

OCTOBER 2017

# Retailer News

Keeping retailers up to date



## Tony's Take – Economic commentary from BNZ Chief Economist Tony Alexander

Conditions remain good for the pace of growth in spending by consumers in New Zealand. The labour market is strong, interest rates remain low, population growth remains high, and readings of consumer sentiment remain at above average levels. There may well be a slight easing in growth heading into the election, but if so, then it seems reasonable to expect some recovery once the election outcome is known, unless there is a change in government and consumers begin to worry about how much taxes will eventually rise.

The problem for retailers however is that while big changes in the pace of economic growth can still have a big influence on their sector, the bigger factor affecting many retailers currently is increased competition from online businesses, quicker changes in consumer tastes, and greater resistance by consumers to price increases – whether they are justified or not by cost increases. Margin pressures look like remaining and rationalisation in many sectors due to increasing online competition looks highly likely to continue, and perhaps strengthen soon.

## UnionPay Online Payments is now available

We're excited to let you know that online merchants using the Payment Express PXPAY2 e-commerce platform can now take payments from UnionPay International cardholders using our new UnionPay Online Payments (UPOP) product. If you're interested in UPOP for your business contact our Merchant Helpdesk on 0800 737 774 for more information.

## Changes to the way Visa manages disputed transactions

From 14 October 2017, Visa is making some changes to how they manage disputed transactions, under their new VCR (Visa Claims Resolution) operating regulations. The VCR initiative seeks to shorten and simplify the dispute-resolution process while also keeping pace with the needs of the payment industry. These changes will have an impact on your business practice.

### New process

When a cardholder disputes a transaction, this dispute is reviewed by Visa, and if deemed valid you will not have an automatic challenge option. In some circumstances, the next process available is pre-arbitration, which can incur costs to your business.

### Benefits of the new process

Today, disputes typically take approximately 46 days to resolve, with the more contentious issues taking more than 100 days. The new enhanced dispute process will provide more efficient processing and in some cases less need for multiple cycles of back and forth to exchange information and documentation, which will allow for quicker resolution of the dispute.

### Another key change

After a dispute has been received and you have been notified, and subsequently if you refund the cardholder for the transaction amount, there will be no recourse to recover the funds after October 14. I.e. You will be out of pocket for twice the transaction amount, (1. the chargeback debit, and 2. the refund that you processed).

### More information

For more information just visit <https://tinyurl.com/yc9kozvh>

## Any questions?

- › If you have any questions about your merchant facility or need some help please contact our Merchant Helpdesk on **0800 737 774, Option 4.**

› Visit [bnz.co.nz](https://bnz.co.nz)

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