

# Consumer Protection **Quarterly Report**

October – December 2022/23



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# Consumer Protection

## Contents

Executive summary.....	3
Total enquiries.....	4
Breakdown by receiving organisation .....	4
Enquiries to MBIE Service Centre .....	5
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.....	7
Reporting by sector: Issue breakdown.....	8
Reporting by sector: Purchase method breakdown.....	9
Reporting by purchase method: Issue breakdown .....	9
Enquiries to Citizen’s Advice Bureau .....	11
Breakdown by aggregated category.....	11
Changes since last quarter.....	11
Breakdown by detailed category.....	12
Changes since last quarter.....	12
About this report .....	13
The information.....	13
Making a consumer enquiry .....	13

# Consumer Protection

This is Consumer Protection's quarter two (Q2) report covering data from 1 October – 31 December 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.

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## KEY INSIGHTS FROM THIS QUARTER

### Enquiry volumes

**8,215** consumer enquiries were received, a decrease of 6% compared to the previous quarter.

### Top enquiry sectors/areas

- Motor Vehicle Sales
- Commercial Goods and Services
- Personal Products
- Electronics Goods and Mobile Phones
- Construction or Trade Services

### Notable changes

- Total enquiries to the MBIE service centre decreased by 11% this quarter in comparison to same time last financial year (decreased by 9%)
- In the last quarter, we saw lower volume of enquiries, but higher percentages increase, this is like the current quarter. 'Accommodation or Travel Services', 'Food and Drink', 'Postal, Courier, and freight Services, and 'Real estate and Property Management experienced large percentage increases.
- 'Electronics Goods and Mobile Phones had the largest decrease in volume of enquiries (down 41) this quarter.

### 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 48% of enquiries received by the MBIE service centre
- Potential FTA breaches were most likely to be noted in enquiries related to 'Banking, Credit or Finance', 'Insurance', 'Utility', and 'Food and Drink'.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Construction or trade services,' 'Motor Vehicle Repairs,' and 'Legal/Accounting/Other Professional Services'

### Purchase method

- Most enquiries to the MBIE service centre (65%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 26% of enquiries, higher than last quarter (22%).
- Online was more frequently noted as a purchase method for 'Accommodation or travel services', 'Entertainment,' and 'Postal, Courier and Freight Services' issues
- The proportion of motor vehicle sales issues noted as being a private sale is 12% similar to the last quarter.

# Consumer Protection

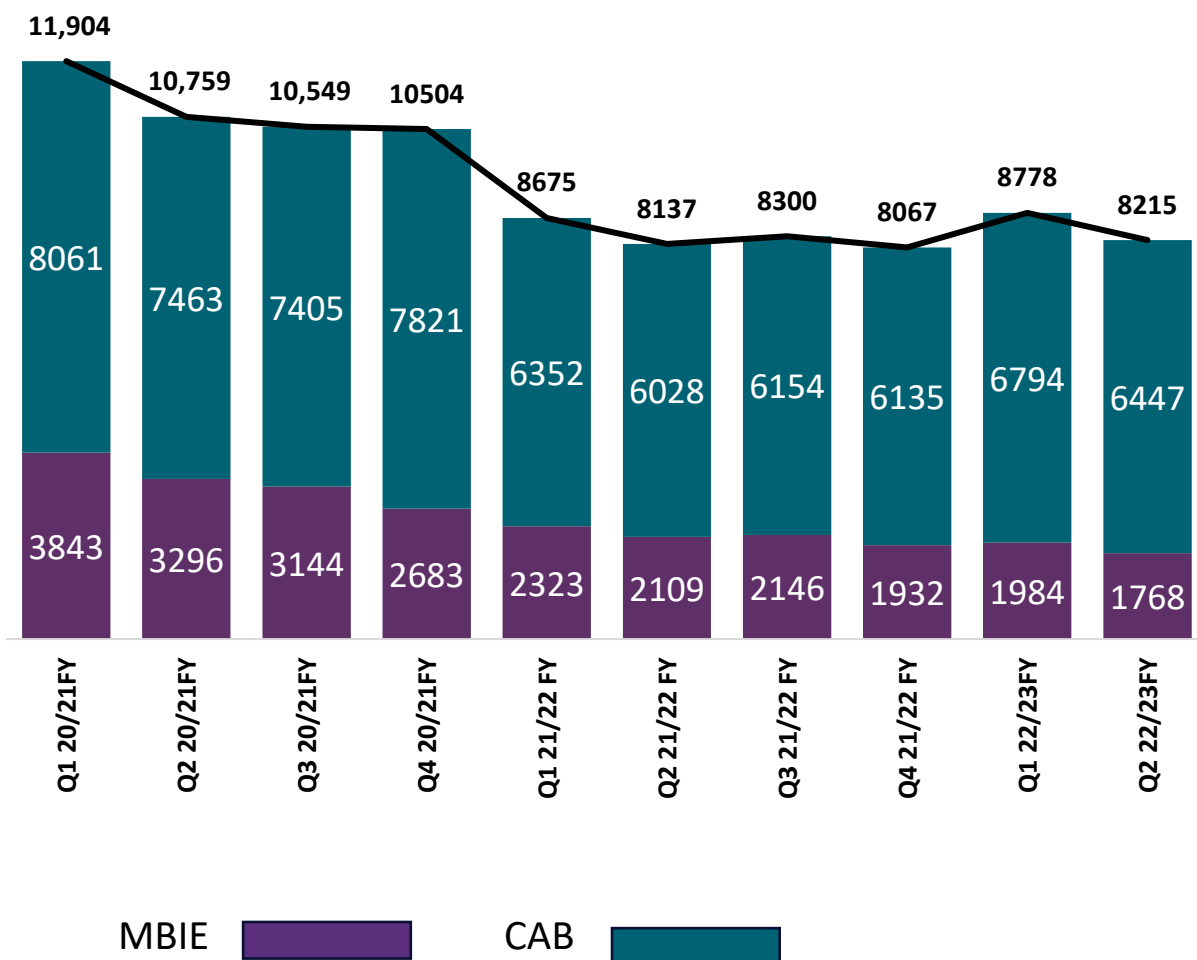
## Total enquiries

Between 1 October and 31st December **8,215** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries decreased (6%) 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 two, 8,215 enquiries<sup>1</sup> were received; this is a decrease from the previous quarter. Of the enquiries received this quarter 78% of them were through CAB.

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2020/21FY to Q2 2022/23FY



<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=3).

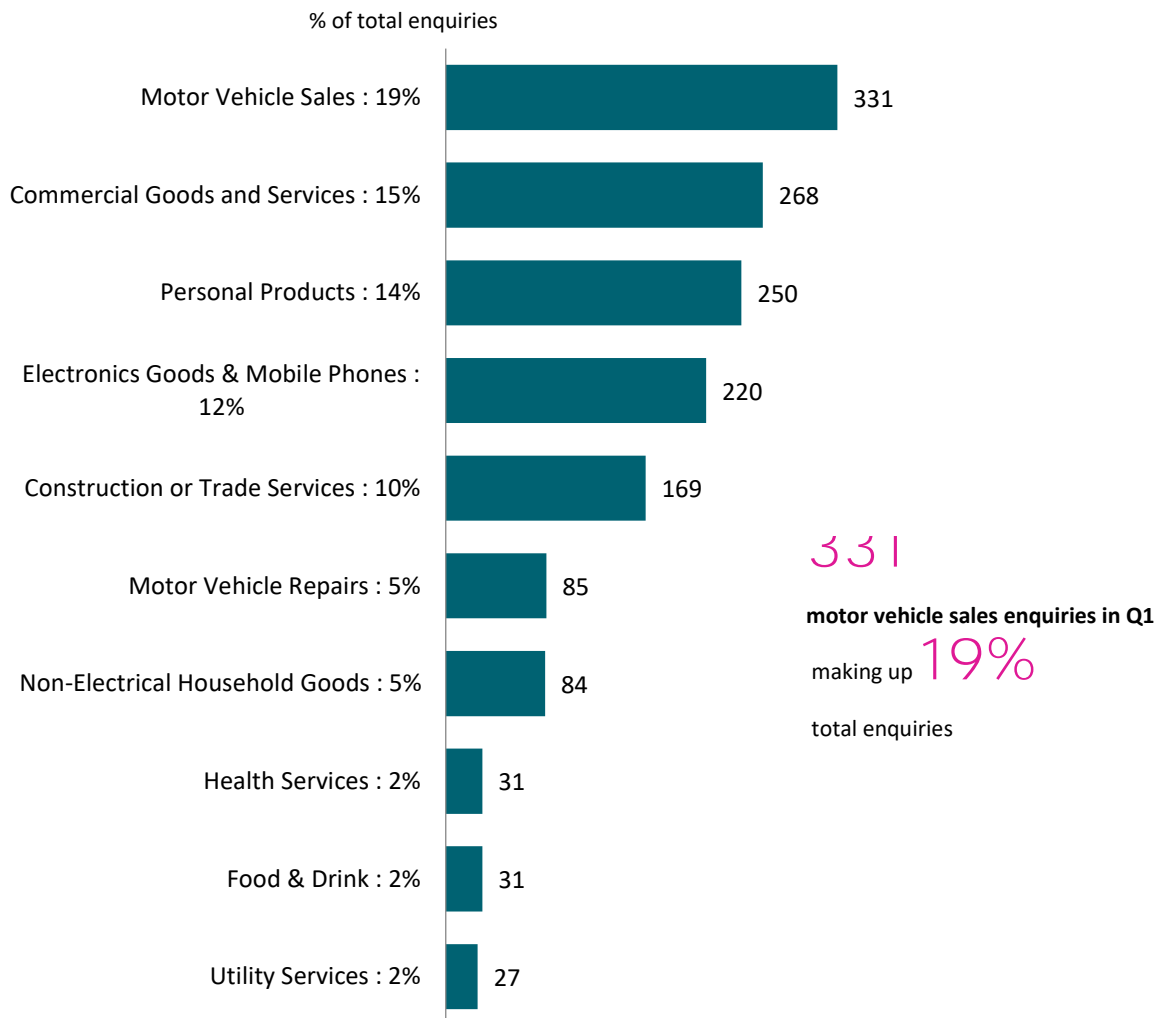
## Enquiries to MBIE

Between 1 October and 31st December, the MBIE service centre received 1,765 enquires, an 11% decrease on the previous quarter (1,984). 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, Q2 2022/23FY



Base: Total enquiries (n=1,765)

Note only categories receiving 2% or more enquiries are shown

# Consumer Protection

## Changes since last quarter

The total number of enquiries to the MBIE service centre decreased by 11% over the last quarter from 1,984 to 1,765.

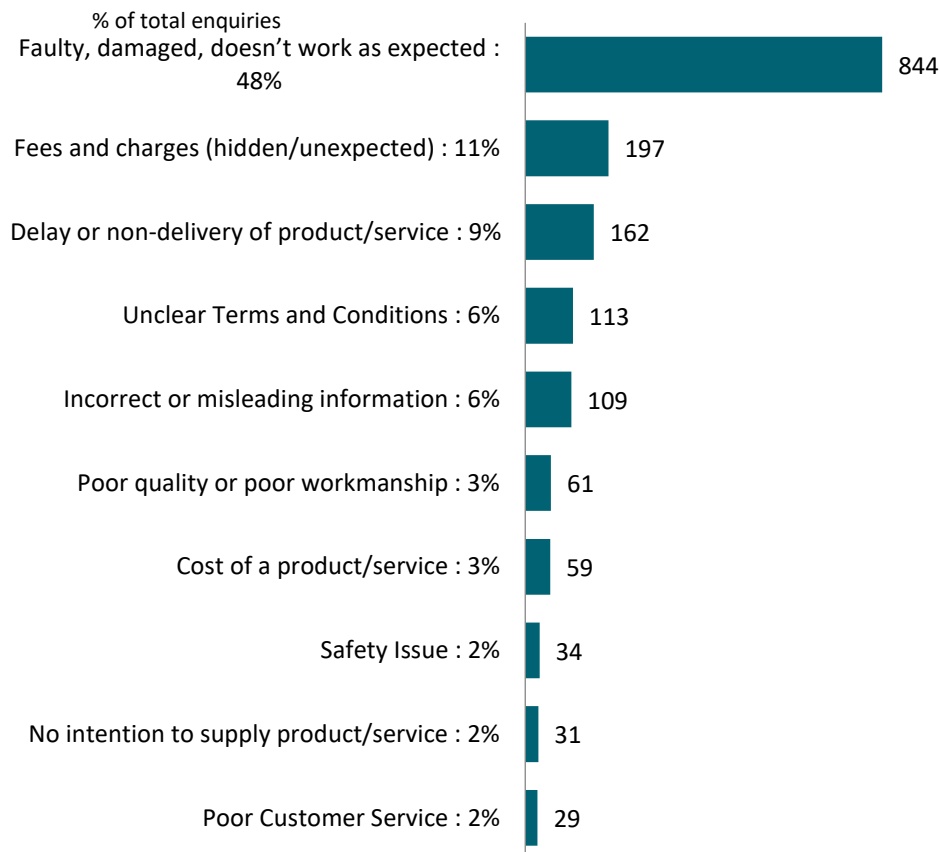
As with the last two quarters, motor vehicle repairs have dropped out of top five enquiries to MBIE service centre.

Almost all sectors experienced a decrease in enquiries this quarter 'Health Products' (down 50%) and 'Recreation or Leisure Activities' (down 41%). Sectors with increases are 'Accommodation or Travel Services' (up 45%), 'Food and Drink' (up 40%), 'Postal, Courier, and Freight Services' and 'Real Estate and Property Management (up 25% each respectively).

## 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 48% of all enquiries (figure 3). Just over a quarter of enquiries (25%) 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, Q2 2022/23FY



Base: Total enquiries (n=1,765)

Note only issues receiving 2% or more enquiries are shown

## CHANGES SINCE LAST QUARTER

Faulty, damaged, doesn't work as expected had over 800 enquiries making 48% of all issues reported in this quarter in comparison to 52% in the last quarter.

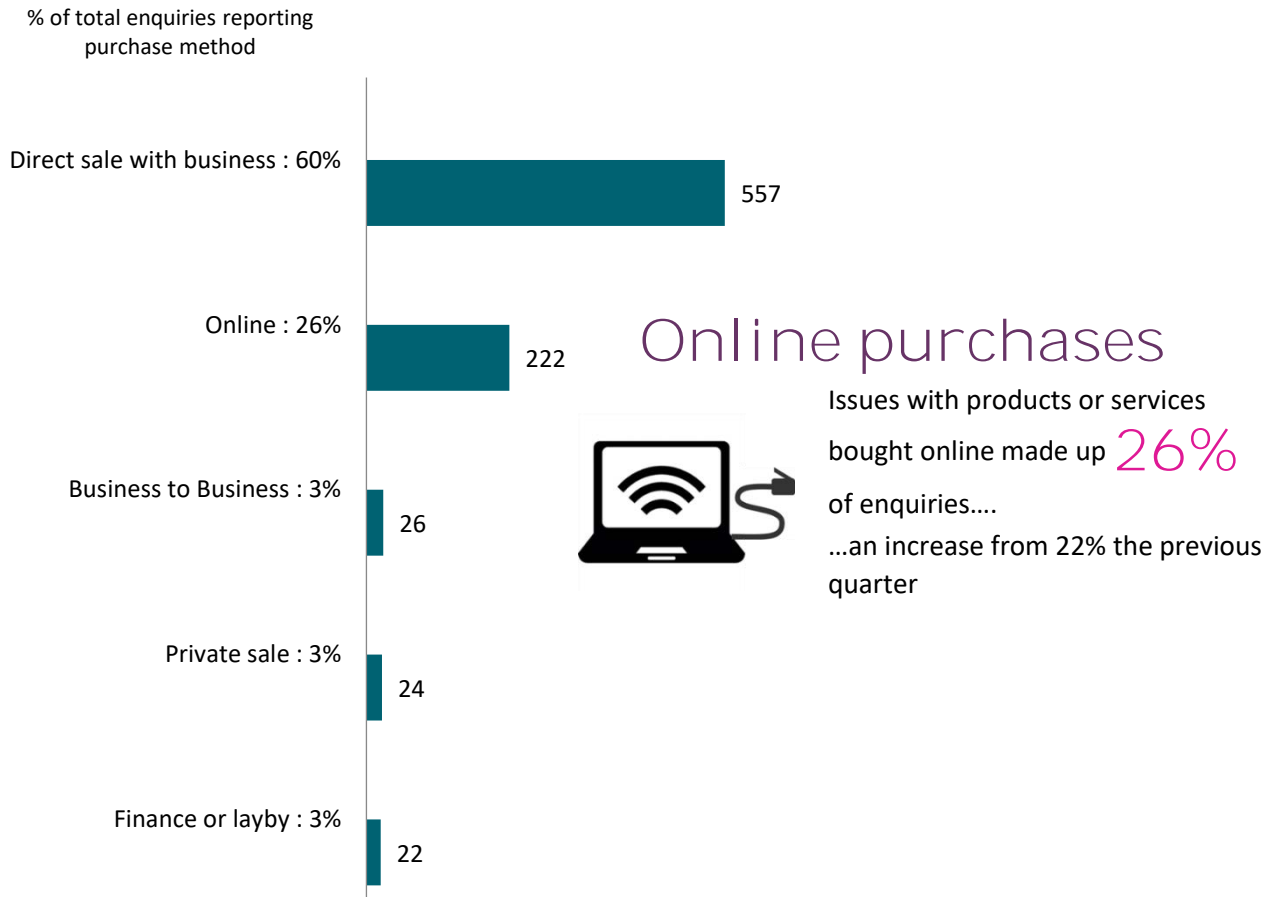
Fees and charges (hidden/unexpected), Delay or non-delivery of product/service, 'Incorrect or misleading information,' and unclear terms and conditions remain top issues reported.

# Consumer Protection

## BREAKDOWN BY PURCHASE METHOD

Consumer enquiries spanned all purchase channels,<sup>2</sup> although the majority (60%) was made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q2 2022/23FY



Base: Total enquiries reporting purchase method (n=856)  
Note only purchase methods with 2% or more enquiries are shown

Issues with products/services bought online made up 26% of enquiries, those through finance agreement or layby made up 3%, and private sales 3%. Business to business made up 3%.

## CHANGES SINCE LAST QUARTER

The proportion of enquiries related to direct sales decreased this quarter, from 69% to 60% this quarter. Those through finance agreement or layby stayed the same at 3%.

Online sales experienced an increase (making up 26% compared to 22% last quarter).

<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.

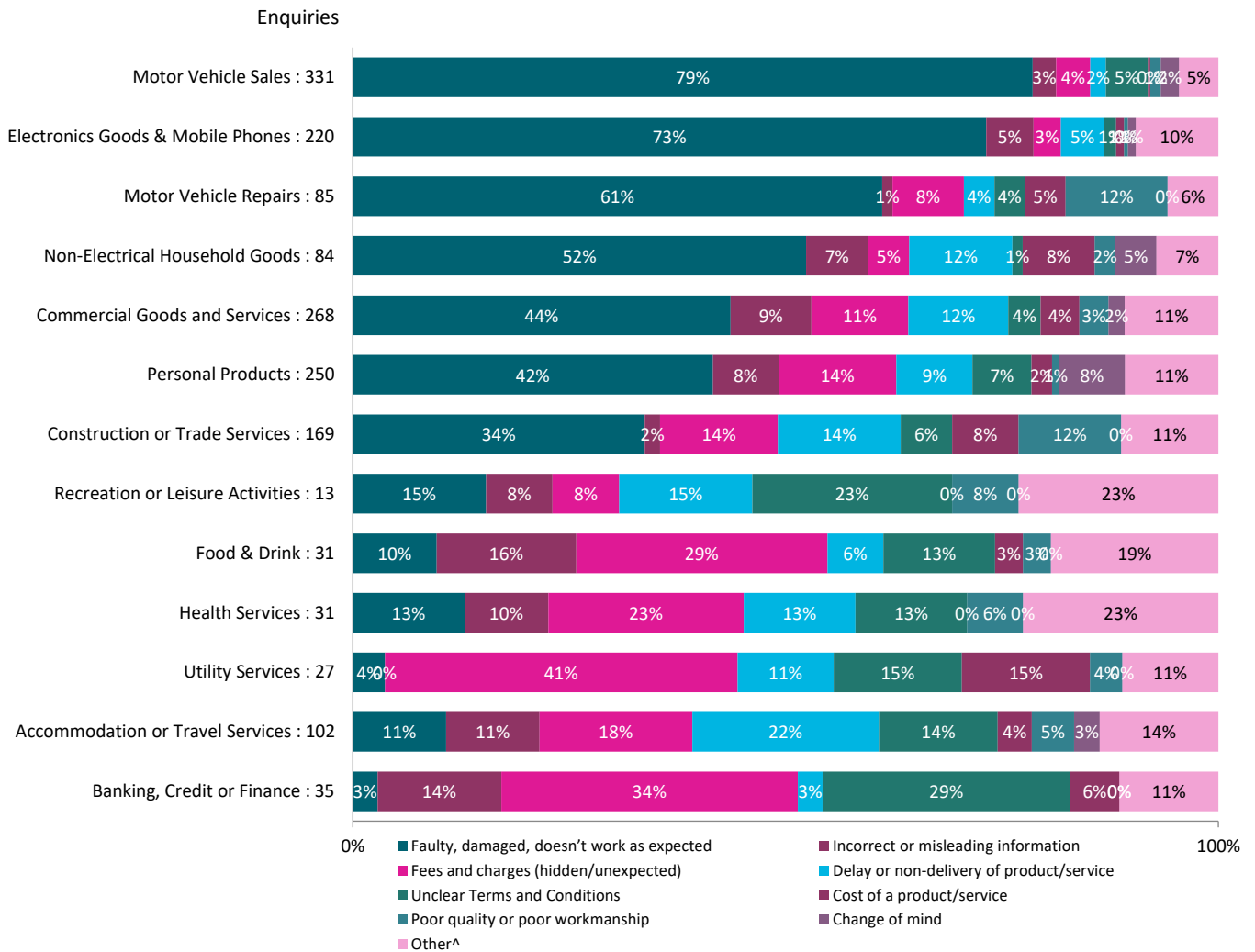


# Consumer Protection

## REPORTING BY SECTOR: ISSUE BREAKDOWN

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

Figure 5: Issue breakdown by sector, Q2 2022/23FY



Base: Total enquiries reporting reason for problem (n=1,765)

^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, %

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, 77%
- Insurance, 68%
- Utility Services, 59%

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

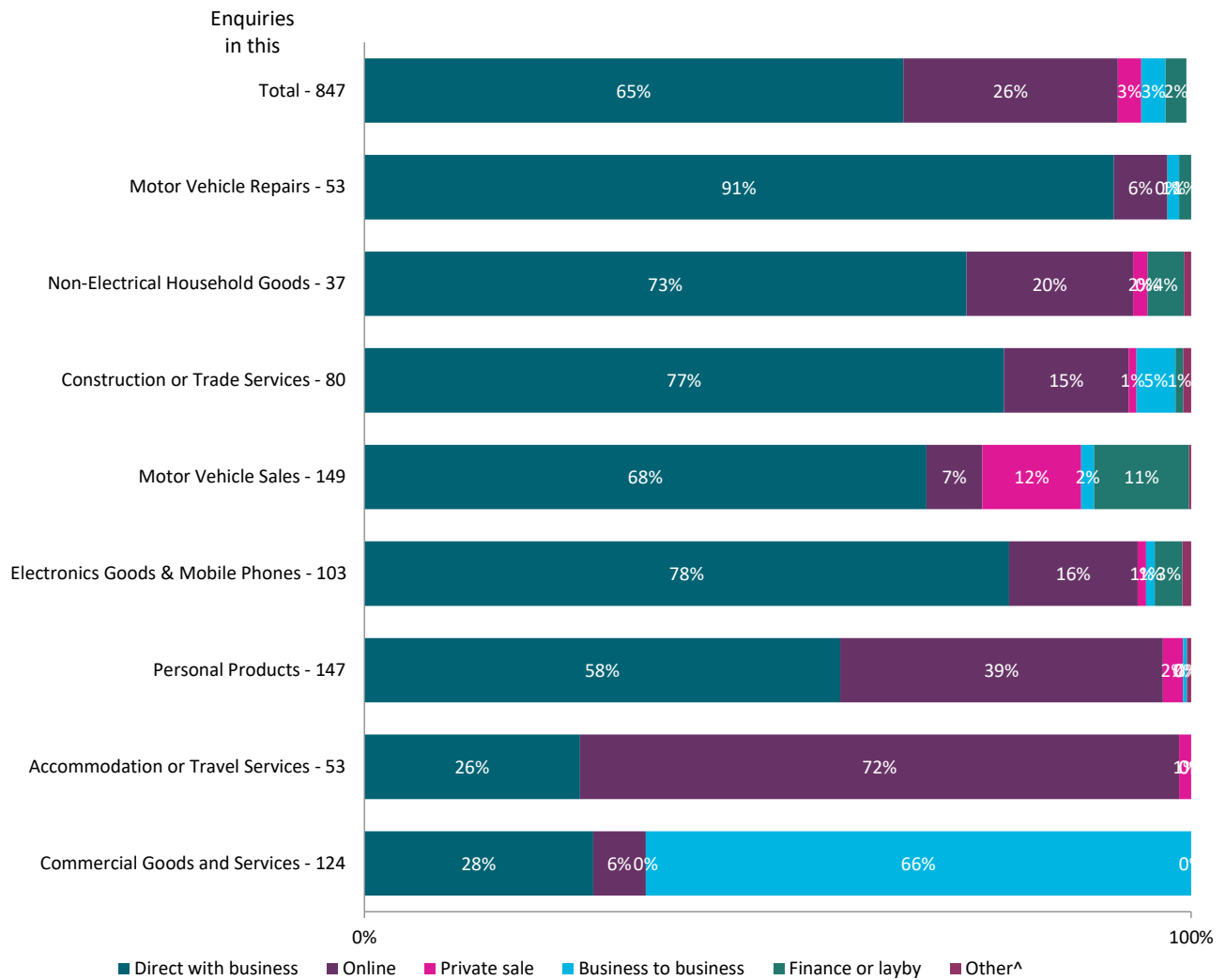
- Motor vehicle repairs, 12%
- Construction or trade services, 12%
- Real Estate and Property Management, 11%

# Consumer Protection

## REPORTING BY SECTOR: PURCHASE METHOD BREAKDOWN

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

Figure 6: Purchase method breakdown by sector, Q2 2022/23FY



Base: Total enquiries reporting purchase method (n=847)

Note only categories receiving 50 or more enquiries are shown

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

^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' 65%
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' (72%), '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 to 12% in this quarter from 8% in the last quarter.

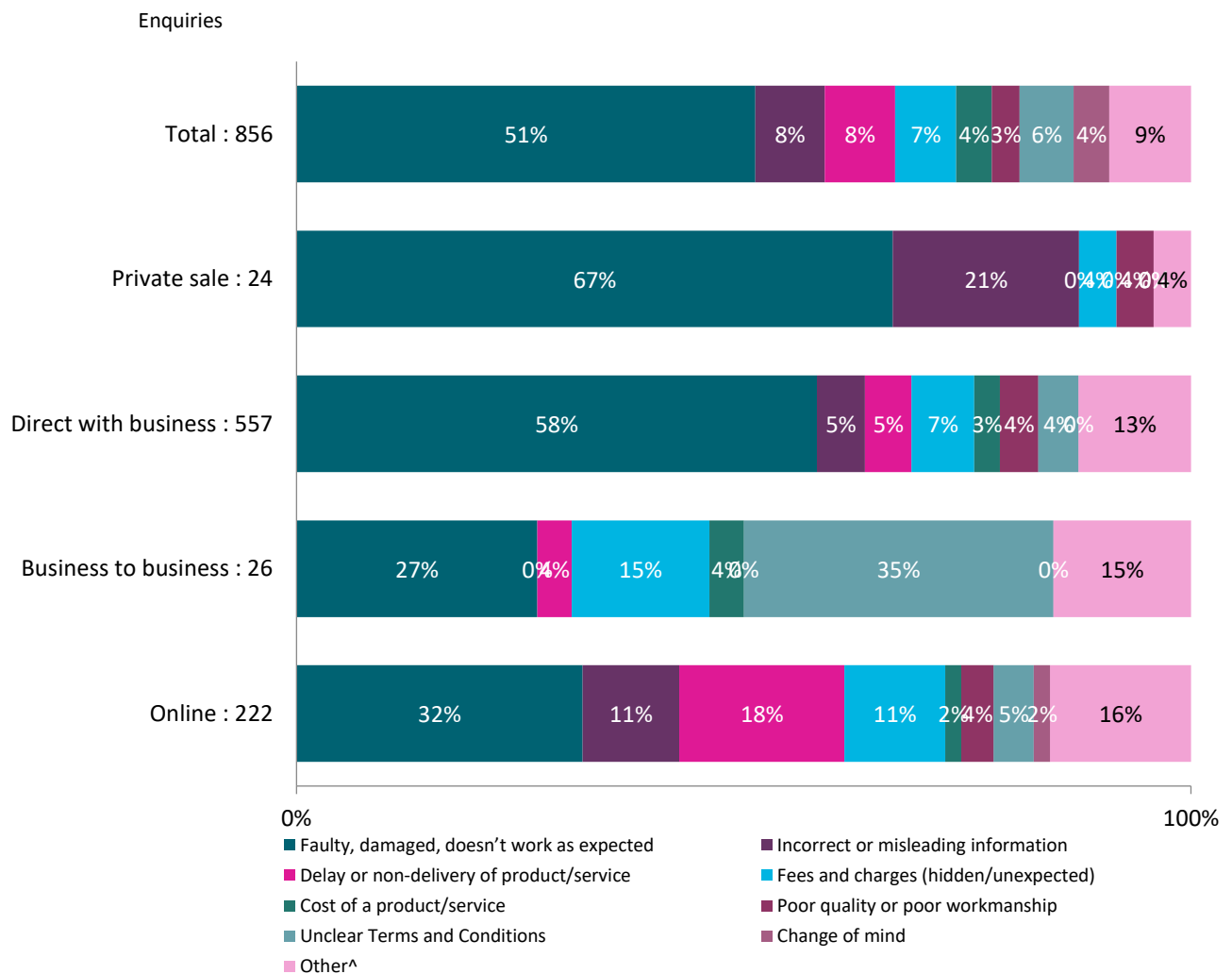
# Consumer Protection

## REPORTING BY PURCHASE METHOD: ISSUE BREAKDOWN

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

- 'Private sale' has the highest with 67% reporting faulty, damaged, doesn't work as expected.
- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods at 51%
- Business to business and online purchases are more likely than other purchase methods to note experiencing issues of 'unclear terms and conditions' and this is a consistent pattern from previous quarters.
- 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, Q2 2022/23FY



Base: Total enquiries reporting purchase method (n=856)

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

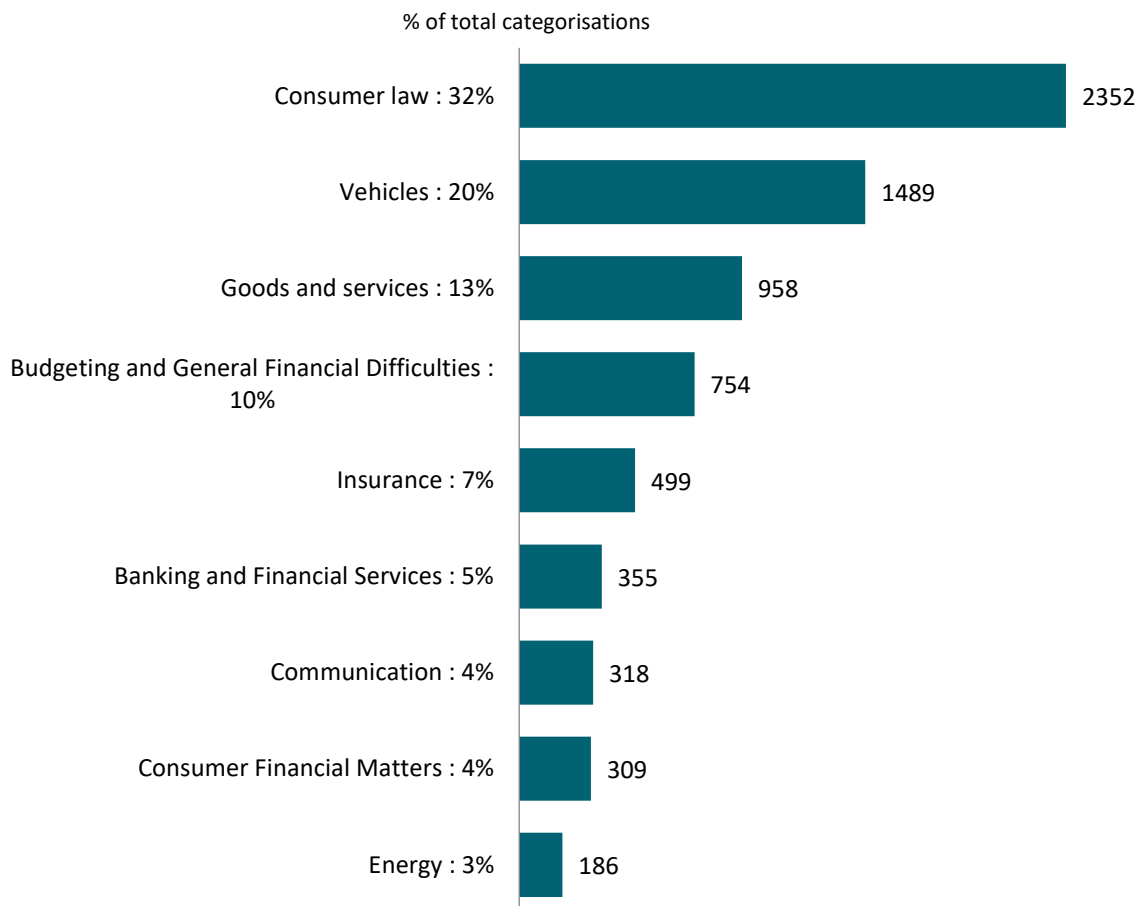
## Enquiries to Citizen’s Advice Bureau

Between 1 October and 31st December Citizen’s Advice Bureau received 6,447 consumer enquiries that were given 7,284 categorisations. The categorisations decreased by 3% compared to the previous quarter. Sixty-Six 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 two (assigned 2,352 times), making up 32% of all categorisations (figure 8). The next largest were ‘Vehicles’ (20%), ‘Goods and services’ (13%), and ‘Budgeting and general financial difficulties’ (10%).

Figure 8: CAB enquiry categorisations by aggregated category, Q2 2022/23FY



Base: Total categorisations (n=7,284)

### CHANGES SINCE LAST QUARTER

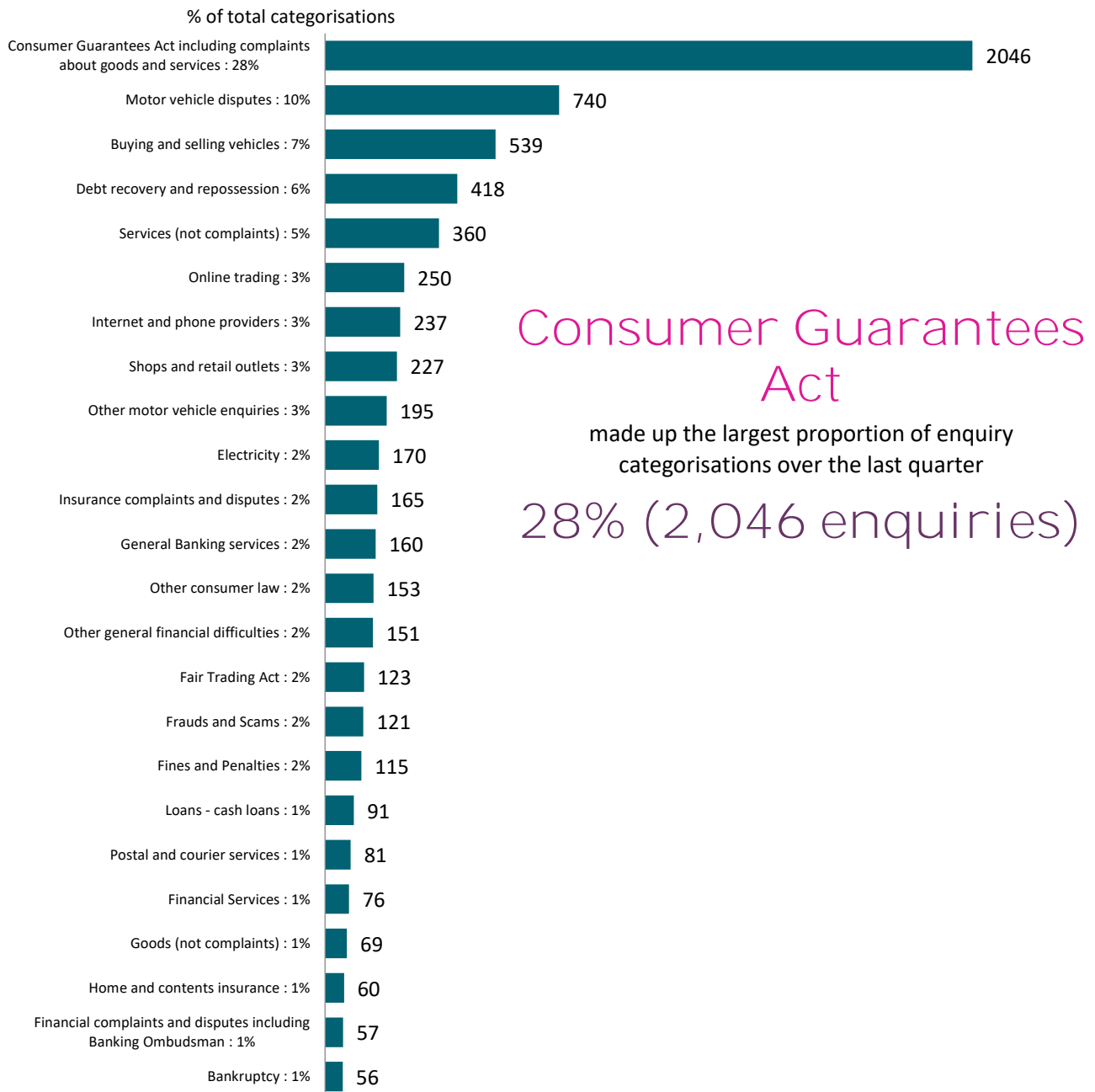
The total number of categorisations decreased by 3% over the last quarter from 7,531 to 7,284. All aggregated categories also experienced a decrease, except ‘Goods and Services’.

# Consumer Protection

## 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=2,046), ‘Motor vehicle disputes’ 10% (n=740), and ‘Buying and selling vehicles’ 7% (n=539).

Figure 9: CAB enquiry categorisations by detailed category, Q2 2022/23FY



Base: Total categorisations (n=7,248)

Note only categories of 50 or more are shown

## CHANGES SINCE LAST QUARTER

Almost all detailed categories experienced a decrease over the last quarter, ‘Consumer Guarantees Act including complaints about goods and services’ experienced the highest decrease (down 70).

## About this report

The purpose of this report is to provide the Consumer Protection Team, our Internal Consumer Fora partners, the Consumer Partnership Forum, 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<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.

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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

Ministry of Business, Innovation and Employment

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