

Retail ^{NZ}

coms

RETAIL CRIME REPORT 2024



Foreword from Police Minister Hon Mark Mitchell

A vibrant, growing economy is a key priority for the Government. We value the great contribution our retailers make to our economy, including the 230,000 people who work in the retail sector.

For businesses to thrive, they must be safe from crime. Unfortunately retail crime continues to be an area of significant challenge for our country. I assure you all that the Government is working tirelessly to get on top of it and deliver on our commitment to law and order.

We are supporting Police to get back to basics and giving them the tools to get on top of retail crime.

Through community beat teams, Police are now a strong, visible presence in our CBDs and I've seen first-hand how they are providing reassurance and making a difference to how people feel.

Alongside providing Police with the laws and tools they need to crack down on crime, we're also giving businesses more tools to deal with retail crime.

We formed the Retail Crime Ministerial Advisory Group last year to gain retailers' insight into overcoming retail crime. Through that group's work delivering practical recommendations, we've been putting forward a package of reforms to ensure people working in the retail sector are being effectively protected, are empowered to stop offending, and that offenders are caught and deterred from future offending.

I would like to take this opportunity to thank Retail NZ for being a strong voice in that advisory group and for the valuable support you provide to retailers.

While we have a big job ahead of us, I am determined we will see many more successes and all Kiwis will feel and be safer for it.



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EXECUTIVE SUMMARY

The COMS Retail Crime Report 2024 shows that retail crime is even more extensive than official Police data shows — potentially by as much as 40%. Our 2023 Retail Crime Report found that the cost of retail crime is around \$2.6 billion a year. This cost flows through from retailers to customers to the New Zealand economy. Our 2024 survey focused on identifying the actual level of retail crime in New Zealand, confirming that it is much higher than official statistics show.

With responses representing over 1500 stores nationwide, 99% of retailers advised they had experienced some form of retail crime or anti-social behaviour in 2023-24, ranging from credit card fraud and shoplifting through to threatening behaviour, criminal damage or physical assault. Respondents recorded 140,746 incidents of retail crime.

Only 61% of retail crimes were reported to Police, with members telling us they do not often report thefts of low value items because:

- they don't think it is worth the effort
- they only report offending above a certain threshold
- they discovered the offence too late
- they dealt with it directly
- they did not think that Police would do anything about it.



Almost every retailer and retail worker has been affected by crime and aggressive behaviour.

Retail NZ members continue to face high rates of violence and crime, putting both their employees and the public at risk, as well as threatening the financial sustainability of retail businesses.

We strongly recommend that all crime incidents are reported to the Police, regardless of the scale of the offending. This is essential to enable Police to track the full extent of retail crime, ensure that they can assign appropriate resources and keep track of repeat offenders.

Full reporting also enables policy makers and Government to see the full scale of retail crime, and implement appropriate policies and support to the sector.

Carolyn Young
CEO, Retail NZ



EXECUTIVE SUMMARY



While it is disappointing to see shoplifting and aggressive behaviour has increased over the past 12 months, impacting not just profitability, but staff's safety and wellbeing, it is encouraging to read the support for Facial Recognition Technology (FRT) within the retail sector. At COMS, we empower retailers with innovative solutions that go beyond traditional ways to reduce harmful behaviours and the incidences of retail crime. Embracing technology is essential — it's the future, and it's here to stay.

Paul Andrew
Director, COMS Systems



Although Police data for the period shows a decrease in rates of reported crime, our survey found that this may be partly because Police do not hear about many crimes unless they are serious and/or involve physical violence.

There has been positive progress on efforts to prevent retail crime in the last 12 months, including the establishment of the Ministerial Advisory Group for the victims of retail crime (Retail NZ is a member of this Group) and Foodstuffs North Island's successful trial of facial recognition technology.

Police are rolling out new Community Beat Teams in cities and towns across Aotearoa, whose presence is a deterrent to offenders, and stronger sentencing legislation has been enacted.

Retail NZ is working with members to develop agreed approaches to crime prevention measures including legislative change and increased use of technology like facial recognition technology. We are strongly promoting these solutions to decision makers at every level of Government in our efforts to lower the physical and social costs of retail crime.

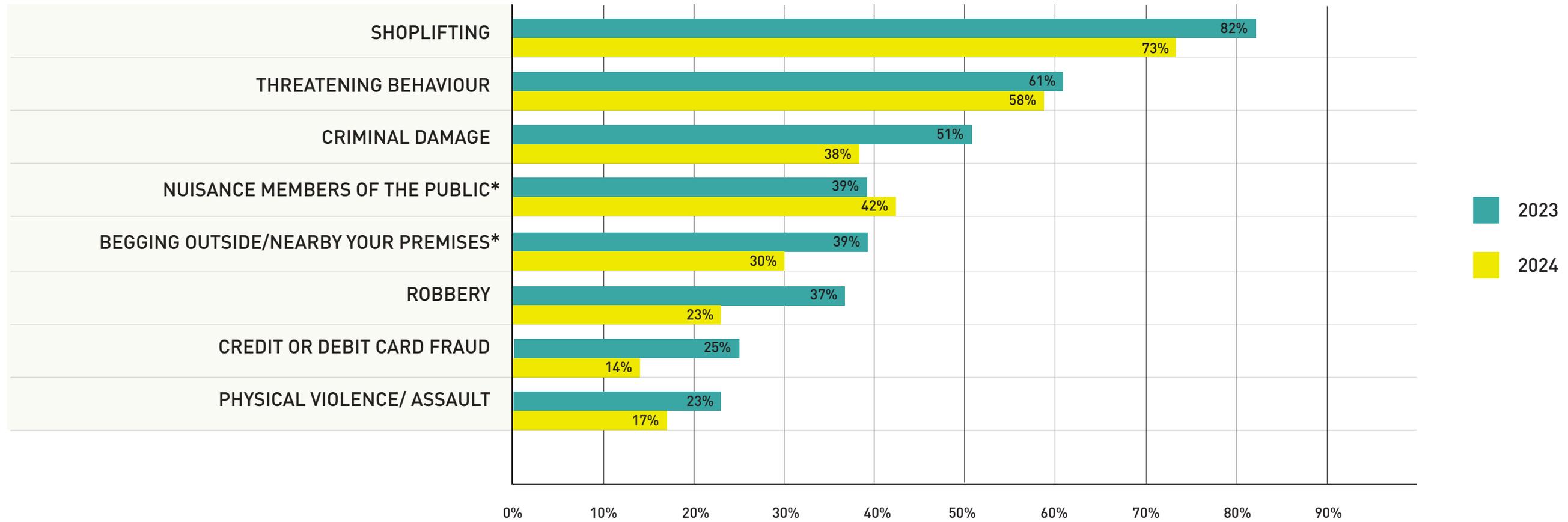
RETAIL CRIME IS INCREASINGLY PREVALENT

99% of survey respondents experienced some form of retail crime, begging or nuisance behaviour in the year to 30 June 2024, in comparison to 93% in 2023.

The 2024 and 2023 figures are a substantial increase from 2017¹, when only 81% had experienced some form of crime or nuisance over the previous 12 months. Compared with data collected by Retail NZ in 2023, there has been a reduction in the percentage of retailers experiencing most categories of crime.



RETAIL CRIME EXPERIENCED IN 2023 – 2024



**These two categories were combined into one in the 2023 survey.*

Although begging or nuisance behaviour are not crimes, they have a serious effect on a retailer's ability to support employees and offer a pleasant environment to customers.

WHAT POLICE DATA SHOWS ABOUT CRIME AT RETAIL LOCATIONS

Using data from only retail locations, for the year ending 30 June 2024 reported theft from retail premises was up 25.3% from the prior year (78,693 in 2024, up from 62,794 in 2023). In the same period, theft (which may include theft not from retail stores, e.g., pickpocketing customers) was up 1.5%.

Reported physical violence/assault at retail locations also increased by 2.6% to 4122, or around 343 incidents per month.

However, Police data shows reported aggravated robbery, non-aggravated robbery and burglary incidents decreased by 10.9% to 23.1%.

NZ Police data for Retail Premises	Year ending 30/6/23	Year ending 30/6/24	% Variance
Theft from retail premises	62,794	78,693	25.3%
Theft <i>(includes petrol drive offs, pickpocketing customers)</i>	33,141	33,654	1.5%
Acts intended to cause injury <i>(physical violence/assault)</i>	4,017	4,122	2.6%
Aggravated robbery	870	775	-10.9%
Non-aggravated robbery	78	60	-23.1%
Unlawful entry with intent/burglary, break and enter	7,155	6,021	-15.8%

NOT ALL RETAIL CRIME IS REPORTED TO POLICE

Our survey shows that not all retail crime is reported to Police, with only 61% of all incidents reported. Across the categories, the percentage of crime reported ranges from less than 1% of all cyber crime, to 96% for physical violence / assaults.

We found that a high percentage of violence and shoplifting is reported to Police. However, only 60% of aggressive behaviour incidents were reported and 65% of robberies (see the table for further data).

Only 27% of retailers who experienced shoplifting reported all incidents to Police. 9% did not report any incidents, while the remaining 64% reported some of the incidents.



Retail crime type	Incidents	Incidents reported	% Incidents reported
Physical violence / assault	707	677	96%
Burglary	577	511	89%
Shoplifting	100,870	73,887	73%
Refund fraud	356	234	66%
Robbery	970	630	65%
Nuisance members of the public	2,749	1,739	63%
Aggressive behaviour	5,717	3,406	60%
Criminal damage	268	146	54%
Credit or debit card	77	9	12%
Employee or supplier theft or fraud	256	29	11%
Begging outside / nearby the premises	19,838	916	5%
Online fraud	211	4	2%
Cyber attack	4,368	2	0%
Other	3,782	3,729	99%
TOTAL	140,746	85,919	61%

Retail crime incidents reported to Police [%]

WHY ISN'T RETAIL CRIME REPORTED TO POLICE?

Feedback from Retail NZ members suggests that reasons for not reporting incidents to Police are:

- Effort isn't worth it for low value items
- Realised too late that stock had been stolen
- Dealt with the offending directly
- Don't believe Police will respond or any action will be taken

Retailers are positive about the engagement they have with Police, especially the National Retail Investigation Support Unit (NRISU). However, survey respondents commented that they wanted Police to do more, especially when it comes to following up when they report crime. They also want to see the justice system prosecuting more offenders and giving sentences that reflect how much retail crime affects retailers.

Retail NZ continues to call on the Government to adequately resource Police to deal with retail crime and to take other steps to deter offenders, such as strengthening trespass laws to be more effective in retail settings, the use of technology to combat retail crime (e.g. Facial Recognition Technology) and creating specific offences for crimes against retail workers.

Retail NZ strongly recommends that all crime incidents are reported to the Police, regardless of the scale of the offending. This is essential to enable Police to track the full extent of retail crime, ensure that they can assign appropriate resources and keep track of repeat offenders. Full reporting also enables policy makers and government to see the full scale of retail crime, and implement appropriate funding and resources to support the sector.



I believe the Crime Report aligns with what we are experiencing. While we have seen a drop in burglaries (particularly ram raids), which have taken a significant toll on staff morale and resources, we are still encountering the same levels of in-store aggressive behaviour and shoplifting. This is particularly disappointing given the tough economic trading climate.



Richard Allin
Director, Pushbikes Ltd

SHOPLIFTING TOPS RETAIL CRIME LIST

Shoplifting is both the most widely experienced retail crime and has the largest number of incidents.

WHAT IS BEHIND THE HIGH RATES OF SHOPLIFTING?

73% of survey respondents experienced shoplifting.

Recidivist offenders are a big issue. Data from Auror shows 75% of retail crime is caused by 10% of offenders in New Zealand. One 42-year-old was convicted of stealing more than \$10,000 worth of goods from numerous stores across Canterbury between April and August 2024².

Another factor is stealing to order, often by organised crime. This is when someone takes orders for stolen goods and on-sells them cheaply. Canterbury Police Superintendent Lane Todd has said these thefts are significant, with some offenders stealing \$1,000 worth of food a day².

Some shoplifters steal in order to fund their addictions.

The ease with which stolen items can be sold anonymously on Facebook Marketplace makes converting stolen goods into cash relatively simple.

Social media also plays a part, with young people committing destructive acts to gain notoriety among their peers.

Shoplifters cannot be identified under a single demographic. Retailers report that shoplifters can be any age, ethnicity or socio-economic status, including juveniles as young as 11 or 12 years old or business professionals in well paid executive jobs.



We've always had some shoplifting and worked at trying to keep it in check. Currently it is at epidemic proportions, a level I haven't experienced in 30 years of retail. To have three known (and caught) events in a day is common. As we have female employees, I have to work seven days a week as I don't like leaving staff to deal with the 'grab & go' events.

Our local Police are fantastic and respond as immediately as possible.

Stuart Gunn
Director, Paper Plus Te Puke

² <https://www.thepress.co.nz/nz-news/350402032/shoplifting-worst-its-ever-been>

CYBER SECURITY AN INCREASING PROBLEM

Cyber security is a growing issue as the use of technology, online processes and artificial intelligence (AI) in retail increases. In 2024, Netsafe estimated the total digital scam losses for all Kiwis at \$2.3bn in the past 12 months³.

The primary way offenders hack into businesses is through malware. They infect a device with ransomware or steal information.

Our survey shows cyber attack is the fourth highest retail crime in volume, but is reported to Police the least. Cyber security issues are more likely to be reported to other agencies, such as the National Cyber Security Centre (NCSC).

Only 20% of retailers reported to Retail NZ that they had cyber security issues in the last 12 months. Of those, 94% had cyber security procedures in place.

Of the retailers who did not report cyber security issues, only 57% have cyber security procedures, with 4% intending to implement processes within the next year. Most were small businesses with few staff, and did not feel it was a priority.



BASIC CYBER SECURITY

All businesses should consider:

- backups of data — not connected to the business's devices and kept offsite
- two-factor or multi-factor authentication on accounts where available
- training around awareness, especially when it comes to avoiding scams, not clicking on suspicious links, and not opening attachments
- keeping devices updated, e.g. software updates

³ <https://cdn.sanity.io/files/8y8wsx0z/production/7a82b4a377ff55f11960a3ba145c86a21aff204e.pdf>

NCSC's Threat and Incident Response Team Lead, Tom Roberts, notes that:

- The retail trade and accommodation sector is among the most commonly affected sectors reporting incidents to us every quarter.
- Common attacks reported by this sector include website or business email compromise and impersonation scams.
- Once a website or email is compromised, scammers can use the website or domain to carry out fraudulent transactions and impersonation scams. Scammers may also send phishing emails from domains that closely resemble that of the business, or they can create fake websites to steal information or money from their customers. They may also spoof a company's email to send these phishing emails.
- For small and medium-sized businesses, cyber attacks can be very disruptive, causing not just financial loss, but also reputational damage.
- NCSC's research shows that businesses in Aotearoa want to be more cyber resilient but often do not know where to start. NCSC has created an online video series that small and medium businesses can access on the website Own Your Online⁴ for free.

NCSC knows cybercrime is underreported and the actual number of incidents is much higher than what is reported to them. NCSC urges all retail businesses to report incidents, big or small, to them by using their reporting tool.



⁴ <https://www.ownyouronline.govt.nz/>

RETAILERS EXPECT LITTLE CHANGE IN CRIME RATES

SHRINKAGE

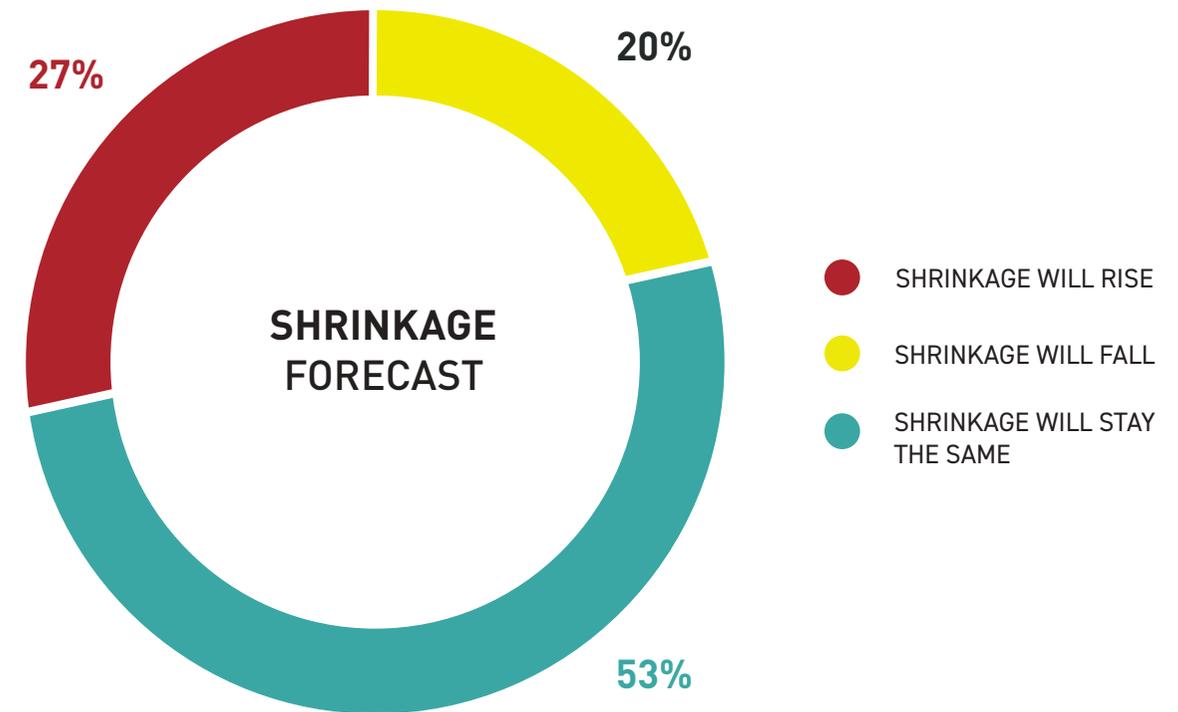
Shrinkage is stock losses and takings shortages caused by internal or external theft/fraud or by administrative errors.

Most respondents (53%) predicted that in the next year shrinkage will stay the same. 27% predict a rise in shrinkage and 20% a fall. By comparison, our 2023 survey found that almost twice as many respondents (57%) expected shrinkage to increase.

Our survey shows that more retailers are affected by employee or supplier theft or fraud (27%) than online fraud (20%), refund fraud (19%) or credit/debit card fraud.

INTERNAL FRAUD PREVENTION TIPS:

- Ensure there is structure and rigour around procurement controls and processes to avoid being exploited, both internally and externally.
- Have an external review of your procurement and payment systems to find any weak spots.
- Have regular staff training on fraud prevention, detection and your financial processes.



PREVENTING RETAIL CRIME

The best way to reduce retail crime is through prevention.

New Zealand Police have an online Retail Crime Prevention Hub⁵ to help businesses with prevention. It includes a Retail Crime Prevention Checklist which businesses can fill in anonymously to see how their security stacks up.

Using this checklist as a base, we asked about preventative security measures.

Most retailers have burglar alarms and cameras. However, there are areas where retailers can do more:

- 54% are not part of a business support group
- Only 36% have panic alarms
- 22% do not have appropriate staff training to assist staff in identifying and understanding what to do in the event of a crime.



Security measures	% of businesses
Store burglar alarm	86%
Cameras	86%
Process for staff	78%
Line of sight to the street	57%
Locked cabinets	56%
Trespass notices	47%
Part of a business support group	46%
Bollards	44%
Panic alarms	36%
Sirens	32%
Sensor lights	29%
Roller doors	28%
Electric tags	21%
Fog cannon	17%
Dye tags	8%
RFID tags	3%
Other	20%

⁵ <https://www.police.govt.nz/retail-crime-prevention-hub>

Joining your local business support group helps to enhance local community connections and to have more eyes on stores.

Panic alarms provide staff greater comfort that they have a tool to deter offenders if they enter the store and the alarm is activated.

Quality training for staff is important to provide guidance of what to do in the event a crime happens in store. Regular refreshers are critical to ensure that staff are confident that they know what to do if a problem arises and are clear on what actions are important.

Other examples of security measures include chains and locks, security guards, glass guards, anti-jump wires, body cameras, automatic number plate recognition, GPS on hired trailers and radios.

“

By maximising our store layout to minimise theft and having our staff practise proactive customer service, we've reduced the amount of retail crime we're experiencing — but we still have losses and these measures don't stop break-ins.

Reuben Sharples, Managing Director,
Aussie Butcher New Lynn



“

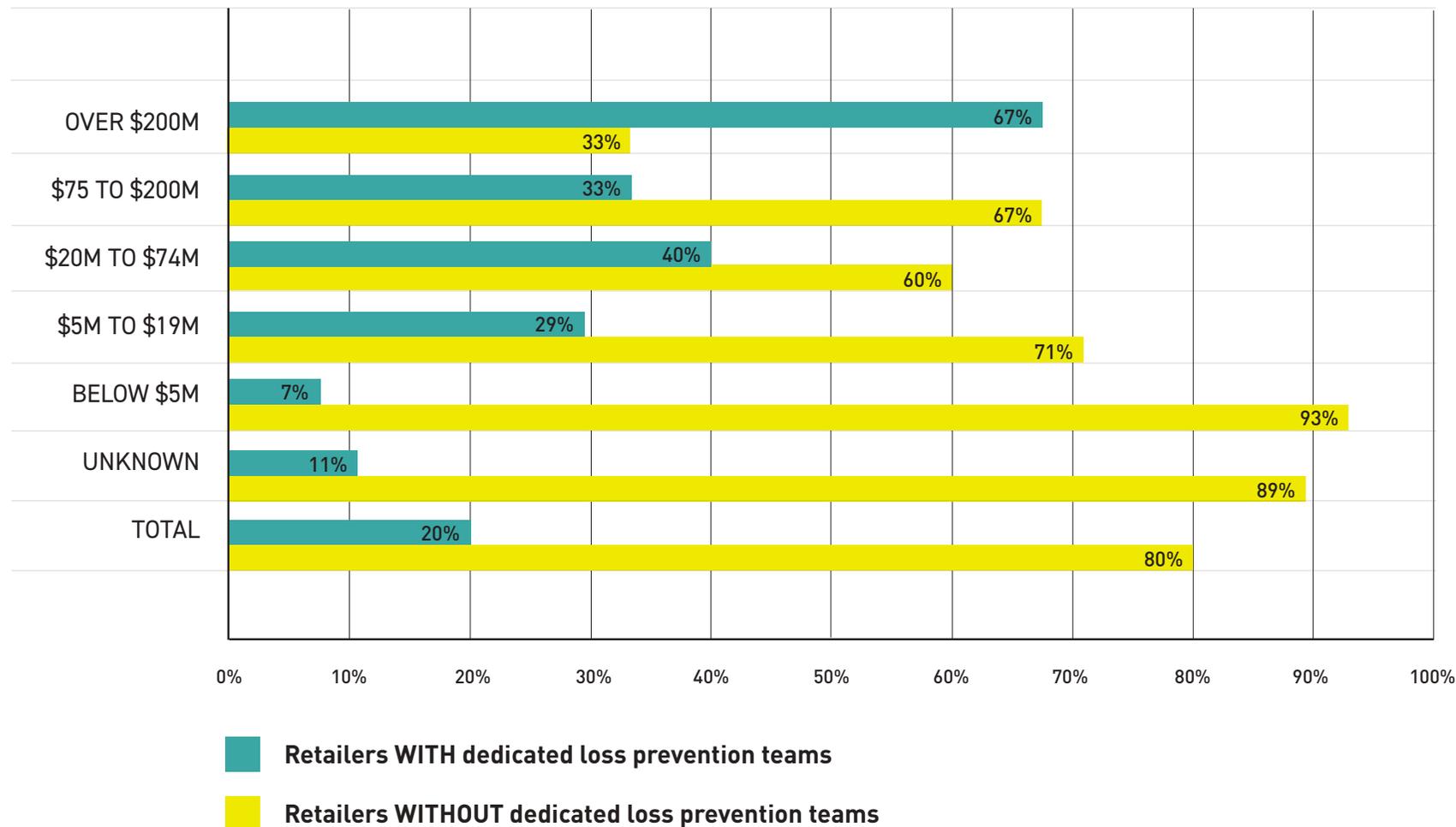
As we have a network of Z Energy (Z) service stations across the country, unfortunately there is always a level of crime at our sites — such as fuel theft or burglaries. Like other retailers, we have seen a rise in retail crime this year and our priority is managing the safety of our people and our customers.

In response to the spike in crime we saw across our network earlier in 2024, Police in Waikato and Auckland undertook welfare checks at service stations across the region, to help give our teams reassurance. We greatly appreciated their efforts to step up Police visibility across service stations, to help further deter this type of behaviour, and we continue to work closely with local Police teams who respond to these incidents when they occur.

Shane Blackwell, Retail Productivity and Safety Lead –
Te Hunga Hokohoko me te Arataki haumarū,
Z Energy Limited

DEDICATED LOSS PREVENTION TEAMS

Having a dedicated loss prevention team is a measure that larger businesses use to reduce retail crime. However small businesses can appoint someone internally who is responsible for ensuring the business has the right processes, staff training and tools in place to protect staff and the store.



Everyone deserves to feel safe at work. With retail crime on the rise, we've collaborated closely with the NZ Police National Retail Investigations Support Unit (NRISU) to target our most prolific offenders.

The safety of our team and customers is our number one priority and through this work, offenders are now being identified, arrested and charged much more quickly than in the past.

Hamish Whistler,
Loss Prevention Manager
Bunnings, New Zealand



GOOD STAFF TRAINING IS KEY

Every retail business can invest in staff training as a key means of preventing crime.

This includes training employees to recognise suspicious behaviour and how to respond appropriately if they have concerns about any customer interaction in-store. De-escalation training — skills and techniques to prevent potential violence when confronting a potential offender — is an important aspect of this.

Retailers report that strong customer service is an effective deterrent. Greeting customers as they enter the store and regular offers of assistance signal to offenders that the staff are paying attention to them, and make it difficult for them to shoplift or cause damage. Police report that 80% of would-be offenders will leave the store if they are approached on entry and staff are attentive.



CRIME IS A HEALTH AND SAFETY ISSUE

Our research found that 39.1% of retail workers have reported exposure (as a victim or witness) to at least one incident of offensive behaviour over a 12 month period. Bullying was the most common hostile act reported (20.6%) followed by cyberbullying (18.6%) and threats of violence (16.2%).

According to WorkSafe research⁶, retail workers suffer a range of psychosocial risks, including high levels of offensive behaviours such as threats of violence and sexual harassment.

23.4% of retail workers report experiencing at least one form of burnout (either physical and emotional exhaustion), stress and cognitive stress all the time.

Crime is a significant issue for retail employers who prioritise keeping their staff safe at work. Decreasing and preventing offences is a crucial step towards meeting employers' health and safety obligations.



⁶ <https://www.worksafe.govt.nz/research/psychosocial-survey-of-the-retail-sector/>

FACIAL RECOGNITION TECHNOLOGY

Retail NZ supports the introduction of new technologies to proactively combat retail crime and reduce harm to retail workers.

Facial Recognition Technology (FRT) is a powerful tool to help keep retail staff safe at work and to reduce crime.

In September 2024, Foodstuffs North Island (FSNI) completed a six-month FRT trial in 25 stores across the North Island. An independent report on the trial concluded that there was strong evidence that the use of FRT reduced serious harmful behaviour by an estimated 16% in trial stores, equivalent to about 100 incidents. There was minimal incorrect identification, further supporting the use of FRT.

A survey of 1000 New Zealanders found 89% support the use of FRT if it reduces harm by 10%.

FRT will not solve retail crime. Retailers may decide that it is not suitable for particular stores or locations, but it is a tool that retailers want to have available to consider alongside other crime prevention resources such as security guards, fog cannons, staff training, body cameras, panic alarms, CCTV and other technology solutions.

Retail NZ has formed a working group comprising a number of retailers to develop agreed approaches to crime prevention measures including technology like FRT.



Protecting the safety and wellbeing of our team members and customers is our top priority. With repeat offenders responsible for over a third of retail crime in our stores, we need to explore proactive solutions to reduce harm. Our 2024 trial of facial recognition, independently evaluated, showed promising results — an estimated 16% reduction in serious harm in trial stores — and demonstrated strong public support. This reinforces the importance of taking reasonable and responsible steps to create safer environments for everyone.

Julian Benefield, General Counsel,
Foodstuffs North Island



SMARTER RETAIL SECURITY WITH WATCHGUARD NZ

The Retail Crime Report is presented by COMS Systems, the company behind WatchGuard NZ, a high-performance facial recognition system specifically designed for the retail sector.

Using advanced AI technology, it identifies known threats such as banned individuals, or anyone on a custom alert list.

SAFEGUARD YOUR PREMISES

WatchGuard NZ's mission is to help retailers safeguard their stores, teams and customers by transforming security practices with advanced AI solutions.

To learn more, get in touch with the team and find out how WatchGuard NZ can work for you.

www.watchguard.net.nz

admin@coms.net.nz

06 842 0148

How it works

When a flagged customer enters the premises, WatchGuard NZ scans their face and compares it to your store's database of known problematic individuals. If there is a match, your team is notified immediately, allowing for swift action.

1

IMPROVED STORE SAFETY

Reduce potential incidents by identifying troublemakers before problems occur.

2

COST SAVINGS

Minimise theft and loss, while protecting staff from potential harm.

3

ENHANCED CUSTOMER EXPERIENCE

Let legitimate customers shop without fear of disruptions.



METHODOLOGY

The COMS Retail Crime Report 2024 covered the period 1 July 2023 to 30 June 2024. The survey was open for approximately two months to 25 October 2024. Respondents represent more than 1500 stores nationwide and online.

APPENDIX 1

Table 1 was developed using police data from policedata.nz, using the period 1 July 2023 to 30 June 2024, with the selected retail crime locations of:

- Retail NFD (no further details)
- Retail NEC (not elsewhere classified)
- Service stations (note: theft data includes petrol drive off thefts)
- Chemist/Pharmacy

GLOSSARY

Criminal damage – includes graffiti, vandalism, arson or any intentional or wilful damage to premises, property or stock.

Electric tags – usually a hard plastic tag that is pinned to a retail item, as part of an electronic article surveillance (EAS) system.

Employee and supplier theft – can include removing cash from the till, taking home stock, discounting to friends, colluding with others (turning a blind eye), fictitious ‘supplier accounts’ and fictitious petty cash purchases.

Fraud – can include return fraud when a person returns a product to a retailer or an online store, claiming it is damaged, defective, or unsatisfactory, even though the product is in good condition, or has been used or tampered with. Online fraud happens when a person receives a product purchased online then claims it has not been delivered. Credit or debit card fraud is when someone obtains a card or card data for fraudulent use. Counterfeit money is also an example of fraud.

RFID – a Radio Frequency Identification Device tag or label uses track and trace technology to generate useful data.

Robbery – theft accompanied by violence or threats of violence to any person or property and used to extort the property stolen or to prevent or overcome resistance to the property being stolen. Aggravated robbery is a robbery that involved serious injury to someone, two or more people working together in a robbery, or a robbery where the offender had a weapon.

Shoplifting – pocketing or concealment of items so the offender can leave the store without paying. Shoplifting can also be brazen, where offenders walk out with a trolley of groceries, or drive off without paying for fuel. Shoplifting also includes adjusting down the ticket price so that items are purchased at significant discount.

Threatening behaviour – can range from obnoxious to frightening behaviour towards staff or customers. Begging or nuisance can also affect retailers, staff and customers.

COMS RETAIL CRIME REPORT 2024

Retail NZ
Level 9, 175 Victoria St
Wellington

www.retail.kiwi

NZ Phone: 0800 472 472
Australia Phone: 1800 128 086

Email: research@retail.kiwi

