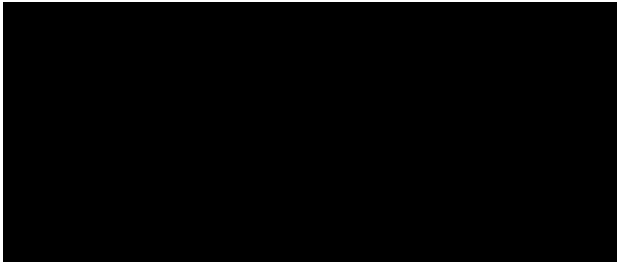


30 August 2022



Official Information Act #22.010 JJ Richards – Second Response

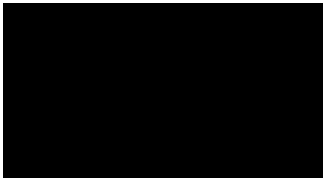
1. We refer to your request received on 21 July 2022 for summaries of complaints the Commerce Commission (the **Commission**) has received about JJ Richards & Sons NZ Pty Ltd (**JJ Richards**) and the outcomes.
2. On 18 August 2022, we communicated our decision to grant your request and advised that the information requested would be released to you without undue delay.

Our response

3. We have received 16 complaints about JJ Richards (the trader) over the period February 2012 to August 2019. Summaries of those complaints, the dates the complaints were received and the outcomes, are included in **Appendix A** below.
4. It is important to read this information in the following context:
 - 4.1 Complaints data on its own cannot paint a complete picture of compliance with the law. The fact that a complaint has been received does not necessarily mean that a trader has done anything wrong or any harm has been caused to any consumer or competitor. Some complaints will not be investigated by the Commission because they are unfounded or outside our jurisdiction, and some complaints that are investigated will not proceed to further action.
 - 4.2 The complaints data only reflects what consumers have chosen to report to the Commission or to other organisations that have in turn provided information to the Commission. Some complaints on the same matter are likely to have reached other complaint bodies instead of the Commission.

- 4.3 Larger traders are likely to generate more complaints as a function of their scale; we have not adjusted for this.
- 4.4 Complaint volumes for a trader can be about a single matter or multiple matters. Some matters that attract a high level of publicity can generate a large volume of complaints.
5. Please note the Commission will be publishing this response to your request on its website.
6. Please do not hesitate to contact us at oia@comcom.govt.nz if you have any questions about this request.

Yours sincerely



OIA and Information Coordinator

Appendix A			
Enquiry Number	Date Complaint received	Summary of the Complaint	Outcome
ENQ0271630	07/02/2012	Complainant is a business owner who signed a three-year fixed term contract. Contract continued to roll over as complainant did not contact trader 30 days prior to the end of initial contract. Cost of service has increased.	No further action
ENQ0285492	29/08/2013	<p>Complainant queries roll over clauses in contracts and whether this is anticompetitive behaviour.</p> <p>Complainant had a three-year contract, which then rolled over for another three years. Complainant was not contacted prior to roll over. Complainant wished to move to another provider but was advised locked into contract with trader for another three years. Prices with trader are double what complainant has been quoted by another provider.</p>	No further action
ENQ0292028	12/05/2014	<p>Complainant is a small company in Hawke's Bay.</p> <p>Trader has been offering the same service but for less cost than the complainant. Complainant is concerned that the trader is pushing businesses out and locking customers into three-year contracts that they cannot get out of.</p> <p>Complainant believes that once the trader has pushed the competitors out, they will have the power to put prices up and they will have customers locked into the contract with them.</p> <p>If customers get approached by a competitor with a better offer, they will have to show the price to the trader, which the complainant</p>	No further action

		believes will hold customers into their current contracts, as the trader will match or beat the price.	
ENQ0294611	29/07/2014	<p>Complainant queries whether trader's contracts are misleading or deceptive.</p> <p>The three year term is only noted in the "OFFICE USE ONLY" part of the contract and the contract automatically renews for another three years unless notice is given 30 days prior to the agreement end date. Complainant also considers clauses 2, 4 and 14 to be unfair. The trader's agreements are anti-competitive and their whole system of signing 3 year service agreements is misleading.</p>	No further action
ENQ0295533	26/08/2014	Complainant signed a one year fixed price contract with trader, but it was in fact for three years and it rolled over if you didn't cancel before then. The complainant wished to close the account as prices had gone up, but given still in contract, it was asked to pay a certain amount before doing so.	No further action
ENQ0302258	02/04/2015	Complainant is in a contract with trader and wishes to terminate the contract early. Complainant spoke to the trader and is willing to pay an early termination fee but was advised cannot do anything until the original contract ends, as there is no break fee.	No further action
ENQ0303228	06/05/2015	Complainant is a small business. It entered into a contract with the trader and it rolled over three years later. Complainant stated that the trader did not notify them about the roll over or the price increase. To cancel the contract the complainant was advised that it would have to pay the remainder of the term.	No further action

ENQ0304328	06/06/2015	Complainant had a contract with trader and wished to terminate the contract. Complainant was advised that they have signed a contract which automatically renews for another three years at the end of the initial term. Complainant believes that this renewal term may be an unfair contract term.	No further action
ENQ0312470	02/03/2016	Complainant entered into contract with trader and told at the time could cancel at any time. Tried to cancel later as not happy with service – advised could only cancel if no longer required a rubbish service, so was locked in for another three years at higher prices.	No further action
ENQ0320266	30/11/2016	Trader is trying to recover debt from complainant that it does consider it owes. Trader ignoring complainant's efforts to communicate or responded to formal complaint letter. Complainant believes the trader has given their private information to a debt collection agency and queries if trader can do this before trying to resolve the matters.	No further action
ENQ0506595	18/10/2017	Complainant alleges unfair contract terms. Wanted to cancel its agreement but was advised by trader that they had to pay six months' worth of fees to cancel.	No further action
ENQ0507416	08/11/2017	Complainant advised by trader that it is locked into a three year agreement as it was automatically rolled over. Complainant was only provided with a copy of its contract after the rollover period, despite requesting it prior on more than one occasion. Trader advised complainant that it has no option to buy out or end our contract so have to see it through until the end. Queries whether this practice is legal in NZ under the Fair Trading Act?	No further action

ENQ0509973	07/02/2018	Complainant is a business owner and wished to end the contract with trader in one month's time. When complainant requested an extra weekly pick up day, trader allegedly got complainant to sign a further three year contract and staff's vehicles were damaged during the collection service.	No further action
ENQ0511652	19/03/2018	Complainant discovered that trader is not recycling the glass bottles as agreed. Complainant raised the issue with the trader as would not have signed contract if bottles were not going to be recycled. Has to pay to cancel contract, and considers it was misled when entering into the contract.	No further action
ENQ0519845	07/11/2018	Complainant made a change to the services it required from trader, which was approved via email. Complainant was subsequently asked to sign a new three year contract, which they did. Complainant wished to switch to new supplier, 7 days after signing new contract. Trader advised complainant that it could not terminate but could revert to previous pick up schedule (ultimately not honoured). Complainant considers trader's contracts are unnecessarily onerous, restrictive and inhibit fair competition.	Add to demand
ENQ0529481	02/08/2019	Complainant is a restaurant owner and queries roll over clause in contract. Cost of service has increased. Complainant wished to move to another provider but was advised that the contract cannot be terminated without giving 30 days of notice prior to the renewal date. Complainant was not contacted prior to roll over or advised of any price changes. Wants to terminate contract.	No further action

Glossary of outcomes	
Outcome	Explanation
No Further Action (NFA) ¹	The Commission may decide not to take further action in relation to a complaint for a number of reasons. These reasons include, but are not limited to, circumstances where we consider the complaint is better suited to private action by the complainant, the complaint is subject to the jurisdiction of another agency, or where there is no clear breach of the law.
Added to demand	A demand is the name the Commission gives a matter where we intend to complete further work. We place demands on a list and prioritise them based on our Enforcement Criteria ² and current strategic priorities. ³ We review our demand lists on a regular basis and sometimes demands are removed from the list, this is called a resource review. We may remove a demand from our list of pending work for several reasons (e.g. the trader has amended its conduct, the trader is no longer operating, and/or other matters have come to our attention that have de-prioritised previous demands).

¹ Page 7, [Commission's Enforcement Response Guidelines](#).

² Enforcement criteria: <https://comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-criteria>

³ Our priorities: <https://comcom.govt.nz/about-us/our-priorities>