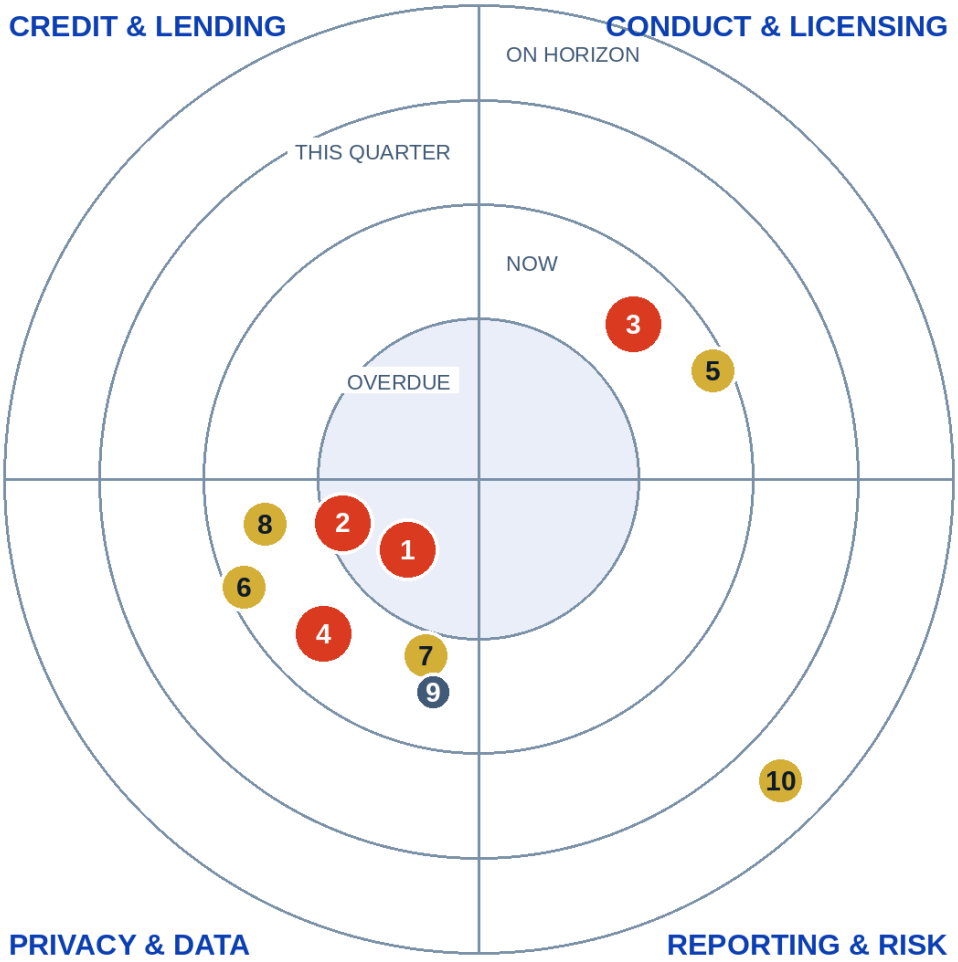
DARK ARTS
EVENT HORIZON

REGULATORY RADAR
NZ LENDERS & FINANCE COMPANIES
SEPTEMBER-OCTOBER 2026

What's moving on the horizon for these firms and what it quietly breaks.

LEAD SIGNALS

Screening and privacy obligations moved under lenders this window: sanctions rules changed on 3 September, and the privacy regulator now treats dormant accounts and slow breach notification as findings. A bank's $1.73m fee refund shows what a quiet configuration gap costs.



ANGLE = CATEGORY · DISTANCE FROM CENTRE = WHEN IT BITES · SIZE & COLOUR = SEVERITY

1 PRIVACY & DATA · OVERDUE HIGH

Who counts as sanctioned has changed

WHO: lenders and finance companies onboarding borrowers, guarantors and business customers

WHAT: customer checks that only match names against the list, and miss someone acting for a sanctioned person

WHEN: Since 3 September, any dealing designed to get around sanctions is expressly banned, and relatives and associates count only if named on the register. More names were added on 7 August.

SOURCE: legislation.govt.nz

2 PRIVACY & DATA · OVERDUE HIGH

Indirect collection rules started in May

WHO: lenders receiving applicant data from brokers, dealers, bureaus and comparison sites

WHAT: data feeds from third parties that never trigger a notice to the person they describe

WHEN: Applies to personal information collected since 1 May 2026. Everything collected indirectly since then is already in scope.

SOURCE: legislation.govt.nz

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3 **CONDUCT & LICENSING** · NOW **HIGH**

A 25 cent fee cost $1.73m

WHO: lenders and finance companies charging account, establishment or default fees from configured tables

WHAT: fee tables that kept charging after the terms were reworded around them

WHEN: Public warning issued 21 September. The fee ran from November 2017 to November 2023 before it was caught.

SOURCE: fma.govt.nz

4 **PRIVACY & DATA** · NOW **HIGH**

Dormant accounts became a breach finding

WHO: lenders with customer portals, closed loans and old applications still on file

WHAT: customer platforms with no process to check in on, close or purge accounts nobody uses

WHEN: Final report released 30 October. The Commissioner generally expects a check-in after 12 months of inactivity.

SOURCE: privacy.org.nz

5 **CONDUCT & LICENSING** · NOW **MEDIUM**

Fair outcomes can't be outsourced

WHO: finance companies and vehicle lenders selling add-on insurance alongside the loan

WHAT: distribution oversight that never sees intermediary sales, cancellations, claims and complaints data

WHEN: Review published with feedback to participating insurers. The FMA expects the rest of the sector to self-assess against it.

SOURCE: fma.govt.nz

6 **PRIVACY & DATA** · NOW **MEDIUM**

Boards must know where AI runs

WHO: deposit takers and FMA-licensed lenders using AI in credit, collections or customer service

WHAT: AI use nobody has inventoried: vendor features, staff tools and code assistants outside the risk register

WHEN: Expectations already published. Boards and senior managers should know where AI is deployed and who owns the risk.

SOURCE: fma.govt.nz

7 **PRIVACY & DATA** · NOW **MEDIUM**

Breach notified six months late

WHO: lenders whose IT or managed service provider handles security incidents

WHAT: incident response that treats cyber and privacy separately, so nobody asks whether to notify

WHEN: Decision published. The Commissioner expects notification within 72 hours of knowing a breach is notifiable.

SOURCE: privacy.org.nz

8 **PRIVACY & DATA** · NOW **MEDIUM**

Overseas policy, New Zealand problem

WHO: lenders with overseas owners or offshore-built application journeys

WHAT: collection notices and privacy policies inherited from a parent company that cite foreign law

WHEN: Decision published. The Commissioner signals targeted adverse comment, including to parent companies, when firms do not engage.

SOURCE: privacy.org.nz

9 **PRIVACY & DATA** · NOW **LOW**

Personal emails on work systems count

WHO: lenders handling access requests from current and former staff

WHAT: access-request processes that skip personal email held in company mailboxes

WHEN: Case note published. Personal emails held on work systems can fall inside an access request.

SOURCE: privacy.org.nz

10 **REPORTING & RISK** · ON HORIZON **MEDIUM**

AML supervision now carries a levy

WHO: non-bank lenders, finance companies and payment providers that report under AML/CFT law

WHAT: budgets, payables and compliance calendars with no line for levy invoices, challenges or class changes

WHEN: Regulations in force since 8 October. Levies apply from the financial year starting 1 July 2027.

SOURCE: legislation.govt.nz

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