



CONSUMERS ASSOCIATION OF SINGAPORE

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Make it a must to protect consumer prepayments

We thank those who wrote to the Forum on the closure of bike-sharing operator oBike.

The letters threw up several misconceptions on what the Consumers Association of Singapore (Case) can or cannot do.

The main issue is that of sudden business closures which no consumer association or government can prevent. In such instances, Case can help consumers to recover as much money as possible through negotiation, mediation and working with the authorities.

Case has been working closely with the Land Transport Authority on the refund of consumers' deposits by oBike and will continue to engage the company.

In our view, oBike should have set aside these deposits and not used them for its operating expenses. Minimally, they should have made provisions to ensure that they have enough funds to process the refunds from consumers in a timely manner upon request.

It appears oBike did not do this.

The case also highlights the importance of having proactive measures to protect prepayments made by consumers. For example, travel agencies are required to give consumers the option to purchase travel insurance which protects against business insolvency.

Compulsory prepayment protection is not required by law and consumers are often left in the lurch when businesses fold. We hope that oBike's sudden closure can lead to a rethinking of whether this approach would work.

We sincerely empathise with the consumers affected by oBike's sudden closure.

Meanwhile, consumers should always be mindful that there is a risk that their prepayments may be lost when there are abrupt business closures. We encourage consumers to minimise their prepayments or shop around for alternative services that do not require prepayment wherever possible.

Lim Biow Chuan

President

Consumers Association of Singapore