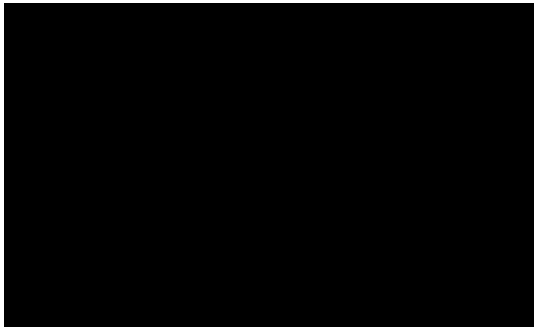


2 December 2022



Official Information Act #22.080 – Response

1. We refer to your request received on 11 November 2022 for the four complaints the Commerce Commission (Commission) received about Propellor Property Investments Limited between 2013 and April 2022, and the outcomes for each complaint.
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

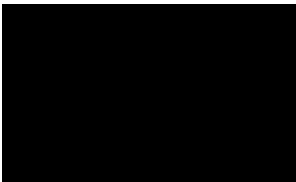
Our response

3. We have decided to grant your request.
4. We received four complaints about Propellor Property Investments Limited in the period January 2013 to April 2022. Summaries of those complaints, the dates the complaints were received and the outcomes, are included in **Appendix A** below.
5. It is important to read this information in the following context:
 - 5.1 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.
 - 5.2 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.

- 5.3 Larger traders are likely to generate more complaints as a function of their scale; we have not adjusted for this.
- 5.4 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.
- 6. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.
- 7. Please do not hesitate to contact us at ويا@comcom.govt.nz if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator

| Appendix A | | | |
|----------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Enquiry number | Date received | Summary | Outcome |
| ENQ0281507 | 6/03/2013 | <p>Complainant was concerned about Trader's misleading radio advertisement claiming they are the most trusted property investment company in NZ.</p> <p>Complainant believed Trader was incorporated on the 13 April 2012 but the company they are complaining about was actually registered on the 8 April 2009 according to the Companies Office Records.</p> <p>Complainant has searched for the wrong company.</p> | No further action ¹ |
| ENQ0313894 | 20/04/2016 | <p>Complainant alleged that the trader has made misleading statements about property investments.</p> <p>Complainant believes trader's statement that "There is no capital gains tax on real estate in this country" is not only misleading but false.</p> <p>Complainant also has issues with the comment from the trader regarding property outperforming shares bonds and bank interest, which is not only vague (what does the return include), but false, as well as the statement that "property has outperformed shares, bonds, and bank interest for over 40 years" This is also not only vague but also false.</p> | No further action |

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. However, each complaint and enquiry provides information that is valuable to the Commission. This contributes to future priorities, potential issues for us to watch closely or emerging issues to refer to our policy agency, MBIE. In this regard, we will monitor complaints or information we receive as we look to future prioritisation.

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|------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| ENQ0519292 | 17/10/2018 | <p>Complainant states the trader provided three options for a new build property. Complainant was advised to put \$10k for "costs" valuations, finance, chattel valuations etc. Trader advised that it was refundable if Complainant did not use it at all. Later, the Complainant found that \$6k of the costs were non-refundable establishment costs that goes to the Trader.</p> <p>Complainant alleges that this is a misleading and deceptive way of 'hiding' Propellor Property's fees, and they are not adequately disclosed. Complainant also questions the independence of the lawyer, valuers, and brokers referred to them.</p> | No further action |
| ENQ0564145 | 6/04/2022 | <p>Complainant is concerned about the trader's radio advertisement and whether it breaches the Fair Trading Act.</p> <p>The advertisement made a number of references to gains from property investment using prefix terms such as "could" or "traditionally". There was no disclosure of past performance being no guarantee of future performance.</p> | No further action |