



# CONSUMERS ASSOCIATION OF SINGAPORE

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## MEDIA RELEASE

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### CASE and SJA collaborate to develop a voluntary accreditation scheme for the jewellery industry

#### **I. CaseTrust-SJA Accreditation Scheme**

The Consumers Association of Singapore (CASE) and the Singapore Jewellers Association (SJA) will be signing a Memorandum of Understanding (MOU) on 27 February 2015 to jointly develop a voluntary CaseTrust-SJA accreditation scheme for the jewellery industry. The move comes on the back of the latest round of gold fineness survey conducted by CASE, which found an overall improvement in the industry's business practices as compared with the previous rounds of surveys.

28 SJA corporate members with a total of 149 outlets have already pledged their support to join this scheme and both Associations target to certify these outlets by the end of 2015 (*view Annex A: List of SJA members who have pledged their support*).

SJA's members seeking accreditation will be subjected to a stringent set of criteria such as:

- Clearly articulated and documented policies on charges and refunds. These must be fully disclosed to their customers and adhered to according to the terms and conditions of the contract between the business and the consumers.
- A redress system with proper and clearly defined dispute handling mechanism for the business and consumers, including mediation by CASE Mediation Centre.
- Well-trained sales staff with ethical sales practices, are knowledgeable about the product and able to provide good customer service.

There will also be added protection for consumers when buying 916 and 999 fineness gold jewellery:

- Jewellers must weigh the gold jewellery without any price tag and/or label if requested by the customer after confirmation of sale. In the event that the tag/label is permanently attached and cannot be removed, the weight of a similar tag/label will be weighed in the presence of the customer and deducted from the item's total weight.
- Jewellers will not charge for gold loss due to vaporisation during manufacturing process and/or customary levy by craftsmen in the process of manufacturing.
- Gold jewellery must be certified by an accreditation body accredited by the Singapore Accreditation Council (SAC) or SAC Mutual Recognition Arrangement partners.
- There must be a detailed cost breakdown such as the retail gold price with labour charges, nett gold weight and gold fineness on the receipt.

The scheme is aimed at uplifting the professionalism and business standards in the industry, taking consumer protection and fair trading one step further. It also gives consumers greater assurance when buying gold from a CaseTrust-SJA accredited business. Like CASE's joint efforts with other trade associations, we are confident that this scheme will bear fruit and ultimately benefit the consumers and the whole industry.

## II. Gold Fineness Survey

CASE found that one out of the 20 surveyed jewellers had gold jewellery that failed the fineness requirement for hallmarking standards.

In November 2014, CASE deployed mystery shoppers to randomly purchase 20 gold jewellery pieces from 20 different jewellery shops located in various parts of Singapore and sent them to the Singapore Assay Office (SAO) for testing. Among the 20 pieces, seven pieces were of 999 fineness, ten pieces were of 916 fineness and three pieces were white gold of 750 fineness. The purchased jewellery pieces consisted of a wide selection of rings, bangles, bracelets, pendants, earrings and chains.

The test results revealed that the 24K (999 fineness) gold baby bangle purchased from *Fu Lu Shou Goldsmith Jewellers Pte Ltd* had failed the 999 gold fineness standards stated in the Singapore Standard (SS 581:2012), this being the industry specification for fineness and marking of articles of precious metals (*view Annex B: First test*).

To ensure that the jeweller was not unfairly penalised due to sampling error, our mystery shoppers returned to the same shop in December 2014 and purchased another similar piece of 24K gold baby bangle for a re-test. This second piece failed the 999 gold fineness standards as well (*view Annex C: Re-test*).

CASE informed *Fu Lu Shou Goldsmith Jewellers Pte Ltd* of the under-fineness problem uncovered through our survey. The shop owner said that their jewellery pieces were purchased from a wholesaler who in turn buys from a manufacturer. The manufacturer claimed that it was necessary to use gold with less than 999 fineness to weld on certain parts on the bangle, such as its joint and hook. However, our test results showed that it was the main body and charm of the jewellery piece that had failed the test. These parts are required to be of 999 gold fineness under the Standard.

## III. Business Practices Observed

In addition, CASE observed that 90% of the surveyed jewellers had a visible Accuracy Label on their weighing scales and a detailed cost breakdown on the receipt.

The Accuracy Label was introduced by SPRING Singapore for all weighing and measuring instruments to assure both consumers and traders of accurate weights and measures. It is compulsory for jewellers to use an appropriate weighing scale with a valid Accuracy Label for all gold jewellery retailing. CASE actively encourages jewellers to be more transparent by providing a detailed cost breakdown of the jewellery on the receipt.

We also noted that 40% of the surveyed jewellers initiated to remove the price tag and/or label when weighing the gold jewellery, an increase of 12% over the previous year.

Table 1. Comparison of business practices in the jewellery industry across the years<sup>1</sup>

No.	Ethical Practices	1 <sup>st</sup> Round (2008)	2 <sup>nd</sup> Round (2008)	3 <sup>rd</sup> Round (2009)	4 <sup>th</sup> Round (2011)	5 <sup>th</sup> Round (2013)	6 <sup>th</sup> Round (2014)
a.	Initiated to weigh	-	-	12%	0%	0%	5%
b.	Initiated to weigh without tag and/or label	-	-	28%	37%	28%	40%

<sup>1</sup> The first and second round of gold fineness survey in 2008 only tested the gold fineness of the gold jewellery. There was no observation of the jeweller's business practices.

c.	Accuracy Label visible on scale	-	-	69%	73%	78%	90%
d.	Detailed cost breakdown on receipt	-	-	27%	59%	80%	90%

In this round, one of the jewellers, *Chip Lee Goldsmith Jewellery*, went the commendable extra mile in taking the initiative to weigh the gold jewellery without being prompted by our mystery shoppers. Besides being a Singapore Assay Office (SAO) certified jeweller and a member of SJA, Chip Lee Goldsmith Jewellery is also a CaseTrust accredited business.

Initiating to weigh the jewellery is a good practice, and we strongly encourage all jewellers to adopt it as part of their business. Jewellers are also advised to remove the price tag and/or label before weighing the gold jewellery because it affects the jewellery's weight.

#### **IV. Consumer Advice**

CASE would like to offer the following advice to consumers when buying jewellery:

- Check the net weight of the jewellery (i.e. without the tag and/or label) upon confirmation of purchase.
- Ensure that the weighing scale used to weigh the jewellery has a SPRING Accuracy Label.
- Request for a detailed cost breakdown on the receipt.
- Keep all proof of purchase (i.e. receipts, invoices, etc).
- Understand the terms and conditions of the purchase and check with jewellers for their exchange and refund policy.

We would like to emphasise that CASE is committed to protect the rights of consumers. We will continue to highlight any unfair practices in the marketplace. At the same time, we also urge consumers to be more discerning and exercise caution to protect their own interests.

Lim Biow Chuan  
President  
Consumers Association of Singapore

## ANNEX A

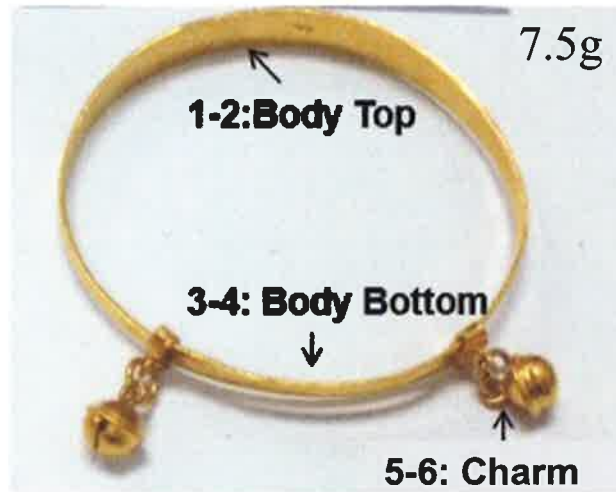
List of SJA members who have pledged their support to join the CaseTrust-SJA accreditation scheme

No.	Company	Outlets
1.	Asian Jewellery Pte Ltd	7
2.	Aspial – Lee Hwa Jewellery (S) Pte Ltd	16
3.	Ban Cheong Jewellers Pte Ltd	2
4.	Boon Lay Gems Pte Ltd	2
5.	Chan Wai Jewellery Works	1
6.	Chin Cheong Goldsmith	2
7.	CITIGEMS Pte Ltd	18
8.	Foundation Jewellers Pte Ltd	1
9.	Golden Watch Gold & Jewellery	1
10.	Goldheart Jewellery Pte Ltd	23
11.	Heng Heng Gold & Diamond Jewellery Pte Ltd	1
12.	Ho Bee Goldsmith & Jewellery Pte Ltd	3
13.	Hock Wah Jewellery	1
14.	Lee Heng Jewellers	3
15.	Luvenus Jewellery Pte Ltd	2
16.	Me Heng Jewellery Pte Ltd	1
17.	Ming Seng (Joo Chiat) Goldsmith	1
18.	Ngee Soon Jewellery Pte Ltd	2
19.	On Cheong Co. Pte Ltd	2
20.	Orient Goldsmiths & Jewellers Pte Ltd	1
21.	Poh Seng Jewellers Pte Ltd	1
22.	Raja Kings' Goldsmith & Jewellers Pte Ltd	1
23.	Royal Dragon Jewellery Pte Ltd	1
24.	SK Jewellery Pte Ltd	27
25.	SKJ Group Pte Ltd (Soo Kee Jewellery)	10
26.	Taka Jewellery Pte Ltd	17
27.	Tin Sing Goldsmiths Pte Ltd	1
28.	Yuli Inc. – Fine Jewellery	1
	<b>Total outlets</b>	<b>149</b>

## ANNEX B

### First Test: Baby Bangle from Fu Lu Shou Goldsmith Jewellers Pte Ltd

A 24K (999 fineness) baby bangle was purchased from Fu Lu Shou Goldsmith Jewellers Pte Ltd on in November 2014. Test results showed that the bangle failed the gold fineness test.



Test Points	Purity Results	Remarks	W.r.t. 999 standard
1	946.5	Body Top	X
2	946.6		X
3	947.0	Body Bottom	X
4	946.4		X
5	957.6	Charm	X
6	961.1		X
Overall Result			Failed

## ANNEX C

### Re-Test: Baby Bangle from Fu Lu Shou Goldsmith Jewellers Pte Ltd

To ensure that Fu Lu Shou Goldsmith Jewellers Pte Ltd was not unfairly penalised due to sampling error in the first test, our mystery shoppers purchased a similar 24K (999 fineness) baby bangle from the same shop and sent it for a re-test in December 2014. Unfortunately, the gold jewellery failed the re-test as well.



Test Points	Purity Results	Remarks	W.r.t. 999 standard
1	955.3	Body Top	X
2	955.2		X
3	955.4		X
4	955.1	Body Bottom	X
5	955.3		X
6	955.4		X
7	962.2	Charm	X
8	961.9		X
9	961.9		X
Overall Result			Failed