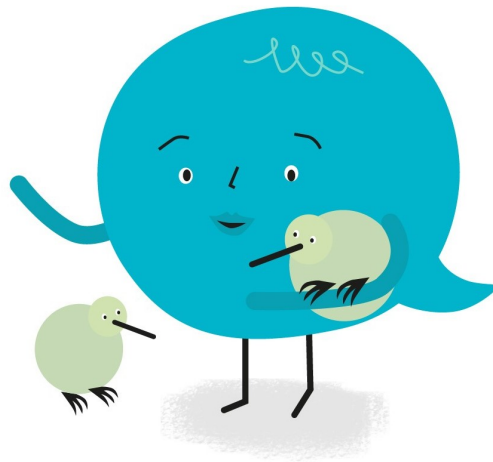


# Depositor Compensation Scheme

The Government has introduced a scheme to protect your money if your bank fails.



It took this step to strengthen trust in the country's financial system, to ensure payouts can reach affected customers quickly, and to bring New Zealand into line with other countries, such as Australia and the United Kingdom, that offer similar protections.

This quick guide explains how the scheme works.

## Scope of the scheme's protection

On 1 July 2025, the Depositor Compensation Scheme took effect. Under the scheme, which is run by the Reserve Bank of New Zealand, depositors will be compensated up to \$100,000 each if their bank goes out of business.

Customers of some non-bank deposit takers, such as building societies, credit unions and finance companies that accept retail deposits are also covered.

See all the institutions covered by the scheme [here](#).

All new and existing deposits are automatically covered, so customers don't need to do anything to be protected. The scheme applies to money in transaction accounts, savings accounts and term deposits. It doesn't cover money in bonds, other tradeable products or managed investments, such as KiwiSaver.

Check the website of your bank or other deposit taker for a full list of protected accounts. Displaying such a list is

a legal requirement.

The Reserve Bank would arrange the payouts to customers.

## How the \$100,000 limit works

If a bank or other deposit taker fails, each depositor is protected up to a maximum of \$100,000. Anything above that amount isn't protected.

The \$100,000 can be split among different accounts. For joint accounts, each account holder is protected up to \$100,000. If two or more banks fail, a depositor with accounts at these banks is protected up to \$100,000 at each bank.

Read more about how much money you could be covered for [here](#).

## More information

Banks and other deposit takers have information on their websites about the scheme. You can also contact them directly.

The Reserve Bank's website has more detailed information about the scheme: <https://www.rbnz.govt.nz/dcs/what-the-dcs-covers>.

To read the Act itself, go to [Deposit Takers Act 2023 – New Zealand Legislation website](#).