

The Consumer

A PUBLICATION OF THE
CONSUMERS ASSOCIATION
OF SINGAPORE

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There's No Place Like Home

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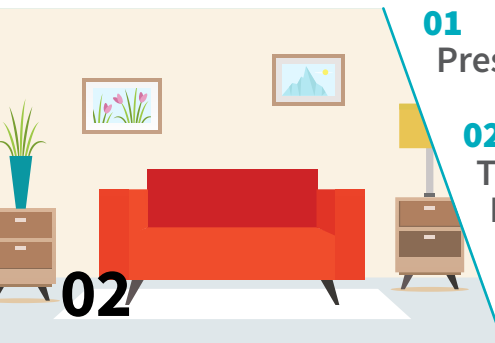
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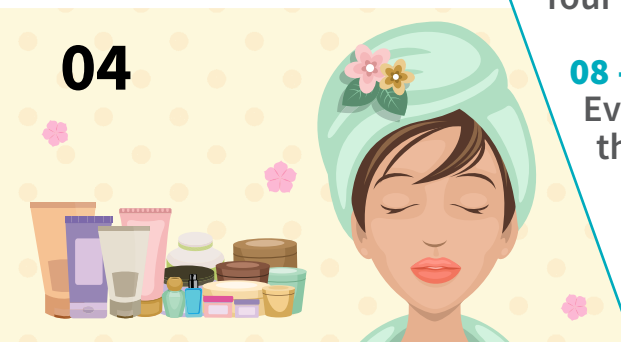
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Like this issue?

Think we missed something vital?
Tell us at editorial@case.org.sg

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President's Message



Dear readers,

CASE held its Annual General Meeting (AGM) in June 2017. During the AGM, we took the opportunity to present reports from our two CASE Councils and the various CASE committees to our members. We shared with our members the various activities organised by CASE throughout the past year. Examples of these activities would be the surveys conducted, the consumer products tested, the review of consumer legislation and the various education outreach programmes held.

Of great importance is the need to do more to reach out to more consumers in Singapore and to share with them about their legal rights under the Consumer Protection Fair Trading Act and in particular, the protection offered under the “Lemon Law” provisions.

During all our consumer outreach programmes, CASE has always strived to help consumers understand the law and know what they can do if they had purchased a defective item. The different types of programmes organised for the various age groups can be found in the Consumer Happenings section in this issue of “The Consumer”.

With changing consumer spending patterns, many items which are available in retail stores have also been made available online. Many consumers are making their purchases from online platforms. Through the article written by our CASE Editorial Committee member, Mr Hans Zhong in this issue, we share more information on what you should look out for when shopping online.

In May this year, CASE’s Consumer Products, Standards and Testing Committee (CPSTC) commissioned a test on 20 skincare products.

The test was conducted to find out whether those skincare products contained hydroquinone, tretinoin and mercury, since they are common adulterants found in such products. We are pleased to report that the results showed no hydroquinone or tretinoin was detected in all 20 samples. However, mercury was detected in four of the skin care samples. Of particular concern was one Royal Expert Whitening Cream 50ml, in which very high levels of mercury were detected.

We immediately alerted the Health Sciences Authority (HSA) who issued an advisory to all consumers to stop use of the cream. More details on the test and its results can be found in this issue. Following the test, HSA conducted more tests on other products sold online, and found more samples of online products with higher than permitted levels of mercury.

With the support of all consumers in Singapore, we shall continue to champion consumer rights and promote fair trading so that we can have a consumer-friendly Singapore.

Lim Biow Chuan
CASE President

There's No Place Like Home

Learn how you can protect your most treasured asset



Our homes are often our most valuable asset. Risks like fire and water damage can cause significant financial losses and leave homeowners vulnerable. When the untoward happens, sufficient home insurance cover can help homeowners get back to normal life.

Home insurance needs can vary depending on the type of property. Here are 3 common types of home ownership:

Property Types	HDB homes	Private apartments or homes with Strata Title	Landed homes or private property without
Building & Structural Coverage	<ul style="list-style-type: none"> Flat owners with HDB loans starting after 1994 must join the HDB Fire Insurance Scheme, which covers the building and its structures 	<ul style="list-style-type: none"> The Management Corporation (MC) of your strata titled development is responsible for insuring the buildings and common property for fire damage 	<ul style="list-style-type: none"> You may wish to buy fire insurance for your buildings and structures
Home Contents Insurance	<ul style="list-style-type: none"> Covers your home contents including furniture, renovations as well as personal belongings against loss and damage from perils like fire, flood, burglary and theft Provides extra cover like alternative accommodation expenses or loss of rent when your home becomes uninhabitable 		
Mortgagee Interest Policy (MIP)	<ul style="list-style-type: none"> If your property is mortgaged to a bank, the bank might require you to take up a MIP to protect its financial interest for the amount of loan outstanding If there is a failure to service the loan as a result of the damage to the mortgaged home, the bank can make a claim on the MIP You remain liable for the outstanding property loan amount to the MIP insurer 		

HOME INSURANCE

✓ Insurance Provides Financial Support So You Can Focus on Rebuilding Your Home

In one case, a homeowner was left with extensive damage to his property after an accidental fire, caused by fire embers, gutted his entire apartment. Due to the spread of the fire, his furniture, renovations and home appliances were destroyed along with all personal belongings and his home became uninhabitable.

With the benefit of home contents insurance, he was able to make arrangements for alternative accommodation and stayed in a rented unit while his home was being reinstated. His insurer also reimbursed the full cost of his remedial renovation work as well as his personal belongings. The insurer paid S\$131,537.

✓ One Size Fits Most but Not All

Home insurance is inexpensive. Homeowners should shop around and find a policy that best suits their needs and budget.

Here are some factors to consider:

1 Other types of home-related insurance

Mortgage Reducing Term Assurance (MRTA) is a type of insurance that pays off your outstanding home loan (up to the sum assured) in the event of death or total permanent disability.

HDB owners who are using their CPF to service their HDB loan have to be insured under the Central Provident Fund Board's Home Protection Scheme (HPS). The HPS is a type of mortgage-reducing insurance.

2 What extra cover do you require?

Home contents insurance specify a limit for the value of any one item. If you have an expensive item which forms a substantial percentage of the total sum insured, you should declare this to the insurer when you buy the policy to ensure that it is covered beyond the per-item limit.

Are you an avid collector of art or other valuables? Consider purchasing extra insurance cover to protect your valuable collection.

3 Review your insurance policy regularly

If you already have fire or home contents insurance, it is worth reviewing your policies regularly to determine if your insurance needs have changed.

A home is a valuable asset, ensure it is adequately protected for complete peace of mind.

Do you care about Your Face?

If you think that only women care about their face, think again! Going by what skincare industry experts say, men nowadays are also using skincare products.

**The question to ask is this:
Is the skincare product you are using safe?**

**The Consumers Association of
Singapore (CASE) finds out more.**

Skincare products are covered under the ASEAN Cosmetic Directive and are regulated in Singapore by the Health Sciences Authority (HSA).

Hydroquinone, tretinoin and mercury are common additives found in skincare products. Such substances are usually added to enhance the beauty-related claims of these products.

Long-term use of products containing such adulterants can lead to severe health issues such as permanent pigmentation, skin cancer, liver damage and mercury poisoning. These three additives are prohibited in skincare products sold in Singapore.

Recent post-market surveillance of skincare products by HSA has resulted in the discovery of these adulterants across a range of products.

Given this trend and the increasing popularity of skincare products among men and women, CASE commissioned a test to find out more.



A total of 20 samples from departmental stores, direct sales distribution channels and online shopping platforms, were selected by random sampling. The samples were then tested by an accredited laboratory using ASEAN harmonised methodologies.

According to the test results, hydroquinone and tretinoin were not detected in all 20 samples. On the other hand, mercury was detected in four samples.

While the use of mercury as an ingredient in cosmetic products is prohibited, traces of mercury of less than $1\mu\text{g/g}$ is allowed, as mercury is an environmental contaminant and it may not be possible for a manufacturer to remove all traces of mercury in a finished product.

The levels of mercury detected in three samples were within this trace level. However, the level of mercury detected in one sample,

Royal Expert Whitening Cream 50ml, was much higher than the permissible level. This was a cause for concern.

Of particular concern was that this product was purchased via an online shopping platform.

Following the release of the test results, HSA conducted their own tests on the same product sold on several online shopping platforms. All the products tested similarly contained high levels of mercury. As a result, HSA ordered that sales of the products be stopped.

Consumers who have purchased Royal Expert Whitening Cream 50ml are advised to stop using the product and to see a doctor if they are experiencing adverse effects following its use.

So, if you care about your face, you should do the following:



Read the ingredient list of skincare products before purchasing or using them.



Use these products within the recommended usage and follow the instructions on the label.



When using any skincare product for the first time, check for allergic reactions by first applying the product on a small area on your skin.



Exercise special caution when purchasing skincare products online.



Only purchase skincare products from reliable and reputable sources.

The above analysis is based on 20 samples randomly taken. It does not mean that all skin care products are safe. Consumers should exercise their due diligence and refer to the above guidelines.



S/No	Name	Manufacturer/Distributor	Hydroquinone (µg/g)	Tretinoin (µg/g)	Mercury (µg/g)
S01	3ce White Milk Cream 50ml	Made in Korea	Not Detected	Not Detected	Not Detected
S02	Barielle Advanced Formula Porcelain Skin Brightening Cream 70.8g	Barielle Sales Corp. Great Neck, NY 11021	Not Detected	Not Detected	Not Detected
S03	BeautyLine Brightening 4ever 50ml	PM-International AG 15, Waistrooss L-5445 Schengen PM-International Headquarters Asia Pacific Pte Ltd 12 Kallang Avenue #01-54 & 55 Aperia Singapore 339511	Not Detected	Not Detected	Not Detected
S04	Bio-essence Tanaka White Double Whitening Day Cream SPF20 50g	Licensed & Supervised by Bio-essence Laboratory Singapore Produced in China Made for L.D. Waxson (S) Pte Ltd No. 29 Defu Lane 9 Singapore 539269	Not Detected	Not Detected	Not Detected
S05	Chando Cellcrystal Whitening Intensive Night Cream 50g	www.chcedo.com	Not Detected	Not Detected	Not Detected
S06	Clarins Paris White Plus Pure Translucency Brightening Revive Gel 50ml	Made in France Imported by Clarins Pte Ltd 302 Orchard Road #05-01 Tong Building Singapore 238862	Not Detected	Not Detected	Not Detected
S07	Clinique Even Better Brightening Moisture Gel Cream 50ml	Clinique Laboratories, Dist. New York, N.Y. 20022 New York Estee Lauder Cosmetics Pte Ltd 83 Clemenceau Avenue #02-08 Singapore 239920	Not Detected	Not Detected	Not Detected
S08	Cloud 9 Blanc De Whitening 50ml	Made in Korea www.clairekorea.com www.9complex.co.kr	Not Detected	Not Detected	Not Detected
S09	Forever Epi Blanc 28.3g	Manufactured by Aloe Vera of America, Inc. Exclusively for Forever Living Products 7501 East McCormick Parkway Scottsdale, Arizona 85258 USA	Not Detected	Not Detected	Not Detected
S10	Green Grapy Realize White Whitening The Premium 100ml	Made in Korea Cosbiz International 7 Mandai Link #08-40 Mandai Connection Singapore 728653	Not Detected	Not Detected	Not Detected



S/No	Name	Manufacturer/Distributor	Hydroquinone (µg/g)	Tretinoin (µg/g)	Mercury (µg/g)
S11	Himalaya Herbals Clear Complexion Whitening Day Cream 50ml	Manufactured by The Himalaya Drug Company Makali, Bangalore 562 162, India Imported by The Himalaya Drug Company Pte Ltd 9 Temasek Boulevard #24-01 Suntec Tower Two Singapore 038989	Not Detected	Not Detected	Not Detected
S12	Lancome Paris Blanc Expert Beautiful Skin Tone Brightening Cream 50ml	Lancome, Luxury Products LLC, New York, NY 10017 LS Cosmetics 1 George Street #19-01 One George Street Singapore 049145	Not Detected	Not Detected	Not Detected
S13	Loreal Paris White Perfect Clinical Day Cream SPF19 PA+++ 50ml	Loreal Paris 16, Place Vendome 75001 Paris	Not Detected	Not Detected	Not Detected
S14	Mizon Good Night White Sleeping Mask 80ml	Coson Co., Ltd. 40-20, Gajangsaneopseobuk-ro, Osan-si, Gyeonggi-do	Not Detected	Not Detected	Not Detected
S15	Panda's Dream White Magic Cream 50g	Made in Korea	Not Detected	Not Detected	Not Detected
S16	Premier by Dead Sea Premier Prestige White New Enforced Formula Pearl Whitening Cream Complex 60ml	Made in Holyland Israel Premier Europe BV, Boekweitstraat 13, 2153 GK Nieuw-Vennep, The Netherlands	Not Detected (On Cream) Not Detected (On Soap)	Not Detected (On Cream) Not Detected (On Soap)	Not Detected (On Cream) 0.14 (On Soap)
S17	Royal Expert Whitening Cream 50ml	Owned by OEW Group Pte Ltd, Singapore Imported by Ortus Expert Cosmetics Sdn Bhd, No 13, Jalan Nilam 2, Tmn Perind Teknologi Tinggi, 47500 Subang Jaya, Selangor, Malaysia	Not Detected	Not Detected	3,604
S18	Secret Key Snow White Milky Lotion 120g	Zenpia Co., Ltd. 2F, 6, Hakdong-ro 11-gil, Gangnam-gu, Seoul, Korea	Not Detected	Not Detected	0.1
S19	SK-II Spots Care & Brighten Day Cream 25g	Made in Japan Imported/Distributed by Procter & Gamble (Singapore) Pte Ltd 11 North Buona Vista Drive #21-07 The Metropolis Tower 2 Singapore 138589	Not Detected	Not Detected	0.25
S20	Yves Rocher White Botanical Moisturizing Lightening Cream 50ml	Yves Rocher 56201 La Gacilly - France Made in Ireland Distributed by Luxyr Cosmetics Pte Ltd 12 Tai Seng Street #05-01 Singapore 534118	Not Detected	Not Detected	Not Detected



Evaluating the Value of the CaseTrust Mark

– From the Perspectives of Consumers and Retailers

Some of us might recall with a sense of nostalgia when the ‘Four Asian Tigers’ rose to prominence in its boom years from the 1970s to the millennium. Are these tigers still active? Singapore was the epicenter of trade in consumer goods for tourists and traders all over the world, followed by Taiwan, Hong Kong and South Korea. Thailand was touted as the fifth tiger and remained as a popular tourist attraction despite its economic and political woes. The hallmark and common characteristics of the rise of these Asian Tigers were quality, diversity, reliability, low cost and industrialisation. With economic growth, highly competitive markets arising from globalisation, rapidly increasing number of retailers and traders, the costs of doing business are ever increasing. This may have caused many enterprises to resort to unscrupulous tactics to bypass consumer protection related regulatory systems.

This inevitably resulted in consumers being subjected to risks when making their purchases with retailers and Small and Medium-sized Enterprises (SMEs), whether online or at shopfronts. Recognising this trend, legitimate businesses that are committed to fair business practices are striving hard to distinguish themselves from unscrupulous businesses. Consumers need a neutral third party to assist them in bridging the trust gap between themselves and businesses. CaseTrust, the accreditation arm of the Consumers Association of Singapore (CASE), endeavours to create a safe, secured and conducive shopping environment for businesses and enable consumers to shop with a peace of mind.

Challenges for Consumers and Sellers in Major Asian Shopping Paradises

Hong Kong, being one of the major Asian Tiger, remains a prominent hub for consumers, manufacturers, exporters and traders from Mainland China and the region. The Hong Kong Trade Development Council (HKTDC) is committed to promote retailers and SMEs from Hong Kong and Mainland China. HKTDC regularly provides a platform for business matching, organises exhibitions, road shows, global cooperation agreements and consumer search engine for a wide variety of consumable goods and services. These business entities can register their businesses in an online portal at no cost. Consumers and buyers can order or send enquiries simultaneously to multiple sellers. It seems like a very efficient and useful system.

In contrast, online chains like Alibaba and JD.com provide a network of traders for consumers to make their purchases directly with the sellers. Online transactions or transactions through Trade Development Councils in other countries meant that consumers have to wait for their purchases to be delivered after making payment. A level of uncertainty ensues in this environment.



Consumers are not protected against any of the following:

- The business may not be a legally registered entity in its country
- Delayed or no delivery
- Delivery of damaged, used or wrong goods and/or services
- Quantity, quality and/or authenticity issues
- Loss of prepayment in the event where the business ceases operations and/or faces liquidation
- Disputes arising between the business and consumer
- Warranty defects
- Difficulties in contacting the business for rectification or refund
- Data security issues

How CaseTrust Differentiates Singapore from other Asian Tiger Markets and Online Chains

CaseTrust differentiates businesses and protects consumers through well-structured accreditation schemes. Once a business has demonstrated compliance to the criteria stipulated by CaseTrust and has passed stringent audits, CaseTrust Accreditation is awarded as a mark of recognition. This differentiates the CaseTrust accredited businesses from other non-accredited ones.

Benefits for CaseTrust accredited Businesses and Traders

- Easy access to licenses, grants and subsidies from trade promotion boards and statutory authorities where applicable or made available by the government in selected schemes
- Free publicity and promotion through CaseTrust media, roadshows and seminars
- Free recognition by the Global Network of Cooperative Arrangements with consumer associations in other Asian Tigers and developing economies
- Protection for prepayments made by consumers against sudden business closure (for certain CaseTrust schemes)
- Consumers may feel comfortable to pay deposits to CaseTrust accredited businesses in contrast with non-CaseTrust accredited entities
- Differentiation from sub-standard businesses
- Better consumers' confidence
- Access to CASE Mediation Centre at NO cost in the event a dispute arises, thus saving on expensive litigation costs
- Higher productivity achieved through efficient and quality management systems implementation
- Enhanced "goodwill value" added to the valuation of the entity up for sale of business or in mergers and acquisitions

Consumers' Perspective

Consumers are most vulnerable when sourcing for goods and services in a borderless shopping environment. Consumers of present and future generations have to be prudent and extra vigilant. There is no easy way to differentiate a genuine business from a fraudulent or unscrupulous trader. The risk for a one-time purchase may be limited to the cost of one transaction; however for transactions involving fitness clubs, membership organisations, furniture, renovation and durable goods, the risk is higher. The recent abrupt closure of California Fitness in Singapore and Hong Kong has left thousands of customers with prepaid membership fees either for three years, short term or even for life, without any recourse. The closure of travel agencies over the years and disappearance of renovation contractors after collecting deposits are also not uncommon. The problems of online shopping remain an unregulated nightmare in various countries.

Consumers bear all the risks for online shopping and when buying from overseas. This risk is increasing continually as the world is shrinking and penetration of ecommerce through websites and mobile apps is becoming part and parcel of daily life. Consumers have to not only blindly accept all the terms and conditions of the sale and purchase, but also have to pay upfront, before even receiving the goods or services. CASE and CaseTrust are striving hard to protect the consumers. It is important that consumers should look out for a CaseTrust mark before signing a deal with local businesses.

Benefits from CaseTrust Accredited Businesses for Consumers

- Higher level of assurance for delivery of goods and services
- Potential for assistance against defective or non-conforming goods and services
- Five days cooling-off period for unconsumed services (for certain CaseTrust schemes)
- Protection of deposit and/or prepayment against business closures (for certain CaseTrust schemes)
- Confidence of legally binding deal with a legitimate business entity
- Protection under the Consumer Protection (Fair Trading) Act (CPFTA)
- Data privacy and safeguard against email spamming, unsolicited calls and pressure-selling tactics
- Access to CASE Mediation Centre at nominal cost
- Consumers can request for mediation first before moving to court or arbitration
- Enhanced customer service standards
- Easy access to complaints and feedback channels with confidentiality assured
- Access to international helplines and supporting organisations



CASE may be able to assist consumers who have disputes with businesses in South Korea, India, China and other countries with which CASE has mutual assistance and cooperation agreements. For full details and list of countries where consumers can have access to similar associations like CASE, please visit the CASE website.

In conclusion, it is the joint responsibility of businesses and consumers to ward off and defend against unscrupulous entities and traders. Businesses should get accredited to differentiate themselves and consumers should patronise only CaseTrust accredited businesses. By accrediting under the CaseTrust Mark, businesses can get much higher benefits than simple registration with online portals. All parties have to work together to restore the status of Singapore as the shoppers' paradise and the title of being the leading Asian Tiger.

Get Smart!

with the Kiang Family

TIPS FOR CONSUMER SAFETY

“Keep your family safe, test your RCCB”

Robert Kiang

RCCB: Residual Current Circuit Breaker

SPRING
Singapore
Enabling Enterprise

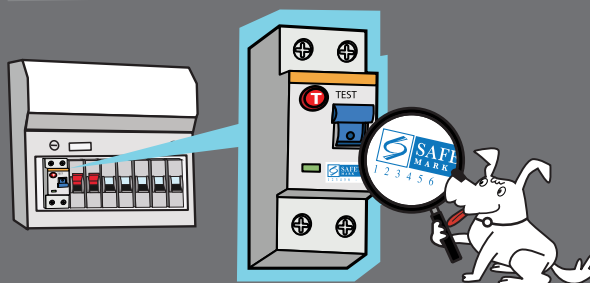
Mary Kiang

Alex Kiang

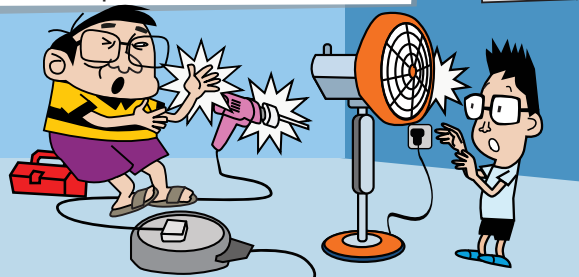
Lisa Kiang

Woofy

When purchasing a new RCCB, ensure that it carries the SAFETY Mark and engage a Licensed Electrical Worker for installation.



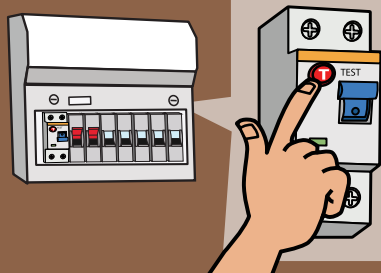
A working RCCB safeguards you and your family from electrocution. A faulty RCCB would not be able to do so, especially when using faulty electrical products.



HOW TO TEST YOUR RCCB

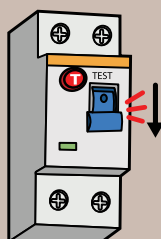
Step 1

Push the test button on your RCCB.



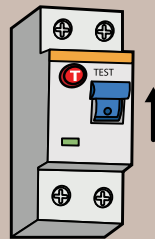
Step 2

The circuit breaker switch will trip. This means it is working.



Step 3

Restore the switch to its original position.



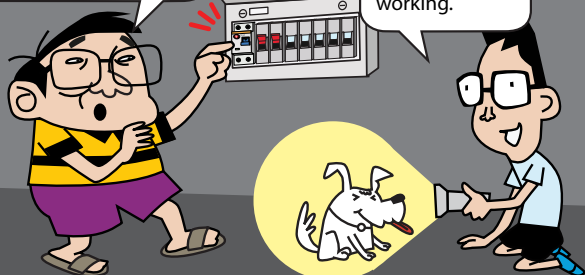
Faulty electrical products could cause a current leakage. When a current leakage is detected, a working RCCB will automatically trip and cut off the power supply.

For your safety, test the RCCB every month.

A working RCCB will trip and cut off the electricity supply.

I am testing the RCCB.

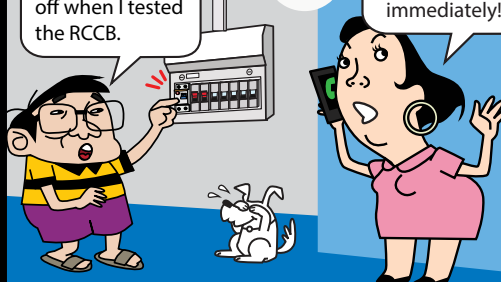
The lights went off. Our RCCB is working.



Contact a Licensed Electrical Worker immediately if the RCCB is found to be faulty.

Oh no! The lights did not go off when I tested the RCCB.

Our RCCB is faulty! I am calling an electrician immediately!



For more consumer safety tips, please visit www.spring.gov.sg/productsafety

For more information on electrical safety, please visit www.ema.gov.sg/Electrical_Safety.aspx

To search for a Licensed Electrical Worker, please visit <https://elise.ema.gov.sg/elise/LEWs.jsp>

In partnership with

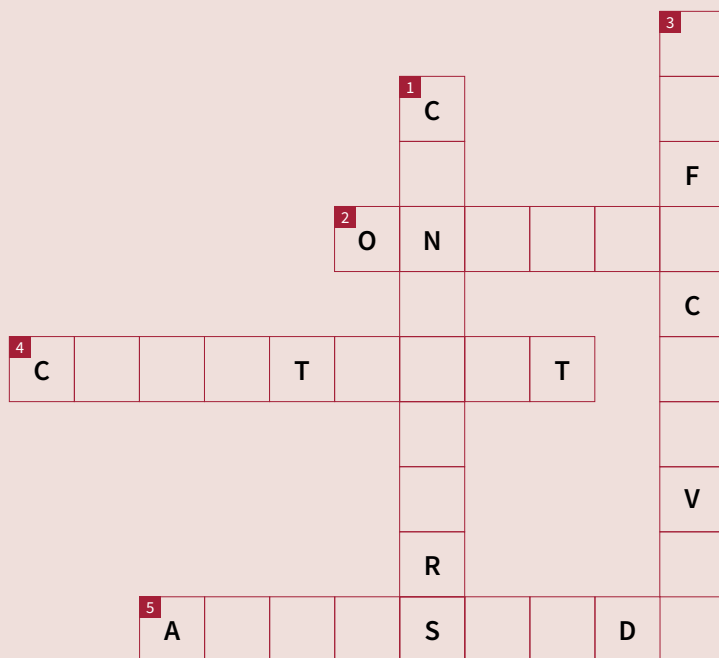
ENERGY
MARKET
AUTHORITY
Smart Energy. Sustainable Future

CASEPlay!

Puzzle

Complete the puzzle with the hints below.

(Answers are provided at the bottom of this page)



HINTS

- 1 CASE handles _____ disputes with businesses.
- 2 Consumers can either call, walk-in or lodge a complaint _____.
- 3 _____ second-hand goods are also covered under the Lemon Law.
- 4 _____ is the accreditation arm of CASE.
- 5 Under the _____ scheme, consumers are empowered through a one-time letter written by a CASE officer.

ANSWERS TO PUZZLE FUN
1. Consumers
2. Online
3. Defective
4. CaseTrust
5. Assisted

Contest

The first three all-correct entry randomly drawn at closing date will win \$50 NTUC FairPrice vouchers each.

ISSUE 03/2017

CASE provides mediation services for consumer to business disputes. True / False?
(Circle the correct answer)

Full Name: _____
NRIC Number: _____
Contact Number: _____

*The above personal data is collected for the purpose of processing your entry for this particular contest, and will not be used or disclosed for any other purposes. Please note that all winners are required to collect the vouchers in person at CASE's office.

Contest Closing Date: 15 September 2017 (Friday)

HOW TO WIN?

- STEP 1** Complete the entry
- STEP 2** Scan and submit your entry to editorial@case.org.sg
- STEP 3** Lucky winners will be notified by CASE^

^The decision of CASE is final in selecting the winning entries.

Consumer Happenings



BISHAN - THOMSON
SAFETY AWARENESS DAY 2017:
RESIDENTS ACTIVELY PARTICIPATING AT
CASE'S BOOTH



SECONDARY ONE AND TWO STUDENTS OF
YUYING SECONDARY SCHOOL LISTENING
EAGERLY TO CASE'S TALK

///
Snippets!



CASE EDUCATING SECONDARY TWO STUDENTS OF YIO CHU KANG SECONDARY SCHOOL

Students from Republic Polytechnic learning more about CASE through an office tour



Mr Ong Ming Zheng is a second-year Republic Polytechnic Supply Chain Management student. The following is an excerpt from Mr Ong's reflection journal entry in response to the following question: 'How can retailers be "better protected" against consumers?'



“Retailers can list down clearly the specific terms and conditions. By doing so, it gives retailers advantage over consumers. When a consumer signs the contract during the purchase of a product, he or she agrees to the terms of the contract and it would be legally binding. However, the terms of the contract should be ethical, clearly readable and should not be taking advantage of the consumer.

Retailers can also consider accreditation under the CaseTrust accreditation scheme. It helps give the public assurance that they would not be taken advantage of.”

Can Your Housing Agent Handle Monies?



Can your agent handle \$\$\$?

Did you just hand your HDB monthly rental payments or down payment for a new house to your agent?

Stop! You will get your agent into trouble!

Did you know that for the buying and selling of properties situated in Singapore, property agents are not allowed to handle monies related to the transaction? Similarly, they cannot handle monies in the lease of HDB properties. It is a serious offence and they can be prosecuted in Court.



What are the monies in a property transaction that agents can handle?

BUY/SELL SALE AND PURCHASE OF ALL PROPERTIES IN SINGAPORE	FOR RENT LEASE OF PRIVATE PROPERTY	FOR RENT LEASE OF HDB PROPERTY
Valuation fees Commission	Valuation fees (if applicable) Commission Stamp duty fees Rental deposits Monthly rental	Commission Stamp duty fees

Remember: You should only pay commission due to your property agent after he has completed his duties.



Why aren't agents allowed to handle certain monies?

While most agents are honest, there have been cases where agents have misused monies for their own purposes, landing their clients in a sticky situation.

Recently in September, former property agent Goh Chung Yong (Read more at bit.ly/CEAGohChungYongcase) was charged and sentenced to a \$10,000 fine for handling \$93,000 of transaction monies.

His client had passed him the monies, trusting him to pay the conveyancing lawyers handling a new flat purchase. However, Goh used the money to pay off loan sharks and lied that the money had been stolen from his car.



Take charge of monies related to your property transaction!

We thus strongly encourage all consumers to take ownership of handling of monies related to your property transaction.

While it may be more convenient to get your agent to handle your monthly rentals for your HDB flat with your landlord or the proceeds from your property transaction, you are not only putting your agent in a spot but also potentially compromising your interests.

As consumers, you too, have an important role to play in ensuring that property transactions are concluded smoothly.

Tips on handling monies

Here are some tips on handling monies to protect yourself and prevent disputes:

- Make payments via verifiable means such as crossed cheques that are payable to the payee, and bank transfers.
- If you have to make payments in cash, make sure the other party in the transaction acknowledges the receipt in verifiable forms. For example, it could be an SMS or email stating the amount received, who it is from, the purpose of the payment, and the date that the transaction occurred.
- If you are a tenant, pay rentals on a monthly basis rather than on a lump sum basis.
- Do not pass the payments to a third party.
- Firmly say “No” to your agent if he suggests to help handle your monies.

Check out CEA’s consumer guides at bit.ly/CEAconsumerguides for more information



Understanding Different Payment Charges



Do consumers know how much they are paying when shopping online or at a retail outlet? Many consumers have become complacent and trust the cashiers and checkout counters, under the impression that it is all digitally recorded and computed correctly. Be a responsible consumer and know what you are paying for and how much the total cost of your purchase will be. It is not just the listed or agreed price but there are hidden add-ons when you pay electronically by Debit or Credit Cards. Furthermore, there is a need for extra diligence on part of the consumers, when they make advance payments or top-up stored value cards like EZ-Link, NETS, OCTOPUS, OYSTER or similar international prepaid cards, when travelling abroad.

In order to conduct a review and evaluate the efficacy of current regulatory system in Singapore, on 25 August 2016, the Monetary Authority of Singapore conducted the first consultation for the Proposed Activity-based Payments Framework and Establishment of a National Payments Council ("PPF"), which could potentially impact how consumers pay in the near future.

Currently, payments made through various payment systems are regulated under the Payment Systems (Oversight) Act. This governs payments made through widely accepted stored value (SV) facilities such as EZ -link card, NETS CashCard and Nets FlashPay.

In the areas of payments, consumers have given feedback on two main aspects of concern to CASE in the recent years.

These are:-

- 1) hidden credit card charges; and
- 2) prepayments

This article elaborates on the consumer feedback received and suggests that the PPF could potentially solve issues associated with the same.

Hidden and Credit Card Charges

Between January 2014 and March 2016, CASE received at least 132 complaints from consumers on a group of e-commerce companies that imposed a "hidden" and recurring membership charge tied to every transaction made through their websites.¹

CASE advised the affected consumers to lodge a chargeback with their merchant banks and most of the consumers who had done so, reported that they had managed to successfully lodge a chargeback with their merchant bank.

However, there are complexities associated with the operations of such chargeback schemes (issued by the various credit card companies) and often, there is little awareness amongst consumers on the existence and details on the matter (i.e. under what conditions a consumer can lodge a chargeback).

In addition, merchant acquirers and gateway providers all have different terms and conditions governing the usage of their payments systems. For instance, not all payment systems providers imposes conditions on their merchants to use a secure environment² and/or require their merchant to prominently display the total charges that consumers will eventually incur by entering into the transaction³.



International Transaction Fee

In addition, CASE has received complaints and understand from several newspaper articles that consumers who purchase products and services from merchants that process their card payments overseas may also be liable to pay additional charges (imposed by the credit card companies). Such charges usually range between 0.8 – 1 % of the total price and are usually not readily apparent to the consumer at the point of checkout.

Hence, CASE is of the view that consumers should not be required to bear the cost of the international transaction fees given that the geographical location the processing payment provider would not be readily apparent to the consumer at the point of checkout.



Prepayments

In 2014, 2015 and 2016 (up till September 2016), CASE received a total of 502, 480 and 668 complaints from consumers respectively pertaining to their loss of prepayments resulting from business closures (see Annex A).

In 2016, the closure of California Fitness resulted in the highest number of consumers' complaints and losses reported to CASE (See Annex A for more information and statistics). Based on the liquidators' report on California Fitness, it would appear that there were around 27,000 members who were now owed S\$20.8 million in unused gym access and unredeemed personal training sessions.

This suggests that for a majority of closures, consumers do not proactively report their losses (arising from business closure) to CASE and the total amount of loss incurred by consumers could be as high as 20 times the amount reported.

From CASE's experience, the industries that have the highest prepayments losses were: Fitness Clubs, Travel and Beauty.

CASE is of the view that certain prepayments⁷ made to companies should also be covered under the definition of Stored Value ("SV") (and consequentially, Stored Value Facilities ("SVFs") under the PPF.)

Without regulating certain types of prepayments, CASE is of the view that consumers may not be in the position to appreciate which aspects of their payments made to business would be regulated under the PPF. For instance, a consumer that makes payment to a SVF (owned by the business) for a SV, intending for the same to be applied to a product or service of a business is likely to be covered under the PPF. However, a consumer who purchases the products and services directly (or make prepayments for products or services) from the business (that may offer such SVF) would not be covered under the PPF.

In both instances however, the consumer enters into the transaction intending to receive either the credit (through products or services), products or services at a later date.

Hence, CASE is of the view that the PPF ought to provide some protection for certain prepayments and the definition of SV and SVF should be sufficiently broad to accommodate the same. Failing the utilisation of such a broad definition, CASE anticipates that business would otherwise structure such SV as prepayments to avoid any form of regulation.



Recommendation

In the age of digital disruption, business models are changing and consequentially, the regulations that regulate businesses operating within the regulated area would need to be updated.

At that juncture, it is submitted that newer regulations offer regulators the opportunity to solve legacy problems arising from the previous industry / business operations / structure.

However as consumer and the paying party, the burden is still on the consumer to check their own full exposure, evaluate the risk and compute total cost of purchase before clicking on the payment button.

Secondly, in cases of international transactions, remember to factor in the forex rates applied by the Credit Card issuer and banks.

Finally, always check the nature and authority of the protection of your deposits in Stored Value Cards and the refund procedure, before topping-up such cards.



¹ CASE managed to sign a Voluntary Compliance Agreement with the group of e-commerce companies which required this group of companies to change their modus operandi and to prevent consumers from unknowingly purchasing such memberships.

² CASE understands that there are various authenticated payments systems in the market that can provide a safer and more secure online payment experience for consumers (i.e. 3D Secure) and is of the view that one possible benefit that could result from regulating such activities is to provide a minimum level of protection for all consumers who transact through payment acquirers.

³ Not all payment gateway providers require the recurring charges be reflected in the total amount.

⁴ The Straits Times article dated 8 December 2015 - 'Currency charges on a credit card transactions: MAS replies', The Straits Time article dated 5 June 2016 - 'Transaction fees are standard practice' and 'The Straits Time article dated - 'How to tell if firms process card payments overseas?'

⁵ Visa - 0.8% and Mastercard 1%.

⁶ For California Fitness, less than 5% of consumers who were reported to have lost their prepayments packages complained to CASE.

⁷ For instance, funds that are earmarked for utilisation over a certain period.

Consumer Issues & Solutions



Dear CASE

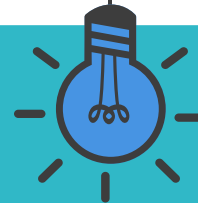
Recently, I bought a massage package at one of the beauty salons near my home. I try to schedule my appointments in the evenings generally as I am always caught up at work in the day. However, after my second session, I realised that the beautician often pushes for me to buy more packages. On one occasion, she left me in the room without my apparels and insisted for me to consider paying more to top up my current package. As I could not leave the premise without my clothes, I relented unwillingly. I have stopped going since then. I feel way too uncomfortable. Is there any way CASE can help me obtain a refund?

A

Dear A

Under the Consumer Protection (Fair Trading) Act, taking advantage of a consumer by exerting undue pressure or influence, is an unfair practice.

As you have utilised their services, you may try negotiating with the beauty salon for a partial refund. If they refuse to provide any remedy, you may approach CASE for advice or assistance. You may call our hotline at 6100 0315, walk-in at our office or submit an online complaint via our website.



Dear CASE

I had purchased a display set electric kettle at a discounted price. When I reached home, I accidentally dropped it and the side of the kettle is now dented. Can the Lemon Law be used in this circumstance so that I may exchange it for a new one?

B

Dear B

Under this circumstance, the Lemon Law cannot be applied.

Consumers are not entitled to a remedy if they had:

- Damaged the item
- Misused and caused the fault
- Tried to repair it themselves or had someone else try to repair it, which damaged the item
- Known about the fault before buying the item
- Simply changed their mind and no longer wanted the item

We want to hear from you!

Have a story to share? Email it to editorial@case.org.sg (max. 200 words).

In A Nutshell

**Mediation at CASE promotes a win-win solution for both parties.
It is also:**

FAST & CONVENIENT

Mediation sessions are convenient for all parties and arranged within a short period of time. Each session usually lasts for a maximum of three hours.

AFFORDABLE

Mediation is a less expensive alternative compared to litigation.

EFFECTIVE

There is a 70 - 80% success rate of resolving your dispute through the CASE Mediation Centre.





Tips for a Better Online Shopping Experience

When American e-commerce giant Amazon launched delivery services in Singapore this July, the number of interested customers were so large that it ran out of delivery slots within a day. This trend towards online shopping is not unique to Amazon. According to data from data.gov.sg, online shopping in Singapore has been rising readily with customers gaining more confidence in making larger-ticket purchases.

However, as we shift from brick-and-mortar shops to the online world, there may be new issues to contend with that has not occurred to you before. In this article, we would like to share some of the most common online shopping issues presented to CASE and share some tips on how to prevent it from reoccurrence to the consumers.

1. Missing Shipments

Susan*: The delivery service called to inform me that they had lost a delivery package which I was expecting. The lost package comprised of two branded wallets which I had purchased online for \$185.66. When I emailed the business to request reimbursement for my loss, they could not retrieve the details of this package and asked me to enquire with the sender instead. They also mentioned that their terms and conditions stated that they would not be liable for any lost packages. However, the dispatch status indicated that the package had already arrived at their delivery base and was under process. I would like to request a reimbursement of \$185.66 without delay.



Do read the delivery policy of the online store carefully before making any purchase. In most cases, the store is responsible for the delivery of an item, even if the item is lost by the last-mile logistics provider.

It is advisable writing in to the online seller, documenting your conversation over email. Should there be no reply or resolution, you may contact CASE to file a complaint.



Susan contacted CASE and through CASE mediation services received a reimbursement of \$68 cash and in-store credit of \$120.

2. Broken Products

Jonathan*: I purchased a smartphone from the company online for \$317.99. I was directed to a physical shop at a shopping mall to collect the phone three days later, which I did. However, after a month of usage, the phone broke down and was unable to be switched on. I sent the phone back to the shop for repairs and they indicated that I had to send it back to China for repairs. They informed me that repairs might take a month. I agreed and left the phone with them. During this period, the company which I purchased from, asked me for my phone account password to check the firmware. It has been four months and the phone is still not working. I requested an exchange to no avail, and the physical shop insists on sending it back to China again for repairs. I disagree and request an exchange or refund.



Online merchants based in Singapore are subject to the Lemon Law (Consumer Protection (Fair Trading) Act) just like any brick-and-mortar shop. As a consumer, you are entitled to protection under that law. The protection extends to the scenario where the product is not of a satisfactory quality. If you find your item broken when received, you may request for a repair or replacement. Should the repair work or replacement be unsatisfactory, you may then request for a refund.

However, should a repair option be offered, the consumer should accept it first unless the time required for it is completely unreasonable under the circumstances.



Jonathan accepted a phone repair.

3. Warranty Issues

Andrea*: I purchased a television from an online platform, inclusive of a year's warranty. I paid \$799. Barely four to five months later, the entire LCD screen blanked out. The television was sent for repairs. Thereafter, they informed me to pay \$105 for repairs, even though it was agreed that the television had neither physical nor cosmetic damage. I request the online platform to assist in returning my repaired television and waive the fees as the defect was not user-caused. Otherwise, I request an exchange or a partial refund.



The warranty that a merchant has with their customer is a binding contract. That is to say, a merchant must honour their obligations to provide timely repair and replacement for defects and problems covered by their warranty programme.

Therefore, should you face any issue with merchants not honouring their warranty obligations, the first step should be to read the fine print of the warranty. If the warranty does cover the area of defect, then you're entitled to free repair or replacement. Do not let the merchant mislead you into thinking otherwise.



Through CASE's intervention, the television was repaired at no added cost and returned to her.

5. Shipping costs of returns/replacements

Tricia*: I purchased a vacuum cleaner from an online shopping platform at \$155.90. Not long after, the item was defective and I reported to the online seller. After negotiations, it was concluded that if I sent it back for repairs and it was found defective, shipping costs will be borne by them. Hence, I proceeded as instructed. However, it was only until two months later that they replied to my query on the status of repairs. It is fixed but they asked me to bear all shipping costs. I disagree and request for waiver of shipping costs otherwise, I seek full refund.



There is no universal convention on the incidence of shipping charges; sometimes it is borne by the customer, sometimes by the merchant. That said, each merchant is bound by the policies and agreements they make with their customers. In Tricia's case, the merchants had earlier agreed to bear shipping costs in the case of repair. This then forms part of the agreement they had with her. The merchant will then have to honour that agreement as part of their obligation.

Furthermore, it is important to note that under the Lemon Law, repair works must be done within reasonable time. If not, the buyer may request for a replacement or refund instead.



Seller sent the repaired item back and waived off shipping charges.

4. GST and Custom Issues

David*: I purchased a collectible coin online and used Courier A. The courier company called and informed me that I had to pay for Goods and Services Tax (GST). However, under Singapore regulation, the collectible is exempt from GST. At that point, I informed the company of such and the matter was resolved by asking the online platform to pay. I also explicitly informed Courier A that I may be purchasing a similar item in the future. Three months later, I ordered another coin. The same issue occurred and I was requested to pay GST of \$147.06. Currently, the coin is with the courier and they are refusing liability. I disagree and request a waiver of the fees and for an expeditious delivery.



When purchasing items from merchants based in Singapore, it is the merchant's responsibility to make sure that the correct GST regulations are followed and complied with. There have been some cases of GST fraud in Singapore such as those cited in the article titled '43 being probed for suspected GST fraud' by the Straits Times dated 19 August 2016. This occurs when merchants charge GST on products even when they're not GST-registered or when the product is not GST-exempt.

The Inland Revenue Authority of Singapore (IRAS) exempts GST on sales and purchase of certain types of precious metals. Should you suspect your merchant of a GST mistake or fraud, request to see their GST registration number and you may always call IRAS directly to clarify the rules on GST. More information can also be found at the following website: https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/e-Tax_Guides/etaxguide_GST_GST%20Exemption%20of%20Investment%20Precious%20Metals.pdf



CASE Officers intervened with the merchant on David's behalf and helped secure the waiver of \$147 and had the item delivered.

Conclusion

When making purchases online, it is important to note that as a consumer, you are entitled to the same level of protection as making purchases in brick-and-mortar shops. From all the above cases, be sure to read the terms and conditions of the online store carefully before making any purchase. This helps to ensure that you minimise the probability of encountering an issue with your purchase. Should you face any push-back from merchants, feel free to file a complaint with CASE.

** Names of consumers and shops have been changed for privacy reasons.*



常见的 不公平交易行为



通过向消费者施加压力或不恰当的影响，从中获利





谎称有其他消费者有意购买产品或服务



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