



# The Value of Online Payments to New Zealand Businesses

How tools like Stripe unlock economic vitality and productivity for New Zealand businesses

## Purpose of this report

This report outlines the urgent need for continued modernisation of New Zealand's payments system, showing how digitisation benefits businesses and consumers. It explores how modern payment platforms, such as Stripe, are unlocking value for New Zealand small businesses.

## About Stripe

Stripe is building programmable financial services for millions of businesses globally. Millions of companies use Stripe to accept payments online and in person, embed financial services, power custom revenue models, and build a more profitable business. Through its scale and investments in R&D, particularly artificial intelligence and stablecoins, Stripe accelerates the utility of frontier technology in the global economy.

Stripe officially launched in New Zealand in August 2017, allowing businesses to accept online payments in 135+ currencies from customers around the world.

## About Mandala

Mandala is an economics research and advisory firm. Mandala specialises in using advanced analytical techniques to generate new insights and fresh perspectives on the challenges facing businesses and governments.

This document is intended for general informational purposes only. The analysis in this report was commissioned by Stripe and prepared by Mandala. Views and opinions expressed in this document are prepared in good faith and based on Mandala's knowledge and understanding of its area of business, markets and technology. Opinions expressed herein are subject to change without notice. No part of this document may be reproduced in any manner without the written permission of Mandala. Our cover art is a stylised design for creative evocation only.

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Note: All dollar figures are New Zealand dollars unless indicated otherwise.

# Introduction

New Zealand was an early pioneer in digital payments. As one of the first economies to roll out EFTPOS nationally in the 1980s, Aotearoa created one of the most card-friendly markets in the world, with near-universal merchant acceptance and very low transaction costs.

Yet while New Zealand once led, developments in payments have stalled while other markets forge ahead. International peers including Australia, Singapore, and the United Kingdom offer real-time payments capability that support immediate know your customer (KYC) security checks and instant settlement. By contrast, New Zealand remains reliant on batch-based infrastructure that constrains innovation. This gap carries costs for businesses and consumers, from higher fraud exposure to constrained ability for innovation in business and finance.

On the upside, fintechs and new entrants such as Stripe are helping Kiwi businesses to unlock productivity gains and capture new revenue streams. Our survey of small and medium sized businesses in New Zealand found users of online payment platforms (such as Stripe) saved businesses **9 hours a week** and led to reported **26% increase in annual sales**. Kiwi businesses also reported improvements in the **range of payment methods that can be accepted, transaction performance and customer experience**.

These survey insights, alongside data from Stats NZ, analysis from regulators and data from Payments NZ, show how modern payment systems are core foundations of the economy, responsible for driving productivity and innovation among businesses of all sizes.

## 9 HOURS SAVED PER WEEK

Which SMEs invested in serving more customers, training staff, expanding into new business areas and hiring

## 26% INCREASE IN SALES

For SMEs from reaching new customers, including internationally, boosting conversions and enabling new products

## NEW ZEALAND BUSINESSES USE STRIPE TO ACCELERATE DIGITAL PAYMENTS

- New Zealand is **an innovative, fast-growing market** for Stripe
- **1 million users** across Australia and New Zealand leverage Stripe to grow their business
- This number is significant and growing, with **new Kiwi businesses, from enterprise leaders to solopreneurs**, joining the Stripe network every month
- The revenue of New Zealand's e-commerce market is projected to reach NZD **\$17.6 billion** by 2028<sup>1</sup>
- For a small business, getting paid **quickly and securely** is just as important as making the sale
- Whether customers pay using a debit or credit card, digital wallet, or buy now, pay later (BNPL) service, a business' **online payment setup** can make or break the checkout experience

<sup>1</sup> International Trade Administration (2025) *New Zealand Country Commercial Guide: e-Commerce*

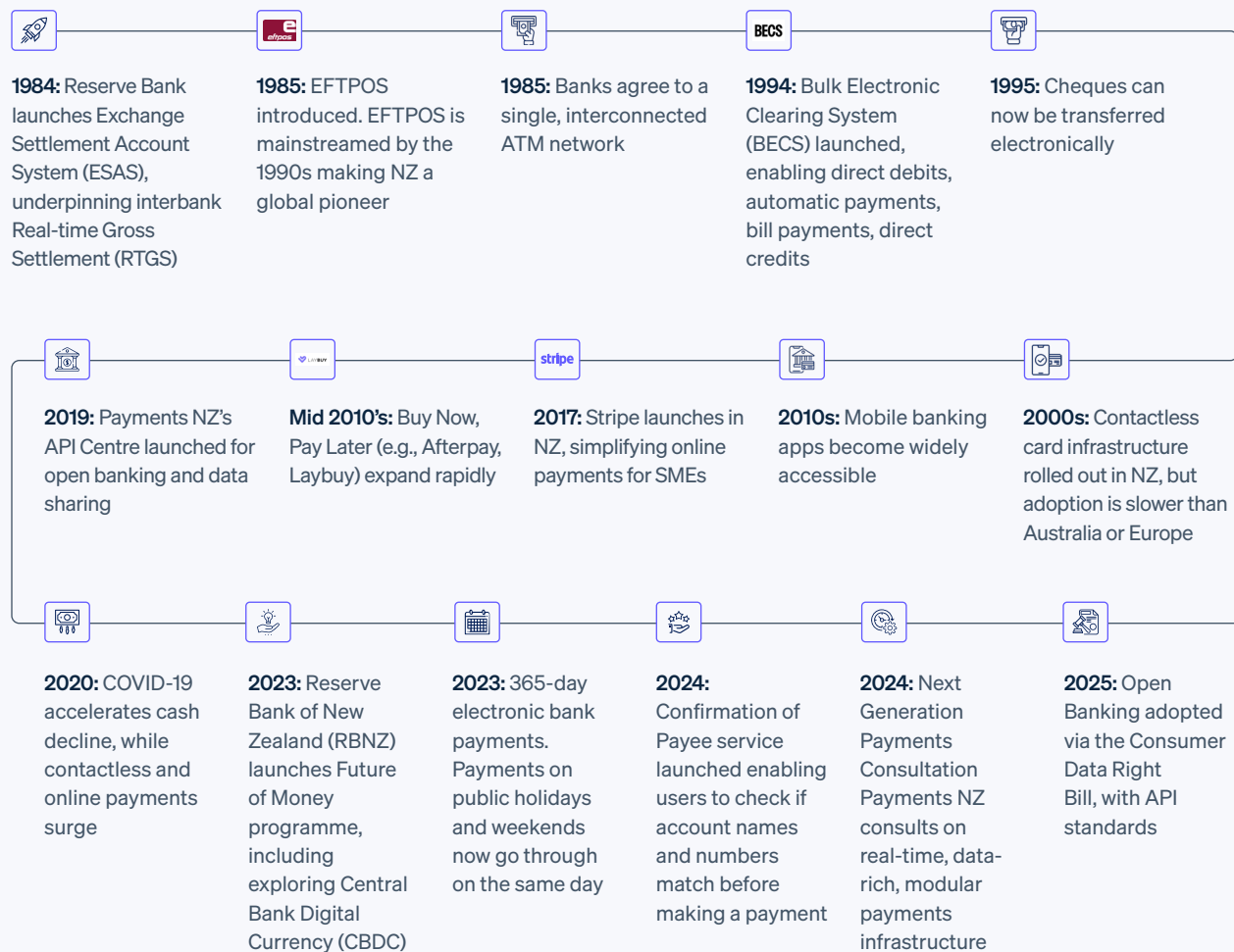
# New Zealand was once a world leader in modern payments, but now lags in innovation

New Zealand pioneered EFTPOS in the 1980s. The nationwide rollout transformed how people paid, with merchants able to accept cards at very low cost. EFTPOS quickly became ubiquitous, and by 1997 most households and retailers were using it every day.<sup>2</sup> This put New Zealand at the forefront of card payments adoption.

By 2016, New Zealand ranked first in the world for the number of electronic payments per capita.<sup>3</sup>

## TIMELINE

### New Zealand's payments system has modernised over the last four decades



<sup>2</sup> Te Ara (2025) Banking and finance: EFTPOS

<sup>3</sup> Payments NZ (2016) Retail Payment Systems: Submission to the Ministry of Business, Innovation and Employment

# New Zealand now risks falling behind peers in payment innovation

Without continued investment in modernising its payment system, New Zealand currently risks falling behind international standards. Three areas stand out as particular challenges:



## Reliance on legacy infrastructure

Core account-to-account payments depend on BECS, a batch system designed in the 1990s. BECS does not support real-time settlement, ISO 20022 data standards, or modern verification tools.<sup>4</sup> This contrasts with Australia and Singapore's data-rich platforms.<sup>5</sup> Australia will decommission its BECS by 2030, routing payments by its New Payments Platform.<sup>6</sup>



## Fraud and scam exposure

New Zealand lacks network-level fraud prevention. Current systems do not allow for tools such as confirmation of payee, real-time alerts, or integration with digital identity frameworks.<sup>7</sup> The result is higher vulnerability for consumers and more losses for merchants.<sup>8</sup>



## Market structure and competition limits

The Commerce Commission's 2024 market study found significant barriers for fintechs to enter the New Zealand market and scale.<sup>9</sup> Without open access to clearing systems and transparent governance, innovative providers cannot compete on equal terms. This slows innovation and raises costs across the system.

One area where reliance on an outdated payments system manifests is in cross-border commerce. Our survey shows New Zealand businesses are not fully leveraging online payments to expand overseas. Only one in six cited cross-border sales as a key driver of revenue, and less than a quarter considered the ability to sell internationally when choosing a payments provider. By contrast, half of Stripe's Kiwi users sell cross-border, showing the power of cross-border enabled platforms to unlock new markets for New Zealand businesses.

**paymentsnz**<sup>®</sup>

PaymentsNZ's recent [environmental scan](#) highlighted the increasingly important role of payment ecosystems across borders.<sup>10</sup>



Embracing digital solutions will enable the industry to deliver safer and more seamless payments experiences that meet customer and regulatory expectations.

- Steve Wiggins, Chief Executive, PaymentsNZ

<sup>4</sup> Payments NZ (2025) *Consultation on payments for the next generation*

<sup>5</sup> For information on Australia's payments system, see Stripe (2025) *The Value of Online Payments to the Australian Economy*

<sup>6</sup> Australian Payments Network (2023) *BECS Transition*

<sup>7</sup> Payments NZ (2025) *Consultation on payments for the next generation*

<sup>8</sup> Ministry of Business, Innovation and Employment (2025) *Combatting online financial scams*

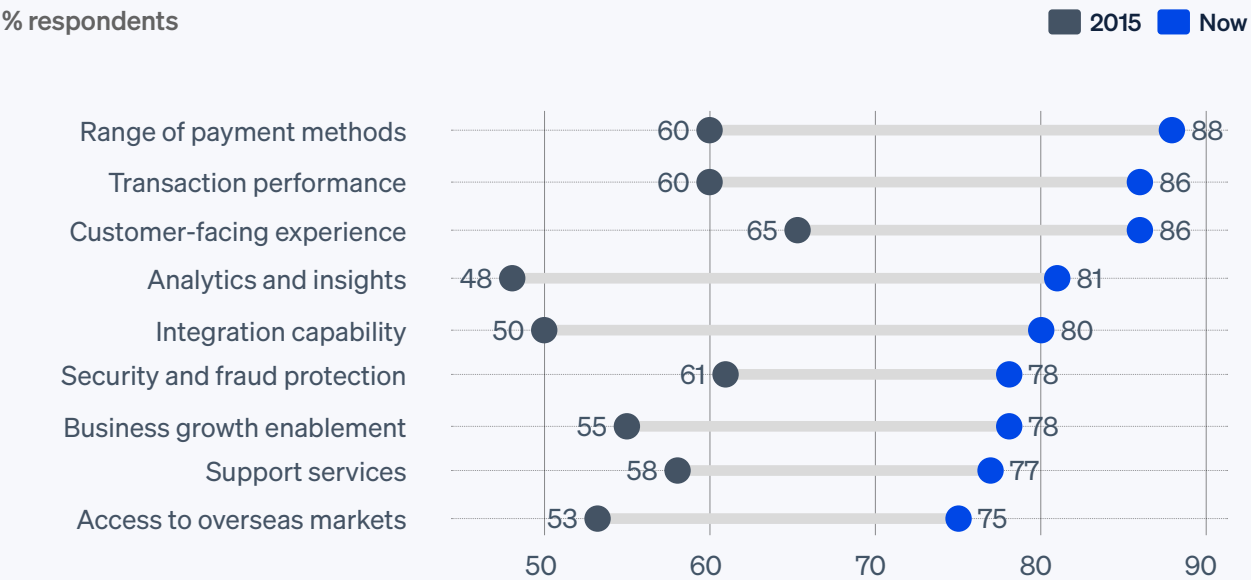
<sup>9</sup> Commerce Commission New Zealand (2024) *Personal banking services - Final competition report*

<sup>10</sup> PaymentsNZ (2025) *2025 Environmental Scan Report*

# Despite challenges, there are bright spots in New Zealand’s payments system

The ease and accessibility of New Zealand’s payments landscape for businesses has improved over time. Compared to 2015, many more businesses now rate their payment systems as “good” or “excellent”. The highest rated dimensions of New Zealand’s payment landscape were **range of payment methods, transaction performance** and **customer experience**. The dimensions that have seen the largest improvements in ratings were **analytics and insights, integration capability** and range of payment methods.

Proportion of respondents rating each dimension ‘good’ or ‘excellent’



Notes: Respondents were asked *Thinking back to 2015 how well do you remember what it was like for your business to receive payments at that time?* Respondents were then asked *Please rate your experience with your online payments provider now, and as you recall it in 2015.* Results were filtered by only respondents who had a good recollection of payments in 2015.

Sources: Pureprofile New Zealand (July 2025) *Business Use of Digital Payment Solutions* (n=201), Mandala analysis.

## Industry and government recognise the need for continued innovation

Both government and industry acknowledge the challenges facing New Zealand's payments system, and are already collaborating to progress payments innovation:



### Payments NZ consultation sets the roadmap

Payments NZ's Payments for the Next Generation consultations highlighted broad support for modular, real-time, data-rich infrastructure.<sup>11</sup> The roadmap is incremental, adding features over time such as fraud prevention, richer payment data, and digital identity.

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### Reserve Bank stewards monetary policy

In its role as steward of money and cash, the Reserve Bank of New Zealand is exploring innovations including a central bank digital currency and stable coins.<sup>12</sup> The RBNZ will also continue to provide oversight over the Exchange Settlement Account System (ESAS), New Zealand's primary high-value payment system.<sup>13</sup>

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### Commerce Commission reforms target competition and efficiency

Under the Retail Payment System Act, the Commerce Commission is working to lower costs, boost competition, and drive innovation.<sup>14</sup>

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### Momentum toward modernisation

Together, New Zealand currently has a coherent platform for reform. Payments NZ leads industry input, the Reserve Bank provides strategic direction, and the Commerce Commission supports competition. The payments ecosystem will drive a digital-first economy while safeguarding trust, inclusion, and resilience.

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<sup>11</sup> Payments NZ (2025) *Payments for the Next Generation: Consultation feedback summary and strategic recommendations*

<sup>12</sup> Reserve Bank of New Zealand (2023) *Stewardship*

<sup>13</sup> Reserve Bank of New Zealand (2025) *Exchange Settlement Account*

<sup>14</sup> Commerce Commission New Zealand (2023) *Commission explores pathways for more innovative payment options*

Infrastructure modernisation in New Zealand will unlock investment in new digital merchant and customer tools, accelerating innovation. As shown in Table 1, a digital payments system brings considerable benefits for both merchants and consumers.

**Table 1: The advantages of a modern payment system**

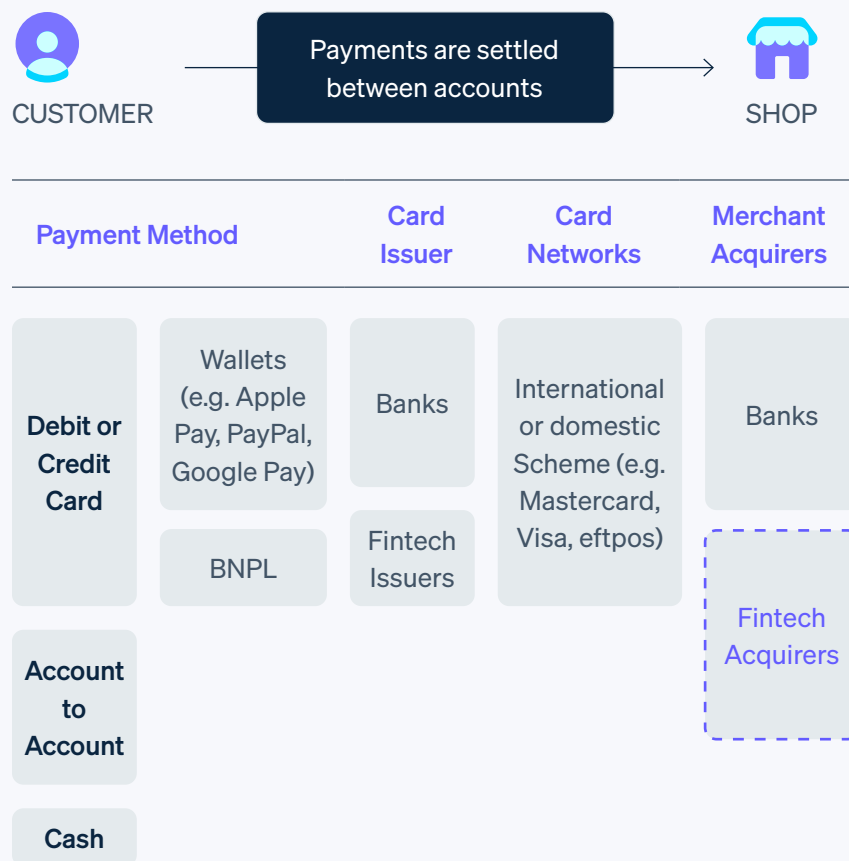
| Dimension  | Pre-Digitisation  | Post-Digitisation  |
|--|---|--|
|  <b>Payment options</b>       | Limited to bank-issued cards and direct debits; minimal innovation      | Wide range of methods accepted (cards, mobile wallets, BNPL, apps). Consumers have more choice and businesses see higher conversion. |
|  <b>Cross-border payments</b> | Expensive, slow, and restricted to large firms or banks                 | Businesses can set up and take payments from international customers within a day, opening access to global markets.                 |
|  <b>Settlement time</b>       | Delays common; most payments settled overnight or next business day     | Real-time, 24/7 transfers improve cash flow and reduce working capital pressures.  |
|  <b>Cost structures</b>     | High and opaque; merchants pay layered fees (interchange, scheme, etc.) | Lower, clearer fees save businesses money and make pricing more transparent.   |
|  <b>User experience</b>     | Manual entry of payment info and outdated interfaces common             | One-tap, wallet-based, and biometric checkouts make payments faster, easier, and more secure.  |
|  <b>Data and reporting</b>  | Minimal data; reconciliation was slow and error-prone                   | Real-time, automated reconciliation and insights help businesses make better decisions and reduce admin.                             |
|  <b>Security</b>            | Basic protections; fraud monitoring was reactive and batch-processed    | AI-driven monitoring with instant alerts reduces fraud losses and protects customer trust.   |



# A strong digital payments system enables businesses to grow, fosters new business models, and delivers productivity gains

Fintechs and new entrants are leading the way in payments innovation in New Zealand, helping to bridge the digitisation gap. Modern platforms such as Stripe give businesses access to simple APIs, rapid onboarding, and integrated features that reduce friction. For small firms in particular, this lowers barriers to entry and allows them to compete with larger players on a more equal footing.

## HOW PAYMENTS WORK



## VALUE OF INNOVATIVE FINTECHS

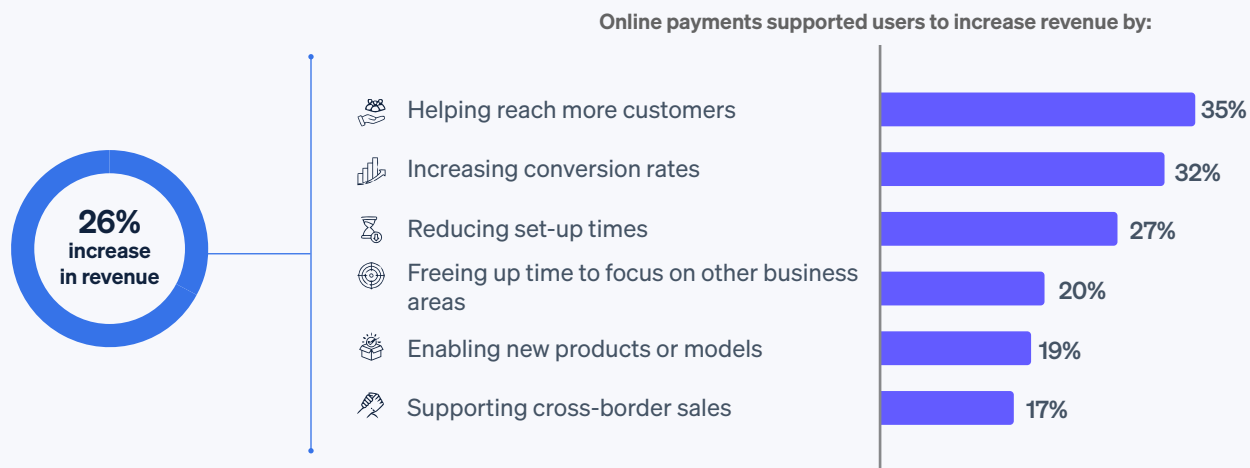
- **Competition** with traditional acquirers, driving down costs
- Simple merchant **onboarding**
- Seamless, **customisable** checkouts
- Real-time **analytics**
- **Integrations** with websites, accounting, e-commerce
- **Faster** settlement
- Innovative **security** features reducing fraud

## Online payments drive revenue growth

Digital payments are directly linked to revenue growth. Our survey shows that **56% of respondents report higher annual sales** after adopting online payments. On average, respondents saw a 26% uplift in revenue.<sup>15</sup>

### Revenue growth and key drivers for businesses using online payment solutions

% of respondents



Notes: Our business survey asked: *Have you seen an increase in sales after adopting online payment solutions?* and *Approximately what percentage increase in annual sales has your business experienced as a result of using digital payment solutions?* To calculate the average increase in annual sales (26%) respondents with no increase in sales were assigned the value of 0%. Source: Pureprofile New Zealand (July 2025) *Business Use of Digital Payment Solutions* (n=201) Mandala analysis.

### Online payments grow revenue by helping users reach more customers

New Zealand businesses are expanding their customer reach through modern online payment platforms, with 35% of surveyed users identifying this as the leading source of revenue growth. By giving merchants the ability to accept a wide variety of payment methods including cards, digital wallets, bank transfers, and instalment services such as Buy Now, Pay Later. Providers like Stripe help ensure that a sale is never lost simply because a preferred option is unavailable.

This breadth of choice improves flexibility across sales channels. Businesses can take payments online, through mobile apps, or in-person, while relying on the same underlying platform. Customers benefit from being able to pay in the way that best suits them, whether tapping a phone at the counter, saving card details in an app, or using a local payment method to shop cross-border. The result is fewer abandoned purchases and a higher chance that interest converts into completed transactions.

<sup>15</sup> Average across all respondents. Respondents with no increase in sales were assigned a value of 0%.

## Modern payments simplify check-out, and increase conversion rates

The second key driver of increased revenue was higher conversion, with **one in three businesses surveyed reporting online payments simplified the checkout process and reduced abandonment.**

Modern payment platforms are designed around customer experience. Payments are now one of the most critical moments in the customer journey: if checkout is slow, confusing, or untrustworthy, customers simply leave.<sup>16</sup> By contrast, streamlined checkout, saved payment credentials, digital wallets, and mobile-friendly flows all reduce friction and make it more likely that a browsing customer completes their purchase.

The impact is measurable. Enterprise surveys across Australia and New Zealand show that 96% of businesses now see payments as central to customer experience, with almost all planning checkout enhancements.<sup>17</sup> For small firms, embedding a modern payment service into their website or app has a similar effect: it reassures customers that their payment will be processed securely, speeds up the transaction, and provides multiple options (card, wallet, BNPL) at the final step. Each of these factors helps reduce abandoned carts and translates directly into higher sales.



### CHECKOUT OPTIMISATION BOOSTS ONLINE REVENUE 11.9%<sup>18</sup>

A 2024 Stripe study of businesses adopting the latest Payment Element integration experienced an 11.9% increase in online sales compared to those with legacy checkouts. Optimising payments infrastructure represents a low-cost growth lever for businesses compared to geographic expansion or new product development, delivering material top-line benefits.



Sharesies, a New Zealand-founded investment platform, partnered with Stripe in 2017 at launch. The company selected Stripe for its developer-friendly experience and the ability to maintain full control over the payment experience without adding PCI compliance obligations, a critical consideration for a financial services startup.

Over eight years, Stripe has enabled Sharesies investors to deposit funds onto the platform quickly and securely, supporting the company's mission to make investing accessible. The partnership has scaled alongside Sharesies' growth, with Stripe's reliable infrastructure helping the platform expand its investor base while maintaining a seamless user experience for deposits and transactions.

<sup>16</sup> Stripe (2025) Checkout optimisation tips to improve conversion rates





<sup>17</sup> Stripe (2025) Payments as a catalyst for growth: Asia-Pacific insights

<sup>18</sup> Stripe (2024) Checkout flow design strategies that can help boost conversion and customer retention. For information on methodology, see previous versions of the study, at Stripe (2023) Businesses using Stripe's newest checkout optimisations saw 10.5% more revenue

## Online payments enable new business models

Payments also underpin new business models. Digital tools make it simple to offer subscriptions, memberships, or marketplace platforms. These options were once costly and complex to run. Our survey found 38% of respondents are now using recurring billing, highlighting how embedded payments are helping even small firms to generate reliable, recurring revenue.

**Table 2: Online business models unlocked by digital payments infrastructure**

| Business Model Type  | Definition  | New Zealand examples   | What digital payment infrastructure enables                            |
|--|---|--|--|
|  <b>Online marketplace platforms</b>            | Multi-sided platforms connecting buyers and sellers   | Delivereasy (New Zealand's largest home-grown food and beverage delivery platform)   | Payments, seller onboarding, compliance                                |
|  <b>Digital subscription businesses</b>        | Recurring revenue models across traditional and digital industries  | Substack (newsletter platform co-founded by Hamish McKenzie from Central Otago) with 5 million paid writer subscribers via Stripe) <sup>19</sup> | Automated billing, payment collection management, revenue optimisation |
|  <b>Vertical Software as a Service (SaaS)</b> | Industry-specific software solutions that integrate payments, operations, and customer management           | Re-Leased (real estate), Easy Crypto (financial services), Fergus (tradespeople)   | Embedded payments, billing automation, marketplace functionality       |
|  <b>Creator economy</b>                       | Platforms enabling content creators to monetise their audience through direct payments, tips or merchandise | Friends that Invest (by Simran Kaur, which millions of podcast listeners and over 115,000 newsletter sign ups)                                   | Global payouts, multi-currency support, compliance                     |

<sup>19</sup> Stripe (2025) Substack surpasses five million paid subscriptions with Stripe.

## Digital payments unlock marketplace and platform models

Marketplace models are a key area where payments have unlocked innovation. Online platforms — from food delivery apps to gig-economy services — rely on seamless payments that can split revenue between multiple parties, pay out contractors, and manage refunds automatically. Without modern APIs and automated settlement, these models would be prohibitively complex. Stripe and similar providers enable New Zealand entrepreneurs to build platforms that scale nationally and internationally, without having to build the payments infrastructure themselves.

### Flamingo

Flamingo, New Zealand's leading shared e-scooter and e-bike operator, adopted Stripe in 2019 through the CreativeHQ startup programme. The team chose Stripe for its ease of integration, global card support, and reliable uptime. These are critical features for a service where payments are central to the rider experience. Stripe's developer tools, competitive pricing, and seamless design meant Flamingo could launch quickly with a low-friction checkout that suited both locals and international visitors.

Today, Stripe underpins Flamingo's entire payments flow. Riders add a card once at sign-up and are charged automatically at trip completion using tokenised payments, keeping the experience smooth and invisible. Built-in fraud tools reduce overhead, while product updates like wallet support help Flamingo stay current without major rework. The platform's stability and Stripe's responsive support allow Flamingo to focus on other value-adding parts of the business, such as safety, customer experience, and partnerships with cities.<sup>20</sup>

## Vertical SaaS fuels innovation across New Zealand's economy, from healthcare to trades

Vertical software-as-a-service (SaaS) companies offer software solutions built for individual sectors like construction, healthcare, and professional services. A SaaS platform serving gyms or tradies can offer customers an all-in-one solution that combines bookings, billing, and payments. This creates a better experience for end users. Examples of this model are emerging in New Zealand across real estate, trades and hospitality.

Table 3: New Zealand industry-specific vertical software as a service firms

| Platform / service | Industry    | How Stripe Enables Growth & Scale   |
|--------------------|-------------|---|
| Re-Leased          | Real estate | Re-Leased, a New Zealand-founded property management platform, uses Stripe to power Re-Leased Pay, processing \$15 billion in rent annually with payment volumes growing 90% year on year. Stripe enables landlords to accept cards, direct debit, and digital wallets, with 70% of payments now on credit cards, 42% via Link, and 40% set as recurring. <sup>21</sup> |

20 Details for the case study were provided by Flamingo  
21 Stripe (2025) Re-Leased uses Stripe to help digitise \$15bn of rent collection

| Platform / service | Industry    | How Stripe Enables Growth & Scale  |
|--------------------|-------------|--|
| Fergus             | Trades      | Founded by Dan Pollard, New Zealand trades job management platform Fergus helps businesses save 60% of their admin time, including scheduling jobs, sending quotes and invoicing. With payment transactions powered by Stripe, Fergus helps over 20,000 trades businesses around the world get paid faster. <sup>22</sup>      |
| Upstock            | Hospitality | Upstock is a marketplace that connects food suppliers with restaurants and supermarkets. Founded by Matt Watson and based in Wellington, the start-up aims to modernise and lower costs in wholesale FMCG & foodservice orders. Upstock partners with Stripe, to provide industry leading security capabilities. <sup>23</sup> |



#### **Xero: Partnering with Stripe to unlock new business models**

Xero, the New Zealand–founded global accounting platform, helps more than 4.6 million subscribers, including 638,000 in New Zealand, manage their finances. To address small businesses’ long-standing challenges with late payments and manual reconciliation, Xero partnered with Stripe to embed payments directly into its platform. With Stripe integrated, businesses can add a “Pay Now” button to invoices, enabling instant card and wallet payments. This has transformed cash flow, with invoices paid up to twice as fast as those without online payment links.

The partnership has opened doors to new business models. Many Xero customers now use Stripe Billing to set up recurring payments, allowing small firms to generate reliable revenue streams and reduce administrative overhead. Reconciliation is automated, with payments flowing directly into Xero’s ledgers, saving time and reducing errors. For Xero, the integration strengthens customer loyalty by embedding payments within the core workflow of small business finance.<sup>24</sup>

Together, these examples show how payments are not simply a cost of doing business, but a foundation for entirely new models of commerce. As more sectors digitalise, the ability to integrate payments into products and services will only become more central to growth.

<sup>22</sup> Fergus (2025) About us

<sup>23</sup> Upstock (2025) The easiest way to get paid for wholesale orders

<sup>24</sup> Stripe (2025) Xero helps customers speed up the cash flow cycle with Stripe

## Online payments boost productivity

Businesses that embrace digital payments report significant productivity improvements. On average, firms save **9 hours each week** by automating reconciliation, accelerating settlement, and reducing manual administration.<sup>25</sup> Crucially, the time saved is not lost but reinvested into value-adding activities: nearly half of firms use it to serve more customers, over a third put it towards supporting staff, and a third use it to expand into new areas.

### Allocation of time savings from using digital payments

% of respondents



Notes: Our business survey asked: *Approximately how much time does your business save in a typical work by using a digital payment solution?* and *How does your business typically reallocate time or money saved from managing payments more efficiently?*  
Source: Pureprofile New Zealand (July 2025) *Business Use of Digital Payment Solutions* (n=201), Mandala analysis

These gains are consistent with international experience. In Australia, small businesses adopting digital payment platforms saved an average of 8 hours per week while achieving close to 20% revenue growth.<sup>26</sup>

Digital payments improve efficiency at every stage of the transaction cycle:



### Faster settlement and cash flow

reducing the risk of late payments and freeing up working capital that can be reinvested.

<sup>25</sup> Pureprofile New Zealand (2025) *Business Use of Digital Payment Solutions* (n = 201); Mandala analysis

<sup>26</sup> Stripe (2025) *The Value of Online Payments to the Australian Economy*



### Automated back-office functions

integration with accounting software allows reconciliation to happen in real time, reducing errors and reliance on manual processes.



### Lower overhead costs

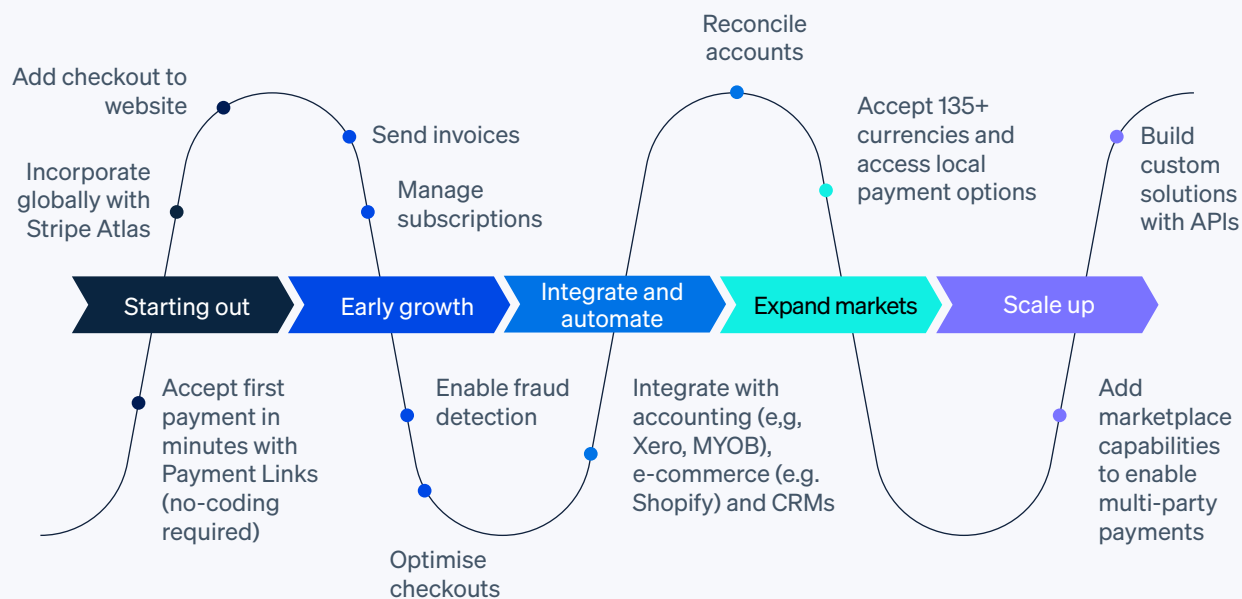
businesses can reduce time spent on banking trips, cheque processing, and staff hours dedicated to administration.



### Better management insight

digital records provide instant data on sales, customer behaviour, and inventory, supporting smarter decision-making.

## Businesses can set up, integrate and scale fast with Stripe, boosting productivity



For small and medium sized businesses, these improvements are particularly important. Smaller firms often lack the scale to absorb administrative costs or cash flow delays. By removing these frictions, digital payments make it easier for them to compete with larger businesses and to expand internationally.



## Online payments increase security to reduce fraud

Security is another critical area where modern platforms add value. As commerce has shifted online, fraud and scams have increased, but digital providers have invested heavily in fraud prevention. Almost 60% of New Zealand businesses say fraud prevention is one of their top considerations when choosing a payment provider.<sup>27</sup> More than a third report that adopting advanced solutions has reduced fraud or improved their awareness of risks.<sup>28</sup>

Key security features that support businesses include:



### AI-driven fraud detection

advanced models can detect suspicious behaviour patterns in real time, preventing fraudulent transactions before they are processed.



### Tokenisation and encryption

sensitive card details are replaced with secure tokens, reducing the risk of data theft.



### Confirmation of payee and two-factor authentication

give businesses and customers confidence that funds are going to the right recipient.



### Shared intelligence networks

modern providers pool fraud data across merchants, giving each business the benefit of collective insights.

The impact is more than just fewer fraud losses. Lower chargebacks and reduced disputes save time and administration, while greater customer trust supports higher conversion and repeat business. For small businesses who may lack specialist security teams, access to enterprise-grade protection levels the playing field.

<sup>27</sup> Pureprofile New Zealand (2025) *Business Use of Digital Payment Solutions* (n = 201); Mandala analysis

<sup>28</sup> Ibid.

**tradetested**

TRADE PRICES DELIVERED NATIONWIDE

### TRADE TESTED BOOSTS SALES BY 1.5% AND REDUCES FRAUD BY 50% WITH STRIPE

Trade Tested, an Auckland-based ecommerce retailer, turned to Stripe to fix long-standing payment issues that were hurting sales and customer experience. Its legacy provider struggled with failed 3D Secure redirects and poor visibility into payment performance, leaving staff unable to track or resolve problems effectively. The business needed a modern solution that would improve authorization rates, reduce fraud risk, and give customers a faster, more reliable checkout.

By implementing Stripe Payments, Elements, Link, and Radar, Trade Tested transformed its payments system in just four weeks with two developers. Stripe's built-in optimisations boosted sales by 1.5% without extra development work, while Link quickly became the preferred method for nearly a quarter of guest users. Radar for Fraud Teams cut manual reviews from 80 to fewer than 20 per month and reduced fraud by 50%, enabling Trade Tested to drop time-consuming in-store card checks for pickup orders. Together, these improvements have streamlined operations, reduced costs, and delivered a smoother customer journey.<sup>29</sup>

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<sup>29</sup> Stripe (2025) Trade Tested boosts sales 1.5% and reduces fraud by 50% with Stripe

# Digital payments platforms will continue to be a key channel for accelerating technology diffusion across the New Zealand economy

Digital payments platforms will remain a crucial driver of technology adoption across New Zealand's economy. Payment services move money but also enable new technologies, business models, and cross-border commerce.

A wave of new technologies is on the horizon



## Real-time payments

Payments NZ's roadmap sets out a modular, instant, data-rich infrastructure. This would bring New Zealand into line with peers such as Australia's NPP, Singapore's PayNow, and the UK's Faster Payments, which have quickly become the backbone of their digital economies.



## Open banking

Direct account-to-account payments and secure data sharing will enable new forms of integration with platforms and apps, lowering costs for merchants and giving consumers more choice.



## AI-enabled tools

Predictive analytics, automated reconciliation, and real-time fraud detection can help businesses operate more efficiently, reduce risk, and unlock deeper insights from transaction data.



## Tokenisation and embedded security

Tokenisation, biometrics, and network-level fraud detection are being built into next-generation payments infrastructure. These technologies provide stronger protection against scams while keeping checkout seamless.



## Emerging technologies

Global peers are also piloting stablecoins, digital identity, and central bank digital currencies (CBDCs) as part of their payments infrastructure. These innovations are likely to influence the shape of New Zealand's system over the coming decade.

### **TOKENISATION IS A CATALYST FOR INCREASED SECURITY AND COMPETITION<sup>30</sup>**

Payment tokenisation replaces sensitive payment data such as card numbers with a unique, randomly generated token. The token can be stored and reused for future transactions, while the real card details are held securely in a vault managed by the network or Payment Service Provider (PSP).

If intercepted, the token has no value on its own and cannot be used for fraudulent purchases. This process reduces breaches, simplifies security, and enables one-click payments.

Tokenisation helps merchants switch PSPs without losing access to stored card credentials. With network-level tokenisation, tokens can be securely transferred between providers. This portability allows merchants to change PSPs without disrupting recurring billing or customer subscriptions.

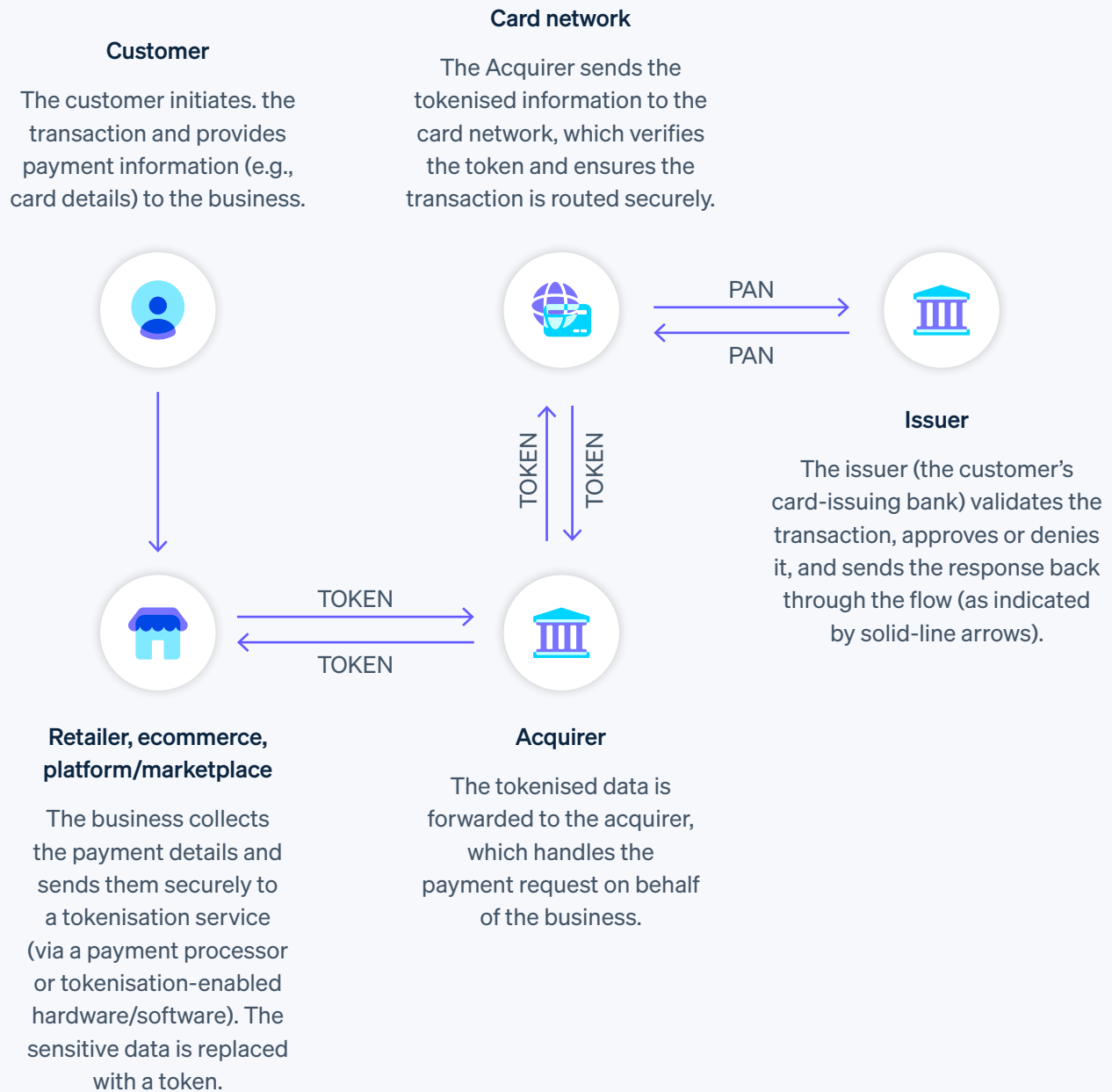
Australia is a useful reference point for policy settings relating to tokenisation. In 2024, the Reserve Bank of Australia set out detailed expectations for tokenisation, requiring schemes and banks to expand availability and ensure interoperability.<sup>31</sup> Payments NZ and the Commerce Commission could draw on a similar approach to modernise New Zealand's payments system.

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<sup>30</sup> Stripe (2025) *Payment tokenisation – the basics: What it is and how it benefits businesses*

<sup>31</sup> The Reserve Bank of Australia (2024) *Expectations for Tokenisation of Payment Cards and Storage of PAN's*

## HOW DOES PAYMENT TOKENISATION WORK?



# Businesses are ready to adopt innovative technologies, with Payment Services Providers (PSPs) supporting new technology diffusion

Survey results show a clear appetite for innovation among Kiwi businesses. Around 50% of New Zealand businesses say they would adopt AI-driven tools such as predictive analytics, fraud detection, or customer insights if offered. Adoption intent falls to around 40% for small businesses, highlighting the need for more support, education, and low-cost solutions tailored to small firms.

## SURVEY RESULTS

### New Zealand users are willing to adopt new technologies, including predictive analytics and AI tools

Proportion of respondents rating each technology ‘likely’ or ‘very likely’



Notes: Respondents were asked *How likely would your business be to adopt the following AI-driven or innovative tools if offered by your payment service provider (PSP?)*

Sources: Pureprofile New Zealand (July 2025) *Business Use of Digital Payment Solutions* (n=201), Mandala analysis

Almost half of respondents feel their payments provider supports them to adopt new technology, highlighting PSPs as a key player in driving diffuse innovation. Payments NZ’s consultation on next-generation systems stresses the importance of an open ecosystem, where access is modular, participation is broad, and fintechs can build on core infrastructure to deliver new services.<sup>32</sup> The Commerce Commission and Reserve Bank have highlighted that competition and innovation are slowed when new entrants face obstacles in connecting to legacy systems or encounter high costs of participation.<sup>33 34</sup>

For New Zealand to catch up with peers, it must make it easier for fintech entrants to join the ecosystem and compete on equal footing. Open access to EFTPOS systems - including for digital payments - standardised APIs, and transparent fee structures would allow fintechs to scale innovations quickly across the economy. This will benefit individual businesses adopting new PSP tools, while strengthening the competitiveness of New Zealand’s payments system and economy.

32 Payments NZ (2025) *Consultation on payments for the next generation*

33 Commerce Commission New Zealand (2024) *Personal banking services - Final competition report*

34 Silk, K. (2023). *New Zealand’s changing payments landscape and potential responses to it: A regulator’s view*. Reserve Bank of New Zealand.

# Conclusion

New Zealand's payments system is at a turning point. From its pioneering EFTPOS network to today's widespread digital adoption, the country has a strong foundation. But reliance on ageing infrastructure has left New Zealand behind its peers. This creates costs for businesses and limits the benefits consumers could enjoy from faster, safer, and more data-rich payments.

Fintechs and platforms such as Stripe are already helping businesses unlock new revenue, productivity, and security benefits. To capture the full potential, coordinated action is required. Investment in next-generation rails is imperative, alongside a clear, long-term strategy for modernisation.

If New Zealand succeeds, digital payments can once again become a source of competitive advantage. Efficient, smarter payments empower businesses of all sizes to grow, innovate, and compete globally. Modernisation will ensure payments remain the backbone of New Zealand's thriving economy.

# Call to Action: Building the Next Generation of Payments

Delivering modern payments requires joint action. Industry and government must each take responsibility for modernising the system, and align their efforts to avoid duplication, delays, or inconsistent standards. International experience shows that when regulators set clear direction and industry delivers technical execution, countries achieve faster roll-out, stronger uptake, and greater innovation.

## Industry Commitments



### Invest in next-generation infrastructure

Build real-time, open, interoperable systems, with APIs that readily allow small business and fintech integration. This ensures innovation can be layered on top, not locked in proprietary systems.

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### Prioritise fraud prevention and security

Deliver on Payments NZ's roadmap which highlights fraud prevention as a cornerstone.

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### Support small and medium enterprises to adopt emerging tech and sell overseas

Provide plug-and-play tools, training, and incentives to embed AI-driven payments, recurring billing, and cross-border solutions, levelling the playing field with larger firms.

## Additional Potential Government Commitments



### Continue the modernisation agenda

Build on the ComCom, RBNZ, and MBIE workstreams by embedding real-time infrastructure and interoperability at the core of a national payments strategy.

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### Token portability to boost competition in the system

Promote token portability so merchants can switch PSPs easily; strengthen least-cost routing; and lower barriers for new entrants.

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### Ensure international operability

Align with global standards (ISO 20022, API connectivity) and regional peers so NZ merchants can compete seamlessly in global eCommerce.



# Methodology

Drawing on primary business research and secondary data, this report examines both the structural constraints and opportunities in New Zealand’s payments system and the economic value businesses are positioned to capture.

**Primary research:** Stripe worked with Mandala Partners and survey provider PureProfile to commission a dedicated survey of 201 New Zealand users of online payments, from businesses of varying sizes and industries. The survey explored adoption of digital payments, business experiences in 2015 versus today, and the impacts on revenue, costs, and productivity. This provided the quantitative foundation for the analysis presented in the report.

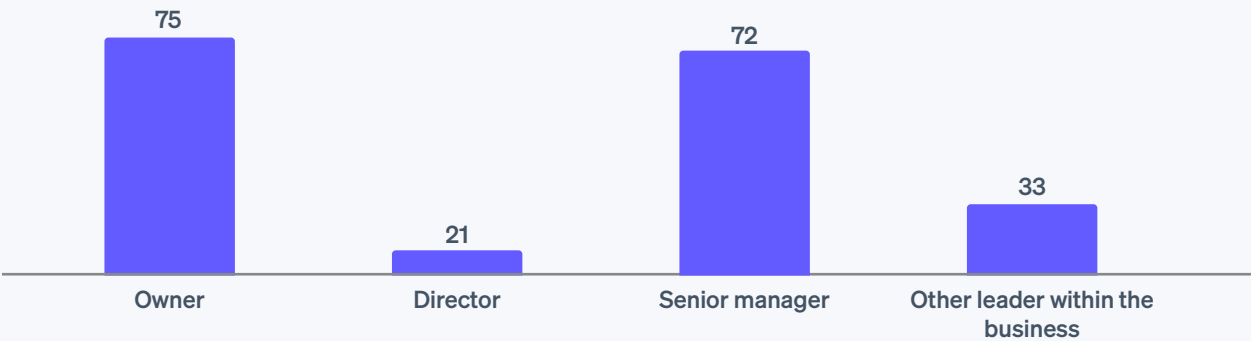
**Secondary research:** Statistics and evidence from regulatory reports, Reserve Bank publications, Payments NZ consultation papers, and Commerce Commission studies on retail payments were reviewed and cited in this report to confirm or contrast with the primary research findings.

## Survey demographics

### JOB ROLE

#### Respondents by role

Number of respondents



### BUSINESS SIZE

#### Respondents by business size

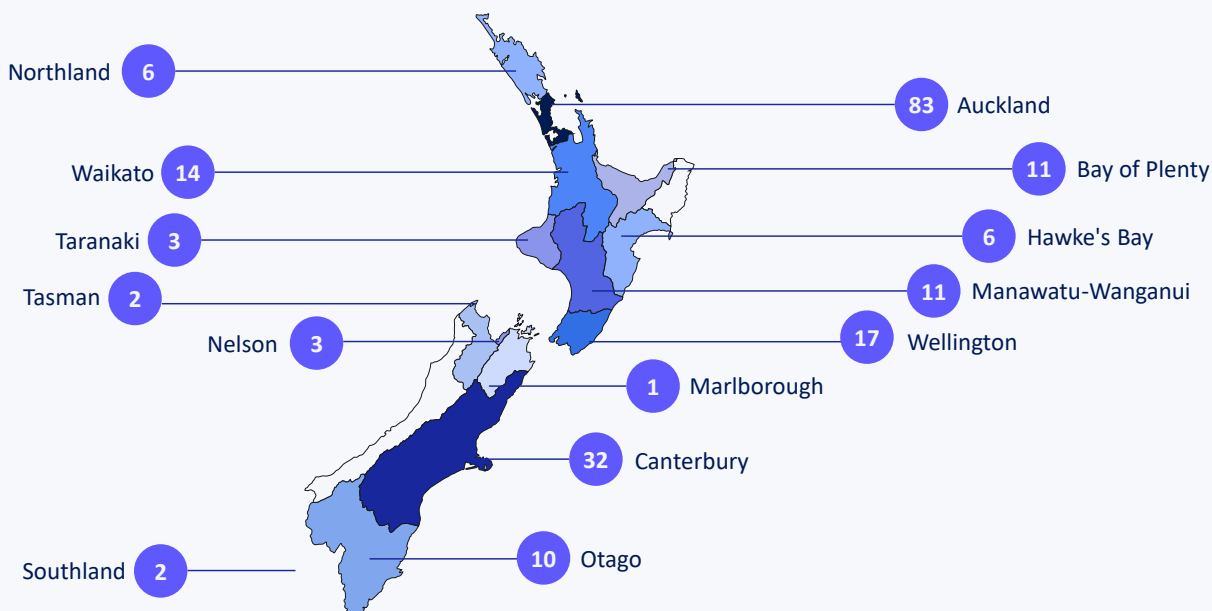
Number of respondents



## REGIONS

### Respondents by region

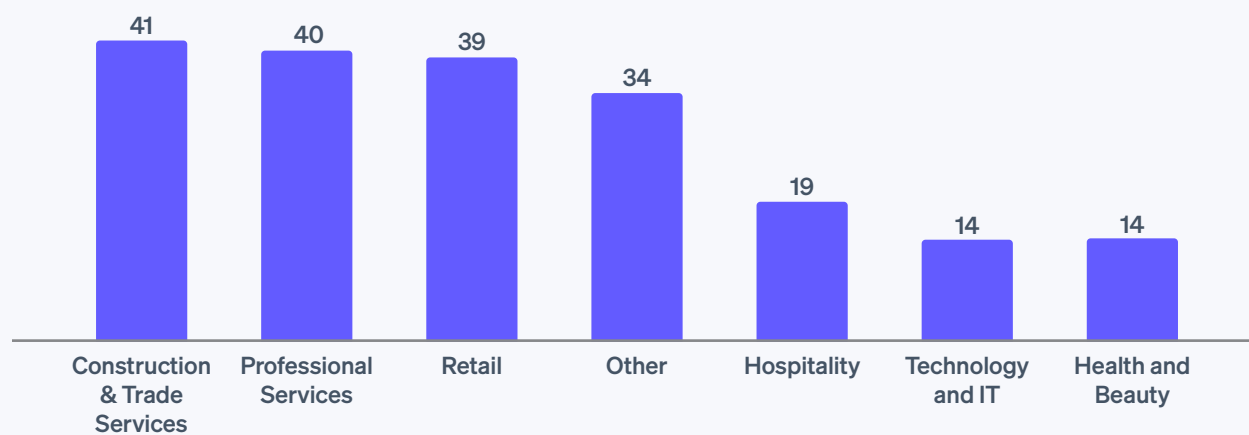
Counts of respondents



## INDUSTRY

### Respondents by Industry

Number of respondents





**stripe**