

Why we are making the changes?

On 28 November 2016 a set of changes mandated by Payments New Zealand will become effective. Those changes will alter the way domestic electronic payments (excluding direct debits, cheques and Same Day Cleared Payments) are executed by banks operating in New Zealand. We also clarify some operational elements of Same Day Cleared Payments. HSBC New Zealand is member of Payments New Zealand and we will be following industry standards.

What is changing?

- All banks will check that sufficient funds are held in their customer's account before processing an electronic credit transaction. HSBC New Zealand has been doing this since November 2015.
- If your account does not have sufficient funds to cover the transaction(s), we will attempt to process the transaction(s) on an hourly basis up to 11pm on the value date. If there are still insufficient funds in your account at the end of the day, your payment will be cancelled and you will need to resubmit the payment.
- Funds credited to your account will be cleared immediately for use with the exception of cheque and direct debit transactions.
- As all banks will process electronic credit transactions at the time of submission, we will no longer be able to amend or cancel a payment after processing.

What is not changing?

- The way you request a payment to be executed is not changing.
- Recovery of electronic credits will remain subject to charges, and we are unable to guarantee the return of a payment.
- It is still up to the beneficiary bank to process and credit the received funds to their customer's account. From February 2012, HSBC New Zealand has been crediting inward transactions to customers' accounts as soon as they are received.
- Payments made on a weekend or public holiday will continue to be processed on the next business day.
- Direct debit and cheques may still be dishonoured by the remitting bank.
- Value dated transactions can still be cancelled or amended prior to the value date.
- HSBC New Zealand will continue to process all **automatic payments** and **value dated electronic credit transactions** at 9am on the value date. In the event your account does not have sufficient funds available to cover the transaction(s), we will continue to attempt processing the transaction(s) on an hourly basis up to 11pm on the value date.

What you need to consider?

- You must ensure that there are sufficient funds in your account or arrange for an overdraft in advance of making a payment. If there are insufficient funds in your account at the end of the day, your payment will be cancelled and you will need to resubmit the payment.
- Where a payment has been duplicated in error, we will work with the receiving bank to recover the funds. However, for any other payment error recovery, you may need to recover the funds directly from the

beneficiary. The beneficiary and/or beneficiary bank will need to authorise the refund. Please note, a charge will apply for action taken by us to recover funds on your behalf. The charge will apply even if the funds are not recovered from the beneficiary/beneficiary bank.

- Putting in place checks to ensure beneficiary payment details are correct before you submit a payment.
- If you need to make a change to an automatic payment(s), please ensure this is arranged prior to the date of the transaction. We will not be able to amend the details of the payment after a transaction has been processed.
- You may want to consider setting up a consistent time to submit your payroll batch during the day for the benefit of your employees.

Where to look for more information?

Please visit [Payments New Zealand](#) website for more details and information. You can also contact your dedicated Relationship Manager at HSBC New Zealand. We are here to help you.