

Consumer Protection Quarterly Report

January – March 2020/21



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Executive summary







This is Consumer Protection's quarter three (Q3) report covering data from 1 January – 31 March 2021. 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



Top enquiry sectors/areas

	MOTOR VEHICLES (SALES AND REPAIRS)
	ELECTRONIC GOODS
	PERSONAL PRODUCTS
	BANKING, BUDGETING, CREDIT OR FINANCE
	CONSTRUCTION OR TRADE SERVICES
	NON-ELECTRICAL HOUSEHOLD GOODS

Notable changes

- Total enquiries to the MBIE service centre decreased by 5% this quarter and are 19% lower than the same period last year
- There was a mix of enquiry increases and decreases this quarter, with the largest increase in the number of enquiries for 'Electronics goods and mobile phones' (up 49), 'Commercial goods and services' (up 39), and 'Accommodation or travel services' (up 32). Whereas 'Insurance' (up 48%), 'Real estate and property management' (up 47%), and 'Accommodation or travel services' (up 28%) experienced the largest percentage increases
- The largest decrease in the number of enquiries was for 'Personal products' (down 89), 'Motor vehicle repairs' (down 52), and 'Non-electrical household goods' (down 37). Whereas 'Legal/Accounting/Other professional services' (down 56%), 'Banking, credit or finance' (down 33%), and 'Postal, courier and freight services' (down 33%) experienced the largest percentage decreases.

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 47% of enquiries (up from 42% last quarter) received by the MBIE service centre
- Potential FTA breaches were most likely to be noted in enquiries related to 'Banking, credit or finance', 'Utilities' and 'Food & drink' this quarter'
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Health services', 'Construction or trade services' and 'Motor vehicle repairs'.

Purchase method

- The majority of enquiries to the MBIE service centre (70%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 19% of enquiries, similar to the previous quarter (20%)
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'Personal product' issues
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales'.

Total enquiries

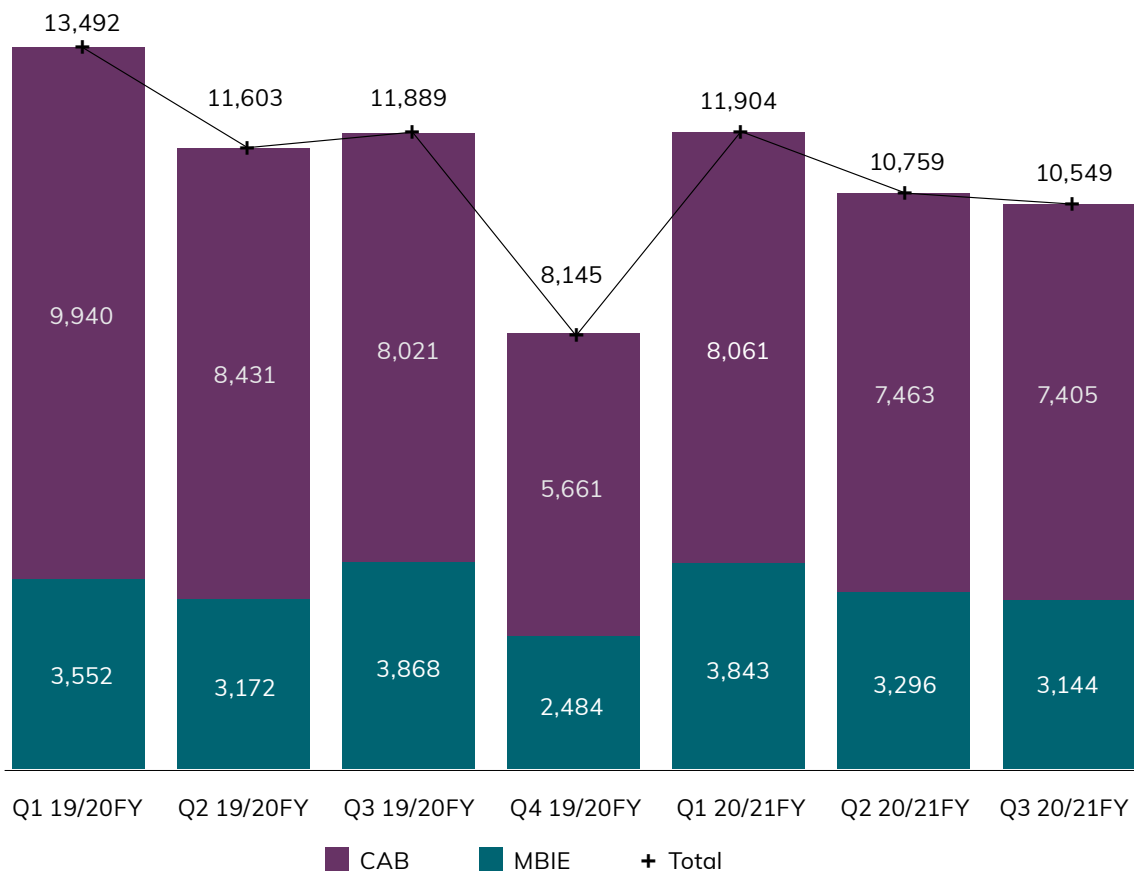
Between 1 January and 31 March **10,549** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries is relatively consistent with the previous quarter.

Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organisation in quarter 3. In quarter 3, 10,549 enquiries¹ were received; this is relatively consistent with the previous quarter where 10,759 enquiries were received (both these quarters include holiday close down periods).

Of the enquiries received this quarter 70% of them were through CAB. Compared to quarter 3 last year, enquiries to both the MBIE service centre and CAB are lower.

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2019/20FY to Q3 2020/21FY



¹ 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 (n=28).

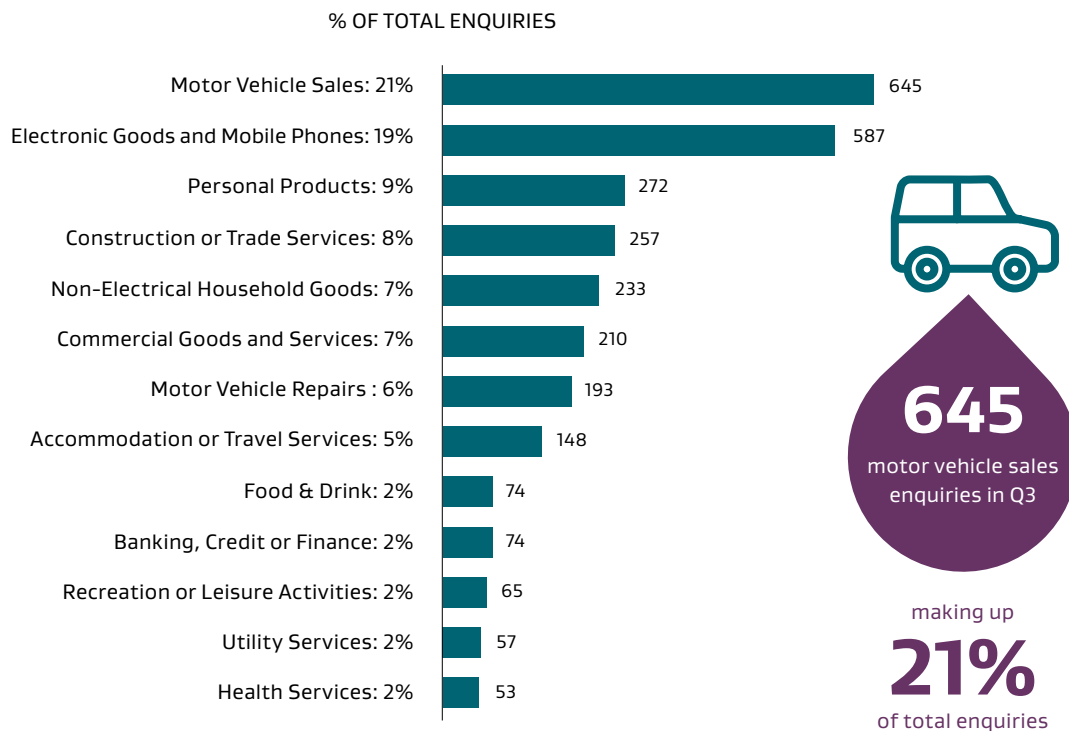
Enquiries to MBIE Service Centre

Between 1 January and 31 March the MBIE service centre received 3,116 enquires, a 4% decrease on the previous quarter (3,256). Half (48%) of all enquiries received related to motor vehicle sales, personal products, and electronic goods. There was a mix of increases and decreases across categories this quarter.

Breakdown by sector

Figure 2 shows the total number of enquiries received by the MBIE service centre in quarter 3 by the sector the enquiry relates to.

Figure 2: Enquiries by sector, Q3 2020/21FY



Base: Total enquiries (n=3,116).

Note only categories receiving 50 or more enquiries are shown.

The next largest categories were electronic goods & mobile phones (19%), personal products (9%), construction or trade services (8%), and non-electrical household goods (7%).

Changes since last quarter

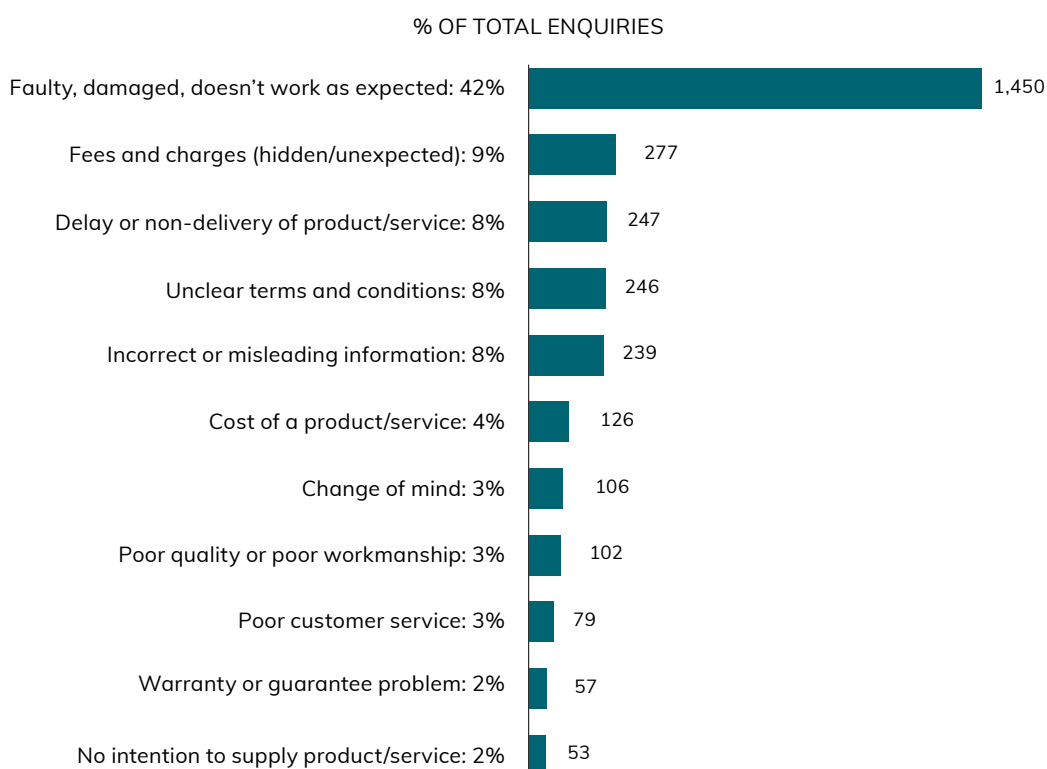
- The total number of enquiries to the MBIE service centre decreased slightly this quarter (by 4%) from 3,256 to 3,116.
- The top-five sectors remain unchanged this quarter, although 'Construction or trade services' and 'Non-electrical household goods' swapped positions ('construction or trade services' moved to fourth from fifth).
- Sectors experienced a mix of increases and decreases this quarter.
- The largest increase in the number of enquiries was for 'Electronics goods and mobile phones' (up 49), 'Commercial goods and services' (up 39), and 'Accommodation or travel services' (up 32). Whereas 'Insurance' (up 48%), 'Real estate and property management' (up 47%), and 'Accommodation or travel services' (up 28%) experienced the largest percentage increases.
- The largest decrease in the number of enquiries was for 'Personal products' (down 89), 'Motor vehicle repairs' (down 52), and 'Non-electrical household goods' (down 37). Whereas 'Legal/Accounting/Other professional services' (down 56%), 'Banking, credit or finance' (down 33%), and 'Postal, courier and freight services' (down 33%) experienced the largest percentage decreases.



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 47% of all enquiries (figure 3). Just over a quarter of enquiries (26%) 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, Q3 2020/21FY



Base: Total enquiries (n=3,116).

Note only issues receiving 50 or more enquiries are shown.

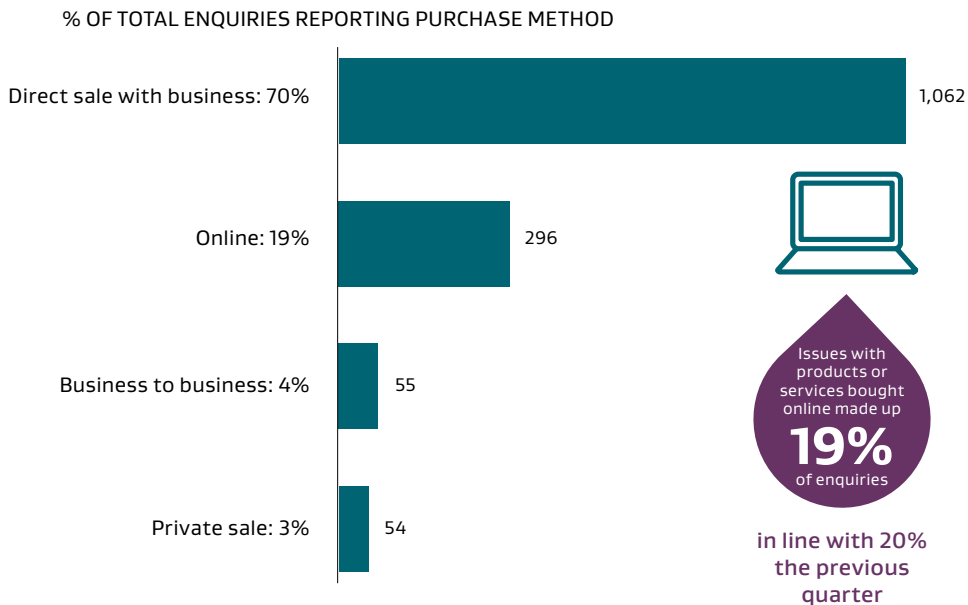
Changes since last quarter

- No change to the top five issues this quarter.
- Most issues experienced decreases this quarter, with a few exceptions including 'Faulty, damaged, doesn't work as expected' (up 72 enquiries), 'Fees and charges (hidden/unexpected)' (up 34), and 'Poor customer service' (up 13).
- The largest decreases were for 'Poor quality or poor workmanship' (down 66 enquiries) and 'Incorrect or misleading information' (down 61).

Breakdown by purchase method

Consumer enquiries spanned all purchase channels,² although the majority (70%) were made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q3 2020/21FY



Base: Total enquiries reporting purchase method (n=1,523).
Note only purchase methods receiving 50 or more enquiries are shown.

Issues with products/services bought online made up 19% of enquiries, those through business to business each made up 4%, and those through private sale (3%). Those made through finance agreement or layby made up 2% and those made through uninvited sales (meaning from telemarketers or door-to-door salespeople) made up 1%.

Changes since last quarter

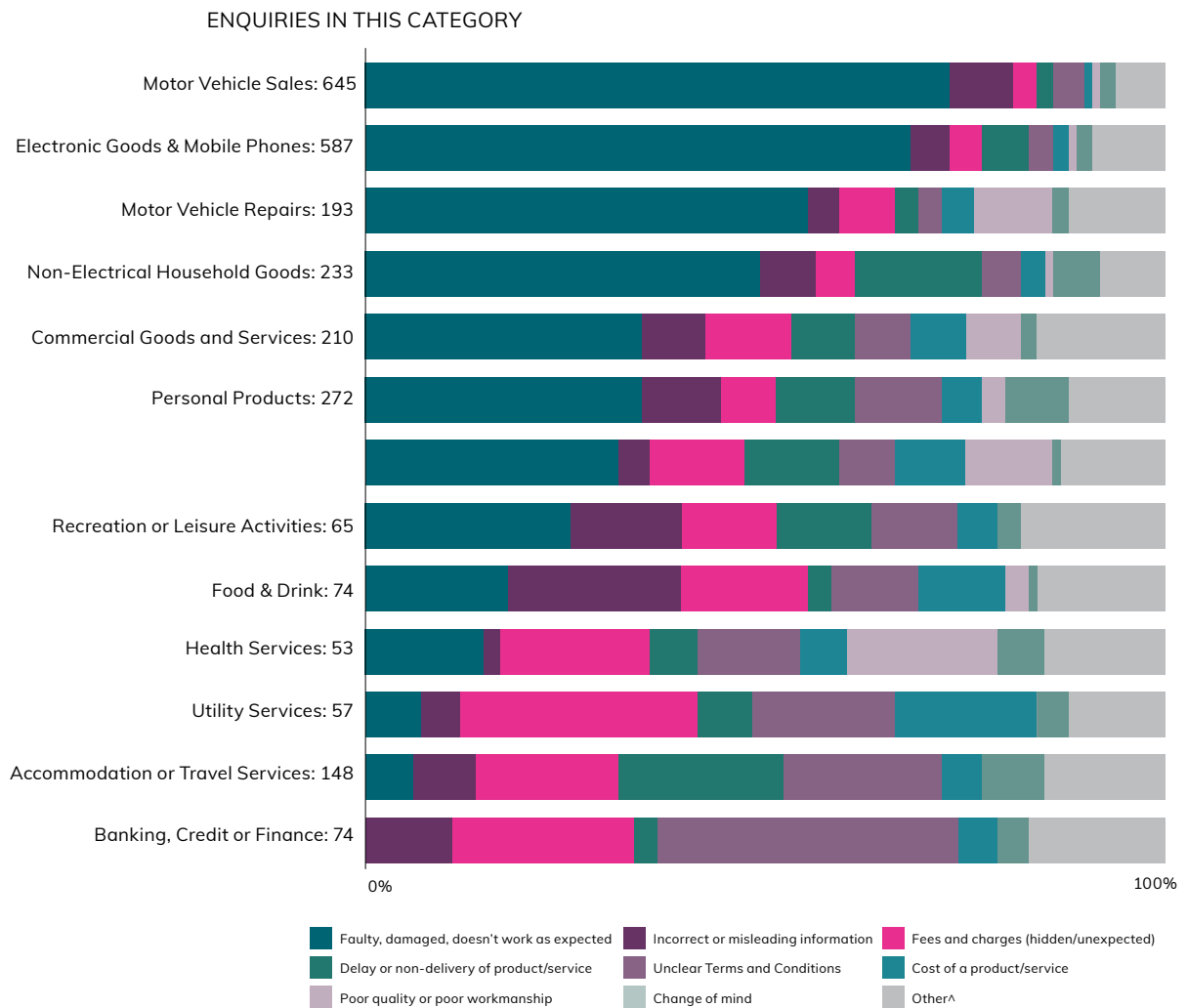
- The proportion of enquiries relating to the different purchase methods remained relatively unchanged this quarter, other than a slight decrease in the proportion of issues with products/services made through finance agreement or layby (down from 4% to 2%).

² 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 3.

Figure 5: Issue breakdown by sector, Q3 2020/21FY



Base: Total enquiries reporting reason for problem (n=3,116).

Note only categories receiving 50 or more enquiries are shown.

^Only issues that made up more than 4% 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, 56%.

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

- Banking, credit or finance, 73%
- Utility services, 53%
- Food & drink, 53%.

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

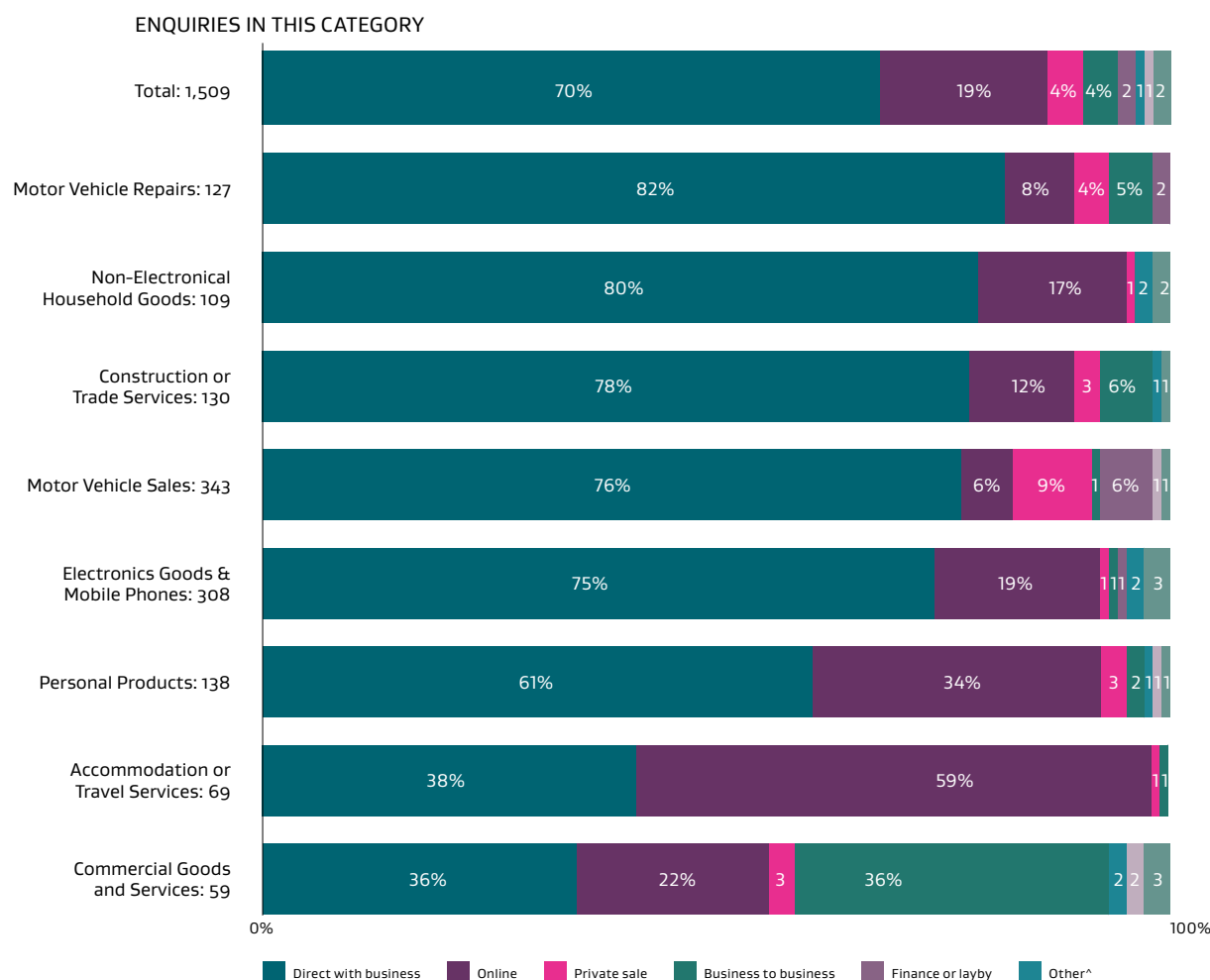
- Health services, 19%
- Construction or trade services, 11%
- Motor vehicle repairs, 10%.



Reporting by sector: Purchase method breakdown

Figure 6 shows purchase method breakdown by sector for enquiries received by the MBIE service centre in quarter 3.

Figure 6: Purchase method breakdown by sector, Q3 2020/21FY



Base: Total enquiries reporting purchase method (n=1,509)

Note only categories receiving 50 or more enquiries are shown

^All other purchase methods that received fewer than 50 enquiries are included in the 'other' category

- The majority of enquiries across sectors were purchased 'direct with business', with the exception of 'Accommodation or travel services' enquiries where 'online' made up 59% of enquiries compared to 38% for 'direct with business'.
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'personal products' issues.
- Private sale was more frequently noted as a purchase method for 'Motor vehicle sales' issues.
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales'.

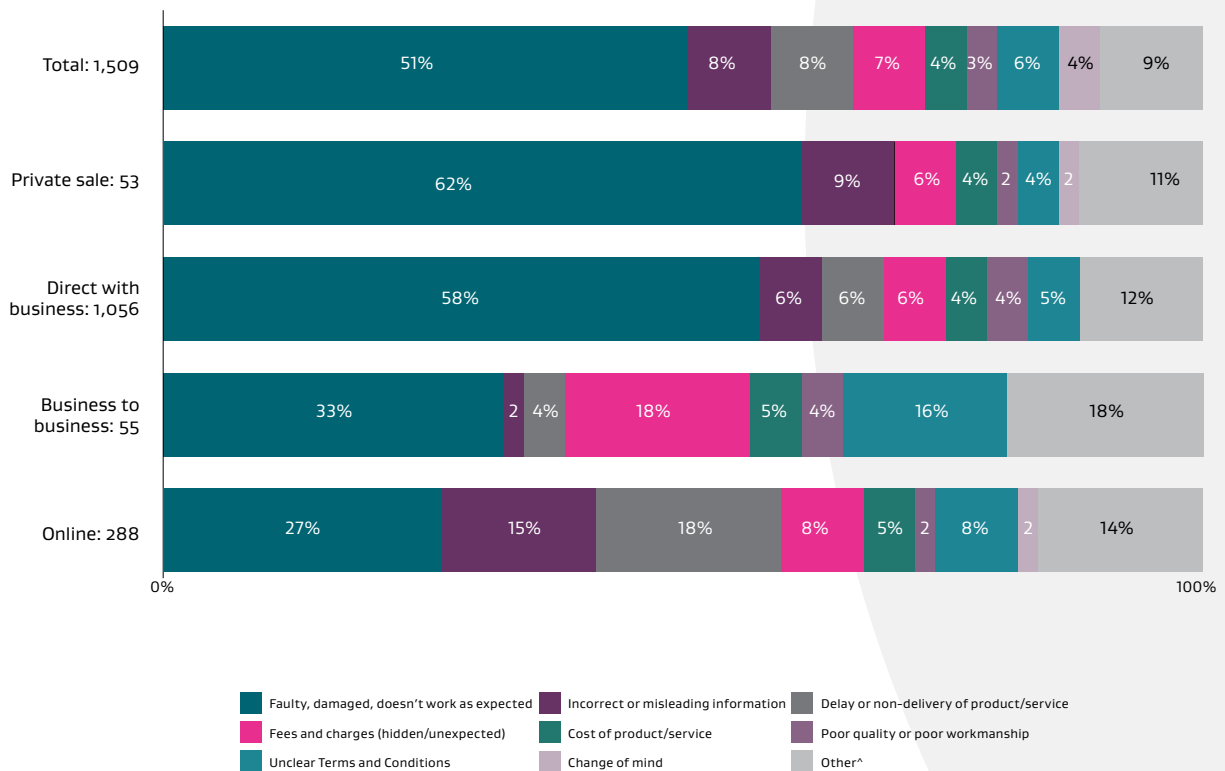
Reporting by purchase method: Issue breakdown

Figure 7 shows issue breakdown by purchase method for enquiries received by the MBIE service centre in quarter 3.

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods.
- Business to business and online purchases are more likely than other purchase methods to note experiencing issues of 'Fees and charges (hidden/unexpected) and 'Unclear terms and conditions'.
- Purchases made online have a much broader spread of issues than direct sales, with 'Delay or non-delivery', and 'Incorrect or misleading information', being common issues (after 'Faulty, damaged, doesn't work as expected'). The proportion of online purchases noting 'Fees and charges (hidden/unexpected)' as the issue increased slightly this quarter (from 5% to 8%).

Figure 7: Issue breakdown by purchase method, Q3 2020/21FY

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=1,509).

Note only purchase methods receiving 50 or more enquiries are shown.

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

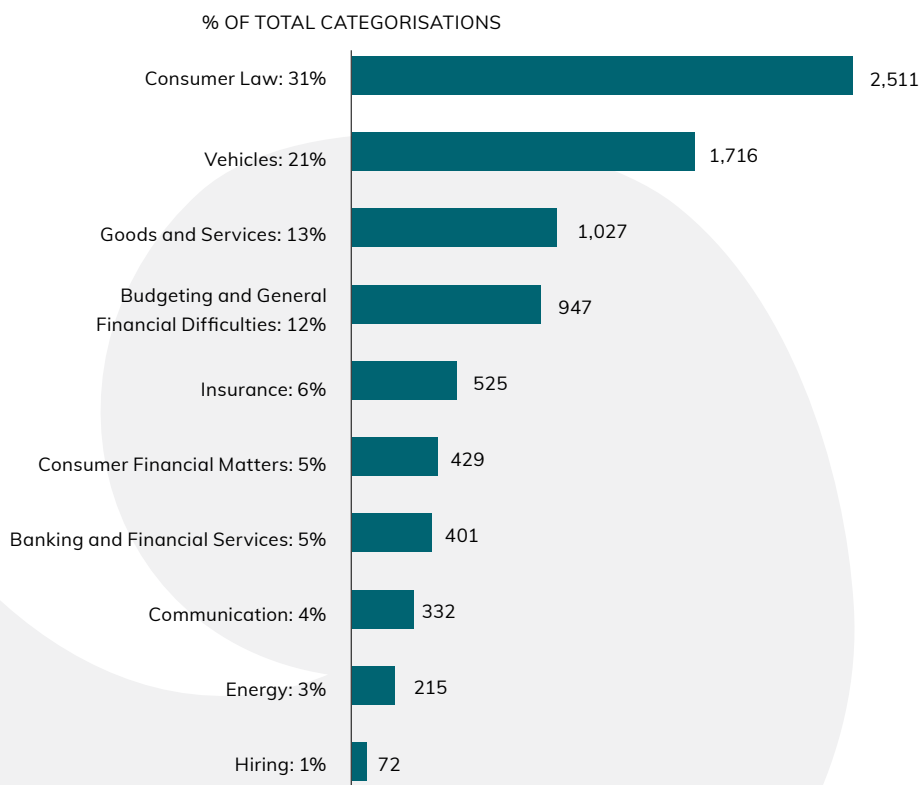
Enquiries to Citizen's Advice Bureau

Between 1 January and 31 March CAB received 7,405 consumer enquiries that were given 8,175 categorisations. Categorisations were similar to the previous quarter (n=7,999). Sixty-four percent of all assigned enquiry categories 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 into ten different categories. 'Consumer law' was the category assigned to the highest number of enquiries in quarter 3 (assigned 2,511 times), making up 31% of all categorisations (figure 8). The next largest were 'Vehicles' (21%), 'Goods and services' (13%), and 'Budgeting and general financial difficulties' (12%).

Figure 8: CAB enquiry categorisations by aggregated category, Q3 2020/21FY



Base: Total categorisations (n=8,175)

Changes since last quarter

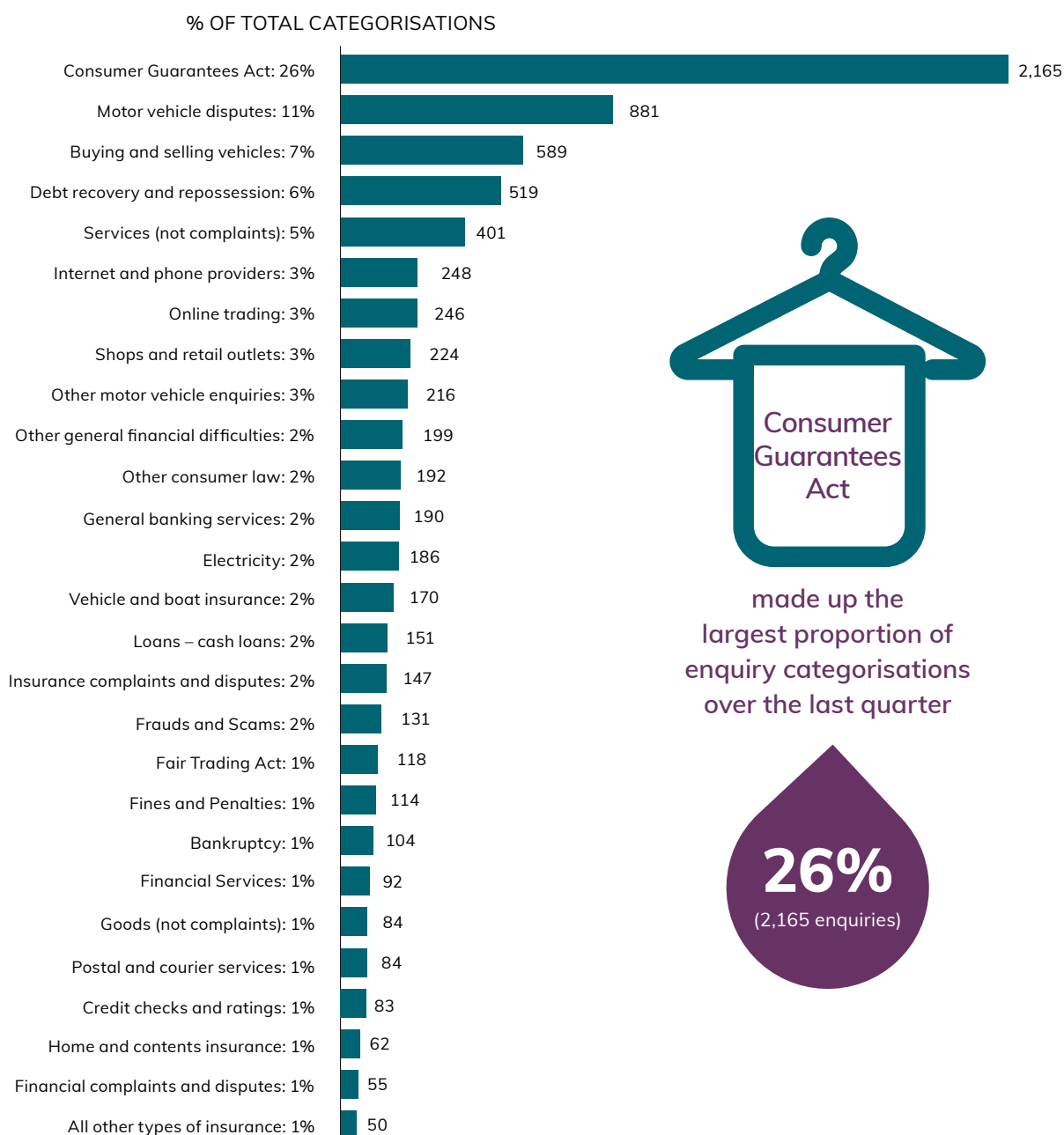
- The total number of categorisations is similar to the previous quarter.
- The 'Vehicles' aggregated category experienced a 10% increase in the number of categorisations, followed by 'Consumer law' which increased by 5%.
- Nearly all other aggregated categories experienced slight decreases this quarter.



Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter 3. Enquiries categorised as 'Consumer Guarantees Act including complaints about goods and services' made up 26% of all enquiry categorisations (n=2,165), 'Motor vehicle disputes' 11% (n=881), and 'Buying and selling vehicles' 7% (n=589).

Figure 9: CAB enquiry categorisations by detailed category, Q3 2020/21FY



Base: Total categorisations (n=8,175).

Note only categories of 50 or more are shown.

Changes since last quarter

- There were minimal changes across most detailed categories this quarter.
- 'Consumer Guarantees Act including complaints about goods and services' experienced the largest increase in the number of categorisations (up 122), followed by 'Buying and selling vehicles' (up 69), and 'Debt recovery and repossession' (up 37).
- 'Gas' experienced the largest decrease in the number of categorisations, down 48.



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 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.

Consumer Protection

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