

# Quarterly Snapshot

The Commerce Commission is New Zealand’s primary competition, fair trading, consumer credit and economic regulatory agency.

This quarterly snapshot provides a high level overview of work underway at the Commission.

For more information about us and about our work, please go to [www.comcom.govt.nz](http://www.comcom.govt.nz).

Note: numbers may have small variances from time to time due to delays in entering data.

## Improving competition in payments:

In July 2024, the Commission revealed consumers spend **approximately \$95 billion each year using Visa and Mastercard** products. New Zealand businesses incur around \$1 billion in fees to provide these payment options to their customers. In December 2024, the Commerce Commission issued its draft decision to reduce fees paid by Kiwi businesses for accepting Visa and Mastercard payments. A business may seek to recover these fees from consumers through the cost of goods and services, and surcharges. **We’re proposing a reduction of around \$260 million a year to the largest component of the fees charged to New Zealand businesses to receive Visa and Mastercard payments.** We’re also setting the clear expectation that payment providers and businesses should pass these savings on to customers.

## Economic regulation of water services:

The Water Local Government (Water Services Preliminary Arrangements) Act 2024 established the Commission as the regulator for economic regulation for water services and the Crown Monitor for Watercare (Auckland). In Q2, we provided economic regulation input into the Department of Internal Affairs baseline review of Watercare. As the Crown Monitor for Watercare we submitted our first Quarterly Crown Monitor report to the Minister for Local Government. We expect our role as regulator for water services will continue to build momentum.

## 2024 enforcement priorities:

In December, we published our 2024/25 priorities for compliance and enforcement activities, spotlighting the practices and sectors that will garner the most scrutiny. The areas cover some types of conduct that will always be a priority given how harmful they can be to New Zealanders. Alongside our five enduring priorities – **cartels, anti-competitive conduct, actions that support our market and economic regulation functions, product safety and vulnerable consumers**, this year we are placing a particular focus on key areas – **bid rigging cartels, non-compete agreements, illegal on-line sales conduct, breaches in the grocery and telecommunications sectors, motor vehicle finance and unconscionable conduct**. The priorities have been informed by concerns lodged with the Commission from members of the public, as well as market intelligence, investigative trends, and events impacting the economy. The Commission’s enforcement priorities are available online in full [here](#). As well, information about open cases can be found on our [case register](#).

## Concerns raised with the Commission

**Consumers and businesses contact the Commission to raise concerns about activities and behaviours that may be against the laws we enforce. All contacts are important to us and directly and indirectly inform our investigation, enforcement and other regulatory work.**

**The following tables indicate how many enquiries the Commission has received this quarter and in which regulatory area.**

Act	Concerns Q2 (Oct 2024 – Dec 2024)
Fair Trading Act 1986	2,467
CCCFA 2003 (Credit)	124
Commerce Act 1986	88
Retail Payments Systems Act 2022	77
Fuel Industry Act 2020	6
Telecommunications Act 2001	2
Total	2,657

### Commentary

- *The Commission received 2,657 concerns across our regulatory responsibilities in Q2 2024/25. This is in line with long-term trends.*
- *As in previous quarters, most of the concerns related to the Fair Trading Act were about false or misleading behaviour. Key issues included promotional representations, product characteristics, price inaccuracies and contractual issues.*
- *The top 5 brands with the most reported concerns were **Woolworths New Zealand Limited, Pak’nSave, New World, One New Zealand, and Air New Zealand***

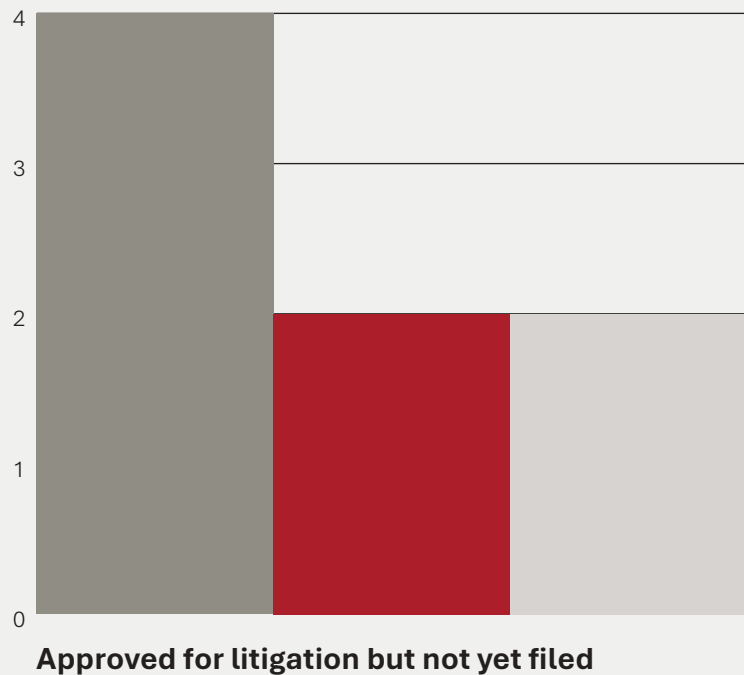
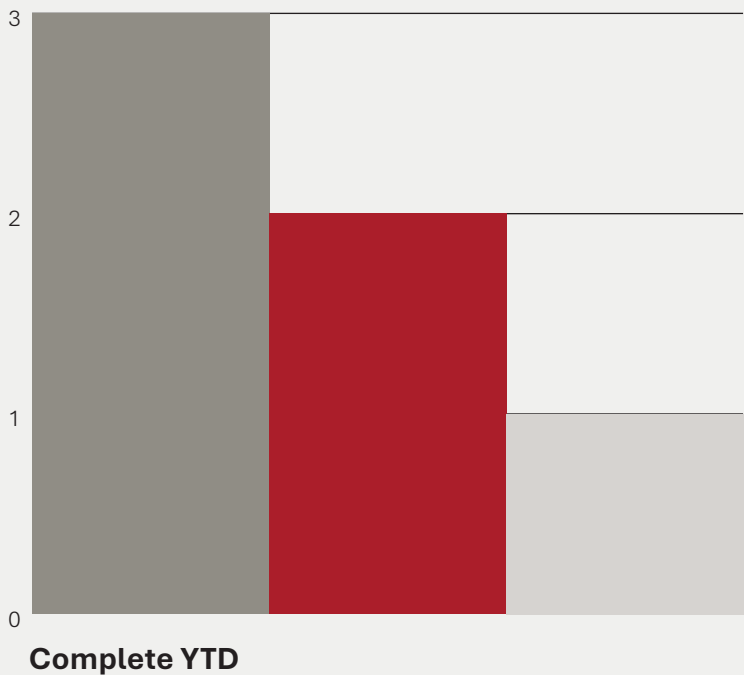
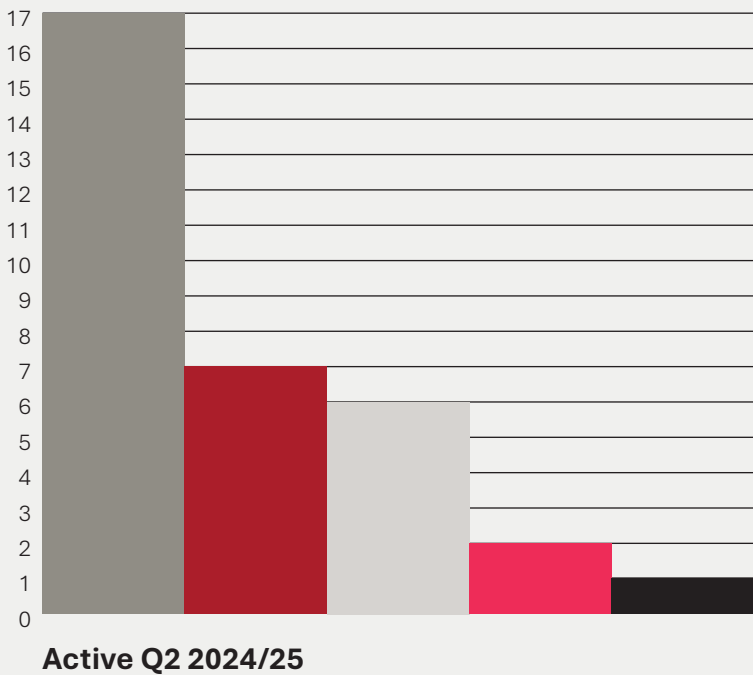


Litigation Q2

The graphs to the right indicate the litigation that the Commission has underway. The Commission can prosecute businesses and individuals.

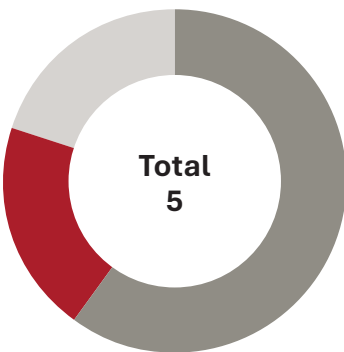
\* including 1 matter where the Commission is intervening as a non-party to a litigation and 1 matter where an appeal has been lodged against a Commission decision.

- Fair Trading
- Credit
- Competition \*
- Infrastructure Regulation
- Market Regulation

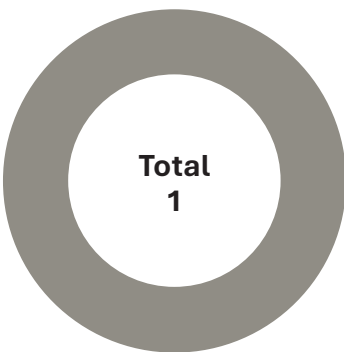


Investigation outcomes Q2 2024/2025

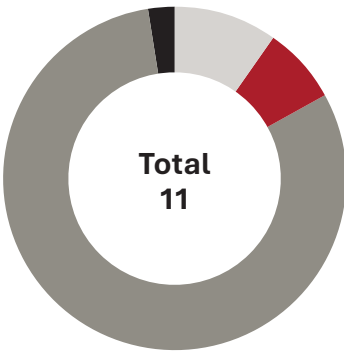
- Fair Trading
- Credit
- Competition
- Infrastructure Regulation
- Market Regulation



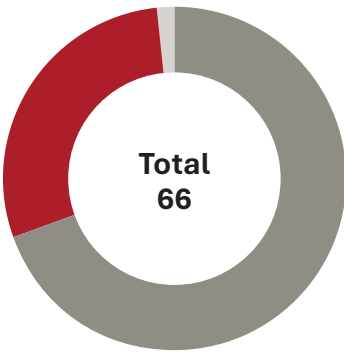
Approved for litigation



Warning letters issued



Compliance advice issued



Other

Commentary

Information about open cases can be found on our [case register](#). Our compliance and investigation highlights include:

- Skyview Trading Limited (trading as Skyview)** was warned by the Commission for supplying garments with non-compliant fire hazard information labelling. Possible non-compliance related to the supply of 688 noncompliant hooded blankets that were missing fire hazard information labels.
- In October 2024, we issued a warning to **Kogan Australia Pty Limited**, commonly known as **Dick Smith**, for likely misleading consumers, as their website automatically signed customers up for a \$149 membership subscription. Consumers when shopping online should not have to watch out for being automatically signed up to a subscription through a pre-selected tick box. We consider its First Subscription service may be a subscription trap.
- In December 2024, we closed our investigation under section 36 of the Commerce Act after **Objective** proactively decided to extend support and maintenance for GoGet (building consent processing software) until 30 June 2026. We were concerned that **Objective's** timeframe for decommissioning **GoGet** gave customers insufficient time to find an alternative solution – whilst alternative solutions are in development, there is currently no other viable rival end-to-end product widely available. The extension gives building consent authorities an additional full financial year to assess their options and migrate to their chosen software platform. The new date aligns with the financial planning timelines of local councils and gives software developers additional time to develop alternatives to Objective products.
- In addition to litigation underway, we continue to proactively monitor compliance with credit contracts underway and consumer finance legislation, including:
  - we issued **two Compliance Advice Letters (CAL)** to lenders for possibly breaching their obligations under the CCCF Act by offering consumer credit without being certified to do so, and one CAL to a lender for possible breaches relating to hardship applications.
  - we issued **fifteen Information Passed to Trader letters** to lenders for non-notification of prescribed changes that could affect their Certification.

Investigations and Compliance

The Commission has a large number of investigations and compliance activities underway at any one time. We use our enforcement response guidelines in deciding whether to open an investigation and what compliance and enforcement action to take during and at the end of an investigation. The table below indicates how many active investigations the Commission has underway. The outcomes of completed investigations are also indicated.

	Active Q1 2024/25	Complete YTD (Q1 & Q2) 2024/25
Fair Trading	100	114
Credit	31	75
Competition	26	14
Infrastructure Regulation	6	5
Market Regulation	16	3



Judgements

Commentary

- The Auckland High Court sentenced company director **Munesh Kumar** to community detention and community service, and imposed a \$500,000 fine on his construction company, **MaxBuild Limited**, in the country’s first ever criminal prosecution for cartel conduct following an investigation by the Commerce Commission
- We secured a \$243,000 fine against **Beau Ideal Limited**, previously known as **Beaurepaires** and now trading as **Advantage Tyre Solutions**, for breaching the Fair Trading Act in the sale of the extended warranty “Road Hazard Cover.”
- **Kiwibank** was fined \$1.5million after pleading guilty to systemic and long-running breaches of the Fair Trading Act that led to 35,000 customers being overcharged a total amount of \$6.8 million
- **Bed, Bath & Beyond** was sentenced and fined \$230,000 in respect of charges relating to hot water bottles that did not comply with the Unsafe Goods Notice, and children’s nightwear that did not have the correct fire hazard labels (in total, over 27,000 noncompliant goods).

Filings

Commentary

- The Commission filed criminal charges against **One NZ (formerly Vodafone NZ)** for representations made in its campaign promoting “100% mobile coverage. Launching 2024,” which the Commission believes may have breached the Fair Trading Act. The Commission is concerned that the headline representations made during the campaign could be misleading and distort competition in the telecommunications market.
- We filed proceedings under sections 27 and 36 of the Commerce Act in the Auckland High Court against **Winstone Wallboards**, a subsidiary of **Fletcher Building** that manufactures and supplies GIB-branded plasterboard. The Commission alleges that **Winstone’s** use of retroactive tiered rebates in its plasterboard supply agreements with building supplies merchants between 2017 and 2022 breached the Commerce Act.
- We filed charges against **Jetstar** under the Fair Trading Act, alleging Jetstar misled consumers about their rights to compensation when flights were delayed or cancelled for reasons within Jetstar’s control.
- We filed criminal charges against **The Warehouse Limited** (The Warehouse) for supplying and selling “Roo Crew Take-Apart Vehicle Toys,” which the Commission believes present a safety risk to young children.

Official Information Act 1982 requests

The Official Information Act (OIA) gives New Zealand the right to request official information. The Commission proactively publishes selected official information responses on our website to improve transparency. We publish responses that do not compromise confidentiality, privacy or ongoing investigations.

Commentary

- Around 28% of OIA requests this quarter concerned complaints that had been submitted to the Commission about the conduct of particular traders and the Commission’s response to those complaints.
- More than half of the OIA requests in this category were from individual members of the public, and law firms on behalf of clients being investigated or involved in the Commission’s investigations.
- The Commission also received requests for complaint information from the media, and from businesses wanting to know if the Commission had received complaints about them.

Q1 2024/25

50

Number of OIA requests received

126\*

Year to date requests answered

\*70 are from Q1, 56 from Q2.

Competition clearances and authorisations

The Commission administers a voluntary clearance regime for mergers and acquisitions. We take enforcement action to prevent anti-competitive transactions if prior clearance isnot sought.

We also grant an authorisation for an acquisition that would result in a substantial lessening of competition if the public benefits from the acquisition and are found to outweigh the competitive harm.

The data indicates the number of mergers, acquisitions clearances and authorisations that are underway or have been decided year to date.

Q2 Clearances & Authorisation Outcomes

	Mergers clearances s66	Merger Authorisations s67	Collaborative activity clearances s65A	Trade practices authorisations s58
Decided	1	1	0	0
Undecided at the end of quarter	3	0	0	0

Complete YTD (Q1 & Q2) 2024/25

	Mergers clearances s66	Merger Authorisations s67	Collaborative activity clearances s65A	Trade practices authorisations s58
Cleared unconditionally	1	1	0	N/A
Authorised	N/A	0	N/A	1
Cleared with divestment	0	N/A	N/A	N/A
Declined	2	0	0	0
Withdrawn	0	0	0	0
Varied	N/A	N/A	N/A	0
Sol/SoUI issued	2	N/A	0	N/A

Commentary

- The Commission cleared one merger application for clearance – **Elgas Limited/Vector Limited** (electricity) and cleared one merger application for authorisation – **ACM/ Evergreen** (cash-in-transit services) in Q2.
- We decided to issue a Statement of Issues for the application from **Contact Energy Limited** to acquire up to 100% of the shares in **Manawa Energy Limited**. The Statement of Issues is due to be published in Q3. The new decision date is 31 March 2025.
- The Commission received two applications for merger clearance in Q2, relating to food manufacturing and equine veterinary services, which both remain undecided at the end of Q2.

Projects of Significance

The Commission has significant programmes of regulatory work underway. Our regulatory role in infrastructure regulation includes aspects of the New Zealand supply chain for essential services; such as electricity, gas, fibre and airports. Regulated markets include; telecommunications, fuel, groceries and dairy.

Highlighted on the right is a selection of the pieces of work that the Commission is currently involved in. The list is not exhaustive.

Further information on each piece of work, and many other pieces, is available on our website, including how you can engage with us.

Feedback from New Zealand businesses, consumers, and sectors we regulate is important to us in relation to that work.

	Groceries	Retail Payment System	Telecommunications	Water Services Regulation
Previous Milestones	<p><b>August 2024</b></p> <ul style="list-style-type: none"><li>Publication of a <b><u>Request for Views paper</u></b> for consultation on the Grocery Supply Code review (1 August 2024)</li><li>Instore requirements for unit pricing come into effect (31 Aug)</li></ul> <p><b>September 2024</b></p> <ul style="list-style-type: none"><li>Publication of the <b><u>Annual Grocery Report</u></b></li><li>Publication of <b><u>Wholesale Supply Inquiry Terms of Reference</u></b></li><li>Publication of <b><u>Wholesale Supply Inquiry Preliminary Issues paper</u></b> for consultation</li><li>Publication of <b><u>submissions on request for views paper</u></b> for the Grocery Supply Code review</li></ul>	<p><b>July 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>Consultation paper</u></b> on costs to businesses and consumers of card payments</li></ul> <p><b>August 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>the recommendation to designate the interbank payment network and our reasons to support our recommendation to the Minister</u></b>, including <b><u>submissions</u></b> in response to our consultation</li></ul>	<p><b>July 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>Final report on Customer Service rankings design and contents</u></b></li></ul> <p><b>August 2024</b></p> <ul style="list-style-type: none"><li>Publication of the <b><u>Telecommunications Annual Monitoring Report (AMR)</u></b> including the analysis for the <b><u>rural connectivity study</u></b></li><li>Publication of the <b><u>Telecommunications Consumer Satisfaction Monitoring report covering January to June 2024</u></b></li></ul> <p><b>September 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>Product Disclosure: Mobile Coverage Map update Letter</u></b> with actions for industry</li><li>Publication of the <b><u>Measuring Broadband New Zealand quarterly report</u></b></li></ul>	<ul style="list-style-type: none"><li><b>September 2024</b></li><li>Water Local Government (Water Services Preliminary Arrangements) Act 2024 enacted establishing the Commission as the regulator for economic regulation for water services and the Crown Monitor for Watercare (Auckland) <b><u><a href="https://legislation.govt.nz/act/public/2024/0031/latest/LMS964380.html">https://legislation.govt.nz/act/public/2024/0031/latest/LMS964380.html</a></u></b></li><li>Commission’s Water Committee established</li></ul>
Oct–Dec 2024/25 Milestones	<p><b>October 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>cross-submissions on the Review of the Grocery Supply Code Request for Views</u></b> paper</li></ul> <p><b>November 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>submissions on Wholesale Supply Inquiry Issues Paper</u></b>.</li><li>Supplier Survey sent out to suppliers</li></ul> <p><b>December 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>draft customer complaints disclosure standard and reasons paper</u></b></li><li>Publication of <b><u>Grocery Newsletter #3</u></b></li></ul>	<p><b>December 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>open letter to sector with updated set of expectations to advance open banking</u></b></li><li>Publication of the <b><u>draft Mastercard and Visa interchange fee network standard</u></b>, including <b><u>draft decision and reasons paper</u></b> and <b><u>submissions</u></b> received in response to our July 2024 consultation paper</li></ul>	<p><b>October 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>Marketing Alternative Service / Broadband Marketing Report Guidelines Review</u></b>.</li><li>Publication of the <b><u>draft Telecommunications Development Levy liability allocation determination</u></b></li></ul> <p><b>November 2024</b></p> <ul style="list-style-type: none"><li>Publication of <b><u>draft Telecommunications Disputes Resolution Scheme Review report</u></b>.</li><li>Publication of the <b><u>Annual mobile transparency review</u></b> with Consumer NZ</li><li>Publication of the <b><u>Wi-Fi router testing buyers guide</u></b> with Consumer NZ</li><li>Publication of the <b><u>Mobile Termination Access Service (MTAS) Draft Decisions</u></b></li><li>Publication of the <b><u>Specified Fibre Areas (SFA) annual assessment</u></b></li></ul> <p><b>December 2024</b></p> <ul style="list-style-type: none"><li>Publication of the final report on the <b><u>Review of the Telecommunications Disputes Resolution Scheme</u></b></li><li>Publication of the <b><u>Measuring Broadband New Zealand (MBNZ) quarterly report (report 22)</u></b></li><li>Publication of the <b><u>Customer Service Rankings for Broadband and Mobile providers</u></b></li><li>Publication of the final <b><u>2023/24 Telecommunications Development Levy (TDL) determination</u></b></li><li>Publication of final <b><u>Telecommunications Disputes Resolution review report</u></b></li><li>Publication of <b><u>Energy Bundles Guidelines Review letter</u></b></li></ul>	<p><b>October 2024</b></p> <ul style="list-style-type: none"><li>Provided input into the Department of Internal Affairs baseline review of Watercare</li></ul> <p><b>December 2024</b></p> <ul style="list-style-type: none"><li>Submitted our first Crown Monitor Quarterly report to the Local Government Minister</li></ul>
Future Milestones	<p><b>January – March 2025</b></p> <ul style="list-style-type: none"><li>Publication of cross-submissions on the Wholesale Supply Inquiry Preliminary Issues Paper</li><li>Publication of Margins issues paper for consultation</li><li>Publication of submissions on draft customer complaints disclosure standard and reasons paper</li><li>Publication of Grocery Newsletter #4</li><li>Drafting recommendations and publication of Wholesale Supply Inquiry draft report for consultation</li><li>Drafting recommendations and publication of Review of the Grocery Supply Code draft report for consultation</li></ul>	<p><b>January – March 2025</b></p> <ul style="list-style-type: none"><li>Ongoing engagement with the sector to support promotion of open banking</li><li>Consultation on the draft Mastercard and Visa interchange fee network standard. Submissions close 18 February 2025</li></ul>	<p><b>January 2025</b></p> <ul style="list-style-type: none"><li>Publication of final Mobile Coverage Maps Guidelines</li></ul> <p><b>February 2025</b></p> <ul style="list-style-type: none"><li>Publication of six-monthly Customer Satisfaction Report (Jul-Dec 2024)</li><li>Publication of quarterly Customer Service Rankings</li><li>Publication of Switching Emerging Views paper</li><li>Publication of the Copper Services Investigation Draft Investigation Findings and Recommendations</li></ul>	<p><b>January – March 2025</b></p> <ul style="list-style-type: none"><li>Publication of Initial discussion document on approach to information disclosure</li><li>Quarterly report on Watercare to be provided to Local Government Minister (March)</li></ul>