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Consumer experience with the financial sector

Research report

fiftyfive5

 **FMA**
FINANCIAL MARKETS AUTHORITY
TE MANA TĀTAI HOKOHOKO

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Contents

| | | |
|----------|--|-----------|
| 1 | Foreword from the CE | 8 |
| 2 | Executive Summary | 9 |
| 3 | About this research | 12 |
| 4 | Consumer mindset and context | 13 |
| | Summary of key findings | 13 |
| | Defining vulnerability | 14 |
| | Current financial situation | 17 |
| | Understanding of financial matters | 20 |
| | Financial goals | 29 |
| 5 | Trust, confidence and fairness | 30 |
| | Summary of key findings | 30 |
| | Confidence in NZ's financial markets | 31 |
| | What constitutes fair treatment from a financial services provider | 34 |
| | Trust in NZ financial institutions | 36 |
| | Awareness and perceptions of the FMA | 38 |
| 6 | Advice and information seeking | 41 |
| | Summary of key findings | 41 |
| | Sources of financial information and trust in information sources | 42 |
| | Use of financial advisers | 48 |
| | Trust in digital and automated tools to select financial products | 52 |
| 7 | Financial products and services | 53 |
| | Overview of current and considered financial products | 53 |
| | Banking products | 55 |
| | Summary of key findings | 55 |
| | Demographic differences in banking products held | 56 |

| | |
|--|------------|
| Drivers of banking product choice | 57 |
| Providers of banking products | 58 |
| Insurance products | 60 |
| Summary of key findings | 60 |
| Demographic differences in insurance products held | 61 |
| Drivers of insurance product choice | 62 |
| Barriers to insurance products | 63 |
| Providers of insurance products | 64 |
| Policy claims outcomes by insurance type | 68 |
| Problems experienced when making claims | 70 |
| Investment products | 72 |
| Summary of key findings | 72 |
| Demographic differences in investment products held | 73 |
| Drivers of investment product choice | 75 |
| Barriers to investment products | 76 |
| Providers of investment products | 77 |
| Attitudes towards ethical investing | 81 |
| Use of investment materials | 83 |
| 8 Provider experience | 87 |
| Summary of key findings | 87 |
| Satisfaction with financial providers | 88 |
| Drivers of overall satisfaction with financial providers | 89 |
| Satisfaction with provider service aspects | 107 |
| Quality of information received from financial providers | 108 |
| Problems experienced with financial products | 111 |
| Consumer experience with complaints process | 112 |
| 9 Areas for further exploration | 116 |
| 10 Appendix: Technical report | 117 |
| Sample design | 117 |
| Interlocking age x gender x region | 117 |
| Ethnicity | 119 |
| Income | 119 |
| Education | 120 |
| Questionnaire development | 121 |

| | |
|--|-----|
| Question types | 122 |
| Cognitive testing and pilot | 122 |
| Fieldwork procedures | 124 |
| Data processing & analysis | 124 |
| Quality control and data cleaning procedures | 124 |
| Weighting | 124 |
| Limitations | 125 |

List of figures and tables

4 Consumer mindset and context

Defining vulnerability

| | |
|---|----|
| Table 1. Vulnerability characteristics and how these were defined | 14 |
| Figure 1. Number of vulnerability criteria met | 15 |
| Figure 2. Proportion who meet each vulnerability risk factor | 16 |

Current financial position

| | |
|--|----|
| Figure 3. Current financial situation | 17 |
| Figure 4. Current financial situation by vulnerability characteristics (net flying ahead / swimming happily) | 18 |
| Figure 5. Reasons for worsening financial situation | 19 |

Understanding of financial matters

| | |
|--|----|
| Figure 6. Self-rated understanding of financial matters | 20 |
| Figure 7. Self-rated financial understanding by vulnerability characteristics (net 4 / 5) | 21 |
| Figure 8. Attitudes towards current financial position | 22 |
| Table 2. Attitudes towards current financial position (net agree/strongly agree) by age | 23 |
| Table 3. Attitudes towards currently financial position (net agree/strongly agree) by ethnicity | 23 |
| Figure 9. Financial knowledge & understanding statements | 25 |
| Table 4. Financial knowledge & understanding statements (net agree/strongly agree) by age | 26 |
| Table 5. Financial knowledge & understanding statements (net agree/strongly agree) by gender and ethnicity | 27 |

Financial goals

| | |
|------------------------------------|----|
| Figure 10. Current financial goals | 29 |
|------------------------------------|----|

5 Trust, confidence and fairness

Confidence in NZ's financial markets

| | |
|---|----|
| Figure 11. Overall confidence in NZ financial markets | 31 |
| Figure 12. Overall confidence in NZ financial markets over time | 32 |
| Figure 13. Confidence in the effective regulation of NZ financial markets over time | 33 |

What constitutes fair treatment from a financial services provider

| | |
|---|----|
| Figure 14. Confidence in knowing steps to take when treated unfairly | 34 |
| Figure 15. What constitutes fair treatment from a financial services provider | 35 |

Trust in NZ financial institutions

| | |
|--|----|
| Figure 16. Trust in financial institutions | 36 |
| Table 6. Trust in financial institutions (net somewhat/strongly trust) by demographics | 37 |

Awareness and perceptions of the FMA

| | |
|---|----|
| Figure 17. Perceptions of the FMA | 38 |
| Figure 18. Perceptions of the FMA (among investors) | 39 |
| Figure 19. Perceptions of the FMA (among those aware) | 40 |

6 Advice and information seeking

Sources of financial information and trust in information sources

| | |
|---|----|
| Figure 20. Sources of financial information used in the past 12 months | 42 |
| Figure 21. Sources of financial information used in the past 12 months by age | 43 |
| Figure 22. Sources of financial information used in the past 12 months by annual household income | 44 |
| Table 7. Sources of information used in the past 12 months by ethnicity | 45 |
| Figure 23. Relationship between usage of financial information sources and trust | 46 |
| Figure 24. Trust in sources of financial information (% somewhat / strongly trust) by age | 47 |

Use of financial advisers

| | |
|---|----|
| Figure 25. Use of financial advisers in the past 12 months | 48 |
| Table 8. Profile of those who have used a financial adviser | 48 |
| Figure 26. Who is considered to be a financial adviser | 50 |
| Figure 27. Reasons for using a financial adviser | 51 |

Trust in digital and automated tools to select financial products

| | |
|--|----|
| Figure 28. Trust in computers/automated tools to handle financial transactions | 52 |
|--|----|

7 Financial products and services

Overview of current and considered financial products

| | |
|--|----|
| Figure 29. Current financial products | 53 |
| Figure 30. Financial products considered in the next 12 months | 54 |

Banking products

| | |
|--|----|
| Table 9. Banking products held by demographics | 56 |
| Figure 31. Drivers of banking product choice | 57 |
| Figure 32. Providers of banking products | 58 |
| Figure 33. How banking products were initially bought/opened | 59 |
| Figure 34. Percentage of mortgages that were initially bought/opened via mortgage brokers by age | 59 |

Insurance products

| | |
|---|----|
| Table 10. Insurance products held by demographics | 61 |
| Figure 35. Drivers of insurance product choice | 62 |
| Figure 36. Barriers to taking up insurance products | 63 |
| Figure 37. Providers of each insurance product | 64 |
| Figure 38. How insurance products were initially bought/opened | 65 |
| Figure 39. How insurance products were initially bought/opened by age | 66 |
| Figure 40. Insurance policies claimed on in past 2 years | 68 |
| Figure 41. Insurance policy claim outcomes | 69 |
| Figure 42. Whether experienced any problems when making insurance claim | 70 |

Investment products

| | |
|--|----|
| Table 11. Investment products held by demographics | 73 |
| Figure 43. Drivers of investment product choice | 75 |
| Figure 44. Barriers to taking up investment products | 76 |
| Figure 45. Providers of each investment product – correspondence analysis plot | 77 |
| Table 12. How investment products were initially bought/opened | 78 |
| Figure 46. How investment products were initially bought/opened by age | 79 |

| | |
|--|----|
| Figure 47. Preference for ethical investments | 81 |
| Figure 48. Whether have chosen providers based on their ethical credentials | 82 |
| Figure 49. Whether investment materials helped them make an informed decision | 83 |
| Figure 50. Whether investment materials helped them make an informed decision - trend | 83 |
| Figure 51. Extent of agreement that materials received were clear, concise and effective | 84 |
| Figure 52. Investment materials used to make an informed investing decision | 85 |
| Figure 53. Usefulness of materials in making an informed decision | 86 |

8 Provider experience

Satisfaction with financial providers

| | |
|--|-----|
| Figure 54. Satisfaction with financial providers | 88 |
| Figure 55. Drivers of satisfaction with DIY investing platforms (top 5 shown) | 89 |
| Figure 56. Drivers of satisfaction with banks (top 5 shown) | 92 |
| Figure 57. Drivers of dissatisfaction with banks (top 5 shown) | 94 |
| Figure 58. Drivers of satisfaction with insurance companies (top 5 shown) | 96 |
| Figure 59. Drivers of dissatisfaction with insurance companies (top 5 shown) | 98 |
| Figure 60. Drivers of satisfaction with KiwiSaver / investment / fund management providers (top 5 shown) | 100 |
| Figure 61. Drivers of dissatisfaction with KiwiSaver / investment / fund management providers (top 5 shown) | 102 |
| Figure 62. Drivers of satisfaction with credit unions, building societies or finance companies (top 5 shown) | 104 |
| Figure 63. Satisfaction with provider service aspects (net satisfied / very satisfied) | 107 |

Quality of information received from financial providers

| | |
|---|-----|
| Figure 64. Extent to which the information received from providers was easy to understand | 108 |
| Figure 65. Extent to which the information received from providers was sufficient and easily accessible | 109 |
| Figure 66. Extent to which the information received from providers was open and transparent about the benefits and risks of the product | 110 |

Problems experienced with financial products

| | |
|---|-----|
| Figure 67. Problems experienced with financial products in past 12 months | 111 |
|---|-----|

Customer experience with complaints process

| | |
|---|-----|
| Figure 68. Whether have ever made a complaint about a financial services provider | 112 |
| Figure 69. Whether complaint was resolved and how it was made | 113 |
| Figure 70. Satisfaction with how complaint was handled | 114 |
| Figure 71. Reasons for not making a complaint | 115 |

10 Appendix: Technical report

| | |
|--|-----|
| Table 13. Age, gender and region quotas, Census data | 117 |
| Table 14. Ethnicity quotas, Census data | 119 |
| Table 15. Income quotas, Census data | 119 |
| Table 16. Education quotas, Census data | 120 |
| Table 17. Questionnaire structure | 121 |

1 Foreword from the CE

Throughout my career in financial services, I have always underlined the need with the sector to understand the experience of consumers, their needs, the issues they face and how we can use these insights to improve their outcomes. Therefore, it is my pleasure to introduce the most significant consumer research the FMA has done to date.

Our new Consumer Experience with the Financial Sector research provides a snapshot of consumer and investor experience of financial services. This nationally representative research is part of the FMA's commitment to building a better understanding of consumers to help shape our regulation of the financial sector.

Understanding how New Zealanders experience the financial sector is key to achieving a strong, trusted financial sector that treats consumers and investors fairly and honestly.

We asked consumers what fairness means to them. They told us they wanted transparency, simple information and to be treated as valued customers. The research suggests many consumers need products that are more closely tailored to their needs and want more meaningful and proactive contact from their providers.

Some of the findings are worrying. Our research shows that just two in ten New Zealanders feel they are in a secure financial position, and that this is particularly so for women, Māori and Pacific Peoples.

We are publishing the research in its entirety, encouraging the wider financial sector to study these findings and consider what it might mean for their businesses.

For its part, the FMA will use this research to help inform our future work plan and where we should focus our attention.

By deepening our collective understanding of New Zealanders' experiences of financial services, we can work together towards greater financial wellbeing for all.



Samantha Barrass
Chief Executive
Financial Markets Authority

2 Executive Summary

This research is intended to provide a snapshot of the financial services sector, how consumers interact with the sector and how they perceive their banking, investing and insurance providers.

The research findings cover the following five main areas:

- Consumer mindset and context
- Trust, confidence and fairness
- Advice and information seeking
- Financial products and services
- Provider experience

Consumer mindset and context

Overall, most New Zealanders do not feel they are in a secure financial position, as just one in five feel they are 'flying ahead' or 'swimming happily,' while the remainder feel they are either going backwards or just staying afloat. Over one in ten have also experienced a major worsening in their financial situation in the past two years, due to a range of factors including increased household expenses, reduced income as a result of COVID-19, or a job loss.

Just over half of New Zealanders feel they have a good level of financial understanding and on average, people have just under three financial goals they are actively working towards. Despite these efforts, most New Zealanders are not satisfied with the amount of savings they have and over a third do not believe they are able to afford financial advice or investments.

In addition, consumers with characteristics of vulnerability are less likely to feel they are in a secure financial position. This research outlines fourteen different characteristics of vulnerability.

Trust, confidence and fairness

A quarter of consumers say they feel nervous about speaking to financial services providers and find it hard to find suitable products and services. Meanwhile, only a third of New Zealanders would know what to do if they were treated unfairly by a financial services provider.

When it comes to fairness, consumers most want providers to be open and transparent, by clearly explaining both the benefits and risks of their products and simplifying the small print, and to treat them as a valued customer.

Trust varies across financial institutions, with New Zealanders trusting banks the most and insurance and mortgage lenders (bank and non-bank) the least. People with higher incomes have higher levels of trust in all financial institutions, while older New Zealanders and those on lower incomes have lower levels of trust.

Advice and information seeking

New Zealanders consult on average 2.7 sources for information or advice about their finances. Online sources and friends/family are the most common and trusted.

Young people and people of Māori, Pacific or Chinese ethnicity are more likely to use social media as a source of financial information. While social media is less trusted than other sources by most people, young people are more likely to trust what they read on social media, particularly Reddit.

New Zealanders are more comfortable using automated digital tools to help them find insurance products, and less so for financial advice around investments.

Uptake of professional financial advice is higher among those with higher incomes, who are using financial advisers and brokers for help with making major financial decisions or to improve their overall financial position.

Financial products and services

Banking products

Ninety-four per cent of New Zealanders have at least one banking product, with ownership highest for savings and transaction accounts and credit cards. Savings accounts and credit cards are also among the most considered banking products for people to take up in the next twelve months.

Women and young people are more likely to use Buy Now Pay Later (BNPL) services while credit cards are more popular among older people, indicating a possible generational shift in attitudes toward credit.

Price is the biggest driver of choice of banking products, with both value for money and low prices having the greatest influence on which products are chosen, followed by recommendations from friends or family.

Insurance products

Over eight in ten New Zealanders have at least one insurance product; car insurance is most commonly held, followed by contents and house insurance. Consumers are also most likely to be considering taking up these types of insurance in the next twelve months.

Cost is the biggest barrier to taking up insurance and over a third of those who don't have any insurance say they are not able to afford it. Young people and those of Māori, Pacific or Asian ethnicities and people on lower incomes are less likely to have insurance, especially car, home, and contents.

The majority of insurance products are held with insurance companies rather than banks. Older people are less likely to have purchased insurance online, showing a strong preference for traditional channels.

Over half of New Zealanders have made an insurance claim in the past two years. Most insurance claims were successful regardless of insurance type, but travel insurance claims were most likely to be unsuccessful. Consumers who made a claim on their travel insurance were also most likely to have experienced a problem during the claim process, with long wait times and poor customer service being the most common issues.

Investment products

Eighty-two per cent of consumers have at least one investment product with KiwiSaver being the most popular, followed by shares and term deposits. Of the financial products people are considering in the next twelve months, shares are the most popular.

In contrast to other types of financial products, there is a strong gender skew in take up of investments, as males are more likely to have invested in several investment types including shares, managed funds, and cryptocurrencies.

When it comes to choosing investment products, good returns have the biggest influence, while value for money still plays an important role. The key barriers to investing are not having enough money to set aside for investments, as well as a lack of understanding or experience with investing.

Use of DIY investing platforms is more popular among younger people, as 18-34-year-olds are significantly more likely to have used an online share trading platform or app to purchase shares and managed funds.

Preference for ethical investments significantly outpaces ethical investing action, as almost seven in ten say they care about where their money is invested and would prefer for it to be invested ethically, yet only one-quarter have actively chosen ethical investment funds.

Finally, results indicate that investors are using a variety of investment materials to help them make informed investing decisions. Investment statements, KiwiSaver annual statements and fund updates were the most useful in helping investors make an informed decision about whether or not to invest.

Provider experience

Consumers who have products with share trading services, banks, and insurance companies are most satisfied with these providers. Several factors drive satisfaction across all types of providers, including offering services that are easy to use, being easy to contact, communicating regularly and proactively with customers, having friendly and helpful staff, and low fees or costs.

While a majority of New Zealanders have not had any issues with their financial products in the past year, the most common problem experienced was their investments not performing as well as expected, followed by unexpected fees and charges and receiving poor customer service.

Few consumers say they have ever made a complaint about a financial services provider with only three in ten New Zealanders feeling very or fairly confident in knowing what steps to take if they experienced unfair treatment. This is lower among women, those with low savings and those with low financial confidence.

Among those who did make a complaint, outcomes were mixed as over half say their complaint was resolved, while three in ten say it was not resolved. Among those who did not make a claim but would have liked to, the perception that it would be ineffective as well as unfamiliarity with the complaints process were key barriers.

3 About this research

The FMA commissioned Fiftyfive5 to conduct a nationwide survey to gain a comprehensive understanding of consumer experiences with the financial sector.

This included a range of specific research objectives:

- **Understand consumer mindset and context:** Understand and segment the demographic and psychographic profiles of a range of consumer and investor groups, including New Zealand adults with characteristics of vulnerability (see Section 4, *Defining vulnerability*, for further information on how this was defined)
- **Identify emerging risks** to provide evidence on where the FMA needs to take action or shift focus and assist in informing future strategic decision making of the FMA
- **Product and service usage:** Understand consumers' current product holdings
- **Trust, confidence and fairness:** Measure consumer trust and confidence in the NZ financial sector and whether they think they are getting a fair deal
- **Consumer experience:** Understand the consumer experience, behaviour and attitudes towards the financial sector, products, and services
- **Impact of financial advice:** Understand who does and doesn't use financial advice, why they do or don't, and how they use it.
- **Trusted information sources:** Understand which information sources consumers and investors use and trust
- **Consumer knowledge of regulations and protections:** Evaluate consumer knowledge of financial regulations and protections.

The survey was conducted between 15 March and 11 April 2022 among a nationally representative sample of 2,509 New Zealanders covering a range of topics on financial products and services.

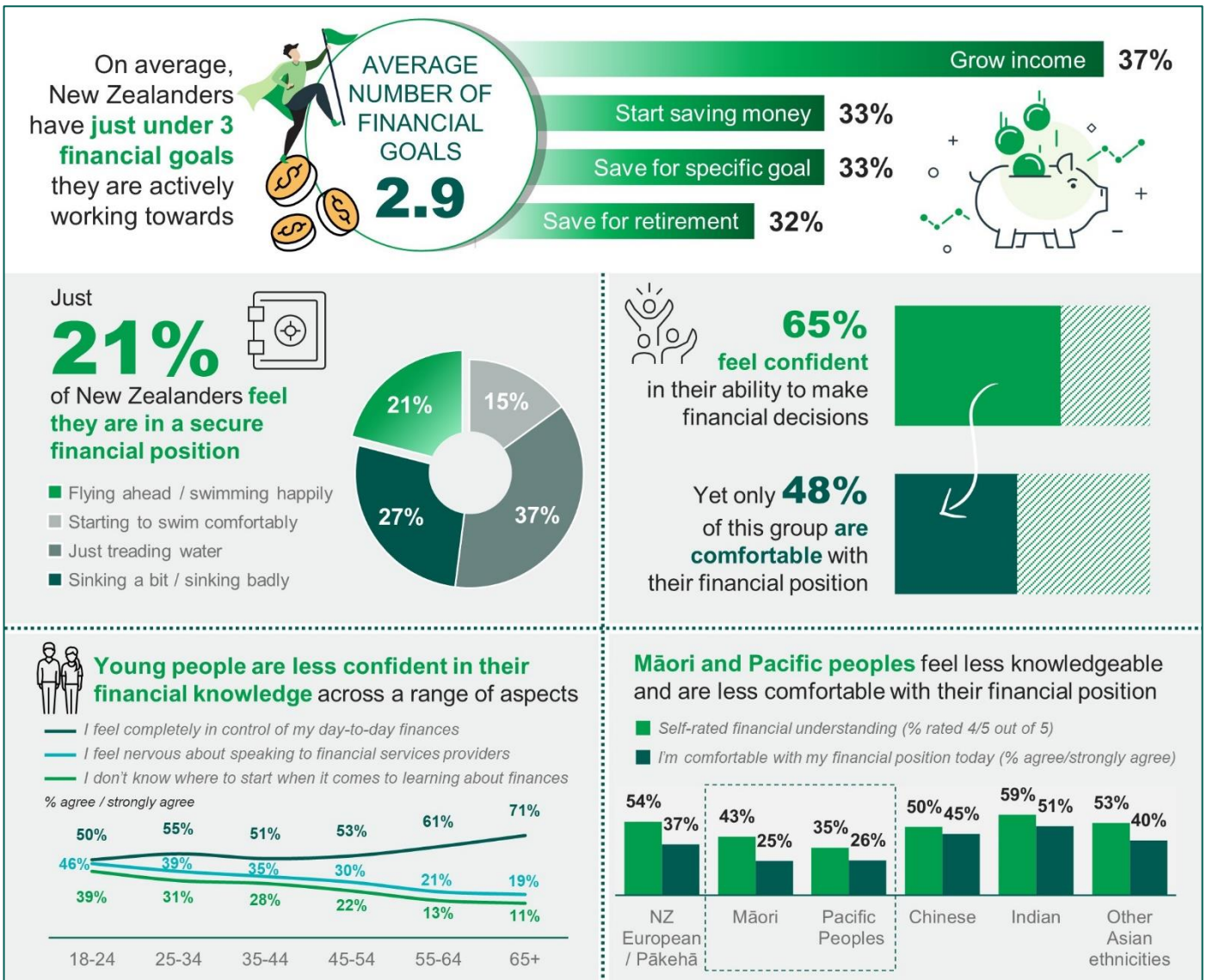
Where applicable, the results highlight significant differences between subgroups or where subgroup results differ significantly from those of the total sample. For questions which were previously asked in FMA' annual Investor Confidence survey, results have been compared to previous years' findings to show significant changes or trends.

The margin of error on the overall sample of 2,509 is +/- 2% and statistical significance testing has been conducted at the 95% confidence level.

More detail can be found in the **Technical Report** in the Appendix of this report (Section 10).

4 Consumer mindset and context

Summary of key findings



Defining vulnerability

Vulnerability was defined based on fourteen different criteria, based on four main drivers of vulnerability from the Council of Financial Regulators (CoFR) Consumer Vulnerability Framework: Health, life events, resilience, and capability.¹

‘Vulnerability’ refers to the extent to which a consumer is at **risk of harm**, following the UK Financial Conduct Authority’s definition of vulnerability: “A vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment (harm), particularly when a firm is not acting with appropriate levels of care.”²

The fourteen criteria or risk factors that were used and their definitions are as follows:

Table 1. Vulnerability characteristics and how these were defined

| Driver | Trait | Defined by |
|--------------------------------------|-----------------------------------|---|
| HEALTH & PHYSICAL FACTORS | Mental health conditions | Currently or previous experienced mental health conditions (self or immediate family) |
| | Physical health conditions | Currently or previous experienced physical health conditions (self or immediate family) |
| | Learning disabilities | Currently or previous experienced neurodiversity (self or immediate family) |
| | Physical disabilities | Currently or previous experienced physical disabilities (self or immediate family) |
| LIFE EVENTS | Recently migrated | Lived in NZ less than 5 years |
| | Caring responsibilities | Became a full-time or part-time carer in the past 2 years |
| | Bereavement | Experienced the death of an immediate or close family member in the past 2 years |
| | Ending of relationship | Separated from a spouse or long-term partner in the past 2 years |
| | Natural disasters | Experienced a natural disaster in the past 2 years |
| RESILIENCE | Low savings | Strongly disagree / disagree with the statement ‘I’m satisfied with the amount of savings I have’ |
| | Loss of income | Been fired / made redundant by an employer in the past 2 years |

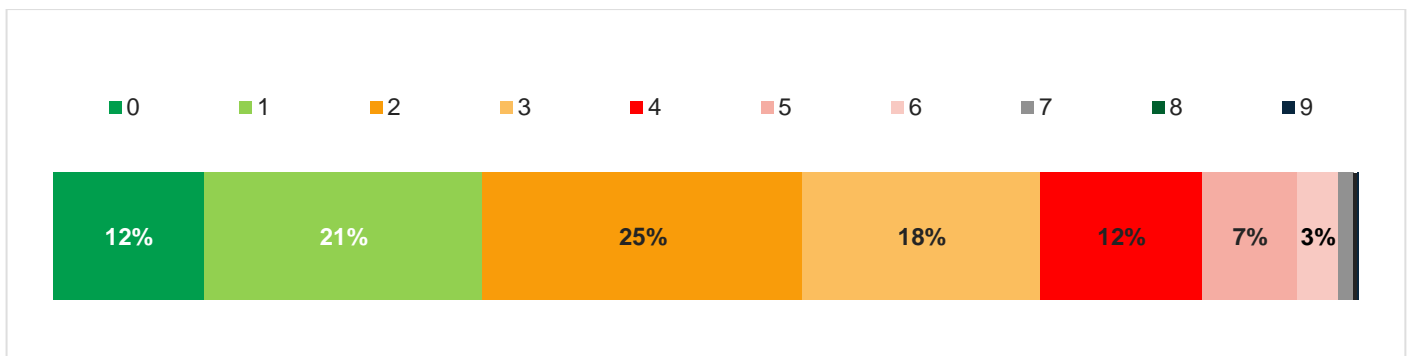
¹ Council of Financial Regulators (CoFR) Consumer Vulnerability Framework. <https://www.fma.govt.nz/assets/CoFR/CoFR-Consumer-Vulnerability-Framework-April-2021.pdf>

² Financial Conduct Authority FG21/1 Guidance for firms on the fair treatment of vulnerable customers. <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

| Driver | Trait | Defined by |
|------------|--------------------------------------|---|
| CAPABILITY | English as a second language | Speak a language other than English at home |
| | Lack of knowledge of consumer rights | Rate self as 'not at all confident' / 'not very confident' in knowing what steps to take if treated unfairly by a financial services provider |
| | Low level of financial capability | 'Strongly disagree' / 'disagree' with the statement 'I'm confident when it comes to making financial decisions that benefit me' |

The maximum number of criteria experienced by any respondent was nine and the average was 2.4. Just over one in ten (12%) New Zealanders did not meet any of the fourteen criteria, just under half (46%) met 1 or 2 criteria, and over four in ten (43%) met three or more.

Figure 1. Number of vulnerability criteria met

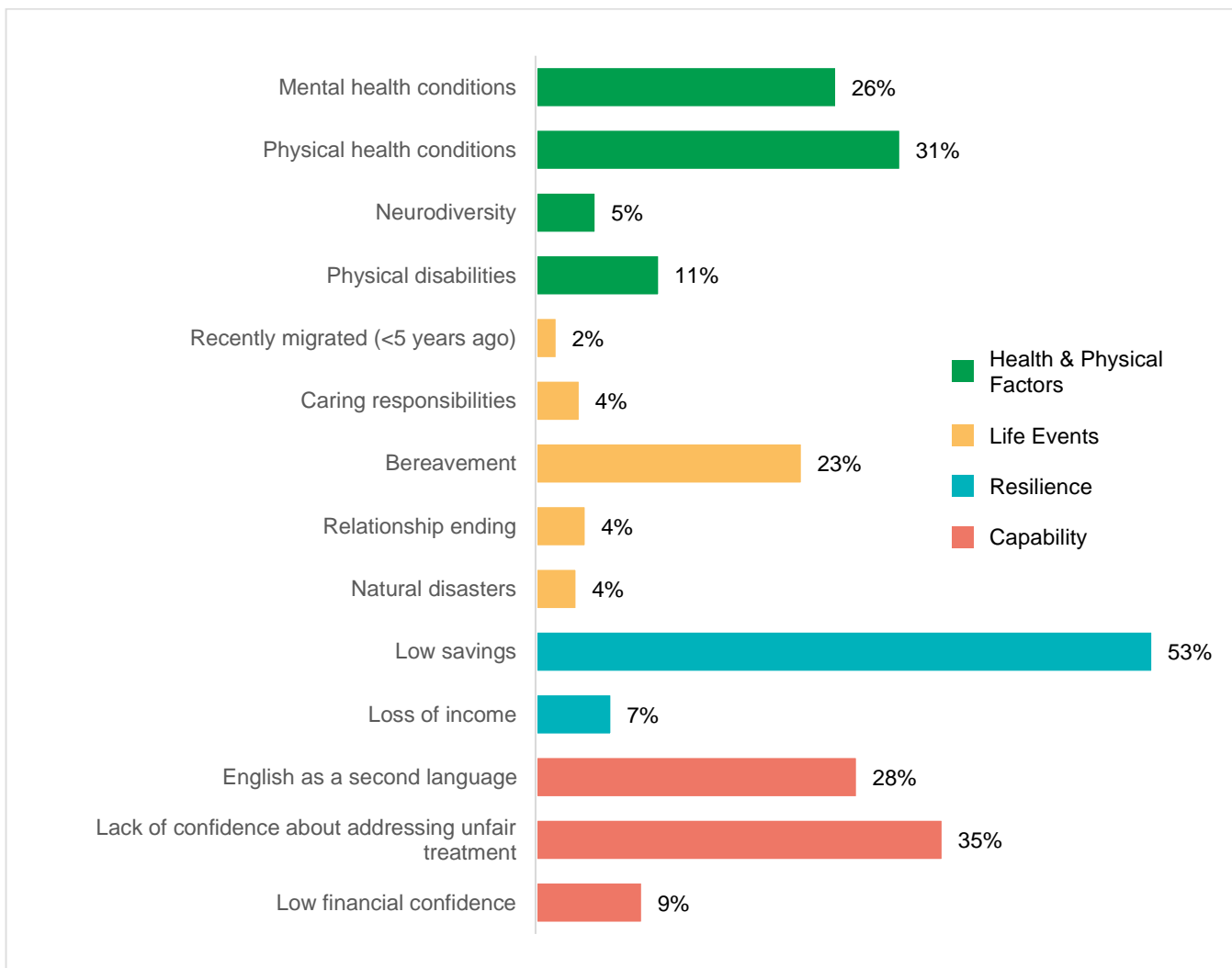


Base: Total New Zealanders 18+ (n=2509)

Figure 2 below shows the proportion of New Zealanders who have experienced each event or risk factor for experiencing harm.

A total of 88% have at least one characteristic of vulnerability and are hence at greater risk of harm; this equates to just under 3.5 million New Zealanders. Women and 18–34-year-olds are significantly more likely to have at least one characteristic of vulnerability (91%).

Figure 2. Proportion who meets each vulnerability risk factor

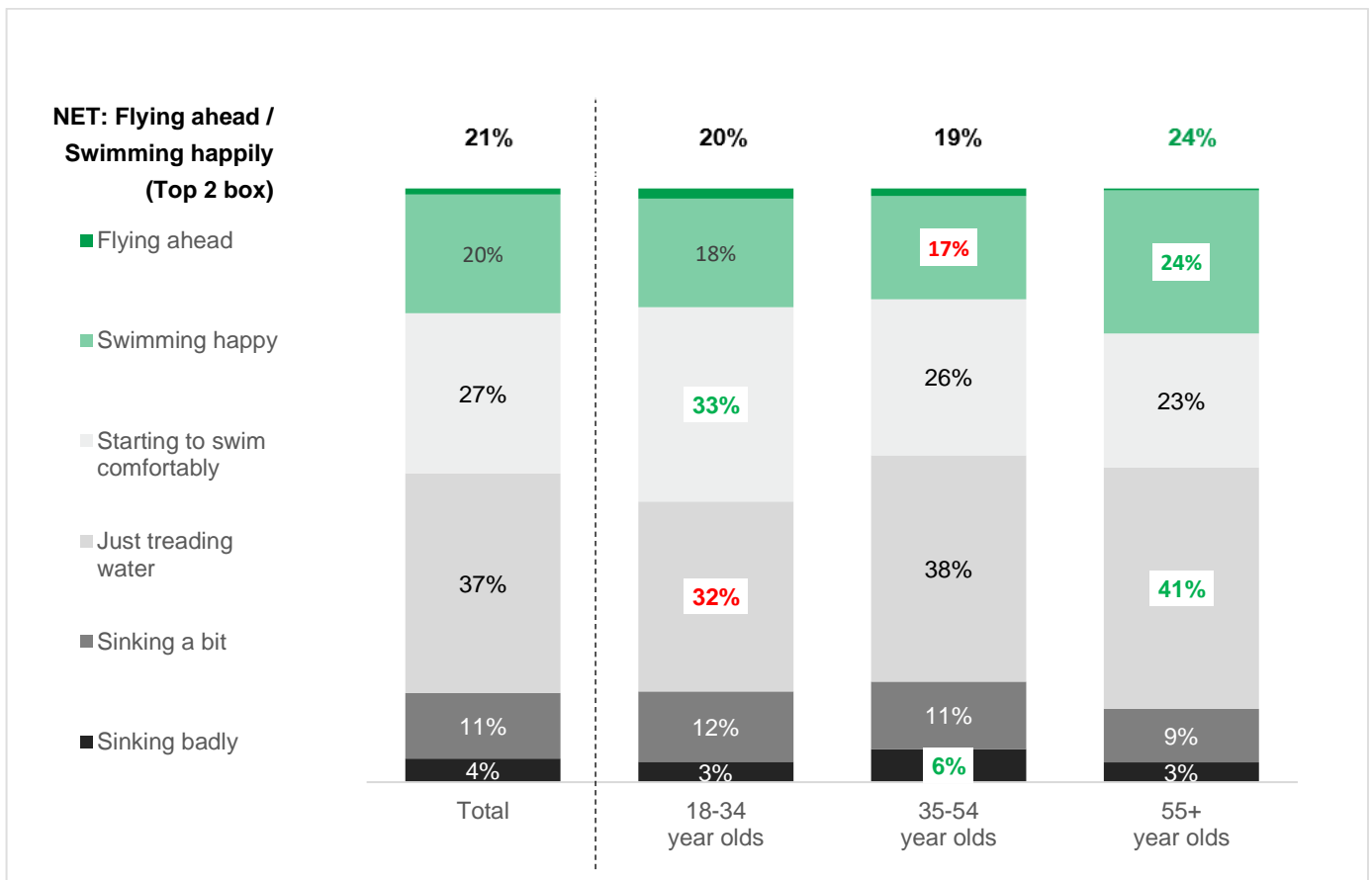


Base: Total New Zealanders 18+ (n=2509)

Current financial situation

Overall, one in five New Zealanders feel positively about their current financial position, considering themselves to be either ‘flying ahead’ or ‘swimming happily’. This rises to 24% among older age groups (55+), while 18–34-year-olds are more likely to feel they are ‘starting to swim comfortably’ (33%, vs 27% overall). Across age groups a considerable minority (between 32% to 41%) feel they are ‘just treading water’, while a further 12% to 15% feel their financial situation has gotten worse, considering themselves to be ‘sinking a bit’ or ‘sinking badly’.

Figure 3. Current financial situation



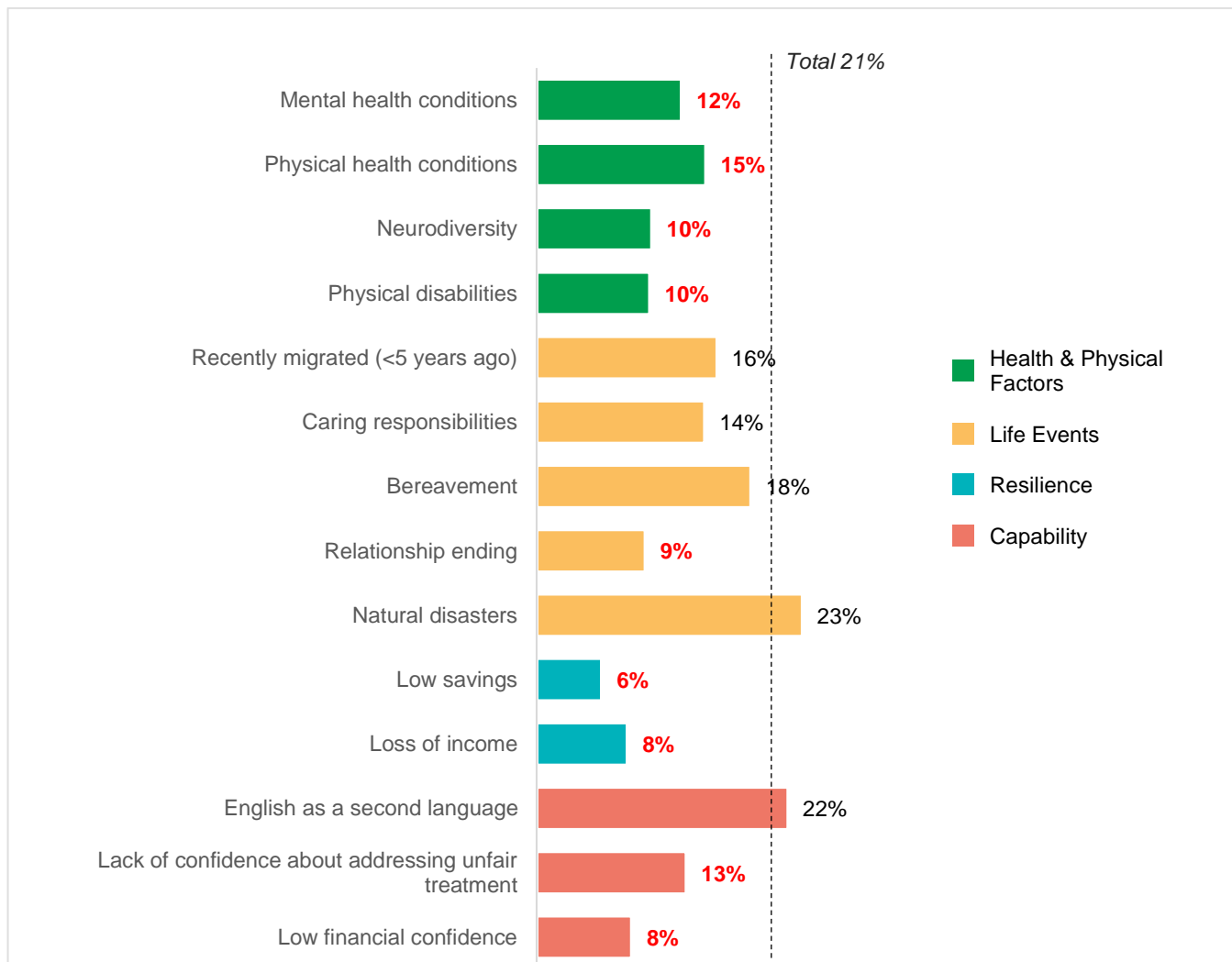
B1. How would you describe your **current financial position**?

Base: Total New Zealanders 18+ (n=2509)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Consumers with characteristics of vulnerability are less likely to feel they are in a secure financial position. This is illustrated in Figure 4 below where consumers across many of the fourteen criteria for vulnerability are less likely to be ‘flying ahead’ or ‘swimming happily’. This is particularly so for people with low savings or who have lost income (6% and 8%, respectively), those with low financial confidence (8%), those who have separated from a spouse or long-term partner in the past two years (9%), and those who have experienced mental health conditions (12%), physical health conditions (15%), neurodiversity (10%) or physical disabilities (10%).

Figure 4. Current financial situation by vulnerability characteristics (net flying ahead / swimming happily)



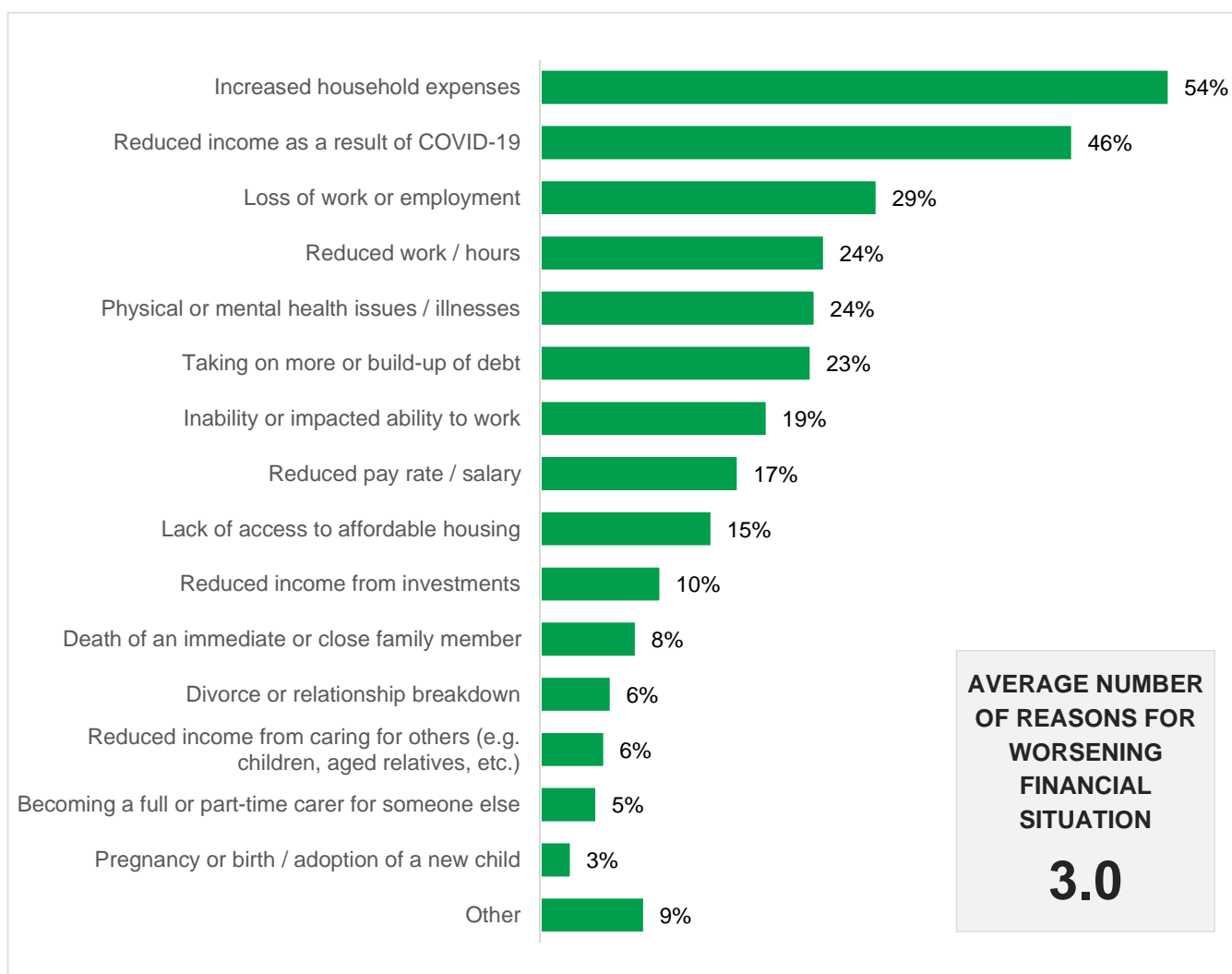
B1. How would you describe your **current financial position**?

Base: Total New Zealanders 18+ (n=2509)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Fourteen per cent of New Zealanders have experienced a major worsening of their household financial situation since March 2020. The main contributing factors behind their worsened financial situation include increased household expenses (54%), reduced income resulting from COVID-19 (46%), loss of work or employment (29%) or reduced work hours (24%). Other common contributing factors included physical or mental health issues or illness (24%), debt (23%), inability or impacted ability to work (19%), reduced pay (17%) and lack of access to affordable housing (15%).

Figure 5. Reasons for worsening financial situation



A.: Which, if any, of these major events have happened to you in your life in the past 2 years (i.e., since March 2020)?

A5. You mention that you have experienced a major worsening in your **household's financial situation** in the past 2 years. What has contributed to that?

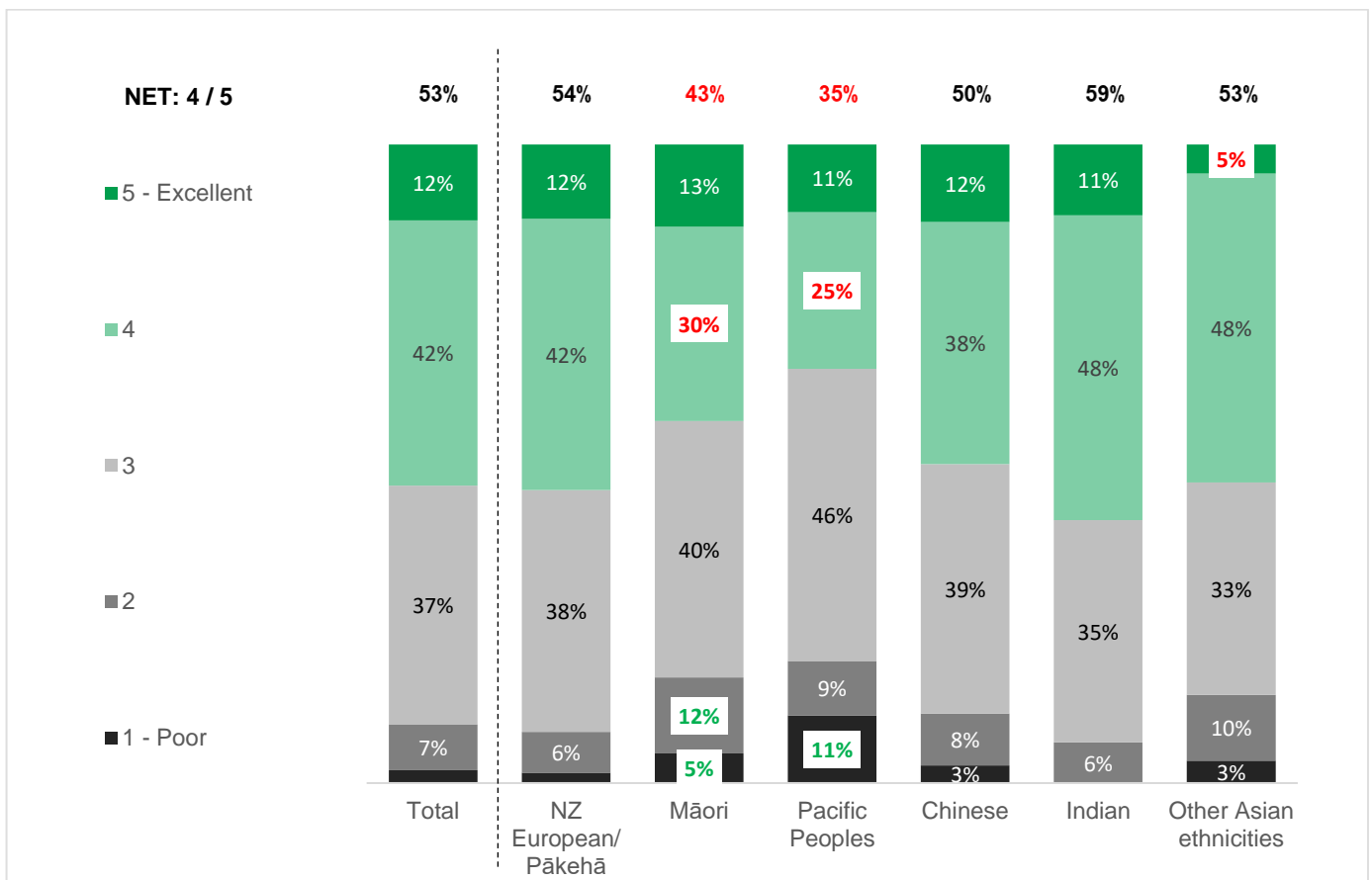
Base: New Zealanders 18+ who have experienced a major worsening in their household financial situation (n=354)

Understanding of financial matters

Just over half (53%) of New Zealanders feel they have a good level of financial understanding, rating themselves a 4 or 5 out of 5, while a further 37% give a neutral rating of 3 and 9% feel they have a low level of understanding, giving themselves a rating of 1 or 2 out of 5.

Self-rated financial knowledge and understanding is significantly lower among Māori and Pacific peoples, where 43% and 35% give a rating of 4 or 5, respectively. Other subgroups where a significantly lower proportion give a rating of 4 or 5 include females (49%), 18–24-year-olds (38%) and those with annual household incomes under \$20,000 (36%).

Figure 6. Self-rated understanding of financial matters



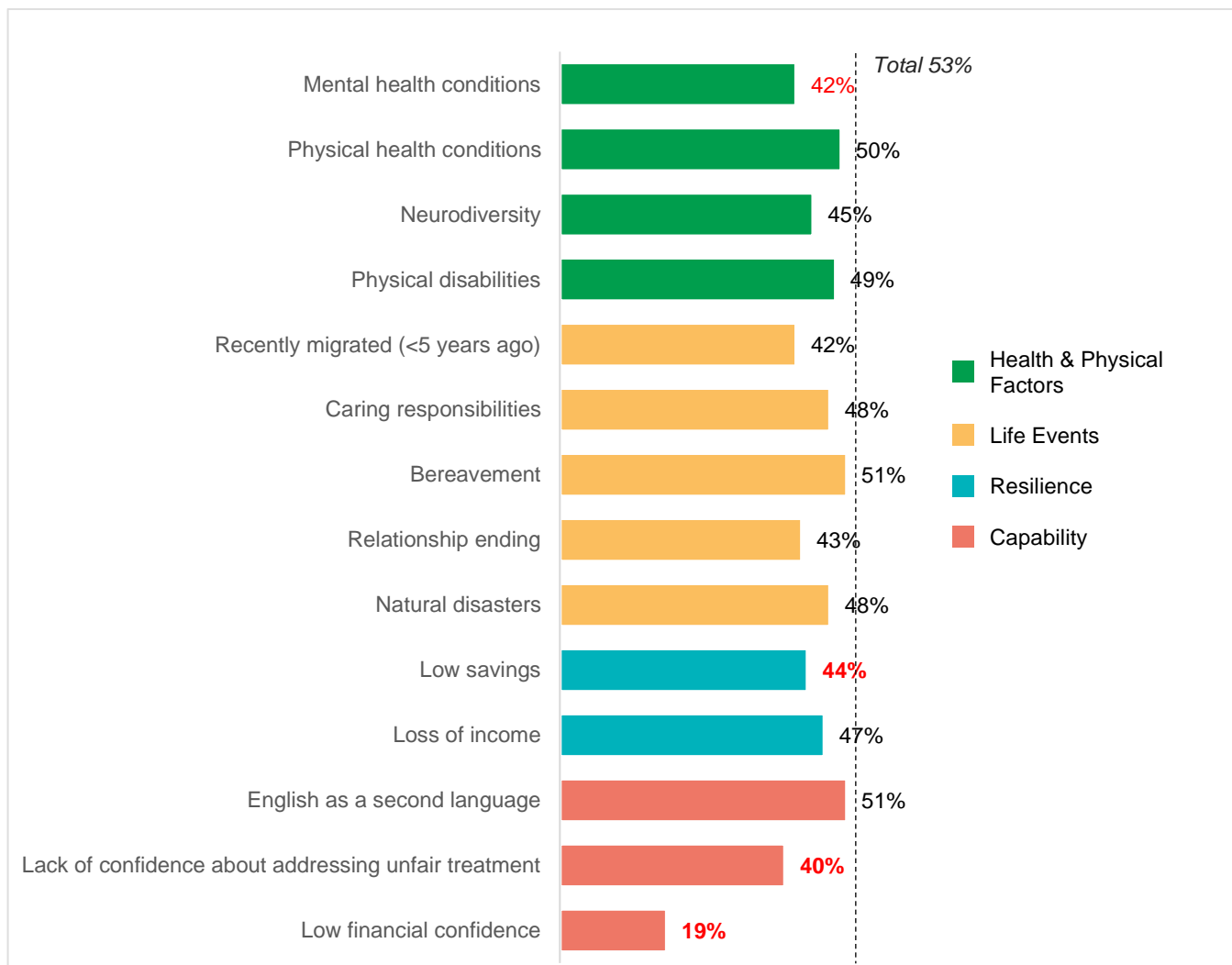
B3. On a scale of 1 to 5 where 1 is 'Poor' and 5 is 'Excellent', how would you assess your understanding of financial matters?

Base: Total New Zealanders 18+ (n=2509)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Self-rated financial knowledge is also lower among several vulnerable characteristic groups, especially those experiencing mental health conditions (42% give a rating of 4 or 5, compared with 53% overall), those with low savings (44%), those who lack confidence in addressing unfair treatment (40%) and those with low financial confidence generally (19%).

Figure 7. Self-rated financial understanding by vulnerability characteristics (net 4 / 5)



B3. On a scale of 1 to 5 where 1 is 'Poor' and 5 is 'Excellent', how would you assess your understanding of financial matters?

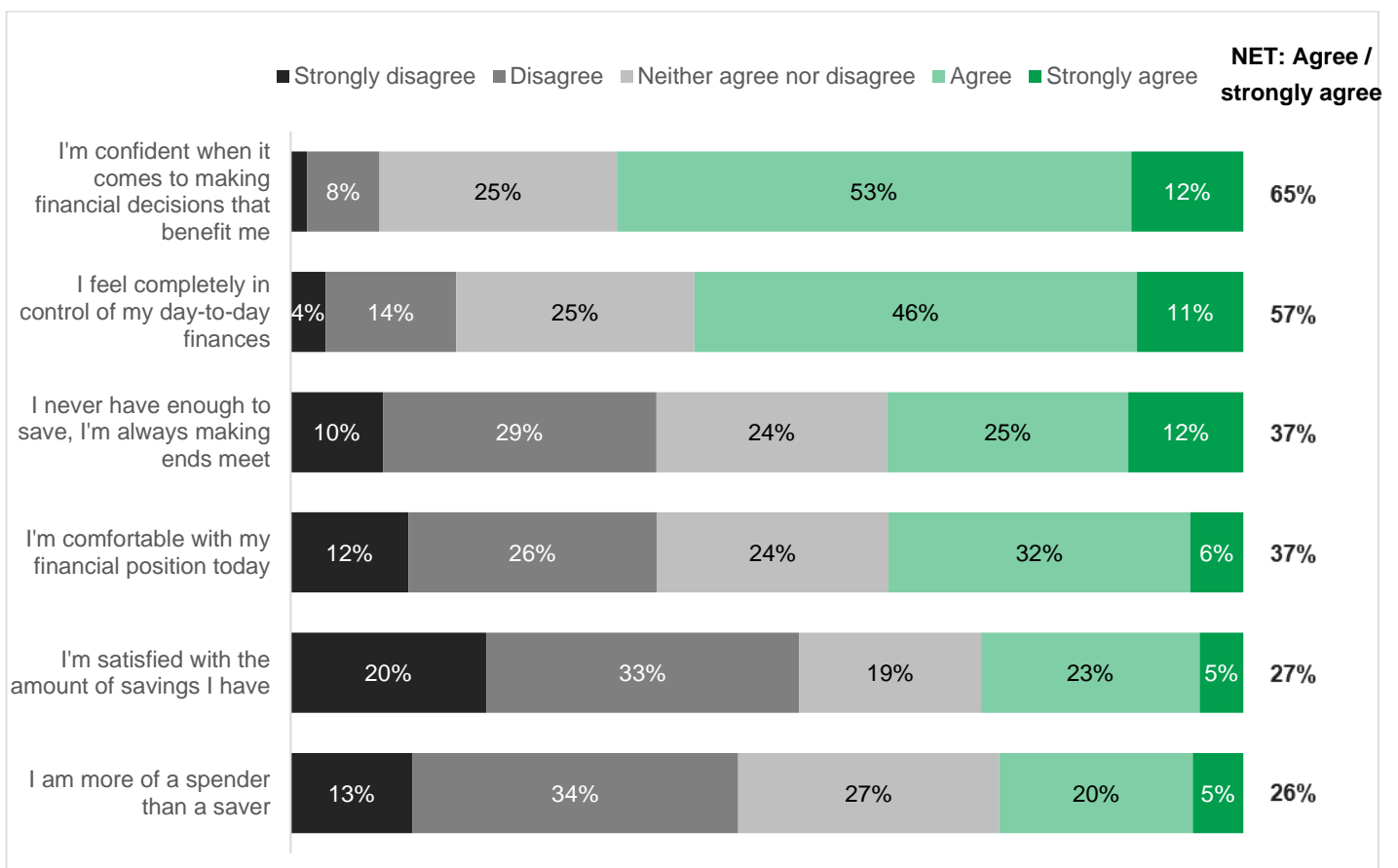
Base: Total New Zealanders 18+ (n=2509)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Respondents were asked a range of statements to understand how they felt about their financial position and ability to make financial decisions.

Although almost two-thirds (65%) agree or strongly agree that they are confident about making financial decisions and 57% that they feel completely in control of their day-to-day finances, almost two in five (37%) say they never have enough to save. The same proportion (38%) feel comfortable with their current financial position. Just over one in four consider themselves to be ‘more of a spender than a saver’ in their attitudes towards money.

Figure 8. Attitudes towards current financial position



B2: Thinking about your day-to-day financial situation, how do you rate how you feel about your current financial position?

Base: Total New Zealanders 18+ (n=2509)

Younger age groups are significantly less likely to feel confident about making financial decisions (52% of 18-24 year olds agree or strongly agree, compared to 77% among people aged 65 and over), feel in control of their finances (50% among 18-24 year olds, vs 71% among people aged 65 and over), feel comfortable with their financial position (35% among 18-24 year olds, vs 48% among people aged 65 and over), and are significantly more likely to feel they are more of a spender than a saver (34%, vs. 13% among people aged 65 and over). People aged 35-54 are significantly less likely to be satisfied with the amount of savings they have (22%, vs. 27% overall).

Table 2. Attitudes towards current financial position (net agree/strongly agree) by age

| Statement | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|---|-------|-------|-------|-------|-------|-----|
| I'm confident when it comes to making financial decisions that benefit me | 52% | 62% | 61% | 63% | 70% | 77% |
| I feel completely in control of my day-to-day finances | 50% | 55% | 51% | 53% | 61% | 71% |
| I never have enough to save, I'm always making ends meet | 31% | 42% | 42% | 42% | 39% | 26% |
| I'm comfortable with my financial position today | 35% | 38% | 34% | 30% | 36% | 48% |
| I'm satisfied with the amount of savings I have | 27% | 25% | 22% | 22% | 24% | 42% |
| I'm more of a spender than a saver | 34% | 36% | 34% | 23% | 15% | 13% |
| Column n | 239 | 462 | 427 | 455 | 412 | 514 |

B2. Thinking about your day-to-day financial situation, how do you rate how you feel about your current financial position?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

People of Māori and Pacific ethnicity are also significantly less likely to feel in control of their day-to-day finances (43% agree or strongly agree among Māori and 41% among Pacific peoples, vs. 57% overall), and are less likely to feel comfortable with their current financial position (25% agree or strongly agree among Māori and 26% among Pacific peoples, vs. 37% overall). These groups are also more likely to feel they are not saving enough (55% agree or strongly agree among Māori and 50% among Pacific peoples, vs. 37% overall).

Table 3. Attitudes towards currently financial position (net agree/strongly agree) by ethnicity

| Statement | NZ | | Pacific Peoples | Chinese | Indian | Other Asian ethnicities |
|---|-----------------|-------|-----------------|---------|--------|-------------------------|
| | European/Pākehā | Māori | | | | |
| I'm confident when it comes to making financial decisions that benefit me | 66% | 51% | 59% | 61% | 75% | 59% |

| Statement | NZ | | | | | |
|--|---------------------|-------|--------------------|---------|--------|----------------------------|
| | European/ Pākehā | Māori | Pacific Peoples | Chinese | Indian | Other Asian ethnicities |
| I feel completely in control of my day-to-day finances | 59% | 43% | 41% | 58% | 60% | 57% |
| I never have enough to save, I'm always making ends meet | 37% | 55% | 50% | 20% | 36% | 28% |
| I'm comfortable with my financial position today | 37% | 25% | 26% | 45% | 51% | 40% |
| I'm satisfied with the amount of savings I have | 28% | 16% | 20% | 32% | 37% | 29% |
| I'm more of a spender than a saver | 25% | 43% | 42% | 15% | 16% | 19% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

B2. Thinking about your day-to-day financial situation, how do you rate how you feel about your current financial position?

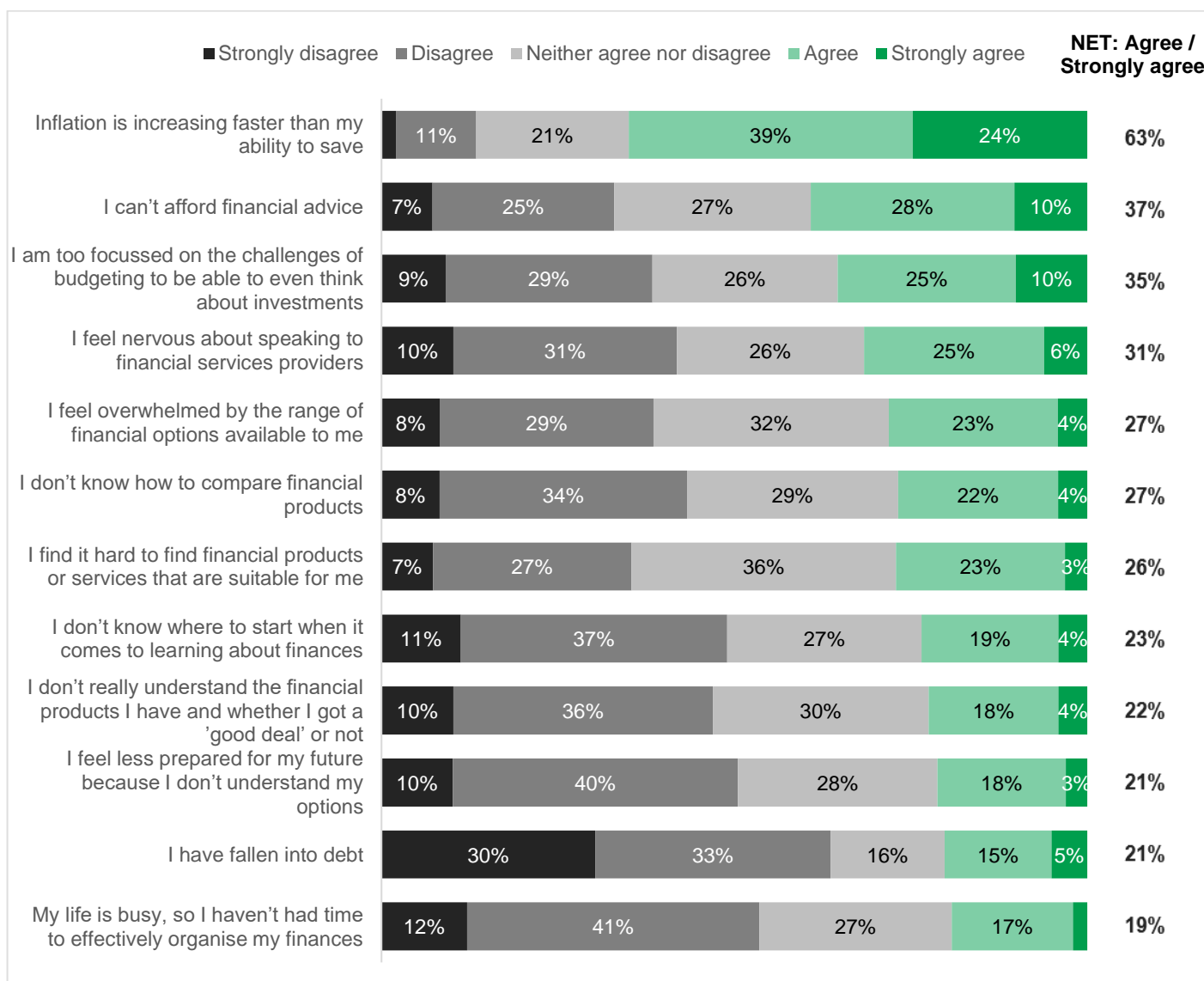
xx/xx significantly higher/lower vs. Total sample to 95% confidence

Respondents were asked a range of statements about their level of financial understanding as well as around financial concerns or worries they may have.

The greatest concern for New Zealanders is the ability to keep on top of inflation with over six in ten (63%) agreeing or strongly agreeing with the statement “Inflation is increasing faster than my ability to save.” Over one-third say they are not able to afford financial advice (37% agree/strongly agree) or investments (35% agree/strongly agree).

About three in ten say they feel anxious about speaking to financial services providers (31%), while over one in four feel overwhelmed by the range of financial products available (27%), don't know how to compare products (27%), or find products or services that are suitable for them (26%).

Figure 9. Financial knowledge & understanding statements



B5: To what extent do you agree or disagree with each of the following statements?

Base: Total New Zealanders 18+ (n=2509)

Younger people are less confident in their financial knowledge across a range of aspects. This is reflected by the fact that they are significantly more likely to agree or strongly agree with the majority of statements asked, as shown in Table 4 below.

Table 4. Financial knowledge & understanding statements (net agree/strongly agree) by age

| Statement | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65+ |
|--|-------|-------|-------|-------|-------|-----|
| Inflation is increasing faster than my ability to save | 54% | 67% | 65% | 65% | 65% | 59% |
| I can't afford financial advice | 44% | 37% | 38% | 42% | 36% | 30% |
| I am too focussed on the challenges of budgeting to be able to even think about investments | 42% | 40% | 40% | 39% | 28% | 21% |
| I feel nervous about speaking to financial services providers | 46% | 39% | 35% | 30% | 21% | 19% |
| I feel overwhelmed by the range of financial options available to me | 37% | 34% | 31% | 25% | 19% | 17% |
| I don't know how to compare financial products | 42% | 31% | 29% | 25% | 20% | 17% |
| I find it hard to find financial products or services that are suitable for me | 38% | 30% | 31% | 23% | 20% | 15% |
| I don't know where to start when it comes to learning about finances | 39% | 31% | 28% | 22% | 13% | 11% |
| I don't really understand the financial products I have and whether I got a 'good deal' or not | 39% | 29% | 24% | 19% | 16% | 9% |
| I feel less prepared for my future because I don't understand my options | 38% | 25% | 26% | 19% | 12% | 8% |
| I have fallen into debt | 18% | 25% | 31% | 24% | 19% | 6% |
| My life is busy, so I haven't had time to effectively organise my finances | 34% | 30% | 24% | 17% | 9% | 4% |
| <i>Column n</i> | 239 | 462 | 427 | 455 | 412 | 514 |

B5. To what extent do you agree or disagree with each of the following statements?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Females and people of Māori or Pacific ethnicity are also less confident in their financial knowledge, as they are significantly more likely to agree or strongly agree with the majority of statements asked (see Table 5 below).

Table 5. Financial knowledge & understanding statements (net agree/strongly agree) by gender and ethnicity

| Statement | | | NZ | | | | | |
|--|--------|------|---------------------|-------|--------------------|---------|--------|----------------------------|
| | Female | Male | European/ Pākehā | Māori | Pacific Peoples | Chinese | Indian | Other Asian ethnicities |
| Inflation is increasing faster than my ability to save | 66% | 59% | 64% | 64% | 62% | 68% | 55% | 52% |
| I can't afford financial advice | 41% | 33% | 37% | 48% | 45% | 37% | 27% | 33% |
| I am too focussed on the challenges of budgeting to be able to even think about investments | 38% | 31% | 33% | 47% | 54% | 34% | 40% | 27% |
| I feel nervous about speaking to financial services providers | 36% | 26% | 31% | 44% | 38% | 33% | 25% | 26% |
| I feel overwhelmed by the range of financial options available to me | 28% | 25% | 26% | 32% | 33% | 41% | 34% | 36% |
| I don't know how to compare financial products | 31% | 22% | 25% | 34% | 43% | 35% | 29% | 29% |
| I find it hard to find financial products or services that are suitable for me | 26% | 26% | 23% | 36% | 35% | 40% | 34% | 33% |
| I don't know where to start when it comes to learning about finances | 26% | 20% | 22% | 31% | 38% | 32% | 33% | 27% |
| I don't really understand the financial products I have and whether I got a 'good deal' or not | 23% | 21% | 21% | 28% | 35% | 36% | 23% | 25% |

| Statement | | | NZ | | | | | |
|--|--------|------|---------------------|-------|--------------------|---------|--------|----------------------------|
| | Female | Male | European/ Pākehā | Māori | Pacific Peoples | Chinese | Indian | Other Asian ethnicities |
| I feel less prepared for my future because I don't understand my options | 22% | 19% | 19% | 33% | 33% | 27% | 25% | 25% |
| I have fallen into debt | 21% | 20% | 20% | 36% | 37% | 17% | 16% | 20% |
| My life is busy, so I haven't had time to effectively organise my finances | 19% | 20% | 17% | 26% | 24% | 31% | 24% | 26% |
| Column n | 1358 | 1151 | 1903 | 259 | 94 | 105 | 106 | 127 |

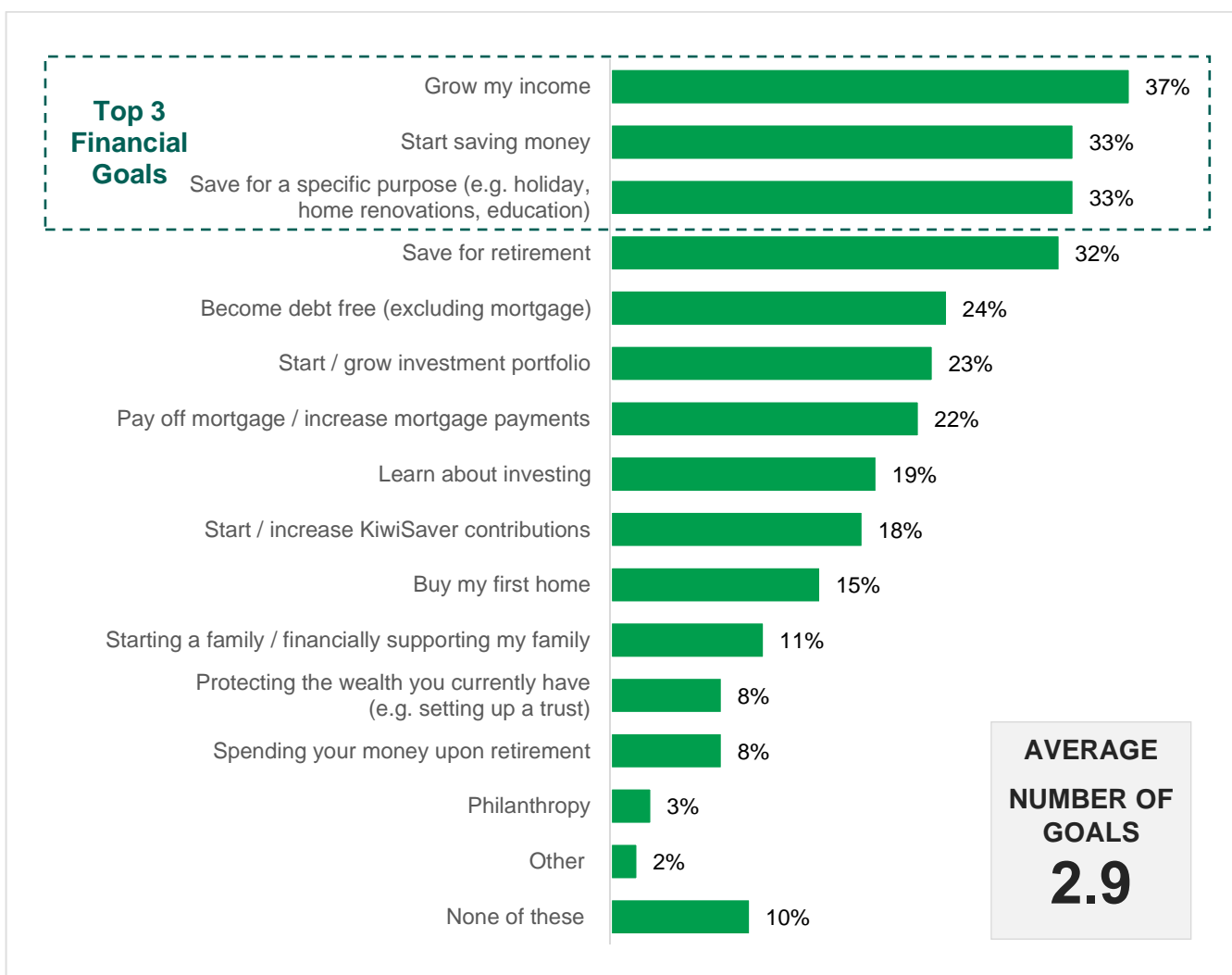
B5. To what extent do you agree or disagree with each of the following statements?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Financial goals

On average, New Zealanders have 2.9 financial goals they are actively working towards. The most common financial goals are to grow their income, start saving money, to save for a specific goal or to save for retirement. Almost one in four are working towards becoming debt free, while 23% are looking to start or grow their investment portfolio and 22% have a goal to pay off their mortgage or increase their payments. Less common financial goals include philanthropy (3%), spending their money upon retirement (8%) and protecting existing wealth (8%).

Figure 10. Current financial goals

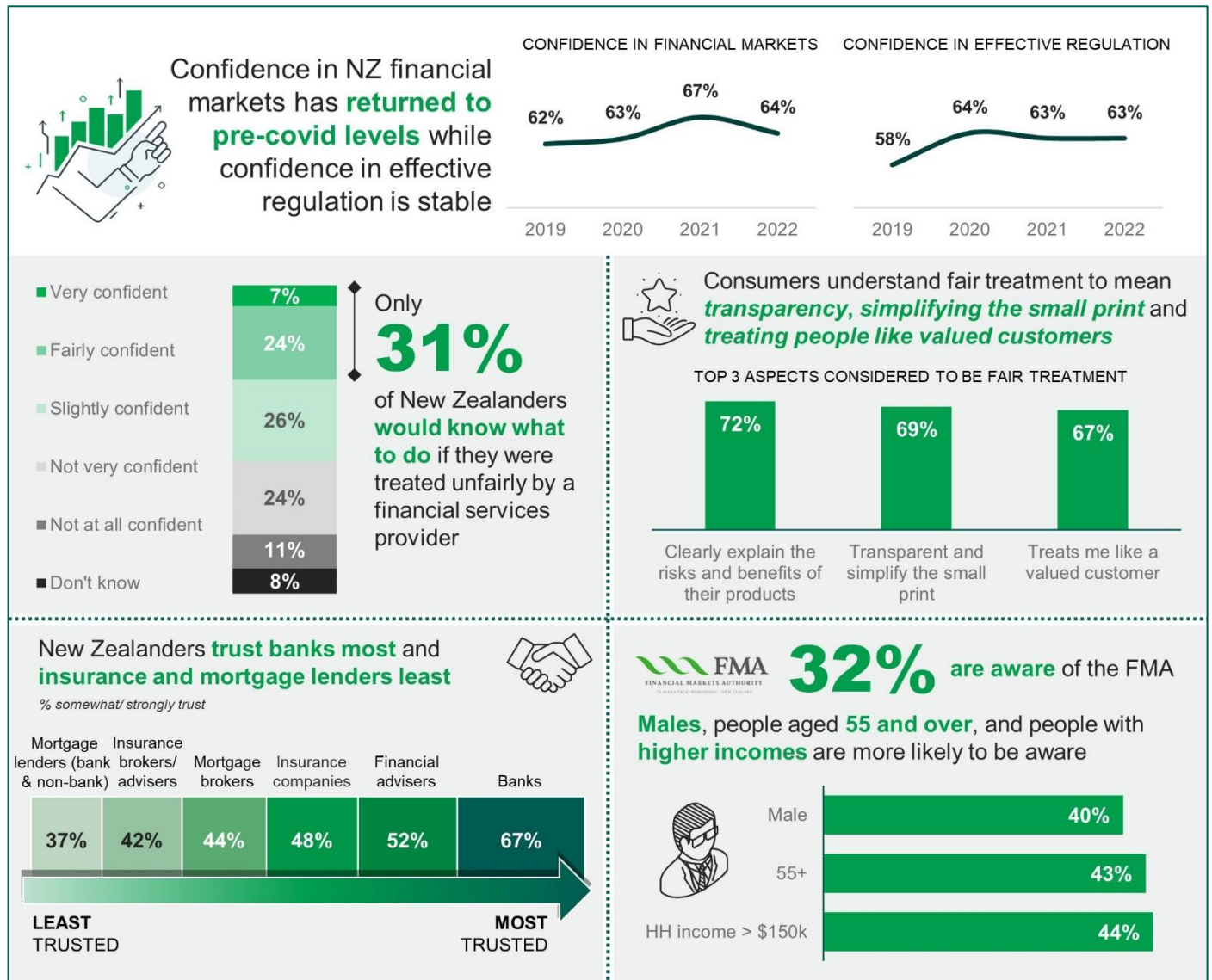


B4. Thinking specifically about your **personal finances**, which of the following financial goals are you actively working towards at the moment?

Base: Total New Zealanders 18+ (n=2509)

5 Trust, confidence and fairness

Summary of key findings



Confidence in NZ's financial markets

Among all New Zealanders, 64% feel slightly, fairly, or very confident in NZ's financial markets overall.

Roughly seven in ten feel confident that NZ's financial markets offer good long-term opportunities for investors (71%), while almost two-thirds are confident that the financial markets offer protections for investors and customers (66%).

Among investors, greater than six in ten are confident in the effective regulation of NZ's financial markets (65%) and are confident in the quality of regulation (64%).

Results indicate that over one in ten investors lack knowledge or opinion on the regulation of financial markets, as 15% give a 'don't know' response when asked about the effectiveness of regulation, and 17% for the quality of regulation.

Figure 11. Overall confidence in NZ financial markets



F3. How much **confidence** do you have in New Zealand's financial markets?

F4. How **confident** are you that New Zealand's financial markets are **effectively regulated**?

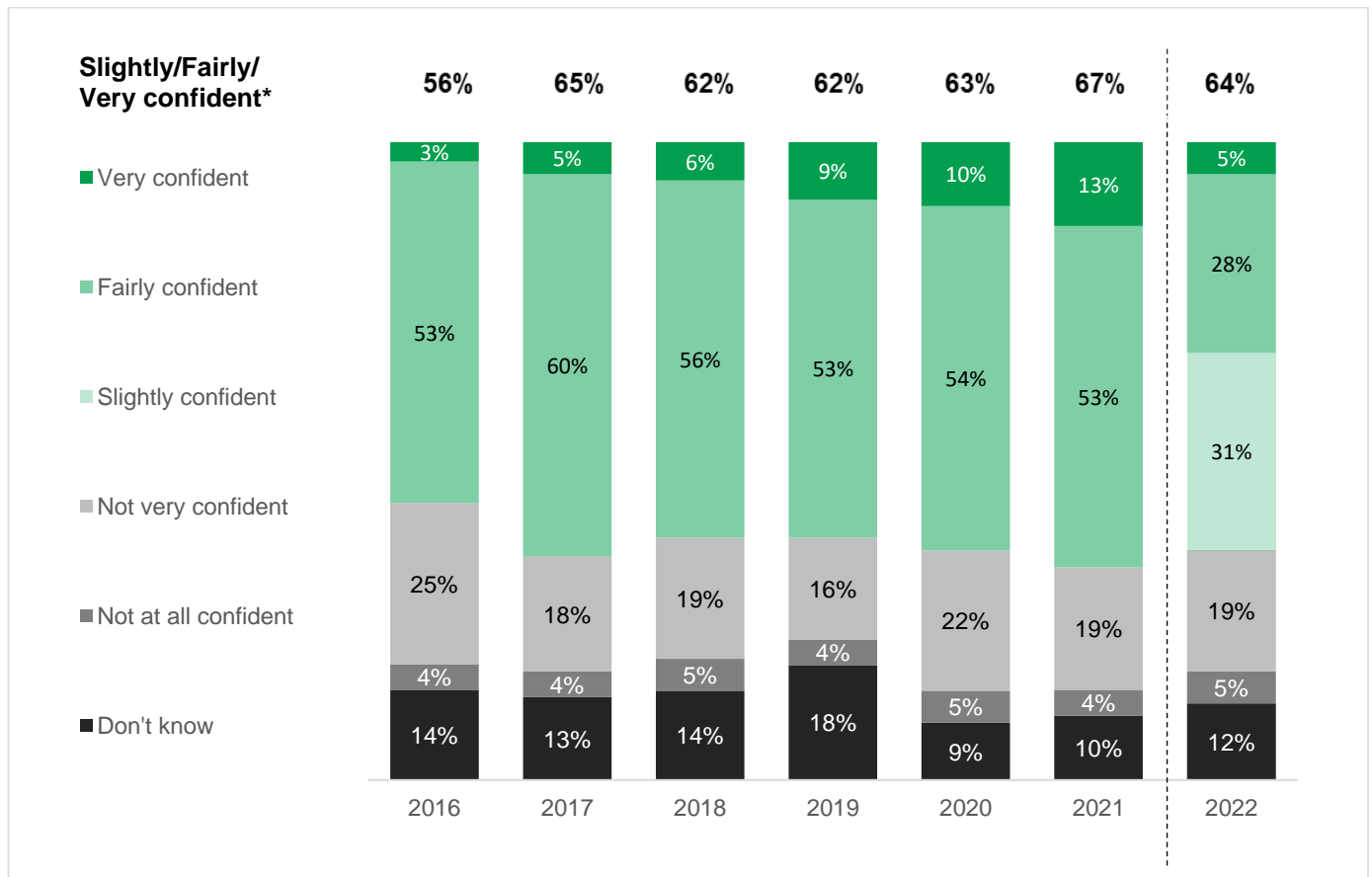
F5. How **confident** are you in the **quality of financial markets regulation** in New Zealand?

F16. How confident are you that New Zealand financial markets and financial service providers offer good long-term opportunities for investors / offer protections for investors and customers?

Base for F3, F4, F5: Total New Zealanders 18+ (n=2509), Base for F16: New Zealanders 18+ - survey recontact (n=1287)

After a significant increase in 2021, confidence in New Zealand’s financial markets has returned to pre COVID-19 levels with almost two-thirds (64%) feeling slightly, fairly, or very confident. This is consistent with 2019 and 2020 results.

Figure 12. Overall confidence in NZ financial markets over time



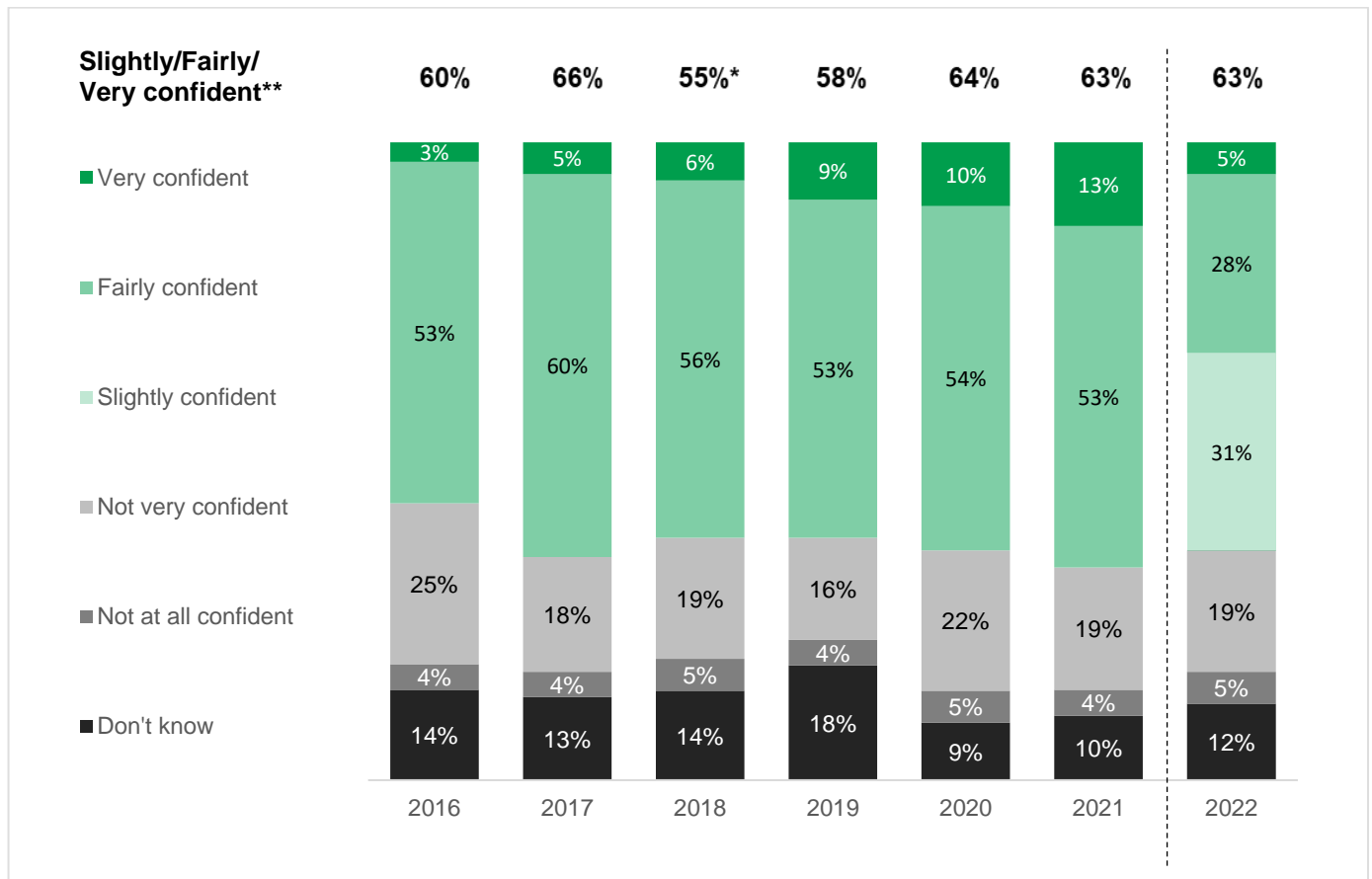
F3. How much **confidence** do you have in New Zealand’s financial markets?

Base: Total New Zealanders 18+ (2016 n=1000; 2017 n=1000; 2018 n=1011; 2019 n=1037; 2020 n=1003; 2021 n=1020; 2022 n=2509)

* N.B. Question changed to a 5-point scale in 2022 (added ‘Slightly confident’) – overall confidence has been reported based on top 3 box scores (Slightly/fairly/very confident) to allow comparison over time. Due to the scale change statistical significance testing to compare findings to 2021 was not performed.

Just over six in ten New Zealanders are confident in the effective regulation of New Zealand's financial markets (63%), and this is consistent with 2021 results.

Figure 13. Confidence in the effective regulation of NZ financial markets over time



F4. How **confident** are you that New Zealand's financial markets are **effectively regulated**?

Base: Total New Zealanders 18+ (2016 n=1000; 2017 n=1000; 2018 n=1011; 2019 n=1037; 2020 n=1003; 2021 n=1020; 2022 n=2509)

* Question wording changed in 2018 to remove explanation about is who is responsible for regulation of NZ financial markets

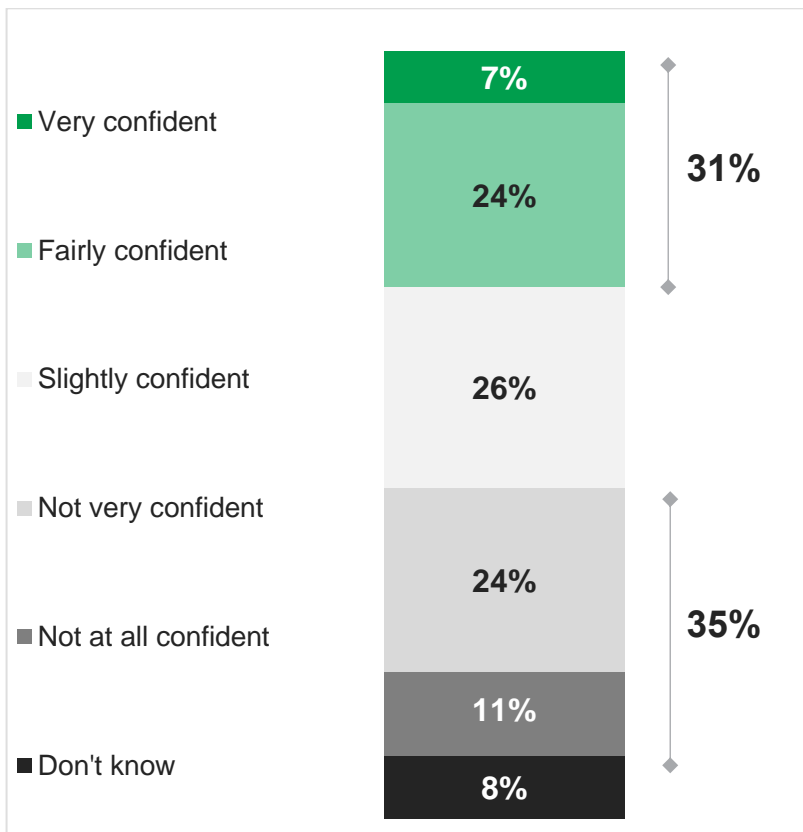
** N.B. Question changed to a 5-point scale in 2022 (added 'Slightly confident') – overall confidence has been reported based on top 3 box scores (Slightly/fairly/very confident) to allow comparison over time. Due to the scale change statistical significance testing to compare findings to 2021 was not performed.

What constitutes fair treatment from a financial services provider

Only three in ten New Zealanders would feel very or fairly confident in knowing what steps to take if they experienced unfair treatment from a financial services provider, while 35% would feel not very or not at all confident in knowing what steps to take. Confidence levels do not differ between investors and non-investors.

Females are significantly less likely to feel very or fairly confident in knowing what to do if they were treated unfairly (25%, vs. 31% overall). Other subgroups who are less likely to feel confident include those experiencing mental health conditions (25%), those with low savings (25%) and those with low financial confidence (17%).

Figure 14. Confidence in knowing steps to take when treated unfairly



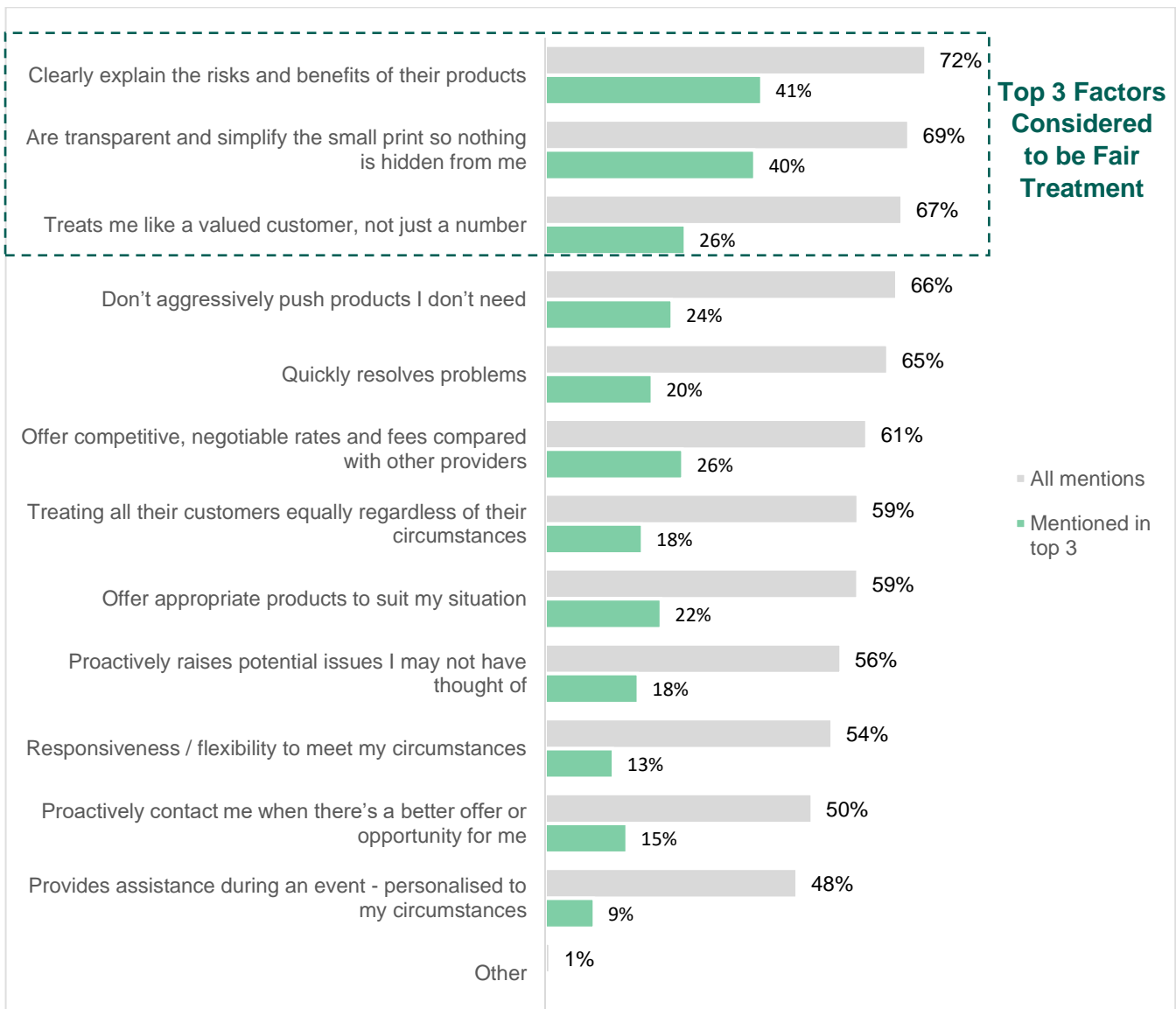
F8. How confident would you be in knowing what steps to take if you felt you had been treated unfairly by a financial services provider?

Base: Total New Zealanders 18+ (n=2509)

When asked what they consider to be fair treatment from a financial services provider, the most common responses were: that the provider clearly explains the risks and benefits of their products (72%), is transparent and simplifies the fine print (69%) and treats them like a valued customer (67%). These themes were also most likely to feature in the top 3 factors that determine what they consider to be fair treatment, along with offering competitive, negotiable rates and fees.

Females, people aged 55 or older, New Zealand Europeans and people with a physical health condition were significantly more likely to consider all of these aspects to constitute fair treatment, while males, 18–34-year-olds and people of Asian ethnicities are less likely to do so.

Figure 15. What constitutes fair treatment from a financial services provider



F6. Which of the following represent what you consider fair treatment from a financial services provider?

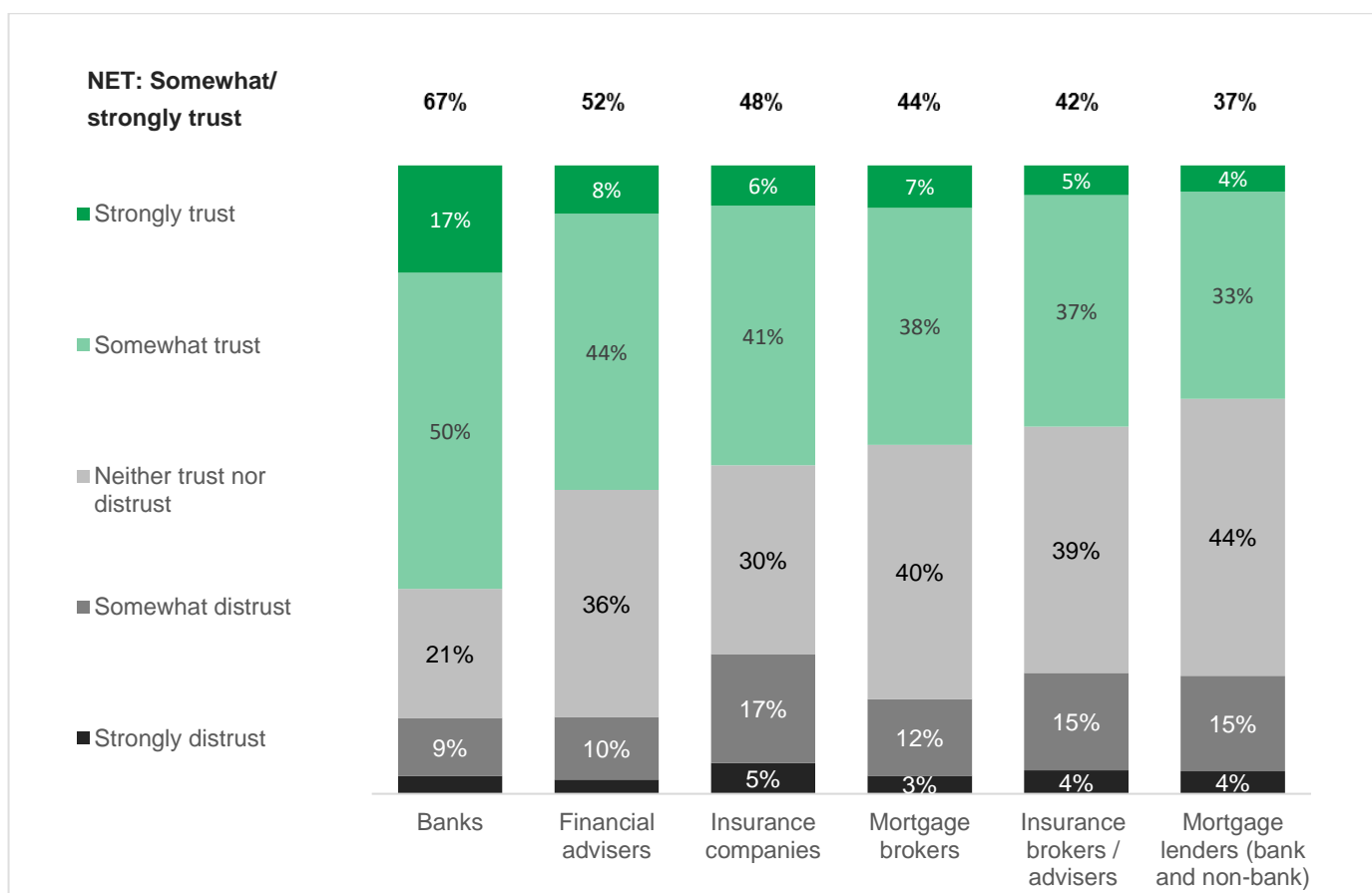
F7. Which would you say are the top 3 factors that determine what you consider fair treatment from a financial services provider?

Base: Total New Zealanders 18+ (n=2509)

Trust in NZ financial institutions

New Zealanders have the most trust in banks as two-thirds (67%) say they trust banks either somewhat or strongly. This compares to just over half for financial advisers (52%), and less than half for insurance companies (48%), mortgage brokers (44%), insurance brokers/advisers (42%) and mortgage lenders (including bank and non-bank lenders, 37%). Insurance companies are most distrusted, as 22% say they somewhat or strongly distrust them.

Figure 16. Trust in financial institutions



F1. In general, how much do you **trust** the following types of organisation or individuals?

Base: Total New Zealanders 18+ (n=2509)

Table 6 below shows that there are several significant differences in trust of financial institutions across demographic groups. Key differences include:

- Females have a higher degree of trust in banks and insurance companies than males.
- Younger people aged 18-34 are more likely to trust financial advisers and insurance brokers / advisers compared to people aged 55 and over.
- People on higher incomes generally have a higher level of trust in all financial institutions except insurance companies.
- Māori are less likely to trust banks than people of other ethnicities.

Table 6. Trust in financial institutions (net somewhat/strongly trust) by demographics

| Financial institution | Female | Male | 18-34 | 35-54 | 55+ | Under \$20k | \$20-49k | \$50-99k | \$100-149k | Over \$150k |
|--------------------------------------|--------|------|-------|-------|-----|-------------|----------|----------|------------|-------------|
| Banks | 70% | 65% | 69% | 64% | 70% | 47% | 70% | 67% | 72% | 66% |
| Financial advisers | 54% | 50% | 60% | 53% | 43% | 40% | 41% | 55% | 61% | 59% |
| Insurance companies | 53% | 43% | 48% | 46% | 49% | 31% | 46% | 48% | 52% | 49% |
| Mortgage brokers | 46% | 43% | 48% | 48% | 38% | 30% | 35% | 43% | 56% | 55% |
| Insurance brokers / advisers | 44% | 40% | 46% | 44% | 35% | 30% | 34% | 43% | 50% | 47% |
| Mortgage lenders (bank and non-bank) | 38% | 36% | 38% | 41% | 32% | 24% | 27% | 37% | 49% | 46% |
| Column n | 1358 | 1151 | 701 | 882 | 926 | 123 | 560 | 740 | 515 | 344 |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|--------------------------------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Banks | 67% | 55% | 60% | 75% | 80% | 76% |
| Financial advisers | 51% | 49% | 52% | 59% | 70% | 52% |
| Insurance companies | 48% | 41% | 40% | 55% | 64% | 50% |
| Mortgage brokers | 45% | 42% | 41% | 42% | 55% | 46% |
| Insurance brokers / advisers | 42% | 38% | 34% | 43% | 52% | 39% |
| Mortgage lenders (bank and non-bank) | 37% | 32% | 27% | 34% | 54% | 33% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

F1. In general, how much do you **trust** the following types of organisation or individuals?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Awareness and perceptions of the FMA

Just under one third of New Zealanders are aware of the FMA (32%). The following groups are significantly more likely to be aware of the FMA:

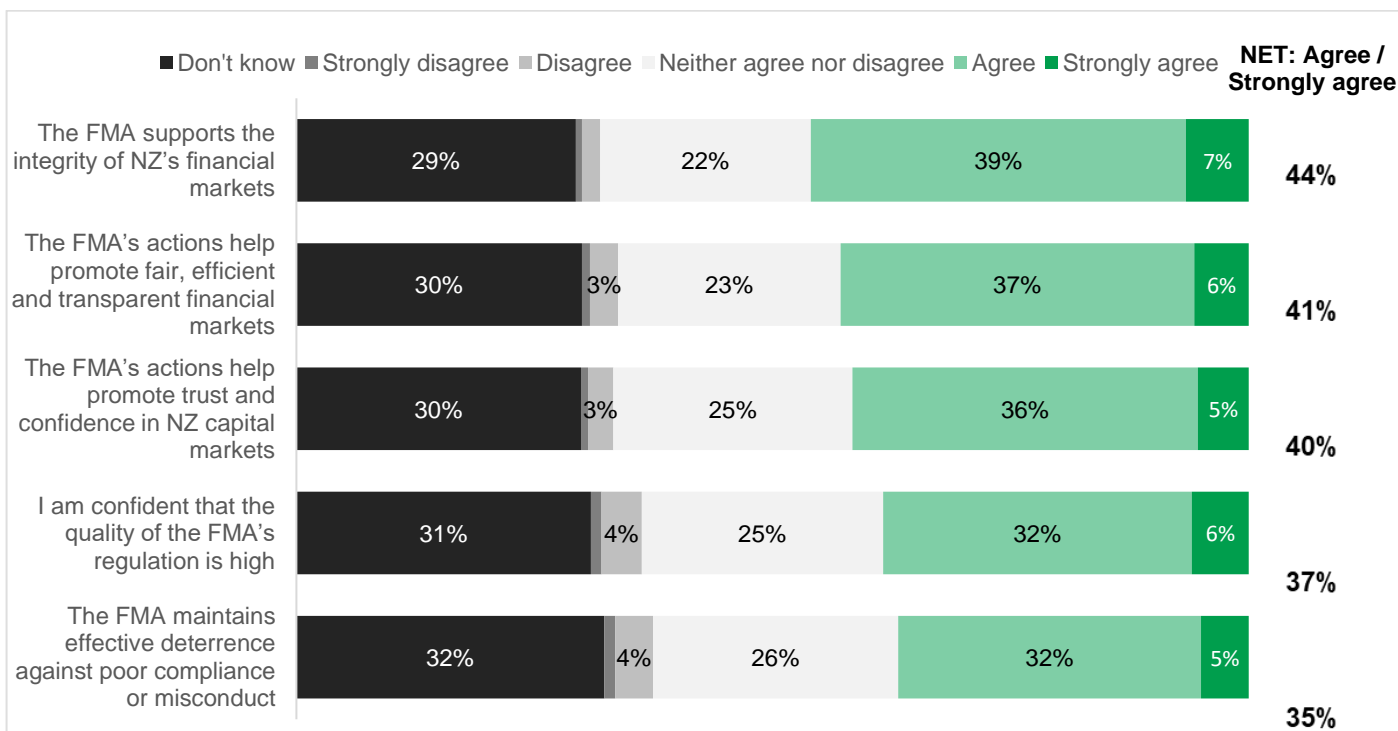
- Males (40%)
- People aged 55 years and over (43%)
- People on annual household incomes of \$100,000 and over (44%)

Around four in ten New Zealanders agree or strongly that the FMA supports the integrity of NZ financial markets (44%), helps promote fairness, efficiency, transparency, and confidence (41%), and helps promote trust and confidence in NZ capital markets (40%), while approximately one in three agree that the FMA’s regulation is high quality (37%) and that the FMA maintains effective deterrence against poor compliance or misconduct (35%).

Results indicate that one in three New Zealanders do not have enough familiarity with the FMA to have strong opinions about it. This is reflected in just under one-third giving a ‘don’t know’ response for each statement.

Males, people on annual household incomes above \$100,000 and people of Indian ethnicity were significantly more likely to agree or strongly with all statements, while females and people on annual household incomes under \$50,000 were significantly less likely to agree.

Figure 17. Perceptions of the FMA

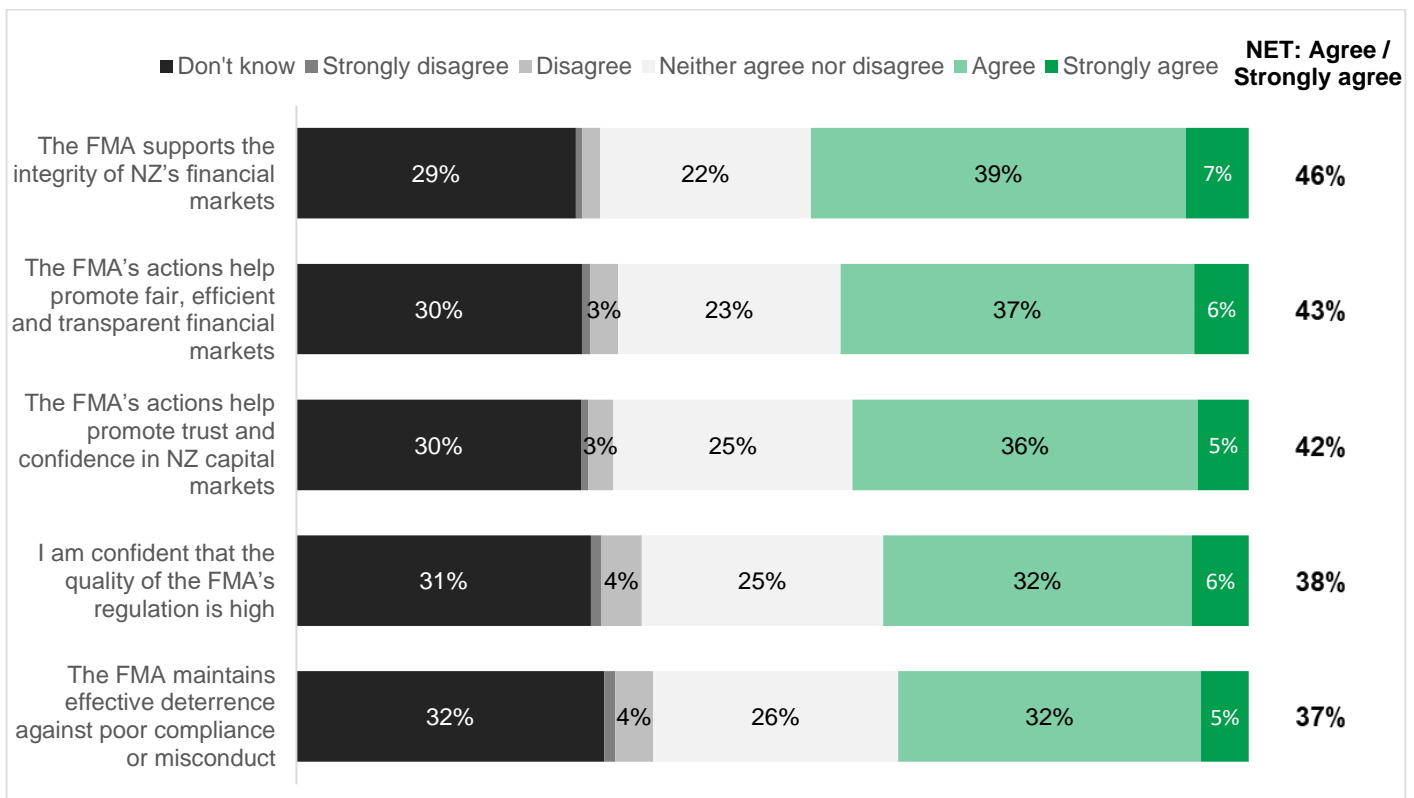


F15. One of the primary roles of the Financial Markets Authority (FMA) is to support the integrity of New Zealand's financial markets which, for investors, means making sure NZ financial service providers operate in a way that is fair, honest, and effective. To what extent do you agree or disagree that...

Base: Total New Zealanders 18+ (n=2509)

Among investors, just over four in ten agree or strongly agree that the FMA supports the integrity of NZ financial markets (46%), helps to promote fair, efficient, and transparent financial markets (43%), and helps to promote trust and confidence in NZ capital markets (42%). Across statements, approximately three in ten investors feel they don't know enough about the FMA to provide a rating.

Figure 18. Perceptions of the FMA (among investors)

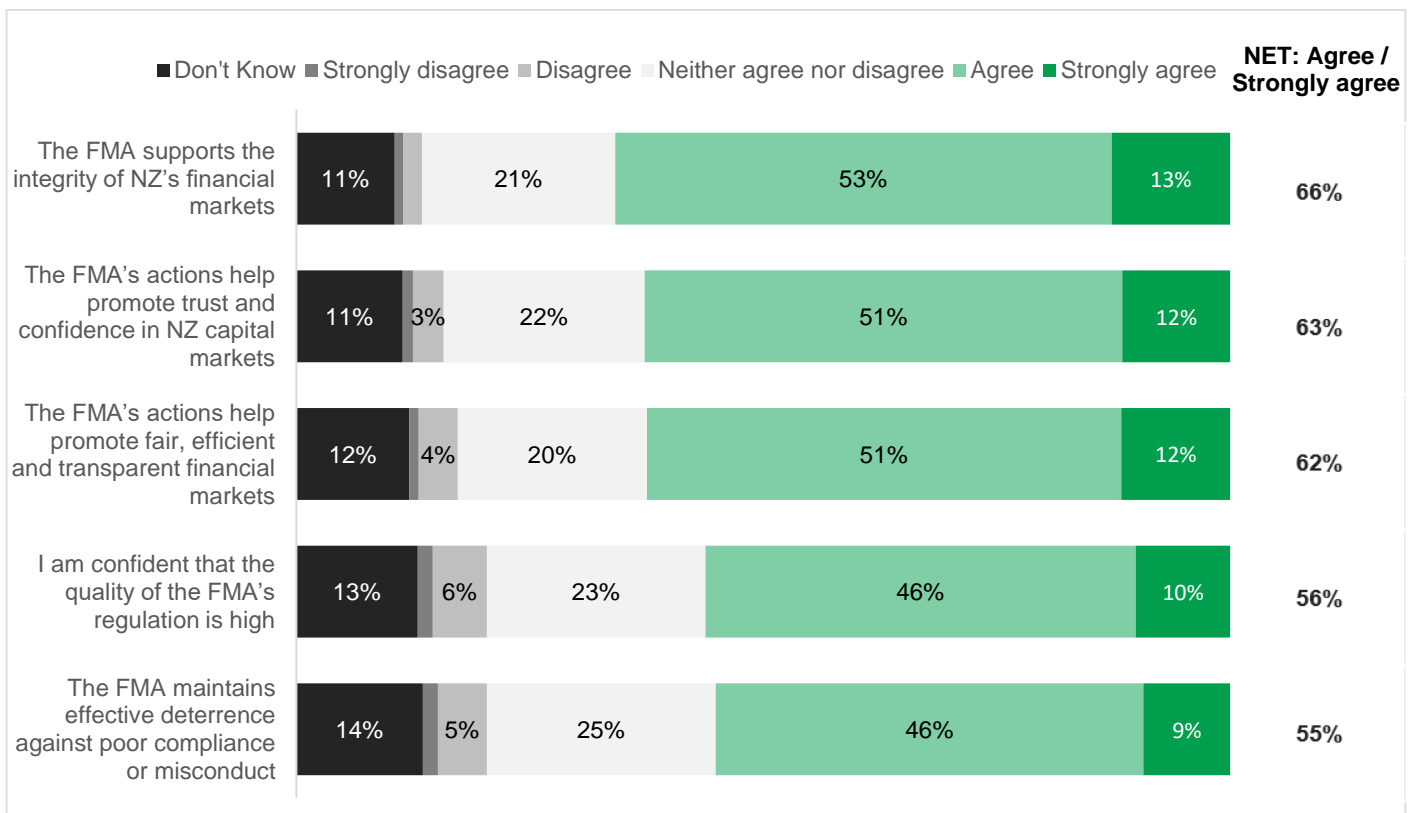


F15. One of the primary roles of the Financial Markets Authority (FMA) is to support the integrity of New Zealand's financial markets which, for investors, means making sure NZ financial service providers operate in a way that is fair, honest, and effective. To what extent do you agree or disagree that...

Base: Investors (n=2049)

Results indicate that perceptions of the FMA are more positive among those who are aware of the organisation, with over six in ten agreeing or strongly agreeing that the FMA supports financial markets' integrity (66%, vs. 44% overall), helps promote trust and confidence in NZ capital markets (63%, vs. 41% overall) and helps promote fair, efficient, and transparent financial markets (62%, vs. 40% overall).

Figure 19. Perceptions of the FMA (among those aware)

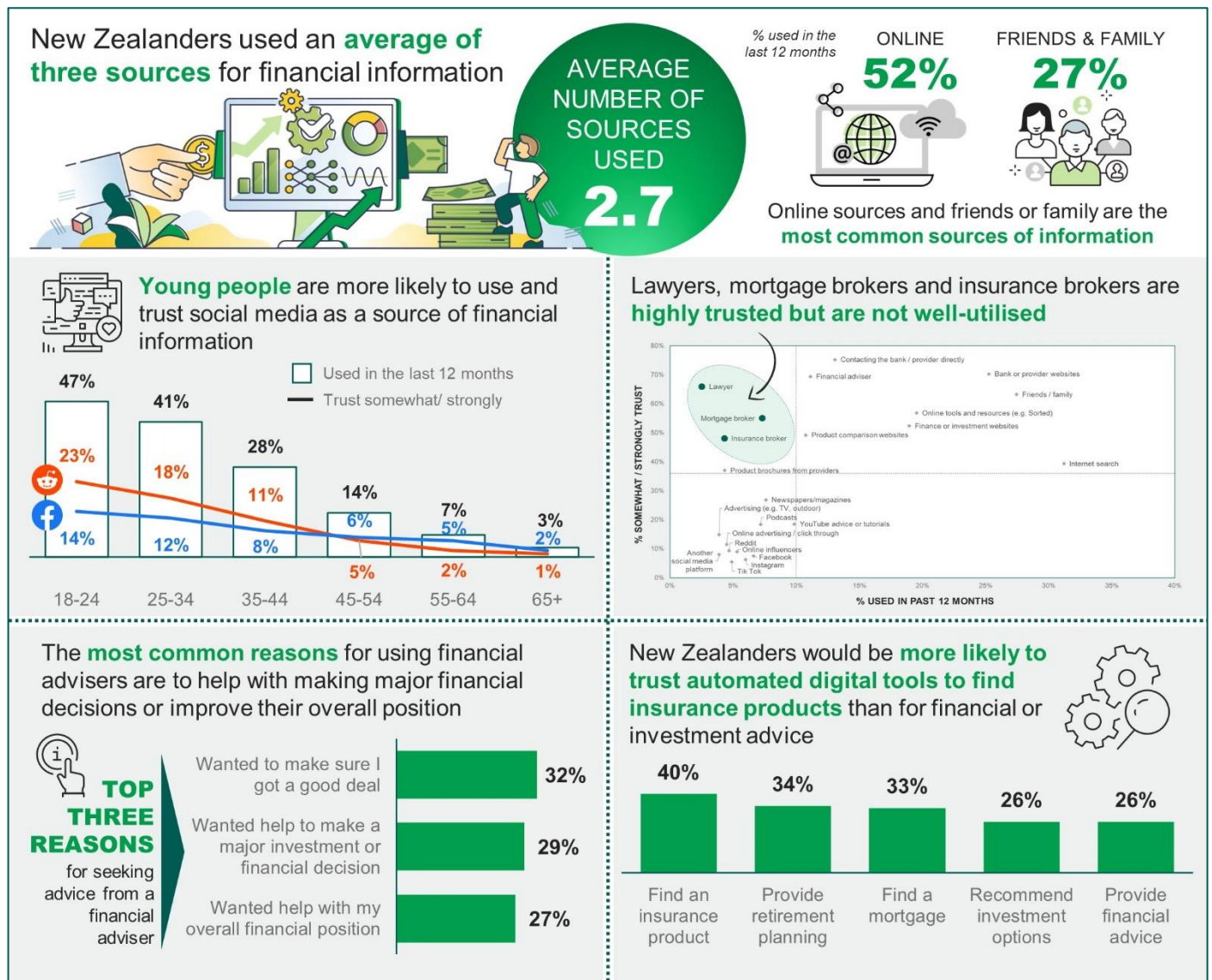


F15. One of the primary roles of the Financial Markets Authority (FMA) is to support the integrity of New Zealand's financial markets which, for investors, means making sure NZ financial service providers operate in a way that is fair, honest, and effective. To what extent do you agree or disagree that...

Base: New Zealanders 18+ who are aware of the FMA (n=806)

6 Advice and information seeking

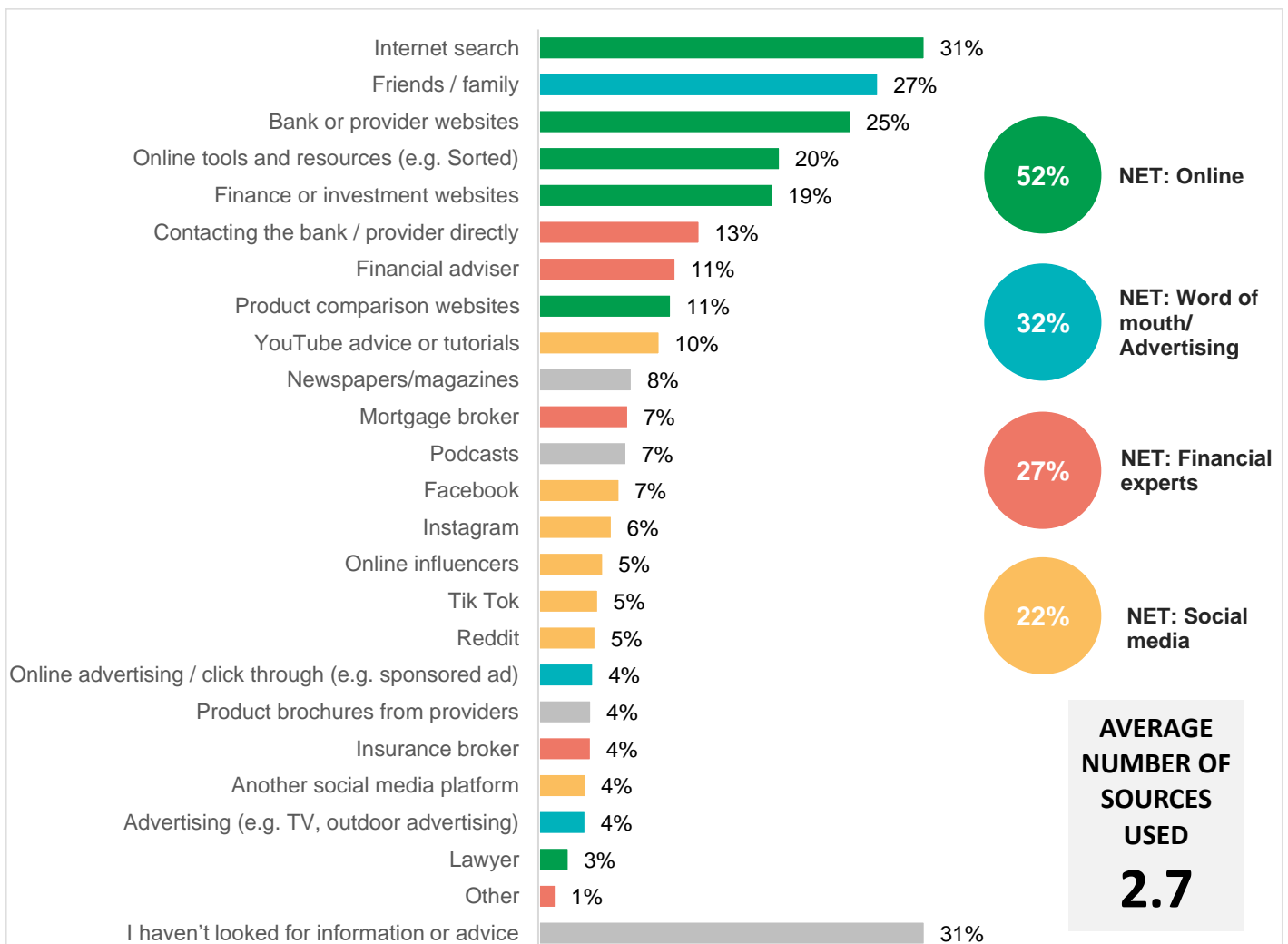
Summary of key findings



Sources of financial information and trust in information sources

On average, people have used 2.7 sources in the past twelve months for information or advice about their personal finances. Online sources are most commonly used, including internet searches (31%), bank or provider websites (25%), online tools and resources like Sorted.org.nz (20%) or finance/investment websites (19%), followed by advice from friends or family (27%). About one in four (27%) have consulted a financial expert (including banks or providers, financial advisers, brokers, or lawyers) and 2 in 5 (22%) have looked for financial information on social media; around three in ten (31%) have not looked for financial information or advice at all in the past twelve months.

Figure 20. Sources of financial information used in the past 12 months

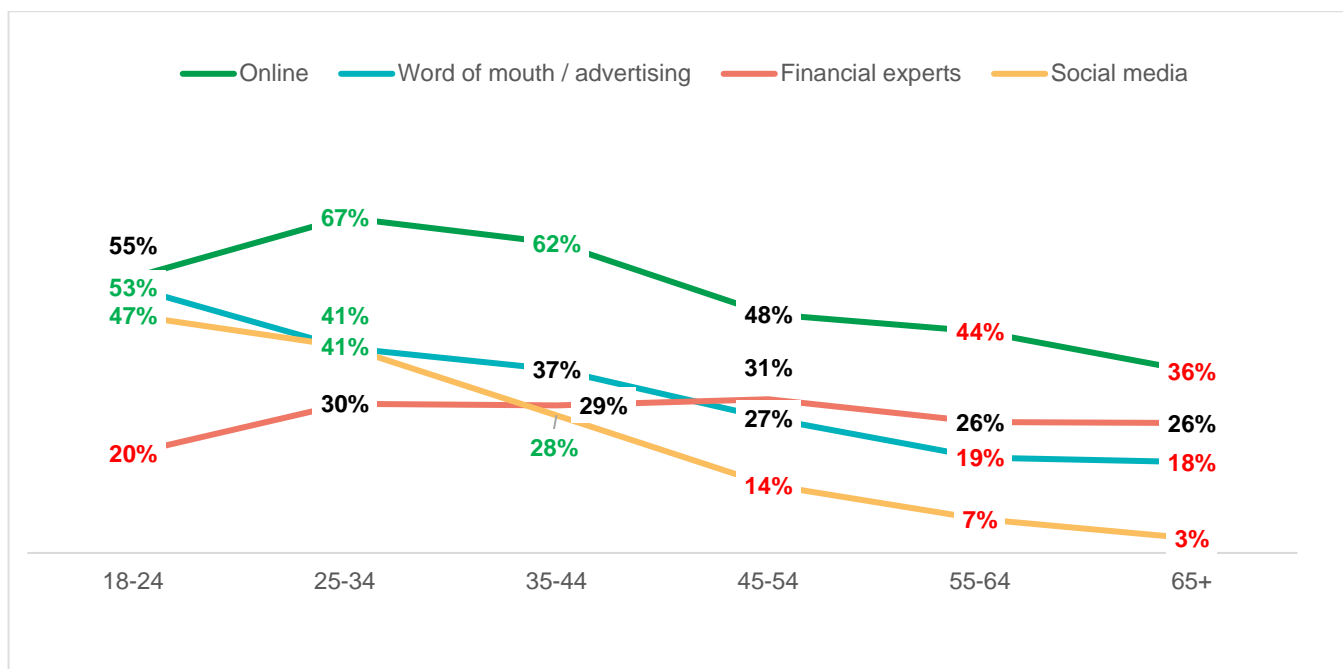


B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

Base: Total New Zealanders 18+ (n=2509)

Younger people are more likely to have used online sources of information with the highest usage among people aged 25-34 (67% vs. 52% overall). Young people are also more likely to rely on recommendations from family/friends or advertising (53% among 18–24-year-olds vs. 32% overall) and social media (47% among 18–24-year-olds vs. 22% overall). Conversely, usage of online sources and social media drops off in the older age groups (36% and 3% usage respectively among 65+).

Figure 21. Sources of financial information used in the past 12 months by age



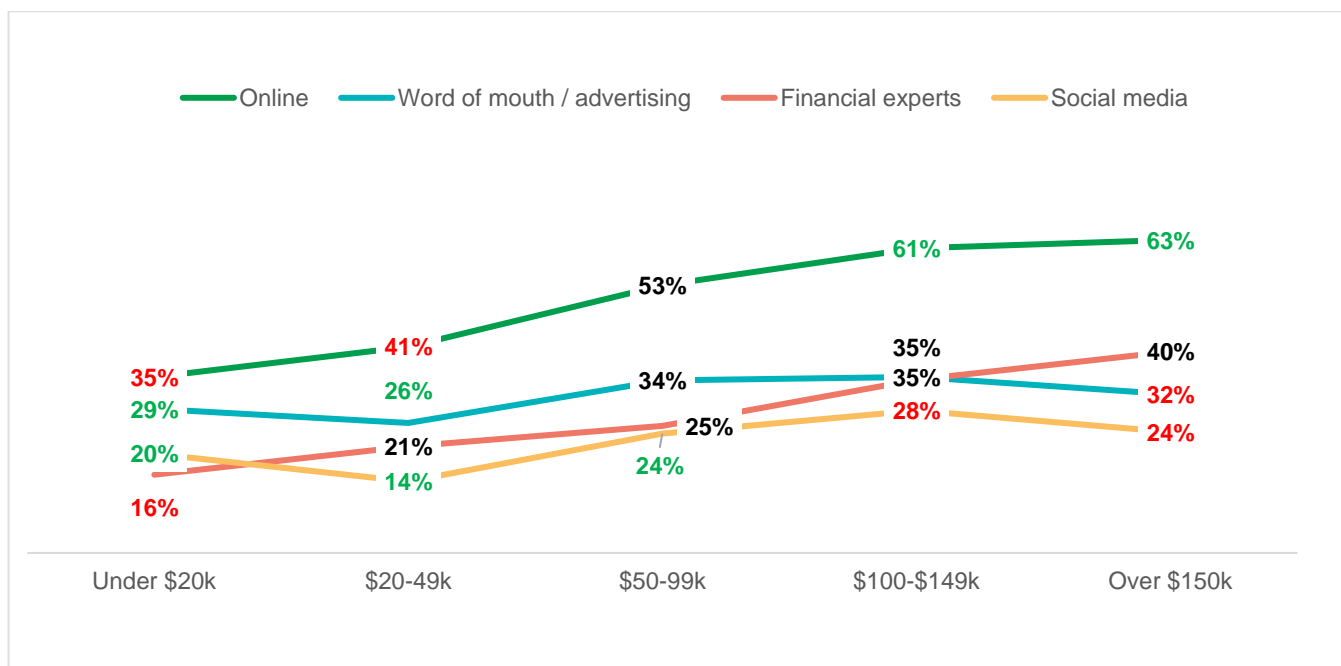
B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

Base: Total New Zealanders 18+ (18-24 n=239; 25-34 n=462; 35-44 n=427; 45-54 n=455; 55-64 n=412; 65+ n=514)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Those on higher incomes are more likely to have sought financial advice from an expert (63% among those on annual household incomes above \$150,000 vs. 27% overall), while usage of financial experts is much lower among those on lower incomes (between 16% and 21% for those on household incomes under \$50,000). New Zealanders with higher incomes also have higher usage of online sources (63% among household incomes above \$150,000 vs. 52% overall).

Figure 22. Sources of financial information used in the past 12 months by annual household income



B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

Base: Total New Zealanders 18+ (Under \$20k n=123; \$20-\$49k n=560; \$50-\$99k n=740; \$100-\$149k n=515; Over \$150k n=344)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Finally, people of ethnicities other than NZ Europeans are more likely to have relied on online sources, word of mouth and social media for financial information.

Key findings include:

- Pacific peoples are significantly more likely to have sought information online (67%, vs. 52% overall), as have people of other Asian ethnicities (65%)
- Māori and people of Chinese ethnicity are significantly more likely to have relied on word of mouth (38% and 43% respectively, vs. 32% overall)
- People of Indian ethnicity are significantly more likely to have consulted a financial expert (38%, vs. 27% overall)
- Māori (29%), Pacific peoples (41%), people of Chinese ethnicity (37%) and people of other Asian ethnicities (37%) are significantly more likely to have sought information via social media (22% overall).

Table 7. Sources of information used in the past 12 months by ethnicity

| Information source | NZ | | | | | |
|---------------------------|---------------------|-------|--------------------|---------|--------|----------------------------|
| | European/ Pākehā | Māori | Pacific Peoples | Chinese | Indian | Other Asian ethnicities |
| Online | 50% | 55% | 67% | 63% | 56% | 65% |
| Word of mouth/advertising | 29% | 38% | 42% | 43% | 39% | 39% |
| Financial experts | 26% | 25% | 24% | 30% | 38% | 31% |
| Social media | 18% | 29% | 41% | 37% | 29% | 37% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

*B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?*

xx/xx significantly higher/lower vs. Total sample to 95% confidence

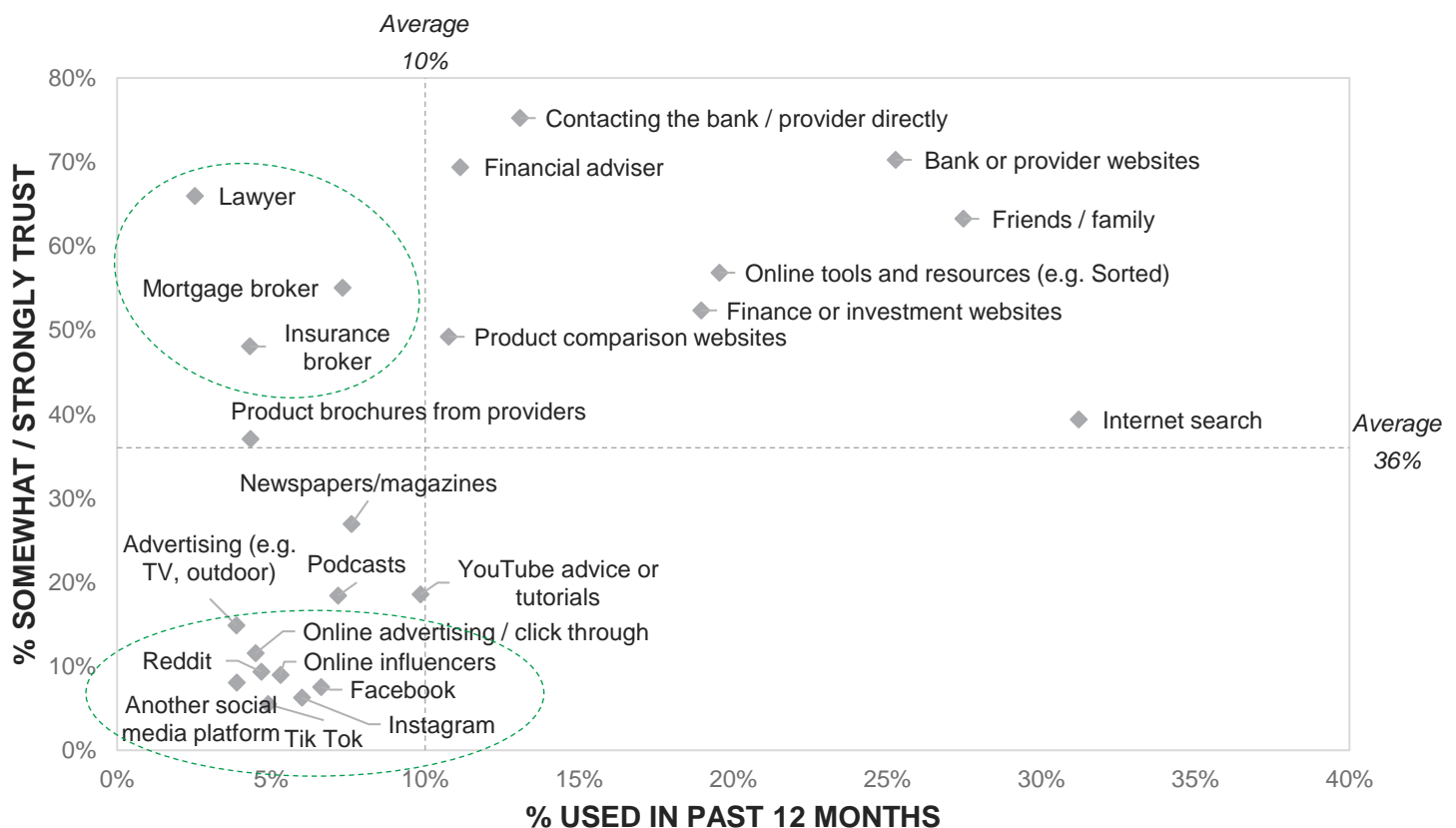
As well as which sources of information they had used in the past twelve months, respondents were also asked the extent to which they trusted each information source for information or advice about new financial products (regardless of whether or not they had used them). The scatter plot below shows the percentage who used each information source in the past twelve months (plotted on the x axis) against the percentage who somewhat or strongly trust each information source (plotted on the y axis).

There is a clear relationship between usage of information sources and trust, as many of the most commonly used information sources are also among the most trusted sources, including providers of financial products and their websites, internet searches, online tools and resources, finance or investment websites, friends / family, financial advisers and product comparison websites.

Lawyers, mortgage brokers and insurance brokers are also highly trusted but have much lower usage.

Finally, social media sources as well as advertising, podcasts and magazines are the least trusted sources and also have low usage.

Figure 23. Relationship between usage of financial information sources and trust



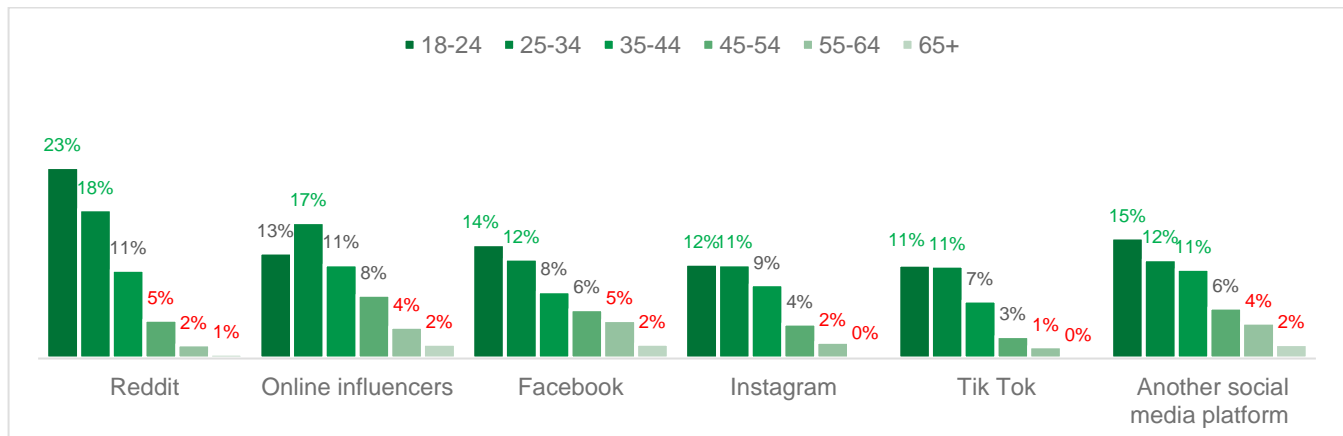
B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

B7: To what extent would you trust each of these information sources if you were looking for information or advice about a new financial product?

Base: Total New Zealanders 18+ (n=2509)

Although trust in social media as a source of financial information is relatively low across age groups, younger people have higher levels of trust in these channels, particularly Reddit (23% of 18–24-year-olds somewhat or strongly trust, compared to 1% of those aged 65 and over).

Figure 24. Trust in sources of financial information (% somewhat / strongly trust) by age



B7: To what extent would you trust each of these information sources if you were looking for information or advice about a new financial product?

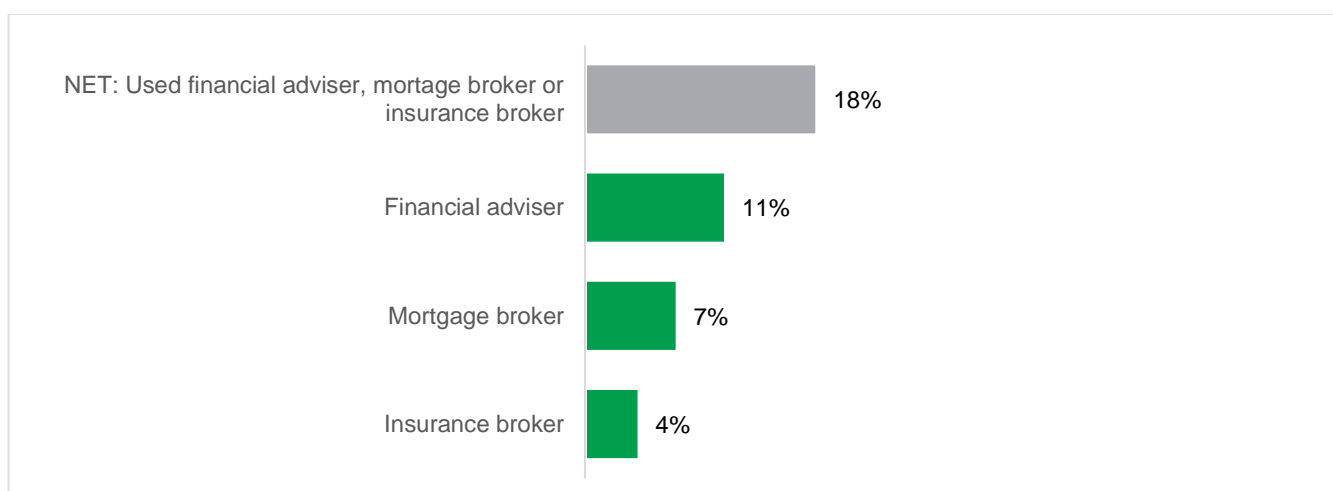
Base: New Zealanders 18+ (18-24 n=239; 25-34 n=462; 35-44 n=427; 45-54 n=455; 55-64 n=412; 65+ n=514)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Use of financial advisers

At an overall level, just under two in five (18%) have used a financial adviser, mortgage broker or insurance broker in the past 12 months. Eleven per cent used a financial adviser while 7% and 4% respectively used a mortgage broker or insurance broker.

Figure 25. Use of financial advisers in the past 12 months



B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

Base: Total New Zealanders 18+ (n=2509)

Comparing the demographic profile of those who have used financial advisers, mortgage brokers or insurance brokers against that of the total New Zealand population reveals the following key differences:

- Those who have used financial advisers are more likely to be male and to have annual household incomes of \$150,000 or above.
- Those who have used mortgage brokers are more likely to be aged between 25 and 44 years old and to have household incomes of \$100,000 or above.
- Those who have used insurance brokers are more likely to be aged between 25 and 34 years old and to have household incomes of \$100,000 or above.

Table 8. Profile of those who have used a financial adviser

| | | Total Sample | Used a mortgage broker | Used an insurance broker | Used a financial adviser |
|---------------|--------|--------------|------------------------|--------------------------|--------------------------|
| GENDER | Male | 49% | 53% | 57% | 57% |
| | Female | 51% | 47% | 43% | 43% |
| AGE | 18-24 | 13% | 9% | 4% | 7% |

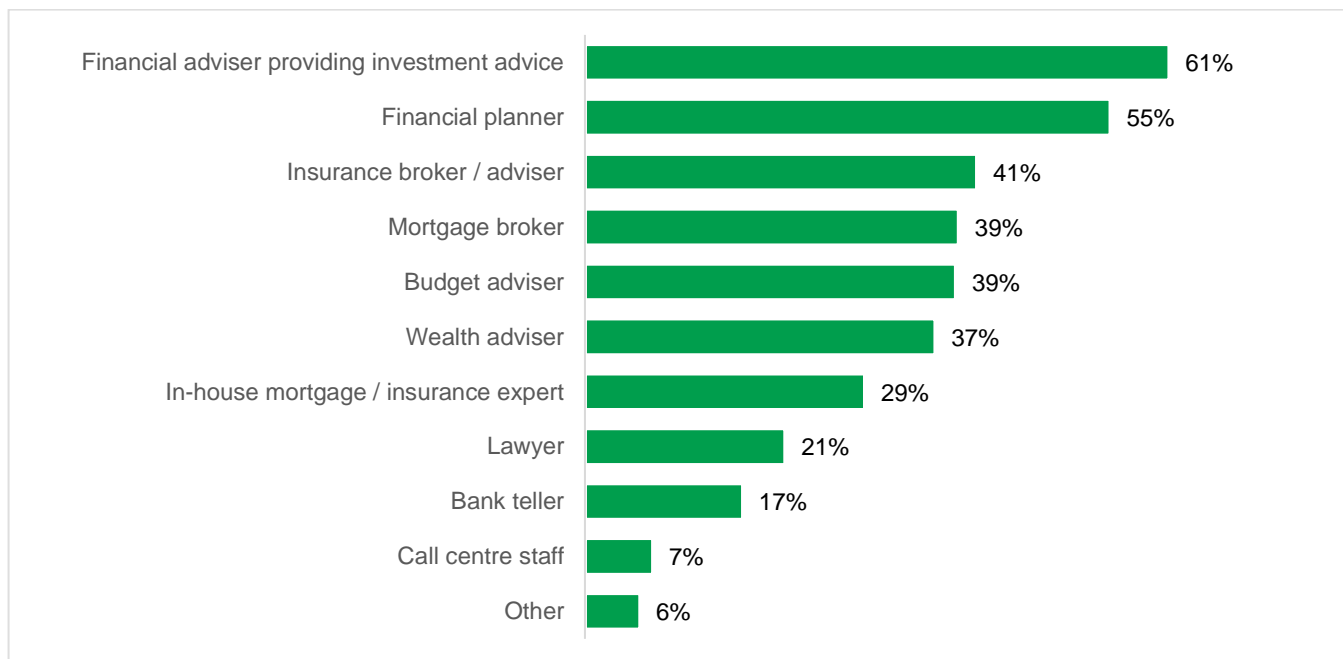
| | Total Sample | Used a mortgage broker | Used an insurance broker | Used a financial adviser |
|------------------|--------------|------------------------|--------------------------|--------------------------|
| 25-34 | 19% | 33% | 32% | 19% |
| 35-44 | 17% | 28% | 21% | 14% |
| 45-54 | 18% | 18% | 23% | 21% |
| 55-64 | 16% | 8% | 13% | 19% |
| 65+ | 18% | 4% | 7% | 20% |
| HOUSEHOLD INCOME | Under \$20k | 5% | 1% | 2% |
| | \$20-\$49k | 21% | 3% | 11% |
| | \$50-\$99k | 30% | 28% | 18% |
| | \$100-\$149k | 21% | 36% | 37% |
| | Over \$150k | 14% | 26% | 28% |
| | Column n | 2509 | 171 | 102 |

B6. In the past 12 months, where have you looked for information or advice about **personal financial matters**?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

New Zealanders are most likely to consider financial advisers to be advisers who provide investment advice (61%) and financial planners (55%), while about four in ten believe insurance brokers (41%), mortgage brokers (39%), budget advisers (39%) and wealth advisers (37%) can also be considered to be financial advisers.

Figure 26. Who is considered to be a financial adviser

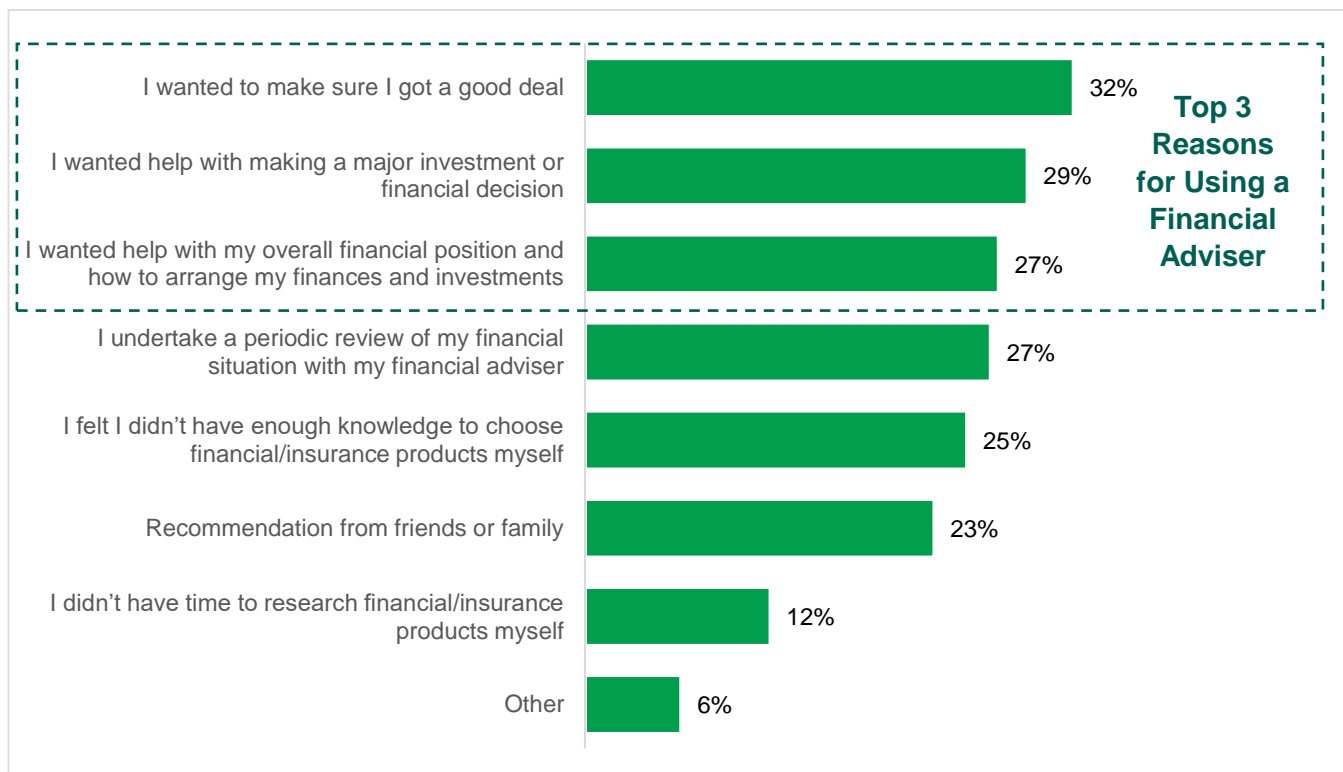


E1. Which of the following would you consider to be a financial adviser (i.e., someone who provides financial advice)?

Base: Total New Zealanders 18+ (n=2509)

Those who have used financial advisers had a variety of reasons for doing so, with the most common reasons including to make sure they got a good deal (32%), for help with a making a major investment or financial decision (29%), for help with their overall financial position and arranging their finances (27%) and because they undertake a period review of their financial situation with their adviser (27%). Those aged 55 years and over are significantly more likely to undertake a periodic review of their finances with a financial adviser (47%).

Figure 27. Reasons for using a financial adviser



E3. You mentioned you have sought financial advice from a broker / financial adviser in the past 12 months. What made you decide to seek financial advice from a broker / financial adviser?

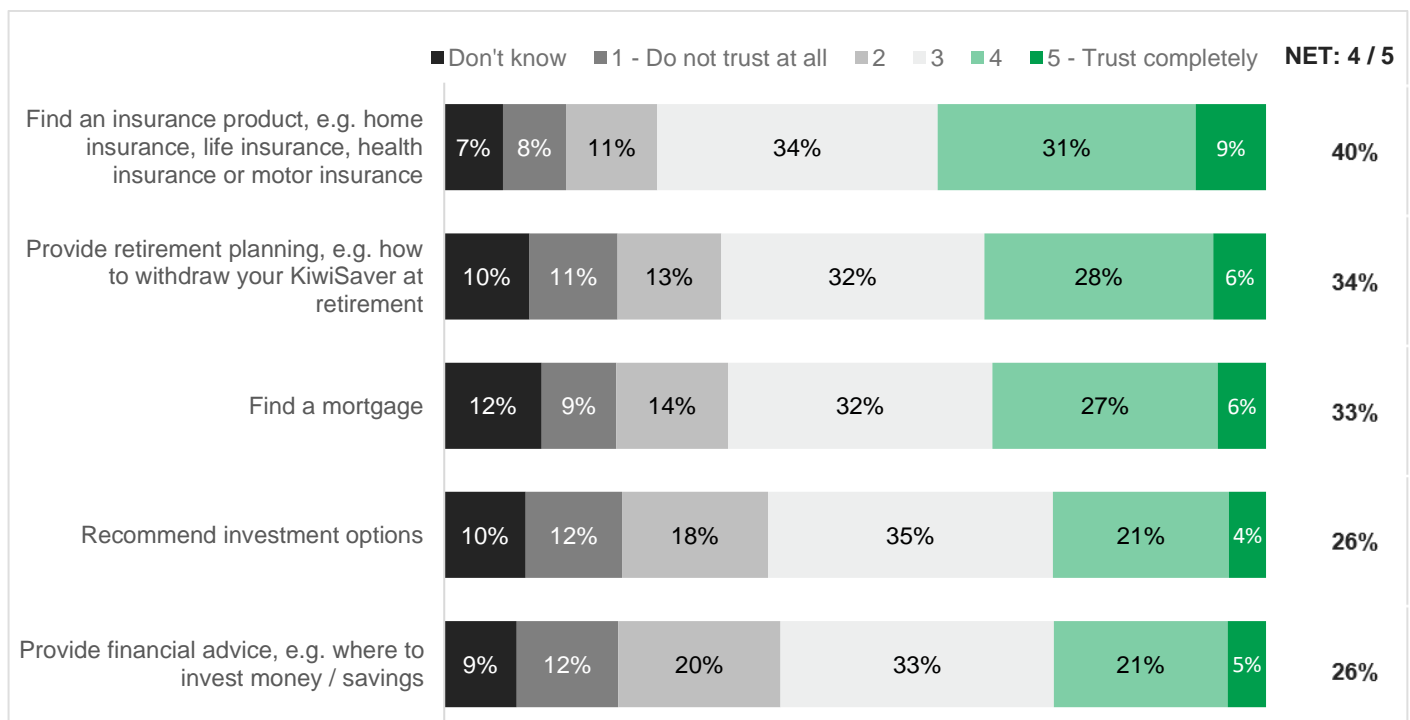
Base: New Zealanders 18+ who sought financial advice from mortgage broker, insurance broker or financial adviser in P12M (n=458)

Trust in digital and automated tools to select financial products

New Zealanders are most willing to use digital, automated tools to find insurance products with four in ten (40%) giving a rating of 4 or 5 out of 5 in terms of how much they would trust a computer to do this for them without any human interaction. Around one-third would trust automated tools that assist with retirement planning (34%) or find mortgage options (33%), while only one-quarter would trust a computer to recommend investment options (26%) or provide financial advice (26%).

Males, people aged 18-34 and people on annual household incomes over \$100,000 are significantly more likely to trust automated tools for all of these situations, while females, people aged 55+ and people on annual household incomes under \$50,000 are significantly less likely to do so.

Figure 28. Trust in computers/automated tools to handle financial transactions



E2. To what extent would you trust a computer to do the following for you without any human interaction?

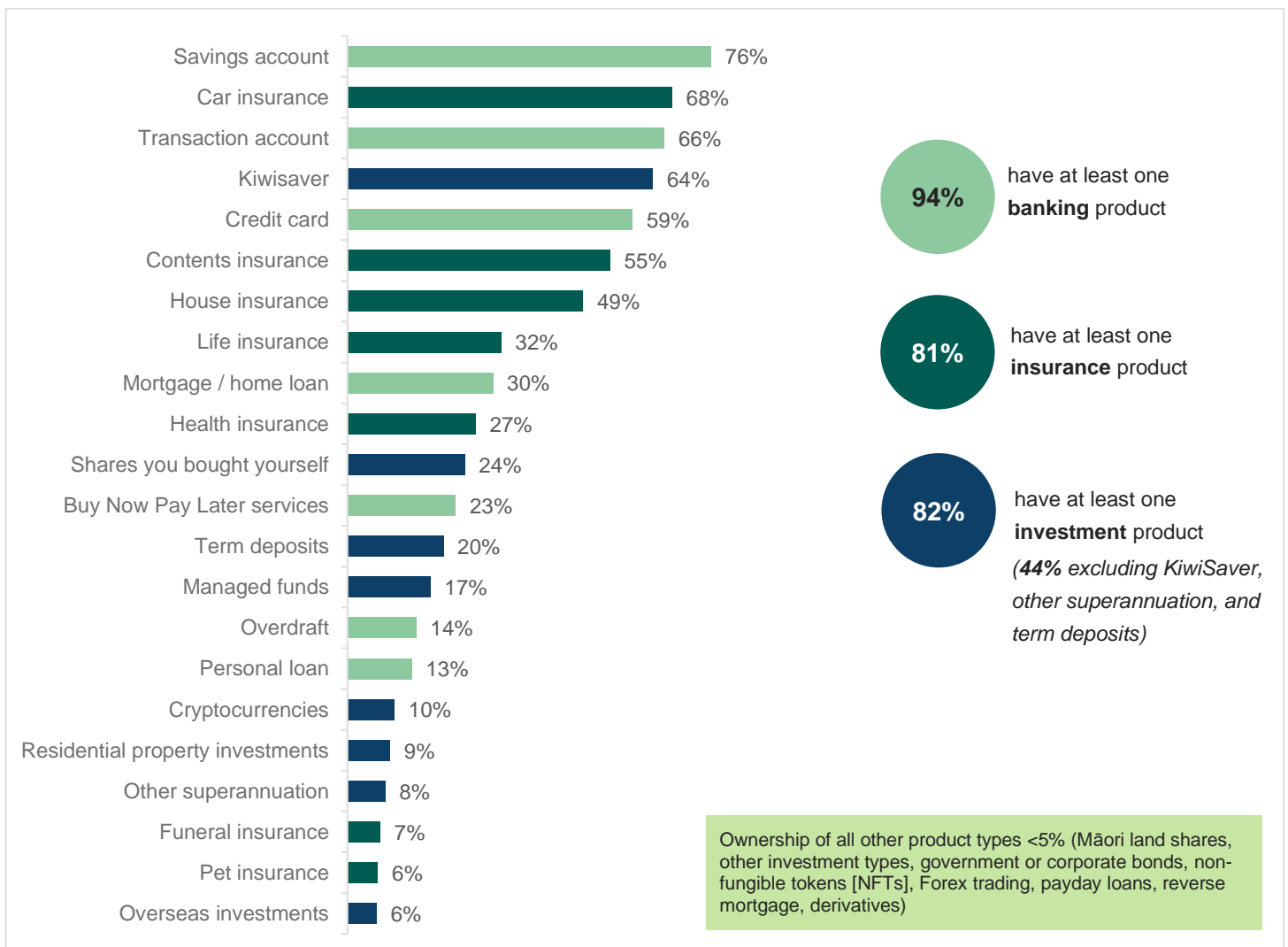
Base: Total New Zealanders 18+ (n=2509)

7 Financial products and services

Overview of current and considered financial products

As shown in Figure below, the top banking products currently owned by New Zealanders are savings accounts (76%), transaction accounts (66%) and credit cards (59%), while 30% have a mortgage. Among insurance products, car insurance is most commonly held (68%), followed by contents insurance (55%), house insurance (49%), and life insurance (32%). KiwiSaver is the most commonly owned investment product (64%), followed by shares (24%), term deposits (20%) and managed funds (17%).

Figure 29. Current financial products

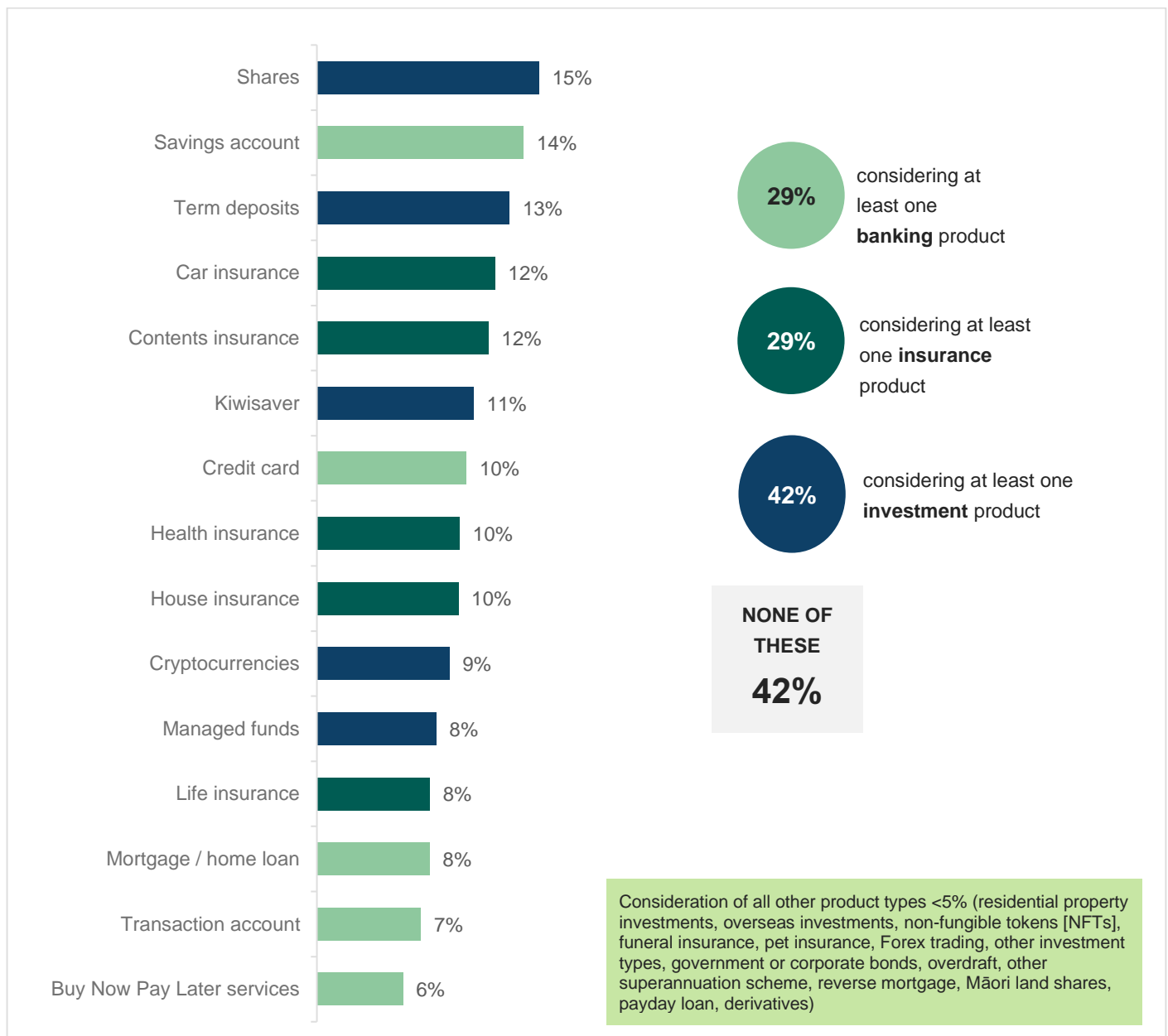


C1. Which of the following types of financial products do you currently own?

Base: Total New Zealanders 18+ (n=2509)

As shown in Figure below, the most considered financial products in the next 12 months are shares (15%), savings accounts (14%), and term deposits (13%). As a category, investment products are most likely to be considered, with 42% of New Zealanders considering taking up at least one new investment product. Over four in ten (42%) New Zealanders are not considering taking up any new financial products in the next year.

Figure 30. Financial products considered in the next 12 months



C4. Which of these financial products and investments **are you considering** taking up in the next 12 months?

Base: Total New Zealanders 18+ (n=2509)

Banking products

Summary of key findings

94%

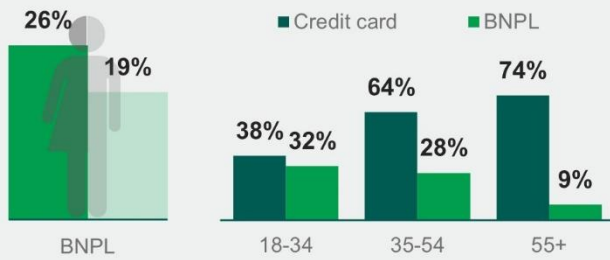
of New Zealanders have at least one banking product



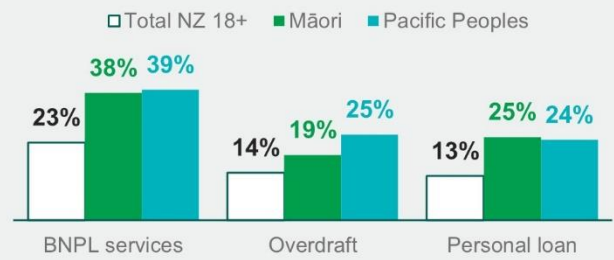
AVERAGE NUMBER OF PRODUCTS OWNED
2.8



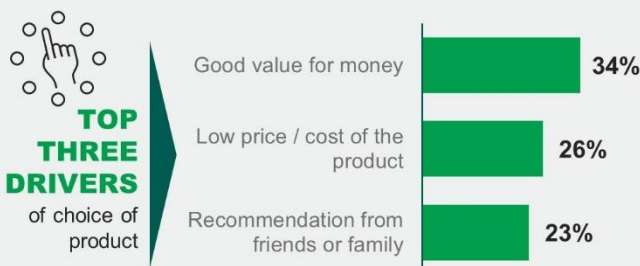
Women and young people are more likely to use Buy Now Pay Later services (BNPL) while uptake of credit cards is **higher among 55+**



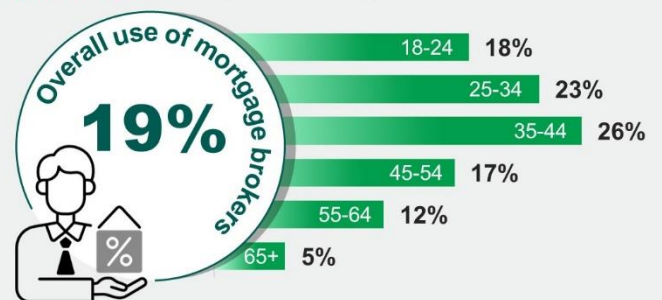
People of Māori or Pacific ethnicity are more likely to have Buy Now Pay Later, overdrafts and personal loans



Value for money, low cost and recommendation are the biggest drivers of choice of banking products



Use of mortgage brokers is **highest among 25-44 year olds** and drops off among older home owners



Demographic differences in banking products held

Table 9 below shows that there are several significant differences in banking product ownership across demographic groups. Key differences include:

- Females are more likely to be using Buy Now Pay Later (BNPL) services.
- Uptake of BNPL services is also higher among 18–34-year-olds while uptake of credit cards is higher among those aged 35+.
- Consumers with higher income are more likely to have savings accounts, credit cards and mortgages.
- Māori and Pacific peoples are more likely to have BNPL services, overdrafts, and personal loans.

Table 9. Banking products held by demographics

| Product | Female | Male | 18-34 | 35-54 | 55+ | Under \$20k | \$20-49k | \$50-99k | \$100-149k | Over \$150k |
|----------------------------|--------|------|-------|-------|-----|-------------|----------|----------|------------|-------------|
| Savings account | 77% | 75% | 73% | 72% | 82% | 57% | 70% | 76% | 81% | 82% |
| Transaction account | 69% | 63% | 55% | 70% | 72% | 58% | 64% | 67% | 69% | 71% |
| Credit card | 58% | 60% | 38% | 64% | 74% | 29% | 54% | 62% | 65% | 71% |
| Buy Now Pay Later services | 26% | 19% | 32% | 28% | 9% | 26% | 19% | 26% | 24% | 20% |
| Mortgage / home loan | 30% | 31% | 25% | 43% | 22% | 10% | 15% | 28% | 46% | 49% |
| Overdraft | 14% | 14% | 12% | 15% | 16% | 9% | 15% | 15% | 15% | 16% |
| Personal loan | 12% | 14% | 15% | 17% | 8% | 15% | 10% | 16% | 14% | 15% |
| Column n | 1358 | 1151 | 701 | 882 | 926 | 123 | 560 | 740 | 515 | 344 |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|----------------------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Savings account | 77% | 59% | 80% | 79% | 75% | 75% |
| Transaction account | 69% | 57% | 62% | 65% | 51% | 62% |
| Credit card | 61% | 43% | 39% | 69% | 67% | 59% |
| Buy Now Pay Later services | 21% | 38% | 39% | 12% | 25% | 28% |
| Mortgage / home loan | 31% | 19% | 24% | 36% | 42% | 34% |
| Overdraft | 14% | 19% | 25% | 10% | 9% | 11% |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|---------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Personal loan | 12% | 25% | 24% | 8% | 14% | 15% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

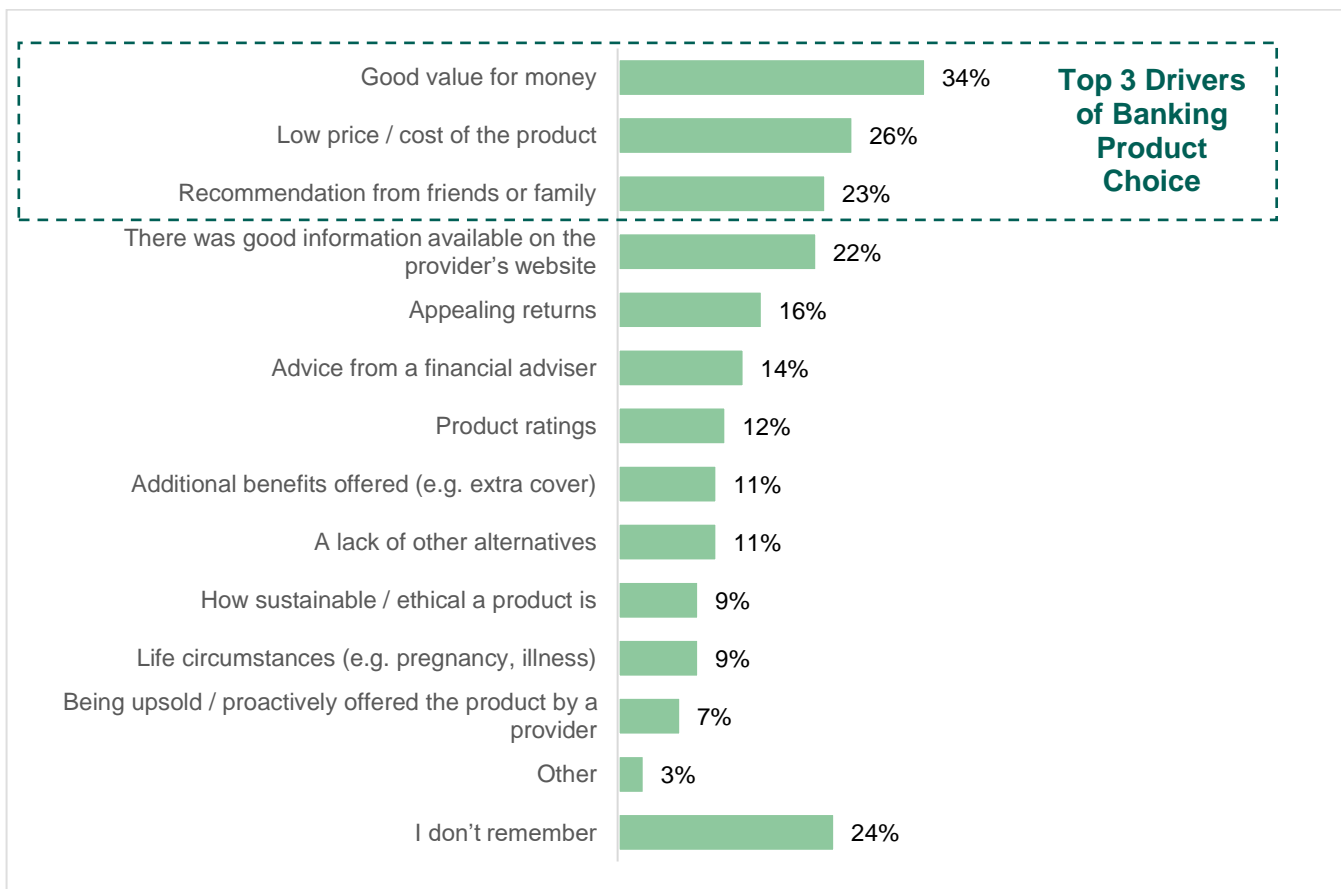
C1. Which of the following types of financial products do you currently own?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Drivers of banking product choice

The top factors influencing New Zealanders' choice of banking products include value for money (34%), low price (26%), recommendation from friends or family (23%) and having good information available on the provider's website (22%).

Figure 31. Drivers of banking product choice



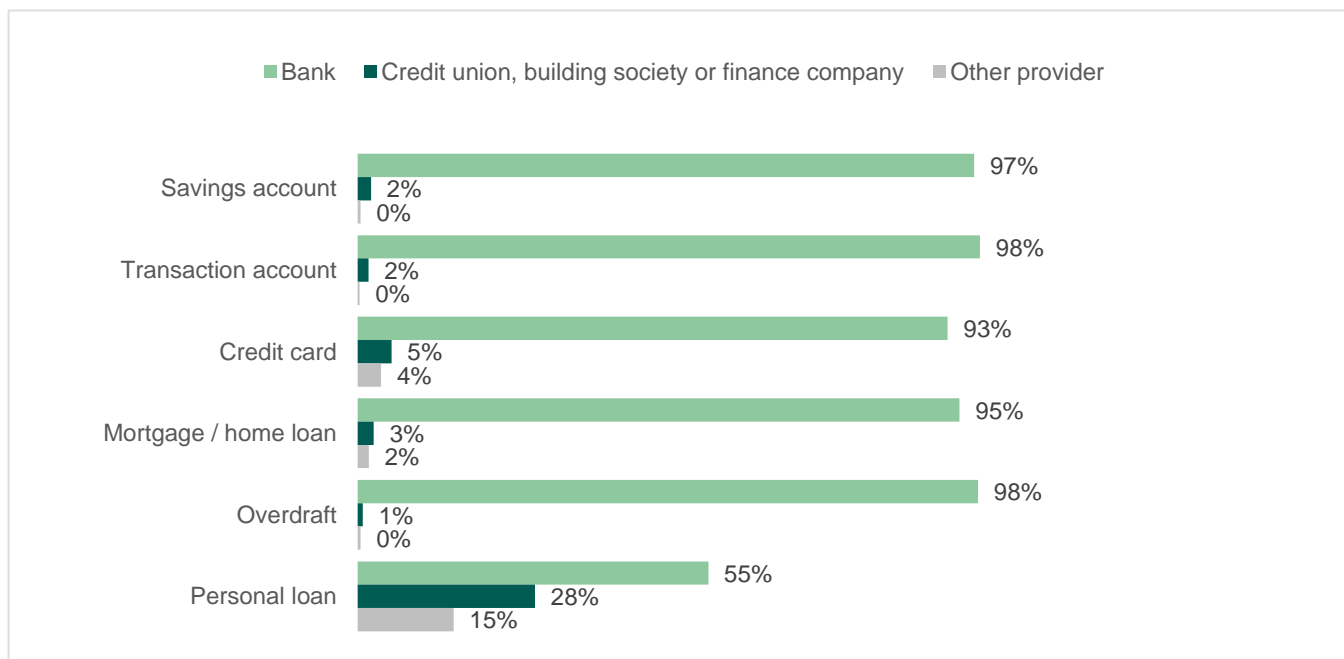
C5. Thinking about all the financial products (e.g., banking, insurance, or investments) you currently hold, what are all the factors that have influenced the products you have chosen?

Base: Those who have at least one banking product (n=2362)

Providers of banking products

For most banking products (savings and transaction accounts, credit card, home loans and overdrafts), over 90% are held with banks. Personal loans are variously held with banks (55%), credit unions, building societies or finance companies (28%) or other providers (15%).

Figure 32. Providers of banking products

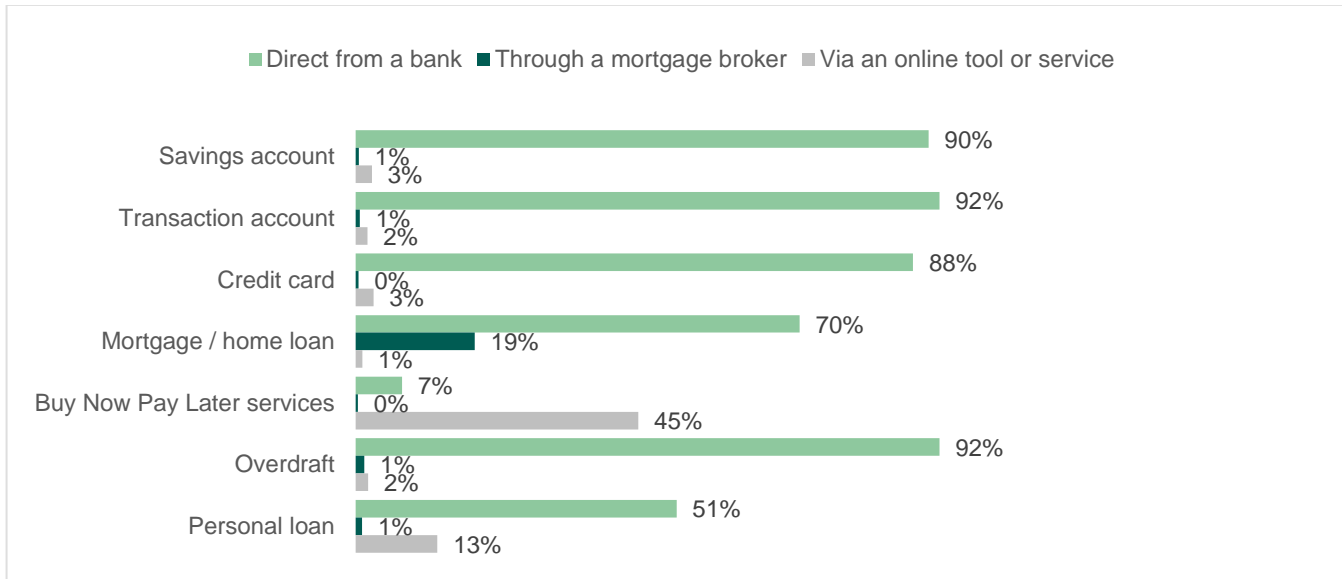


D1. For each of the types of financial products you own, **what type of provider** do you hold these with?

Base: New Zealanders 18+ who have each banking product (Savings account n=1910; Transaction account n=1677; Credit card n=1523; Mortgage n=763; BNPL n=555; Term deposits n=513; Overdraft n=365; Personal loan n=331)

Most banking products except BNPL and personal loans were also initially opened with a bank (ranging from 70% to 92%). For mortgages, 70% were obtained from a bank and almost one in five (19%) from a mortgage broker.

Figure 33. How banking products were initially bought/opened

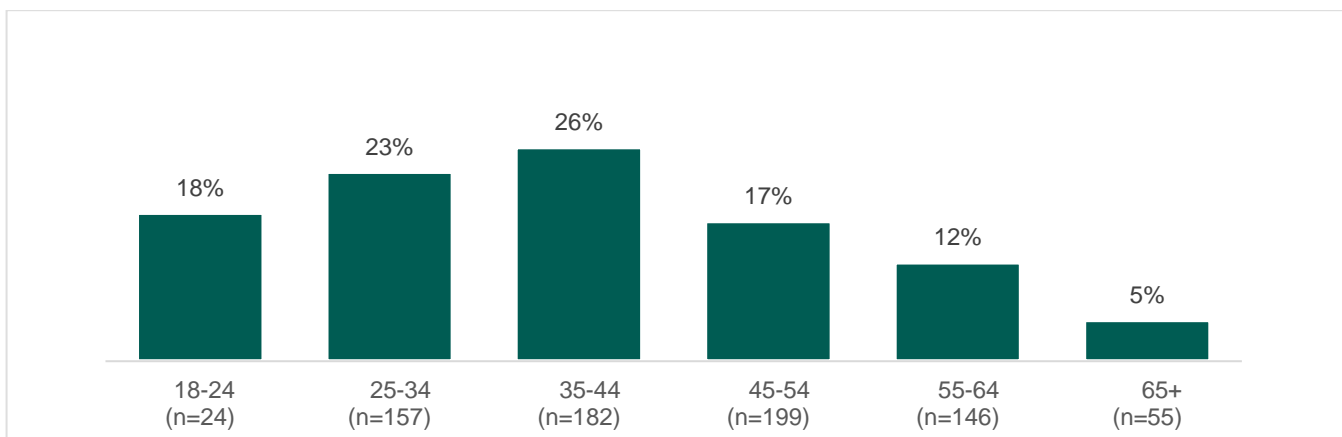


D2. For each of the types of financial products you own, how did you initially buy / open each product or account?

Base: New Zealanders 18+ who have each banking product (Savings account n=1910; Transaction account n=1677; Credit card n=1523; Mortgage n=763; BNPL n=555; Term deposits n=513; Overdraft n=365; Personal loan n=331)

Use of mortgage brokers is highest among 25–44-year-olds (23-26%) and is lowest among those aged 65+ (5%).

Figure 34. Percentage of mortgages that were initially bought/opened via mortgage brokers by age



D2. For each of the types of financial products you own, how did you initially buy / open each product or account?

Base: New Zealanders 18+ who have a mortgage (n=763)

Insurance products

Summary of key findings

81%

of New Zealanders have at least one insurance product



AVERAGE NUMBER OF PRODUCTS OWNED
2.4



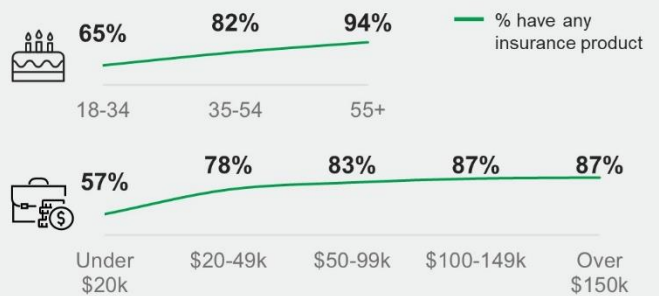
- Car / motor insurance
- Contents insurance
- House insurance
- Life insurance
- Health insurance
- Funeral insurance
- Pet insurance



Car, home and contents insurance are most popular

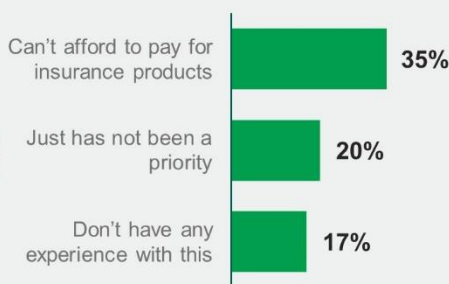
while **funeral and pet insurance** have low uptake

18-34 year olds and people on lower incomes are **less likely to have insurance**



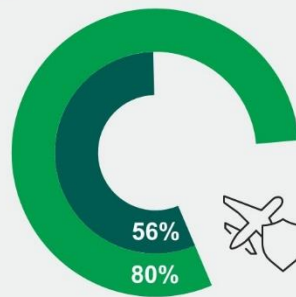
Cost is the biggest barrier to obtaining insurance

TOP THREE BARRIERS among those who do not have insurance



Completely successful claims

- All insurance
- Travel insurance



80% of all insurance claims were successful

But only **56%** of travel insurance claims were successful

Demographic differences in insurance products held

Table 10 below shows that there are several significant differences in insurance product ownership across demographic groups. Key differences include:

- 18-34-year-olds are less likely to have any insurance types, except health and pet insurance.
- Ownership of life and health insurance picks up in the 35-54 age group and then declines again among those aged 55 or over.
- Insurance ownership significantly increases with annual household incomes above \$100K.
- Ethnicities other than NZ European/Pākehā are significantly less likely to own car, home, or contents insurance.

Table 10. Insurance products held by demographics

| Product | Female | Male | 18-34 | 35-54 | 55+ | Under \$20k | \$20-49k | \$50-99k | \$100-149k | Over \$150k |
|-----------------------|--------|------|-------|-------|-----|-------------|----------|----------|------------|-------------|
| Car / motor insurance | 69% | 66% | 48% | 68% | 85% | 42% | 67% | 69% | 73% | 74% |
| Contents insurance | 57% | 52% | 29% | 55% | 77% | 28% | 52% | 54% | 63% | 65% |
| House insurance | 50% | 48% | 24% | 50% | 71% | 18% | 47% | 47% | 57% | 60% |
| Life insurance | 30% | 34% | 24% | 45% | 26% | 12% | 17% | 32% | 44% | 48% |
| Health Insurance | 24% | 29% | 24% | 32% | 24% | 3% | 10% | 24% | 39% | 49% |
| Funeral Insurance | 8% | 6% | 3% | 5% | 12% | 5% | 11% | 7% | 6% | 3% |
| Pet insurance | 6% | 7% | 7% | 8% | 4% | 2% | 3% | 5% | 11% | 12% |
| Column n | 1358 | 1151 | 701 | 882 | 926 | 123 | 560 | 740 | 515 | 344 |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|-----------------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Car / motor insurance | 71% | 52% | 49% | 57% | 58% | 57% |
| Contents insurance | 62% | 33% | 23% | 37% | 36% | 35% |
| House insurance | 53% | 29% | 23% | 44% | 41% | 38% |
| Life insurance | 31% | 32% | 34% | 29% | 36% | 44% |
| Health Insurance | 25% | 19% | 22% | 37% | 40% | 37% |
| Funeral Insurance | 7% | 13% | 12% | 4% | 2% | 5% |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|---------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Pet insurance | 6% | 7% | 7% | 2% | 7% | 12% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

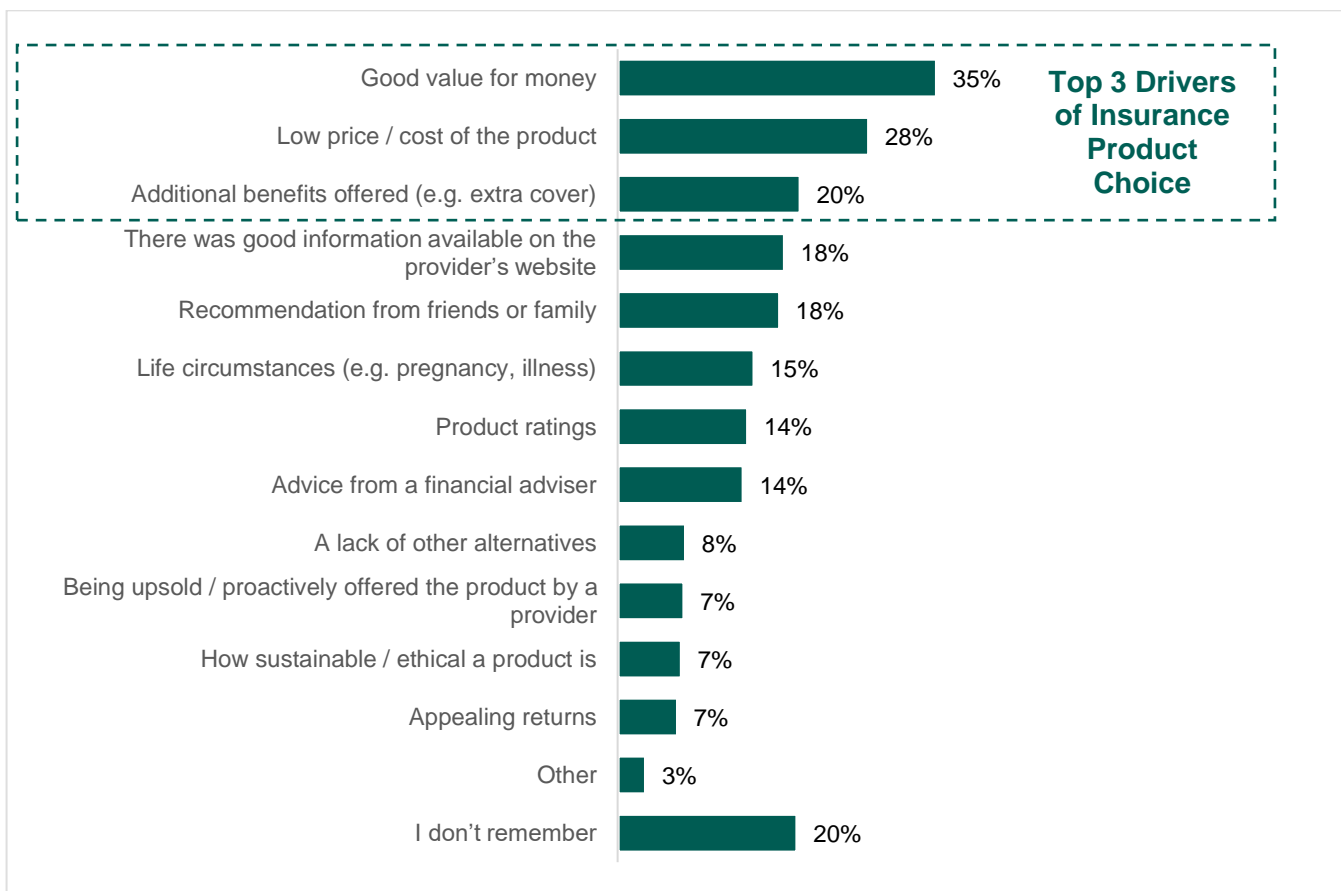
C1. Which of the following types of financial products do you currently own?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Drivers of insurance product choice

The top factors influencing New Zealanders' choice of insurance products include value for money (35%), low prices (28%), additional benefits offered such as extra cover (20%), having good information available on the provider's website (18%) and recommendation from friends or family (18%). Life circumstances play a bigger role in choice of insurance products as compared with banking products (15% vs. 9%).

Figure 35. Drivers of insurance product choice



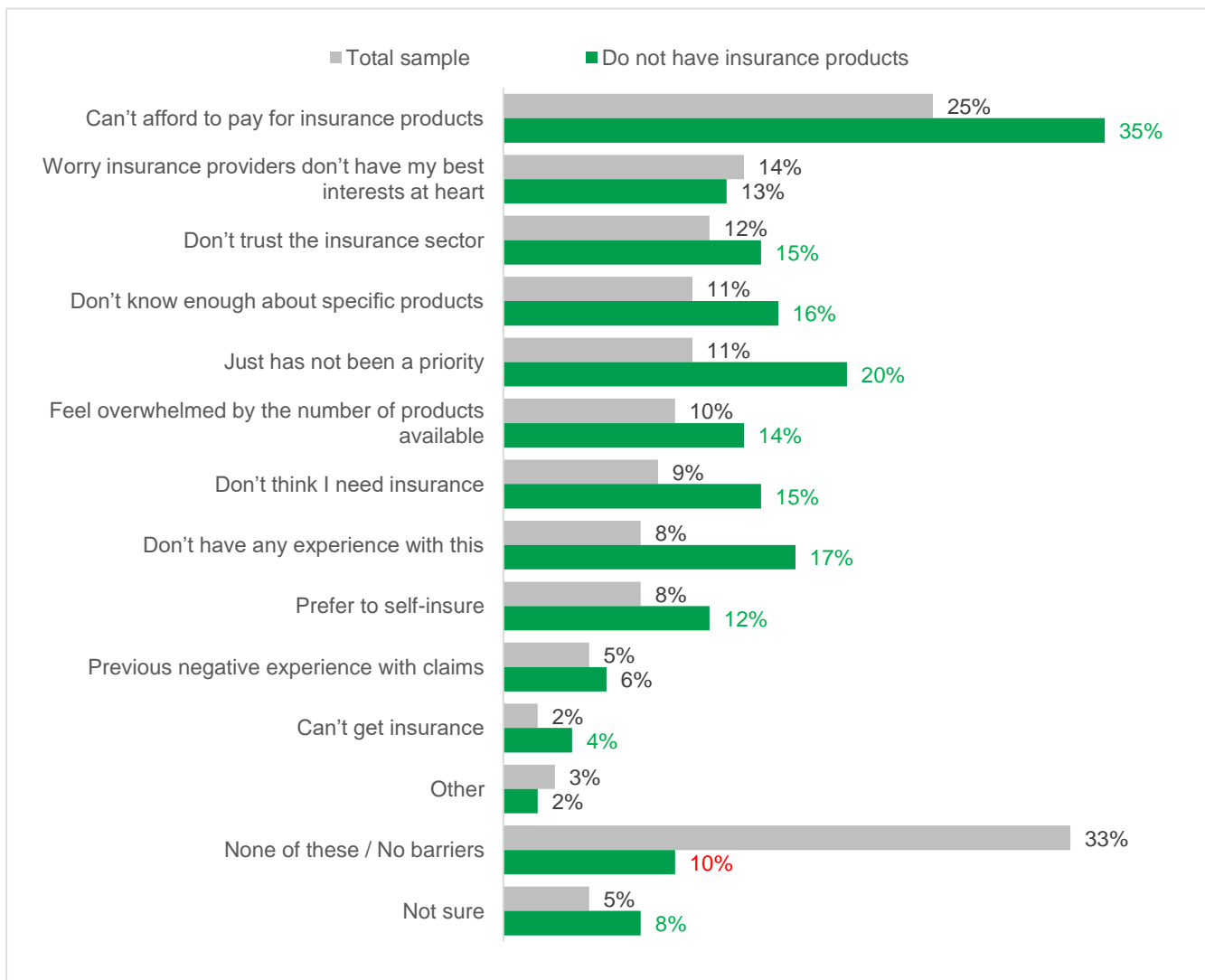
C5. Thinking about all the financial products (e.g., banking, insurance, or investments) you currently hold, what are all the factors that have influenced the products you have chosen?

Base: Those who have at least one insurance product (n=2053)

Barriers to insurance products

The largest barrier to insurance products for those who do not already have them is the cost associated with insurance products (35%). A belief that insurers don't have their customers' best interests at heart (13%) and a lack of trust in insurers (15%) are the two other barriers most likely to prevent New Zealanders from taking up insurance products.

Figure 36. Barriers to taking up insurance products



C3. What are the main barriers for you taking up insurance products?

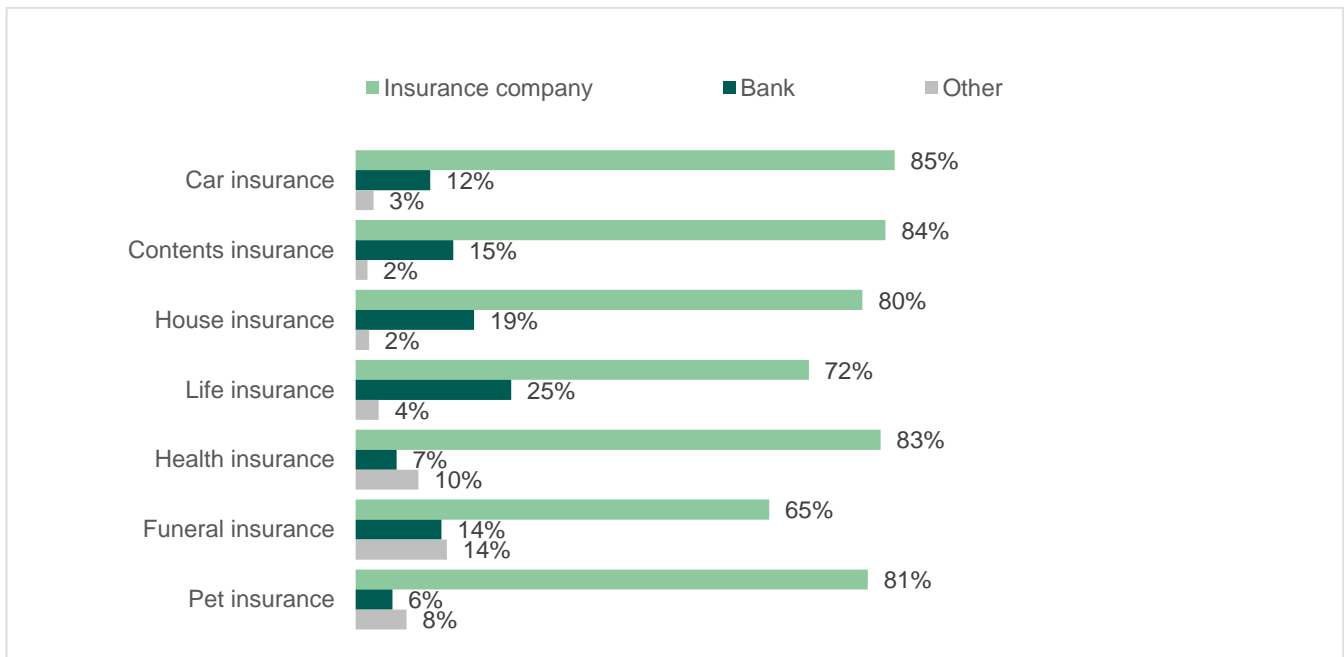
Base: Total New Zealanders 18+ (n=2509); Do not have insurance products (n=456)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Providers of insurance products

A majority of insurance products are held with insurance companies (ranging from 65% to 85%). One quarter (25%) of life insurance policies are held with banks.

Figure 37. Providers of each insurance product

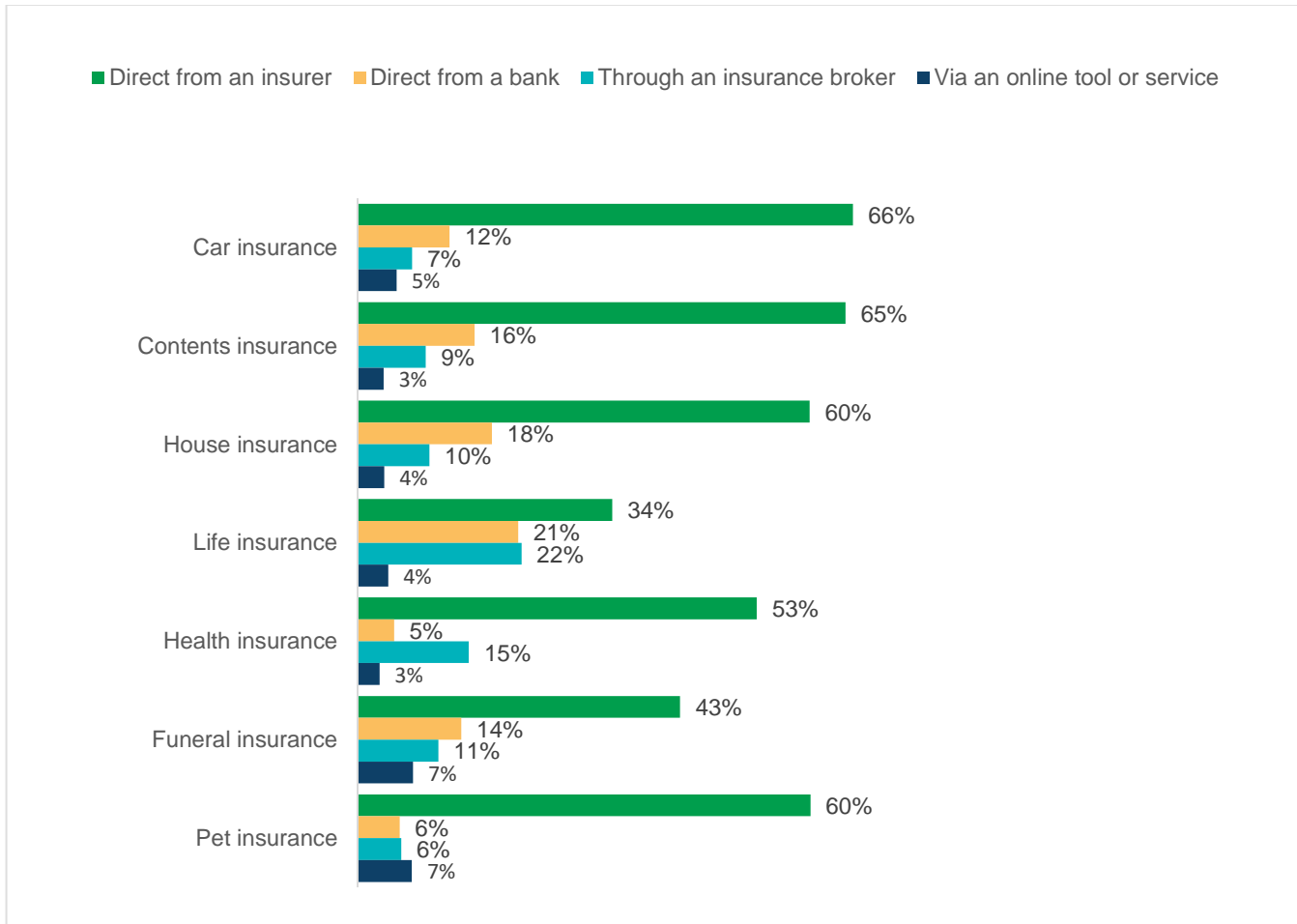


D1. For each of the types of financial products you own, what type of provider do you hold these with?

Base: New Zealanders 18+ who have each insurance product (Car n=1732; Contents n=1424; House n=1274; Life n=809; Health n=672; Funeral n=178; Pet n=154)

For most insurance products (car, contents, house, health, and pet) a majority were also initially purchased directly from insurers (53% to 66%). For life insurance, 53% were obtained from an insurer, 21% from a bank and 22% from an insurance broker.

Figure 38. How insurance products were initially bought/opened



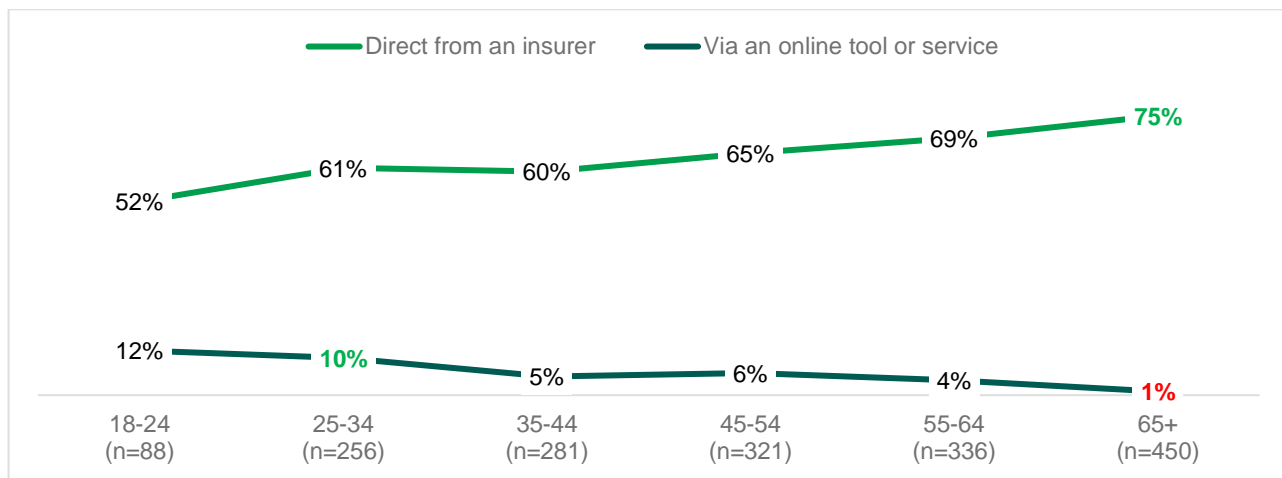
D2. For each of the types of financial products you own, how did you initially buy / open each product or account?

Base: New Zealanders 18+ who have each insurance product (Car n=1732; Contents n=1424; House n=1274; Life n=809; Health n=672; Funeral n=178; Pet n=154)

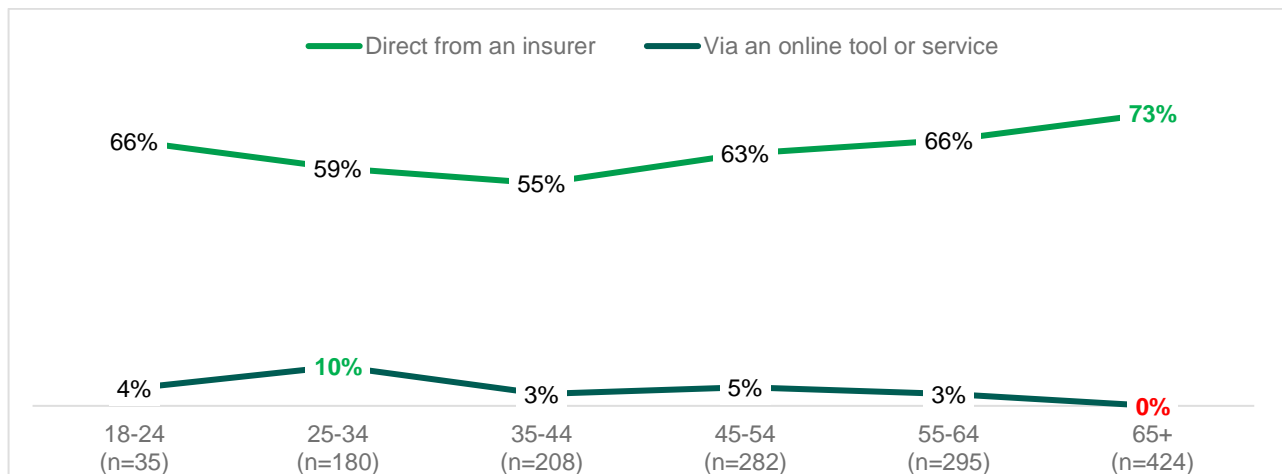
Older people are much less likely to have purchased insurance online, showing a strong preference for traditional channels. This is illustrated in the following charts (Figure), which show that those aged 65 and over are significantly more likely to have purchased their car, contents or house insurance directly from an insurer and significantly less likely to have purchased these types of insurance via an online tool or service.

Figure 39. How insurance products were initially bought/opened by age

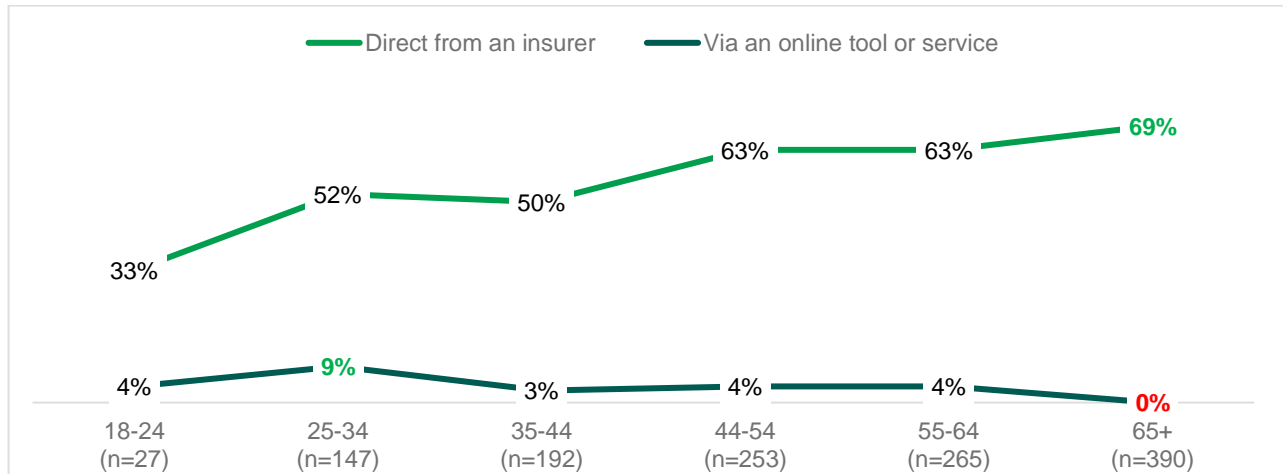
CAR INSURANCE



CONTENTS INSURANCE



HOUSE INSURANCE



D2. For each of the types of financial products you own, **how did you initially buy / open** each product or account?

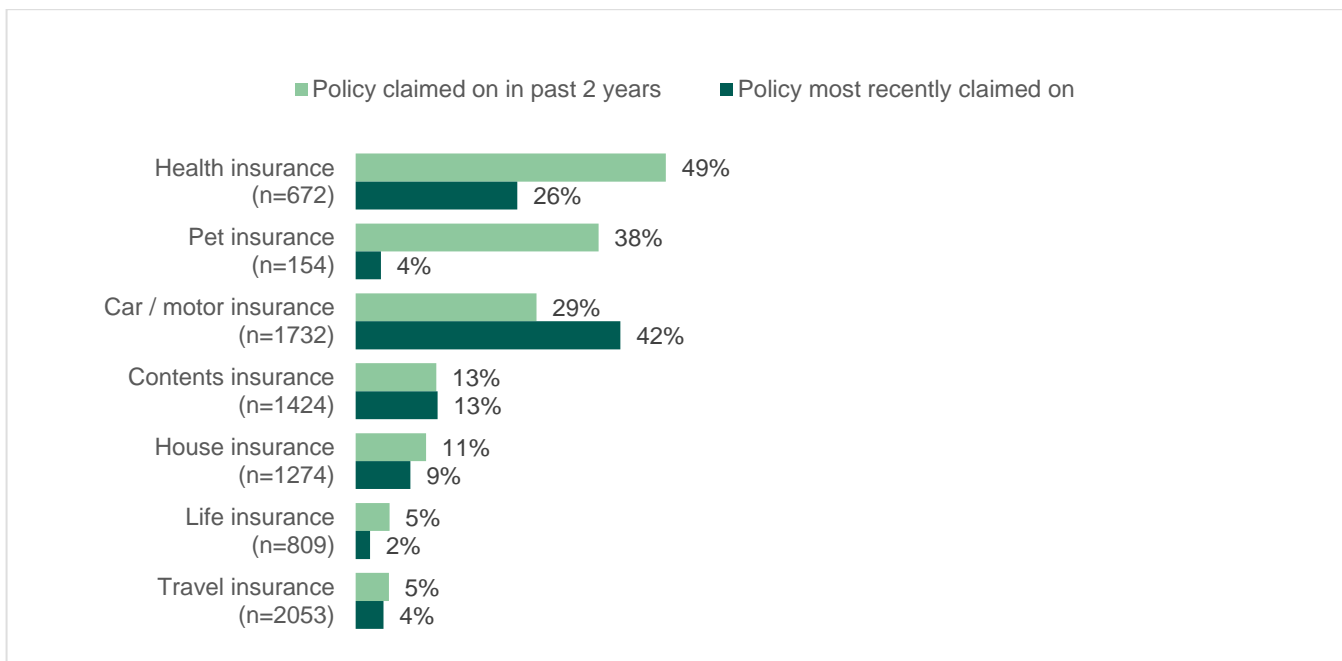
Base: New Zealanders 18+ who have each insurance product

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Policy claims outcomes by insurance type

New Zealanders with insurance are most likely to have made a claim on their health, pet, or car insurance in the past two years. Almost half (49%) made a claim on their health insurance, 38% for pet insurance and 29% for car insurance. Among those who had made a claim, car insurance was the most recent type of insurance claimed on for 42%, with health insurance coming in second at 26%.

Figure 40. Insurance policies claimed on in past 2 years



D16. Now thinking about all the **insurance policies**, you currently hold, have you made a claim on any of these policies in the last 2 years?

Base: New Zealanders 18+ who have each insurance product.

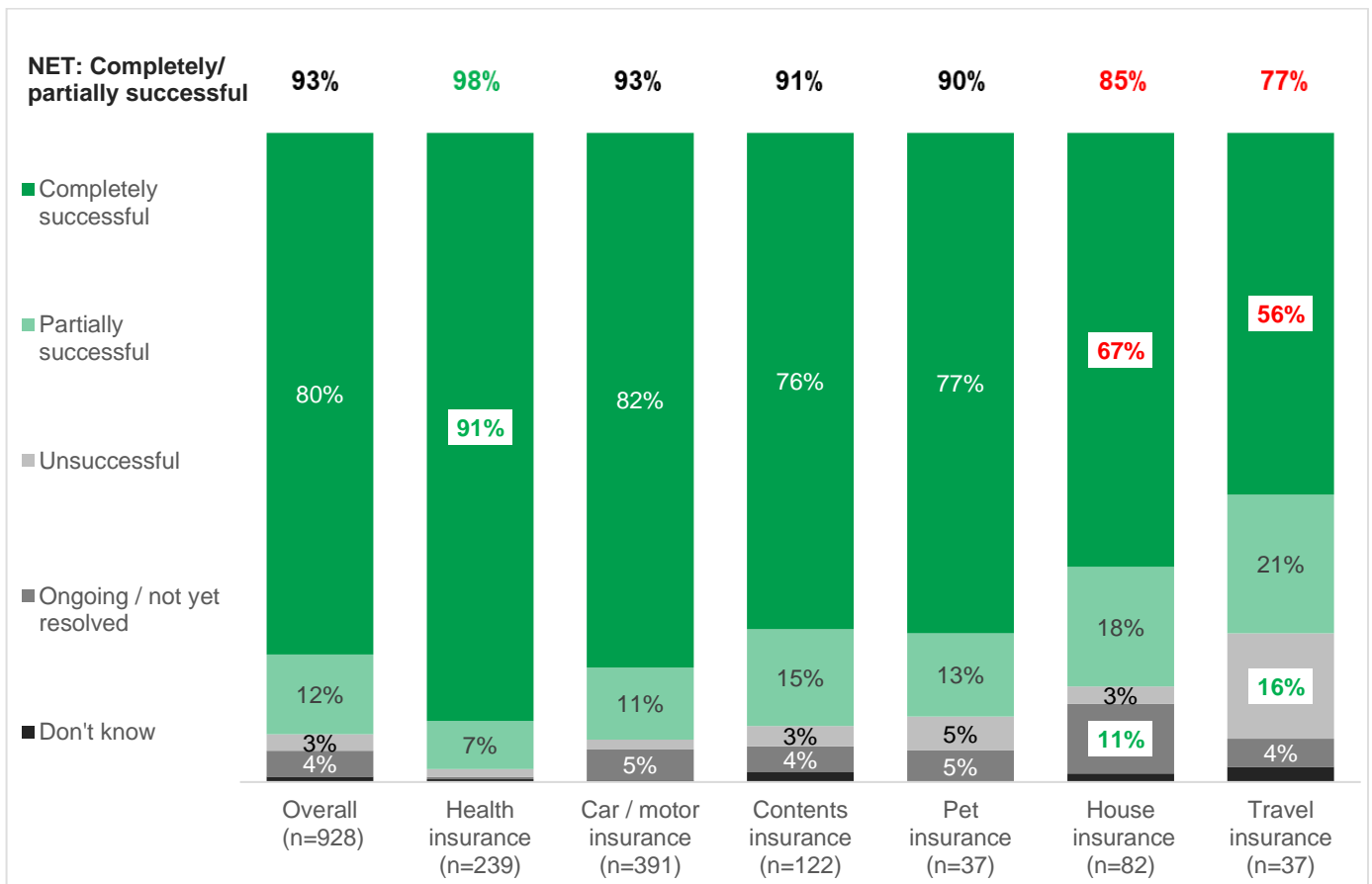
D17. Which of these did you claim on most recently?

Base: Made an insurance claim in the last 2 years (n=928).

Most insurance claims were successful across most insurance types (over three-quarters of claims were completely successful across health, car, contents, and pet insurance, and over 90% were either completely or partially successful).

Travel insurance claims were significantly more likely to be unsuccessful (16%, vs. 3% overall).

Figure 41. Insurance policy claim outcomes



D18. Thinking about the [policy selected at D17] you made a claim on, what was the outcome of the claim?

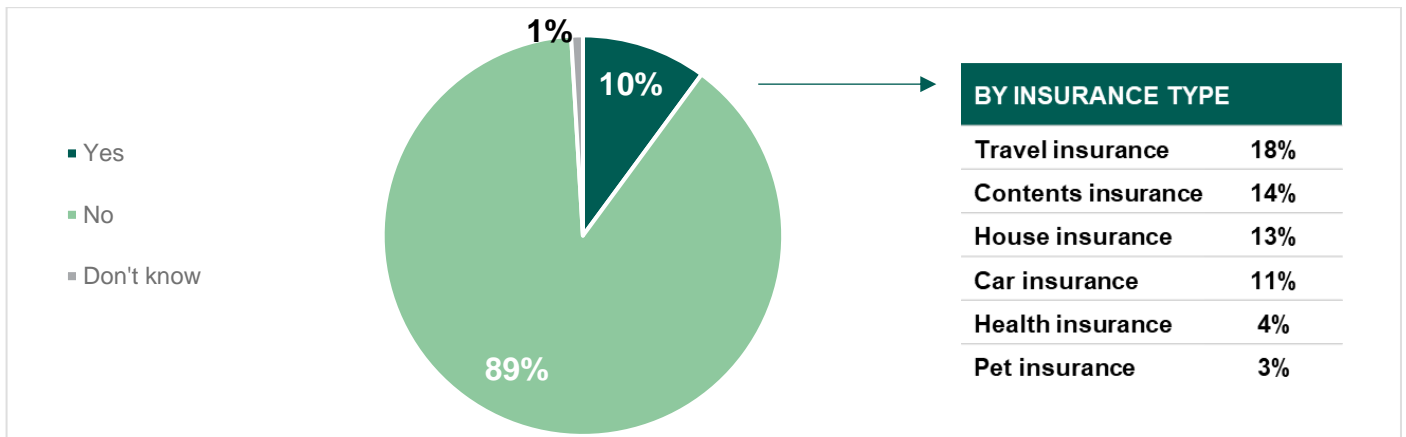
Base: New Zealanders 18+ who have made a claim in the past two years (n=928)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Problems experienced when making claims

Overall, one in ten New Zealanders experienced problems when making a claim on their insurance. When broken out by different types of insurance, those making a claim against their travel insurance were most likely to experience problems (18% vs. 10% overall) and those making a claim on their pet insurance least likely (3%).

Figure 42. Whether experienced any problems when making insurance claim



D20. Did you have any problems when making your claim?

Base: New Zealanders 18+ who have made a claim in the past two years (n=928)

Respondents who said they experienced problems were asked an open-ended question about what problems they experienced. The most common problems mentioned in their feedback related to long wait times to have their claim resolved and poor customer service.

“The wait time on the phone was a nightmare” (Travel insurance)

“Huge delay with getting an outcome” (Contents insurance)

“They mucked me around for 3 months and were totally hopeless” (Contents insurance)

“A rubbish truck company hit my car and was in the wrong, but it took weeks for them to organize everything and get them to waive the excess” (Car insurance)

“General slowness from the insurance company. I had to chase them up constantly” (House insurance)

“Had to jump through so many loops getting receipts and having insurance company accept them, and also contact was really poor”
(Car insurance)

“My car was stolen but insurance company refused to honour the claim”
(Car insurance)

D21. What problem/s did you have when making your claim?

Base: Experienced problems when making claim (n=90)

Investment products

Summary of key findings

82%
of New Zealanders
have at least one
investment product



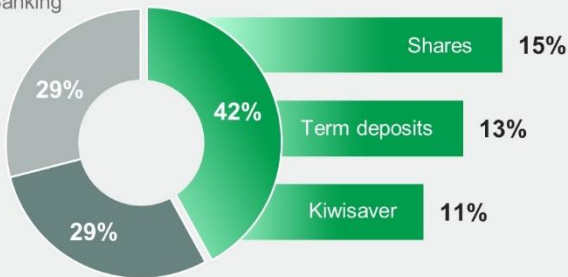
AVERAGE
NUMBER OF
PRODUCTS
OWNED
1.7



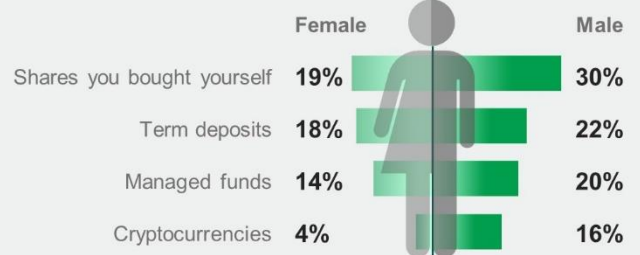
Considering at least one x product

- Investment
- Insurance
- Banking

Investments are the **most considered** product type



Males are more likely than females to be investing in shares, term deposits, managed funds and cryptocurrencies

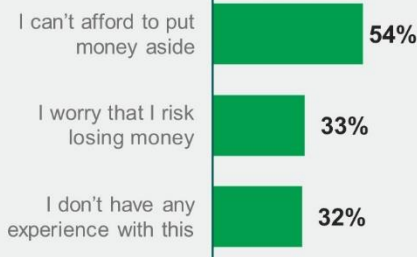


Cost, risk aversion and lack of experience are **key barriers** to investments



TOP THREE BARRIERS

among those who do not have investments



- Prefer ethical investments
- Chosen an ethical investment fund



68%
would prefer ethical
investments

Yet only **23%**
have chosen an ethical
investment fund

Demographic differences in investment products held

Table 11 below shows that there are several significant differences in investment product ownership across demographic groups. Key differences include:

- Males are more likely than females to be investing in shares, managed funds, or cryptocurrencies.
- New Zealanders aged 55+ are less likely to have a KiwiSaver but more likely to have another superannuation scheme.
- Investment participation significantly increases with higher income.
- Highest cryptocurrency ownership is among Māori.
- New Zealand's Asian population are more likely to be investors than other groups.

Table 11. Investment products held by demographics

| Product | Female | Male | 18-34 | 35-54 | 55+ | Under \$20k | \$20-49k | \$50-99k | \$100-149k | Over \$150k |
|----------------------------------|--------|------|-------|-------|-----|-------------|----------|----------|------------|-------------|
| KiwiSaver | 65% | 62% | 72% | 73% | 47% | 46% | 45% | 66% | 77% | 77% |
| Shares you bought yourself | 19% | 30% | 26% | 24% | 24% | 7% | 15% | 23% | 31% | 42% |
| Term deposits | 18% | 22% | 12% | 13% | 34% | 8% | 22% | 21% | 19% | 22% |
| Managed funds | 14% | 20% | 17% | 17% | 18% | 4% | 11% | 17% | 21% | 32% |
| Cryptocurrencies | 4% | 16% | 18% | 10% | 2% | 6% | 4% | 10% | 16% | 14% |
| Residential property investments | 8% | 10% | 4% | 11% | 12% | 1% | 3% | 8% | 11% | 20% |
| Other superannuation scheme | 7% | 8% | 3% | 8% | 13% | 1% | 6% | 7% | 11% | 12% |
| Overseas investments | 4% | 8% | 6% | 5% | 7% | 4% | 3% | 5% | 8% | 13% |
| Column n | 1358 | 1151 | 701 | 882 | 926 | 123 | 560 | 740 | 515 | 344 |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|----------------------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| KiwiSaver | 63% | 67% | 72% | 77% | 59% | 72% |
| Shares you bought yourself | 25% | 17% | 20% | 33% | 24% | 35% |
| Term deposits | 19% | 13% | 8% | 35% | 28% | 25% |
| Managed funds | 17% | 11% | 8% | 23% | 17% | 24% |

| Product | NZ European / Pākehā | Māori | Pacific peoples | Chinese | Indian | Other Asian ethnicities |
|----------------------------------|----------------------|-------|-----------------|---------|--------|-------------------------|
| Cryptocurrencies | 8% | 18% | 17% | 12% | 17% | 12% |
| Residential property investments | 8% | 5% | 5% | 12% | 15% | 12% |
| Other superannuation scheme | 8% | 9% | 3% | 5% | 6% | 7% |
| Overseas investments | 5% | 3% | 1% | 11% | 9% | 10% |
| Column n | 1903 | 259 | 94 | 105 | 106 | 127 |

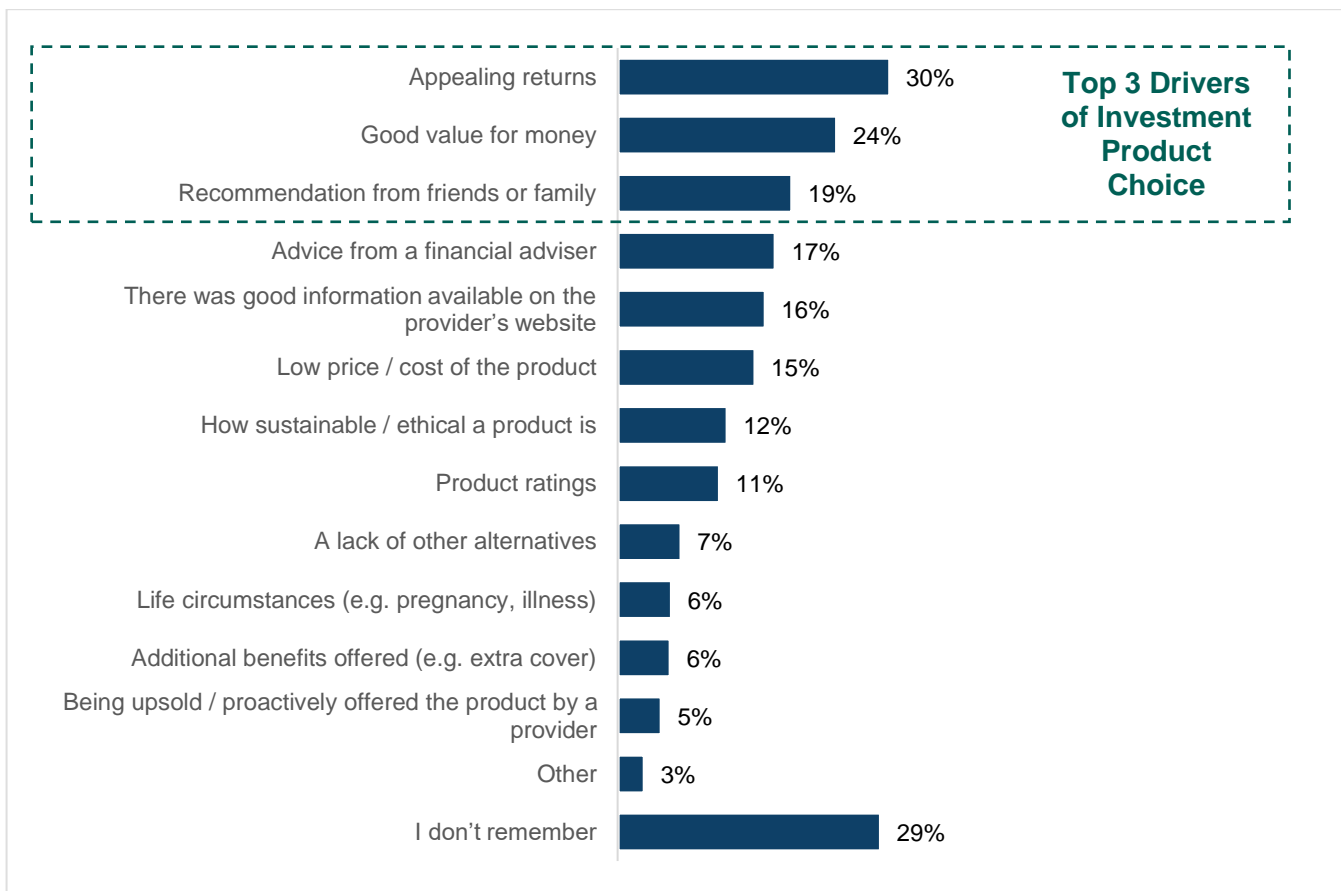
C1. Which of the following types of financial products do you currently own?

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Drivers of investment product choice

The top factors influencing New Zealanders' choice of investment products include appealing returns (30%), value for money (24%), recommendation from friends or family (19%), advice from a financial adviser (17%) and having good information available on the provider's website (16%). Almost three in ten (29%) cannot remember what factors helped them to decide.

Figure 43. Drivers of investment product choice



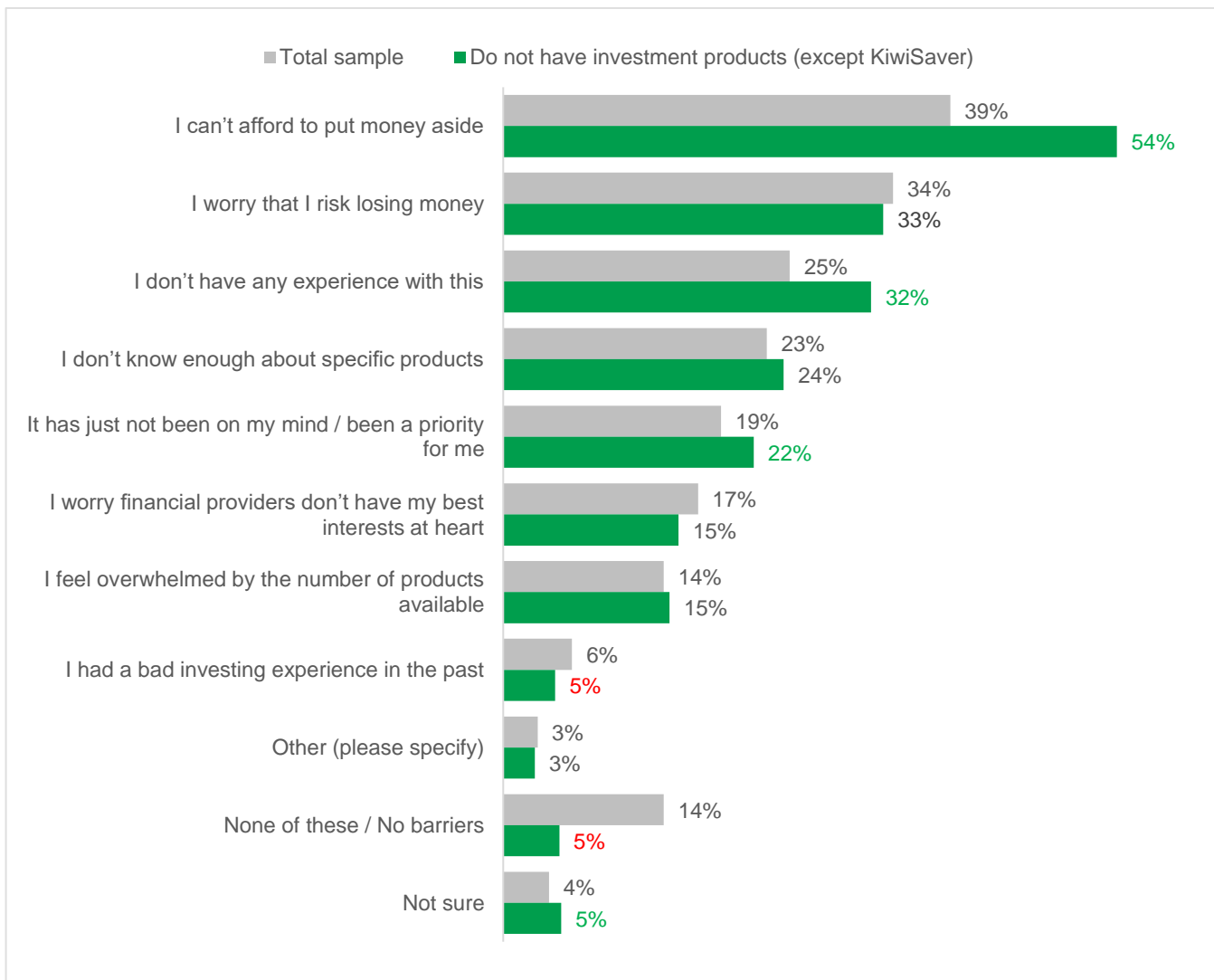
C5. Thinking about all the financial products (e.g., banking, insurance, or investments) you currently hold, what are all the factors that have influenced the products you have chosen?

Base: Those who have at least one investment product (n=2053)

Barriers to investment products

The largest barrier to investment products for those who do not already have them is not having enough money to set aside for investments (54%). Fear of losing money (33%) and a lack of experience with investments (32%) are the next biggest barriers preventing New Zealanders from taking up investment products.

Figure 44. Barriers to taking up investment products



C2. What are the main barriers for you taking up investment products?

Base: Total New Zealanders 18+ (n=2509); Do not have insurance products – except KiwiSaver (n=1154)

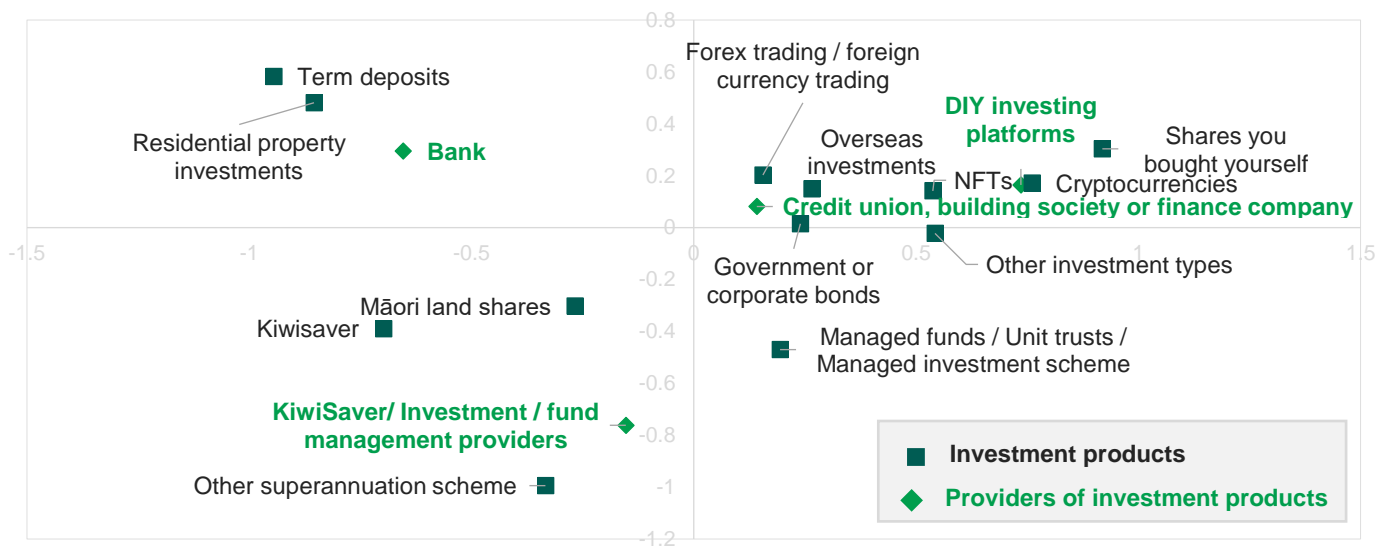
xx/xx significantly higher/lower vs. Total sample to 95% confidence

Providers of investment products

As there is more variety in providers of investment products as compared with providers of banking and insurance products, a correspondence analysis was performed to analyse the relationships between investment products and the providers of those products. This analysis revealed the following key findings:

- Term deposits and residential property investments are most likely to be held with banks.
- KiwiSaver ownership is split relatively evenly between banks and KiwiSaver or investment fund providers while other superannuation schemes are much more likely to be held with specialised investment fund providers.
- Newer digital investment types (cryptocurrencies, non-fungible tokens [NFTs]) as well as shares are most likely to be held with do it yourself (DIY) investing platforms while providers of managed funds are split evenly between DIY investing platforms and investment fund management providers.
- Few investment products of any type are held with credit unions, building societies or finance companies.

Figure 45. Providers of each investment product – correspondence analysis plot



D1. For each of the types of financial products you own, what type of provider do you hold these with?

Base: New Zealanders 18+ who have each investment product (KiwiSaver n=1576; Shares n=603; Managed funds n=427; Residential property investments n=229; Cryptocurrencies n=217; Other superannuation n=203; Overseas investments n=152; Māori land shares n=67; Other investment types n=59; Government/corporate bonds n=44; NFTS n=37; Forex trading n=34)

Table 12 below shows the ways in which each investment product was initially purchased. Key findings include:

- KiwiSaver, term deposits and residential property investments are significantly more likely to have been obtained via a bank. Residential property investments are also more likely to have been purchased through a mortgage broker (as reflected in the 52% 'other').
- Managed funds were purchased via a range of methods including via a platform or share trading app (30%), directly from an investment firm (22%), or through a financial adviser (15%).
- Shares, cryptocurrencies, NFTs, Forex trading and overseas investments are most likely to have been bought through a platform or share trading app. Cryptocurrencies and NFTs were also significantly more likely than other investment types to be purchased via an online tool or service.

Table 12. How investment products were initially bought/opened

| Product | Direct from a bank | Direct from an investment firm | Through a financial adviser | Via a platform / share trading app | Via an online tool or service | Other |
|----------------------------------|--------------------|--------------------------------|-----------------------------|------------------------------------|-------------------------------|-------|
| KiwiSaver | 56% | 11% | 7% | 2% | 6% | 18% |
| Shares | 5% | 8% | 4% | 54% | 14% | 15% |
| Term deposits | 87% | 2% | 1% | 2% | 4% | 5% |
| Managed funds | 12% | 22% | 15% | 30% | 9% | 11% |
| Residential property investments | 40% | 2% | 3% | 1% | 1% | 52% |
| Cryptocurrencies | 5% | 3% | 2% | 42% | 34% | 15% |
| Other superannuation | 16% | 9% | 14% | 1% | 3% | 58% |
| Overseas investments | 24% | 10% | 10% | 28% | 9% | 19% |
| Māori land shares | 11% | 4% | 5% | 4% | 6% | 70% |
| Government or corporate bonds | 17% | 14% | 17% | 7% | 26% | 19% |
| Non-fungible tokens (NFTs) | 8% | 3% | 0% | 26% | 40% | 24% |
| Forex / foreign currency trading | 20% | 8% | 11% | 32% | 16% | 13% |
| Other investment types | 5% | 11% | 3% | 30% | 24% | 27% |

D2. For each of the types of financial products you own, **how did you initially buy / open** each product or account?

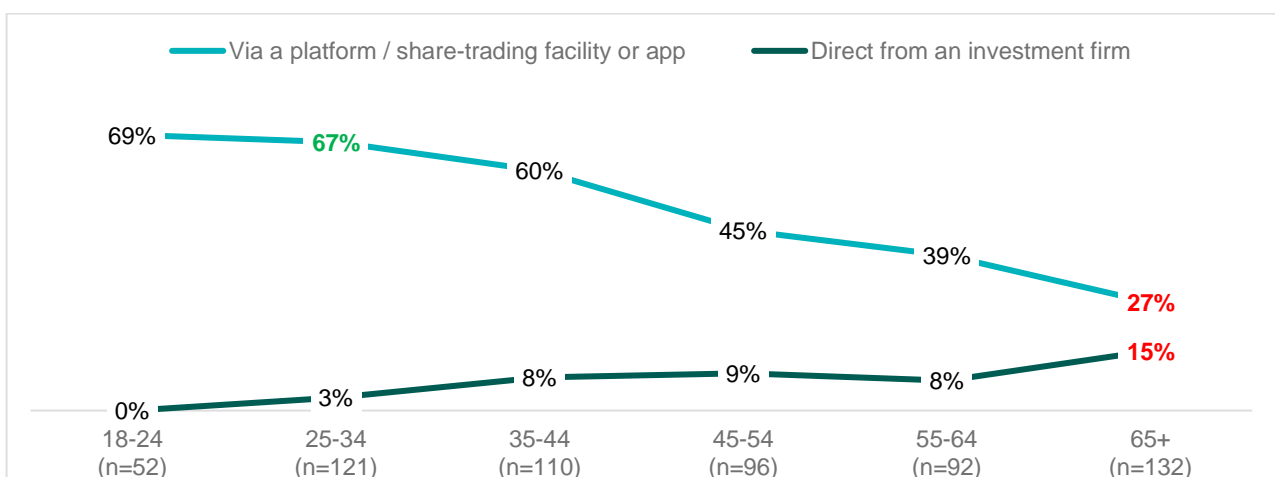
Base: New Zealanders 18+ who have each investment product (KiwiSaver n=1576; Shares n=603; Managed funds n=427; Residential property investments n=229; Cryptocurrencies n=217; Other superannuation n=203; Overseas investments n=152; Māori land shares n=67; Other investment types n=59; Government/corporate bonds n=44; NFTS n=37; Forex trading n=34)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

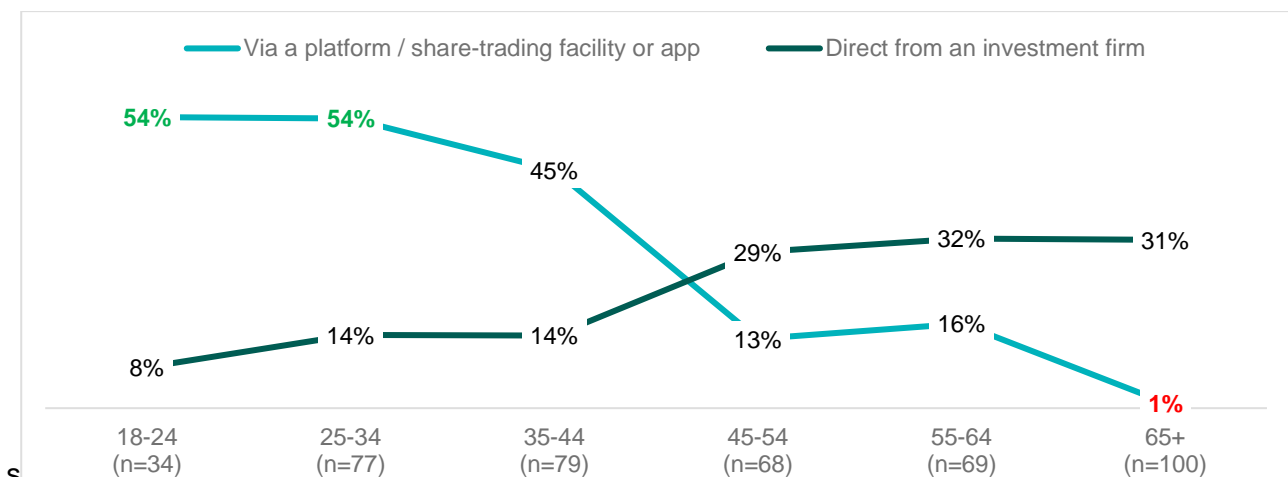
Uptake of online share trading platforms / apps is significantly higher among younger New Zealanders. This is illustrated in the following charts (Figure), which show that those aged 18-34 are significantly more likely to have taken up shares, managed funds and term deposits via a platform or share trading app or online tool or service, while those aged 65 and over are significantly less likely to have done so.

Figure 46. How investment products were initially bought/opened by age

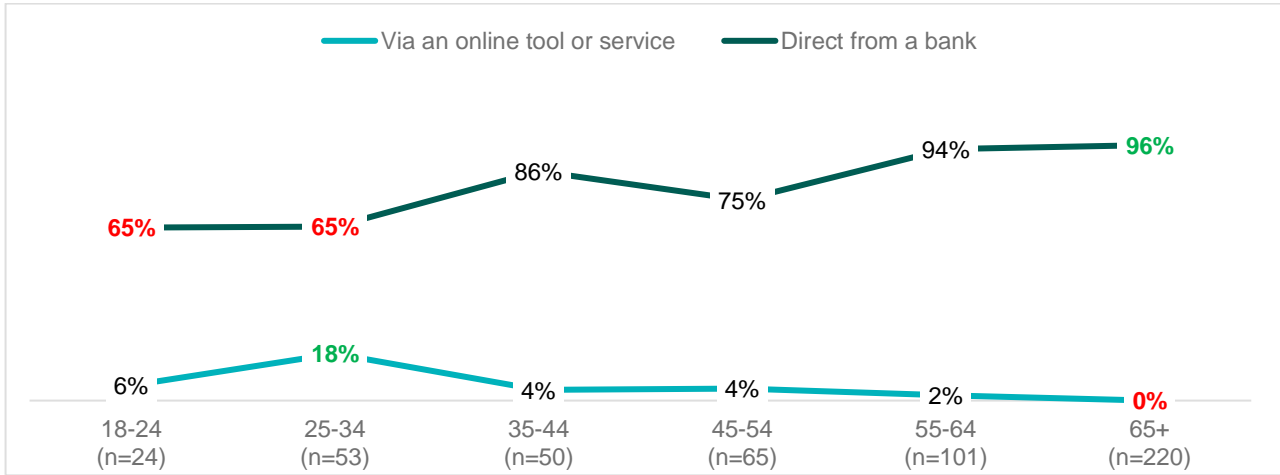
SHARES



MANAGED FUNDS



TERM DEPOSITS



D2. For each of the types of financial products you own, **how did you initially buy / open** each product or account?

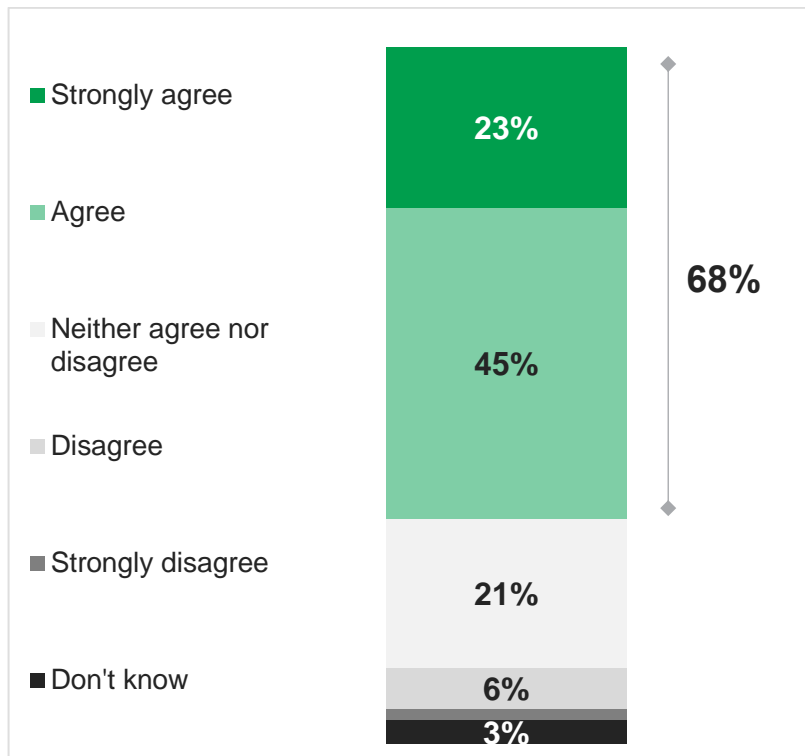
Base: New Zealanders 18+ who have each investment product

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Attitudes towards ethical investing

Over two-thirds of investors (68%) say they care about where their money is invested and would prefer for it to be invested ethically and responsibly.

Figure 47. Preference for ethical investments

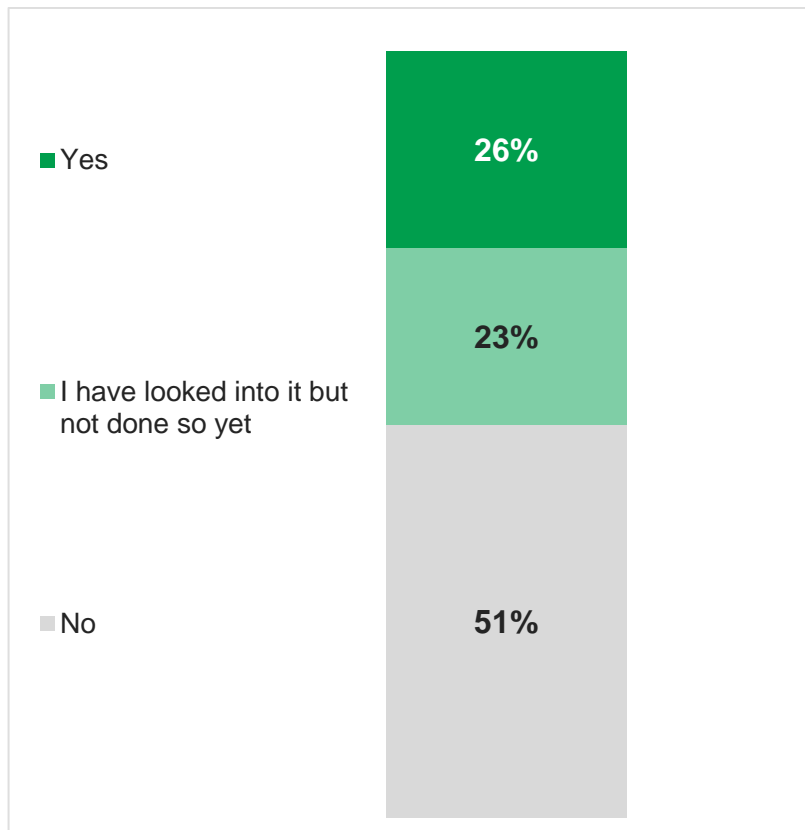


D14. To what extent do you agree with the following statement: "I care about where my money is invested and prefer it to be invested ethically and responsibly"

Base: Investors (n=2049)

Despite this, only just over one in four (26%) have actively chosen providers based on their ethical credentials. A further 23% have looked into it but have not yet chosen an ethical investment fund while just over half have not taken any steps towards choosing ethical investments (51%).

Figure 48. Whether have chosen providers based on their ethical credentials



D15. Thinking about your current investments, have you specifically chosen providers or funds based on their ethical credentials?

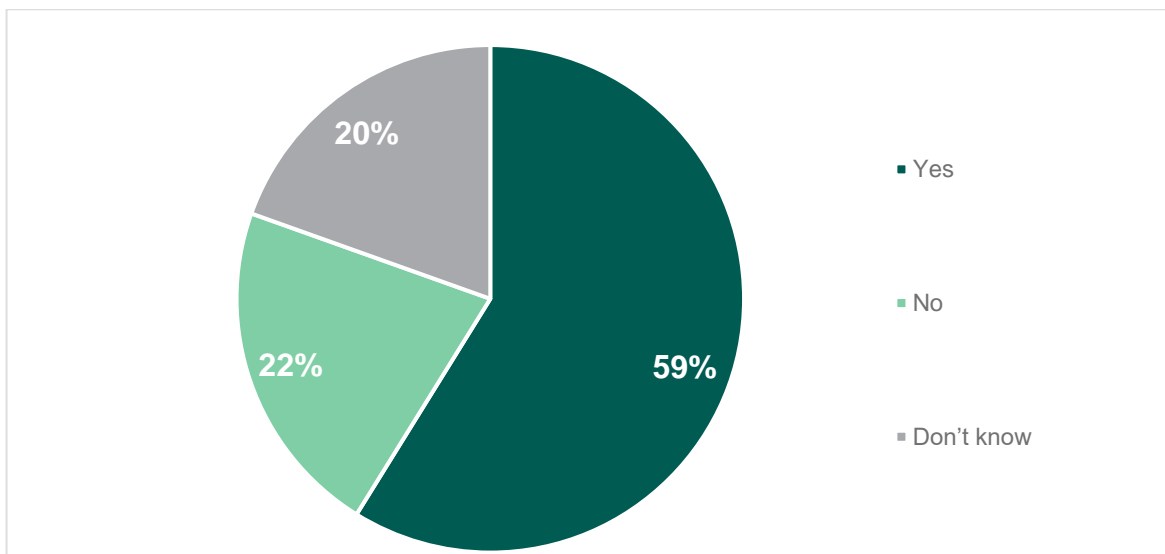
Base: Investors (n=2049) N.B. Data repositioned to exclude 'don't know' responses (12%).

Use of investment materials

Six in ten (59%) of those who received investment materials rated these as helpful. Although not significant, this is slightly lower than in 2021, where 63% rated the materials, they received as helpful (see Figure below).

Just over one in five (22%) felt the materials they received were unhelpful; 18–34-year-olds were significantly more likely to find the investment materials they received unhelpful (28%).

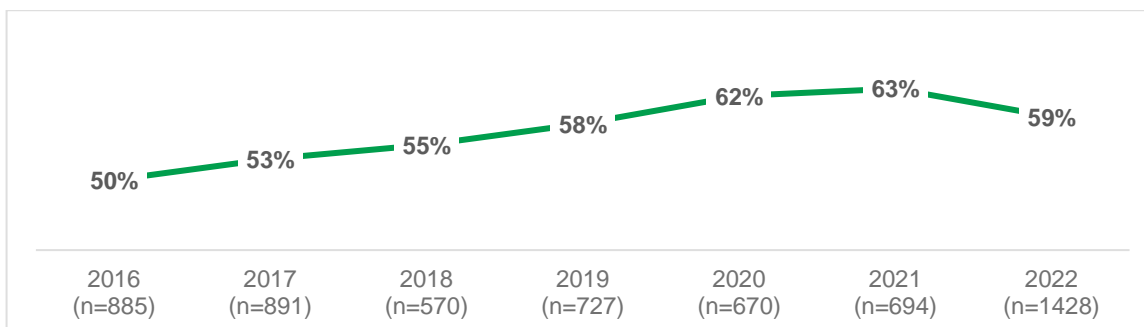
Figure 49. Whether investment materials helped them make an informed decision



D8. Thinking about **your most recent investment**, did the investment materials you received (e.g., KiwiSaver annual statements, fund updates, investment statements, product disclosure statements or adviser disclosure statements etc) help you make an informed decision about whether or not to invest?

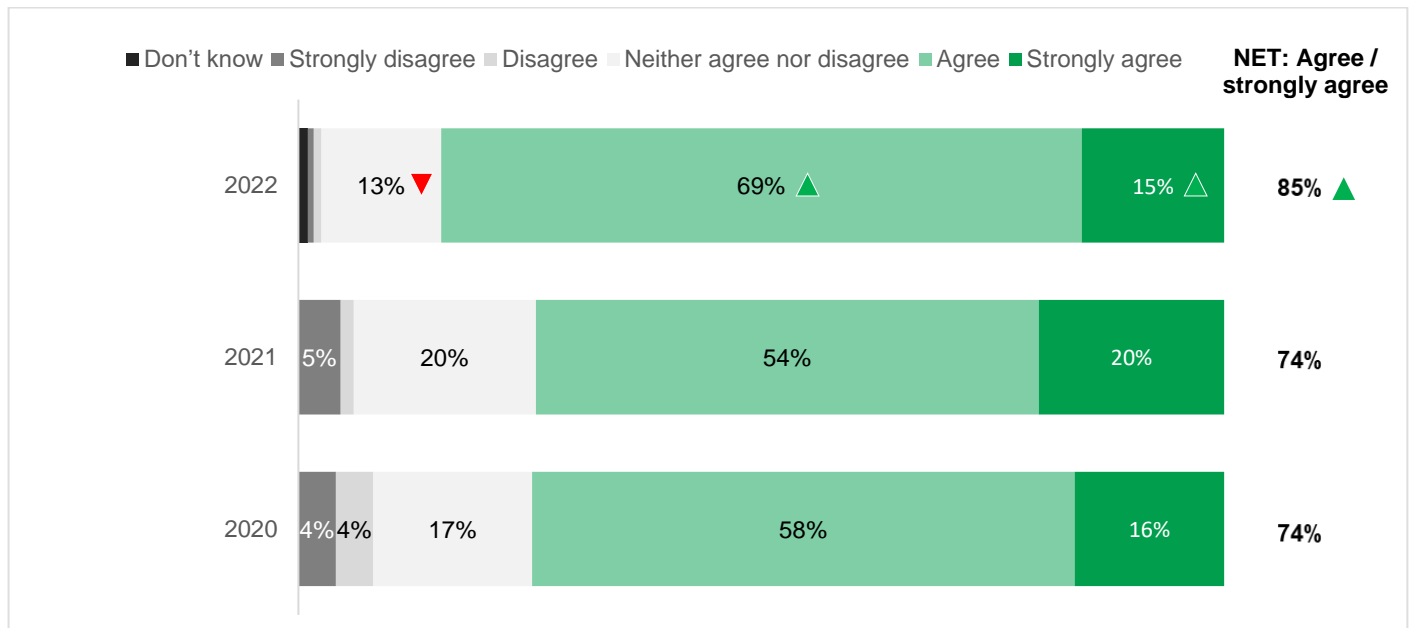
Base: Investors who used investment materials to help them make an informed decision (n=1428) N.B. Data reportioned to exclude those who did not receive any investment materials (30%).

Figure 50. Whether investment materials helped them make an informed decision - trend



Among those who rated the investment materials they received as helpful, 85% agree or strongly agree that the materials were clear, concise, and effective. This represents a significant increase from 2021, where three-quarters (74%) gave a positive rating.

Figure 51. Extent of agreement that materials received were clear, concise and effective



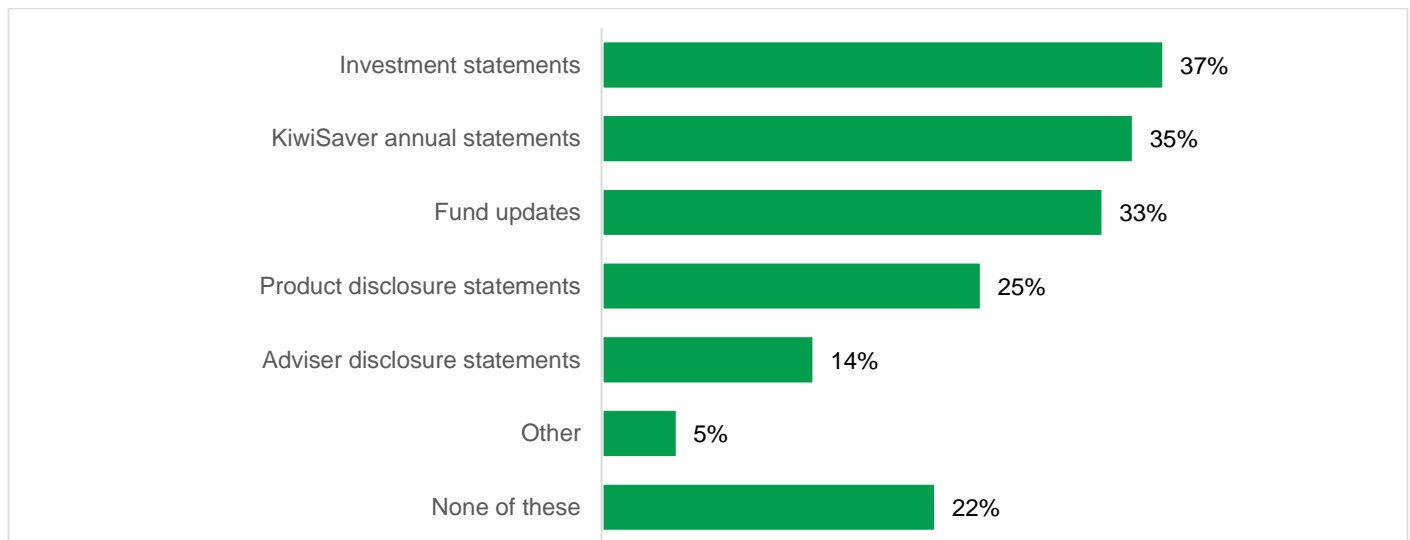
D9. To what extent do you agree or disagree that the information materials you received were clear, concise, and effective?

Base: Rated materials as helpful (n=841)

▲ ▼ significantly higher/lower vs. previous year to 95% confidence

Among those who used investment materials to make informed investing decisions, the most common materials used were investment statements (37%), KiwiSaver annual statements (35%), and fund updates (33%). Pacific peoples are significantly more likely to have used KiwiSaver annual statements (62%), while those aged 55 and over are significantly more likely to have used adviser disclosure statements (18%, vs. 14% overall).

Figure 52. Investment materials used to make an informed investing decision

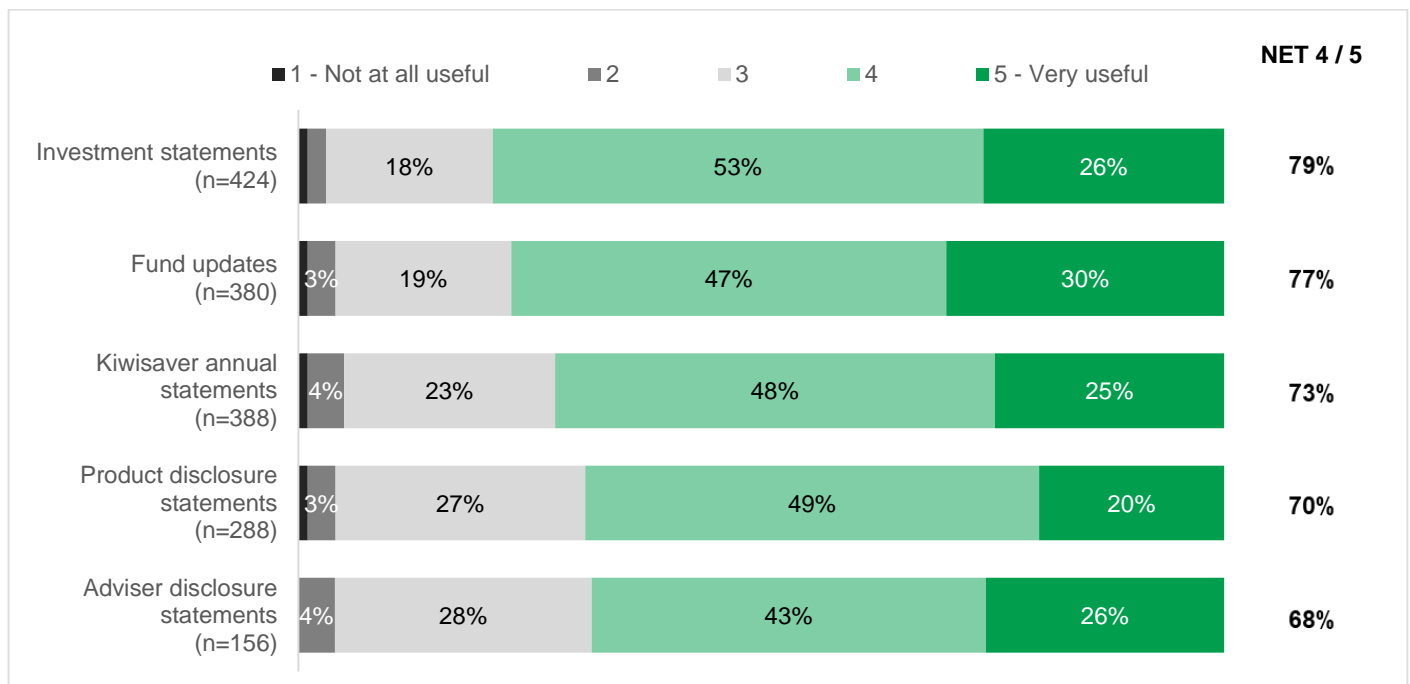


D10. Thinking about your most recent investment, which of the following materials did you use to help make an informed decision about whether or not to invest?

Base: Used investment materials to help them make an informed decision – yes/no responses only (n=1141)

All materials used were rated as useful in helping them to make an informed decision about whether or not to invest. This is reflected by the fact that for all material types at least 68% of those who used them gave a usefulness rating of 4 or 5 out of 5. Investment updates were most useful (79% rated as a 4 or 5), followed by fund updates (77%) and KiwiSaver annual statements (73%).

Figure 53. Usefulness of materials in making an informed decision

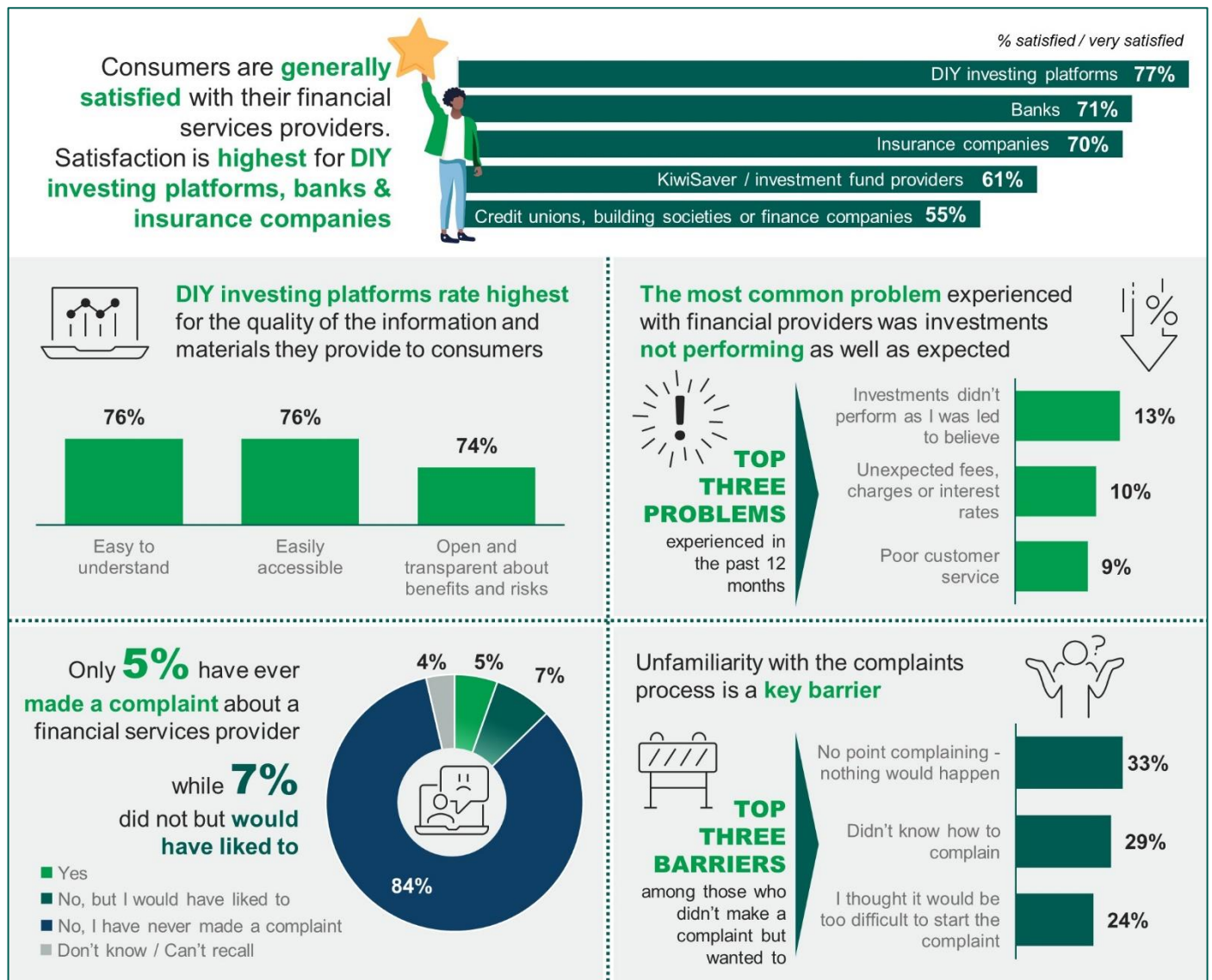


D11. How **useful** were each of the below sources in helping you make an informed decision about whether or not to invest?

Base: Used investment materials to help them make an informed decision – yes/no responses only (n=1141)

8 Provider experience

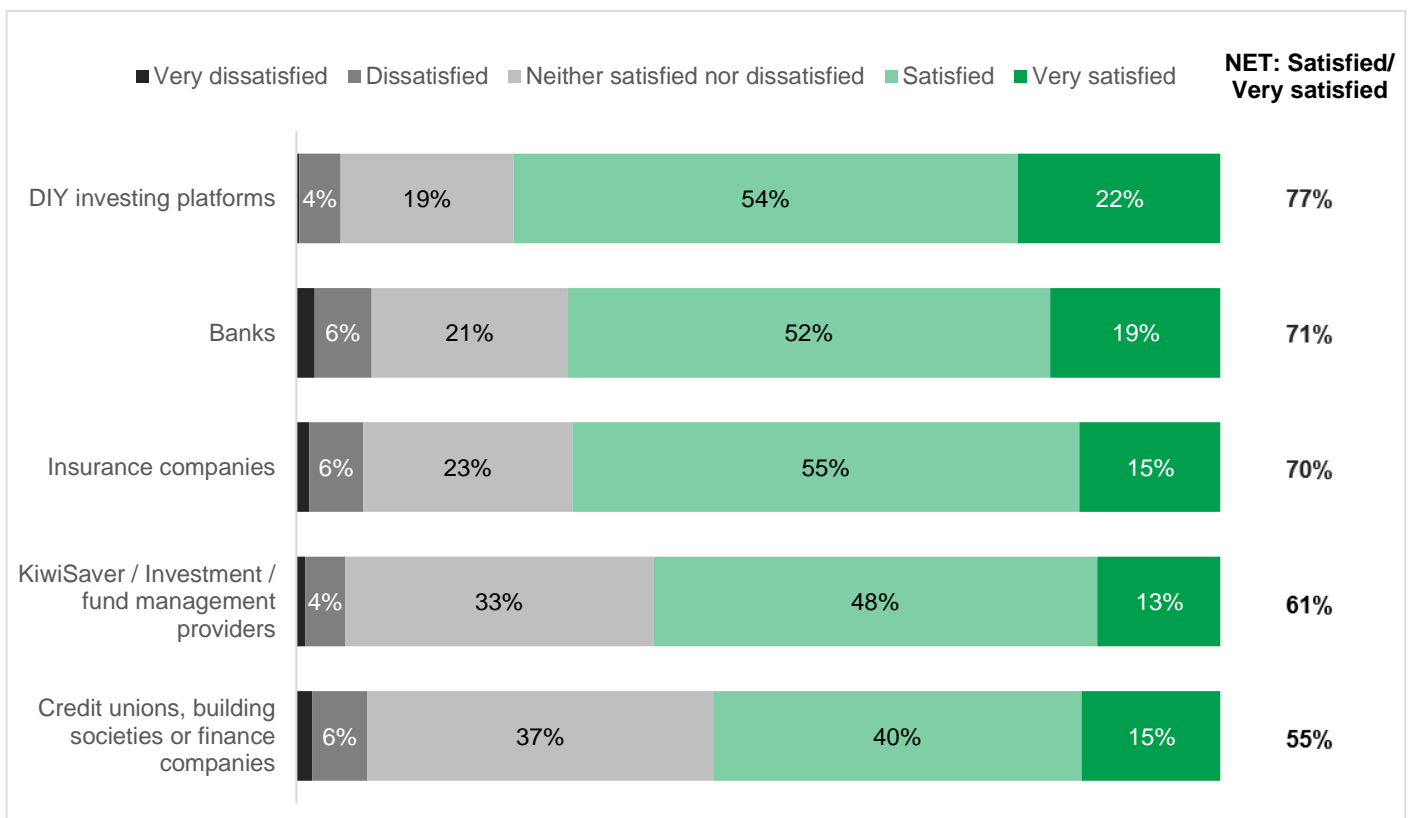
Summary of key findings



Satisfaction with financial providers

Satisfaction is strongest for DIY investing platforms (77% were satisfied or very satisfied), banks (71%) and insurance companies (61%). While satisfaction is somewhat lower for KiwiSaver or investment fund providers (61%) and credit unions, building societies or finance companies (55%), this reflects a greater proportion with a neutral opinion rather than a greater proportion who are dissatisfied. In general, few are dissatisfied with their experiences with any financial services provider, with a maximum of 8% who were dissatisfied or very dissatisfied with any provider.

Figure 54. Satisfaction with financial providers



D4. How **satisfied or dissatisfied** are you with each of the financial providers you currently have products with?

Base: New Zealanders 18+ who have products with each provider type (DIY investing platforms n=577; Banks n=2370; Insurance companies n=1836; KiwiSaver/investment/fund management providers n=932; Credit unions, building societies or finance companies n=344)

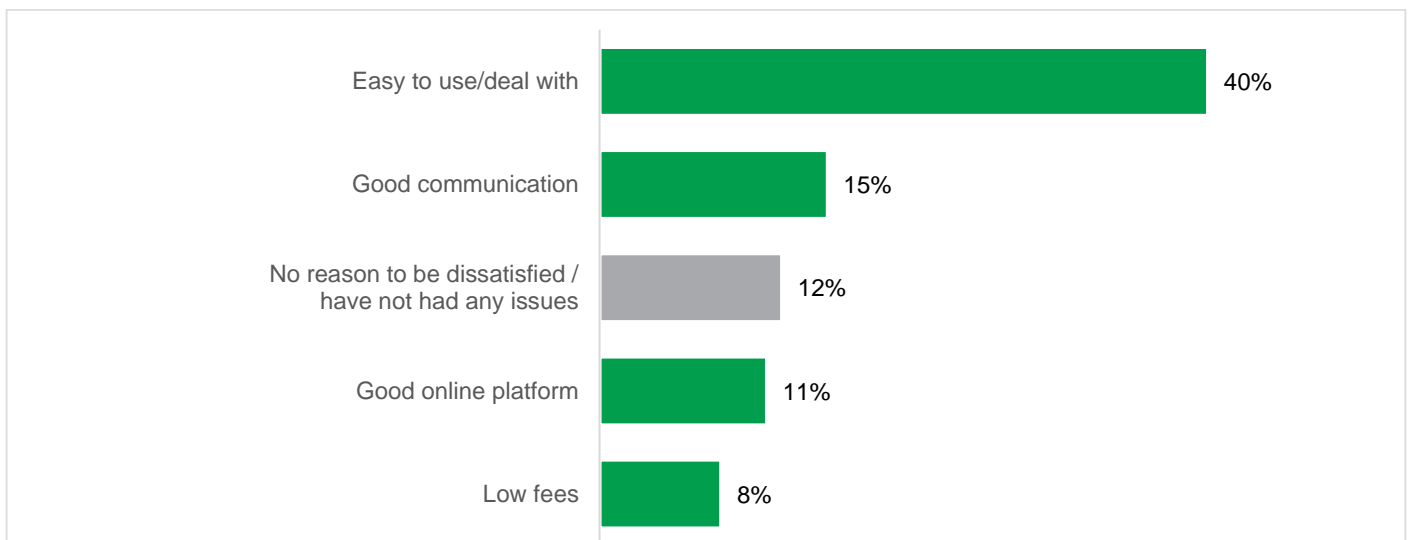
Drivers of overall satisfaction with financial providers

Respondents were asked to provide written feedback as to the reasons why they were satisfied or dissatisfied with their financial providers. Their open-ended responses were then grouped into themes, as shown in the following charts. Individual comments could be categorised into more than one theme where multiple aspects were mentioned.

DIY investing platforms

The main drivers of **satisfaction** with DIY investing platforms include that they are easy to use/deal with (40%), communicate well (15%), provide a good online platform (11%), and have low fees (8%).

Figure 55. Drivers of satisfaction with DIY investing platforms (top 5 shown)



D6. You mentioned you are [satisfied / very satisfied] with your DIY investing platform. Why do you say that?

Base: Satisfied with their DIY investing platform provider (n=364)

Forty per cent of those satisfied with their DIY investing platform provider state that they are satisfied because the provider is easy to use or deal with, e.g.:

*“**Easy to deal with** and speak in plain language that is easy to understand. No jargon.”*

*“**Easy to use** and opens up access to investing.”*

*“**Simple, easy transactions.**”*

*“They were **easy to set up** and now I’m just letting them grow. Very **easy to check their progress.**”*

Fifteen per cent are satisfied due to good communication, particularly ease of getting in touch and the provider staying in regular contact with them, e.g.:

*“They **keep customers updated** by email and their social media platform about any changes that may affect us.”*

*“So far, no problem and they **send communications when required**. I know how to contact them if I need to.”*

*“They have **kept in touch** and explained everything that was happening.”*

Twelve per cent say they are satisfied simply as they have no reason not to be, or have not experienced any problems with their investment provider, e.g.:

*“**No reason** to give a negative response.”*

*“Have had **no issues so far**.”*

Eleven per cent mention their DIY investing platform having a good online platform that is easy to use and has all the information they need, e.g.:

*“A **very easy website to use**. Regular emails with useful investment data.”*

*“Their platform is **functional and packed with features**. It also has a wide range of funds.”*

*“The app is straightforward and **easy to navigate**.”*

Eight per cent say the reason they are satisfied is because of the low fees, e.g.:

*“No issues, they just work and **charge low fees**.”*

*“It provides convenience for me to trade and **I like the low fees**.”*

The sample size for those who were dissatisfied with their DIY investing platform provider was too low to categorise into themes (n=25). Analysis of open-ended feedback reveals that the main driver of **dissatisfaction** with DIY investing platforms is getting poor or lower than expected returns on their investments (mentioned by nine out of twenty-five respondents), followed by a lack of support or guidance to help new investors get started (mentioned by seven out of twenty-five).

*“All the investments I own have taken a **considerable drop in value** and feel all of my providers should have been **more proactive in warning me** of this.”*

*“I’ve **lost money** and actually haven’t made any at all with [investing platform].”*

*“I feel it is my own inexperience in choosing good shares to invest in that leads to my dissatisfaction, however I also feel [investing platform] **does not have a lot of information** available about what are reliable long-term stocks to invest in.”*

*“The units I purchased with [investing platform] **weren’t earning enough interest** so I may have to purchase more sometime very soon.”*

*“They **don’t really help to get you going** and they don’t really teach you how to trade or invest or how things work... they **don’t want the responsibilities for the losses**. They should really try to help the new investors.”*

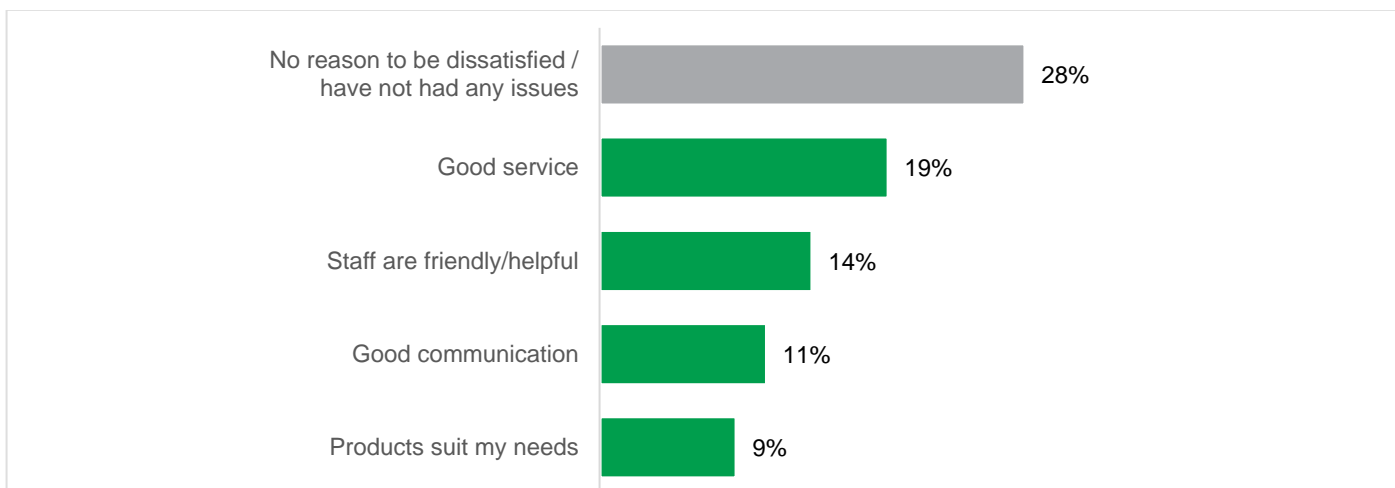
D5. You mentioned you are [very dissatisfied / dissatisfied] with your DIY investing platform. Why do you say that?

Base: Dissatisfied with their DIY investing platform (n=25)

Banks

The main drivers of **satisfaction** with banks include that they provide a good service (19%), have friendly and helpful staff (14%), communicate well (11%), and have products that suit their needs (9%).

Figure 56. Drivers of satisfaction with banks (top 5 shown)



D6. You mentioned you are [satisfied / very satisfied] with your bank. Why do you say that?

Base: Satisfied with their bank (n=539)

The most common reason mentioned for being satisfied with their bank was simply that there was no reason to be dissatisfied or that they have not had any issues with their bank (28%), e.g.:

"I haven't had any problems with them."

"Give me no reason not to be satisfied"

Nineteen per cent say they are satisfied with their bank due to the good service provided, e.g.:

"Great service and easy to use."

"I'm pleased with their service."

"It's a good, reliable bank."

Fourteen per cent mentioned staff that are friendly and helpful, e.g.:

*“I have been with my 2 banks for many years and have always found their **customer service and advice** to be of **high standard**. I would not change them for anything.”*

*“Because I have always found them **very helpful** if I have ever gone to the bank, or if I have had to ring them, they are **always very polite**.”*

*“Easy to deal with, **friendly helpful staff**”*

Eleven per cent are satisfied due to the bank communicating well with them, e.g.:

*“**Good communication** and easy to deal with them.”*

*“They are **responsive** when I want them to be. They **regularly send** me statements of account.”*

*“They **keep me informed regularly**, and I have never had any problems with them.”*

Nine per cent mentioned products that suit their banking needs, e.g.:

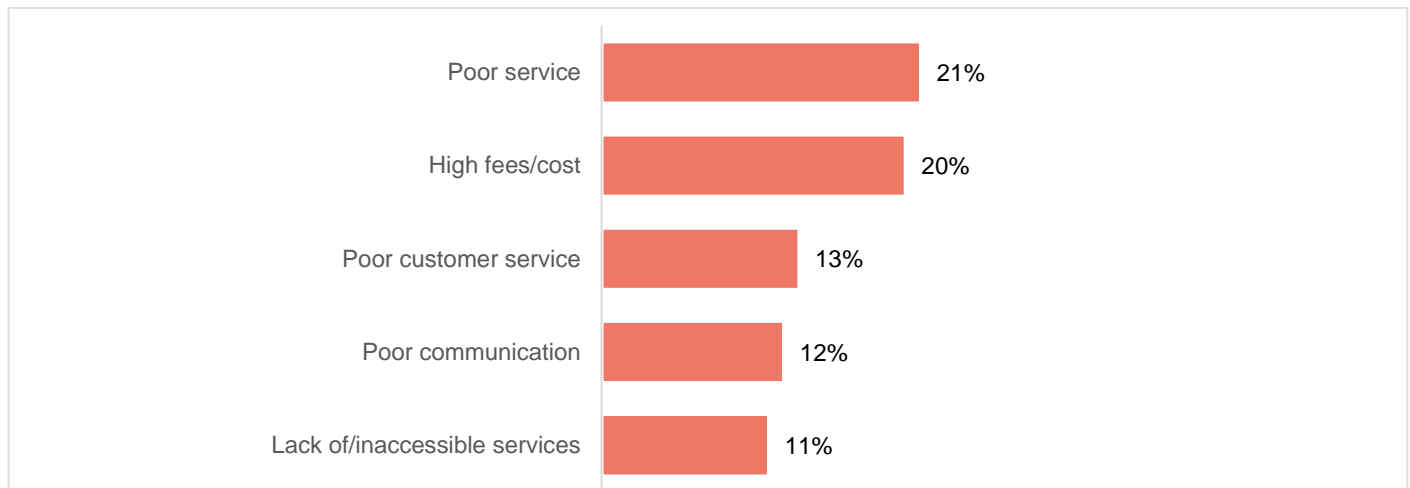
*“**Provides the right products** for what I need at the time.”*

*“They **do what I need**.”*

*“The bank's products **meet all our current needs**”*

The top drivers of **dissatisfaction** with banks include poor service (21%), high fees/cost (20%), poor customer service (13%), poor communication (12%) and lack of or inaccessible services (11%).

Figure 57. Drivers of dissatisfaction with banks (top 5 shown)



D5. You mentioned you are [very dissatisfied / dissatisfied] with your bank. Why do you say that?

Base: Dissatisfied with their bank (n=134)

Of those dissatisfied with their banking providers, the largest contributor to this dissatisfaction is poor service (21%), e.g.:

*“Their **service level has declined** in the past couple of years, as has that of all major banks.”*

*“**Very poor service.**”*

*“They make a habit of **promising stuff then don’t deliver.**”*

Twenty per cent mention high fees or costs as a reason for dissatisfaction with their bank, e.g.:

*“**Fees too high** and they make an exorbitant amount of profit off me.”*

*“They **charge too much interest on my personal loan**, and I get virtually no interest for my transaction accounts.”*

*“**Very high interest rates.**”*

Thirteen per cent report receiving poor customer service from bank staff, e.g.:

*“**Extremely poor** customer service.”*

*“**Customer service at my branch is awful**, if I have queried anything more than once I get conflicting responses.”*

*“No interaction couldn't care less about customers. **Unsatisfactory answers to enquiries. Surly staff** at actual branch.”*

Twelve per cent mention poor communication from banks including slow responses or a lack of communication, e.g.:

*“They have been **slow to respond** and have complicated requests.”*

*“**Lack of interaction. No contact** to help with growing my money.”*

*“They are **difficult to get hold of** and **never contact me**.”*

One in ten (11%) are dissatisfied due to a lack of services or inaccessibility of services due to branch closures or limited hours, e.g.:

*“**Branch closed out of my area** so business to be conducted by phone or Internet which is **unsatisfactory**. Not a service anymore.”*

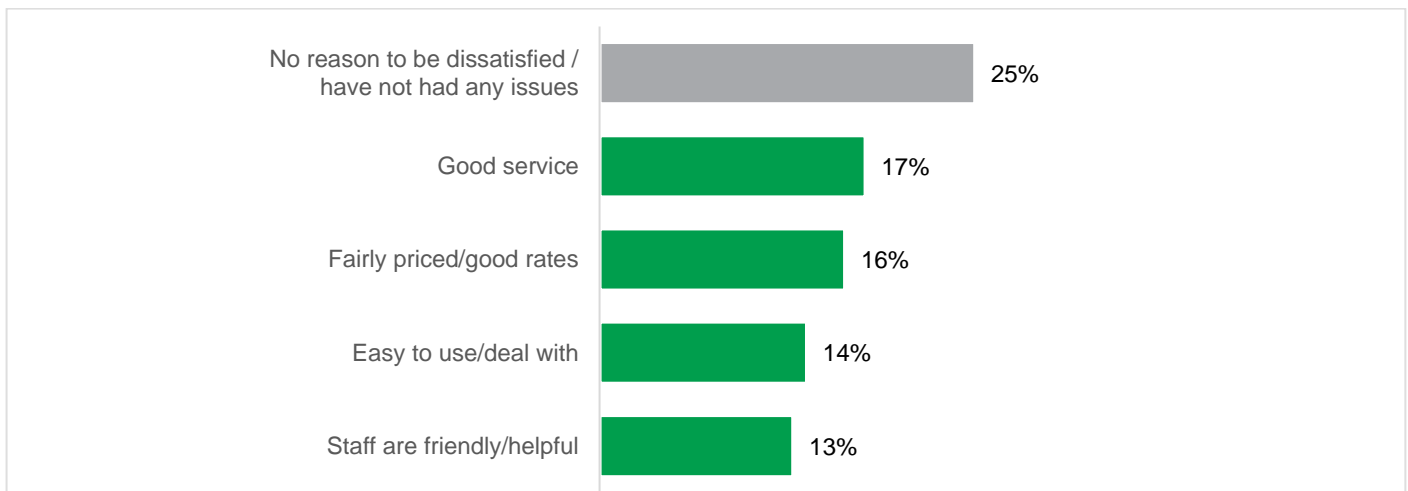
*“Very **limited account access** from my bank.”*

*“They **don't allow cash deposits in every branch** and takes too long. They don't allow automatic transactions from savings accounts.”*

Insurance companies

The main drivers of **satisfaction** with insurance companies include that they provide a good service (17%), are fairly priced or offer good rates (16%), are easy to use or deal with (14%) and have friendly and helpful staff (13%).

Figure 58. Drivers of satisfaction with insurance companies (top 5 shown)



D6. You mentioned you are [satisfied / very satisfied] with your insurance company. Why do you say that?

Base: Satisfied with their insurance company (n=551)

Among those who were satisfied with their insurance company, the most common reason was that they have just not had a reason to be dissatisfied or have not experienced issues with their provider (28%), e.g.:

"We haven't had any problems to date with any insurances that we hold."

"Never had a problem with the few claims I've made."

Seventeen per cent mentioned 'good service'. These comments were predominantly related to the quick and easy settlement of claims, e.g.:

"They pay claims and process them within a reasonable time period."

"Claims dealt with efficiently with minimum of fuss."

"Good service at all times and claims settled quickly and fairly."

Sixteen per cent are satisfied as a result of their insurer offering competitive rates compared to other insurers, e.g.:

*“When I have done comparison checks with other insurers my current and long-standing insurer has always had the **best cover at the best prices.**”*

*“**Cheaper** as compared to other providers.”*

*“**Competitive rates, adequate service on claims.**”*

Fourteen per cent report that insurance providers are easy to use or deal with, especially when they needed to make a claim, e.g.:

*“**Easy to make a claim** or make a **change to a policy. Easy access to policy documents online.**”*

*“Meeting my needs at the moment. **Easy to follow statements and easy to pay online.**”*

*“When we had to claim it was **no fuss and very easy.**”*

Thirteen per cent mentioned friendly or helpful staff, e.g.:

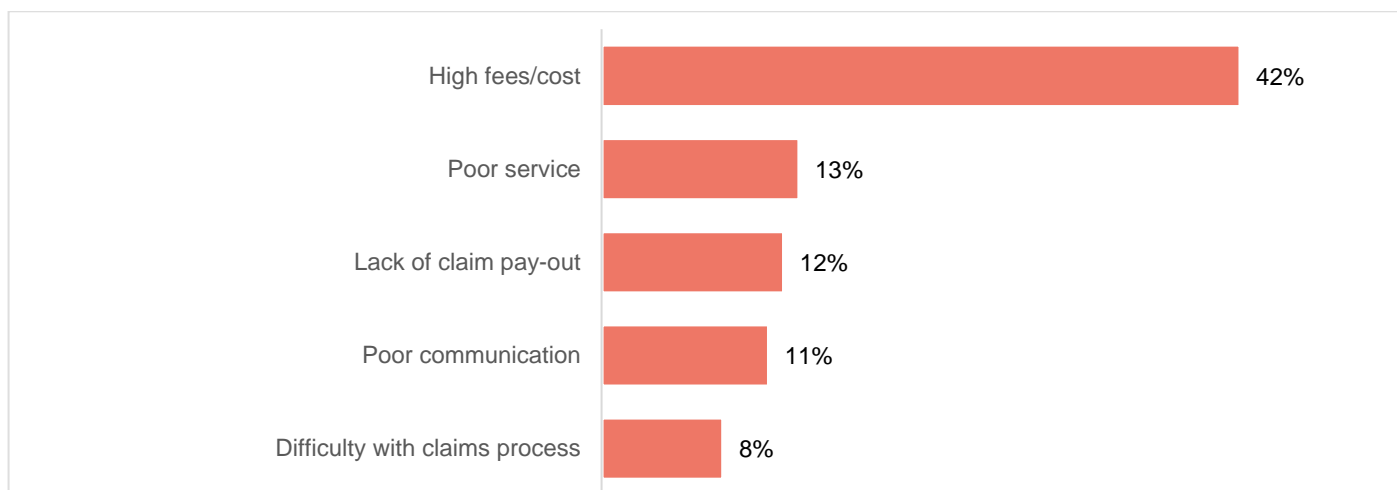
*“Whenever I have had to contact the insurance company have had **helpful and polite staff.**”*

*“They are always **polite and friendly** and able to answer my questions”*

*“**Good customer service, calls answered quickly, claims resolved quickly, knowledgeable staff.**”*

The top drivers of **dissatisfaction** with insurance companies include high fees/cost (42%), poor service (13%), lack of claim pay-out (12%), poor communication (11%) and difficulty with the claims process (8%).

Figure 59. Drivers of dissatisfaction with insurance companies (top 5 shown)



D5. You mentioned you are [very dissatisfied / dissatisfied] with your insurance company. Why do you say that?

Base: Dissatisfied with their insurance company (n=103)

Of those dissatisfied with their insurance provider, the largest driver of dissatisfaction relates to high fees or cost (42%), e.g.:

*“No claims but **premium still increases.**”*

*“They **keep putting costs up** all the time.”*

*“**Premiums keep going up** for less cover, **not competitive.**”*

Thirteen per cent mentioned poor service. These comments related to a range of aspects including unhelpful staff, slow claim processing times and not honouring claims e.g.:

*“They were **hopeless and completely unhelpful** during the quakes. They were over-extended in the market.”*

*“I mentioned the two important things I wanted to be covered in my contents insurance and the person **assured me it was covered.** When one of these things broke, **they didn't cover it.**”*

*“They’ve been **horrendous to deal with.**”*

Twelve per cent report being dissatisfied due to their insurance claims not being paid out, e.g.:

*“**Refused to accept a claim** for damage to roof.”*

*“They always find an **excuse to not pay out.**”*

*“Because I **don't trust insurance providers at all to pay out on claims.** They are more than happy to take my premium money, but they start baulking when it comes to people making claims.”*

Eleven per cent mentioned poor communication, including a lack of contact, e.g.:

*“**Never really hear from them** and also I know it’s hard to claim should I need to.”*

*“**They never contact me,** and I feel like I am paying too much for a useless plan.”*

*“One of my insurances **expired before they contacted me, no warning.**”*

Eight per cent experienced difficulty with the claims process, e.g.:

*“Have had a **massive issue** with my insurance company over **the way a recent claim of mine as handled** - planning to change ASAP.”*

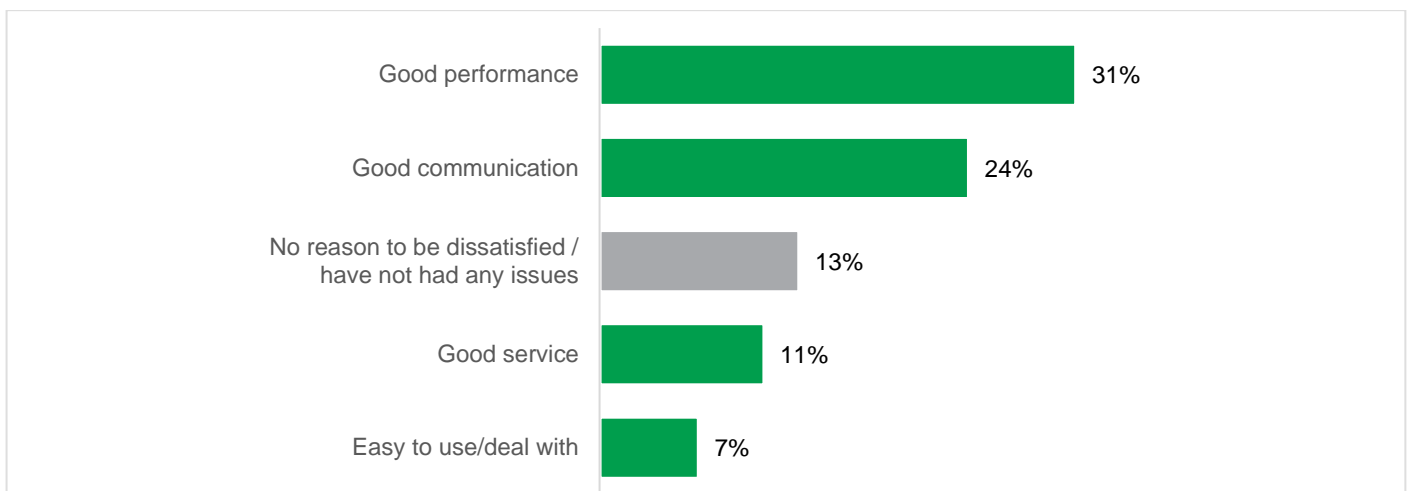
*“Am battling them in the CEIT over **faulty earthquake repairs.**”*

*“I had a recent claim and they **messed me around for months.**”*

KiwiSaver / Investment / fund management providers

The main drivers of **satisfaction** with KiwiSaver and investment fund providers include good performance or return on investments (31%), that they communicate well (24%), provide a good service (11%) and are easy to use or deal with (7%).

Figure 60. Drivers of satisfaction with KiwiSaver / investment / fund management providers (top 5 shown)



D6. You mentioned you are [satisfied / very satisfied] with your KiwiSaver / investment fund provider. Why do you say that?

Base: Satisfied with their KiwiSaver / investment / fund management provider (n=372)

Thirty-one per cent report being satisfied with their KiwiSaver or investment fund provider due to good performance of their investments, especially considering recent economic events, e.g.:

*“Considering what KiwiSaver is for **it is growing steady** even with all of the blows that the economy is taking at the moment.”*

*“Reasonable returns **despite recent set-backs.**”*

*“I feel like they invest well, and I **often see good returns** in my account.”*

Twenty-four per cent are satisfied due to receiving regular communication from their provider, e.g.:

*“**They keep me informed** and have better returns.”*

*“**Good communications via email.** Website shows how fund is performing.”*

*“They are **communicating proactively** while the markets are having a downturn.”*

Thirteen per cent report that they have no reason to be dissatisfied or have not had any issues with the provider, e.g.:

*“I **haven't had any reason** to doubt the quality of the provider.”*

*“They haven't done anything to misuse my trust nor my finances and **so far so good.**”*

Eleven per cent state they are satisfied due to receiving good service, e.g.:

*“They perform well, **offer great service** and at the onset came highly recommended by family members.”*

*“**Happy** with the returns and **service from them.**”*

*“Provide a **good reliable service.**”*

Seven per cent report their provider is easy to use and deal with, particularly relating to ease of monitoring the performance of their investments, e.g.:

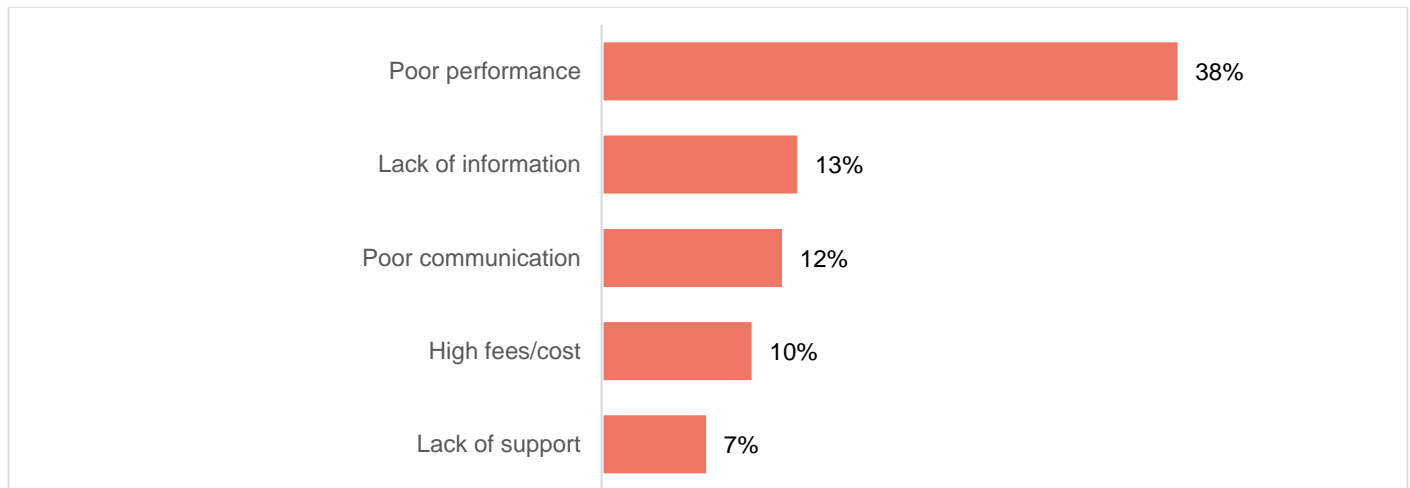
*“I am satisfied with my KiwiSaver provider because of the information they provide and how **easy it is for me to access and see how it is progressing.**”*

*“Good and **easy to deal with.**”*

*“Regular updates provided. **Easy to check balance.**”*

The top drivers of **dissatisfaction** with KiwiSaver and investment fund providers include poor performance (38%), lack of information provided (13%), poor communication (12%), high fees/cost (10%) and a lack of support (7%).

Figure 61. Drivers of dissatisfaction with KiwiSaver / investment / fund management providers (top 5 shown)



D5. You mentioned you are [very dissatisfied / dissatisfied] with your KiwiSaver / investment fund provider. Why do you say that?

Base: Dissatisfied with their KiwiSaver / investment / fund management provider (n=42)

The leading cause of dissatisfaction with KiwiSaver or investment providers is poor performance or return on investments (38%), e.g.:

*“I know it’s not the providers fault, but I’m extremely dissatisfied with the **money I’m losing with my current investments.**”*

*“**Disappointing returns.** Drop in value but that’s part of a global crisis I know.”*

*“I don’t know how it works and it **seems to be going down not up.**”*

Thirteen per cent are dissatisfied due to not receiving enough information from their provider, e.g.:

*“Lack of knowledge and experience with this, **haven’t been given the right tools to gain info.**”*

*“The supposed gains are unnoticeable. **The starting information was unclear and not easy to follow or understand.** I am still*

***unclear** on what amount of money I can take out for my first home etc.”*

*“**Very hard** to get information.”*

Twelve per cent report poor communication or a lack of contact in general from the provider, e.g.:

*“**Don’t hear much** from them.”*

*“**I never hear** from them.”*

One in ten (10%) mentioned high fees and cost as a reason for dissatisfaction, e.g.:

*“**Expensive fees** and don’t feel like I know whether getting a good deal so it **feels like a bad deal**.”*

*“They **charge high fees** regardless of their performance. Whether they make or lose money they still charge their fees.”*

Seven per cent were dissatisfied due to a lack of support. These comments largely related to not being given support to make withdrawals or the option to make changes to their KiwiSaver fund or investment, e.g.:

*“I have **no control** over my investments and savings.”*

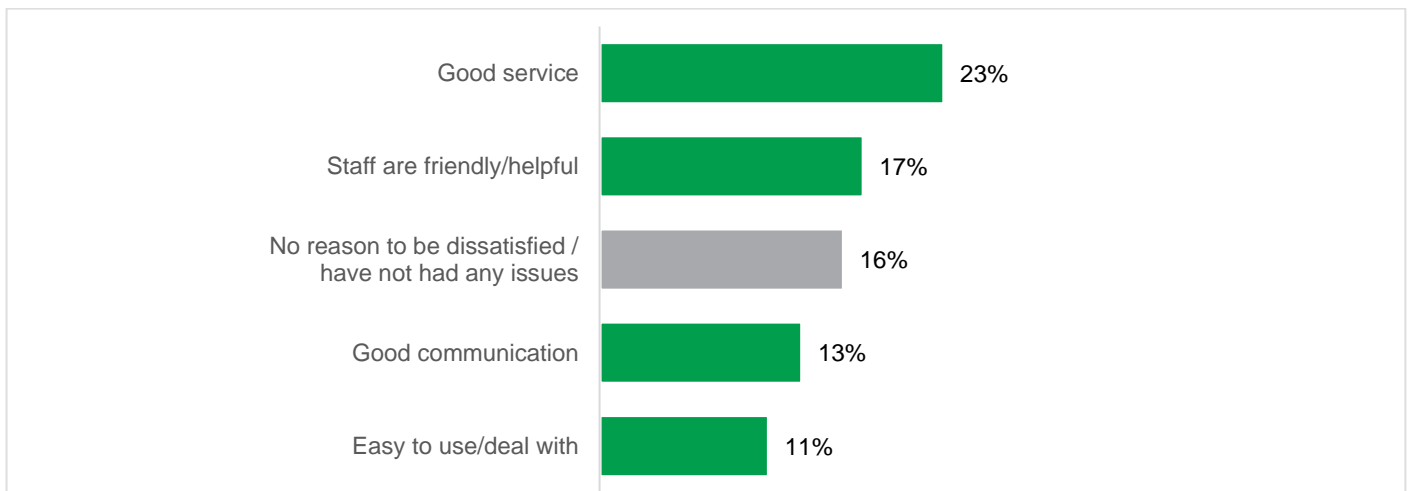
*“Withdrawal for first home **process has been confusing**.”*

*“I have **not been presented with choice** about who or where my KiwiSaver is invested at any point.”*

Credit unions, building societies or finance companies

The main drivers of **satisfaction** with credit unions, building societies or finance companies include good service (23%), friendly and helpful staff (17%), that they communicate well (13%) and are easy to use or deal with (11%).

Figure 62. Drivers of satisfaction with credit unions, building societies or finance companies (top 5 shown)



D6. You mentioned you are [satisfied / very satisfied] with your credit union / building society / finance company. Why do you say that?

Base: Satisfied with their credit union / building society / finance company (n=187)

The leading driver of satisfaction is good service or good experiences with the provider (23%), e.g.:

*“Because I’ve always had **great experiences** working with them.”*

*“I’m **happy** with what they offer.”*

*“Have had **good interactions** with them recently.”*

Seventeen per cent report being satisfied due to friendly and helpful staff, e.g.:

*“Easy to get in touch with. **Knowledgeable and friendly.**”*

*“Treat people **sincerely.**”*

*“They are **more than happy to help** when asked.”*

Sixteen per cent have had no reason to be dissatisfied with their provider, or have not had any issues to note, e.g.:

*“I have **not had any reason** to complain.”*

*“I **never had any problems** dealing with them.”*

Thirteen per cent are satisfied due to receiving regular and proactive communication from the provider, e.g.:

*“**They are always in contact** and they have a quarterly meeting with me to see if anything has changed in my circumstances or just a check-up.”*

*“They have **completed check-ins** over the lockdowns and **completed phone calls** if any unusual withdrawals. They have ensured that service is still person to person, not automated.”*

*“They provide up to date information which is available to me anytime. **They ring to explain if my investment drops in value.**”*

One in ten (11%) mentioned that the provider was easy to use or deal with, e.g.:

*“They have been **good to deal** with all along the process.”*

*“**Easy to use** and contact.”*

*“Haven't had any issue with their service/products. **Always easy no hassle.**”*

The sample size for those who were dissatisfied with their credit union, building society or finance company was too low to categorise into themes (n=26). Analysis of open-ended feedback reveals that the main driver of **dissatisfaction** with these providers is high interest rates or fees (mentioned by nine out of twenty-five respondents), followed by poor communication or difficulty of getting in touch (mentioned by seven out of twenty-five).

*“Always seem like interest rates are **higher** and I pay back way more than I should be”*

*“**Ridiculously high interest** that will never be paid off”*

*“When trying to get in contact to organise help due to a change in circumstances, they **haven't been helpful at all.**”*

*“We recently needed to contact them but **trying to speak with an actual person was really hard.**”*

*“My finance company **did not keep me up to date** with what was going on and never send regular statements... I did not know about the **high interest** they were charging on the default and arrears”*

D5. You mentioned you are [very dissatisfied / dissatisfied] with your credit union / building society / finance company. Why do you say that?

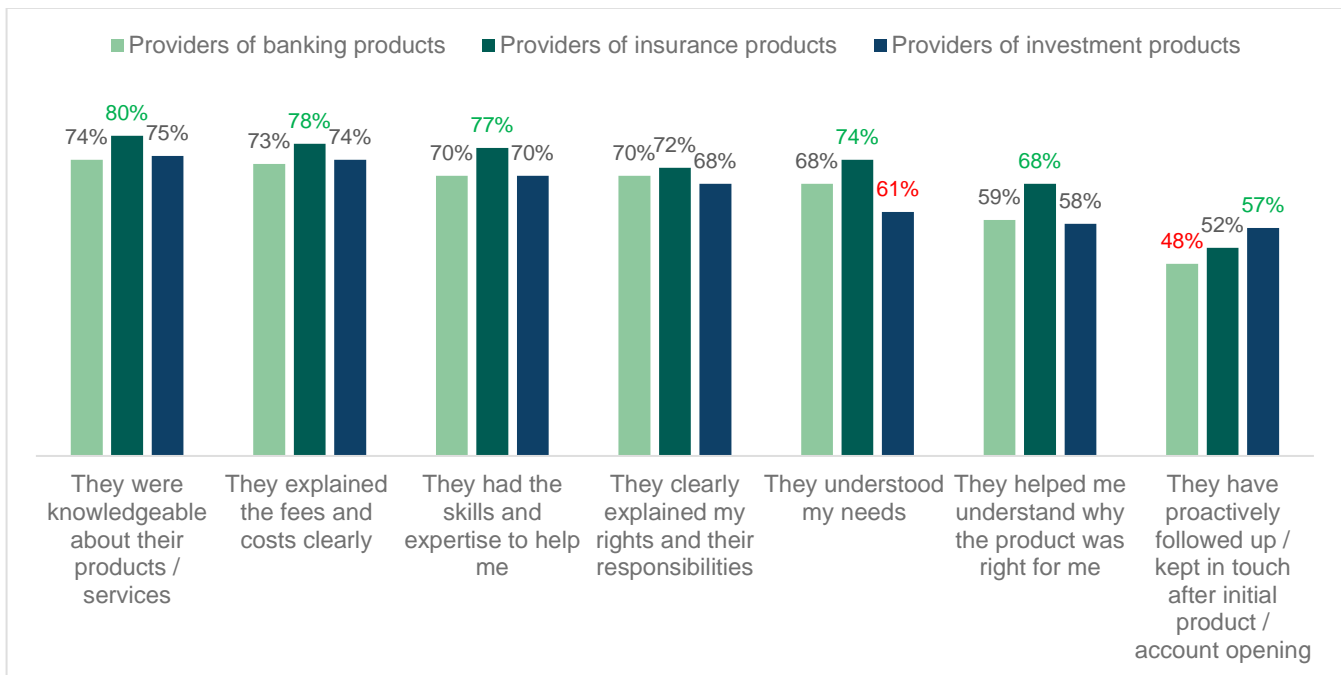
Base: Dissatisfied with their credit union / building society / finance company (n=26)

Satisfaction with provider service aspects

Satisfaction is highest for providers of insurance products when it comes to being knowledgeable about their products and services (80% were satisfied or very satisfied, vs. 74%-75% for other providers), clearly explaining fees and costs (78%, vs. 73-74% for other providers), having the skills and expertise to help (77%, vs. 70% for other providers) and helping people understand why the product was right for them (68%, vs. 58-59% for other providers).

Satisfaction is highest for providers of investment products for being proactive and staying in touch after initial account opening (57% satisfied or very satisfied), while consumers are least satisfied with providers of banking products for proactivity (48%).

Figure 63. Satisfaction with provider service aspects (net satisfied / very satisfied)



D3. We would now like you to think specifically about your **[PRODUCT]**. Thinking about your **interactions in the last 12 months with the provider** of this product, how much do you agree or disagree with the following statements?

Base: New Zealanders 18+ who have products with each provider type

xx/xx significantly higher/lower vs. Total sample to 95% confidence

Quality of information received from financial providers

Information received from DIY investing platforms is rated highest for being 'easy to understand' (76% rated 4 or 5 out of 5), followed by information received from banks (72%). Other providers score slightly lower but there are still over six in ten who find the materials they receive from each to be easy to understand (for KiwiSaver/investment fund providers 67% rated 4 or 5 out of 5; insurance companies 64%; credit unions, building societies or finance companies 63%). Few find the information they receive from any provider difficult to understand, as a maximum of 9% give a rating of 1 or 2 for any provider.

Figure 64. Extent to which the information received from providers was easy to understand

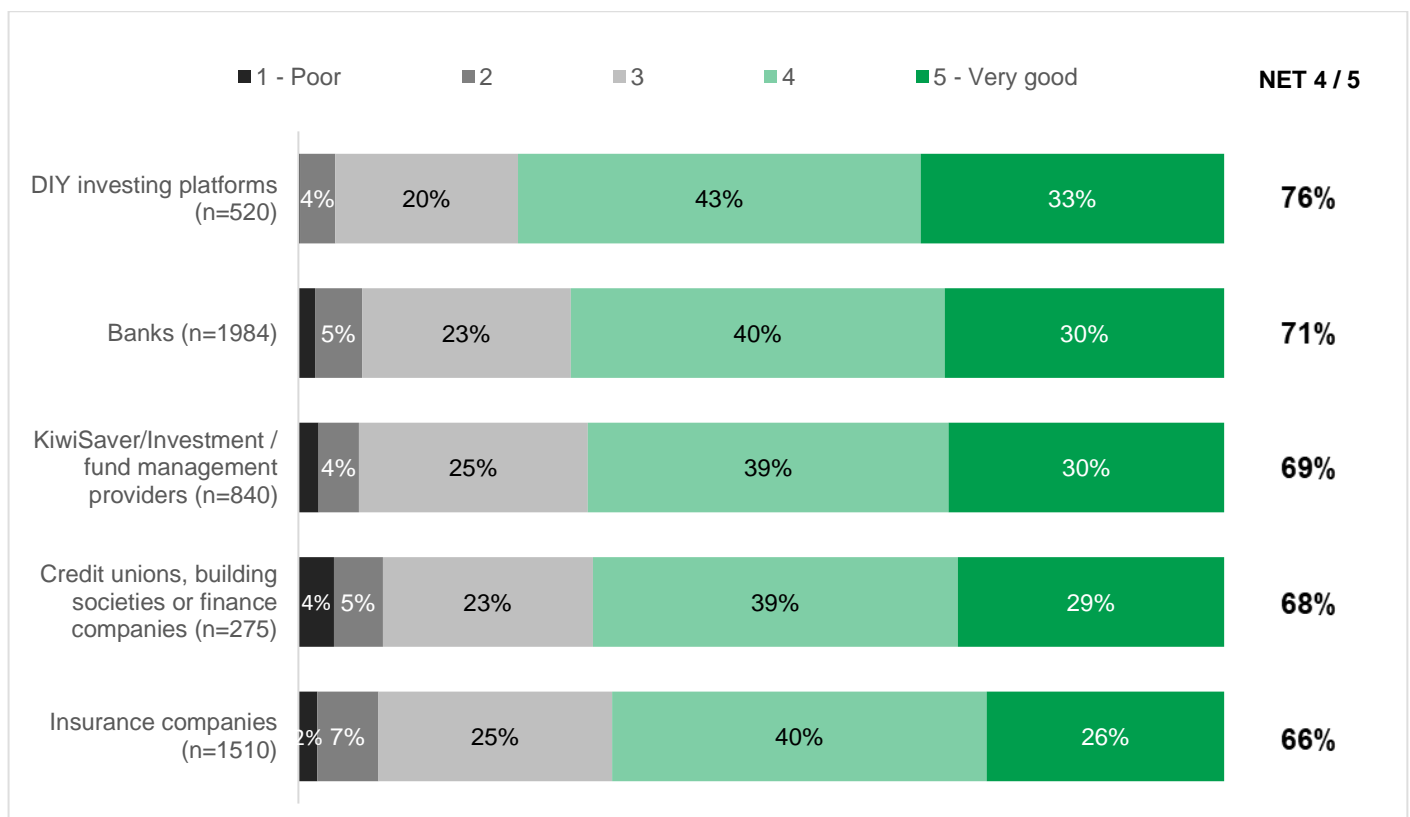


D7. How would you rate the quality of materials and information (e.g., via emails, brochures, phone calls, websites etc.) that you receive from your [PROVIDER TYPE]?

Base: New Zealanders 18+ who have received information from each provider type

Information received from DIY investing platforms also scores highest for being 'sufficient and easily accessible' (76% rated 4 or 5 out of 5), followed by information received from banks (71%). Other providers are viewed by over six in ten to provide materials that are sufficient and easily accessible (KiwiSaver/investment fund providers: 67%; insurance companies: 64%; and credit unions, building societies or finance companies: 63%).

Figure 65. Extent to which the information received from providers was sufficient and easily accessible



D7. How would you rate the quality of materials and information (e.g., via emails, brochures, phone calls, websites etc.) that you receive from your [provider type]?

Base: New Zealanders 18+ who have received information from each provider type

Finally, DIY investing platforms receive the highest rating for being 'open and transparent about the benefits and risks of their products' (74% gave a rating of 4 or 5 out of 5), while other providers are given a positive rating by at least 6 in 10. Dissatisfaction with openness and transparency of materials is highest for credit unions and insurance companies, where 13% and 12% respectively gave a rating of 1 or 2.

Figure 66. Extent to which the information received from providers was open and transparent about the benefits and risks of the product



D7. How would you rate the quality of materials and information (e.g., via emails, brochures, phone calls, websites etc.) that you receive from your **[PROVIDER TYPE]**?

Base: New Zealanders 18+ who have received information from each provider type

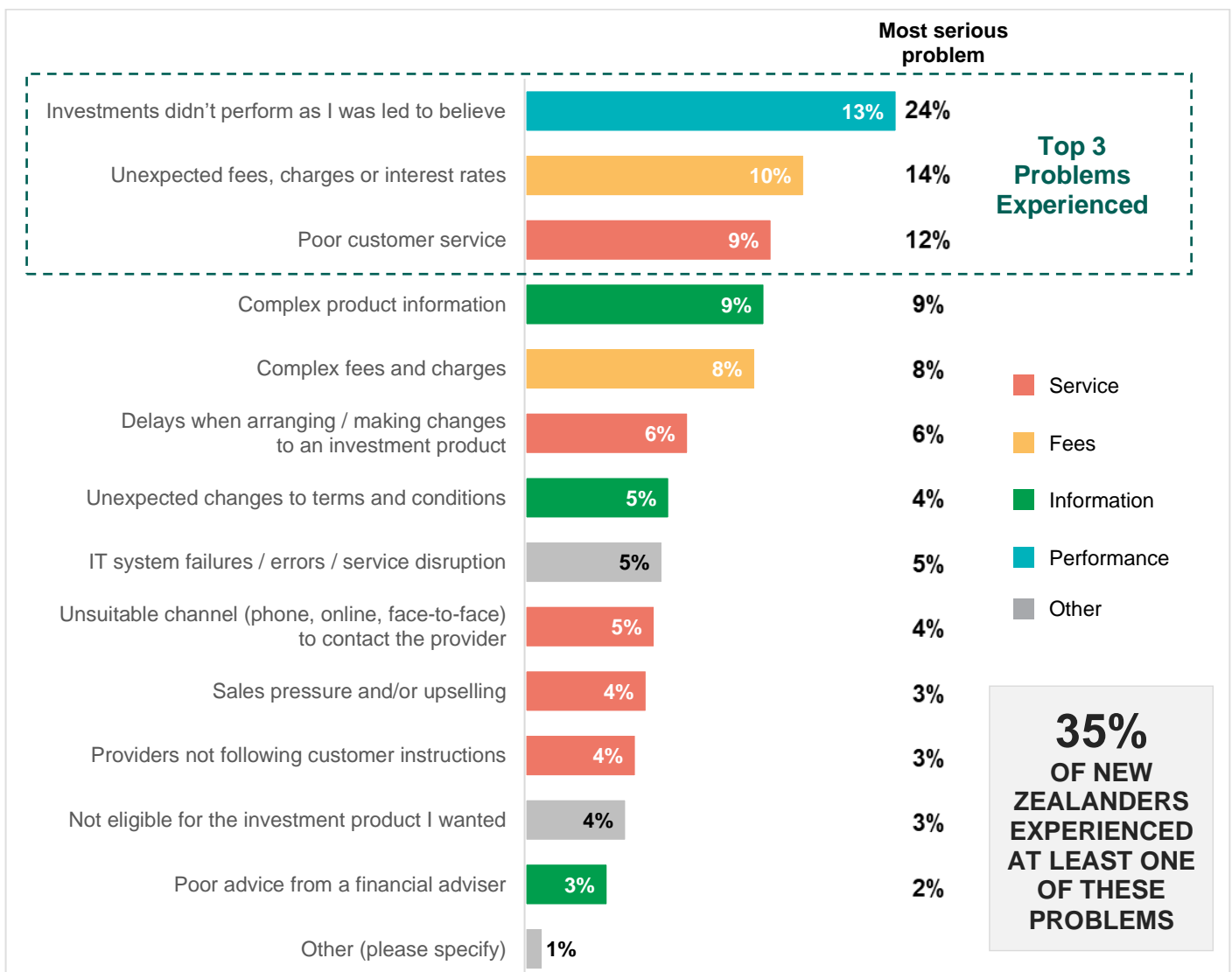
Problems experienced with financial products

Just under two-thirds of New Zealanders (65%) do not report having experienced any problems with their financial providers in the past twelve months.

The most common problems experienced were investments not performing as well as expected (13%), followed by unexpected fees and charges (10%) and poor customer service (9%). These were also most likely to be rated as the most serious problem they had experienced.

People of Indian ethnicity were significantly more likely to report experiencing unexpected fees or charges (19%, vs. 10% overall), complex product information (18%, vs. 9% overall), not being eligible for the investment they wanted (12%, vs. 4% overall) and receiving poor advice from a financial adviser (12%, vs. 3% overall). Māori were also significantly more likely to report receiving complex product information (14%) or not being eligible for the investment they wanted (8%).

Figure 67. Problems experienced with financial products in past 12 months



D12: In the last 12 months have you experienced any of the following problems with any of your investments or other financial products you have purchased?

Base: Total New Zealanders 18+ (n=2509)

D13: And which of these would you say was the most serious problem?

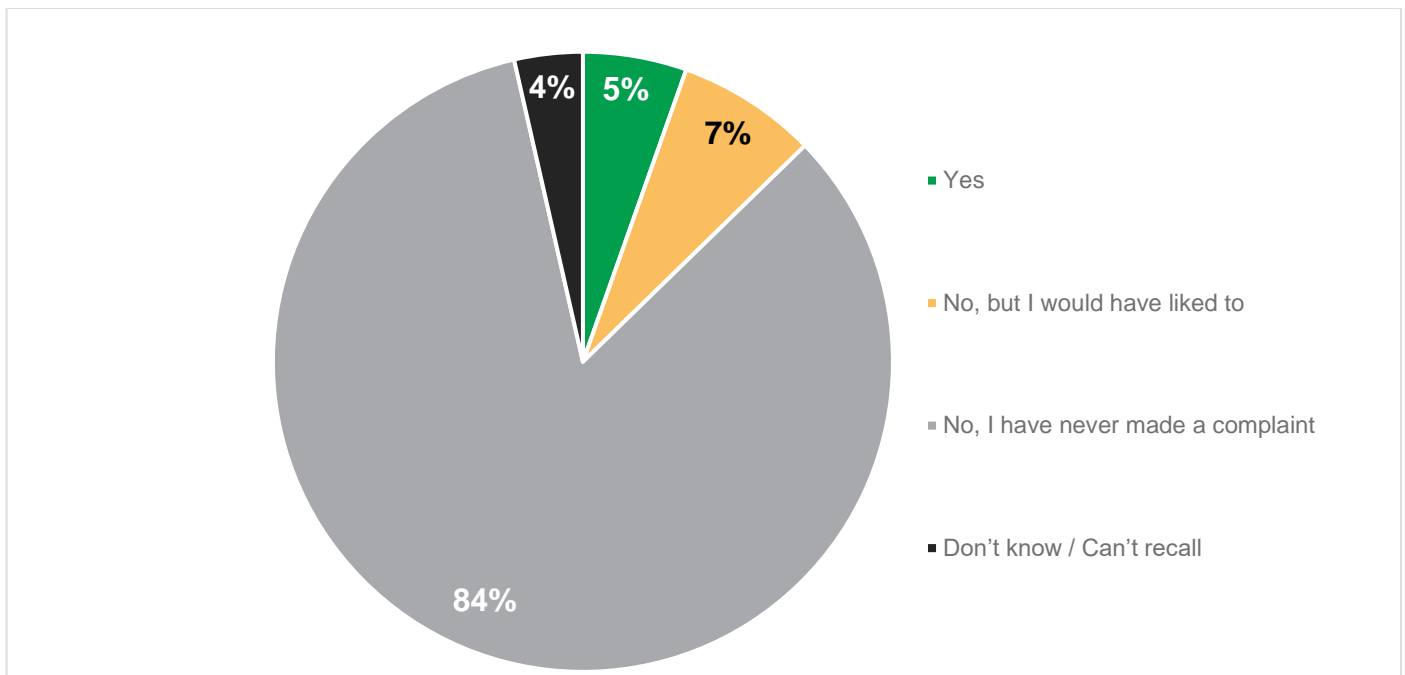
Base: Experienced a problem in the last 12 months (n=713)

Consumer experience with complaints process

Only 5% of New Zealanders have ever made a complaint about a financial services provider, while a further 7% have not made a complaint but would have liked to. Of the remainder, 84% have never made a complaint and a further 4% were unsure.

The rest of this section will explore the complaints process as well as reasons for not making a complaint when they would have liked to.

Figure 68. Whether have ever made a complaint about a financial services provider



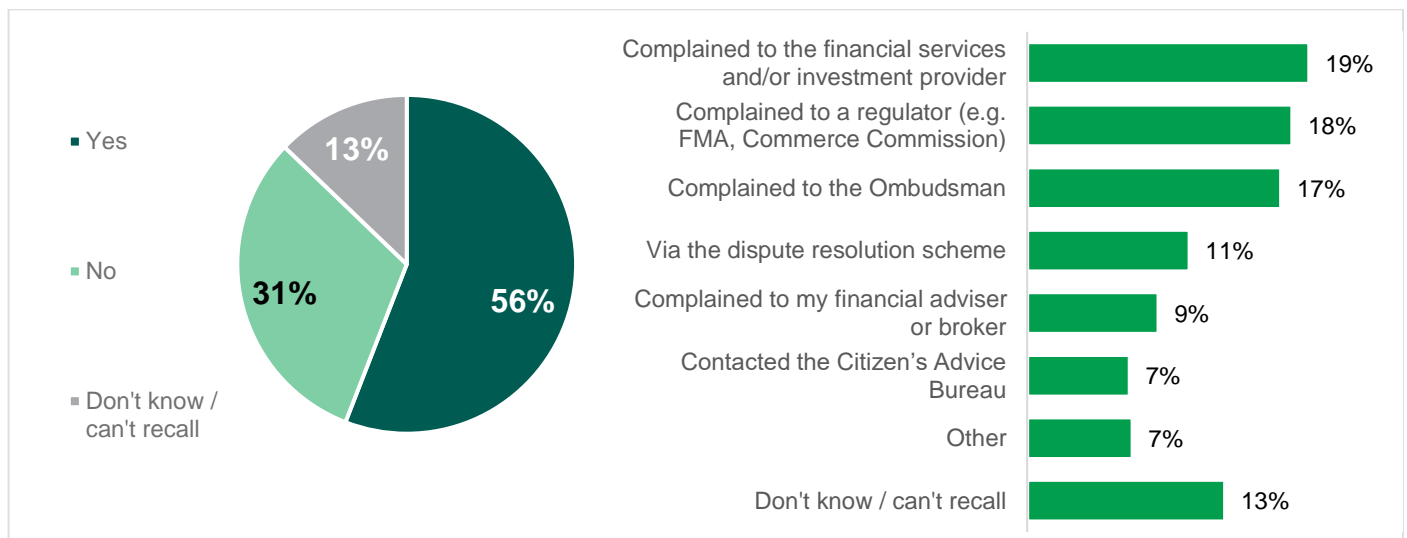
F9: Have you ever made a complaint about a financial services provider in New Zealand?

Base: Total New Zealanders 18+ (n=2509)

Just over half (56%) of those who made a complaint felt that it was resolved to their satisfaction, while three in ten (31%) felt that it was not, and a further 13% were unsure or could not remember.

Complaints were made in a range of different ways including directly via the provider (19%), via a regulator like the FMA (18%), via the ombudsman (17%) or via the dispute resolution scheme (11%).

Figure 69. Whether complaint was resolved and how it was made



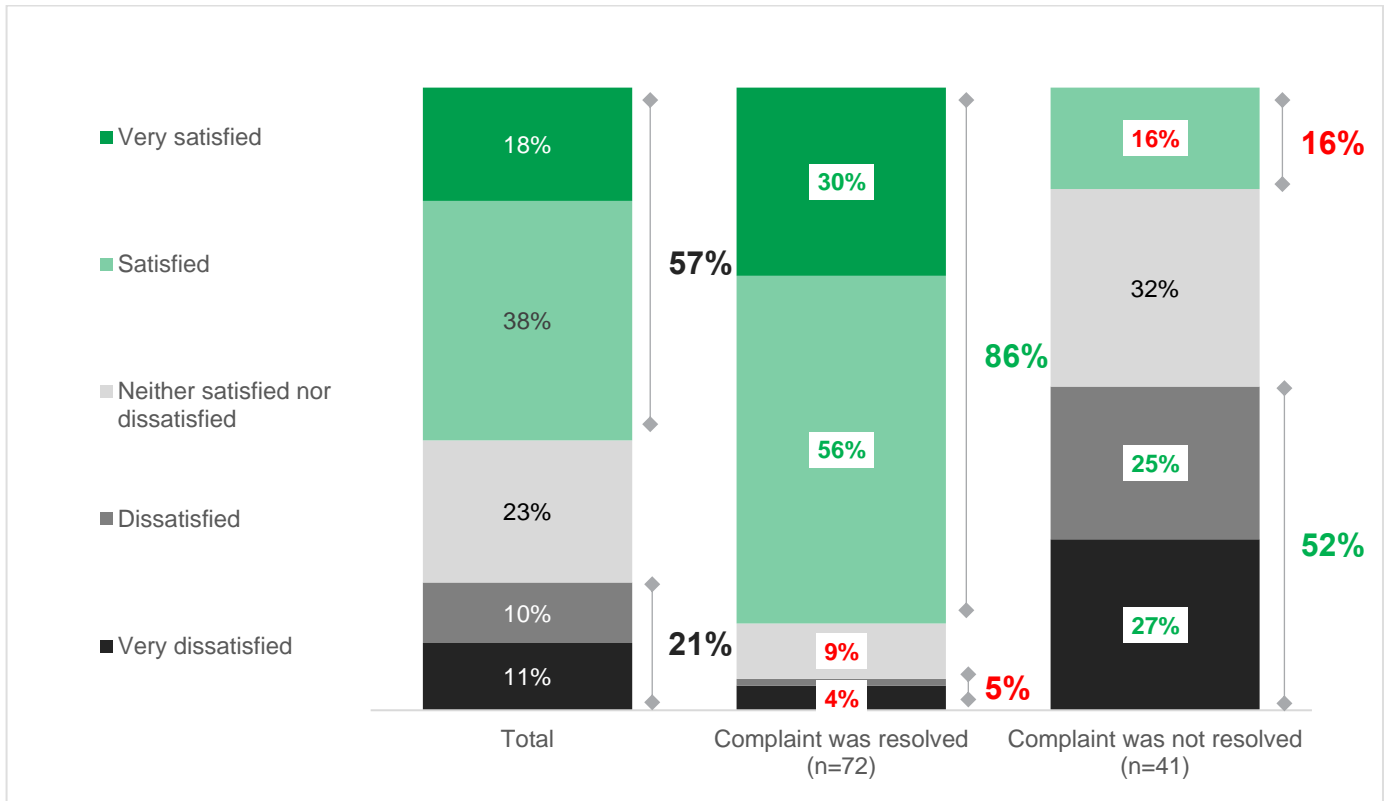
F10. Thinking about your most recent complaint about a financial services provider in New Zealand, was this issue resolved?

F11. How did you make this complaint?

Base: Made a complaint about a financial services provider (n=129)

Overall, over half (57%) were satisfied or very satisfied with how their complaint was handled. Satisfaction with complaint handling is significantly higher for resolved complaints (86% satisfied/very satisfied) than for complaints that were not resolved (16% satisfied/very satisfied).

Figure 70. Satisfaction with how complaint was handled



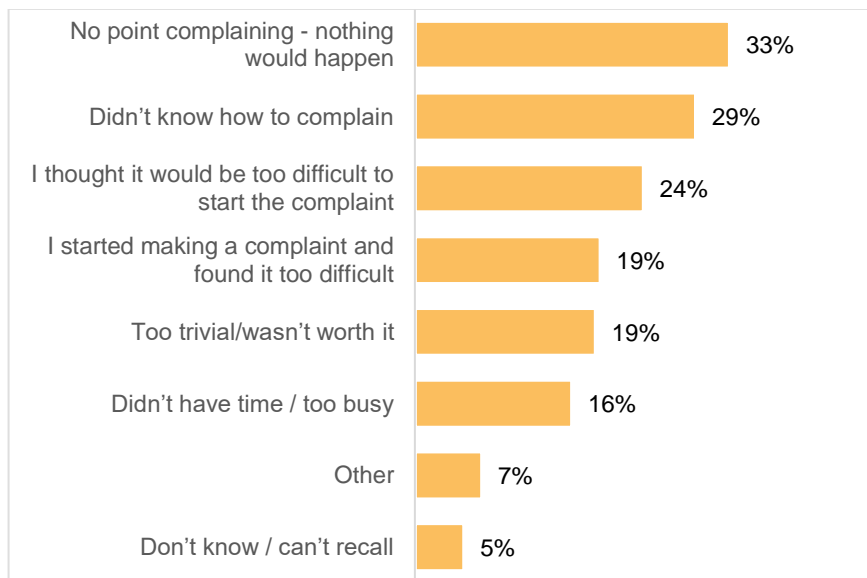
F12. Overall, how satisfied were you with how your complaint was handled?

Base: Made a complaint about a financial services provider (n=129)

xx/xx significantly higher/lower vs. Total sample to 95% confidence

The top reason for not making a complaint is the perception that it would have been ineffective (33%). A lack of understanding of how to complain (29%), and perceived difficulty of the process (24%) are other key reasons.

Figure 71. Reasons for not making a complaint



F13. You mentioned you would have liked to have made a complaint but didn't. Why didn't you make a complaint?

Base: Did not make a complaint but would have liked to (n=178)

9 Areas for further exploration

This is a very high-level research report that gives an overview of consumer experience with the financial sector. As such, further research is needed both to understand the underlying drivers of behaviour and attitudes towards the financial sector, and to identify possible solutions to improve outcomes for consumers.

Although by no means an exhaustive list, the following are some key areas that could be explored in future research.

- **Vulnerable consumers:** exploring possible interventions to improve financial outcomes among consumers who are more vulnerable to financial harm
- **Māori experience with the financial sector:** deepening understanding why Māori are more likely to buy into riskier product types (BNPL, overdrafts, cryptocurrency), and have lower trust of banks
- **Information sources and financial advice:** deep dive into drivers and barriers to different sources of financial information, in order to identify ways to improve consumers' access to financial advice when they need it
- **Drivers and barriers to financial products:** further exploration of factors influencing patterns in financial product ownership to understand how unequal participation in the financial sector may be addressed
- **Knowledge of consumer rights and protections:** further identification of knowledge gaps when it comes to consumer rights and complaints and exploring ways for financial services providers to improve how they communicate with customers.

10 Appendix: Technical report

Sample design

The online survey used a quota-based sampling approach to ensure robust sample sizes and representation of key demographic groups, targeting a total of 2,500 responses.

Quotas were set on the following variables, based on NZ 2018 Census data³: All quotas were ‘soft’, meaning there was a tolerance of $\pm 5\%$ on the actual number of responses achieved versus the quota.

Interlocking age x gender x region

Note on region groupings:

- Upper North Island includes Northland, Auckland, Waikato, and Bay of Plenty
- Lower North Island includes Gisborne, Hawke’s Bay, Taranaki, Manawatu-Wanganui, and Wellington
- Upper South Island includes Nelson, Marlborough, Tasman District, West Coast, and Canterbury
- Lower South Island includes Otago and Southland

Table 13. Age, gender and region quotas, Census data

| | | Upper North Island | Lower North Island | Upper South Island | Lower South Island | TOTAL |
|------|-----------------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Male | Quota | 86 | 35 | 27 | 13 | 161 |
| | 18-24 | | | | | |
| | % | 3.4% | 1.4% | 1.1% | 0.5% | 6.4% |
| | Census %⁴ | 3.1% | 1.3% | 0.9% | 0.4% | 5.7% |
| | Quota | 130 | 50 | 39 | 16 | 235 |
| | 25-34 | | | | | |
| | % | 5.2% | 2.0% | 1.6% | 0.6% | 9.4% |
| | Census % | 4.7% | 1.8% | 1.3% | 0.6% | 8.3% |

³ All census figures shown in this section are based on the 2018 census usually resident population counts.

⁴ Dataset: https://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE8277&ShowOnWeb=true&Lang=en

| | | Upper North Island | Lower North Island | Upper South Island | Lower South Island | TOTAL | |
|--------|----------|--------------------|--------------------|--------------------|--------------------|-------|------|
| Female | 35-44 | Quota | 109 | 45 | 34 | 14 | 202 |
| | | % | 4.4% | 1.8% | 1.4% | 0.6% | 8.1% |
| | | Census % | 3.9% | 1.6% | 1.6% | 1.5% | 8.6% |
| | 45-54 | Quota | 113 | 49 | 38 | 15 | 215 |
| | | % | 4.5% | 2.0% | 1.5% | 0.6% | 8.6% |
| | | Census % | 4.1% | 1.8% | 1.8% | 1.6% | 9.3% |
| | 55-64 | Quota | 99 | 45 | 36 | 15 | 195 |
| | | % | 4.0% | 1.8% | 1.4% | 0.6% | 7.8% |
| | | Census % | 3.5% | 1.6% | 1.7% | 1.5% | 8.3% |
| 65+ | Quota | 107 | 51 | 41 | 17 | 216 | |
| | % | 4.3% | 2.0% | 1.6% | 0.7% | 8.6% | |
| | Census % | 4.2% | 2.0% | 1.6% | 0.6% | 8.4% | |
| Female | 18-24 | Quota | 82 | 34 | 23 | 14 | 153 |
| | | % | 3.3% | 1.4% | 0.9% | 0.6% | 6.1% |
| | | Census % | 2.9% | 1.2% | 0.8% | 0.5% | 5.4% |
| | 25-34 | Quota | 133 | 51 | 37 | 16 | 237 |
| | | % | 5.3% | 2.0% | 1.5% | 0.6% | 9.5% |
| | | Census % | 4.8% | 1.8% | 1.3% | 0.5% | 8.4% |
| | 35-44 | Quota | 116 | 47 | 34 | 14 | 211 |
| | | % | 4.6% | 1.9% | 1.4% | 0.6% | 8.4% |
| | | Census % | 4.2% | 1.7% | 1.7% | 1.6% | 9.2% |
| 45-54 | Quota | 121 | 52 | 40 | 16 | 229 | |
| | % | 4.8% | 2.1% | 1.6% | 0.6% | 9.2% | |
| | Census % | 4.3% | 1.9% | 1.9% | 1.7% | 9.9% | |

| | | Upper North Island | Lower North Island | Upper South Island | Lower South Island | TOTAL |
|-------|----------|--------------------|--------------------|--------------------|--------------------|-------|
| 55-64 | Quota | 106 | 49 | 37 | 17 | 209 |
| | % | 4.2% | 2.0% | 1.5% | 0.6% | 8.3% |
| | Census % | 3.8% | 1.7% | 1.8% | 1.6% | 8.8% |
| 65+ | Quota | 117 | 57 | 45 | 18 | 237 |
| | % | 4.7% | 2.3% | 1.8% | 0.7% | 9.5% |
| | Census % | 4.8% | 2.4% | 1.8% | 0.7% | 9.7% |

Ethnicity

Table 14. Ethnicity quotas, Census data

| Ethnic group | Quota | % | Census % ⁵ |
|-------------------------|-------|-------|-----------------------|
| European | 1755 | 70.2% | 70.1% |
| Māori | 413 | 16.5% | 16.4% |
| Asian | 378 | 15.1% | 15.0% |
| Chinese | 133 | 5.3% | - |
| Indian | 128 | 5.1% | - |
| Other Asian ethnicities | 115 | 4.6% | - |
| Pacific Peoples | 203 | 8.1% | 8.1% |
| Other | 68 | 2.7% | 2.2% |

Income

Table 15. Income quotas, Census data

⁵ Dataset used: https://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE8320&ShowOnWeb=true&Lang=en

| Income bracket | Quota | % | Census % ⁶ |
|----------------|-------|-------|-----------------------|
| \$20k or below | 223 | 8.9% | 8.9% |
| \$20-49k | 617 | 24.7% | 24.7% |
| \$50-99k | 731 | 29.3% | 29.3% |
| \$100-150k | 483 | 19.3% | 19.3% |
| Over \$150k | 446 | 17.8% | 17.8% |

Education

Table 16. Education quotas, Census data

| Highest qualification | Quota | % | Census % ⁷ |
|----------------------------------|-------|-------|-----------------------|
| No qualification | 445 | 17.8% | 18.2% |
| Certificate (Level 1-4) | 1014 | 40.6% | 41.3% |
| Diploma (Level 5-6) | 248 | 9.9% | 9.8% |
| Bachelor's degree | 371 | 14.8% | 14.6% |
| Post-graduate and honours degree | 149 | 6.0% | 5.7% |
| Master's degree | 99 | 4.0% | 3.7% |
| Doctorate degree | 25 | 1.0% | 0.8% |
| Overseas secondary | 149 | 6.0% | 5.9% |

⁶ Dataset used:

https://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE8422&ShowOnWeb=true&Lang=en

⁷ Dataset used:

https://nzdotstat.stats.govt.nz/OECDStat_Metadata/ShowMetadata.ashx?Dataset=TABLECODE8303&ShowOnWeb=true&Lang=en

Questionnaire development

A comprehensive process was followed to develop and refine the survey questionnaire. This included:

- **Stakeholder interviews:** interviews with five key stakeholders within the FMA to harness subject matter expertise within the organisation
- **Qualitative research:** an online qualitative discussion board with 16 participants across different life-stages and from different ethnic backgrounds to shape a more robust questionnaire design
- **Cognitive interviews:** cognitive testing of the survey with 6 respondents to test the questionnaire logic, meaning and flow (see *Cognitive testing and pilot* section for further information)

This resulted in a 25-minute survey covering an extensive range of topics and aspects of financial products and services, incorporating factual questions as well as attitudinal measures. A brief overview of the questionnaire structure and the research objectives each section was intended to answer is shown below.

Table 17. Questionnaire structure

| Section | Purpose |
|---|---|
| Screener | Ensure nationally representative sampling |
| Consumer profiling | Consumer context and determining vulnerability characteristics |
| Financial context | Explore financial goals, mindset and information sources |
| Financial products | Understand current product holdings, drivers of product choice and barriers to uptake |
| Provider experience | Understand consumer satisfaction with providers of financial and insurance products |
| Financial advice | Explore use of financial advisers and other financial information sources |
| Trust, confidence and fairness | Measure consumer trust and confidence in the NZ sector, and perceptions of the FMA |
| Demographics | Further demographic profiling for analysis |

Question types

Ask all

Some questions were asked of all respondents who took part in the survey. These were questions that applied to all respondents and where a large sample size was required for analysis, as well as demographic questions that were needed for subgroup analysis.

Ask all eligible

These were questions that were only applicable to respondents with specific characteristics, for example questions about the insurance claim experience were only applicable to those who hold insurance products and had made a recent claim.

Least fill routing

To reduce survey length, certain questions were not asked for every product held by the respondent or every provider they held products with. Instead, a 'least fill' quota approach was used for these questions. This is a dynamic approach whereby respondents were allocated to the product or provider with the fewest responses that they were eligible for. The least fill approach was used rather than a random assignment approach to ensure equal distribution of responses for all products or providers, and therefore sufficient sample sizes for analysis.

Cognitive testing and pilot

The draft questionnaire went through several iterations as it was reviewed by several stakeholders within both the FMA and other relevant government agencies who made recommendations for changes and improvements.

Before finalising the questionnaire, cognitive testing was utilised to test the questionnaire logic, meaning and flow. This followed the theory developed by Tourangeau (1984)⁸, which found that when responding to survey questions, respondents go through the following four stages. The cognitive interviews assessed each question across these four stages to provide critical input into questionnaire development and determine whether refinements to the questions were needed.

⁸ Tourangeau, Roger. (1984). Cognitive Sciences and survey methods. Cognitive aspects of survey methodology: building a bridge between disciplines.

| 1. COMPREHENSION | 2. MEMORY RETRIEVAL | 3. DECISION PROCESS | 4. RESPONSE PROCESS |
|---|--|--|---|
| <p>a. Question intent</p> | <p>a. Recall</p> | <p>a. Motivation</p> | <p>a. Mapping the response</p> |
| <p>What does the respondent believe the question is asking?</p> | <p>What types of information does the respondent need to recall, in order to answer the question?</p> | <p>Does the respondent devote sufficient mental effort to answer the questions accurately and thoughtfully?</p> | <p>Can the respondent match his or her internally generated answer to the response categories that are provided in the survey question?</p> |
| <p>b. Meaning of terms</p> | <p>b. Recall strategy</p> | <p>b. Sensitivity/social desirability</p> | |
| <p>What do specific words and phrases in the question mean to the respondent?</p> | <p>What types of strategies are used to retrieve information? For example, does the respondent tend to count events by recalling each one individually, or is an estimation strategy used?</p> | <p>Does the respondent want to tell the truth? Do they feel they have to say something that makes them look “better”?</p> | |
| | | <p>c. User experience</p> | |
| | | <p>Does the respondent find it easy to navigate and use the survey? Can they move through the survey with ease? Are there any issues in navigation when on mobile vs computer?</p> | |

As a result of the cognitive testing, several changes were made, including:

- Changing question layouts where these caused confusion or impacted ease of navigation through the survey
- Wording changes
- Adding response options

Additionally, certain questions were changed from a 4-point to a 5-point scale. This was because most of the previous questions in the survey were 5-point scales, so switching to 4-point scales was observed to cause confusion and resulted in some respondents erroneously selecting the wrong response.

A pilot was also completed to undertake final checks on questionnaire routing, assess any inconsistencies in responses and ensure the survey length was not longer than 25 minutes. Eighty responses were collected for the pilot.

Fieldwork procedures

The pilot and main fieldwork were both conducted by our fieldwork supplier Dynata, who operate one of the largest online research panels in New Zealand. Panel members were sent an invitation to participate in the survey and received a small incentive for completing the survey.

Fieldwork progress was continuously monitored throughout the fieldwork period and targeted invitations were sent out to demographic groups where the response was falling short of the quotas.

Data processing & analysis

Quality control and data cleaning procedures

A range of quality control measures were employed to ensure data quality. Firstly, the survey experience was optimised to increase respondent engagement, as the extent to which respondents are engaged with the survey has a large impact on survey drop-out rates as well as the resulting data quality. This included using a range of question formats and layouts to provide more visual variety and ensuring the survey was device-optimised so it could be answered easily on any device (desktop, mobile or tablet). Within the survey, quality control checks were also implemented such as true and false questions to validate responses previously supplied (e.g., their age). This helped to determine whether respondents were paying attention and that the original answers were genuine.

At the conclusion of fieldwork, responses were checked thoroughly, and suspicious respondents were removed from the final data. A comprehensive process was followed to ensure respondents were removed in a reasoned and consistent manner. This included assessment of:

- **Speeders:** A concern with respondents who completed the survey too quickly is that they may not have been reading the questions properly and may have chosen answers at random to get through the questionnaire as quickly as possible to claim their incentive. As standard, respondents who completed the survey under 30% of the median survey length were flagged.
- **Flat-liners:** Flat-lining is when a respondent gives the same answer to every statement within a grid question, such as selecting 'Agree' for all statements in a set of agree/disagree statements. As it is possible to legitimately flat-line on questions with a small number of statements or with a simple scale such as a Yes/No scale, only questions with over 5 statements were considered. Respondents who flat-lined on two or more of the questions included in the analysis were flagged.
- **Poor quality open-ended responses:** Short, one-word answers or answers that were off-topic from what was asked were flagged, as these often indicate a lack of effort or respondents not paying close attention to the questions.

Respondents with two or more flags against them were removed from the final data (a total of 83 responses).

Weighting

The data was weighted on age, gender, and region (interlocking), using the proportions detailed in the previous *Sample design* section. As the quotas used were soft quotas (as detailed in the *Sample design*

section), this weighting was done to ensure the demographic profile of the final sample was representative of the New Zealand population.

Weighting the data on ethnicity as well as age, gender and region was considered. However, best practice for weighting prescribes using as few variables as possible for weighting, as the greater the number of variables used, the greater the risk of distortion to the data by overly 'up-weighting' or 'down-weighting' individual responses.

Limitations

- **Self-report and social desirability bias:** It is important to remember that all results are self-reported. People do not have perfect recall, may not always be fully aware of their reasons for selecting any given response, and in some cases may not have felt comfortable providing accurate, honest answers. Social-desirability bias is a well-known response bias in social science research whereby survey respondents tend to answer questions in a way that will be viewed favourably by others. While in our view this has not had an undue impact on results, as many of the questions asked related to their personal finances and other sensitive topics, we cannot rule out the possibility.
- **Online survey modality:** as the survey was conducted online using an online research panel, the sample is biased towards people who have internet access and who possibly also have a higher degree of technology adoption than the New Zealand population as a whole. Although internet penetration in New Zealand is high (>90%^{9,10}), several groups have comparatively low access to the internet such as people with disabilities, people living in social housing, Māori, Pasifika, and older people particularly those aged over 75 years¹¹, so the survey results likely do not fully capture the views and attitudes of those groups.

⁹ Individuals using the Internet (% of population) – New Zealand. Worldbank.org. <https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=NZ>

¹⁰ Digital 2021: New Zealand. Datareportal.com. <https://datareportal.com/reports/digital-2021-new-zealand>

¹¹ Digital inclusion and wellbeing in New Zealand (Digital.govt.nz). <https://www.digital.govt.nz/dmsdocument/161~digital-inclusion-and-wellbeing-in-new-zealand/html>

