resolving this issue at the infrastructure layer means that you can focus on building your product rather than wrangling data. When something changes, for example when a transaction description gets updated, we send a webhook notification so that your product can pick up that change as soon as it takes place in our system.

Updating your transaction data in-place will also keep your users happy, since you won't erase work they've already done to attach metadata to transactions within your product, such as adding notes, assigning accounting codes, or assigning budget categories.

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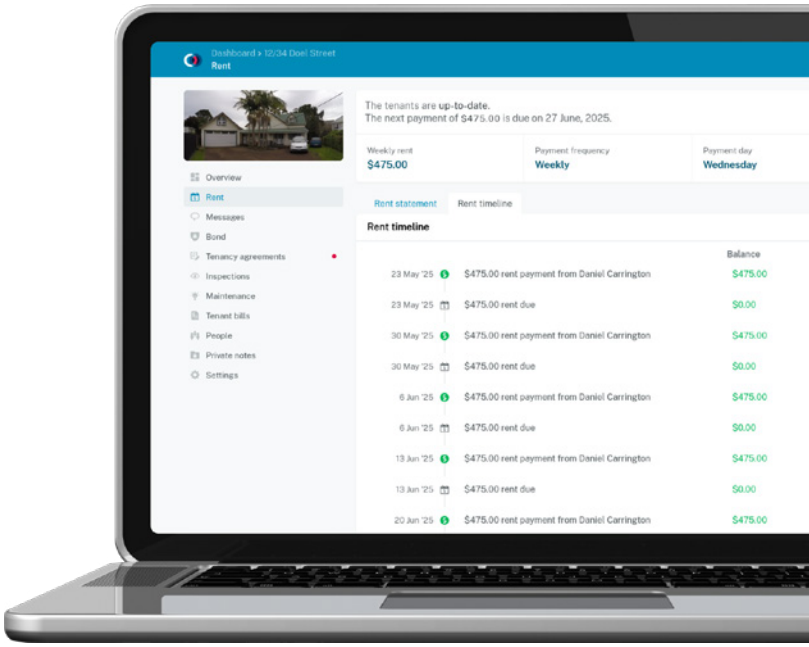
Pending transactions

Another difficulty with bank transaction data is that you can't rely on the immutability of individual transactions.

Over time, the details of a transaction can be updated in bank systems. This is particularly true for transactions that are still "pending", which is often the case for card scheme transactions. But changes can even occur once a transaction has "settled".

At Akahu, we have an entirely separate process for dealing with pending transactions due to their extreme volatility. We recommend that you completely rebuild your local copy of pending transactions each time you query them from Akahu.



Reconciliation features, as shown in MyRent above, need to be completely trusted by the user in order to be useful

Enriching transaction data

All data-driven products need high quality data. If you don't have high quality data flowing in, you're going to spend the majority of your time fixing data issues rather than building your differentiated features.

Official open banking APIs will only ever facilitate access to basic transaction data. These basic bank transaction details can be messy and often cryptic. For example the transaction below would not be intuitive for most consumers.

That's where data enrichment comes in. This is another service that makes sense to be done well at the infrastructure layer, rather than each organisation building its own enrichment service.

Open banking transactions accessed via Akahu come enriched with additional insights about each transaction that aren't present in the basic data, such as the merchant's unique ID, trading name, logo, and category.

This means that you (and your users) can easily understand that the transaction below relates to Chemist Warehouse in Birkenhead.

If you source your transactions another way, such as via manual upload from your users, you can still enrich them using our standalone **Genie** enrichment API.

Unique ID	???
Details	CW Birkenhead Auckland NZL
Amount	-16.99

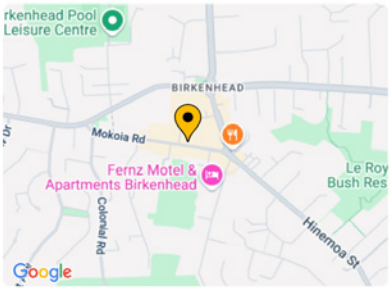
Chemist Warehouse Birkenhead
Pharmacies

Website
https://www.chemistwarehouse.co.nz/

Phone
09 941 4924

NZBN
9429047745124

Address
Shop 29 & 30, Highbury Shopping Centre Corner Highbury Bypass & Birkenhead Avenue, Birkenhead, Auckland 0626, New Zealand



An example of how the key transaction details available from official open banking APIs can be enriched to make the data more useful

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Other data processing requirements

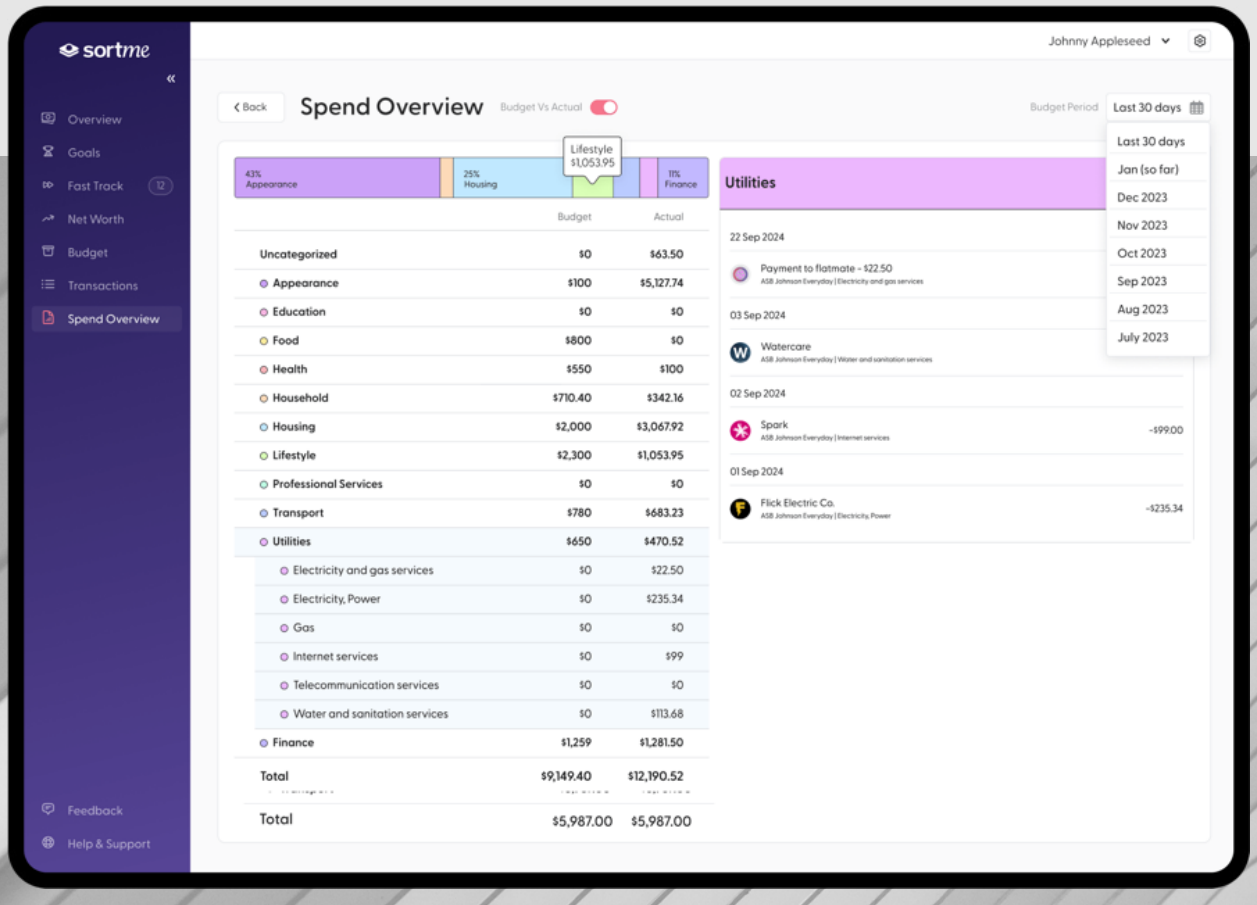
Most consumers use financial products from multiple service providers, so your product may need to combine data from different sources. For example a large proportion of home loan applications processed via Akahu include accounts spanning multiple banks and non-bank financial service providers.

When using transaction data to assess affordability for lending, it's critical to net out transfers within the application dataset, including those between different providers. Failure to do this accurately will cause the transfers to artificially inflate the applicant's income and expenses.

Many products will also need the incoming and outgoing transactions to be categorised, to enable automated processes like assignment to a chart of accounts, assignment to budget categories, income verification, and assessment of essential and discretionary spending.

If you would like to discuss data enrichment and processing in more detail, please contact our team.

With personal financial management products like SortMe, transfer detection and expense categorisation are critical



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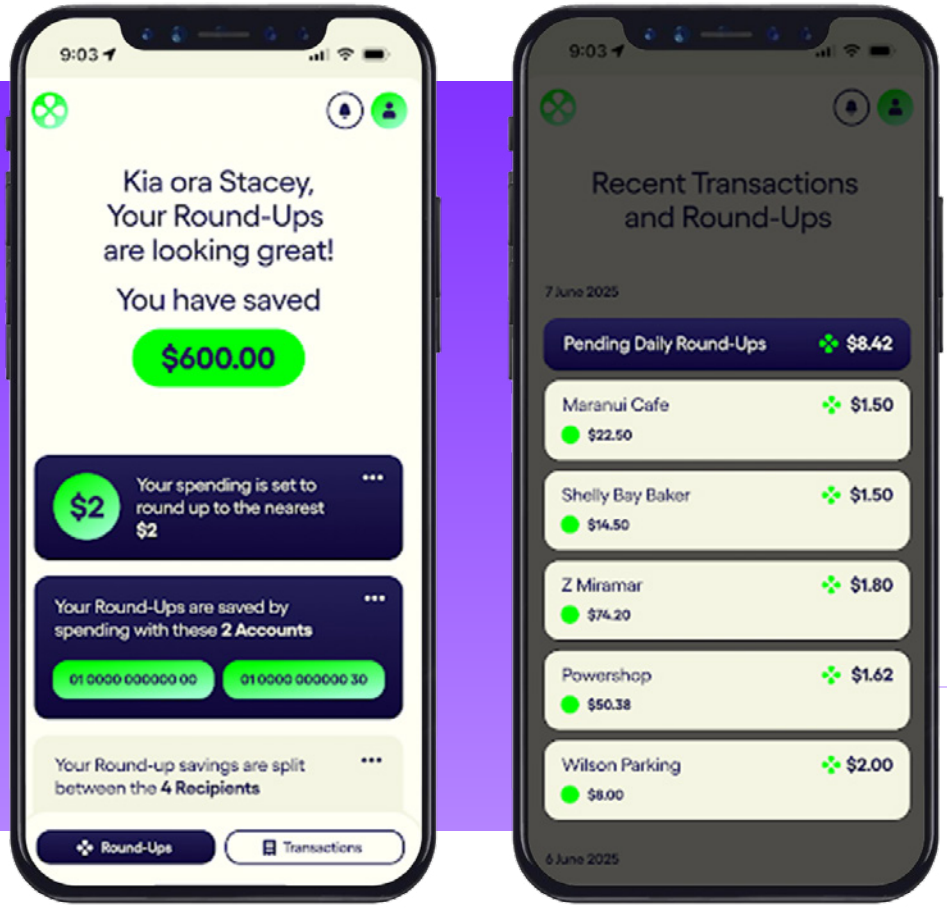

Feijoa is an example of an app that requires both open banking payments and account information

Separate consents

Most products that use open banking payments also make use of account information to some extent. For example:

- You may want to request bank account and holder information alongside a payment initiation consent to in order to simplify AML onboarding for your users.
- You may want to display details of your user's connected accounts in your product so that your user can easily identify which account they want to pay from.
- You may want to display the balances of your user's connected accounts in your product so they don't need to leave your product in order to check their balance in their bank's app.

These uses of data can give open banking payment experiences a level of polish that you can't achieve with other payment methods, but they require access to account information to make that possible.

Going beyond simple payment scenarios, the combination of payments and account information opens the door to a broad range of innovative financial automation features.

For example, Feijoa is a round-up savings app that automatically rounds your spending up to the nearest dollar amount (or more), and then periodically sends the round-ups that have accumulated to your KiwiSaver, turning your spending habit into a savings habit.

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Feijoa needs an ongoing feed of transaction data to calculate the round-ups, and an ongoing payment consent to automate the payment of your accumulated round-up amount from your bank account to your KiwiSaver account.

One constraint with the official open banking APIs is that they treat an account information request and a payment initiation request as separate consents. So unlike through classic connections, there is no way to bundle the full request into a single consent flow for the user.

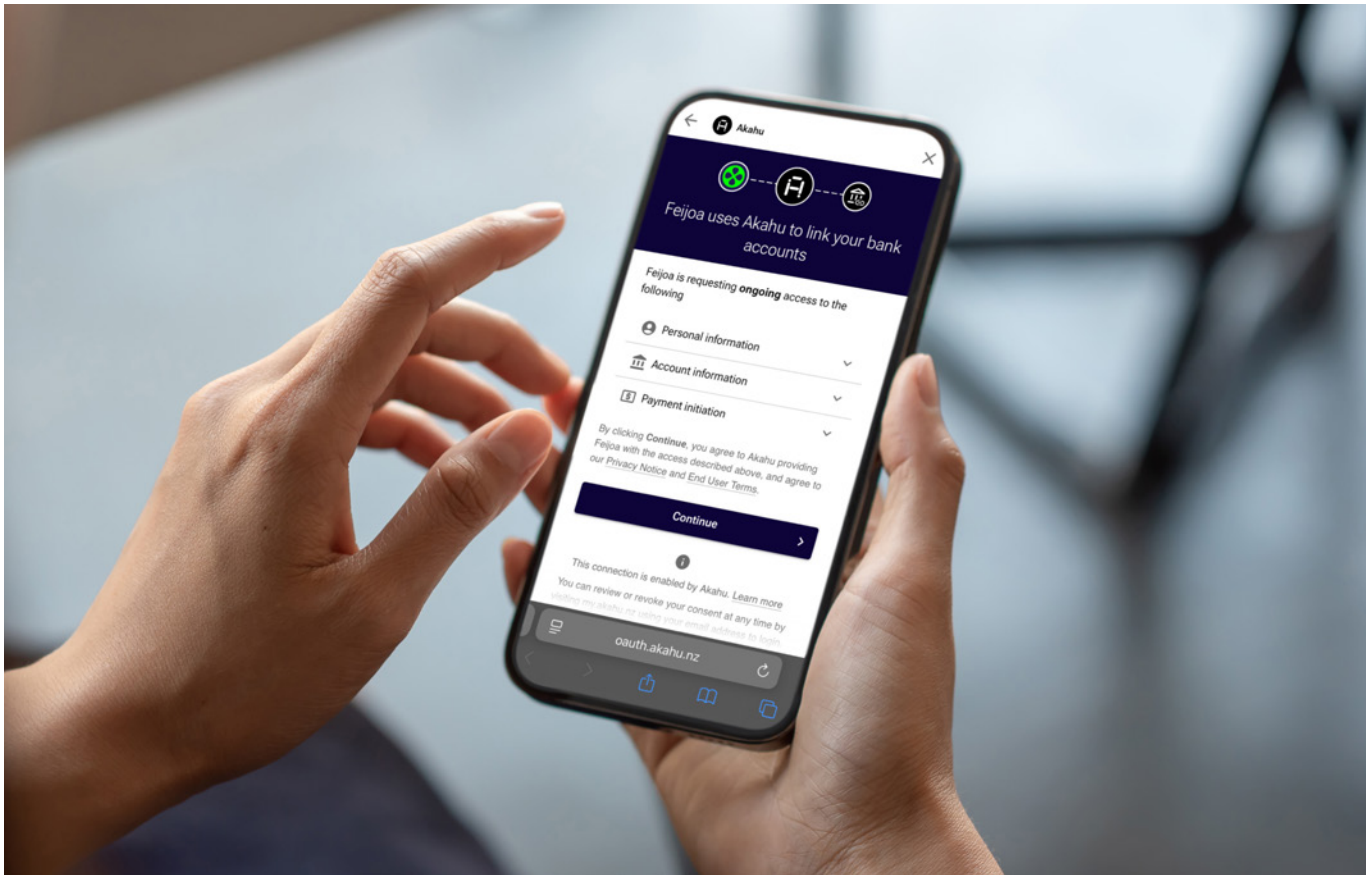
This constraint requires careful handling to try and avoid your users getting stuck when granting access to both data and payments.

If you're planning to be a direct participant in the regulated open banking system, this is a process that you'll want to consider carefully, as there are plenty of opportunities for the user to get lost part way through and end up in a partially complete state.

If you are using Akahu, we handle this duplicated consent process for you. We first guide the user through the account information consent journey for all of the bank accounts that your user wants to connect. Then we guide your user through the payment initiation consent journey for each relevant account. Payment consents require a separate authorisation per bank account, so this may need to be repeated multiple times.

Looking forward, we're advocating for this issue around separate consents to be resolved through future versions of the API standards. This would enable user consents to be "bundled" to make the experience simpler and easier to complete.

With classic connections, a single consent can cover both payment initiation and account information



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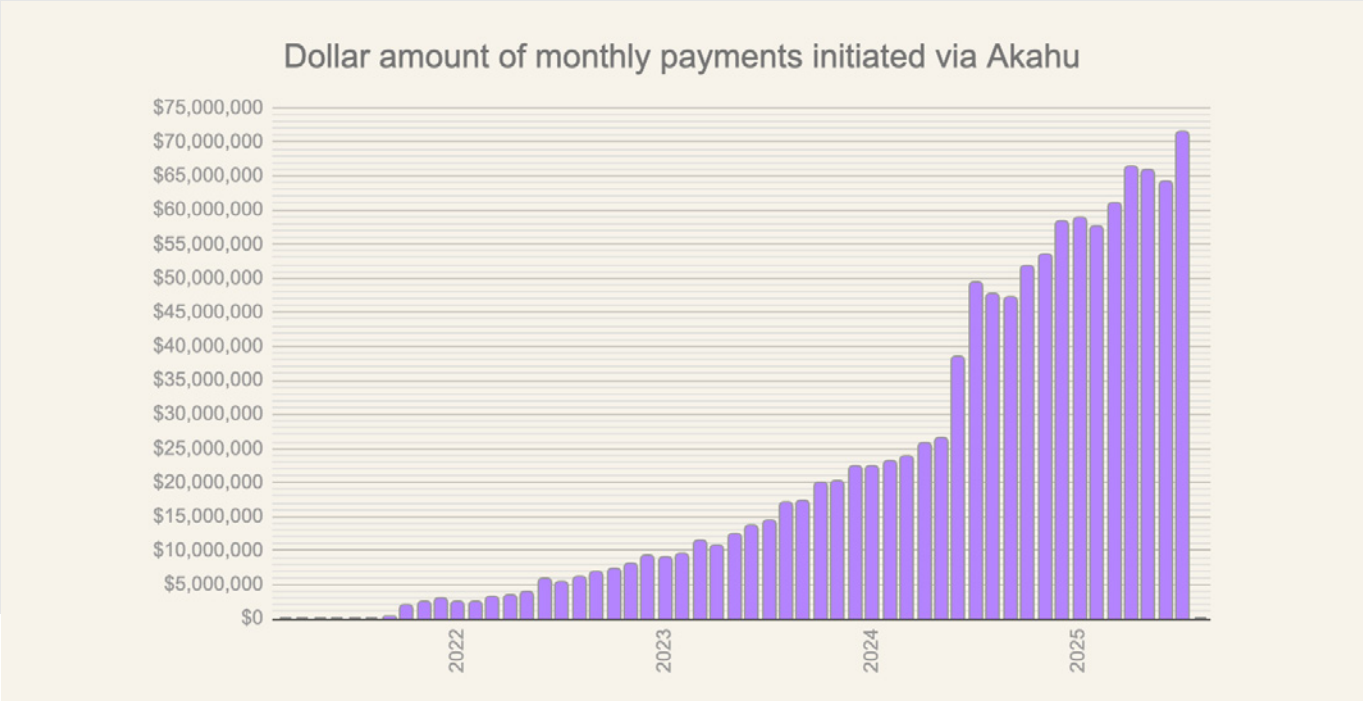

Open banking payments

Overview

We've been talking a lot about account information in the sections above. This section is specifically about payments.

Open banking payments have grown consistently as shown in the chart above.

One characteristic that is distinctive about open banking payments is that the average transaction value is high compared to other channels.

Average transaction amount	
Credit / debit card [4]	$55
Open banking payments via Akahu [5]	$2,022

This is partly because open banking payments don't typically have a variable cost component, so this payment method becomes more attractive against other options, such as cards, as the value of a transaction increases.

Tax payments are a good example where the amount is often high. In the UK, HMRC enables tax payments through open banking, and this has become an important use case for the UK open banking system, with over £12B of tax payments made via open banking during 2024. Other high value use cases include payroll payments and the funding of investment accounts, neither of which can viably use card scheme payments due to the high transaction costs.

However, the benefits of open banking payments are not limited to high value transactions. Akahu API customers are using open banking payments across a whole spectrum of use cases.

At the low dollar-amount end of the spectrum, open banking payments unlock value for users by providing a cost-effective means to move small amounts of money on a frequent basis. This is a critical feature for financial automation tools. Other examples include peer-to-peer payments, low-value retail purchases, and subscription services like gym memberships.

[4] https://www.stats.govt.nz/information-releases/electronic-card-transactions-april-2025/

[5] Payments processed by Akahu during July 2025

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Embedded payment functionality

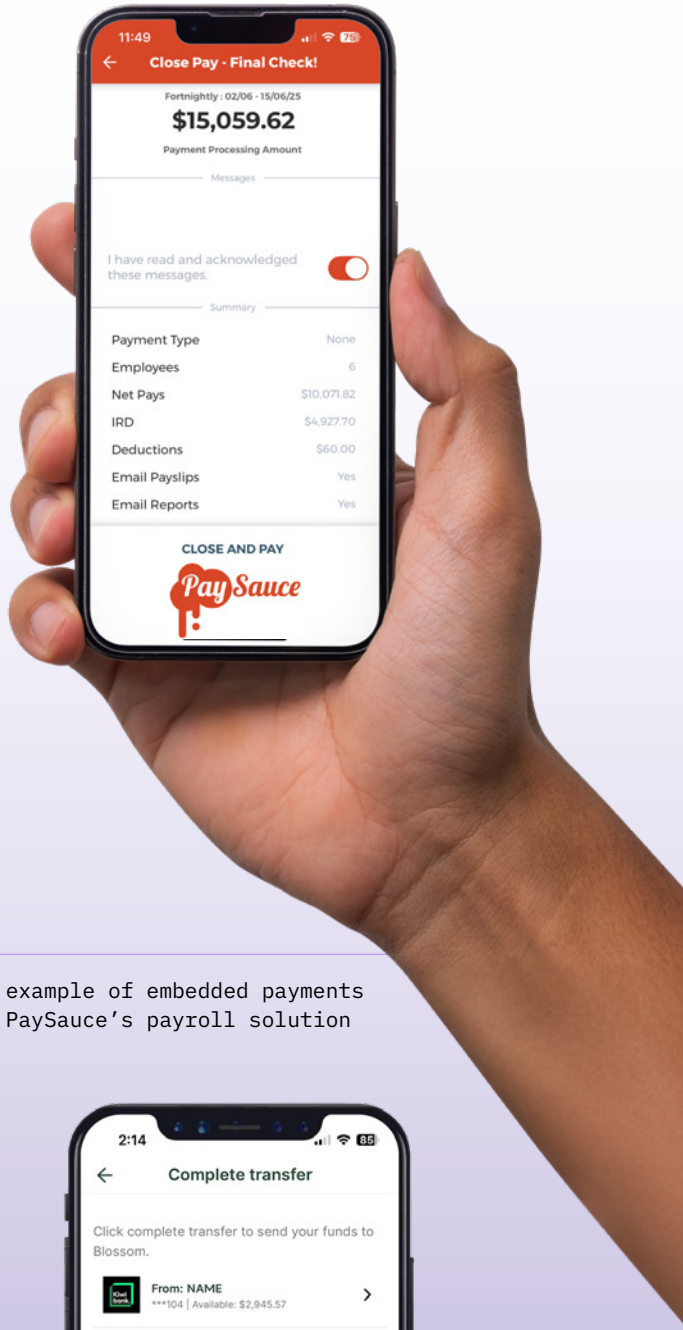
The challenge for open banking payments is to enable a payment experience that can compete meaningfully with cards. That is a hard ask, because cards are ubiquitous and simple to use.

The closest you can get to matching the convenience of cards is through Open banking payments via Akahu. You could think of this like linking your bank account to an app as a payment method, instead of linking a card.

We've all experienced the ability to add a payment card to an app like Uber, and then payments just happen magically in the background.

An open banking enduring payment consent can enable your users to link a bank account in a similar way, matching the convenience of cards.

This is a reason why open banking payments are being used by payroll services. Previously, the user would need to leave the payroll service to process payments by uploading a batch file to their bank – a process that is clunky and error-prone. With an enduring payment consent, payments can instead be initiated from within the payroll service, making it fast and simple for the user.



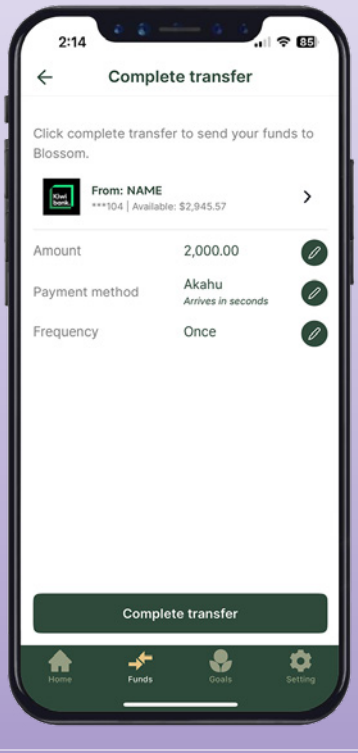
An example of embedded payments in PaySauce's payroll solution

Immediate processing

One of the issues with direct debits and direct credits is that it takes hours or days to know whether your user has successfully paid you. This involves waiting until the funds have arrived in your bank account and have been reconciled, or waiting until you get the result from the direct debit batch.

In contrast, open banking payments are processed immediately, and you receive a terminal status for the payment within seconds.

This can give you the confidence to release the goods or services that your user is purchasing. Or if you offer a service like an investment platform, you may decide to credit your user's account immediately so they can carry out their intended trade while they're still in your app.



Caption: Blossom is an investment platform that uses open banking payments to enable users to fund their accounts immediately

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Payment limits

The regulated open banking system will prohibit banks from setting payment limits for regulated APIs that are less than the limits of that bank's online channels.

It's worth considering whether those limits will be high enough to work well for your product. For example if your product enables tax payments like in the UK, those payment amounts may be too high for regulated APIs.

Payment limits for the largest four banks are expected to become clear when the regulated system becomes operational in December 2025. We'll continue to publish **known payment limits** in our developer documentation.

Maximum payment amounts

One of the nuances of the API specification is that the maximum payment amount must be prominently disclosed to the user at the time of setting up an enduring payment consent.

This is different from other payment methods like cards and direct debits, where there is no equivalent disclosure requirement.

If you're requesting an enduring payment consent for variable amounts – for example if you're an energy retailer where the amount will vary month-to-month, or you're an investment platform where the user will fund their account with different amounts over time – then you'll need to set a high limit in the consent to allow for this variability.

However, that prominent disclosure may be confronting for the user when they see a high number on the consent.

We'll be keeping an eye on this issue to see if it prevents user uptake, and if so, we'll be advocating for a change in the specification to align better with other payment methods.

Pay-anyone consents

The standards require that the payee(s) are specified at the time of the enduring payment consent.

However, there are lots of use cases where the payees will change over time or can't be known upfront. For example, a business using a payroll service will pay different employees over time, and doesn't want to have to create a new consent each time there's a change.

If your product would benefit from a more flexible payment consent, there is an alternative that may be worth considering, which involves splitting the payment into two legs. First, your user grants an enduring payment consent to a trust account that you manage so that all payments are initiated to that account. Second, you pay out from the trust account to the intended recipient.

This structure makes the payment experience seamless for your users, but comes with two important considerations:

- The two-leg approach will slow down settlement, so it may not be suitable for some scenarios that require fast settlement.
- You still need to solve the problem of disbursement from your trust account to the intended recipient. This could be done via batch processing with your bank, or via a classic Akahu connection with your bank (which enables a pay-anyone consent for your trust account).

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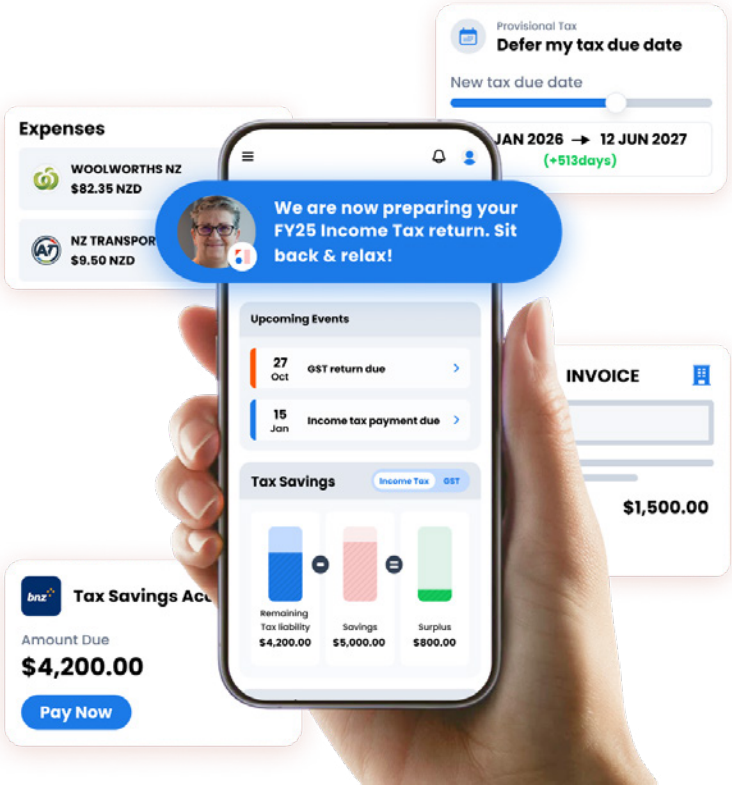
05 Migration of existing open banking activity

Many services already support bank account connectivity through unregulated open banking methods. These services will need to consider how to migrate from classic connections to official open banking APIs as they become available from each bank.

This section describes some of the existing products that currently use unregulated forms of open banking, and finishes with recommendations on how to handle that migration.

Accounting and tax solutions

Cloud-based accounting solutions use open banking to automate the ingestion of transaction data from an organisation's bank account. Xero and MYOB are household names in New Zealand, and there are a range of others like Solo, The Access Group, and Afirmo.



Afirmo automates accounting and tax for small businesses

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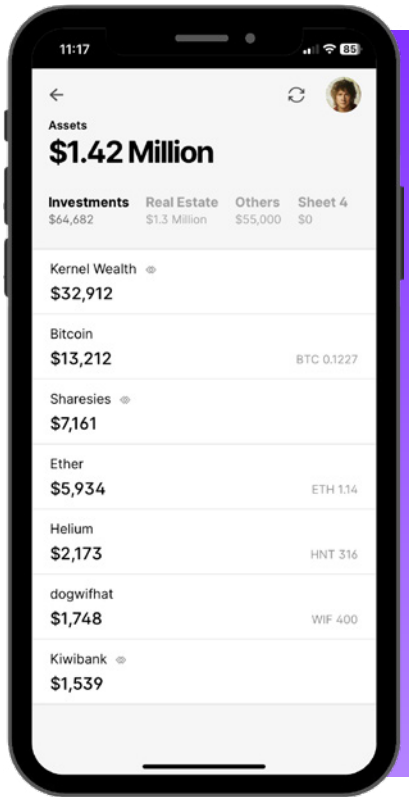
Personal financial management tools

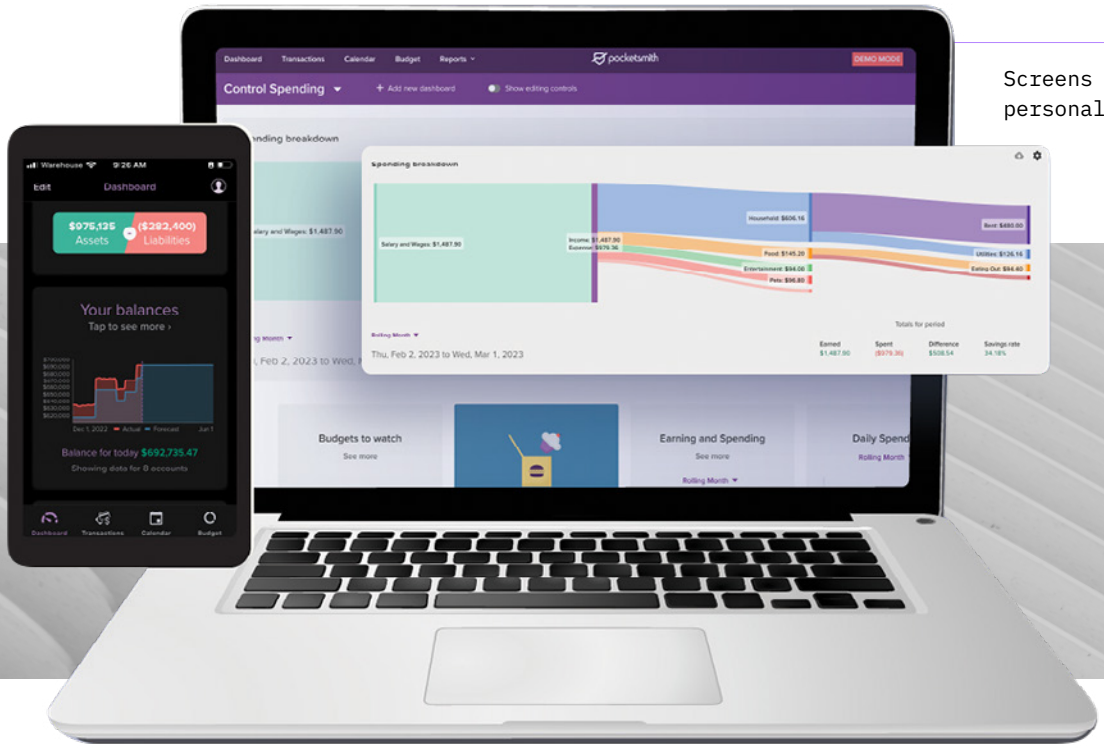
Consumers often use a range of different service providers for banking, KiwiSaver, credit cards, Buy Now Pay Later, loans, investment funds, and share trading.

Using open banking, personal financial management tools will typically enable a user to aggregate data from these disparate accounts into a single view, giving the user full visibility of their finances and the ability to track net worth over time.

Some personal financial management services also provide budgeting tools. Using open banking, these tools will typically ingest historic transaction data from connected bank accounts, so that a historical and forward-looking budget can be automatically generated. Then as new transaction data flows from connected financial accounts into the budgeting tool each day, the user can automatically track against this budget.



Kubera's view of balances from aggregated financial accounts



Screens within PocketSmith's personal finance dashboard

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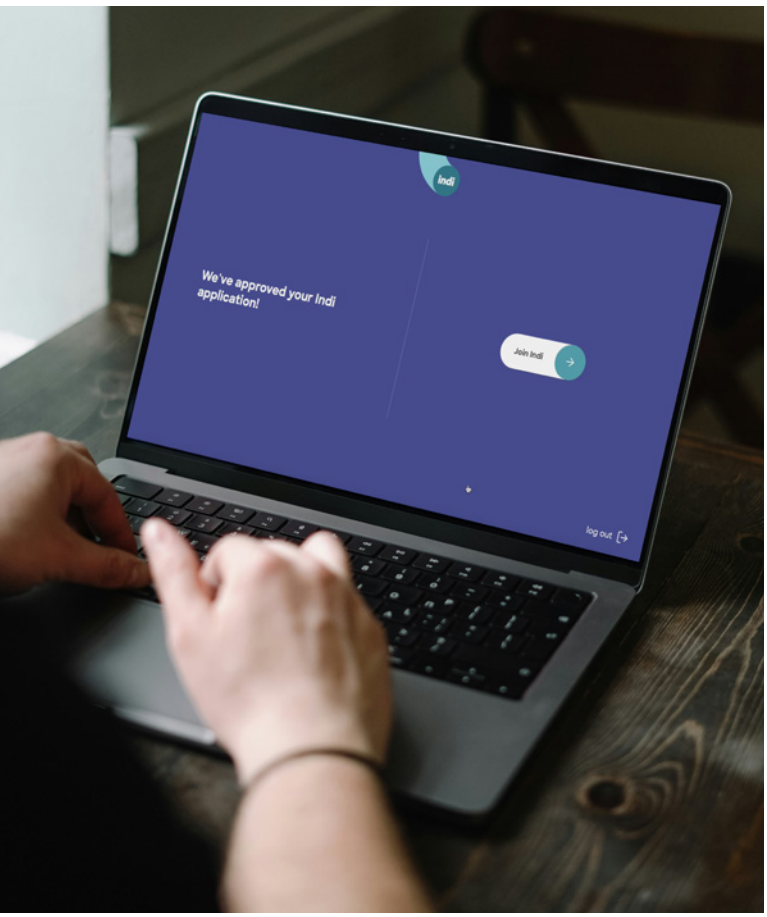

Indi is a non-bank lender offering a low floating rate, and makes fast approvals using high quality data and automated decisioning

Loan applications

Automating applications

When an applicant applies for a loan, the lender is required to assess whether the applicant can afford that loan. The lender will typically verify the applicant's income, verify the details of any existing loans, and understand the applicant's essential and discretionary spending.

If the applicant is filling out a digital loan application form, and manually inputting the estimated spend amounts in categories like insurance or groceries, it can lead to inaccurate inputs and abandonment of the process.

Open banking enables the applicant to link their bank accounts so that the lender can fetch relevant data and prepopulate those form fields. This makes the application process much faster and more accurate.

PDF processing

A minority of applicants prefer to manually share bank statements to support their loan application. We see this through **Akahu Apply**, a product which was purpose-built to optimise loan application processes.

Applicants can share data by uploading PDF bank statements or through open banking connections. Regardless of how the applicant chooses to share their data, the application dataset is joined together to detect transfers, enriched to categorise income and expenses, and then output in various formats to make decisioning fast and accurate.

"Just wanted to let you know that we've started using Akahu Apply and it's brilliant – [other provider] on steroids. We've even thrown bank statements already received via [other provider] into Akahu because Akahu gives us a faster result and surfaces better info. Yes, that's paying for data twice but when it saves my team an hour per app, who cares!"

– Campbell Hastie, Hastie Mortgages

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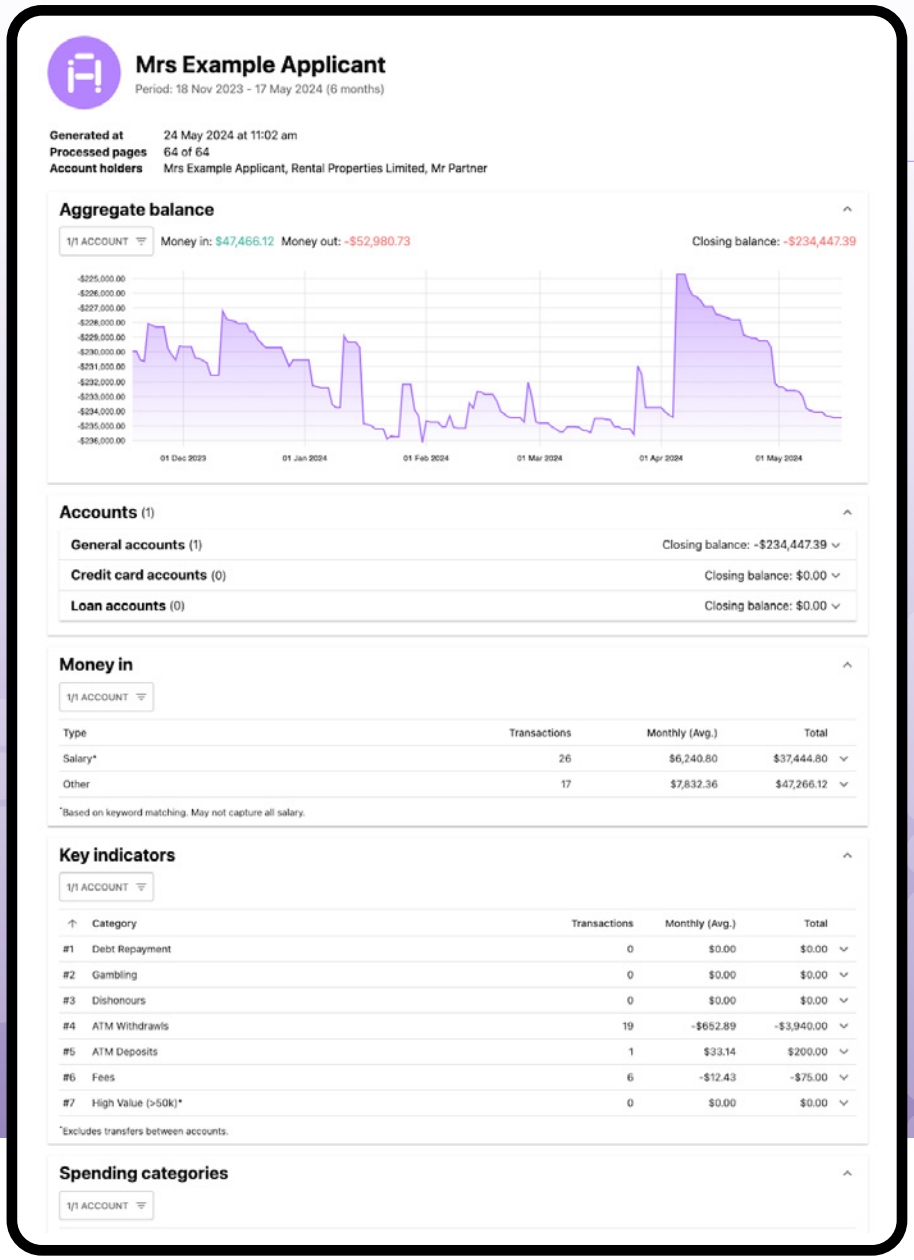

Mrs Example Applicant

Period: 18 Nov 2023 - 17 May 2024 (6 months)

Generated at 24 May 2024 at 11:02 am
Processed pages 64 of 64
Account holders Mrs Example Applicant, Rental Properties Limited, Mr Partner

Aggregate balance

1/1 ACCOUNT | Money in: $47,466.12 | Money out: -$52,980.73 | Closing balance: -$234,447.39

-$225,000.00
-$226,000.00
-$227,000.00
-$228,000.00
-$229,000.00
-$230,000.00
-$231,000.00
-$232,000.00
-$233,000.00
-$234,000.00
-$235,000.00
-$236,000.00

01 Dec 2023 | 01 Jan 2024 | 01 Feb 2024 | 01 Mar 2024 | 01 Apr 2024 | 01 May 2024

Accounts (1)

General accounts (1)	Closing balance: -$234,447.39
Credit card accounts (0)	Closing balance: $0.00
Loan accounts (0)	Closing balance: $0.00

Money in

1/1 ACCOUNT

Type	Transactions	Monthly (Avg.)	Total
Salary*	26	$6,240.80	$37,444.80
Other	17	$7,832.36	$47,266.12

*Based on keyword matching. May not capture all salary.

Key indicators

1/1 ACCOUNT

	Category	Transactions	Monthly (Avg.)	Total
#1	Debt Repayment	0	$0.00	$0.00
#2	Gambling	0	$0.00	$0.00
#3	Dishonours	0	$0.00	$0.00
#4	ATM Withdrawls	19	-$652.89	-$3,940.00
#5	ATM Deposits	1	$33.14	$200.00
#6	Fees	6	-$12.43	-$75.00
#7	High Value (>50k)*	0	$0.00	$0.00

*Excludes transfers between accounts.

Spending categories

1/1 ACCOUNT

An example of a loan application summary that is automatically generated by Akahu Apply, either from PDFs that have been manually uploaded, or from data sourced through bank integrations

“The typical home loan application arrives as a PDF file containing between 50 to 400 pages. Akahu Apply automatically extracts the relevant data and enriches it into a useful format for our lending team. This has significantly reduced the time it takes our team to provide a decision on a home loan application, meaning that we can serve a higher volume of Kiwi consumers looking for financing solutions. We’ve been blown away by the quality of transaction enrichment and intuitive reporting.”

– Fred Ohlsson, CEO of Avanti Finance

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KiwiSaver hardship applications

When a KiwiSaver member experiences financial hardship and applies to withdraw some or all of their KiwiSaver balance, they will need to share financial data as evidence of financial hardship.

Akahu Apply is used to collect that information via PDF upload or through open banking connections. It can also be used to extract data from PDFs that have been shared directly with the KiwiSaver provider via email or other methods.

Like with loan applications, the hardship application dataset is then joined together to detect transfers, enriched to categorise income and expenses, and then output in various formats to make decisioning fast and accurate.

Financial advice

Before a financial advisor can provide advice to a client, such as investment or insurance advice, they're required to go through a "factfind" process in order to understand the client's objectives, needs, and priorities.

This factfind process involves collecting financial data, and the advisor will typically want to know about their client's income, expenses, and the balances of all relevant financial accounts. Data from the factfind process enables an advisor to provide advice that is based on recent data, and is personalised to the client.

Open banking provides advisors and clients with a simple, accurate, and ongoing way to have a shared view of financial data. This enables advisors to provide more proactive and responsive advice over the course of the advisory relationship.

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Verification

Open banking enables a user to share access to their identity data when onboarding with another service. Some common examples are described below.

Address verification

A user can share their address from a bank account, avoiding manual forms of address verification such as providing a utilities bill.

Name verification

A user can share their name from a bank account when onboarding with a new service.

That name is matched against the name that the user presents to the new service in their driver licence or passport.

Akahu provides a **name matching API endpoint** to make this matching process simple. Name matching enables services to replace (or provide an alternative to) biometric verification when onboarding new users.

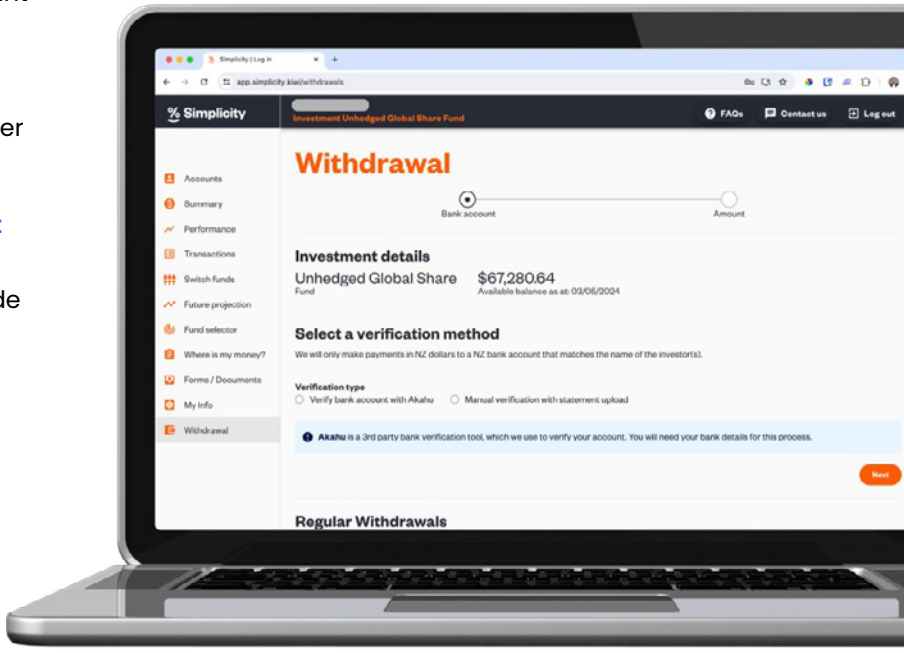
Bank account verification

A user can verify their bank account with a third party service by sharing the account holder name and account number.

As with all open banking processes, the data is retrieved directly from the bank, so it avoids the risk of a user uploading a fraudulent document.

"The bank's due diligence process ensures that the name and address data retrieved for a user is high quality and accurate, delivering a great experience for AML reporting entities and the user."

– Stuart Jackson, GBG



Simplicity requires a member to verify their bank account when requesting a withdrawal of KiwiSaver or investment funds

"The open banking account verification process is much faster for members, and saves our investor services team 5 to 8 hours each week. But more importantly, we can provide enhanced security for our members because we can verify a payout account directly with the bank, instead of having to assess whether an uploaded document has been tampered with."

– Amir Bashir, co-founder and CTO of Simplicity

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Payroll services

Payroll services simplify complex employment regulation, making it simple and fast to manage employee calculations. These services have historically stopped at the calculations, leaving the employer to arrange the actual payments to employees.

Open banking enables an employer to link its bank account and automate payments to staff once the payroll calculations are finalised. This ensures staff are paid faster, and avoids the business risks that arise when payroll and accounting personnel have access to internet banking.

"Small businesses want accuracy, speed, and security from their payroll service. Automating the payment process is a significant feature that allows employers to get back to running their businesses with peace of mind."

– Jaime Monaghan, CFO of PaySauce

Funding online accounts

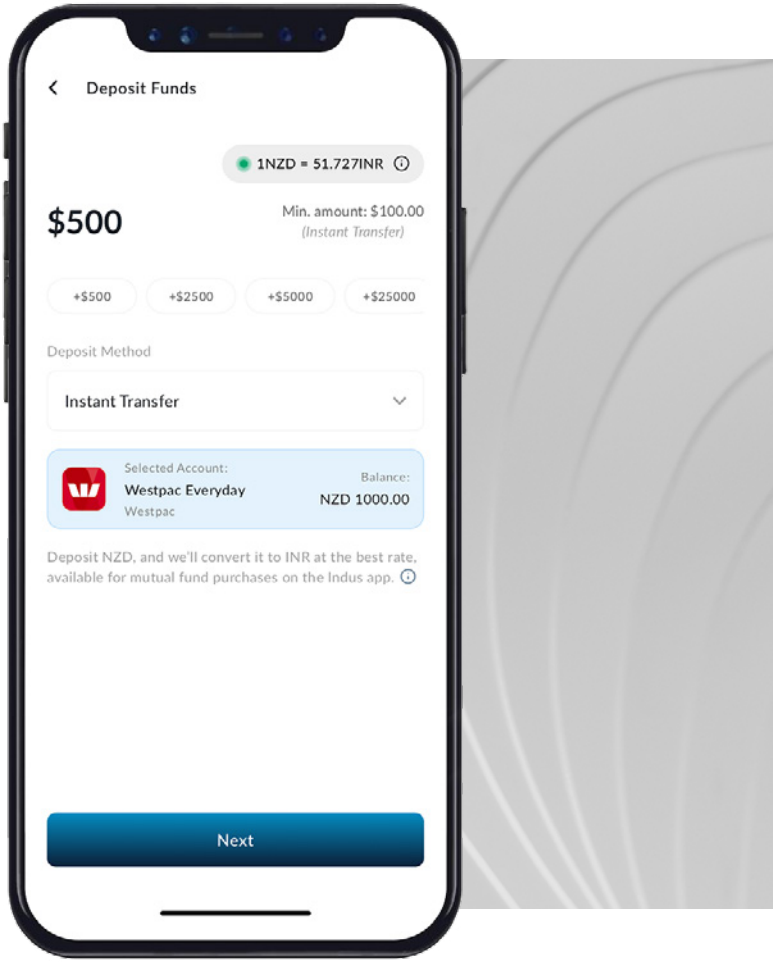
When topping up an investment account, users are typically presented with options to pay via card or a manual bank payment.

With a card top up, the user will often be charged a percentage fee, meaning that their intended investment is already making a material loss.

With a manual bank payment, the user has to leave the investment app to set up the payment. Then they have to wait for their payment to arrive and be reconciled before their investment account is credited.

Open banking avoids these issues by enabling a user to link their bank account to an investment service with an "enduring payment consent", creating a cheap in-app top-up experience.

When a user makes an in-app top-up, the investment service knows that the payment has been initiated, and can credit the user's account immediately. The payment includes a unique identifier, so it can be automatically reconciled, leaving no room for human error.



Example of the top-up experience in Indus

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Personal apps

In addition to the third party services described above, there are over 750 individuals and organisations that use an Akahu "**personal app**". A personal app enables you to generate an Akahu API token and then programmatically interact with your own bank accounts.

Individuals use this functionality for use cases like managing household budgets and automating bill payments.

Businesses also use personal apps to automate processes such as reconciling payments that have been received from their customers, automating payments to their suppliers or customers, or to support custom integrations with other software.

How to migrate from unregulated to regulated APIs

One-off connectivity

With some use cases described above, the third party is requesting one-off access to user data. Loan applications and verification use cases are good examples.

In these scenarios, the migration is simple. The user simply gets redirected to the official open banking API as soon as it's available for their selected bank.

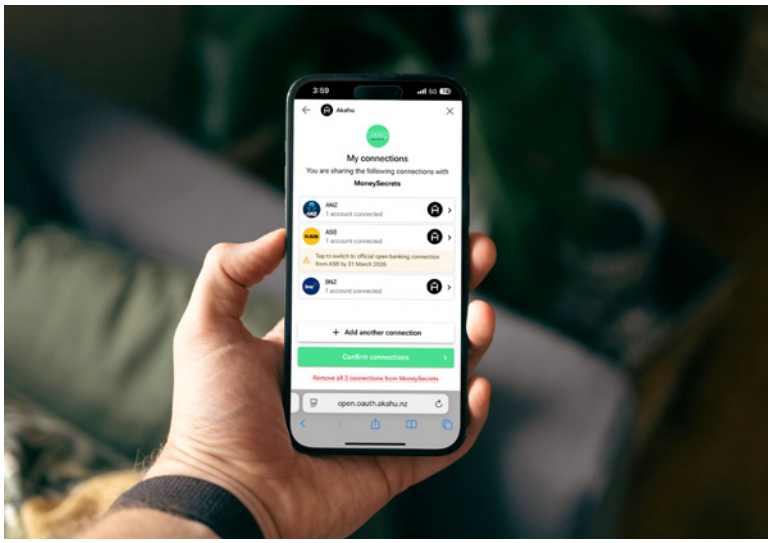
Ongoing connectivity

But many services request ongoing access to user data or payment initiation. And the migration for these scenarios needs to be handled carefully to avoid issues.

Akahu treats official open banking connections as distinct from their classic counterpart (like connecting to a completely new bank). This means that any classic connections that your users have already set up will continue to work as normal.

Migrating existing users to official open banking connections will require them to authorise again with their bank. While this process is not completely hands-free, we've worked hard to ensure that the connection migration process is simple for developers to manage.

When you are ready to start using the official API from a bank, all new connections going forward will use that official API.



Example of a migration prompt in Akahu's connection flow

We leave it up to you to proactively inform your users about migrating any existing connections. You can either actively prompt users to migrate their existing connections, or allow them to migrate across passively, as they see the call to action in Akahu's connection flow.

Our API provides account and authorisation IDs for the old and new connections. So if you need to link back to the old connection or migrate database records for a user when they migrate, you have the references that you need.

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Authentication flows

The specifications that the official open banking APIs are based on define two methods for user authentication and authorisation.

Banks have chosen to implement different variations of these methods, so the experience for your users will vary depending on which bank they use.

If you're using Akahu, you don't need to understand how the different flows work in detail because Akahu handles these processes. However it is helpful for you to understand the flows at a high level in order to help support your users.

The **redirect** flow, which involves navigating your user from Akahu's OAuth flow to their bank (and then back again), has two variants:

- Web redirect: Authentication and authorisation occurs in the bank's online banking portal.
- App redirect: Authentication and authorisation occurs in the bank's mobile app. This is only available when the user is using a mobile device with their bank's mobile app installed.

The **decoupled** flow involves Akahu collecting the user's mobile number and using that to trigger a request with their bank. The user will receive a push notification from their bank's mobile app prompting them to complete the authentication and authorisation in-app. If the user started the process from the same mobile device that has their bank app installed (i.e. your app is a mobile app or a web app that the user is accessing from their mobile device) then they will need to manually navigate back to Akahu's OAuth flow once the bank authentication and authorisation has been completed.

Supporting decoupled flows

There are no changes that are required for your app to support decoupled flows.

For mobile apps that use an embedded browser to host the Akahu OAuth flow, we recommend testing that your app works as expected when your app is sent to the background while the Akahu OAuth flow is open (when your user has switched to their bank app to authenticate and authorise).

In particular, it is important to test that when the user returns to your app from the background, the embedded browser hosting the Akahu OAuth flow is still active, allowing the user to complete the Akahu OAuth process.

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Supporting redirect flows

If your app is browser-based, then we don't anticipate that any changes will be necessary to support banks that use redirect flows.

If your app is a native mobile app that implements the Akahu OAuth flow by opening an external browser (a pattern known as AppAuth), then we don't anticipate that any changes will be necessary to support banks that use redirect flows.

If your app is a native mobile app that implements the Akahu OAuth flow in an embedded web browser (e.g. WebView), then some changes may be required to ensure that every redirect in the chain works as it should. Please continue reading for more information.

Recommended pattern for mobile apps

Using the AppAuth pattern will ensure that your users have a reliable, consistent authentication and authorisation experience.

This method involves your app opening Akahu's OAuth flow using the user's default mobile web browser. Once authentication and authorisation is complete, Akahu will navigate the user back to your app using a redirect URI (provided by you) that either uses a custom scheme such as app-name:// or an https:// URI that is registered to your mobile app using **App Links** (Android) or **Universal Links** (iOS).

Akahu OAuth in an embedded browser

If you prefer to embed the Akahu OAuth flow in your mobile app using an embedded browser rather than the recommended AppAuth pattern, there are some limitations on the types of embedded browsers that are supported.

Android

Android Custom Tabs must be used to host the Akahu OAuth flow in an embedded view.

An Android WebView cannot be used to host the Akahu OAuth flow if you wish to support banks that implement a redirect flow. Android WebViews do not handle app redirects, so the user will not be navigated correctly to their bank app.

iOS

It is recommended to use SFSafariViewController or ASWebAuthenticationSession to host the Akahu OAuth flow on iOS.

We are not aware of any technical limitations that preclude the use of WKWebView. However due to the possibility of JavaScript injection, WKWebView is not considered to be a secure environment and future support cannot be guaranteed.

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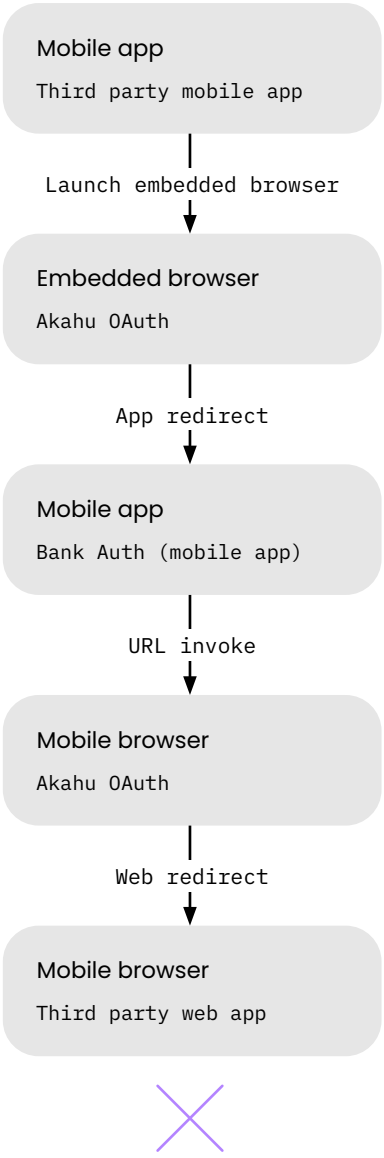
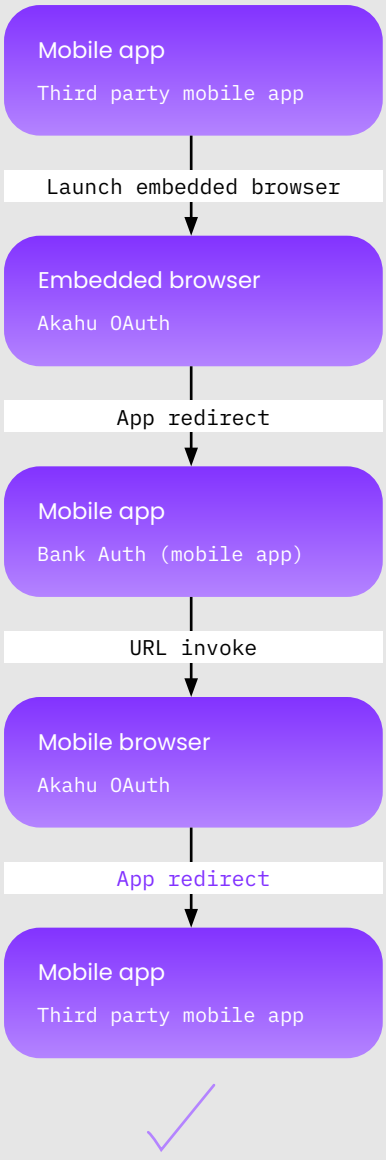
Akahu OAuth as part of an embedded web app

If you use an embedded browser to host part of your web app inside your mobile app, and that embedded web app includes Akahu OAuth functionality, then it is likely that some changes will be required.

When your user does an app redirect to their bank, they will be returned from their bank to Akahu OAuth in their device's default mobile browser rather than your embedded browser. If the redirect URI that you supply to Akahu OAuth is a web redirect, then Akahu will not be able to navigate the user back to your mobile app on completion.



To resolve this, you will need to ensure that you provide Akahu OAuth with a redirect URI that redirects the user back to your mobile app rather than your web app. Your mobile app will need to handle this event and navigate the embedded browser to the appropriate location in response.



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06

Final words

New Zealand was early to the “first wave” of open banking, with organisations like Xero and PocketSmith pioneering the value that consumers can get from portability of their financial data.

There is now a “second wave” of open banking taking place around the world. In many countries, including New Zealand, this wave is backed by specific open banking regulation.

The incoming regulation will provide certainty to participants, and will upgrade the environment for open banking in New Zealand.

But we think it’s important to remember that open banking achieves nothing without compelling services that deliver value for consumers. The purpose of regulation is simply to provide an enabling environment.

Now that the regulation and infrastructure are in a good place, it’s up to innovators to bring open banking to life for consumers. That’s the opportunity before us, now let’s make the most of it.

Josh Daniell addresses the audience at the Open Banking Summit hosted by Akahu and Chapman Tripp in Auckland on 2 July 2025

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Akahu provides open finance infrastructure for New Zealand. Our purpose is to give consumers control of their data.

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