

# Consumer Protection Quarterly Report

April – June 2019/20



ISSN: 2624-3547 (online)  
September 2020

**©Crown Copyright 2020**

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders.

# Contents

<b>Executive summary</b>	<b>2</b>
<b>Total enquiries</b>	<b>4</b>
Breakdown by receiving organisation	4
<b>Enquiries to MBIE Service Centre</b>	<b>5</b>
Breakdown by sector	5
Changes since last quarter	6
Breakdown by issue	6
Changes since last quarter	7
Breakdown by purchase method	7
Changes since last quarter	8
Reporting by sector: Issue breakdown	9
Reporting by sector: Purchase method breakdown	11
Reporting by purchase method: Issue breakdown	12
<b>Enquiries to Citizen's Advice Bureau</b>	<b>13</b>
Breakdown by aggregated category	13
Changes since last quarter	14
Breakdown by detailed category	15
Changes since last quarter	16
<b>Annual snapshot</b>	<b>17</b>
MBIE Service Centre	17
Citizen's Advice Bureau	19
<b>About this report</b>	<b>20</b>
The information	20
Making a consumer enquiry	20

# Executive summary

This is Consumer Protection’s quarter four (Q4) report covering data from 1 April – 30 June 2020. The report presents information on the issues that consumers contacted the MBIE service centre about, and any change from the previous quarter. Consumer enquiries reported to the Citizen’s Advice Bureau (CAB) are also presented.

## Key insights from this quarter

### Enquiry volumes



#### CONSUMER ENQUIRIES WERE RECEIVED

A DECREASE OF 31% FROM THE PREVIOUS QUARTER  
*(enquiry numbers this quarter were impacted by the COVID-19 lockdown)*

### Top enquiry sectors/areas



BUDGETING AND GENERAL FINANCIAL DIFFICULTIES



MOTOR VEHICLES (SALES AND REPAIRS)



ELECTRONIC GOODS



PERSONAL PRODUCTS



NON-ELECTRICAL HOUSEHOLD GOODS

### Notable changes

- The enquiry numbers were much lower this quarter due to the impact of the COVID-19 lockdown.
- Total enquiries to the MBIE service centre decreased by 41% this quarter.
- This quarter experienced some different enquiry patterns across sectors as a result of the impact of COVID-19 on the consumer environment.
- 'Accommodation or travel services', 'entertainment' and 'postal, courier and freight services' enquiries remain high compared to pre-COVID levels.

### The issues

- Enquiries most frequently relate to potential breaches of the Consumer Guarantees Act (CGA).
- Faulty, damaged, doesn't work as expected is the most common issue, noted in 41% of enquiries received by the MBIE service centre (a decrease from 41% the previous quarter).
- Potential FTA breaches were most likely to be noted in enquiries related to 'entertainment' and 'banking, credit or finance', with 'unclear terms and conditions' specifically being most noted in 'entertainment' and 'accommodation or travel services'.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'construction or trade services'.

### Purchase method

- The majority of enquiries to the MBIE service centre (61%) relate to purchases made through direct sales (either in person or over the phone).
- Problems with online purchases made up 25% of enquiries, an increase from the previous quarter (20%).

- Online was more frequently noted as a purchase method for 'accommodation or travel services' and 'personal product' issues.
- Enquiries relating to purchases made online have a broad spread of issues, but there was an increase in the proportion of issues relating to 'unclear terms and conditions', 'delay or non-delivery', and 'incorrect or misleading information'.

### Key insights from the 2019/20FY

- Just over 13,000 consumer enquiries were received by the MBIE service centre, a decrease of 24% compared to the 2018/19FY.
- Top enquiry areas remained relatively consistent throughout the year and compared to the previous financial year.
- Despite an overall decline in enquiries compared to last year the following sectors experienced an increase in enquiries (reflecting the change in enquiry areas due to the impact of COVID-19):
  - Accommodation or travel services
  - Recreation or leisure activities
  - Insurance
  - Postal, courier and freight services.
- 'Faulty, damaged, doesn't work as expected' was the most frequent issue noted in enquiries – consistent with previous years – but issues noting 'no intention to supply' and 'safety issue' experienced the largest percentage increase compared to the 2018/19FY.
- The proportion of enquiries noting online as the purchase method have increased to 20% compared to 18% last year.

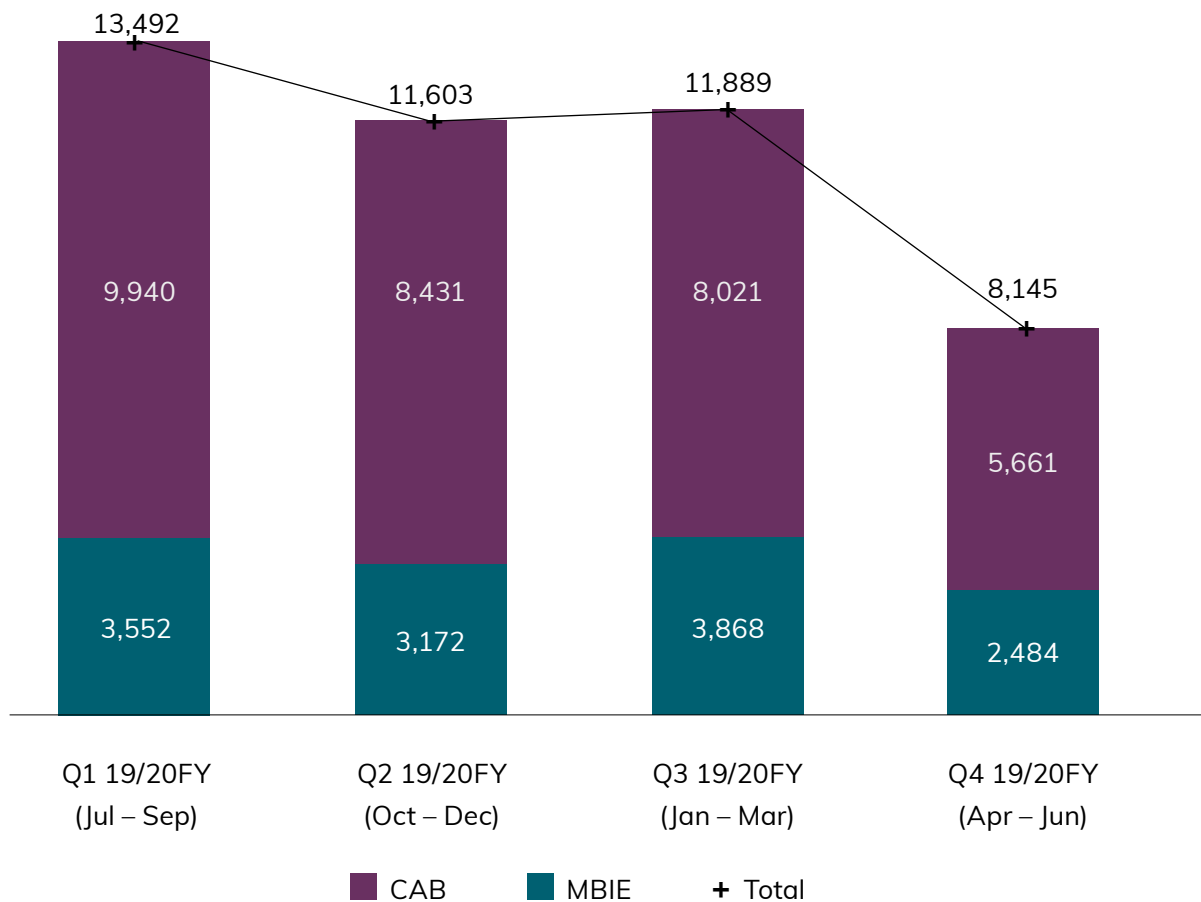
# Total enquiries

Between 1 April and 30 June **8,145** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries decreased (31%) compared to the previous quarter – this quarter covered the COVID-19 lockdown period.

## Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organisation this financial year. In quarter 4, 8,145 enquiries<sup>1</sup> were received; this is a decrease from the previous quarter but enquiry numbers would have been impacted by the COVID-19 lockdown. The MBIE service centre experienced a larger percentage decrease in enquiries than CAB.

**Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 to Q4 2019/20FY**



<sup>1</sup> The total number of enquiries to the MBIE service centre noted in this section is higher than that reported in the trend analyses in the rest of the report as it includes enquiries that were coded as a coronavirus query.

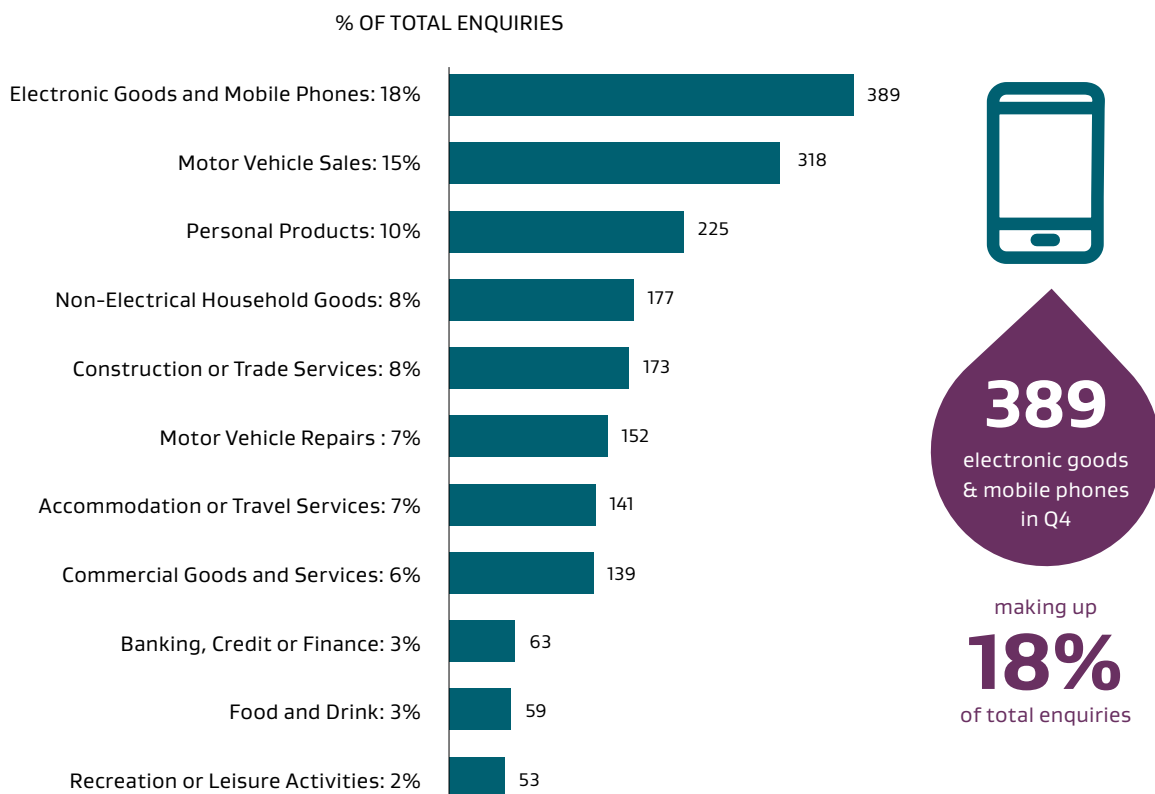
# Enquiries to MBIE Service Centre

Between 1 April and 30 June the MBIE service centre received 2,164 enquires, a 41% decrease on the previous quarter (3,675). Reflecting the overall decrease in enquires, most categories also experienced decreases this quarter. Forty-three percent of all enquiries received related to motor vehicle sales, electronics goods, and personal products.

## Breakdown by sector

Figure 2 shows the total number of enquiries received by the MBIE service centre in quarter 4 by the sector the enquiry relates to.

**Figure 2: Enquiries by sector, Q4 2019/20FY**



Base: Total enquiries (n=2,164).

Note only categories receiving 50 or more enquiries are shown.

The next largest categories were motor vehicle sales (15%), personal products (10%), non-electrical household goods (8%), and construction or trade services (8%).

## Changes since last quarter

- The total number of enquiries to the MBIE service centre decreased by 41% over the last quarter from 3,675 to 2,164.
- Construction or trade services moved back into the top five this quarter.
- The top two sectors swapped positions this quarter and also experienced the largest decreases in the number of enquiries.
- This quarter also experienced some different enquiry patterns across sectors as a result of the impact of COVID-19 during this quarter. 'Accommodation or travel services' enquiries remain high and made up an increasing proportion of all enquiries (7% compared to 2% for the same period last year). 'Entertainment' enquiries also remain high compared to pre-COVID enquiry numbers.

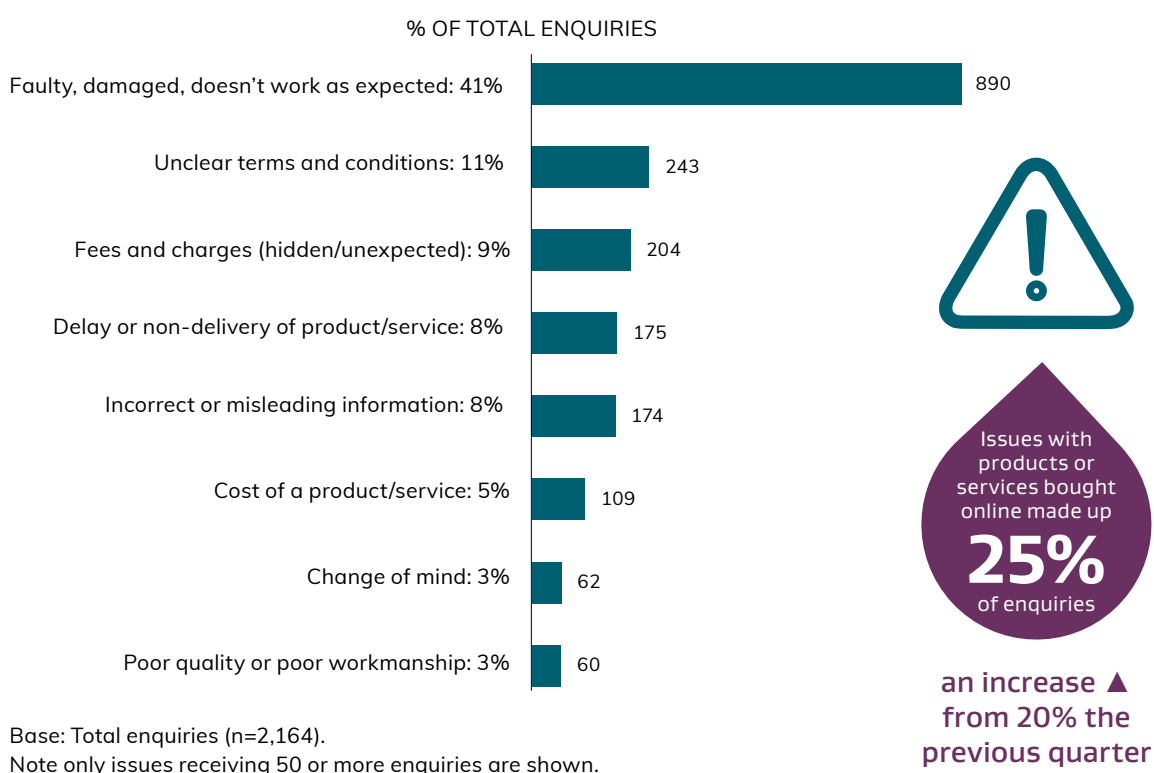




## Breakdown by issue

Enquiries were most likely to relate to potential breaches of the Consumer Guarantees Act (CGA). A product or service being faulty, damaged, or not working as expected was most frequently noted as the issue in enquiries received, making up 41% of all enquiries (figure 3). Just under a third of enquiries (30%) related to potential breaches of the Fair Trading Act, including issues of being provided with misleading information, unclear terms, hidden fees, or no intention to supply.

**Figure 3: Enquiry by issue, Q4 2019/20FY**



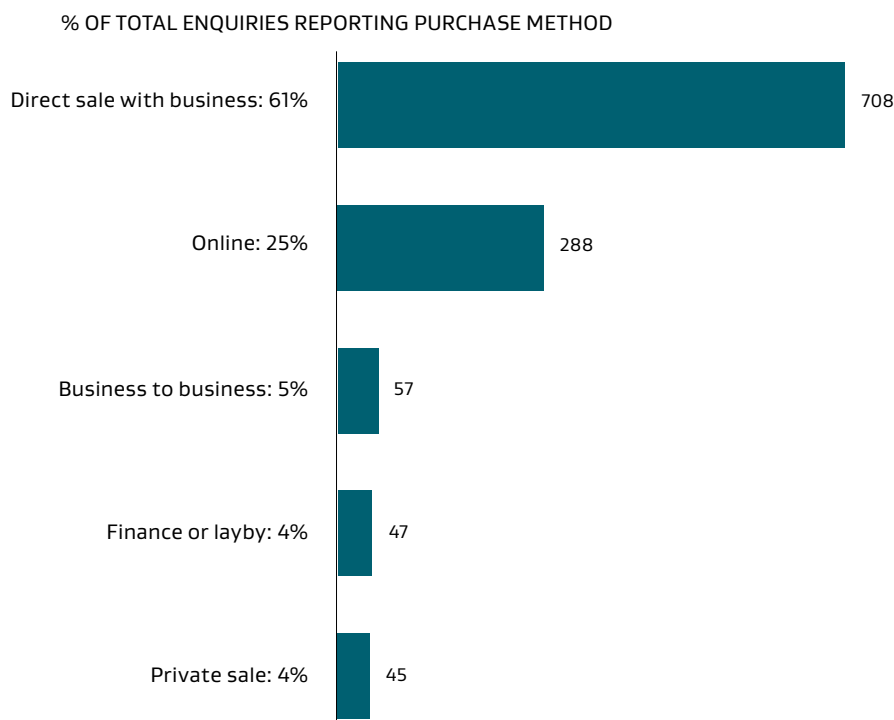
## Changes since last quarter

- The top five issues remain unchanged but 'faulty, damaged, doesn't work as expected' made up a lower proportion of enquiries this quarter – this has decreased each quarter (from 54% in Q1 to 41% in Q4).
- 'Fees and charges (hidden/unexpected)' was the only issue in the top five that experienced a decrease in enquiries this quarter (down 28 enquiries, 9%).
- 'Unclear terms and conditions' experienced a large increase in enquiries (up 132, 46%) and made up the highest proportion (11%) of all enquiries since measurements began in Q1 2017/18FY.

## Breakdown by purchase method

Consumer enquiries spanned all purchase channels,<sup>2</sup> although the majority (61%) was made in person (including at a shop or calling the business directly).

**Figure 4: Enquiry by purchase method, Q4 2019/20FY**



Base: Total enquiries reporting purchase method (n=1,159).  
Note only purchase methods receiving 45 or more enquiries are shown.

Issues with products/services bought online made up 25% of enquiries, those through business to business made up 5%, finance agreement or layby made up 4%, those through private sale made up 4%, and those made through uninvited sales (meaning from telemarketers or door-to-door salespeople) made up 1%.

### Changes since last quarter

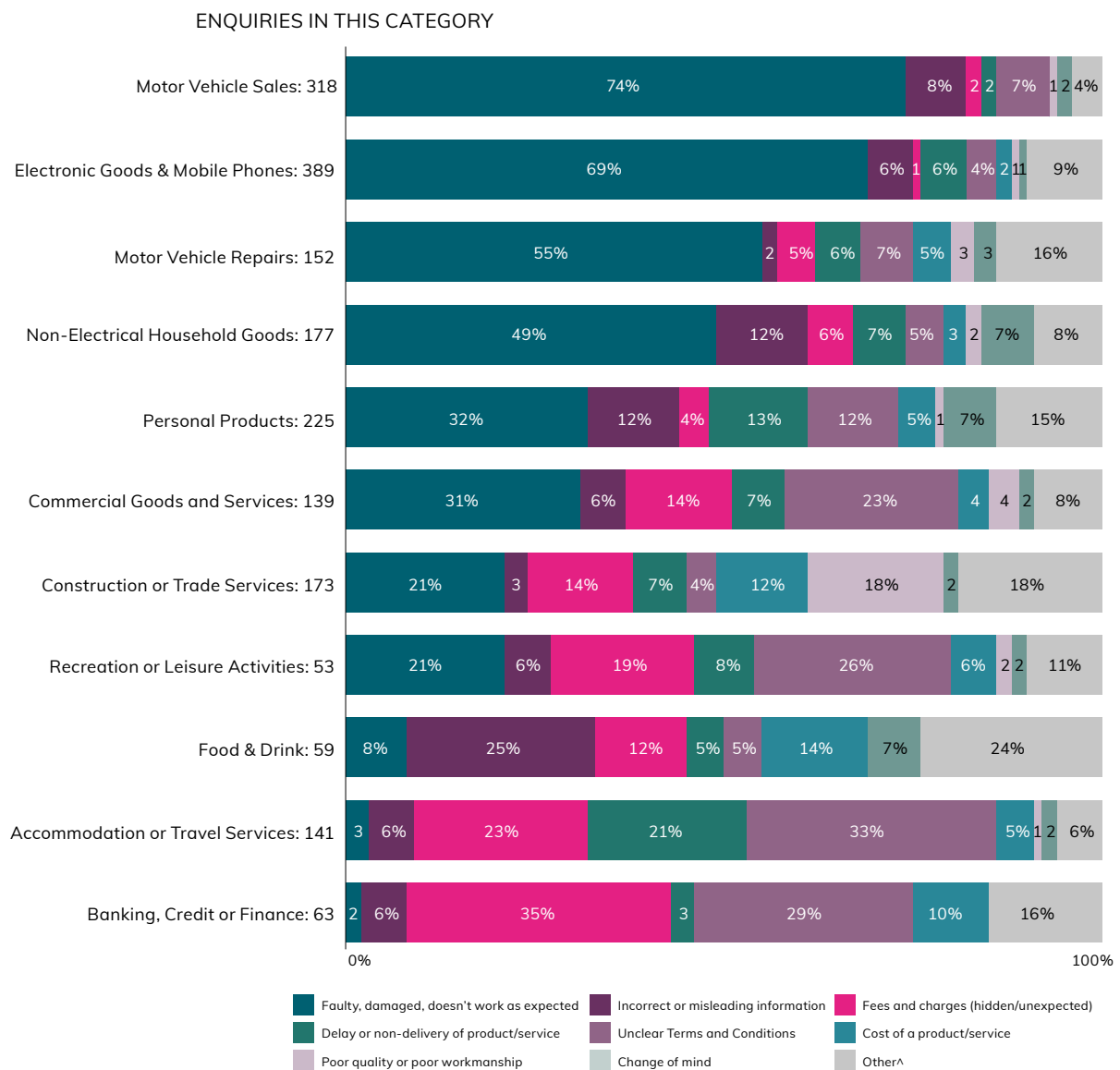
- Direct sales continued to experience a decrease (making up 61% of enquiries, compared to 74% in Q1, 70% in Q2, and 68% in Q3).
- Issues where 'online' was the purchase method made up an increased proportion of enquiries again this quarter. Issues where 'private sale' was the purchase method also increased slightly.

<sup>2</sup> Note that purchase method is not available for all enquiries received. This information may not have been applicable or may not have been recorded.

## Reporting by sector: Issue breakdown

Figure 5 shows issue breakdown by sector for enquiries received by the MBIE service centre in quarter 4.

Figure 5: Issue breakdown by sector, Q4 2019/20FY



Base: Total enquiries reporting reason for problem (n=2,164).

Note only categories receiving 50 or more enquiries are shown.

^Only issues that made up more than 3% of enquiries are shown, all others are included in the 'other' category.

**Issues of 'faulty, damaged, doesn't work as expected' were more likely in the following sectors:**

- Motor vehicle sales, 74%
- Electronic goods & mobile phones, 69%
- Motor vehicle repairs, 55%.

**Issues related to potential FTA breaches (misleading information, unclear terms, hidden fees, or no intention to supply) were more likely in the following sectors:**

- Entertainment, 74%
- Banking, credit or finance, 70%
- Real estate and property management, 68%.

**Issues of 'poor quality or poor workmanship' were more likely in the following sectors:**

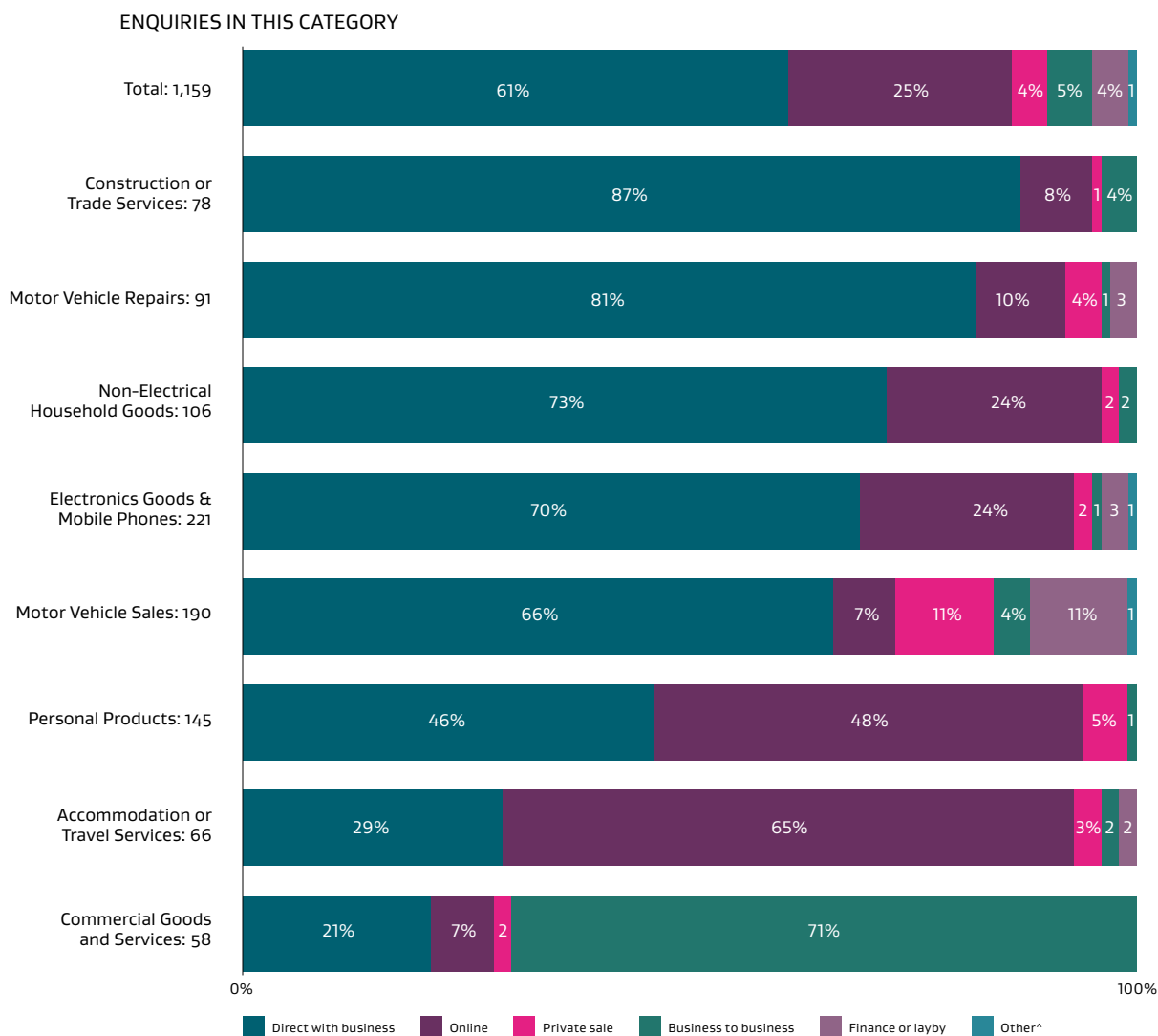
- Construction or trade services, 18%
- Health services, 8%
- Insurance, 4%.



## Reporting by sector: Purchase method breakdown

Figure 6 shows purchase method breakdown by sector for enquiries received by the MBIE service centre in quarter 4.

**Figure 6: Purchase method breakdown by sector, Q4 2019/20FY**



Base: Total enquiries reporting purchase method (n=1,159)

Note only categories receiving 45 or more enquiries are shown

^All other purchase methods that received fewer than 45 enquiries are included in the 'other' category

- The majority of enquiries across sectors were purchased 'direct with business'.
- Online was more frequently noted as a purchase method for 'accommodation or travel services' issues.
- An increasing proportion of 'personal product' issues were noted as being purchased 'online' (23% in Q3 and 48% in Q4).
- Private sale was more frequently noted as a purchase method for 'motor vehicle sales' issues compared to issues in other sectors. The proportion of motor vehicle sales issues noted as being a private sale has increased (from 8% in Q3 to 11% in Q4).

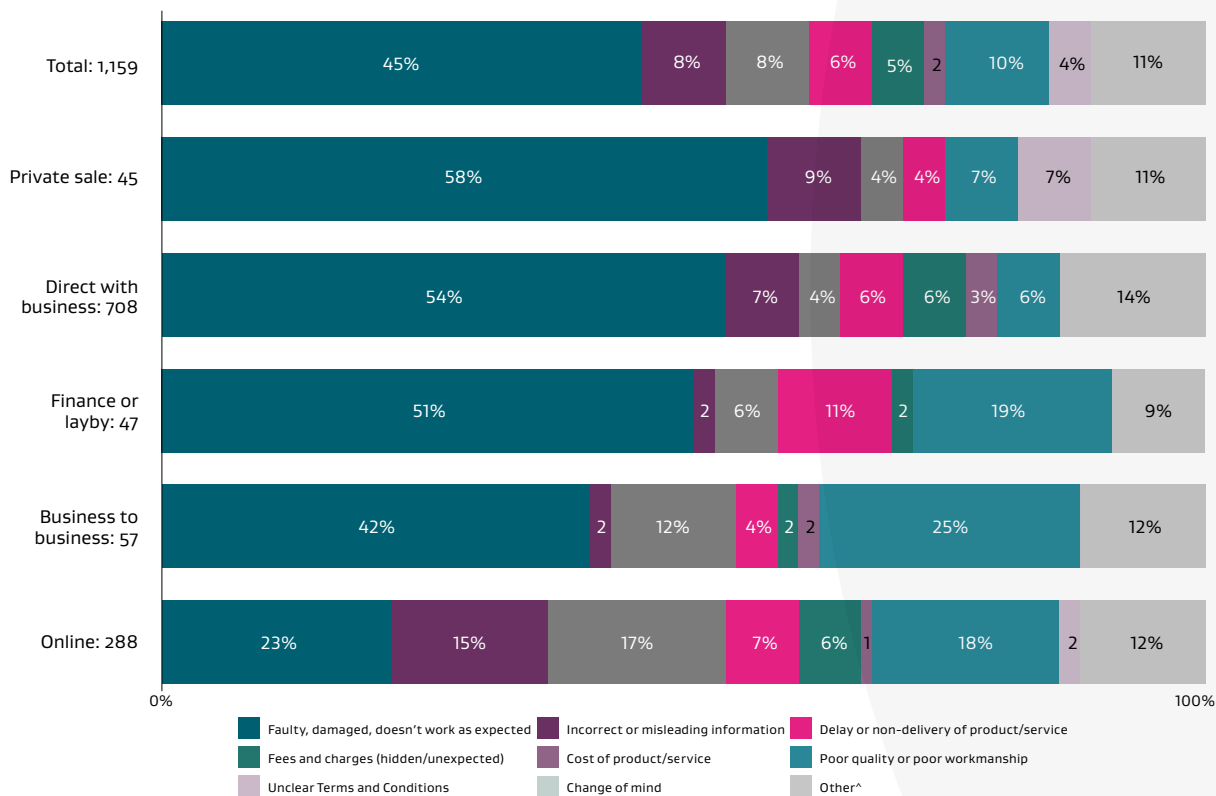
## Reporting by purchase method: Issue breakdown

Figure 7 shows issue breakdown by purchase method for enquiries received by the MBIE service centre in quarter 4.

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods.
- Finance or layby purchases and business to business purchases are more likely than other purchase methods to experience issues of 'unclear terms and conditions'.
- Purchases made online have a much broader spread of issues than direct sales, with 'unclear terms and conditions', 'delay or non-delivery', and 'incorrect or misleading information' being common issues (after 'faulty, damaged, doesn't work as expected').

**Figure 7: Issue breakdown by purchase method, Q4 2019/20FY**

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=1,159).

Note only purchase methods receiving 45 or more enquiries are shown.

^Only the top issue categories are shown, all others are included in the 'other' category.

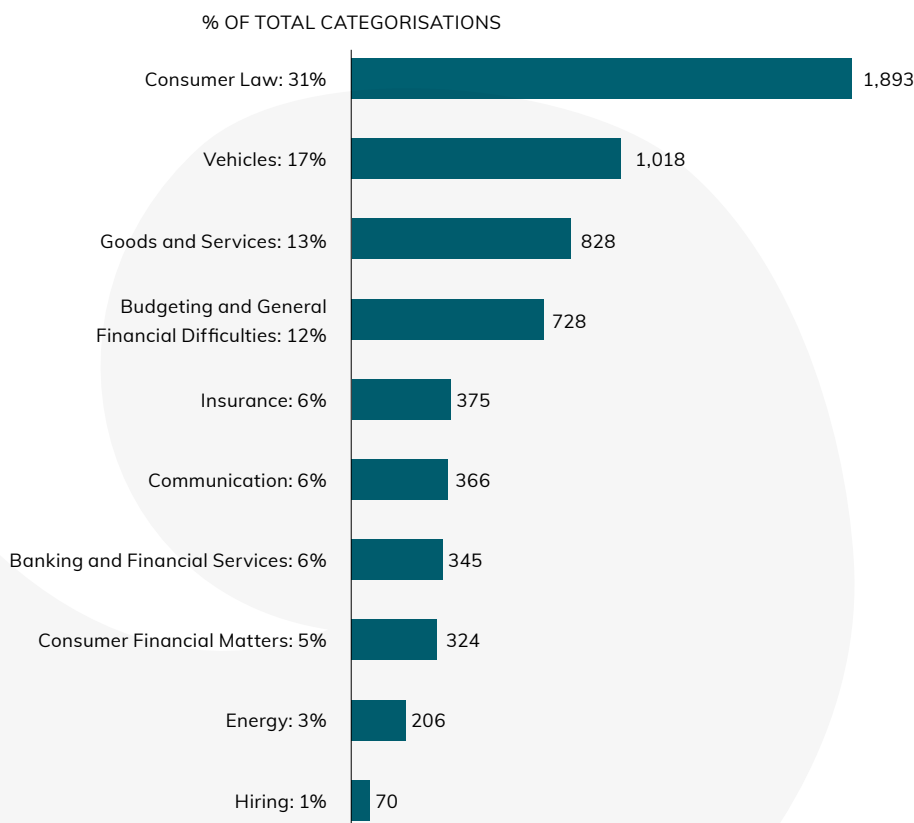
# Enquiries to Citizen's Advice Bureau

Between 1 April and 30 June (which includes the COVID-19 lockdown period) CAB received 5,661 consumer enquiries that were given 6,153 categorisations. Categorisations decreased by 28% compared to the previous quarter (8,498). Around sixty percent of all assigned enquiry categories this quarter related to consumer law, vehicles, and goods and services.

## Breakdown by aggregated category

There are 53 categories that consumer enquiries to CAB can be assigned, more than one category can be assigned to each consumer enquiry. These are then aggregated up into ten different categories. Consumer law was the category assigned to the highest number of enquiries in quarter 4 (assigned 1,893 times), making up 31% of all categorisations (figure 8). The next largest were vehicles (17%), goods and services (13%), and budgeting and general financial difficulties (12%).

Figure 8: CAB enquiry categorisations by aggregated category, Q4 2019/20FY



Base: Total categorisations (n=6,153)

## Changes since last quarter

- The total number of categorisations decreased by 28% over the last quarter from 8,498 to 6,153 – covering the COVID-19 lockdown period.
- While most aggregated categories also experienced decreases, 'banking and financial services' and 'energy' experienced lower than average decreases and 'communication' experienced a slight increase.
- 'Insurance' and 'vehicles' experienced the largest percentage decrease in enquiries, down 37% (224 fewer enquiries) and 36% (581 fewer enquiries) respectively.

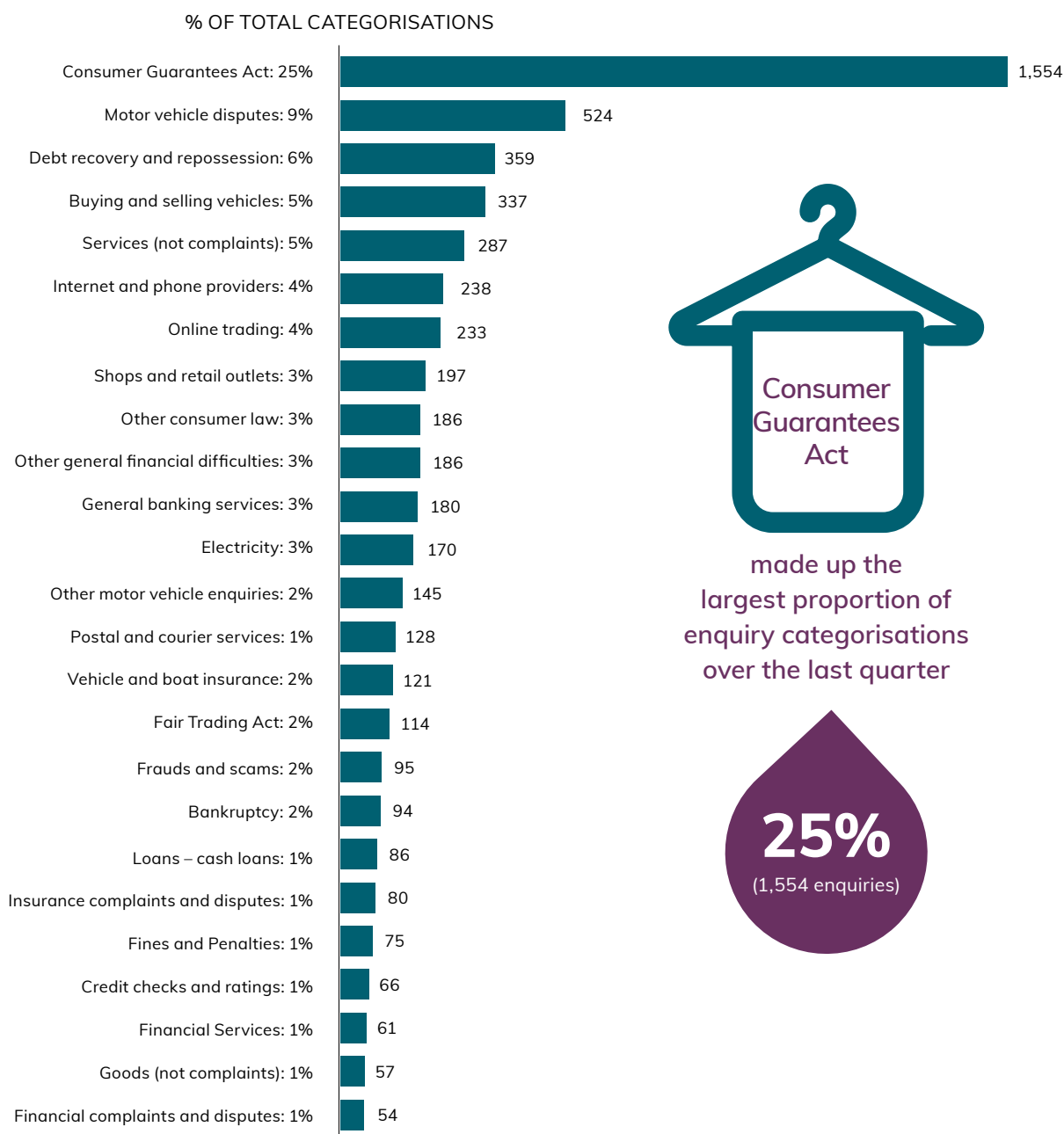




## Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter 4. Enquiries categorised as 'Consumer Guarantees Act including complaints about goods and services' made up 25% of all enquiry categorisations (n=1,554), motor vehicle disputes 9% (n=524), and debt recovery and repossession 6% (n=359). Each of these top three categories experienced decreases compared to the previous quarter.

**Figure 9: CAB enquiry categorisations by detailed category, Q4 2019/20FY**



Base: Total categorisations (n=6,153).  
 Note only categories of 50 or more are shown.

## Changes since last quarter

- Only a few detailed categories experienced increases over the last quarter, and are reflective of some of the different issues experienced by consumers over the lockdown period.
- 'Postal and courier services' experienced the largest increase in enquiries, up 45. 'Travel insurance' and 'dealing with business failure' also saw slight increases.
- The largest decreases in categorisations were for the most common detailed categories.



# Annual snapshot

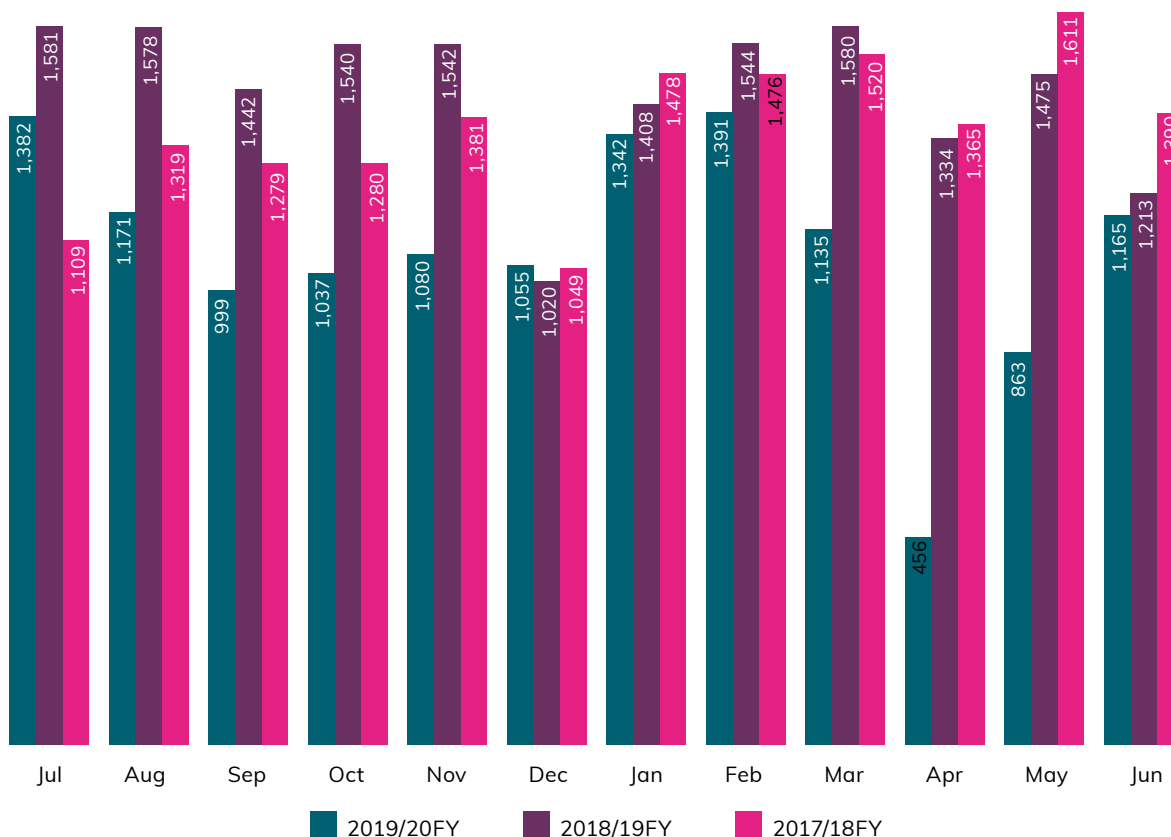
In the 2019/20 financial year the MBIE service centre received 13,076 consumer enquiries, a 24% decrease from the previous year. The top enquiry areas related to motor vehicles, personal products and electronic goods, consistent with the previous two years.

## MBIE Service Centre

### Annual enquiries

In the 2019/20 financial year the MBIE service centre received around 13,000 enquiries (a 24% decrease from around 17,000 last financial year). Although the number of enquiries received was greatly impacted by the COVID-19 lockdown (in April/May), all other months except December also experienced a decrease in enquiries received compared to the previous year (figure 10).

Figure 10: Total enquiries by month, by financial year



## Top enquiry and issue categories

The categories that generated the highest numbers of enquiries were:

- Motor vehicle sales (2,426 enquiries, making up 19% of all enquiries)
- Electronic goods & mobile phones (2,117 enquiries, 17%)
- Personal products (1,575 enquiries, 13%)
- Non-electrical household goods (1,037 enquiries, 8%).
- Construction or trade services (1,016 enquiries, 8%)
- Motor vehicle repairs (839 enquiries, 7%).

The top six categories above were also the top six each quarter. These were also the top six categories last financial year although the order was slightly different: Motor vehicle sales; personal products; electronic good & mobile phones; construction or trade services; motor vehicle repairs; and non-electrical household goods.

'Faulty, damaged, doesn't work as expected' was the top issue identified this year, followed by 'unclear terms and conditions'. This was the same as the previous year.

In the 2019/20FY, 20% of all issues noted the purchase method as online, an increase from 18% last financial year. In addition the proportion of issues that were purchased online increased throughout this financial year from 18% in Q1 to 25% in Q4.

## Enquiry and issue growth areas

Although overall enquiries decreased this financial year, a few category areas experienced increases or lower than average decreases (the average decrease across all categories was 27%) compared to the 2018/19FY:

- Health products (increased 21%)
- Accommodation or travel services (increased 14%)
- Recreation or leisure activities (increased 14%)
- Insurance (increased 8%)
- Postal, courier and freight services (increased 1%)
- Entertainment (decreased 8%)
- Commercial goods and services (decreased 8%)
- Health services (decreased 9%)
- Food & drink (decreased 11%)
- Non-electrical household goods (decreased 11%)
- Internet/landline phone services (decreased 21%)
- Electronic goods & mobile phones (decreased 21%).

Over the same period, personal products experienced the largest decrease, in both number and proportion of enquiries.

Reflecting the overall decrease in enquiries, most issue areas also experienced decreases. However, despite the overall decline in enquiries, 'no intention to supply product/service' and 'safety issue' experienced slight increases.

## **Citizen's Advice Bureau**

### **Annual enquiries**

It is not possible to compare enquiry totals with the previous financial year due to a change in the recording system.

### **Top enquiry categories**

In the 2019/20FY the detailed categories that generated the highest numbers of enquiry categorisations were:

- Consumer Guarantees Act including complaints about goods and services (8,244 enquiry categorisations, making up 24% of all enquiries)
- Motor vehicle disputes (3,164 enquiries, making up 9% of all enquiries)
- Debt recovery and repossession (2,156 enquiries, 6%)
- Buying and selling vehicles (2,014 enquiries, 6%)
- Services (not complaints) (1,670 enquiries, 5%)

The top five of the detailed categories above were also the top five detailed categories in the 2018/19FY (although 'debt recovery and repossession' has moved up to third, 'buying and selling vehicles' to fourth, and 'services (not complaints)' dropped to fifth).

### **Enquiry growth areas**

As noted earlier, it is not possible to compare the enquiry totals, and therefore areas of growth over the last financial year. Comparing the proportion of total enquiries categorisations there has been a slight increase in the 'online trading' and 'postal and courier service' categories over the last year – likely reflecting the increased dependence on these areas during the lockdown period towards the end of the financial year.

# About this report

The purpose of this report is to provide the Consumer Protection Team, our Internal Consumer Fora partners, the Consumer Market Intel group, and other key stakeholders with information on the issues currently affecting consumers, and where possible how these have changed over time.

---

## The information

This report pulls together information collected or supplied to the Consumer Protection Team from the MBIE service centre and Citizen's Advice Bureau (CAB) enquiries received. Readers should note that this data only reflects what consumers have chosen to enquire about.

Reporting quarters are based on the financial year 1 July to 30 June.

When an individual or organisation contacts the MBIE service centre or CAB they choose how much information they feel comfortable providing. Based on the information provided advisors assign a code(s) to the enquiry and this is captured within the responding organisations CRM system.

Each month data received by the MBIE service centre is extracted and supplied to the Consumer Protection team for detailed analysis of consumer enquiries. All enquiries coded 'hang up' and 'wrong number' are removed from the dataset. Data from the CAB<sup>3</sup> is used as received.

## Making a consumer enquiry

Anyone can make a consumer enquiry to the MBIE service centre, from members of the public to business and lawyers. Enquiries can be received by telephone or email.

Enquiries to CAB can also be made by anyone and these can be made in person, by telephone or by email.

---

<sup>3</sup> Client enquiries to CAB can be assigned to more than one category so total client enquiries do not equal category totals.



## Consumer Protection

Ministry of Business, Innovation and Employment

0508 426 678 (0508 4 CONSUMER)

[cpinfo@mbie.govt.nz](mailto:cpinfo@mbie.govt.nz)

[www.consumerprotection.govt.nz](http://www.consumerprotection.govt.nz)

PO Box 1473, Wellington 6140

*Disclaimer: This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.*