

**Consumer
Protection**

New Zealand Consumer Survey 2018

SUMMARY FINDINGS



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

[New Zealand Government](http://www.govt.nz)

ISBN (online) 978-1-98-857047-1
May 2019

©Crown Copyright 2019

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders.

Summary of key findings

The Consumer Protection team (Consumer Protection), part of the Ministry of Business, Innovation and Employment (MBIE), provides information and education to New Zealanders about their consumer rights, how to make smart purchasing decisions, and how to confidently deal with problems if they arise.

In 2018, Consumer Protection commissioned a national survey of consumers to find out what New Zealanders know about their rights and their experiences of dealing with problems. Where possible, the survey findings are compared back to a baseline survey carried out in 2016. The findings of this research contribute to the ongoing assessment of the consumer regulatory system.

In total, 2,597 consumers aged 18 years or over completed the survey – a response rate of 19% – with the majority completing a paper questionnaire. Responses have been weighted to ensure the sample is representative of the New Zealand population.

Awareness that consumer rights and laws exist remains widespread, but there is mixed understanding of specific consumer laws and their application

Almost all consumers are aware that laws exist in New Zealand to protect basic consumer rights when purchasing products and services (consistent with 2016). Few consumers report knowing ‘a lot’ about their rights, but conversely few report knowing nothing. Knowledge of consumer laws is lowest for young consumers (those aged 18 – 26 years), consumers living in households with an annual income up to \$25,000, and those whose first language is not English.

When asked about specific laws, consumers report higher awareness and levels of understanding of the Consumer Guarantees Act (CGA) and the Fair Trading Act (FTA), compared to the Credit Contracts and Consumer Finance Act (CCCFA). These knowledge differences clearly played out when consumers were presented with scenarios designed to assess their knowledge of the application of certain aspects of these laws. Most consumers struggled on the application of the CCCFA, and although most consumers knew about their entitlement under the CGA if their purchase was faulty, knowledge was weaker in terms of the application of the CGA guarantees of reasonable time and price.

Consumers awareness of organisations that provide consumer information and advice or resolve disputes is relatively high, but few have used these services in the past two years

Most consumers are aware of at least one organisation (from a list of five) that provides consumer information and advice and two-thirds are aware of three or more. Consumers are more likely to be aware of, and have used, the Citizens Advice Bureau (CAB) and Consumer NZ services to seek consumer information and advice in the past two years.

Most consumers are also aware of at least one of the eight given dispute resolution services in New Zealand. Consumers have highest awareness of the Disputes Tribunal of New Zealand followed by the Banking Ombudsman Scheme. However, use of dispute resolution services is low. Consumers main reasons for not using these services relate to a lack of knowledge - ‘they did not know where to go/weren’t unaware of a dispute resolution service that would handle their problem’, or ‘they did not know enough about the process’.

Young consumers (those aged 18 – 26 years), consumers living in households with an annual income up to \$25,000, and those whose first language is not English tend to have lower awareness of organisations that provide consumer support or resolve disputes.

Consumers are generally trusting and confident when purchasing

Consumers are generally trusting of businesses and salespeople, and are confident that they have enough information about their rights when purchasing. Consumers with higher knowledge of consumer rights and laws are more likely to report higher levels of trust and confidence.

Three-quarters of consumers feel confident businesses will do the right thing and not try and mislead or cheat them. Around half trust the information given to them by salespeople at least ‘most of the time’ and around half are also confident they have enough information about their rights as a consumer when purchasing products or services. It may therefore be no surprise that consumers tend

to agree that New Zealand has adequate laws to protect consumers from being misled or cheated by business. Only around a tenth of consumers disagree with this, although a further quarter admits that they do not know.

There are some aspects of consumer knowledge, trust and confidence that are showing signs of weakening

Compared to 2016, there has been a decrease in the percentage of consumers that self-rate themselves as knowing at least a moderate amount about their rights as a consumer. Although trust in businesses remains high, consumers are becoming slightly more sceptical of the information salespeople provide. There has also been a decline in the percentage of consumers that agree that there is adequate access to services that help resolve disputes between consumers and businesses.

The weakening across these aspects has also had an impact on New Zealanders feelings towards consumer laws. Compared to 2016 fewer consumers agree that New Zealand has adequate laws to protect consumers from being misled or cheated by businesses. Consumers are also less likely to feel that these laws are adequately enforced.

Just over half of consumers experienced a problem with something they purchased in the past two years

Fifty-six percent of consumers experienced a problem with a purchase they made in the past two years. Home-based telecommunication services have the highest incidence of problems, followed by building repairs, renovations or maintenance on your home, and mobile telecommunication services.

The causes of problems, along with the value of the purchase and the reported impact on the consumers' everyday life tend to relate closely to the product or service category they belong to. Around half of consumers say their most recent consumer problem had a 'moderate' or 'severe' impact on their everyday lives. Consumers that experienced a problem related to motor vehicle sales (through a dealer) are most likely to say it had a 'severe' impact on their everyday lives. Consumers are also more likely than average to report that home-based telecommunications services, utility services, and insurance problems have at least a moderate impact on their everyday lives.

Around three-quarters of consumers took action to try and resolve their problem, but only half of these consumers reported reaching a satisfactory resolution

Seventy-two percent of consumers who experienced a problem in the past two years said they took steps to try and resolve their most recent issue. The most common step consumers took was to contact the business directly, for most this was the first thing they did. For those who chose not to take any action they were most likely to say they did not have time or they were unsure what action to take.

Three-quarters of consumers who take action are able to resolve their most recent problem, including 49% that are satisfied with the resolution and 25% that are unsatisfied. When considering all consumers who report problems, this represents only 35% of problems that are being resolved to the consumers' satisfaction.

Consumers with higher knowledge are more likely to take action to address their problems and are more likely to reach a satisfactory resolution. However, it should be noted that knowledge alone is not enough for a consumer to take action and see it through to a resolution. Other motivating and practical factors¹ also need to be present, and the combination of the factors required depends on the individual and the situation.

¹ Consumer Problems Survey 2017. Ministry of Business, Innovation and Employment.
<https://www.mbie.govt.nz/business-and-employment/consumer-protection/consumer-research-and-reports/consumer-guarantees-act-research/>

Contents

| | |
|--|----|
| Summary of key findings | 2 |
| Contents | 5 |
| New Zealand Consumer Survey 2018..... | 8 |
| MBIE worked alongside Colmar Brunton to update some aspects of the questionnaire | 8 |
| A nationally representative survey of New Zealand consumers was conducted late in 2018..... | 8 |
| Limitations include reliance on self-reported behaviour | 8 |
| 1. Awareness and knowledge of consumer rights and laws | 10 |
| Awareness that consumer rights and laws exist remains widespread, but self-reported knowledge has decreased..... | 10 |
| The declines in self-reported knowledge were largest among men and younger people..... | 11 |
| Consumers continue to report a high level of awareness of the CGA and FTA, but few say they have a good understanding of them..... | 12 |
| Consumers’ practical knowledge of their rights is good in some situations, but not others..... | 13 |
| Many consumers are uncertain of their rights in scenarios relating to the CCCFA | 13 |
| Knowledge of the CGA is mixed | 13 |
| Few consumers answer the FTA scenarios incorrectly..... | 13 |
| Many consumers falsely believe that the domain ‘.co.nz’ can only be used by New Zealand-based businesses..... | 13 |
| Most consumers answer between three and five of the ten scenarios correctly..... | 14 |
| Self-reported knowledge of consumer rights and laws is a moderately good predictor of tested knowledge | 15 |
| 2. Awareness, usage, and perceptions of consumer support and dispute resolution services | 17 |
| Consumers’ awareness of agencies that provide information on consumer rights and laws is relatively high, but few have used their services in the past two years | 17 |
| Most consumers are aware of the Disputes Tribunal of New Zealand, but half or less are aware of other dispute resolution services..... | 18 |
| A lack of knowledge is the main barrier to use of dispute resolution services..... | 18 |
| Fewer consumers feel that there is adequate access to services to resolve disputes than in 2016 . | 19 |
| Consumers are less convinced that consumer protection laws are adequately enforced compared to 2016..... | 20 |
| 3. Trust and confidence when purchasing | 22 |
| Consumers are generally trusting and confident when purchasing..... | 22 |
| Eighteen percent of consumers have a high level of trust and confidence | 23 |
| 4. Preparing to purchase | 26 |
| Most consumers seek extra information prior to purchase..... | 26 |
| Most consumers conduct research before making a purchase worth \$250..... | 27 |
| Forty-two percent of consumers entered a credit contract in the past two years..... | 27 |
| Consumers are generally confident entering into credit contracts | 28 |
| 5. Consumer problems – problem occurrence and characteristics..... | 31 |

| | |
|--|----|
| Just over half of consumers experienced a problem with something they purchased in the past two years | 31 |
| Seventeen percent of consumers report experiencing problems with purchases from multiple categories in the past two years..... | 32 |
| Home-based telecommunications services have the highest incidence of problems | 33 |
| Over a quarter of consumers say their most recent problem related to telecommunication services. | 34 |
| Issues with sellers' conduct contribute to about as many consumer problems as products or services themselves not being up to standard | 34 |
| Most consumers did research prior to the purchase with which their most recent problem occurred | 36 |
| Half of consumers say their most recent problem had a moderate or severe impact on their everyday lives | 36 |
| 6. Resolving consumer problems | 39 |
| Consistent with 2016, over two-thirds of consumers take action to resolve their problems | 39 |
| Most consumers who did not take action in relation to their problem faced a barrier | 40 |
| Most consumers who took action contacted the business to try and resolve their problem, and this tended to be the first thing they did | 41 |
| Half of consumers with a problem say their problem is resolved..... | 42 |
| Most problems are resolved directly with the business | 43 |
| Most consumers spend five hours or less resolving their problems..... | 44 |
| A third of consumers say their problems were easy to resolve, but equal numbers say they were not easy | 45 |
| 7. Problem sector summaries..... | 47 |
| Utility services | 48 |
| Mobile telecommunications services..... | 49 |
| Home-based telecommunications services..... | 50 |
| Insurance | 51 |
| Banking or financial products or service | 52 |
| Electronics, electrical appliances, or whiteware | 53 |
| Non-electrical household products | 54 |
| Motor vehicle (through a car dealer) | 55 |
| Motor vehicle repairs, servicing, or maintenance..... | 56 |
| Building repairs, renovations, or maintenance | 57 |
| Travel or holiday services | 58 |
| Clothing, footwear, or other personal products | 59 |
| Problem summary tables..... | 60 |
| Appendix A: Questionnaire | 68 |
| Appendix B: Methodology | 79 |
| Appendix C: Sample profile | 81 |

Table of figures

| | |
|--|----|
| Figure 1: Self-reported awareness and knowledge of consumer rights and laws | 11 |
| Figure 2: Self-reported awareness and understanding of consumer laws..... | 12 |
| Figure 3: Responses to consumer scenarios | 14 |
| Figure 4: Number of scenarios answered correctly | 15 |
| Figure 5: Self-reported knowledge of consumer rights and laws versus tested knowledge | 15 |
| Figure 6: Awareness and usage of organisations that provide consumer support and advice | 17 |
| Figure 7: Awareness of dispute resolution services | 18 |
| Figure 8: Reasons consumers did not use dispute resolution services | 19 |
| Figure 9: Agreement there is adequate access to dispute services | 20 |
| Figure 10: Agreement that consumer protection laws are adequately enforced | 20 |
| Figure 11: Agreement with trust and confidence statements | 22 |
| Figure 12: Frequency of trusting information provided by salespeople | 23 |
| Figure 13: Trust and confidence segments | 24 |
| Figure 14: Agreement with statements relating to purchase preparation | 26 |
| Figure 15: Research undertaken prior to a purchase of around \$250 | 27 |
| Figure 16: Percentage of consumers who made purchases which required them to sign an agreement | 28 |
| Figure 17: Agreement with statements regarding credit contracts..... | 29 |
| Figure 18: Proportion of consumers who experienced a problem in the past two years..... | 31 |
| Figure 19: Purchasing experiences in the past two years by product and service category..... | 32 |
| Figure 20: Problem incidence rate by product or service category | 33 |
| Figure 21: Most recent problem experienced by product or service category..... | 34 |
| Figure 22: Reasons for most recent problem | 35 |
| Figure 23: Amount of research prior to purchase with which a problem occurred..... | 36 |
| Figure 24: Impact of most recent problem on everyday life..... | 37 |
| Figure 25: Percentage of consumers who took action to resolve their problems | 39 |
| Figure 26: Reasons for not taking action..... | 40 |
| Figure 27: Actions consumers took to resolve their problems | 41 |
| Figure 28: Where consumers sought information or advice in relation to their problems | 42 |
| Figure 29: Problem resolution status | 42 |
| Figure 30: Ways in which problems were resolved..... | 43 |
| Figure 31: Time taken trying to resolve problems | 44 |
| Figure 32: Ease of resolving problems..... | 45 |
| Figure 33: Overview of problems with utility services | 48 |
| Figure 34: Overview of problems with mobile telecommunications services | 49 |
| Figure 35: Overview of problems with home-based telecommunications services | 50 |
| Figure 36: Overview of problems with insurance..... | 51 |
| Figure 37: Overview of problems with banking or financial products or services | 52 |
| Figure 38: Overview of problems with electronics, electrical appliances, or whiteware | 53 |
| Figure 39: Overview of problems with non-electrical household products..... | 54 |
| Figure 40: Overview of problems with motor vehicles (through a car dealer) | 55 |
| Figure 41: Overview of problems with motor vehicle repairs, servicing, or maintenance | 56 |
| Figure 42: Overview of problems with building repairs, renovations or maintenance | 57 |
| Figure 43: Overview of problems with travel / holiday services..... | 58 |
| Figure 44: Overview of problems with clothing, footwear, cosmetics, or other personal products | 59 |

New Zealand Consumer Survey 2018

The Consumer Protection team (Consumer Protection), part of the Ministry of Business, Innovation and Employment (MBIE), is responsible for informing and educating New Zealanders about their consumer rights, how to make smart purchasing decisions, and how to deal with any problems that may arise. Their goal is to develop and target consumer education to ensure that consumers have the awareness and understanding of key legislation to transact with confidence.

In 2016, Consumer Protection commissioned a national survey of consumers to find out what New Zealanders know about their rights and their experiences of dealing with problems. The survey was updated and repeated in 2018. In this report, the survey findings are compared back to the 2016 survey where possible to identify trends. The findings of this research contribute to work prioritisation and the ongoing assessment of the consumer regulatory system.²

MBIE worked alongside Colmar Brunton to update some aspects of the questionnaire

Colmar Brunton was commissioned to conduct the New Zealand Consumer Survey³ in collaboration with members of the Consumer Protection team and other stakeholders within the consumer regulatory system. In 2018, some changes were made to the questionnaire to reflect lessons from the initial 2016 baseline study. These changes were agreed with MBIE following a round of cognitive testing with members of the public. See Appendix A for the survey questionnaire.

As such, not all findings in this report are comparable to the 2016 baseline survey. Trends are only presented where they are deemed to be directly comparable.

A nationally representative survey of New Zealand consumers was conducted late in 2018

Colmar Brunton employed a primarily postal method. The Electoral Roll was used to identify a nationally representative sample of consumers aged 18 years and over. A total of 2,597 consumers responded to the survey and the overall response rate was 19%, slightly lower than in 2016 when a response rate of 23% was achieved. Responses have been weighted to ensure the sample is representative of the New Zealand population. All reported sub-group differences are significant at the 95% confidence level. A detailed explanation of the methodology is provided in Appendix B, and a sample profile in Appendix C.

Limitations include reliance on self-reported behaviour

The survey investigates broad awareness of consumer rights under relevant legislation and relies both on self-reported and assessed levels of understanding. When investigating consumer problems, respondents are asked to recall events and actions from the past two years in order to assess the frequency of problems and their resolution. Furthermore, there is no way to be certain whether a problem is caused by a breach of consumer legislation or not. Missing data has been excluded from all analysis, a further limitation of the postal survey method which relies on self-completion.

² The consumer regulatory system comprises the range of legislation (such as the Consumer Guarantees Act, 1993) and the organisations (such as the Commerce Commission) that play key roles in six areas: system strategy and policy; operational policy and standard setting; service delivery, including advice, education and information; dispute resolution; compliance and enforcement; and monitoring and evaluation.

³ The survey was renamed the “New Zealand Consumer Survey” in 2018 from “National Consumer Survey” following a round of testing with consumers.

1

Awareness and
knowledge of
consumer rights
and laws

1. Awareness and knowledge of consumer rights and laws

The New Zealand Consumer Survey investigates awareness and understanding of the following laws that protect consumers when purchasing products and services in New Zealand:

- The Fair Trading Act 1986 (FTA) sets rules for the conduct of businesses and provision of accurate information about products and services, and protects consumers from unsafe products.
- The Consumer Guarantees Act 1993 (CGA) sets minimum standards for goods and services, and provides remedies for consumers – such as repairs, replacements or refunds – when these standards are not met.
- The Credit Contracts and Consumer Finance Act 2003 (CCCFA) sets out the responsibilities of lenders in order to protect consumers when they borrow money or enter into a credit agreement.

Awareness that consumer rights and laws exist remains widespread, but self-reported knowledge has decreased

Almost all consumers (94%) are aware that New Zealand laws exist to protect basic consumer rights when purchasing products and services (see Figure 1). Awareness is consistent with 2016, when 96% of consumers were aware.

Awareness is higher than average among those living in high income households; 99% of consumers who have a household income over \$150,000 are aware.

The following groups are less likely than the average (94%) to be aware of the laws:

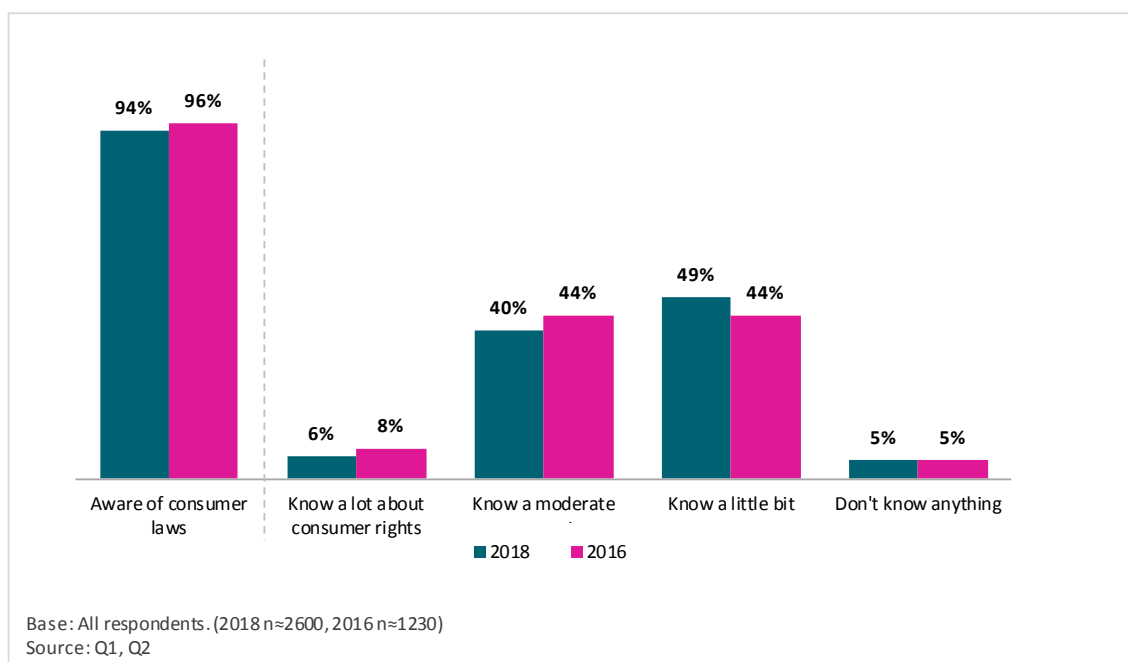
- Pacific Peoples (79%)
- those who do not speak English as their main language (80%)
- those living in households with an annual income up to \$25,000 (85%)
- those aged 18 – 26 years (88%).

Despite the high level of awareness of consumer rights and laws, less than half of consumers (46%) feel they know at least a moderate amount about them (see Figure 1). This is lower than in 2016, when 51% of consumers said they knew at least a moderate amount. More than half (54%) of consumers report knowing only ‘a little’ or nothing about their rights (up from 49% in 2016).

The following groups are more likely than average (54%) to report knowing nothing or a little bit about their consumer rights:

- those aged 18 – 26 years (73%)
- those currently studying (73%)
- those who mainly speak a language other than English (68%)
- those living in households earning up to \$25,000 annually (66%)
- Asian (64%)
- Māori (62%)
- those whose highest education level is secondary school (59%).

Figure 1: Self-reported awareness and knowledge of consumer rights and laws



The declines in self-reported knowledge were largest among men and younger people

The decreases in self-reported knowledge are not uniform across demographic groups.

There is a distinct gender difference; the proportion of men who report knowing ‘a lot’ or ‘a moderate amount’ about consumer rights and laws fell from 57% in 2016 to 47% in 2018. Their knowledge is now in line with women, among whom the proportion rating their knowledge highly is 45%, consistent with 2016.

Self-reported knowledge also decreased among younger consumers. There were sizable declines in self-reported knowledge among:

- those aged 18 – 26 years (27% said they know at least a moderate amount about consumer rights and laws, down from 38% in 2016)
- those aged 27 – 36 years (39%, down from 53% in 2016)
- those aged 37 – 46 years (42%, down from 52% in 2016).

Conversely, knowledge remained stable from 2016 among those aged 47 and over.

Consumers continue to report a high level of awareness of the CGA and FTA, but few say they have a good understanding of them

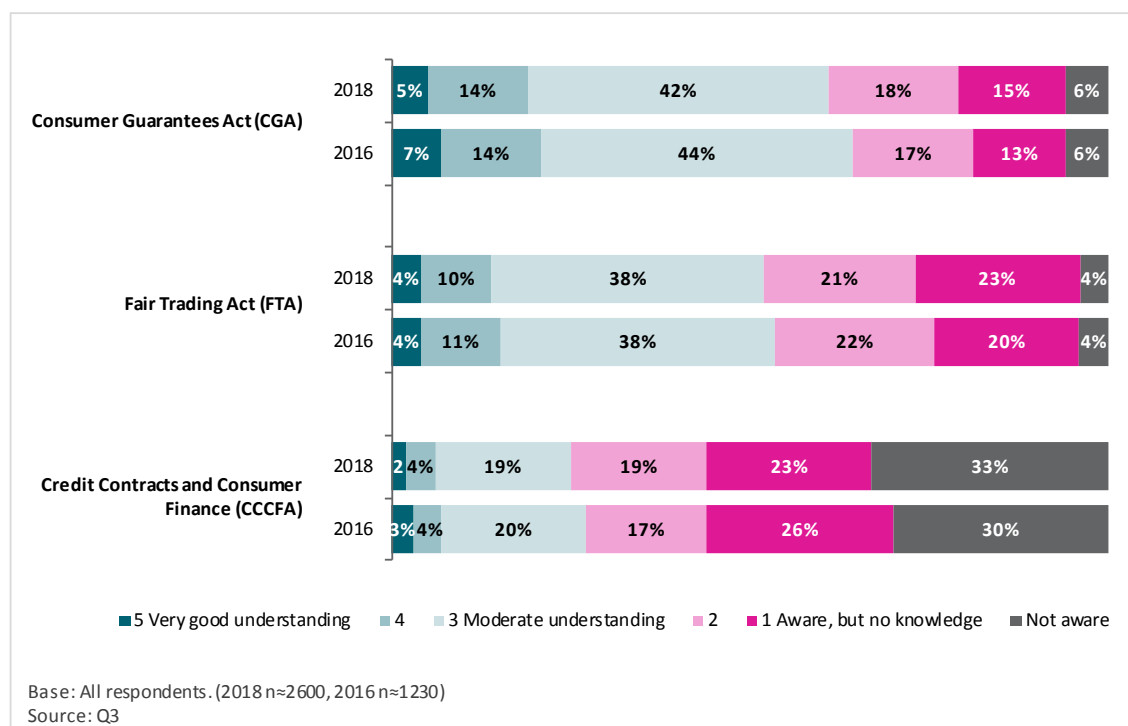
When asked about specific consumer laws, consumers are most likely to be aware of the CGA and FTA (94% and 96% are aware respectively, see Figure 2). This is consistent with 2016, when 95% of consumers were aware of the CGA and 96% were aware of the FTA.

Awareness of the CCCFA is lower. Two thirds (67%) of consumers are aware of this act, in line with 2016 (70%).

However, knowledge of each of these acts is low (see Figure 2). Consumers rated their knowledge of each act on a scale of 1 to 5, where '1' means 'I have heard of this law, but I don't know what it means', '3' means 'I have a moderate understanding of this law', and '5' means 'I have a very good understanding of this law. Consumers could also select 'I have never heard of this law before' if they were unaware. The following proportions of consumers rated their knowledge of each act '4' or '5', indicating they have a good understanding:

- 19% for the CGA (in line with 21% in 2016)
- 14% for the FTA (in line with 15% in 2016)
- 6% for the CCCFA (in line with 7% in 2016).

Figure 2: Self-reported awareness and understanding of consumer laws



The following groups are more likely than average (32%) to have little understanding (rating '1' or '2' out of 5) of the CGA:

- those aged 18 – 26 years (52%)
- Asian (46%)
- those currently studying (45%)
- those who do not speak English as their main language (43%).

The following groups are more likely than average (44%) to have little understanding (rating '1' or '2' out of 5) of the FTA:

- those aged 18 – 26 years (58%)
- those currently studying (56%).

Self-reported knowledge of the CCCFA is similar across demographic groups.

Consumers' practical knowledge of their rights is good in some situations, but not others

Consumers were presented with ten scenarios they might face when purchasing products or services and were asked to identify whether the scenario was true or false, according to their consumer rights. These questions were designed to assess practical knowledge, in contrast to the questions asking about perceived understanding of the rights set out by consumer legislation (see all results in Figure 3).

Many consumers are uncertain of their rights in scenarios relating to the CCCFA

Consumers have low practical knowledge of the applications of the CCCFA, with high proportions admitting that they don't know the correct answer. Fewer than a third of consumers answered each of the scenarios relating to the CCCFA correctly. Just 8% knew that when buying a car on credit from a dealer, the dealer doesn't have up to five working days to provide all the necessary information related to the contract. The dealer must provide this at the time of purchase.

Knowledge of the CGA is mixed

The obligation of sellers to refund, repair, or replace faulty items is well-known amongst consumers. However, the applicability of the CGA in conjunction with manufacturer warranties remains a source of confusion. This is also true of the guarantee that products and services will be charged at a reasonable price; just 19% answer a scenario about exorbitant rates correctly.

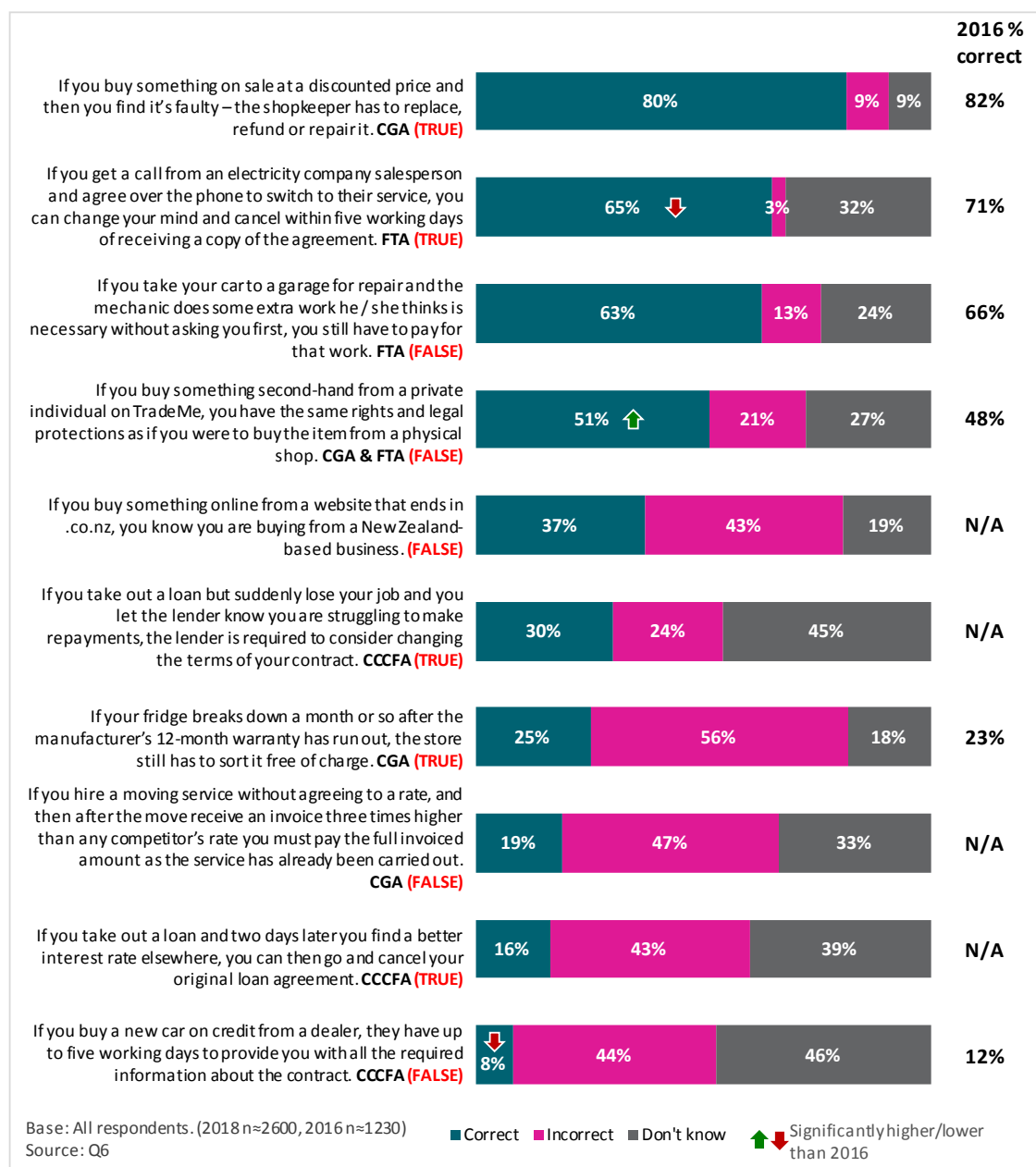
Few consumers answer the FTA scenarios incorrectly

Around two-thirds of consumers answered the FTA scenarios correctly. Of the remaining consumer most were likely to admit that they did not know the correct answer, rather than answer incorrectly.

Many consumers falsely believe that the domain '.co.nz' can only be used by New Zealand-based businesses

Forty-three percent of consumers believe that only New Zealand-based sellers can use a '.co.nz' domain. On balance, they are more likely to hold this incorrect belief than they are to know this is not the case. Nineteen percent of consumers admit they don't know the correct answer.

Figure 3: Responses to consumer scenarios



Most consumers answer between three and five of the ten scenarios correctly

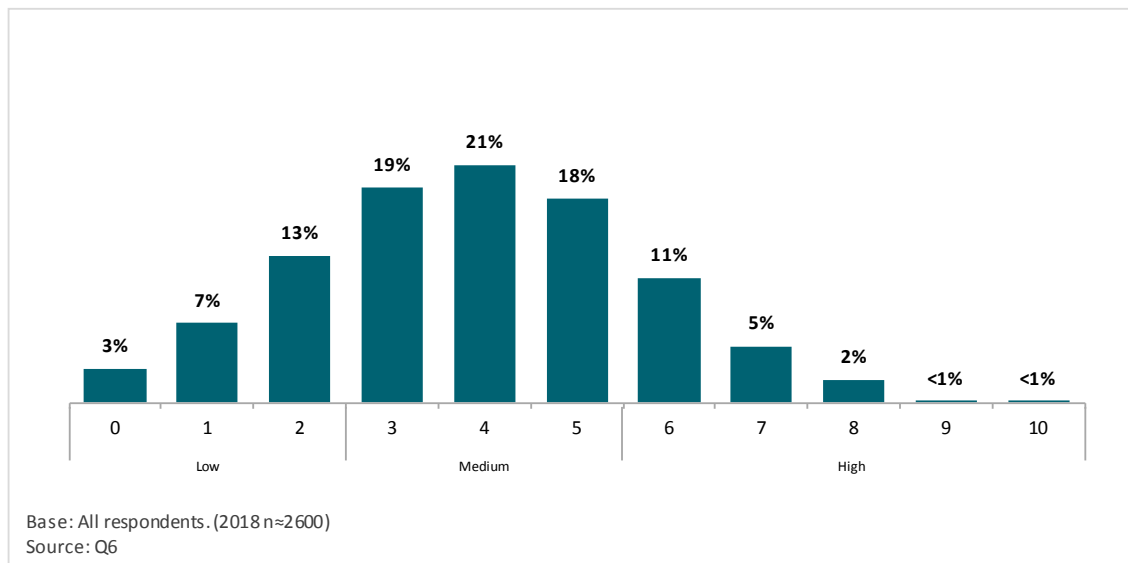
More than half (58%) of consumers answer between three and five of the ten scenarios correctly (see Figure 4). About a quarter (23%) have a low level of knowledge, answering two or fewer scenarios correctly. At the other end of the spectrum, 19% answer six or more correctly.

The following groups are more likely than the average (23%) to have a low score (answering two or fewer scenarios correctly):

- those whose main occupation is looking after family (37%)
- those who are currently studying (35%)
- those aged 18 – 26 years (33%)
- those who identify with 'other' ethnic groups (32%)
- those whose highest education level is secondary school (28%).

Among the six scenarios that are directly comparable with the 2016 survey, knowledge is similar. On average, consumers answered 2.9 of the six scenarios correctly in 2016 and 3.0 in 2018.

Figure 4: Number of scenarios answered correctly



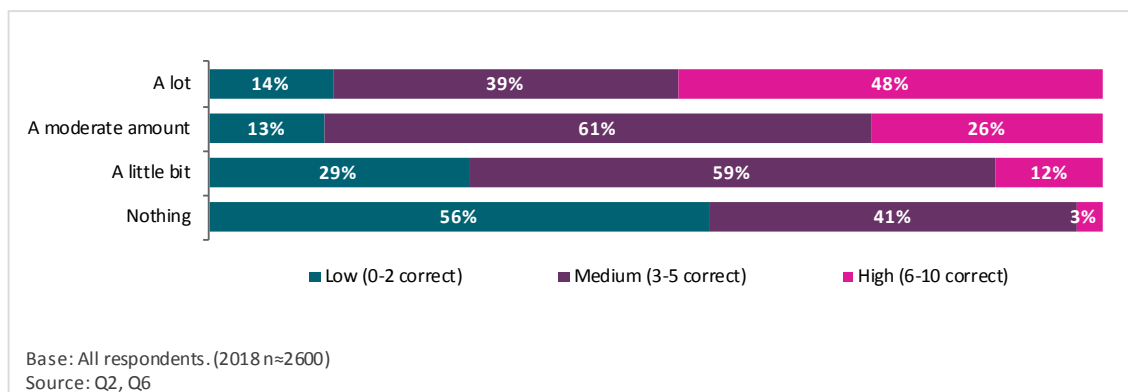
Self-reported knowledge of consumer rights and laws is a moderately good predictor of tested knowledge

Those who say they know ‘a lot’ about consumer rights and laws are most likely to score highly across the ten scenarios (48% answer six or more of the ten scenarios correctly), whereas those who say they know nothing are least likely (just 3% answer six or more correctly, see Figure 5).

However, many consumers who think they know a lot about their rights, answer up to five of the ten scenarios incorrectly (or admit they don’t know). Thirty-nine percent of those who say they know ‘a lot’, have only a medium level of tested knowledge, whilst 14% have a low level of tested knowledge.

Conversely, four in ten (41%) of those who say they know ‘nothing’ actually have a medium level of knowledge (41% answer three to five scenarios correctly). Although, it’s possible they have guessed correct answers at some scenarios.

Figure 5: Self-reported knowledge of consumer rights and laws versus tested knowledge



2

Awareness, usage,
and perceptions of
consumer support
and dispute
resolution services

2. Awareness, usage, and perceptions of consumer support and dispute resolution services

Consumers were asked about five organisations that provide information on consumer rights and laws. They were asked whether they are aware of each organisation, and whether they had used each organisation's services in the past two years.

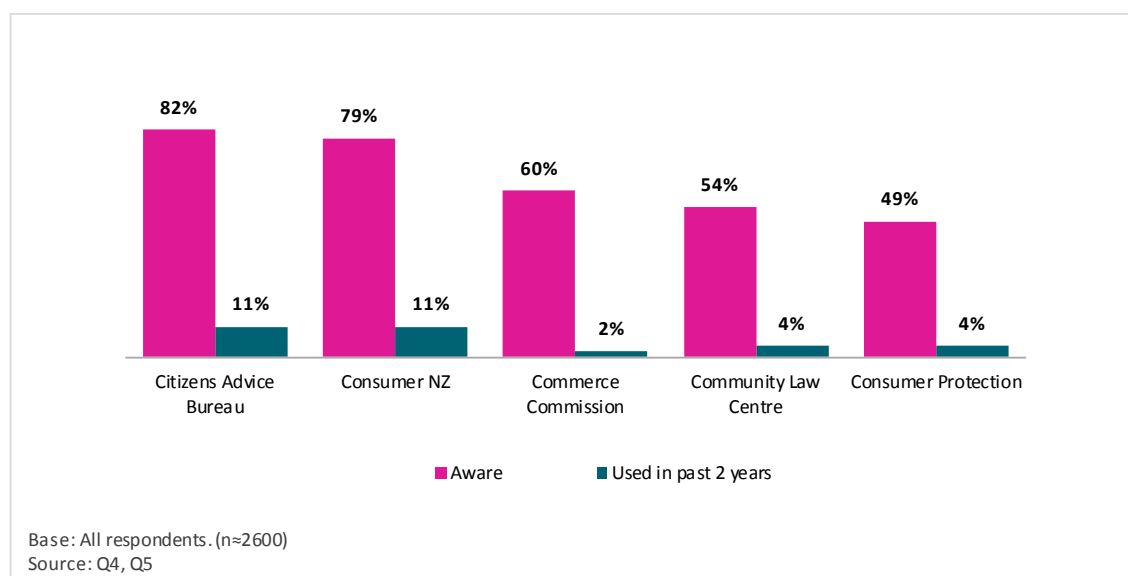
Consumers' awareness of agencies that provide information on consumer rights and laws is relatively high, but few have used their services in the past two years

Consumers are most likely to be aware of the Citizens Advice Bureau (CAB) and Consumer NZ (82% and 79% are aware respectively, see Figure 6). Half (49%) of consumers have heard of Consumer Protection.

Nearly all consumers (93%) are aware of at least one of the agencies, whilst 69% are aware of three or more.

However, few consumers have approached these agencies in the past two years (see Figure 6). One in ten (11%) consumers had either sought information from the CAB or Consumer NZ, whilst less than 5% had approached Consumer Protection, a Community Law Centre (CLC), or the Commerce Commission.

Figure 6: Awareness and usage of organisations that provide consumer support and advice



The following groups are generally less likely than average to be aware of consumer service agencies:

- those aged 18 – 36 years (e.g. 66% aware of CAB compared with 82%; 40% aware of Community Law Centres compared with 54%)
- those living in households earning up to \$25,000 annually (e.g. 49% aware of Commerce Commission compared with 60%)
- those currently studying (e.g. 67% aware of Consumer NZ compared with 79%; 39% aware of Community Law Centres compared with 54%)
- those who do not speak English as their main language (e.g. 54% aware of CAB compared with 82%; 28% aware of community law centres compared with 54%).

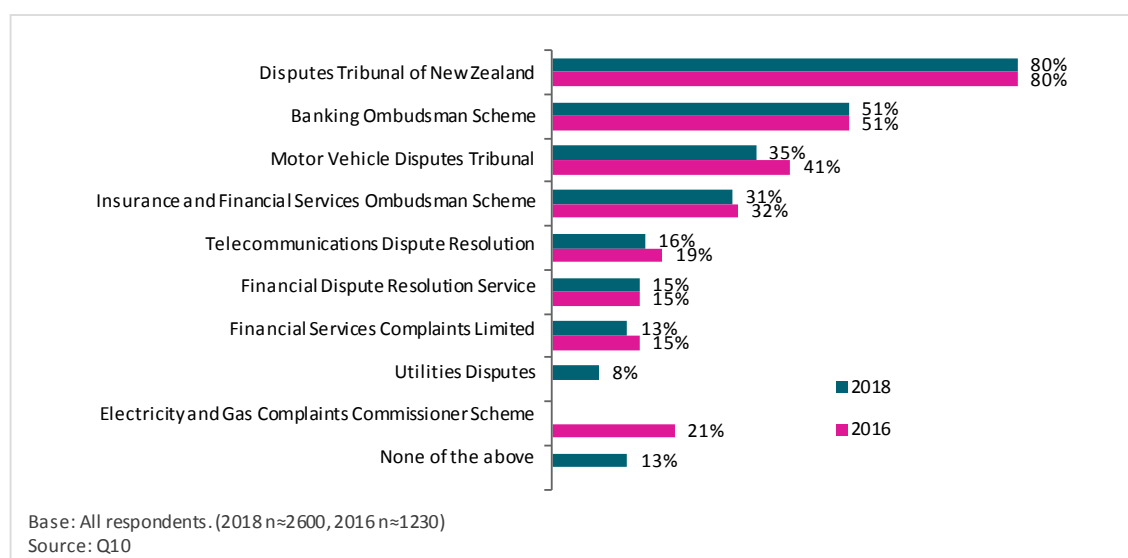
Most consumers are aware of the Disputes Tribunal of New Zealand, but half or less are aware of other dispute resolution services

Consumers have access to over 50 dispute resolution services⁴ in New Zealand. Consumers were asked about their awareness of eight organisations that can help them to resolve disputes with businesses (see Figure 7).⁵

Awareness of the various dispute resolution services is largely consistent with 2016. Eighty-seven per cent of consumers are aware of at least one dispute resolution service, whilst 42% are aware of at least three.

There is high awareness of the Disputes Tribunal of New Zealand (80% are aware), and over half (51%) are aware of the Banking Ombudsman Scheme. There is lower awareness of all other listed dispute services and 13% of consumers reported not being aware of any.⁶

Figure 7: Awareness of dispute resolution services



The following groups are more likely than average (39%) to have low awareness of dispute resolution services (0 or 1):

- those living in households earning up to \$25,000 annually (47%)
- those aged 18 – 36 years (58%)
- Asian (63%)
- those currently studying (72%).

A lack of knowledge is the main barrier to use of dispute resolution services

In reference to problems consumers experienced recently (see Sections 5 and 6), we asked consumers who took action to try and resolve their most recent problem whether they had contacted a dispute resolution service at any point during the process and of those consumers who did not resolve their

⁴ See the Consumer Protection website for more information on resolving problems <https://www.consumerprotection.govt.nz/report-or-resolve-a-problem/>

⁵ The eight dispute resolution services selected deal with some of the more common consumer complaints.

⁶ The Electricity and Gas Complaints Commissioner Scheme was renamed to “Utilities Disputes” in late 2016. The figure for “None of the above” is therefore not directly comparable.

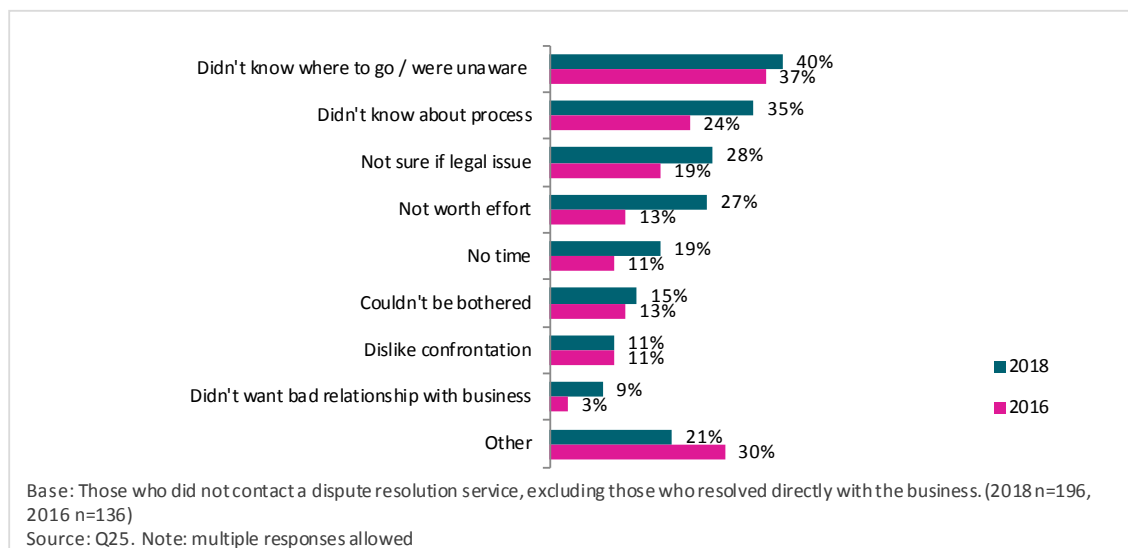
problem directly with the business and did not contact a dispute resolution service why they did not contact a dispute resolution service.

Of consumers who took action to resolve their problem, only 5% said they went to a dispute resolution service at any point during the process, and only 1% said their problem was resolved through one. In addition, a further 23% of those who had taken action, failed to find a resolution through the business, yet still did not approach a dispute resolution service.

Although the majority of consumers say they are aware of dispute resolution services (see Figure 7), consumers with problems who didn't contact a dispute resolution service report that a lack of knowledge is the main barrier (see Figure 8):

- 40% said they didn't know where to go or were unaware of a dispute resolution service that would handle their problem.
- 35% said they didn't know enough about the process.
- 28% said they felt there was a problem but didn't know whether the business had done anything illegal.

Figure 8: Reasons consumers did not use dispute resolution services



Fewer consumers feel that there is adequate access to services to resolve disputes than in 2016

Forty-four per cent of consumers agree that there is adequate access to services that help resolve disputes between consumers and businesses (down from 49% in 2016, see Figure 9).

There is an age divide when it comes to agreement on the adequacy of access to dispute resolution services.

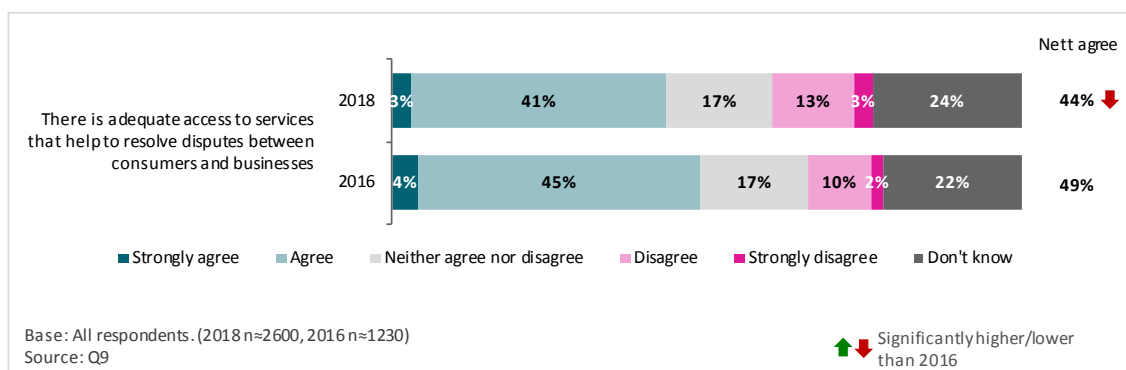
Those more likely than average (44%) to agree that access is adequate include:

- those aged 67 years and over (55%)
- those in retirement (54%).

Those more likely to disagree that access is adequate include:

- those who experienced a consumer problem in the past two years (19% compared to 10% of those who did not experience a problem)
- those whose main language is English (16% compared to 10% among those who do not speak English as their main language).

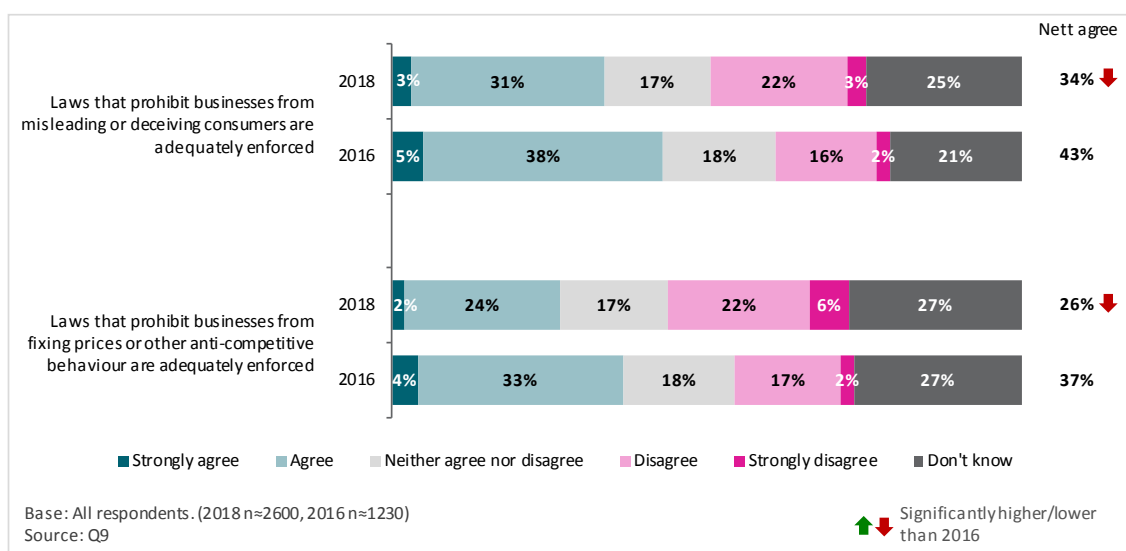
Figure 9: Agreement there is adequate access to dispute services



Consumers are less convinced that consumer protection laws are adequately enforced compared to 2016

Consumers have less confidence in the enforcement of consumer laws compared to 2016 (see Figure 10). The proportion who agree that the laws that prohibit businesses from misleading or deceiving consumers are adequately enforced has declined to 34% from 43% in 2016. Additionally, fewer consumers feel that laws that prohibit businesses from price-fixing, or engaging in other anti-competitive behaviours, are adequately enforced (26%, down from 37%).

Figure 10: Agreement that consumer protection laws are adequately enforces



Asian consumers are more likely than average to agree that the laws that prohibit businesses from misleading or deceiving consumers are adequately enforced (46% compared with 34%). They are also more likely to agree that the laws that prohibit anti-competitive behaviour are adequately enforced (40% compared with 26%).

Those more likely than average (29%) to disagree that laws that prohibit anti-competitive behaviour are adequately enforced include:

- those who experienced a consumer problem in the past two years (35% compared to 21% of those who did not experience a problem)
- men (35% compared with 23% of women)
- those aged 67 years and over (33%).

Consumers aged 18 – 26 years are more likely than average to answer ‘don’t know’ (38% compared with 27%), whilst women are more likely than men to answer ‘don’t know’ (34% compared with 20%).

3

Trust and confidence
when purchasing

3. Trust and confidence when purchasing

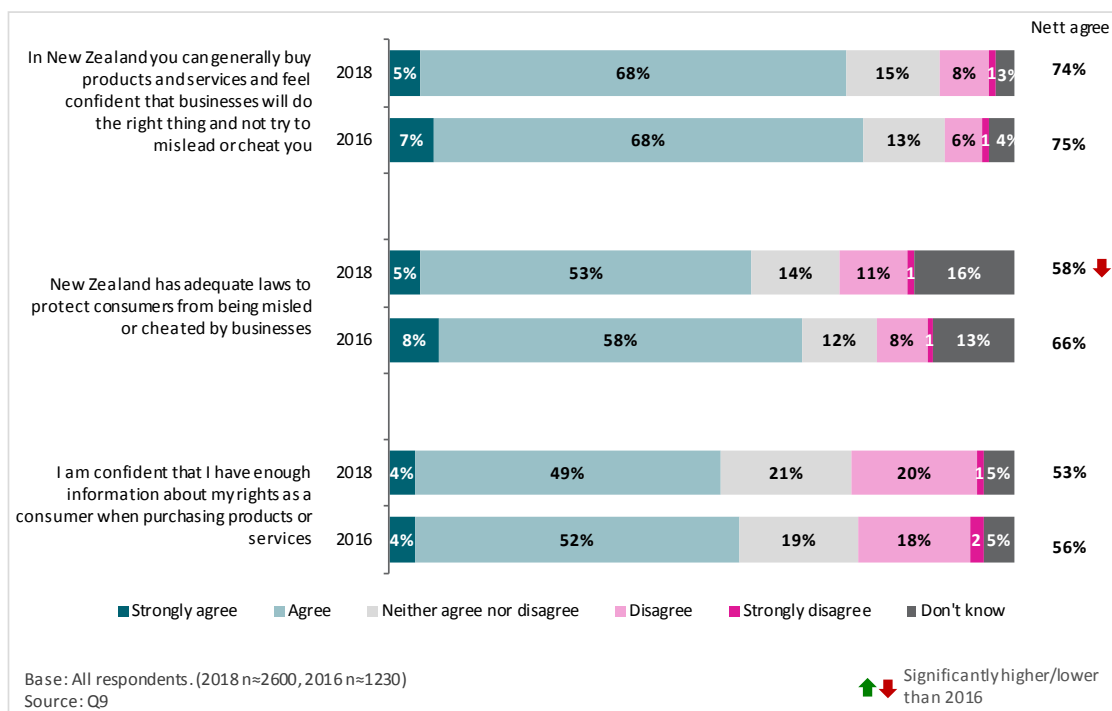
Consumers are generally trusting and confident when purchasing

Consumers are generally trusting and confident when purchasing (see Figure 11). Over half of consumers agree that:

- Businesses will do the right thing, and not try to mislead or cheat consumers (74% agree).
- New Zealand has adequate laws to protect consumers from being misled or cheated by businesses (58% agree).
- They have enough information about their rights relating to the purchase of products and services (53% agree).

However, there has been a decline in agreement that New Zealand has adequate laws to protect consumers compared to 2016 (58%, down from 66%). This appears to be linked to self-reported knowledge of consumer laws. Those with higher self-reported knowledge of consumer rights (saying they know a ‘moderate amount’ or ‘a lot’ about them) are much more likely to agree New Zealand has adequate laws to protect consumers compared to those who report knowing nothing, or ‘a little bit’ (71% compared to 48%).

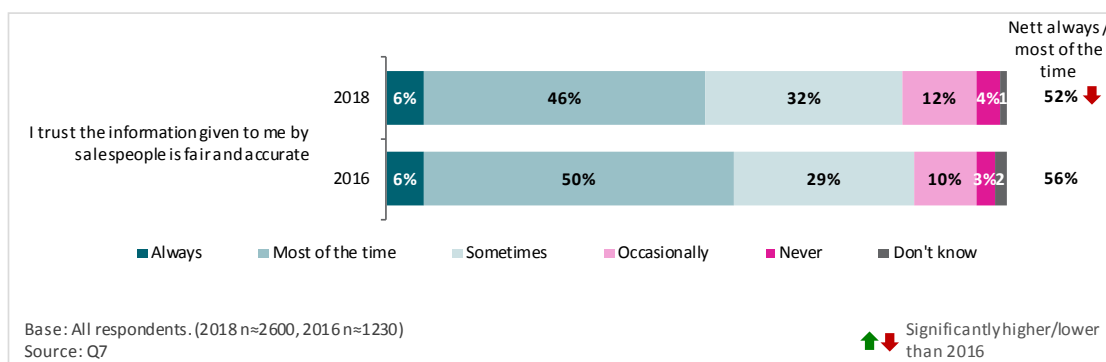
Figure 11: Agreement with trust and confidence statements



The difference extends to actual knowledge too; 70% of those with a high level of tested knowledge agree adequate laws are in place compared to 47% among those with a low level of tested knowledge.

Consumer trust in the information salespeople provide has also declined from 2016; 52% trust information given to them by salespeople is fair and accurate ‘always’ or ‘most of the time’, down from 56% in 2016 (see Figure 12). However, this does not seem to be linked to consumer knowledge. Those who report having a high-level of knowledge are just as likely as those with a low level of knowledge to be trusting of salespeople (52% and 51% respectively trust the information ‘always’ or ‘most of the time’).

Figure 12: Frequency of trusting information provided by salespeople



The declines in trust of information from salespeople were largest among the following demographic groups:

- those aged 67 years and over (56% trust the information ‘always’ or ‘most of the time’, down from 70% in 2016).
- those aged 37 – 46 years (44%, down from 57%).
- women (53%, down from 62%). Conversely, men are as likely to trust the information as they were in 2016 (52%, and 51% in 2016).
- New Zealand Europeans (54%, down from 62%).

Eighteen percent of consumers have a high level of trust and confidence

To better understand how trust and confidence affects other aspects of consumer behaviour, we have segmented consumers based on their responses to the previous four statements (see Figures 11 and 12) to provide a general measure of trust and confidence when purchasing.

We found that (see Figure 13):

- 18% of consumers have a high level of trust and confidence (generally agreeing with the statements, or trusting information provided by salespeople frequently).
- 51% of consumers have a medium level of trust and confidence (being trusting or confident in some aspects, but not others).
- 30% of consumers have a low level of trust and confidence (generally disagreeing with the statements, or infrequently trusting information provided by salespeople).

These segments are used to analyse other questions throughout the report.

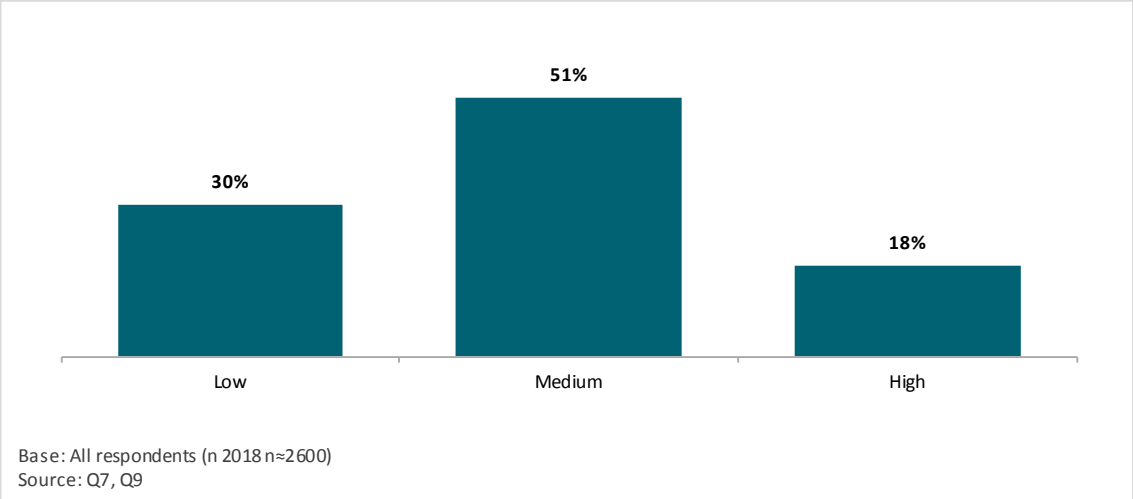
Groups more likely than average (18%) to have a high level of trust and confidence include:

- those who have not experienced a consumer problem in the past 2 years (30%)
- consumers who report knowing ‘a moderate amount’ or ‘a lot’ about consumer rights (28%)
- those in retirement (25%)
- those aged 57 years and over (24%).

Groups more likely than average (30%) to have a low level of trust and confidence include:

- those who identify with ‘other’ ethnic groups (47%)
- those currently studying (40%).

Figure 13: Trust and confidence segments



4

Preparing to
purchase

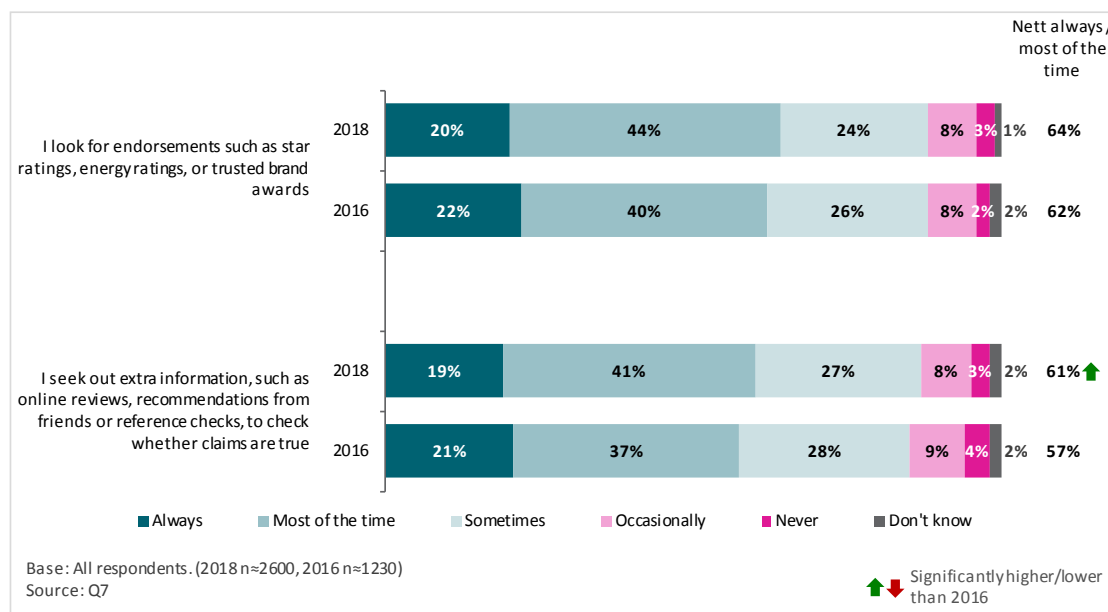
4. Preparing to purchase

Most consumers seek extra information prior to purchase

Generally, consumers report being careful before purchasing something (see Figure 14). Prior to purchase, the majority seek out extra information to check whether claims are true ‘always’ or ‘most of the time’ (61%, up from 57% in 2016). Additionally, 64% of consumers look for endorsements such as star ratings when purchasing ‘always’ or ‘most of the time’ (consistent with 62% in 2016).

Just under half (46%) of consumers report both seeking extra information and looking for endorsements ‘always’ or ‘most of the time’ before purchasing.

Figure 14: Agreement with statements relating to purchase preparation



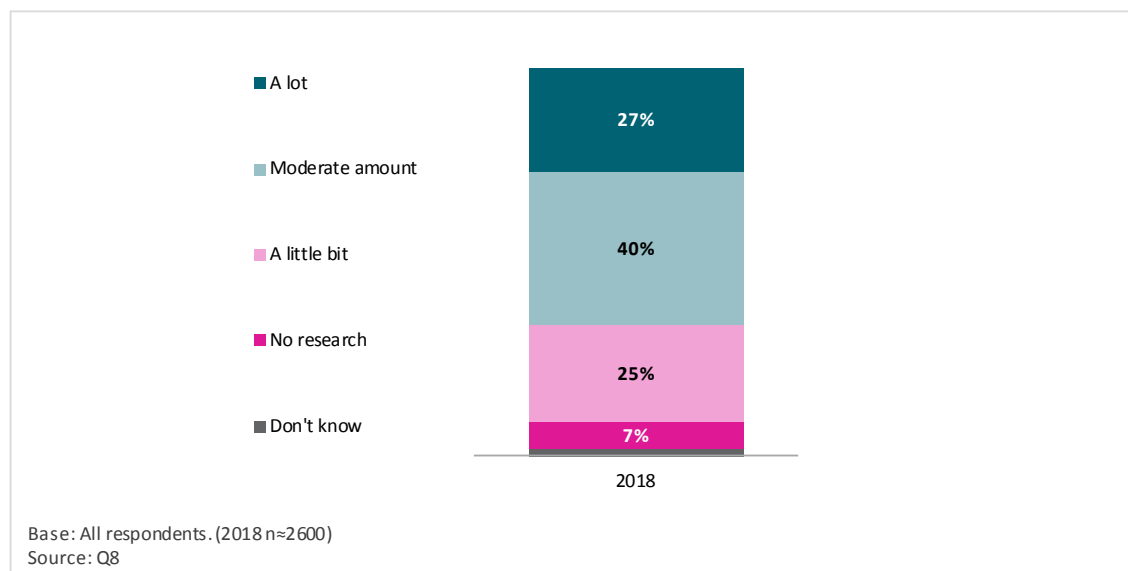
Younger consumers, aged 18 – 26, are more likely than average to seek out extra information (71% compared with 61%), while older consumers, aged 57 years and over, are less likely than average to (51% compared with 61%).

Interestingly, consumers’ likelihood to seek extra information before purchasing does not appear to be linked to their trust in the information salespeople provide. Those who never trust the information salespeople provide are just as likely to seek extra information and look for endorsements ‘always’ or ‘most of the time’ as those who generally trust information from salespeople (42% compared with 44% of those who trust information from salespeople ‘always’ or ‘most of the time’).

Most consumers conduct research before making a purchase worth \$250

Consumers were asked how much research they generally do before making a purchase of around \$250. Two thirds (67%) of consumers generally do 'a moderate amount' or 'a lot' of research, whilst 25% do 'a little bit' (see Figure 15). Just 7% of consumers make purchases of this amount without doing any research.

Figure 15: Research undertaken prior to a purchase of around \$250



The following groups are more likely than average (32%) to do no research or 'a little bit':

- those who are self-employed, or run their own business (41%)
- those aged 47 years and over (40% compared with 24% among those aged under 47 years)
- those living in households earning more than \$100,000 annually (39%)
- those who are in retirement (37%)
- those whose highest level of education is secondary school (37%).

Forty-two percent of consumers entered a credit contract in the past two years

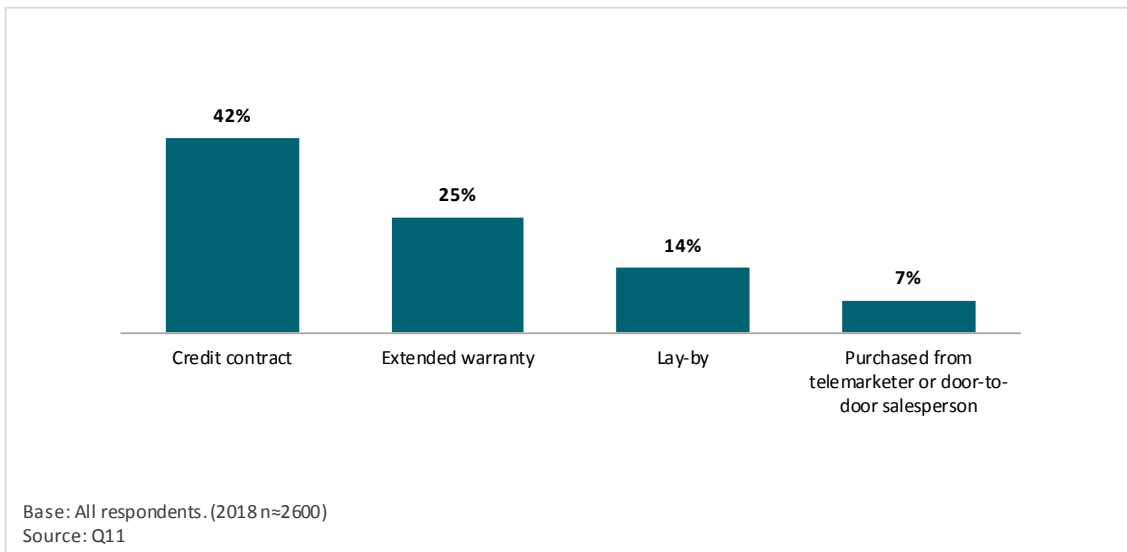
We asked consumers about purchases they made in the past two years that required them to sign an agreement. We asked them about four types of purchases in particular (see Figure 16).

Consumers were most likely to have entered a credit contract (such as for a loan, bank overdraft, or other agreement to pay something off over time) in the past two years; 42% had done this. A quarter (25%) of consumers had bought an extended warranty, whilst 14% had purchased something on lay-by, and 7% made a purchase from a telemarketer or door-to-door salesperson.

Groups more likely than average (42%) to have entered into a credit contract include:

- those in full-time employment (57%)
- those aged 27 – 36 years (54%)
- Māori (52%)
- those living in households earning over \$125,000 annually (51%).

Figure 16: Percentage of consumers who made purchases which required them to sign an agreement



Consumers aged 27 – 36 years are more likely than average to have purchased an extended warranty (36% compared with 25%).

When it comes to lay-by purchases, the main variations relate to age group and household income. Consumers aged 18 – 26 years and those living in households earning \$25,000 or less are more likely than average to have purchased something though lay-by (19% and 21% respectively compared with 14%).

There are no differences of note among those who purchased from a telemarketer or door-to-door salesperson.

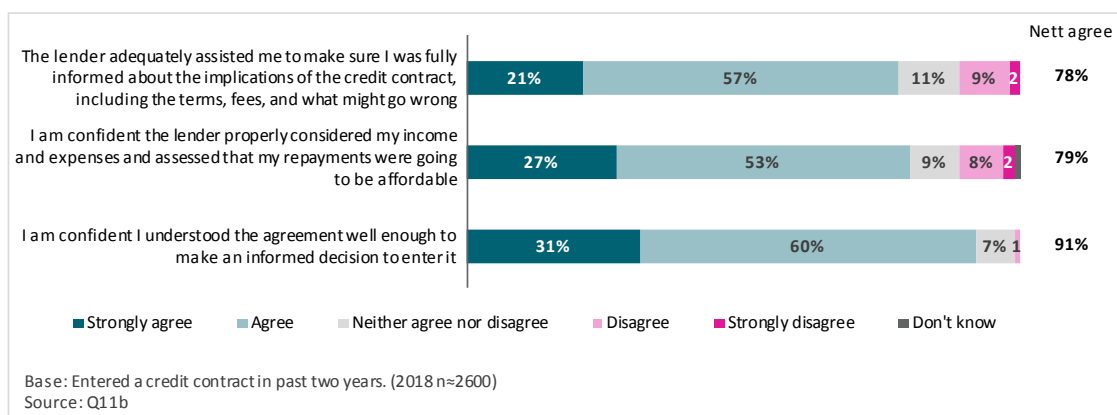
Consumers are generally confident entering into credit contracts

Generally, consumers feel informed and confident when they sign credit agreements. Of the 42% of consumers who entered a credit contract in the past two years, most agree the lender ensured they were fully informed about the implications of the contract (78%), that the lender considered their income and expenses when assessing repayments (79%), and that they understood the agreement well enough to enter into it (91%, see Figure 17). Sixty-nine percent of consumers who entered credit contracts agreed to all three statements.

A minority of consumers were sceptical of the behaviour of lenders. Eleven percent disagree that the lender ensured they were fully informed about the implications of the contract and 10% disagree that the lender properly considered their income and expenses.

Just 2% disagree that they understood the agreement well enough to make an informed decision to enter the contract.

Figure 17: Agreement with statements regarding credit contracts



Consumers who feel they know ‘a little bit’ or nothing about consumer rights and consumers who do not speak English as their main language are less confident entering credit contracts. For example:

- 88% of those who know ‘a little bit’ or ‘nothing’ about consumer rights agree they understood the agreement well enough to make an informed decision to enter it compared to 95% among those who know at least a moderate amount about their rights.
- 64% of those who do not speak English as their main language agree the lender adequately assisted them to ensure they were informed about the implications of the contract compared to 79% among those who mainly speak English.



5

Consumer problems –
problem occurrence
and characteristics

5. Consumer problems – problem occurrence and characteristics

Just over half of consumers experienced a problem with something they purchased in the past two years

Consumers were asked to consider a range of product and service categories. For each category, they considered 1) whether they made a purchase in that category in the past two years, and 2) if so, whether they experienced a problem with any products or services they purchased in this category. Specifically, they were asked to think about times when:

- Information they were given about the product or service was misleading, or not true.
- They purchased a product or service that was faulty or did not deliver what they expected.
- Their legal rights as a consumer were not met.
- They felt deceived, pressured, or unfairly treated.

Over half (56%) of consumers reported a problem in one or more of the product or service categories in the past two years (see Figure 18).⁷

Figure 18: Proportion of consumers who experienced a problem in the past two years



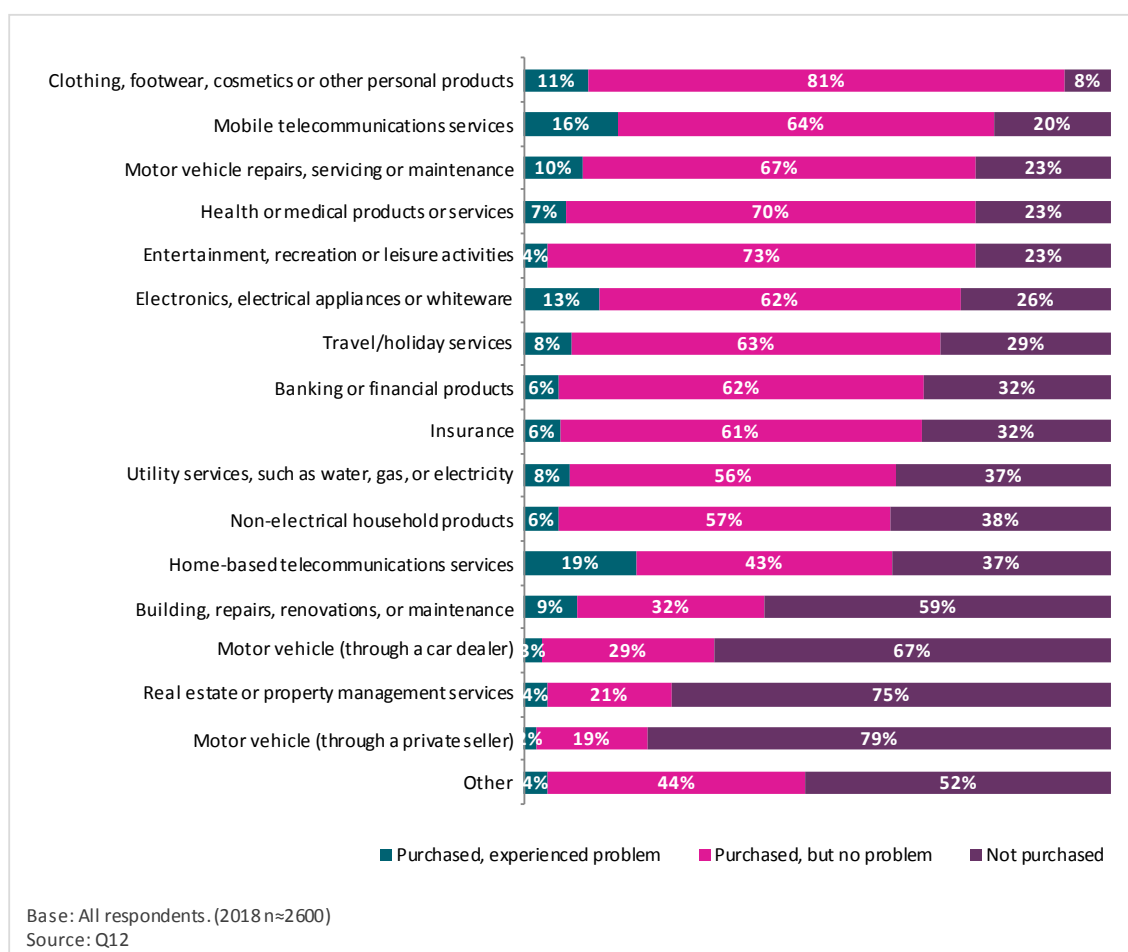
Consumers with low trust and confidence are more likely than average to report a problem (63% compared with 56%) suggesting their experiences may be impacting their levels of trust and confidence levels.

Older consumers are less likely than average to report experiencing problems (45% of those aged 67 years and over report at least one problem compared to 56%) but this is likely related to their purchase habits. Compared to the average, consumers aged 67 years and over are less likely to make purchases in several product and service categories in which problems are relatively frequent, such as mobile telecommunications services, and electronics and appliances (see Figure 19).

Ninety-two percent of all consumers had purchased a personal product, such as clothing or footwear, in the past two years, but only 11% had experienced a problem in this category. Mobile telecommunication services was the next most purchased category, with 80% of consumers purchasing in the past two years (with 16% of consumers reporting problems).

⁷ This proportion is not directly comparable to the 2016 findings due to changes in the definitions of product/services categories in the 2018 questionnaire.

Figure 19: Purchasing experiences in the past two years by product and service category



Seventeen percent of consumers report experiencing problems with purchases from multiple categories in the past two years

On average, consumers report experiencing problems in 1.3 product or service categories in the past two years. Seventeen percent of consumers experienced problems in two or more categories.

There are no notable differences in likelihood to experience problems in two or more categories across demographic groups.

However, there are certain problem types that are more likely to occur together:

- Consumers who reported a problem with health or medical services are more likely to also report a problem with⁸:
 - mobile telecommunications services
 - electronics and appliances
 - clothing, footwear, cosmetics, or other personal products
 - motor vehicle servicing, repairs, or maintenance
 - building repairs, renovations, or home maintenance
 - banking or financial products or services
 - non-electrical household goods
 - motor vehicle, through a dealer.
- Consumers who reported a problem with utility services are more likely to also report problems with other services, including⁸:
 - home-based telecommunications services
 - mobile telecommunications services

⁸ In comparison to all consumers who reported a problem.

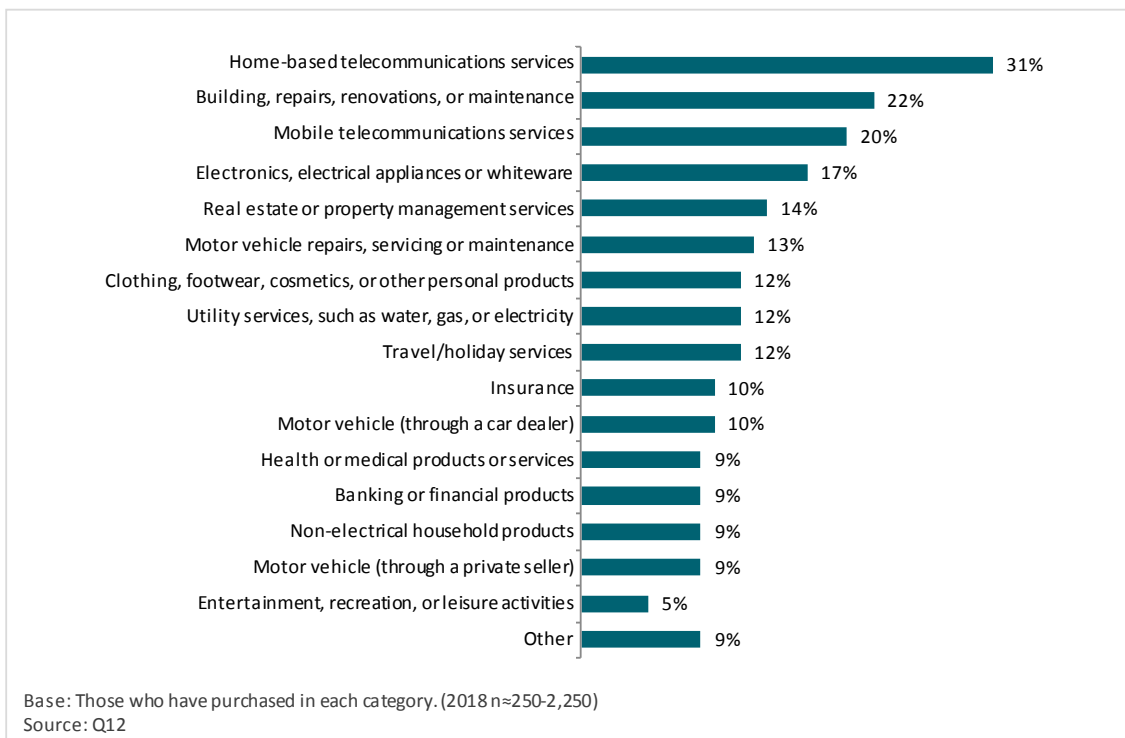
- building repairs, renovations, or home maintenance
- insurance
- buying or selling real estate or property management services.
- Consumers who reported a problem with building services are more likely to also report problems with other home-related products and services, including⁸:
 - utility services
 - buying or selling real estate or property management services.

Home-based telecommunications services have the highest incidence of problems

Just under two-thirds (62%) of consumers had purchased home-based telecommunication services in the past two years. This includes landline phone and copper/fibre internet services. Of those who had purchased home-based telecommunication services in the past two years, 31% reported having a consumer problem, (see Figure 20), making it the category with the highest incidence of problems.

Problems within the building services category have the second highest incidence rate. Twenty-two percent of those who purchased this type of service in the past two years reported experiencing a problem.

Figure 20: Problem incidence rate by product or service category



Within the highest incidence categories the following differences are noted:

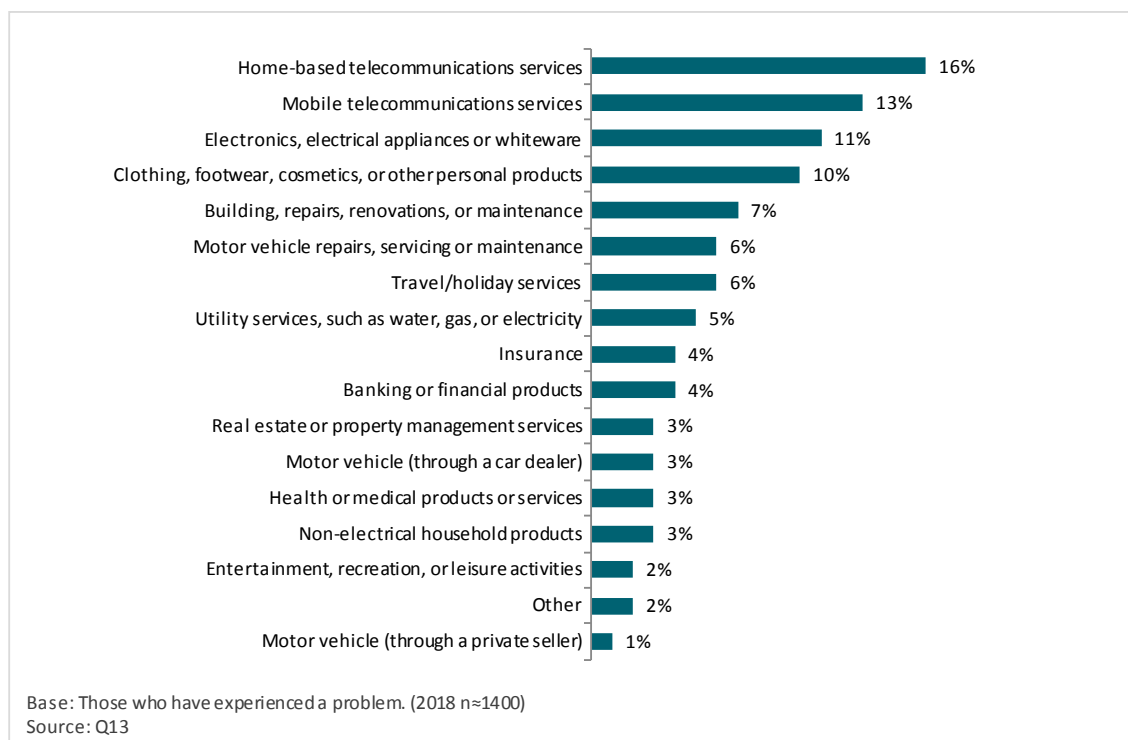
- Consumers who had purchased mobile telecommunications services in the past two years and have low household incomes (earning up to \$50,000 annually) are more likely than average to experience problems with these services (25% compared to 20%).
- Problems for those who have purchased building services are twice as likely to affect people who identify with the 'other' ethnic group (44% experience problems compared with 22% on average).

Over a quarter of consumers say their most recent problem related to telecommunication services.

Consumers who reported having at least one problem in the past two years were asked which of their problems occurred most recently.

Of the consumers who identified having a problem, 16% said that their most recent problem was related to home-based telecommunications services, 13% said mobile telecommunications services, and 11% identified electronics (see Figure 21).

Figure 21: Most recent problem experienced by product or service category



Issues with sellers' conduct contribute to about as many consumer problems as products or services themselves not being up to standard

Consumers were asked what caused their most recent problem (they were allowed to select multiple reasons). The results are presented in Figure 22.

Problems most often relate to products or services not performing to standard; two thirds (65%) of consumers who experienced a problem said their most recent problem related to:

- the products or services not being what they expected (or not working) as they expected (37%)
- the product being faulty or damaged (27%)
- an issue with the quality of the product or service (24%, although this has fallen from 32% in 2016).

Products or services not performing to standard are more likely than average (65%) to involve electronics, electronic appliances or whiteware (90%), non-electrical household products (88%), and clothing, footwear, cosmetics, or other personal products (86%).

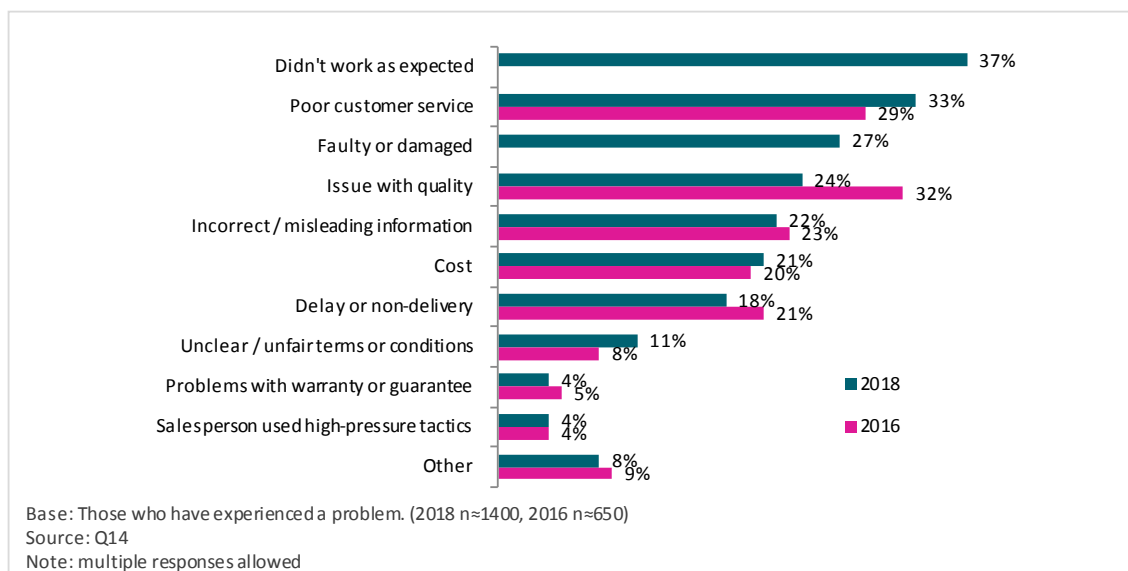
However, almost as many consumers' (61%) most recent problem involved issues with the seller's conduct, including:

- poor customer service (33%, although just 4% of consumers said the problem only related to poor customer service)
- incorrect or misleading information being provided (22%)
- the cost of the product or service (e.g., there being hidden fees or unexpected charges) (21%)
- delay or non-delivery of the product or service (18%)
- unclear or unfair terms or conditions (11%)
- problems with a warranty or guarantee (4%)
- a salesperson using high pressure tactics (4%).

Issues with the seller's conduct are more likely than average (61%) to involve utility services (84%), insurance (83%), and travel or holiday services (81%).

Across the board, there is little demographic variation in the types of problems experienced.

Figure 22: Reasons for most recent problem⁹

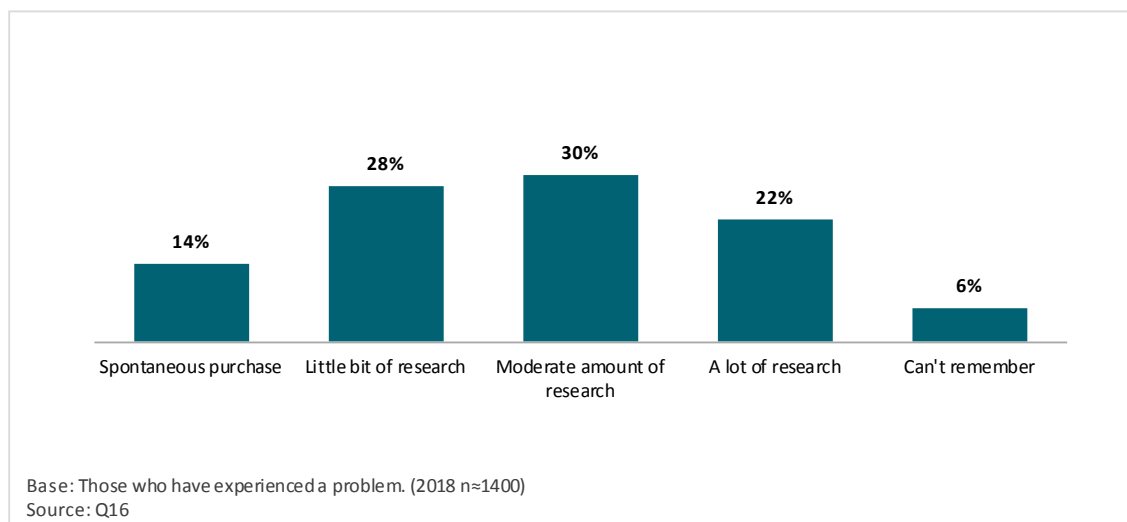


⁹ “Didn’t work as expected” and “Faulty or damaged” were included as a single option in 2016; “The product or service stopped working as it should or turned out to be faulty”. Due to changes in the wording of the options, a comparison is not presented. Thirty two percent of consumers selected this option in 2016 compared to 56% who selected either of the aforementioned options in 2018.

Most consumers did research prior to the purchase with which their most recent problem occurred

Consumers generally did some research before making the purchase with which their most recent problem occurred (see Figure 23). Only 14% made a spontaneous purchase without conducting any research, and over half conducted at least a moderate amount of research (51%).

Figure 23: Amount of research prior to purchase with which a problem occurred



The amount of research consumers do prior to the purchase is closely related to the value of the product or service they are purchasing. Just 12% of those whose problem-purchase was worth up to \$100 said they did 'a lot' or research beforehand. This compares to 24% among those whose purchase cost between \$101 and \$10,000, and 43% among those whose purchase was worth more than \$10,000.

Women are more likely than men (16% compared with 11%) to have made a spontaneous purchase.

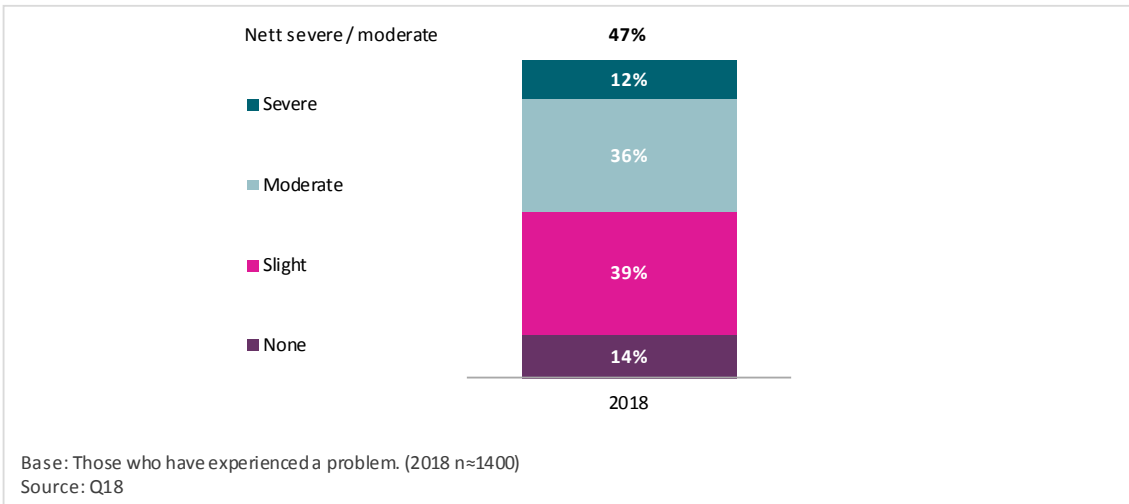
Whilst those who mainly speak English are more likely than those who mainly speak another language to have conducted 'a lot' of research before purchasing (23% compared with 9%).

Half of consumers say their most recent problem had a moderate or severe impact on their everyday lives

We asked consumers how much of an impact their most recent problem had on their everyday life (see Figure 24).

Just under half (47%) of consumers said the problem had a 'moderate' (36%) or 'severe' (12%) impact on their life. A further 39% of consumers said the problem had a 'slight' impact on their life, whilst 14% said it had no impact at all.

Figure 24: Impact of most recent problem on everyday life



There appears to be a relationship between the value of the purchase and the impact on the consumers. Consumers whose purchase cost over \$1,000 are more likely than those whose purchase cost up to \$1,000 to say the problem had a 'severe' impact on their everyday life (19% compared with 9%).

Consumers aged 18 – 26 years are more likely than average to say their most recent problem had no impact on their everyday life (23% compared with 14%).

Consumers who have low trust and confidence when purchasing are more likely than others to say their problem impacted their everyday life moderately or severely (57% compared with 42% among those with a medium or high level of trust and confidence).



6

Resolving consumer problems

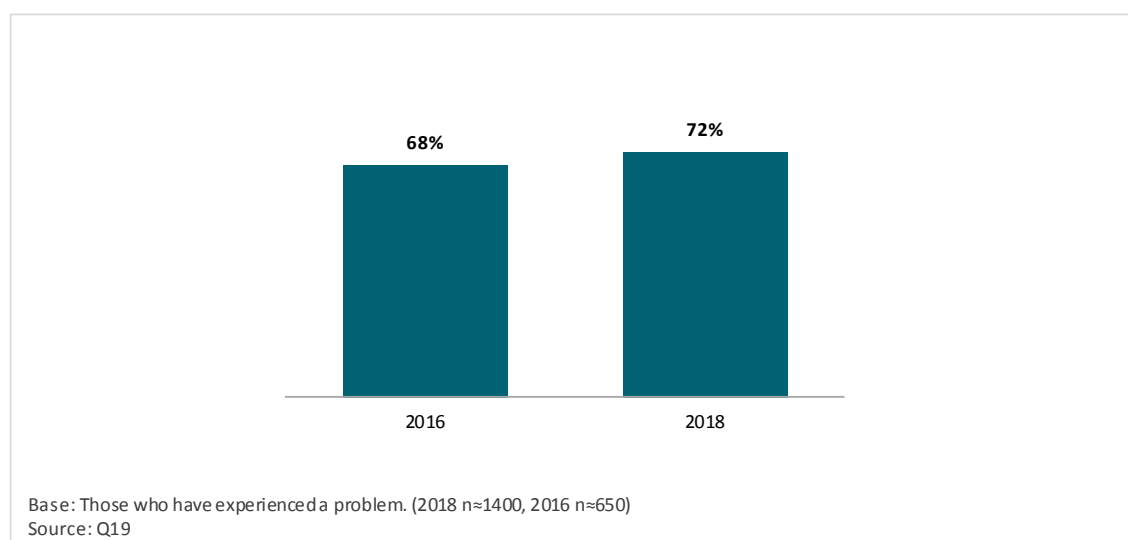
6. Resolving consumer problems

Consumers were asked, with reference to their most recent problem, whether they sought to resolve their problem and to identify what steps they took. This is to assess whether consumers understand what actions to take when seeking redress and find out how many can reach a satisfactory resolution. This information will identify areas where consumers may be facing obstacles to reaching a successful outcome.

Consistent with 2016, over two-thirds of consumers take action to resolve their problems

More than two-thirds (72%) of consumers report taking action to resolve their most recent problem (see Figure 25). At this point in the questionnaire, “action” was not defined, so it was up to the respondents to interpret what behaviours constituted “action”.

Figure 25: Percentage of consumers who took action to resolve their problems



Consumers reporting issues with home-based telecommunication services were most likely to take action to resolve their problem at 85%, followed by 82% of consumers whose problems involved electronics, and 79% of consumers with utility services problems. Consumers who had problems with health or medical products or services, and motor vehicle repairs were some of the least likely to take action regarding their problem (53% and 55% respectively).

The following groups of consumers are less likely than average (72%) to take action to resolve their problems:

- those who identify with ‘other’ ethnic groups (53%)
- those currently studying (55%)
- those aged 18 – 26 years (60%)
- those who have a low level of practical knowledge about consumer rights and laws (64%)
- those whose highest level of education is secondary school (66%).

The likelihood of taking action to try and resolve the problem shows a notable increase with level of consumer knowledge, research conducted prior to purchase, and impact of the problem on consumers' everyday life.

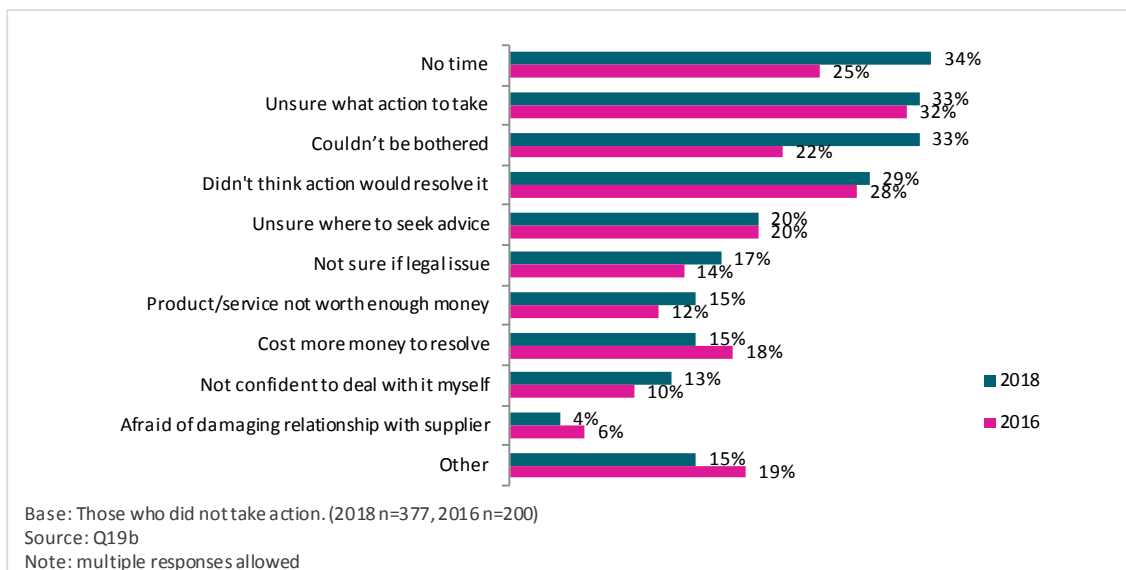
- Consumers with a high practical knowledge about consumer rights and laws were more likely to take action than those with low practical knowledge (77% compared to 64%).
- Consumers dealing with problems which had a 'severe' impact on their everyday life were more likely to take action than those whose problems had a less than severe impact (85% compared with 70%).
- Seventy-nine percent of those who did at least a moderate amount of research took action in relation to their problem compared to 66% among those who did no research, or only 'a little bit'.

However, the value of the product appears to have little influence on consumers' likelihood to take action. Consumers are just as likely to take action in relation to problems with expensive products and services as they are inexpensive ones.

Most consumers who did not take action in relation to their problem faced a barrier

Seventy two percent of consumers who did not take action were impeded by a barrier, such as lacking time, or knowledge of where to go. However, 50% chose not to act because they did not think it would be worthwhile (e.g., couldn't be bothered, the product or service was not worth the money, or it would have cost more to resolve the issue, see Figure 26).

Figure 26: Reasons for not taking action



Most consumers who took action contacted the business to try and resolve their problem, and this tended to be the first thing they did

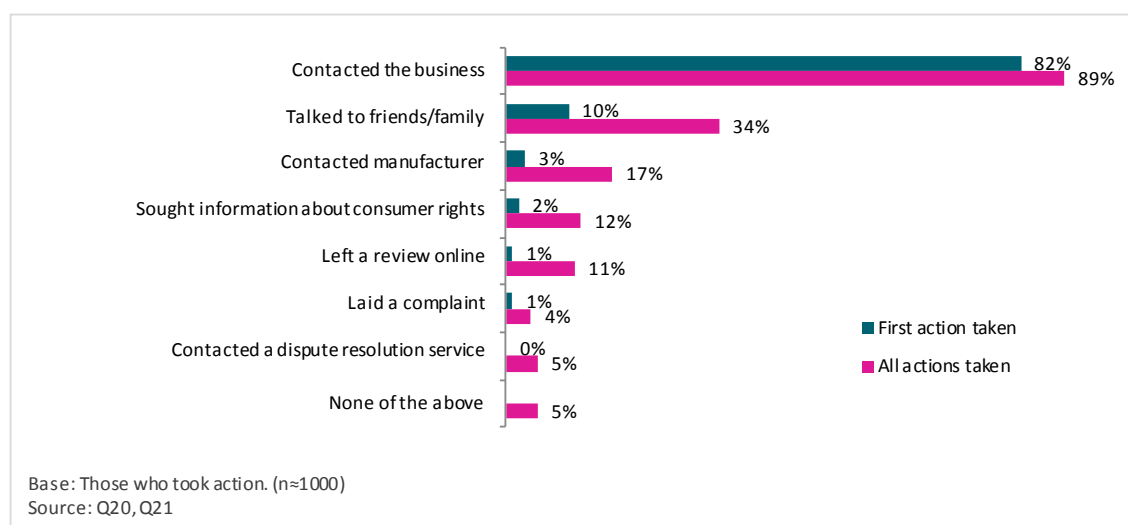
Nearly all consumers who took action (89%) in relation to their most recent problem contacted the business at some point in the problem resolution process, and 82% took this action first (see Figure 27). This is true of problems across all product and service categories.¹⁰

A third (34%) talked to family or friends at some point, but only 10% of consumers who took action in relation to their problem said this was the first action they took.

Twelve percent of consumers sought information about their rights, whilst just 5% contacted a dispute resolution service.

The results for first action taken are all consistent with those measured in the 2016 survey.

Figure 27: Actions consumers took to resolve their problems



Half (50%) of those who contacted the business did not take any other steps to try and resolve their problem. Among those who did take other steps:

- 29% talked with family and friends
- 15% contacted the manufacturer or distributor
- 10% sought information about their consumer rights
- 10% left a review or comment online
- 4% contacted a dispute resolution service
- 3% laid a complaint with an enforcement agency or government organisation.

Some groups are more likely than average (82%) to contact the business in the first instance:

- those aged over 47 years (89%)
- men (87% compared with 80% of women).

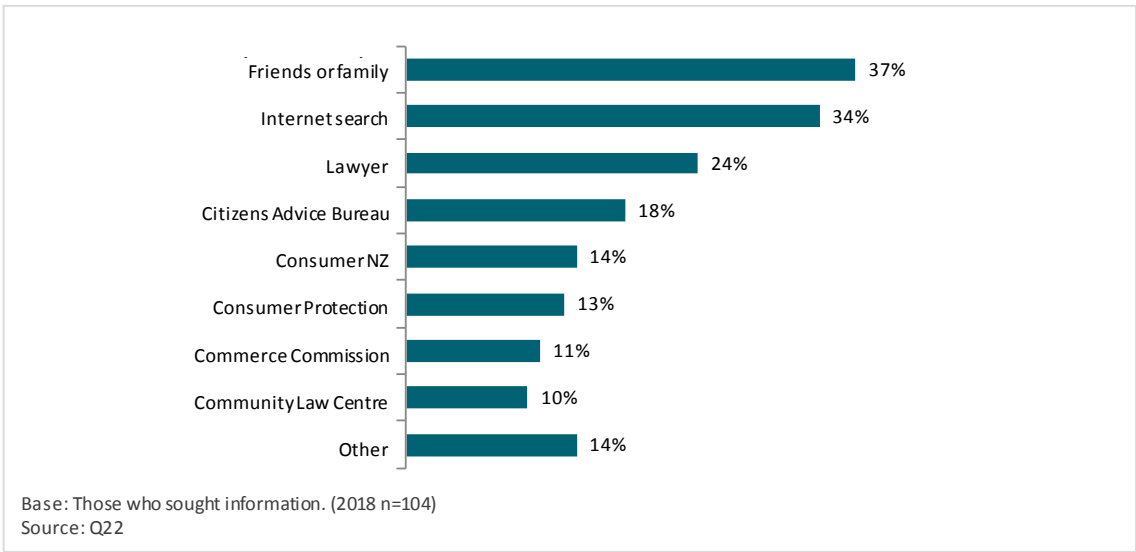
Some groups, however, are more likely than average (10%) to consult their friends and family first:

- those currently studying (26%)
- those aged 18 – 36 years (20%).

We asked consumers who said they sought information or advice about their consumer rights where they went (see Figure 28). Consumers are equally likely to approach their friends or family or conduct and internet search (51%), as they are to approach an official organisation (48%). A further 24% contacted a lawyer.

¹⁰ For which the base size is sufficient for analysis.

Figure 28: Where consumers sought information or advice in relation to their problems



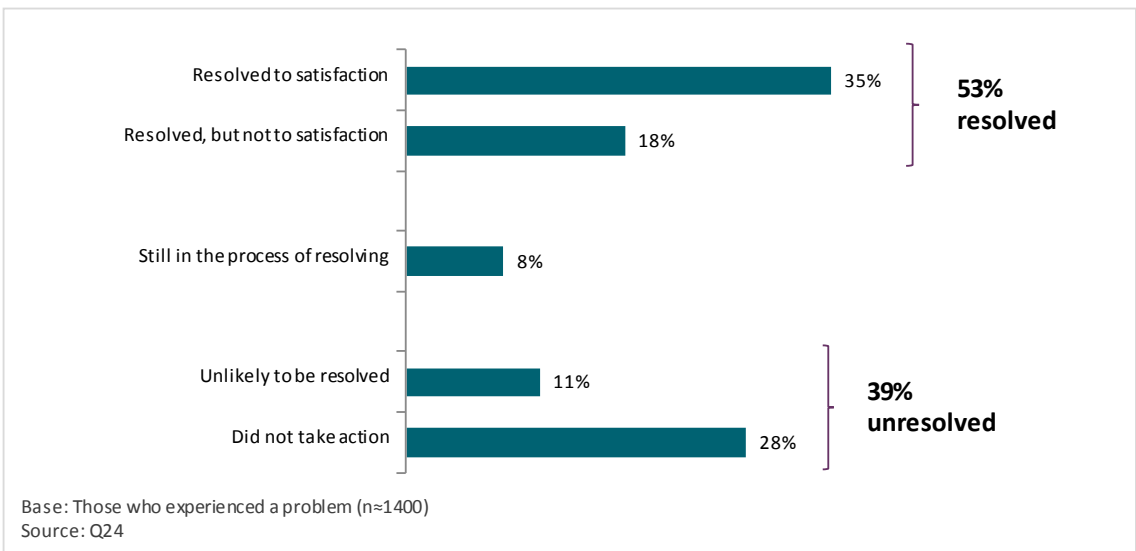
Consumers who say they know ‘a moderate amount’ or ‘a lot’ about their rights are much more likely than those with a low level of knowledge to have gone to an organisation that provides information and advice (74% compared with 36%).

Half of consumers with a problem say their problem is resolved

As seen in Figure 29, consistent with 2016, half (53%) of consumers who experience a problem manage to resolve it (51% in 2016). This includes 35% of consumers whose problems were resolved to their satisfaction, and 18% whose problems were resolved, but not to their satisfaction (consistent with 37% and 14% respectively in 2016).

Thirty-nine percent of problems go unresolved, either where the consumer has not taken action (28%) or the problem is unlikely to be resolved (11%).

Figure 29: Problem resolution status



The following groups are more likely than average (39%) to have their problem left unresolved (meaning it is either unlikely to be resolved or they did not take action to resolve it):

- those currently studying (57%)
- those who identify with ‘other’ ethnic groups (57%)
- those aged 18 – 26 years (51%).
- those who have a low level of practical knowledge about their consumer rights (47%)
- those who have a low level of trust and confidence in the regulatory system (46%).

Resolution rates vary depending on the product or service category within which the problem was experienced. Consumers were more likely to report that their problem was resolved (meaning it is resolved to satisfaction or resolved, but not to satisfaction) with:

- electronics, electrical appliances, and whiteware (69%)
- home-based telecommunications services (63%).

Whereas, consumers were least likely to report that their problem was resolved in relation to:

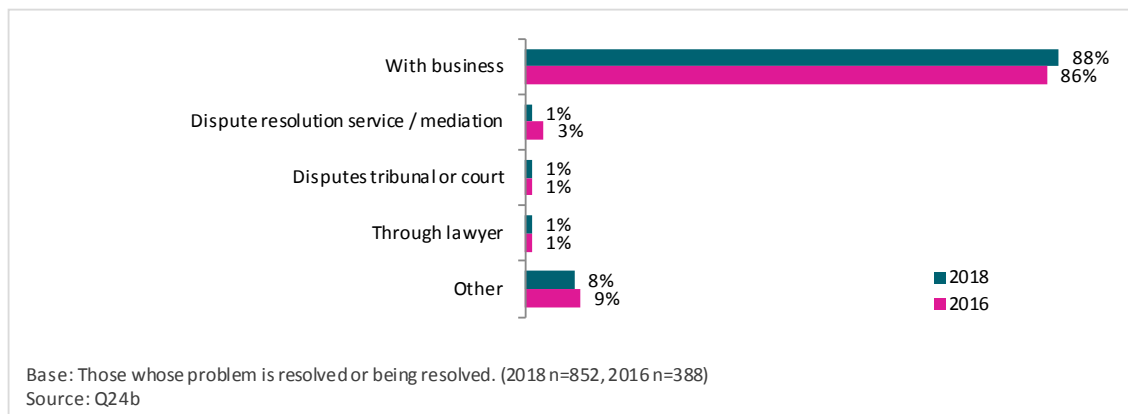
- health or medical products or services (30%)
- motor vehicle repairs, servicing, or maintenance (31%).

The rates of taking action have a significant impact on resolution rate by product or service category, as those categories where fewer consumers take action would obviously see lower resolution rates. Of those who took action, 74% reported that their problem was resolved. This includes 49% of consumers whose problems were resolved to their satisfaction, and 25% whose problems were resolved, but not to their satisfaction.

Most problems are resolved directly with the business

Most (88%) of the problems that were resolved (or are in the process of being resolved) were done so directly with the business (see Figure 30). Very few were resolved through a dispute resolution service or mediation (1%), disputes tribunal or court (1%), or through a lawyer (1%).

Figure 30: Ways in which problems were resolved



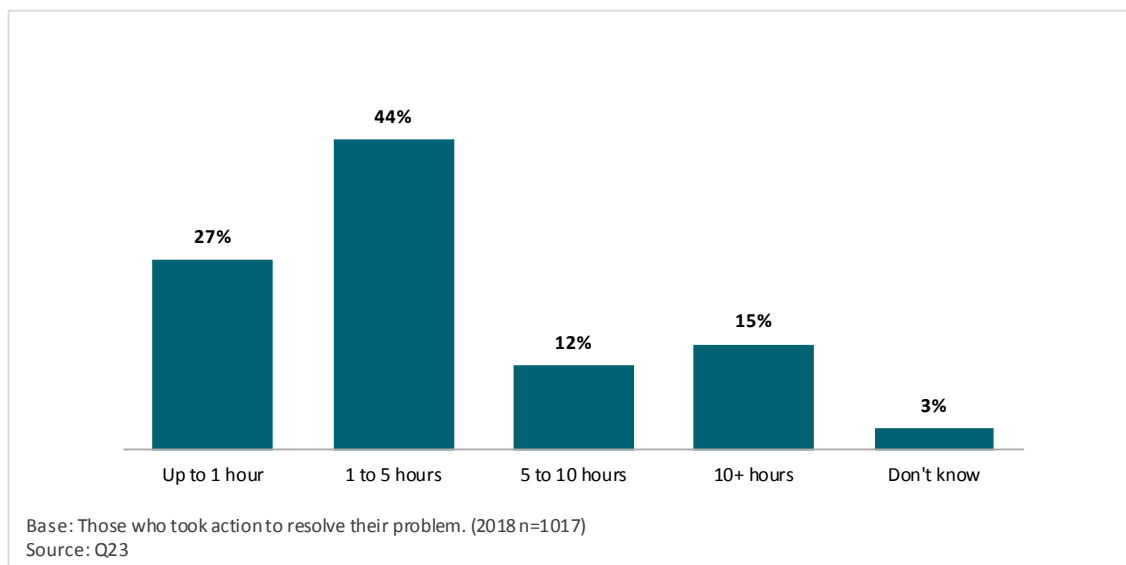
There is no demographic variation of note.

Most consumers spend five hours or less resolving their problems

Seventy percent of consumers (and others on their behalf) spend up to five hours resolving their problems, whilst 27% spend more than five hours (see Figure 31).

Note the results in Figure 31 are based on all consumers who took action in relation to their problems (whether they resolved them or not).

Figure 31: Time taken trying to resolve problems



Consumers spend less time dealing with problems that end up being resolved to their satisfaction than they do dealing with problems that have an unsatisfactory outcome. Twenty percent of consumers who resolved their problem to their satisfaction spent more than five hours dealing with the problem. This compares to 35% who spent this amount of time dealing with a problem that was either resolved, but not to their satisfaction, or is unlikely to be resolved.

Breaking the results down by reason for the problem, problems relating to products or services not being up to standard are more likely than those relating to seller conduct to take five hours or more to resolve (34% compared with 27%).

Additionally, consumers are more likely than average (27%) to spend longer than five hours dealing with the following problem types:

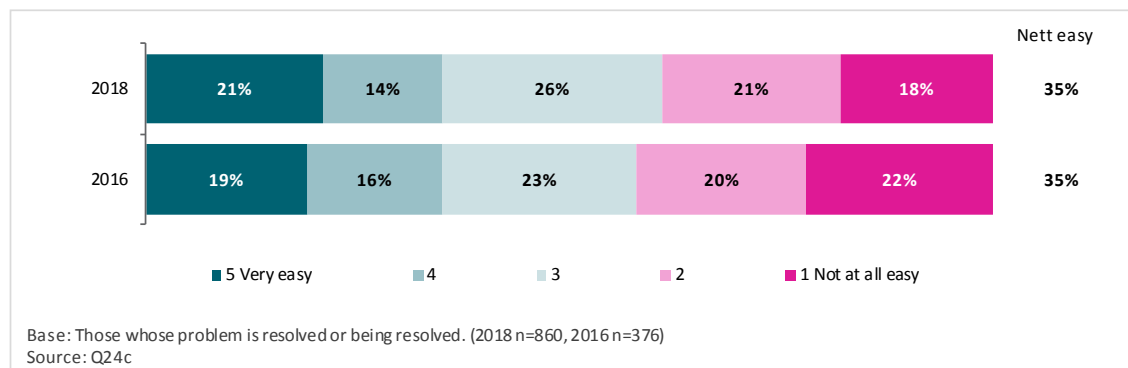
- Problems with purchases valued at over \$1,000 (41%).
- Problems that have a 'moderate' or 'severe' impact on their everyday life (45% compared with 8% among problems which have a 'slight' or no impact).

A third of consumers say their problems were easy to resolve, but equal numbers say they were not easy

We asked consumers who resolved their problems to rate how easy it was on a scale of one to five where '1' means 'not at all easy' and '5' means 'very easy' (see Figure 32).

A third (35%) of consumers whose problems were resolved (or are being resolved) said that doing so was easy (rating a '4' or '5'). This compares to 39% who rated '1' or '2', indicating their problems were not easy to resolve.

Figure 32: Ease of resolving problems



Consumers aged 67 and over are more likely than average to feel that getting a resolution was easy (44% compared with 35%), whilst consumers who have low trust and confidence when purchasing (29%) are less likely to think so.

There are also differences by product and service category. Consumers whose problems related to purchases of electronics, electrical appliances, and whiteware (64%), and clothing, footwear, cosmetics, and personal products (50%), were more likely than average (35%) to say it was easy to resolve their problem. Whereas, those whose problems related to home-based telecommunications were more likely to say the problem was not easy to resolve (55% compared with 39%).

Problems which have a high impact on consumers' lives tend to be more difficult to resolve compared to those which have little impact; 11% of those whose problem had a 'severe' impact on their everyday life, and 23% who said it had a 'moderate' impact think it was easy to resolve. This compares to 63% of those whose problems had no impact on their lives, and 46% of those whose problems had a 'slight' impact.

Problems with inexpensive products or services tend to be easier to resolve. Fifty-six percent of problems with purchases valued under \$50 were easy to resolve compared to just 25% among purchases worth over \$1000.

7

Problem sector summaries

7. Problem sector summaries

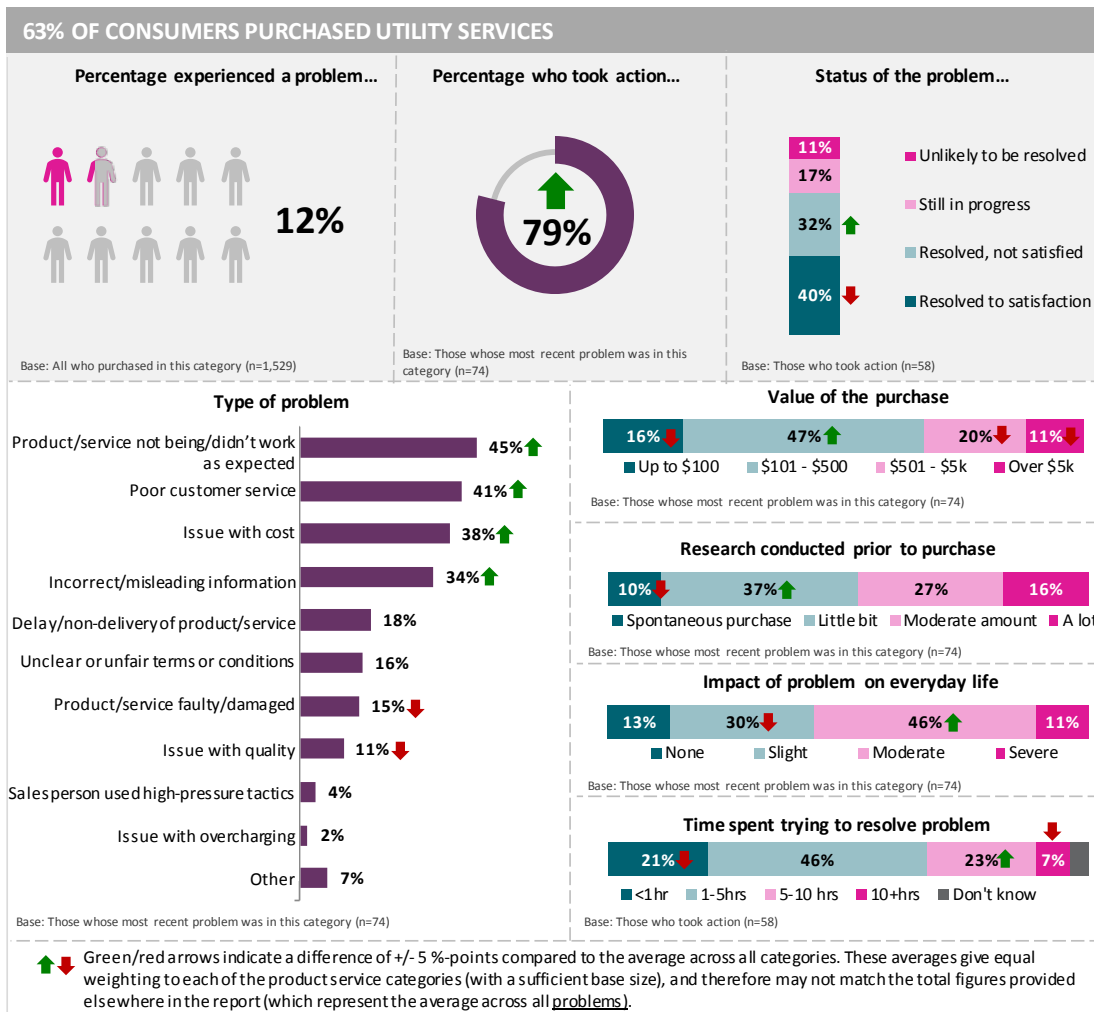
In this chapter, we analyse problems in each product or service category in detail. Not all categories have a sufficient sample size for analysis at this level, therefore some categories have been excluded.

Note, the averages presented in this section are category averages. These give an equal weight to each of the product/service categories included. Therefore, they may not match the total results presented previously in this report (which represent the averages across all problems, rather than categories).

At the end of this chapter there is a table summarising differences against the average for each of these product and service categories.

Utility services

Figure 33: Overview of problems with utility services



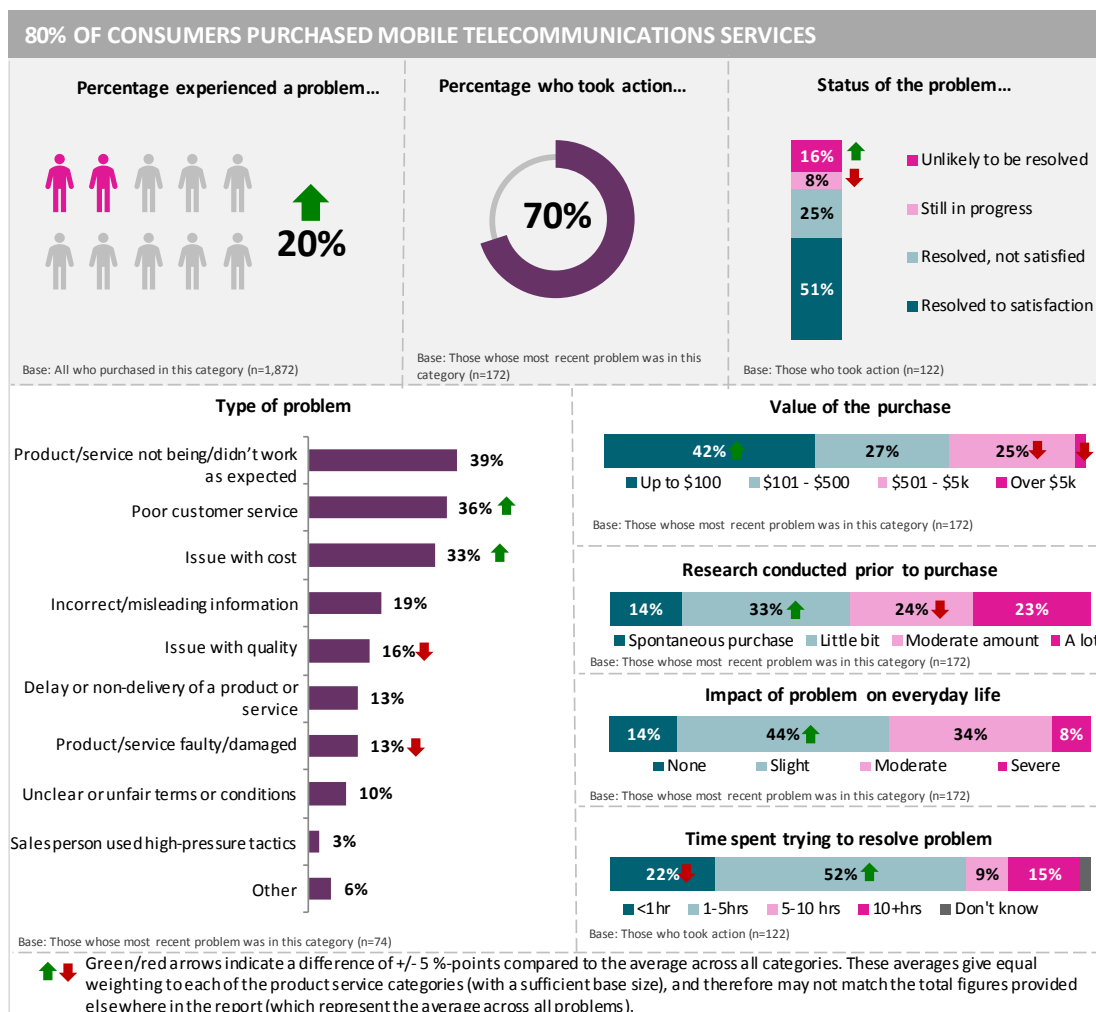
Twelve percent of those who purchased utility services in the past two years experienced a problem, in line with the average of 15% across all product and service categories.

Utility services issues are much more likely than average to involve poor customer service, cost, and incorrect or misleading information. These issues are also more likely than average to have at least a moderate impact on consumers' everyday life.

Consumers who experience problems in this category are more likely than average to take action to deal with their issue. However, they are less likely than average to gain a satisfactory resolution when dealing with utility services issues (unsatisfactory resolutions are also higher than average).

Mobile telecommunications services

Figure 34: Overview of problems with mobile telecommunications services



A fifth of consumers who purchased mobile telecommunications services in the past two years experienced a problem; higher than the 15% average for all categories.

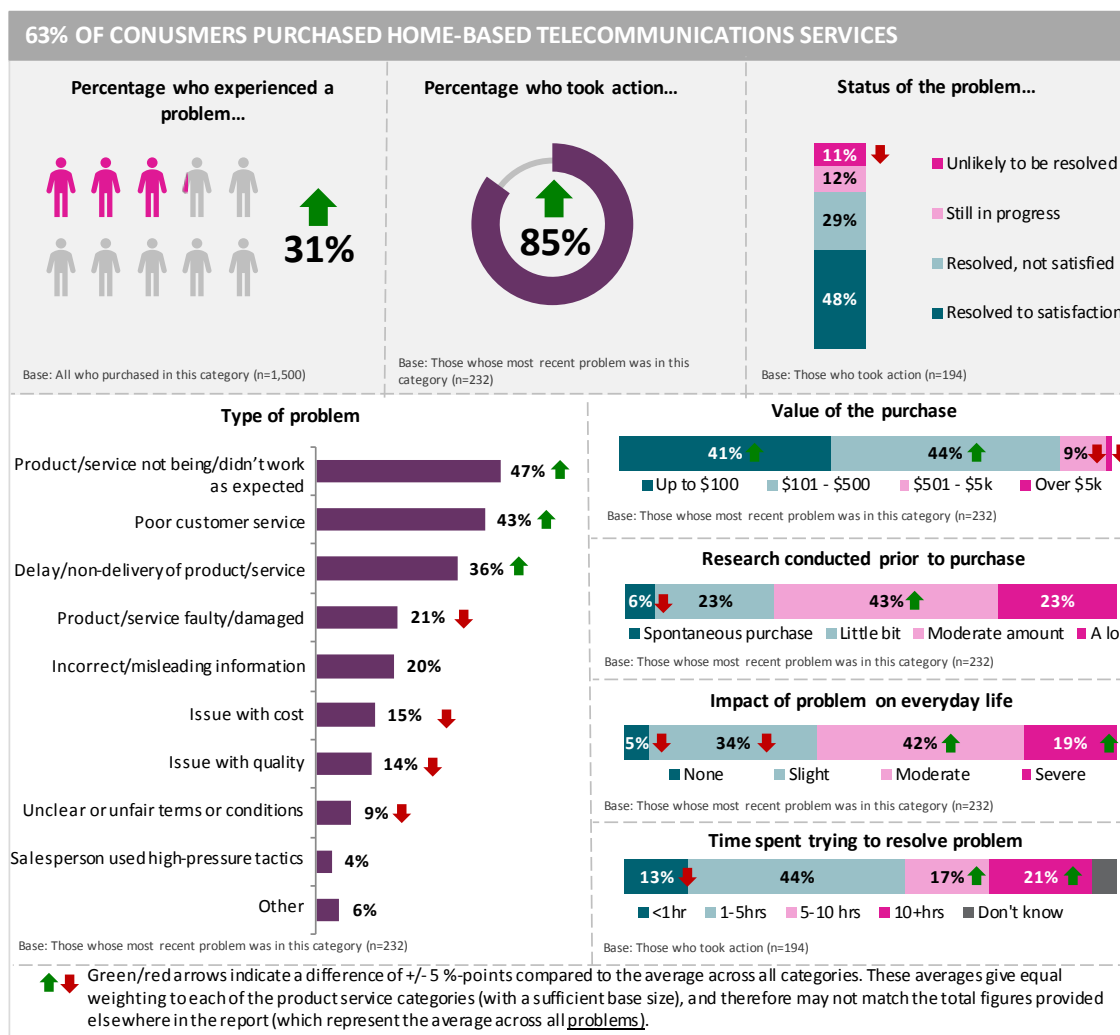
Consumer living in households earning up to \$50,000 annually are more likely than average to experience problems with these services.

Problems in this category are more likely than average to relate to poor customer service and cost.

Those who experience issues with mobile telecommunications services are more likely than average to say that they are 'unlikely to be resolved'.

Home-based telecommunications services

Figure 35: Overview of problems with home-based telecommunications services



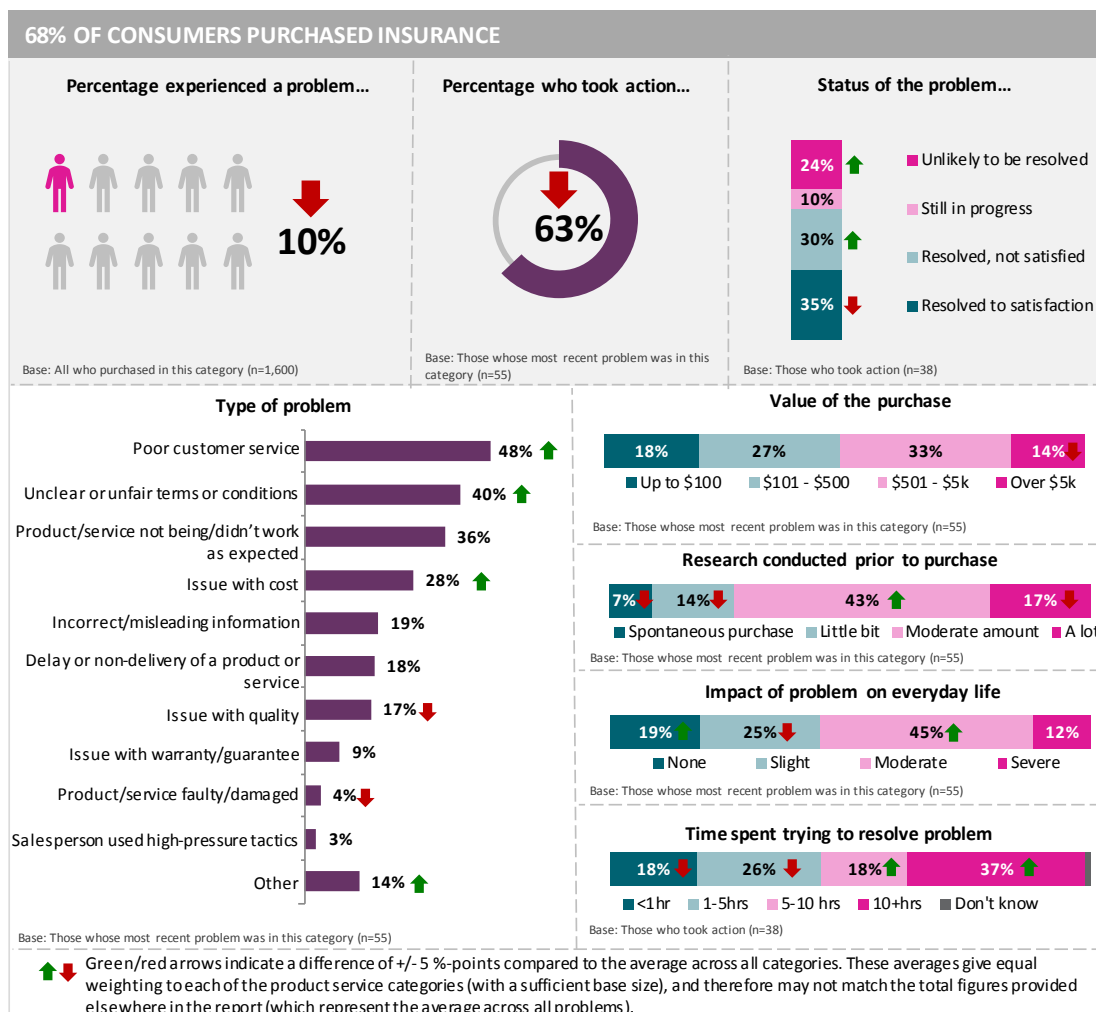
Problems with home-based telecommunications services are relatively common. Nearly a third (31%) of those who purchased home-based telecommunications in the past two years report experiencing a problem, much higher than the average of 15% across all product and service categories. Consumers with home-based telecommunication service problems are more likely than average to say the problem had a moderate or severe impact on their everyday life (61% compared to 48% across all categories).

However, consumers who experience problems in this category are more likely than average to take action to deal with their issue, and resolution rates are slightly better than the average with fewer consumers reporting their problem is unlikely to be resolved.

Compared to other categories, problems with home-based telecommunications services can be time-consuming to resolve. Those who experienced an issue are more likely than average to say it took 5 hours or more to resolve (38% compared to 27% across all categories).

Insurance

Figure 36: Overview of problems with insurance



One in ten consumers who purchased insurance in the past two years experienced a problem, lower than the average across all categories (15%).

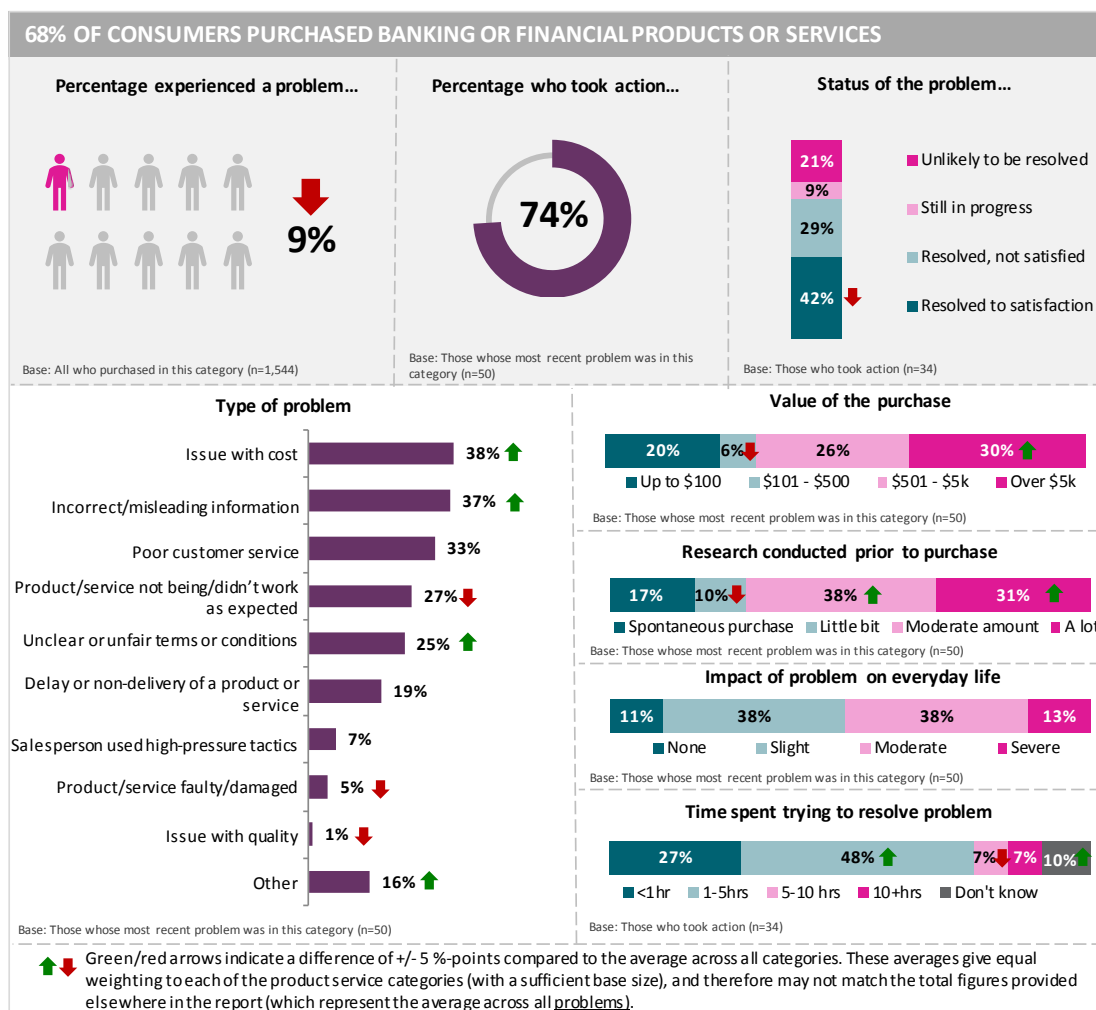
Consumers who experienced problems with their insurance are less likely than average to have resolved their problem. Whilst those who did are more likely than average to say it is resolved, but not to their satisfaction.

Problems with insurance are more likely than average to be related to poor customer service, unclear or unfair terms and conditions, or costs.

Problems with insurance tend to be very time-consuming to resolve; 55% of consumers who took action in relation to insurance issues said they took more than five hours to resolve.

Banking or financial products or services

Figure 37: Overview of problems with banking or financial products or services



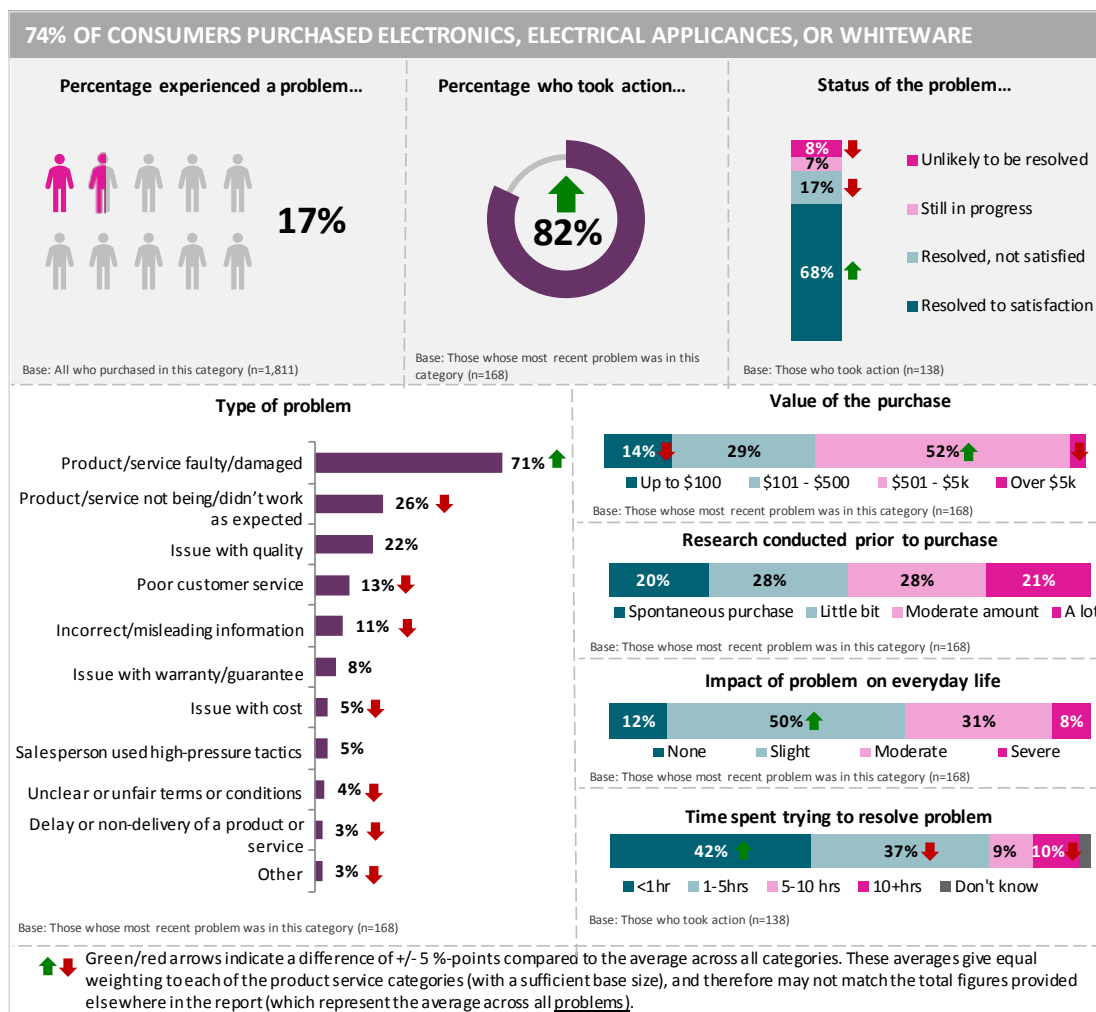
Nine percent of those who purchased banking or financial products or services in the past two years reported a problem with them, slightly lower than the 15% average for all categories.

Consumers are more likely than average to have done at least a moderate amount of research when purchasing in this category, however this does not seem to translate to success for those who experience problems. Consumers who take action to deal with their issue are less likely than average to receive a satisfactory result.

Problems are more likely than average to have related to cost, incorrect or misleading information, and unclear or unfair terms or conditions.

Electronics, electrical appliances, or whiteware

Figure 38: Overview of problems with electronics, electrical appliances, or whiteware



Seventeen percent of consumers experienced a problem with electronics or appliances they purchased in the past two years. The rate of problems among those who purchase is slightly higher than the average across all categories.

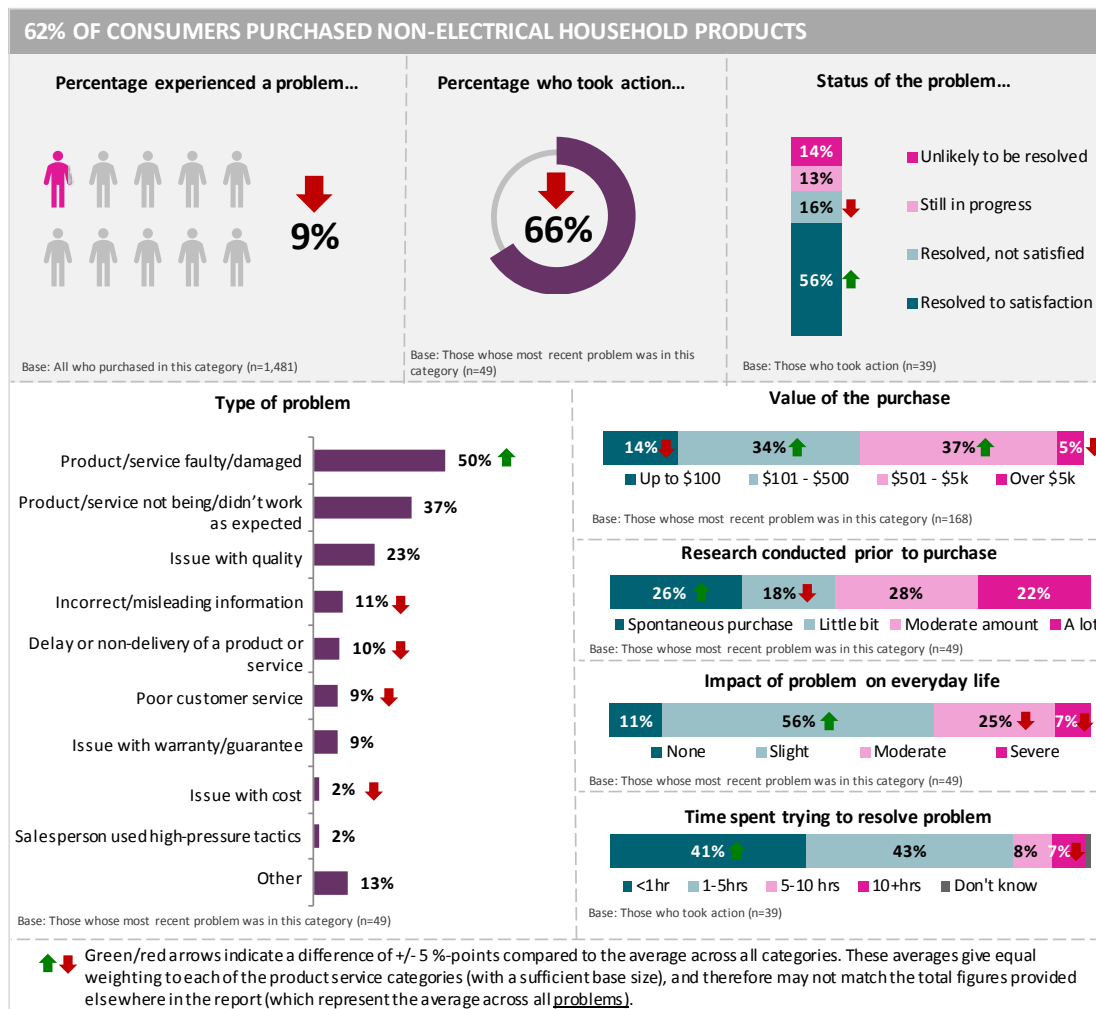
However, the problem journey is comparatively successful in this category. Consumers are more likely to take action to resolve problems compared to the average (82% of consumers who experienced a problem take action), and they are more likely than average to gain a satisfactory resolution (68% say their problem is resolved to their satisfaction).

The resolution process is quicker, and the problem has less impact on the consumer's everyday life compared to the average.

Problems in this category mainly relate to faulty or damaged products (71%, much higher than the average of 26%).

Non-electrical household products

Figure 39: Overview of problems with non-electrical household products



The rate of problems among those who purchase non-electrical household products is slightly lower than average, 9% compared to 15%.

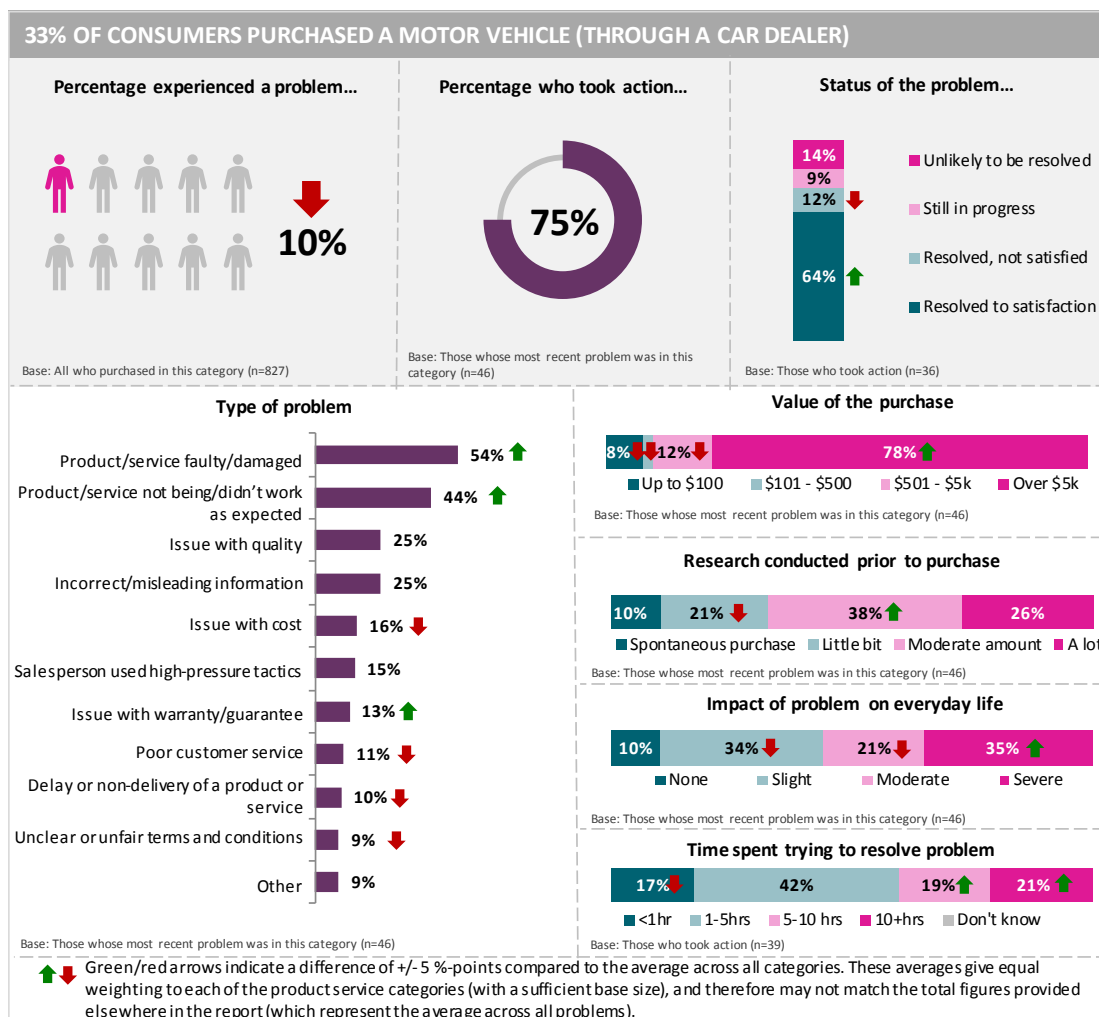
Consumers who experience problems in this category are less likely than average to take action to deal with their problem, however those that do are more likely than average to receive a satisfactory resolution.

Resolving problems in this category is generally quick and painless for consumers. Compared to the average, problems are more likely to have lower levels of impact on consumers' everyday life and take less time than average to resolve (most consumers say the problem took less than five hours to resolve).

Half of the problems in this category relate to faulty or damaged products.

Motor vehicle (through a car dealer)

Figure 40: Overview of problems with motor vehicles (through a car dealer)



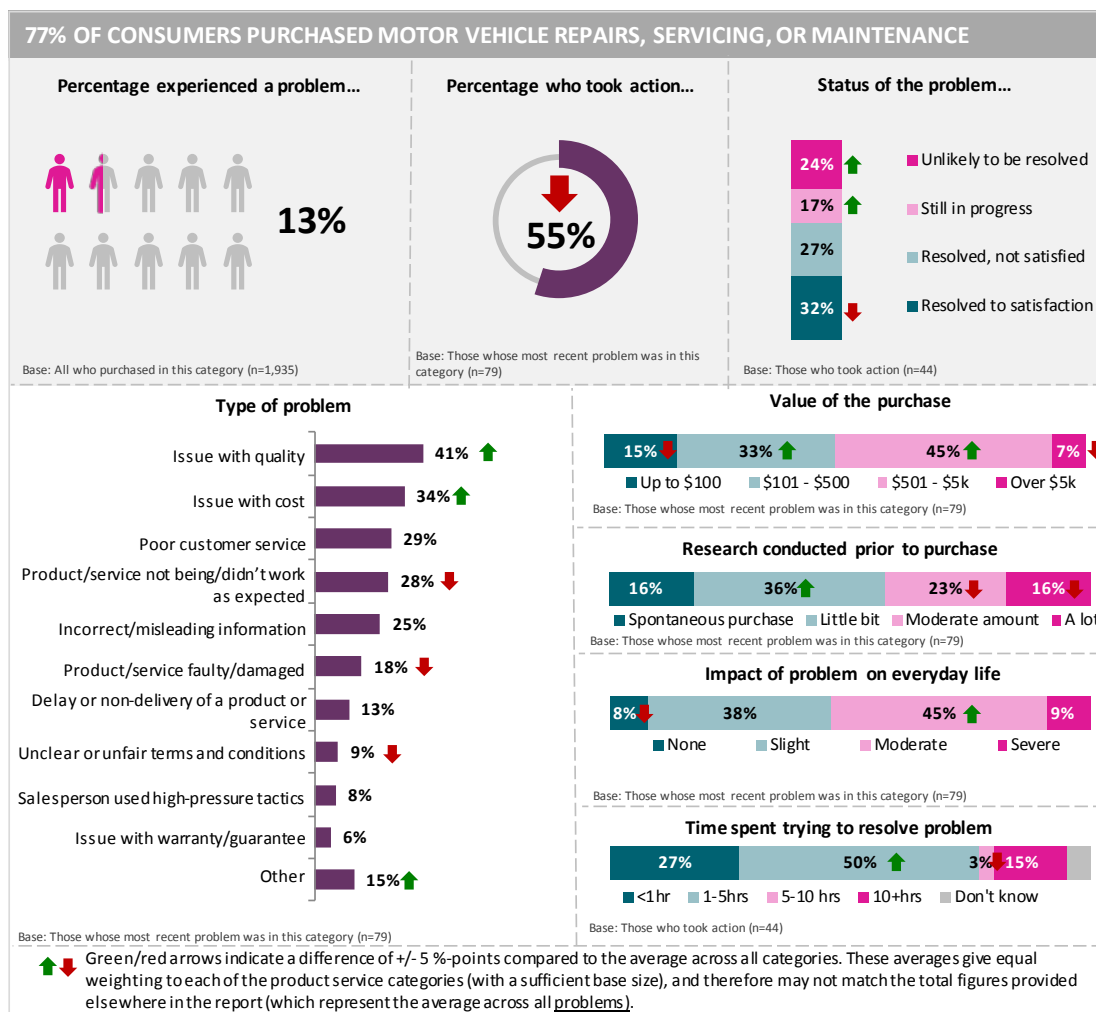
Problems with motor vehicle purchases through a car dealer are slightly less common than the average across all categories. A motor vehicle being a significant purchase for most people is reflected in the high value of these purchases, and the higher levels of research conducted prior to purchase.

The importance of a vehicle in consumers' daily lives is highlighted by the impact that problems have on them. These problems are more likely than average to have a severe impact on consumers' lives compared to the average.

Problems with motor vehicles mostly relate to the vehicle itself – either it being faulty/damaged, or not meeting performance expectations. Consumers who take action to deal with these problems are more likely than average to gain a satisfactory resolution, however these problems are time consuming to resolve. Those who take action to resolve their problems are more likely than average to spend over five hours dealing with them (40% compared to 27%).

Motor vehicle repairs, servicing, or maintenance

Figure 41: Overview of problems with motor vehicle repairs, servicing, or maintenance



The rate of problems with motor vehicle repairs, servicing, or maintenance is in line with the average.

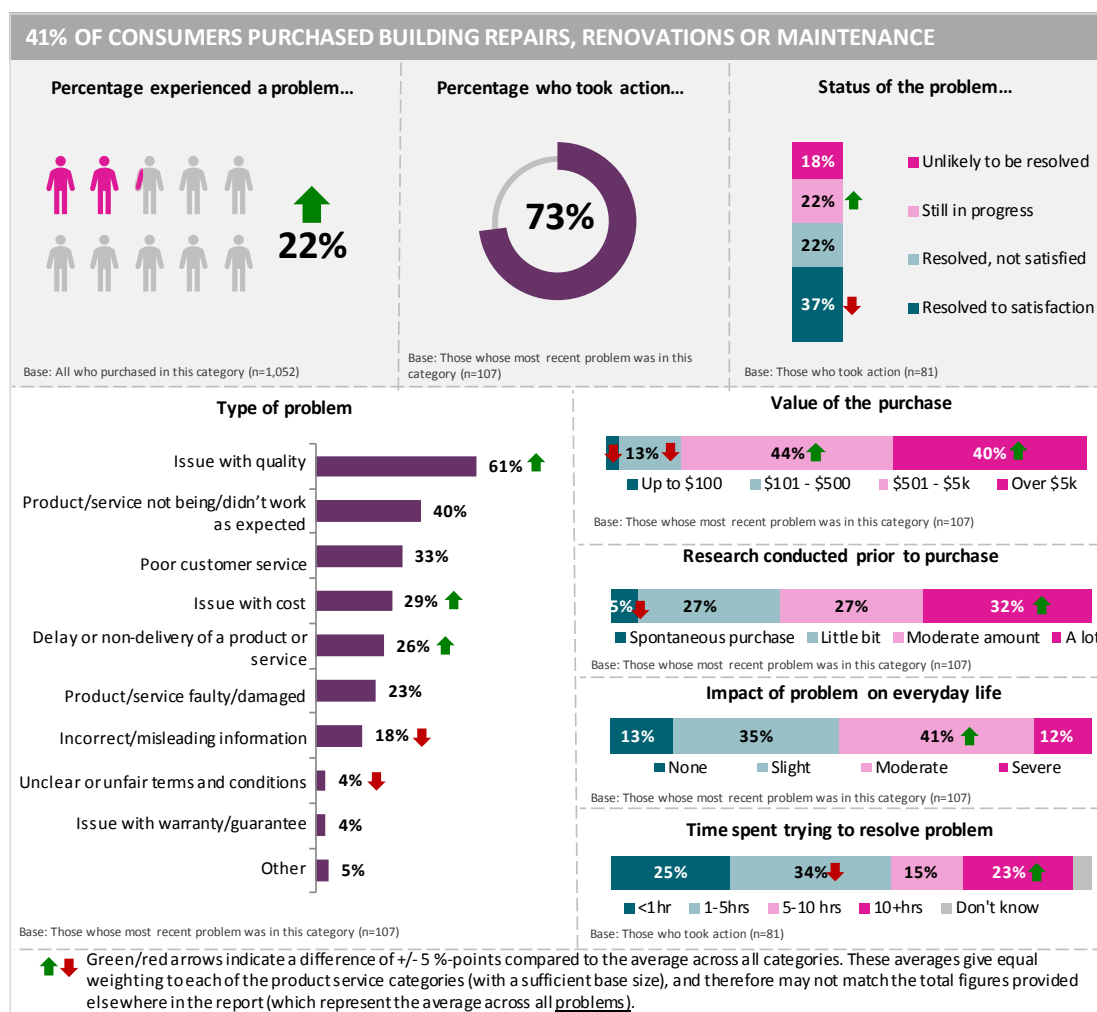
However, consumers are less likely than average to take action when they experience a problem in this category, and those who do are less likely than average to say their problem has been resolved to their satisfaction.

Problems with motor vehicle repairs are more likely than average to have a moderate impact on consumers everyday lives.

Issues with the quality of service and costs are over-represented in this category.

Building repairs, renovations, or maintenance

Figure 42: Overview of problems with building repairs, renovations or maintenance



Problems with building services are much more common compared to the average across all categories (22% compared to 15%), and twice as likely to affect those who identify with 'other' ethnic groups (44%). Purchases in this category tend to be significant for consumers. Consumers who experienced problems are more likely than average to say they did 'a lot' of research before their purchase, and 40% spent more than \$5,000 on the problem purchase. This is significantly higher than the 19% average across the categories.

Among those who purchase building services, those who experience problems are more likely to have:

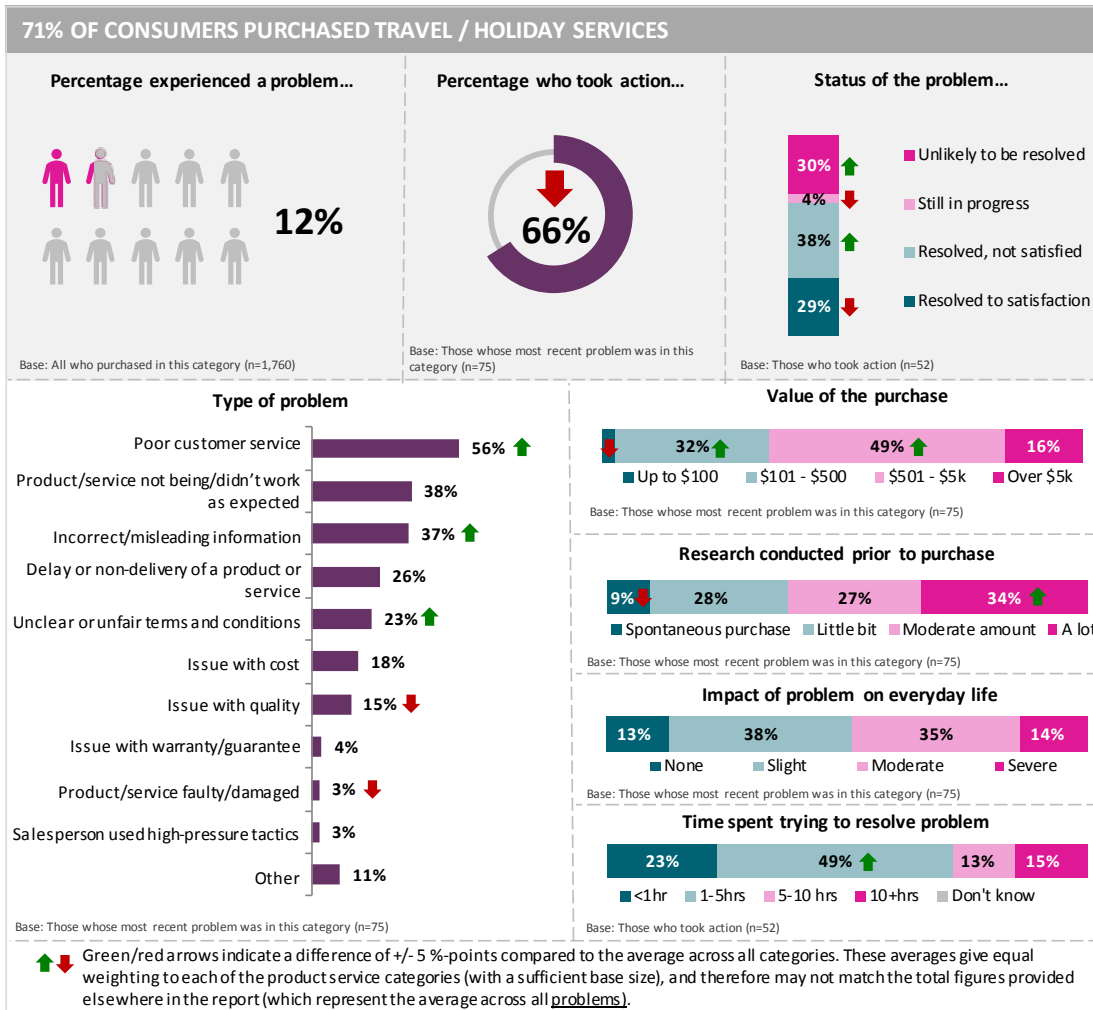
- a low level of practical knowledge of consumer rights (23% compared with 14%)
- a low level of trust and confidence when purchasing (37% compared with 26%).

Seventy three percent of those who experience a problem take action, consistent with the average, but they are less likely than average to gain a satisfactory resolution. This is in spite of some consumers spending a significant amount of time dealing with these problems (a quarter of those who took action say they spent more than ten hours dealing with the problem).

Poor quality, issues with cost, and delay or non-delivery of the service are more common in this category compared to the average.

Travel or holiday services

Figure 43: Overview of problems with travel / holiday services



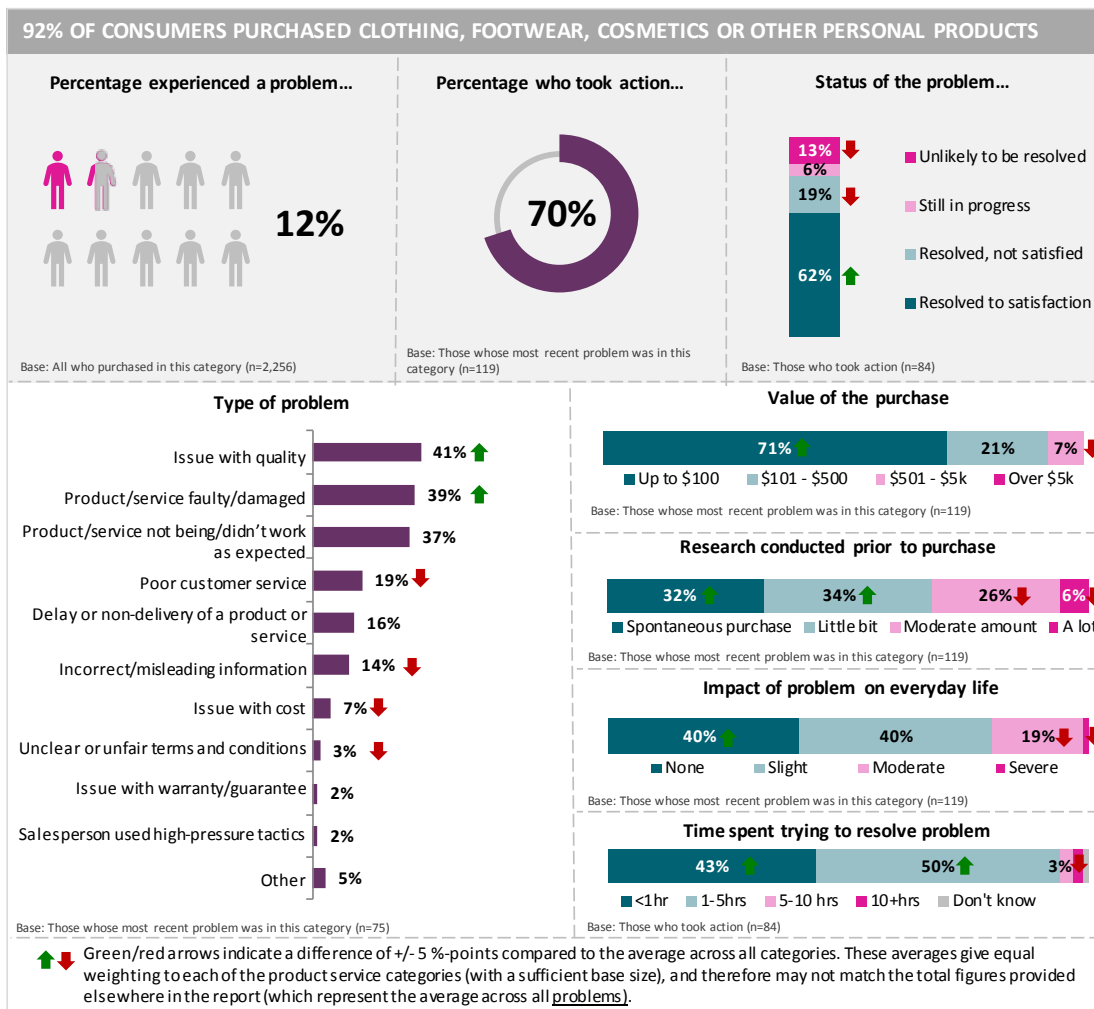
Consumers purchasing travel or holiday services are more likely than average to say they did ‘a lot’ of research before making the purchase, but this does not appear to help them avoid issues. The rate of problems among those who purchase travel or holiday services is similar to the average across all categories.

Consumers are less likely than average to take action to resolve problems they experience in this category, and those who do are less likely than average to gain a satisfactory resolution.

Problems with travel or holiday services are most often related to poor customer service, however issues with incorrect or misleading information, and unclear or unfair terms and conditions are over-represented in this category.

Clothing, footwear, or other personal products

Figure 44: Overview of problems with clothing, footwear, cosmetics, or other personal products



The rate of problems with clothing, footwear, and personal products is similar to the average.

The majority of consumers who experience problems say they made a spontaneous purchase or conducted only 'a little bit' of research. The value of these purchases is also more likely to be lower than the average (71% spent up to \$100 compared to 22% on average).

Problems within this category tend to be about quality (41%), or a product being faulty or damaged (39%).

Seventy-percent of consumers who experience problems in this category take action to try and resolve them, and they tend to be successful; 62% gain a satisfactory resolution (higher than the average of 42%).

The problem journey is generally smooth for those who take action. Those who try to resolve their problems in this category are much more likely than average to spend less than one hour dealing with it, and report that it had no impact on their everyday life.

Problem summary tables

Percentages highlighted in green text are at least five percentage points higher than the category average, whereas those highlighted in red text are at least five percentage points lower.

Key measures

| Measure | Category average ¹¹ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, cosmetic, other personal products |
|----------------------------|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|---|
| % experiencing problems | 15% | 12% | 20% | 31% | 10% | 9% | 17% | 9% | 10% | 13% | 22% | 12% | 12% |
| % taking action | 72% | 79% | 70% | 85% | 63% | 74% | 82% | 66% | 75% | 55% | 73% | 66% | 70% |
| % resolved to satisfaction | 47% | 40% | 51% | 48% | 35% | 42% | 68% | 56% | 64% | 32% | 37% | 29% | 62% |

¹¹ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Reason for problem (continued over page)

| Measure | Category average ¹² | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, cosmetic, other personal products |
|---|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|---|
| Product/service not what expected/didn't work | 37% | 45% | 39% | 47% | 36% | 27% | 26% | 37% | 44% | 28% | 40% | 38% | 37% |
| Poor customer service | 31% | 41% | 36% | 43% | 48% | 33% | 13% | 9% | 17% | 29% | 33% | 56% | 19% |
| Faulty/damaged | 26% | 15% | 13% | 21% | 4% | 5% | 71% | 50% | 54% | 18% | 23% | 3% | 39% |
| Issue with quality | 24% | 11% | 16% | 14% | 17% | 1% | 22% | 23% | 25% | 41% | 61% | 15% | 41% |
| Incorrect or misleading information | 23% | 34% | 19% | 20% | 19% | 37% | 11% | 11% | 25% | 25% | 18% | 37% | 14% |

¹² This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Reason for problem (continued)

| Measure | Category average ¹³ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, cosmetic, other personal products |
|--|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|---|
| Cost of product/service | 22% | 38% | 33% | 15% | 28% | 38% | 5% | 2% | 16% | 34% | 29% | 18% | 7% |
| Delay or non-delivery | 16% | 18% | 13% | 36% | 18% | 19% | 3% | 10% | 11% | 13% | 26% | 14% | 16% |
| Unclear/unfair terms | 14% | 16% | 10% | 9% | 40% | 25% | 4% | - | 9% | 9% | 4% | 23% | 3% |
| Salesperson used high pressure tactics | 5% | 4% | 3% | 4% | 3% | 7% | 5% | 2% | 15% | 8% | - | 3% | 2% |

¹³ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Value of purchase

| Measure | Category average ¹⁴ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, cosmetic, other personal products |
|---------------------|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|---|
| Up to \$50 | 9% | 2% | 19% | 5% | 2% | 7% | 8% | 6% | 3% | 5% | - | 1% | 37% |
| \$51 to \$100 | 14% | 14% | 23% | 37% | 16% | 14% | 6% | 7% | 6% | 10% | 3% | 2% | 34% |
| \$101 to \$500 | 26% | 47% | 27% | 44% | 27% | 6% | 29% | 34% | 2% | 33% | 13% | 32% | 21% |
| \$501 to \$1,000 | 13% | 8% | 9% | 4% | 12% | 10% | 22% | 13% | - | 29% | 13% | 18% | 4% |
| \$1,001 to \$5,000 | 18% | 12% | 17% | 5% | 22% | 16% | 30% | 24% | 12% | 16% | 31% | 30% | 3% |
| \$5,001 to \$10,000 | 9% | 4% | * | * | 8% | 6% | 3% | 3% | 31% | 3% | 10% | 12% | - |
| More than \$10,000 | 13% | 7% | 2% | * | 6% | 24% | 1% | 2% | 47% | 4% | 29% | 4% | - |

¹⁴ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Research prior to purchase

| Measure | Category average ¹⁵ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, cosmetic, other personal products |
|----------------------|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|---|
| Spontaneous purchase | 14% | 10% | 14% | 6% | 7% | 17% | 20% | 26% | 10% | 16% | 5% | 9% | 32% |
| Little bit | 26% | 37% | 33% | 23% | 14% | 10% | 28% | 18% | 21% | 36% | 27% | 28% | 34% |
| Moderate amount | 31% | 27% | 24% | 43% | 43% | 38% | 28% | 28% | 38% | 23% | 27% | 27% | 26% |
| A lot | 22% | 16% | 23% | 23% | 17% | 31% | 21% | 22% | 26% | 16% | 32% | 34% | 6% |

¹⁵ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Impact of the problem

| Measure | Category average ¹⁶ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, other personal cosmetic, other personal products |
|----------|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|--|
| None | 14% | 13% | 14% | 5% | 19% | 11% | 12% | 11% | 10% | 8% | 13% | 13% | 40% |
| Slight | 39% | 30% | 44% | 34% | 25% | 38% | 50% | 56% | 34% | 38% | 35% | 38% | 40% |
| Moderate | 35% | 46% | 34% | 42% | 45% | 38% | 31% | 25% | 21% | 45% | 41% | 35% | 19% |
| Severe | 12% | 11% | 8% | 19% | 12% | 13% | 8% | 7% | 35% | 9% | 12% | 14% | 1% |

¹⁶ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

Time spent dealing with the problem

| Measure | Category average ¹⁷ | Utility services | Mobile telecommunications services | Home-based telecommunications services | Insurance | Banking or financial products or services | Electronics, appliances, or whiteware | Non-electrical household products | Motor vehicle sales (through dealer) | Motor vehicle repairs, servicing, or maintenance | Building, repairs, renovations or maintenance on your home | Travel/holiday services | Clothing, footwear, other personal cosmetic, other personal products |
|--------------------|--------------------------------|------------------|------------------------------------|--|-----------|---|---------------------------------------|-----------------------------------|--------------------------------------|--|--|-------------------------|--|
| Less than 1 hour | 27% | 21% | 22% | 13% | 18% | 27% | 42% | 41% | 17% | 27% | 25% | 23% | 43% |
| 1-5 hours | 43% | 46% | 52% | 44% | 26% | 48% | 37% | 43% | 42% | 50% | 34% | 49% | 50% |
| 5-10 hours | 12% | 23% | 9% | 17% | 18% | 7% | 9% | 8% | 19% | 3% | 15% | 13% | 3% |
| More than 10 hours | 15% | 7% | 15% | 21% | 37% | 7% | 10% | 7% | 21% | 15% | 23% | 15% | 2% |

¹⁷ This average gives an equal weighting to all categories included in the table. These averages may differ to the total results in the main body of the report.

A

Appendices

Appendix A: Questionnaire

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

THANK YOU FOR AGREEING TO TAKE PART IN THIS SURVEY. YOUR RESPONSES WILL BE VERY IMPORTANT FOR HELPING THE GOVERNMENT BETTER PROTECT CONSUMERS IN NEW ZEALAND.

Once you have completed the survey please return it to Colmar Brunton in the freepost envelope provided (no stamp is required). Fill in the back page to enter our prize draw for a \$500 Prezzy card or one of five \$100 cards (six prizes in total).

Consumer Protection



INSTRUCTIONS

Some questions require you to tick only one answer, whilst for others you should tick all the answers that apply.

Circles indicate that you should tick only one answer.

- 1 Yes
2 No

Squares indicate that you should tick all that apply.

- 1 Blue
2 Red
3 Green
4 Yellow

START HERE

SECTION 1 YOUR RIGHTS AND CONFIDENCE AS A CONSUMER

Firstly, we want to find out how much you know about organisations and laws relating to consumer rights and how confident you are when purchasing products and services.

Q1 Before today, were you aware that New Zealand laws exist to protect basic consumer rights when purchasing products or services?

- 1 Yes
2 No

Q2 How much do you feel you know about your rights as a consumer?

- 1 I know a lot about my rights as a consumer
2 I know a moderate amount about my rights
3 I know a little bit about my rights
4 I don't know anything at all about my rights

Q3 The following laws relate to the rights of consumers and the responsibilities that businesses must meet when dealing with consumers. Please rate your understanding of what these laws mean for you as a consumer:

Please tick one answer for each law (only use 1–5 scale if you have heard of it)

1) Consumer Guarantees Act (CGA)

- I have never heard of this law before | I have heard of this law but I don't know what it means | I have a moderate understanding of this law | I have a very good understanding of this law
- 1 2 3 4 5

2) Fair Trading Act (FTA)

- I have never heard of this law before | I have heard of this law but I don't know what it means | I have a moderate understanding of this law | I have a very good understanding of this law
- 1 2 3 4 5

3) Credit Contracts and Consumer Finance Act (CCCFA)

- I have never heard of this law before | I have heard of this law but I don't know what it means | I have a moderate understanding of this law | I have a very good understanding of this law
- 1 2 3 4 5

4) Commerce Act

- I have never heard of this law before | I have heard of this law but I don't know what it means | I have a moderate understanding of this law | I have a very good understanding of this law
- 1 2 3 4 5

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

Q4

Before today, were you aware that the following organisations provide consumer information and advice?

- | | | |
|---|--------------------------------|-------------------------------|
| 1) Consumer Protection, Ministry of Business, Innovation and Employment | Yes 1 <input type="radio"/> | No 2 <input type="radio"/> |
| 2) Commerce Commission | Yes 1 <input type="radio"/> | No 2 <input type="radio"/> |
| 3) Consumer NZ | Yes 1 <input type="radio"/> | No 2 <input type="radio"/> |
| 4) Citizens Advice Bureau | Yes 1 <input type="radio"/> | No 2 <input type="radio"/> |
| 5) Community Law Centre | Yes 1 <input type="radio"/> | No 2 <input type="radio"/> |

Q5

And in the past two years, have you personally used these organisations to seek consumer information and advice?

- | | | |
|---|---------------------------------|-------------------------------------|
| 1) Consumer Protection, Ministry of Business, Innovation and Employment | Used 1 <input type="radio"/> | Not used 2 <input type="radio"/> |
| 2) Commerce Commission | Used 1 <input type="radio"/> | Not used 2 <input type="radio"/> |
| 3) Consumer NZ | Used 1 <input type="radio"/> | Not used 2 <input type="radio"/> |
| 4) Citizens Advice Bureau | Used 1 <input type="radio"/> | Not used 2 <input type="radio"/> |
| 5) Community Law Centre | Used 1 <input type="radio"/> | Not used 2 <input type="radio"/> |

Q6

Here are some examples of situations that you might face when purchasing products or services. Please indicate whether you think the following statements are true or false, or if you don't know.

Please tick only one for each

- 1) If you buy something on sale at a discounted price and then you find it's faulty – the shopkeeper has to replace, refund or repair it.
- True
1
- False
2
- Don't know
3

Continued in the next column

- 2) If your fridge breaks down a month or so after the manufacturer's 12 month warranty has run out, the store still has to sort it free of charge.
- True
1
- False
2
- Don't know
3
- 3) If you buy something secondhand from a private individual on TradeMe, you have the same rights and legal protections as if you were to buy the item from a physical shop.
- True
1
- False
2
- Don't know
3
- 4) If you get a call from an electricity company salesperson, and agree over the phone to switch to their service, you can change your mind and cancel within five working days of receiving a copy of the agreement.
- True
1
- False
2
- Don't know
3
- 5) If you buy a new car on credit from a dealer, they have up to five working days to provide you with all the required information about the contract.
- True
1
- False
2
- Don't know
3
- 6) If you take your car to a garage for repair and the mechanic does some extra work he/she thinks is necessary without asking you first, you still have to pay for that work.
- True
1
- False
2
- Don't know
3
- 7) If you take out a loan but suddenly lose your job and you let the lender know you are struggling to make repayments, the lender is required to consider changing the terms of your contract.
- True
1
- False
2
- Don't know
3
- 8) If you take out a loan and two days later you find a better interest rate elsewhere, you can then go and cancel your original loan agreement.
- True
1
- False
2
- Don't know
3
- 9) If you hire a moving service without agreeing to a rate, and then after the move receive an invoice three times higher than any competitor's rate you must pay the full invoiced amount as the service has already been carried out.
- True
1
- False
2
- Don't know
3
- 10) If you buy something online from a website that ends .co.nz, you know you are buying from a New Zealand-based business.
- True
1
- False
2
- Don't know
3

Q7

Thinking about the types of information that you might see or consider before purchasing a product or service, how often do the following apply to you?

Please tick only one for each

- 1) I trust the information given to me by salespeople is fair and accurate.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Never | Occasionally | Sometimes | Most of the time | Always | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 2) I seek out extra information, such as online reviews, recommendations from friends or reference checks, to check whether claims are true.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Never | Occasionally | Sometimes | Most of the time | Always | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 3) I look for endorsements such as star ratings, energy ratings, or trusted brand awards.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Never | Occasionally | Sometimes | Most of the time | Always | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 4) Knowing that a product meets an official New Zealand Standard affects my decision on what product to purchase.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Never | Occasionally | Sometimes | Most of the time | Always | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 5) Knowing that a business treats its workers fairly (eg. pays at least minimum wage, provides a safe workplace), affects my decision on where to purchase products/services.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Never | Occasionally | Sometimes | Most of the time | Always | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

Q8

When making a purchase of around \$250, do you generally...?

- 1 Do no research on the product/service
- 2 Do a little bit of research on the product/service
- 3 Do a moderate amount of research on the product/service
- 4 Do a lot of research on the product/service
- 5 Don't know

Q9

Please indicate to what extent you agree or disagree with each of the following statements:

Please tick only one for each

- 1) I am confident that I have enough information about my rights as a consumer when purchasing products or services.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 2) I am concerned about the availability of fake and counterfeit products in New Zealand.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 3) New Zealand has adequate laws to protect consumers from being misled or cheated by businesses.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 4) Laws that prohibit businesses from misleading or deceiving consumers are adequately enforced.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 5) Laws that prohibit businesses from fixing prices or other anti-competitive behaviour are adequately enforced.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 6) There is adequate access to services that help to resolve disputes between consumers and businesses.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

- 7) In New Zealand you can generally buy products and services and feel confident that businesses will do the right thing and not try to mislead or cheat you.

| | | | | | |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Strongly disagree | Disagree | Neither | Agree | Strongly agree | Don't know |
| 1 <input type="radio"/> | 2 <input type="radio"/> | 3 <input type="radio"/> | 4 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

Q10 Before today, were you aware of any of the following dispute resolution services?

Please tick all that apply

- 1 Disputes Tribunal of New Zealand
- 2 Banking Ombudsman Scheme
- 3 Insurance and Financial Services Ombudsman Scheme (IFSO Scheme)
- 4 Financial Services Complaints Ltd (FSCL)
- 5 Financial Dispute Resolution Service (FDRS)
- 6 Utilities Disputes
- 7 Telecommunications Dispute Resolution (TDR)
- 8 Motor Vehicle Disputes Tribunal (MVDT)
- 9 I am not aware of any of the above

Q11 Below we ask about your experience in purchasing products or services where you would be required to sign an agreement...

Please indicate which of the following you have done in the past two years.

Please tick only one for each

- 1) Bought an extended warranty.

| | | |
|--------------------------------|-------------------------------|---|
| Yes 1 <input type="radio"/> | No 2 <input type="radio"/> | Can't remember 3 <input type="radio"/> |
|--------------------------------|-------------------------------|---|
- 2) Bought something through lay-by.

| | | |
|--------------------------------|-------------------------------|---|
| Yes 1 <input type="radio"/> | No 2 <input type="radio"/> | Can't remember 3 <input type="radio"/> |
|--------------------------------|-------------------------------|---|
- 3) Bought from a telemarketer or door-to-door salesperson.

| | | |
|--------------------------------|-------------------------------|---|
| Yes 1 <input type="radio"/> | No 2 <input type="radio"/> | Can't remember 3 <input type="radio"/> |
|--------------------------------|-------------------------------|---|
- 4) Entered into a credit contract, such as a loan, a new credit card, a new bank overdraft, or an agreement to pay something off over time.

| | | |
|--------------------------------|-------------------------------|---|
| Yes 1 <input type="radio"/> | No 2 <input type="radio"/> | Can't remember 3 <input type="radio"/> |
| ↓ Go to Q11b | ↓ Go to Q12 | |

Q11b Thinking about the most recent credit contract you entered into, please indicate to what extent you agree or disagree with each of the following statements:

Please tick only one for each

- 1) The lender adequately assisted me to make sure I was fully informed about the implications of the credit contract, including the terms, fees, and what might go wrong.

| | | | | | |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|
| Strongly disagree 1 <input type="radio"/> | Disagree 2 <input type="radio"/> | Neither 3 <input type="radio"/> | Agree 4 <input type="radio"/> | Strongly agree 5 <input type="radio"/> | Don't know 6 <input type="radio"/> |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|
- 2) I am confident the lender properly considered my income and expenses and assessed that my repayments were going to be affordable.

| | | | | | |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|
| Strongly disagree 1 <input type="radio"/> | Disagree 2 <input type="radio"/> | Neither 3 <input type="radio"/> | Agree 4 <input type="radio"/> | Strongly agree 5 <input type="radio"/> | Don't know 6 <input type="radio"/> |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|
- 3) I am confident I understood the agreement well enough to make an informed decision to enter it.

| | | | | | |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|
| Strongly disagree 1 <input type="radio"/> | Disagree 2 <input type="radio"/> | Neither 3 <input type="radio"/> | Agree 4 <input type="radio"/> | Strongly agree 5 <input type="radio"/> | Don't know 6 <input type="radio"/> |
|--|-------------------------------------|------------------------------------|----------------------------------|---|---------------------------------------|

**SECTION 2
INCIDENCE AND FREQUENCY OF PROBLEMS**

Q12

Have you experienced any problems with purchases you made in the past two years from any of the following product or service categories? These products or services could have been purchased in a physical retail store, online, over the phone or through a magazine, or they may be ongoing services that you make regular payments on or are subscribed to.

Specifically, think about times when:

- the information you were given about the product or service was misleading, or not true
- you purchased a product or service that was faulty or did not deliver what you expected
- your legal rights as a consumer were not met
- you felt deceived, pressured or unfairly treated

| Please tick one only for each type of product or service | YES, I did purchase this product or service in the past 2 years and YES I have had a problem | YES, I did purchase this product or service in the past 2 years but I HAVE NOT had a problem | I have NOT purchased a product or service in this category in the past 2 years |
|---|--|--|--|
| Utility services, such as water, gas or electricity | 1 <input type="radio"/> | 1 <input type="radio"/> | 1 <input type="radio"/> |
| Mobile telecommunications services, such as mobile voice, text or data | 2 <input type="radio"/> | 2 <input type="radio"/> | 2 <input type="radio"/> |
| Home-based telecommunications services, such as landline phone or copper/fibre internet service | 3 <input type="radio"/> | 3 <input type="radio"/> | 3 <input type="radio"/> |
| Insurance | 4 <input type="radio"/> | 4 <input type="radio"/> | 4 <input type="radio"/> |
| Banking or financial products or services, such as bank accounts, debit cards, financial advice | 5 <input type="radio"/> | 5 <input type="radio"/> | 5 <input type="radio"/> |
| Electronics, electrical appliances or whiteware | 6 <input type="radio"/> | 6 <input type="radio"/> | 6 <input type="radio"/> |
| Non-electrical household products, such as furniture or cooking equipment | 7 <input type="radio"/> | 7 <input type="radio"/> | 7 <input type="radio"/> |
| Motor vehicle (through a car dealer) | 8 <input type="radio"/> | 8 <input type="radio"/> | 8 <input type="radio"/> |
| Motor vehicle (from a private seller) | 9 <input type="radio"/> | 9 <input type="radio"/> | 9 <input type="radio"/> |
| Motor vehicle repairs, servicing or maintenance | 10 <input type="radio"/> | 10 <input type="radio"/> | 10 <input type="radio"/> |
| Building, repairs, renovations or maintenance on your home | 11 <input type="radio"/> | 11 <input type="radio"/> | 11 <input type="radio"/> |
| Travel/holiday services, such as travel agents, flights, car hire, tours, or accommodation | 12 <input type="radio"/> | 12 <input type="radio"/> | 12 <input type="radio"/> |
| Clothing, footwear, cosmetics or other personal products | 13 <input type="radio"/> | 13 <input type="radio"/> | 13 <input type="radio"/> |
| Health or medical products and services | 14 <input type="radio"/> | 14 <input type="radio"/> | 14 <input type="radio"/> |
| Entertainment, recreation or leisure activities, such as gym memberships, movies, or tickets for events | 15 <input type="radio"/> | 15 <input type="radio"/> | 15 <input type="radio"/> |
| Buying or selling real estate or property management services | 16 <input type="radio"/> | 16 <input type="radio"/> | 16 <input type="radio"/> |
| Other (please tell us) | 17 <input type="radio"/> | 17 <input type="radio"/> | 17 <input type="radio"/> |
| <input type="text"/> | 17 <input type="radio"/> | 17 <input type="radio"/> | 17 <input type="radio"/> |

Now please go to the following:

If you ticked any of the above, please answer Section 3 (Q13) over the page (questions in pink boxes).

Otherwise, if you have not had any problems in the past two years, go to Section 4 (Q26).

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

SECTION 3

PROBLEM RESOLUTION EXPERIENCE

Q13 Please tell us the type of product or service you most recently had a problem with.

Please tick only one

- 1 Utility services, such as water, gas or electricity
- 2 Mobile telecommunications services, such as mobile voice, text or data
- 3 Home-based telecommunications services, such as landline phone or copper/fibre internet service
- 4 Insurance
- 5 Banking or financial products or services, such as bank accounts, debit cards, financial advice
- 6 Electronics, electrical appliances or whiteware
- 7 Non-electrical household products, such as furniture or cooking equipment
- 8 Motor vehicle (through a car dealer)
- 9 Motor vehicle (from a private seller)
- 10 Motor vehicle repairs, servicing or maintenance
- 11 Building, repairs, renovations or maintenance on your home
- 12 Travel/holiday services, such as travel agents, flights, car hire, tours, or accommodation
- 13 Clothing, footwear, cosmetics or other personal products
- 14 Health or medical products and services
- 15 Entertainment, recreation or leisure activities, such as gym memberships, movies, or tickets for events
- 16 Buying or selling real estate or property management services
- 17 Other (please tell us)

Q14 Was this problem related to...?

Please tick all that apply

- 1 The product/service not being what you expected/didn't work as expected
- 2 The product/service being faulty/damaged

Continued in the next column

- 3 An issue with the quality of the product/service (eg. poor workmanship)
- 4 The cost of the product/service (eg. hidden fees or unexpected charges)
- 5 Delay or non-delivery of product or service
- 6 Incorrect or misleading information provided
- 7 Unclear or unfair terms and conditions
- 8 Problems with the warranty or guarantee
- 9 Poor customer service
- 10 The salesperson used high-pressure sales tactics
- 11 Other (please tell us)

Q15 Thinking about your most recent problem with a product or service, how was this purchase made?

Please tick only one

- 1 In person, at a shop (eg. retail store, department store, etc.)
- 2 You called the business to arrange the purchase or service
- 3 Online, directly from a New Zealand retailer, booking site, deal site or marketplace (eg. Air New Zealand, Noel Leeming, Trade me, GrabOne)
- 4 Online, directly from an overseas retailer, booking site, deal site or marketplace (eg. ASOS, Book Depository, Expedia, Ebay)
- 5 Through a peer-to-peer process (eg. Uber, AirBnB)
- 6 A telemarketer called you
- 7 A door-to-door salesperson came to your home
- 8 Other (please tell us)

Q16 And thinking back to when you made this purchase would you say

- 1 You made a spontaneous purchase
- 2 You did a little bit of research on the product/service before purchasing
- 3 You did a moderate amount of research on the product/service before purchasing
- 4 You did a lot of research on the product/service before purchasing
- 5 Can't remember

Q17 What was the approximate value of the product or service purchased?

(If the service involved an ongoing subscription or payment please tell us the approximate value you pay per month)

- 1 Under \$50
- 2 \$51 to \$100
- 3 \$101 to \$500
- 4 \$501 to \$1,000
- 5 \$1,001 to \$5,000
- 6 \$5,001 to \$10,000
- 7 \$10,001 or more
- 8 Don't know/can't remember

Q18 How much of an impact did the problem have on your everyday life?

- 1 None
- 2 Slight
- 3 Moderate
- 4 Severe

Q19 Did you take any action to resolve your most recent problem?

- 1 Yes → Go to Q20 over the page
- 2 No → Go to Q19b

Q19b Why didn't you take any action to resolve the problem?

Please tick all that apply

- 1 I did not have time
- 2 I was unsure where to go for advice
- 3 I was unsure what action to take
- 4 I couldn't be bothered
- 5 The product or service was not worth enough money for me to care
- 6 It would have cost more money to resolve
- 7 I had a feeling that something was wrong but I wasn't sure if it was actually a legal issue
- 8 I didn't want to jeopardise my relationship with the supplier
- 9 I did not feel confident that doing anything would resolve the issue
- 10 I was nervous or did not feel confident in dealing with it myself
- 11 Other (please tell us)

If you answered Q19b as you didn't take any action to resolve your most recent problem, please now go to Section 4 (Q26).

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

The following questions relate to the steps you took to try and resolve the most recent problem with the product/service you identified in question 13.

Q20 What steps did you take to try and resolve your most recent problem?

Please tick 'yes' or 'no' for each step

| | Yes | No |
|--|-------------------------|-------------------------|
| I contacted the business directly | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I sought information or advice about consumer rights | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I consulted with friends or family about what to do | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I contacted a dispute resolution service | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I contacted the manufacturer/distributor (if different from supplier) | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I left a review or comment on a website/social media | 1 <input type="radio"/> | 2 <input type="radio"/> |
| I laid a complaint with an enforcement agency or government organisation | 1 <input type="radio"/> | 2 <input type="radio"/> |

Q21 And if you took more than one step to try and resolve your most recent problem, which step did you take first?

Please tick only one

- 1 Not applicable – I only took one step
- 2 I contacted the business directly
- 3 I sought information or advice about consumer rights
- 4 I consulted with friends or family about what to do
- 5 I contacted a dispute resolution service
- 6 I contacted the manufacturer/distributor (if different from supplier)
- 7 I left a review or comment on a website/social media
- 8 I laid a complaint with an enforcement agency or government organisation
- 9 Other (please tell us)
- 10 Can't remember

Q22 If, at any time, you sought information or advice about your consumer rights, where did you go?

Please tick all that apply

- 1 I didn't seek information or advice about my consumer rights
- 2 Consumer Protection, Ministry of Business, Innovation and Employment
- 3 Commerce Commission
- 4 Citizens Advice Bureau
- 5 Consumer NZ
- 6 Community Law Centre
- 7 Friends or family
- 8 General internet search for information
- 9 Lawyer
- 10 Other (please tell us)

Q23 Approximately how many hours have you and others on your behalf spent trying to resolve this problem since it first started?

- 1 Less than one hour
- 2 Between one and five hours
- 3 Between five and ten hours
- 4 More than ten hours
- 5 Don't know / Don't remember

Q24 Is the problem...?

- 1 Resolved to your satisfaction → Go to Q24b
- 2 Resolved but not to your satisfaction → Go to Q24b
- 3 Still in the process of being resolved → Go to Q24b
- 4 Unlikely to be resolved → Go to Q25

Q24b

How was your problem resolved, or how are you currently trying to resolve it?

Please tick only one

- 1 Directly with the business
- 2 Through a dispute resolution service or third party mediation
- 3 Through the Disputes Tribunal or a court
- 4 Through a lawyer
- 5 Other (please tell us)

Q24c

How easy was it to resolve your problem, or if you are currently trying to resolve it, how easy has the process been up till now ?

- Not at all easy Very easy
- 1 2 3 4 5

Q25

We are interested in the reasons that people do not use dispute resolution services... Why did you not contact a dispute resolution service?

Please tick all that apply
(If you did contact a dispute resolution service, tick the last option)

- 1 I resolved the problem directly with the business
 - 2 I couldn't be bothered
 - 3 I wanted to but didn't have the time
 - 4 The product or service wasn't of significant value / wasn't worth the effort
 - 5 I didn't know where to go / wasn't aware of a dispute resolution service that would handle my problem
 - 6 I didn't know enough about the process
 - 7 I don't like confrontations
 - 8 I felt like there was a problem but didn't know if the business had actually done anything illegal
 - 9 I didn't want to have a bad relationship with the business
 - 10 Other (please tell us)
-
- 11 I did contact a dispute resolution service

SECTION 4 DEMOGRAPHICS

Now we have some final questions to help ensure we have spoken to a broad range of people.

Q26 Are you...

- 1 Male
- 2 Female
- 3 Gender diverse

Q27 Which ethnic group do you belong to?

Please tick all that apply

- 1 New Zealand European
 - 2 Māori
 - 3 Samoan
 - 4 Cook Island Māori
 - 5 Tongan
 - 6 Niuean
 - 7 Another Pacific Island group (please tell us)
-
- 8 Chinese
 - 9 Indian
 - 10 Another Asian group (please tell us)
-
- 11 Another European group (please tell us)
-
- 12 Another ethnic group (please tell us)
-
- 13 Prefer not to say

NEW ZEALAND CONSUMER SURVEY 2018

DO YOU FEEL PROTECTED AS A CONSUMER?

Q28 To the best of your knowledge, which of the following describes your annual household income, before tax?

- 1 Up to \$25,000
- 2 \$25,001 to \$50,000
- 3 \$50,001 to \$75,000
- 4 \$75,001 to \$100,000
- 5 \$100,001 to \$125,000
- 6 \$125,001 to \$150,000
- 7 More than \$150,000
- 8 Prefer not to say

Q29 Which of the following best describes your current employment situation?

Please tick only one

- 1 Employed full-time
- 2 Employed part-time
- 3 Self-employed or running your own business
- 4 Voluntary or unpaid work
- 5 Looking after family
- 6 Claiming jobseeker support (formerly unemployment benefit)
- 7 Studying
- 8 Retirement
- 9 Something else (please tell us)
- 10 Prefer not to say

Q30 Is English the main language you speak?

- 1 Yes
- 2 No, another language (please tell us)

Q31 What is the highest level of education you have achieved?

- 1 Secondary school
- 2 Certificate or diploma level
- 3 Bachelor's degree
- 4 Postgraduate diploma or certificate
- 5 Postgraduate degree
- 6 Another level of education
- 7 Prefer not to say

FINAL COMMENTS

Q32 Do you have any other comments about your experiences as a consumer?

Please write in the box below

- 1 No further comments

Please fill in your contact details below so that we are able to contact you if you are one of the prize draw winners.

Your details will only be used to contact you regarding the prize draw. Colmar Brunton will not use this information for any other purpose.

Name:

Telephone number:

Email:

I don't want to be entered into the prize draw

*Thank you for taking the time to complete the survey.
Your input is very much appreciated.*

PLEASE CHECK THAT YOU HAVE COMPLETED ALL PAGES OF THE QUESTIONNAIRE.

Please put the completed questionnaire in the freepost envelope provided or any envelope (no stamp required) and post it to:

FREEPOST AUTHORITY NUMBER 6172

Colmar Brunton
PO Box 33690
Takapuna
Auckland
0740

If you have any questions please contact Colmar Brunton on 0508 446 688 or survey@colmarbrunton.co.nz

**NEW ZEALAND CONSUMER SURVEY 2018
PRIZE DRAW TERMS AND CONDITIONS OF ENTRY**

1. The prize draw is run by Colmar Brunton Ltd.
2. The promotional period runs from 1:01am Monday 5 November until 11:59pm Friday 21 December 2018 (Promotional Period).
3. To enter eligible respondents must complete and submit the survey by:
 - a) Filling out the online survey at <http://survey.colmarbrunton.co.nz/consumer> (using your survey code printed on the letter); OR
 - b) Returning a completed paper copy of the questionnaire to Colmar Brunton.
4. Employees or immediate family members of employees of Colmar Brunton will not be eligible for the prize draw.
5. The survey must be completed by the person to whom the letter is addressed.
6. Each person may complete this survey only once during the Promotional Period.
7. Winners will be randomly selected at the close of the Promotional Period in a draw held by Colmar Brunton on Monday 24 December 2018. The selection of the prize winners is final.
8. The prize draw includes 1 Prezy Card worth \$500 and 5 Prezy Cards worth \$100. They are not redeemable for cash.
9. The Promoter will post the first name and city of residence of the winner/s of the prize draw on the Colmar Brunton website www.colmarbrunton.co.nz.
10. The Promoter will make reasonable efforts to notify the winners that they have won. If for any reason the Promoter, having made reasonable efforts to make contact with an eligible winner, has failed to make contact with the winner within 3 months of the Promotional Period closing, the Promoter may, at its discretion:
 - a) deem that winner to have forfeited their right to the prize; and
 - b) select another eligible winner in accordance with these Terms and Conditions.
11. Any win that the Promoter reasonably suspects (in the Promoter's sole discretion) has involved or may involve fraud, bugs, tampering, hacking or any other unauthorised intervention will be null and void.
12. By participating in the prize draw, you agree to have your name published on the Colmar Brunton website in the case that you are a winner. Only first names and town/city of residence would be published.

Appendix B: Methodology

Methodology

The survey employed largely the same methodology as the 2016 study; a primarily postal method, enabling respondents to complete the survey either online or on paper.

In line with 2016, most respondents completed the survey on paper (2,104 on paper, and 493 online).

Questionnaire design

The questionnaire was based on that used in the 2016 study, the design of which was led by the Research and Evaluation team within MBIE.

In 2018, some changes were made to the questionnaire to reflect learnings from the initial 2016 study. These changes were agreed with MBIE following a round of cognitive testing with six members of the public.

The name of the survey was also changed from the “National Consumer Survey” to the “New Zealand Consumer Survey” which appeared to be more appealing to respondents.

A copy of the questionnaire is provided in Appendix A.

Sampling frame

The New Zealand Electoral Roll was used as the primary sampling frame.

A sample frame was drawn and potential respondents were sent a personalised hard copy letter with a New Zealand Consumer Survey letterhead (including the Colmar Brunton, Consumer Protection, and MBIE logos) that outlined the purpose of the survey and explained how to complete the survey online, or alternatively by filling-in and returning the paper questionnaire accompanying the letter.

As an incentive to participation, respondents had the opportunity to enter a prize draw for six chances to win Prezzy cards, with a top prize of \$1,000 and five further prizes of \$100.

Those who had not completed the survey at each stage were sent first a reminder postcard, highlighting the prize draw and reiterating the survey was still open, then a second questionnaire pack accompanied by a reminder letter.

The targeted sample size was 2,000 interviews. Part-way through fieldwork, it was identified that the initial sample draw may not have been sufficient to reach the overall target of 2,000. Subsequently, a second sample was drawn from the Electoral Roll. The second sample draw was sent the invitation letter and questionnaire only (they did not receive the reminder postcard or second questionnaire pack).

Fieldwork was open from 1 November 2018 until 25 January 2019.

Response rate

A total of 14,658 people were selected from the Electoral Roll and invited to participate in the survey. A total of 2,597 respondents completed the questionnaire. The response rate is 19% (excluding those who could not participate in the survey due to death/having moved residence/no such address).

The overall response rate is slightly lower than the 23% achieved in the 2016 survey. This is mainly due to the influence of the second sample send-out, whom did not receive the reminder materials, and were invited to participate shortly before the Christmas holiday period (during which time many people would have been away from home). The response rate based only on the initial sample send-out is 22%, which is in line with the 2016 rate.

Weighting

The results are weighted to be nationally representative of the New Zealand population, and are in line with the 2016 sample on the following measures:

- Gender
- Age
- Location (region)
- Ethnic identification

A sample profile is provided in Appendix C.

Appendix C: Sample profile

| | | Counts for 2018 | | Percentages | |
|-----------------------|----------------------|--------------------|----------------------|--------------------|--------------------|
| | | 2018 (weighted) | 2018 (unweighted) | 2018 (weighted) | 2016 (weighted) |
| Gender | Male | 1222 | 1134 | 48% | 47% |
| | Female | 1327 | 1410 | 52% | 52% |
| Age group | 18-26 | 417 | 337 | 16% | 16% |
| | 27-36 | 413 | 225 | 16% | 16% |
| | 37-46 | 466 | 273 | 18% | 18% |
| | 47-56 | 469 | 403 | 18% | 18% |
| | 57-66 | 385 | 586 | 15% | 15% |
| | 67 and over | 414 | 741 | 16% | 16% |
| Broad region | Auckland | 648 | 728 | 29% | 32% |
| | Wellington | 259 | 244 | 12% | 12% |
| | Rest of North Island | 722 | 675 | 32% | 31% |
| | Canterbury | 302 | 293 | 13% | 12% |
| | Otago | 134 | 129 | 6% | 5% |
| | Rest of South Island | 185 | 172 | 8% | 8% |
| Ethnic identification | NZ European | 1897 | 2094 | 73% | 72% |
| | Māori | 291 | 208 | 11% | 11% |
| | Pacific Peoples | 154 | 76 | 6% | 6% |
| | Asian | 314 | 162 | 12% | 12% |
| | Other ethnicities | 209 | 218 | 8% | 7% |

| | | Counts for 2018 | | Percentages | |
|-------------------------|----------------------------|--------------------|----------------------|--------------------|--------------------|
| | | 2018 (weighted) | 2018 (unweighted) | 2018 (weighted) | 2016 (weighted) |
| Annual household income | Up to \$25,000 | 290 | 297 | 13% | 16% |
| | \$25,001 to \$50,000 | 444 | 513 | 20% | 22% |
| | \$50,001 to \$75,000 | 371 | 364 | 17% | 18% |
| | \$75,001 to \$100,000 | 353 | 339 | 16% | 16% |
| | \$100,001 to \$125,000 | 243 | 220 | 11% | 11% |
| | \$125,001 to \$150,000 | 199 | 174 | 9% | 16% |
| | Over \$150,000 | 323 | 320 | 15% | |
| Occupation | Employed full-time | 1070 | 863 | 44% | 40% |
| | Employed part-time | 294 | 290 | 12% | 12% |
| | Self-employed | 342 | 358 | 14% | 13% |
| | Voluntary work | 30 | 32 | 1% | - |
| | Looking after family | 90 | 72 | 4% | 9% |
| | Claiming jobseeker support | 50 | 32 | 2% | Not comparable |
| | Studying | 161 | 137 | 7% | 8% |
| | Retired | 359 | 635 | 15% | 15% |

| | | 2018 (weighted) | | 2018 (unweighted) | |
|-----------------------------|------------------------|-----------------|-------------------|-------------------|-----------------|
| | | 2018 (weighted) | 2018 (unweighted) | 2018 (weighted) | 2016 (weighted) |
| Main language spoken | English | 2345 | 2404 | 92% | 92% |
| | Other language | 195 | 124 | 8% | 8% |
| Highest education completed | Secondary school | 693 | 797 | 27% | 34% |
| | Certificate or diploma | 605 | 637 | 23% | 28% |
| | Degree or higher | 1055 | 938 | 41% | 35% |
| | Other | 241 | 211 | 9% | 3% |

