

APPENDIX A: THE WORKED EXAMPLE

A Consumer Revolution Campaign Brief

Banking sector — New Zealand

PROTECT COMMUNITIES FIRST

This campaign is directed at the four major Australian-owned banks that between them control the substantial majority of New Zealand retail banking. It is not directed at community banks, credit unions, building societies, or any locally-owned or member-owned financial institution. It is not directed at bank employees, tellers, branch staff, or customer service workers. It is not directed at small businesses or independent operators who use banking services.

Small operators — cafés, barbers, restaurants, pharmacies, clothing stores, markets — who pass on payWave and contactless payment surcharges to customers are themselves victims of the same interchange fee structures this campaign targets. They cannot absorb merchant fees the way large chains can. When they pass those fees on, they do so because the margin does not exist to absorb them. This makes their prices less competitive against larger operators who can absorb the cost, eroding their market share and their viability. They are redirect destinations. They are not targets.

The targets of this campaign are the four major banks whose documented behaviour is described below.

THE TARGET

New Zealand's retail banking sector is dominated by four Australian-owned banks — ZNA, BSA, BZN, and Eastpac — which together hold approximately eighty-five percent of the home lending market and approximately ninety percent of retail banking deposits. The remaining market is served by a small number of New Zealand-owned and community-owned institutions, including NZBank, CommonGround Bank, and a network of credit unions.

This concentration is not accidental. It has been built and maintained over decades through acquisition, network effects, and the high switching costs that make changing banks feel harder than it is. Most New Zealanders have had the same bank for most of their adult lives. The bank the money goes into is the bank it stays in. This is not loyalty. It is inertia. The banks know this. They have built their revenue models on it.

This campaign asks you to notice the inertia. And then to choose deliberately.

THE EVIDENCE

One — Record profits during a cost-of-living crisis.

The four major banks collectively reported billions of dollars in annual profit during the period in which New Zealand households experienced the sharpest cost-of-living increases in a generation. These figures are drawn from the banks' own published annual reports and audited financial statements. They are not disputed by the banks. They are presented in those reports as evidence of financial strength.

During the same period, existing mortgage holders who did not actively renegotiate were rolled onto standard rates measurably higher than those offered to new customers or to customers actively switching banks. Comparison-site and public rate-card data has repeatedly shown gaps of two to three weeks in processing time and a persistent rate premium disadvantaging the passive existing customer against the actively negotiating one. This is not a pricing accident. It is the same inertia the Commerce Commission identified as protecting the big four from genuine competition, converted directly into a worse deal for anyone who does not pay attention.

Two — The payWave surcharge and who actually pays it.

When you tap your card at a small café, a local restaurant, a barber, or an independent pharmacy, you may be charged a surcharge of between one and two percent of the transaction value. This surcharge is not charged by the small business because the small business wants to charge it. It is passed on because the merchant service fee — the fee the business pays to accept Visa and Mastercard payments, most of it interchange set by the card networks and collected by the banks — is a cost the small business cannot absorb.

Large supermarket chains, petrol station networks, and major retailers do not charge this surcharge. Not because they are more generous. Because they have the scale to negotiate lower merchant fees and the margin to absorb those fees entirely, presenting contactless payment as frictionless to the customer.

The cumulative effect is around a hundred and fifty million dollars per year in surcharges flowing from New Zealand households through the Visa and Mastercard interchange system, most of it landing with the banks, through transactions so small that no individual payment registers as a meaningful cost. The Commerce Commission documented this in its work on the retail payment system and estimated that between forty-five and sixty-five million dollars of the charges each year are excessive: more than the actual cost of accepting the payment. A bill to ban the surcharges was introduced to Parliament. The government, in its own words, took a breather on the policy. The fees continued.

Three — The gap between what is available and what is signposted.

The four major banks collectively spend hundreds of millions of dollars annually on marketing designed to present themselves as community institutions — familiar, trustworthy, local. They sponsor sports teams, community events, and charitable programmes. This spending is real. It is also a fraction of the profit generated by the fee structures and margin decisions described above.

The alternatives — NZBank, CommonGround Bank, the credit unions — do not have comparable marketing budgets. Most New Zealanders do not know how easy it is to switch. Most New Zealanders have never been told, by the institution holding their money, that a comparable institution exists and that switching takes less than a week. This information asymmetry is not accidental. It is maintained by the institutions that benefit from it.

Four — Political access and regulatory pace.

The major banks have had documented access to senior ministers and government officials that is not available to the households paying the fees described above. This access has been exercised during periods when regulatory action on banking fees and market concentration has been considered, slowed, and in some cases shelved. The correlation between political access and regulatory pace is documented in donation registers, ministerial diary disclosures, and the parliamentary record. Each source is publicly available.

This campaign does not claim corruption. It documents access. Access shapes outcomes. The evidence of that shaping is in the public record.

WHY BANKING FIRST?

A fair question is why this campaign begins with banking rather than with the sectors where New Zealanders are squeezed hardest: the supermarket duopoly, the power companies, the insurers. The answer is the logic of the whole framework in miniature.

Those sectors extract the most precisely because you cannot leave them. You have to eat, so you cannot walk away from the two chains that control almost all grocery supply. You cannot opt out of electricity, and it is the same power whichever gentailer bills you. This is not an accident. The extractive economy works by removing the exits, until competition becomes meaningless and customers pay whatever is asked for things they cannot refuse to buy.

Banking is the exception that makes it a starting point. It is a captive sector like the others, dominated by four Australian-owned majors, but it is the one where a real exit still exists. You can move your money to a member-owned or publicly-owned institution, and it still functions fully as a bank. That makes banking the place to prove the method: the one locked room the extractors left a key to. A win here is not the end of the campaign. It is the proof of concept for every sector where the exit is harder,

demonstrating that coordinated, documented withdrawal can move an institution that presented itself as immovable. You take the ground you can hold. Then you show the rest of the country it can be done.

THE SPECIFIC ASK

This campaign has one primary ask.

Cut the merchant service fees the four major banks charge New Zealand businesses to accept card payments, removing the excess the Commerce Commission has identified, so that the surcharges those fees force onto customers at the till can come off.

This ask is specific and it is verifiable, because the fee schedules are published and the Commerce Commission has already quantified the excess. It does not ask the banks to be different kinds of institutions. It asks them to stop charging small businesses a fee those businesses have no choice but to pass on to customers who have no choice but to pay it. The surcharge at the till is the symptom everyone can feel. The merchant fee the banks set is the cause, and the cause is what this campaign asks them to fix.

The ask is unconditional. It is not contingent on the campaign reaching a threshold first, because a campaign that makes its demand conditional hands the target a number to argue about instead of a fee to cut. The demand is the same whether the campaign is a thousand people or a hundred thousand: **cut the fee**.

What grows is the pressure behind it, and that pressure is measured by the campaign itself, from data the campaign holds and publishes. Every participant does two things and records both through the campaign: they publicly pledge, and they move their banking to a redirect institution. The running total of pledged switchers is the campaign's scoreboard, and it does not depend on the major banks disclosing anything. Where the redirect institutions choose to report their own account growth, that corroborates the total, but the campaign never waits on the targets to admit what is happening to them.

If the banks cut the fees only partially, for some merchants, or subject to conditions that do not address the excess the Commerce Commission documented, the campaign assesses the partial change honestly and continues toward the primary ask.

THE REDIRECT

Be clear about what switching does and does not do. The interchange fees that force the surcharge are set by the Visa and Mastercard networks and run through the whole banking system, so moving your account to a smaller institution will not personally exempt you from being surcharged at the till, and this campaign does not pretend

otherwise. The redirect matters for two reasons that have nothing to do with escaping the fee. The first is where your money goes. When one of the four Australian-owned majors collects its share of the payment system's profits, that money leaves the country. When a member-owned or locally-owned institution collects the equivalent, the surplus returns to members or stays in New Zealand. Same activity, different destination, and the destination is the whole point. The second reason is proof. A visible, documented migration of accounts away from the majors is the thing they cannot explain away and cannot ignore, and it demonstrates something more important than any single fee: that ordinary people, withdrawing together, can move an institution that presented itself as immovable. The surcharge is where that lever is being tested. What is really being proven is that the lever works.

First option — CommonGround Bank.

CommonGround Bank is the most philosophically consistent redirect destination for this campaign. It is genuinely member-owned — every account holder is a member-owner with voting rights. It operates on a not-for-profit basis, distributing surplus back to members rather than to overseas shareholders. It is a full-service bank. Anyone can open an account. Switching takes less than a week.

This is the redirect the framework points toward first, because it is not merely a less extractive version of the same institution. It is a structurally different institution.

Second option — NZBank.

NZBank is publicly owned — owned by the New Zealand government on behalf of New Zealanders. Its profits, to the extent they are generated, stay in New Zealand rather than flowing to Australian shareholders. It is a full-service bank with nationwide coverage. It is accessible to people who need physical branch access. It does not offer the member-ownership structure of CommonGround Bank, but it represents a genuine alternative to the four major banks in terms of ownership and profit destination.

For people who need the most accessible possible switching option — particularly those in areas with limited physical banking infrastructure, or those whose credit situation limits their options with CommonGround Bank — NZBank is the redirect.

Third option — Credit unions.

New Zealand's credit unions operate on a member-owned, community-based model. They vary in accessibility and product range. Where a credit union is accessible and appropriate, it represents a redirect destination consistent with the framework's principles. The national credit union association maintains a current directory.

For people whose credit history or financial situation limits their options:

CommonGround Bank and NZBank both offer basic transaction accounts with lower barriers to entry than the major banks' standard products. If you have had difficulties with credit and are unsure whether you can switch, contact the institution directly and ask about their basic account options.

If none of the above is accessible to you, the voice option is the equal contribution. Redirect one automatic payment. Move your benefit or salary deposit to a new account, even if the new account is the only thing that moves. Tell one person why you are considering switching. Each of these actions is participation. None of them requires a clean credit record or discretionary income.

HOW TO PARTICIPATE

The voice option — equal to any other.

Share this brief. Tell someone the evidence in your own words. Name what you find unacceptable about it. Ask them what they think. This is participation. The framework spreads through people who tell other people. The connector is as essential as the redirector.

The redirect option.

Open an account with CommonGround Bank, NZBank, or a credit union. You do not need to close your existing account immediately — move your salary or benefit deposit first, then your automatic payments, then assess whether you need the major bank account at all. Document what you did. Share it if you are comfortable doing so.

The withdrawal option.

If switching is not accessible to you, reduce your business with the major banks wherever you can. Move one payment. Redirect one deposit. Each deliberate decision is a withdrawal from the default.

The documentation option.

Note what you do and when. Share it in community groups, in conversations, in newsletters. The aggregate of individual documented decisions is the evidence of movement that makes this campaign legible to the companies it is targeting.

WHAT THE BANKS COULD DO

When this campaign achieves visible traction, the banks will respond. The responses are predictable. They are documented in the Consumer Revolution Framework under The Alternative Narrative. For this campaign specifically, expect any of the following.

The community investment announcement. One or more of the four major banks may announce a community fund, a financial literacy programme, a sponsorship commitment, or a grant round. These announcements are designed to occupy the same emotional space as the campaign — community, care, local connection — without addressing the specific documented harm.

Response: Acknowledge the announcement. Assess it against the primary ask. Has the bank cut the merchant service fees that force the surcharges? If not, hold the campaign.

The jobs announcement. One or more banks may announce new roles, increased hiring, or a new facility. The announcement will be framed as evidence of the bank's commitment to New Zealand and to the communities where it operates.

Response: Acknowledge the announcement. Assess it against the primary ask. Has the bank cut the merchant service fees that force the surcharges? If not, hold the campaign.

The financial hardship statement. One or more banks may publish material about their hardship programmes, their support for customers in difficulty, their commitment to financial inclusion. This material may be genuine. It does not address the primary ask.

Response: Acknowledge the material. Assess it against the primary ask. Has the bank cut the merchant service fees that force the surcharges? If not, hold the campaign.

The legal threat. If the campaign achieves significant traction, one or more banks may instruct legal representatives to contact campaign participants, community groups distributing the brief, or the framework's domain registrar. This possibility is addressed directly in the framework's legal threats section.

Response: Publish any legal threat in full alongside the evidence it is trying to suppress. A bank that moves to suppress rather than address the evidence has confirmed that the evidence is accurate enough to threaten. The legal threat becomes part of the campaign.

WHAT WINNING LOOKS LIKE

A sustained shift of customer accounts away from the four major banks is detectable in their quarterly results. They do not need to see a collapse. They need to see movement in a direction they cannot explain away as market noise.

When that movement is visible — when the quarterly reports show account attrition that correlates with the campaign’s activity, when CommonGround Bank and NZBank report account growth that cannot be explained by normal market dynamics — the conversation about fee structures and rate pass-throughs becomes one the major banks initiate rather than resist. That is the moment at which the primary ask becomes achievable without legislative action.

Winning does not require every New Zealander to switch. It requires enough New Zealanders to switch, and enough of those switches to be documented and visible, that the cost-benefit calculation in the boardrooms of the four major banks changes.

The campaign stands on its own published number: the count of people who have pledged and switched, held and reported by the campaign itself. That number does not wait on the banks to confirm it. When it grows large enough that the corresponding movement surfaces in the majors' quarterly results as attrition they cannot explain away as market noise, the pressure has landed. A shift on the order of a few percent of the majors' combined retail base, sustained and documented over six to twelve months, is a number no quarterly report can dismiss, and it is achievable by distributed participation without a single bank disclosure the campaign has to beg for. And even if the fee proves stubborn, a migration the banks have to explain to their shareholders has already won the deeper point, which is that withdrawal, coordinated and documented, is a lever ordinary people can pull.

That is the target. That is what winning looks like.

THE EVIDENCE BEHIND THIS BRIEF

All claims in this campaign brief are drawn from primary sources.

Key primary sources include:

The Commerce Commission’s market study on personal banking services in New Zealand, and associated recommendations.

The published annual reports and audited financial statements of the four major banks.

The Reserve Bank of New Zealand’s published data on retail interest rates and OCR pass-through analysis.

Parliamentary records, including Hansard debates on the Retail Payment System Amendment Bill and related select committee transcripts.

The New Zealand Companies Register and Electoral Commission donation disclosures.