Retail Banking

January 2026 – June 2026

In the first half of 2026, the number of unique customers decreased by 0.4% to 10.18 million compared with the second 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 TRANSACT



During the last reporting period, the total value of savings accounts decreased by 1.3%, and the value of term deposits increased by 0.4%.

TRANSACTIONS

- There were over 10.1 million active transactional accounts, a decrease of 4.9% from 10.7 million in the last period. Of these, around 93.7% paid no fees on their transaction account.
- There were over 2.2 billion customer transactions processed over the six-month period, a decrease of 8.4% compared to the 2.4 billion customer transactions in the previous period.

CREDIT CARDS

- The number of unique customers with an active credit card decreased by 0.7% to 2.13 million from 2.15 million in the previous period. The number of active credit cards also decreased by 0.9% compared to the previous period.
- The average monthly spend per credit card account was $2,218, a decrease of 3.0% from $2,287 compared to the last reporting period.
- 68% of cards were paid off in full without incurring any interest cost, remaining unchanged from the previous period.

SAVINGS PRODUCTS

- The value of savings accounts decreased 1.3% to $112.8 billion with an average balance of $16,879 (an increase in the average balance by 2.3% from the last reporting period).
- The value of term deposits increased by 0.4% to $195.7 billion, with an average balance of $111,030 (a decrease in the average balance by 2.1% from the last reporting period).
- Over the reporting period, the average interest rate on savings accounts was 1.2% p.a., a decrease of 0.1% p.a. from the last period, while term deposits interest rate decreased from 4.0% p.a. to 3.8% p.a.

BANKS ARE SUPPORTING HOMEOWNERS



The number of new home loans increased by 2.0% 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 $351,748, an increase of 1.8% from the last reporting period.
- There were 72,209 new home loans during the period, an increase of 2.0% from 70,811 in the last period.
- The average value of all new home loans was $355,805, a 9.4% decrease from the last period.
- The overall value of all new home loans opened decreased by 7.6% to $25.7 billion.
- Of the 72,209 new home loans opened in the reporting period, 22.4% were issued to first time home buyers.
- The average value of a home loan for first home buyers was $506,761, a decrease of 3.4% from the last period.

HOME LOAN SUPPORT

- 1.2% of loans were behind on their loan repayments (down from 1.4% in the last reporting period), while around 42.9% were ahead (remaining unchanged from the last reporting period).
- In comparison to the last reporting period, there was a 13.5% decrease in customers that applied for hardship status.
- During the six-month period, 5,562 customers were granted hardship status, reflecting a decrease of 9.7% from the previous reporting period.

HOME LOAN EXPOSURE

- The proportion of the number of home loans on variable rates only represented 16.3% of all home loans, a decrease of 6.3% from the last period.
- Customers continued to prefer fixed interest rates, representing 62.2% of all home loans, an increase of 1.5% from the previous period. The 21.5% of the remaining home loans were on a mix of fixed and variable rates, remaining unchanged from the previous period.
- 13,121 home loans switched from principal and interest to interest only repayments, a decrease of 27.5% from the last reporting period of 18,094 home loans.

BANKS ARE CARING FOR CUSTOMER NEEDS



Compared to the last period, banks received 7.7% fewer calls and the number of complaints increased by 1.7%.

COMPLAINTS

- Banks received 1.7% more complaints than the previous period.
- Banks received one complaint for approximately every 46,229 transactions (9.9% more 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, remaining unchanged to the previous period.
- Banks were resolving complaints at around 4.9 days, remaining unchanged to the previous period.

CUSTOMER SUPPORT

- Banks received approximately 814,183 calls from customers each month, a decrease of 7.7% from the previous reported period.
- Average call duration was 10 minutes, an increase of 10.8% from the previous reported period.
- Of all the calls received by contact centres, 84.5% were answered, an increase of 2.0% from the previous reporting period.

INDUSTRY CHANGES



The number of cash transactions in branches decreased by 11.5% in comparison to the previous period. There was an increase of 2.4% in the number of active online users.

CUSTOMER TRANSACTION BEHAVIOUR

- 75.6 million customer transactions were made in branch during the period, a 5.0% decrease compared to the previous six months. This represented 3.5% of the total 2.2 billion customer transactions, an increase from 3.4% from the last reporting period.
- Cash transactions accounted for 2.5% of all branch transactions, down from 2.7% in the prior period.
- Cash transactions in branches decreased by 11.5% to 1.9 million from 2.1 million in the previous reporting period.

CONTINUED SHIFT TO DIGITAL

- There were approximately 8.3 million customers registered on online banking (including mobile banking apps). This equated to 81.6% of all unique customers, up from 79.8% in the last reporting period.
- 74.2% of those banking customers registered with internet banking and/or mobile app were active online within the past 6 months.
- Approximately 6.2 million internet banking or mobile app users were active, an increase of 2.4% in comparison to the last reporting period.
- The percentage of transactions using ATMs represented 1.6% of all transactions, slightly down from the previous reporting period.