



CONSUMERS ASSOCIATION OF SINGAPORE

170 Ghim Moh Road, #05-01, Ulu Pandan Community Building, Singapore 279621

Hotline: 6100 0315 Fax: 6467 9055

Website: www.case.org.sg

MEDIA RELEASE

Embargoed till 26 November 2021, 8pm

CASE launches Standard Dispute Management Framework for E-marketplaces and signs MOU with Lazada Singapore as first adopter of the Framework

The Consumers Association of Singapore (“CASE”) announced today the launch of a Standard Dispute Management Framework for E-marketplaces (“the Framework”) at CASE’s Conference on Building Trust and Strengthening Consumer Protection in the Digital Age, which also commemorated CASE’s 50th anniversary.

Launched by Mr Gan Kim Yong, Minister for Trade and Industry and Mr Melvin Yong, President, CASE, the Framework will serve as a guide for E-marketplaces in Singapore to resolve consumer disputes fast and equitably, and give greater assurance to consumers when they shop on E-marketplaces.

CASE also signed a Memorandum of Understanding (“MOU”) with Lazada Singapore Pte Ltd (“Lazada Singapore”), with Lazada Singapore committing to be the first E-marketplace in Singapore to adopt the Framework. The MOU was signed by Mr Yong and Mr Loh Wee Lee, Chief Executive Officer, Lazada Singapore. The MOU signing was witnessed by Mr Gan and Ms Low Yen Ling, Minister of State, Ministry of Trade and Industry & Ministry of Culture, Community and Youth. This is believed to be the first-of-its-kind MOU in the world between a national consumer association and a major E-marketplace for consumer dispute resolution.

During the event, CASE also recognised three individuals and two organisations for their distinguished contributions to the consumer movement over the last 50 years. Mr Lim Biow Chuan, Mr Yeo Guat Kwang and Mr Lim Teong Seng Richard received the Special CASE50 Meritorious Award, while the Direct Selling Association of Singapore (“DSAS”) and NTUC Fairprice Co-operative Ltd (“NTUC Fairprice”) received the Special CASE50 Commendation Award.

Standard Dispute Management Framework for E-marketplaces

E-commerce sales in Singapore are expected to grow to S\$13.4 billion by the end of 2026¹. With the growing popularity of online shopping, CASE has seen a corresponding increase in the number of complaints relating to online transactions over the last few years, with the percentage of e-commerce complaints received annually by CASE rising from 14% in 2018 to 24% in 2020.

In response to these trends, CASE has identified strengthening consumer safeguards in the e-commerce industry as one of its key focus areas in the near term.

¹ <https://www.straitstimes.com/business/economy/spore-e-commerce-sales-forecast-to-hit-134-billion-by-2026-report>

Currently, different E-marketplaces have varying scopes and service levels in their dispute resolution processes. This can cause confusion and frustration to consumers, especially when they shop across different online marketplaces.

In developing the Framework, CASE has engaged the major E-marketplaces in Singapore. The Framework aims to help consumers resolve their disputes quickly and efficiently. It will also align dispute resolution processes across the E-marketplaces operating in Singapore. By adopting the Framework, E-marketplaces will be able to promote greater consumer trust and confidence in their platforms.

The Framework covers five areas:

- i) Verification and reliability of merchants*
E-marketplaces should verify the identity of Merchants and establish mechanisms for consumers to assess Merchant's reliability (e.g. customer ratings).
- ii) Communication of information to consumers*
E-marketplaces should ensure that information on dispute resolution is clear, easy-to-understand and easily accessible. E-marketplaces should also ensure communication tools for dispute management are accessible and operational at all times.
- iii) Timeframe for dispute resolution*
E-marketplaces should ensure that complaints are processed within seven days, conclude complaints within a reasonable timeframe, and ensure Merchants provide consumers with regular status updates for complaints.
- iv) Resolution, refunds and exchanges*
E-marketplaces should ensure Merchants comply with their exchange and return policies and establish mechanisms to protect consumers' payments.
- v) Facilitating resolution*
E-marketplaces should document details of dispute correspondences and provide affordable dispute resolution avenues.

CASE will be engaging other industry players to encourage adoption of the Framework in the coming months. Industry players who would like to find out more about the Framework can contact CASE².

Please refer to **Annex A** for the details of the Framework and **Annex B** for an infographic of the Framework.

Mr Melvin Yong, President, CASE said: "To strengthen consumer protection in the e-commerce space, CASE has been engaging major E-marketplaces in Singapore to develop a Standard Dispute Management Framework. I am happy that Lazada Singapore has come forward and taken the lead to be the first adopter of the Framework. We hope that this Framework and the MOU will set the momentum for the standardisation of dispute resolution processes across E-marketplaces operating in Singapore. Our aim is to provide consumers an added assurance that disputes arising from an online purchase will be managed swiftly and fairly, in accordance with the terms set out in the Framework."

² Industry players who would like to find out more about the Framework can contact CASE at cs.enquiry@case.org.sg

Mr Loh Wee Lee, Chief Executive Officer, Lazada Singapore, said: “An effortless, end-to-end shopping experience is one of the key pillars of successful e-commerce, and that includes having a seamless process for customers to quickly resolve any issues with their orders. We are pleased to work closely with CASE to develop this Framework and with this historic signing, give customers more confidence to shop on Lazada with any issues handled expediently. Since the start of the pandemic, we have seen a surge in the number of new shoppers on Lazada Singapore and we are excited about setting the standard for the e-commerce industry, especially at a time when more small- and medium-sized enterprises (“SMEs”) are digitalising, and more customers are relying on Lazada for their daily essentials and greater variety of product needs.”

CASE50 Awards

Please refer to **Annex C** for the award citations.

Mr Melvin Yong, President, CASE said: “The consumer protection landscape in Singapore has improved significantly since the early days, thanks to the hard work of successive generations of CASE staff, partners and volunteers. As we mark our Golden Jubilee, I would like to specially thank our many dedicated volunteers and passionate consumer champions for the steadfast support in our unwavering mission to enhance consumer protection and ensure fair trading.”

Melvin Yong
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.

For more information, please visit the CASE website at <http://www.case.org.sg> or follow us on:

Facebook: www.facebook.com/casesg

Twitter: www.twitter.com/casesg

ANNEX A

STANDARD DISPUTE MANAGEMENT FRAMEWORK FOR E-MARKETPLACES

1. Verification and Reliability of Merchants

1.1 E-marketplaces should verify the identity of the Merchants, such as business-registered names, identification numbers, and addresses.

1.2 E-marketplaces should provide a means for consumers to assess the Merchants' reliability. A rating score may be used to indicate the Merchant's reliability.

2. Information to Consumers

2.1 E-marketplaces should ensure that the information in their standard dispute management framework is clear and easy-to-understand, easily accessible and operational at all times. Terms and conditions, a simple step-by-step guide and Frequently Asked Questions to consumers who face and seek resolution for disputes should be included.

2.2 Information should be available on common and multiple communication channels, such as website and/or mobile application.

2.3 E-marketplaces should ensure their communication tools for dispute management is effective, easily accessible and operational at all times. Communication tools such as online chat system are encouraged.

3. Timeframe

3.1 E-marketplaces should ensure that their Merchants process consumer complaints within 7 days of Merchants' receipt of the consumer's complaint.

3.2 E-marketplaces should process consumer complaints within 7 days of the E-marketplaces' receipt of the consumer's complaint.

3.3 E-marketplaces should conclude the dispute within a reasonable time but may extend the timeline where appropriate, including in instances where there is suspicion of fraud by either the consumer, the merchant, or by both parties.

3.4 E-marketplaces should ensure that their Merchants provide consumers with regular updates on the status and provide clear justifications for closure of the disputes.

4. Resolution, Refunds and Exchanges

4.1 E-marketplaces should have and ensure that their Merchants comply with their Exchange and Return policy (where relevant). The Exchange and Return policy should include these terms:

Merchants should complete the delivery of goods and services within the stated timeframe. Otherwise, a refund should automatically be offered.

Consumers should not have to pay for the postage fees and other relevant costs incurred for the return of non-conforming and/or defective products to merchants.

4.2 E-marketplaces should provide options for payment where funds of the consumers are secured, and, in instances of dispute, to ensure that refunds to consumers remain possible.

5. Facilitating Resolution

5.1 E-marketplaces should document details of correspondences of all disputes clearly to facilitate the resolution.

5.2 E-marketplaces should work with consumers to resolve their disputes in an economically feasible manner.



CONSUMERS ASSOCIATION OF SINGAPORE (CASE) **STANDARD DISPUTE MANAGEMENT FRAMEWORK FOR E-MARKETPLACES**

This Standard Dispute Management Framework for E-marketplaces is developed by the Consumers Association of Singapore (CASE) in consultation with leading E-marketplaces to guide e-Marketplaces on dispute resolution processes and give consumers assurance when they shop.

1 Verification and Reliability of Merchants



E-marketplaces should:

- Verify the identity of Merchants
- Establish mechanisms for consumers to assess Merchants' reliability (e.g. customer ratings)

2 Information and Communication



E-marketplaces should:

- Ensure information on dispute resolution is clear, easy-to-understand and easily accessible

3 Timeframe for Dispute Resolution



E-marketplaces should:

- Ensure complaints are processed within 7 days
- Conclude complaints within reasonable timeframe
- Ensure Merchants provide consumers with regular status updates for complaints

4 Resolution, Refunds and Exchanges



E-marketplaces should:

- Ensure Merchants comply with their exchange and return policies
- Establish mechanisms to protect consumers' payments

5 Facilitating Resolution



E-marketplaces should:

- Document details of dispute correspondences
- Provide affordable dispute resolution avenues

For more information on the Standard Dispute Management Framework for E-Marketplaces, visit:



@casesg

WE INFORM | WE HEAR | WE EDUCATE | WE PROTECT

ANNEX C

Special CASE50 Meritorious Award

MR LIM BIOW CHUAN

Immediate Past President

President (2012 – 2021)

Vice-President (2006 – 2012)

Consumers Association of Singapore ("CASE")

Our Immediate Past President, Mr Lim Biow Chuan served as CASE's Vice President from 2006 to 2012, and subsequently as CASE's President from 23 June 2012 to 11 June 2021.

Under Mr Lim's leadership, CASE took firm and decisive steps to protect consumers by flagging out errant businesses and unfair practices to alert consumers. Since 2012, CASE has issued several advisories against industries where consumers tend to purchase big-ticket items. CASE also went after recalcitrant businesses and signed Voluntary Compliance Agreements ("VCAs") provided for under the Consumer Protection (Fair Trading) Act ("CPFTA") with 22 errant businesses who undertook to cease their unfair practices and compensate affected consumers.

Mr Lim played an instrumental role in advocating for additional protection for consumers. Arising from the high volume of complaints received against timeshare companies for pressure sales tactics, he advocated for legislation to prevent timeshare companies from collecting deposits during the cooling-off period. In April 2014, the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations was amended to prohibit timeshare companies from collecting deposits during the cooling-off period. Due to CASE's efforts, the number of complaints against timeshare companies fell significantly.

During Mr Lim's tenure, CASE successfully obtained injunctions against a timeshare firm in 2013 and a furniture trader in 2015 for engaging in unfair practices. Following the amendment of the CPFTA in September 2016 to strengthen existing measures against errant businesses that persist in unfair practices, CASE worked closely with the Competition and Consumer Commission of Singapore ("CCCS") to protect consumers. As a result, injunctions were obtained against a motorcar importer and dealer in 2019 and an e-commerce fashion retailer in 2020.

Mr Lim also spearheaded CASE's efforts to promote fair trading and ethical business practices among businesses to boost consumer confidence. CASE, under its accreditation arm, CaseTrust, developed and launched joint accreditation schemes with industry associations. Businesses accredited under these schemes adhere to a stringent set of criteria to give consumers confidence when they shop. Over the years, CaseTrust has been recognised by the industry and regulators as the benchmark for good business practices.

Today, Mr Lim continues to share his experience and support to CASE through his representation in various external committees, namely the Financial Industry Disputes Resolution Centre Ltd ("FIDReC"), the Motor Industry Disputes Resolution Centre Pte Ltd ("MIDReC"), the Personal Data Protection Commission ("PDPC") and the Multilateral Healthcare Insurance Committee ("MHIC").

MR YEO GUAT KWANG

Immediate Past President (2012 – 2015)

President (2002 – 2012)

Consumers Association of Singapore (“CASE”)

Mr Yeo Guat Kwang served as CASE’s President from March 2002 to June 2012. Under Mr Yeo’s leadership, CASE successfully advocated for and saw the implementation of the Consumer Protection (Fair Trading) Act (“CPFTA”). The idea of a fair trading legislation was first brought up by CASE in 1979. After several years of study on the feasibility and implementation, the CPFTA was passed in Parliament on 11 November 2003 and took effect on 1 March 2004. The CPFTA was amended to include financial services in 2009 and the provisions of The Lemon Law were added in 2012. With the CPFTA, consumers are protected against unfair practices and may take up civil action against errant retailers who commit unfair practices.

In 2003, CASE received several consumer complaints against a major life insurance company on the Critical Year issue. CASE established a taskforce to understand the extent of the problem and provided recommendations to protect the interests of consumers. The taskforce engaged the life insurance company and successfully negotiated a fair resolution to address consumer concerns.

Mr Yeo also spearheaded CASE’s efforts to promote fair trading and alternative dispute resolution with industry stakeholders. In 2004, under Mr Yeo’s stewardship, CASE signed Memorandums of Understanding (“MOUs”) with 21 industry associations and partners to promote awareness of the then-newly enacted CPFTA and mediation as an alternative dispute resolution avenue. This paved the way for consumers to get swift resolution of their disputes.

Another significant milestone under Mr Yeo’s tenure was the signing of MOUs with our international counterparts to facilitate cross-border dispute resolution. In what is believed to be the first of its kind, CASE signed MOUs with the Consumer Coordination Council of India and the China Consumers’ Association. Aggrieved consumers from both sides can have access to dispute resolution facilitated by the local consumer bodies. Today, CASE has MOUs with consumer bodies in 9 countries/territories.

MR LIM TEONG SENG RICHARD

Member, CASE Endowment Fund Governing Board

Member/Treasurer/Assistant Treasurer, CASE Central Committee (1992 – 2021)

Member, Consumer Products, Standards & Testing Committee (1997 – 2015)

Member/Vice-Chairperson, Establishment Committee (2003 – 2018)

Chairperson, Editorial Committee (2004 – 2021)

Consumers Association of Singapore (“CASE”)

Mr Lim had volunteered with CASE in various capacities since 1992. In 29 years of distinguished and faithful service, Mr Lim has served as CASE’s Treasurer and as Member of the Establishment Committee. Mr Lim also served as the Chairperson of the Editorial Committee which oversees the publication of CASE’s in-house quarterly magazine comprising articles of general consumer interest, trending issues, and consumer tips for readers.

Mr Lim is currently Member of the CASE Endowment Fund Governing Board, which manages the Endowment Fund to support CASE’s consumer education efforts. He has helped shaped CASE’s strategic objectives in a prudent and sustainable manner. With his guidance, the Endowment Fund has grown from strength to strength over the years.

In 2006, Mr Lim received the Public Service Medal and the National Trades Union Congress (“NTUC”) Friend of Labour awards in recognition of his sterling contributions to the consumer movement.

Special CASE50 Commendation Award

DIRECT SELLING ASSOCIATION OF SINGAPORE (“DSAS”)

Since its formation in 1976, the Direct Selling Association of Singapore (“DSAS”) has worked closely with the Consumers Association of Singapore (“CASE”) to address unfair practices in the direct selling industry and to protect consumers’ interests. This was against the backdrop of many consumer complaints about errant salespersons in the direct selling industry in the 1970s.

Over the past 45 years, DSAS has also taken the lead in creating an ethical marketplace for legitimate direct selling in Singapore. Among its many initiatives, DSAS introduced a Code of Ethics and made it compulsory for every member company to follow it strictly.

CASE and DSAS have worked closely together and fostered a strong partnership to jointly promote professionalism and uplift standards in the direct selling industry. One such initiative is the public forums jointly organised to educate consumers about the direct selling industry and how to look out for legitimate direct selling companies. DSAS has been a strong supporter of the consumer movement and has contributed generously over the years to CASE’s fundraising efforts to educate consumers. In recognition of its contributions, DSAS was conferred the Friend of CASE Award in 2011.

In 2013, DSAS approached CASE to develop a joint accreditation scheme for DSAS’s member companies to differentiate themselves from the industry. Under the scheme, accredited direct selling companies offer a seven-working day cooling-off period for consumers who wish to cancel purchases without penalty. This is beyond the five-day cooling-off period stipulated by law. Accredited direct selling companies are also required to put in place a well-defined dispute resolution mechanism to address consumer complaints. Today, 12 companies are accredited under the CaseTrust-DSAS accreditation scheme. These companies provide consumers with added assurance when they shop.

In recognition of DSAS’s significant contributions to the consumer movement, CASE is pleased to present DSAS with the Special CASE50 Commendation Award.

NTUC FAIRPRICE CO-OPERATIVE LIMITED (“NTUC FAIRPRICE”)

NTUC Fairprice Co-operative Limited (“NTUC Fairprice”) was founded in 1973 with the mission of moderating the cost of living for consumers in Singapore. Over the years, NTUC Fairprice has introduced many initiatives and programmes to benefit consumers. NTUC Fairprice also shares a common goal with the Consumers Association of Singapore (“CASE”) to ensure price stability for consumers.

In March 2019, NTUC Fairprice played a crucial role in protecting consumers from price fluctuations by introducing a freeze on the prices of 100 frequently purchased essential products in its housebrand range. The initiative was subsequently extended to December 2020 to alleviate cost of living pressures amid the COVID-19 pandemic as part of a S\$50 million support package for consumers.

During the early phases of the COVID-19 pandemic in Singapore, NTUC Fairprice reconfigured its supply chain, strengthened its supply resiliency and innovated to ensure that essential products remained affordable to consumers.

NTUC Fairprice has been a strong supporter of the consumer movement and has contributed generously over the years to CASE’s fundraising efforts for consumer education. It is also accredited under CaseTrust and is committed to consumer-centric policies and processes to give consumers added assurance when they shop. Since 2019, NTUC Fairprice has supported CASE’s efforts in developing Price Kaki, a mobile application for consumers to compare prices of common household essentials and groceries and stretch their dollar, by providing up-to-date price information.

In recognition of NTUC Fairprice’s efforts to protect consumers’ interests and moderate the cost of living, CASE is pleased to present NTUC Fairprice with the Special CASE50 Commendation Award.