

## JOINT MEDIA RELEASE FROM CASE AND SJA

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### **CASE SAW IMPROVEMENT FROM PREVIOUS ROUNDS OF TEST FOR HALLMARKING STANDARDS OF GOLD SOLD IN OUR SHOPS**

The Consumers Association of Singapore (CASE) found that 1 out of 32 (3.1%) gold jewellery pieces tested from March to June 2011 failed to meet the fineness requirement for hallmarking standards. This was an improvement from the first round of survey that showed more than 16% of the surveyed pieces failing to meet the fineness requirement for hallmarking standards. This is the fourth round of tests conducted by CASE.

Singapore Jewellers Association (SJA) is pleased with the 4<sup>th</sup> gold jewellery survey results released by CASE. Through the joint efforts of CASE and SJA in elevating the quality of gold jewellery retailing in Singapore, jewellers are more mindful of selling gold jewellery meeting the required International Standards. SJA also maintains a Trade Code of Ethics and Business Practices; members are required to abide by the rules and regulations to uphold the integrity of the jewellery trade in Singapore. To inject added confidence to the general public, members of the SJA pledge to provide full refund or to exchange the purchased gold jewellery with any other item with an equivalent value should they fall short of the required gold fineness standard.

In addition, CASE also found that there was a high level of transparency shown by retailers. For instance, 23 retailers (76.7%) indicated the Goods and Service Tax (GST) and gold price on the invoice, which is a requirement, according to SJA.

As per previous rounds of surveys, CASE's objectives are to find out if the retailers are still selling gold jewellery that do not meet the claimed fineness, or charging consumers for manufacturing loss.

The 32 jewelleries picked up consisted of 21 gold jewellery pieces of 916 fineness and 11 gold jewellery pieces of 999 fineness. Gold pieces of 916 and 999 fineness should contain at least 91.6% and 99.9% of gold at the main body respectively. Some parts like the pin or soldered parts would usually contain lower fineness of gold. (Please see the guide on the fineness of gold used for different parts of the jewellery under Annex A).

For the survey, CASE deployed mystery-shoppers to purchase gold jewellery pieces randomly from 30 gold jewellery retailers situated in various parts of Singapore. The gold jewellery pieces that were also randomly selected included rings, bangles, bracelets, pendants, earrings and chains. All purchased gold jewellery pieces were sent to the Singapore Assay Office (SAO) for fineness standard tests using fire assay cupellation.

The details and picture of the failed gold jewellery piece that did not meet the fineness requirements for hallmarking standards are enclosed in Annex B.

The failed piece was purchased from Satya Jewellers, a retailer from Little India. Satya Jewellers was one of the retailers with a failed jewellery piece from the previous round of gold test (Round 3).

In June 2011, a Technical Committee was formed to develop a Singapore Standard for the Specification and Testing of Fineness for Precious Metals Jewellery. Initiated by the SJA, participating members include the Singapore Assay Office (SAO), National University of Singapore, Inspectorate, TUV SUD PSB, Health Sciences Authority, Singapore Chemical Industry Council as well as CASE. The new Standard is expected to be completed by the middle of 2012 and its implementation by industry players will enhance consumer confidence in the quality of gold jewellery traded in Singapore and safeguard the reputation of Singapore as a regional jewellery hub.

Additional findings by CASE:

1. When requested to weigh, all 30 retailers weighed the items.
2. Upon request to remove the tag, 2 retailers refused to do so when weighing the jewellery pieces upon purchase.
3. The Accuracy label on the weighing scale was not visible among 8 of the retailers surveyed.
4. In 8 shops, consumers were informed that an extra administrative fee ranging from 2.5% to 3% would be charged if they choose to pay by credit card.

In view of the findings from the survey, CASE urges retailers to exercise transparency by stating the price of gold and any additional charges upfront. Consumers can also look out for the hallmark on the jewellery for greater assurance of the fineness.

To conclude, we would like to emphasise that CASE is committed to protect the interest of consumers. We will continue to highlight any unfair practices in the marketplace. At the same time, we also urge consumers to be more discerning and exercise caution to protect their own interests.

In addition, CASE would like to offer the following tips to consumers:

- Consumers are advised to check the net weight of the jewellery (i.e. without the tag) when making a purchase.
- Consumers can request on a detailed breakdown on the receipt.
- Consumers are advised to keep all proof of purchase.
- Consumers can report to the credit card companies if they charge an additional administrative fee when consumers opt to pay via that mode.
- Understand the terms and conditions of purchase and check with retailers if they have an exchange and refund policy.

SJA reminds consumers to check on the weight of the gold jewellery to ensure accuracy of the net weight (without price tag when weighing), the gold fineness mark on the jewellery and to question jewellers who impose "manufacturing loss" as an additional weight computation in determining the gold price before making payment. Consumers should exercise their rights by insisting that the sales invoice should clearly stipulate the net weight of the gold jewellery, prevailing unit gold price per gram and the GST charged, sales invoice should be retained at all times as evidence of purchase in case of future disputes.

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