



CONSUMERS ASSOCIATION OF SINGAPORE

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MEDIA RELEASE

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CASE sees highest number of complaints against renovation contractors in first half of 2022

The Consumers Association of Singapore (“CASE”) received the highest number of complaints against the renovation contractors industry in the first half of 2022 (“1H2022”). Consumers lodged 807 complaints against home renovation contractors in 1H2022, an increase of 28% over the 627 complaints lodged in the first half of 2021 (“1H2021”). Approximately two-thirds of the complaints pertain to renovation contractors failing to complete projects on schedule and unsatisfactory workmanship.

CASE received a total of 7,960 consumer complaints in 1H2022, a 9% increase from the 7,260 complaints received in 1H2021.

The number of complaints against the electrical and electronics industry in 1H2022 increased by 45% over the same period last year from 536 to 786. As a result, the electrical and electronics industry received the second highest number of complaints in 1H2022. Four in 10 of the complaints pertain to defective or non-conforming goods.

CASE saw the number of complaints against the beauty industry in 1H2022 increase by 14% over the same period last year. There were 717 complaints against spas and beauty salons in 1H2022, compared with 627 complaints received in 1H2021. Approximately one quarter of the complaints relate to pressure selling and misleading claims, while another 25% of the businesses being unable to fulfil their contractual obligations.

Breakdown of Complaints

The breakdown of complaints received for the top 10 industries in 1H2021 and 1H2022 is listed in Table 1.

January to June 2021 (1H2021)			January to June 2022 (1H2022)		
No.	Industry	Total Complaints	No.	Industry	Total Complaints
1	Beauty	627	1	Contractors	807
2	Contractors	621	2	Electrical and Electronics	786
3	Motorcars	539	3	Beauty	717
4	Electrical and Electronics	536	4	Motorcars	618
5	Travel	406	5	Travel	451
6	Furniture	363	6	Furniture	417
7	Telecommunications	264	7	Food and Beverages	273

8	Medical and Medical Consumables	263	8	Telecommunications	232
9	Food and Beverages	258	9	Hair	207
10	Hair	211	10	Medical and Medical Consumables	202

Table 1: Breakdown of complaints received for the top 10 industries in 1H2021 and 1H2022.

Renovation Contractors Industry

CASE saw an increase in the number of complaints received against the renovation contractors industry in 1H2022, compared with 1H2021. About 66% of the complaints pertain to renovation contractors failing to complete projects on schedule and unsatisfactory workmanship. According to consumers, the delays in project completion range from two to seven months.

The failure of renovation contractors to complete projects on schedule can be largely attributed to manpower shortage and delays in the shipment of renovation materials caused by global supply chain disruptions. CASE also observed that some renovation firms ran into financial difficulty or became insolvent, and were unable to complete renovation projects despite collecting consumers' deposits upfront. In 1H2022, consumers reported approximately \$57,940 in prepayment losses due to the sudden closure of their renovation firms.

Mr Melvin Yong, President, CASE, said: "Consumers typically spend significant sums of money on home renovation projects. They expect the project to be completed on time and to a satisfactory standard. To manage consumers' expectations and to avoid unnecessary disputes, renovation contractors who are facing challenges in completing projects on schedule should communicate expectations, timelines and changes honestly with consumers. Separately, we advise consumers to refrain from making large sums of prepayments upfront, and to make payments progressively as each stage of the renovation work is completed. Consumers who are embarking on home renovation projects can consider engaging CaseTrust accredited renovation contractors, as they are committed to cost transparency and accountability for listed project deliverables. In the event of sudden business closure, consumers' deposits are safeguarded via a deposit performance bond."

Electrical and Electronics Industry

The number of complaints against the electrical and electronics industry rose from 536 in 1H2021 to 786 in 1H2022. Approximately 40% of the complaints relate to defective or non-conforming goods, while 30% of the complaints were due to businesses failing to honour their contractual agreements.

The spike in complaints is attributed to disputes against a direct seller of alkaline water systems. CASE received 162 complaints against the company in 1H2022. Consumers had complained that the company was either unresponsive to requests for service appointments or did not show up for scheduled appointments despite the company's representations during the sales process that they would repair the water dispensers or water filtration systems if defects occurred.

Mr Yong said: "Under Part 3 of the Consumer Protection (Fair Trading) Act, also colloquially known as the Lemon Law, if a defect is found within six months of delivery, it is assumed the defect existed at the time of delivery, and consumers are entitled to exchange the defective product even after the stated exchange period by the retailer. Consumers who are purchasing electrical or electronic products should also take note of the warranty period for the repair of defective products, and retain the transaction receipt to support their warranty claims."

Beauty Industry

CASE received 717 complaints against the beauty industry in 1H2022, an increase of 14% over 1H2021. Approximately one quarter of complaints against spas and beauty salons related to pressure sales tactics and misleading claims. Consumers reported that they were pressured to buy high price massage or beauty treatment packages, or were misled about the efficacy of products or services.

Mr Yong said: “Many consumers have given feedback to CASE about the unpleasant experience of being pressured to purchase high priced beauty packages after their free trials or treatments. To protect consumers against such sales tactics, I have called on the Government to extend the coverage of the mandatory cooling-off period under the Consumer Protection (Fair Trading) (Cancellations of Contracts) Regulations to spa and beauty purchases, so that consumers can seek refunds for treatments or packages bought under pressure. Consumers who plan to purchase spa or beauty packages can consider patronising a CaseTrust accredited spa, as they offer a five-day cooling-off period for purchases, and they do not engage in pressure selling.”

E-commerce Complaints

CASE received 1,107 complaints relating to online purchases in 1H2022, compared with 986 complaints received in the same period last year. The increase in complaints can be attributed to higher number of complaints against E-marketplaces and food delivery platforms. The most common types of E-commerce complaints include defective or non-conforming goods, failure of the seller to deliver the food item or product, and disputes over refunds.

Mr Yong said: “CASE launched the Standard Dispute Resolution Framework for E-marketplaces last year to help consumers resolve their E-commerce disputes quickly and efficiently, and to align dispute resolution processes across the E-marketplaces. We are also developing a new CaseTrust accreditation scheme for e-businesses, which will serve as an industry benchmark for e-businesses in Singapore which are committed to fair and transparent business practices. These initiatives will help address common consumer pain points for online shopping, and further strengthen consumer protection for E-commerce transactions.”

Prepayment Losses

Consumers reported \$289,842 in prepayment losses in 1H2022, compared with \$292,234 in 1H2021. The beauty and medical and medical consumables industries saw the greatest amount of prepayment losses in 1H2022.

Mr Yong said: “Over the past two years, some businesses in the beauty and medical aesthetics industries have been adversely impacted by deteriorating economic conditions and declining consumer spend, and were forced to close. As a result, consumers with prepaid packages lost some or all of their prepayments. CASE is concerned about this issue, as it can be difficult for consumers to recover their monies once a business goes insolvent. To better protect consumers against prepayment losses, CASE has called on the government to mandate prepayment protection in industries where consumers tend to make large sums of payment upfront.”

Conclusion

Mr Melvin Yong, President, CASE, said: “The overall increase in the number of complaints against merchants in the first half of 2022 is an early indication that business activities and consumer transactions have picked up since the easing of COVID-19 restrictions. CASE will continue to keep a look out for unfair practices against consumers. In the meantime, we are working with the authorities to further strengthen consumer protection legislation in Singapore. I encourage consumers who have encountered unfair or unethical business practices to approach CASE for advice and assistance.”

Melvin Yong
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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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