

## Retailer News – July 2014 Keeping Retailers up to date

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

The Reserve Bank is now well into its monetary policy tightening cycle, having already taken the cash rate from 2.5% to 3.25%, with further rises toward 5% likely in the next 18 months. These rises may sap some demand for large items like cars and furniture. But it pays to remember that the labour market is getting stronger and wage growth is likely to accelerate soon. That will insulate most people against higher borrowing costs and allow some of the recent improvement in the pace of growth in household spending to be sustained. How long the current period of above average spending growth will last is hard to say, especially given huge uncertainties such as war in the Middle East pushing oil prices higher, and dairy prices falling as China's growth slows and supplies increase in other countries.

### **Faster Settlements for Merchants**

Here's some great news that will help you be good with money if you have your daily debit and/or credit card transaction settlements paid into a BNZ account. You'll soon be able to view and access these payments as soon as we've processed them.

In practise this normally means that you'll have the day's settlement amount in your BNZ account at around 11pm on the same day – **seven days per week** – regardless of whether that day is a business day, a bank holiday or a Saturday or Sunday. You won't have to wait until the next business day to view and access your money.

Be aware that:

- › We will be processing both payments and refunds to your account so if your card refunds are more than your card sales in one day then your account balance will reduce.
- › Making your money available faster will not affect any interest calculations as these are based on your business day balances.
- › Our normal checks for fraudulent transactions will still apply and we retain the right to withhold funds if fraud is suspected.
- › If you have any settlement funds paid to an account at another bank we can still only send payments between banks on business days. If you would like to have access to this money faster talk to us about our account options on 0800 275 269.

### **Code 10 Authorisations**

It's important to be extra vigilant when processing your card transactions. If you are suspicious about a card or cardholder, phone the Authorisation Centre on 0800 266 565 and request a code 10 authorisation.

Code 10 is a code that refers to any circumstance in which a merchant becomes suspicious when accepting a card payment.

For example:

- › The signature on the sales voucher does not match the signature on the card (or there is no signature on the card).
- › The photo on the card does not match the person presenting the card.
- › You are suspicious of the person presenting the card, or you are suspicious that the card is not genuine.

If you have any queries regarding any of the above articles, or your Merchant Facility in general, please contact our EFTPOS & Internet Merchant Sales and Services team on **0800 737 774, Option 4**.