



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

Traditionally, one of the key reasons for a collapse in confidence in the retailing sector has been a hike in interest rates. Higher borrowing costs make people especially reluctant to buy expensive items like furniture, electrical appliances, and motor vehicles. Maybe one-day retailers will face such a threat to activity levels. But for now, the opposite is happening.

We have just seen a round of interest rate cuts from BNZ, in the absence of any official easing of monetary policy by the Reserve Bank. The cuts have been driven by lower wholesale borrowing costs which have fallen in response to continued low inflation signs and the risk that some businesses act on their high pessimism and reduce investment and hiring.

We are doubtful that these two areas will be much impacted by the high level of pessimism, but the fact remains that low inflation is producing newly low interest rates and these will tend to underpin consumer spending on large items, including houses, going forward.

Best regards

### 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.

## We're making some changes to your monthly merchant statement

If you are on fixed or variable rate pricing, you will notice an extra page attached to your next monthly merchant statement. This is just one of the changes you will see over the next few months as we provide you with more detailed information around the payments you are accepting. The new statement page will, for the first time, provide you with a detailed breakdown for Visa and Mastercard:

- Domestic and International transactions.
- Card scheme and type.
- The number of transactions for each card type.
- The dollar value of transactions by each card type.

## SSL no longer secure for e-commerce merchants

A reminder that due to a significant number of merchant data breaches globally, the Payment Card Industry Security Standards Council (PCI SSC) and the Card Schemes (Visa/Mastercard etc.) determined that SSL and early TLS versions were no longer suitable for secure online transactions.

The card schemes have now mandated specific rules around the use of SSL and TLS. The key messages for businesses selling products online are:

- Secure Socket layer (SSL) can no longer be relied on to protect payments data.
- If you own an e-commerce website you need to ensure Transport Layer Security (TLS) is running at a minimum version 1.1, but ideally version 1.2.

This not only protects your customer's confidential data, but also ensures the reliability and trustworthiness of your website for your customers. If you have any questions about your website's security measures email us at [pcidss@bnz.co.nz](mailto:pcidss@bnz.co.nz)