

Retail Banking

July 2025 – December 2025

In the second half of 2025, the number of unique customers increased to 10.2 million, up by 1.2% compared to the first half of 2025. The following industry insights relate primarily to retail banking with KiwiSaver, managed funds, business lending and insurance products excluded from the analysis.

BANKS ARE HELPING CUSTOMERS SAVE AND TRANACT



During the last reporting period, the total value of savings accounts increased by 2.7%, and the value of term deposits increased by 3.7%.

TRANSACTIONS

- There were over 10.7 million active transactional accounts, an increase of 2.6% from 10.3 million in the last period. Of these, around 82.8% paid no fees on their transaction account. *
- There were over 2.4 billion customer transactions processed over the six-month period, an increase of 16.3% compared to the 2 billion customer transactions in the previous period.

CREDIT CARDS

- The number of unique customers with an active credit card decreased by 0.4% to 2.15 million from 2.16 million in the previous period. The number of active credit cards also decreased by 0.6% compared to the previous period.
- The average monthly spend per credit card account was \$2,287, an increase of 10.3% from \$2,073 compared to the last reporting period.
- 68% of cards were paid off in full without incurring any interest cost, an increase of 0.9% compared to the previous period.

SAVINGS PRODUCTS

- The value of savings accounts increased 2.7% to \$114 billion with an average balance of \$16,493 (an increase in the average balance by 6.5% from the last reporting period).
- The value of term deposits increased by 3.7% to \$195 billion, with an average balance of \$113,385 (an increase in the average balance by 5.2% from the last reporting period).
- Over the reporting period, the average interest rate on savings accounts was 1.3% p.a., a decrease of 0.3% p.a. from the last period, while term deposits interest rate decreased from 4.1% p.a. to 4.0% p.a.

BANKS ARE SUPPORTING HOMEOWNERS



The number of new home loans increased by 17.5% compared to the previous period.

HOME LOANS

- There were 1.4 million home loans across 1.1 million customers at the end of the period. The average value, per customer, of a home loan was \$345,692, an increase of 5.0% from the last reporting period.
- There were 70,811 new home loans during the period, an increase of 17.5% from 60,249 in the last period.
- The average value of all new home loans was \$392,519, a 3.0% decrease from the last period.
- The overall value of all new home loans opened increased by 14.0% to \$27.8 billion.
- Of the 70,811 new home loans opened in the reporting period, 24.4% were issued to first time home buyers.
- The average value of a home loan for first home buyers was \$524,850, an increase of 3.4% from the last period.

HOME LOAN SUPPORT

- 1.4% of loans were behind on their loan repayments, a 0.1% decrease compared to the last reporting period, while around 42.9% were ahead (up from 40.3% in the last reporting period).
- In comparison to the last reporting period, there was a 4.3% increase in customers that applied for hardship status.
- During the six-month period, 6,158 customers were granted the hardship status, reflecting a decrease of 8.3% from the previous reporting period.

HOME LOAN EXPOSURE

- The proportion of the number of home loans on variable rates only, decreased by 22.5% from the last period, which represented 17.7% of all home loans.
- Customers continued to prefer fixed interest rates, which represented 60.7% of all home loans. The 21.6% of the remaining home loans were on a mix of fixed and variable rates.
- 18,094 home loans switched from principal and interest to interest only repayments, an increase of 44.1% from the last reporting period.

BANKS ARE CARING FOR CUSTOMER NEEDS



Compared to the last period, banks received 0.3% fewer calls and the number of complaints decreased by 1.4%.

COMPLAINTS

- Banks received 1.4% less complaints than the previous period.
- Banks received one complaint for approximately every 51,296 transactions (17.9% less complaints per transaction compared to the last reporting period).
- 2.5% of all customer complaints received during this period required resolution through the Banking Ombudsman, a decrease of 0.2% against the last period.
- Banks were resolving complaints at around 4.9 days, quicker than 5.7 days in the last reporting period.

CUSTOMER SUPPORT

- Banks received approximately 881,837 calls from customers each month, a decrease of 0.3% from the previous reported period.
- Average call duration was 9 minutes, a decrease of 8.1% from the previous reported period.
- Of all the calls received by contact centres, 82.5% were answered, an increase of 0.8% from the previous reporting period.

INDUSTRY CHANGES



The number of cash transactions in branches increased by 9.7% in comparison to the previous period. There was an increase of 1.6% in the number of active online users.

CUSTOMER TRANSACTION BEHAVIOUR

- 79.5 million customer transactions were made in branch during the period, a 7.0% increase compared to the previous six months. This represented 3.4% of the total 2.4 billion customer transactions, a decrease from 3.7% from the last reporting period.
- Cash transactions accounted for 2.7% of all branch transactions, up from 2.6% in the prior period.
- Cash transactions in branches increased by 9.7% to 2.1 million from 1.9 million in the previous reporting period.

CONTINUED SHIFT TO DIGITAL

- There were approximately 8.2 million customers registered on online banking (including mobile banking apps). This equated to 79.8% of all unique customers, up from 71.6% in the last reporting period.
- 73.8% of those banking customers registered with internet banking and/or mobile app were active online within the past 6 months.
- Approximately 6 million internet banking or mobile app users were active, an increase of 1.6% in comparison to the last reporting period.
- The percentage of transactions using ATMs represented 1.7% of all transactions, slightly down from the previous reporting period.

* This metric is amended from previous reporting periods to exclude inactive transactional accounts.