

# Consumer Protection **Quarterly Report**

July – September 2021/22



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# Executive summary

This is Consumer Protection's quarter one (Q1) report covering data from 1 July – 30 September 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



**CONSUMER ENQUIRIES WERE RECEIVED**

A DECREASE OF 13% COMPARED TO THE PREVIOUS QUARTER.

### Top enquiry sectors/areas



MOTOR VEHICLES (SALES)



ELECTRONIC GOODS AND MOBILE PHONES



COMMERCIAL GOODS AND SERVICES



PERSONAL PRODUCTS



CONSTRUCTION OR TRADE SERVICES

### **Notable changes**

- Total enquiries to the MBIE service centre decreased by 13% this quarter in comparison to same time last financial year (increased by 55%).
- Although lower in volume of enquiries 'Mobile telecommunication services', 'Legal/accounting/other professional', and 'Accommodation or travel services' experienced large percentage increases.
- 'Electronics goods and mobile phones' is the second top enquiry but has the highest decrease in enquiry in comparison to the last quarter (down 25%).

### **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 received by the MBIE service centre.
- Potential FTA breaches were most likely to be noted in enquiries related to 'Insurance', 'Legal/Accounting/Other professional service', 'Accommodation services', 'Banking, credit, or finance, and 'Real estate and property management'.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Construction or trade services' and 'Motor vehicle repair'.

### **Purchase method**

- Most 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, same as last quarter in the last financial year.
- Online was more frequently noted as a purchase method for 'Accommodation or travel services', 'Mobile telecommunication services', and 'Recreation and leisure' issues.
- The proportion of motor vehicle sales issues noted as being a private sale is 9%, an increase from 7% in the last quarter.

# Total enquiries

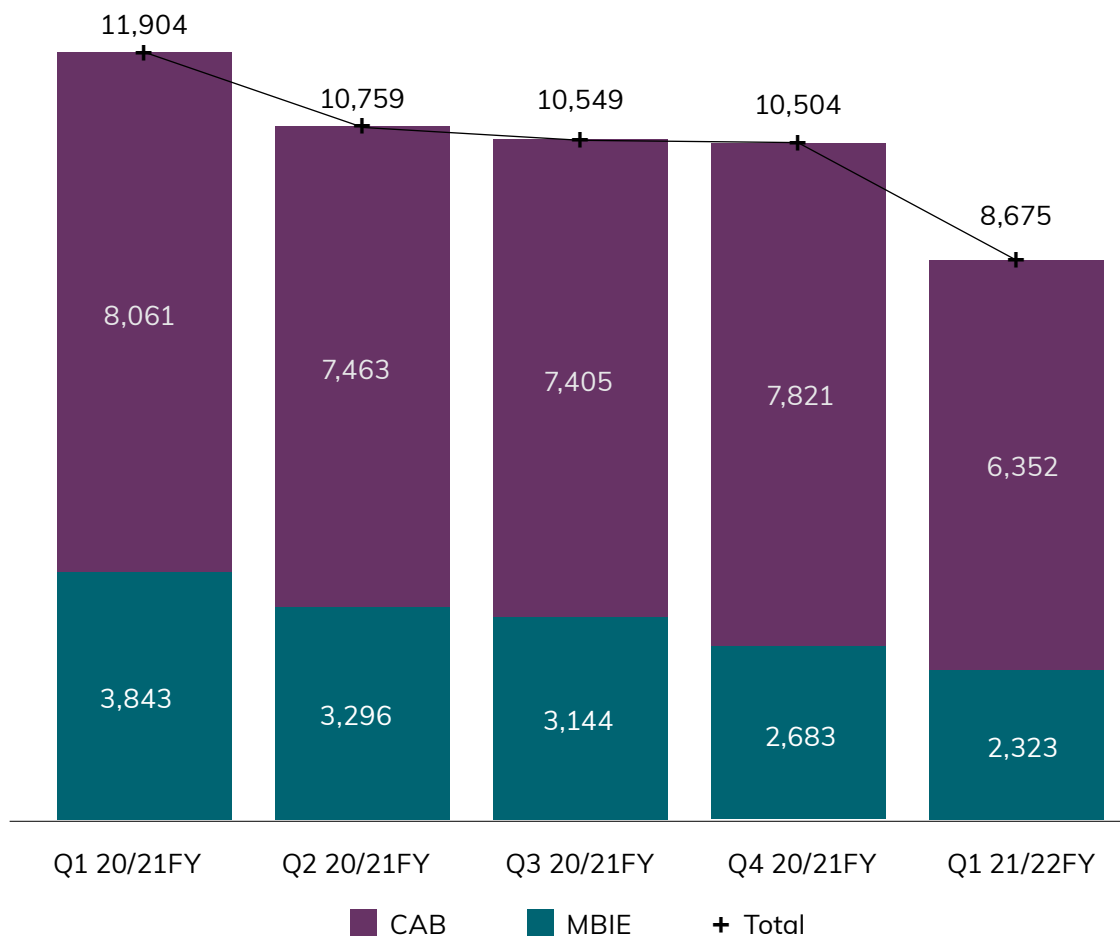
Between 1 July and 30 September **8,675** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries decreased (17%) compared to the previous quarter – the previous quarter experienced alert level changes across the country with COVID-19 in Auckland and other parts of the country.

## Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organization in quarter one. In quarter one, 8,675 enquiries<sup>1</sup> were received; this is a decrease from the previous quarter.

Of the enquiries received this quarter 73% of them were through CAB. Compared to quarter one last year, enquiries to the MBIE service centre and CAB are lower.

**Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2020/21FY to Q1 2021/22FY**



<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 (n=43).

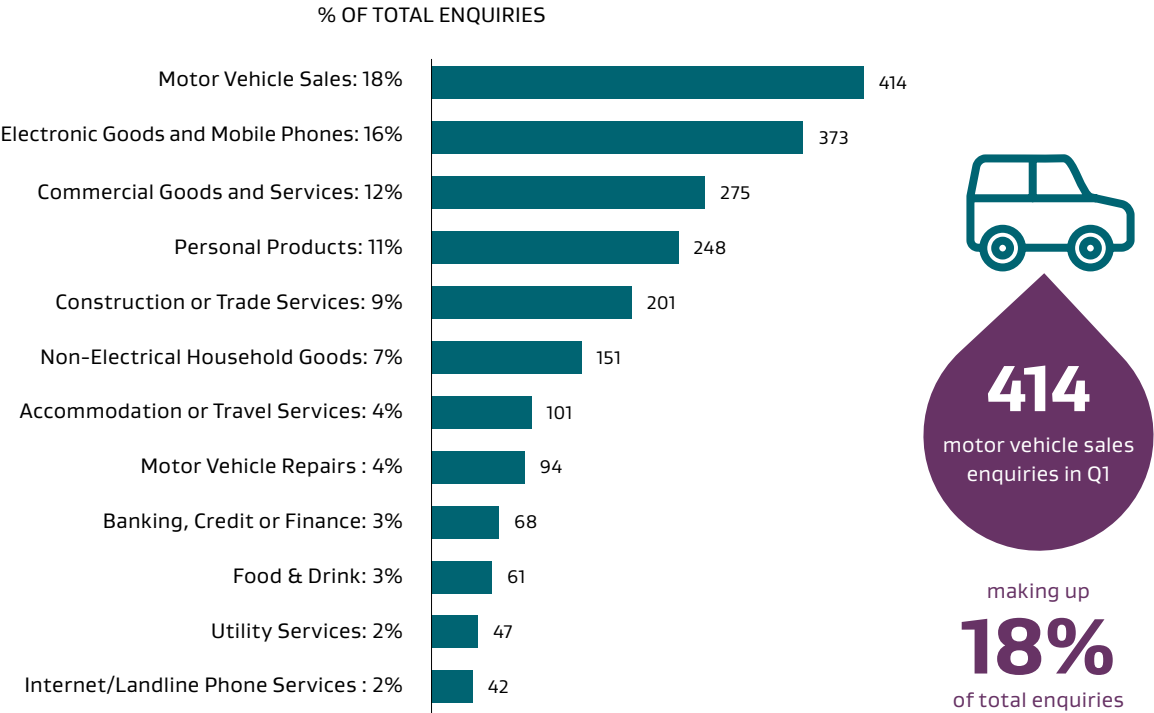
# Enquiries to MBIE Service Centre

Between 1 July and 30 September, the MBIE service centre received 2,280 enquires, a 13% decrease on the previous quarter (2,675). Forty seven percent of all enquiries received related to motor vehicle sales, electronic goods, and commercial goods and services.

## Breakdown by sector

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

Figure 2: Enquiries by sector, Q1 2021/22FY



Base: Total enquiries (n=2,280).  
 Note only categories receiving 2% or more of enquiries is shown.

The next largest categories were electronic goods & mobile phones (16%), commercial goods and services (12%), personal products (11%), and construction or trade services (9%).

## Changes since last quarter

- The total number of enquiries to the MBIE service centre decreased by 15% over the last quarter from 2,675 to 2,280. However, last quarters enquiries were low due to the COVID-19 lockdown.
- As with the last quarter, motor vehicle repairs have dropped out of top five.
- Most sectors experienced a decrease in enquiries this quarter with the top sectors experiencing the largest decrease in enquiry numbers.

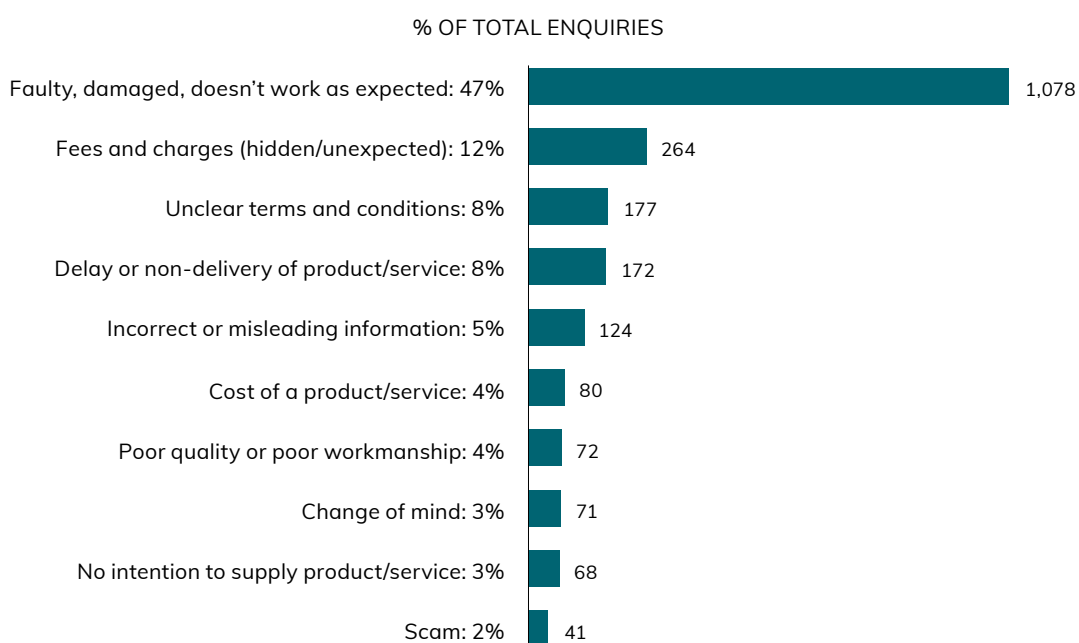




## Breakdown by issue

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 47% of all enquiries (figure 3). Just over a quarter of enquiries (28%) related to potential breaches of the Fair-Trading Act (FTA), including issues of being provided with misleading information, unclear terms, hidden fees, or no intention to supply.

**Figure 3: Enquiry by issue, Q1 2021/22FY**



Base: Total enquiries (n=2,280).

Note only categories receiving 2% or more of enquiries is shown.

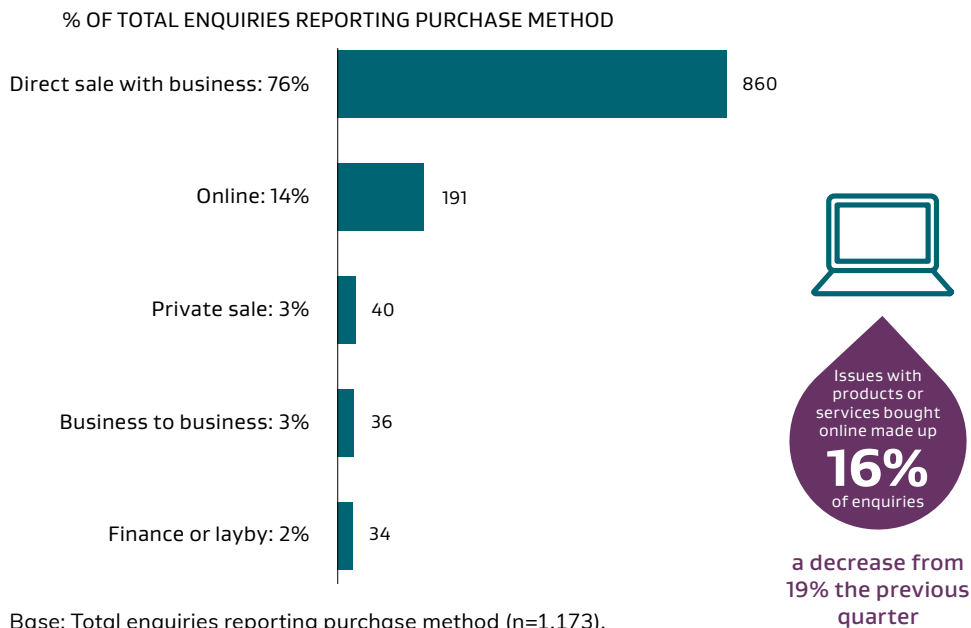
### Changes since last quarter

- No change to the top five issues this quarter, except a change of position between 'Delay or non-delivery of product' and 'Unclear terms and condition' moving from third to fourth top query.
- Most issues experienced decreases this quarter.

## Breakdown by purchase method

Consumer enquiries spanned all purchase channels,<sup>2</sup> although the majority (68%) was made in person (including at a shop or calling the business directly).

**Figure 4: Enquiry by purchase method, Q1 2021/22FY**



Base: Total enquiries reporting purchase method (n=1,173).  
Note only purchase methods receiving 50 or more enquiries are shown.

Issues with products/services bought online made up 16% of enquiries, those through finance agreement or layby made up 2%, and private sales 3%. Business to business made up 3% and those made through uninvited sales (meaning from telemarketers or door-to-door salespeople) made up 1%.

### Changes since last quarter

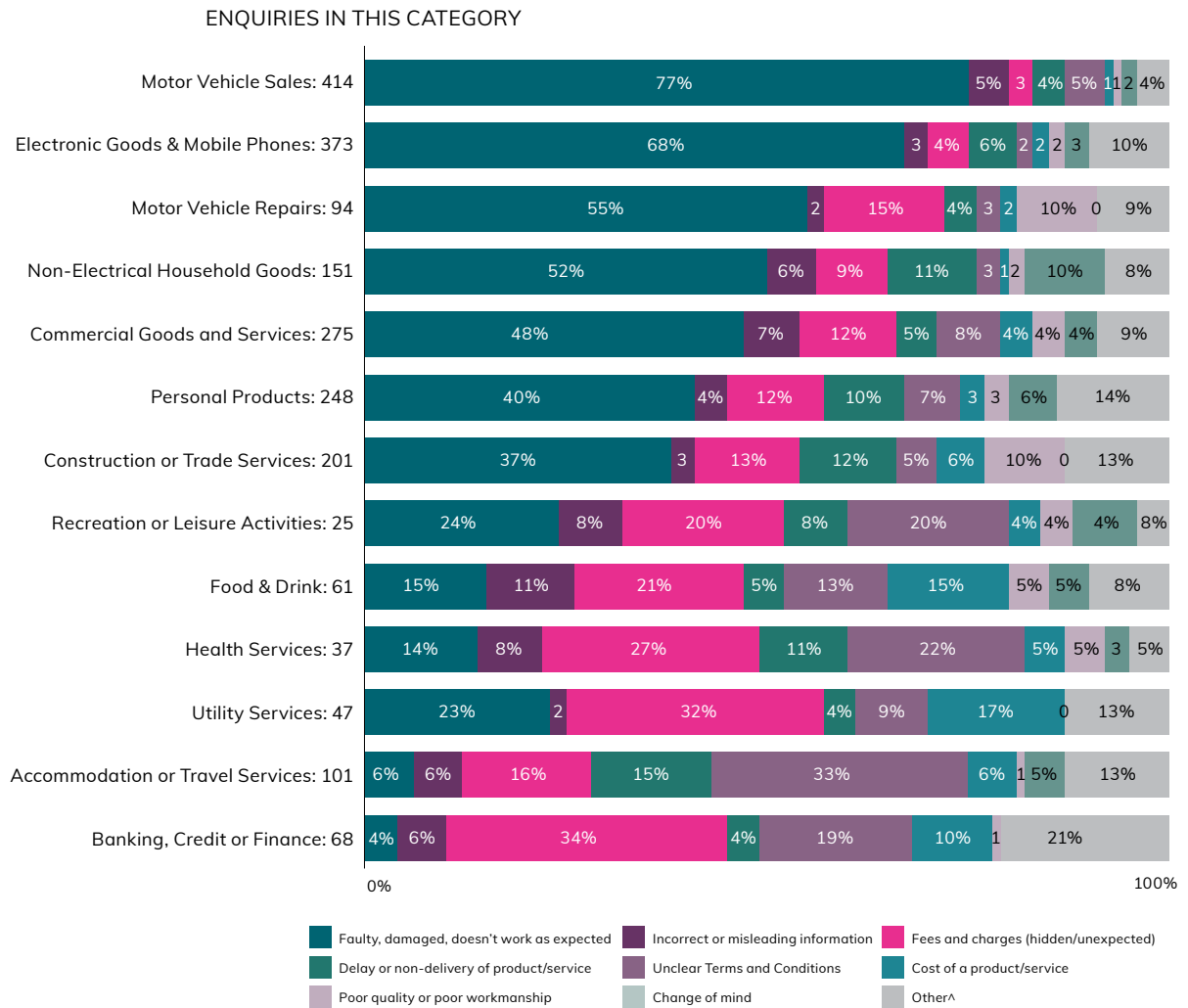
- The proportion of enquiries related to direct sales decreased this quarter, from 76% to 74%. Those through finance agreement or layby also increased slightly by a percent.
- Online sales experienced an increase (making up 16% compared to 14% last quarter), however this is still lower than the same period last year (20%).

<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 1.

**Figure 5: Issue breakdown by sector, Q4 2020/21FY**



Base: Total enquiries reporting reason for problem (n=2,280).

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, 72%
- Electronic goods & mobile phones, 68%
- 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:**

- Insurance 72%
- Legal/Accounting/Other professional service, 65%
- Accommodation or travel services, 62%.

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

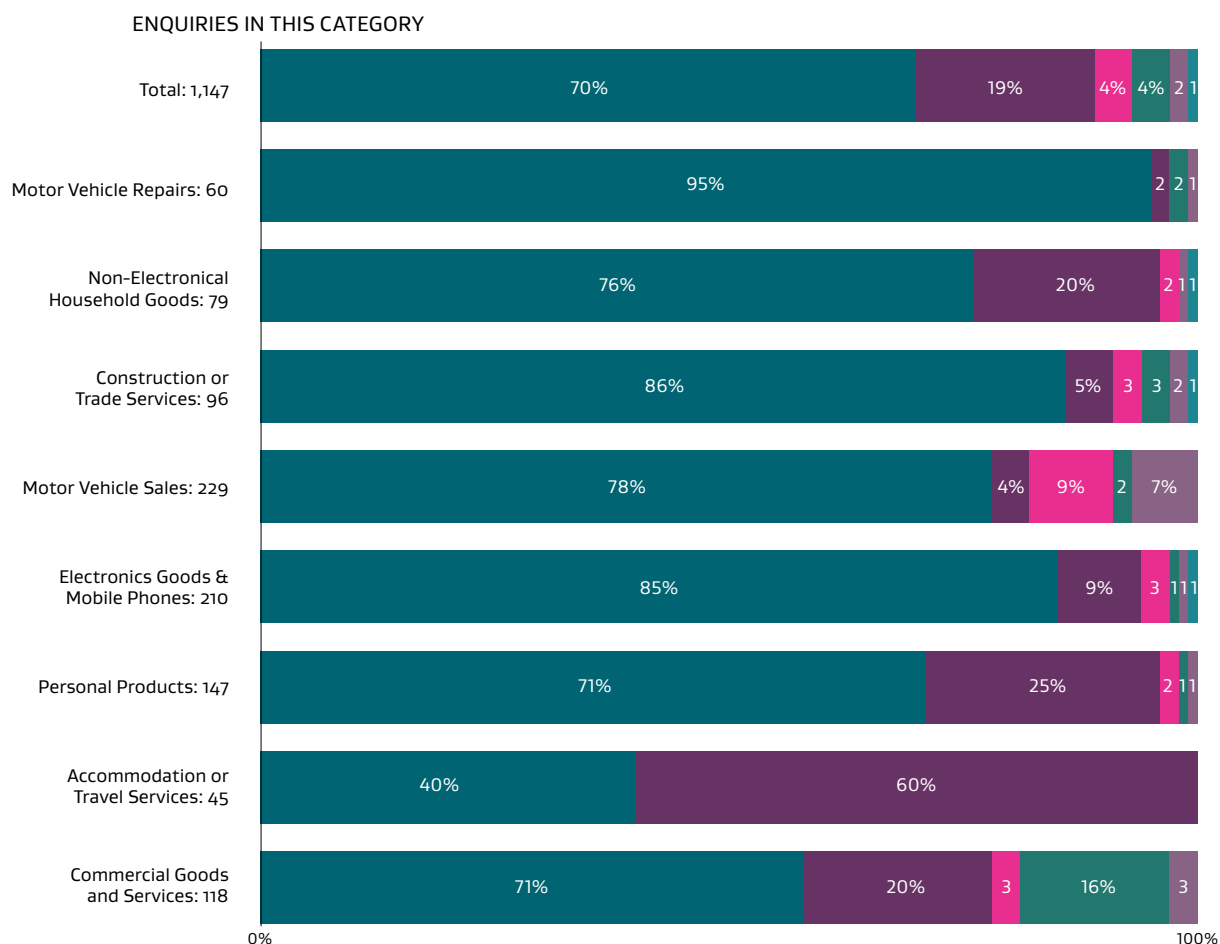
- Construction or trade services, 10%
- Motor vehicle repairs, 10%
- Health services' and 'Food and drink', 5% respectively.



## Reporting by sector: Purchase method breakdown

Figure 6 shows purchase method breakdown by sector for enquiries received by the MBIE service centre in quarter 1.

**Figure 6: Purchase method breakdown by sector, Q1 2021/22FY**



Base: Total enquiries reporting purchase method (n=1,147).

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.

- Most enquiries across sectors were purchased 'direct with businesses'
- Online was more frequently noted as a purchase method for 'Accommodation or travel services', 'Personal products', 'Commercial goods and services', and 'Non-electrical household goods issues'
- Private sale was more frequently noted as a purchase method for 'motor vehicle sales' issues. The proportion of motor vehicle sales issues noted as being a private sale has increased in this quarter by 2% from 7% in the last quarter.

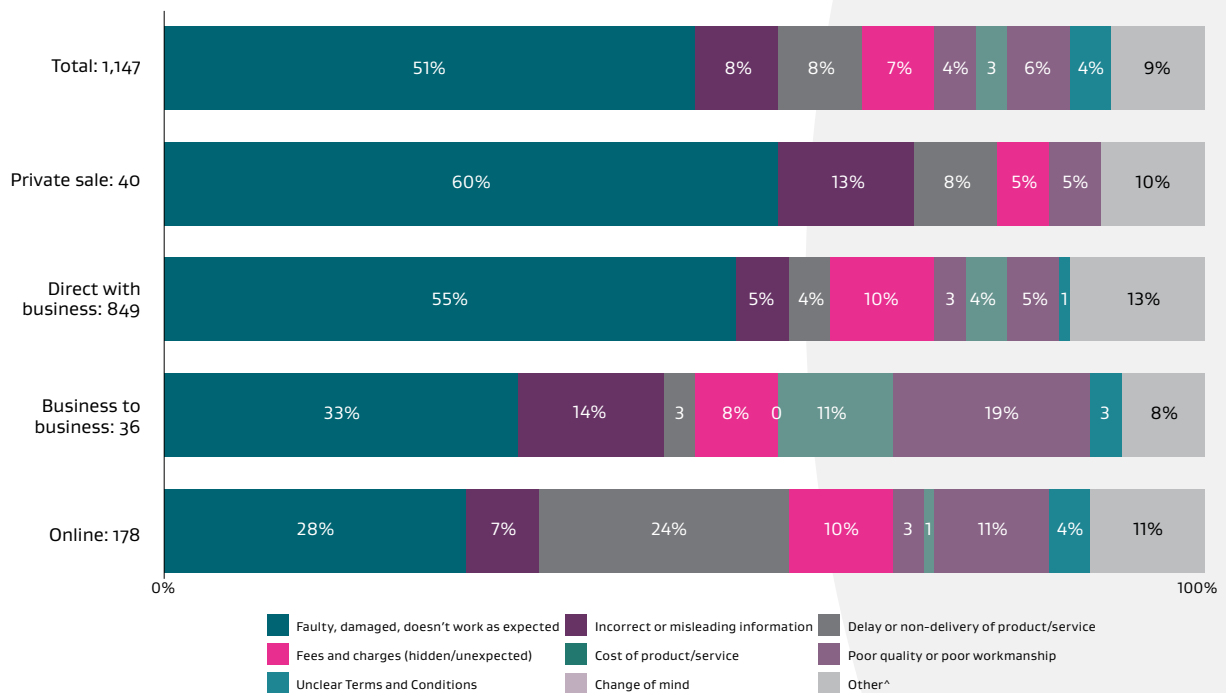
## Reporting by purchase method: Issue breakdown

Figure 7 shows issue breakdown by purchase method for enquiries received by the MBIE service centre in quarter 1.

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods
- Finance or layby, business to business and online purchases are more likely than other purchase methods to note experiencing 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, Q1 2021/22FY**

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=1,147).

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

^Only issues that had 50 or more enquiries are shown, all others are included in the 'other' category.

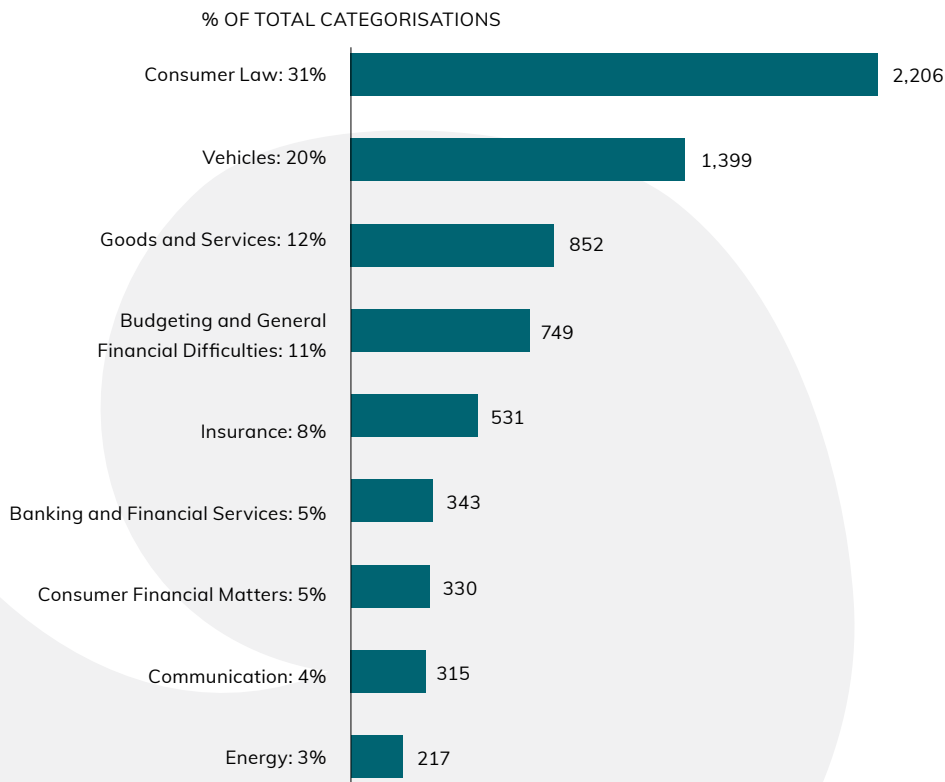
# Enquiries to Citizen's Advice Bureau

Between 1 July and 30 September CAB received 10,421 consumer enquiries that were given 7,009 categorisations. Categorisations decreased by 18% compared to the previous quarter. 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 up into ten different categories. 'Consumer law' was the category assigned to the highest number of enquiries in quarter 1 (assigned 2,206 times), making up 31% of all categorisations (figure 8). The next largest were 'Vehicles' (20%), 'Goods and services' (12%), and 'Budgeting and general financial difficulties' (11%).

Figure 8: CAB enquiry categorisations by aggregated category, Q1 2021/22FY



Base: Total categorisations (n=7,009).

## Changes since last quarter

- The total number of categorisations decreased by 18% over the last quarter from 5,661 to 8,804 – the previous quarter covering the COVID-19 lockdown period.
- All aggregated categories also experienced decreases 'Banking and financial services', 'Vehicles', 'Consumer financial matters', and 'Communication'.

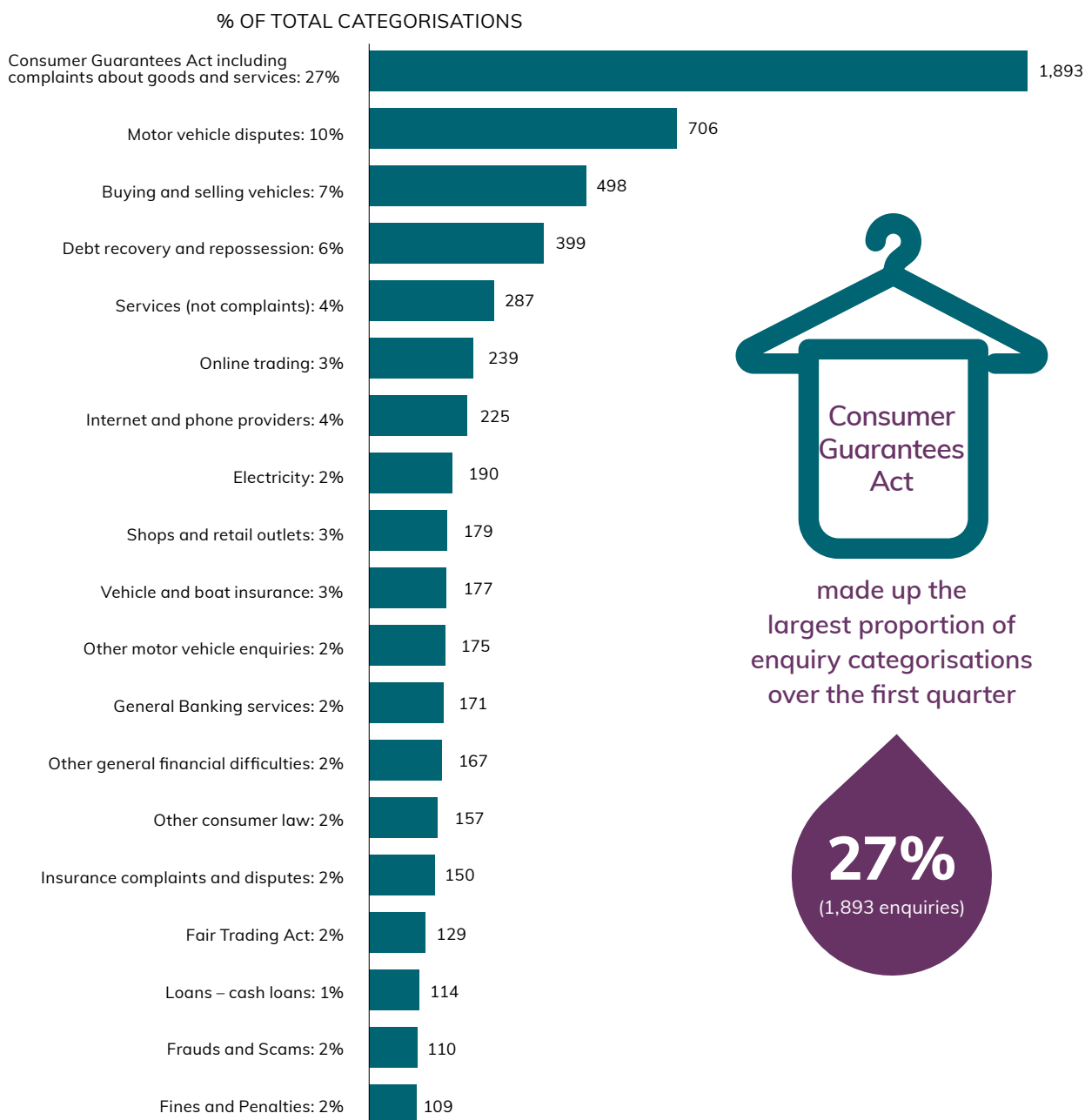




## Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter one. Enquiries categorised as 'Consumer Guarantees Act including complaints about goods and services' made up 27% of all enquiry categorisations (n=1,893), 'Motor vehicle disputes' 10% (n=706), and 'Buying and selling vehicles' 7% (n=498).

**Figure 9: CAB enquiry categorisations by detailed category, Q1 2021/22FY**



Base: Total categorisations (n=7,009).  
Note only categories of 50 or more are shown.

## Changes since last quarter

- All detailed categories experienced decreases over the last quarter, 'Travel insurance' experienced the highest increases (up 43%), 'motor vehicle disputes' (down 25%), and 'Consumer guarantees act (down 15%).



# 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.

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## 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 <sup>3</sup>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.

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

## Consumer Protection

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