



9 July 2025

[Redacted]
[Redacted]
[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 10 June 2025. You requested the following (numbered for ease of response):

...in relation to the Inland Revenue Department's (IRD) customer notification process for the introduction of two-factor authentication (2FA).

We request the following information:

- 1. The total cost incurred or budgeted for the 2FA phone call campaign, including a breakdown of costs (e.g., staff time, outsourcing, technology, etc.).*
- 2. The number of customers IRD intends to contact via phone calls regarding 2FA implementation.*
- 3. The rationale for choosing phone calls as the primary method of communication, rather than alternatives such as email or in-app notifications.*
- 4. Whether IRD considered other, less costly communication methods (e.g., email, MyIR notifications) before deciding on phone calls, and any analysis or internal discussions related to this decision.*
- 5. Any internal reports, memos, or communications discussing the effectiveness or necessity of this outreach method.*

Background

Two-step verification (2SV), a form of Multi-Factor Authentication, has been available to myIR customers since October 2022. Initially offered as an optional security measure, it provided users with an added layer of protection for their accounts. 8.9% of the active 4.78 million myIR logons had 2SV activated as at November 2024. Currently, there are 23% of the active myIR logons with 2SV activated as at 7 July 2025.

The intent of increasing uptake of 2SV is to reduce the risk of Crown revenue loss, the risk of identity theft, and ensure Inland Revenue's systems are secure to protect customer data and prevent fraud. Therefore, in November 2024 Inland Revenue decided to include a phone call campaign as part of the phased roll out of compulsory 2SV for all myIR users. This approach ensured Inland Revenue could provide the best possible customer service by supporting users through this change.

Item 1

The total cost incurred for the 2SV phone call campaign is \$1.967 million. This includes contingent workforce, workers, supervisors, and the required management fees. Your request for a further breakdown of costs is refused under section 9(2)(b)(ii) of the OIA, to protect the commercial position of the person who supplied the information or who is the subject of the information.

Items 2, 3 and 4

The primary approach for compulsory 2SV was via marketing and digital channels. A range of communication and engagement activities were used to raise customer awareness.

This included engagement with:

- various professional bodies such as the Chartered Accountants of Australia and New Zealand (CA ANZ) and Accountants and Tax Agents Institute of New Zealand (ATAINZ)
- KiwiSaver providers, and
- banks.

Inland Revenue also utilised:

- media releases
- social media posts
- articles on our website
- promotion through our external relationship management team, community compliance account managers and business lifecycle managers, and
- direct communications with customers.

Customer testing undertaken in late 2024 showed that prompts via myIR were an effective tool to support the adoption of 2SV. However, this relied on the customer logging into myIR.

The outbound calling campaign was in addition to these activities. Therefore, your request for the number of customers we intended to contact via phone calls for 2SV is refused under section 18(g) of the OIA, as the information is not held by Inland Revenue, and we do not believe it is held by another agency.

Contingent labour was used for outbound calling with the expectation that they would get hold of as many customers as possible to encourage them to add 2SV to their myIR and guide them through the process, if necessary.

Further information regarding two-step verification can be found on Inland Revenue's website:

- ird.govt.nz/myir-help/logging-in/two-step-verification
- ird.govt.nz/updates/news-folder/2025/two-step-verification-becoming-compulsory-for-myir
- ird.govt.nz/updates/news-folder/2025/two-step-verification-compulsory-for-all-myir-users-by-5-october-2025
- ird.govt.nz/media-releases/2024/ir-to-call-re-myir-security-update

- ird.govt.nz/media-releases/2025/improving-myir-security-campaign-continues.

Item 5

I have identified one email in scope of your request for any internal reports, memos, or communications discussing the effectiveness or necessity of the outbound calling campaign. This email is released to you, attached as **Appendix A**. Some information has been withheld under section 9(2)(a) of the OIA, to protect the privacy of natural persons.

Please note that in the email dated 3 March 2025 at 12:27pm, there has been a typo. This should say 8.5k customers rather than 8.5 customers.

Future

All customers with an active myIR logon will be progressively required to use myIR 2SV. It became compulsory for approximately 650,000 customers on 28 April 2025 and a further 416,000 customers on 30 June 2025. It will be compulsory for all users by 5 October 2025.

Inland Revenue will continue to make follow up calls to customers from the first campaign (650,000 customers mentioned above) where 2SV has not yet been set up.

All future campaigns will include 'calls to action' via digital channels.

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Jessie Unuka

Segment Management Lead, Individuals Segment

Appendix A

From: [Melissa Zhen](#)
To: [Melissa Zhen](#)
Subject: RE: Email trail for 2SV OIA
Date: Monday, 7 July 2025 9:54:39 am

From: Amanda Heil [s 9\(2\)\(a\)](#)
Sent: Monday, 3 March 2025 3:53 pm
To: Kieran Burlace [s 9\(2\)\(a\)](#); Teresa Poutawa
[s 9\(2\)\(a\)](#); Anne-Marie Savill [s 9\(2\)\(a\)](#)
Cc: Brooke Cole <[s 9\(2\)\(a\)](#)>
Subject: RE: two-step verification second media release

Hi Kieran,

I'm not sure whether there was a target success rate for the outbound campaign - [@Teresa Poutawa](#) or [@Anne-Marie Savill](#) should be able to advise on this.

I had previously mentioned that when they did customer testing last year presenting prompts in myIR to customers to set up 2SV (when they logged in) which they could opt out if they didn't want to, they had a 40-60% uptake across the various cohorts.

Ngā mihi nui – many thanks,

Amanda Heil (née Fugle) ([she/her](#))
Change Analyst - Kaitātari Panoni
Customer Compliance Services, Planning Design & Delivery | Inland Revenue
Ratonga Kiritaki me te Tautukunga, Whakamahere, Hoahoa me te Tuku | Te Tari Taake

[s 9\(2\)\(a\)](#)

Ehara taku toa i te toa takitahi, engari he toa takitini – *Success is not the work of an individual, but the work of many.*

From: Kieran Burlace [s 9\(2\)\(a\)](#)
Sent: Monday, 3 March 2025 3:43 pm
To: Amanda Heil [s 9\(2\)\(a\)](#)
Subject: FW: two-step verification second media release

Hey Amanda,

Do you know what the estimated conversion rate was for the 2SV outbound activity? I think you mentioned it was originally quite high based on some testing, so while 18% is still pretty

good, it wasn't quite what we were expecting?

Is that right?

From: Pip Knight s 9(2)(a)
Sent: Monday, 3 March 2025 1:09 pm
To: Gay Cavill s 9(2)(a); Kieran Burlace s 9(2)(a)
Cc: Rowan McArthur s 9(2)(a)
Subject: RE: two-step verification second media release

18% is a good response rate especially for a non-targeted campaign. I would have assumed that they'd have a target in mind i.e. x percentage of calls answered resulted in people switching to 2-factor. Do you know if they didn't [@Kieran Burlace](#)?

From: Gay Cavill s 9(2)(a)
Sent: Monday, 3 March 2025 12:37 pm
To: Pip Knight s 9(2)(a); Kieran Burlace s 9(2)(a)
Cc: Rowan McArthur s 9(2)(a)
Subject: RE: two-step verification second media release

I'd also be keen to know what percentage of the people we have called have completed the process. The last figures I saw it was sitting at 18%. And no-one seemed to know if that was considered a good response rate or not.

From: Pip Knight s 9(2)(a)
Sent: Monday, 3 March 2025 12:27 pm
To: Gay Cavill s 9(2)(a); Kieran Burlace s 9(2)(a)
Subject: RE: two-step verification second media release

Thanks Gay – I was just talking to Jane and asked about the stats too...its sounds like there is a 'good' angle i.e.

I.e. 'through this campaign, IR has seen thousands of customers each day switch to 2factor authentication'.... Jane mentioned at the peak they had 8.5 customers switch on one day (though outbound calling and hearing about this through media)

Ngā mihi nui,
Pip

From: Gay Cavill s 9(2)(a)
Sent: Monday, 3 March 2025 12:22 pm
To: Kieran Burlace s 9(2)(a); Brooke Cole s 9(2)(a); Anne-Marie Savill s 9(2)(a)
Cc: Rowan McArthur s 9(2)(a); Jane Elley s 9(2)(a); Pip Knight s 9(2)(a)
Subject: two-step verification second media release

Hello Kieran, Brooke and Anne-Marie,

With the decision made to carry on with the outbound calling and ELT's approval of a second media release on this I'll need some information from each of you so I can write a new media release. It will need to be stronger than the first and acknowledge we know some people think our calls are scammers.

Information needed:

- Number of calls we have made and how many have started the process.
- What people need to do if they just want to do it themselves.
- Number of people who've thought it was a scam and said so to us.
- How people can verify it is really us (more detail than in the last release)
- Timings for the campaign.
- What we won't do when we're calling
- Who we are calling first and why

We have to acknowledge that it is an unusual step for us to be calling but we need to reach people before this becomes compulsory.

We also need to acknowledge that a reasonable number of people we have called think we are scam callers. Mention it is good for people to be cautious.

Say it is also good to check your myIR regularly because that is the way we send secure messages to people.

If you can think of any more, please let me know and if you could each provide me with the pieces of information you hold, that would be really useful.

Cheers,

Gay.

Gay Cavill | Media Principal | Inland Revenue

s 9(2)(a)

mediaqueries@ird.govt.nz
W. <https://media.ird.govt.nz>