



MARTIN
JENKINS

The "squeezed middle"

Who are they and how do they experience utilities disputes?
Final Report

08 November 2024
Commercial in Confidence



Disclaimer

This report has been prepared solely for the purposes stated in it. It should not be relied on for any other purpose.

No part of this report should be reproduced, distributed, or communicated to any third party, unless we explicitly consent to this in advance. We do not accept any liability if this report is used for some other purpose for which it was not intended, nor any liability to any third party in respect of this report.

Information provided by the client or others for this assignment has not been independently verified or audited.

Any financial projections included in this document (including budgets or forecasts) are

prospective financial information. Those projections are based on information provided by the client and on assumptions about future events and management action that are outside our control and that may or may not occur.

We have made reasonable efforts to ensure that the information contained in this report was up to date as at the time the report was published. That information may become out of date quickly, including as a result of events that are outside our control.

MartinJenkins, and its directors, officers, employees, agents, consultants, and advisers, will not have any liability arising from or

otherwise in connection with this report (or any omissions from it), whether in contract, tort (including for negligence, breach of statutory duty, or otherwise), or any other form of legal liability (except for any liability that by law may not be excluded). The client irrevocably waives all claims against them in connection with any such liability.

This Disclaimer supplements and does not replace the Terms and Conditions of our engagement contained in the Engagement Letter for this assignment.



Contents

Summary	1
Introduction	4
Scope	4
Method	4
The “squeezed middle”	5
A profile of the “squeezed middle”	8
Income, employment, and education	9
Age, ethnicity, and language	14
Housing tenure and living arrangements	17
Quality of life	19
Having a utility dispute	22
Resolving a dispute	26
How disputes were resolved	29
Ease of resolving resolutions	30
Use and awareness of Utilities Disputes (UDL)	32
What are the key characteristics of the “squeezed middle” who know about UDL?	36
Recommendations for UDL	40
References	41

Appendices

Appendix 1 . The survey	42
--------------------------------	-----------

Tables

Table 1. Average household income, year ended June 2023	6
Table 2. Have you ever had an issue with ...	22
Table 3. Electricity and water company problems were most likely related to cost, while gas providers was unexpected fees or charges on the bill	25
Table 4. Numbers of consumers who are aware of UDL	34
Table 5. A profile of the “squeezed middle” who were aware of UDL	36
Table 6. A profile of the “squeezed middle” who were unaware of UDL	37
Table 7. Consumers' suggestions to improve access and awareness of UDL's services	39





Figures

Figure 1. Almost half indicated that they had "only just enough" – 46%	8	Figure 16. Just over half of the squeezed middle rated their family's wellbeing highly	20
Figure 2. Squeezed middle had household income across most income brackets	9	Figure 17. Financially vulnerable more likely to have a problem than the "squeezed middle" or financially comfortable	22
Figure 3. Half of the squeezed middle were in full-time employment	10	Figure 18. Almost half of consumers who had a problem, had the problem with electricity providers	23
Figure 4. The financially vulnerable were more likely to be receiving a main benefit than the financially comfortable or the "squeezed middle"	11	Figure 19. The "squeezed middle" were more likely to experience problems with their electricity company than other utilities	23
Figure 5. The "squeezed middle" were more likely to be qualified at certificate or diploma level than the financially comfortable or financially vulnerable	12	Figure 20. Costs of the service, quality of supply, and unexpected fees or charges were the most common problems encountered	24
Figure 6. Rural-urban split	12	Figure 21. Consumers were more likely to take an action for an electricity problem than a mobile company problem	26
Figure 7. Regional representation of the three consumer groups	13	Figure 22. The "squeezed middle" were equally likely to take action as the financially vulnerable or the financially comfortable	26
Figure 8. The financially vulnerable were older than the financially comfortable and the "squeezed middle"	14	Figure 23. Confidence, not knowing where to go to for advice, and not having time were the top three reasons why consumers didn't take action	27
Figure 9. The financially vulnerable were less likely to indicate that the main language they spoke was English	14	Figure 24. Is the problem with your utility company resolved?	28
Figure 10. The "squeezed middle" were more likely to identify as Asian, compared with the financially vulnerable	15	Figure 25. The financially comfortable were more likely to have had problems that were resolved to their satisfaction	28
Figure 11. The disability status of the "squeezed middle" was very similar to the financially comfortable	16	Figure 26. The vast majority of disputes are resolved, or in the process of being resolved, directly with the company	29
Figure 12. The "squeezed middle" were evenly split in whether they rent or own their home	17	Figure 27. "Squeezed middle" tended to solve problems directly with the company while financially comfortable and vulnerable used a range of processes	29
Figure 13. Living arrangements differed between the three consumer groups	18	Figure 28. The financially vulnerable experienced the most difficulties in resolving their utilities disputes	30
Figure 14. The "squeezed middle" were most likely to have children under 15 years old	18		
Figure 15. Just over half of the "squeezed middle" rated their life satisfaction highly (at 7 or higher out of 10)	19		





Figure 29. Most consumers were working with the company rather than seeking a disputes resolution service	32
Figure 30. The reasons why a dispute resolution service wasn't used did not differ between the consumer groups	33
Figure 31. There was relatively little awareness of Utilities Disputes	34
Figure 32. The financially comfortable had more awareness of disputes resolutions services than the squeezed middle or the financially vulnerable	35
Figure 33. Consumers were more likely to use UDL now that they knew more about it	38



Preface

This report has been prepared for Utilities Disputes Limited (UDL) by EeMun Chen and Sharyn Jones from MartinJenkins (Martin, Jenkins & Associates Ltd). The consumer panel was provided by Dynata.

For over 30 years MartinJenkins has been a trusted adviser to clients in the government, private, and non-profit sectors in Aotearoa New Zealand and internationally. Our services include organisational performance, employment relations, financial and economic analysis, economic development, research and evaluation, data analytics, engagement, and public policy and regulatory systems.

We are recognised as experts in the business of government. We have worked for a wide range of public-sector organisations from both central and local government, and we also advise business and non-profit clients on engaging with government.

Kei te āwhina mātau ki te whakapai ake i a Aotearoa. We are a values-based organisation, driven by a clear purpose of helping make Aotearoa New Zealand a better place. Our firm is made up of people who are highly motivated to serve the New Zealand public, and to work on projects that make a difference.

Established in 1993, we are a privately owned New Zealand limited liability company, with offices in Wellington and Auckland. Our firm is governed by a Board made up of Executive Partners and Independent Directors. Our Independent Directors are Sophia Gunn and Chair David Prentice. Our Executive Partners are Sarah Baddeley, Nick Carlaw, Allana Coulon, Nick Davis, and Richard Tait. Michael Mills is also a non-shareholding Partner of our firm.



Summary

There has been much discussion in the research and media about the "squeezed middle" – as a euphemism for those on middle income who are experiencing forms of economic hardship primarily driven by price increases in day to day living expenses. This work examines what comprises the "squeezed middle" in Aotearoa New Zealand. How are they actually being squeezed and what are the household incomes of the "squeezed middle"?

We developed and implemented a survey of just over 1,000 consumers to develop a profile of the "squeezed middle". For the purposes of this report the "squeezed middle" were those who indicated that they only have just enough household income to meet their everyday needs. The other two consumer categories were financially vulnerable (not enough money) and financially comfortable (enough money and more than enough money).

The survey and research find that the "squeezed middle" comprises a much wider income band than national average household income figures

The survey suggests that the average household income bracket of the "squeezed middle" was \$60,001–\$80,000. But almost 80% sit between \$45,000 and \$150,000. 75% of the "squeezed

middle" were employed, however there was a considerable group facing job insecurity with 10% unemployed but looking for a job. Almost half of the "squeezed middle" rented, and half owned their own home (or it was in a family trust).

The "squeezed middle"

1.4 million New Zealanders

46% of the labour force

\$60,001–\$80,000

Average household income

75%

employed

10%

unemployed and looking for a job

49%

were homeowners

51%

rent

6.2

average life satisfaction score

6.3

average family wellbeing score

31% of the "squeezed middle" had a problem with one of their utility companies in the past year

There were statistically significant differences between the financially vulnerable, "squeezed middle", and financially comfortable in the proportion who had a utility company problem. 31% of the "squeezed middle" had a problem, compared to 42% of the financially vulnerable and 26% of the financially comfortable.

Across each group, the most common problem was with electricity providers. The most common problems were related to costs not being as expected, unexpected fees or charges, and issues with quality of supply.

The "squeezed middle" were much more likely to work directly with their utility company to resolve the problem but were less likely to be satisfied with the resolution

Across all consumer groups – the "squeezed middle", financially vulnerable, and financially comfortable – consumers were equally likely to take action when facing problems. All groups primarily attempted to resolve issues by working directly with companies, but the "squeezed middle" were much more likely to take this DIY



approach to problem solving than the financially comfortable.

There were no significant differences in how easy or difficult they perceived the resolution process. However, the financially comfortable group achieved satisfactory resolutions more often than both the "squeezed middle" and financially vulnerable consumers.

There were low levels of awareness of the role of Utilities Disputes Limited (UDL)

Only 15% of consumers knew about UDL before they responded to the survey. There were significant differences between the groups. The financially comfortable were more aware (19%), while the "squeezed middle" were less aware (14%), and the financially vulnerable less again (11%).

Survey participants offered a range of ideas for how to improve access to UDL and to raise awareness

When asked about what UDL could do to improve access and raise awareness, most consumers suggested more and targeted advertising, as well as putting UDL's details on utility bills and statements. Interestingly, electricity and gas providers are already required to do so.

Other suggestions included an improved social media presence, grass-roots community

engagement, and educational campaigns, as well as working directly with utilities providers.

There were few material differences between the profile of the "squeezed middle" who were aware of UDL and those who were not

The survey method allowed us to generalise to the population of consumers. It was estimated that there were almost 200,000 consumers in the "squeezed middle" who knew about UDL. On the flipside, there were 1.2 million consumers in the "squeezed middle" who didn't know about UDL.

The key differences between the two groups were that the "squeezed middle" who knew UDL were more likely consider using UDL in the future. "Squeezed middle" consumers who knew about UDL were also more likely to identify as Pacific. "Squeezed middle" consumers who didn't know about UDL were more likely to identify as European.

The results from the "squeezed middle" who knew about UDL should be treated with caution as this had a relatively small sample size (63 consumers).

The "squeezed middle" appear to be a category worthy of targeted campaigns to raise awareness of UDL, and to nudge them to seek help in resolving problems with their utilities providers

Consumers proposed various ways to enhance the visibility and accessibility of UDL's services, with the most frequent recommendation being to expand advertising across a wider range of channels.

The second most mentioned was to include UDL's details on monthly bills or statements. It is mandatory for all electricity and gas providers to include reference to UDL and how to contact them on their bills. UDL could work with utilities providers to seek other ways to raise this visibility and awareness.

Given that the "squeezed middle" were less satisfied with their problem resolution and were more likely to work directly with the company to solve their problems, they could be directly targeted to improve their awareness of UDL, and to seek help when they experience a problem.



The “squeezed middle” that knew about UDL

198,000 New Zealanders

71%* would consider using UDL

\$60,001–\$80,000

Average household income

76%

employed

8%

unemployed and
looking for a job

53%

were
homeowners

47%

rent

6.7

average life
satisfaction
score

6.5

average family
wellbeing score

Note: * statistically significant differences

The “squeezed middle” that didn't know about UDL

1.2 million New Zealanders

61%* would consider using UDL

\$60,001–\$80,000

Average household income

75%

employed

10%

unemployed and
looking for a job

49%

were
homeowners

51%

rent

6.3

average life
satisfaction
score

6.2

average family
wellbeing score



Introduction

With rising costs of living, much has been made of the "squeezed middle" and how "squeezed middle" New Zealanders are finding it difficult to make ends meet.

Existing research commissioned by Utilities Disputes (UDL) has been able to gather insights about those who are more financially vulnerable and are experiencing hardship.

But less is known about who the "squeezed middle" are, to what extent they encounter issues with their utilities, and how they set out to resolve these issues.

Scope

On the basis of existing commentary and research, UDL came to the following definition of the "squeezed middle":

- "Hard-working average kiwis" not receiving government assistance in dealing with higher fuel, energy, food, and mortgage costs.
- Households earning less than \$80,000 per year and not eligible for the annual winter

energy payment (excludes those receiving NZ Super and on main benefits).

- Kiwis often with multiple jobs and family responsibilities – yet inflation, high energy and tax rates are eating away their incomes.

This report addresses the following research questions:

- How many consumers are in the "squeezed middle"? What are their key characteristics?
- How do consumers deal with utilities disputes?
 - What approaches are used, and why? Are they successful, and why?
- What is the profile of consumers in the "squeezed middle" who are aware of UDL, and those who are not aware of UDL?
 - How many consumers are in each category?
- What barriers exist for consumers to access UDL's services?
- What would support greater awareness and access to UDL's services?

Method

A nationally representative survey of New Zealanders in the labour force. 1,005 New Zealanders aged 18+ responded to the survey (students and retirees were excluded). The consumer panel was provided by Dynata.

The survey is included in Appendix 1. The survey was distributed on Friday 4 October 2024 and closed on Thursday 10 October 2024.

Results were generally representative of the labour force population in relation to region and ethnicity. Proportional differences from the labour force population were:

- more responses from women than men, and
- proportionately more responses from the 35–44 years age bracket (and few in the 18–24 years age bracket¹).

Because most questions in the survey refer to the household as the item of interest, we made the decision not to re-weight responses.

Statistical tests were conducted to understand the extent to which findings were statistically significant. These are signalled through p -values.

¹ This is likely due to the exclusion of students. Students should be included in future iterations of this survey.



The “squeezed middle”

UDL has contributed to the discourse and policy decisions on energy wellbeing and energy hardship (for example, MBIE, 2022; Office of the Minister of Energy Resources, 2019, 2020). UDL has also undertaken research on those experiencing energy hardship (for example, The PR Company, 2023). However, there remains little known about the “squeezed middle” – a term that rose to prominence in the 2020 and 2023 General Elections.

Rising levels of income inequality have come to the attention of policy makers and politicians, in New Zealand and internationally. In 2019, the OECD (2019) published a report entitled *Under pressure: The “squeezed middle” class*. The report recognised that the standard of living of middle-income households in many OECD countries had stagnated or were in decline, while higher income groups experienced rising incomes and greater wealth accumulation.

The OECD highlighted the importance of focusing on the middle class as an important economic and social group, and as “an engine for prosperity and economic growth” (OECD, 2019, p. 17). The report also commented that the middle class was once viewed as an aspiration – where a family was able to live in a comfortable house, have a rewarding lifestyle, and a stable

job with career opportunities. But the middle class is now under pressure with rising costs of living, low growth in middle incomes (in absolute and relative terms), and rising job insecurity.

Internationally, most people identify themselves as belonging to the middle class

The OECD report also found that across OECD countries, around two-thirds of a population think of themselves as part of the middle class (2019). Interestingly, most people identify as being middle class irrespective of their objective socio-economic circumstances.

The OECD defines middle-income households as households earning between 75% and 200% of the median national income – which is about 61% of the population of most OECD countries. Identifying as being in the middle class is only loosely related to the shares of middle-income households across countries. Because of this, the OECD tends to use the term “middle-income class”.

The definition of the “squeezed middle” in New Zealand has been debated

Globally, many people identify as middle class, but this identification doesn't seem to correlate with income. In New Zealand, the term middle class is less commonly used in discussions about social structure, making it harder for households to self-identify as middle-class. Consequently, it's not surprising that there has been debate about the boundary definitions of the “squeezed middle”.

Political and economic commentator Bernard Hickey stated that whether the “squeezed middle” are experiencing difficulty depends on whether they are homeowners or not (Hickey, 2022). Using averages in relation to gross income and housing costs from Stats NZ's surveys, Bernard Hickey comments that home-owning households had experienced rises in income rather than being “squeezed” (Hickey, 2022). However, renters were having difficulty saving, and were dealing with rising costs.



At the time, the following income figures were used (for the year to June 2021) (Hickey, 2022; Taunton, 2022):

- Budget 2022 cash payment of \$350 for those earning less than \$70,000 per year.
- Average gross income \$110,451.
- Median gross income \$89,127.
- Average annual household disposable income (after tax and transfer payments) \$88,454.
- Median household disposable income \$74,563.

There was media commentary at the end of 2023 that followed a nurse with two children posting on TikTok that she was living in poverty as she only had \$200 to \$300 to last just under two weeks, after groceries, mortgage, and petrol for the car. Debate followed on whether this was more than enough or not a lot to get by on (Edmunds, 2023). The NZ Council of Trade Unions (CTU) policy director commented that measures that don't include income data may be the most useful as what one person can live on easily might not be enough for another.

In Budget 2024, a range of tax cuts, tax credits and the FamilyBoost programme were aimed at the "squeezed middle" (Willis, 2024). Commentary that followed suggested that most households would receive little benefit and the

"squeezed middle" definition used by the Government was a professional couple with two children – which didn't align with most workers (Daalder, 2024).

"A single person living in Wellington CBD, their poverty line is probably very different to a family of six living in South Auckland"

- CTU Policy director Craig Renney

Qualitative research on the "squeezed middle" in Auckland undertaken in 2016 and 2017 provides more nuance (Curtis et al., 2020). Researchers interviewed 55 individuals across Auckland who self-identified as being in the "squeezed middle". All but one interviewee agreed that "the middle was being squeezed in general".

The following outlines key demography and findings from the interviews:

- In older age groups: 11 people in their 20s and 30s, 15 in their 40s, 7 in their 50s, 15 in their 60s, and 7 in their 70s.
- Housing costs featured prominently: 12 of 15 participants in their 40s were still renting.

Homeowners mentioned the high cost of servicing mortgages.

- Most had experienced job insecurity at some time in their working lives.
- Many felt that incomes had not risen at the same rate as costs. Additionally, ensuring two-incomes and/or working multiple jobs was becoming more common.
- Intergenerational living was typical for the participants.
- High costs of living were particularly concentrated in Auckland.

The latest official statistics on household income are in Table 1.

Table 1. Average household income, year ended June 2023

Measure	Value	
Average annual personal income (before housing costs)	Mean	\$57,841
	Median	\$50,369
Average annual household gross income	Mean	\$126,411
	Median	\$99,011
Average annual household disposable income	Mean	\$98,879
	Median	\$81,913

Source: Stats NZ



We use perceptions of financial adequacy to categorise the "squeezed middle"

The research and media commentary shows that measures of wealth are only one part of the story for the "squeezed middle". To this end, we used a single question to categorise the "squeezed middle" and sought to understand the "squeezed middle" by gathering more information on their circumstances.

We use the Stats NZ General Social Survey question on material financial adequacy:

How well does your household income meet your everyday needs, for things such as accommodation, food, clothing, and other necessities?

Response options: more than enough, enough, just enough, not enough.

We then categorised responses in the following way:

Financially vulnerable	Not enough
"Squeezed middle"	Only just enough
Financially comfortable	Enough More than enough



A profile of the "squeezed middle"

About half of those surveyed indicated that they had "just enough" money to meet their everyday needs

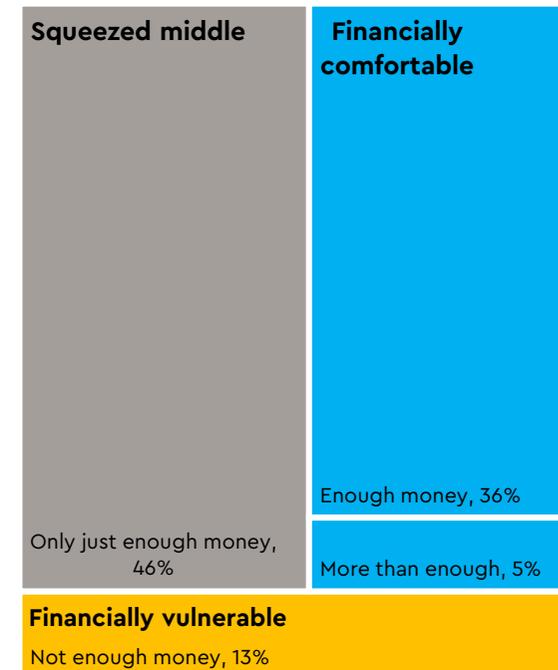
The "squeezed middle" were almost half of those surveyed – 46% (Figure 1). This is a smaller proportion than the international average of 67% (OECD, 2019), but higher than 29% of the population aged 15 years and over from the Stats NZ Household Economic Survey of the general household population from June 2023 (Stats NZ, 2024a).

If we use this as a basis for the number of New Zealand consumers who are in the "squeezed middle"² this equates to 1.4 million people. Using the Stats NZ data and applying it to the estimated population aged over 15 years, this equates to 1.3 million people. This indicates that the 1.4 million estimate is within expectations.

Our estimates suggest that there are 1.4 million people in Aotearoa New Zealand who indicate they only have just enough money to meet their everyday needs.

This implies there are likely to be 1.4 million New Zealanders who can be defined as belonging to the "squeezed middle".

Figure 1. Almost half indicated that they had "only just enough" – 46%



² The total labour force to June 2024 is used as the denominator.



Income, employment, and education

The "squeezed middle" had household incomes across all income brackets

The Stats NZ data for the year ended June 2023 indicated that the "squeezed middle" household income ranged between \$80,000 and \$125,000.

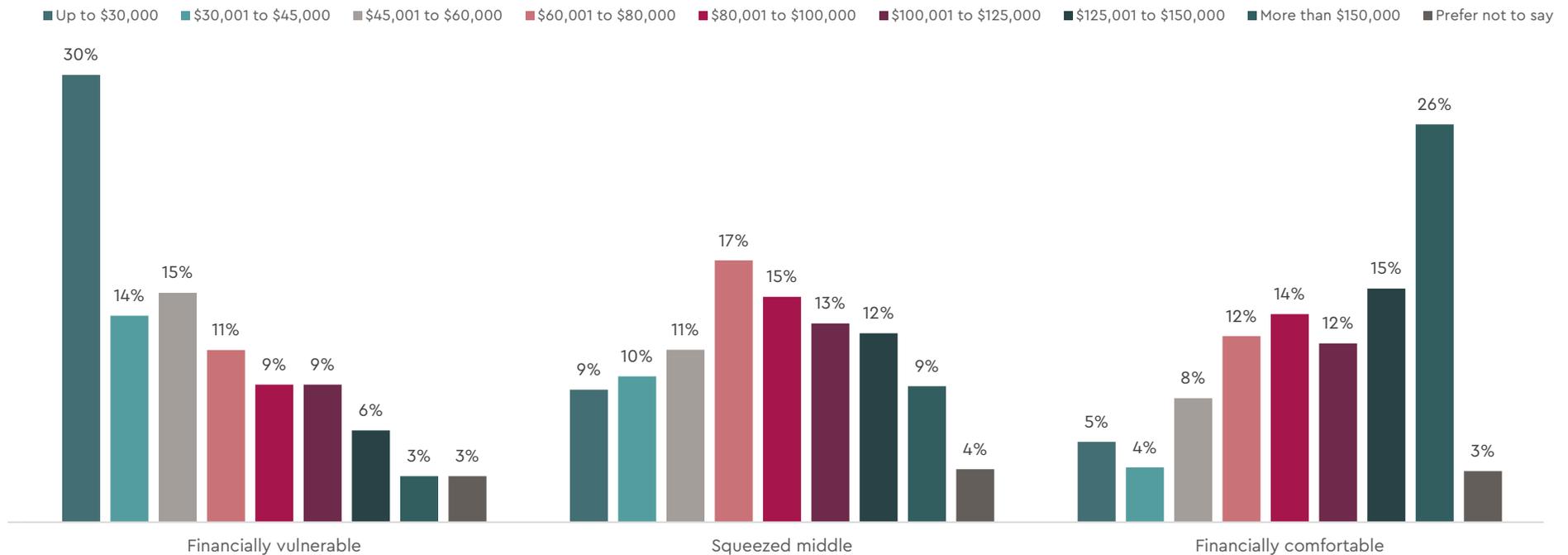
However, our survey results were consistent with UDL's original definition with the highest percentage of the "squeezed middle" indicating that their household income was between \$60,001 to \$80,000 (Figure 2).

Previous research had found no correlation in income (OECD, 2019) – that is, blunt income categories are not helpful in defining the "squeezed middle" due to different household

configurations and circumstances that exist within the "squeezed middle".

The New Zealand data highlights the function between income and household composition. For example, "middle New Zealand" could be a nuclear family with two school aged children. But it could equally be a single parent raising three children, that may be receiving some payments from a co-parent. The "squeezed middle" could

Figure 2. Squeezed middle had household income across most income brackets



be a parent working two jobs, while one parent is the main caregiver. It could be two working parents equally looking after a dependent with disabilities.

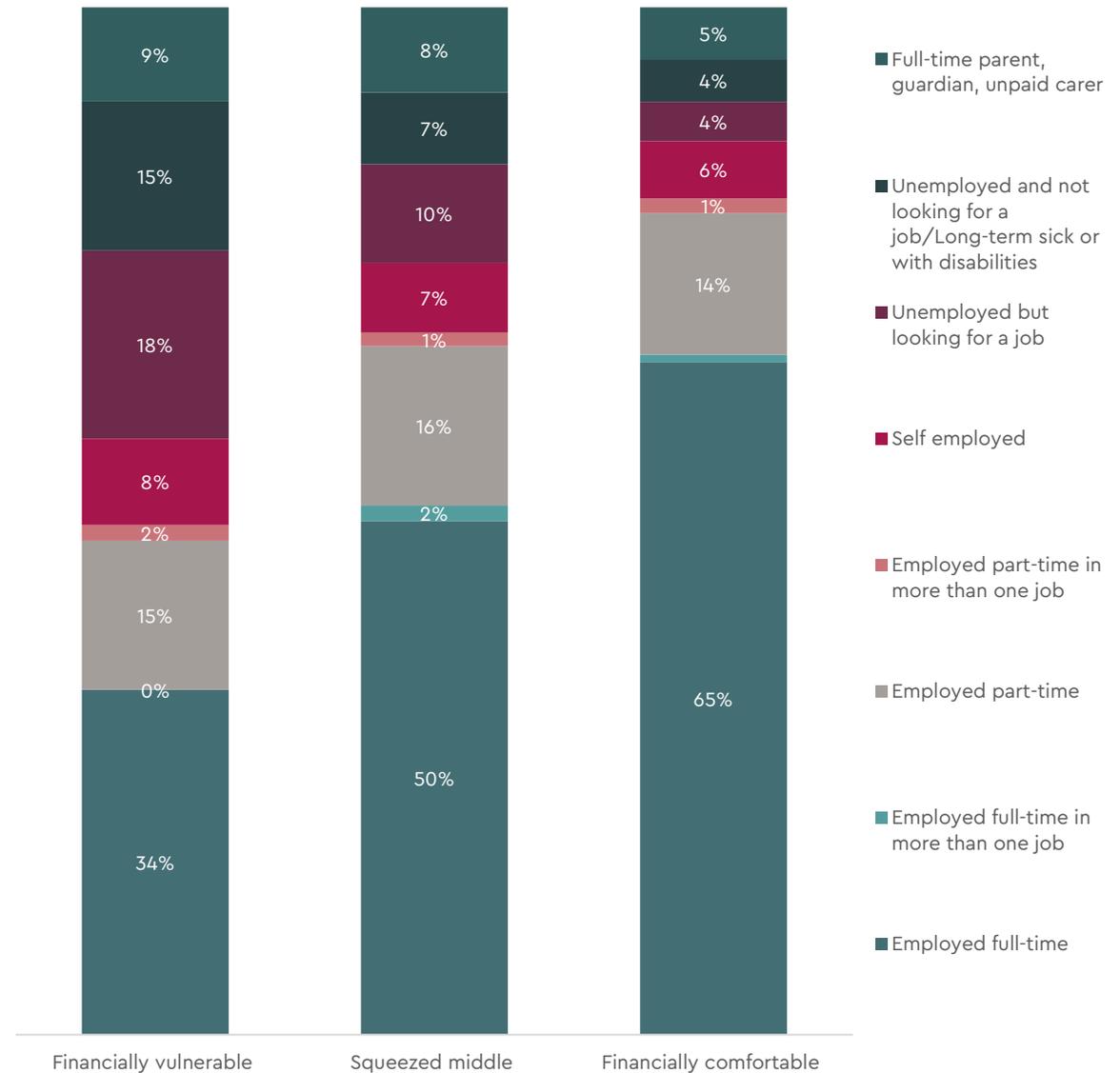
The survey results highlighted that the "squeezed middle" had household incomes across all the income brackets we surveyed for (Figure 2). The only income bracket where there were relatively fewer of the "squeezed middle" was "more than \$150,000".

In contrast, there were clear patterns of income for the financially comfortable and the financially vulnerable. The financially comfortable were skewed towards the upper end of the income brackets, with a quarter in households with more than \$150,000. In contrast, the financially vulnerable were skewed towards the lower income brackets. 30% of the financially vulnerable had household incomes up to \$30,000.

The average income bracket for the "squeezed middle" was \$60,001 to \$80,000. The average income bracket for the financially vulnerable was \$45,001 to \$60,000, and the financially comfortable was \$80,001 to \$100,000. Three-quarters of the "squeezed middle" were employed but there was job insecurity.

Unsurprisingly, the financially comfortable were more likely to be employed full-time than the "squeezed middle" (or financially vulnerable)

Figure 3. Half of the squeezed middle were in full-time employment



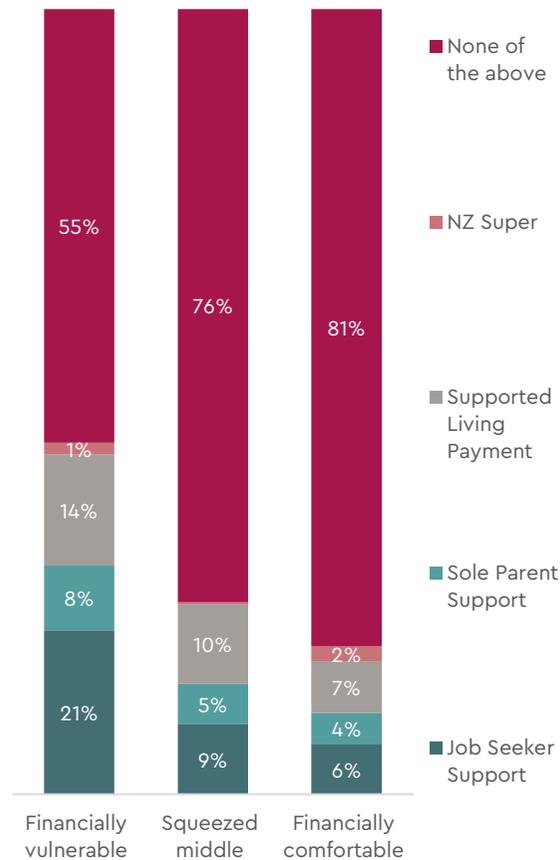
($p < .001$) (Figure 3). The "squeezed middle" also identified as being affected by the economic downturn and tight labour market with 10% unemployed but looking for a job. In contrast, only 4% of the financially comfortable were unemployed but looking for a job. This rose to 18% for the financially vulnerable.³

Overall, 75% of the "squeezed middle" were employed, while 87% of the financially comfortable and 58% of the financially vulnerable were the same.

Job insecurity for the "squeezed middle" led to uptake of Job Seeker Support

Levels of employment and unemployment flowed through to the receipt of main benefits. The rates of "unemployed but looking for a job" broadly equated to the rates of receipt of Job Seeker Support (Figure 4). As predicted, the financially vulnerable were statistically significantly more likely to receive a main benefit than the financially comfortable or the "squeezed middle" ($p < .001$).

Figure 4. The financially vulnerable were more likely to be receiving a main benefit than the financially comfortable or the "squeezed middle"

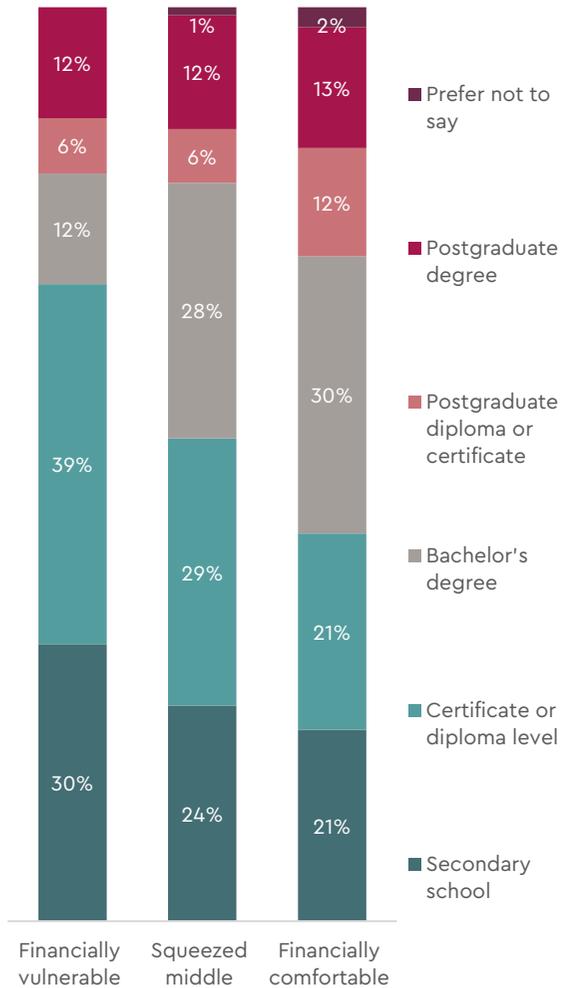


Similarly, there were expected patterns in educational attainment. The most common qualifications of the "squeezed middle" were certificate/diploma level or Bachelor's degree (Figure 5). The "squeezed middle" were also more likely to have a certificate or diploma level qualification than the financially comfortable or the financially vulnerable ($p = .010$).

³ The survey was in the field in the first two weeks of October 2024. At the June 2024 quarter, the unemployment rate was 4.6% with 143,000 unemployed people (Stats NZ, 2024c). The employment rate was 68.4%



Figure 5. The “squeezed middle” were more likely to be qualified at certificate or diploma level than the financially comfortable or financially vulnerable



Where the “squeezed middle” live

The “squeezed middle” were no more likely to live in urban, rural, or mixed areas than any of the other consumer groups

The three consumer groups did not have any major differences in where they resided ($p=.655$) – other than the financially vulnerable were more likely to live in the Waikato than the other two groups ($p=.041$) (Figure 7).

On whether the groups resided in urban or rural areas, there was no statistically significant difference between the three groups ($p=.677$) (Figure 6). This was contrary to our expectations and may suggest that housing and transport costs were not a strong differentiator between the three groups. Note that the sample size for the financially vulnerable was much smaller than the “squeezed middle” and the financially comfortable, which means that the threshold for statistical significance is high (to reduce the chance of a false positive).

Figure 6. Rural-urban split

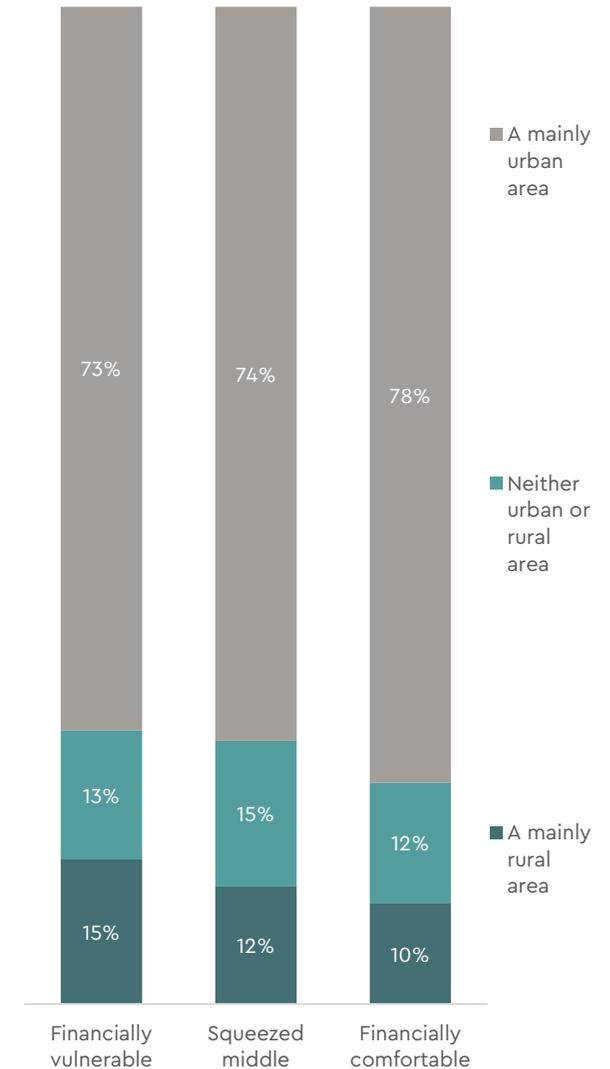
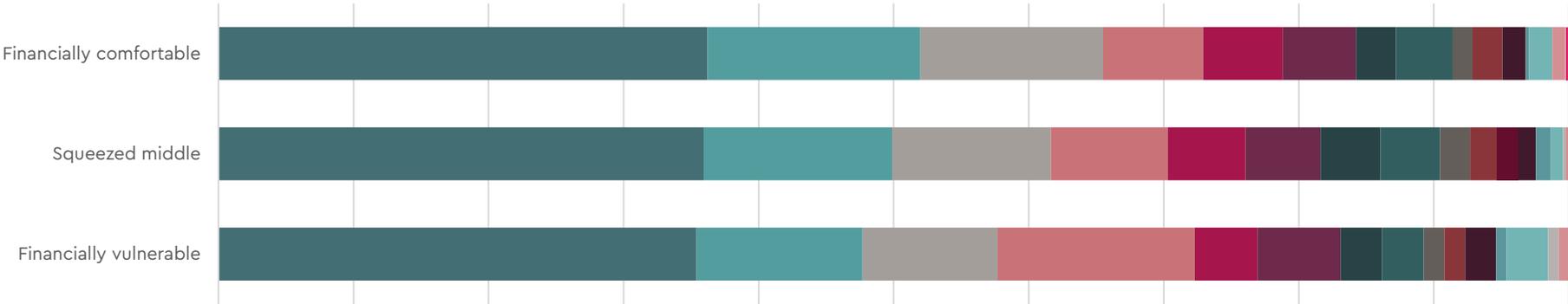


Figure 7. Regional representation of the three consumer groups



	Financially vulnerable	Squeezed middle	Financially comfortable
Auckland	35%	36%	36%
Canterbury	12%	14%	16%
Wellington	10%	12%	14%
Waikato	15%	9%	7%
Bay of Plenty	5%	6%	6%
Manawatū-Whanganui	6%	6%	5%
Hawke's Bay	3%	4%	3%
Otago	3%	4%	4%
Northland	2%	2%	1%
Taranaki	2%	2%	2%
West Coast	0%	2%	0%
Nelson	2%	1%	2%
Tasman	1%	1%	0%
Southland	3%	1%	2%
Gisborne	1%	0%	0%
Marlborough	1%	0%	1%
Area Outside Region	0%	0%	0%

Note: Percentages are as a proportion of the consumer group



Age, ethnicity, and language

The financially vulnerable tended to be older than the financially comfortable or the "squeezed middle"

There were no differences in age profile between the financially comfortable and the "squeezed middle". However, the financially vulnerable tended to be older than both consumer groups ($p=.016$) (Figure 8). This is unsurprising as older consumers are likely to be on fixed incomes.

There were no differences between the groups on whether English was their main language or not

When looking at language, there were no statistically significant differences between the consumer groups ($p=.294$). That is, the "squeezed middle" were no more or less likely to indicate that English was their main language than the financially vulnerable or financially comfortable (Figure 9).⁴

Figure 8. The financially vulnerable were older than the financially comfortable and the "squeezed middle"

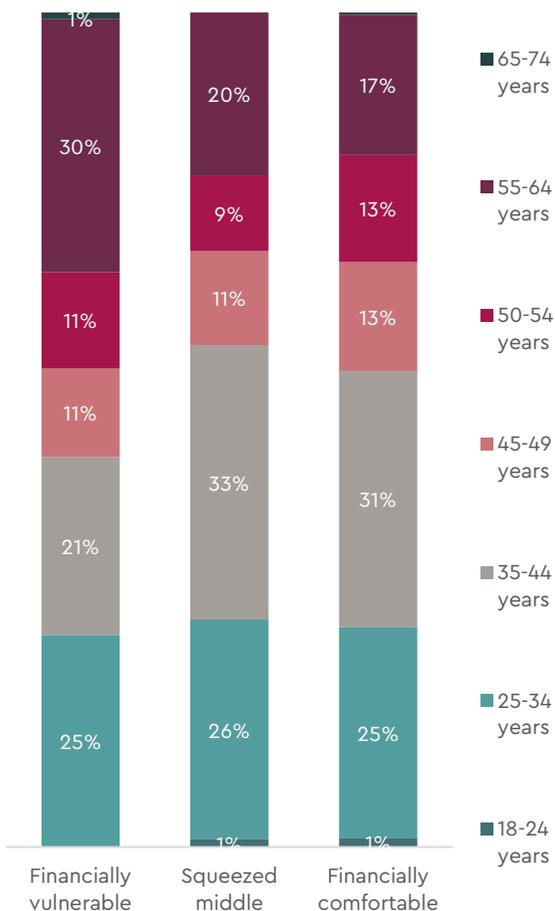
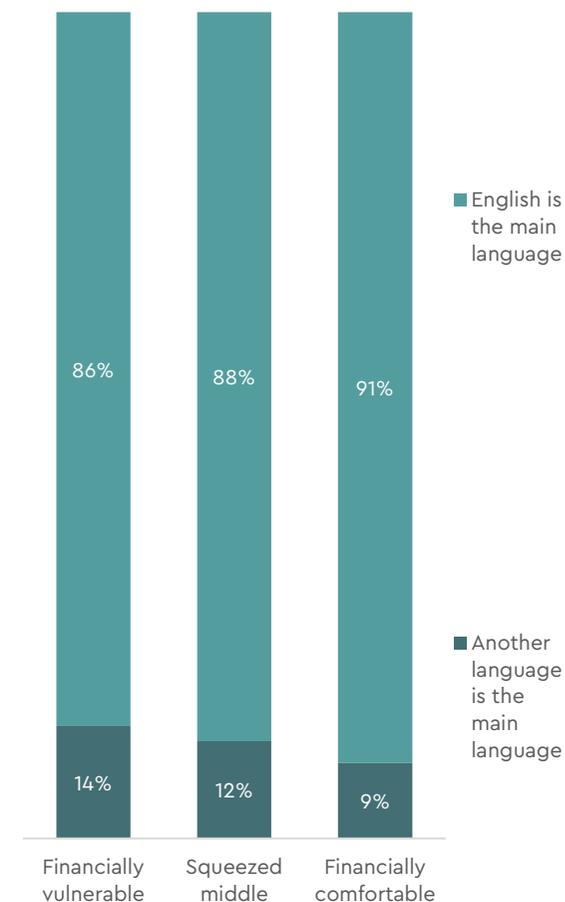


Figure 9. The financially vulnerable were less likely to indicate that the main language they spoke was English



⁴ In part this is likely due the relatively small sample size of the financially vulnerable ($n=125$).



There were some differences in the ethnic profile of the "squeezed middle" compared with the financially vulnerable

The ethnic profiles of the three consumer groups were broadly similar. There were some differences between the squeezed middle and the other two consumer groups. The "squeezed middle" were more likely to be Asian than the financially vulnerable ($p=.02$) (Figure 10).

There were differences between the three groups in identifying they had a disability

The latest data on disability in New Zealand from the 2013 Census indicates that 24% of New Zealanders live with disability (Stats NZ, 2014).⁵

Across the sample, 18% of consumers identified as disabled. This is broadly consistent with official statistics. Recall that we excluded those who are retired, and in 2013, people aged 65 or over were much more likely to be disabled (59%) (Statistics New Zealand, 2014) – which accounts for the difference between our sample of consumers and the general population.

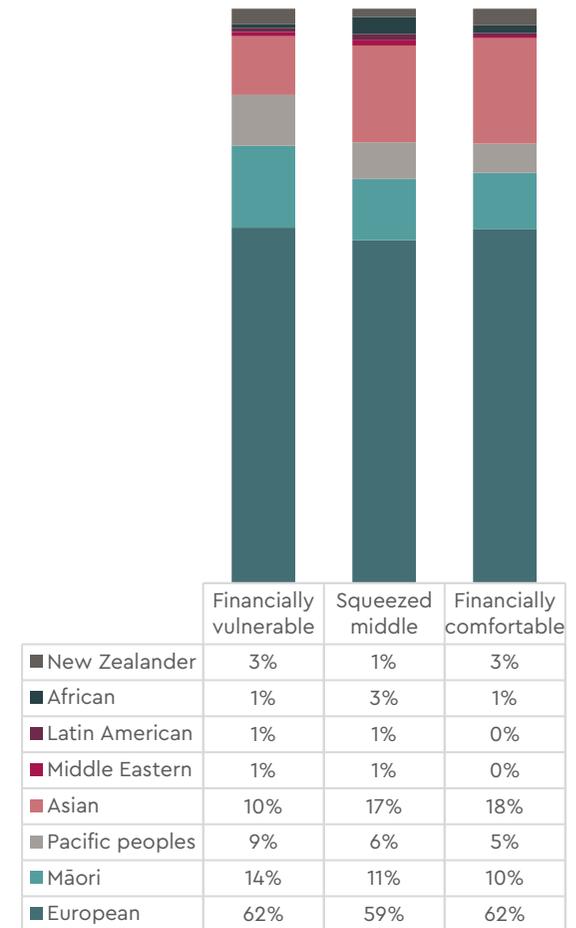
We asked survey participants the extent to which they had difficulty with a range of tasks. The financially vulnerable were most likely to

indicate they had a disability (Figure 11). This was across the disability categories of vision, hearing/auditory, physical, memory, speech, and psychological/psychiatric.

There were no differences between groups on hearing/auditory and speech, but there were statistically significant differences on all other types of disabilities:

- Vision ($p<.001$).
- Physical ($p<.001$).
- Memory ($p<.001$).
- Psychological/psychiatric ($p<.001$).

Figure 10. The "squeezed middle" were more likely to identify as Asian, compared with the financially vulnerable

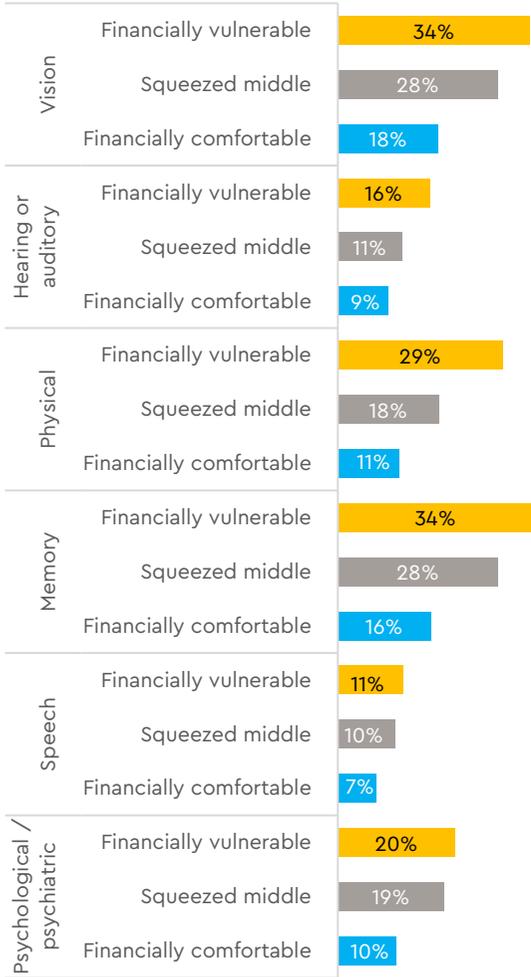


Note: Survey participants are able to select more than one ethnic group

⁵ The Census 2023 data on disability has not yet been released.



Figure 11. The three consumer groups differed from each other in relation to the following disabilities: vision, physical, memory, and psychological



Housing tenure and living arrangements

Half of the "squeezed middle" rent and the other half own their own home

Hickey (2022) suggested that renters of the "squeezed middle" would experience the greatest difficulties, rather than "squeezed middle" homeowners that have experienced net increases in total incomes. The patterns of home ownership between the three consumer groups were consistent with expectations. The financially comfortable were much more likely to own their own home compared to the "squeezed middle" and the financially vulnerable. The financially vulnerable were more likely to be renting ($p < .001$).

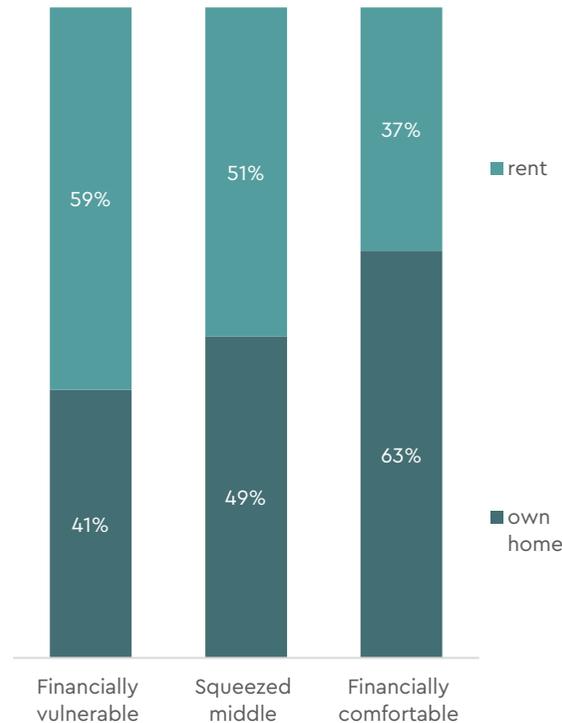
The "squeezed middle" were almost split evenly between renting and owning (Figure 12).

The "squeezed middle" usually live with a partner or with a partner and children

The most common living arrangements for the "squeezed middle" were "with partner" and "with partner and children" (Figure 13). This was also the most common for the financially comfortable, but the financially comfortable were

much more likely to be "with partner" than the other two consumer groups ($p < .001$) (with partner and with partner and children).

Figure 12. The "squeezed middle" were evenly split in whether they rent or own their home



Source: Own home includes "hold it in a family trust" and "own or partly own, with or without a mortgage"

The most common arrangements for the financially vulnerable were living "alone" and "with partner and children".

We expected there to be more multigenerational living in the "squeezed middle". Breaking down the households that including children, survey participants indicated whether their homes included children who were under 15 years old or over 15 years old. This tests the extent to which households are looking after dependents or include children who are less dependent including adults with earning power.

The "squeezed middle" were more likely to indicate that their youngest child was under 15 years old than the financially comfortable or the financially vulnerable (Figure 14).

The idea of the "squeezed middle" being a dual income household with children holds. While this is the most common scenario, the survey shows that there are also configurations including working couples with no children who are finding it difficult.



Figure 13. Living arrangements differed between the three consumer groups

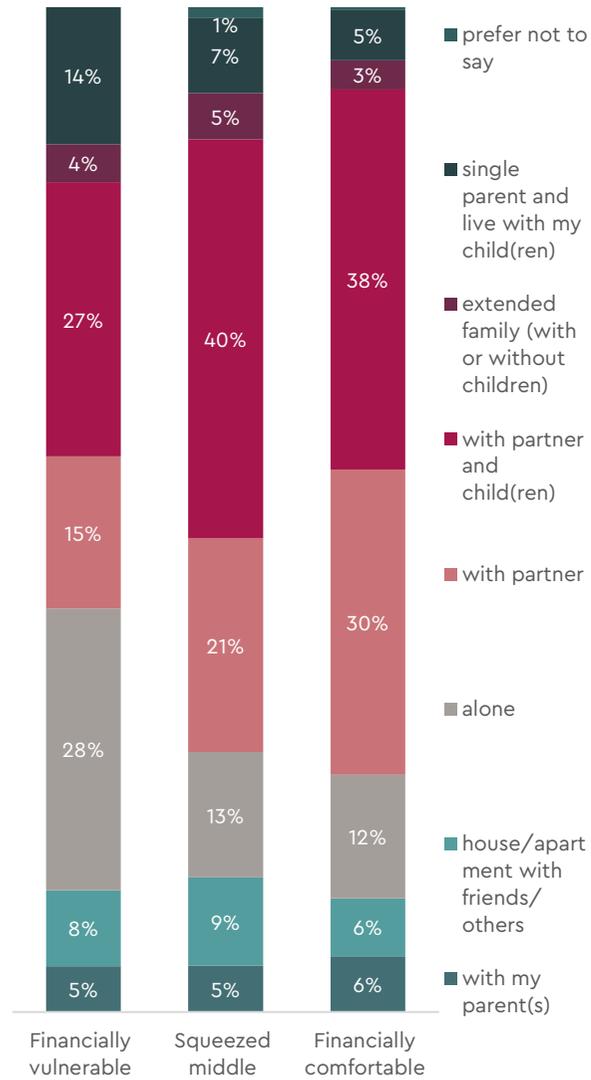
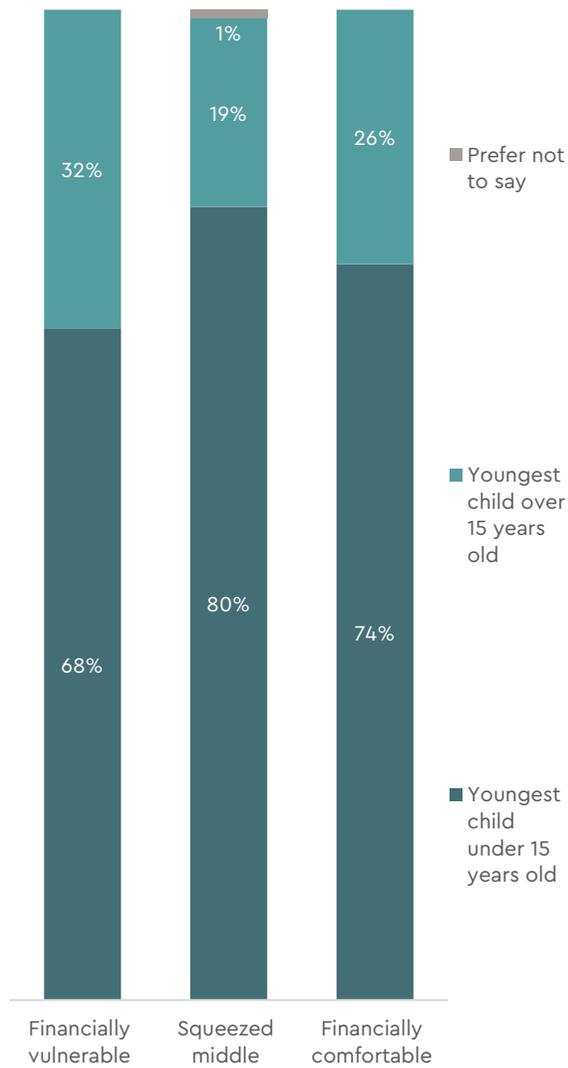


Figure 14. The "squeezed middle" were most likely to have children under 15 years old



Quality of life

The average life satisfaction score across all consumer groups was 6.4.

The average overall life satisfaction scores were:

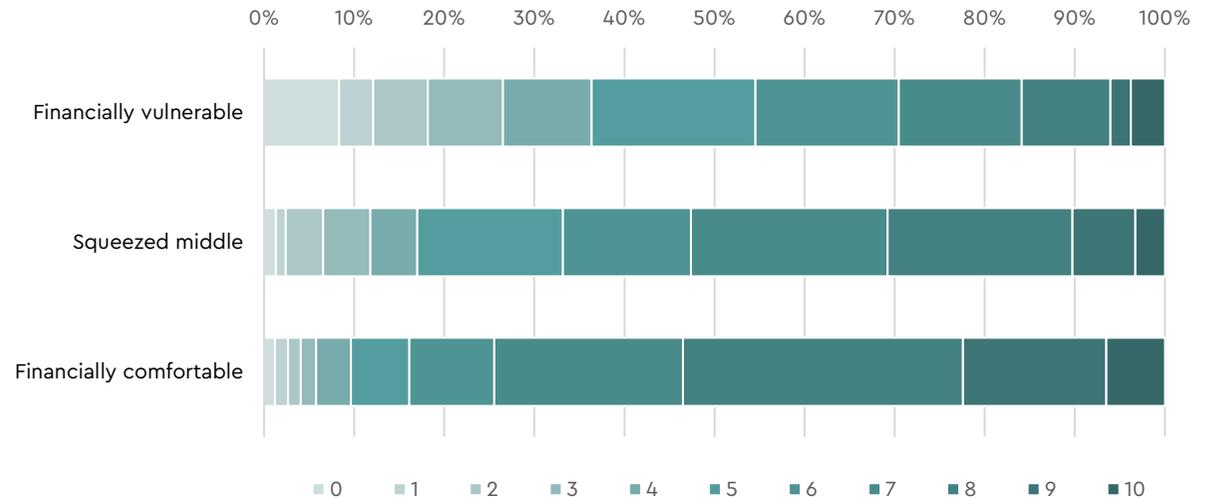
- Financially vulnerable = 5.0
- "Squeezed middle" = 6.2
- Financially comfortable = 7.2.

This highlights that financial comfort or reduction of financial stress does affect one's view of quality of life. The financially comfortable were much more likely to rate their life satisfaction highly (at 7 or higher out of 10) – 74% of the financially comfortable (Figure 15). In contrast, 53% of the "squeezed middle" said the same, and only 30% of the financially vulnerable.

These results were much lower than the overall life satisfaction rates reported by Stats NZ from the General Social Survey. In 2023, 79% of the total population rated their overall life satisfaction highly and the mean rating was 7.6 out of 10 (Stats NZ, 2024b). Further, 74% of those with household incomes between \$70,001 and \$100,000 rated their life satisfaction highly and their mean rating was 7.4.

The reason for the 1-point difference in average life satisfaction might be due, in part, to age effects. The current survey specifically excluded students and those collecting NZ Super. As a

Figure 15. Just over half of the "squeezed middle" rated their life satisfaction highly (at 7 or higher out of 10)



result, there were few aged 15–24 years and 65+ years. Stats NZ General Social Survey data for 2023 shows that those aged 65+ have a 0.3 point higher mean rating than the overall mean (Stats NZ, 2024b).

We also asked survey respondents to rate their family's wellbeing. Results were very similar, with only one percentage point between their own life satisfaction and their family's wellbeing (Figure 16):

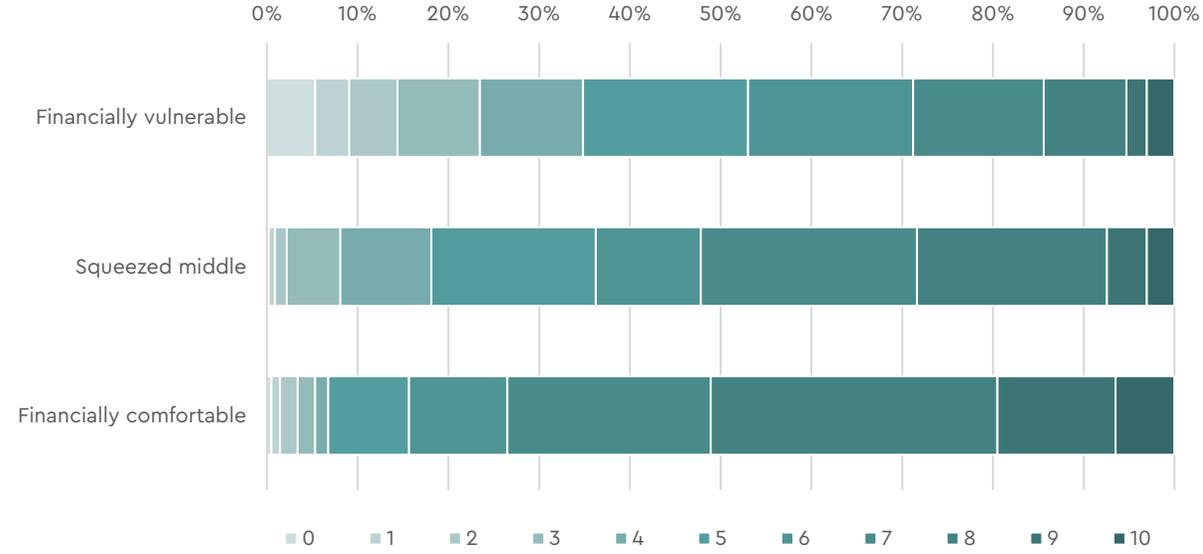
- 73% of the financially comfortable rated their family's wellbeing at 7 or higher out of 10.

- 52% of the "squeezed middle" rated their family's wellbeing at 7 or higher.
- 29% of the financially vulnerable rated their family's wellbeing at 7 or higher.

Again, these percentages are much lower than those reported by Stats NZ. In 2023, 78% of the population indicated that their families were doing well (7 and above) (Stats NZ, 2024b). The survey questions were the same as the ones in the Stats NZ General Social Survey.

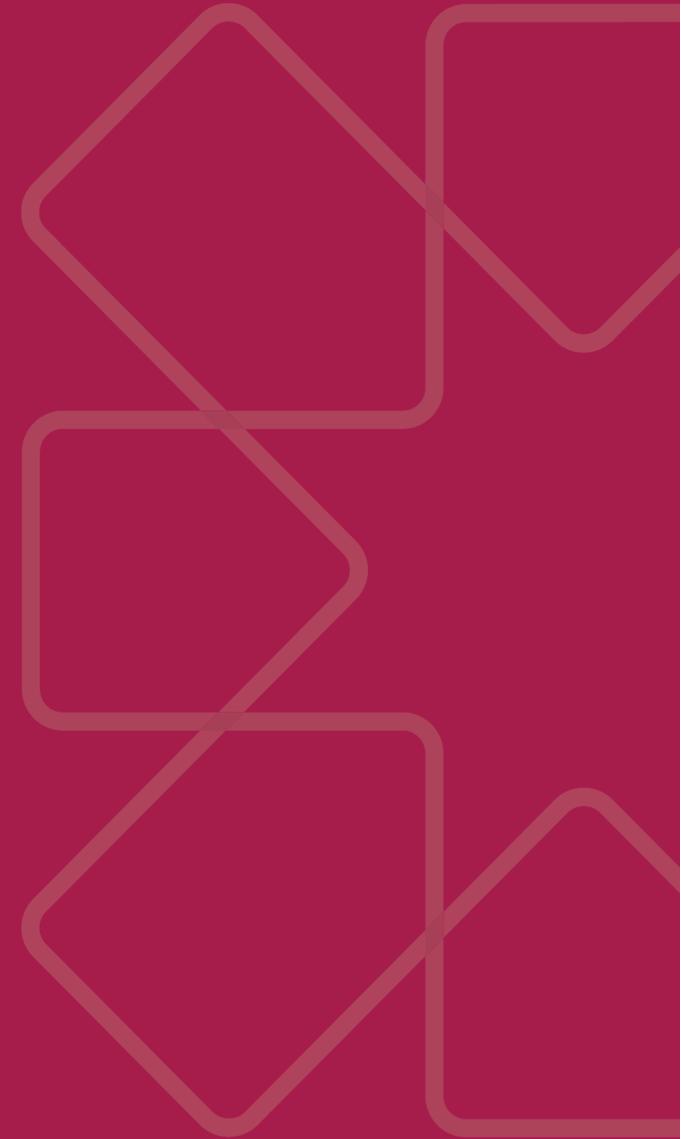


Figure 16. Just over half of the squeezed middle rated their family's wellbeing highly



Utilities disputes

What are the implications for the "squeezed middle"?



Having a utility dispute

30% of consumers had a problem with one of their utility companies in the past year

The 2024 survey of consumers (Ipsos, 2024) found that while New Zealanders commonly purchase utilities such as water, gas or electricity, issues are relatively infrequent with 8% experiencing a problem (compared with 12% across all other categories of purchases). In 2024, 11% of consumers experienced a problem with mobile communications services.

In a telephone-based survey commissioned by UDL in 2019 (UMR, 2019), issues with utilities were broken down by type of utility (Table 2).

Table 2. Have you ever had an issue with ...

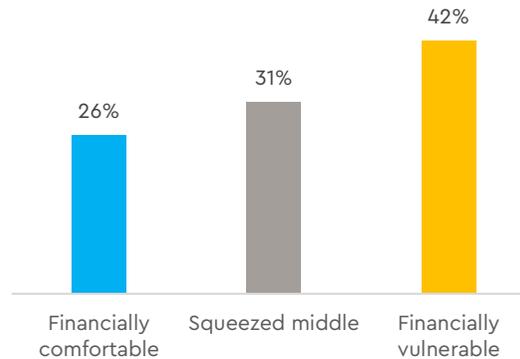
	2017	2018	2019
Electricity or gas	14%	18%	10%
Telecommunications		27%	24%
Water		5%	3%

In Consumer NZ's survey panel, 43% reported issues with their bundled services (Consumer NZ, 2024).

In this survey for UDL and consistent with expectations, the proportion of consumers who had an issue was broadly in the middle of what was found in previous surveys – 30% (that is, 307 out of 1,005 individual survey respondents).

Unsurprisingly, the "squeezed middle" sat between the other two groups in terms of the tendency to have a problem (Figure 17), and the difference was statistically significant ($p=0.002$, $p<0.05$).

Figure 17. Financially vulnerable more likely to have a problem than the "squeezed middle" or financially comfortable



Of consumers who had a problem, a relatively small proportion were related to bundled

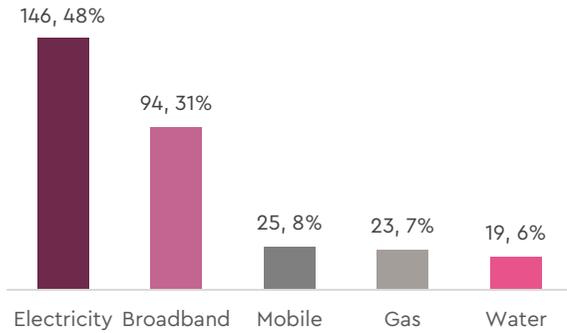
services. 21 of the 90 consumers who had problems with their broadband had bundled services (23%), and 4 of 23 consumers who had problems with their mobile providers had that service bundled with other utilities (21%).

Almost half that had problems, had problems with their electricity provider

The problems by type of utilities also differed, with electricity providers considered the most problematic (Figure). Almost half of consumers surveyed (48%) had a problem with their electricity company in the last year, and the next most problematic was broadband, 31%.



Figure 19. Almost half of consumers who had a problem, had the problem with electricity providers

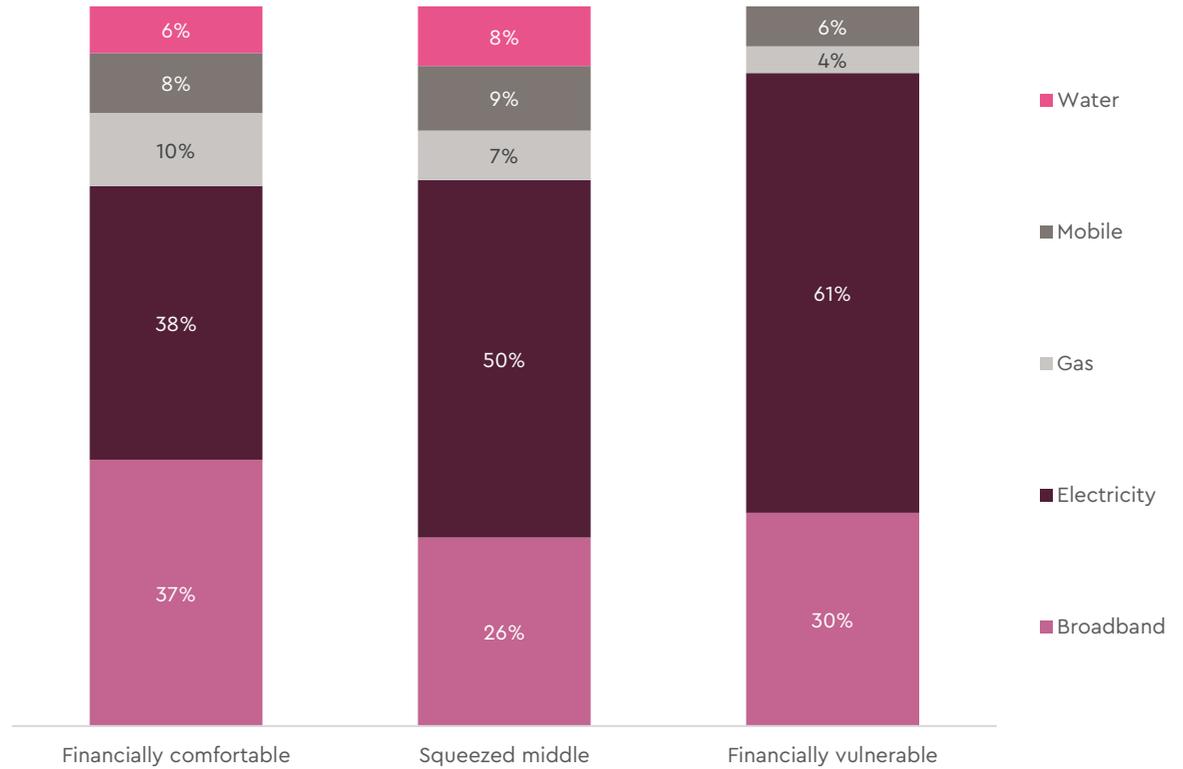


Each group, that had problems, had proportionately more problems with their electricity company than other utilities

When the types of problems were compared by the three groups, electricity companies represented the largest proportion of type of utility (Figure). This was most distinct for the financially vulnerable, while the financially comfortable had similar proportions of problems with broadband providers.

The financially vulnerable didn't identify any problems related to their water providers. This is likely to be because charging methods vary, with a high proportion of rate-funded water services applying. Or, for areas with volumetric charging, these costs may be being met by landlords.

Figure 18. The "squeezed middle" that experienced problems were more likely to experience problems with their electricity company than other utilities

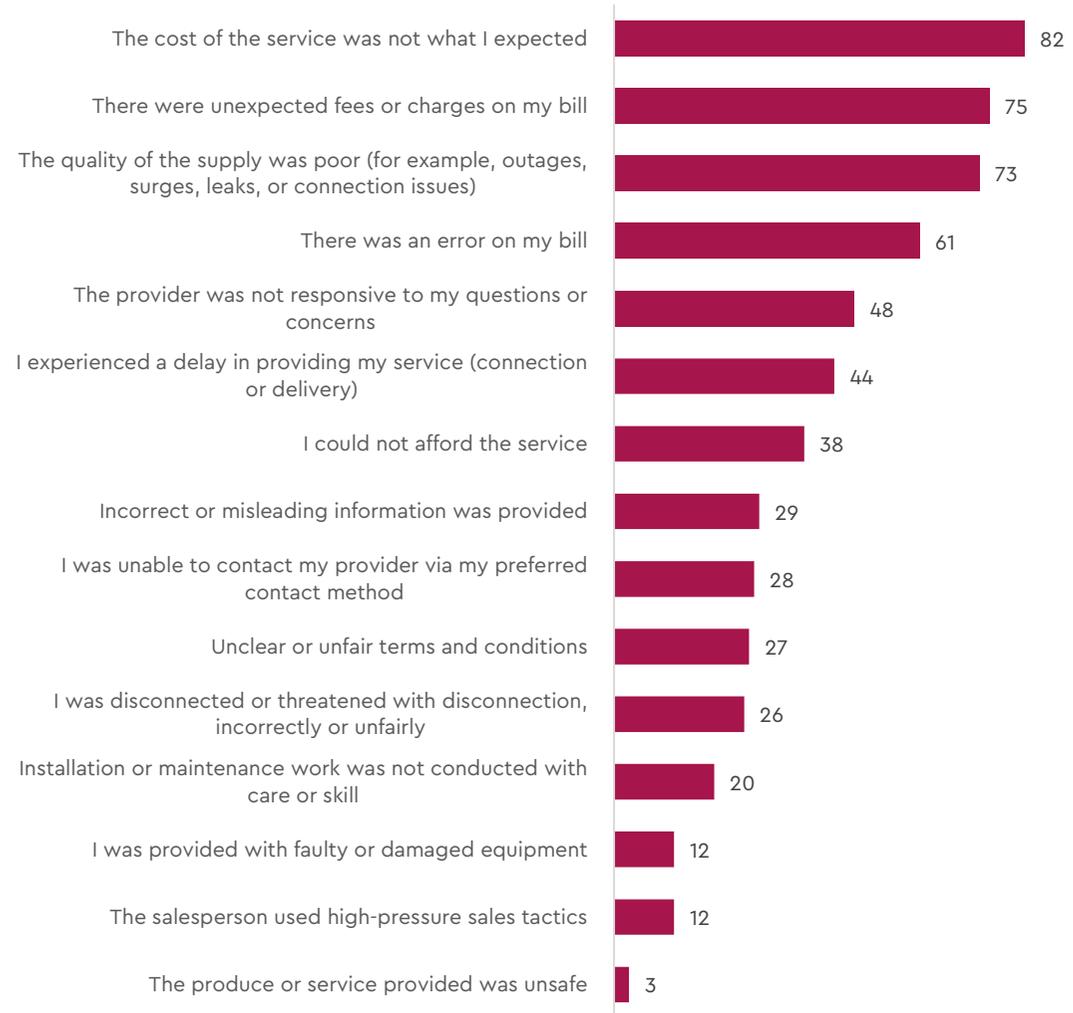


Cost and quality were the main problems experienced by consumers

Across utilities providers, the most common problems were related to costs not being what was expected, and unexpected fees or charges (Figure 20). Quality of supply was also a common complaint.

There were differences in the types of problems experienced across utility providers (Table 3). Broadband installation problems most often related to quality of supply or not being able to contact the provider through their preferred method. Water provider problems usually related to quality of supply but also cost of the service.

Figure 20. Costs of the service, quality of supply, and unexpected fees or charges were the most common problems encountered



Notes: Survey participants were able to select multiple options.
Responses for "Other - please specify" were recoded.



Table 3. For those experiencing problems, electricity and water company problems were most likely related to cost, while for gas consumers unexpected fees or charges on the bill were the most common problems

	Electricity	Gas	Water	Broadband	Broadband installation	Mobile
The quality of the supply was poor (for example, outages, surges, leaks, or connection issues)	13%	17%	37%	39%	50%	20%
There were unexpected fees or charges on my bill	23%	35%	26%	26%	0%	28%
The cost of the service was not what I expected	30%	22%	42%	26%	0%	16%
The provider was not responsive to my questions or concerns	14%	9%	5%	21%	14%	24%
There was an error on my bill	25%	17%	16%	16%	7%	16%
I experienced a delay in providing my service (connection or delivery)	12%	30%	16%	16%	0%	16%
Incorrect or misleading information was provided	8%	13%	5%	13%	0%	16%
I was disconnected or threatened with disconnection, incorrectly or unfairly	8%	4%	0%	13%	14%	4%
Unclear or unfair terms and conditions	9%	17%	0%	10%	0%	8%
I was provided with faulty or damaged equipment	1%	4%	5%	6%	7%	8%
I was unable to contact my provider via my preferred contact method	10%	0%	5%	5%	43%	8%
The salesperson used high-pressure sales tactics	4%	0%	0%	5%	0%	8%
Installation or maintenance work was not conducted with care or skill	6%	22%	11%	4%	7%	0%
I could not afford the service	20%	13%	5%	3%	7%	8%
The produce or service provided was unsafe	0%	9%	0%	1%	0%	0%

Notes: Survey participants were able to select multiple options. The percentages will add up to more than 100%.



Resolving a dispute

Most consumers took action to resolve a problem

When faced with a problem with their utilities company, 83% of consumers took action. But taking action did differ between types of utilities. A higher proportion of consumers who had an electricity problem took action, while a much lower proportion of consumers who had a problem with their mobile company took action – 68% (Figure 21).

There were no differences between consumer groups on whether they were more likely to take action or not

While on the face of it, the financially comfortable were most likely to take action (Figure 22), statistical tests found no difference between the three consumer groups ($p=.928$). The “squeezed middle” were just as likely as others to take action.

If we look at the reasons why consumers don't take action, the reasons related to capacity and agency feature highly. Lack of knowledge of where to go for advice, lack of confidence, and not having enough time were most often cited (Figure 23).

Figure 21. Consumers were more likely to take an action for an electricity problem than a mobile company problem

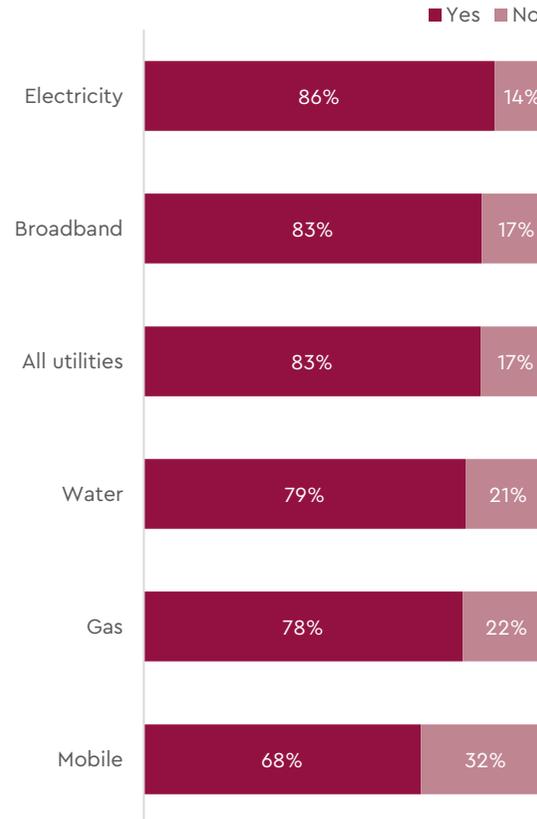


Figure 22. The “squeezed middle” were equally likely to take action as the financially vulnerable or the financially comfortable

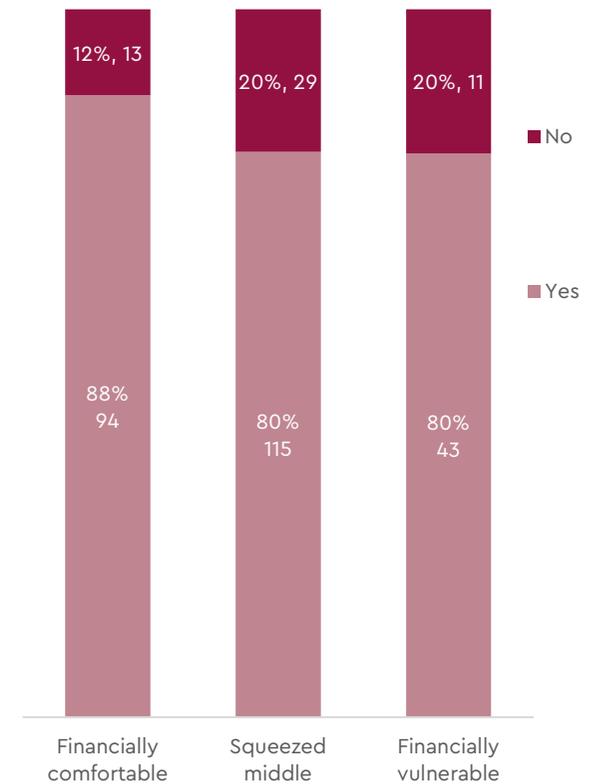
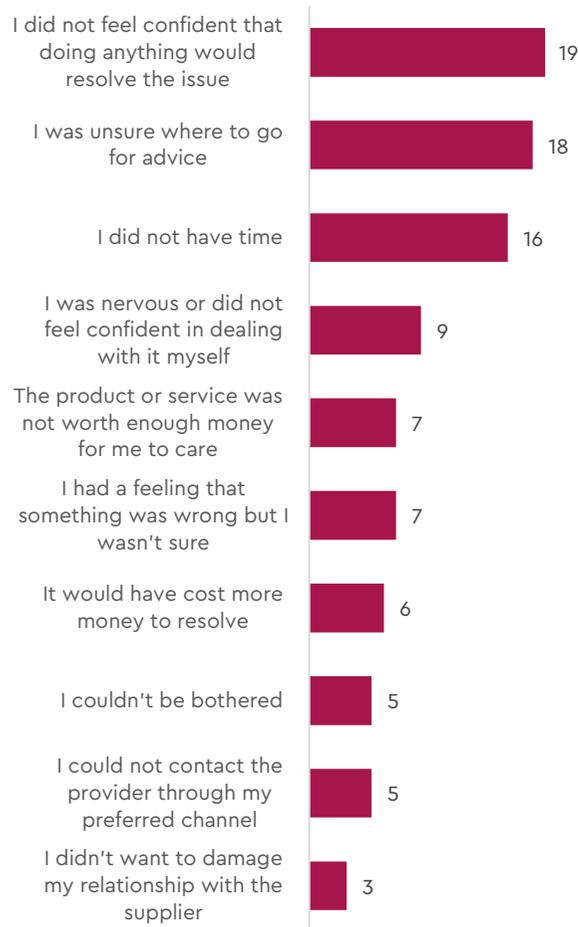


Figure 23. Confidence, not knowing where to go for advice, and not having time were the top three reasons why consumers didn't take action



Two consumers who indicated that they didn't take action listed their reason as switching providers. Utilities providers should be reminded that when consumers encounter issues, they may choose to switch providers rather than seek to resolve the problem directly.

Less than half of consumers had had their problem resolved to their satisfaction

Worryingly, 45% of the problems consumers had had been resolved to their satisfaction (Figure 24), with a further 10% in the process of being resolved. The remainder were not resolved to their satisfaction, or unlikely to be resolved.

When this was broken down by the three consumer groups, the financially comfortable were more likely to have had their problems resolved to their satisfaction than the "squeezed middle" and the financially vulnerable ($p < .001$), and less likely to still be in the process of being resolved compared to the other two groups ($p = 0.001$) (Figure 25).

For the "squeezed middle" there may be several reasons why that might be:

- They have less available time and (financial) resources to dedicate to resolving problems to their satisfaction.
 - They don't have access to financial support in relation to utilities. They

don't have access to main benefits or winter energy payments.

- They may be less likely to ask for help, and want to solve their problems themselves.

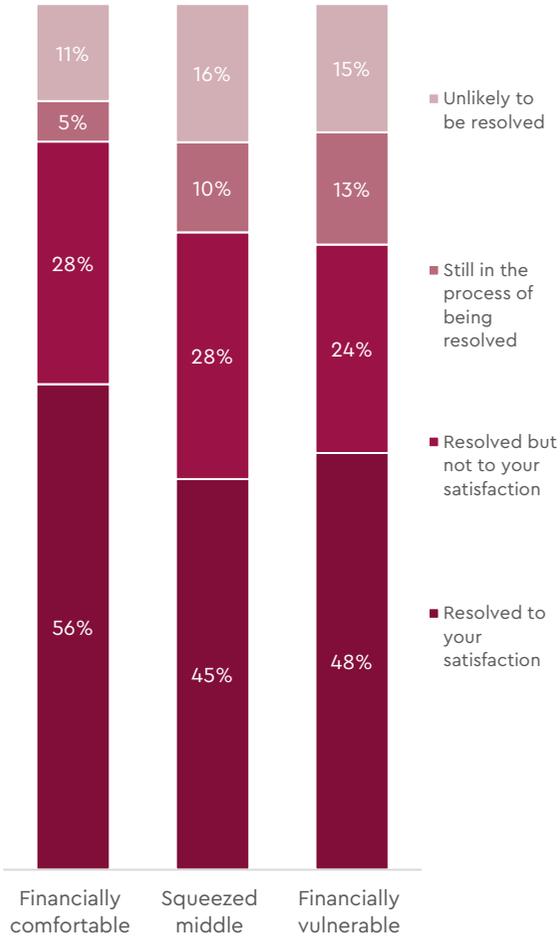
The next section discusses whether the "squeezed middle" are more or less likely to work directly with the company to solve problems.



Figure 24. Is the problem with your utility company resolved?



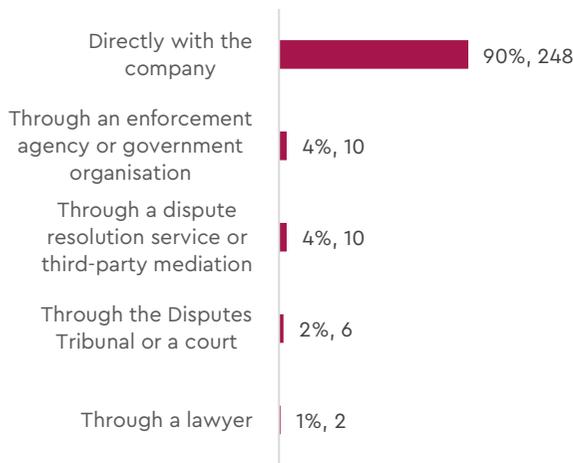
Figure 25. The financially comfortable were more likely to have had problems that were resolved to their satisfaction



How disputes were resolved

Of the disputes that were resolved, or in the process of being resolved, most were resolved directly with the company – 90% (Figure 26).

Figure 26. The vast majority of disputes are resolved, or in the process of being resolved, directly with the company



When consumers selected an “other” option, the solutions were usually closing the account and switching providers. A couple of consumers just “gave up” as it would take too much time and money to resolve the issue.

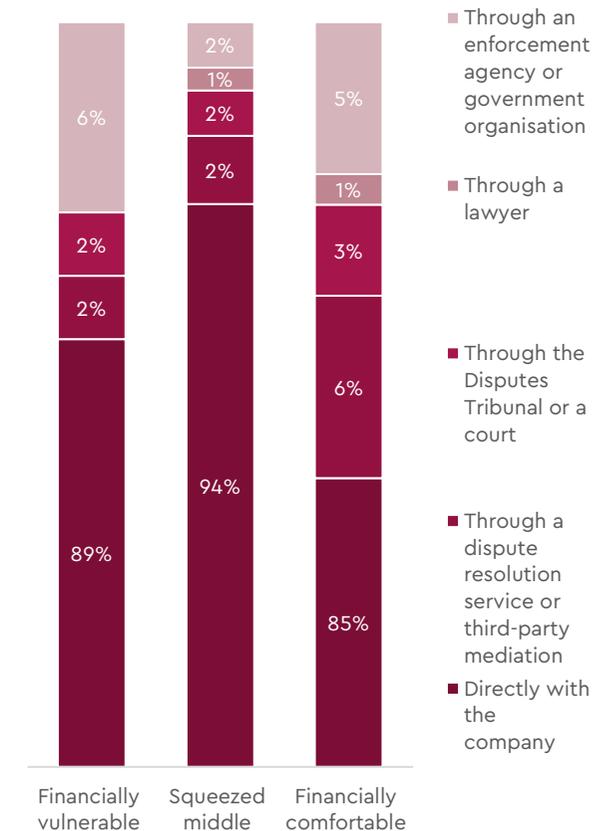
The patterns of problem resolution solutions did not differ by the types of consumers. While there were percentage differences between the

groups, the differences were not statistically significant ($p=.178$) (Figure 27).

If we isolate resolving directly with the company and the “squeezed middle” and the financially comfortable, we find that the “squeezed middle” are much more likely to resolve their problem directly with the company ($p=.046$, $p<.05$). The difference between the “squeezed middle” and the financially vulnerable on whether they resolved their problem directly with the company or not was not significant ($p=.40$).

The results suggest that while the “squeezed middle” were less likely to have their problem resolved to their satisfaction, this might be related to their tendency to take a DIY approach to solving problems.

Figure 27. “Squeezed middle” tended to solve problems directly with the company while financially comfortable and vulnerable used a range of processes



Note: y-axis starts at 75% so that the values and differences are easier to identify



Ease of resolving resolutions

We asked consumers how easy the process had been of trying to resolve the problem. Just over a third indicated that it was "neither easy or difficult". An additional 23% found it "easy", and 4% found it "very easy". But 24% found it "difficult" and 15% "very difficult" (Figure 28).

When we broke down results into the three consumer groups, there was no statistically significant difference ($p=.292$). While visually there looks to be the financially vulnerable indicating the most difficulty, because of their small sample size there is a higher threshold to reach statistical significance.

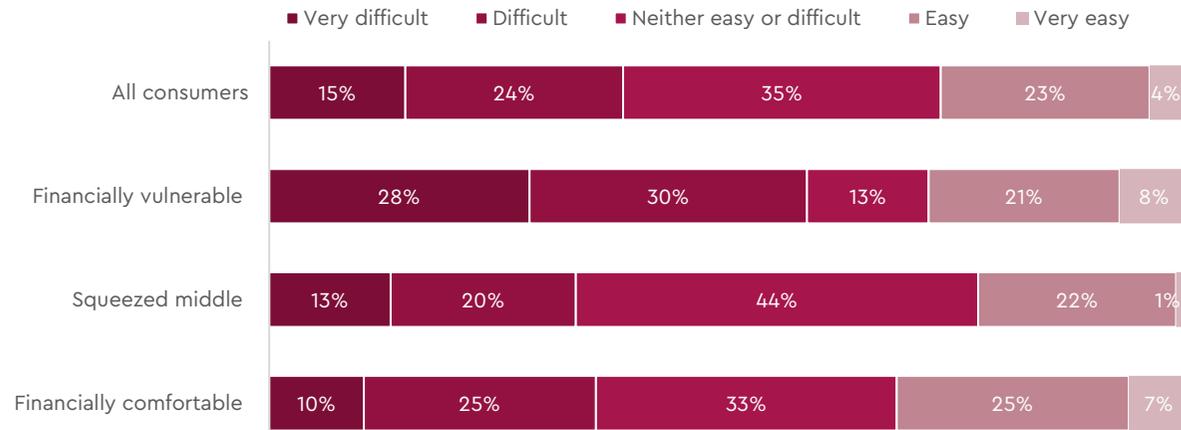
Good customer service went a long way in helping making dispute resolution easy

For those who had an easy experience with resolving their problem, we asked them what were the one or two things that made it easy.

The majority of comments were related to good customer service. This consisted of:

- The customer service representatives were understanding, friendly, polite, wanting to help, and empathetic.

Figure 28. The financially vulnerable experienced the most difficulties in resolving their utilities disputes



- The customer service representative had the skills and knowledge to fix the issue.
- The service was responsive, and able to meet customer needs. Problems were resolved quickly and efficiently.
- Taking responsibility for resolving issues.
- Clear, direct, and easy communication.
- Having "real people" available to discuss the issue.

Many consumers mentioned the positives to being able to access the provider in different ways, for example, phone, chatbot, email. Others

appreciated that it was possible to go to a physical store to talk to someone and resolve their issue. Availability of 24-hour assistance was also mentioned as a key factor in making the process easy.

For others, the process of logging and dealing with a problem was eased through the provider having user-friendly tools and clear communication. In addition, these tools allowed seamless and easy tracking of ongoing unresolved problems, so the consumer didn't have to explain problems multiple times.



If there was compensation offered, consumers commented that being fast to action the compensation was a factor in making the process easy.

Poor customer service was one of the key reasons resolving disputes were difficult

Unsurprisingly, the things that made resolving a problem difficult were the opposite of the discussion above. This included:

- Poor customer service, including unhelpful and rude customer service representatives.
- Slow responses and delays in getting issues resolved, with consumers having to follow up several times. This included long wait times to access customer services.
 - Consumers had to escalate to higher authorities or external organisations to get a response.

- This also related to difficulties getting through to providers or getting a response via preferred methods of phone and email.

- Unclear communication, including language barriers and reliance on offshore customer support services that were not effective.
- Lack of accountability. Consumers felt that utilities companies did not take responsibility for their mistakes and were reluctant to admit faults or provide compensation.
- Inconsistent information. Consumers received conflicting information from different customer service representatives, leading to confusion and frustration.

Three concerns were raised in relation to difficulties that did not appear in what made the process easy:

1. Billing and invoicing: Incorrect billing, unexpected charges, and lack of transparency in billing were common complaints. Consumers often had to contact the provider repeatedly to correct billing errors.
2. Technical issues: There were numerous complaints about technical problems, such as unstable internet connections, faulty equipment, and system errors that customer service representatives and staff were unable to fix.
3. Contracts and policy Issues: Inflexible contracts, hidden terms, and lack of options for consumers were highlighted as significant pain points.



Use and awareness of Utilities Disputes (UDL)

Our analysis indicated that consumers don't use UDL because they seek to work directly with the company in the first instance

For those who did not use a disputes resolution service, we asked why they didn't. Most consumers were seeking to work with the company directly to resolve the situation or managed to resolve it this way (Figure 29).

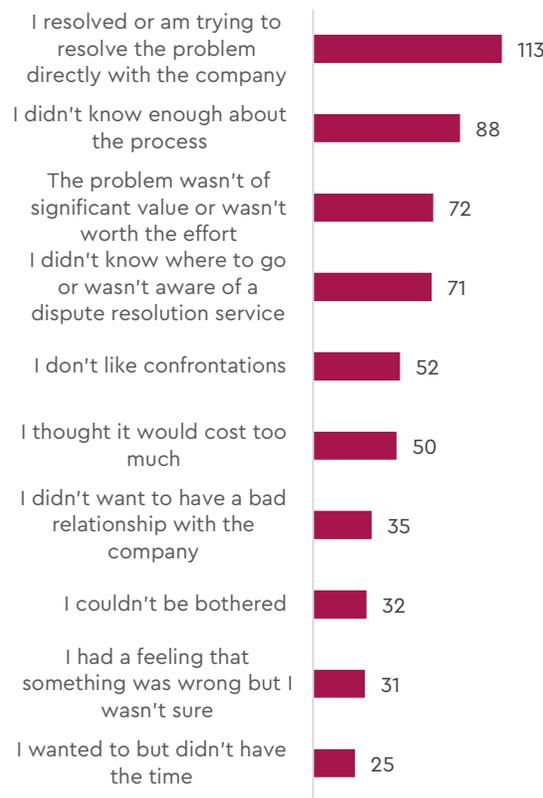
Lack of knowledge of disputes resolution processes was the next most common reason why a dispute resolution service wasn't used

However, the next most common response related to lack of knowledge about the process. It appears from this response that consumers might be willing to use UDL more if they knew more about what was involved. Consumers were also able to select an "other" option. Responses were:

- Lack of trust in a dispute resolution service (4 responses).
- Giving up on resolving the issue (4 responses).

- Issue wasn't in scope of the dispute resolution service (4 responses).

Figure 29. Most consumers were working with the company rather than seeking a disputes resolution service



- That it wouldn't have helped anyway (3 responses).
- Changed providers (2 responses).

Responses reminded us that resolving problems can be very time consuming, costly, and lead to stressful situations.

"[the utility company issue] caused me so much stress that I did not want to talk about it again"

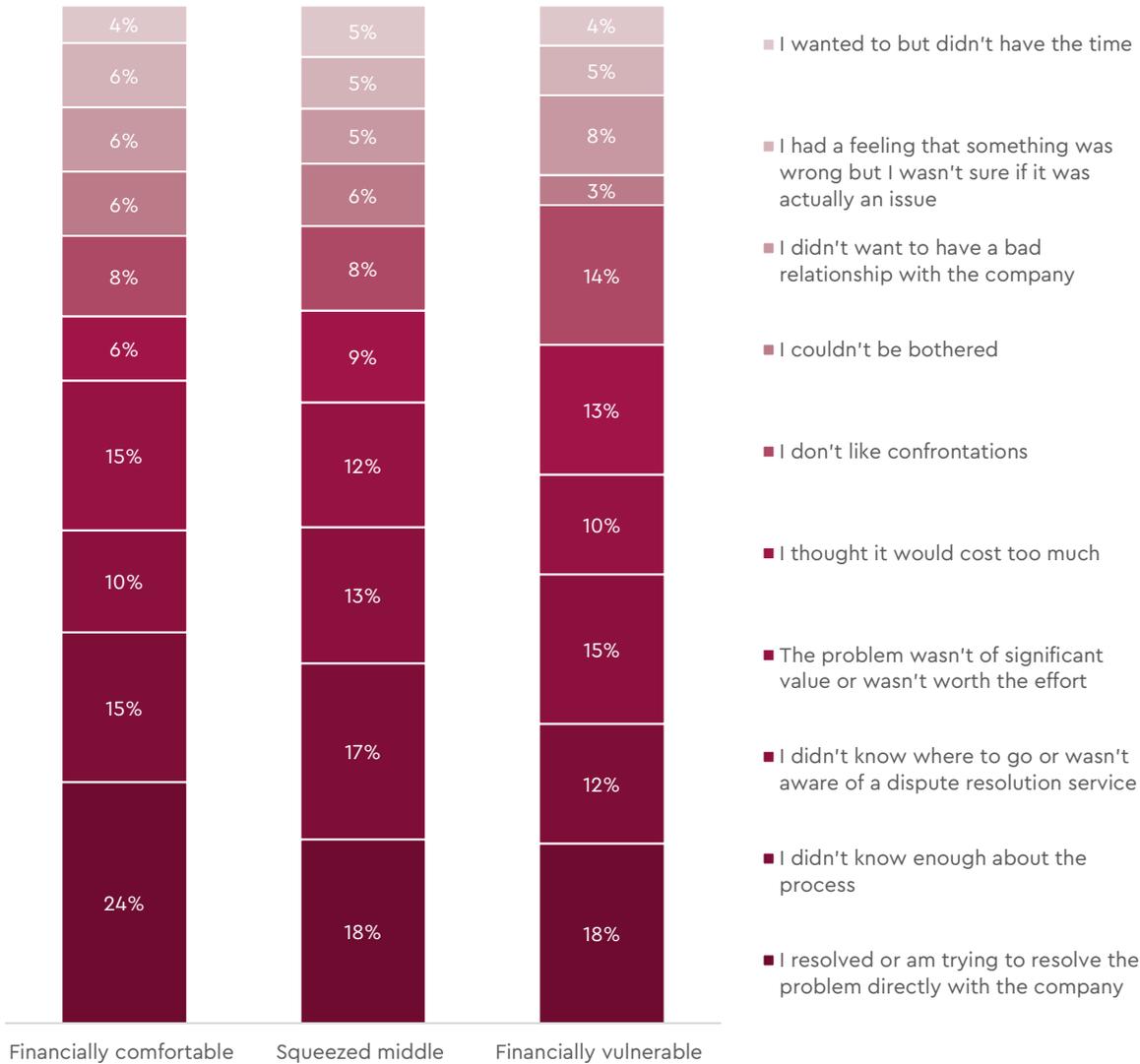
- Financially vulnerable consumer

Digital inclusion needs to be considered for some consumers

Survey participants commented on how difficult it can be to access services that are primarily online or information about the service is online.



Figure 30. The reasons why a dispute resolution service wasn't used did not differ between the consumer groups



"Always disconnected from power so couldn't access have internet to look up these types of info at the time. Never have credit on my mobile so wifi was my only option for any means of communicating and when your power is being disconnected all that goes with it"

- Financially vulnerable consumer

There were no differences between the consumer groups in the reasons why a dispute resolution service wasn't used

While on raw percentages the financially vulnerable were more likely to indicate that they didn't like confrontations (Figure 30), and the financially comfortable were more likely to work with the company to solve the problem, there were no statistically significant differences ($p=.178$). On percentage differences, the



"squeezed middle" appeared to be most likely to indicate that they didn't know enough about the process.

Consumers had little awareness of UDL

There was relatively little awareness of UDL – about 15% of consumers indicated they were aware of UDL before the survey. In contrast, about 67% of consumers knew about the Disputes Tribunal (Figure 31).

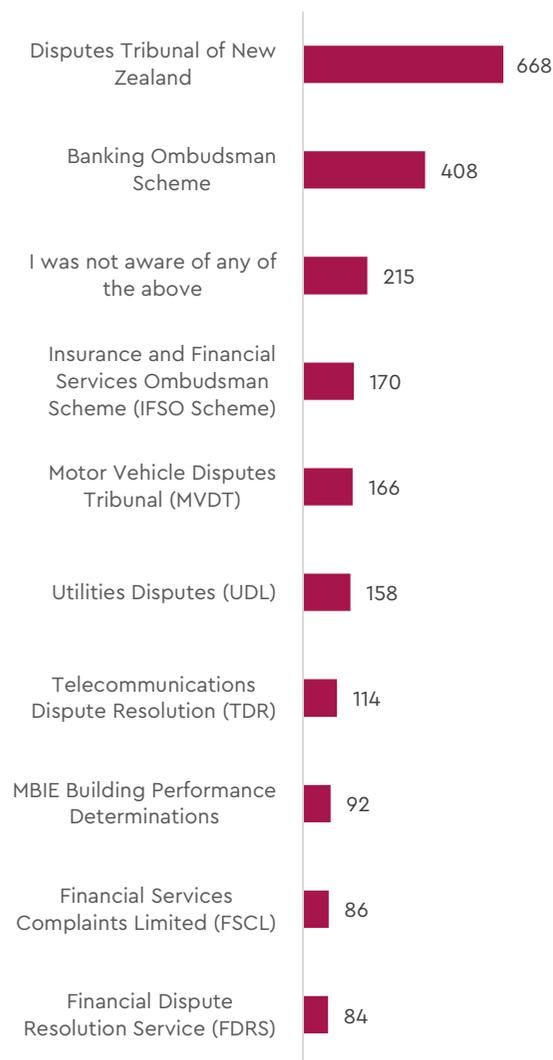
The financially comfortable were most aware of UDL

When consumers were separated into the three groups, in general, the financially comfortable had more awareness of the range of disputes resolution services (Figure 32).

More of the financially comfortable were aware of UDL (19%), with a lower proportion of the "squeezed middle" (14%), and less again for the financially vulnerable (11%) ($p=.027$).

For the proportion that didn't know about any of the dispute resolution services, results were reversed. 27% of the financially vulnerable were not aware of any of the services, while only 17% of the financially comfortable indicated the same.

Figure 31. There was relatively little awareness of Utilities Disputes



Almost 200,000 of the "squeezed middle" do not know about UDL

By using the percentages from the survey results, we estimate that there are almost 200,000 "squeezed middle" New Zealanders who are aware of UDL (Table 4). Conversely, there are 1.2 million "squeezed middle" consumers who are not aware of UDL.

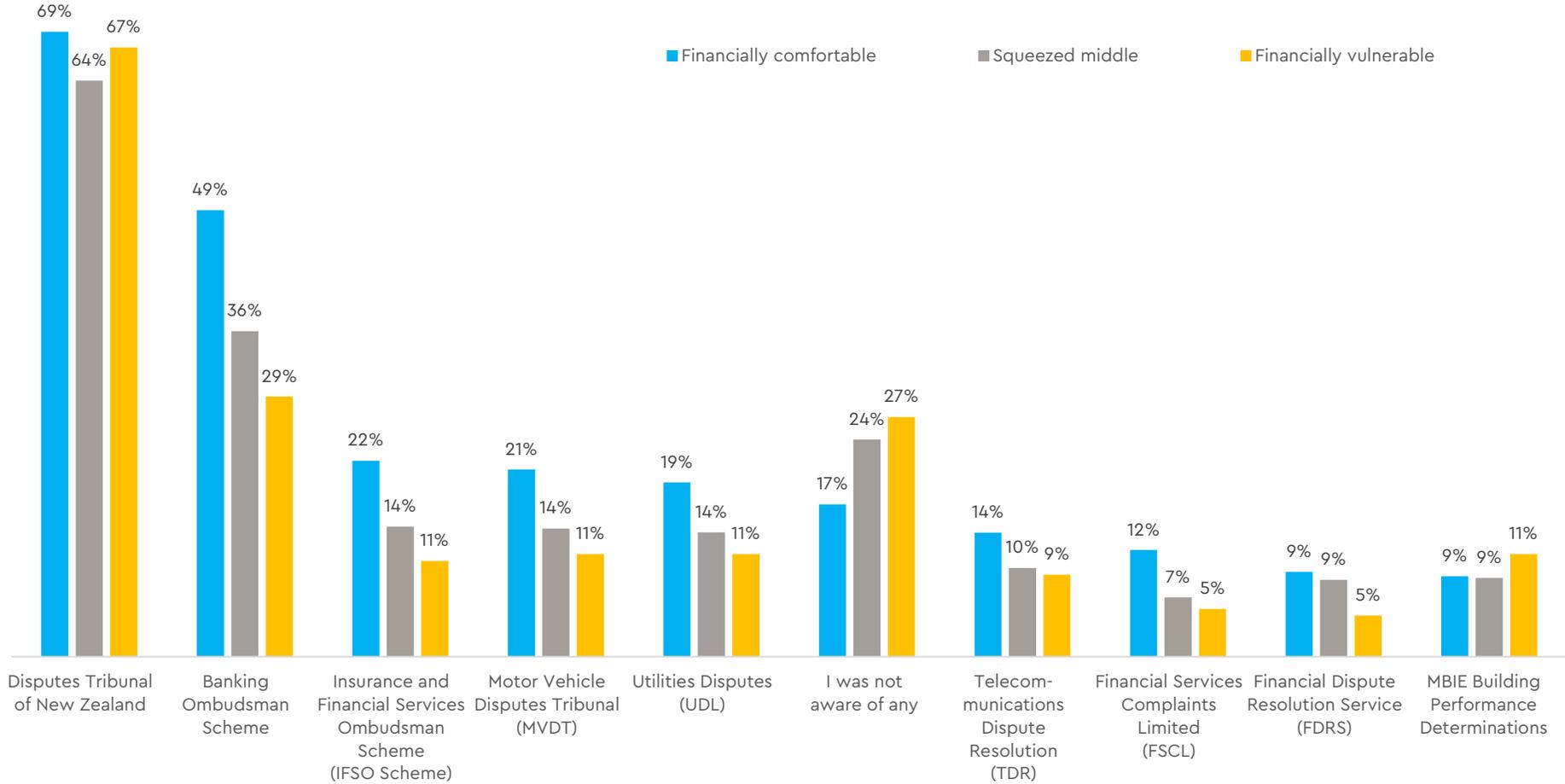
Table 4. Numbers of consumers who are aware of UDL

	Consumers who are aware of UDL	Consumers who are not aware of UDL	Total New Zealand consumers
Financially vulnerable	43,980	355,835	399,815
"Squeezed middle"	198,062	1,216,668	1,414,730
Financially comfortable	239,581	1,021,374	1,260,955

Note: Total labour force is used as a proxy for total New Zealand consumers



Figure 32. The financially comfortable had more awareness of disputes resolutions services than the squeezed middle or the financially vulnerable



Notes: Consumers were able to select more than one response so percentages will add up to more than 100%



What are the key characteristics of the "squeezed middle" who know about UDL?

Table 5 is a profile of those who were aware of UDL and in the "squeezed middle". Note that this is a small number of people (63 people) so the following should be treated with caution.

Table 5. A profile of the "squeezed middle" who were aware of UDL

Problems with utilities company	<p>37% had a problem with their utilities company in the past year</p> <p>65% of problems were with electricity providers</p> <p>26% of problems were with broadband</p>
UDL	<p>71%* would consider using UDL (more than those who weren't aware of UDL)</p>
Life satisfaction	Score of 6.7
Family wellbeing	Score of 6.5
Home ownership	<p>53% own their home (higher than 51% of general "squeezed middle")</p> <p>47% renting (lower than 49% of general "squeezed middle")</p>

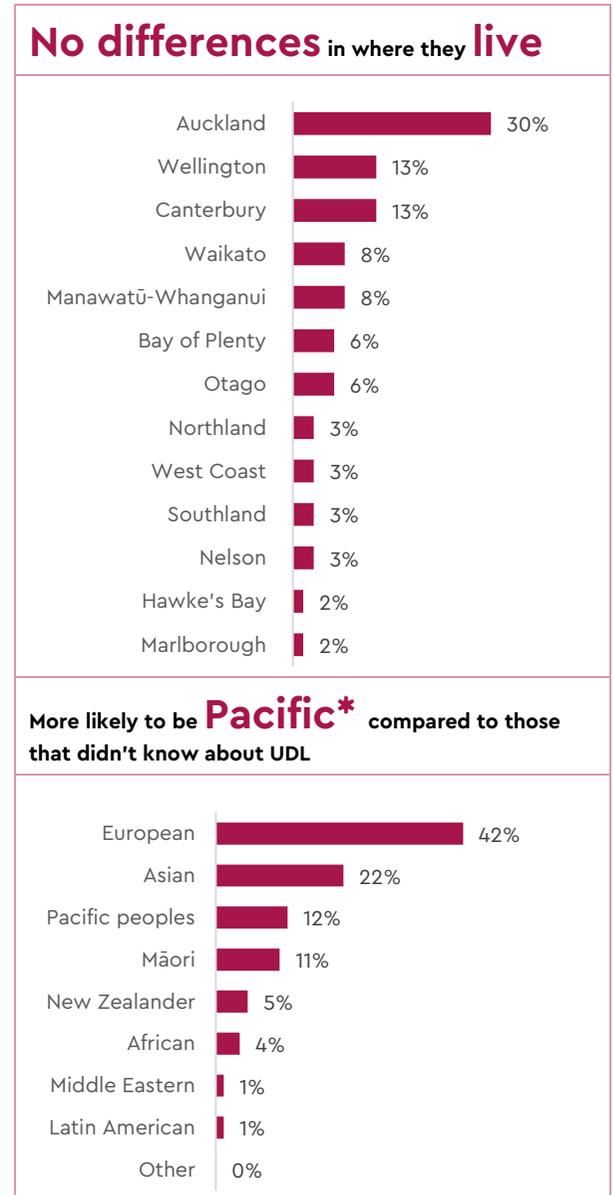
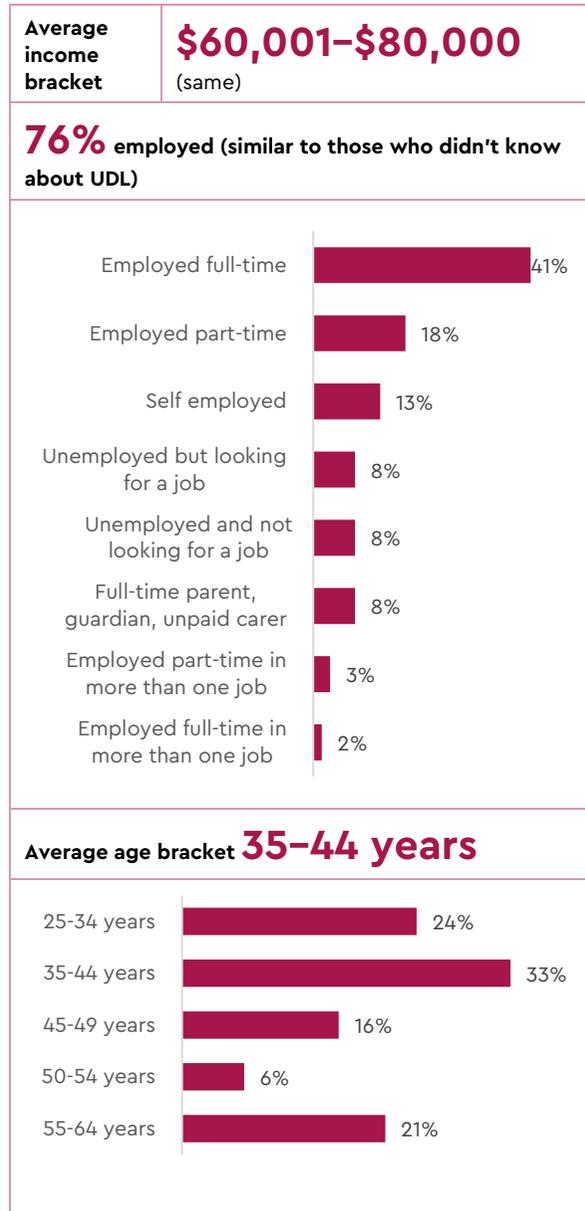
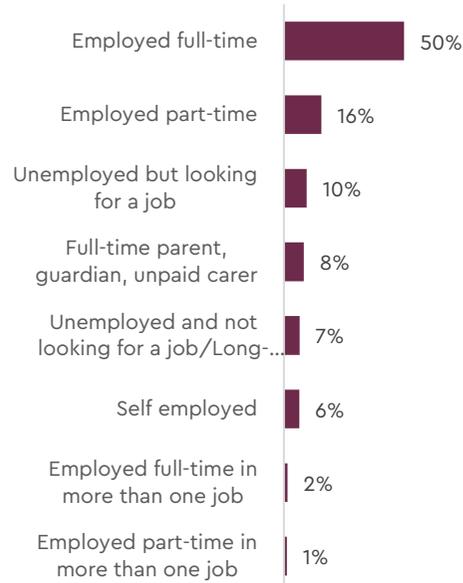


Table 6 is a profile of the "squeezed middle" who were unaware of UDL.

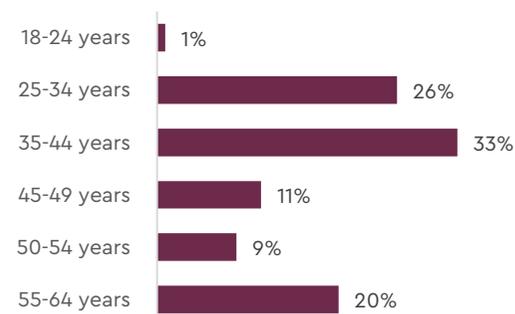
Table 6. A profile of the "squeezed middle" who were unaware of UDL

Problems with utilities company	<p>32% had a problem with their utilities company in the past year</p> <p>49% of problems were with electricity providers</p> <p>27% of problems were with broadband</p>
UDL	61%* would consider using UDL (less than those who knew about UDL)
Life satisfaction	Score of 6.3
Family wellbeing	Score of 6.2
Home ownership	<p>49% own their home (less than those who knew about UDL)</p> <p>51% renting (more than those who knew about UDL)</p>
Average income bracket	\$60,001–\$80,000 (same)

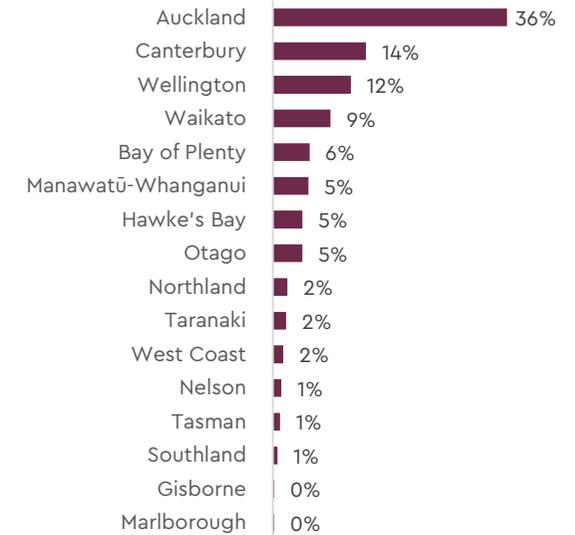
75% employed (similar to those who knew about UDL)



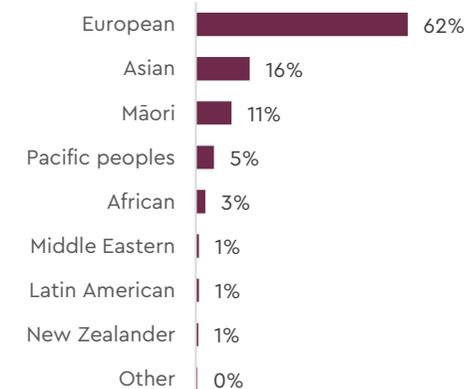
Average age bracket 35–44 years (same)



No differences in where they live



More likely to be European*



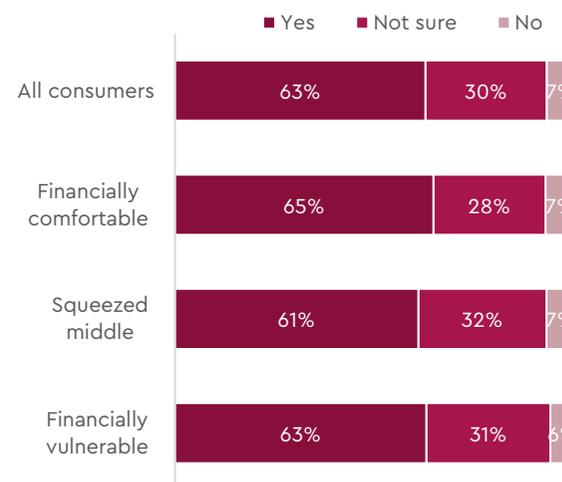
The key differences between the two groups were that the "squeezed middle" who knew UDL were more likely to use UDL than those that didn't know about UDL ($p=.038$).

Additionally, the "squeezed middle" who knew about UDL were more likely to identify as Pacific ($p=.030$) (compared to the "squeezed middle" who did not know about UDL). The "squeezed middle" who did not know about UDL were more likely to identify as European ($p=.011$). Statistically significant results are indicated by * in Table 5 and Table 6.

Once consumers knew more about UDL they were more likely to use the service

In the survey, we provided information on the types of services UDL provides and its scope. We then asked that since they knew a bit more about UDL, would they consider using it. More consumers were likely to use it than not – 63% of consumers surveyed (Figure 33). Once we separated out consumers into the three groups, there were no statistically significant differences between their potential use of UDL or not.

Figure 33. Consumers were more likely to use UDL now that they knew more about it



The reasons consumers would use UDL included:

- **UDL is fair and independent:** Many consumers appreciated that UDL offers a free, fair, and independent service, which makes them feel confident in seeking help for resolving disputes.
- **Expertise and support:** UDL's specialised knowledge in handling utility disputes was valued.
- **Accessibility:** The UDL service was perceived as accessible and easy to use, which encouraged consumers to reach out when they face problems with their utility providers.

- **Positive experiences:** Some consumers had positive experiences with UDL in the past, which made them more likely to use the service again if needed.
- **Awareness and knowledge:** Knowing that UDL exists and understanding its role in dispute resolution made consumers more inclined to use the service when necessary.

Lack of awareness, trust and perceived complexity deterred consumers from using UDL. But many wanted to solve their problems themselves

When we asked why they didn't want to use UDL, lack of awareness was the main issue. Because consumers were unaware of UDL's existence or the services it offers, this was a major barrier to usage.

But for others, there was an aspect of self-reliance, with consumers preferring to resolve issues directly with their utility providers without involving a third party, believing they can handle the situation on their own.

Many consumers perceived that using UDL might be a complicated and time-consuming process, which discouraged them from seeking UDL's help.

Negative past experiences with similar services meant that there was a lack of trust in dispute resolution processes which can deter consumers from using UDL.



Finally, the majority of consumers had not faced any issues with their utilities providers and therefore did not see a need to use UDL at this time.

Consumers provided a range of suggestions to improve access and awareness of UDL's services

Consumers suggested a range of options to improve the visibility and accessibility of UDL's services (Table 7). "Advertising" was the most mentioned recommendation.

The second most mentioned was to include UDL's details on monthly bills or statements. Interestingly, all electricity and gas providers have been required to include reference to UDL and how to contact them on their bills since 2021 (UDL, 2021). It may be that because consumers see these bills all the time, they don't necessarily notice standard content that appears on the bill.

Table 7. Consumers' suggestions to improve access and awareness of UDL's services

Advertising	Many respondents suggested that UDL should increase its advertising efforts to raise awareness about its services. This includes using TV, radio, social media, and even physical mailers to reach a wider audience.
Information on bills and statements	Consumers recommended that utility companies include information about UDL on their monthly bills or statements. This would ensure that customers are aware of the dispute resolution services available to them.
Social media presence	Enhancing UDL's presence on social media platforms like Facebook, Instagram, and TikTok were suggested as ways to reach a broader and more diverse audience.
Community engagement	Some consumers mentioned that UDL could engage more with the community through events, workshops, and partnerships with local organisations to spread the word about their services.
Clear communication	Ensuring that the information provided by UDL is clear, concise, and easily understandable was highlighted. This includes simplifying the language used in their communications and making their services more accessible.
Educational campaigns	Running educational campaigns to inform the public about their rights and how UDL can help resolve disputes was suggested. This could include case studies, success stories, and examples of how UDL has helped others.
Collaboration with utilities providers	Encouraging utility companies to promote UDL's services and include contact details on their websites and customer communications was recommended.
Accessibility for vulnerable groups	Making UDL's services more accessible to vulnerable groups, such as new migrants and non-English speakers, by providing information in multiple languages and targeting specific communities.



Recommendations for UDL

The "squeezed middle" appear to be a category of consumers that UDL could target their campaigns and services toward

We estimate that there are 1.4 million "squeezed middle" consumers in New Zealand.

"Squeezed middle" consumers:

- Were found amongst a broad range of income brackets – they weren't just in the \$60,001 to \$80,000 bracket.
- Were equally likely to rent or own their home.
- Are experiencing job insecurity.

But only 200,000 "squeezed middle" consumers know about UDL.

The "squeezed middle" were more likely to work directly with the company to solve a problem, but also more likely to not have their problem resolved to their satisfaction

In relation to utilities disputes, the survey showed that the "squeezed middle":

- Don't experience problems with utilities providers as much as the financially vulnerable, but they distinctly experience more problems than the financially comfortable.
- Most commonly had problems with electricity companies, as did the other two consumer groups.
- Were just as likely as the financially vulnerable and financially comfortable to take action when faced with a problem.
- Were less likely to have had their problem resolved to their satisfaction than the financially comfortable.
- Were more likely than the financially comfortable to work directly with the company to resolve a problem – and by implication, less likely to seek help from others.

The "squeezed middle" could be targeted to ask for help in resolving their utilities problems

Once consumers knew about UDL, they were more likely to consider using its services in the

future. There was a strong preference toward working directly with the company to solve a problem, but deterrents to using UDL were lack of awareness, trust, and perceived complexity of accessing and using the service.

As previously mentioned, the DIY nature of the "squeezed middle's" approach to problem resolution may be leading to sub-optimal satisfaction with the outcome.

UDL could work with utilities providers to improve visibility and awareness of its services

Consumers suggested a range of ideas to raise awareness of UDL, including increasing its advertising efforts and through a broad range of channels. Many also mentioned including UDL details on utilities bills. This is despite this being mandatory for electricity and gas suppliers since 2021. UDL could work with utilities providers to raise the visibility of its services, and highlight how easy it is to access.



References

- Consumer NZ. (2024). Understanding bundled services and disputes services: A Consumer NZ report prepared for Utilities Disputes/ Tautohetohe Whaipanga. Consumer NZ.
- Curtis, B., Maynard, A., & Kanade, N. (2020). Exploring the squeezed middle: Aucklanders talk about being 'squeezed.' *Kōtuitui: New Zealand Journal of Social Sciences Online*, 15(1), 8–21. <https://doi.org/10.1080/1177083X.2019.1635497>
- Daalder, M. (2024, May 31). A Budget for the 'squeezed middle' leaves out most Kiwis. Newsroom. <https://newsroom.co.nz/2024/05/31/a-budget-for-the-squeezed-middle-leaves-out-most-nzers/>
- Edmunds, S. (2023, December 4). What really counts as poor in New Zealand now? Stuff.Co.Nz.
- Hickey, B. (2022, July 17). Bernard Hickey challenges the idea the "squeezed middle" need tax cuts or hand outs. Interest.Co.Nz. <https://www.interest.co.nz/public-policy/116775/bernard-hickey-challenges-idea-squeezed-middle-need-tax-cuts-or-hand-outs>
- Ipsos. (2024). New Zealand consumer survey 2024. Ministry of Business, Innovation & Employment and Commerce Commission New Zealand.
- MBIE. (2022). Energy hardship definition and measures—Final report. Ministry of Business, Innovation & Employment.
- OECD. (2019). Under pressure: The squeezed middle class. OECD. <https://doi.org/10.1787/689afed1-en>
- Office of the Minister of Energy Resources. (2019). Electricity Price Review: Government response to final report. Ministry of Business, Innovation & Employment.
- Office of the Minister of Energy Resources. (2020). Progressing the Electricity Price Review's recommendations. Ministry of Business, Innovation & Employment.
- Stats NZ. (2014, June 17). Disability survey: 2013. Stats NZ. <https://www.stats.govt.nz/information-releases/disability-survey-2013>
- Stats NZ. (2024a). Household income and housing-cost statistics: Year ended June 2023 [Dataset]. <https://www.stats.govt.nz/information-releases/household-income-and-housing-cost-statistics-year-ended-june-2023/>
- Stats NZ. (2024b). Wellbeing statistics: 2023 [Dataset]. <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2023/>
- Stats NZ. (2024c, August 7). Unemployment rate. Stats NZ. <https://www.stats.govt.nz/indicators/unemployment-rate/>
- Taunton, E. (2022, October 13). Here's the income your household needs to be "average." Stuff.Co.Nz. <https://www.stuff.co.nz/business/130144390/heres-the-income-your-household-needs-to-be-average>
- The PR Company. (2023). Awareness and engagement among lower decile communities: Banking Ombudsman and Utilities Disputes. The PR Company.
- UDL. (2021). Amended Electricity Industry Participation Code comes into force from 1 April 2021 [Media release]. Utilities Disputes Limited.
- UMR. (2019). Awareness of Utilities Disputes [Telephone omnibus]. UMR.
- Willis, N. (2024, May 30). Responsible tax relief for the squeezed middle. Beehive.Govt.Nz. <https://www.beehive.govt.nz/release/responsible-tax-relief-squeezed-middle>



Appendix 1. The survey



Dealing with electricity, gas, water, and telco providers

2

About the project and your participation

Utilities Disputes Limited (UDL) has asked MartinJenkins to carry out research on how consumers resolve issues they have with their electricity, gas, water, and telco providers.

How your information will be used

The feedback from the survey will be used to help UDL develop options for change or decide on its next steps.

Answering the questions in the survey

It will take about 10 minutes to do the survey. It may take longer if you want to make a lot of comments.

Your feedback is completely confidential

- We will keep your responses confidential.
- Your responses to the survey will be seen only by the MartinJenkins team carrying out this research. We will not share them with anyone else.
- We will not share your responses with UDL in a way that would allow them to identify that the responses are from you.
- We will combine all the survey responses together when we come to analyse and report on them. UDL will not be able to identify you or any other individual from our report.

13

1. What is your current employment status?

- Employed full-time
- Employed full-time in more than one job
- Employed part-time
- Employed part-time in more than one job
- Self employed
- Unemployed but looking for a job
- Unemployed and not looking for a job/Long-term sick or with disabilities
- Full-time parent, guardian, unpaid carer
- Retired
- Student

27

2. How well does your household income meet your everyday needs, for things such as accommodation, food, clothing, and other necessities?

- More than enough Enough money Only just enough money Not enough money
-



8

3. To the best of your knowledge, which of the following describes your annual household income, before tax?

- Up to \$30,000
- \$30,001 to \$45,000
- \$45,001 to \$60,000
- \$60,001 to \$80,000
- \$80,001 to \$100,000
- \$100,001 to \$125,000
- \$125,001 to \$150,000
- More than \$150,000
- Prefer not to say

25

4. Which of the following benefits or payments do you regularly receive?

Please select all that apply

- Job Seeker Support
- Sole Parent Support
- Supported Living Payment
- Youth Payment
- Young Parent Payment
- NZ Super
- None of the above

Problems or issues you have encountered

Page description:

We want to know whether you have had any issues or problems with your utilities company.

By issues or problems we mean:

- the information you were given about the product or services was incomplete, misleading, or not true
- the product or service was faulty, poor quality, or did not deliver what you expected
- you had a problem or issue with the bill you received or the charges that were applied
- the service you received was poor and/or a concern you raised was not addressed
- your legal rights as a consumer were not met
- you felt deceived, pressured, or unfairly treated

By utilities we mean:

- Electricity, gas, water, broadband plan, broadband installation, or mobile plans

Page exit logic: Skip ahead to awareness questions

IF: #5 Question "Have you experienced any problems with your utilities companies in the **past year**?" is one of the following answers ("No, I haven't had any problems", "No, none of these are relevant or I do not use them") **THEN:** Jump to [page 16 - Awareness](#)

124

5. Have you experienced any problems with your utilities companies in the **past year**?

- Yes, I have had a problem
- No, I haven't had any problems
- No, none of these are relevant or I do not use them



Problems and issues

168

6. For the purposes of this research, we would like to hear about **one** problem or issue that you have had with your utilities company. Which product or service would you like to tell us about?

Please select one answer only

- Electricity
- Gas
- Water
- Broadband
- Mobile

Page entry logic:

This page will show when: #6 Question "For the purposes of this research, we would like to hear about **one** problem or issue that you have had with your utilities company. Which product or service would you like to tell us about?"

Please select one answer only is one of the following answers ("Broadband")

171

7. Does your problem involve the following?

(Please select one option)

- Broadband which is bundled with my electricity, gas, or water company
- Broadband installation for a shared property
- None of the above

Page entry logic:

This page will show when: #6 Question "For the purposes of this research, we would like to hear about **one** problem or issue that you have had with your utilities company. Which product or service would you like to tell us about?"

Please select one answer only is one of the following answers ("Mobile")

173

8. Is your mobile plan bundled with your electricity, gas, or water company?

- Yes
- No

Resolving problems

Page entry logic:

This page will show when: #6 Question "For the purposes of this research, we would like to hear about **one** problem or issue that you have had with your utilities company. Which product or service would you like to tell us about?"

Please select one answer only is one of the following answers ("Electricity", "Gas", "Water")

Page description:

We want to find out more about the problem you had and what you did to try and fix it.



43

9. What was the problem(s) you had with your [question('value'), id='168'] company?

Please select all that apply

- The quality of the supply was poor (for example, outages, surges, leaks, or connection issues)
- The provider was not responsive to my questions or concerns
- There was an error on my bill
- The produce or service provided was unsafe
- I could not afford the service
- Unclear or unfair terms and conditions
- I was provided with faulty or damaged equipment
- The salesperson used high-pressure sales tactics
- There were unexpected fees or charges on my bill
- I experienced a delay in providing my service (connection or delivery)
- Incorrect or misleading information was provided
- I was unable to contact my provider via my preferred contact method
- I was disconnected or threatened with disconnection, incorrectly or unfairly
- Installation or maintenance work was not conducted with care or skill
- The cost of the service was not what I expected
- Other - please specify

*

Logic Show/hide trigger exists.

51

10. Did you take any action to resolve your problem with your [question('value'), id='168'] company?

- Yes
- No

Logic Hidden unless: #10 Question "Did you take any action to resolve your problem with your [question('value'), id='168'] company?" is one of the following answers ("No")

57

11. Why didn't you take any action to resolve the problem with your [question('value'), id='168'] company?

Please select all that apply

- I didn't want to damage my relationship with the supplier
- I could not contact the provider through my preferred channel
- I was unsure where to go for advice
- It would have cost more money to resolve
- I did not feel confident that doing anything would resolve the issue
- The product or service was not worth enough money for me to care
- I was nervous or did not feel confident in dealing with it myself
- The provider did not cater for my language or other needs
- I did not have time
- I couldn't be bothered
- I had a feeling that something was wrong but I wasn't sure if it was actually an issue
- Other - please specify

*



Logic Hidden unless: #10 Question "Did you take any action to resolve your problem with your [question('value'), id='168'] company?" is one of the following answers ("Yes")

225

12. What steps did you take to try and resolve your problem with your [question('value'), id='168'] company?

Please select all that apply

- I lodged a complaint with the Disputes Tribunal
- I sought information or advice about consumer rights
- I contacted the company directly
- I left a review or comment on a website or social media
- I asked friends or family about what to do
- I contacted a dispute resolution service
- I laid a complaint with an enforcement agency or government organisation
- Other - Please specify

*

Logic Show/hide trigger exists.

90

13. Is the problem with your [question('value'), id='168'] company ...

- Resolved to your satisfaction
- Resolved but not to your satisfaction
- Still in the process of being resolved
- Unlikely to be resolved

Logic Hidden unless: #13 Question "Is the problem with your [question('value'), id='168'] company ...

" is one of the following answers ("Resolved to your satisfaction", "Resolved but not to your satisfaction")

94

14. How was the problem with your [question('value'), id='168'] company resolved?

- Through an enforcement agency or government organisation
- Directly with the company
- Through a dispute resolution service or third-party mediation
- Through a lawyer
- Through the Disputes Tribunal or a court
- Other - please specify

Logic Hidden unless: #13 Question "Is the problem with your [question('value'), id='168'] company ...

" is one of the following answers ("Still in the process of being resolved", "Unlikely to be resolved")

98

15. How are you currently trying to resolve your [question('value'), id='168'] company problem?

- Directly with the company
- Through a dispute resolution service or third-party mediation
- Through a lawyer
- Through the Disputes Tribunal or a court
- Through an enforcement agency or government organisation
- Other - please specify





LOGIC Hidden unless: #13 Question "Is the problem with your[question('value'), id='168'] company ... " is one of the following answers ("Resolved to your satisfaction","Resolved but not to your satisfaction")

102

16. How easy was it to resolve your [question('value'), id='168'] company problem?

- | | | | | |
|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| Very difficult | Difficult | Neither easy
or difficult | Easy | Very easy |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

LOGIC Hidden unless: #13 Question "Is the problem with your[question('value'), id='168'] company ... " is one of the following answers ("Still in the process of being resolved","Unlikely to be resolved")

106

17. How easy has the process of trying to resolve the [question('value'), id='168'] company problem been up until now?

- | | | | | |
|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|
| Very difficult | Difficult | Neither easy
or difficult | Easy | Very easy |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

The process

LOGIC Hidden unless: ((((((#16 Question "How easy was it to resolve your[question('value'), id='168'] company problem?" is one of the following answers ("Easy","Very easy") OR #17 Question "How easy has the process of trying to resolve the[question('value'), id='168'] company problem been up until now?" is one of the following answers ("Easy","Very easy") OR #25 Question "How easy was it to resolve your broadband company problem?" is one of the following answers ("Easy","Very easy") OR #26 Question "How easy has the process of trying to resolve the broadband company problem been up until now?" is one of the following answers ("Easy","Very easy") OR #34 Question "How easy was it to resolve your broadband installation problem?" is one of the following answers ("Easy","Very easy") OR #35 Question "How easy has the process of trying to resolve the broadband installation problem been up until now?" is one of the following answers ("Easy","Very easy") OR #43 Question "How easy was it to resolve your mobile company problem?" is one of the following answers ("Easy","Very easy") OR #44 Question "How easy has the process of trying to resolve the mobile company problem been up until now?" is one of the following answers ("Easy","Very easy"))

113

45. What were the one or two things that made the process easy?

221

46. What were the one or two things that made the process difficult?

110

47. We are interested in the reasons that people do not use dispute resolution services. Why did you not contact a dispute resolution service?

Please select all that apply

- I wanted to but didn't have the time
- I thought it would cost too much
- I don't like confrontations
- I didn't know where to go or wasn't aware of a dispute resolution service
- I couldn't be bothered
- I didn't want to have a bad relationship with the company
- I had a feeling that something was wrong but I wasn't sure if it was actually an issue
- The problem wasn't of significant value or wasn't worth the effort
- I didn't know enough about the process
- I resolved or am trying to resolve the problem directly with the company
- Other - please specify

*

Awareness

Page description:

We would like to know about your awareness of a range of dispute resolution services.

89

48. Which, if any, of the following dispute resolution services were you aware of before today?

Please select all that apply.

- Disputes Tribunal of New Zealand
- Banking Ombudsman Scheme
- Insurance and Financial Services Ombudsman Scheme (IFSO Scheme)
- Financial Services Complaints Limited (FSCL)
- Financial Dispute Resolution Service (FDRS)
- Utilities Disputes (UDL)
- Telecommunications Dispute Resolution (TDR)
- Motor Vehicle Disputes Tribunal (MVDT)
- MBIE Building Performance Determinations
- I was not aware of any of the above
- Other dispute resolution service - please specify

*



Awareness of Utilities Disputes (UDL)

Page description:

- UDL provides free and independent dispute resolution services, for electricity, gas, telecommunications, and water complaints. UDL also resolves disputes about access to shared property for fibre installations.
- UDL uses a wide range of dispute resolution techniques, including mediation and conciliation. If the parties cannot agree, UDL can issue a decision.
- UDL's services are free, fair, and independent.

Utilities Disputes (UDL) would like to know how it could improve awareness, access, and use of its services.

223 111

49. What could Utilities Disputes do to improve **awareness** of its services, or improve the ability for people to **access** its services?

222

50. Now that you know a bit more about what Utilities Disputes (UDL) does, would you now consider **using** UDL?

- Yes
- No
- Not sure

223

51. Please tell us more about why you would or wouldn't use UDL?

A bit about you

3

52. Are you?

- Male
- Female
- Another gender
- Prefer not to answer

4

53. Which age group are you in?

- Under 18 years
- 18-24 years
- 25-34 years
- 35-44 years
- 45-49 years
- 50-54 years
- 55-64 years
- 65-74 years
- 75 years and over



5

54. Where do you live?

- Northland
- Auckland
- Waikato
- Bay of Plenty
- Gisborne
- Hawke's Bay
- Taranaki
- Manawatū-Whanganui
- Wellington
- West Coast
- Canterbury
- Otago
- Southland
- Tasman
- Nelson
- Marlborough
- Area Outside Region

7

55. Which of the following best describes where you live?

- A mainly urban area
- Neither urban or rural area
- A mainly rural area

6

56. Which ethnic group or groups do you belong to?

Please select all that apply.

- European - please specify
- Māori - please specify
- Pacific peoples - please specify
- Asian - please specify
- Middle Eastern - please specify
- Latin American - please specify
- African - please specify
- Other ethnicity - please specify

14

57. Is English the main language you speak?

- Yes
- No, another language - please specify



More about you

16

58. The next few questions are about any physical or psychological issues you may personally experience.

	No - no difficulty at all	Yes - some difficulty	Yes - a lot of difficulty	Cannot do at all
Do you have difficulty seeing, even if wearing glasses?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have difficulty hearing, even if using a hearing aid?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have difficulty walking or climbing steps?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have difficulty remembering or concentrating?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have difficulty with self-care, for example, washing all over or dressing?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using your usual language, do you have difficulty communicating, for example, understanding or being understood?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have difficulty with daily activities due to a mental health condition that has lasted or is expected to last six months or more?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

More about you

Page description:

We know utilities issues affect all kiwis and want to understand more about your background. This helps us better understand your experience, and how your experience may be different from others' experiences.

11

59. What is the highest level of education you have achieved?

- Secondary school
- Certificate or diploma level
- Bachelor's degree
- Postgraduate diploma or certificate
- Postgraduate degree
- Another level of education - please specify
- Prefer not to say

Your household

Page description:

We know utilities issues affect all kiwis and want to understand more about your background. This helps us better understand your experience, and how your experience may be different from others' experiences.



LOGIC Show/hide trigger exists.

12

60. Which of the following best describes your household?

- I live with my parent(s)
- I share a house/apartment with friends/others
- I live alone
- I live with my partner
- I live with my partner and child(ren)
- I live with my extended family
- I live with my extended family and child(ren)
- I am a single parent and live with my child(ren)
- Other household type - please specify
- Prefer not to say

236

61. Thinking about where you live, do you yourself:

- hold it in a family trust?
- own or partly own it, with or without a mortgage?
- neither of these, for example, renting

LOGIC Hidden unless: #60 Question "Which of the following best describes your household?" is one of the following answers ("I live with my partner and child(ren)", "I live with my extended family and child(ren)", "I am a single parent and live with my child(ren)")

15

62. You mentioned that you live with your child(ren), is your youngest child under 15 years old?

- Yes
- No
- Prefer not to say

Wellbeing

Page description:

We know utilities issues affect all kiwis and want to understand more about your background. This helps us better understand your experience, and how your experience may be different from others' experiences.

Page exit logic: Skip / Disqualify Logic

IF: #64 Question "Where 0 is extremely badly, and 10 is extremely well, how would you rate how your family is doing these days?" THEN: Jump to [page 27 - Thank You!](#) Flag response as complete

26

63. Where 0 is completely dissatisfied, and 10 is completely satisfied, how do you feel about your life as a whole?

- | | | | | | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| <input type="radio"/> |



34

64. Where **0 is extremely badly**, and **10 is extremely well**, how would you rate how your family is doing these days?

- | | | | | | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| <input type="radio"/> |

Disqualification

Action: URL Redirect
Disqualification redirect

Thank You!

1

Thank you for taking our survey. Your response is very important to us.



MARTIN JENKINS



Wellington T +64 4 499 6130
Level 1, City Chambers, Cnr Johnston and Featherston Streets, Wellington 6011, PO Box 5256, Wellington 6140, New Zealand

Auckland T +64 9 915 1360
Level 16, 41 Shortland Street, Auckland 1010, New Zealand

info@martinjenkins.co.nz martinjenkins.co.nz