



Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

Consumer Detriment Study – Ireland 2014

Consumer Markets Expert Group
DG - Justice and Consumers

Date: 30 September 2015



Consumer Detriment Study

- The objective of the Consumer Detriment study is to assess the level of consumer detriment experienced in Ireland when a product or service delivery is not as intended or falls short of consumer expectations.
- It's focus is on **revealed** consumer detriment, that is detriment that is known to the consumers
- **Personal detriment** – negative outcomes for individual consumers

Detriment - Definition

Consumer Detriment for this study is defined as

“The loss suffered by consumers when purchasing goods or services:

- ***Where they were overcharged***
- ***That did not meet their expectations, were faulty or sub-optimal in some way***
- ***Which were not received (either in full or in part) within the agreed time”***

The research was conducted by Ipsos MRBI on behalf of the CCPC

Detriment – The Approach

- Personal Detriment
 - The key question is how do we assess this?
 - The data collated by the CCPC's helpline data is useful, but this is inevitably incomplete. Therefore we must solicit consumer's experiences
- A report prepared by Europe Economics for the European Commission (DG SANCO) in 2007 identifies that
“the best method of measuring the existing level of personal detriment is a survey of consumers.”

Detriment - The Approach

- Quantitative Survey Based Approach
 - Nationally representative sample, which can be grossed up to population-level estimates
 - Stratified random sample approach used
 - Sample of just over 2,500 respondents, our target was at least 1,000 consumers who suffered detriment – Achieved 1,095 respondents
 - Bespoke face to face survey
 - Conservative approach – designed to get robust estimates

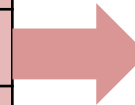
Detriment - The Approach

- One Interview – 2 stages
 - Stage 1 – Identify the prevalence of detriment, sectors, problems, cost of detriment
 - Stage 2 – Action by consumers and level of resolution
- The questionnaire designed was informed by previous studies and both internal and external expertise
- Cognitive testing of the questionnaire was also conducted by Ipsos MRBI.

Detriment - The Approach

- Categories of product categories/sectors
 - 12 Main Categories (78 detailed)

Clothing, Footwear and Accessories
Personal Electronic Goods - Technology
Internet, TV and Telecommunications
Recreation and Leisure
Financial Goods and Services
Grocery, Food and Drink
Household Goods and Services
Fuel and Utilities
Medical
Transport, Travel and Holidays
Professional services
Personal services/products




For Example

Mobile phone handsets
TV, DVD players
Computers, Laptops and Tablets
Cameras
MP3 & MP4, game consoles
Other personal electronic goods - technology

Detriment - The Approach

- List of Problems
 - 12 Main Problems Categories (61 detailed)

Product or Service Fault/Defection		Refusal to Repair
Product/Service Delivery/Collection issues		Failure or delay in promised repair
Repair Issues		Recurring faults after repair
Cancellation Issues		Other repairs issues
Refund Issues		
Guarantee/Warranty Issues		
Financial Product/Service Issues		
Contract Terms and Conditions Issues		
False/Misleading/Incorrect Sales Issues		
Deal/Voucher Website issues		
Cost/Pricing Issues		
Other Problems		

Detriment - The Approach

- **Question –**

*Please take the time to look at this card (**list of product categories/sectors**) which outlines some goods or services which you might have had a problem with in the past twelve months, for which you consider you have a genuine cause for complaint. It doesn't matter whether or not you decided to complain about the problem, but it must be something you were dissatisfied with.*

Detriment - The Approach

- Detailed financial cost of detriment for the main problem in up to 3 product categories/sectors
- Personal time spent resolving the problem
- For the main problem
 - problem resolution
 - Consumer behavior and impact

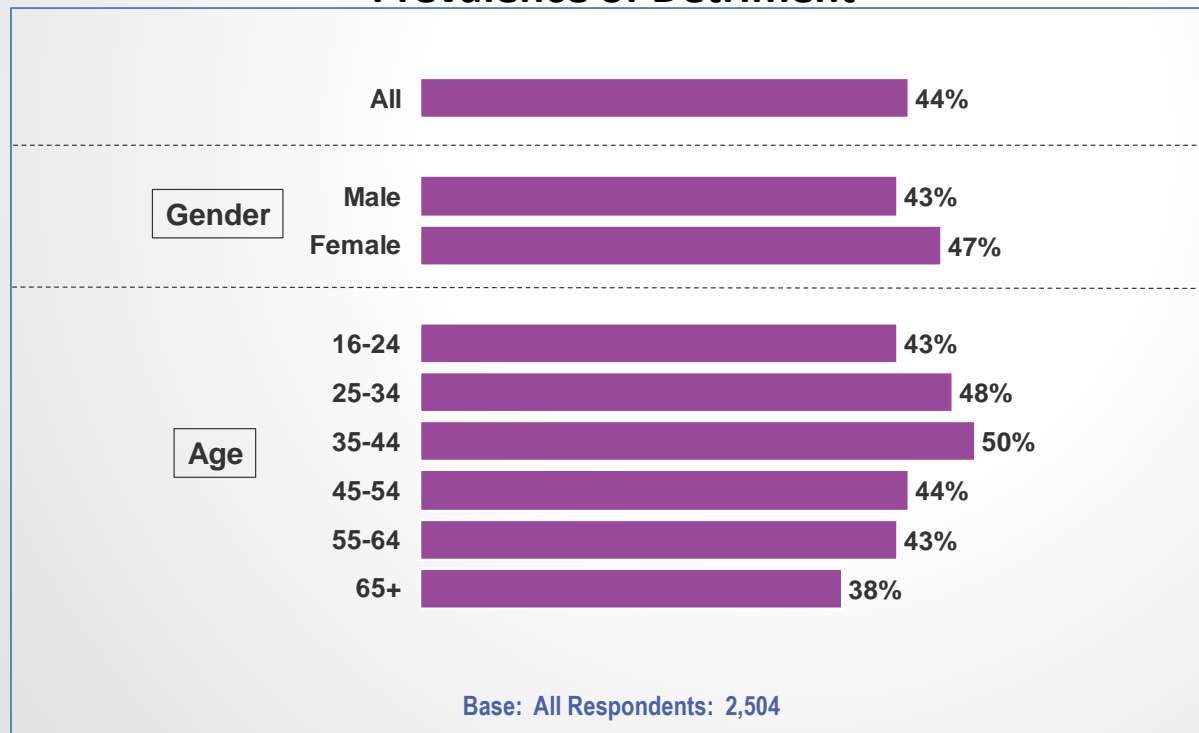
Detriment - The Findings



Detriment - Findings

- 44% of the Irish population have experienced consumer detriment in the previous 12 months.
- Those in 35-44 age bracket more likely to experience detriment (50%)

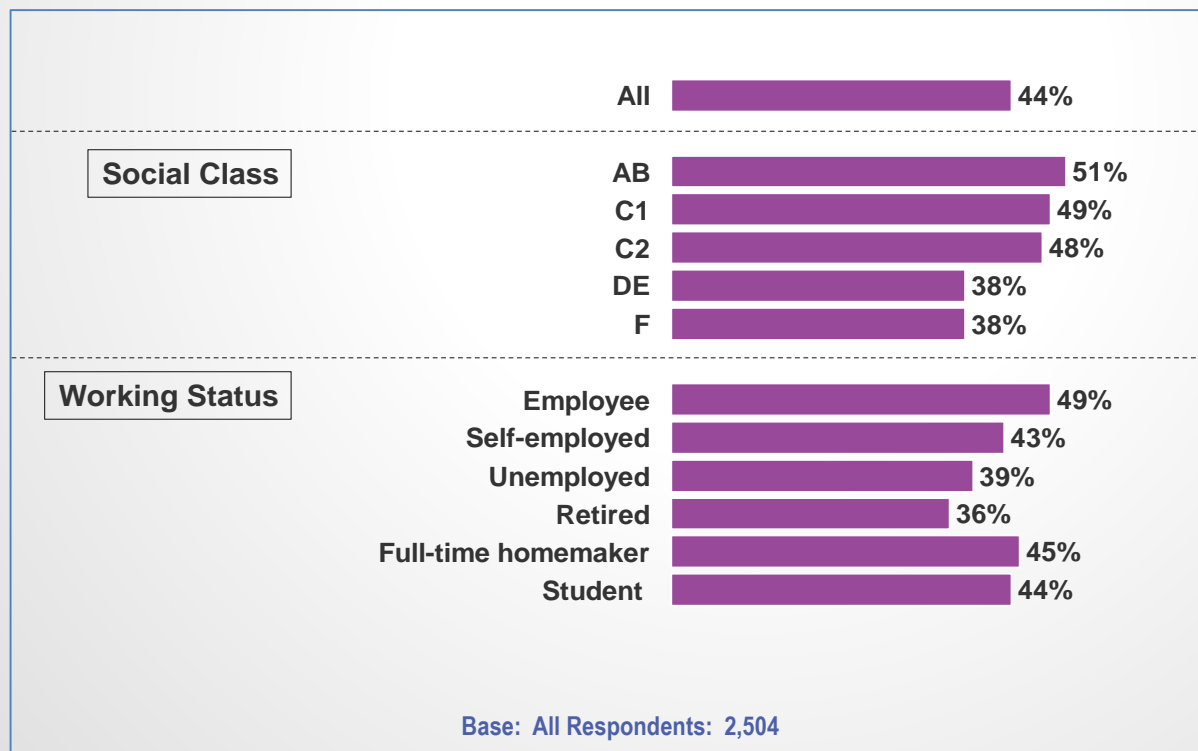
Prevalence of Detriment



Detriment - Findings

- The AB socio economic group are more likely to experience detriment (51%) compared with the DE socio economic grouping (38%)
- Similarly those in employment are more likely to experience detriment than those unemployed or retired.

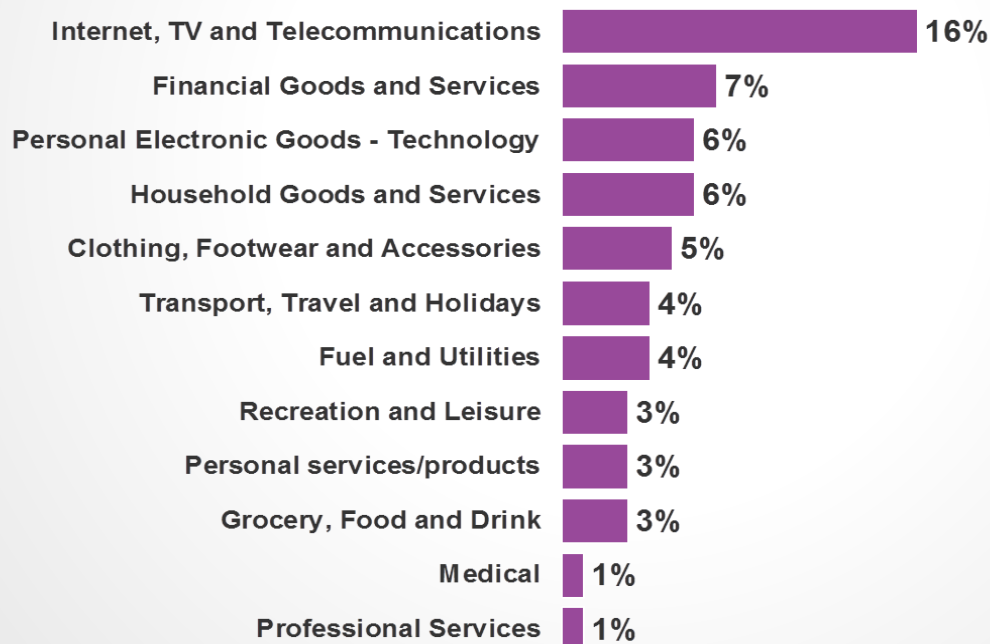
Prevalence of Detriment



Detriment - Findings

- 16% of consumers experienced detriment with Internet, TV and Telecommunications sector (broadband and mobile service being the main problem areas within this sector)

Detriment by Product Category/Sector

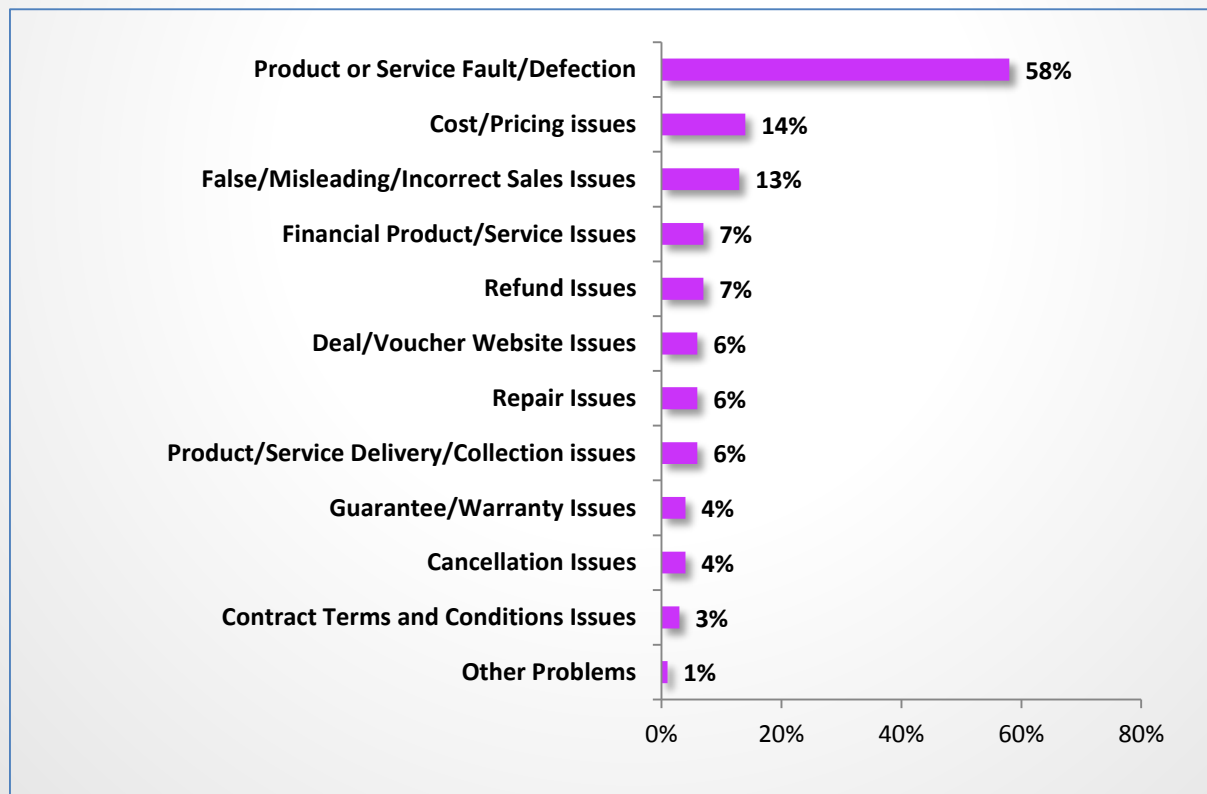


Base: All Respondents: 2,504

Detriment - Findings

- Product or Service Fault/Defection was the main problem experienced

Main Problem Type



Detriment - Findings

- Overall the level of consumer financial detriment for the 12 months period as measured by the survey, is **€495,069,150**.
- The average financial detriment per main problem is **€209**.
- Just under half (47%) of main problems with goods or services incurred no financial detriment, while 5% incurred financial detriment of more than €750.
- Problems with Household Goods and Services and Internet, TV & Telecommunications are the largest contributors to overall level of financial detriment

Detriment - Findings

- Household Goods and Services although accounting for 9% of the problems contributes 25% to the overall value of detriment

Overall Financial Detriment x Product Category/Sector

	% of Problems	% of Value	€
Household Goods and Services	9	25	123,643,424
Internet, TV and Telecommunications	29	21	102,934,073
Transport, Travel and Holidays	5	16	79,169,728
Financial Goods and Services	11	16	78,042,056
Medical	2	6	29,305,494
Personal Electronic Goods - Technology	10	5	27,197,100
Fuel and Utilities	7	5	26,824,873
Professional Services	1	2	8,430,245
Recreation and Leisure	5	1	7,124,635
Personal Services/Products	10	1	6,113,020
Clothing, Footwear and Accessories	9	1	5,238,009
Grocery, Food and Drink	5	*	1,051,493
			Overall financial detriment €495,069,150

Base: All main problems with goods or services: 1,693

Detriment - Findings

- Problems incurring detriment of €201 or more accounts for just 14% of consumer problems but 91% of the overall financial detriment
- Whereas problems with detriment of €25 or less account for 20% of consumer problems but just 1% of overall financial detriment

Overall Financial Detriment Contribution x Detriment Category

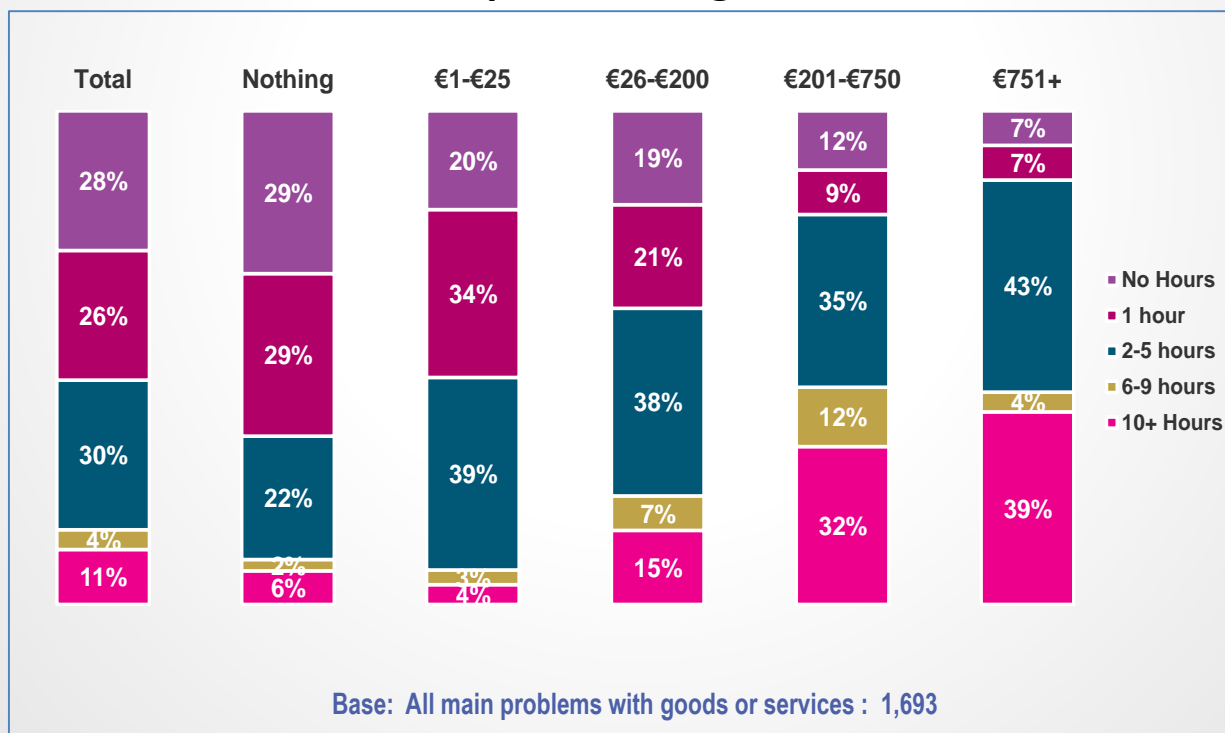
Cost Category	Cost Prevalence	Total Cost
€201 +	14% of consumer problems 91% of financial detriment	€452,359,979
€26-€200	20% of consumer problems 8% of financial detriment	€38,083,205
€1 to €25	20% of consumer problems 1% of financial detriment	€4,625,965
Unvalued	47% of consumer problems 0% of financial detriment	€ -

Base: All main problems with goods or services: 1,693

Detriment - Findings

- 11% of problems incurred a loss of personal time of 10 hours or more, while 34% incurred a loss of between 2 -10 hours.

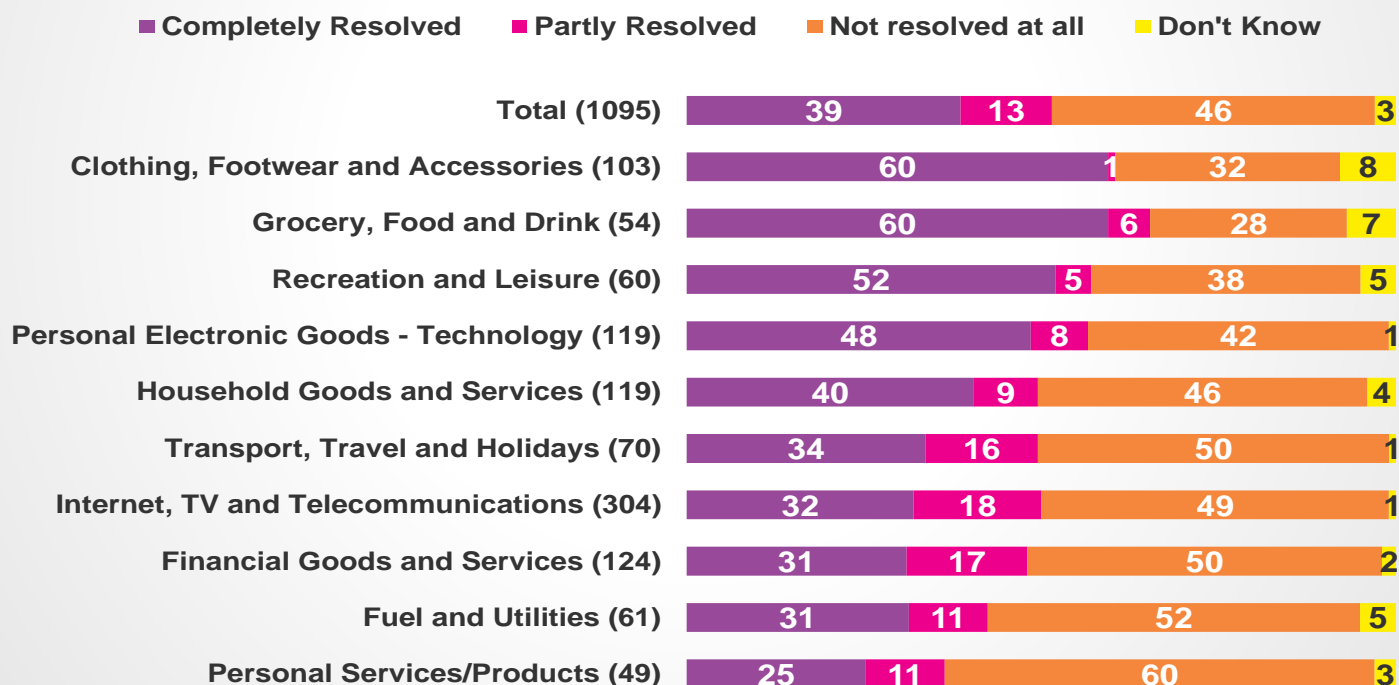
Personal Time Spent Solving the Problem



Detriment - Findings

- 39% of problems with goods or services had been completely resolved, 46% of problems had not been resolved at all.

Problem Resolution – Overall and by Product Category/Sector



Base: All respondents experiencing detriment: 1,095

*Medical (24) and Professional Services (8) sub-categories are not shown on graph due to small base sizes, however are included in the Total data

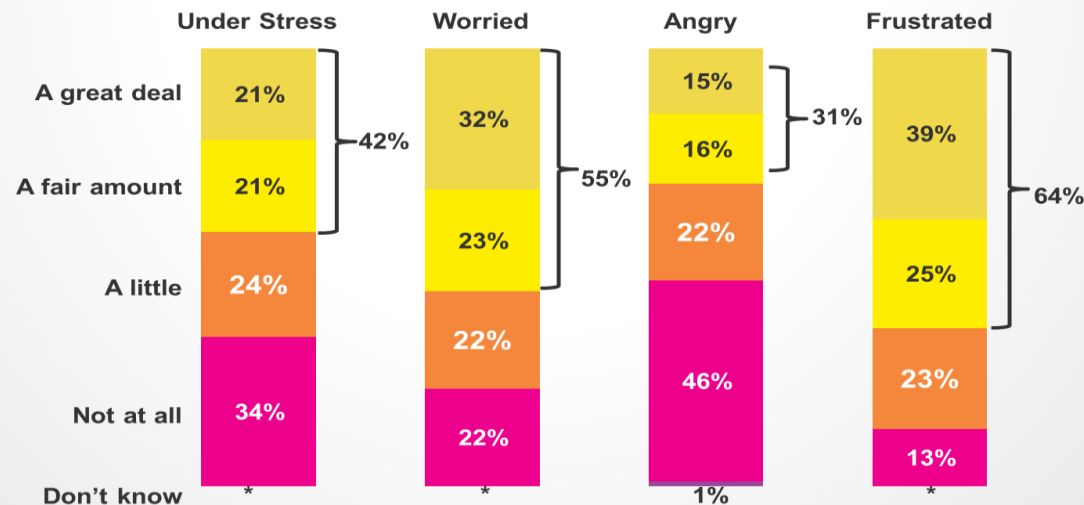
Detriment - Findings

- 57% reported that having experienced a problem has negatively impacted on their likelihood of using the company in the future.
- Two thirds (67%) of consumers took some action in pursuit of the problem
- Most common actions were made a complaint to the company (48%), looked for a replacement (30%), looked for a refund (25%)

Detriment - Findings

- Two in three consumers felt “frustrated” at least a “fair amount” (64%)
- Over half felt “worried” at least a “fair amount” (55%), 2 in 4 respondents felt “under stress” at least a “fair amount” (42%),
- While almost a third felt “angry” (31%).

Emotional Effects of Detriment



Base: All respondents experiencing detriment: 1,095



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The full report is available at the Competition and Consumer Protection website at the following link

<http://www.ccpc.ie/consumer-detriment-study-ireland>

Thank You

