

Consumer Protection Quarterly Report

October – December 2021/22



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Executive summary

This is Consumer Protection’s quarter two (Q2) report covering data from 1 October – 31 December 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 6% COMPARED TO THE PREVIOUS QUARTER.

Top enquiry sectors/areas

	MOTOR VEHICLES SALES
	ELECTRONIC GOODS AND MOBILE PHONES
	PERSONAL PRODUCTS
	COMMERCIAL GOODS AND SERVICES
	NON-ELECTRICAL HOUSEHOLD GOODS
	CONSTRUCTION OR TRADE SERVICES

Notable changes

- Total enquiries to the MBIE service centre decreased by 9% this quarter, in comparison to a 14% decrease the same period last year
- Decreases in MBIE service centre enquiries were observed across nearly all areas, except for 'Accommodation or travel services'.
- The top enquiries that experienced high decreases were 'Non-electrical household goods', 'Electronics goods and mobile phones', and personal products'

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 51% of enquiries received by the MBIE service centre
- Potential FTA breaches were most likely to be noted in enquiries related to 'Recreation or leisure activities' and 'Entertainment'.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Health services', 'Motor vehicle repairs' and 'Construction or trade services'.

Purchase method

- Most enquiries to the MBIE service centre (62%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 12% of enquiries, a decrease compared to the same period last year (20%)
- Online was more frequently noted as a purchase method for 'Postal, courier and freight services' and 'Accommodation or travel services' issues
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales' and 'Banking, credit or finance'

Total enquiries

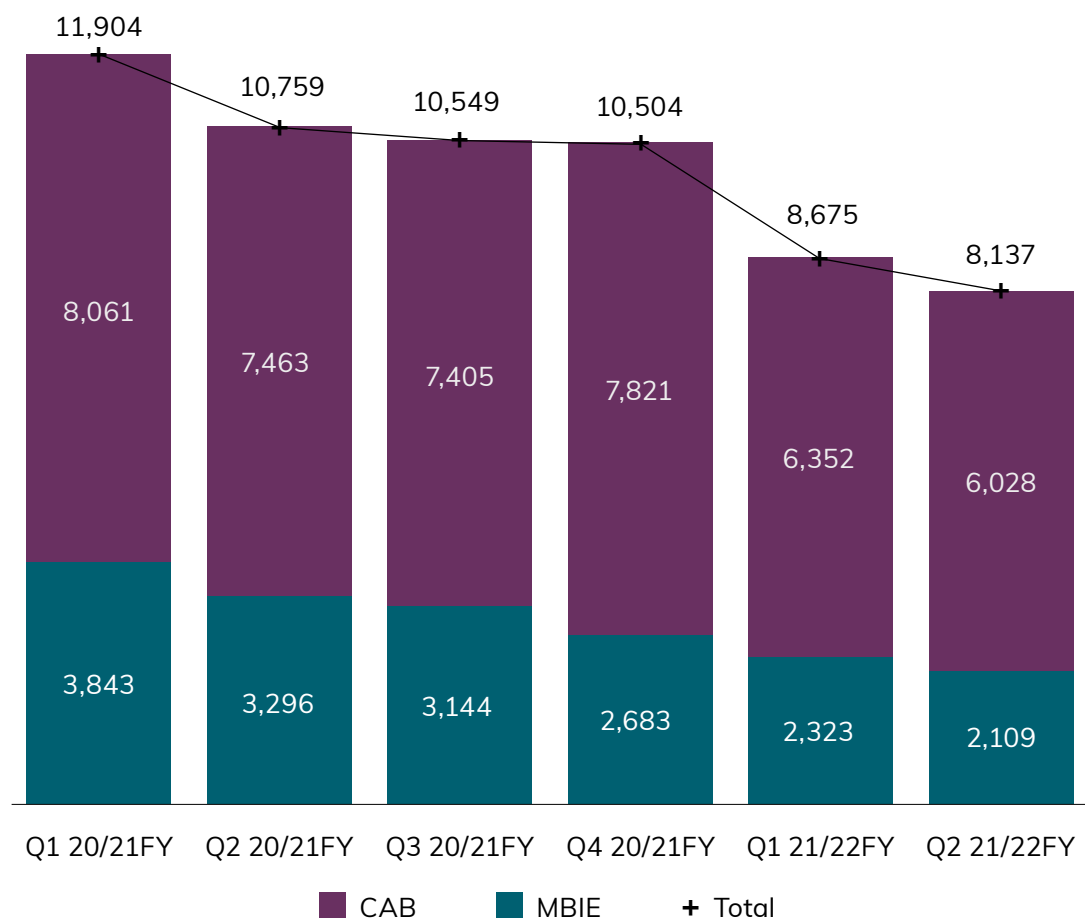
Between 1 October and 31 December **8,137** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries decreased (6%) compared to the previous quarter (down 17%) – this quarter however includes the holiday close-down.

Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organisation in quarter two. In quarter two, 8,137 enquiries¹ were received; this is a decrease from the previous quarter, but this quarter includes the holiday close-down period.

Of the enquiries received this quarter 74% of them were through CAB. Compared to quarter two last year, total enquiries to the MBIE service centre and CAB are higher.

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2020/21FY to Q2 2021/22FY



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=30).

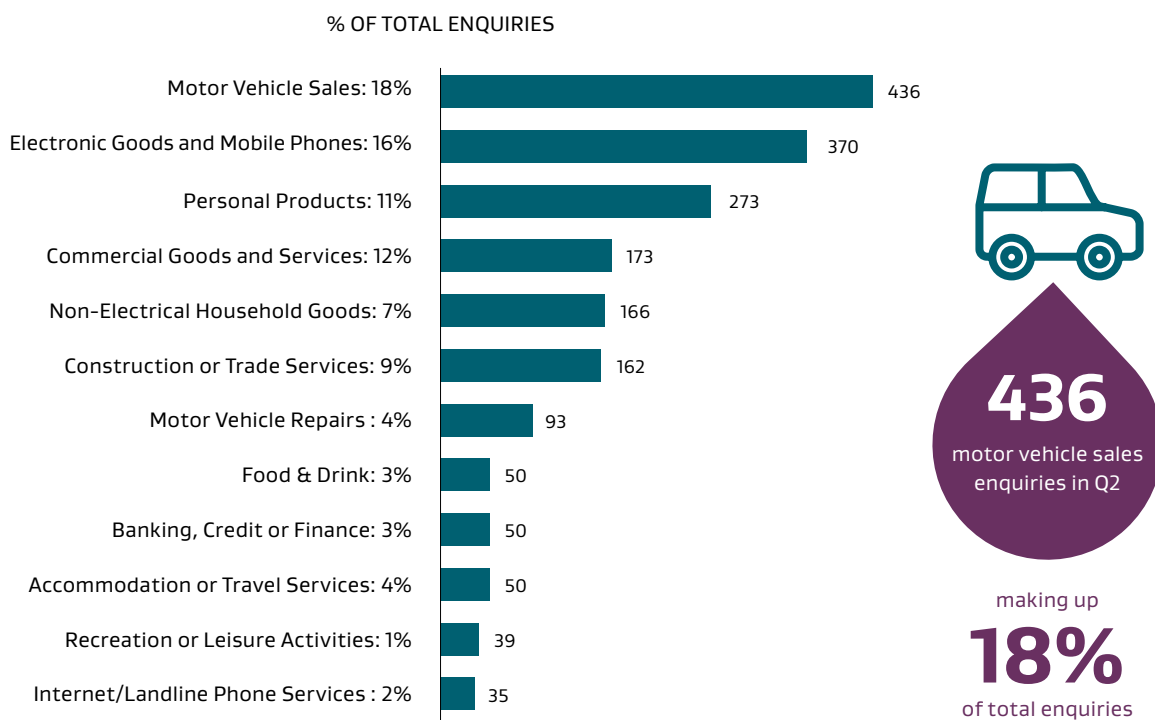
Enquiries to MBIE Service Centre

Between 1 October and 31 December, the MBIE service centre received 2,079 enquires, a 9% decrease on the previous quarter (2,280). Half (45%) of all enquiries received related to motor vehicle sales, personal products, and electronic goods and mobile phones. Overall, there is a decrease in all categories.

Breakdown by sector

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

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



Base: Total enquiries (n=2,079).
Note only categories receiving 2% or more of enquiries are 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

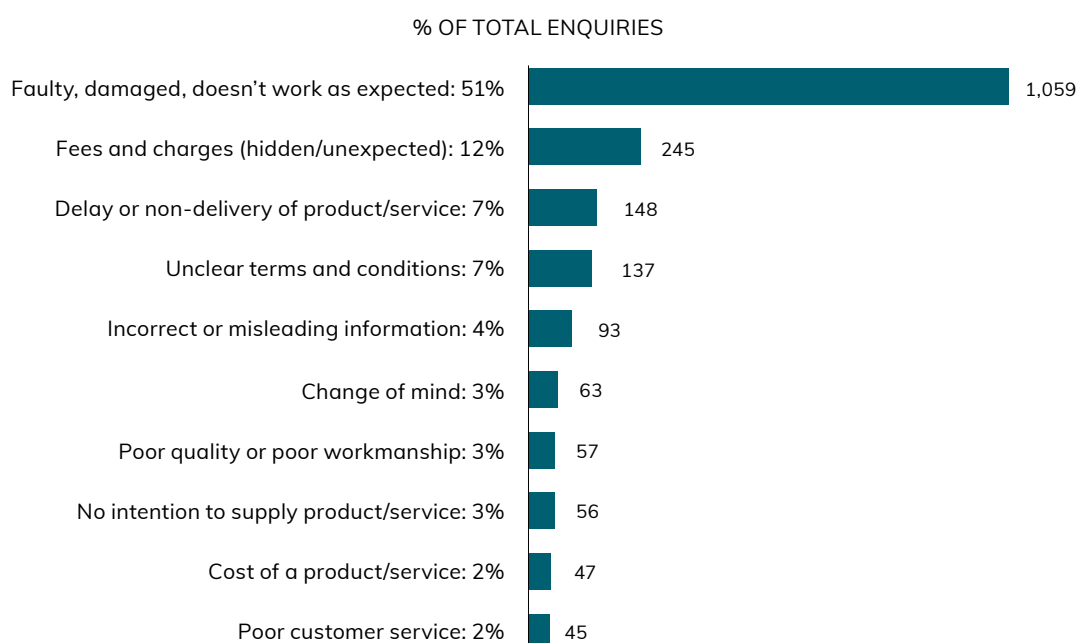
- The total number of enquiries to the MBIE service centre decreased by 9% over the last quarter from 2,280 to 2,079. However, this quarter covers the holiday close-down period.
- A slight change to the top five sectors this quarter, with slight movement between 'commercial goods and services' and 'personal products' switching from 3rd to 4th and 'construction or trade services' and 'Non-electrical household goods switching from 6th to 5th.
- Most sectors experienced a decrease in enquiries this quarter, except for 'Accommodation or travel services'.
- All top sectors experienced decrease in the number of enquiries this quarter, except 'Commercial goods and services'. 'Electronics goods and mobile phones' experienced the highest decrease in number of enquires (down 122) and 'Motor vehicle sales' (down 104).



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 51% of all enquiries (figure 3). Just a quarter of enquiries (25%) 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, Q2 2021/22FY



Base: Total enquiries (n=2,079).

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

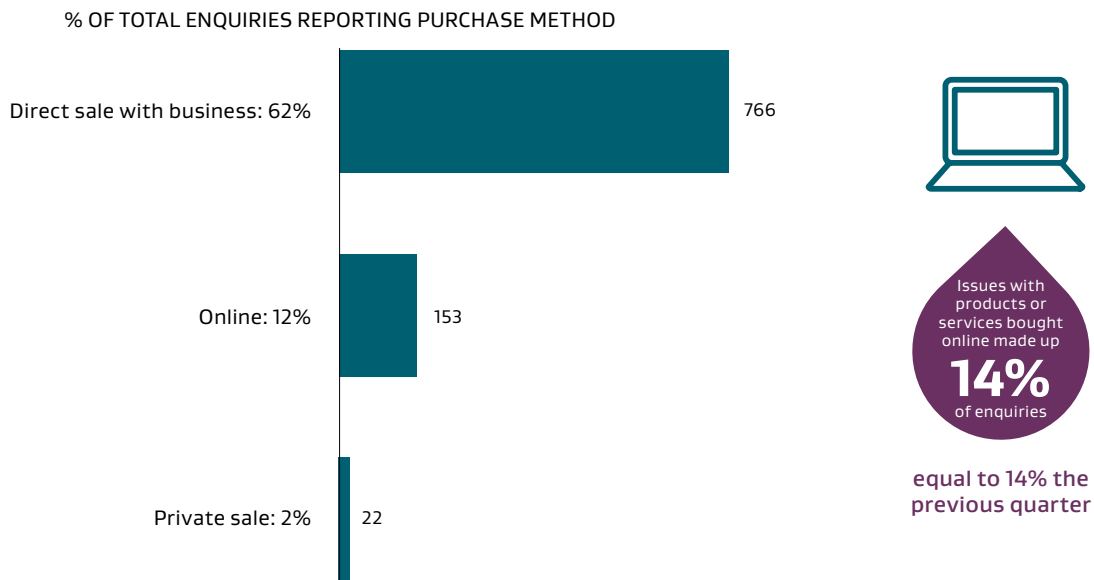
Changes since last quarter

- No change to the top five issues this quarter, although in comparison to same period last FY, 'Incorrect or misleading information' dropped from second to fifth in this quarter.
- All issues experienced decreases this quarter, especially 'Faulty, damaged, doesn't work as expected' (down 315) and 'Incorrect or misleading information' (down 83).

Breakdown by purchase method

Consumer enquiries spanned all purchase channels,² although the majority (62%) was made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q2 2021/22FY



Base: Total enquiries reporting purchase method (n=976).
Note only purchase methods receiving 2% or more enquiries are shown.

Issues with products/services bought online made up 12% of enquiries, and those through private sale, finance agreement or layby and business to business each made up 2% and 1% respectively.

Changes since last quarter

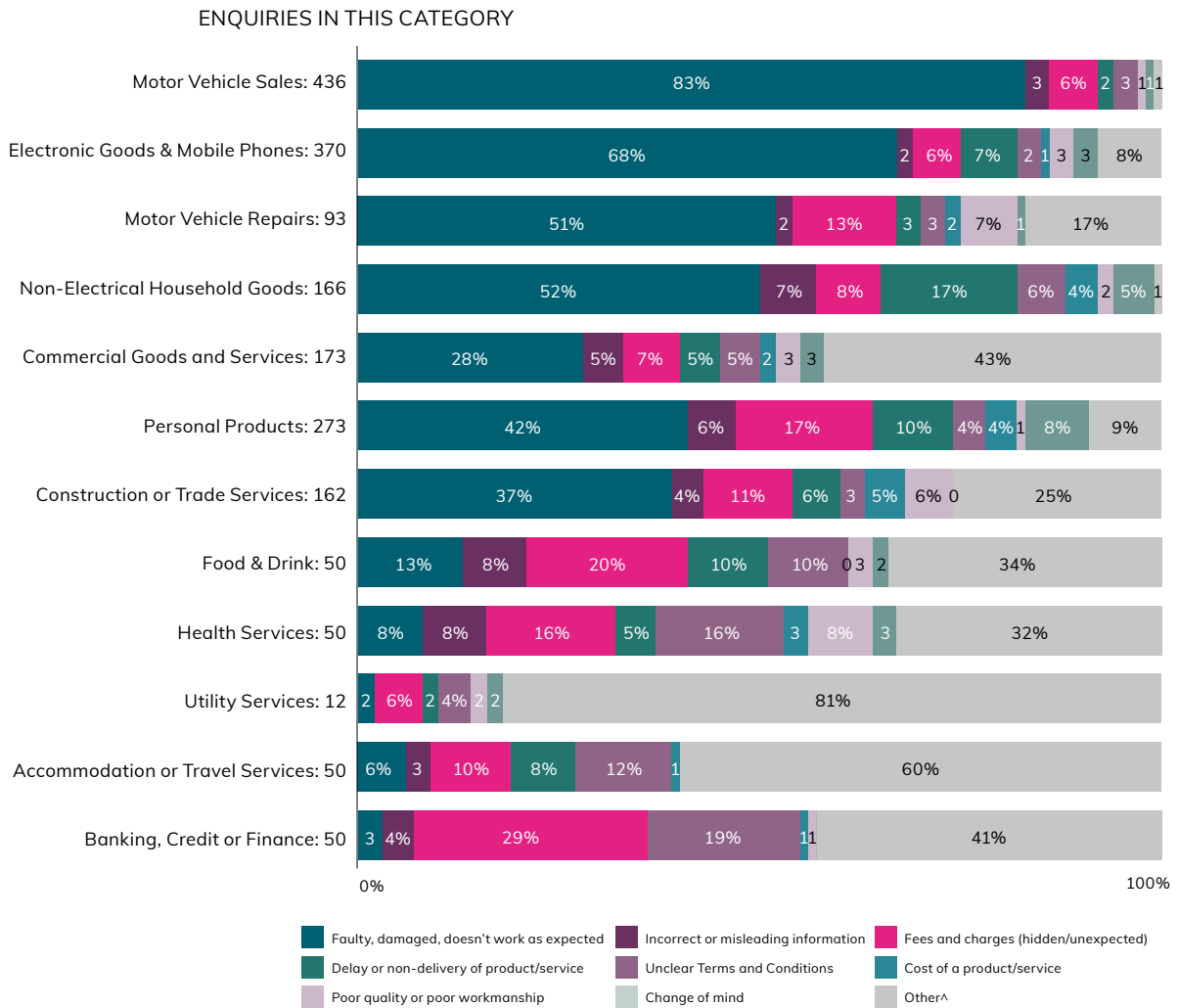
- The proportion of enquiries relating to the different purchase methods has changed sparingly this quarter with some have as low as 2 enquiries (other and invited), 3 enquiries (business to business).

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 2.

Figure 5: Issue breakdown by sector, Q2 2021/22FY



Base: Total enquiries reporting reason for problem (n=2,079)

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, 83%
- Electronic goods & mobile phones, 68%
- Motor vehicle repairs, 51%.

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, 73%.
- Mobile telecommunications services, 60%
- Insurance, 5%.

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

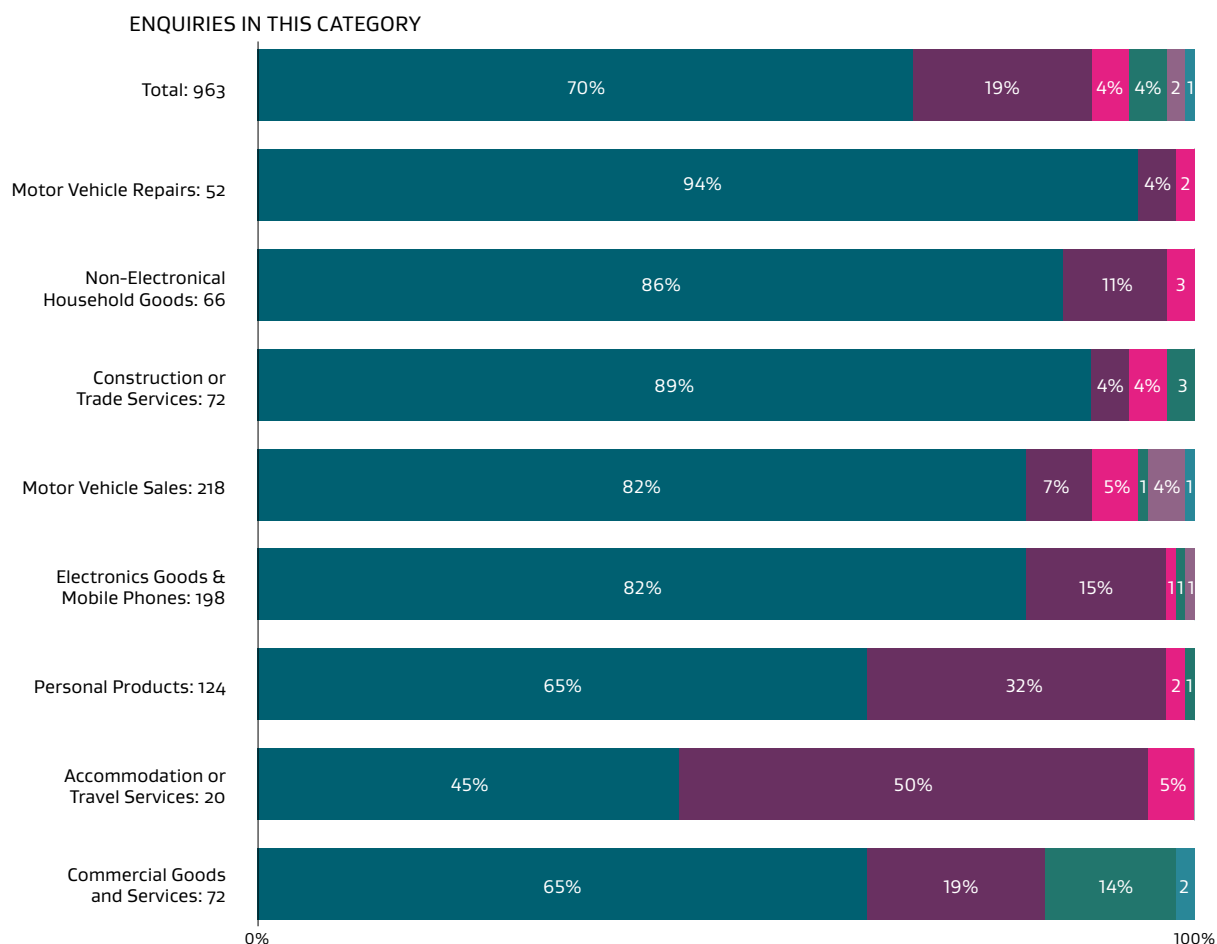
- Health services, 8%
- Motor vehicle repairs, 7%
- Construction or trade services, 6%.



Reporting by sector: Purchase method breakdown

Figure 6 shows purchase method breakdown by sector for enquiries received by the MBIE service centre in quarter 2.

Figure 6: Purchase method breakdown by sector, Q2 2021/22FY



Base: Total enquiries reporting purchase method (n=963).

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', except for 'Accommodation or travel services' enquiries where 'online' made up 50% of enquiries compared to 45% 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'.

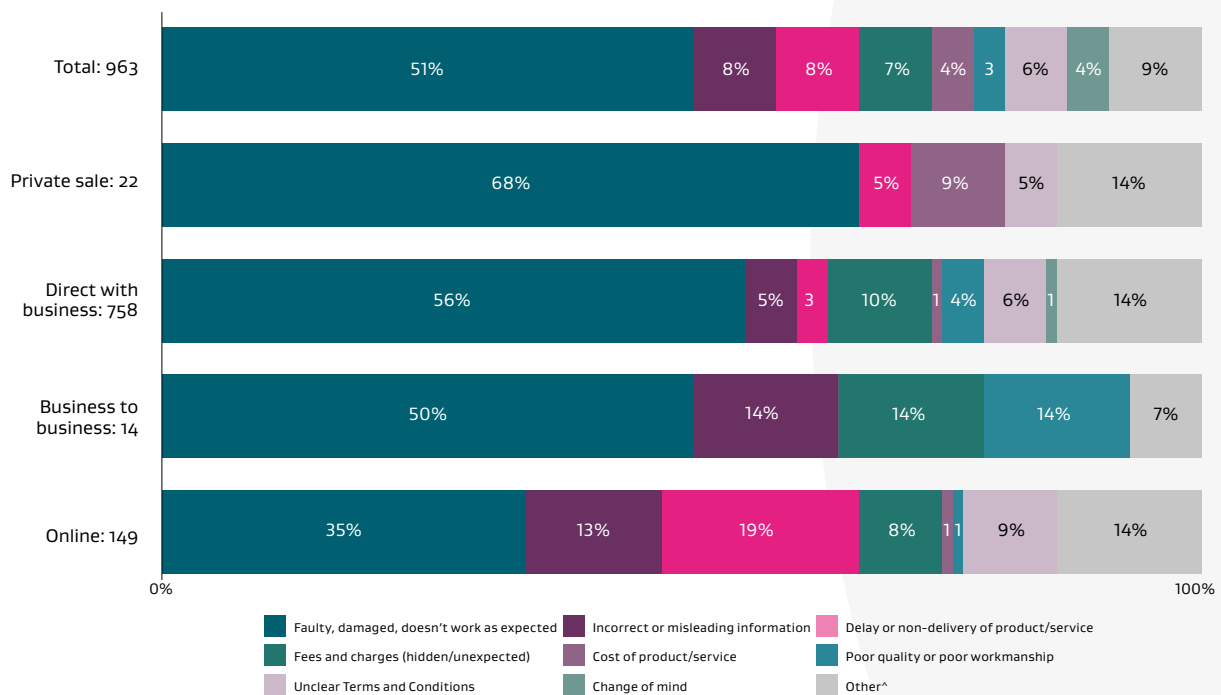
Reporting by purchase method: Issue breakdown

Figure 7 shows issue breakdown by purchase method for enquiries received by the MBIE service centre in quarter 2.

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods.
- Purchases made online have a much broader spread of issues than direct sales, with 'Delay or non-delivery', 'Incorrect or misleading information', and 'Unclear terms and conditions' being common issues (after 'Faulty, damaged, doesn't work as expected'). The proportion of online purchases noting 'Faulty, damaged, doesn't work as expected' increased from 28% to 35%, 'Incorrect or misleading information' increased from 7% to 13%, and 'Delay or non-delivery of products/services' decreased from, 24% to 19% this quarter.

Figure 7: Issue breakdown by purchase method, Q2 2021/22FY

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=963).

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.

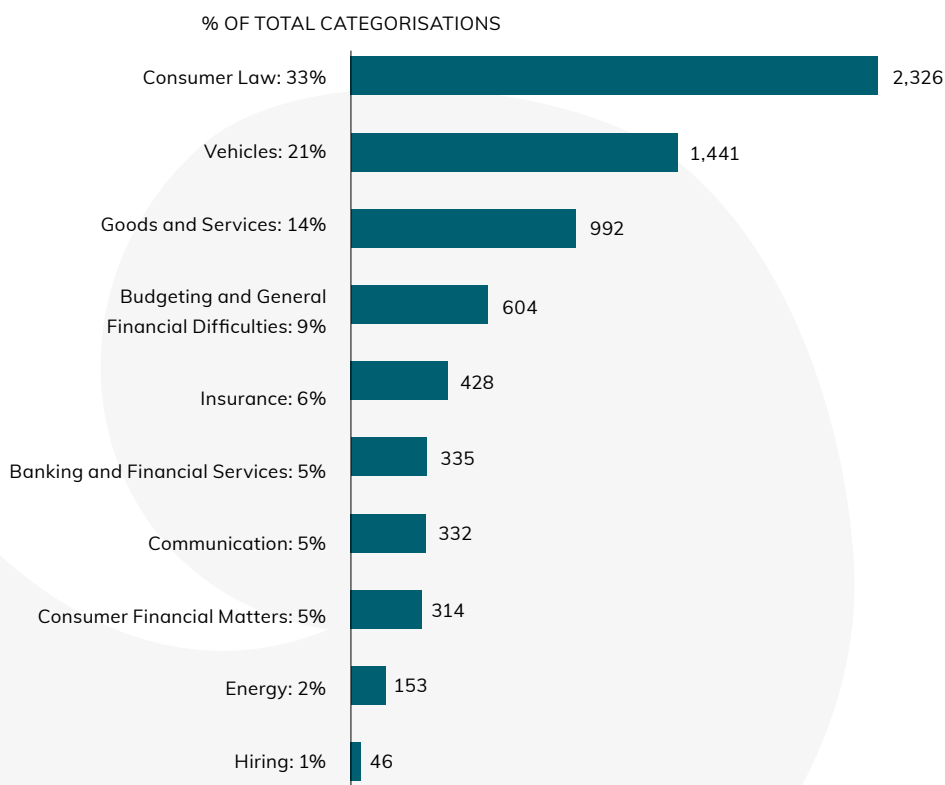
Enquiries to Citizen's Advice Bureau

Between 1 October and 31 December CAB received 9,700 consumer enquiries that were given 6,971 categorisations. Categorisations decreased by 1% compared to the previous quarter. Seventy-seven percent of all assigned enquiry categories related to consumer law, vehicles, goods and services, and budgeting/general financial difficulty.

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 two (assigned 2,326 times), making up 33% of all categorisations (figure 8). The next largest were 'Vehicles' (21%), 'Goods and services' (14%), and 'Budgeting and general financial difficulties' (9%).

Figure 8: CAB enquiry categorisations by aggregated category, Q2 2021/22FY



Base: Total categorisations (n=6,971).

Changes since last quarter

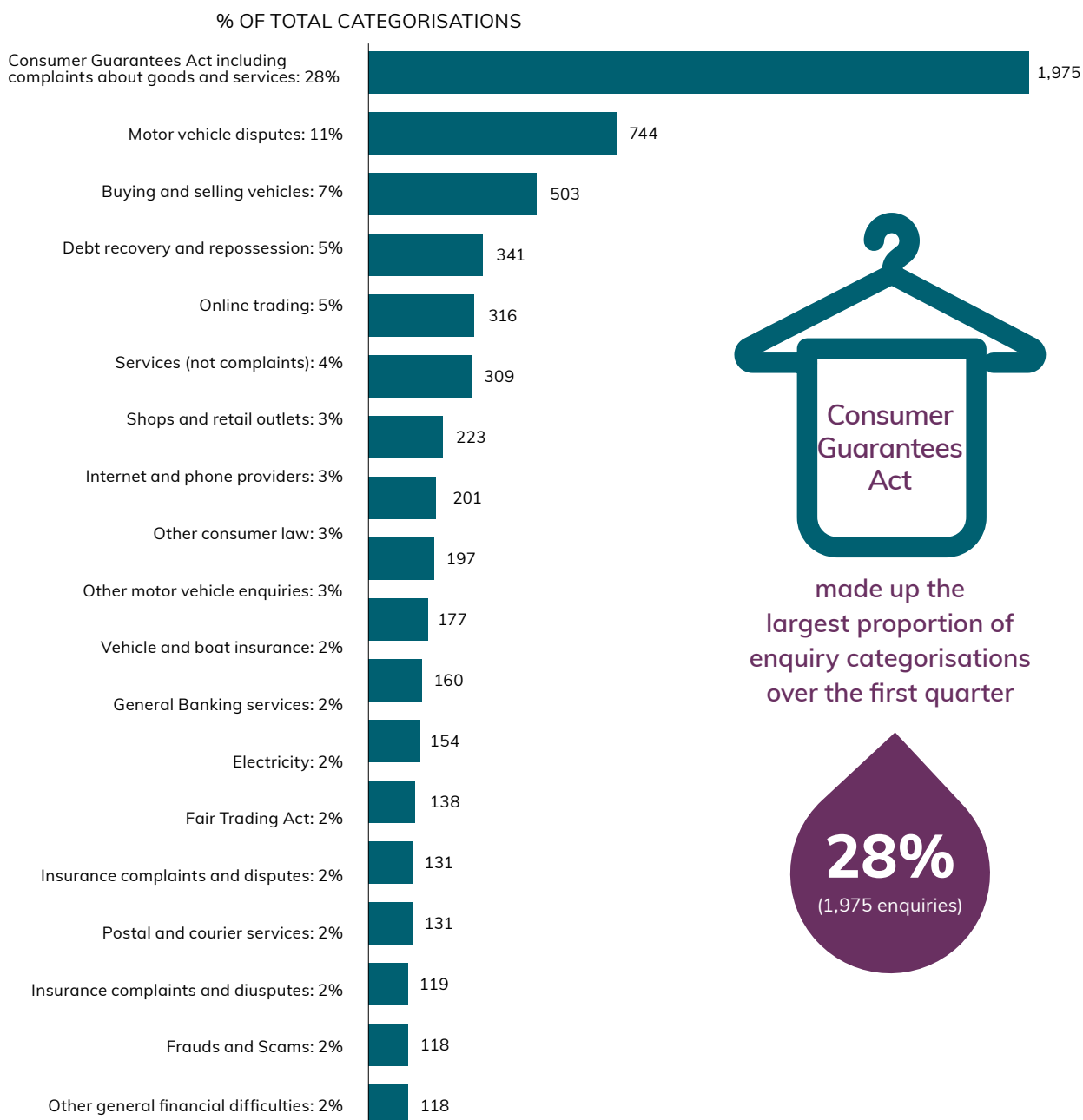
- The total number of categorisations decreased by 1% over the last quarter from 7,009 to 6,971 – this quarter includes the Christmas period.
- Nearly all aggregated categories also experienced decreases; 'Insurance', 'Consumer financial matters', and 'Energy' experienced higher than average decreases
- 'Banking and financial services', 'Hiring', and 'consumer law,' increased slightly despite the overall decrease in categorisations.



Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter two. Enquiries categorised as ‘Consumer Guarantees Act including complaints about goods and services’ made up 28% of all enquiry categorisations (n=1,975), ‘Motor vehicle disputes’ 11% (n=744), and ‘Buying and selling vehicles’ 7% (n=503).

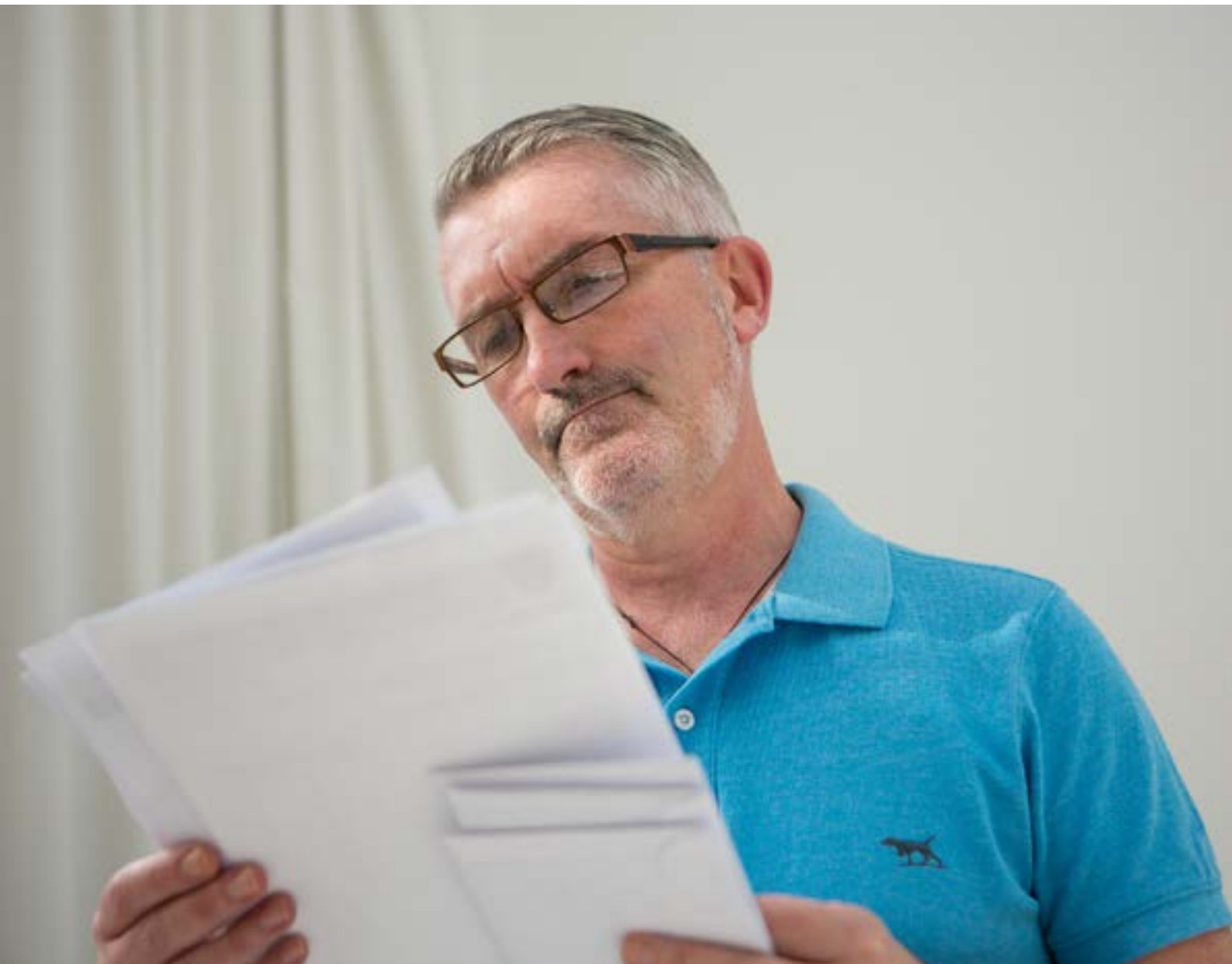
Figure 9: CAB enquiry categorisations by detailed category, Q2 2021/22FY



Base: Total categorisations (n=6,971).
Note only categories of 2% or more are shown.

Changes since last quarter

- The largest decreases in categorisations were for the most common detailed categories.
- 'Loans and cash loan' also experienced a large decrease in categorisations (down 100), whereas 'layby' categorisations increased (up 97) 'Consumer guarantee acts including complaints about goods and services increased (up 82), and 'Online trading' (up 77).
- A few other detailed categories also experienced increases over the last quarter – 'Postal; and courier services' (up 41), 'Other consumer law' (up 40), and 'Motor vehicle disputes (up 38).



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 ³business 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.

³ 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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