

27 August 2020

flexigroup NZ announces strong end of year results as BNPL booms

- Oxipay volume increased by 50%, and customers increased by 51% to exceed 160,000 in FY20 compared to the prior year.
- Strong growth in the first half of the year resulted in NZ Credit Cards volume finishing 4% ahead of market¹. The impact of COVID-19 in Q4 resulted in overall volumes being flat when compared to the previous year.
- Strong customer growth of 30% across the core NZ Mastercard brands.
- Net income up 12%, from higher net average receivables and improved margins.

Payments company **flexigroup NZ** has flexed its muscles today with the announcement of strong full year results driven by a diverse portfolio of maturing and innovative new products.

Chris Lamers, NZ CEO and Deputy Group CEO of **flexigroup**, said:

“Our range of digital and online products has become even more relevant during the disruption of COVID-19, and we have been able to support local retailers in continuing to make sales. As a result, we have seen volumes trending ahead of market as more New Zealanders look to our interest free instalment options for their household needs. Our BNPL and long-term finance options have always been popular for home furnishings and furniture, jewellery, fashion and technology but they are gaining ground in new categories like home improvement, health and wellbeing, veterinary and grocery.”

“More people are seeking the advantages of interest-free shopping – they can get what they need now, and enjoy a little more time to pay. Our customers are savvy spenders who are maximising the benefits of these products to balance their budgets and ensure they can preserve their cashflow for a rainy day.”

*“Q Mastercard and Q Card are proving particularly valuable for any unexpected costs. We have a network of more than 2,000 dentists, bariatric surgeons, orthodontists and breast surgeons, as well as veterinarians, and fund around 1,800 procedures, appointments and treatments every month through **flexigroup** payment options.”*

flexigroup has also promised to shake-up the buy now pay later (BNPL) space with a major overhaul of its already high-performing Oxipay product, as it adapts to meet changing consumer shopping and lifestyle needs.

Commenting on the growth of Oxipay in FY20, Chris Lamers said:

“Oxipay has played an important role in supporting local business in FY20, particularly through COVID-19, and we have focused our marketing efforts to encourage local spending. As a result,

¹ Reserve Bank of New Zealand <https://www.rbnz.govt.nz/statistics/c13>

our retailers are reporting strong increases in new customers, bigger basket sizes and repeat traffic.

“Oxipay has gone from strength to strength since we launched it in 2017. Offering an easy online transaction, swift approval and next-day payment for retailers, it’s primed for sustainable and rapid growth as online shopping takes off in New Zealand. We are ready to take Oxipay to the next level and deliver the greatest possible flexibility and innovation to our customers and retailers. In September, we’ll shake up NZ’s BNPL sector with some major changes. Stay tuned for an announcement.”

COVID-19

flexigroup has taken a proactive and supportive approach to assist customers, including an outbound contact program for those who had requested hardship assistance, to discuss their financial position and offer support. **flexigroup** took the following steps to protect customers from financial harm:

- *Extending hardship programmes and allowing people to pause payments and interest*
- *Tightening spend limits and targeted limit reductions across Cards and BNPL portfolios*
- *Lifting credit cut off scores and increasing income and serviceability thresholds*

Regarding the support for customers impacted by COVID-19, Lamers said:

“Some of our customers, through no fault of their own, are finding they need financial help right now. We have a responsibility to help people through this time, and we have reacted quickly when customers need help. By pausing payments and interest we have supported people to get back on their feet and we have worked individually with all impacted customer to put in place plans to ensure their financial wellbeing is maintained.”

Industry regulation

In the coming months, Lamers said **flexigroup** will be fiercely advocating for open banking so that consumers can seize control of their data from banks:

*“Open banking is a standardised and secure framework for sharing bank customer data with lenders such as **flexigroup**. This would have several key benefits including improving the accuracy – and decreasing the cost – of assessments for customers, and decreasing the systemic importance and domination of large banks, allowing for greater competition in the sector. It is critical for the future growth of our economy and will ensure that consumers have greater control and choice over how their data is used.”*

ENDS

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ABOUT FLEXIGROUP NZ

With a diversified product offering including interest-free credit, credit cards, long-term finance, leasing, and vendor finance – **flexigroup** holds a 13,000 strong network of merchants, vendors and retail partners and delivers some of New Zealand’s most successful consumer finance products including Q Mastercard, Flight Centre Mastercard, Oxipay and Farmers Finance Card. For more information visit: flexigroup.com.au