



Everyday Consumer Legal Problems

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Background - Legal Needs Research

Measure the multi-dimensional costs of unresolved everyday legal problems.

This report looks specifically at the “who” and “what” of consumer legal problems, and how experiencing a legal problem prompted by consumer choices is related to one’s attitudes about the justice system.



Everyday Legal Problems and the Cost of Justice in Canada

The Methodology:

- A national telephone survey of 3264 Canadians 18 yrs. or older (excludes Territories).
- Respondents were asked if they had experienced any problems from a list of 84 problem scenarios.
- Threshold language was used to encourage respondents to report only problems they considered to be serious and difficult to resolve.
- Respondents were also asked about:
 - Actions taken in response to the problem
 - Consequence of experiencing problems
 - Types and Adequacy of assistance received
 - Connection between problems and the costs related to experiencing the problem.

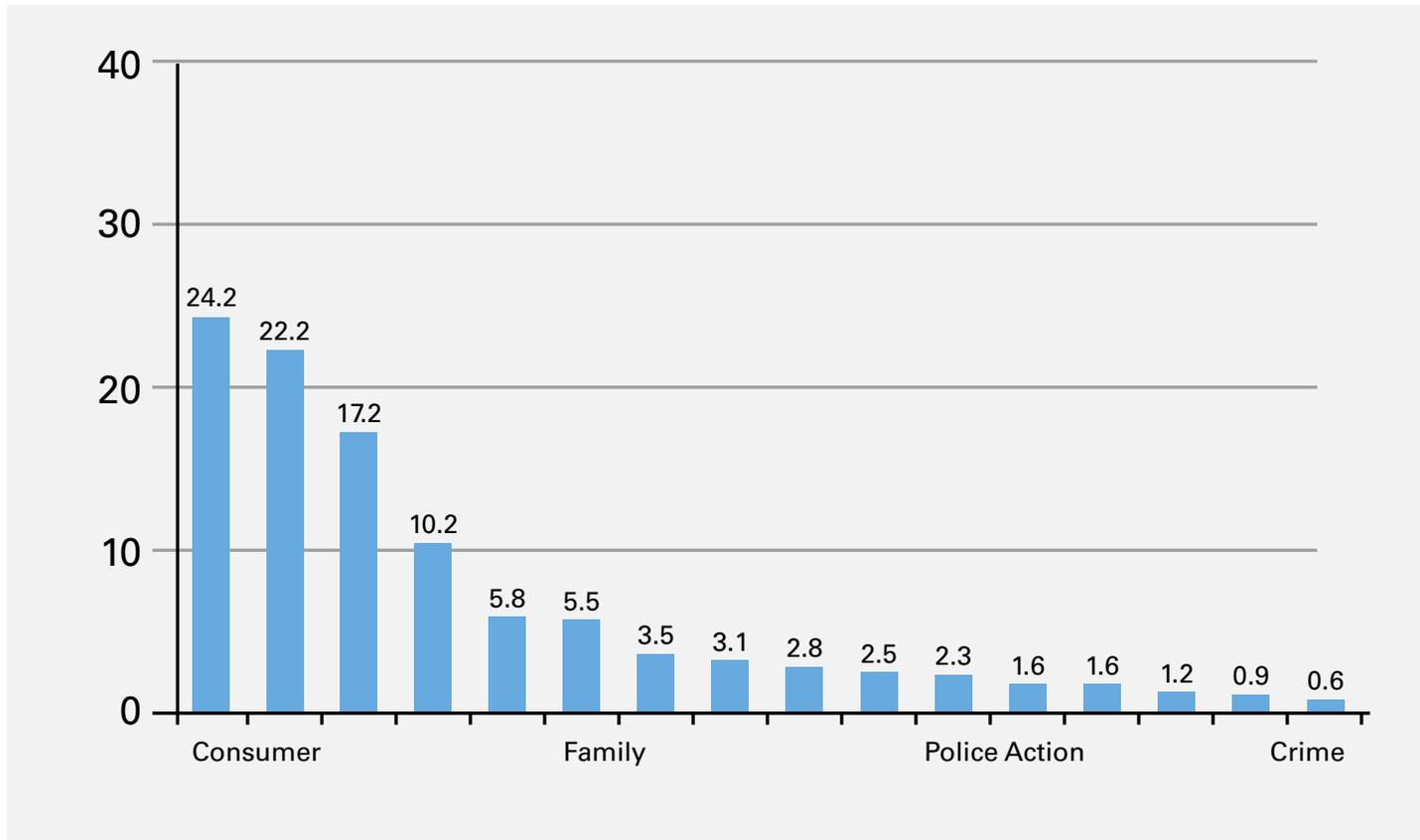


What is a Consumer Problem?

- Spending a large amount of money on purchase without getting what was paid for. **27%**
- Spending money for repairs or renovations that were poorly done. **27.6%**
- Spending money for a service and not getting what was paid for. **13.4%**
- Safety issues with a purchase. **3.8%**
- Insurance claim being rejected. **7.3%**
- Serious problem with bill or invoice. **20.8%**



Percentage of Respondents with One or More Problems



- The most common type of legal problem Canadians experience is a consumer legal problem.



Paths to Justice

- Most Canadians who experience a consumer problem take one or more steps to try and resolve them (96.5% *)
- Most Canadians with a consumer problem who try to resolve their consumer problem contact the other party to do so (83%). Many contact their friends (41.6%), whereas very few contact a lawyer (7.9%) or an outside organization (15%)
- 59.% of Canadians in the sample have resolved their consumer problem(s)
- For 37.8%* of Canadians who resolved their consumer problem, the resolution to that problem cost money. A majority (41.2%) paid less than \$500, although 31.9% paid between \$1000 to \$4999.
- Only 47.5 % of Canadians with a resolved consumer problem evaluate the resolution of that problem as being fair.
- Most Canadians do not experience difficulty carrying on with normal life after experiencing a consumer problem, but 29.3% do.



Legal Consciousness and Consumer Problems

- Those without a consumer problem are more likely to agree that the justice system in Canada is fair. This is across all demographic variables.
- Those with a consumer problems and with higher levels of education are much more likely to agree that the justice system in Canada is fair relative to those with lower levels of education.
- This relationship is constant regardless of income, although respondents in the highest income brackets are more likely to agree that the legal system is fair than those at the lowest levels.
- When looking at ethnicity, there is not much variation, except for First Nations respondents. They are 30% * less likely to agree that the justice system in Canada is fair relative to other groups.



Conclusions I

- Most respondents only undertook the relatively informal step of contacting the other party to try and resolve their issues.
- A good percentage of individuals seem willing to “lump it” rather than take all the steps required to resolve the difficulty.
- This is not necessarily surprising given that a respondents who did manage to resolve their consumer problem none the less saw the result as unfair. Also unsurprising given that most people seem able to carry on with a normal life after experiencing their problems.
- Very few individuals access the formal legal system to resolve their issue, even though their problems were considered “legal.” This is quite striking when you consider that this is the single largest “legal” problem that Canadians face.



Conclusions II

- Demographics don't seem to matter very much in determining how people conceive and respond to their consumer problems.
- We found that the single biggest indicators that one's perception of the legal system would shift was income and education.
- This isn't entirely surprising when you consider the market oriented nature of consumer problems.
- The one exception to this were First Nations respondents, who generally experienced more problems and were (far) more skeptical about the fairness of the legal system than their peers. Unfortunately there were too few respondents to claim that these trends are significant.



Policy Implications

- Very difficult to conjecture about how to assist Canadians in resolving their consumer problems, despite the fact that they occur so frequently.
- There are services available that don't involve accessing the formal legal system. For instance, residents in Ontario have rights under the Consumer Protection Act (CPA) which they can access by filing a complaint with the Ministry of Government and Consumer Services. Respondents could also contact the Better Business Bureau, Human Rights Commissions in some cases. In many cases the costs to access these services is minimal.
- Not sure why they aren't used as frequently as they might be.
- Could it be determined by consumer culture?



Questions?

