

# Consumer Protection **Quarterly Report**

January – March 2022/23



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# Consumer Protection

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# Consumer Protection

This is Consumer Protection's quarter three report covering data from 1 January – 31 March 2023. 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

**9,323** consumer enquiries were received, an increase of 13% compared to the previous quarter at 8,215.

### Top enquiry sectors/areas

- Personal products
- Motor vehicle repair
- Motor vehicle sales
- Electronics goods and mobile phones
- Commercial goods and services

### Notable changes

- Total enquiries to the MBIE service centre increased by 33% this quarter in comparison to same time last financial year (increased by 2%)
- In this last quarter, we saw higher volume of enquiries and higher percentages increases across some sectors.
- 'Commercial goods and services and 'Motor vehicle sales' had the highest decrease 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 with all previous quarters indicating that it is an ongoing issue with goods and services consumers are purchasing in New Zealand.
- Potential FTA breaches were most likely to be noted in enquiries related to 'Insurance', 'Banking credit, or finance', and 'Internet landline phone services'
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Construction or trade services,' 'Health services' and 'Utility services'

### Purchase method

- Most enquiries to the MBIE service centre (67%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 24% of enquiries, lower than last quarter (26%).
- Online was more frequently noted as a purchase method for 'Accommodation or travel services', 'Entertainment,' and 'Postal, Courier and Freight Services' issues consistent with last quarter.
- The proportion of motor vehicle sales issues noted as being a private sale is 12% similar to the last two quarters.

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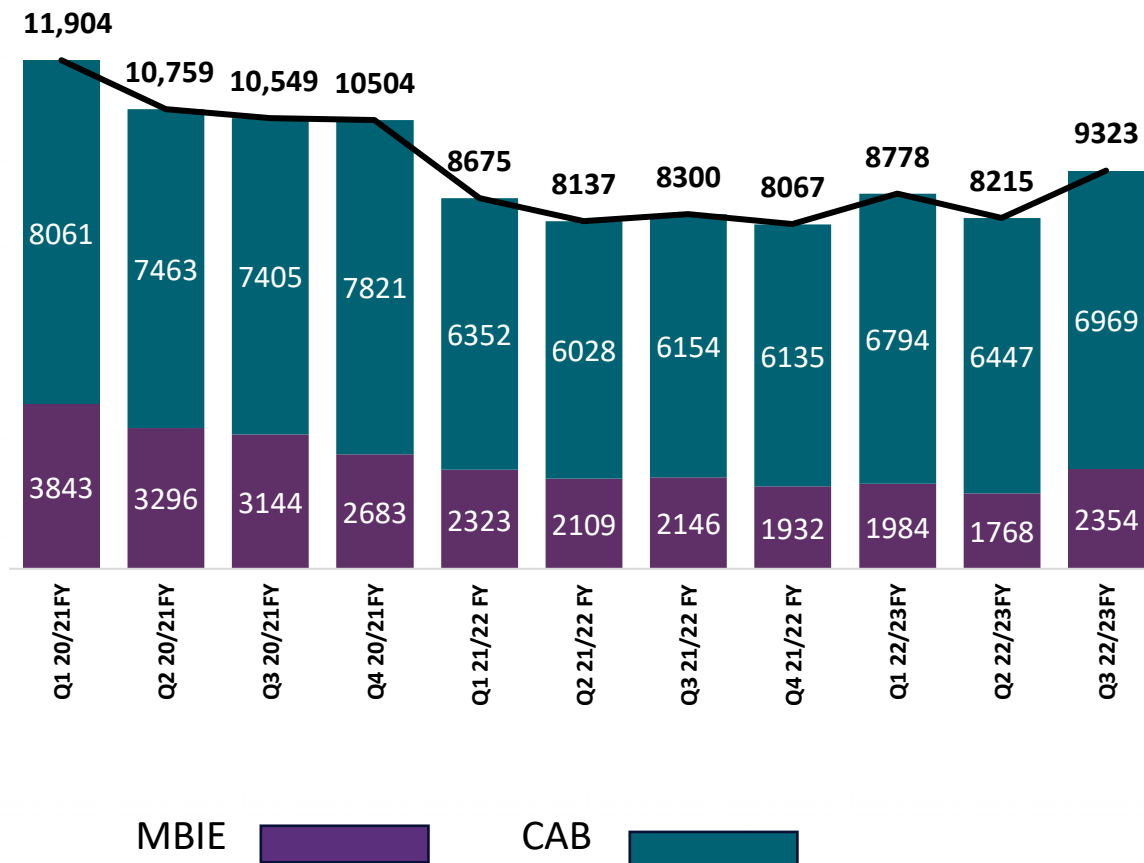
## Total enquiries

Between 1 January and 31st March **9,323** consumer enquiries were received by the MBIE service centre and Citizen's Advice Bureau (CAB). The number of enquiries increased by 13% compared to the previous quarter with a decrease of 6%.

### BREAKDOWN BY RECEIVING ORGANISATION

Figure 1 shows the number of enquiries received by each organization since Q1 20/21FY. In quarter two of this financial year, **9,323** enquiries<sup>1</sup> were received; this is a decrease from the previous quarter. Of the enquiries received this quarter 75% of them were through CAB.

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q2 2020/21FY to Q3 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=2).

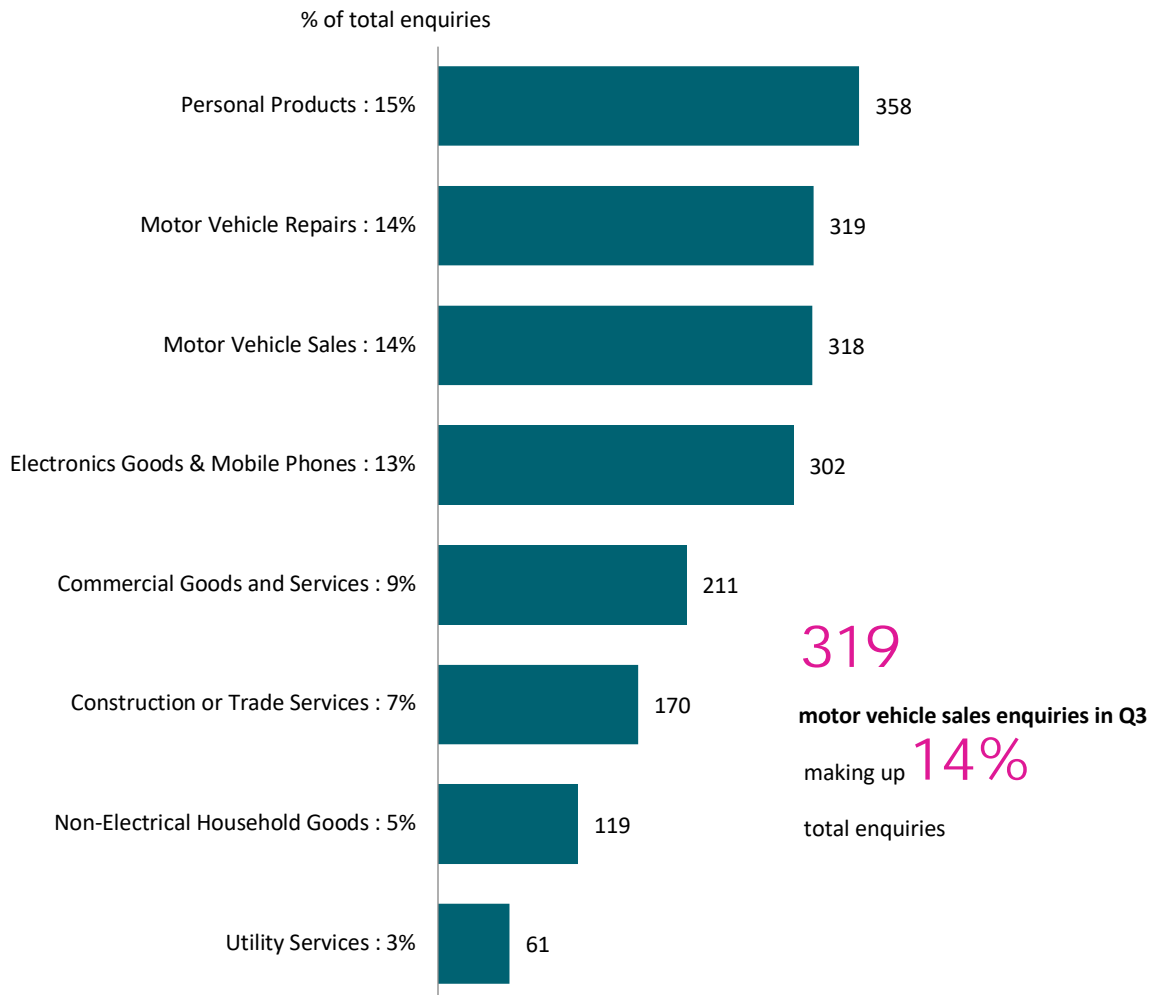
## Enquiries to MBIE

Between 1 January and 31st March, the MBIE service centre received 2,354 enquires, a 33% increase on the previous quarter (1,768). Forty five percent of all enquiries received related to personal products, motor vehicle sales, and electronics goods and services.

### BREAKDOWN BY SECTOR

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

Figure 2: Enquiries by sector, Q3 2022/23FY



Base: Total enquiries (n=2,352)

Note only categories receiving 2% or more enquiries are shown

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## CHANGES SINCE LAST QUARTER

The total number of enquiries to the MBIE service centre increased by 33% over the last quarter from 1,765 to 2,352.

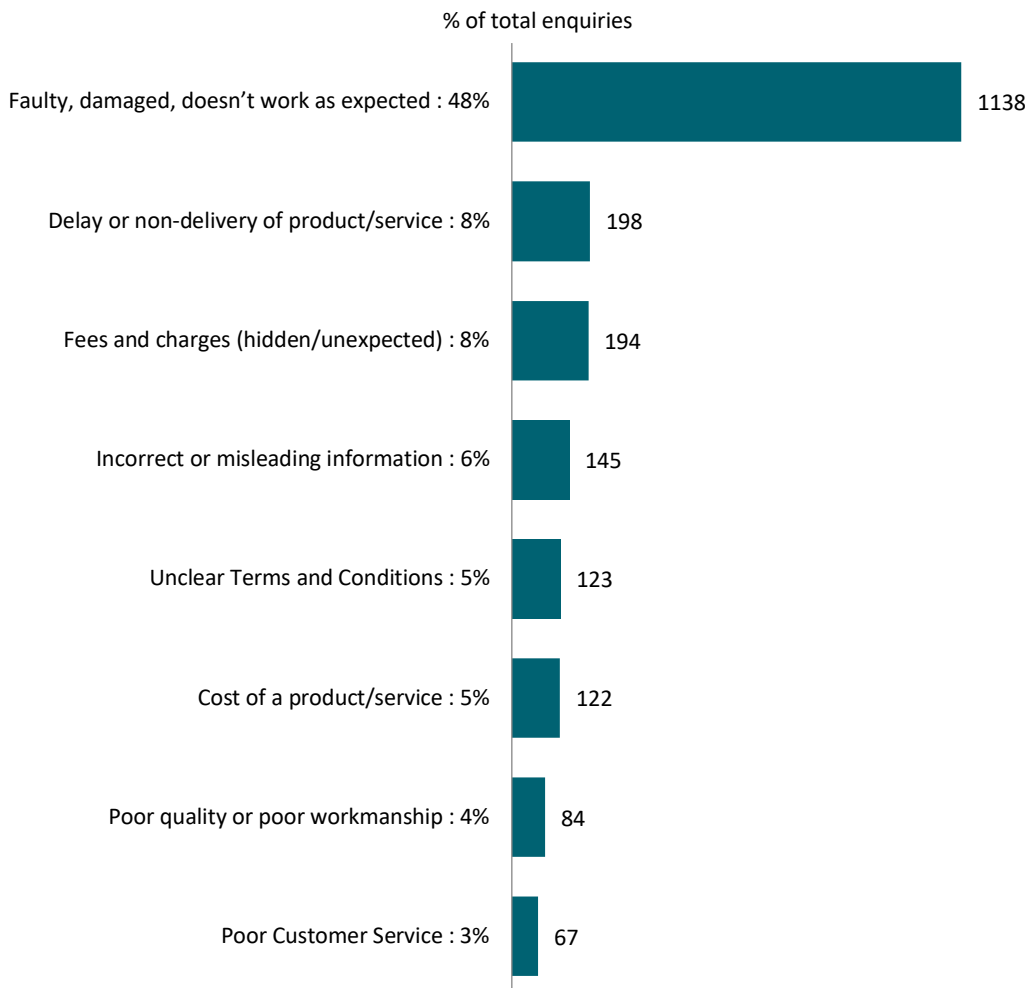
As with the last two quarters, top five enquiries to MBIE service centre have seen some shifts and, in this quarter, personal products have taken the top enquiry with motor vehicle and repairs second and third respectively.

Some sectors experienced an increase in enquiries this quarter 'Motor vehicle repairs (up 234) 'Personal products (up 108) and 'Electronics goods and services' (up 82).

## 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) like last quarter. Just over a quarter of enquiries (22%) 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, Q3 2022/23FY



Base: Total enquiries (n=2,349)

Note only issues receiving 50 or more enquiries are shown

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## CHANGES SINCE LAST QUARTER

Faulty, damaged, doesn't work as expected had over 1,138 enquiries making 48% of all issues reported in this quarter.

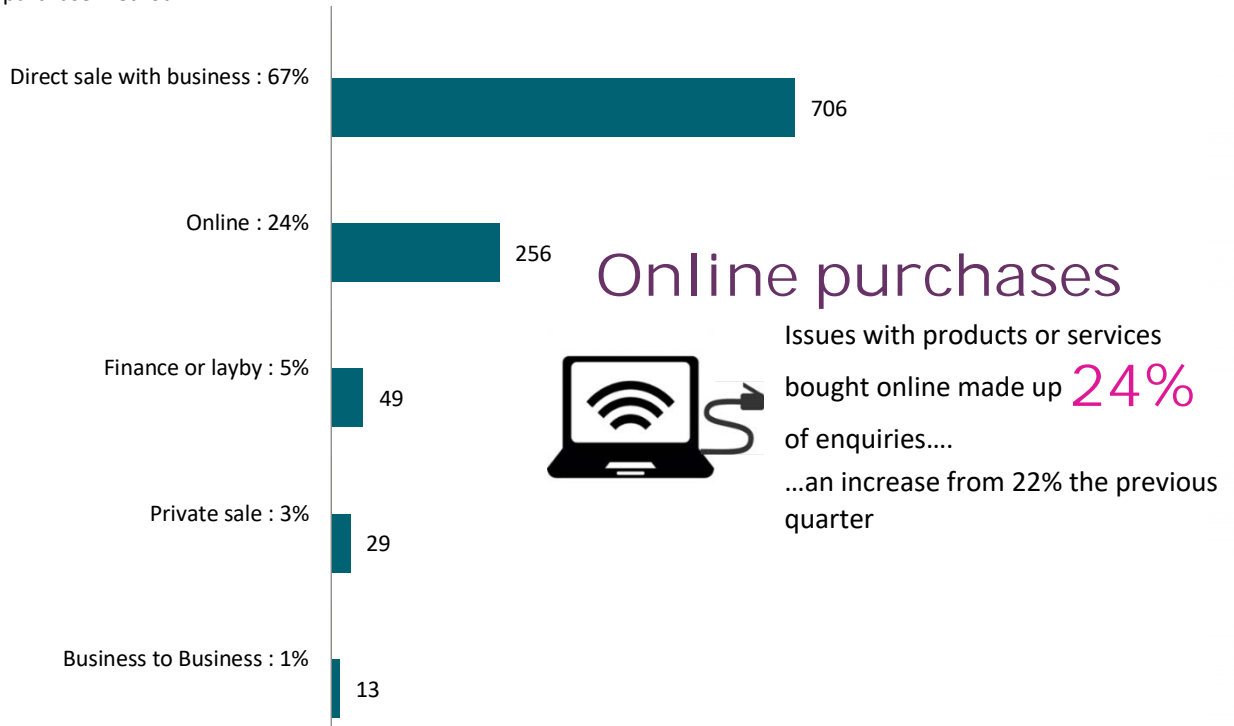
Delay or non-delivery of product/service', Fees and charges (hidden/unexpected), and Incorrect or misleading information,' and unclear terms and conditions remain top issues reported.

## BREAKDOWN BY PURCHASE METHOD

Consumer enquiries spanned all purchase channels,<sup>2</sup> although the majority (67%) was made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q3 2022/23FY

% of total enquiries reporting purchase method



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

Note only purchase methods with 50 or more enquiries are shown

## CHANGES SINCE LAST QUARTER

Issues with products/services bought online made up 24% of enquiries, those through finance agreement or layby made up 5%, up from 3% last quarter, private sales 3%, and business to business made up 1% down from 3% last quarter.

The proportion of enquiries related to direct sales decreased this quarter, from 60% last quarter to 67% this second quarter, that is a 7% increase indicating a spike in issues with direct purchases made by consumers.

<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.

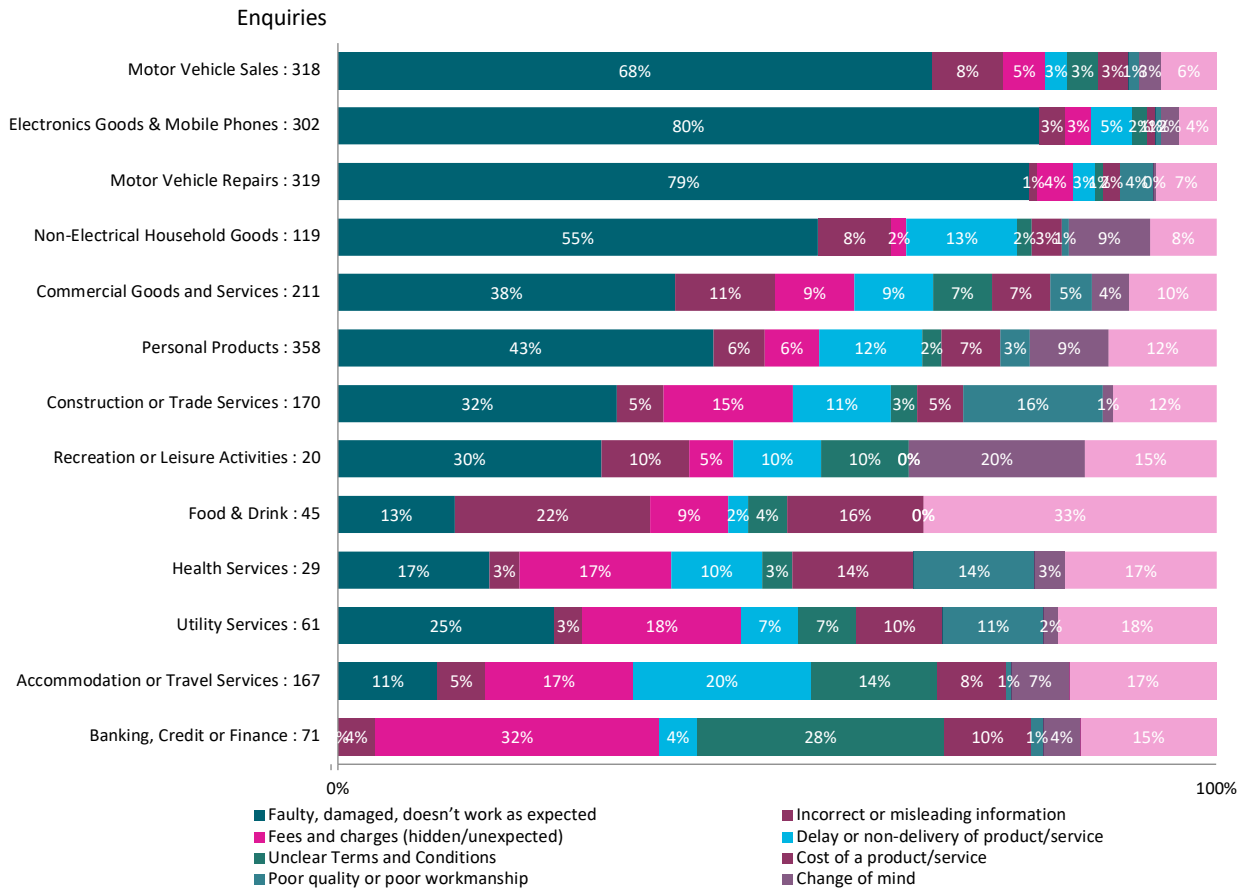


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## REPORTING BY SECTOR: ISSUE BREAKDOWN

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

Figure 5: Issue breakdown by sector, Q3 2022/23FY



Base: Total enquiries reporting reason for problem (n=2,352)

^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:

- Electronic goods & mobile phones, 80%
- Motor vehicle repairs, 79%
- Motor vehicle sales, 68%
- Non-Electrical household goods, 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, 70%
- Banking, Credit or Finance, 66%
- Internet/Landline Phone services, 50%
- Accommodation and travel services, 42%

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

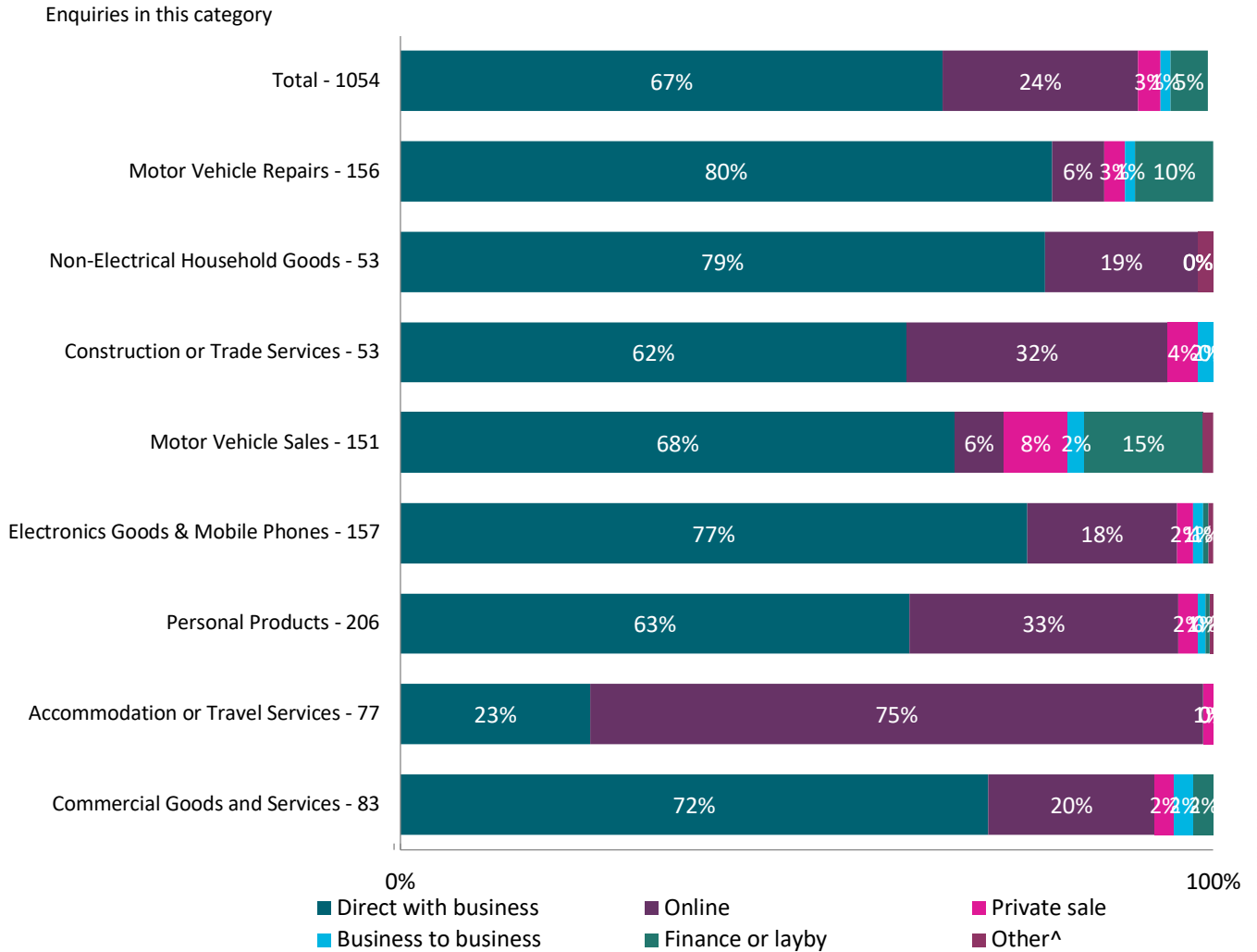
- Construction or trade services, 16%
- Health services, 14%
- Utility services, 11%
- Real estate and property management, 10%

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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 two.

Figure 6: Purchase method breakdown by sector, Q3 2022/23FY



Base: Total enquiries reporting purchase method (n=1,054)

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' 67%
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' (75%), 'Personal products' (33%), 'Construction or trade services' (32%), and 'Non-electrical household goods' (19%) 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 decreased to 8% in this quarter from 8% in the last quarter.

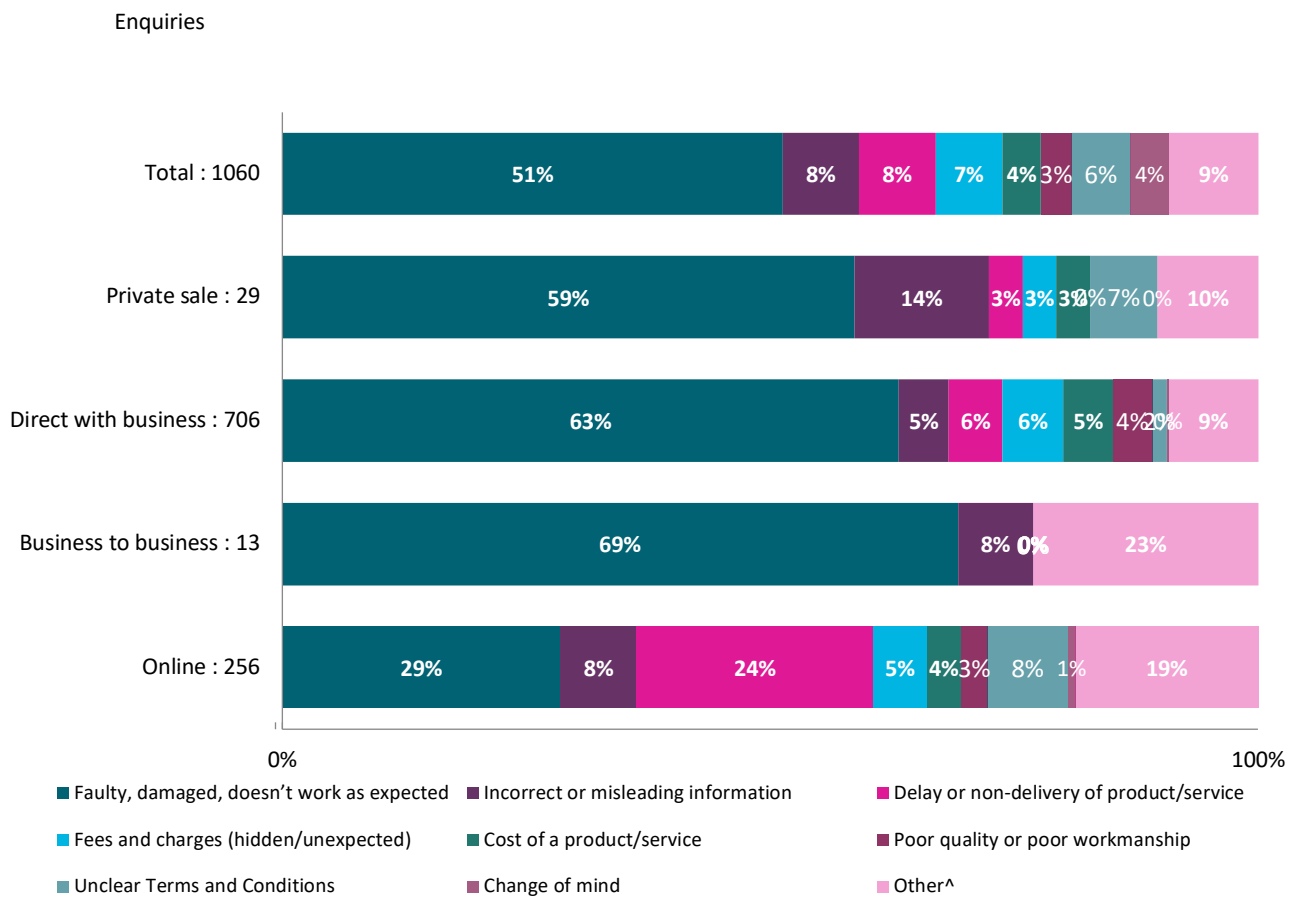
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## REPORTING BY PURCHASE METHOD: ISSUE BREAKDOWN

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

- 'Private sale' has the highest with 59% 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 'Incorrect or misleading information'.
- Purchases made online have a much broader spread of issues than direct sales, with 'delay or non-delivery', 'Incorrect or misleading information' (after 'faulty, damaged, doesn't work as expected')

Figure 7: Issue breakdown by purchase method, Q3 2022/23FY



Base: Total enquiries reporting purchase method (n=1,060)

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

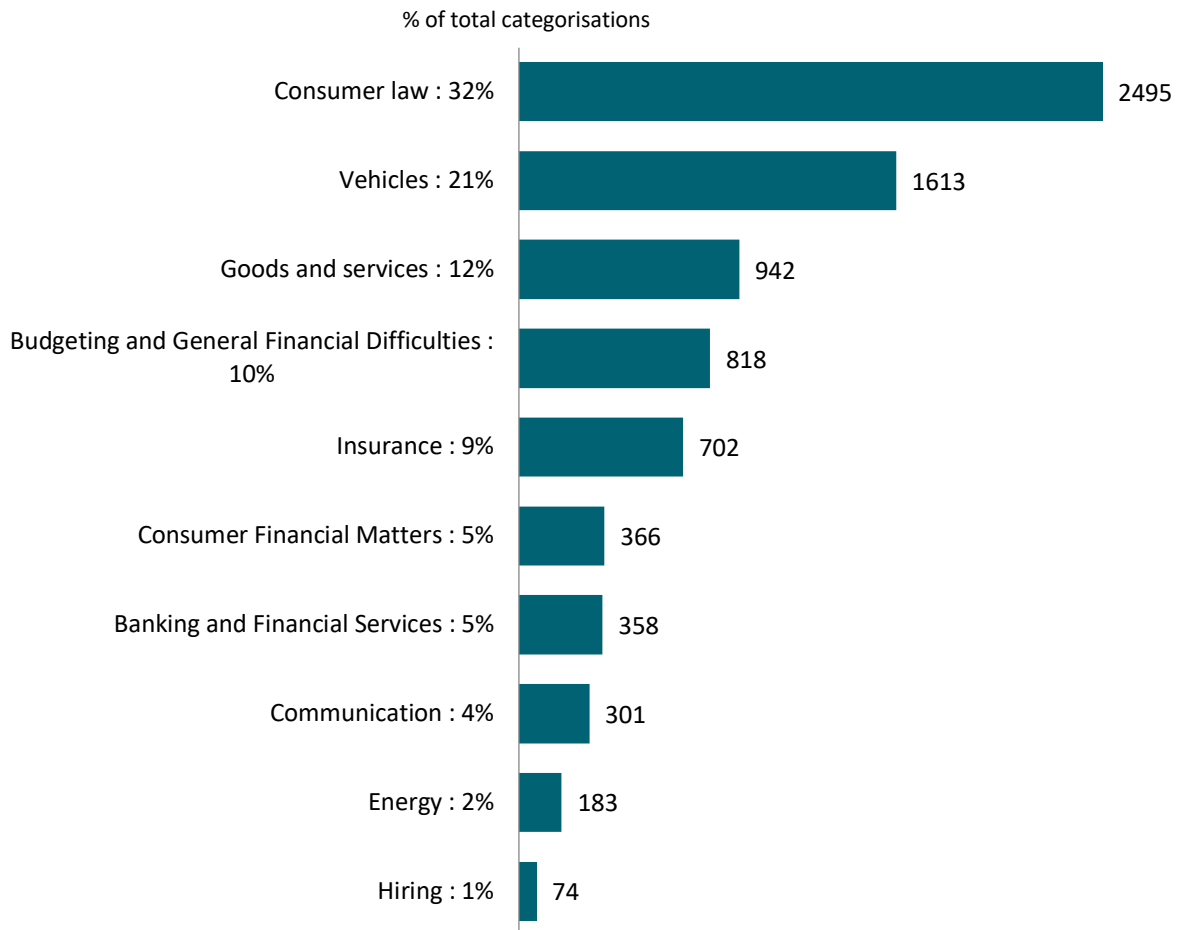
## Enquiries to Citizen’s Advice Bureau

Between 1 January and 31st March Citizen’s Advice Bureau received 6,969 consumer enquiries that were given 7,852 categorisations. The categorisations increased by 8% 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, however, 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 2,495 times), making up 32% of all categorisations (figure 8). The next largest were ‘Vehicles’ (21%), ‘Goods and services’ (12%), and ‘Budgeting and general financial difficulties’ (10%).

Figure 8: CAB enquiry categorisations by aggregated category, Q3 2022/23FY



Base: Total categorisations (n=7,852)

### CHANGES SINCE LAST QUARTER

The total number of categorisations increased by 8% over the last quarter from 7,284 to 7,852

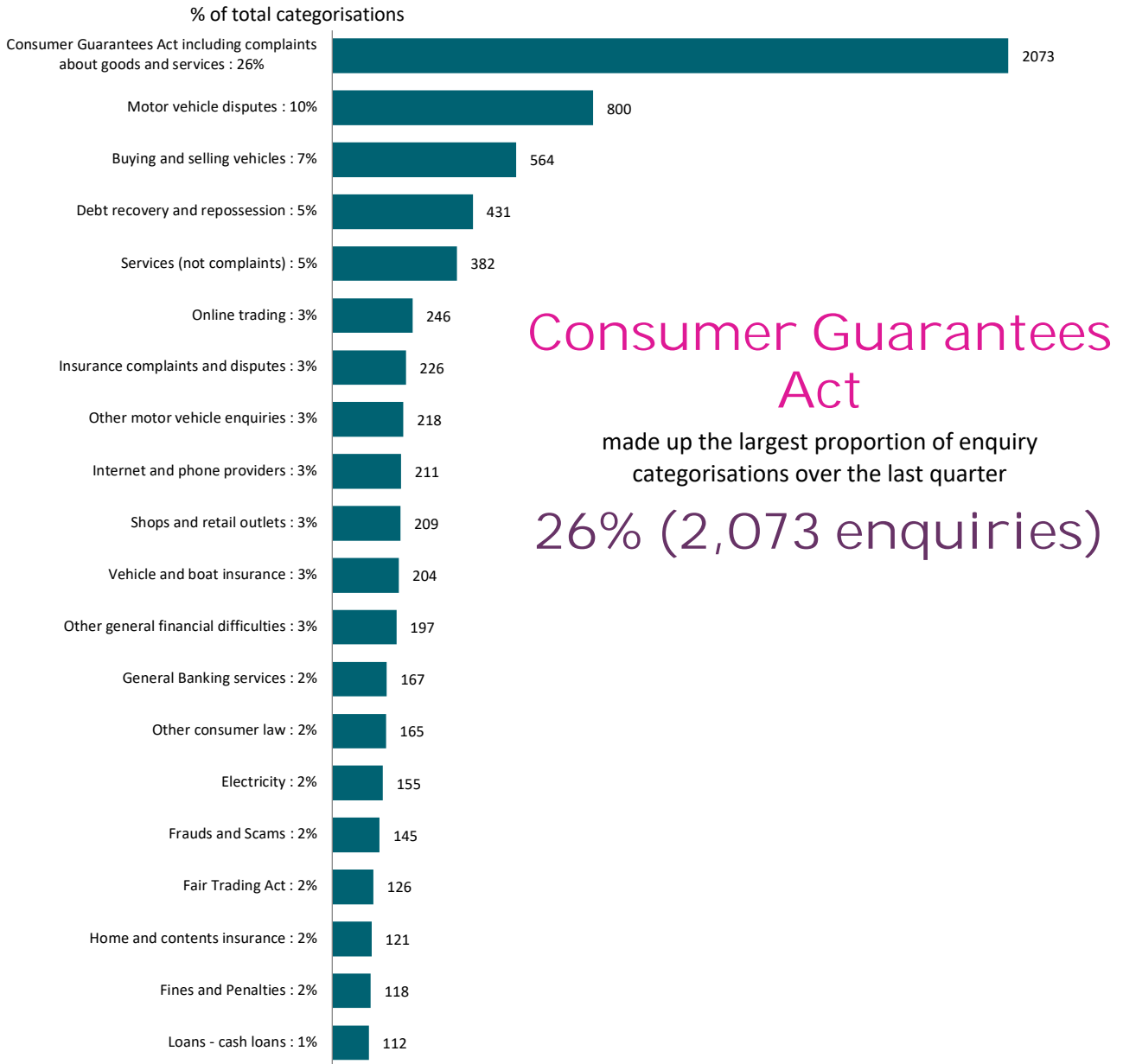
All aggregated categories also experienced slight increases, except ‘Goods and Services’, ‘Communication’, and ‘Energy’.

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## BREAKDOWN BY DETAILED CATEGORY

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter three. Enquiries categorised as ‘Consumer Guarantees Act including complaints about goods and services’ made up 26% of all enquiry categorisations (n=2,073), ‘Motor vehicle disputes’ 10% (n=800), and ‘Buying and selling vehicles’ 7% (n=564).

Figure 9: CAB enquiry categorisations by detailed category, Q3 2022/23FY



Base: Total categorisations (n=7,852)

Note only categories of 50 or more are shown

## CHANGES SINCE LAST QUARTER

Almost all detailed categories experienced an increase over the last quarter, ‘Home and content insurance’ ‘Insurance complaints and disputes’ had the highest increase (61) respectively.

## 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

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