

MEDIA RELEASE

5 February 2009

CASE TAKES A 4th COMPANY, GARRAWAY TO COURT

On 22 December 2008, the Injunction Proposals Review Panel has granted the Consumers Association of Singapore (CASE) approval to commence an application for a declaration/injunction against Garraway Enterprises Limited Singapore Branch (“Garraway”) for breaching the Consumer Protection (Fair Trading) Act (CPFTA), namely, by exerting undue pressure on its consumers, making misleading and/or false claims and/or representing that a price benefit or advantage exists in respect of a good or service where such benefit or advantage does not. Our lawyers have filed a writ in court on 4 February 2009.

Garraway was registered on 12 February 2007. According to the Accounting and Corporate Regulatory Authority (ACRA) business profile search, Garraway’s principal activities are stated as real estate activities as well as other reservation activities. The company was incorporated in the Virgin Islands.

As at 4 February 2009, 19 consumers have filed complaints alleging breaches of the CPFTA against Garraway.

Some consumers reported that they were approached on the street and given scratch cards which produced the winning combination and were invited to Garraway’s premises to collect the prize. Others were invited via phone calls. At Garraway’s premises, undue pressure was exerted on them and they were persuaded to sign up for Concepts Vacation Club (CVC) memberships which purported to provide benefits such as an easy access booking system, discounted air fares and hotel rates, etc. Many of these claims were misleading and/or false. The contract values for the membership ranged from \$3,650 to as much as \$30,000.

CASE had attempted to stop Garraway's unfair practices by inviting it to sign a Voluntary Compliance Agreement (VCA). However, the invitations were unsuccessful.

CASE would like to repeat our calls to the authorities to consider a proper timeshare legislation to regulate timeshare companies. CASE is concerned with the high number of complaints coming from this industry. CASE received over 2,000 cases annually regarding the timeshare industry over the past five years. From our records, the timeshare industry was the industry which received the most number of cases from consumers for the past 5 years. We believe that similar legislation such as those found in Malaysia, United Kingdom and some states in the United States would be useful to stem the high number of complaints.

Yeo Guat Kwang
President
CASE