

# Consumer Protection Quarterly Report

October – December 2020/21



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## Executive summary

This is Consumer Protection's quarter two (Q2) report covering data from 1 October – 31 December 2020. The report presents information on the issues that consumers contacted the MBIE service centre about, and any change from the previous quarter. Consumer enquiries reported to the Citizen's Advice Bureau (CAB) are also presented.

### Key insights from this quarter

#### Enquiry volumes



**CONSUMER ENQUIRIES WERE RECEIVED**

A DECREASE OF 10% COMPARED TO THE PREVIOUS QUARTER

#### Top enquiry sectors/areas

	MOTOR VEHICLES (SALES AND REPAIRS)
	ELECTRONIC GOODS
	PERSONAL PRODUCTS
	BANKING, BUDGETING, CREDIT OR FINANCE
	NON-ELECTRICAL HOUSEHOLD GOODS
	CONSTRUCTION OR TRADE SERVICES

### **Notable changes**

- Total enquiries to the MBIE service centre decreased by 14% this quarter but are 4% higher than the same period last year
- Decreases in MBIE service centre enquiries were observed across nearly all areas, with the exception of 'Non-electrical household goods', 'Legal/Accounting/Other professional service', and 'Health services'
- The top two sectors ('Motor vehicle sales' and 'Electronics goods and mobile phones') experienced the largest decrease in the number of enquiries this quarter however 'Insurance' and 'Real estate and property management' experienced the largest percentage decreases.

### **The issues**

- Enquiries most frequently relate to potential breaches of the Consumer Guarantees Act (CGA)
- Faulty, damaged, doesn't work as expected is the most common issue, noted in 42% of enquiries received by the MBIE service centre
- Potential FTA breaches were most likely to be noted in enquiries related to 'Banking, credit or finance' 'Insurance', and 'Accommodation or Travel services'
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Construction or trade services' and 'Health services'. 'Legal/Accounting/Other professional service' enquiries also noted 'Poor quality or poor workmanship' as a common issue this quarter.

### **Purchase method**

- The majority of enquiries to the MBIE service centre (68%) relate to purchases made through direct sales (either in person or over the phone)
- Online purchases made up 20% of enquiries, the same as the previous quarter but an increase compared to the same period last year (17%)
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'Personal product' issues
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales' and 'Motor vehicle repairs'.

# Total enquiries

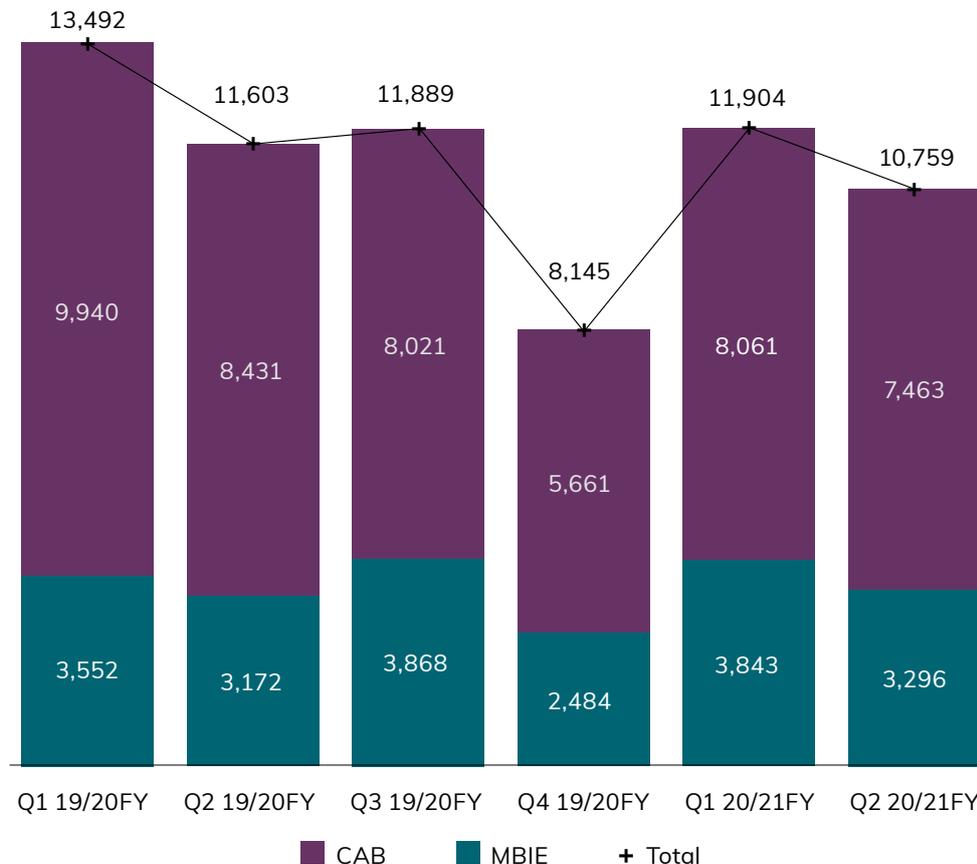
Between 1 October and 31 December **10,759** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries decreased (10%) compared to the previous quarter – this quarter however includes the holiday close-down period.

## Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organisation in quarter 2. In quarter 2, 10,759 enquiries<sup>1</sup> were received; this is a decrease from the previous quarter but this quarter includes the holiday close-down period.

Of the enquiries received this quarter 69% of them were through CAB. Compared to quarter 2 last year, enquiries to the MBIE service centre are higher and enquiries to CAB are lower.

**Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2019/20FY to Q2 2020/21FY**



<sup>1</sup> The total number of enquiries to the MBIE service centre noted in this section is higher than that reported in the trend analyses in the rest of the report as it includes enquiries that were coded as a coronavirus query (n=91).

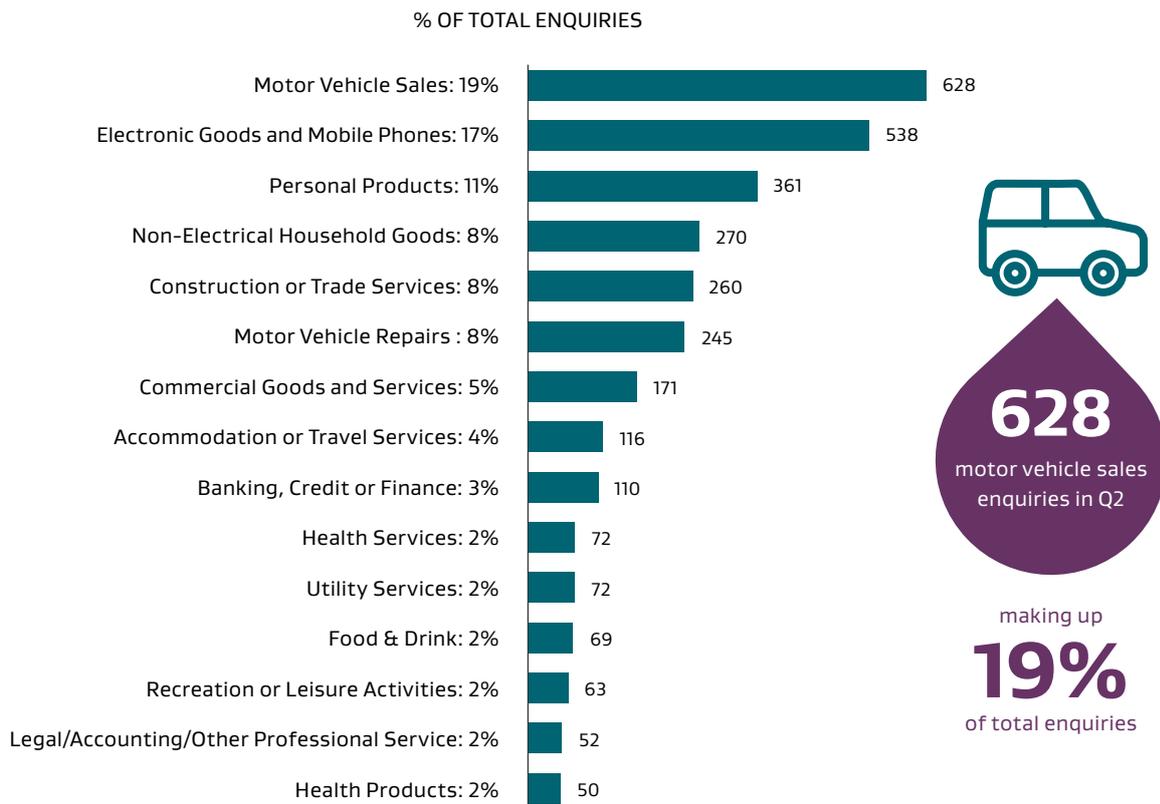
# Enquiries to MBIE Service Centre

Between 1 October and 31 December the MBIE service centre received 3,256 enquires, a 13% decrease on the previous quarter (3,752). Half (47%) of all enquiries received related to motor vehicle sales, personal products, and electronic goods. Reflecting the overall decrease in enquires, most categories also experienced decreases this quarter.

## Breakdown by sector

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

**Figure 2: Enquiries by sector, Q2 2020/21FY**



Base: Total enquiries (n=3,256).

Note only categories receiving 50 or more enquiries are shown.

The next largest categories were electronic goods & mobile phones (17%), personal products (11%), non-electrical household goods (8%), and construction or trade services (8%).

## Changes since last quarter

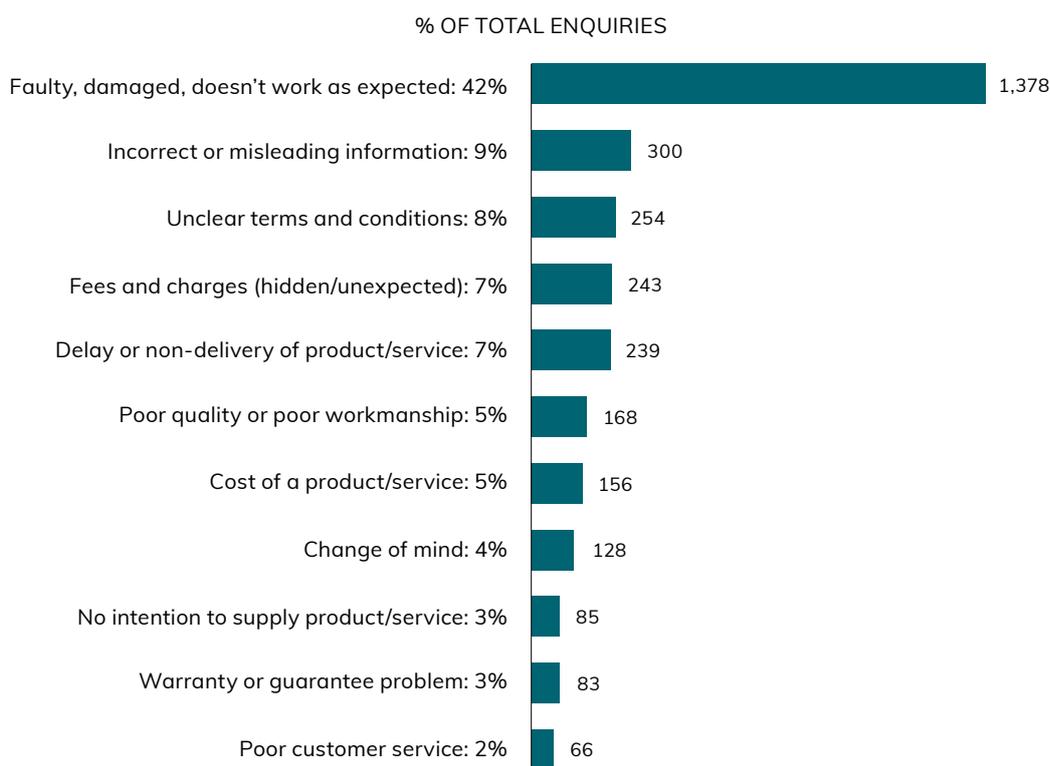
- The total number of enquiries to the MBIE service centre decreased by 13% over the last quarter from 3,752 to 3,256. However, this quarter covers the holiday close-down period.
- A slight change to the top five sectors this quarter, with 'Non-electrical household goods' jumping up to 4th (from 6th last quarter), and 'Motor vehicle repairs' dropping out (6th this quarter).
- Most sectors experienced a decrease in enquiries this quarter, with the exception of 'Non-electrical household goods', 'Legal/Accounting/Other professional service' and 'Health services'.
- The top two sectors ('Motor vehicle sales' and 'Electronics goods and mobile phones') experienced the largest decrease in the number of enquiries this quarter (down 130 and 198 enquiries respectively), however 'Insurance' and 'Real estate and property management' experienced the largest percentage decreases (down 62%).



## Breakdown by issue

Enquiries were most likely to relate to potential breaches of the Consumer Guarantees Act (CGA). A product or service being faulty, damaged, or not working as expected was most frequently noted as the issue in enquiries received, making up 42% of all enquiries (figure 3). Just over a quarter of enquiries (27%) related to potential breaches of the Fair Trading Act, including issues of being provided with misleading information, unclear terms, hidden fees, or no intention to supply.

**Figure 3: Enquiry by issue, Q2 2020/21FY**



Base: Total enquiries (n=3,256).

Note only issues receiving 50 or more enquiries are shown.

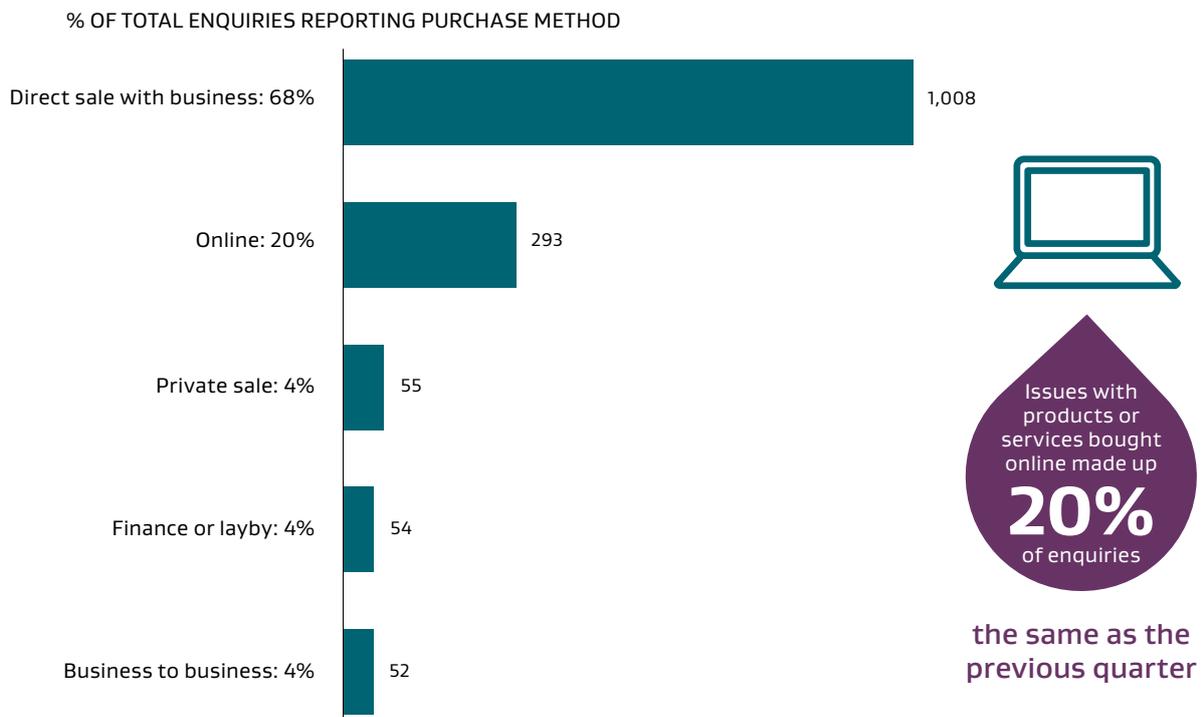
### Changes since last quarter

- No change to the top five issues this quarter, although 'Incorrect or misleading information' moved up to second (from third) and 'Unclear terms and conditions' moved down to third (from second).
- Most issues experienced decreases this quarter, with a few exceptions: 'Incorrect or misleading information' (up 31 enquiries), 'Change of mind' (up 30), 'No intention to supply product/service' (up 29), and 'Delay or non-delivery of product/service' (up 21).

## Breakdown by purchase method

Consumer enquiries spanned all purchase channels,<sup>2</sup> although the majority (68%) was made in person (including at a shop or calling the business directly).

**Figure 4: Enquiry by purchase method, Q2 2020/21FY**



Base: Total enquiries reporting purchase method (n=1,484).  
Note only purchase methods receiving 50 or more enquiries are shown.

Issues with products/services bought online made up 20% of enquiries, and those through private sale, finance agreement or layby and business to business each made up 4%. Those made through uninvited sales (meaning from telemarketers or door-to-door salespeople) made up 1%.

### Changes since last quarter

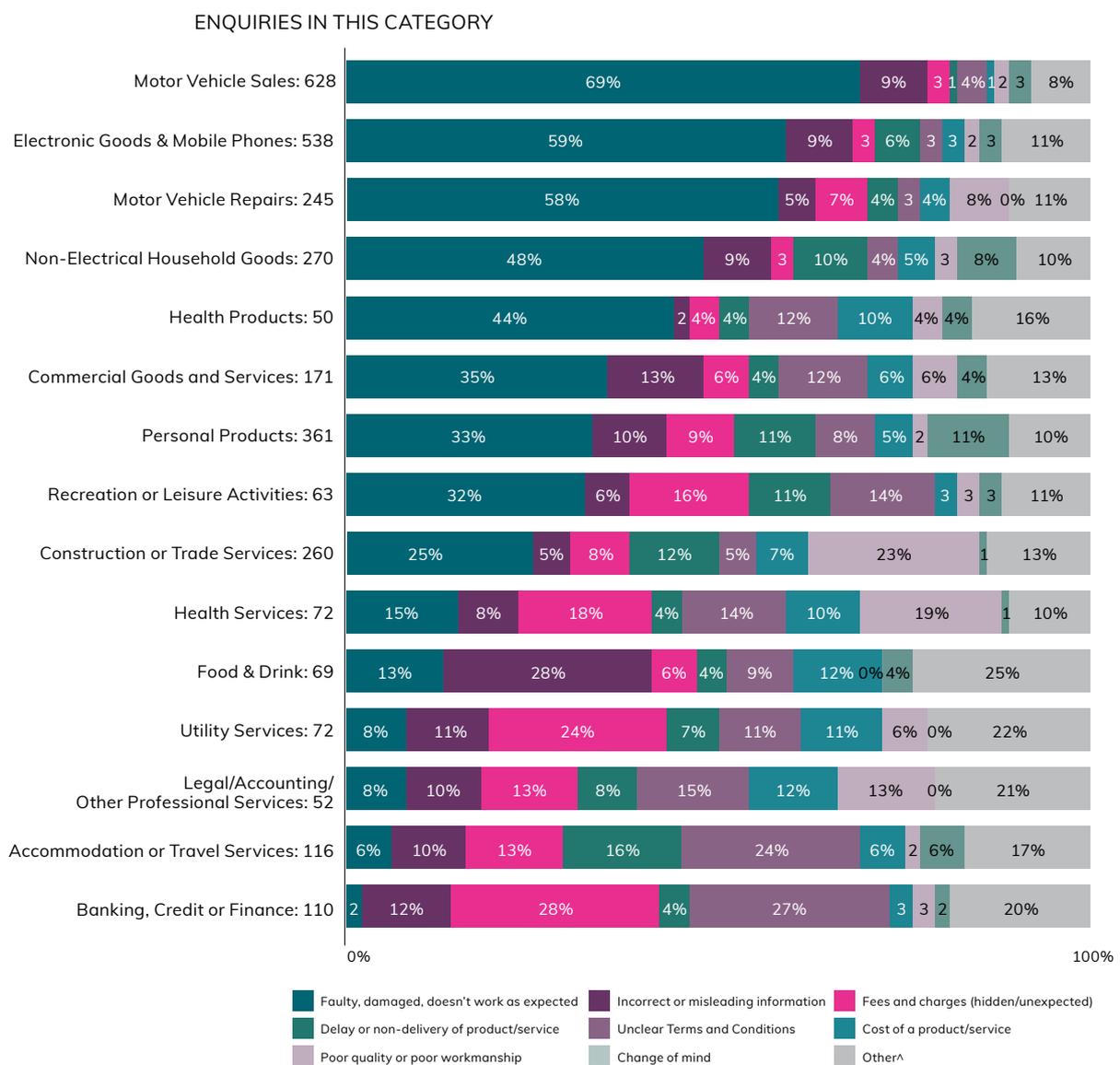
- The proportion of enquiries relating to the different purchase methods remained relatively unchanged this quarter.

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

## Reporting by sector: Issue breakdown

Figure 5 shows issue breakdown by sector for enquiries received by the MBIE service centre in quarter 2.

Figure 5: Issue breakdown by sector, Q2 2020/21FY



Base: Total enquiries reporting reason for problem (n=3,256).

Note only categories receiving 50 or more enquiries are shown.

^Only issues that made up more than 4% of enquiries are shown, all others are included in the 'other' category.

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

- Motor vehicle sales, 69%
- Electronic goods & mobile phones, 59%
- Motor vehicle repairs, 58%.

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

- Banking, credit or finance, 71%.
- Insurance, 65%
- Accommodation or travel services, 53%.

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

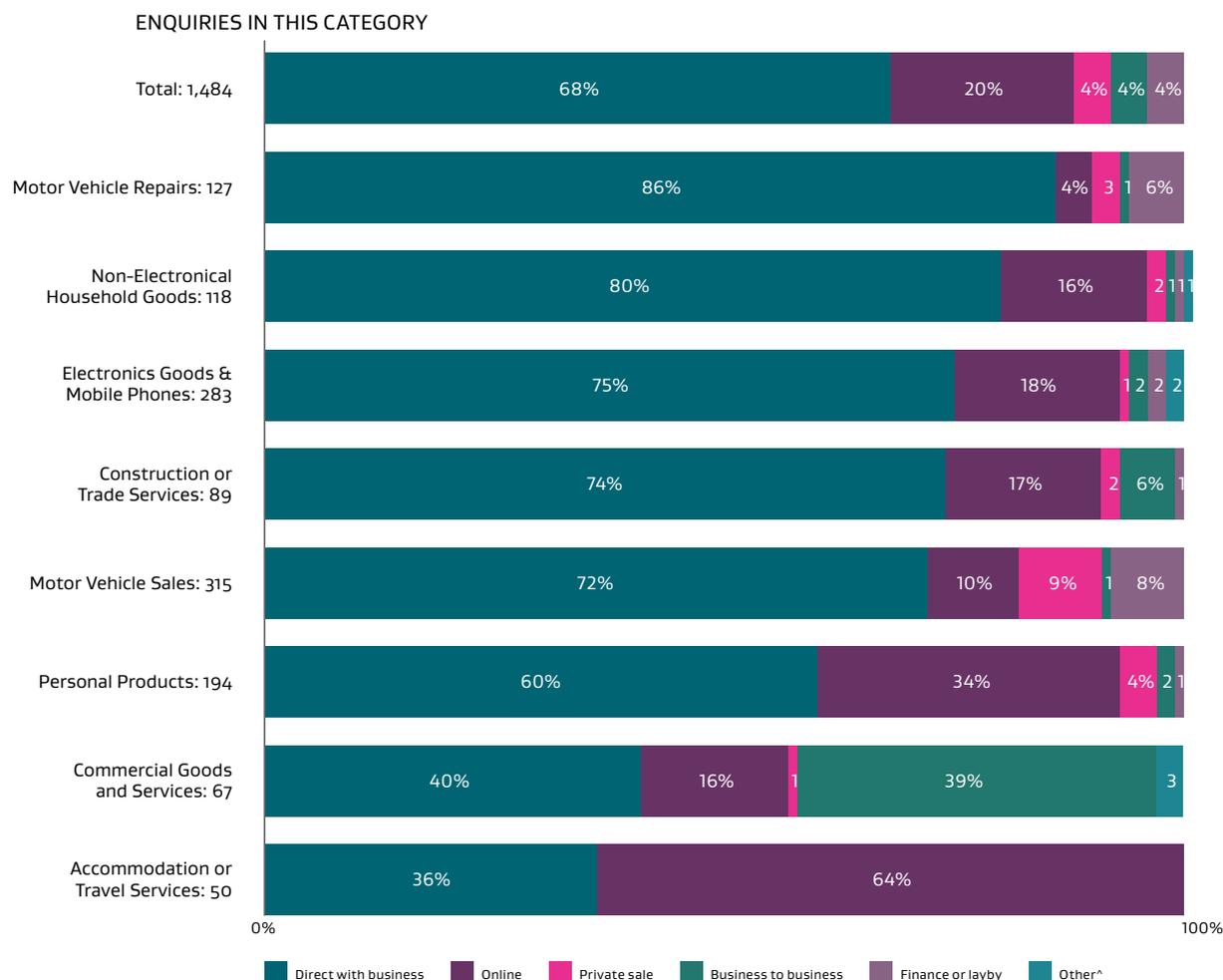
- Construction or trade services, 23%
- Health services, 19%
- Legal/Accounting/Other professional service, 13%.



## Reporting by sector: Purchase method breakdown

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

**Figure 6: Purchase method breakdown by sector, Q2 2020/21FY**



Base: Total enquiries reporting purchase method (n=1,484)

Note only categories receiving 50 or more enquiries are shown

^All other purchase methods that received fewer than 50 enquiries are included in the 'other' category

- The majority of enquiries across sectors were purchased 'direct with business', with the exception of 'Accommodation or travel services' enquiries where 'online' made up 64% of enquiries compared to 36% for 'direct with business'.
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'personal products' issues.
- Private sale was more frequently noted as a purchase method for 'Motor vehicle sales' issues.
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales' and 'Motor vehicle repairs'.

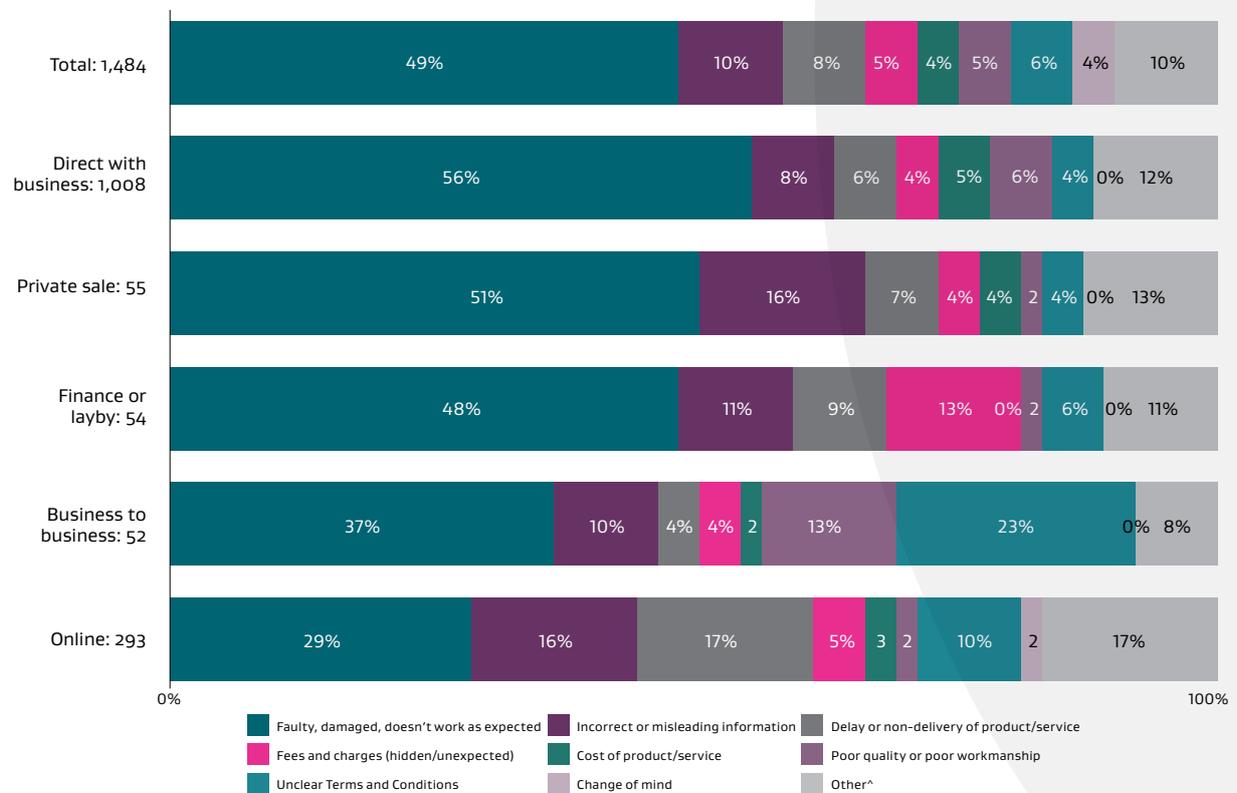
## Reporting by purchase method: Issue breakdown

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

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods.
- Finance or layby purchases are more likely than other purchase methods to note issues of 'Fees and charges (hidden/unexpected)'.
- Business to business and online purchases are more likely than other purchase methods to note experiencing issues of 'Unclear terms and conditions'. Although the proportion of online purchases noting 'Unclear terms and conditions' has decreased (from 18% to 10%) compared to last quarter.
- Purchases made online have a much broader spread of issues than direct sales, with 'Delay or non-delivery', 'Incorrect or misleading information', and 'Unclear terms and conditions' being common issues (after 'Faulty, damaged, doesn't work as expected'). The proportion of online purchases noting 'Incorrect or misleading information' as the issue increased from 10% to 16% this quarter.

**Figure 7: Issue breakdown by purchase method, Q2 2020/21FY**

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=1,484).

Note only purchase methods receiving 50 or more enquiries are shown.

^Only the top issue categories are shown, all others are included in the 'other' category.

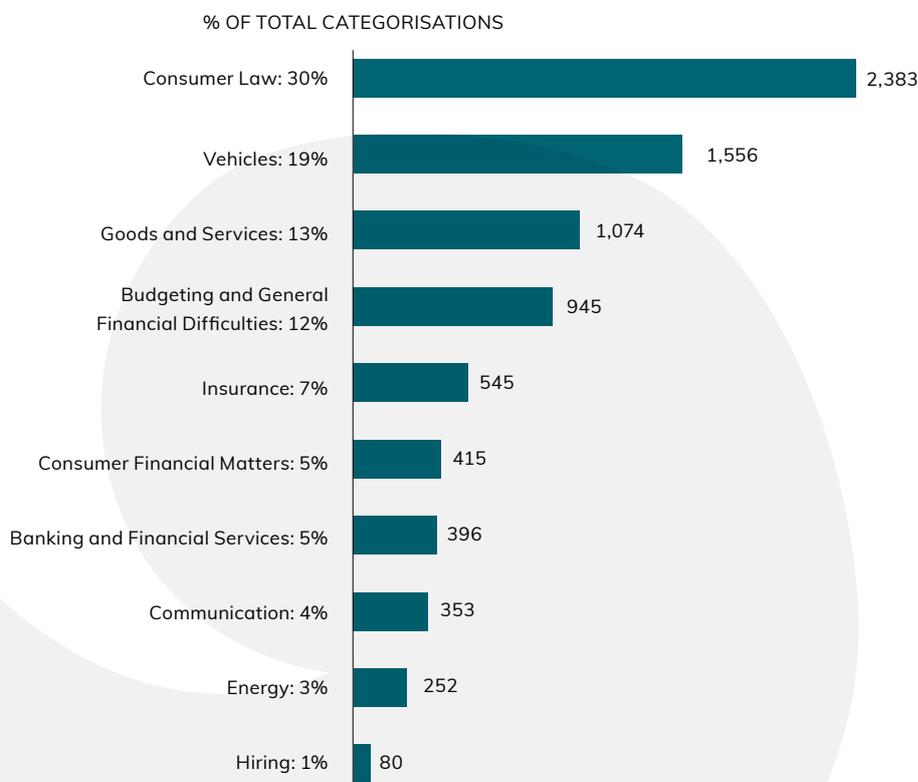
# Enquiries to Citizen's Advice Bureau

Between 1 October and 31 December CAB received 7,463 consumer enquiries that were given 7,999 categorisations. Categorisations decreased by 9% compared to the previous quarter. Sixty-three percent of all assigned enquiry categories related to consumer law, vehicles, and goods and services.

## Breakdown by aggregated category

There are 53 categories that consumer enquiries to CAB can be assigned, more than one category can be assigned to each consumer enquiry. These are then aggregated into ten different categories. 'Consumer law' was the category assigned to the highest number of enquiries in quarter 2 (assigned 2,383 times), making up 30% of all categorisations (figure 8). The next largest were 'Vehicles' (19%), 'Goods and services' (13%), and 'Budgeting and general financial difficulties' (12%).

Figure 8: CAB enquiry categorisations by aggregated category, Q2 2020/21FY



Base: Total categorisations (n=7,999)

## Changes since last quarter

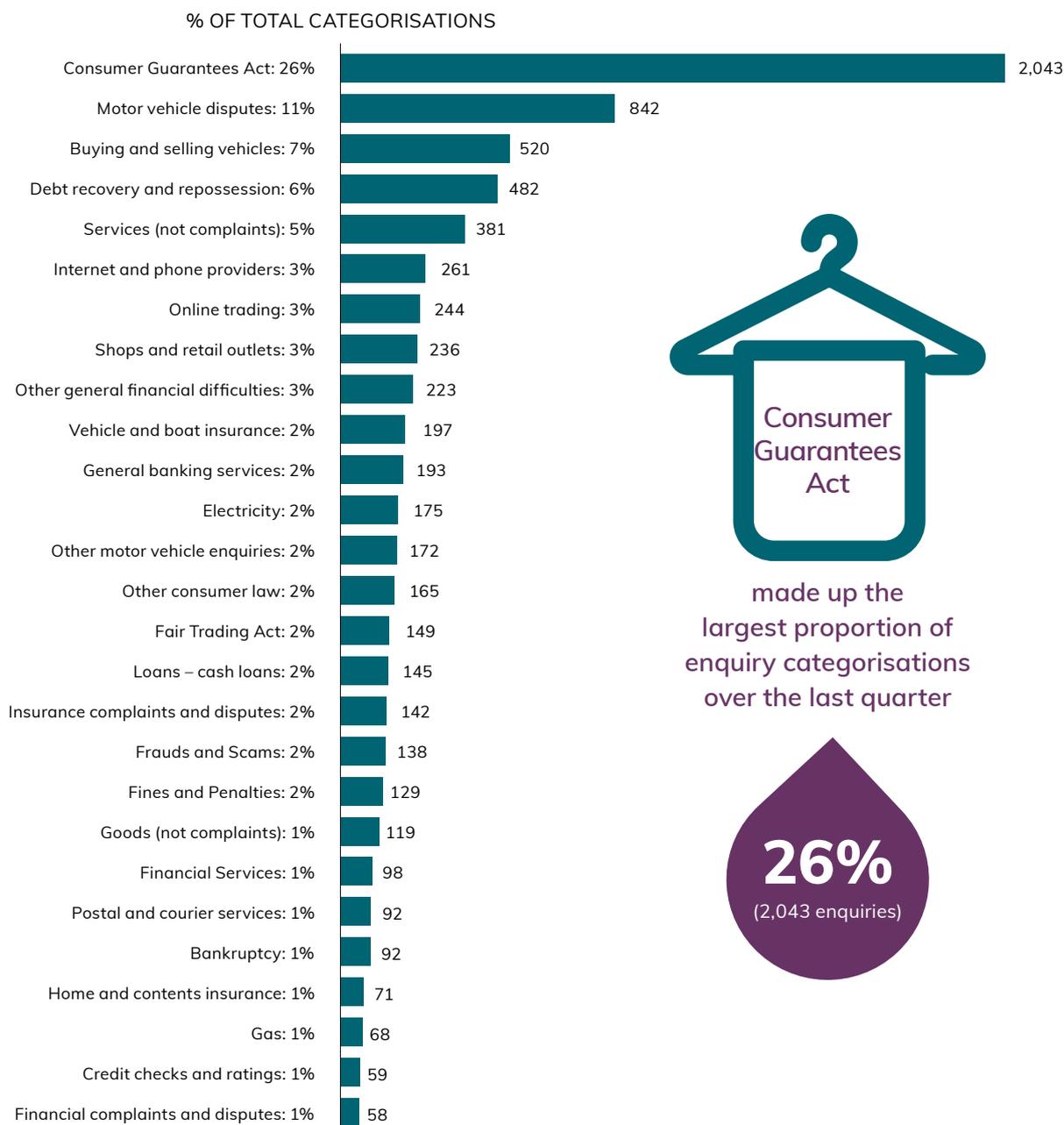
- The total number of categorisations decreased by 9% over the last quarter from 8,804 to 7,999 – this quarter includes the Christmas period.
- Nearly all aggregated categories also experienced decreases; 'Insurance', 'Vehicles', and 'Energy' experienced higher than average decreases
- 'Goods and services' increased slightly despite the overall decrease in categorisations.



## Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter 2. Enquiries categorised as 'Consumer Guarantees Act including complaints about goods and services' made up 26% of all enquiry categorisations (n=2,043), 'Motor vehicle disputes' 11% (n=842), and 'Buying and selling vehicles' 7% (n=520).

**Figure 9: CAB enquiry categorisations by detailed category, Q2 2020/21FY**



Base: Total categorisations (n=7,999).  
Note only categories of 50 or more are shown.

## Changes since last quarter

- The largest decreases in categorisations were for the most common detailed categories.
- 'Electricity' also experienced a large decrease in categorisations (down 98), whereas 'gas' categorisations increased (up 50)
- A few other detailed categories also experienced increases over the last quarter – 'Fair Trading Act' (up 37), 'Other general financial difficulties' and 'Goods (not complaints)' (both up 20), 'Other consumer credit' (up 14), and 'Online trading' (up 11).



# About this report

The purpose of this report is to provide the Consumer Protection Team, our Internal Consumer Fora partners, the Consumer Market Intel group, and other key stakeholders with information on the issues currently affecting consumers, and where possible how these have changed over time.

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## The information

This report pulls together information collected or supplied to the Consumer Protection Team from the MBIE service centre and Citizen's Advice Bureau (CAB) enquiries received. Readers should note that this data only reflects what consumers have chosen to enquire about.

Reporting quarters are based on the financial year 1 July to 30 June.

When an individual or organisation contacts the MBIE service centre or CAB they choose how much information they feel comfortable providing. Based on the information provided advisors assign a code(s) to the enquiry and this is captured within the responding organisations CRM system.

Each month data received by the MBIE service centre is extracted and supplied to the Consumer Protection team for detailed analysis of consumer enquiries. All enquiries coded 'hang up' and 'wrong number' are removed from the dataset. Data from the CAB<sup>3</sup> is used as received.

## Making a consumer enquiry

Anyone can make a consumer enquiry to the MBIE service centre, from members of the public to business and lawyers. Enquiries can be received by telephone or email.

Enquiries to CAB can also be made by anyone and these can be made in person, by telephone or by email.

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<sup>3</sup> Client enquiries to CAB can be assigned to more than one category so total client enquiries do not equal category total.

## Consumer Protection

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