

Consumer Protection Quarterly Report

April – June 2020/21



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Executive summary








This is Consumer Protection’s quarter four (Q4) report covering data from 1 April – 30 June 2021. 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



Top enquiry sectors/areas

	MOTOR VEHICLES (SALES)
	ELECTRONIC GOODS AND MOBILE PHONES
	PERSONAL PRODUCTS
	COMMERCIAL GOODS AND SERVICES
	CONSTRUCTION OR TRADE SERVICES
	NON-ELECTRICAL HOUSEHOLD GOODS
	MOTOR VEHICLES (REPAIRS)

Notable changes

- Total enquiries to the MBIE service centre decreased by 15% this quarter and are 8% higher than the same period last year
- As with the third quarter, there were a mix of enquiry increases and decreases this quarter. Enquiries related to commercial goods and services (up 58), and personal products (up 22). These show an increase in enquiries in comparison to last quarter. The largest decrease is motor vehicle sales (down 127), Electronic goods and mobile phones (down 92), and Accommodation or travel services (down 73).

The issues

- As with the third quarter, enquiries most frequently relate to potential breaches of the Consumer Guarantees Act (CGA)
- The most common issue reported by the MBIE service centre was faulty, damaged, doesn't work as expected at 51% of total enquiries (up from 47% last quarter).
- Potential Fair Trading Act (FTA) breaches were most likely to be noted in enquiries related to 'Entertainment', 'Banking, credit or finance' and 'Insurance' this fourth quarter.
- 'Poor quality or poor workmanship' was most likely to be noted in enquiries related to 'Construction or trade services', 'Motor vehicle repairs' and 'Legal/accounting/other professional services.'

Purchase method

- Most enquiries to the MBIE service centre (76%) relate to purchases made through direct sales (either in person or over the phone).
- Online purchases made up 14% of enquiries, lower than the previous quarter (19%).
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'Personal product' issues as the previous quarter.
- Finance or layby was more frequently noted as a purchase method for 'Motor vehicle sales'

Total enquiries

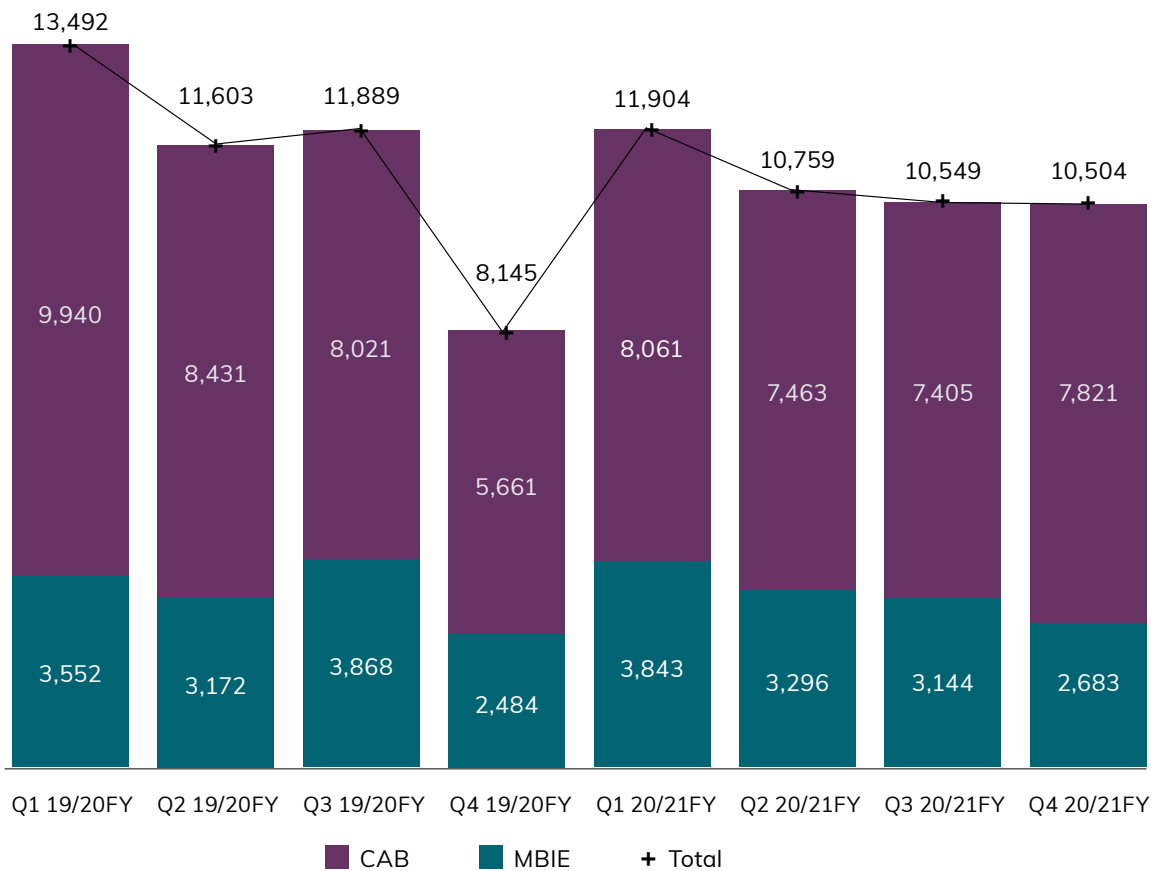
Between 1 April and 310 June 2021, **10,504** consumer enquiries were received by the MBIE service centre and CAB. The number of enquiries is relatively consistent with the previous quarter.

Breakdown by receiving organisation

Figure 1 shows the number of enquiries received by each organisation in quarter four. In quarter three, 10,504 enquiries¹ were received; this is relatively consistent with the previous quarter where 10,549 enquiries were received.

Of the enquiries received this quarter 74% of them were through CAB. Compared to quarter four last year, enquiries to both the MBIE service centre and CAB are higher.

Figure 1: Total consumer enquiries received by MBIE service centre and CAB, Q1 2019/20FY to Q4 2020/21FY



¹ The total number of enquiries to the MBIE service centre noted in this section is higher than that reported in the trend analyses in the rest of the report as it includes enquiries that were coded as a coronavirus query (n=8).

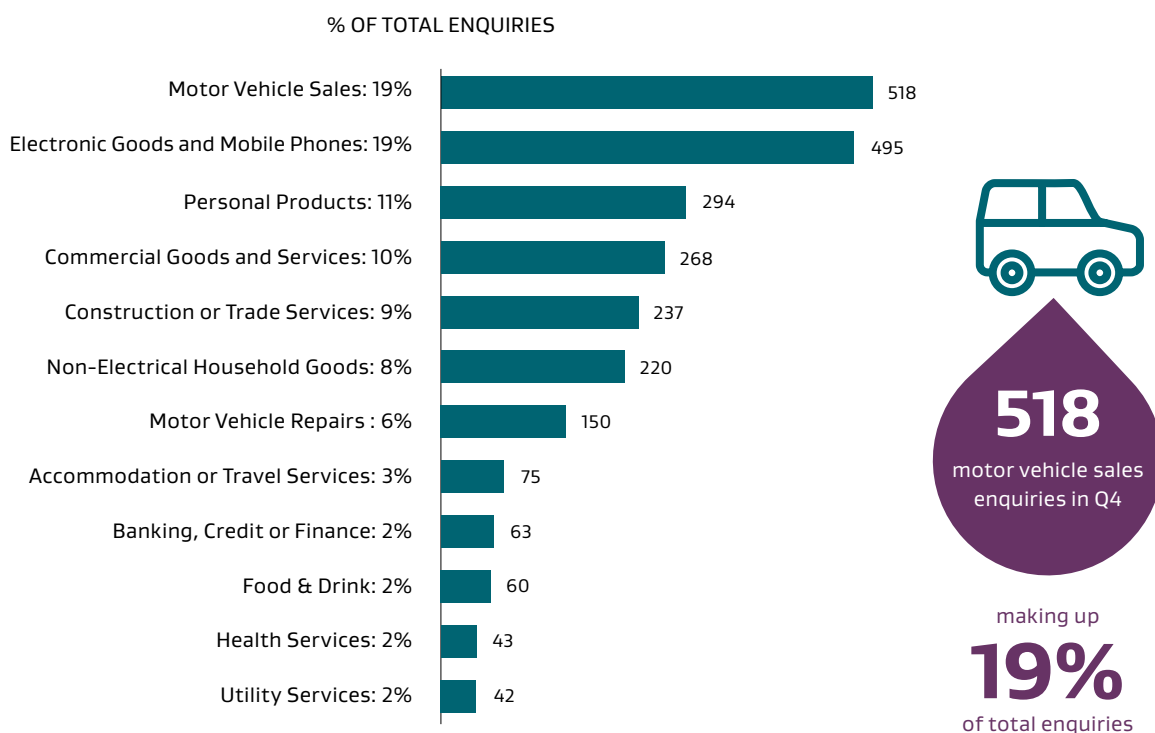
Enquiries to MBIE Service Centre

Between 1 April and 30 June 2021, the MBIE service centre received 2,675 enquires, a 14% decrease on the previous quarter (3116). Half (49%) of all enquiries received related to motor vehicle sales, electronics goods and mobile phones, and personal products.

Breakdown by sector

Figure 2 shows the total number of enquiries received by the MBIE service centre in quarter 4 by the sector the enquiry relates to.

Figure 2: Enquiries by sector, Q4 2020/21FY



Base: Total enquiries (n=2,675).

Note only categories receiving 2% or more enquiries are shown.

The next largest categories were electronics goods and mobile phones (19%), personal products (11%), commercial goods and services (10%), and construction or trade services (9%).

Changes since last quarter

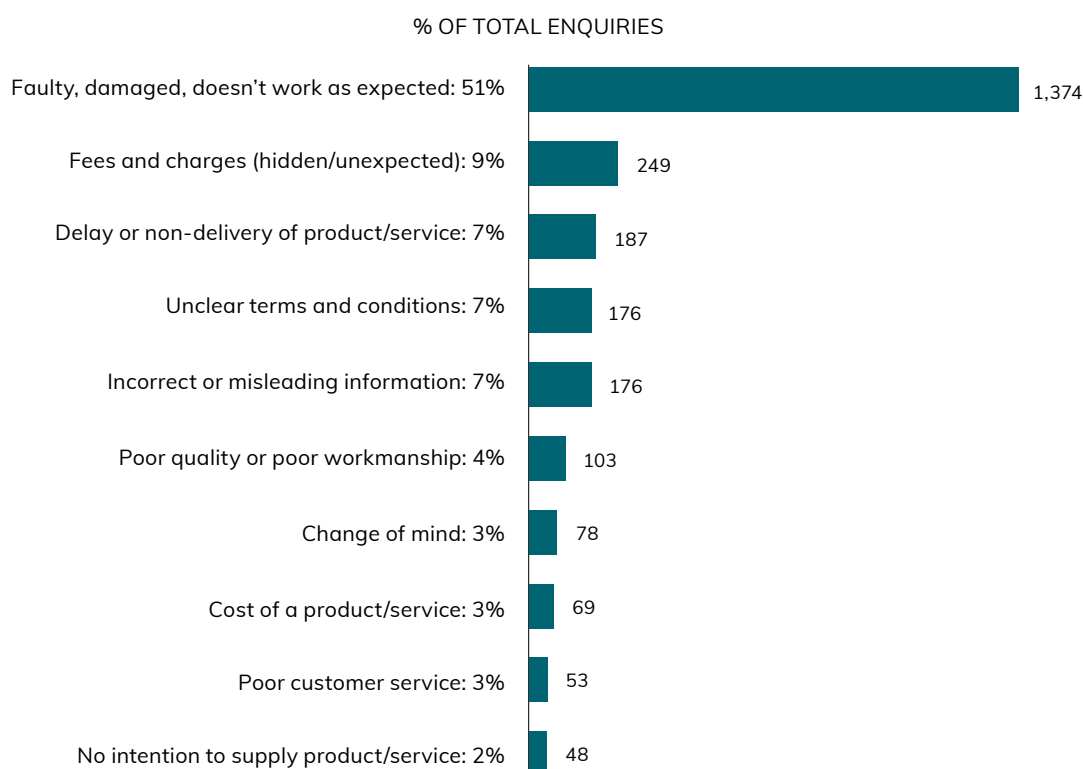
- The total number of enquiries to the MBIE service centre decreased slightly this quarter (by 14%) from 3,116 to 2,675.
- The top-five sectors remain unchanged this quarter, however, 'Commercial goods and services' and 'non-electrical household goods' swapped positions ('commercial goods' moved to fourth from sixth).
- Sectors experienced a mix of increases and decreases this quarter.
- The largest increase in the number of enquiries was for 'Commercial goods and services' (up 58) and 'Personal products' (up 22).
- The largest decrease in the number of enquiries was for 'Motor vehicle sales' (down 127), 'Electronics Goods and mobile phones' (down 92 'Accommodation or travel services' (down 73). Whereas 'Entertainment' (down 63%), 'Mobile telecommunication service' (down 57%), and 'Accommodation or travel services' (down 49%) experienced the largest percentage decreases this quarter.



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 51% of all enquiries (figure 3). Just over a quarter of enquiries (24%) related to potential breaches of the Fair Trading Act (FTA), including issues of being provided with misleading information, unclear terms, hidden fees, or no intention to supply.

Figure 3: Enquiry by issue, Q4 2020/21FY



Base: Total enquiries (n=2,675).

Note only issues receiving 2% or more enquiries are shown.

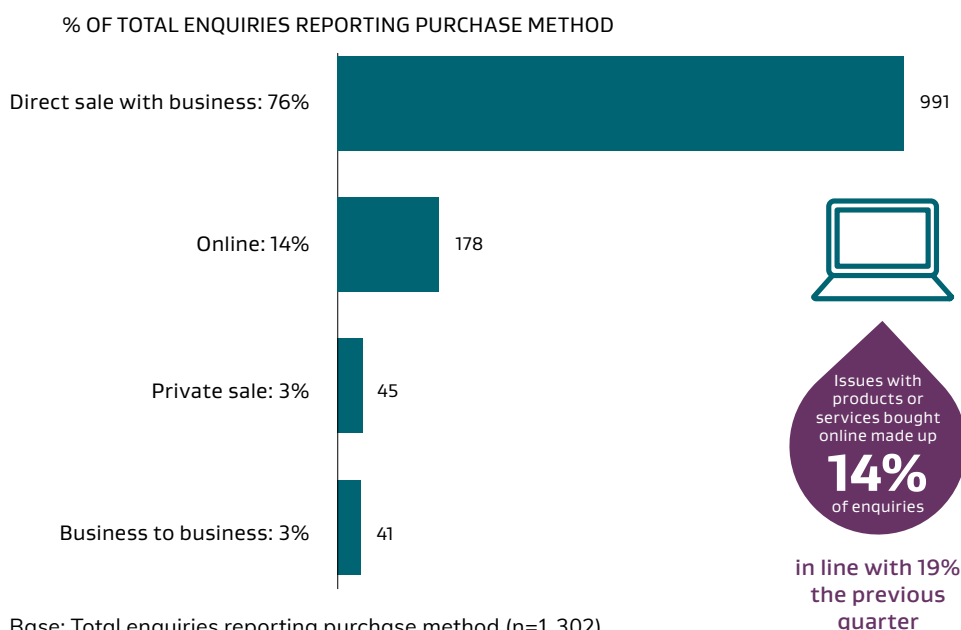
Changes since last quarter

- There are some notable changes to the top five issues this quarter.
- Four of the top five issues experienced a decrease, 'Faulty, damaged, doesn't work as expected' (down 76) in comparison to the third quarter (up 72), 'Unclear terms and condition' (down 70) in comparison to the third quarter (down 8), 'Delay or non-delivery of product/service' (down 60) in comparison to the third quarter (up 8).

Breakdown by purchase method

Consumer enquiries spanned all purchase channels,² although the majority (76%) were made in person (including at a shop or calling the business directly).

Figure 4: Enquiry by purchase method, Q4 2020/21FY



Base: Total enquiries reporting purchase method (n=1,302).
Note only purchase methods receiving 3% or more enquiries are shown.

Issues with products/services bought online made up 14% of enquiries, those through private sale and business to business made up 3% each respectively. Finance or laybuy made up 2% and uninvited sales and others made up 15 each respectively.

Changes since last quarter

- The proportion of enquiries relating to the different purchase methods has seen some changes this quarter. Online was 19% in the last quarter, but down to 14% this fourth quarter. However, business to business and private sales remained relatively stable.

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

Reporting by sector: Issue breakdown

Figure 5 shows issue breakdown by sector for enquiries received by the MBIE service centre in quarter 4.

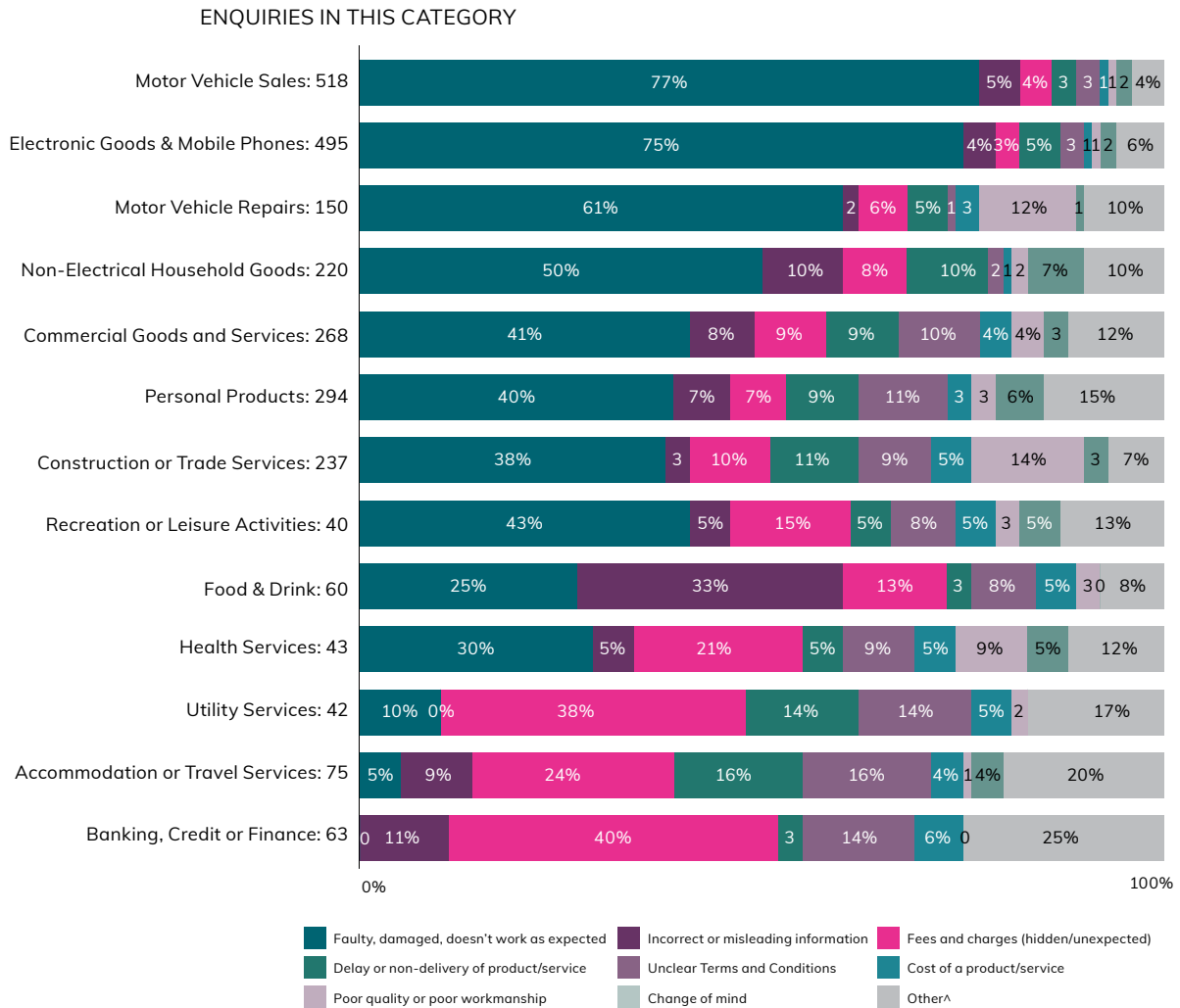


Figure 5: Issue breakdown by sector, Q4 2020/21FY

Base: Total enquiries reporting reason for problem (n=2,675).

Note only categories receiving 50 or more enquiries are shown.

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

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

- Motor vehicle sales, 77%
- Electronic goods & mobile phones, 75%
- Motor vehicle repairs, 61%.

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, 67%
- Accommodation or travel services, 56%
- Food & drink, 55%.

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

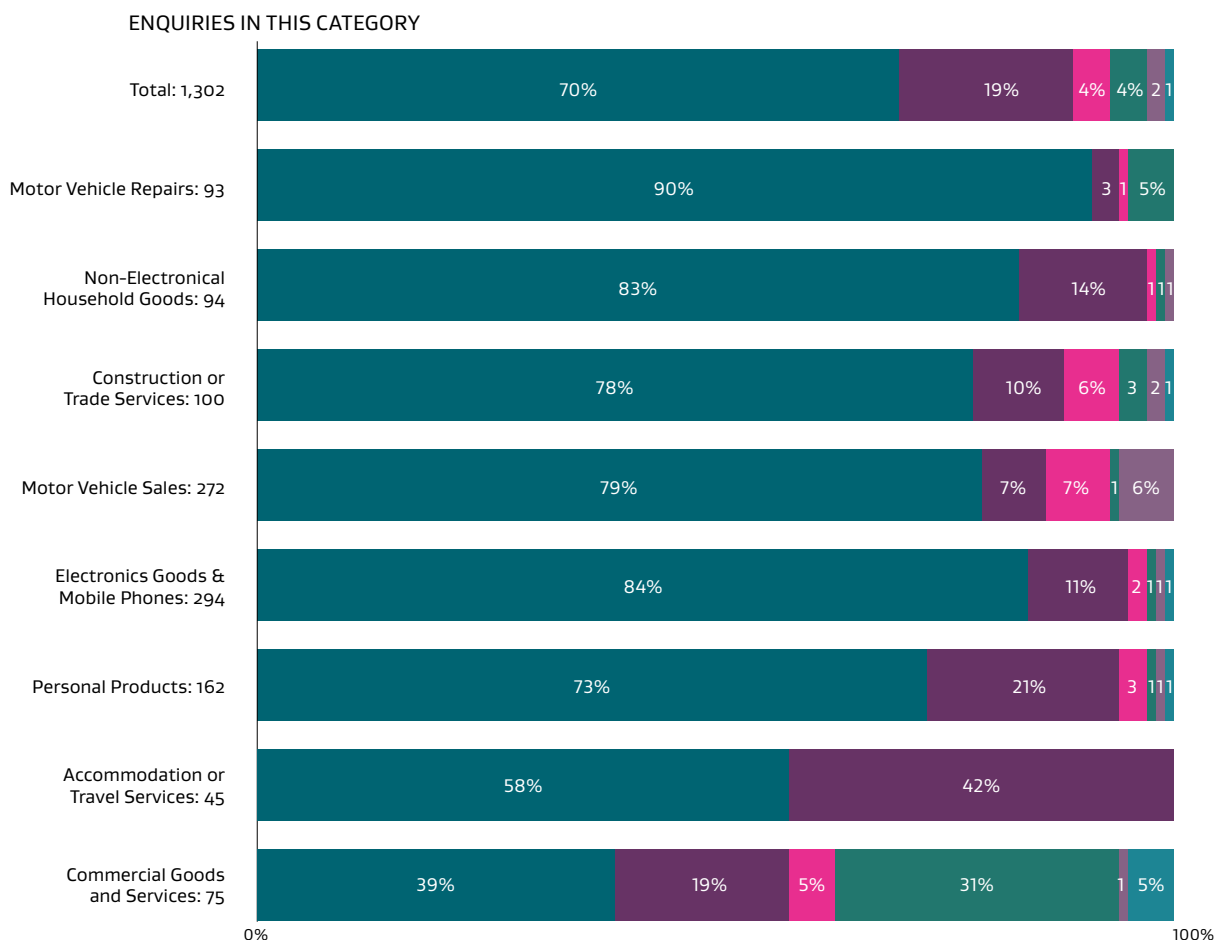
- Health services, 9%
- Construction or trade services, 14%
- Motor vehicle repairs, 12%.



Reporting by sector: Purchase method breakdown

Figure 6 shows purchase method breakdown by sector for enquiries received by the MBIE service centre in quarter 4.

Figure 6: Purchase method breakdown by sector, Q4 2020/21FY



Base: Total enquiries reporting purchase method (n=1,302)

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

- Majority of the enquiries across sectors were purchased 'direct with business', except for 'Accommodation or travel services' enquiries where 'online' made up 42% of enquiries.
- Online was more frequently noted as a purchase method for 'Accommodation or travel services' and 'personal products' issues in this quarter.
- 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'.

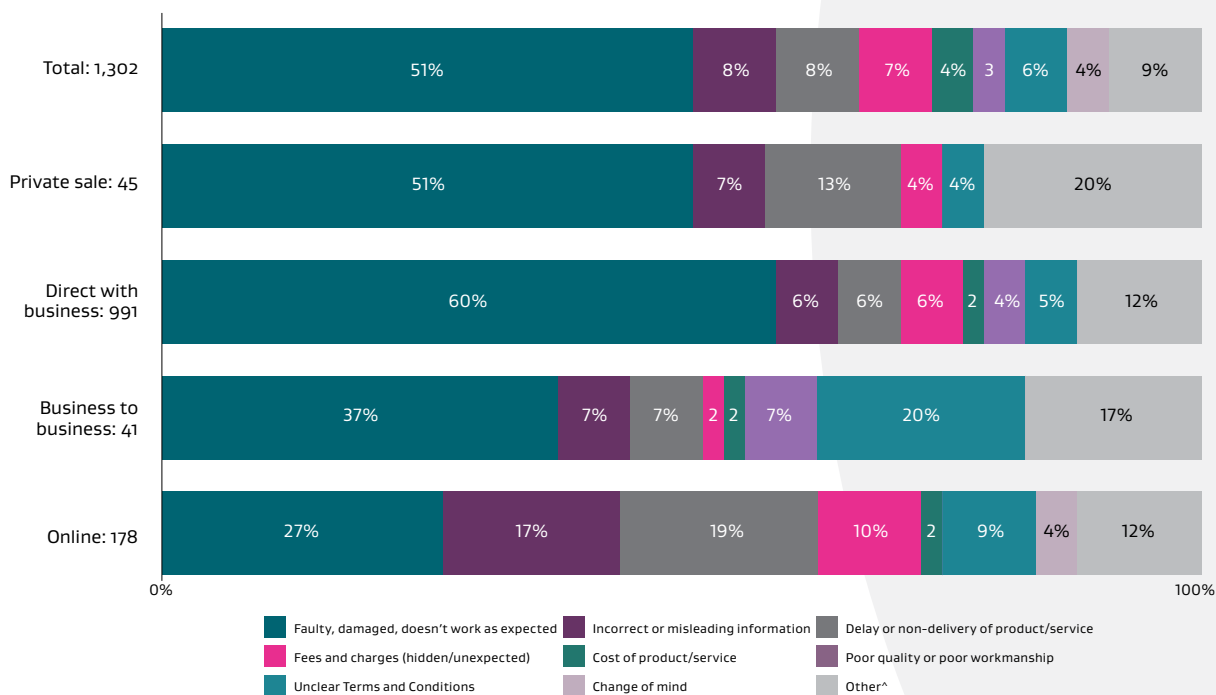
Reporting by purchase method: Issue breakdown

Figure 7 shows issue breakdown by purchase method for enquiries received by the MBIE service centre in quarter 4.

- 'Faulty, damaged, doesn't work as expected' is the most common issue for purchases across all methods.
- Online and direct with business purchases are more likely than other purchase methods to note experiencing issues of 'Fees and charges (hidden/unexpected)' and 'Unclear terms and conditions' is more closely associated with business-to-business purchases.
- In consistency with the last quarter, purchases made online have a much broader spread of issues than private sales, with 'Delay or non-delivery', and 'Incorrect or misleading information', being common issues (after 'Faulty, damaged, doesn't work as expected'). The proportion of online purchases noting 'Fees and charges (hidden/unexpected)' as the issue increased slightly this quarter (from 8% to 10%).

Figure 7: Issue breakdown by purchase method, Q4 2020/21FY

ENQUIRIES IN THIS CATEGORY



Base: Total enquiries reporting purchase method (n=1,302).

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

^Only issues that had 50 or more enquiries are shown, all others are included in the 'other' category.

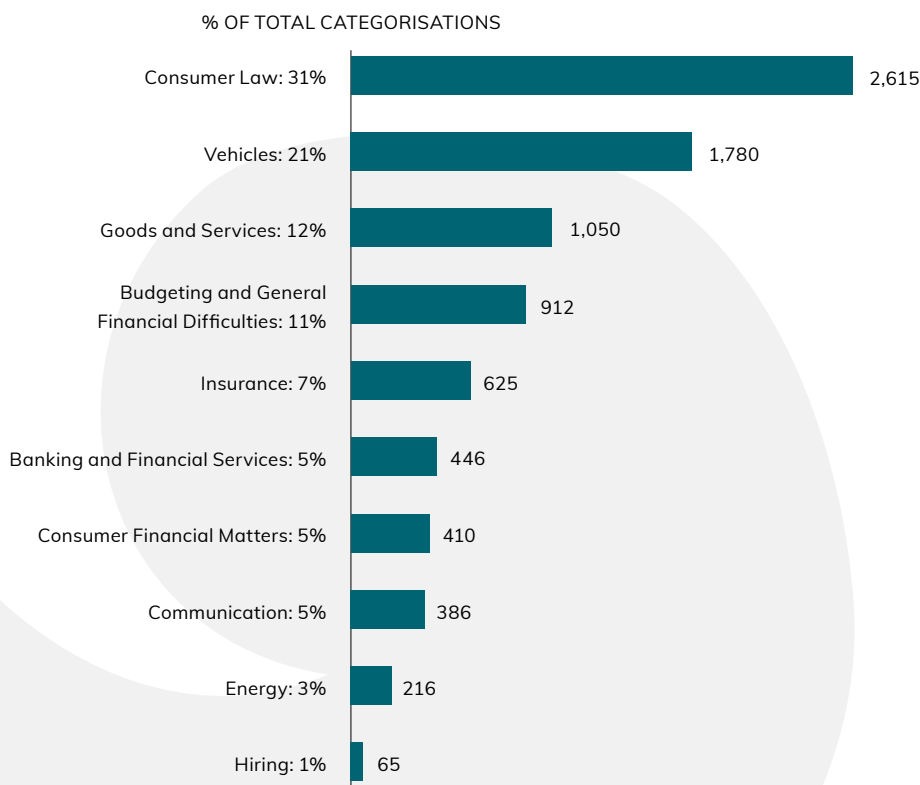
Enquiries to Citizen's Advice Bureau

Between 1 April and 30 June 2021, CAB received 7,821 consumer enquiries that relate to 8,505 categorisations. Categorisations were like the previous quarter (n=8,175). Sixty-four percent of all assigned enquiry categories related to consumer law, vehicles, and goods and services as seen in the last quarter.

Breakdown by aggregated category

There are 52 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 four (assigned 2,615 times), making up 31% of all categorisations (figure 8). The next largest were 'Vehicles' (21%), 'Goods and services' (12%), and 'Budgeting and general financial difficulties' (12%).

Figure 8: CAB enquiry categorisations by aggregated category, Q4 2020/21FY



Base: Total categorisations (n=8,505)

Changes since last quarter

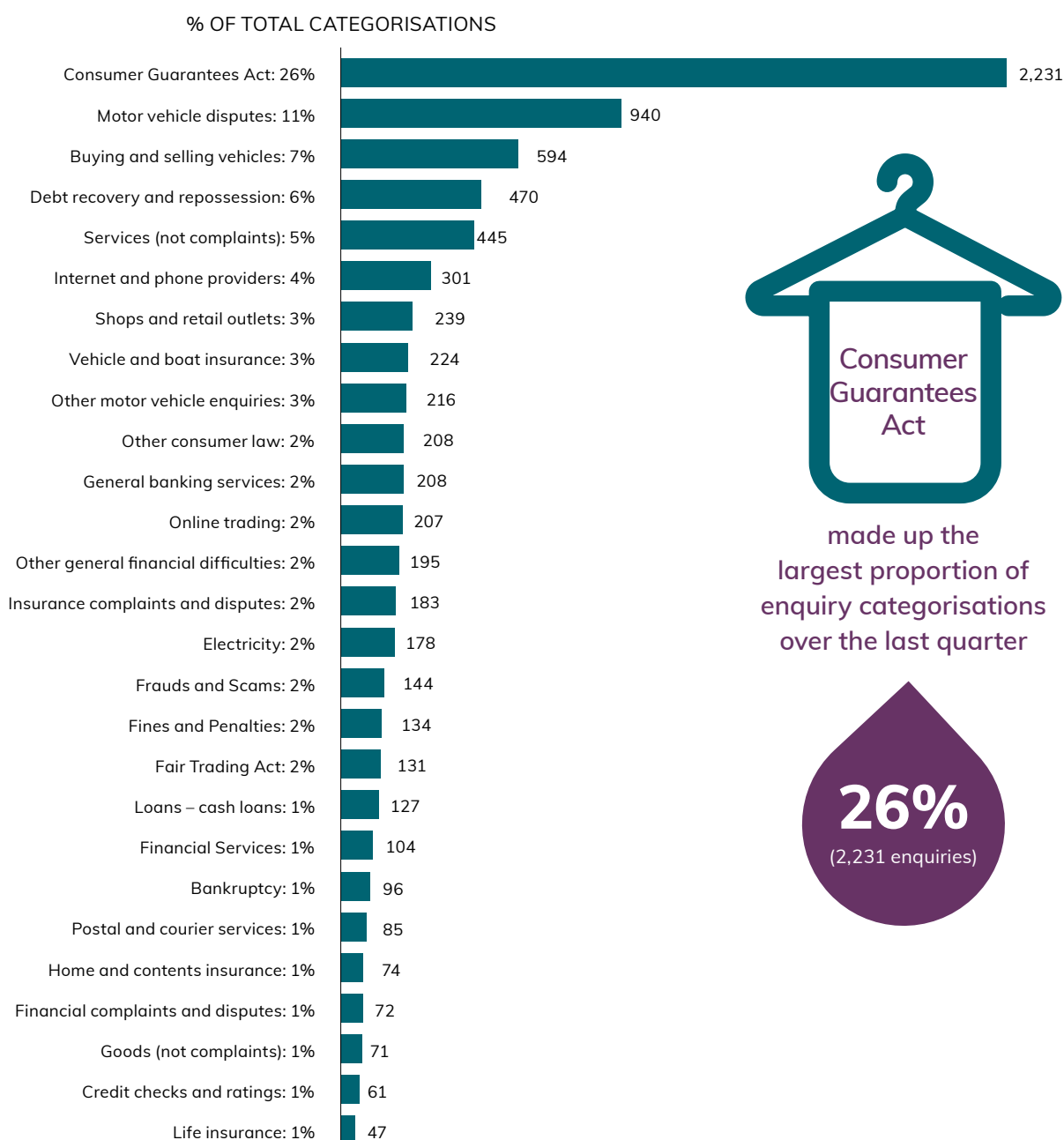
- The total number of categorisations is like the previous quarter.
- The 'Insurance' aggregated category experienced a 19% increase in the number of categorisations, followed by 'Communications' 16%, and 'Banking' 11%.
- Nearly all other aggregated categories experienced slight increases this quarter.



Breakdown by detailed category

Figure 9 shows the detailed categories that consumer enquiries were assigned to in quarter four. Enquiries categorised as ‘Consumer Guarantees Act including complaints about goods and services’ made up 26% of all enquiry categorisations (n=2,231), ‘Motor vehicle disputes’ 11% (n=940), and ‘Buying and selling vehicles’ 7% (n=594). These are consistent with the last quarters detailed breakdown by categories (n=8,175), even though there is slight increase in the overall categories this quarter (n=8,505).

Figure 9: CAB enquiry categorisations by detailed category, Q4 2020/21FY



Base: Total categorisations (n=8,505).
Note only categories of 50 or more are shown.

Changes since last quarter

- In consistency with the last quarter, there were minimal changes across most detailed categories in this quarter.
- 'Consumer Guarantees Act including complaints about goods and services' experienced an increase in the number of categorisations (up 66), followed by 'Motor vehicle disputes' (up 59), and 'Vehicle and boat insurance (up 54). 'Debt recovery and repossession' saw had the largest decrease in number of categorisations, down 49.



Annual snapshot

In the 2020/21 financial year, MBIE service centre received 12,966 consumer enquiries, showing a 1% decrease in comparison to the previous financial year (-24%). Also, the top enquiries were motor vehicle sales, electronics goods, and mobile phones consistent with last three previous years.

MBIE Service Centre

The figure below shows a breakdown of enquires received by MBIE service centre for the last three financial year. The enquiries made this financial year as stated earlier is relatively the same with last year (13, 076). Unlike previous year with COVID-19 lockdown, the alert level changes in June 2021 appears to have no significant impact, in comparison to April 2020 when New Zealand was on Lockdown.

Figure 10: Total enquiries by month, by financial year



Top enquiry and issue categories

The categories that generated the highest numbers of enquiries were:

- Motor vehicle sales 2,549 (20%)
- Electronics goods and mobile phone 2,356 (18%)
- Personal products 1,286 (10%)
- Construction or trade services 1,069 (8%)
- Non-electrical household goods 940 (7%)
- Motor vehicle repairs 868 (7%)
- Commercial goods and services 827 (6%).

In consistency with the previous year, the top six categories remain the same with construction moving from number five to four and motor vehicle from six to five.

'Faulty, damaged, doesn't work as expected' (5,891 enquiries) remains the top issues identified in this year making up 46% of total enquiries; 'Unclear terms and condition' (1,096 enquiries), and 'Fees and charges hidden/unexpected (1,028 enquiries).

In the 2020/21 financial year, 19% of all issues noted online as the purchase method showing a decrease of 1% from 20% in the last financial year.

Enquiry and issue growth areas

Overall, all enquiries for this financial year experienced a slight decrease showing a 2% increase across all categories in comparison to 2019/2020 FY with an average decrease of 27% across all categories:

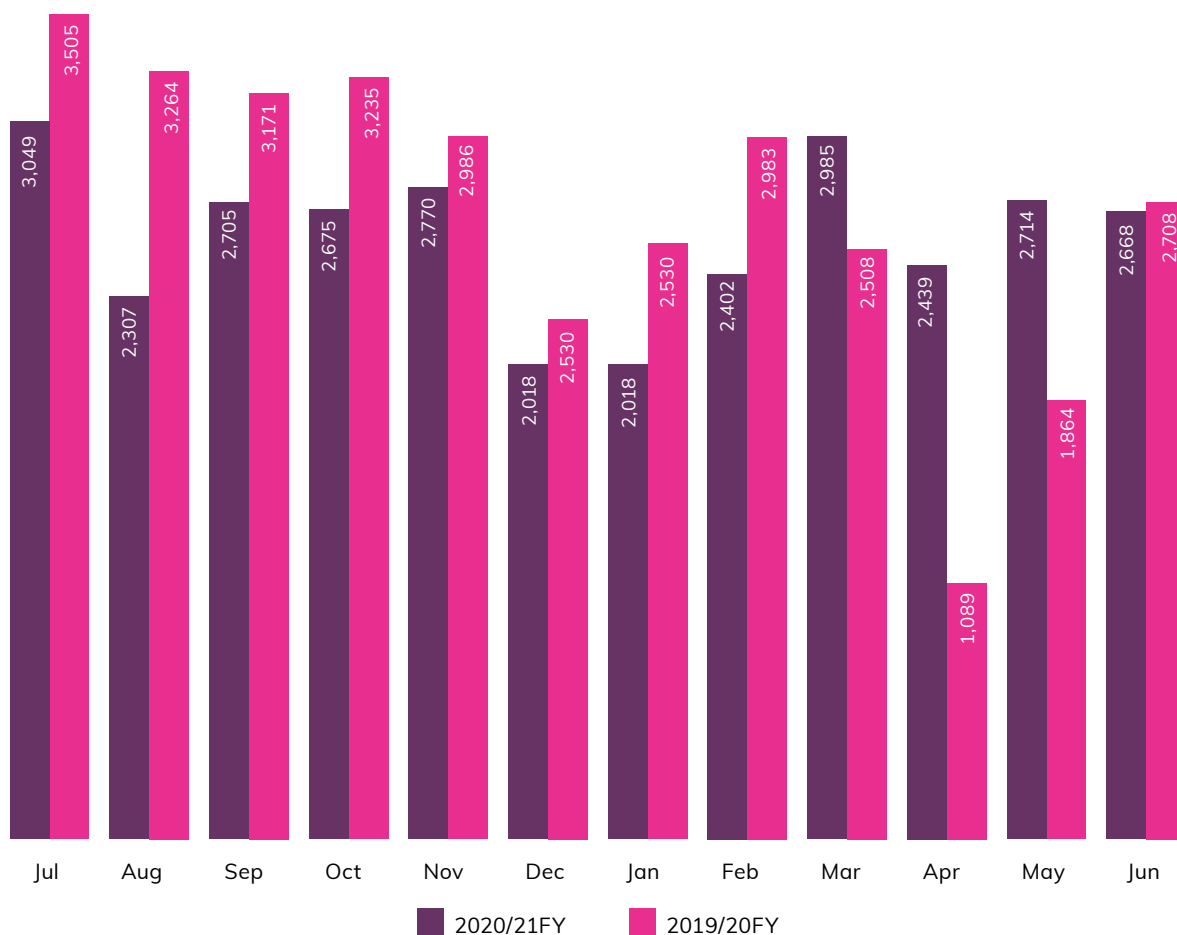
- Health services (increased 39%)
- Real estate and property management (Increased 24%)
- Entertainment (increased 23%)
- Commercial goods and services (increased 20%)
- Utility services (increased 12%)
- Electronics goods and mobile phones (increased 11%)
- Personal products (decreased 18%)
- Internet/landline phone services (decreased 14%)
- Mobile telecommunications services (decreased 11%)
- Legal/accounting/other professional services (decreased 11%).

Overall decrease for this financial year shows that even when the number of enquiries may be high for the current year, the annual change can still be a decrease as seen in 'Personal products'.

Citizen's Advice Bureau

In the 2020/21 financial year, CAB received 30,750 consumer enquiries, showing a -4% decrease in comparison to the previous financial year (32,053 enquiries). The figure 11 below shows the lowest monthly enquiry for April in the previous financial year. This is the first in the series of annual snapshot because it was not reported in Q4 2019/20FY due to recording changes.

Figure 11: Total enquiries by month, by financial year



Top enquiry categories

For the financial year 2020/2021, the detailed categories with the highest number of enquiries were:

- Consumer Guarantees Acts including complaints about goods and services (enquiries 8,697, making up 26%)
- Other motor vehicle enquiries (enquiries 3,622, 11%)
- Motor vehicle disputes (enquiries 2,330, 7%)
- Debt recovery and repossession (enquiries 2,038, 6%)
- Services (not complaints) (enquiries 1,623, 6%).

In consistency with the last financial year, these top five areas make up the highest detailed categorisation for this financial year 2020/2021.

Enquiry growth areas

Overall, enquiries decreased, but also some categories experienced increases when compared with the last financial year:

- Gas (increased 80%)
- Life insurance (increased 31%)
- Receivership (increased 21%)
- Commerce commission (increased 19%)
- Financial services (increased 17%)
- Travel insurance (decreased 53%)
- Equipment for hire (decreased 43%)
- Dealing with business affairs (decreased 41%)
- Food standards/safety/labelling (decreased 31%)
- Lay-buy (decreased 31%).

Overall, the CAB annual data for this financial year shows a slight decrease, in enquiries made and this has been attributed to reduced face to face meetings as result of COVID-19 alert level changes.

About this report

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

The information

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

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

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

Each month data received by the MBIE service centre is extracted and supplied to the Consumer Protection team for detailed analysis of consumer enquiries. All enquiries coded 'hang up' and 'wrong number' are removed from the dataset. Data from the CAB³ is used as received.

Making a consumer enquiry

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

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

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

Consumer Protection

Ministry of Business, Innovation and Employment

0508 426 678 (0508 4 CONSUMER)

cpinfo@mbie.govt.nz

www.consumerprotection.govt.nz

PO Box 1473, Wellington 6140

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