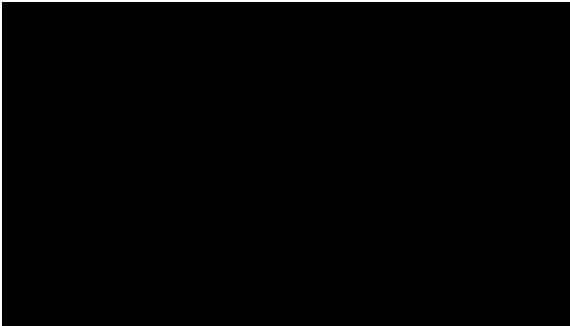


16 October 2023



Official Information Act #23.034 – Response

1. We refer to your request received on 21 August 2023 for information about the most complained about businesses over the last year. You have requested:
 - 1.1 The names of the 10 most complained about businesses in the last 12 months.
 - 1.2 The number of complaints received by the Commerce Commission (the Commission) about each of the 10 businesses in the time period.
 - 1.3 If there are any notable themes to the complaints.
 - 1.4 Whether the business is being investigated by the Commerce Commission as a result of any of these complaints.
 - 1.5 Comment from the Commission on how the number of complaints received about the businesses compare to other years.
 - 1.6 Comment from the Commission on whether businesses in the top 10 regularly feature as most complained about businesses, newcomers to the list etc.
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).
3. On 18 September 2023, the Commission extended the time limit by which we must make a decision on your request to 16 October 2023.

Our response

4. We have identified the top 10 most complained about traders and the number of complaints (referred to as enquiries) received by the Commission about each of the businesses in the period 20 August 2022 to 21 August 2023. This information is set out in **Appendix A** below.
5. All enquiries received by the Commission are entered into our complaint database. Enquiries to the Commission help us to better understand where to focus our activity and resources - identifying what we should investigate.
6. It is important to consider enquiry numbers in the following context:
 - 6.1 Enquiries data on its own cannot paint a complete picture of compliance with the law. The fact that an enquiry 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 enquiries will not be investigated by the Commission because they are unfounded or outside our jurisdiction, and some enquiries that are investigated will not proceed to further action.
 - 6.2 The enquiries 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 enquiries on the same matter are likely to have reached other bodies instead of the Commission.
 - 6.3 Larger traders are likely to generate more enquiries as a function of their scale; we have not adjusted for this.
 - 6.4 Enquiry 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 enquiries.
7. Additionally, enquiries to the Commission about issues only make up a proportion of the conduct that the Commission looks into. A lot of our work comes from proactive investigations into areas as well, in alignment with our priorities.
8. In response to your request at [1.3], we note that in the past 12 months, the Commission has received more than 11,000 enquiries across a range of matters. The sector that we have received the most enquiries about has been supermarkets, professional and personal services, restaurants/food delivery services, telecommunications and online platforms.
 - 8.1 Supermarkets/grocery stores
 - 8.1.1 As at August 2023, we have received 668 enquiries this year¹ related to supermarkets and grocery stores. The most predominant issue that is raised in relation to this sector is around alleged misleading pricing

¹ In the period 1 January 2023 to 17 August 2023.

and promotional activity. Nearly 200 enquiries relate to price inaccuracies - where the price is allegedly different to an advertised price. In addition, approximately 130 enquiries relate to alleged misleading promotions – for example something being advertised on 'special' when that is not the case.

8.2 Professional and personal services

8.2.1 As at August 2023, we have received 559 enquiries this year related to professional and personal services - for example about consultants, lawyers, health and beauty services or repair services. The most predominant issue that is raised in relation to this sector is around the quality of service (111 enquiries) or around contractual issues (71). Examples include allegations around potential unfair contract terms, or where a customer has difficulty trying to cancel a service.

8.3 Restaurants/food delivery services

8.3.1 In the past 12 months we've received 432 enquiries related to restaurants and food delivery services. The predominant issue raised by consumers (with 129 enquiries) has been around subscriptions and difficulty cancelling subscriptions.

8.4 Telecommunications

8.4.1 In the past 12 months we have received 421 enquiries related to telecommunications services. The most predominant issue raised by consumers is around billing - for example, billing consumers for a higher amount than originally agreed.

8.5 Online platform

8.5.1 In the past 12 months, we have received 384 enquiries related to online platforms - with the most predominant issue being raised by consumers being around subscriptions and difficulty cancelling subscriptions (160). Other issues raised by consumers are related to refund processes and charges that were undisclosed - for example, hidden fees.

Investigations

9. In response to your request at [1.4], we can advise that we initiated investigations into five of the businesses listed in Appendix A as a result of the enquiries we received.

9.1 One New Zealand Group Limited;

9.2 HelloFresh New Zealand Limited;

9.3 Sky Network Television Limited;

- 9.4 Kogan Australia Pty Limited T/A Dick Smith; and
 - 9.5 We Are Bamboo.
10. The investigations listed at [9.1]-[9.4]are on-going.
11. As at the date of this letter, no investigations were opened into the following businesses as a result of the enquiries listed in Appendix A.
- 11.1 Woolworths New Zealand Limited.
 - 11.2 Air New Zealand.
 - 11.3 Foodstuffs.
 - 11.4 Spark New Zealand Limited.

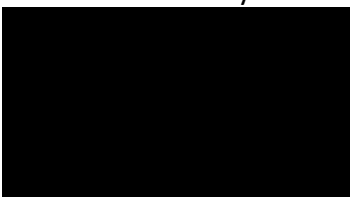
Trends

12. In response to your requests at [1.5] and [1.6], we note the total number of complaints received is higher than any previous one-year period, and we have observed a general upward trend in complaints received since 2016/17.

Further information

13. 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.
14. Please do not hesitate to contact us at oiia@comcom.govt.nz if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator

Appendix A		
Top 10 most complained about businesses (20 August 2022 to 21 August 2023)		
Ranking number	Trader	Number of enquiries
1	Countdown (Woolworths New Zealand Limited)	337
2	We Are Bamboo	266
3	Air New Zealand	228
4	One New Zealand Group	214
5	Dick Smith ²	197
6	PAK'nSAVE (Foodstuffs) ³	183
7	HelloFresh New Zealand	170
8	New World (Foodstuffs) ⁴	128
9	Sky Network Television	126
10	Spark New Zealand	116
Total		1965

² Of the 197 complaints, 152 complaints were attributed to Kogan Australia Pty Limited T/A Dick Smith and 45 complaints were attributed to Kogan HK Limited T/A Dick Smith Electronics.

³ PAK'nSAVE and New World are retail facing brands of Foodstuffs South Island Limited (FSSI) and Foodstuffs North Island Limited (FSNI). FSSI and FSNI are independent cooperatives with different governance, practices and processes and operate exclusively in the South and North Islands respectively. It is not possible to advise which complaints about New World and PAK'nSAVE relate to which cooperative as not all complainants provide detail as to their location or the location of the branch of the store complained about.

⁴ As above.