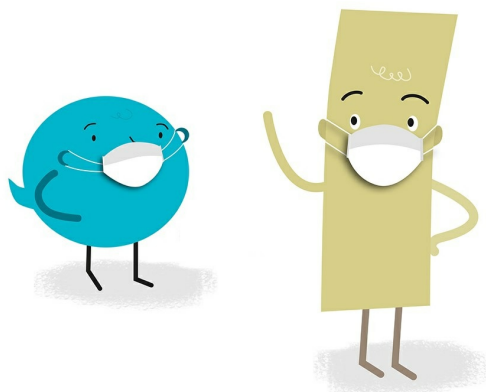


Banking FAQs during lockdown and alert levels

People understandably had a lot of questions and concerns about their financial circumstances and the impact of COVID-19.



Here are some of the common questions about the impact of the lockdown and alert levels on banking, along with our answers. These are general answers only and we encourage you to contact us if you would like to discuss your specific circumstances. We are here to help.

Banking services

Will I still be able to do my banking?

Banks were able to operate as an essential service under all alert levels. For more information see the Government [COVID-19 website](#) and the statement from the [Financial Markets Authority](#).

ATMs and payment systems should function normally, and customers can still seek financial advice and apply for loans. Online and phone banking will also still be available.

When will bank branches open?

Information for bank customers about the COVID-19 response is available on some bank websites:

- [ANZ](#)

- [ASB](#)
- [Bank of Baroda](#)
- [BNZ](#)
- [China Construction Bank of \(New Zealand\) Ltd](#)
- [NZ Credit Union Baywide](#)
- [Heartland Bank](#)
- [HSBC](#)
- [ICBC](#)
- [Kiwibank](#)
- [Nelson Building Society](#)
- [Rabobank](#)
- [SBS](#)
- [The Co-operative Bank](#)
- [TSB](#)
- [Westpac](#)

KiwiSaver and managed funds

The balance of my investment in KiwiSaver or managed fund type of investment dropped and I'm worried. How can it drop like that, isn't it a bank account?

KiwiSaver and managed funds are not like normal bank accounts. They are investments and every investment comes with some degree of risk. It is normal for investments of this nature to change in value. We have been fortunate in recent years that these types of investments have mostly gone up in value, often quite considerably. But unless your investment is in a type of fund such as a cash fund, then it is likely your investment value went down at some point as a result of the turbulence in the financial sector caused by COVID-19 and the responses of governments worldwide. You may find Sorted's [Riding out COVID-19 in KiwiSaver guide](#) helpful.

We have two Quick Guides that provide more information about how investments like KiwiSaver and managed funds work:

- [Investing](#)
- [KiwiSaver](#)

I want to withdraw my KiwiSaver or managed fund investment, how do I go about that?

If you are entitled to withdraw your investment, you will need to contact your bank or fund manager to find out

how to request a withdrawal. Usually you will need to complete and return a withdrawal form. Your bank or fund manager will be able to help you get the form you need. Some banks have these forms accessible on their websites so you might want to check there first.

I'm not 65 yet, but I am struggling financially now. Can I access some of my KiwiSaver early to get me through this difficult patch?

Maybe. If you are suffering significant financial hardship, you may be able to withdraw some of your KiwiSaver savings. However, there are other support options that you should consider first, as set out in Sorted's [Applying for KiwiSaver hardship guide](#).

You will need to apply to your KiwiSaver provider and supply information to support your application. Getting the documentation required to apply for early withdrawal from KiwiSaver may be tricky during the COVID-19 alert levels. Some processes have been simplified due to the COVID-19 situation (e.g. statutory declarations being done by video rather than in person). More information about these processes is available at these links:

- [Alternative steps to verify identity and financial circumstances](#)
- Information for people needing to complete [oaths](#), affirmations or declarations during COVID-19

You will need to contact your KiwiSaver provider for the most up to date information about what you need to do to lodge a KiwiSaver financial hardship application.

More information about KiwiSaver financial hardship withdrawals can be found in our [KiwiSaver Quick Guide](#) and on this government (IRD) [website about KiwiSaver](#).

I want to withdraw my investment; how long will that take? What if it drops in value by then?

Withdrawing from KiwiSaver or other investment fund is not like withdrawing money from a normal bank account. Withdrawing from an investment fund takes more time. Your bank should be able to tell you how long it expects it will take to process your withdrawal request. We would expect banks to respond as quickly as possible to your withdrawal request. If you made a complaint to us about the time the bank took to process your withdrawal request, we would consider a variety of things including the contract between you and the bank as well as what was a reasonable time-frame for the bank to process the withdrawal request in the circumstances.

During the COVID-19 outbreak, banks experienced very high levels of customer requests so your withdrawal application may have taken longer to process than usual. We appreciate it can be distressing if the value of your investment has dropped between the date you lodged your withdrawal request with the bank, and the date that your withdrawal process is completed. You may wish to seek financial advice from your KiwiSaver provider or a financial adviser to make sure withdrawing now is the right decision for you.

Financial hardship

What is the Government doing to help individuals and businesses?

For up-to-date information, visit:

- [financial support for individuals](#)
- [financial support for businesses.](#)

What are banks doing to help customers?

In late March 2020 the Government, together with retail banks and the Reserve Bank, implemented a major financial support package for homeowners and businesses affected by the economic impacts of COVID-19. This support included a loan repayment deferral scheme which allowed home and business loan repayments to be deferred temporarily, without having a negative impact on individuals' credit ratings. This loan deferral scheme ended on 31 March 2021. More details are in the [31 March 2021 media release](#) from the NZ Bankers' Association.

Customers who remain affected by the financial impact of COVID-19 should discuss any assistance the bank can provide in their individual circumstances.

Business loans

Solvent businesses affected by the COVID-19 crisis may have been eligible for bank loans of up to \$5 million, depending on the individual circumstances of a business under the Business Finance Guarantee Scheme. This Scheme concluded on 30 June 2021. For more information about it see [this government website](#).

The Government also introduced an IRD administered loan scheme called the Small Business Cash Flow Loan Scheme and applications can be made until 31 December 2023. This scheme does not involve the banks. More information about the Small Business Cash Flow Loan Scheme can be found [here](#).

For more information on options for business, see Treasury's [Government support for businesses recovering from COVID-19](#).

I can't afford to repay my bank loans, what should I do?

If you have concerns about your situation, we recommend you contact your bank, to see what it can do to help. Let your bank know you are, or expect to be, unable to meet your loan or credit card repayments. This includes home loans, personal loans, credit cards and overdrafts. Banks are encouraging customers to get in contact sooner rather than later if they are experiencing, or expect to experience, financial hardship as a result of COVID-19. Banks have a range of hardship assistance options available which can be considered depending on the customer's circumstances. Some of the assistance options that may be available are:

- extending the term of your loan
- adjusting repayment amounts or moving to interest only repayments for an agreed period
- giving you a mortgage repayment deferral, that is, a temporary halt on repayments

If your bank agrees to a mortgage repayment deferral, you don't have to make any repayments during the agreed period. However, while this provides temporary relief, be aware that you could end up owing more where interest continues to be added to your debt.

For more information about financial hardship, we recommend you read our Quick Guide on [hardship and financial difficulty](#).

The Commerce Commission has also issued this comprehensive [guidance for borrowers](#) affected by COVID-19 who have questions about a loan they already have or about taking out a new loan. You can access free expert financial mentors at [MoneyTalks](#): phone 0800 345 123, email help@moneytalks.co.nz, or text 4029.

Breaking a fixed term loan

I have a fixed term loan, I want to break the loan so I can take advantage of lower interest rates, can I do that?

You probably can but it will likely cost you to do so. If you want to explore this, you will need to talk to your bank. It is likely that your bank is entitled to charge you the costs associated with breaking the term of the loan early and these can be quite significant. We recommend you check with your bank about these costs before you make any decision. To better understand early repayment charges we recommend you read our Quick Guide on [early repayment charges](#).

Savings

Are my funds safe?

The Reserve Bank has recently noted that our financial system is in good shape, with our trading banks having lots of capital and plenty of cash to help their customers through these testing times. Although there is no Government Guarantee in place for any type of deposit with a NZ bank, the Reserve Bank's [Open Bank Resolution policy](#) allows a distressed bank to call on support from the bank's shareholders and depositors. The policy provides for keeping a bank open for business if it is placed under statutory management, with provision for customers to be able to gain full or partial access to their accounts and other bank services.

The Reserve Bank has up to date information [on their website](#).

Term deposits

I have a term deposit with the bank, but it isn't due to be paid to me for another few months, can I access it now because I need the money?

A term deposit locks in funds for a fixed period of time, although usually at a higher interest rate than online, call or savings accounts. Banks do not have to allow customers to break term deposits, that is, give back the money early. Whether you can break your deposit will depend on the terms of your contract with the bank. Be aware though that if you break your term deposit, the interest rate you're paid will likely be lower. The reduction in interest may depend on how much you deposited, current interest rates and the length of the investment term.

For more information about breaking a term deposit we recommend you read our Quick Guide on [breaking a term deposit](#).

Cancelled events / services / travel etc.

I paid for something with my credit, or debit, card but it has been cancelled/the company is in liquidation/I never got what I paid for. Can I get my money back?

If you used a credit or debit card to buy something, and a dispute arises about the transaction, it is a good idea to first ask the merchant (seller) for a refund. If the merchant does not provide a refund, you may be able to ask your bank to charge the transaction back to the merchant's bank, which will then debit the merchant's account. This is called a chargeback. You have no automatic right to demand a chargeback, but it is industry practice to charge back disputed transactions if there is a valid reason. Talk to your bank about whether this might apply in your circumstances. You might also explore whether you have some form of insurance covering the situation, like travel insurance, although many travel insurance policies do not cover losses arising from pandemics.

For more information about chargebacks and how they work, read our Quick Guide on [chargebacks](#).

Beware of scammers

We also want to remind bank customers that scammers are out there ready to take advantage of people during these unusual times.

There are reports of [scammers using COVID-19](#) as an opportunity to defraud people, for example:

1. Text message scams – people are receiving COVID-19 themed scam text messages that include a link that claims to direct people to health testing facilities. This link is not legitimate and instead may install malware on your device that is designed to steal your personal information and banking details.
2. Phishing emails – COVID-19 themed phishing emails are being sent by scammers posing as legitimate organisations (e.g. WHO) with attachments that claim to contain health information, instead the link downloads malicious software onto your device.
3. Vaccine scams - CERT NZ is working to put a stop to COVID-19 vaccine scam campaigns and ensure the safe roll out of the COVID-19 vaccine. See the [CERT NZ](#) site for more information.

There are reports of similar emails being circulated globally that ask people to fill in their email and password before they can access information about COVID-19. These emails are also not legitimate.

1. Fake coronavirus maps – Attackers are claiming to have a 'coronavirus map' application that people can download onto their devices to track its growth around the world. Instead, the application is malware and is designed to steal sensitive information from the device it is downloaded onto.
2. Door knocking – Scammers continue to target vulnerable people at home during self-isolation by going door-to-door posing as trusted organisations. They offer a free 'coronavirus health test' and accept cash payment or bank transfers. The health test is fake, leaving people out of pocket and with false diagnoses.
3. Webcam extortion emails - Scammers are emailing people and asking them to pay money or else they will circulate video footage of the recipient in compromising positions. This kind of scam is common, but newer

variations have emerged where scammers are threatening to spread COVID-19 to the recipient's family if they don't pay up. These emails are intended to scare the recipient into paying the scammer.

How can you avoid these scams?

We recommend that anyone looking for COVID-19 information does so through legitimate news sites and official government websites. Use [covid19.govt.nz](https://www.covid19.govt.nz) for official information and all government updates on COVID-19.

- Be wary of advice that doesn't come from official sources, especially if it's been sent to you unexpectedly or from an unknown source
- Don't enter your log in details into any websites relating to the COVID-19 virus
- Keep your anti-virus software up to date and run regular checks
- Do not answer the door to anyone that arrives at your home unexpectedly. If you do answer your door, and are unsure of offers for health tests, find a way to contact the organisation online or by their registered phone number
- Think carefully before entering your personal or banking details online or over the phone. Make sure you protect information that can be used to access your accounts such as:
 - Log in details and passwords to online banking, email accounts, social media accounts and trading sites
 - Bank account numbers and credit card details
 - Address
 - Phone number
 - Birthdate
 - Personal information linked to security questions you may have to protect your online accounts
 - Driver's license
 - Passport details

For more information about scams, visit [fma.govt.nz](https://www.fma.govt.nz), [cert.govt.nz](https://www.cert.govt.nz) and [netsafe.org.nz](https://www.netsafe.org.nz). If you suspect any kind of malware or phishing attempts, report it to these agencies.



We are here to help. During this challenging time, we are open and here to assist you with any banking complaints.

Get in touch

0800 805 950

help@bankomb.org.nz

bankomb.org.nz