



FINANCIAL SERVICES FEDERATION

MEDIA RELEASE  
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## New data reveals almost half of personal lending in NZ financed by non-banks



Pictured: Lyn McMorran, Executive Director of the Financial Services Federation, the industry association for responsible and ethical finance and leasing companies operating in New Zealand

New data has revealed that Kiwis are embracing choice when it comes to financial services, with almost half of personal consumer lending in Aotearoa New Zealand being financed by non-bank lenders.

The findings were released in the latest Annual Report of the Financial Services Federation (FSF), the industry association representing responsible and ethical finance and leasing companies operating in New Zealand.

This comes after a significant year of growth for the Federation, which has seen a membership increase of 24% in 12 months. Its 81 members include the likes of UDC Finance, Toyota Financial Services, and Pepper Money, with a full list featured in the Annual Report.

The data was collected in an FSF member data-gathering exercise performed by KPMG and shows 47% of personal consumer lending (non-mortgage) in New Zealand is financed by the non-bank sector represented by FSF members.

“While the Financial Services Federation does not offer membership to all non-bank lenders, the growth in membership means we’re likely looking at the most complete non-bank lending data available to date in New Zealand,” says FSF Executive Director Lyn McMorran.

“It solidifies what we have already known for a long time, that the non-bank sector is seeing remarkable growth and has established itself as a compelling alternative to traditional banks for both consumer and business lending alike.”

Responsible lending insights were also revealed in the data, showing a 24% decrease in customer arrears from 5.8% in 2016 to 4.4% in 2021.

“We were pleased to see an overall loan approval rate of 55%, which shows that our members are demonstrating careful consideration to ensure loans are provided responsibly and on a ‘quality over quantity’ basis”.

The Financial Services Federation’s Annual Report FY20/21 can be viewed [here](#).

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For more information or interview requests please email: [hmckee@fsf.org.nz](mailto:hmckee@fsf.org.nz)

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**Background:**

The Financial Services Federation represents responsible finance and leasing companies operating in New Zealand. FSF members take their compliance obligations seriously and all members are subject to a Code of Conduct which ensures its reputation as the setter of industry standards in responsible lending. FSF published the [Responsible Lending Guidelines](#) and produced a [Responsible Borrowing Code](#) with FinCap in 2019. Find out more about FSF and see the full member list at [www.fsf.org.nz](http://www.fsf.org.nz)  
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