

FAIR TRADING & YOU

PROTECTING
CONSUMERS

IMPROVING
BUSINESS
PRACTICES



Revised 2018 Edition



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

Our Partners



ISBN 978-981-11-7508-4
Revised Edition 2018

Consumers Association of Singapore (CASE)

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

T: 6100 0315 **F:** 6467 9055

Website: www.case.org.sg

Feedback: sayit@case.org.sg

Facebook: www.facebook.com/casesg

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form of by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior permission from CASE.



CONTENTS

Consumer Protection (Fair Trading) Act (CPFTA)	04
Unfair Practices under CPFTA	05
Second Schedule to CPFTA (24 Unfair Practices)	05
Lemon Law	30
Subsidiary Regulations under CPFTA	32
Seeking Help for your Consumer Complaint	34
Advertising Standards Authority of Singapore	37
CaseTrust	38



CONSUMER PROTECTION (FAIR TRADING) ACT

The Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA was enacted to protect consumers against unfair practices and to give them additional rights in respect of goods that do not conform to contract.

It is the result of years of advocacy by the Consumers Association of Singapore (CASE) because of our firm belief that we need a fair trading legislation to promote a fairer and more equitable marketplace. Such legislation would protect both consumers and businesses by making the playing field more level.

In 1979, the late Mr Ivan Baptist, then President of CASE, first urged the government to consider a fair trading legislation in Parliament. After several years of study on the feasibility of a fair trading legislation for Singapore, the CPFTA was finally passed in Parliament on 11 November 2003 and took effect on 1 March 2004.

Through the years, CASE has worked closely with the Ministry of Trade and Industry to periodically revise and update the CPFTA to ensure that it remains relevant.

ADMINISTERING AGENCY OF CPFTA

In September 2016, the CPFTA was further amended to strengthen the existing measures that may be taken against errant suppliers who persist in unfair trading practices. Under the amended CPFTA, SPRING Singapore was appointed as the administering agency with investigative and enforcement powers, which includes:

- Gathering evidence against persistently errant suppliers; and
- Filing injunction applications with the Courts; and
- Enforcing compliance with injunction orders issued by the Courts.

With effect from 1 April 2018, the Competition and Consumer Commission of Singapore (CCCS) took over the administration of the CPFTA. CASE and the Singapore Tourism Board remain the first points of contact for local consumers and tourists respectively to handle complaints. Errant suppliers who persist in unfair trade practices will be referred to CCCS for investigation.

While the CPFTA gives consumers the right to seek recourse, consumers should still be vigilant in protecting their own interests by exercising due care when buying goods and services.



UNFAIR PRACTICES UNDER CPFTA

The following practices in relation to consumer transactions have been identified as unfair practices under Section 4 of the CPFTA. These include suppliers who:

- Do or say anything, or omit to do or say anything, if as a result a consumer might reasonably be deceived or misled; and/or
- Make a false claim; and/or
- Take advantage of a consumer if they know or ought reasonably to know that the consumer:
 - Is not in a position to protect his own interests; and/or
 - Is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction; and/or
- Commit any of the 24 unfair practices specified in the Second Schedule to the CPFTA.



SECOND SCHEDULE TO CPFTA

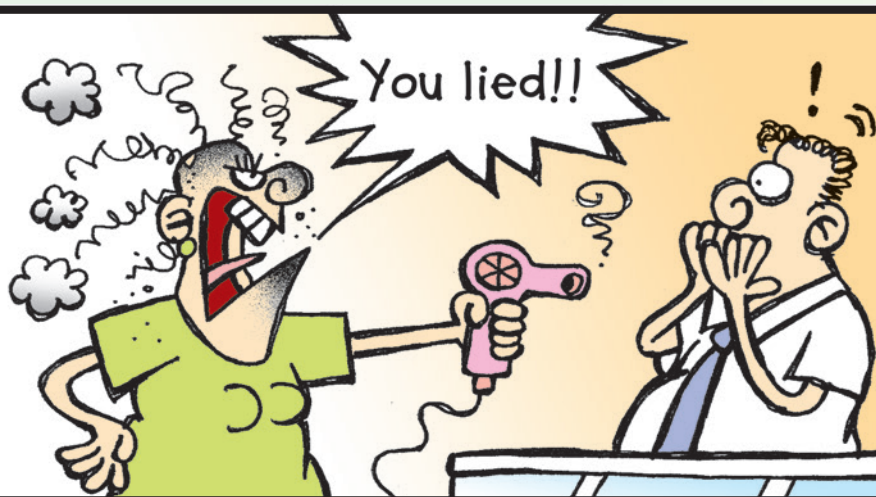
To help consumers better understand what constitutes an unfair practice, the Second Schedule to the CPFTA sets out a list of 24 unfair practices (illustrated on pages 6 to 29).



MAKING FALSE CLAIMS ABOUT THE FUNCTIONALITY OR BENEFITS OF GOODS OR SERVICES

Excuse me, remember this hairdryer you sold me, the one which you said was approved by the Safety Authority?

Er... yes?





MAKING FALSE CLAIMS THAT GOODS OR SERVICES ARE FROM A CERTAIN COUNTRY OR OF A PARTICULAR QUALITY OR STANDARD





MAKING FALSE CLAIMS THAT GOODS ARE NEW OR UNUSED



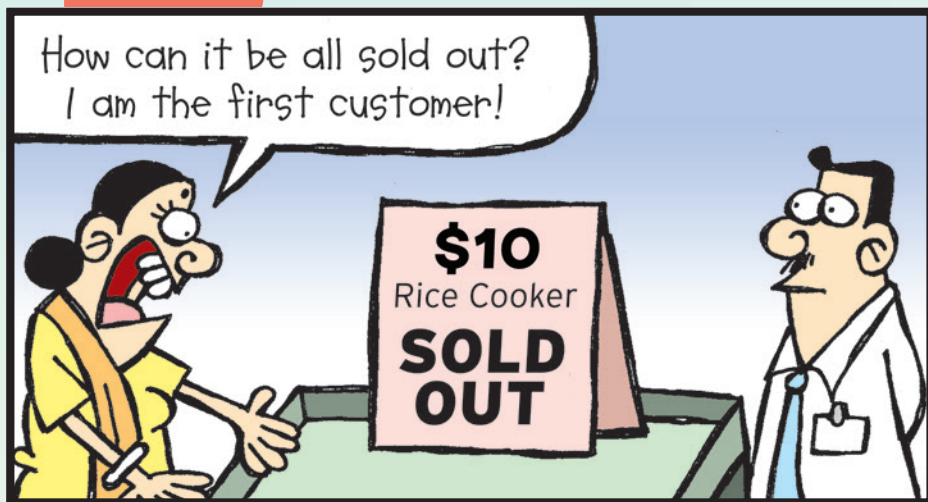


MAKING FALSE CLAIMS THAT GOODS HAVE BEEN USED TO A CERTAIN EXTENT OR HAVE A PARTICULAR HISTORY





MAKING FALSE CLAIMS THAT GOODS OR SERVICES ARE AVAILABLE OR AVAILABLE IN PARTICULAR QUANTITIES OR PRICES, ETC.





MAKING FALSE CLAIMS THAT A SERVICE, PART, REPAIR OR REPLACEMENT IS NEEDED OR HAS BEEN PROVIDED

Ma'am, your mechanical watch needs to be sent for extra servicing to ensure its accuracy. Could you leave it with us and collect it next week?



Ah Huay ah, I have another branded watch to wear for the next few days!



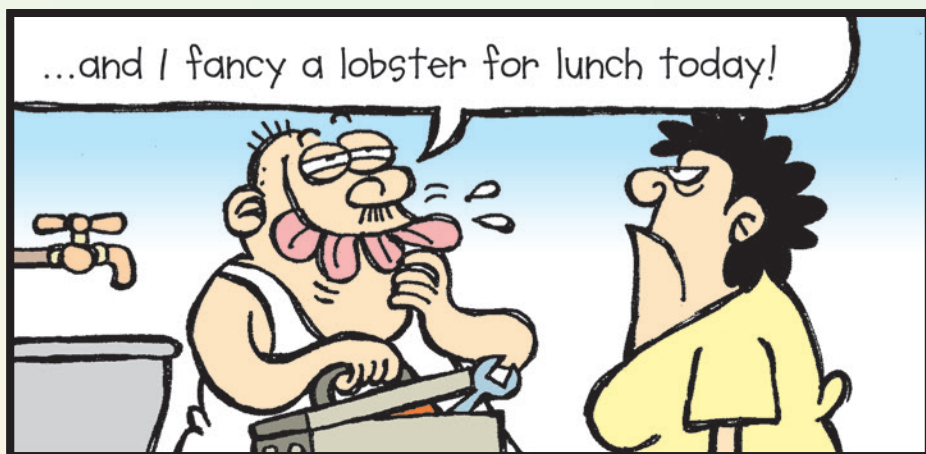


**MAKING FALSE CLAIMS
THAT THE PRICES OF GOODS
OR SERVICES HAVE BEEN
DISCOUNTED OR THAT THE
GOODS OR SERVICES HAVE PRICE
BENEFITS OR ADVANTAGES**





CHARGING A SUBSTANTIALLY HIGHER PRICE FOR GOODS OR SERVICES THAN AN (EARLIER) ESTIMATE PROVIDED TO THE CONSUMER





MAKING FALSE CLAIMS THAT A TRANSACTION INVOLVING GOODS OR SERVICES HAS OR DOES NOT HAVE RIGHTS, REMEDIES OR OBLIGATIONS

What?! I have to pay for the repairs?!
But you told me my \$25 toaster
is still under warranty.



Yes; but the warranty
doesn't cover everything...



BILL
Labour:
Free
Parts:
\$300

\$300?!



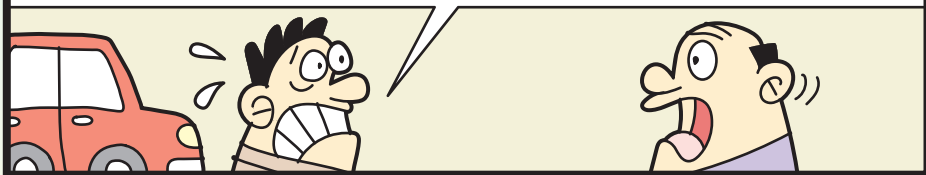


MAKING FALSE CLAIMS THAT A PERSON HAS OR DOES NOT HAVE THE AUTHORITY TO CLOSE A DEAL

I gave my car to my son after you promised me a 20% discount when I buy a new one from you.



Er, sorry, my boss just told me that I am not authorised to give discounts.



Son, I need my car back.

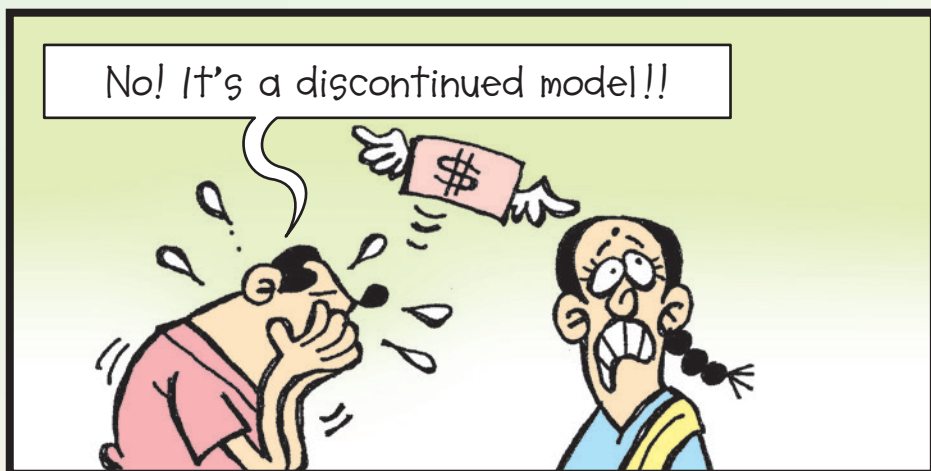
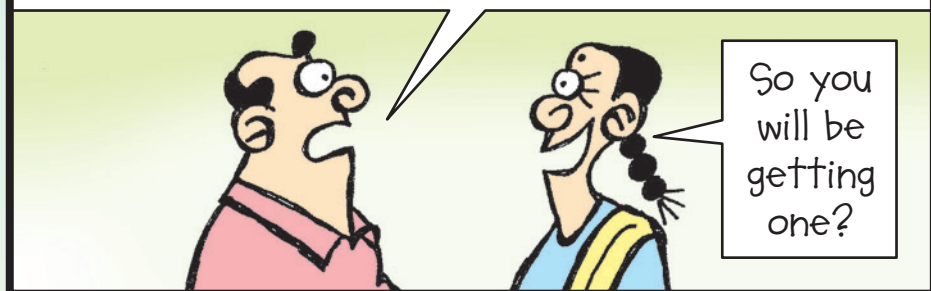
Erm...





AGREEMENT OR CONTRACT IS EXCESSIVELY ONE-SIDED

The dining set I bought was defective... but the furniture company's contract stated that it won't give me a refund: it will only get me another of the same set.





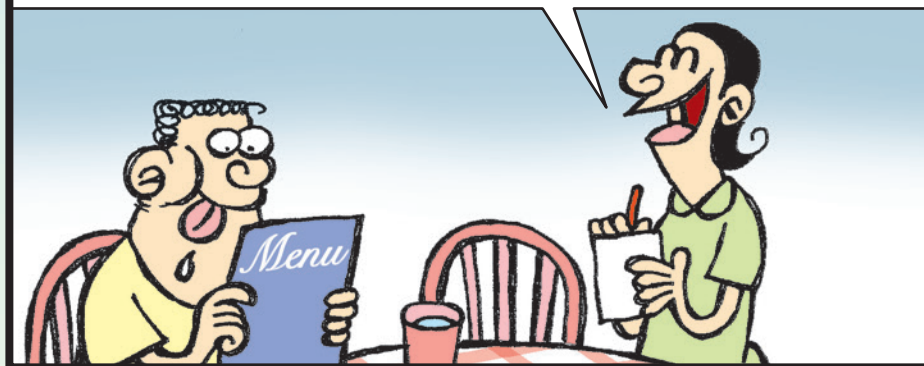
TAKING ADVANTAGE OF A CONSUMER BY EXERTING UNDUE PRESSURE OR INFLUENCE





MAKING FALSE CLAIMS THAT ANOTHER SUPPLIER WILL PROVIDE GOODS OR SERVICES AT A DISCOUNTED PRICE (UPON THE PRODUCTION OF A VOUCHER)

For every \$30 spent in our restaurant, you'll get a \$50 complimentary food voucher!

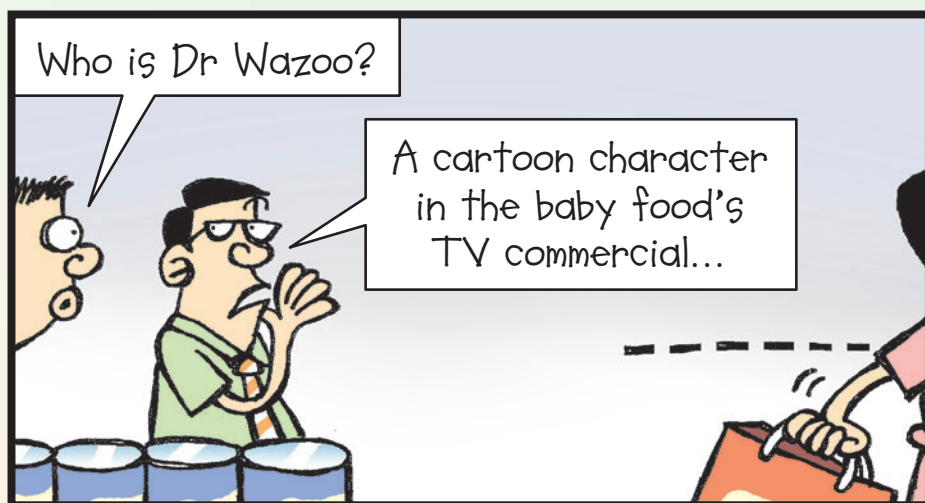
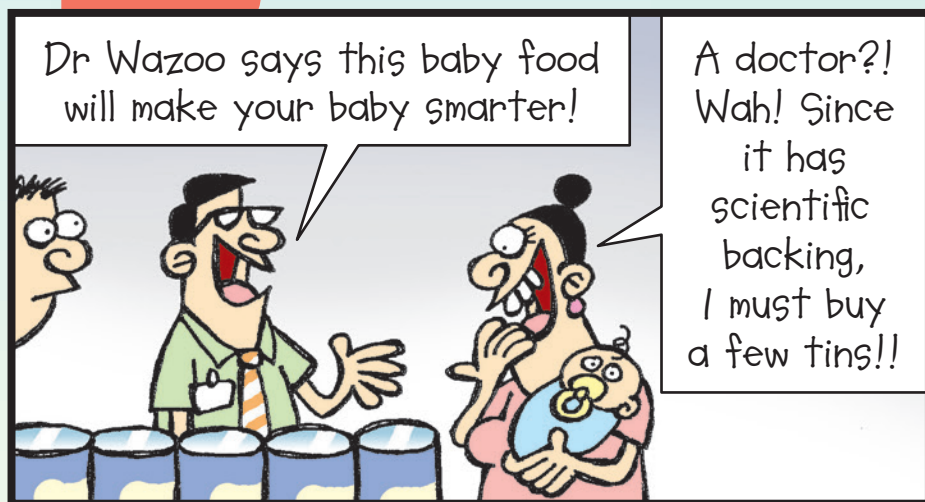


"Must be claimed before 30 Dec 1966"





USING A SEEMINGLY OBJECTIVE REPORT AS AN ADVERTISEMENT WITHOUT STATING THAT IT IS AN ADVERTISEMENT





MAKING FALSE CLAIMS THAT THERE IS ANOTHER PROSPECTIVE BUYER FOR THE GOODS OR SERVICES





MAKING FALSE CLAIMS THAT GOODS CAN BE REPAIRED IN FUTURE WHEN THE NEED ARISES IN ORDER TO CONVINCE A CONSUMER TO MAKE A PURCHASE NOW

If the sound system you bought breaks down, you can get it fixed easily. The repair centre is at this address, on the 21st floor.



AND SO, ON THE DAY WHEN THAT HAPPENS...





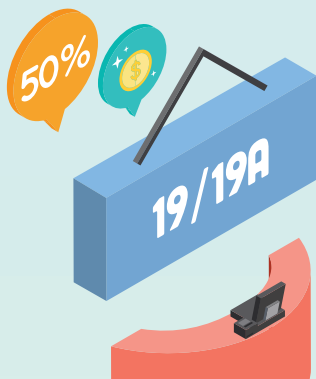
OFFERING FALSE GIFTS IN CONNECTION WITH THE SALE OF GOODS OR SERVICES





MAKING FALSE CLAIMS THAT GOODS OR SERVICES ARE AVAILABLE AT A DISCOUNT FOR A STATED PERIOD ONLY





GIVING FALSE REASON(S) FOR SELLING GOODS OR SERVICES AT A DISCOUNT; OR INVITING A CONSUMER TO MAKE A PURCHASE WITH THE INTENTION TO PROMOTE ANOTHER





USING SMALL PRINT TO CONCEAL MATERIAL FACT

What?! If I don't buy anything, I'd have to pay \$100 for trying on your merchandise?!
Why wasn't I informed beforehand?

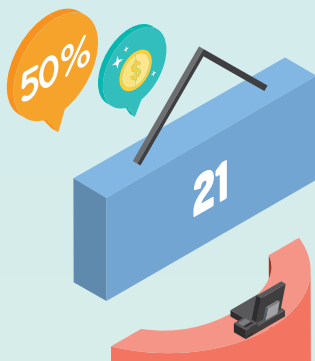


It's in the small print in our advertisements. Didn't you read it?

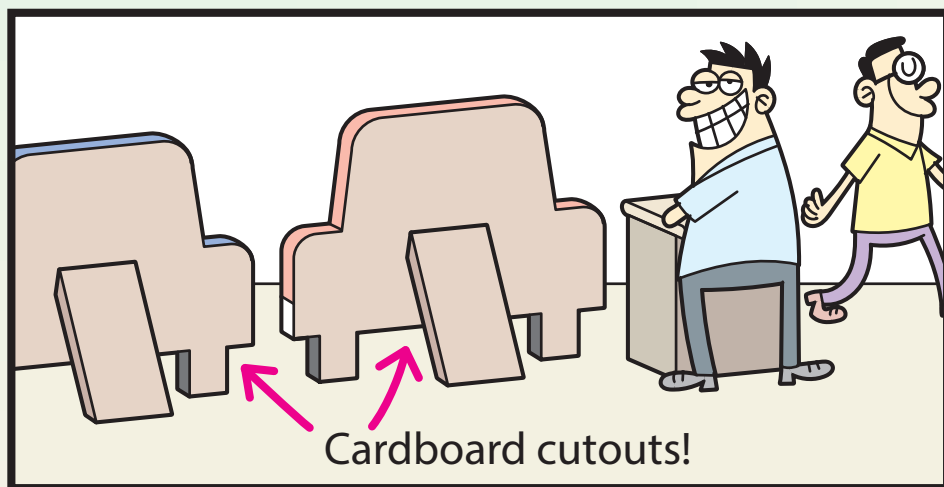
I was unable to... that's why I am here!!

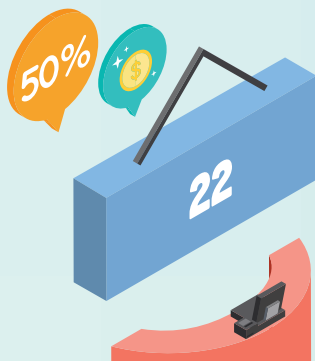


SPECTACLE
SHOP

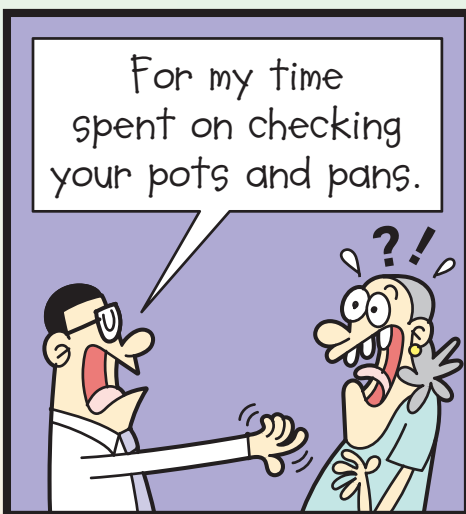
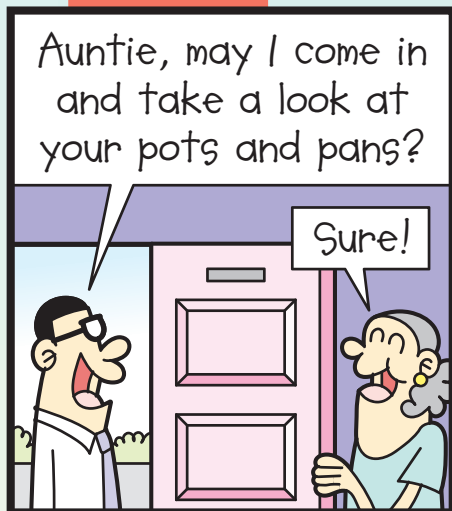


ACCEPTING PAYMENT (IN MONEY OR IN KIND) DESPITE KNOWING THAT GOODS OR SERVICES WILL NOT BE PROVIDED





ASSERTING THE RIGHT TO PAYMENT FOR PROVIDING UNSOLICITED GOODS OR SERVICES

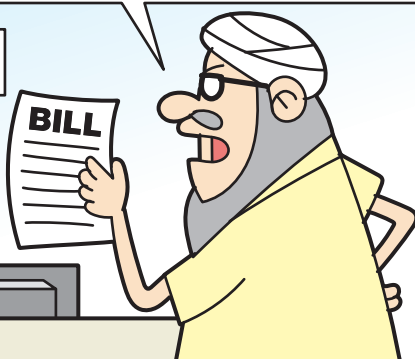




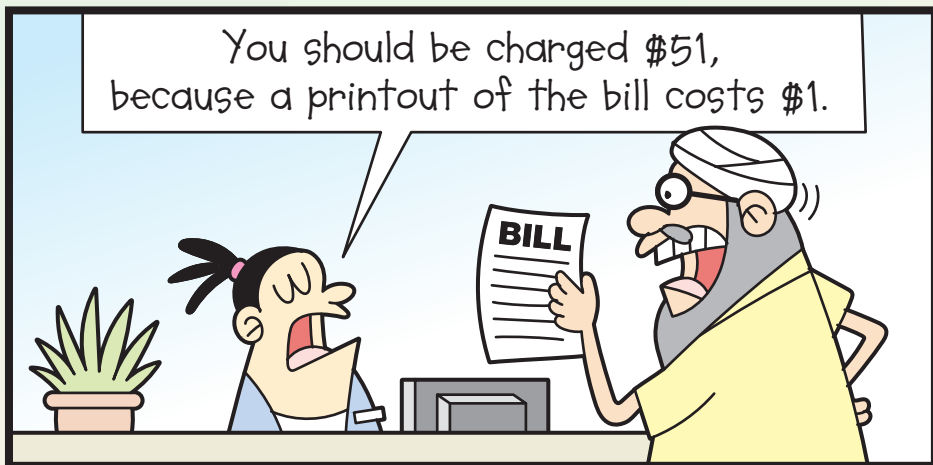
SENDING TO A CONSUMER AN INVOICE OR DOCUMENT THAT SEEKS PAYMENT FOR UNSOLICITED GOODS OR SERVICES

Your company offered me free cable TV subscription for three months and subsequently imposed a fee of \$50 for the service. This is wrong!

That indeed is wrong.

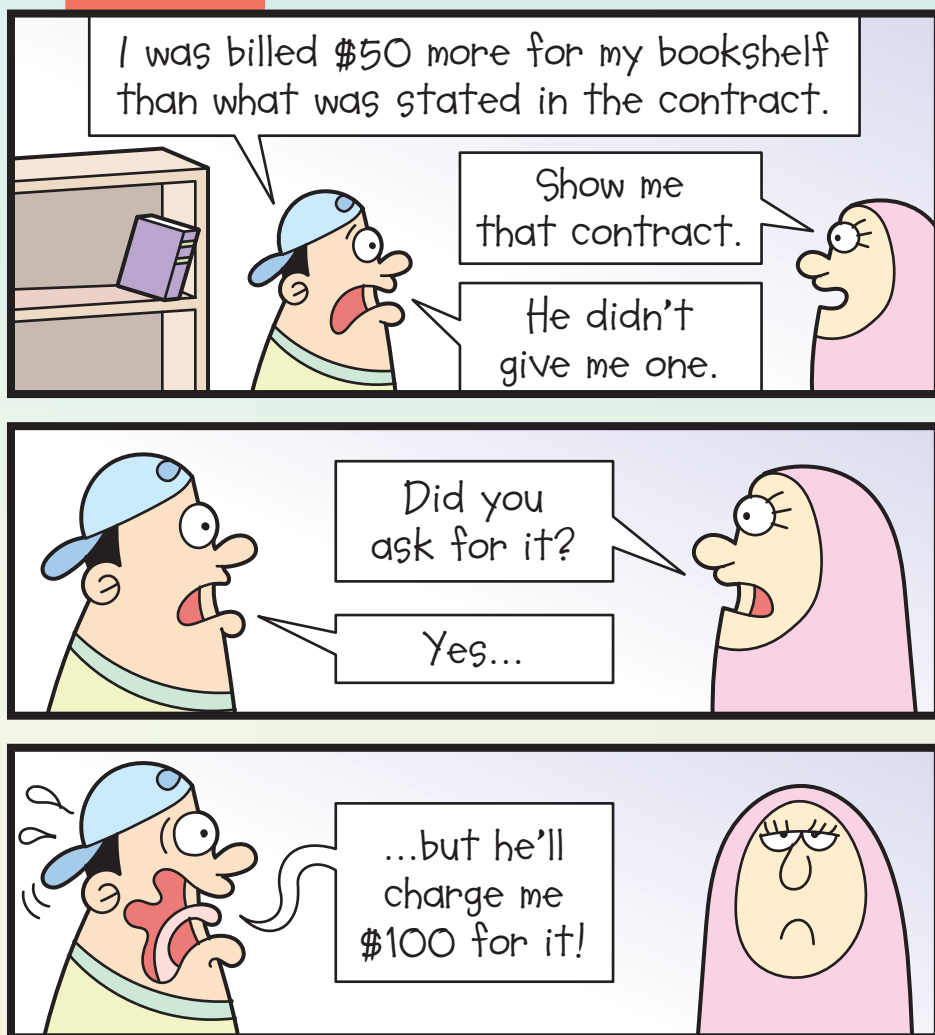


You should be charged \$51, because a printout of the bill costs \$1.





REFUSING TO EXTEND A WRITTEN COPY OF AN EXECUTED APPLICABLE AGREEMENT DESPITE THE CONSUMER'S REQUEST





LEMON LAW

The *Lemon Law* took effect on **1 September 2012**. It is a law that protects consumers against goods that do not conform to contract or are not of satisfactory quality or performance standards at the time of delivery. Under the *Lemon Law*, businesses are obligated to **repair, replace, reduce the price** or **provide a refund** for a defective good.

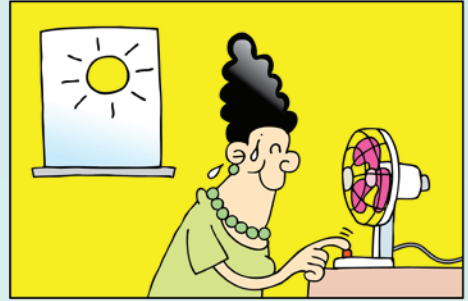
The provisions of the *Lemon Law* can be found in **Sections 12A to 12F** of the **CPFTA**.

COVERAGE

- The *Lemon Law* covers all general consumer products purchased in Singapore (e.g. apparel, stationery, electronics, furniture, motorcars, etc). It does not apply to houses, land or rental/leased goods.
- Second-hand goods and vehicles are included but “satisfactory quality” would take into account their age at the time of delivery and the price paid.
- The *Lemon Law* does not apply to services.
- It does not apply to business-to-business and consumer-to-consumer transactions.

CONSUMERS ARE NOT ENTITLED TO REMEDIES UNDER THE LEMON LAW IF:

- The consumer had damaged the item.
- The consumer had misused the item and caused the fault.
- The consumer had tried to repair the item himself or had someone else try to repair it, and in the process damaged it.
- The consumer had been told about the fault before he bought the item.
- The consumer had changed his mind and no longer wanted the item.
- The fault is due to wear and tear.



LEMON LAW

What is the "Lemon Law"?

- It protects consumers against defective goods that fail to conform to contract or are of unsatisfactory quality or performance standards at the time of delivery.
- Such goods are colloquially known as "lemons".



How do consumers benefit from the Lemon law?

2-stage recourse framework

1 Consumer can ask business to:

**Repair or Replace
the defective good.**

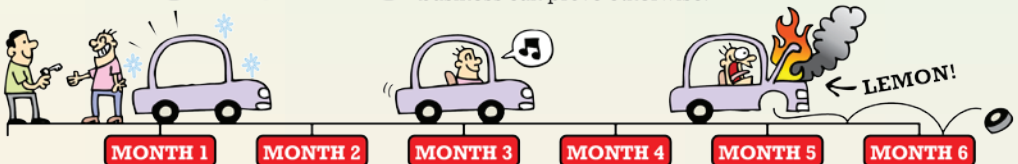


2 Consumer may keep the defective good and request for a **Reduction in Price**, or return the defective good for a **Refund** if:

- The business did not provide repair or replacement within a reasonable time or without significant inconvenience to the consumer, OR
- Repair or replacement by the business is not possible or incurs a very high cost.

Timeframe

If a defect is found within six months of delivery, it is assumed the defect existed at the time of delivery, unless the business can prove otherwise.





SUBSIDIARY REGULATIONS UNDER CPFTA

Throughout the years, there have been subsidiary regulations enacted under the CPFTA to complement and enhance consumer protection in Singapore.

CONSUMER PROTECTION (FAIR TRADING) (CANCELLATION OF CONTRACTS) REGULATIONS 2009

A consumer has the right to cancel a direct sales contract, a time share contract, a time share related contract or a long-term holiday product contract within five days (excluding Saturdays, Sundays and public holidays) after the date on which the contract is entered into or after the date on which the supplier informs the consumer about the right to cancel the contract.

No payment should be collected by the supplier during the five-day cooling-off period for time share, time share related or long-term holiday product contracts. Furthermore, the supplier must provide certain information to consumers in the Product Information Notice and Consumer Information Notice.

A consumer may also cancel the contract (or any subsequent contracts with the supplier on substantially the same terms as the cancelled contract), if the supplier enters into a contract with that consumer in breach of an accompanying court order made under section 9(4)(b) of the CPFTA. In this scenario, the consumer may give a notice of cancellation of the contract at any time within six months after the date on which the contract was entered into.

CONSUMER PROTECTION (FAIR TRADING) (MOTOR VEHICLE DEALER DEPOSITS) REGULATIONS 2009

A motor vehicle dealer has to inform the consumer of its refund policy in writing before he collects any deposit from the consumer. Otherwise, the dealer cannot retain the deposit or any part of it. The motor vehicle dealer who applies for a loan on behalf of a consumer must also do so within a reasonable period and if the consumer so requests, obtain a written statement from the financial institution setting out the unsuccessful outcome of the application for the loan, before he can retain the deposit or any part of it. In the event of a dispute between the motor vehicle dealer and a consumer in relation to a consumer transaction, the motor vehicle dealer bears the burden of proof that he has complied with the requirements under the regulations.

CONSUMER PROTECTION (FAIR TRADING) (OPT-OUT PRACTICES) REGULATIONS 2009

Unsolicited goods or services are goods or services that are supplied to a consumer who did not request for them; or if the goods or services or the supply of said goods or services was materially changed from what the consumer had originally requested, without the consumer's written consent.

Unless and until a consumer informs the supplier of his intention to accept and pay for unsolicited goods or services in writing, the consumer may use, deal with or dispose of the goods or services as if they were unconditional gifts to him from the supplier.

If goods or services are supplied to a consumer on a free trial basis, the supplier shall give a reminder notice between three and 14 days (excluding Saturdays, Sundays and public holidays) before the end of the free trial period. If the free trial period is three days or shorter, the reminder notice has to be given at the commencement of the free trial period. A consumer does not have to pay for the goods or services after the free trial period if he did not inform the supplier in writing of his intention to accept and pay for the goods or services and if he did not receive a reminder notice from the supplier that the free trial period is expiring.

These regulations do not apply to national insurance schemes such as the Dependents' Protection Insurance Scheme, the ElderShield Scheme, the Home Protection Insurance Scheme, the Lifelong Income Scheme and the MediShield Life Scheme.

CONSUMER PROTECTION (FAIR TRADING) (REGULATED FINANCIAL PRODUCTS AND SERVICES) REGULATIONS 2009

Financial products and services such as bank deposits, bank loans, insurance products, unit trusts and securities provided by financial institutions such as banks, insurance companies and stockbrokers are covered under the CPFTA. Apart from the usual provisions of the CPFTA, consumers who suspect that a financial or insurance institution has committed an unfair practice can approach the Financial Industry Disputes Resolution Centre (FIDReC) for claims pertaining to a sum of or below S\$100,000 for mediation and adjudication to resolve the dispute.

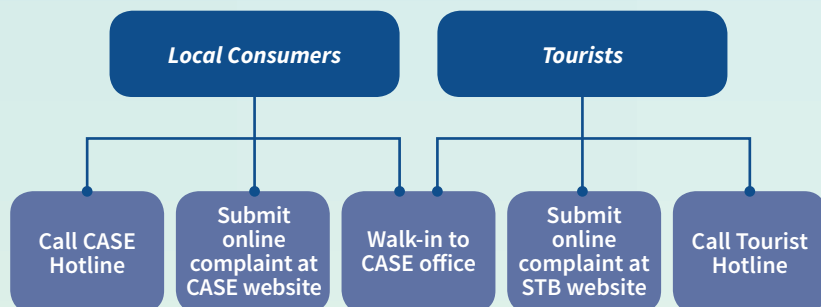
CONSUMER PROTECTION (FAIR TRADING) (NOTIFIABLE EVENTS) REGULATIONS 2016

The Courts can stipulate that an errant supplier must inform CCCS within 14 days after the occurrence of a notifiable event within a specified period. Under the regulations, such notifiable events include, but are not limited to, an arrangement by the errant supplier to participate in a trade fair; the establishment of a website or a mobile application to enter into consumer transactions through the Internet by the errant supplier; and the errant supplier adopting a new name, symbol or design or any arrangement by the errant supplier for the purpose of identifying the errant supplier.



SEEKING HELP FOR YOUR CONSUMER COMPLAINT

Avenues for local consumers/tourists to seek help for their consumer complaint.



LOCAL CONSUMERS

Local consumers who face difficulties in resolving their dispute with the supplier on their own can seek help from CASE through the following methods:


Phone assistance

Call CASE hotline at 6100 0315 (Mondays to Fridays, 9am to 5pm) to seek advice from our Consumer Relations Officers (CROs).

Online submission

Complete the online complaint form on CASE website at: www.case.org.sg. Our CROs will respond within three working days.

Counter service

Walk-in to CASE office (170 Ghim Moh Road #05-01 Ulu Pandan Community Building Singapore 279621) for a free consultation. Our operating hours are from Mondays to Saturdays, 9am to 4pm. 

Our CROs will assess each consumer complaint and provide advice to consumers on the options they can take to resolve the dispute.

Consumers who would like CASE to take up their complaint can opt for the following:

(a) Assisted Scheme

Our CRO will draft a letter to the supplier communicating the consumer's concerns and ideal outcome of the dispute. The consumer will negotiate directly with the supplier with the help of this letter. If the dispute is still unresolved, the consumer can consider escalating to the filed scheme.

Consumers will need to pay an administrative fee of \$10.70 (GST inclusive).

(b) Filed Scheme

Consumers authorise CASE to handle the matter on their behalf. Our CRO will follow up and negotiate directly with supplier to seek an amicable settlement. Consumers would need to sign up as a CASE member so that we can represent them to communicate with the supplier.

Consumers will need to pay an administrative fee and a membership fee for the filed scheme. The administrative fee varies depending on the amount claimed by the consumer.

Administrative Fee

Range of Claims	Administrative Fee (GST inclusive)
Below \$5,000	\$10.70
\$5,000 to \$10,000	\$21.40
\$10,001 to \$20,000	\$53.50
Above \$20,000 - every \$10,000 or part thereof	\$53.50

CASE Membership Fee

Types of Membership	Membership Fee (GST inclusive)
Life	\$428
Ordinary/Single	\$26.75 per annum
Associate (Family*)	\$32.10 per annum
Associate (Student**)	\$8.55 per annum

* Eligible to family members of a consumer who is already a CASE member.

** Students must be above 12 years of age.

Administrative and membership fees are waived for consumers who are members of CASE Institutional Members.

Should the dispute require further attention, the CRO will arrange for a mediation session for both parties. More information on CASE mediation can be found on the CASE website.

Alternatively, consumers may consider filing a claim at the Small Claims Tribunals (SCT) or the other Courts, depending upon the relevant jurisdiction of the various Courts. More information on the Courts can be found at: www.statecourts.gov.sg.

TOURISTS

Tourists who have a consumer dispute with a local supplier in Singapore can seek help through the following methods:

Phone assistance

Call the Tourist Hotline at 1800 736 2000 (toll-free in Singapore) or +65 6736 2000 (from overseas) from Mondays to Fridays (excluding public holidays), 9am to 6pm.

Online submission

Complete the feedback form on the Singapore Tourism Board (STB) website at: <https://s.visitsingapore.com/contact-us.html>.

Counter service

Walk-in to CASE office (170 Ghim Moh Road #05-01 Ulu Pandan Community Building Singapore 279621) for a free consultation. Our operating hours are from Mondays to Saturdays, 9am to 4pm.



Alternatively, tourists may consider filing their complaints directly with the SCT at:

Small Claims Tribunals

Level 1, State Courts Building
No 1 Havelock Square
Singapore 059724



ADVERTISING STANDARDS AUTHORITY OF SINGAPORE



WHAT IS THE ADVERTISING STANDARDS AUTHORITY OF SINGAPORE?

The Advertising Standards Authority of Singapore (ASAS) was formed in 1973 to promote ethical advertising in Singapore. It is an advisory council to CASE and is the self-regulatory body of the advertising industry.

HOW DOES ASAS WORK?

ASAS regulates the content of advertisements through the Singapore Code of Advertising Practice (SCAP) which was first introduced in 1976 as a set of rules for ethical advertising. The basic premise of the SCAP is that all advertisements should be legal, decent, honest and truthful. Should any advertisement contravene the SCAP, the ASAS Council is empowered to take corrective measures such as asking the advertiser to amend or withdraw the advertisement.

If the advertiser fails to comply with ASAS's decision, the ASAS Council is empowered to request that the respective media owners withhold advertising space and/or time from them. Alternatively, the ASAS Council may publicise the details of the outcome of the investigation, or refer the advertiser to CASE for action under the CPFTA.

HOW TO PROVIDE FEEDBACK ABOUT AN ADVERTISEMENT?

If you wish to provide feedback about an advertisement which may contravene the SCAP, please complete and submit the feedback form on the ASAS website at www.asas.org.sg/onlinecomplaint.

If you are lodging feedback as a consumer, no fee is involved.

If you are lodging feedback on behalf of a commercial entity, there will be an administrative fee of \$642/- (including GST) for members of the Singapore Advertisers' Association (2As), Association of Accredited Advertising Agents Singapore (4As), Direct Marketing Association of Singapore (DMAS) and Association of Media Owners (Singapore) (AMOS) and \$1,284/- (including GST) for non-members*.

**Information accurate as of May 2018.*



CASETRUST



WHAT IS CASETRUST?

As the accreditation arm of CASE, CaseTrust spearheads businesses from the retail and services industries to excellence, by recognising their commitments to fair business practices. This goal is aligned with the CPFTA's key principle of promoting fair trading between consumers and retailers.

HOW DOES CASETRUST WORK?

In order to qualify for the CaseTrust mark, businesses undergo a rigorous assessment process on their implementation of transparent business policies, honest and ethical advertising, and proper dispute resolution procedures.

The premier tier of CaseTrust accreditation, being, the CaseTrust Gold Status, is awarded to industry leaders who have demonstrated business excellence and exemplary customer service. To consumers, it represents a promise of the highest possible standards in service quality that instils consumer confidence and trust.



HOW TO IDENTIFY CASETRUST ACCREDITED BUSINESSES?

Simply spot the CaseTrust mark being displayed in the store or on the business' corporate website. Alternatively, you may refer to the list of CaseTrust accredited businesses on the CaseTrust website at: www.casetrust.org.sg.



Consumers Association of Singapore

Tel: 6100 0315

Fax: 6467 9055

Website: www.case.org.sg

Email: sayit@case.org.sg



Advertising Standards Authority of Singapore

Tel: 6461 1888

Fax: 6467 9055

Website: www.asas.org.sg

Email: asas@case.org.sg



CaseTrust

Tel: 6461 1800

Fax: 6463 7048

Website: www.casetrust.org.sg

Email: casetrust@case.org.sg