



Financial Dispute
RESOLUTION SERVICE

2026

Annual Report

fair
kia
tau way

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Highlights



928

complaints received

+10%

complaints

1,157

members



85

cases investigated



69

cases resolved
or closed



82%

were resolved or closed
during our first stage



95% are responded
to within

1 day



Average case
only takes

49 days



Average call
wait time is

15 seconds



Great NPS score

+60

698 Financial advisers & brokers

227 Other financial service providers

213 Lenders & non-bank deposit takers

15 Foreign exchange trading platforms

3 Insurers

1 Crowd funders & peer to peer lenders

A full list of members can be found in the 'member search' section of our website, www.fdrs.org.nz

Haere mai

On behalf of the Advisory Council, it is my pleasure to present the 2025/2026 Annual Report.

The Financial Dispute Resolution Service (FDRS) has had another busy year.

FDRS, like all financial dispute resolution schemes in Aotearoa, is undergoing significant reform as regulators seek to strengthen consumer protection, improve accountability, and increase confidence in dispute resolution services. Changes include enhanced oversight, clearer standards for board capability and independence, and more robust public reporting.

The Ministry of Business, Innovation and Employment (MBIE) progressed work to align consumer access, complaint eligibility, monetary thresholds and complaint-handling settings across New Zealand's four approved dispute resolution schemes.

Financial service providers have seen a significant shift from rules-based compliance toward a stronger focus on conduct, customer outcomes, transparency and regulatory simplification. The fair treatment of customers is a central expectation for banks, insurers and non-bank deposit takers.

Financial product providers must demonstrate not only technical compliance, but also that their products, advice, pricing, communications and controls deliver fair, transparent and valuable customer outcomes. This will require continued investment in governance and conduct risk management. Accessible advice will be critical to meeting regulatory expectations and maintaining public trust.

FDRS is progressing a range of initiatives to support its members including regular newsletters, webinars and presentations. These all help keep members up to date with the latest legislative, regulatory and industry news.

The review of the FDRS rules is nearing completion and I would like to thank all of those members and others for their input into this process. The updated rules are designed to be simple to follow and align with best practice. FDRS will be in touch with members

in the near future regarding the updated rules and their implementation.

I acknowledge the continued commitment of all the team behind FDRS, along with the guidance from the Fair Way Board. It is this continued commitment and support which has made it another successful year for FDRS.

The Advisory Council continues to provide advice and recommendations to management and the Board of Fair Way. The Advisory Council is made up of five members: me, as independent chair, two consumer representatives (Simon Roughton and Jon Duffy) and two industry representatives (David Whyte and Toni Dodds). I would like to thank each of the Advisory Council members for their support, contributions and ongoing commitment to FDRS.

I look forward to the year ahead and hope to see our members at the upcoming Members' Forum and Annual General Meeting where we can discuss this year's annual report.



A handwritten signature in black ink, appearing to read 'S. Ward'.

Stephen Ward
Independent Chair of
Advisory Council

Kia ora

On behalf of Fair Way – kia tau, here are some of our scheme highlights.

The 2025/2026 year was one of continued growth and impact for the Financial Dispute Resolution Service. As financial services and consumer expectations continue to evolve, our role in providing an independent, accessible, and fair dispute resolution service remains as important as ever.

During the year, FDRS supported consumers and financial service providers, with **928 complaints** lodged. Complaints increased by **10%** compared with the previous year, reflecting awareness of our scheme and the ongoing need for effective dispute resolution within New Zealand's financial sector. Despite this increase in demand, **82%** of complaints were resolved or closed through our initial informal process, enabling many customers and providers to reach outcomes quickly and efficiently.

Our focus remains on helping parties work together to resolve concerns at the earliest opportunity. This year, **424** complaints were resolved directly between customers and providers during the initial phase of our process, while a further **35** cases were successfully resolved through facilitation and settlement once formally accepted into our scheme.

Where agreement could not be reached, FDRS continued to provide independent decisions to ensure disputes were resolved fairly and transparently. **27** cases required an adjudicated determination, helping consumers and providers gain certainty and confidence in the outcome.

We are also proud of the service experience we provide. With an average formal resolution timeframe of **49 days** and a Net Promoter Score of **+60**, we continue to demonstrate our commitment to delivering a responsive, high-quality service that meets the needs of both consumers and financial service providers.

Continuing from last year, we are seeing a high volume of complaints in relation to Buy Now Pay Later (BNPL) services. This form of credit contract has become commonplace, with the New Zealand Consumer Survey 2026

recording that a third of consumers had entered into a BNPL agreement in the past two years. It's important that consumers are mindful that BNPL, while popular and convenient, is still a form of debt. If payments are missed, late fees can apply.

This report outlines our activities, performance, and achievements over the past year. It reflects the dedication of our team, the cooperation of our scheme members, and our shared commitment to building trust and confidence in New Zealand's financial services sector.

The Board and Management of Fair Way – kia tau remain committed to this important service. Reflecting that commitment, you will see that we have evolved the FDRS brand identity. It has moved from its previous standalone approach, to a new and fresh look that's very much part of Fair Way's brand family. You'll continue to see the new branding rolling out over the coming reporting year.



Jeanie Robinson
Financial Dispute
Resolution Service

Who we are

About us

Financial Dispute Resolution Service is brought to you by the specialist team at Fair Way – kia tau, New Zealand’s largest dispute resolution organisation.

For consumers

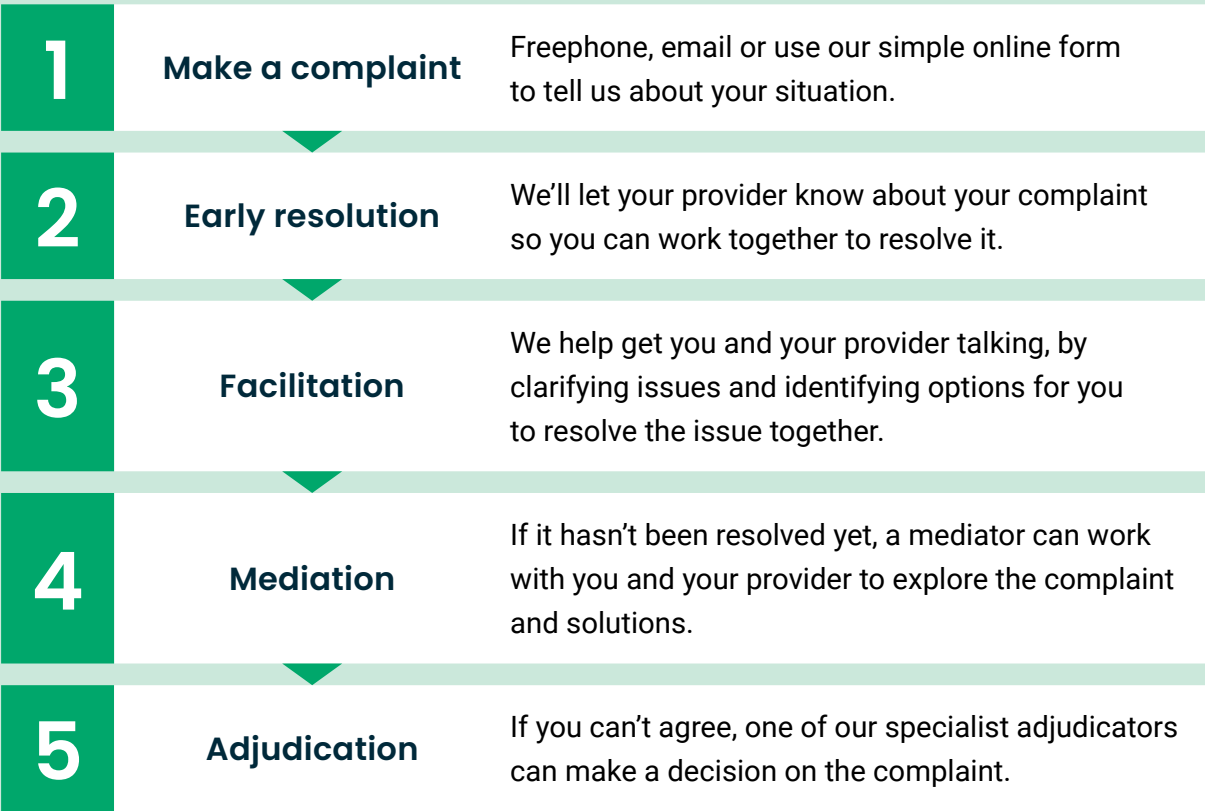
We are a free and independent service to help resolve financial complaints. We assist you to reach a resolution together where you can or provide closure through independent decision making when you can’t.

For financial service providers

We’re an approved dispute resolution scheme for financial service providers. Members not only get expert help to resolve issues that arise, but also proactive training, resources and support to help you prevent and better manage complaints.

How we help

If you have an unresolved complaint with your financial service provider, talk to us. We aim to resolve complaints as early as possible and we will work with you both each step of the way.



Extra assistance or support

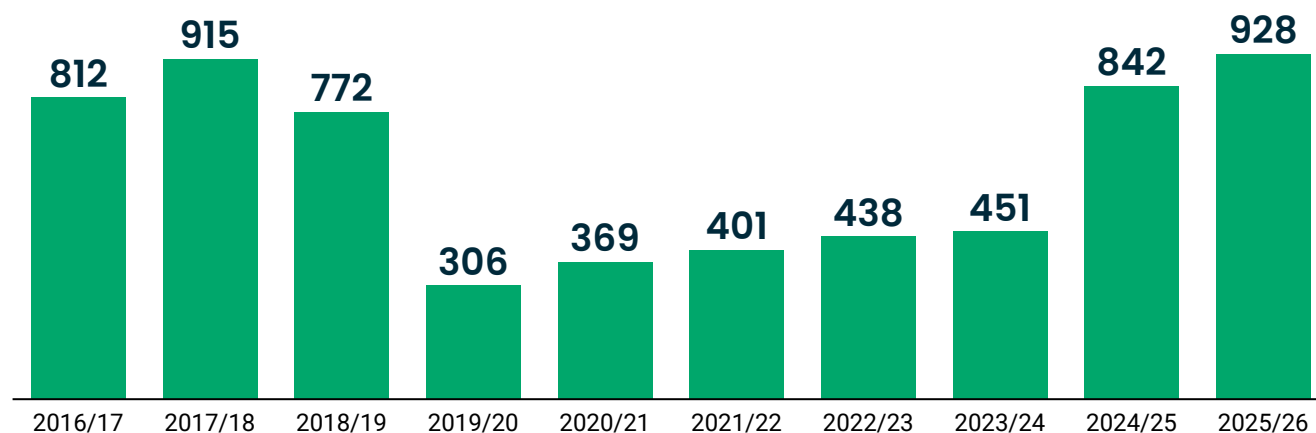
Fair Way is committed to accessibility and meeting diverse needs. Talk to us about your needs. We have lots of options available. For example, we can arrange an interpreter or take a tikanga-based approach to mediation.

2026 in review

Snapshot of the year

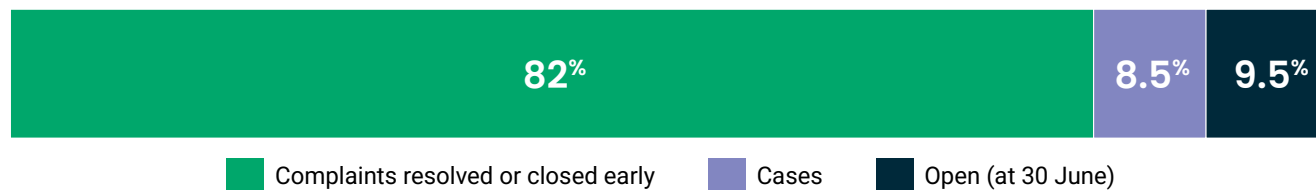
Complaints continue to rise

928 complaints were received – **10% higher** than last year.
This is the highest volume ever received by FDRS!



Our early resolution approach works

82% of complaints received were resolved or closed in our first stage. Only **8.5%** of the complaints received became cases, requiring more formal dispute resolution assistance.



2 reported breaches



FDRS reported two potential compliance breaches to the Regulators in accordance with section 67 of the Financial Service Provider Act.

How matters get resolved

833 complaints and cases were resolved or closed by FDRS this year.

91.7% Early resolution

764 complaints resolved or closed after initial assistance or referral by FDRS.

5.0% Working together

42 cases closed or settled collaboratively with help from our facilitators and mediator.

3.2% Independent decision

27 decisions made by FDRS adjudicators on complaints that could not be resolved collaboratively.

2026 in review

About cases

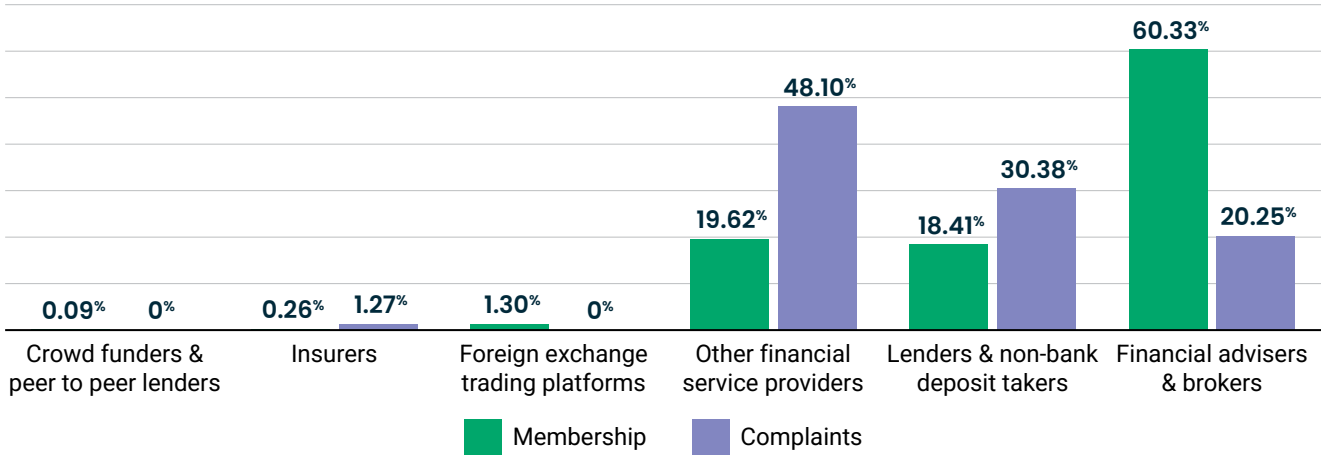
Cases resolved

79 cases progressed to our formal process. In addition, 6 carried over from the previous year. 69 were resolved or closed this year. This chart shows how they were resolved.



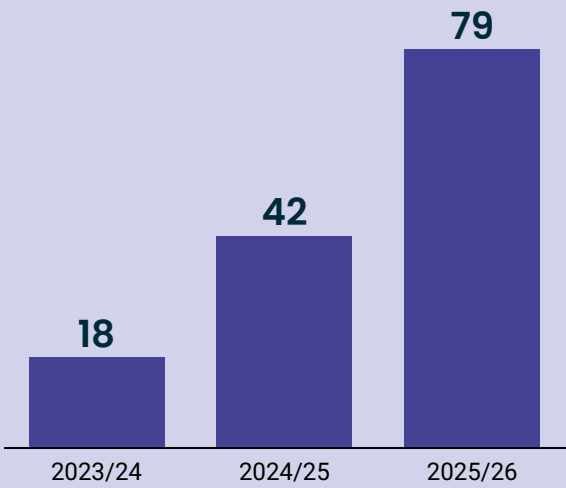
Cases by member type and membership in proportion

Complaints about lenders reduced by 32% this year, while complaints about other **financial service providers**, which includes Buy-Now-Pay-Later services, **increased by 26%**.



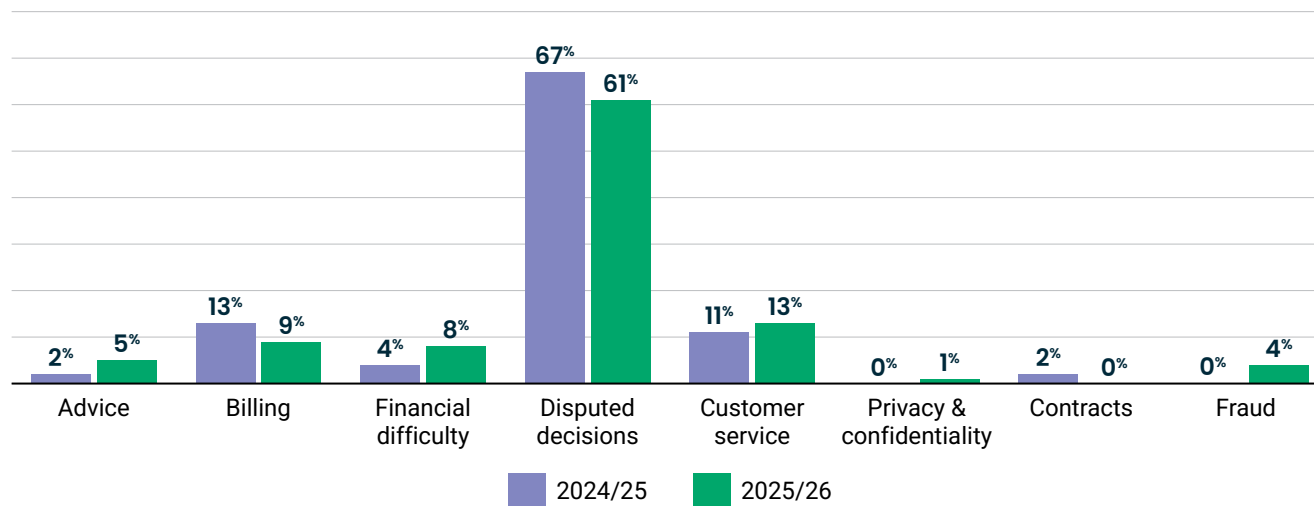
Cases levels are up

Cases increased **88%** from last year and **339%** from two years ago. Compared to the amount of complaints received in the same period, which increased by 10% and 106% respectively, this trend isn't simply an economy of scale. It indicates less willingness to engage in early resolution and a growing need for independent dispute resolution assistance.



Top themes

Most cases investigated were about **decisions made by financial service providers** relating to inappropriate debt collection action and product terms and features.



* Please note that some percentages do not total 100% in this report due to rounding.

What's driving these cases?

Looking at the top category of **disputed decisions** here are the trends.



2026 in review

How we assisted

928 complaints were made to FDRS. Here is how they progressed through our process.

1. Initial assistance & early resolution		
When you get in touch, we check to see if your provider is a member of our service. If they are, we start working with you to capture the complaint and resolve the matter. Early resolution We'll let your provider know about your complaint so you can work together to resolve it. No wrong door If they aren't a member, we'll make sure you still get to the right place for help.	This year 928 complaints were received 87 complaints remain on hand As at 30 June 2026: • 69 were referred back to the scheme member for initial response and resolution opportunities • 16 were pending jurisdiction checks • 2 were pending further information from the customer.	Outcome 82% of complaints received were resolved or closed in this stage • 424 complaints were resolved with their provider during this first phase • 110 complaints were referred to another scheme • 70 complaints were discontinued by the customer • 66 complaints were outside the jurisdiction of FDRS • 62 complaints were non-relevant, meaning they were not related to a financial product or service • 17 complaints were withdrawn by the customer • 15 complaints were referred to another appropriate body.

2. Working together

We use consensual approaches where possible.

Facilitation

Facilitation is an informal process that supports parties to work together to achieve a mutually acceptable resolution

Mediation

Mediation is a way to communicate, collaborate and reach a resolution together, which is recorded in a settlement agreement.

In this phase

79 cases were opened
(cases are complaints that become formal disputes and progress to our next stages)

Cases on hand

- **+ 6** cases carried over on 1 July
- Total of **85** cases were investigated this year.

Outcome

61% of cases were resolved or closed in this stage

- **13** were resolved by facilitation
- **22** were settled through mediation
- **4** cases were withdrawn by the customer
- **3** cases were closed due to jurisdictional limitations.

3. Making a decision on disputes

Adjudication

If you can't agree, one of our specialist adjudicators can make a decision on the complaint.

In this phase

27 cases were adjudicated

15 cases remain on hand

In progress at 30 June 2026:

- 15 cases open.

Outcome

39% of cases were adjudicated. Our decisions found:

- **18%** were upheld in favour of the customer
- **18%** were partially upheld
- **67%** were not upheld.

Following the decision:

- **41%** of customers accepted the outcome
- **33%** rejected the outcome
- **26%** did not respond.

Our service

Timeliness

Calls answered

70% of calls answered within **20 seconds**

15 seconds is our **average call wait time**

Response times

95% of complaints were responded to within **one working day**

97% of complaints were responded to within **two working days**

Resolution times

Our resolution times are measured in working days from when a case is opened and closed in our formal process.

49 days is our **average timeframe** for resolving disputes

88% of disputes resolved within **90 working days**

100% completed within the benchmark of **180 days**

Customer satisfaction

NPS +60

Using the Net Promoter Score (NPS) methodology, an NPS above zero is considered good and a score above 50 is considered excellent.

We are extremely proud of our **NPS of +60** which demonstrates consistently high satisfaction with the quality of our service.

Timely

72% of customers surveyed agreed or strongly agreed that the time taken for the FDRS complaints process was reasonable.

“Easy contact with excellent response time.”

Fair and impartial

79% of customers surveyed agreed or strongly agreed that the FDRS complaints process was fair and impartial.

“The adjudicator responded promptly and was able to sum up the issue and what the desired outcome was in a fair manner.”

Member satisfaction

Five-star reviews

We invite our members to complete our feedback survey at stages throughout the year. Each of them gave us the top score of 5/5 for the following statements.

"FDRS respond promptly to member enquiries."

"The FDRS complaint process is easy to understand."

"I feel I can call FDRS and get help with a complaint."

"FDRS provides a professional complaint resolution service."

Complaint participants

We also survey members who have participated in a complaints process.

50% of members agreed or strongly agreed that the **time** taken for the FDRS complaints process was reasonable.

50% of members surveyed agreed or strongly agreed that the FDRS complaints process was **fair and impartial**.

"Thank you for the time, care and professionalism you brought to this process."

"I genuinely appreciated how measured, thoughtful and fair your approach remained throughout ... Strong process, good documentation, transparency and professionalism do matter, and that when matters are assessed carefully and objectively, those things stand up to scrutiny ... The fairness and professionalism shown throughout the FDRS process has genuinely strengthened my confidence in the system and in the important role adjudicators play for both consumers and providers alike."

Awareness and promotion

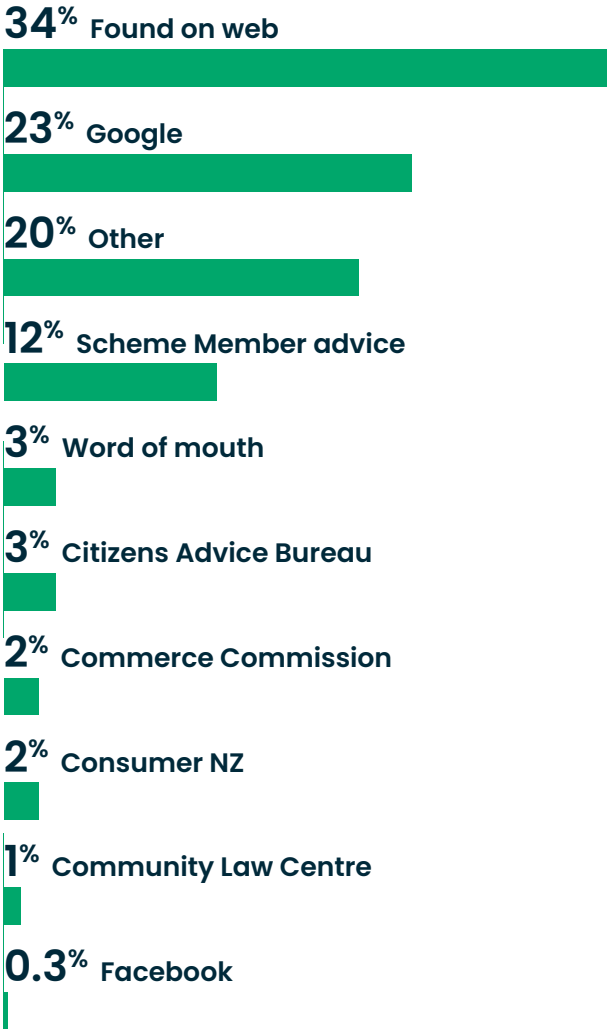
Awareness

Raising awareness is a continued focus for our scheme. We undertake a range of advertising and activities to ensure that consumers can easily access our service when they need it. We have outlined some of our highlights in this period below.

The New Zealand Consumer Survey conducted by the Consumer Protection team at the Ministry of Business, Innovation & Employment (MBIE) reports awareness of Financial Dispute Resolution Service has decreased to 14%. Interestingly, it does not match the trend of our increasing complaints volumes, which rose 106% in the same period awareness dipped by 4%.

While outside of this reporting period, you'll see from the look and feel of this report that we have refreshed the Financial Dispute Resolution Service brand, bringing it within Fair Way – kia tau family. This is the first and foundational step in some greater plans!

How consumers find us



Highlights

Accessibility

Our process is accessible, each step of the way. When customers first get in touch, we learn about them and their needs. We have a range of options available for cases.

Advertising

Our digital campaigns make it easy for consumers to connect with us when they are looking for help with a complaint. This approach works – more than half of consumers find us online.

Brochures

Community organisations and budgeting services are often the first stop for consumers. We distribute our brochure to services across Aotearoa to support them in informing consumers about their options.

Community engagement

With offices in Tāmaki Makaurau, Te Whanganui a Tara and Ōtautahi, and Fair Way's team of over 100 employees across Aotearoa, we are able to meet with organisations at both a local and national level.

Our team are very active in their local communities, regularly presenting to local branches and providing education on FDRS.

Members

We provide our logo and resources to support our members in making FDRS available as a pathway for their clients.

Shared awareness initiatives

We enjoy collaborating with the other schemes to raise awareness of our services. Collectively, we worked on several initiatives this year such as co-hosting a conference stand, hosting an online webinar series for financial mentors and others working in the community, and extending our complaints workshop for financial mentors beyond South Auckland, to Porirua and Christchurch this year.

We are looking forward to continuing our joint engagement with a new series of 'drop-in' sessions and another complaint workshop event already in the works!

Social media

We share resources through our dedicated social media channels. Consumers can also easily get in touch with us if they have a quick query.

A highlight last year was supporting the Financial Markets Authority (FMA) to amplify their dispute resolution campaigns through our Linked In and Facebook pages, and supporting Cyber Smart Week's Own Your Online campaign to help prevent scams.

Website

Our website had over 40,000 page views and 7,300 new people visiting it this year. It's an extremely important channel for people making complaints or looking for general information. You can find out about our process, our members, real cases and more on our site.

In the coming year, we have big plans to improve the content and accessibility of our website. Watch this space in 2026!

Case studies Balancing debt recovery and responsible lending

Financial difficulty

Debt collection

Background

A customer obtained a personal loan secured against a vehicle. During the application process, the customer disclosed that a significant amount was already owing on the vehicle and they believed another lender held security over it. Although no registered security interest was identified, the lender proceeded to register a first-priority security interest over the vehicle.

The customer initially maintained repayments but later experienced financial hardship, including health and banking issues, resulting in missed payments and growing arrears despite multiple repayment arrangements.

The following year, the lender began enforcement action. The vehicle was repossessed and sold by public auction. The customer subsequently lodged a complaint with the FDRS.

Next steps

FDRS considered whether the lender:

- Acted oppressively when taking security over the vehicle
- Managed collections and hardship circumstances appropriately
- Lawfully repossessed the vehicle
- Took reasonable care to achieve the best sale price reasonably obtainable.

Following the complaint, FDRS reviewed the lender's lending practices, repossession process and management of the vehicle sale. The review focused on whether the lender had complied with its obligations under the Credit Contracts and Consumer Finance Act (CCCFA).

Outcome

FDRS **partially upheld** the complaint, finding that although the lender had acted reasonably throughout the collections process and lawfully repossessed the vehicle, it fell short of

expected standards in two respects. The lender acted oppressively by obtaining a first-priority security interest despite knowing another lender intended to hold primary security, and it was unable to demonstrate that reasonable care had been taken to achieve the best sale price for the vehicle. FDRS therefore awarded compensation for both the oppressive lending conduct and the loss associated with the vehicle sale.

Lessons learned



This case demonstrates that lenders must balance lawful debt recovery with broader responsible lending obligations. The case reinforces the importance of fair conduct, transparent decision-making and maintaining evidence that customers' interests have been appropriately considered throughout the lending lifecycle.

Case studies When information is mistaken for advice

Financial advice

Lending

Background

A customer used a mortgage adviser to secure a home loan and later chose to fix the full loan for five years. Four years later, the customer discussed relocating overseas and purchasing property there. The adviser outlined possible options, including selling the property, increasing the loan, obtaining a second mortgage, or arranging a reverse mortgage, and noted that a break fee might apply if the fixed loan was repaid early.

The customer later contacted the bank and was told no break fee would apply. They complained to FDRS, alleging the adviser had provided incorrect advice and that their relocation plans were delayed because they believed a significant break fee would be payable.

Next steps

FDRS considered whether:

- Financial advice had been provided
- The adviser could reasonably know if a break fee applied
- The customer relied on the information
- There was evidence of loss and causation.

Outcome

FDRS **did not uphold** the complaint. It found the adviser had provided general information about possible options and flagged that a break fee might apply, rather than giving personalised financial advice or a recommendation intended to influence the customer's decision.

FDRS also found the adviser could not reasonably confirm whether a break fee applied because he did not have access to the loan documentation and any fee needed to be confirmed by the bank. FDRS was not satisfied the customer relied solely on the

break-fee information when delaying relocation, particularly as other options were discussed and not pursued.

The claimed losses, including potential income, investment returns, and property gains, were considered speculative and not supported by sufficient evidence. FDRS concluded there was no established loss or direct causal link between the adviser's conduct and the alleged financial harm.

Lessons learned



This case reinforces the need to clearly distinguish between general information and formal financial advice. For advisers, good record keeping is essential and advisers should be clear when matters require lender confirmation. Consumers should explore all options, undertake further research and obtain written confirmation before making any financial decision.

Case studies Account closure does not prevent a new application

Disputed decision

Denied application

Background

A long-standing customer with no history of repayment or account management issues closed their account while applying for a loan. Having previously deactivated and reactivated their account without difficulty, they later sought to reopen it. The provider advised that the closure was permanent and, on multiple occasions, informed the customer that its Terms and Conditions prevented former account holders from opening another account once their account had been closed. The customer complained to FDRS, arguing they had not fully understood the consequences of closing the account.

Next steps

FDRS considered whether:

- The customer had been shown sufficient warnings and confirmation notifications before closing the account
- The provider was required to reactivate the original account
- The provider was entitled to refuse the customer's application to open a new account.

FDRS found it was more likely than not that the customer had been shown sufficient warnings and confirmation notices before proceeding with the account closure. However, it did not accept the provider's interpretation of its Terms and Conditions, finding that once an account is closed, the contractual relationship ends. As a result, a former customer with no active account should be able to apply for a new account in the same way as any other applicant.

Outcome

FDRS **upheld** the complaint in part. While the provider was not required to reactivate the original account, the customer was entitled to apply for a new account and have that application considered on its merits.

Lessons learned



This case demonstrates the importance of ensuring that product terms, operational policies, and customer communications are aligned. While the provider successfully demonstrated that the customer had been informed of the permanent closure process, it could not justify preventing a former customer from applying for a new account. The decision reinforces the need for clear contracts and customer-focused decision-making.

Case studies

Finding common ground

Billing

Disputed decision

Background

The customer lodged a complaint with FDRS, alleging that the provider acted unfairly and unprofessionally by charging default fees after direct debit payments were dishonoured, even though payment was subsequently made manually later that day. The customer sought reimbursement of those fees.

The provider maintained that the fees were correctly incurred because the direct debit transactions had failed. The provider argued that the subsequent manual payments were not credited until the following day and therefore did not prevent the default fees from arising. The provider also advised that some fees had already been refunded as a gesture of goodwill.

Outcome

The matter was successfully resolved through a mediation process, resulting in a **mutually acceptable and confidential settlement** that addressed the key concerns raised by both parties.

The resolution provided meaningful financial relief, prevented further escalation of account-related charges, and established a sustainable arrangement for meeting ongoing repayment obligations.

Lessons learned



This case demonstrates the value of alternative dispute resolution in achieving a practical and timely outcome without the need for court proceedings.

Mediation enabled the customer and provider to maintain a longstanding contractual relationship, with a better understanding going forward.

Finances

	2025 \$000	2026 \$000
Income		
Membership fees	524	564
Complaint and other fees	81	137
Total income	605	701
Expenditure		
Advisory council	32	32
Travel and marketing	6	8
Personnel	201	202
Other	1	26
Office and corporate support	347	290
Total expenditure	587	558
Profit	18	143

Independent review

We are required to undertake an independent review of the FDRS scheme at least once every five years. FDRS underwent an independent review in **2023**. A copy of the review and our response is available on our website.

As part of the review, the independent reviewer engaged with a broad range of stakeholders representing various sectors of the financial services industry. The reviewer concluded that FDRS complies with the requirements set out in section 52, which specifies the mandatory considerations for scheme approval, and section 63 of the *Financial Service Providers (Registration and Dispute Resolution) Act 2008*.

Get in touch

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Financial Dispute
RESOLUTION SERVICE

