AUGUST 2025

Transfer of CCCFA to FMA

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COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

FMA
FINANCIAL MARKETS AUTHORITY
TE MANA TĀTAI HOKOHOKO

COMMERCE COMMISSION
NEW ZEALAND
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Regulation as usual until the transfer

- An amendment bill to transfer regulatory responsibility for the CCCFA from the Commission to the FMA has been introduced to Parliament
- The Commission will be continuing with its its normal regulatory activity as usual until transfer
- The Commission will be working with the FMA to enable a smooth handover of all CCCFA-related activities at transfer – this includes active investigations and litigation as well as engagement, education and guidance
- Permanent Credit staff will be transferring into roles across the FMA.

The Commission’s priorities

- protecting vulnerable consumers
- motor vehicle finance lenders who have not met their obligations under the CCCF Act, including the rules that require responsible lending practices.
  - We are particularly focussed on where motor vehicle lenders are providing credit to vulnerable consumers

The transfer of CCCFA

The FMA will become the regulator for the Credit Contracts and Consumer Finance Act 2003 (CCCFA)

- Simplifies and streamlines financial services regulation
- Establishes a single conduct regulator, reducing regulatory duplication
- Stronger consumer protections through enhanced conduct regulation

The Commission remains the regulator until the function transfers. This includes all CCCFA matters including investigations and self-reports.

Regulatory outcomes we're working towards

Engagement

- Regular engagement programme
- Meetings with lenders, industry bodies, consumer groups and advisory sector
- Industry surveys
- Online updates
- Set expectations through guidance, media interviews

Monitoring

- Thematic reviews on issues of concern across a sector
- Research papers to understand the sector
- Intelligence gathering through complaints, media, informal tips

Enforcement

- Warnings
- Stop Orders
- Direction Orders
- Civil proceedings
- Criminal proceedings
- License revocation

The FMA toolkit

Like the Commerce Commission, the FMA has enforcement tools, but the current proposals will see the introductions of a licensing regime, with comprehensive supervision and monitoring.

This will mean a broader toolkit.

MINOR → **SERIOUS**

- Feedback letter
- Private Warning
- Public warning
- Stop & Direction orders
- Licence removal
- Court proceedings

Setting expectations

Our Goal is to be transparent about the key risks and opportunities on the FMA's radar and how we plan to tackle them.

Our Aim is to provide provide transparency on priority focus areas and the reasons behind this.

The FMA conducts a range of supervision and monitoring activities. These are proactive, as part of our annual monitoring programme, and responsive, where we follow up on external complaints, queries, or information received.

Our approach to monitoring is risk-based and seeks to focus our activity where we have the greatest opportunity of reducing harm to clients. This means we only actively monitor a portion of our regulated population in any given year

We encourage industry leaders to use the Financial Conduct Report as a tool to guide internal engagement and staff awareness around FCR.

Consumers: The heart of what we do

Our consumer focus is guided by protecting the interests of consumers:

- Ensuring fair treatment, especially when things go wrong. That includes improving complaint processes and access to dispute resolution.
- Staying alert to emerging risks – like AI and BNPL - understanding how the credit industry responds to emerging challenges.
- Supporting consumer awareness through clear communication about rights and available help.
- Encouraging strong governance and risk management across providers to ensure long-term resilience and access for consumers.

Future Engagement: What to expect

The FMA will have a strong focus on building the consumer voice into our work

MEETING	ENGAGING	FEEDBACK
Regularly staying in touch to understand what's happening on the frontline	What are you seeing? Where are the largest issues? Where are the biggest risks?	Being clear about how the FMA is using the information it receives from you

Future Engagement: Joint

- As the Bill progresses, work on the transfer project will continue.
- Over the coming months, you will start to see joint messaging from both regulators about some practical aspects of the transfer and opportunities to engage with us jointly.
- We've established a webpage to provide information on the transfer, which we'll continue to update with Q&As over time.
- Please email us at creditfunctiontransfer@comcom.govt.nz if you have any questions about the transfer.

Thank You

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