

## **COVID-19 update from LTPA**

Dear member

Below this update we have listed what we have found when researching whether pawnbrokers are able to open their business during Level 3 or if we need to wait for Level 2.

The Association has approached MBIE on behalf of its members and we are still waiting for clarification as to whether we could or couldn't open during each of the respective alert levels.

Rae Nield "Association Barrister" believed that we could open if we had protocols in place, however, Pawnbrokers seem to be in a class of our own here. Not only do we supply cash flow to the consumer and business community which is classed as an essential service (Finance companies/Banks etc, even though we are not registered as such), but we also offer a retail arm, and this makes our business classification even more difficult.

As a side note, the Pawnbrokers in the UK are allowed to open if they wish, they are observing all the Covid-19 protocols PPE social distancing etc.

So why not here?

But, as Jacinda has said yesterday, we have made a huge sacrifice in getting to this point so do we really want to jeopardise all that hard work and be forced to go back to level 4?

For now we would suggest that members concentrate on getting all their ducks in a row ready for Level 2 which, fingers crossed, isn't too far away now.

On a more personal note, we hope that all members and family are well and safe, and we hope to see many of you in one of our upcoming virtual meetings. Details on this to follow soon.

Kind Regards  
LTPA

## Guidance for pawnbroking under levels 3 and 2 of the Alert system

Pawnbroking involves the transfer of physical goods, and so for the purposes of COVID-19 classification by the government it is considered to fall under the “retail” banner.

### Level 3

Government guidelines on alert level 3:

<https://covid19.govt.nz/alert-system/alert-level-3/>

Under the “**Workers and businesses**” section it states:

Most, but not all businesses can start to open under Alert Level 3. They must take health measures to keep their workers safe.

Retail and hospitality businesses can only open for delivery and contactless pre-ordered pick up – customers cannot enter stores

Businesses cannot offer services which involve face-to-face contact or sustained close contact (e.g. hairdressing, massage, house cleaning, or door-to-door salespeople)

Under the FAQ section:

#### **Why can't people queue or browse in a retail shop?**

This is about managing the risk of transmission. Retail shops can be difficult to control in terms of physical distancing and keeping surfaces clean. Exceptions have been made for businesses like supermarkets, but right now the risk of transmission is too high to allow this more widely. Measures like drive through or home delivery better manage this risk, but unfortunately not everyone will be able to do this.

This site also links to a separate and more general government information site “How businesses and workplaces can get ready for Alert Level 3”

<https://www.business.govt.nz/covid-19/workplace-operations-covid-19-alert-levels>

#### “Alert Level 3

At Alert Level 3, everyone must still work from home unless that is not possible. Workplaces can be reopened if the work cannot be done from home and the workplace can operate consistently with public health guidance. However, there cannot be contact with the public. For example, retail needs to be by contactless purchase and delivery, including drive-through and click and collect. Retail storefronts cannot open to customers (except supermarkets, dairies and petrol stations).”

At Alert Level 3, you can sell any goods to customers by phone/online order and contactless delivery or collection. You cannot open your physical retail storefront to customers unless you are a supermarket, dairy or petrol station. Customers can also collect goods through drive-through or contact-less pick-up, such as click and collect, instead of delivery.

Given these government guidelines, it is unlikely that pawnbrokers are able to operate normally under Alert Level 3.

One of our financial members, James Delmont from Dollar Dealers, has made the following points and suggestions:

*" Level 3 is very much click and collect. Meaning face to face interactions can not take place and the money trail seemingly needs to be cashless, no exchanges.*

*What this means:*

- People must redeem items prior to collecting them through an online payment method – no cash is to exchange hands upon collection*
- People will NOT be able to loan and receive cash across the counter as this defeats the cashless model. Loaning and bank deposits might suffice as it's the same as click and collect but the opposite way*
- Retail floors will need to be closed. Anyone collecting lay-bys will need to pay through an online payment method and collect post doing so. Anyone wanting to buy goods will need to pay for them through an online payment method and collect post doing so.*

*Pawnbrokers returning to business as usual or returning to business while closing retail and giving out cash for loans and receiving this for lay-bys and redeems will likely be in breach of the current regulations stated for level 3.*

*Let's be careful we don't set anyone up to be closed down or fail here."*

The practical hurdles to provide a safe environment for staff and customers under Level 3 will effectively prevent pawnbrokers from trading.

Our advice would be to remain closed under Level 3 but use the relatively greater freedom to start preparing your business for opening under level 2.

## **Level 2**

Referring to the government website outlining each of the 4 levels in detail, specifically looking at Level 2:

<https://covid19.govt.nz/alert-system/covid-19-alert-system/#alert-level-2-%E2%80%93-reduce>

Under Level 2 the following are relevant to "retail business":

Physical distancing of 1 metre outside home (including on public transport).

Most businesses open, and business premises can be open for staff and customers with appropriate measures in place. Alternative ways of working encouraged, eg remote working, shift-based working, physical distancing, staggering meal breaks, flexible leave.

At Alert Levels 1 and 2, you may open for customers to come in to your physical store, subject to the public health measures required at those alert levels. Restrictions on gatherings will also apply.

So under Level 2 Pawnbrokers may trade, but must provide a safe environment for staff and customers and must find ways to operate without using cash.

In preparation for trading again we will therefore need to explore and adopt some of the many ways of transferring funds electronically, while still maintaining the same level of confidence for all parties that the financial transaction has taken place.

Practical advice from the LTPA association:

To prepare your business for Level 2

- Do not use cash
- Use paywave rather than EFTPOS
- Use Covid-19 decal signage as prescribed by the government
- At Level 2 make sure you use PPE throughout your business and provide hand sanitisers for all
- Observe the 1 metre distancing and the “one in one out” protocol
- Redeeming items that have been paid for - only if you can use contactless delivery

The contactless delivery process is defined by NZ Post as follows:

***“Delivery of Signature Required Product***

*NZ Post couriers (including CourierPost and Pace) will knock on the door as usual and step back two metres (or as far back as safe). They will wait for someone to come to the door and greet them as usual. They will then ask for the recipient’s name (to record proof of delivery) and leave the parcel on the doorstep. The person receiving the parcel will not sign for the delivery directly. If no one comes to the door and there is no Parcel Leave service in place, the courier will follow the standard process which is to leave a card to call, with details of the delivery and return the parcel to depot.*

***Delivery of Non-Signature Required Product***

*NZ Post couriers (including CourierPost and Pace) will knock on the door as usual and step back two metres (or as far back as safe). They will wait for someone to come to the door and greet them as usual. If no one comes to the door, the courier will follow the standard process which is to leave the item in a safe place or leave a card to call and return to depot if no safe place.*