

Consumer Protection **Quarterly Report**

July – September 2022/23



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Consumer Protection

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Consumer Protection

This is Consumer Protection's quarter one (Q1) report covering data from 1 July – 30 September 2022. 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

8,778 consumer enquiries were received, an increase of 9% compared to the previous quarter.

Top enquiry sectors/areas

- Motor Vehicle Sales
- Electronics Goods & Mobile Phones
- Personal products
- Commercial goods and services
- Construction or Trade Services
- Non-Electrical Household goods
- Motor Vehicle Repairs

Notable changes

- Total enquiries to the MBIE service centre decreased by 15% this quarter in comparison to same time last financial year (decreased by 40%)
- Although lower in volume of enquiries 'Accommodation or Travel Services', 'Food and Drink', and 'Postal, Courier, and freight Services' experienced large percentage increases this quarter.
- 'Entertainment' is the second top enquiry but had a decrease in enquiry (down 21%)

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 52% of enquiries received by the MBIE service centre
- Potential FTA breaches were most likely to be noted in enquiries related to 'Mobile Telecommunication Services', 'Real Estate and Property Management', 'Health Products', 'Internet/Landline Phone Services', and 'Utility Services'.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Motor Vehicle Repairs', 'Construction or trade services' and 'legal/Accounting/Other Professional Services'.

Purchase method

- Most enquiries to the MBIE service centre (69%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 22% of enquiries, higher than last quarter in the last financial year (14%).
- Online was more frequently noted as a purchase method for 'Accommodation or travel services', 'Postal Courier and Freight Services', and 'Personal Products' issues
- The proportion of motor vehicle sales issues noted as being a private sale is 12%.

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Total enquiries

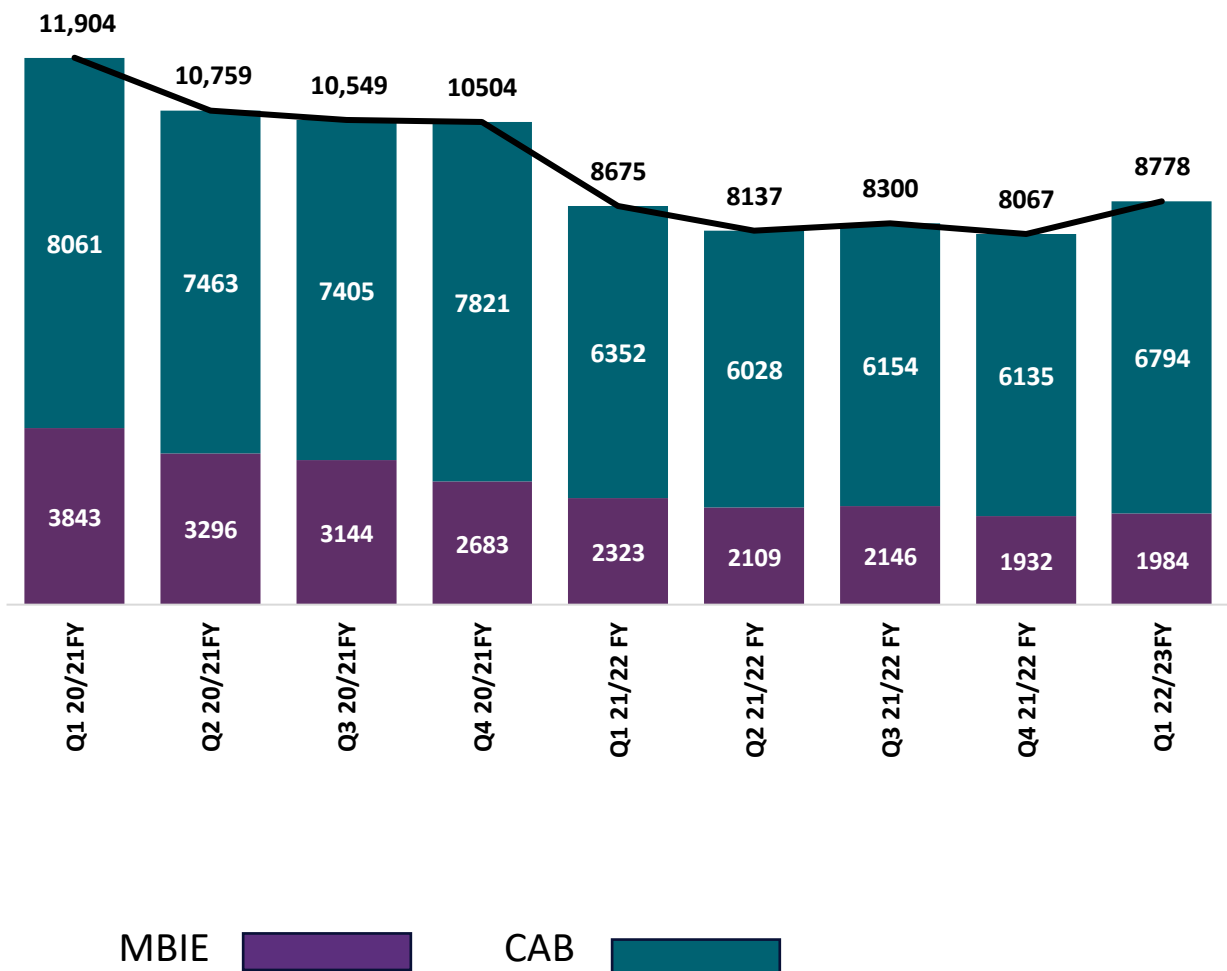
Between 1 July and 30 September **8,778** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries increased (9%) compared to the previous quarter – the previous quarter experienced alert level changes across the country with COVID-19 to orange in April and end of the COVID-19 protection framework in New Zealand.

BREAKDOWN BY RECEIVING ORGANISATION

Figure 1 shows the number of enquiries received by each organization in quarter one. In quarter one, 8,778 enquiries¹ were received; this is an increase from the previous quarter.

Of the enquiries received this quarter 77% of them were through CAB. Compared to quarter one last year, enquiries to the CAB are lower (73% in Q1 2021/2022FY).

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2020/21FY to Q1 2022/23FY



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=2).

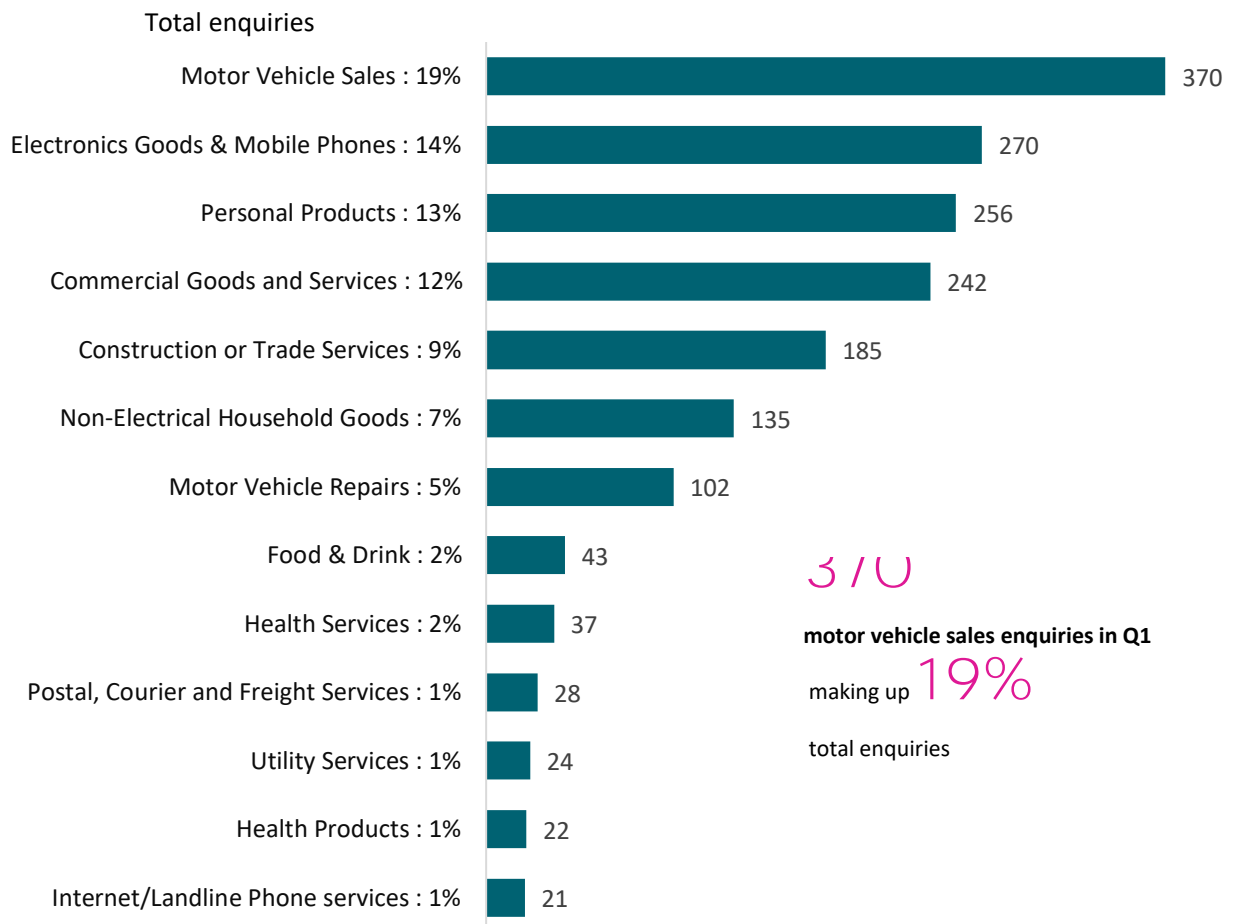
Enquiries to MBIE

Between 1 July and 30 September, the MBIE service centre received 1,982 enquires, a 3% increase on the previous quarter (1,932). Forty five percent of all enquiries received related to motor vehicle sales, entertainment, and construction or trade services.

BREAKDOWN BY SECTOR

Figure 2 shows the total number of enquiries received by the MBIE service centre in quarter four based on the categories.

Figure 2: Enquiries by sector, Q1 2022/23FY



Base: Total enquiries (n=1,982)

Note only categories receiving 2% or more enquiries are shown

The next largest categories were electronics goods& mobile phones (14%), personal products (13%), commercial goods and services (12%), and construction or trade services (9%).

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CHANGES SINCE LAST QUARTER

The total number of enquiries to the MBIE service centre increased by 9% over the last quarter from 1,932 to 1,984. However, last quarters enquiries the country was in Red before moving to orange later in April 2022.

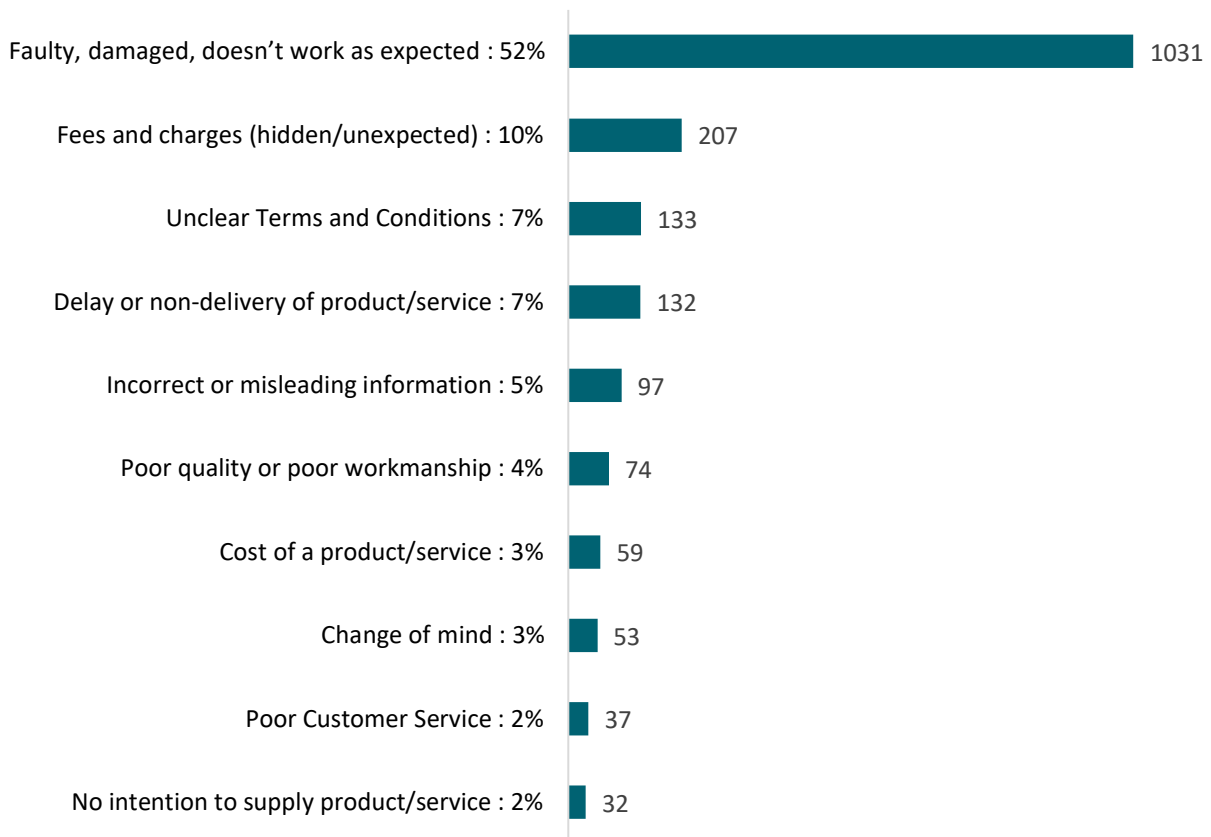
As with the last Q4 2020/21, motor vehicle repairs have dropped out of top five.

Most sectors experienced a decrease in enquiries this quarter 'Electronics Goods and Mobile Phones' (down 15%), 'Non-Electrical Household Goods' (down 8%) and 'Motor Vehicle Sales (down 7%). Sectors with increases are "Motor Vehicle Repairs (up 16%), 'Personal Products' (up12%) and 'Commercial Goods and Services (up 9%).

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 52% of all enquiries (figure 3). Just over a quarter of enquiries (24%) 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 2022/23FY



Base: Total enquiries (n=1,982)

Note only issues receiving 2% or more enquiries are shown

CHANGES SINCE LAST QUARTER

Faulty, damaged, doesn't work as expected had over 1,000 enquiries making 52% of all issues reported in this quarter in comparison to last quarter.

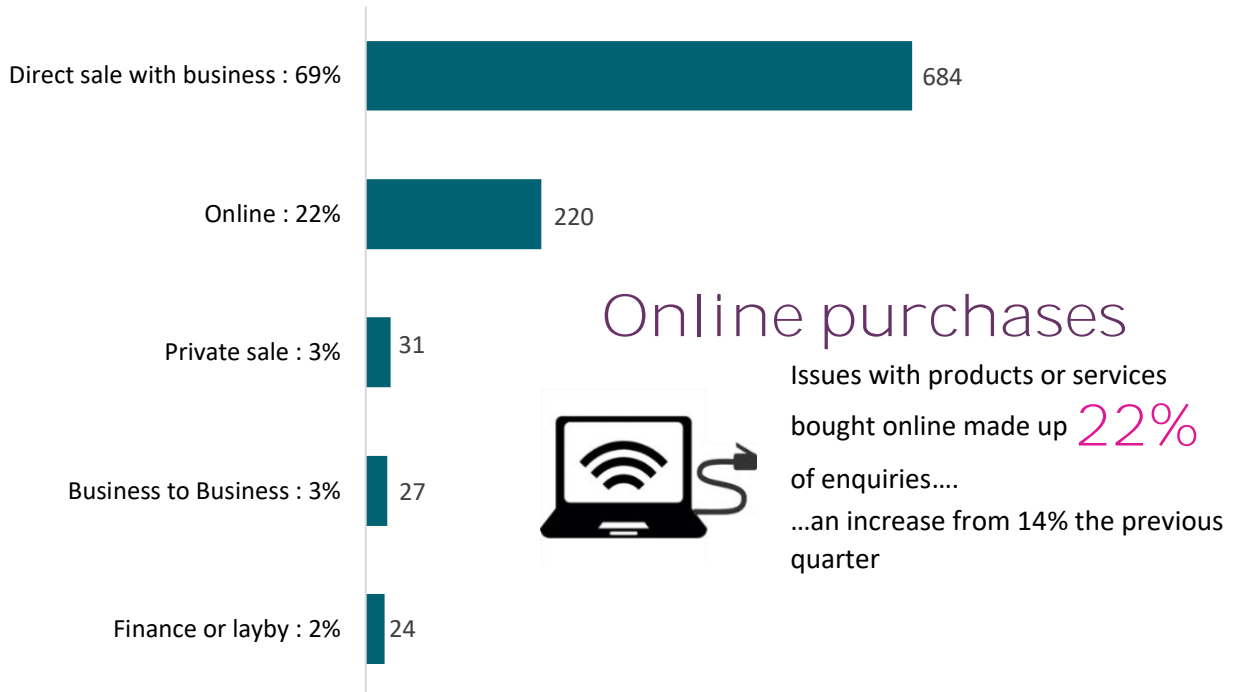
Fees and charges (hidden/unexpected), Delay or non-delivery of product/service, and unclear terms and conditions remain top issues reported.

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BREAKDOWN BY PURCHASE METHOD

Consumer enquiries spanned all purchase channels,² although the majority (69%) was made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q1 2022/23FY



Base: Total enquiries reporting purchase method (n=992)
Note only purchase methods with 2% or more enquiries are shown

Issues with products/services bought online made up 22% 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 75% to 69%. Those through finance agreement or layby also increased slightly by a percent.

Online sales experienced an increase (making up 22% compared to 14% last quarter), however this is still lower than the same period last year (14%).

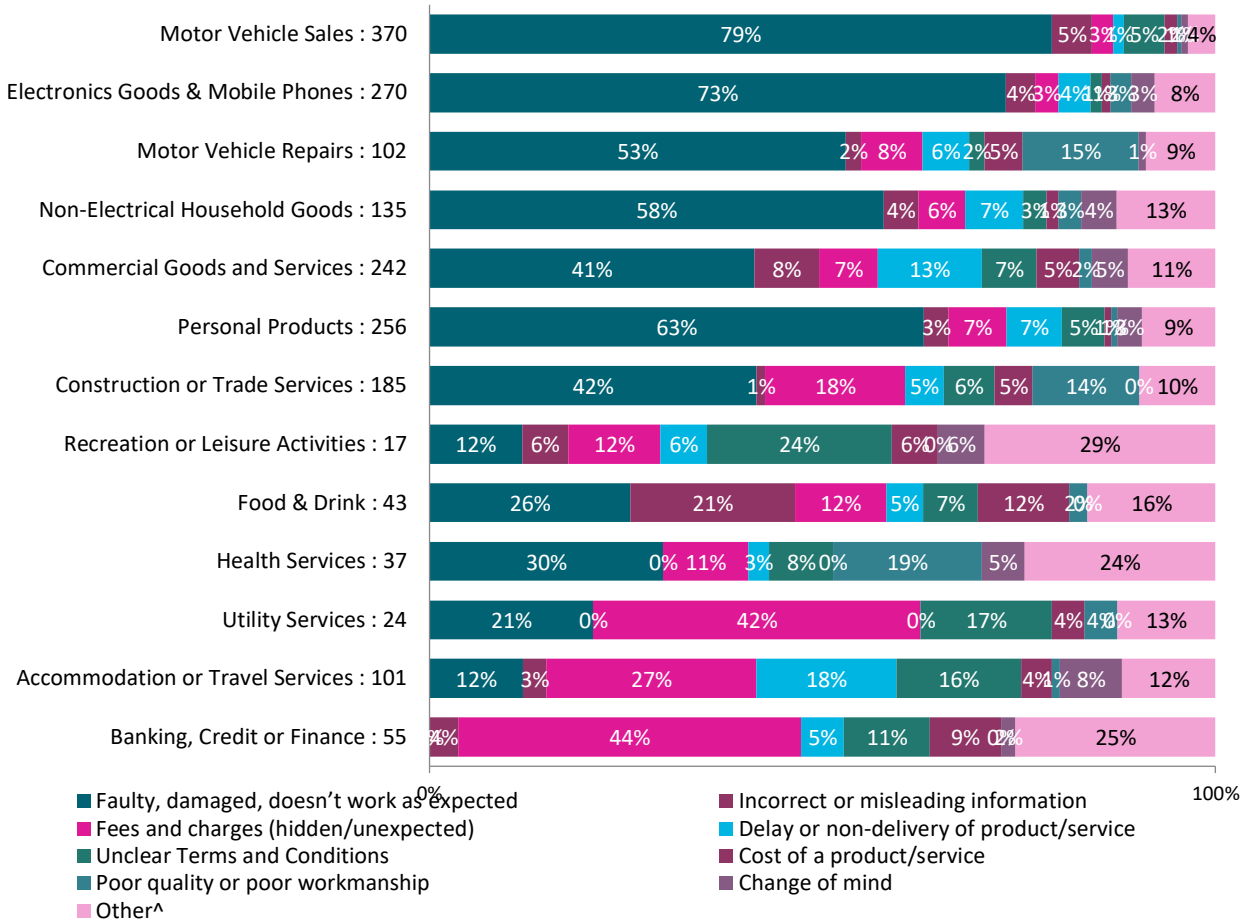
² Note that purchase method is not available for all enquiries received. This information may not have been applicable or may not have been recorded.

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REPORTING BY SECTOR: ISSUE BREAKDOWN

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

Figure 5: Issue breakdown by sector, Q1 2022/23FY



Base: Total enquiries reporting reason for problem (n=1,982)

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

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

- Motor vehicle sales, 79%
- Electronic goods & mobile phones, 73%
- Motor vehicle repairs, 53%

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

- Mobile Telecommunication Services, 75%
- Real Estate and property Management, 75%
- Insurance, 67%

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

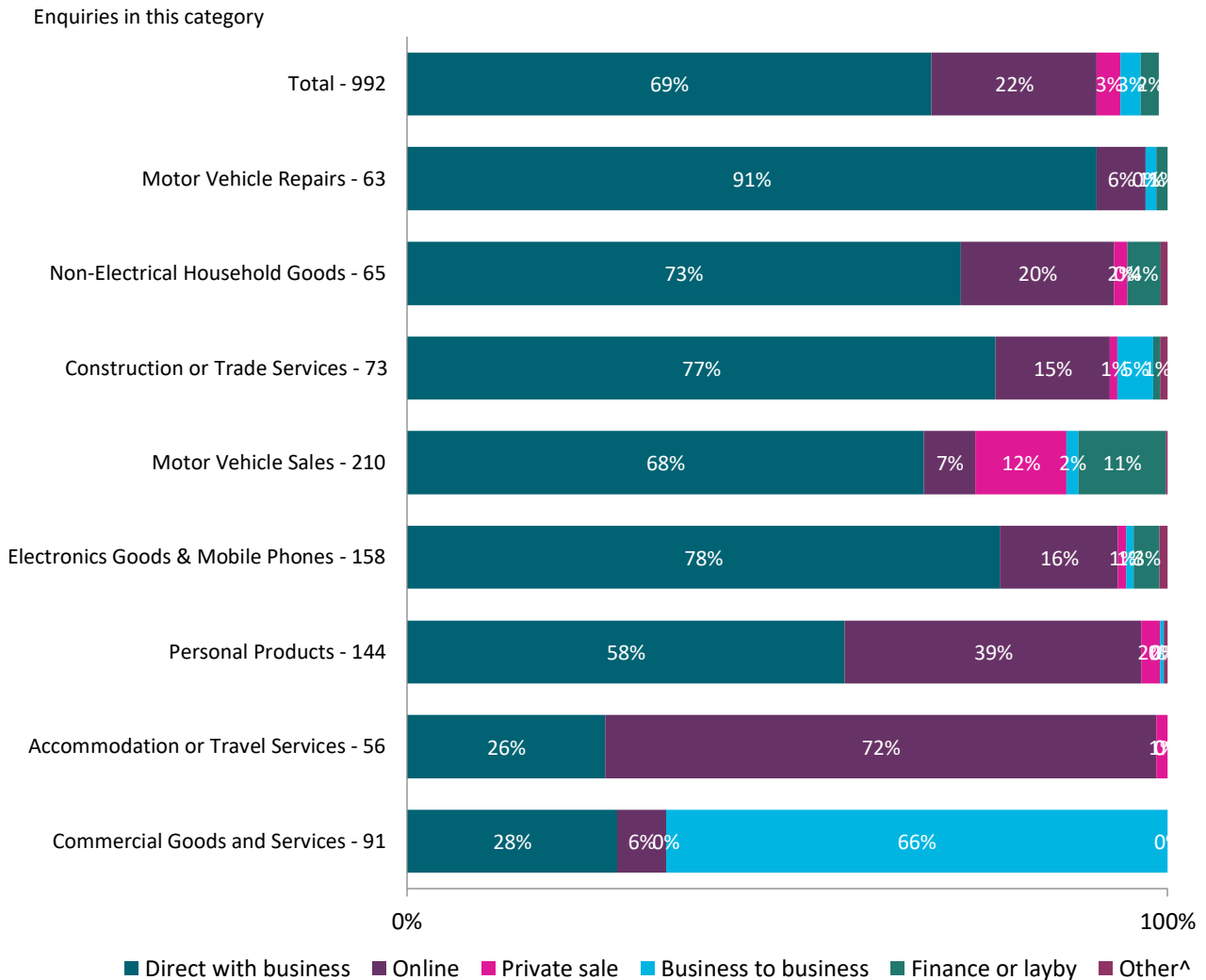
- Health Services 19%
- Motor vehicle repairs, 15%
- Construction or trade services, 14%

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REPORTING BY SECTOR: PURCHASE METHOD BREAKDOWN

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

Figure 6: Purchase method breakdown by sector, Q1 2022/23FY



Base: Total enquiries reporting purchase method (n=992)

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

- Most enquiries across sectors were purchased 'direct with businesses'
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' (70%), 'Personal products' (39%), and 'Non-electrical household goods' (20%) 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 4% from 8% in the last quarter.

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REPORTING BY PURCHASE METHOD: ISSUE BREAKDOWN

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

- '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 'unclear terms and conditions'
- Purchases made online have a much broader spread of issues than direct sales, with 'delay or non-delivery', 'fees and charges (hidden/unexpected)' and 'unclear terms and conditions' being common issues (after 'faulty, damaged, doesn't work as expected')

Figure 7: Issue breakdown by purchase method, Q1 2022/23FY



Base: Total enquiries reporting purchase method (n=992)
 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

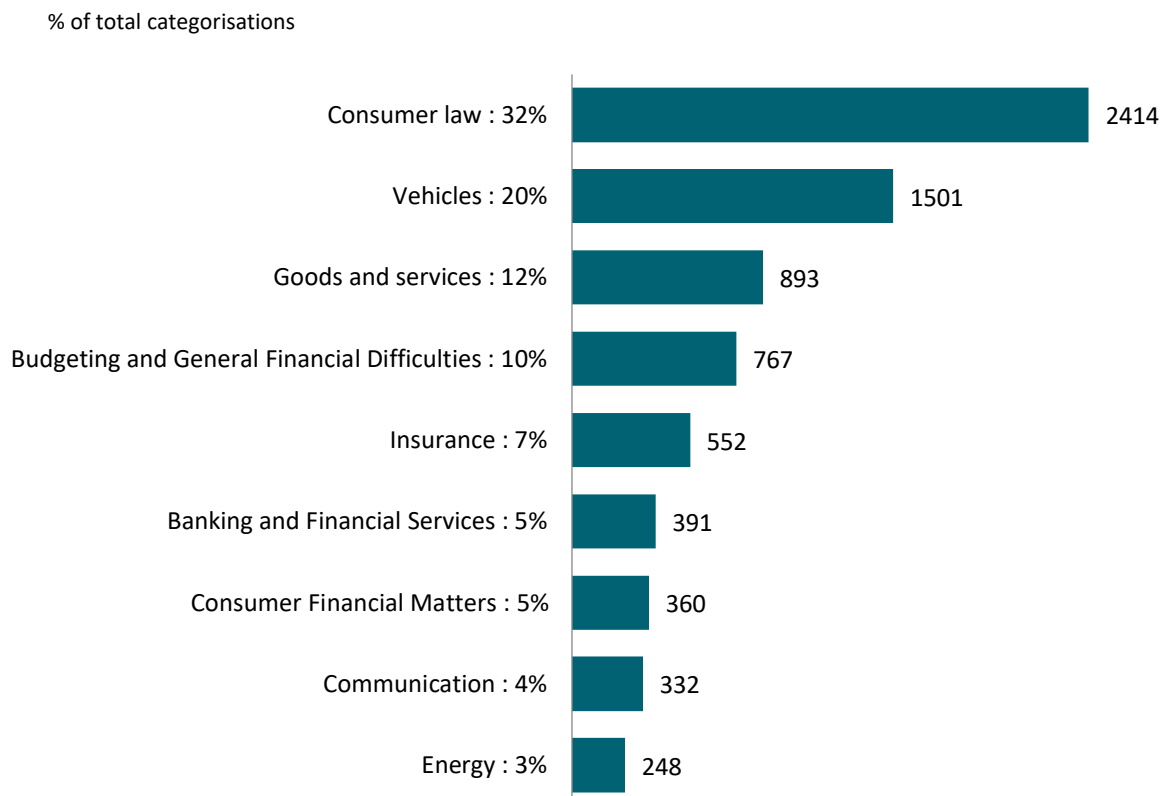
Enquiries to Citizen's

Between 1 July and 30 September CAB received 6,794 consumer enquiries that were given 7,531 categorisations. The categorisations increased by 11% 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 2,414 times), making up 32% of all categorisations (figure 8). The next largest were 'Vehicles' (20%), 'Goods and services' (12%), and 'Budgeting and general financial difficulties' (10%).

Figure 8: CAB enquiry categorisations by aggregated category, Q1 2022/23FY



Base: Total categorisations (n=7,531)

CHANGES SINCE LAST QUARTER

The total number of categorisations increased by 11% over the last quarter from 6,716 to 7,531 – the previous quarter covering the end of Red alert of COVID-19 lockdown period.

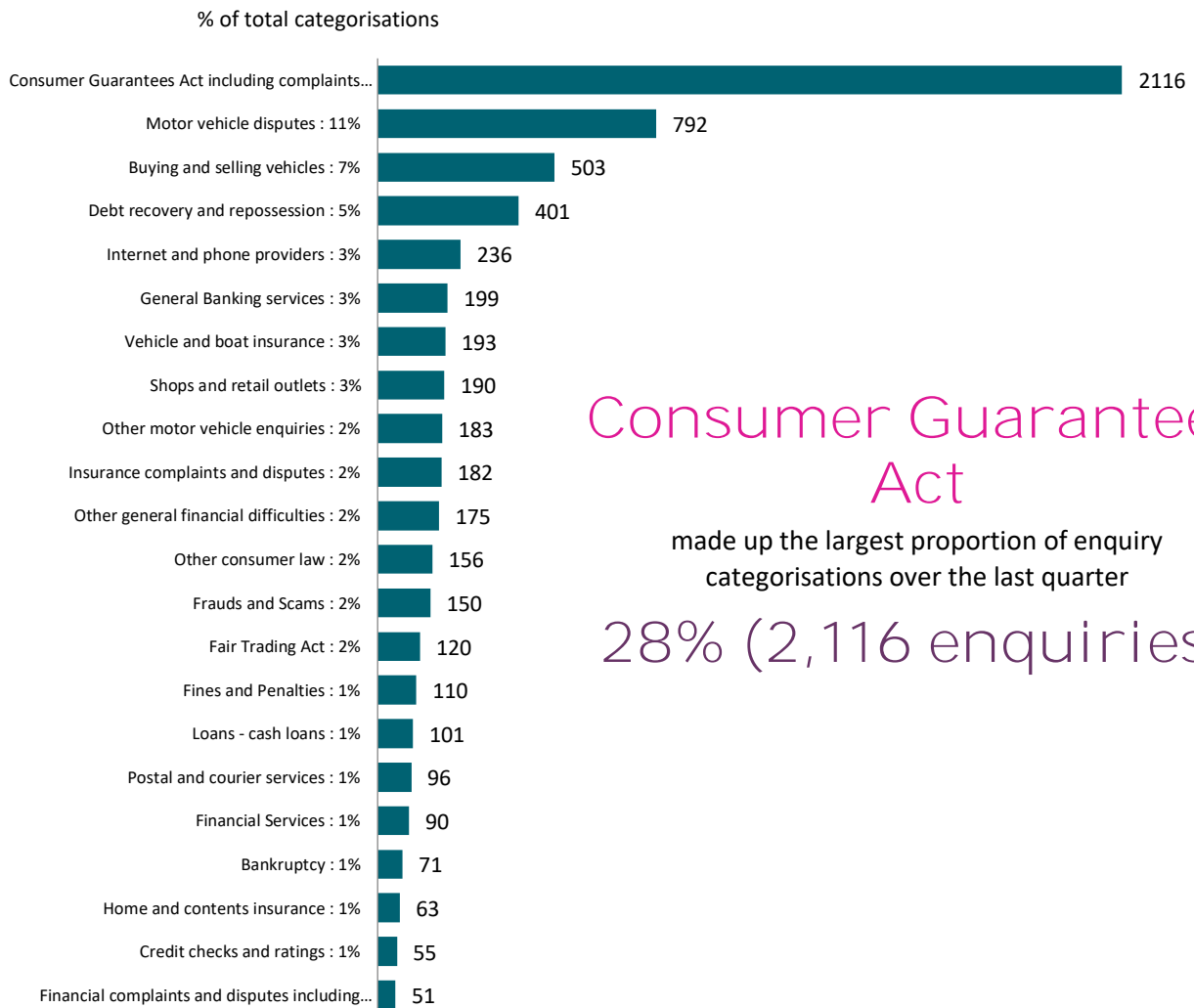
All aggregated categories also experienced an increase.

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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 28% of all enquiry categorisations (n=2,116), ‘Motor vehicle disputes’ 11% (n=792), and ‘Buying and selling vehicles’ 7% (n=503).

Figure 9: CAB enquiry categorisations by detailed category, Q1 2022/23FY



Base: Total categorisations (n=7,531)

Note only categories of 50 or more are shown

CHANGES SINCE LAST QUARTER

Almost all detailed categories experienced an increase over the last quarter, ‘Consumer Guarantees Act including complaints about goods and services’ experienced the highest increases (up 196%), ‘motor vehicle disputes’ (up 91%), and ‘General Banking Services’ (up 56).

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 CAB³ 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.

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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