

Annual report 2024-25

We help resolve and prevent problems to improve banking for our communities.



"We were encouraged by the findings of the independent review."



Miriam Dean CNZM KC
CHAIR

94%

of complaints were resolved through our early resolution service.

"A modern ombudsman scheme that makes a valued and credible contribution to a fair banking sector."

Deborah Hart | INDEPENDENT REVIEW 2024



Working together

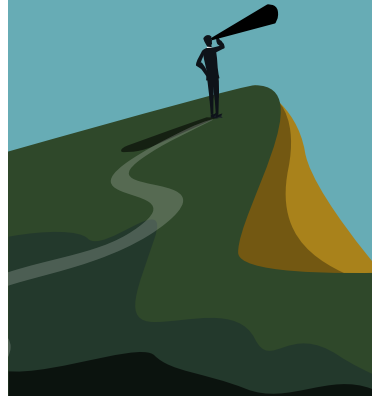


CASES BY BANK



We exceeded our targets for timeliness while still maintaining high levels of customer satisfaction.

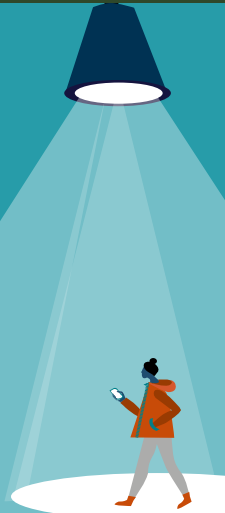
Seeing the big picture



"It is a reflection of my highly skilled staff that the independent review found us easy to use, including by vulnerable customers."

Nicola Sladden
BANKING OMBUDSMAN

Sharing our experience



Case study: Closing accounts



Case study: Sale proceeds



Customer feedback

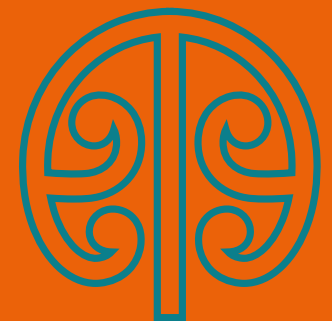
Staff were patient, empathetic and honest in their feedback.



Whistleblowing service



Auahatanga: Excellence



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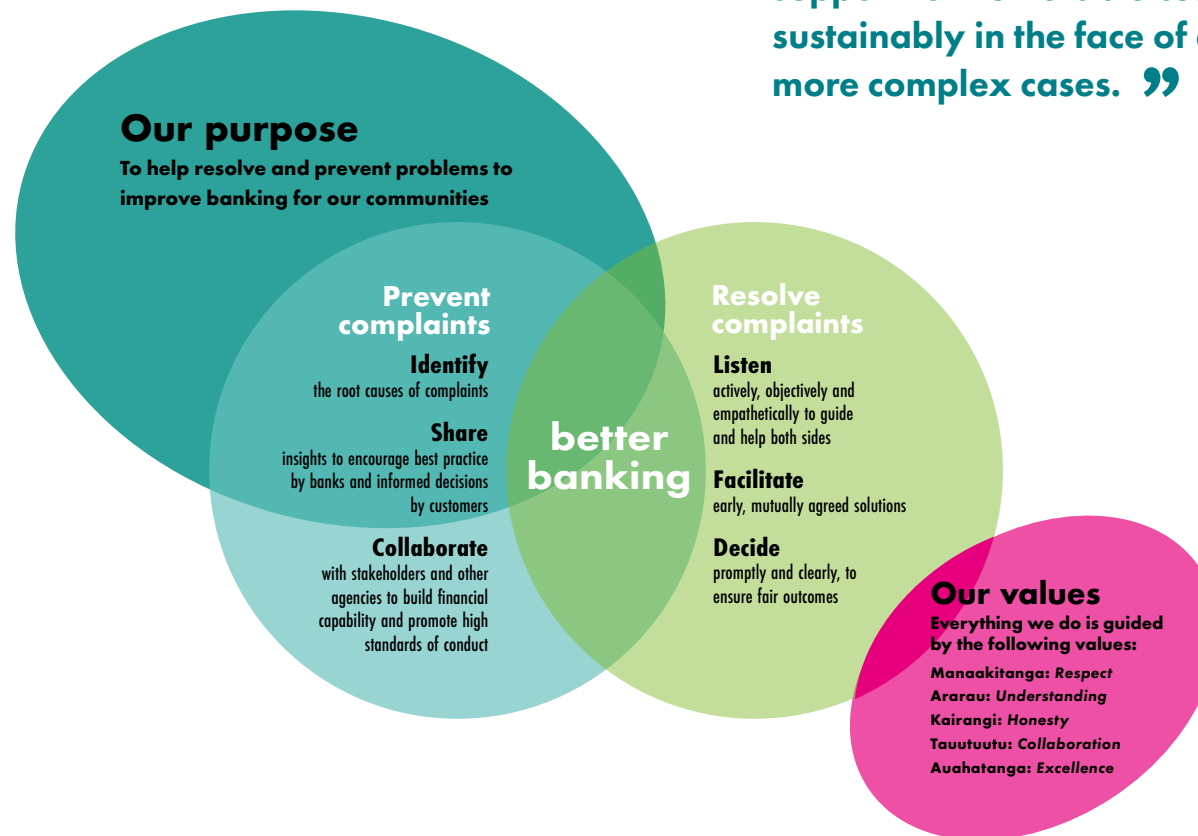
Whistleblowing service

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Disputes outcomes

The financial statements are
available on our website

Strategic framework 2023–2026



“ It will be a year of consolidation, with a focus on three priorities: providing our resolution service to a high standard; using insights to support systemic change, particularly in fraud prevention and support for vulnerable customers; and operating sustainably in the face of a growing workload and more complex cases. ”

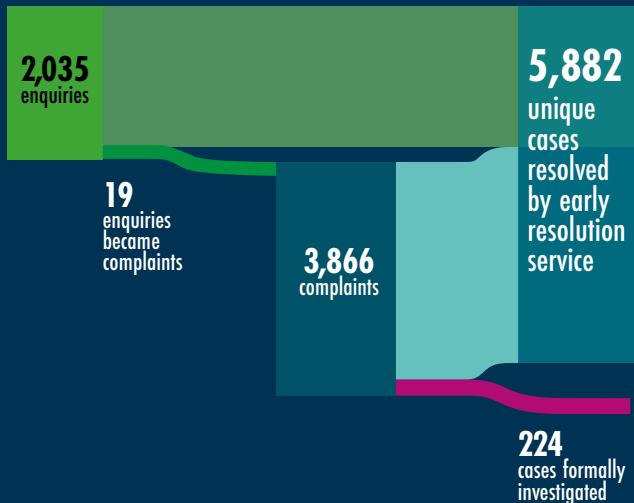
Miriam Dean CNZM KC
CHAIR

What happened in 2024-25

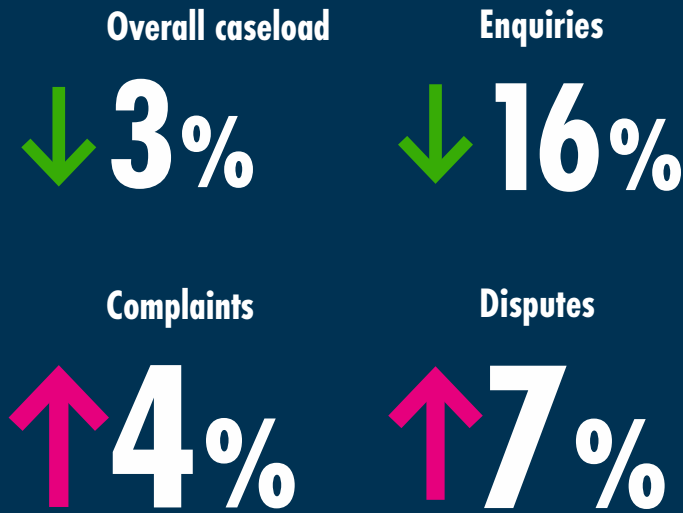
Cases received

5,882

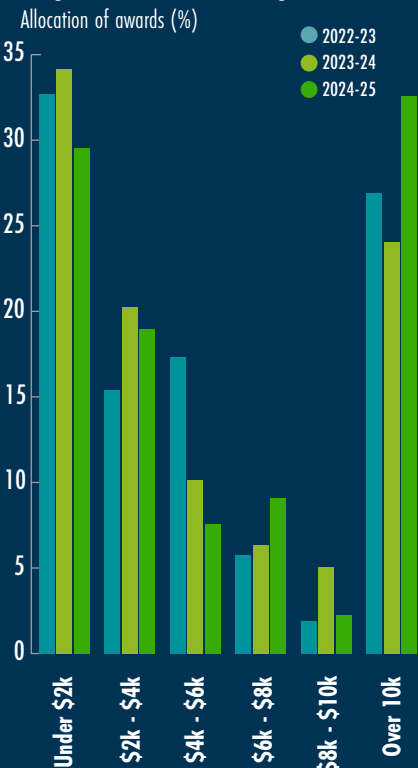
94% of complaints were resolved through our early resolution service.



Of the 3,866 complaints received, we needed to formally consider only 6%.



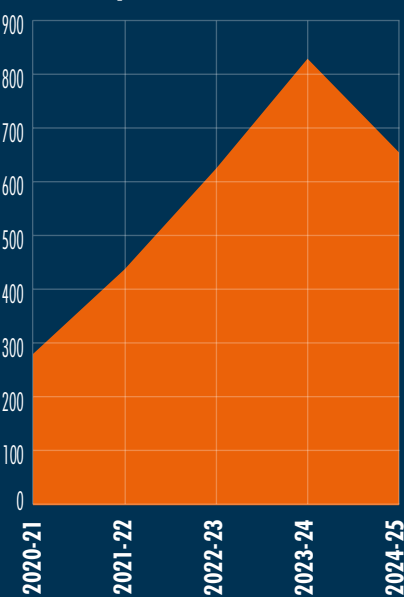
Disputes financial compensation



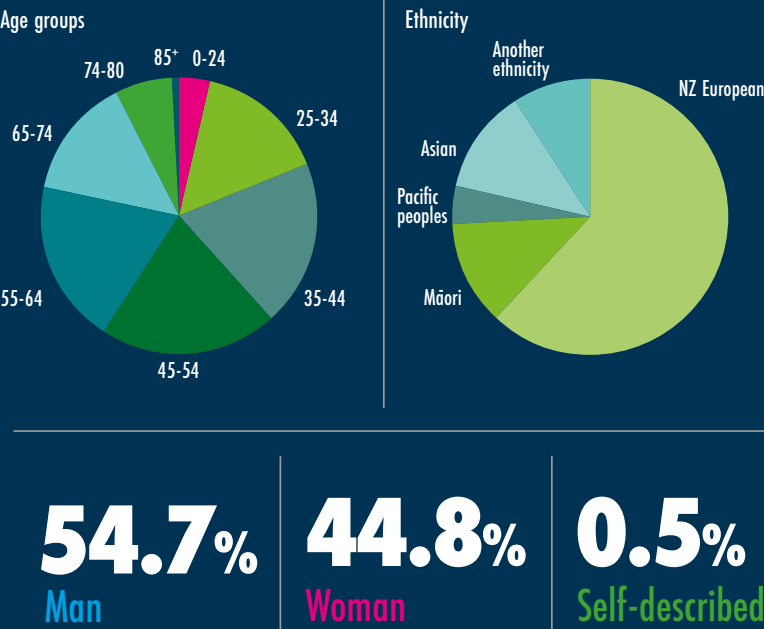
\$2 million* in compensation

* This figure does not include compensation paid by banks through our early resolution service.

Scam complaints fall



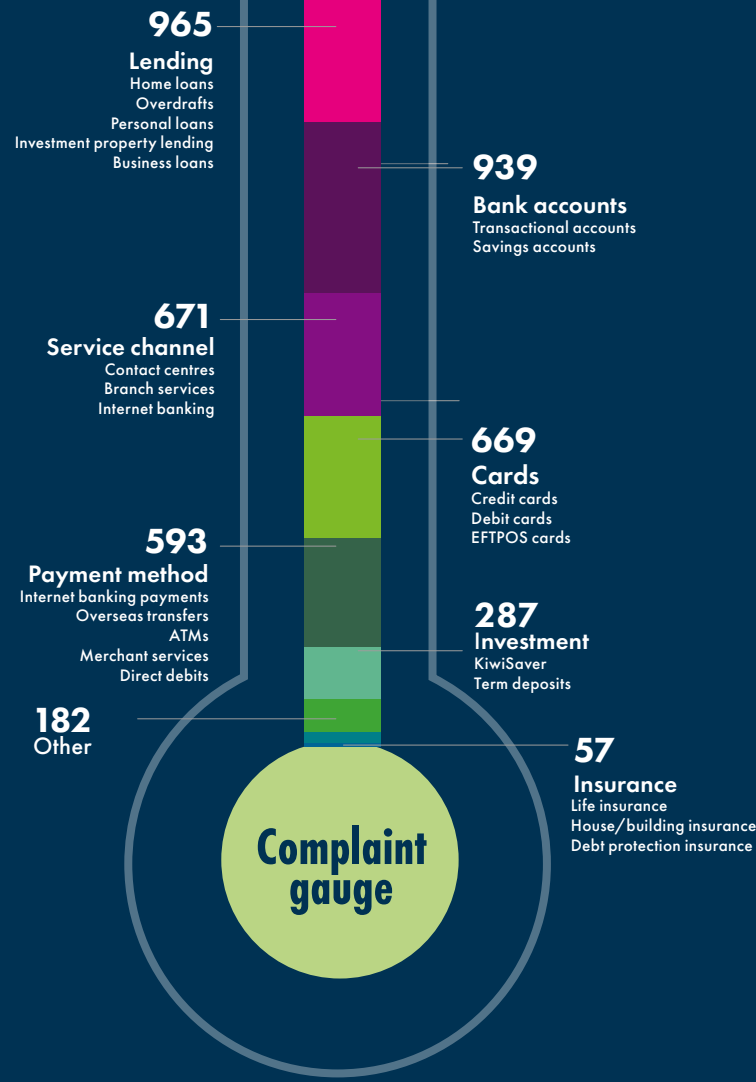
Who uses us



90 80% of disputes were closed within 90 working days.

39% of disputes were scam-related (and involved an average loss of \$88,000).

93% of complaints were responded to within one working day.



From the chair

This is my last contribution to a scheme annual report because my fourth and final term ends on 31 December 2025.

During the past 12 years, the scheme has become an ever more responsive and respected dispute resolution service committed to both preventing and resolving banking problems.

An independent review conducted by Deborah Hart, and completed in October 2024, affirmed this fact. Her report described us as “a modern ombudsman scheme that makes a valued and credible contribution to a fair banking sector”.

The review also confirmed that we remain the most well-known financial dispute resolution scheme, with public awareness reaching 49 per cent, up from 46 per cent in the last review conducted by the Ministry of Business, Innovation and Employment in 2024. The review praised our accessibility, particularly for vulnerable users, and warned that amalgamation of financial schemes risked losing valuable banking expertise.

All 11 review recommendations, including four requiring rule changes, were fully implemented by 30 June 2025. Key changes included allowing the scheme to consider complaints

involving recipient banks in scam-related cases, and enabling claimants to waive any part of a claim above the \$500,000 jurisdictional limit.

We are now in the final year of our 2023–2026 strategic framework. It will be a year of consolidation, with a focus on three priorities: providing our resolution service to a high standard; using insights to support systemic change, particularly in fraud prevention and support for vulnerable customers; and operating sustainably in the face of a growing workload and more complex cases.

I thank my fellow board members for their continued strong governance. This year, we welcomed Heather Roy as our second independent director, following the review’s recommendation to bolster confidence in the scheme’s impartiality. The constitution was amended to enable the establishment of this sixth board position.

We also welcomed two new directors: Professor Jodi Gardner (consumer representative, replacing Kenina Court) and Westpac Chief Executive Catherine McGrath (banking representative, replacing Antonia Watson).

On behalf of the board, I thank Banking Ombudsman Nicola Sladden, Deputy Ombudsman Sarah Parker and the wider team for their professionalism and commitment. It has been a privilege to work alongside them.

As the scheme enters its 33rd year and I prepare to retire, I want to acknowledge those who founded it and the many who have shaped it since. New Zealand can take pride in a world-class ombudsman service that upholds banking consumers’ rights and delivers excellent dispute resolution. It has been an honour to lead the scheme over the past 12 years.

I hand over to my successor, Michael Heron KC, on 1 January 2026. With expertise in commercial law, dispute resolution and governance, Michael is well placed to lead the scheme into its next chapter. The scheme is in capable hands.



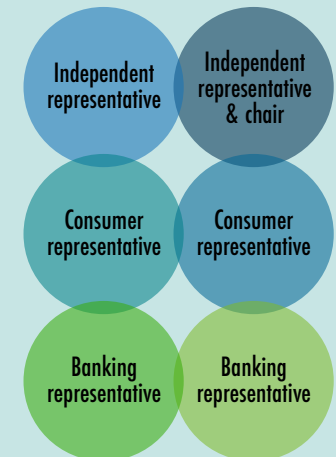
Auahatanga: *Excellence*

We aim to provide an innovative and responsive service, and are continually striving for excellence.



Miriam Dean
CNZM KC

New board make-up



From the Banking Ombudsman

This year was marked by significant change and growth for the scheme. We helped more than 5,800 bank customers and facilitated over \$2 million in compensation or refunds.

Complaints increased by 4 per cent and disputes by 7 per cent compared with the previous year, while at the same time we exceeded our timeliness targets and maintained high customer satisfaction.

We received the most complaints about personal transaction accounts, property lending and credit cards.

Scam-related cases fell this year, averaging nearly 60 a month to bring the total to 694 – a 17 per cent decrease on the previous year. This decline reflects recent initiatives by banks to tackle scams and increasing consumer awareness.

Nearly 40 per cent of disputes were scam-related (down from 45 per cent the year before), and the average reported loss rose from \$80,000 last year to \$88,000 this year.

Complaints related to property lending remained significant. Many were about interest rates and break fees. Financial hardship complaints rose 55 per cent.

Most concerned vehicle and home loans and KiwiSaver withdrawals. Many customers reported inadequate responses from banks to hardship requests. We acknowledge the steps banks have taken to establish specialist hardship teams and improve their processes.

Service-related complaints rose 11 per cent. Poor communication and complaint-handling were recurring sources of complaint. We continue to encourage banks to improve service standards and ensure clear, timely communication throughout the complaint process.

The five-yearly independent review, published in October 2024, confirmed that our scheme meets its strategic objectives and operates in accordance with its values, particularly excellence (auahatanga). We implemented all 11 recommendations, including four changes to our scheme rules, by 30 June 2025.

We strengthened outreach and engagement with stakeholders, including consumer advocates, community groups, our consumer advisory group, other dispute resolution schemes and government bodies. These efforts aim to raise awareness and support vulnerable consumers.

We continued to guide banks on best practices through regular guidance, observations and workshops for complaint staff. We enhanced our case data analysis and shared insights with banks and the public.

We actively contributed to policy and law reform efforts to strengthen consumer protections. This included standardising KPIs among financial dispute resolution schemes, improving access to banking services, and updating the Code of Banking Practice to address scams.

We are pleased to be part of the newly formed Anti-Scam Alliance, which unites government, industry and consumer organisations to combat scams in New Zealand. Stronger industry codes and co-ordinated action are urgently needed to prevent, protect against and respond to scams.

We implemented a new internal structure while maintaining momentum and morale. Our engagement survey showed that 88 per cent of staff believe we are a great place to work.

I extend my sincere thanks to our board members and dedicated staff for their support and commitment throughout the year. Special thanks to chair, Miriam Dean, for her bold leadership over the past 12 years.



Nicola Sladden

It has been a remarkable year. I am proud that the scheme remains a trusted voice in these changing times – always here to help when things go wrong.



Bank denied agreeing to sale proceeds plan – until records showed otherwise

In 2024, Edwin put a subdivided property up for sale. He had a mortgage on the property, and he maintained that he and the bank had reached an agreement five months earlier that only \$296,000 of the sale proceeds would go towards reducing other debt he had with the bank.

The remainder would be his to spend on paying off a personal loan and purchasing a franchise business. However, the bank denied it had agreed to such an arrangement, although it admitted it could have communicated its rejection of his proposal more clearly. It held on to \$415,000 – which was \$118,000 more than Edwin had budgeted for, leaving him with no way to purchase the franchise business, which he and his family relied on for income during a difficult time. The bank would not change its mind, and Edwin complained to us.

We examined the communication between Edwin and the bank and noticed some meetings and phone calls were mentioned in other diary notes and correspondence, but no call recordings were included or diary notes made for those meetings. We asked the bank to double-check its records, and it reiterated that there were no call recordings, although it had found a further email. The contents of this new email,

to our mind, appeared to support Edwin's position that he had put his proposal to the bank. The bank said the staff members with whom Edwin had discussed his proposal had no authority to approve it. The bank added that Edwin had borrowed money from a friend but had failed to disclose this fact, meaning it would have been impossible to make an accurate assessment of Edwin's financial position and thus to decide whether his proposal was feasible or not.

However, Edwin had, in fact, informed the bank about this extra lending. The bank subsequently told us it had found recordings of two calls between bank staff and Edwin, along with an internal call concerning Edwin. These calls supported Edwin's assertion that the bank had agreed to his proposal. In one of the calls, a staff member told Edwin his plan was "absolutely fine".

The bank apologised for its mistake and for the impact this mistake had had on him and his family. It also agreed to lend him funds to pay off the loan to his friend, and increased its offer of compensation for the stress and inconvenience it had caused.

Edwin accepted the offer.

[Read the whole case note.](#)



Banks must communicate clearly and keep thorough records to avoid misunderstandings.

Customer not negligent despite sharing code with scammer

In 2023, Ollie received a call from the bank's phone number. The caller, purportedly from the bank, said there had been suspicious transactions on his account using his credit card.

This was a new card Ollie had yet to activate. The caller said Ollie would receive texts with codes to confirm they were from the bank. Ollie told the caller he was busy and ended the call. Ollie received a text message from his bank after ending the call, along with a number at the bottom of the text. He called the number to check it was indeed the bank's number. When the caller called back, he repeated that there had been suspicious transactions on his account and confirmed Ollie's 16-digit card number. Ollie told the caller one of the codes texted to him. In fact, the code completed a payment of \$6,078. When the caller began to talk about Ollie's debit card, Ollie realised that, if the caller really was from the bank, he would have known he did not have a debit card. Ollie ended the call and rang the bank, but it was unable to recover any of the money. The bank offered \$3,050 as a goodwill payment. Ollie sought full reimbursement, but the bank refused.

We considered Ollie had not acted negligently in sharing the code. We considered Ollie had taken reasonable steps to protect his banking for the following reasons. First, the scammer had all of Ollie's card details when he made the call. Secondly, Ollie was convinced the caller was from the bank because he had Ollie's card details when he had yet to use the card, and he also knew about the text messages Ollie would receive; and in between the calls, Ollie called the number in the text and went through to the bank's legitimate customer service centre. And thirdly, the text message with the code contained nothing about acceptable use of the code or a warning not to share it with anyone, including bank staff.

The bank reimbursed Ollie's full loss.

[Read the whole case note.](#)



Banks' messages must be explicit and clear, especially about the need to not share codes with anyone, including bank staff.



Forced sale averted by deal to renovate home and make small repayments

Cory injured his back and couldn't work, making it hard for him to keep up his home loan repayments. Eventually, the bank sent him a formal letter of demand to clear the arrears.

He repaid the money in time, then asked about switching to a fixed-rate loan, which would have lowered repayments. The bank said it would monitor his repayments for 90 days before considering the request. It said it had previously told him about this stipulation, but Cory recalled the bank had merely told him he couldn't apply for a fixed-rate while in arrears. Cory said that, had he known this, he would have put the money used to clear the arrears towards renovating his home in preparation for a voluntary sale, rather than the forced sale the bank had mentioned. Cory rang the bank's contact centre numerous times about his predicament, each time becoming more exasperated by his inability to get the help he needed. Eventually, he lost his temper and became abusive towards call centre staff. The bank said it intended closing his accounts. Cory complained that the bank had treated him unfairly.

The bank's notes of the original conversation were not specific enough for us to say whose recollection was correct about the 90-day monitoring period. The bank had not kept recordings of Cory's calls with lending staff, but it had kept recordings of those with call centre staff. They confirmed Cory had become increasingly angry as he was passed from person to person. Given Cory's language and tone, the bank's decision to close his accounts was reasonable. However, Cory's history of arrears meant he would have difficulty finding another bank, for his home loan, so we suggested the bank offer to put \$4,000 towards renovating Cory's home in preparation for its sale, with any leftover money going towards his arrears. The bank also offered to make a payment of \$500 to Cory and that Cory pay a small weekly amount to slow his growing arrears. This gave Cory the chance to avoid a mortgagee sale.

Cory accepted the bank's offer.

[Read the whole case note.](#)



Banks must communicate clearly and show empathy to customers facing financial difficulty. Vague or inconsistent explanations can cause distress and needless conflict.

Sharing our experience

Campaign educates customers to recognise bank impersonation scams

We received an increasing number of complaints involving sophisticated bank impersonation scams, in which customers unwittingly disclosed authentication codes, including passcodes, to scammers. In response, we developed and ran a social media campaign sharing simple, practical tips about how to protect against such scams, in particular how to recognise warning signs of a bank impersonation scam.

Banks urged to take co-ordinated approach to vulnerable customers

We continued to receive a lot of complaints involving vulnerable customers caught up in complex, challenging circumstances. As a result, we encouraged banks to ensure their teams worked together so such customers received the right support without having to explain their situation again and again. We also ran a workshop for complaint managers on how to support distressed customers and customers who are difficult to work with.

Banks given help on how to improve communication

Poor communication – and not necessarily unfair decisions – often underpins many of the complaints we receive. Customers feel confused or frustrated when banks provide information that is confusingly expressed or fails to set clear expectations. In response, we gave banks guidance on how to improve communication during hardship applications, fraud investigations and referrals to specialist teams. Guidance focused on using plain English, offering timely updates, and clearly explaining how decisions are made, especially when declining support or closing accounts. In our experience, these improvements help reduce confusion, build trust and prevent complaints from escalating unnecessarily.

Poor communication – and not necessarily unfair decisions – often underpins many of the complaints we receive.



We encouraged banks to ensure their teams worked together so vulnerable customers received the right support without having to explain their situation again and again.

Working together

Individuals with disabilities a focus of outreach work

We gave a presentation at the Deafblind Conference on how we are making our services more accessible to individuals with these disabilities. Our attendance at the conference had the added benefit of helping us understand in detail the barriers they face when trying to use banking services. Following feedback from the independent review of our scheme, we established a communications and outreach role to enable us to better connect with groups underrepresented among our customers.

We also contributed to the New Zealand Banking Association's Older and Disabled People Working Group, sharing case study insights to help design more inclusive banking products and services

Submission urged better access to basic bank accounts

In June 2025, we made a submission to the Reserve Bank of New Zealand supporting better access to basic bank accounts. We said such access was a fundamental right, as well as being essential for financial inclusion. We argued that vulnerable and marginalised individuals faced significant – and substantially under-reported – barriers to accessing banking services.

We proposed a more balanced regulatory framework that ensured the inclusion of these marginalised individuals while also allowing banks to appropriately manage the associated risks. We recommended clear, transparent criteria explaining eligibility for an account, as well as explaining how decisions to close accounts are made. This, we argued, would ensure fairness and consistency among banks. Our submission also noted that the forthcoming introduction of fraud prevention reforms would make it necessary to have strong consumer safeguards in place, and we cautioned against digital-only banking solutions that risked further marginalising vulnerable individuals who lacked digital literacy or access to digital banking.



Tauutuutu: Collaboration

We work in a collaborative way to ensure fair and timely results.

We said such access to basic bank accounts was a fundamental right, as well as being essential for financial inclusion.



Dashboard highlights bigger picture

We once again compiled data from banks and published the results each quarter on our dashboard. The aim is to build up a comprehensive picture of what is causing problems in the sector.

In this, we were helped by a series of improvements during the year aimed at making the data more accurate and detailed, thereby enabling us to make more meaningful comparisons of individual banks' performance and see where improvements can be made. A key improvement was the removal of vague or generic categories that complaints could be filed under.

The dashboard showed banks received 99,712 complaints in 2024-25, an increase of 1 per cent on the previous year. It also showed that service-related complaints fell to 41 per cent, down on the previous year's figure of 49 per cent. In particular, complaints about service performance and responsiveness fell 37 per cent, while complaints about banks' failure to act as instructed or promised fell 23 per cent.

However, complaints about fees, charges and rates nearly doubled this year, making up 19 per cent of all complaints (compared with 10 per cent last year). Most were about excessive or unfair fees on transactional accounts.

Fraud complaints were down 15 per cent and this fall was consistent for most product types, indicating banks have made progress in handling fraud claims better.

Home loan complaints rose 9 per cent and made up 9 per cent of all complaints. The drop in interest rates during the year coincided with a doubling in complaints about fees, charges and rates. Many of the complaints about rates arose because customers on fixed-term loans were unhappy about being charged break fees in order to take advantage of the lower rates.

Customer satisfaction with banks rose from 84 to 88 per cent.

Changes in bank complaints

↓ 37%

Service performance and responsiveness

↓ 23%

Banks' failure to act as instructed or promised

↑ 95%

Fees, charges and rates

↑ 9%

Home loan complaints

Whistleblowing service

Our whistleblowing service, which allows bank staff to raise alleged wrongdoings without going to their bank directly, received two reports and three enquiries during the year. During the same period, banks collectively looked into 71 reports of wrongdoing, 10 of which were upheld in some respect. This total was a 20 per cent increase on the previous year. Matters most commonly raised were related to policy and procedure. They accounted for a quarter of all reports.

In response to recommendations from the independent review of the scheme, we worked with bank representatives to develop more consistent messaging about how to contact our service, who can use our service, and how our service works. We also updated our website homepage to provide clearer, more detailed information for potential users of our whistleblowing service.

Our regular meetings with representatives from participating banks continue to be well attended. These sessions focus on sharing best practices and insights drawn from industry statistics.

We worked with bank representatives to develop more consistent messaging about how to contact our service.

71
Reports of
wrongdoing

25%
policy and
procedure

57
days on average
to completion

bankwb.org.nz



Cases by bank

	Enquiries received	Complaints received	Disputes received	Total	% of our cases	% Adjusted market share [^]
Large[^]						
ANZ	163	951	45	1112	18.9	27.1
ASB	199	641	38	834	14.2	17.6
BNZ	99	505	25	603	10.3	18.0
Kiwibank	102	713	40	814	13.8	9.0
Westpac	125	586	25	708	12.0	18.6
Medium[^]						
Heartland	167	147	19	314	5.3	0.8
HSBC	5	1	-	6	0.1	1.0
Rabobank	25	35	-	60	1.0	3.0
SBS	16	43	3	58	1.0	0.9
The Co-operative Bank	15	74	3	86	1.5	0.5
TSB	71	122	24	193	3.3	1.4
Small[^]						
Bank of Baroda	6	8	-	13	0.2	<0.5
Bank of China	3	2	-	5	0.1	0.6
Bank of India	3	2	-	5	0.1	<0.5
China Construction Bank	-	3	2	3	0.1	0.7
ICBC	13	7	-	20	0.3	0.6
Nelson Building Society	2	5	-	6	0.1	<0.5
Unity*	8	21	-	29	0.5	<0.5
Bank not specified**	1013	-	-	1013	17.2	<0.5
Overall total	2035	3866	224	5882		

Customer feedback

"You helped and guided us and because of this, the bank had to listen and act."

"I felt empowered and supported to continue my complaint."

"When I called with my problem, I was met with an understanding person who listened carefully and explained the next steps in clear detail."

[^] Banks are classified according to total assets at 31 December 2024 as verified by banks in May 2025. A bank's share of total assets is not the same as its share of customer numbers.

Kiwibank's market share has been increased because, uniquely, Kiwibank has so many customers, relative to its assets.

* Unity are no longer part of the Banking Ombudsman Scheme, but remain on the table to represent cases received prior to their departure.

** Includes calls about organisations that do not belong to the scheme.

"It was a relief to have a resolution and to be heard and believed after so long being made to feel at fault."

Disputes outcomes

	Outside jurisdiction		Result for both parties		Result for customers		Result for banks*		Total by bank	
	23-24	24-25	23-24	24-25	23-24	24-25	23-24	24-25	23-24	24-25
Large^										
ANZ	5	4	13	19	-	4	43	29	61	56
ASB	4	5	10	8	5	1	13	23	32	37
BNZ	6	3	5	2	7	2	8	16	26	23
Kiwibank	-	-	7	14	10	23	9	9	26	46
Westpac	3	3	1	9	1	1	14	16	19	29
Medium^										
Heartland	2	-	3	5	1	5	-	4	6	14
HSBC	-	-	2	-	2	-	11	1	15	1
Rabobank	-	-	-	-	-	-	-	-	0	0
SBS	-	1	3	-	1	1	-	1	4	3
The Co-operative Bank	-	-	1	-	-	1	-	2	1	3
TSB	-	2	1	8	-	7	1	5	2	22
Small^										
Bank of Baroda	-	-	-	-	-	-	-	-	0	0
Bank of China	-	-	-	-	-	-	-	-	0	0
Bank of India	-	-	-	-	-	-	-	-	0	0
China Construction Bank	-	-	-	-	-	-	-	1	0	1
ICBC	-	-	-	-	-	-	-	-	0	0
Nelson Building Society	-	-	-	-	-	-	-	-	0	0
Unity**	1	-	1	-	1	-	-	-	3	0
Total	21	18	47	65	28	45	99	107	195	235

Key terms

Enquiry: an initial contact, frequently over the phone, about a banking problem.

Complaint: an expression of dissatisfaction with a bank that requires a response.

Dispute: a complaint a bank has not resolved to the customer's satisfaction.

^ Banks are classified according to total assets at

31 December 2024 as verified by banks in May 2025. A bank's share of total assets is not the same as its share of customer numbers.

* Includes abandoned and withdrawn disputes.

** Unity are no longer part of the Banking Ombudsman Scheme, but remain on the table to represent disputes received prior to their departure