



CONSUMERS ASSOCIATION OF SINGAPORE

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MEDIA RELEASE

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CASE sees spike in complaints against the travel and airlines industries due to COVID-19, one in seven complaints related to the pandemic

The Coronavirus Disease 2019 (“COVID-19”) pandemic has reshaped the composition of consumer complaints received by the Consumers Association of Singapore (“CASE”) in 2020. Of the 18,335 complaints received by CASE last year, approximately one in seven were related to the pandemic. The pandemic had the biggest impact on the travel and airlines industries where two out of five complaints received against these industries stemmed from COVID-19 travel restrictions. In addition, with more consumers turning to online shopping due to COVID-19 restrictions and concerns, the number of complaints relating to online purchases doubled from 2,236 in 2019 to 4,366 in 2020.

Breakdown of Complaints

CASE received 18,335 complaints in 2020, a 23% increase from the 14,867 complaints received in 2019. Complaints against the travel, airlines, medical consumables, clubs and hotels and industries saw sharp increases. In contrast, CASE saw a slight drop in the number of complaints against the beauty, motorcars and renovation contractors industries due to COVID-19 Circuit Breaker restrictions. Nevertheless, these industries remain among the top 10 in terms of the number of complaints, and continue to be priority areas for CASE.

Of the complaints received, 87.4% of the complaints were instances when consumers were given advice on how to follow up directly with the businesses. The remaining 12.6% were filed with CASE, which meant that CASE negotiated and/or mediated with the companies on behalf of consumers. Approximately 70% of the filed cases were resolved, with nearly \$2.8 million (in-cash and in-kind) recovered for consumers.

The breakdown of the complaints received for the top 10 industries in 2019 and 2020 is listed in Table 1.

2019			2020		
No.	Industry	Total Complaints	No.	Industry	Total Complaints
1	Motorcars	1,683	1	Travel	1,800
2	Beauty	1,598	2	Beauty	1,363
3	Contractors	1,144	3	Electrical and Electronics	1,362
4	Electrical and Electronics	1,046	4	Medical and Medical Consumables	1,256
5	Furniture	756	5	Motorcars	1,180
6	Telecommunications	591	6	Furniture	873
7	Travel	517	7	Contractors	869

8	Maid agencies	496	8	Airlines	746
9	Educational	369	9	Telecommunications	691
10	Food and Beverages	361	10	Food and Beverages	644

Table 1: Breakdown of complaints received for the top 10 industries in 2019 and 2020

Complaints Related to COVID-19

COVID-19 Travel Restrictions

Approximately 50% of the COVID-19 related complaints were against the travel and airlines industries. Consumers who cancelled or postponed their tour packages, flights or hotel bookings due to global travel restrictions complained that they were unable to get back their deposits or prepayments. In addition, some consumers were charged a penalty or administrative fee for postponing their trips, while others were given travel vouchers to be used at a later date instead of a cash refund.

Leveraging on the provisions of the COVID-19 (Temporary Measures) Act 2020, CASE assisted affected consumers to resolve their tourism-related disputes¹. For COVID-19 related contractual disputes with travel agents and hotels which CASE could not resolve, we guided consumers to file their cases with an Assessor from the Ministry of Law (“MinLaw”), as provided for under the COVID-19 (Temporary Measures) Act 2020.

To further assist consumers, CASE engaged airlines with a higher number of consumer complaints to urge them to offer flexibility in the usage of travel vouchers, and a right of reimbursement in the event the vouchers are not used. CASE had also engaged two local travel associations to urge their members to offer consumers a full refund for prepayments made for tour packages. In total, CASE helped consumers recover more than \$300,000 in prepayments from airlines, travel agencies and travel portals through our negotiation and/or mediation efforts.

COVID-19 Circuit Breaker Restrictions and Phased Reopening Measures

CASE received 356 complaints against gyms and fitness clubs in 2020, a 91% increase over 2019. Consumers with pre-paid gym/fitness club memberships sought CASE’s help to obtain an extension of their memberships or a partial refund as they were unable to utilise the facilities during the Circuit Breaker. In addition, consumers found it difficult to book their preferred exercise slots due to capacity reduction in line with safe distancing measures. Affected consumers sought CASE’s help to get a full or partial refund on their pre-paid gym/fitness club memberships.

There were 169 COVID-19 related complaints against the bridal, hotels and restaurants industries in 2020. Many consumers, who were unable or did not wish to proceed with event bookings (e.g. weddings, birthday celebrations) due to the Circuit Breaker restrictions and the subsequent phased reopening measures, faced difficulty in getting back their deposits. Some bridal salons and hotels were only willing to postpone the date of the wedding/wedding banquet, or cited clauses such as bookings made are non-refundable. Through CASE’s assistance, consumers managed to recover more than \$97,000 worth of prepayments from their event contracts.

Medical and Medical Consumables

CASE received 1,256 complaints against the medical and medical consumables industry in 2020, with at least 813 complaints in relation to medical consumables. In general, consumers complained about the pricing of face/surgical masks, hand sanitisers and other related consumables by physical and

¹ Under the COVID-19 (Temporary Measures) Act 2020, consumers were provided with temporary relief from contractual obligations that are to be performed on or after 1 February 2020, for contracts that were entered into or renewed before 25 March 2020.

online retailers. Some consumers also complained that they were misled about the quality or efficacy of face/surgical masks. In response to these complaints, CASE had worked closely with the Ministry of Trade and Industry (“MTI”) and the Competition and Consumer Commission of Singapore (“CCCS”) to monitor and flag out profiteering behaviour and unfair practices.

Shift in Consumer Shopping Behaviour

CASE received 4,366 complaints relating to online purchases in 2020, a 95% increase over 2019. These complaints constitute approximately 12% of the total complaints received for the year. The increase is likely due a shift in consumer shopping behaviour arising from COVID-19 restrictions and concerns, resulting in more consumers shopping online and transacting via digital platforms. The two most common types of e-commerce complaints pertain to defective or non-conforming goods, and delayed deliveries/missing products.

Beauty and Motorcars Industries

CASE received 1,363 and 1,180 complaints respectively against the beauty and motorcars industries in 2020, a drop from 2019. The decrease in the number of complaints against these industries is likely attributable to the closing of non-essential businesses during the Circuit Breaker period.

Approximately one-third of the complaints against the beauty industry relate to unfair practices such as aggressive pressure sales tactics. In some instances, consumers complained that they were led to believe that they were paying promotional prices for treatments, but were subsequently pressured to purchase higher end treatments at higher prices. In response to complaints, CASE signed Voluntary Compliance Agreements (“VCAs”) as provided for under the Consumer Protection (Fair Trading) Act (“CPFTA”) with three beauty salons where they committed to cease their unfair practices.

For the motorcars industry, approximately 36% of the complaints relate to defective motorcars. In general, consumers discovered defects in the car (e.g. engine or mechanical/electrical system defects) after purchase, and they sought recourse from the dealers, but to no avail. To raise awareness of this issue, CASE rolled out an online campaign to encourage consumers to send their pre-owned motorcars for independent evaluation before they make a purchase, and to educate consumers on their recourse under the Lemon Law.

Moving Ahead

Mr Lim Biow Chuan, President, CASE, said: “COVID-19 has drastically changed the consumer landscape and how consumers transact in the evolving marketplace. CASE will strive to be relevant and respond to the needs of consumers on the ground in these challenging times. Given the shift in consumer shopping behaviour, CASE will continue to do more to educate consumers on how to protect themselves should purchases go awry.”

Lim Biow Chuan
President
Consumers Association of Singapore

About the Consumers Association of Singapore:

The Consumers Association of Singapore (CASE) is an independent, non-profit organisation that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trade practices. One of its key achievements is in advocating for the Consumer Protection (Fair Trading) Act (CPFTA) which came into effect on 1 March 2004.

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