

SBI365 - Frequently Asked Questions

What is changing?

Banks currently interchange and settle payment transactions between each other only on business days (Monday to Friday). Moving to 365-day payments will extend the processing of electronic credit and direct debit payments to every single day of the year (including weekends and public holidays) from **26 May 2023**. Having 365-day availability will allow New Zealanders to make and receive electronic payments between bank accounts within New Zealand, whether they're at the same or different banks, every day of the year. This will also include card transactions, which will be able to be processed on non-business days.

Note that high value transactions, such as house settlements (done via Same Day Cleared Payment), international payments and telegraphic transfers, will continue to operate under the existing 'five business days' model and will not be affected by this change.

When will 365-day payments come into effect?

All banks who are direct settlement Participants in the Bulk Electronic Clearing System (BECS) which covers direct debits, automatic payments, direct credits – are required to implement 365-day payment capability by **26 May 2023**.

What do you mean by direct settlement Participants? Which banks are involved?

This project involves all the direct settlement banks who use the BECS system, currently ANZ, ASB, Bank of China, BNZ, Citi, HSBC, ICBC, Kiwibank, TSB and Westpac. Collectively they offer financial services to most New Zealanders.

Will payments appear in a bank account immediately?

This change applies only to the days of the week customers can make or receive payments. The exact time of day a payment transaction is made or received by customers will differ between banks. At HSBC, our plan is to process transactions immediately upon receipt of files.

Which payment types are included and why?

We're currently focusing on extending service availability for local electronic payments such as bill payments, automatic payments, direct credits, and direct debits including EFTPOS.

High value transactions, such as house settlements (done via Same Day Cleared Payment), international payments and telegraphic transfers, will not be affected. There are different considerations for processing those types of payments.

Will a payment to my Home Loan be processed on a non-business day?

Home loan payments (HSBC transfers between your transaction account and your home loan), will still be processed on business days. You should ensure your transaction account is funded on the business day that your Home Loan payment is due.

Will my term deposit mature or reinvest on a non-business day?

No, all term deposit transactions (principal or interest pay-outs, or reinvestments) will continue to be processed on business days.



How does this impact Automatic Payments?

For all existing scheduled automatic payments, please note that they will continue to be posted on business day and if you would like this to be processed on the requested date i.e., including weekends, you may provide HSBC with a new instruction (ensure your existing AP is cancelled accordingly).

How does this impact Direct Debits?

If you have any direct debit arrangements in place, you may want to check with the company that setup the payment to confirm what approach they are taking; will they continue to debit on business days only or will they debit on the due date, regardless if that falls on a weekend or public holiday. This way you can ensure you have sufficient funds in your account when the debit is due.

If you are a Direct Debit Initiator, you should review your payment terms and consider whether you need to advise your customers if you plan to Direct Debit on weekend/public holidays in the future.

How will interest be calculated?

Interest will continue to be accrued daily and credited to or debited from your account on a monthly basis. From May 26th, balance movements over weekend and public holidays will be factored into interest calculations as the end of day balance on every day of the week will be used to calculate daily interest.

What are the changes to bank statements?

The date column on your bank statement will still show as business days. The actual date the transaction was made will appear in the Narrative on your bank statement, with all non-business day transactions appearing the next business day. For example:

28FEB2022 is a Monday

Date	Transaction Details	Deposits	Withdrawals	Balance
	BALANCE BROUGHT FORWARD			1,204.75
25FEB2022	CARD TRANSACTION 25FEB22 POS IS9 13.55.00 MCDONALDS REF A859-XXXX		15.35	1,189.40
28FEB2022	CARD TRANSACTION 26FEB22 ATM IS9 14:39:36 ASB Westgate REF A859-01244		200.00	989.40
	CARD TRANSACTION 26FEB22 EFT IS918:16:44. FREEDOM FRUIT & VEG REF A859-01807		42.50	946.90
	DIRECT CREDIT 26FEB22 SALARY Wage/Salary 00000000	1,114.52		2,061.42
	AUTOMATIC PAYMENT 27FEB22 BUDGET ANZ	500.00		2,561.42
	INTERNET BANKING TRANSFER 27FEB22 TRADEME - SMART FOX WBC 03-123-0456789-00		45.60	2,515.82
	CARD TRANSACTION 28FEB22 POST IS912:55:00 GOCHU LUNCHBAR REF A859-1234		17.99	2,497.83



What is not changing?

There are some other payments and processes that will continue to operate on business days only (meaning Monday to Friday, excluding public holidays) including:

- Scheduled loan repayments.
- Overdraft and/or intraday limits will remain available only on business days.
- Real Time Gross Settlement (RTGS), Same Day Cleared Payments (SCP), and International Payments
- Term Deposits including new placement or maturing deposits will be available on business day only
- Cash Concentration sweeps, will continue to operate on business days only.

What effect will this change have for businesses?

365-day payments can help improve business cash-flow. It means commerce no longer has to wait for a traditional business day for a transaction to be completed. It could also provide people with more payment choice, enabling them to do things like pay for and collect goods purchased using their transactional account on non-business days. Businesses will have an opportunity to look at ways to innovate within their business model when they have 365-day payment service availability.

How does this impact Payroll files / Salary payments?

Corporates can now consider if they will process payroll on the next business day or a specific day of the month regardless of whether that falls on business day, weekend or public holiday going forward. We suggest that you confirm to your employees on the approach you intend to take.

What does this mean for HSBC Wholesale and Corporate bank accounts?

From May 26th, as payments including credits and debits could be made from your account, it will be important to ensure that you have sufficient cleared funds on your account(s) prior to weekends or public holiday to cover any anticipated direct credits, automatic payments, or direct debits that may take place. Overdraft facilities and intraday limits will remain available on business days only. Payments and settlements relating to HSBC facilities (i.e. loan repayments) will only take place on business days.

For further support and queries:

For Wealth & Personal Banking customers, please contact our Contact Centre at **0800 02 80 88** (within New Zealand), **+64 9 368 8557** from overseas (international toll charges apply).

For Wholesale & Corporate Banking customers, please contact us on **0508 443 924** Option: 1 or **+64 9 918 8616** if overseas (please note International toll charges may apply).