Payments innovation made easier

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Payments NZ has today released its first API standards, paving the way for greater innovation in financial services.

In the coming months the company will also open an API standards service where organisations will be able to apply to become registered standards users. Through joining the service, banks and third parties will be able to use the standards to partner more easily, and become active players in the future of this fledgling API standards ecosystem.

The version 1 standards now available to view cover two core payments-related APIs: **Payment Initiation** and **Account Information**.

These common API standards are important building blocks to enable registered standards users to provide their customers with easier, faster and more convenient financial services. Standardisation of these APIs has been industry led and will help ensure interoperability, efficiency, innovation, and safety in this space.

Payments NZ Chief Executive Steve Wiggins says the company is continually working with the industry to explore opportunities to future-proof and improve the payments system.

"The standards have been developed as part of an industry initiative that included an industry pilot. The pilot has now wrapped up and what it has proven is that in our increasingly digital world, there is a high demand for common standards. The market will now have a common basis to deliver more new and improved payment solutions for Kiwis as the service evolves and the ecosystem grows."

"Our standards have been developed in response to market demand, provide good core functionality and will continue to evolve to meet the needs of the market."

There were six development partners undertaking the technical test aspects of the pilot within a wider working group. And across the industry, many more organisations contributed to its overall success.

Alongside the two initial API standards, the industry is also currently working on a development pipeline of new API functions and standards, which will be rolled out through the service once it's up and running.

The standards are available to view now through the Payments NZ website.

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Key Terms

APIs: APIs (Application Programming Interface) are a standardised tool for software to securely communicate with other software. It acts as a messenger which takes third party requests and tells a system what to do, and then returns with a response.

API standards: A set of operational rules and technical specifications that set out how two (or more) systems can securely interact with each other to share information in a standardised way.

Payment Initiation API: Will enable registered third party standards users, with customer consent, to set up and make an electronic credit payment by connecting directly and safely with banks.

Account Information API: Will enable registered third party standards users, with customer consent, to access specific financial information relating to an account.

Industry API pilot: The Payments NZ industry API pilot was launched in March 2018 with six development partners. The pilot API standards were adapted and modified from the UK's open banking API standards for our local market and conditions. Find out more about the background of the pilot on our website.