**From:** Fundraising Institute of New Zealand
**To:** Minnie Finlayson
**Subject:** Please contact FINZ if negatively impacted RE: Kiwibank changing card companies and the impact on donors
**Date:** Monday, 22 June 2020 10:41:56 AM

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Dear FINZ members,

We have heard from one of our members that Charities have been impacted by Kiwibank changing their credit card companies leaving their customers to update all their payments. The process began before Christmas and was completed just before lockdown. This process change has negatively impacted donations to charities. It is difficult to determine the true cost in income, but we believe it's likely to be tens of thousands of dollars. It appears that potentially 50% of card holders are unable to be contacted for new card details regardless of best efforts.

This issue has the potential to cost charities more than the demise of cheques as it affects ongoing regular donations and is potentially ongoing (Westpac did a similar thing a couple of years ago). Investigations have revealed that, in the US, there is a Card Updater system which the banks can use, like the bank switch system used here for Direct Debits. Kiwibank knows of this service, but it's not available here yet. When/if it does become available, it will likely come at a cost.

We reached out to our contact at Kiwibank and we received the following response:

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Hi Michelle,

I apologise for the delayed response.

I'm sorry to hear that charities have been impacted by banks changing their credit card companies. We appreciate that the last three months have been a challenging time for our charities with the impact Covid-19 has had on donations. Further to this, other major banks have recently announced that they'll be going cheque-free within the next year or so.

As part of our move to Visa, we considered whether we could automatically update regular payments on behalf of our customers, as we understood updating payment details would be an inconvenience for customers and also the organisations, they make payments to. In the end, it's important that customers retain control over any payments coming from their card, so we weren't able to automate this process.

For this reason, we sent all impacted customers multiple communications to remind them to update any regular payments before their Mastercard stopped working. These communications referred to a list of the

types of payments they should consider, which included payments to charitable organisations.

Even without switching credit card companies, customers need to update their regular payments from time to time e.g. when a card is lost or stolen, or when a card expires (usually every few years). We appreciate keeping donors' contact details up to date can be difficult, but it's important that charities aim to do this when they can as card details will continue to change regularly.

Charities may also wish to check in with the e-gateway provider that they use to process the regular payments. They may have other options available to support ongoing payments.

If you have any questions or would like more information, please email or call me. I'd be happy to help.

Regards,

Brett
Kiwibank

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If you or your charity have been negatively impacted by this change, can you please contact me michelle@finz.org.nz with a summary of the impact it has had on your organisation.

We will continue to advocate on your behalf. It is important that we understand any payment challenges/changes that impact our donor's ability to donate to the causes they love and support.

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Michelle Berriman
Executive Director

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