

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

There's a school of thought which says that as the country heads into an election, the economy goes on hold. There's certainly plenty of anecdotal evidence that some businesses will hold off committing to some capital spending as they await the election outcome, and the housing market can also flatten out slightly. But outside of this there is little to suggest that consumers change their spending patterns to any degree. Many years back the only discernible change in spending was a sudden rush on budget day by people to buy petrol, alcohol and cigarettes in case excise duties were put up – as they often were. The fundamental factors underpinning growth in NZ household spending remain very strong. Net migration inflows at record levels above 70,000 per annum are boosting our population by over 1.5% per annum. Consumer confidence levels are above average. Jobs growth is running near 4% per annum. House prices are still rising in the regions and boosting perceived wealth, and therefore perhaps some willingness to splurge on one or two things. In Auckland and Christchurch however, prices have flattened out so to some extent this wealth effect does exist, but it will be petering away in our two biggest cities. Tourism continues to boom and this is of great benefit to hospitality businesses. For most retailers however it is not the state of the overall economy, which is and has been the biggest determinant of success. Instead, it is encroachment on sales from online retailers who continue to expand, lack of staff and costs associated with staff churn, and managing margins in a new world where consumers can easily find alternative products when the price of something is increased.

posBoss

Here For Hospo

BNZ PayClip integrates with posBoss

With all the challenges of running a hospitality business, taking payments and controlling your finances shouldn't be a headache. That is why BNZ PayClip and hospitality point of sale company, posBoss have just integrated their software applications, to make running your business and taking payments a simple, hassle free and positive experience.

PayClip is the new way to take card payments - with a sleek design, low fees, no contracts and a simple to use Bluetooth connection to your smart device, it opens up opportunities to service your customers and accept payments. posBoss is a New Zealand owned, hospitality Point of Sale system that runs on an iPad. It has been designed by hospo veterans for the hospo community and its intuitive design, ease of use, affordable pricing structure and integration with PayClip and Xero means you have more time to focus on your customers and less time worrying about administration.

Contact posBoss today to have a chat about how BNZ PayClip & posBoss can help you grow your hospitality business. Just visit posbosshq.com or email hello@posbosshq.com for more information.

Updated Merchant Agreement – Terms and Conditions

From 30 April 2017 we're making some small changes to our Merchant Agreement. We've added some new clauses and amended some others to ensure consistency with other BNZ agreements. For a full overview of the changes and to download the new agreement just visit bnz.co.nz/merchantagreement

Important Mastercard Changes for Merchants Processing Pre-Authorisations and/or Tips

Mastercard are introducing changes from April 2017, designed to improve the 'open-to-buy' balance on cardholder's accounts. If your business uses pre-authorisations and/or adds tips, you need to be aware of these changes and possibly make changes to some of your business processes. Please take note of the changes outlined below.

Mastercard's Rule Changes

Included in Mastercard's mandate are changes that may impact your current business processes.

You will need to amend any of your business processes that do not align with Mastercard's new rules:

- › You must tell your customers you will be processing a pre-authorisation, and for how much. This is important, as they won't be able to access those funds.
- › Merchants will no longer be able to add tips after a transaction has been finalised. 'In-line' tipping i.e. adding a tip prior to entering a PIN, will still be available.

We are currently working with Payment Gateway providers to determine what changes, if any, merchants will need to make to the way they process pre-authorisations - and we will be in contact should there be any impact to you.

Any questions?

If you have any questions about your merchant facility, or need some help, please contact our Merchant Sales and Service team on **0800 737 774**, Option 4.