



# 2023

# Annual Report

consumer.

## From the CE.

In 2023, we delivered well in our core areas of research, product testing and advocacy. Powerswitch saved consumers more money on energy than ever before. Utua Atua continued to deliver advice to people who would not normally have access to our services.

Recognising the economic headwinds, we downsized to manage expenses and made the difficult decision to put the price of membership up for the first time in many years. Being proactive has kept Consumer NZ stable and optimistic about the future, conscious that our advice and advocacy is needed more than ever.

*- Jon Duffy*

## From the chair.

I have a dream that one day I will start my report by saying we have finally fixed everything, and we can now all enjoy fairer deals. Until that day, we continue to be more mindful than ever of the importance of Consumer NZ's role in supporting consumers. We are confident in our strategic direction, which is due to the amazing team we have and the support you have shown us for the past 65 years! So, while it's not the day to dream, at least it's the time to hope.

*- Robert Aitken*



**consumer.**

# Submissions.

**In 2023, we made 23 submissions in areas such as the banking, energy, and the supermarket sector.**

## **Improving consumers' electricity protections**

We promoted and called for the Electricity Authority's Consumer Care Guidelines to be mandatory, using our social media following to rally support. The Electricity Authority received a record number of submissions, and the guidelines will be mandatory from January 2025.

## **Calling for better retirement village residents' rights**

We made a submission on the long-overdue review of the Retirement Villages Act, calling for better protections for residents. We want better disclosure statements, standardised fair contracts and a new dispute resolution scheme. We also want operators to pay for maintenance and repairs of their chattels and fixtures and to repay capital sums within 28 days.

## **Agitating the banking sector**

The preliminary findings in the Commerce Commission's market study into personal banking services in New Zealand confirmed a lack of competition in the sector, referencing many of the issues noted in our 2023 submission. New Zealanders deserve to enjoy the competitive rates, services and protections afforded to our overseas counterparts.

# Key Campaigns.

## Dodgy supermarket specials



In 2023, the public sent us over 600 examples of dodgy pricing at the supermarkets. In June, we lodged a complaint with the Commission, which is now investigating Foodstuffs and Woolworths to determine whether their pricing and promotional practices comply with the Fair Trading Act.

## Fairer ferries

Off the back of our complaints alleging that Interislander and Bluebridge were misleading passengers about their rights, the Commission launched an investigation into whether the Cook Strait ferry operators were meeting their obligations under the Consumer Guarantees Act and Fair Trading Act.

## Right to repair

It's estimated that 97,000 tonnes of unwanted and broken electrical appliances is dumped in landfill every year. The campaigns and test team worked together to reveal the expected lifespan of household items, such as fridges, dishwashers and TVs, to give New Zealanders better information about appliance longevity, and to encourage people to get behind our call for a mandatory repairability label.

# Greenwashing



## We took Z Energy to court

We partnered with the Environmental Law Initiative (ELI) and Lawyers for Climate Action New Zealand Inc (LCANZI) to seek declarations from the High Court that Z Energy had breached the Fair Trading Act with its “Moving with the times” campaign.

We think Z Energy’s messaging about being “part of the [climate change] solution” and “in the business of getting out of the petrol business” is misleading. Z Energy is New Zealand’s second-largest greenhouse gas emitter, and its emissions are increasing.

## Air NZ ditched their single-use ‘compostable’ cups after our call-out



We called out Air NZ for the “green” messaging on its cups which stated, “this cup is made from plants not plastic”. While the cups contain a bioplastic lining and are compostable, there’s still a very good chance they’ll end up in landfill due to the limited composting facilities in New Zealand.

Air NZ responded by removing the cups from its lounges and is now looking at options to replace its nine million single-use coffee cups a year.

# Our investigations.

From car insurance premiums to artificial intelligence, our investigations team researched the big and complex issues New Zealanders deserve to know about.

## Our 2023 investigations

- The use of **biometric billboards** at Westfield shopping centres across the country highlighted serious privacy issues – we made a submission in strong support of a biometrics code of practice.
- **Car insurance premiums** increased up to 38% since 2021, yet switching providers could result in a family of four saving up to a whopping \$670 a year on average.
- We found questionable **Black Friday “deals”**, with 77% of the products we tracked from four big-box retailers costing the same or less in the weeks prior to the big day.
- New Zealanders are missing out on **basic banking protections** – we called for banks to fast-track name and number matching to tackle the increasing frequency and sophistication of scams.
- Car dealers and finance companies make a tidy sum selling add-on **insurance products with car sales** – our investigation into a dodgy car finance deal highlighted irresponsible lending in Aotearoa.

A close-up photograph of two hands shaking, symbolizing agreement or partnership. The hands are positioned in the upper center of the frame, with the fingers interlaced. The background is a solid, vibrant red color.

# Utua Atū means pay it forward.

**utua**atū  
by consumer.

To achieve our vision of getting New Zealanders a fairer deal, we need to reach, represent, and be accessible to all consumers. The Utua Atū programme was born out of a recognition that it's often those consumers who can least afford to pay for our advice and advocacy that can benefit from it the most.

Utua Atū lets people and businesses donate Consumer memberships to people who need support to become informed, confident and empowered to stand up for their consumer rights. Now in its third year of operation, we have partnered with more than 20 social agencies to gift over 700 Consumer memberships.

Utua Atū isn't about replicating or replacing the work our partner agencies do. It's about adding value to their work and helping build capable and knowledgeable consumers to ensure a healthy and resilient society.

Thanks to our community partners for helping us to identify who would most benefit from a Consumer membership.

**Thanks again to our founding partners:**

**ASB** CH ● R U S % **Simplicity**

# POWERSWITCH

by consumer.

Our energy retailer comparison site, Powerswitch, continued to grow over 2023. Site usage increased by 21% compared to the previous year, with close to 750,000 households using our free service. The number of people initiating a change of provider directly from Powerswitch also rose by 16% over the year prior. We estimate the combined savings of those switching from the site was around \$5 million.

Powerswitch is especially important given the current state of the electricity retail market. We want to see a thriving, competitive market which benefits all New Zealanders – right now, that's not the case.

- The gentailers retain a high market share, despite having higher prices and lower customer satisfaction scores. The market share of the top four gentailers and their subsidiaries is currently 83.6%. This has barely changed from 10 years ago when the market share of the top four gentailers was 83.2%.
- Despite 60% of households telling us they are concerned about their electricity costs and significant savings being available through changing provider, switching rates remain stubbornly low. Only around 7% of households changed provider in the last 12 months.
- Gentailer profits surge. In the last financial year gentailers reported \$2.7 billion in operating profits, an 18% increase from the previous year. That's around \$7.4 million profit every day.

↑ **21%**

increase in site users

**750,000\***

households used Powerswitch

↑ **16%**

increase in direct switches  
compared to the previous year

**\$5 million\***

saved from site switches

In 2024, we will continue to focus on increasing switching rates, which has the potential to unlock significant benefits for New Zealanders. We estimate that each 1% of additional households that switch to a lower cost provider would produce a collective saving to consumers of over \$7 million per annum.

\*These are approximate figures.

# Sentiment Tracker.

**Our quarterly Sentiment Tracker provides valuable insights into consumer priorities, concerns, and evolving trust, crucial for organisations striving to excel in their industries or enhance customer experiences.**

## October 2023 snapshot

### Climbing concerns

- Financial stress was top of mind for most, with 63% saying the cost of living was their main concern, up from 57% last quarter.
- Climate worries increased by 4 percentage points.
- Unease about crime and gangs reached an all-time high (35%).
- Ongoing concerns about healthcare and poverty indicated that long-standing issues still need solutions.

### Growing divide as living standards slide

Only 14% felt better off than the previous year, while 33% reported a decline in their standard of living (a net decline of 19%). This marked the largest disparity since tracking began, highlighting deepening inequality and hurdles ahead.

### Sector sentiment

New Zealanders were slowly but steadily regaining trust in the banking, education, and healthcare sectors. But fuel companies were falling out of favour following a reversal in tax cuts.

# Tests.

Empowering consumers with unbiased, evidence-based insights into products and services continues to be valuable as consumers are bombarded with marketing and endless choices.



## **Uncovering the hybrid vehicles which failed to meet their fuel efficiency claims**

Te Manatū Waka Ministry of Transport commissioned us to assess the fuel economy of five brands' plug-in hybrid electric vehicles (PHEVs) and hybrids to see how real-world use compared with manufacturers' claims. The trial, which was the first of its kind, found "real life" driving of PHEVs and hybrids led to larger-than-expected fuel bills.

## **Fighting for repairable products**

Since 2021, we've rolled out "lifetime scoring" to most of our key product tests, which helps consumers consider product reliability and longevity in their purchasing decisions. From now on, our top-level scoring for mobile phones will also consider repairability, helping New Zealand consumers produce less waste and save money by choosing phones that will last longer.

# Our reach and impact.

Last year we launched a TikTok page, going viral with 325k views on our first video about Dominos takeaway pricing.



**16.6k**

Instagram followers

↑ **23%**



**5.4m**

Facebook/  
Instagram reach

↑ **99%**



**48.2k**

Facebook followers

↑ **19%**



**3.5m**

Website  
visitors



# Our services.



**36,542**

↓  
Members  
down from 39,667

**188,742**

↑  
Supporters  
up from 171,914



↑  
**972**

Products tested  
up from 962

Our Consumer Advisory  
Service received  
**3,736 inquiries.**



↑  
**9,462**

Digital sales  
up from 8,929



**66,916**

↓  
Magazines  
distributed  
down from 112,847

\*We shifted from producing a bi-monthly magazine in 2022 to a quarterly magazine in 2023.



# Partnerships.

In 2023, we partnered with several social agencies and government bodies keen to support the work we do on behalf of consumers.

Our successful winter 2023 **Save500** campaign, delivered in partnership with the Energy Efficiency and Conservation Authority and the Electricity Authority, helped New Zealand households save up to \$500 on their energy bills while keeping the home warm and dry.

Continuation of our partnership with **Te Whatu Ora** included important sun safety work, such as the launch of New Zealand's sunscreen database and research into sun safety attitudes.

Our mahi with **Ministry for Primary Industries (MPI)** focused on date-marking, Campylobacter and food recalls – these are all areas where MPI, Consumer, businesses and suppliers have an interest in ensuring that consumers are well informed.

**The Commerce Commission** continued to prove an important partner for Consumer with two specific projects – the second year of our mobile billing app review, and a new project focusing on WiFi router testing.

# Licence programmes.

Our licence programmes provide a meaningful endorsement to the businesses we work with, and help consumers shop with confidence.



## **OEM Audio joins the Consumer Trusted ranks**

In September, OEM Audio completed its Consumer Trusted accreditation and joined the ranks of other like-minded companies leading the way in customer service. In 2024, Shoe Clinic and Resene ColorShops reach their 10-year Consumer Trusted milestone!

## **The People's Choice award recognises NZ's favourite brands**

Customer reviews play a big part in purchasing decisions, alongside quality and value for money. To reflect this, we added a products category to our People's Choice award, so that people can choose to buy from brands that rank high for customer satisfaction.

## **Establishing the business clinic**

In late 2023, we developed our business clinic concept with input from the businesses in our current programmes. We are launching the clinic in 2024 as a new way to help businesses improve their customer service through tools, data and insights.