



The Consumer

A PUBLICATION OF THE
CONSUMERS ASSOCIATION
OF SINGAPORE

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The Editorial Team

Chief Editor
Richard Lim

Editors
Jayems Dhingra
Larry Haverkamp
Alexander Seccombe
Hans Zhong

Production Editor
Goh Xin Ying

Contributors
Automobile Association of
Singapore
CHOICE Australia
General Insurance Association of
Singapore
Goh Xin Ying
Jayems Dhingra
SingaporeLegalAdvice
SPRING Singapore
Today's Manager

Editorial Consultant
Dr Ang Peng Hwa

Design & Production
The Tangram Team Pte Ltd

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**Consumers Association
of Singapore**
170 Ghim Moh Road #05-01
Ulu Pandan Community Building
Singapore 279621
Tel: 6100 0315
Fax: 6467 9055
Feedback: sayit@case.org.sg
www.case.org.sg
www.facebook.com/casesg

President's Message



Dear readers,

It is the start of the new year, and CASE is ready to tackle new challenges as we continue our journey of promoting consumer protection and fair trading in Singapore. Looking back, some of our highlights over the past twelve months include the launch of the Standard and Functional Evaluation (SAFE) Checklist. This checklist is to assist buyers of pre-owned cars by relying on a professional evaluation centre to assess the condition of the car before the purchase. CASE also highlighted the presence of excessive mercury found in a skin whitening product bought online and is working together with SPRING Singapore to take out an injunction against automotive retailer SG Vehicles for engaging in unfair practices under the Consumer Protection (Fair Trading) Act.

A review of the consumer complaint statistics last year showed that the Motorcar industry remained the top industry with the highest number of consumer complaints, followed by the Beauty industry and Renovation Contractors industry. As such, we plan to step up on our efforts on consumer education in these areas.

We will be organising a motoring roadshow in March 2018 to highlight to consumers the importance of evaluation through the SAFE Checklist when buying pre-owned cars. Sending the car for evaluation at a professional evaluation centre will help to uncover any inherent defects at the point of purchase and minimise consumers' chances of purchasing a 'lemon'. This will help to reduce disputes over car defects.

We will also work with our strategic partners such as the Community Development Councils and higher education institutions to hold educational talks and exhibitions. For example, educating residents on what they should look out for when engaging a renovation contractor or educating students on their rights under the Lemon Law if they buy defective products.

We will also be engaging our industry partners to put in place improved measures for consumer protection. One area that we will also look into is the expansion of our CaseTrust accreditation scheme by encouraging more businesses to come on board and demonstrate their commitment to

fair trading. Currently, we have approximately 1,000 business entities accredited under the CaseTrust accreditation scheme.

Lastly, drawing from past experiences and lessons learnt, CASE will continue to forge on and dedicate ourselves to our vision of a consumer-friendly Singapore. I thank all of you for your support in the past years and look forward to a productive year ahead.

Lim Biow Chuan
CASE President

Buying a car in Singapore

A Comprehensive Guide



Buying a car in Singapore is an aspiration of many Singaporeans. For the majority of us who do not have the cash to pay for the car in full, this entails taking up a loan to pay for the purchase of the car.

This article serves as a guide to the various fees involved in the purchase of a car and the relevant laws governing its purchase.

What you have to pay for

Purchasing a car in Singapore is a costly affair with various fees and charges. Accordingly, this article intends to break it down and make it digestible for the average person. The various charges involved in the purchase of a car are:

1. Registration Fees;
2. Goods & Services Tax ("GST"), which will be imposed on the car's Open Market Value ("OMV") and Excise Duty;
3. Certificate of Entitlement ("COE");
4. Additional Registration Fee ("ARF");
5. Carbon Emissions-Based Vehicle Scheme ("CEVS");
6. Road Tax; and
7. Special Tax.

Each of these fees and charges will be further elaborated upon in this article.

Registration Fees

For every car, there is a basic administrative fee of \$140 and a processing fee of \$25 (before accounting for GST).

Goods & Services Tax (7% GST on OMV + Excise Duty)

A form of consumption tax that is imposed based on the value of the car.

Open Market Value

OMV is an amount that will be assessed by the Singapore Customs. The OMV is not the selling price from the manufacturer to local authorised dealers in Singapore. When formulating the amount for the OMV, the Singapore Customs takes into account:

- The purchase price of the car;
- Freight costs;
- Insurance; and
- All other charges incidental to the sale and delivery of the car from the country of manufacture to Singapore.

Excise Duty

An excise duty is an additional form of tax imposed on the car. It should be noted that much like the Additional Registration Fee (ARF), the excise duty is also calculated based on 20% of the OMV of the car.

Certificate of Entitlement

COE is required for anyone who wishes to register a new vehicle in Singapore. Accordingly, a COE represents a right to vehicle ownership and use of Singapore's limited road space for a duration of 10 years. COEs are released through competitive bidding and there are 2 bidding exercises every month.

It should be noted that the COE consists of five categories:

1. A – Cars 1600CC below & Taxi;
2. B – Cars above 1600CC;
3. C – Goods Vehicle & Bus;
4. D – Motorcycles; and
5. E – Open.

After the 10-year COE period has ended, a car owner may choose to deregister their vehicle or to revalidate their COE for another 5 or 10 years' period by paying the Prevailing Quota Premium, which is calculated based on the 3-month moving average of the Quota Premium for the respective vehicle categories. If a car owner does not intend to renew their car's COE, their car will be deregistered at the expiry of their COE.

Additional Registration Fee

Under the old system, the ARF is valued at 100% of the OMV. However, since March 2013, a new tiered ARF structure is applied in the calculation of the ARF. Cars with OMV up to \$20,000 will not be affected by the ARF but cars with the value of OMV that is in the range of \$20,001 and \$50,000 will be taxed 140% of incremental OMV. For cars with an OMV value above \$50,000, it will be taxed 180% of incremental OMV. More information on the calculation of the ARF can be found on Land Transport Authority's website.

Carbon Emissions-Based Vehicle Scheme

In Singapore, the Government also takes into account carbon emissions. Where the cars emit low carbon emissions of less than or equal to 160g/km, the car owners are entitled to a rebate that ranges from \$5,000 to \$20,000. On the other hand, car owners will be penalised with a surcharge that ranges from \$5,000 to \$20,000 if their vehicle emits carbon more than or equal to 211g/km.

Road Tax

In Singapore, all vehicle owners must pay valid road tax for their vehicles before their vehicles can be used on the roads. Most road taxes are renewable either on a six-monthly or yearly basis. However, vehicle owners must fulfil certain prerequisites prior to the renewal of the vehicle road taxes, such as obtaining a motor insurance coverage for the new road tax renewal period and passing the periodic vehicle inspection.

Special Tax

If the owner's car runs on diesel, a special tax is levied and is payable in addition to the road tax (which is covered in the previous page) of the vehicle. The special tax is meant to encourage fuel conservation and to discourage excessive use of vehicles that may contribute to general congestion and pollution.

Regulations governing vehicle purchase

Unless you are able to obtain a car by making full payment upon purchase, it is generally accepted that an individual will be required to take a loan.

Accordingly, finance companies such as banks are the usual credit providers by way of hire-purchase. For instance, a person (the "hirer") who wishes to purchase a car would enter into a hire-purchase agreement with a finance company after the finance company (the "owner") purchases the car from the car dealer. The hirer will then enjoy the use of the car while still paying a certain sum every month to the finance company. Only when the hirer pays the final instalment does ownership transfer from the company to the hirer. The rights of hirers and owners alike are protected under the Hire-Purchase Act in Singapore.

Total Debt Servicing Ratio (TDSR)

In June 2013, MAS introduced the Total Debt Servicing Ratio ("TDSR") to prevent individuals from being mired in debt. Under the TDSR framework, financial institutions have to ensure that the individual cannot spend more than 60% of their gross monthly income in repaying their debts. The implication of this is that individuals might not be able to obtain a car loan if they have already committed more than 60% of their gross monthly income in repaying other loans.

Conversely, if the individual has taken up a car loan that takes up 40% of the individual's gross monthly income, it would mean that the financial institution can only grant a housing loan capped at 20% of the individual's gross monthly income. For instance, if an individual earns \$10,000 a month and spends \$6,000 servicing his car loan, personal loan, and renovation loan, the financial institution will not be allowed to grant the individual a housing loan as it would exceed the 60% threshold of that individual.

Vehicle loan limits set by MAS

Under the present regulations set by the MAS, the maximum loan quantum that a car buyer can obtain is up to 70% of the purchase price of the car if the OMV of the car is worth \$20,000 or less. If the OMV of the car is more than \$20,000, the maximum loan quantum is 60%.

In addition, car buyers can obtain a loan tenure of up to seven years under the recently amended regulation.

Credit Score

It must be noted that the banks are not required to give the car buyer the maximum loan quantum even though the present regulations allow for the maximum of 70% and 60% based on the respective categories.

If the car purchaser has a poor credit score, the bank may lower the loan quantum to be given. More importantly, where the credit report reflects serious issues, such as a statement of default, the loan application may be rejected. Accordingly, it is important to build creditworthiness prior to taking a car loan.

There are various factors that will lower an individual's credit score but the most common ones are:

1. Late repayments on credit card charges;
2. Multiple loan applications in a short span of time.

If you want to know your credit score, it can be obtained from the Credit Bureau (Singapore) Pte Ltd (CBS).

Minimum Deposit

Given the amount of loan that can be obtained as stated above, there is a corresponding amount of deposit that must be made under a hire-purchase agreement.

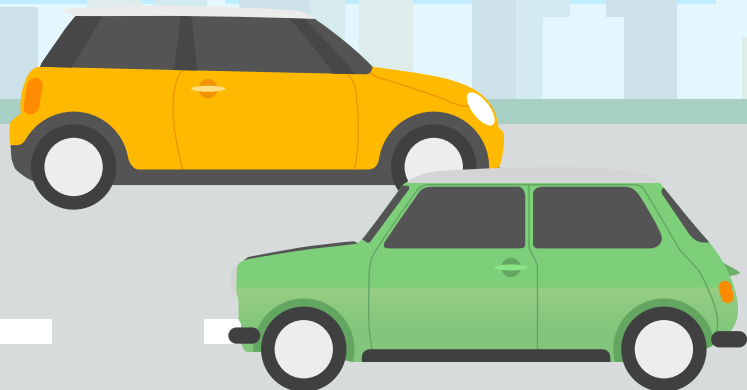
Under section 4(1)(a) of the Hire-Purchase (Motor Vehicles) Regulations 2013, a car buyer has to make the minimum deposit amount that is 30% of the purchase price of the motor vehicle if the applicable value of the motor vehicle does not exceed \$20,000. For purchase of a motor vehicle with an applicable value exceeding \$20,000, the car buyer has to make the minimum deposit amount that is 40% of the purchase price of the motor vehicle.

Please note that the relevant taxes stated in the article are correct at the time of printing.

What if you default on the loan repayment?

If you default on your loan repayment, the finance company has the right to repossess the vehicle. The Hire-Purchase Act sets out the notice requirement for the finance company to repossess the vehicle after necessary notice is given to the car owner.

There are numerous fees and charges involved in the purchase of a car in Singapore. Car buyers should therefore examine their personal finances, check whether they are eligible for a car loan and take into account all the extra charges involved before committing to the purchase of a car in Singapore.



Motor Insurance Fraud - Protect Yourself from Falling Victim to Fraud

Like other major cities around the world, many motor accidents in Singapore are simply unfortunate incidents and an inevitable risk for motorists in their everyday commute. But many are unaware that they may fall victim to another little-known danger.

What is Motor Insurance Fraud?

Motor insurance fraud is the act of deliberately cheating insurers and making false or exaggerated claims involving property damage or personal injuries as a result of a motor accident.

According to the Singapore Police Force's Commercial Affairs Department, the number of accidents reported as fraudulent has doubled, from 13 in 2016 to 26 as of September 2017. An estimation by the General Insurance Association of Singapore (GIA) suggests that almost 20% of all incurred motor claims are fraudulent.

Some common examples of motor insurance fraud include staged accidents where fraudsters "arrange" for accidents to occur; the use of phantom passengers where persons not even at the scene of the accident claim to have suffered injury, and making false personal injury claims for injuries that are grossly exaggerated.

Increasingly, such unethical practices have been linked to large-scale syndicates with highly sophisticated modus operandi involving the masterminds, recruiters, vehicle suppliers and even stunt drivers.



Spot to Stop Scams – It's All in the Details

Unfortunately, insurance fraud result in insurers having to bear the financial losses, consequently causing insurance premiums to rise for consumers.

But there are many ways the motoring public can safeguard against being victims of insurance fraud.

One way motorists can protect themselves is by following the guidelines prescribed under the GIA Motor Claims Framework (MCF) in the event of an accident.

The MCF is a set of recommended steps that help guide motorists and more importantly, ensures an enhanced claims experience.

Prompt reporting and documenting of accident details is an important deterrent as it makes it difficult for potential fraudsters to manipulate accident details and submit fraudulent claims.



KEY POINTS OF THE MOTOR CLAIMS FRAMEWORK (MCF)



**IN CASE OF ACCIDENT, YOU SHOULD...
AVOID ALL UNAUTHORISED TOW-TRUCK OPERATORS OR REPAIR WORKSHOPS.**

1

Exchange particulars of involved parties including

- Name,
- NRIC / FIN,
- Telephone Number,
- Address and
- Insurer.

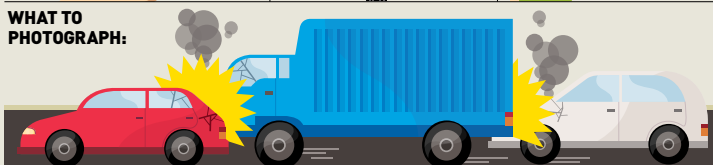
Take note of the vehicle numbers.



Take pictures at the accident scene and submit all pictures at your authorised accident reporting centre during your reporting.



WHAT TO PHOTOGRAPH:



SCENE
Take pictures of the accident scene capturing the accident vehicles and surrounding areas.

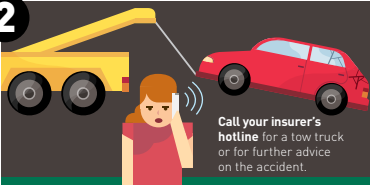


OWN VEHICLE
Take pictures of the damages to your own vehicle capturing your license plate.



OTHER DAMAGED VEHICLE(S)
Take pictures of the damages to all other vehicles involved in the accident capturing licence plates. For multiple vehicle collision, take pictures of those with direct contact, e.g. immediate front and immediate rear vehicles.

2



Call your insurer's hotline for a tow truck or for further advice on the accident.

3

Report and bring your accident vehicle (whether damaged or not) to the approved reporting centre / authorised workshop within **24 hours** or by the **next working day**.



Knowing When You Are Being “Hit”

1. Real Accident with Phantom passengers

Passengers who were not involved in the accident make fraudulent personal injury claims.

2. Real Accident with Phantom driver

A phantom driver replaces the actual driver to benefit from a fraudulent claim. This is usually done as the actual driver has no valid driving license.

3. “Staged Accident”

This is a deliberate accident caused and involves other innocent motorists. For example, a stunt driver may deliberately make an emergency brake to cause a chain collision. The syndicate will then plant “phantom passengers” and submit claims for the stunt driver and the “phantom passengers”.

In such situations, touts who may already have been on standby, will approach the innocent motorists to offer their claims or repair services.

4. “Engineered Accident”

This involves falsely reporting a motor accident and damages to the vehicle(s) involved. Very often, these accidents are reported to have happened in a secluded location and involve different phantom parties.

5. “Exaggerated/Inflated Claims”

Examples include deliberately causing further damage to the vehicle after the accident or fixing already damaged parts on the accident vehicle before it is inspected by insurance claims surveyors.

Workshops may also collude with surveyors to inflate their damage assessment and later claim for new parts, when the damaged parts were already repaired or little repair was required.

Busting Fraudulent Activity

The GIA has been collaborating with different stakeholders including the police to address insurance fraud concerns and has introduced the GIA Fraud Management System.

Leveraging data analytics, the system intensifies the insurance industry's fraud detection and prevention capabilities and helps improve the fraud handling process.

Motorists and members of the public who suspect that they are victims of insurance fraud or suspect possible fraudulent activity are encouraged to file a fraud report with full details of the suspicious activities.

GIA Online Fraud Reporting -
(gia.org.sg/public%20type%20motor/report-fraud.html)

GIA Fraud Hotline – 1800 443 7283 (working hours only)



Consumer Happenings

Come down and join us at the CASE "Motoring & You" Roadshow held in conjunction with the celebration of World Consumer Rights Day 2018.

Learn about your consumers rights and what you should look out for before buying a car.

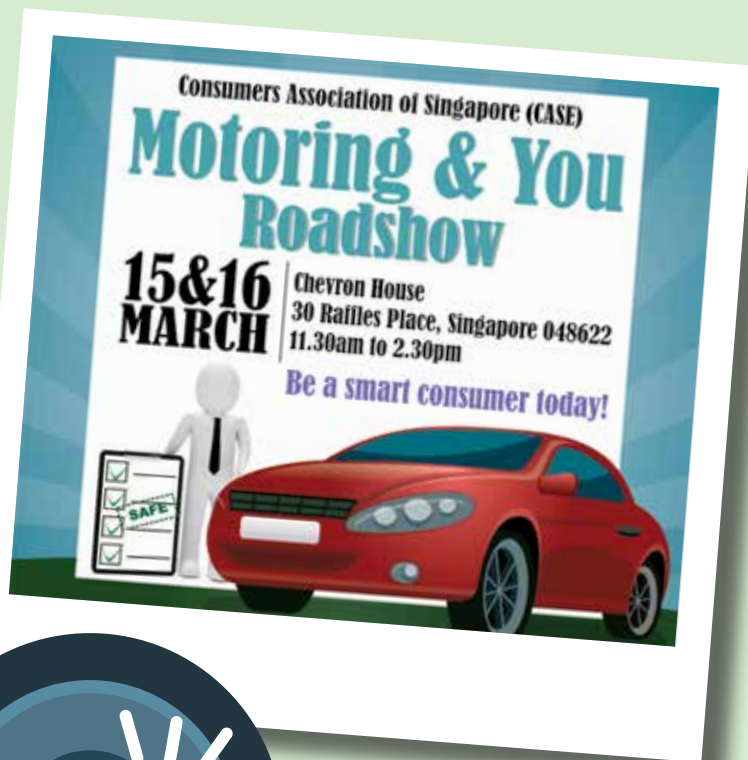
Find out more information on the SAFE Checklist and how you should use it to take your car through an in-depth inspection and professional evaluation before the sale is confirmed.

There will be free goodie bags and attractive prizes to be won! See you there soon!

Date: 15 & 16 March 2018

Venue: Chevron House, 30 Raffles Place, Singapore 048622

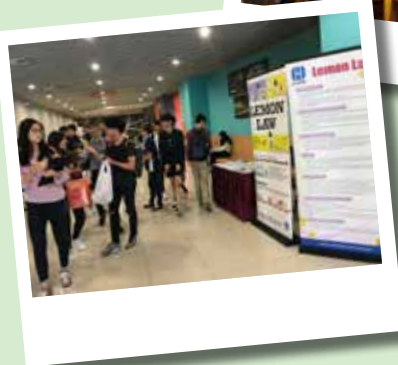
Time: 11.30am to 2.30pm



Snippets!



Senior citizens and their families having a fun time playing our educational games at Ulu Pandan Community Club's Active Aging Day event.



Students at Ngee Ann Polytechnic learned more about consumer protection laws through a talk and exhibition organised by CASE.













In A Nutshell

FEBRUARY

5

Did you know?

Top 10 most complained about industries in 2017

- 01  Motorcars
- 02  Beauty
- 03  Renovation Contractors
- 04  Electrical & Electronics
- 05  Furniture
- 06  Maid Agencies
- 07  Telecommunications
- 08  Handphones
- 09  Travel
- 10  Educational

Top Nature of Complaint

for the Motorcar, Beauty and Renovation Contractor Industries



Motorcar Industry

Defective Goods

(i.e. instances where goods purchased were found to be defective or do not conform to contract)



Beauty Industry

Sales Tactics

(i.e. instances of questionable sales or the use of pressure tactics during the sales transaction)



Renovation Contractor Industry

Failure to Honour

(i.e. instances where contractual obligations and/or promises were not fulfilled)

Is Car Evaluation useful?



The true condition of the car cannot be seen from the exterior and we often hear car owners complaining about defects in their used car that were not made known to them, incurring hefty repair bills in return. Don't regret your used car purchase; have it checked by a professional by sending the vehicle for a Car Evaluation to help you make an informed decision.



What is Car Evaluation?

A Car Evaluation service covers the essential checks to determine a used car's condition and helps to uncover hidden defects – from the undercarriage, chassis frame, brakes, tyre condition, to the bodywork and even paintwork of the vehicle.



What are some of the things that will be checked during the evaluation?

A thorough inspection will also be carried out to test the car's suspension, exhaust emission, brakes and wheel alignment - side slip.

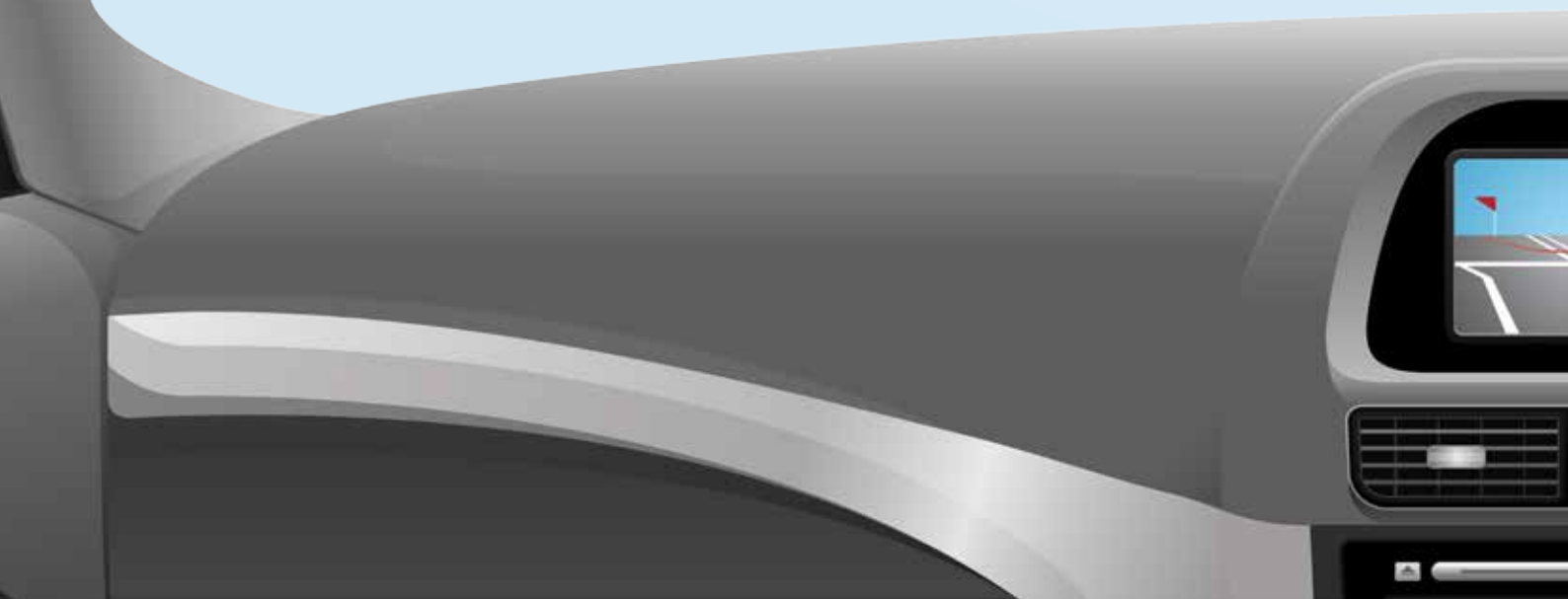
Using a special electronic gauge, the thickness of the paintwork can be measured to detect if the car's panels have undergone repairs or touch-ups. Thick paintwork highly suggests that the vehicle had been involved in a collision.

The engine compartment's components will be checked for signs of wear and tear, any abnormal noise such as knocking or

screeching sounds that may be caused by wear and tear of parts or improper tension in the engine belt.

The undercarriage will be inspected for signs of leakage, corrosion, cracks, misalignment and welded repair of the chassis that could indicate a collision that occurred in the car's history.

A professional inspector will bring the vehicle out for a drive on the road to test its steering, transmission, and engine performance among others.





What will be included in the report?

Most car evaluation services generally adopt an A to D grading system, where the different grades represent the range of condition which the car falls under. A car evaluation report from the Automobile Association of Singapore, however, does not use the grading system but instead will list down the specific observations derived from the inspection so that buyers have comprehensive knowledge of the car's true condition.



Who should decide where to send the car for evaluation?

The decision should lie with the buyer. Be wary if the seller insists to send the car to their own evaluation centre as this might be disadvantageous to you. If you're unable to bring the car personally to the evaluation centre and need the dealer to do so, make sure that you are the one who makes the appointment with the centre. That way, the evaluation report will be sent to you directly.



How should I use the report as a buyer?

The report gives you a complete picture of the car's defects so that you, as a buyer, can make an informed decision. Having the report would also give you more negotiating power. You may request the dealer or seller to rectify the problems, negotiate for a better price or even choose to forgo the purchase should you feel that it is not worthwhile.



What if the seller refuses to do the evaluation?

Having a used car evaluated before purchase is a very common practice. If the seller or dealer refuses to do the evaluation, they could be hiding some information from you. If they are confident of the car's condition, there is no reason for them to stop you from getting the car inspected, especially since the cost of the inspection is borne by the buyer.

Moreover, the Consumers Association of Singapore (CASE) launched the Standard and Functional Evaluation (SAFE) Checklist for the purchase of used cars to remind consumers the importance of getting an independent and comprehensive evaluation, before they make their purchase.



Automobile Association of Singapore conducts the Car Evaluation service with a thorough and unbiased inspection for the buyer in their purchase. Prior appointment is required. For more information, call AA Technical Services at 6389 4270 or visit www.aas.com.sg.



A SAFE Checklist For Your Ride

THE SAFE CHECKLIST

Buying a car is a significant financial decision. Consumers purchasing a pre-owned car must understand that the quality and condition of the car will depend on its age.

The Standard and Functional Evaluation (SAFE) Checklist was developed by the Consumers Association of Singapore (CASE) in consultation with multiple stakeholders to guide consumers in their purchase of a pre-owned car. It comprises of *Part A: Checks by Car Dealer* and *Part B: Checks by Professional Evaluation Centre*.

USING THE SAFE CHECKLIST

Use the SAFE Checklist to guide you through your car purchase. Here are five easy steps to a SAFE purchase!



STEP 1

Interested in a car?



STEP 2

Get the SAFE Checklist!*



STEP 3

Dealer will complete Part A of the Checklist. Endorse and keep a copy of it.



STEP 4

Dealer to send the car to a Professional Evaluation Centre for third-party evaluation. Use Part B of the Checklist to understand the evaluation report.



STEP 5

Compare the evaluation report with Part A. If there are no inconsistencies, you may proceed with your purchase.





Part A: Checks by the Car Dealer

Consumers should request that the car dealer complete Part A of the Checklist for the car.

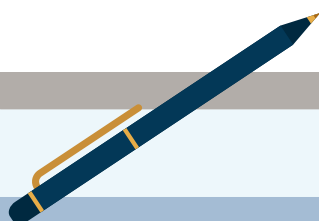
Part A of the Checklist records:

- Car details
- Functional checks
- Visual checks
- Warranty coverage (where applicable)

Both the consumer and dealer should endorse and keep a copy of the Checklist.

Sample: Part A of the Checklist

Description	Details
Car Brand and Model	
Registration Number	
Import Details of Car	Authorised Dealer / Parallel Importer / Self-Imported / Dealer is unaware <i>*(delete as applicable)</i>
Name of Dealer	Part III of the Consumer Protection (Fair Trading) Act (Lemon Law) only applies to a consumer's purchase(s) from a business. Hence, if you are purchasing the car on consignment or direct from another individual/consumer, you will not be covered under Lemon Law.
Projected Delivery Date	



Part B: Checks by the Professional Evaluation Centre

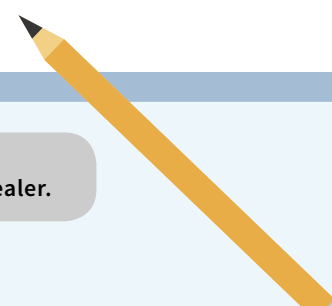
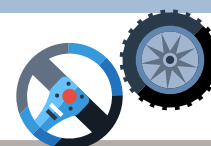
Part B allows consumers to better understand the key parts of the Professional Evaluation Report and allow consumers to make an informed choice on their purchase. A VICOM FIT Evaluation, STA Evaluation, and AAS Car Evaluation Service Check consists of the minimum checks set out in the SAFE Checklist.

Where possible, consumers are encouraged to test drive the pre-owned car before committing to a purchase as defects may sometimes surface during the test drive.

Consumers with queries on their Professional Evaluation Report should contact the applicable centres.

Sample: Part B of the Checklist

Description	Details
Engine	Includes visual inspection to identify oil seepage, overheating and abnormal engine noise and condition of the drive belt <i>Note: A Professional Evaluation Centre may not perform checks on the following engine types: Electric, LPG, CNG or Hybrid system engine.</i>
Engine Mounting	Includes checks to identify abnormal vibrations resulting from the defective engine mounting
Fluid Level	Includes various dipstick and/or visual checks (where possible) to ensure that there is sufficient engine oil, power steering fluid, transmission oil, brake fluid, cooling system water level, clutch fluid and a visual inspection for potential contamination of the fluids
Transmission Box (Gearbox)	Includes road tests and checks to identify abnormal noises during engine operation, including the gear transmissions



* The full copy of the SAFE Checklist can be downloaded at https://www.case.org.sg/consumer_guides.aspx, or obtained from your dealer.



Is Your Odometer Mileage Genuine?



Tampering of a second-hand car's odometer is not a new phenomenon in the motorcar industry. For example, some car dealers may mislead unsuspecting buyers by tampering with the odometer to display a lower mileage, making the second-hand car appear newer than its actual age and boosting its resale value. In addition, this is a dangerous practice as some car parts need to be replaced at certain mileage and a car owner may neglect the appropriate care and servicing for their cars if they rely on the false odometer readings.

This was exactly what happened to Mr Chia¹ when he purchased a second-hand car last year. He was informed by the car dealer that the mileage of the car was 71,000km and thought it was a good deal for the price tag of \$80,000. Three weeks after the purchase of the car, Mr Chia noticed that the car would jerk under acceleration and decided to send the car for servicing at the authorised service centre. He was shocked when the agent informed him that the car had clocked almost 111,000km when it was last sent for servicing six months ago. Mr Chia confronted the car dealer who denied knowing that the odometer had been tampered with and repeatedly refused to make any amends.

Thereafter, he approached the Consumers Association of Singapore (CASE) for assistance in his dispute. Under the Consumer Protection (Fair Trading) Act, it is an unfair practice to make false or misleading claims in relation to a consumer transaction. Mr Chia was eventually able to get back a refund of \$5,000 with assistance from CASE.

How widespread is odometer tampering?

Out of the motorcar industry complaints handled by CASE in 2017, less than 5% of cases involve odometer tampering. In fact, the top nature of complaint for the motorcar industry was on defective goods. More than half of the motorcar cases lodged with CASE involved complaints about the purchase of cars with defective systems or parts.

Based on our complaint statistics, we note that the occurrence of odometer fraud is rather low. However, this may just be the tip of the iceberg in the motorcar industry. In reality, it is difficult for the average consumer to detect odometer fraud due to their lack of knowledge in this area, and equally difficult for them to prove because of the lack of evidence of tampering. Therefore, there may be a substantial number of consumers who had bought second-hand cars with tampered odometers and were not aware of the fact.

What should consumers do?

In Singapore, although there is no specific legislation against odometer tampering, it is still a serious offence and a party can be charged under the Penal Code if he had fraudulently altered the odometer reading to mislead a consumer into purchasing the vehicle. Consumers who suspect that the odometer of their car had been tampered with should lodge a police report.

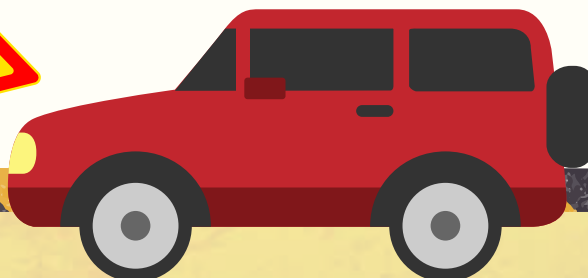
When buying a second-hand car, consumers should ask for all proper

documentation such as the mileage records and servicing intervals. They should pay careful attention to when the car was last serviced and verify the mileage records with the authorised agent.

Consumers can also consider engaging car dealers accredited under the CaseTrust-SVTA joint accreditation scheme (www.casetrust.org.sg). These accredited businesses have committed themselves to engage in fair and ethical business practices, and have an insurance bond of S\$50,000 to protect the consumer's fees and deposits paid in the event of an unresolved dispute.

Lastly, consumers should send the second-hand car for evaluation at a professional evaluation centre. This could help to uncover any inconsistencies between the condition of the car and the odometer reading. For example, a worn-out car interior and a low mileage reading could be a sign of a tampering. Consumers can also download a copy of the CASE Standard and Functional Evaluation (SAFE) Checklist at https://www.case.org.sg/consumer_guides.aspx, which helps to guide them through an in-depth inspection and professional evaluation of the second-hand car before the purchase.

Odometer fraud is something that is very real and present in today's motorcar industry. Thus, it is important for consumers to stay alert and do their due diligence and research before buying a second-hand car.



¹ Please note that the consumer's name has been changed to protect his privacy.

Get Smart!

with the Kiang Family

TIPS FOR SMART SHOPPING

Get your wheels
the smart way

Robert Kiang

Mary Kiang

SPRING
singapore
Enabling Enterprise

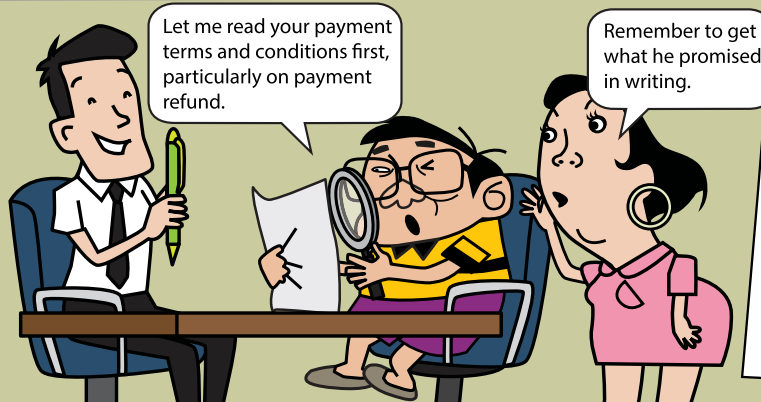


Woofy

Select a company with a good track record and well-trained staff.
Buy from CaseTrust accredited and reputable companies.



Read and understand the sales agreement before signing it.



Let me read your payment terms and conditions first, particularly on payment refund.

Remember to get what he promised in writing.

REMEMBER TO:

- Ensure the contract indicates all agreed warranty/service packages and car accessories
- Negotiate for the lowest amount of deposit to minimise your risk
- Check for terms requiring additional payments under certain circumstances

Ensure that an official receipt is given for all payments.



They have to record all payments of cash or cheque or PARF*/COE* rebate certificates.

*PARF: Preferential Additional Registration Fee Rebate
*COE: Certificate of Entitlement



To lodge a complaint, call CASE at **6100 0315** or visit their website at **www.case.org.sg**.

For more smart shopping tips, please visit www.spring.gov.sg/cpfta



Chargeback Protects

Credit Card Users Against Dispute Transactions

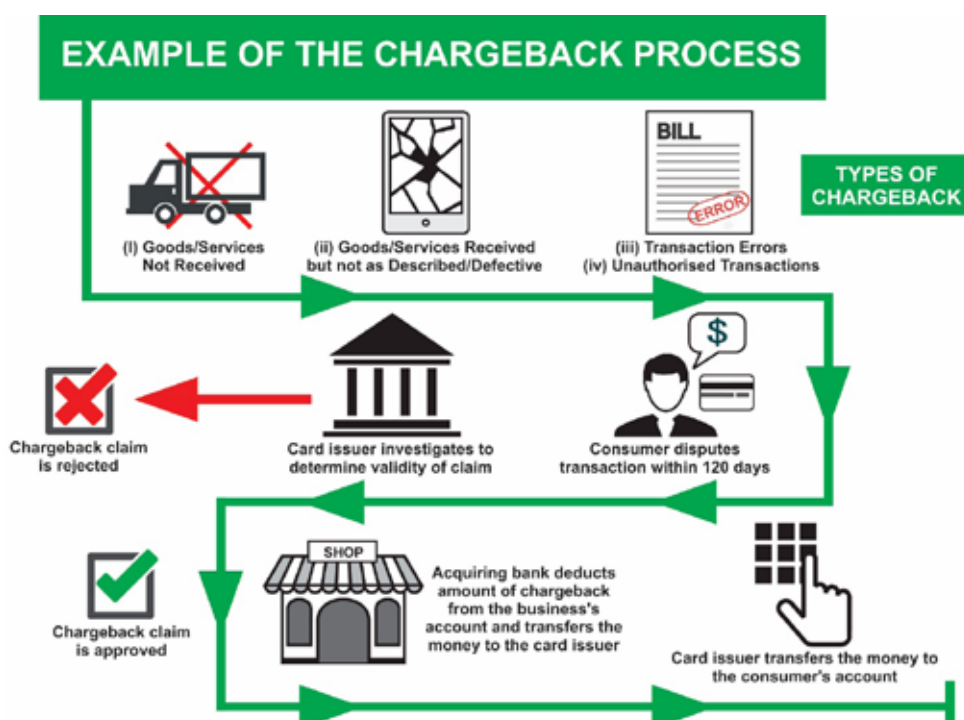
A review done by the Consumers Association of Singapore (CASE) on credit card industry practices found that chargeback protection is available for consumers' prepayment for non-delivery of goods and services in the event of business insolvency. However, there seems to be a lack of clear and specific directions for consumers on how to file a chargeback application on card issuers¹ websites. In view of this, CASE has compiled a basic chargeback guide for consumers based on the guidelines of major international credit card providers and local banks. The guide explains how consumers who pay by credit

cards can ask for a chargeback within 120 days of the date of transaction for non-delivery of goods and services; delivery of unfit goods and services; transaction errors and/or unauthorised transactions.

Prepayment refers to money paid in advance to a business (either in the form of the purchase price or a deposit) before completion of the service or delivery of the goods. The collection of prepayment is popular in many industries, notably in the purchase of beauty or travel packages, fitness club memberships, home renovation services, as well as big-ticket items such as cars, furniture, electrical and electronic goods. However, in the case of business insolvency, consumers, as unsecured creditors, have little chance to recover their prepayment.

As Singapore continues to push for a Smart Nation and the adoption of cashless payment systems, we can expect credit cards to continue to be one of the preferred payment methods. As such, we would like to highlight the chargeback mechanism for credit cards - an existing form of consumer protection which allows consumers to dispute a charge and reverse the transaction should a purchase goes awry.

Upon submission of the chargeback claim, the card issuer will investigate to determine if the claim is valid. If the card issuer determines that the chargeback is valid, the card issuer will proceed to initiate a chargeback with the acquiring bank². Consumers with disputes involving credit card transactions can visit their card issuer's website or contact their card issuer directly for more information on the chargeback procedure.



While most consumers may recover their prepayments by requesting for a chargeback, this option may not be available for those who purchased goods or services with their credit cards under instalment payment plans (IPP).



This is because the card issuer had already made full payment to the business on behalf of the consumer. Consumers are still liable to continue paying their instalments to the card issuer unless the business agrees to terminate the IPP and refund the bank.

¹ The bank that issue credit cards to consumers.

² The bank that processes credit card payments on behalf of a business.

CHARGEBACK GUIDE FOR CONSUMERS

CREDIT CARD USERS' RIGHTS FOR CHARGEBACK CLAIMS

	Types of chargeback	Description	Time limit to file dispute (from date of transaction)	Conditions	Supporting documents
Issues with Goods/Services	Goods/Services Not Received	<ul style="list-style-type: none"> - Consumer did not receive goods and services were not rendered 	120 days	<ul style="list-style-type: none"> - Consumer must first attempt to resolve with the business (and provide written correspondences) - Ensure that the specified delivery date or projected service delivery date has lapsed (one month waiting period if no delivery or transaction date) 	<ul style="list-style-type: none"> - Written correspondences of attempt(s) to resolve dispute with the business - Provide detailed description of goods or service - Provide date of delivery/ projected service delivery date - For partially utilised goods or services, provide documentation on the calculated unused amount - If applicable, provide documentation that the business is unable to provide goods/services (i.e. news article that the business has closed)
	Goods/Services Received or Rendered but Not as Described/ Defective/ Returned	<ul style="list-style-type: none"> - Goods or services did not match what was described on documentation at time of purchase - Merchandise was received damaged or defective - Quality of merchandise or services are in dispute - Merchandise was identified as counterfeit by owner of intellectual property, authorised representative, customs, law enforcement, governmental agency or neutral bona fide expert - Terms of sales were misrepresented by the business - Credit voucher issued for merchandise returned or service cancelled 	120 days	<ul style="list-style-type: none"> - Consumer must return the goods and attempt to resolve with the business 	<ul style="list-style-type: none"> - Written correspondences of attempt(s) to resolve dispute with the business - Provide detailed description of goods or service - Certification on authenticity of merchandise/service - Date and proof that merchandise/service had been returned or cancelled - For partially utilised goods or services, provide documentation on the calculated unused amount - Letter explaining the defects, damages and/or difference in quality - For goods/services returned or cancelled, business policy must permit return/cancellation and acknowledgement of returned goods/invoices with tracking number

	Types of chargeback	Description	Time limit to file dispute (from date of transaction)	Conditions	Supporting documents
Transaction Errors	Duplicate Processing	- The business entered the same transaction more than once and created two transaction receipts for the same purchase	120 days	- Duplicates must be for the same transaction amount, date and the business	- N.A.
	Paid by Other Means	- Consumer has paid for transaction by other means (i.e. cash, cheque or other cards)	120 days	- Consumer must first attempt to resolve with the business (and provide written documentation (i.e. email, phone calls, etc))	- Written documentation of attempt(s) to resolve dispute with the business - Proof of alternate payments made (i.e. receipts, other bank or card statements)
	Incorrect Transaction Amount, Currency or Account Number	- Transaction amount was processed using incorrect number or altered after transaction was completed without consent of consumer	120 days	- N.A.	- Documentation showing authorised amount, currency or account number
Unauthorised Transactions	Unauthorised/Unrecognised Transaction	- Consumer did not authorise the transaction in dispute (include multiple transactions wherein other transactions are validly authorised), authorisation was obtained after transaction date or the transaction arose from a lost/stolen credit card	120 days	<p><u>Lost/Stolen Credit Card</u> In Singapore, a consumer's liability for unauthorised credit card transactions incurred prior to reporting is capped at S\$100. However, the consumer must not have acted fraudulently, grossly negligent or failed to notify the bank promptly of the lost or stolen credit card.</p> <p><u>Cancelled Recurring Transaction</u> - Consumer must first attempt to resolve with the business (and provide written correspondences) - Cancellation must be made before the transaction charged</p>	<p>- N.A.</p> <p><u>Cancelled Recurring Transaction</u> - Written correspondences of attempt(s) to resolve dispute with the business - Documentation detailing prior cancellation was made and received by the business</p>

Disclaimer:

The following information is provided "as is". Consumers should note that the 'Types of Chargeback' above are not exhaustive and the requirements may vary depending on their card issuers and the requirements stipulated by the applicable credit card company. CASE does not warrant that the completion of the dispute form in the manner above would result in a successful dispute claim. Consumers may wish to approach their card issuer for more information.

Consumer Issues & Solutions



Dear CASE

I bought a second-hand car from a used car dealer a few months ago and paid \$15,000, inclusive of a one-year warranty. I noticed that the car did jerk during the test drive but was assured by the salesperson that there were no issues with the car. Recently, I noticed some abnormal noises coming from the car engine while driving. I sent the car for servicing and found out that there was a problem with the engine, ignition coil and spark plug. I was quoted \$700 for the repairs. When I informed the car dealer, I was rudely turned away. What should I do?

A

Dear A,

Under the Lemon Law, businesses are obliged to repair, replace, reduce the price or provide a refund for goods that are not of satisfactory quality, and this includes second-hand cars. Although second-hand cars are included, the term “satisfactory quality” would mean that consumers must take into account the age of the car at the time of delivery and the price paid. For further assistance, you may wish to call our hotline at 6100 0315, walk-in to our CASE office or submit an online complaint via our website.

We would like to advise consumers that sending the second-hand car for evaluation at a Professional Evaluation Centre before the purchase will help them to determine the quality and condition of the car at that point in time. This will help to identify inherent defects (if any) and allow consumers to make a more informed purchase decision.

We want to hear from you!

Have a story to share? Email it to editorial@case.org.sg (max. 200 words).



Dear CASE

I was quoted \$24,000 for the purchase of a second-hand car. I have since paid in full to the car dealer. Yesterday, I went to the carpark to retrieve my car but it was nowhere to be found. I later learnt that the car had been repossessed by a finance company. I am not able to get back the car as ownership of the car had not been transferred to me. To my horror, I realised that the car dealer had closed down recently and is no longer operating at their premises. I have made a police report and would like to lodge a report with CASE as well.

B

Dear B

The current registered owner or the person/company taking possession of the car must effect a transfer of vehicle registration within seven days of a sale or change in possession of the vehicle. Failure to do so is an offence under the Road Traffic Act. Consumers should request sellers to show proof that the transfer of vehicle registration has been completed.

Meanwhile, consumers should note that their options are limited when a business ceases operations. Under such circumstances, we encourage consumers to approach CASE for advice on the possible actions they can take, such as lodging a claim at the Small Claims Tribunal, filing a proof of debt in the event where a liquidator is appointed, etc. It is also helpful for affected consumers to have a record at CASE so that we can contact them when there are updates or new developments. Consumers should also lodge a police report if they suspect that fraud is involved.

We encourage consumers to patronise CaseTrust-SVTA accredited motoring businesses for greater assurance. The list of accredited business can be found at www.casetrust.org.sg.

Car Repair Scams

Finding a trusty mechanic can be tricky.

Motor vehicle repairers are among the types of professionals we like to deal with the least. Most mechanics are honest, but what's being done to clamp down on unscrupulous mechanics?

If it ain't broke...

A 2012 Western Australia (WA) court case gives a sense of the difficulties that car owners face. A service centre in the outer Perth suburb of Midland was fined \$3000 and ordered to pay \$2000 in court costs after it was found guilty of making false or misleading representations to a customer.

The customer had taken his car to be serviced at the garage and was told it required new brake pads and discs at a cost of \$798. Sensing something fishy, he declined to have the work done and lodged a complaint with Consumer Protection WA.

An independent inspection of the vehicle found the brake pads and discs didn't need to be replaced. The company was taken to court and fined, by which time it had gone into liquidation. It's just one example of how some practitioners in the motor vehicle service and repair industry contravene consumer law.

Some bad apples

The vast majority of vehicle repairers abide by strict ethical standards and take their responsibilities to their customers seriously. But some repairers may be taking advantage of their customers, over-charging them for parts that aren't needed or diagnosing faults that don't exist. These mechanics do little to help the reputation of what is otherwise an honourable trade.

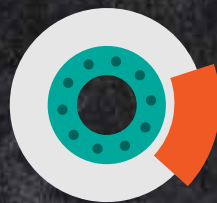
Over-servicing

It's difficult to quantify the extent to which over-servicing occurs as the phenomenon appears to be under-reported. Some consumers may not know they've been presented with an inflated quote for their car to be serviced or repaired, and pay without questioning it. Others suspect something's not right but feel bound to foot the bill, not realising their rights as a consumer are protected by the Law.

Statistics show that poor service is not uncommon. A spokesperson from New South Wales (NSW) Fair Trading confirmed the department had received 1,486 complaints over a nine-month period about vehicle repairs. The majority of the complaints were related to the quality of the work or raised concerns that the work was defective.

These complaints could be put down to shoddy workmanship on the part of the repairer. But over-servicing connotes something more malevolent – an intention to deceive for the purposes of unfair gain.





Choosing the right quote

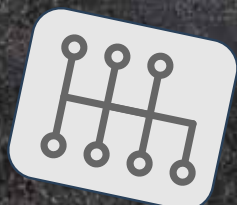
Consumers are cautioned against accepting the cheapest possible quote.

This point was supported by a motor mechanic we spoke to. He says repairers can arrive at a cut-price quote if the customer is prepared to have cheap – and often inferior – parts fitted to their vehicle. He advises to shop around for the best available quote, be guided by a mechanic's professionalism, and take heed of the recommendations of friends and family. Your gut instinct is rarely wrong, he says.

On a positive note, he says it doesn't make sense for repairers to treat customers badly because they rely on good word of mouth and repeat custom. While he concedes "over-servicing can and does happen, it's probably not as widespread as people think".

What to do if you think you've been had

Consumers may seek recourse if they feel they've been taken advantage of. Anyone who believes a repairer has acted in a dishonest or fraudulent manner can report the matter to the relevant consumer protection body in their state. Repairers can be fined, as the service centre in Midland was. And, in the case of a serious ethical breach, a vehicle repairer can have their licence suspended or cancelled.



How to avoid car repair rip-offs



Ask family, friends or work colleagues where they take their car to be serviced. If they're happy with the level of care offered to them by a particular vehicle repairer, it's likely you will be.



Don't be afraid to shop around. Ask repairers to provide indicative pricing for regular work such as brake-pad replacement and an hourly rate for labour. Comparing one repairer's standard rates with another's will help you make an informed decision.



Ask to be contacted before unplanned work is carried out, such as when faulty parts are revealed when vehicles are taken apart. You can also expect to have your car back within a reasonable timeframe, so ask to be contacted if additional time is needed to make the required repairs.



If you suspect your vehicle has a fault, **try to explain what you think the cause of the fault is.** If that means asking the mechanic to jump in the passenger seat to help identify the source of a rattle, so be it. If your vehicle is in need of a regular service, explain what service you think it requires. Your car's logbook should outline whether it is due for a specific kilometre service or a general service. If you don't have a logbook, ask the repairer to explain what is involved with each type of service and what kind of costs you might be up for. As a general rule, your vehicle should have a basic service (oil change, oil filter and safety check) every 5000km or six months, whichever comes first.



Always ask for an itemised bill and ensure it shows the cost of parts and labour. If a worn part has been removed from the vehicle, it is your right to ask to see it. If the repairer can't produce the part, you have grounds to suspect their integrity.



Knowing some of the basics of car mechanics will reduce your chances of being duped. If you're told you'll be getting a "reconditioned" part, this generally means good as new. Something that's been "serviced or overhauled", however, will have been repaired so as to make it serviceable.



Bear in mind a **strong regulatory framework** exists to protect the rights of all vehicle owners, and never hesitate to exercise your rights!



Rights and Dilemma of Car Buyers

Buying a car is not an easy decision to make as it is an asset which starts depreciating from the moment you take possession of it. Cars are just an alternative mode of transportation with some added luxury and convenience of travel. But in the Singapore context this is the second most valuable personal asset after property. In terms of the rights as an owner, there are no special rights except for the right to drive

for pleasure, work and fun with family and friends. However, the liabilities as an owner are limitless: starting from COE, to Registration, Road Tax, Insurance, Parking, Traffic Fines, Third Party Claims, Accidents, Incidents, Repair & Maintenance etcetera.

This article is limited to addressing the rights and challenges one may face as a buyer before acquisition of a car when dealing with sellers. Broadly speaking there are three categories of sellers: dealers of new

cars, professional traders for used or parallel imported cars and current owners. A buyer is faced with some common and some unique challenges when dealing with each type of a seller. The frequency of buying a car is not as regular as buying gold, jewelry or other expensive assets but could occur 3 to 6 times in the lifetime of an individual. In any case where shall a buyer begin when making a decision to buy a car? Is there any checklist of items to inspect? Are there any legal guidelines or standard contracts which can be adopted? These are some basic questions which if not adequately addressed before buying a car, can easily become a traumatic experience afterwards.

Rights of a Buyer

- ✓ There are no special rights under the laws; it is same as for any other transaction. Willing-Seller, Willing-Buyer doctrine applies.
- ✓ The rights and obligation of a buyer and seller are as stated in the Sales Purchase Agreement ("SPA"), which becomes a binding contract once executed by the buyer and the seller.
- ✓ Any disagreements, controversies or disputes arising out of or in connection with the SPA will have to be resolved according to the forum and procedure stipulated within the SPA or by the Courts.
- ✓ The buyer and the seller are free to negotiate the terms and conditions and reach a final agreement under the law.
- ✓ The seller is not expected to impose unilateral terms on the buyer under the pretext of some arbitrarily standard form of contract or seller's company policy. The buyer has a choice to accept or not to accept. This is the final right of a buyer before signing on the dotted lines and making a deposit payment.
- ✓ Do not be coerced by salespersons or agents into signing without reading. Understand each and every term of the SPA, and do read up on guidelines for buying a car at onemotoring.com.sg.
- ✓ A buyer should never sign a blank contract form without the seller's authorised representative's signature first. Remember agents or salespersons are generally not the authorised representatives of a seller's company for executing legally binding contracts.
- ✓ If in doubt about the SPA Form or ambiguous terms, consider buying from well-known dealers and companies accredited by CaseTrust. The CaseTrust accredited companies can be found on CaseTrust's website (www.casetrust.org.sg).



Myths and Exhortation about New Cars – A Dilemma Worth Considering

After the purchase of a first car, a person would have realised the difference between bitter facts and exhortations in the sales promotions leaflets or advertisements for new cars.

- ✓ **Warranty and Guarantee:** Identify the exclusions first before being impressed by 3 years or 5 years warranty. Free servicing should include all labor and parts, but some dealers may not include items like air-con filters, acoustics etcetera.
- ✓ **Fuel Consumption:** Almost all dealers boast about fuel efficient models but none gives the warranty of fuel consumption in the SPA. Not a single car has proven to be within the data advertised for fuel consumption, once on the road. Unlike in US and Europe, there is no precedent of a class-action in Asia against car manufacturers for failing to meet the advertised data.
- ✓ **Monthly Installments:** There is no better alternative to arranging your own finance from your preferred banks at the terms acceptable to you, with an option for redeeming early.

- ✓ **Insurance Cover:** The package deal including financing and insurance can never be in the best interest of the buyer as otherwise sales agent's commission will be marginalised. Keep the decision of buying a car separated from buying insurance and arranging a bank loan. There are no 3-in-1 ideal deals.

- ✓ **One-for-One Replacement Offer:** Some dealers promote such offers that during an accident or breakdown which requires repairs for a period of 7 to 15 days, a free replacement car will be provided. If you have ever exercised this option, did you check the terms of taking a replacement car? Well, one may be surprised that a replacement car is based on a rental agreement, free of rent, but with an excess of S\$3000/- or above for insurance. If an accident occurs during the use of the replacement car, whether a minor scratch or a dent, the user/hirer becomes liable to pay the minimum sum which could be much more than the taxi fare during that period. The best part is if you refuse one-for-one replacement offer, the insurance premium is reduced by S\$100 to S\$200. Try it out!

- ✓ **Exclusions in the Insurance Cover in a Package Deal:** The dealers would like to make the offers as comprehensive as possible for a buyer but that does not mean at a lower profit margin for the seller. Check out windshield excess in the insurance cover, solar film exclusion or declarations like leather seats etcetera, required with purchase of a new car and new insurance policy.

- ✓ **Prepayment Protection:** The thought of being insured for the prepayment made to the car dealer before delivery of vehicle may not be intuitive for a first time buyer, who is often mesmerized by the glitz and glamour of showrooms. In light of the sudden business closures involving car dealers, consumers are advised to patronise CaseTrust-SVTA accredited businesses, as an insurance bond is implemented to safeguard the prepayments made by the consumer. Visit CaseTrust website (https://www.casetrust.org.sg/prepayment_protection.aspx) for prepayment protection measures available to consumers.

Buying Pre-Owned (Used) Cars

Buyers beware!

Start with the concept in mind that all risks will be transferred to the buyer, including pending summons of Malaysian Traffic Police. The protection under Lemon Law does not take away the freedom to contract between a willing seller and a willing buyer. The protection under Lemon Law for pre-owned and used goods is dependent on the context, terms agreed and facts of each case.

- ✓ When planning to purchase a pre-owned car, buyers should consider using CASE's Standard and Functional Evaluation (SAFE) Checklist which helps to guide them through an in-depth inspection and professional evaluation of the pre-owned car before the sale is made.
- ✓ Unlike SPAs for new car purchase, pre-owned cars are normally transferred to the new buyer by means of a transfer form and registration at the Land Transport Authority.

- ✓ Buyers may wish to record the terms of purchase in writing and get it signed, in addition to the transfer form.
- ✓ As a safety precaution, it is advisable to buy through "CaseTrust – SVTA joint accredited motoring businesses" listed on the CaseTrust website.
- ✓ It is worthwhile to spend some time and money in getting a full professional inspection of the engine, mounting frame, wheels and undercarriage of a pre-owned car before making a deal.

Remember buying a car is for luxury and comfort, not for pains and strains on your savings or earnings!

Check out the latest news and developments at CaseTrust and One-Motoring websites to make an informed decision!



Consumer Protection Laws

By Bertrand Leong

In November 2014, a mobile phone shop owner in Sim Lim Square, Mr Jover Chew gained notoriety after a video of a Vietnamese tourist begging on his knees for a refund at his shop went viral over the Internet. The tourist was overcharged S\$550 for the purchase of a mobile phone. The case was investigated and Mr Chew was arrested and charged for the use of underhand sales tactics to cheat consumers of their money. The use of pressure sales tactics is classified as an unfair practice under the Consumer Protection (Fair Trading) Act (CPFTA).

Public outcry over the unethical sales tactics of Mr Jover Chew, together with other errant retail shops in Sim Lim Square resulted in many consumers boycotting the mall. Despite attempts by the mall management and the remaining tenants to clean up their act, consumers remained wary and foot traffic for the mall fell drastically over several months. Furthermore, the case was featured in many overseas media, negatively affecting the integrity and reputation of Singapore's tourism and retail industries.

CPFTA and the Lemon Law

Passed in parliament and enacted in March 2004, the CPFTA protects consumers against unfair practices defined under the Act. Some examples of unfair practices include misleading or false claims made by the retailer, taking advantage of a consumer who is not in a position to protect his/her own interests or understand the nature of the contract he/she is entering into, or the use of high pressure sales tactics on the consumer to coerce him/her into a transaction with the retailer. Consumers can seek recourse under the Act, but will be subjected to a two-year limitation period for action by the consumer and a S\$30,000 claim limit.

The Lemon Law was passed and enacted in September 2012, as part of the new amendments to the CPFTA which provided additional consumer rights in respect of goods that are of unsatisfactory standards or fail to conform to contract at the time of delivery (colloquially known as "lemons"). There is a two-stage recourse framework under the Lemon Law. Firstly, consumers can ask the retailer to replace or repair the product within a reasonable period of time or without significant inconvenience to the consumer. If the retailer is unable to do so, consumers can request for a price reduction for the product or return the product for a full refund.

Consumers Association of Singapore (CASE) Executive Director Mr Loy York Jiun says that the CPFTA benefits both consumers and businesses in the long run since consumers now have more options for fair recourse against an errant retailer, and businesses will work to improve their sales and customer service processes. “The Act helps to uplift professionalism in the retail industry by setting out clearly what is deemed to be unfair trade practices, and options for recourse and legal action. For example, the Lemon Law gives retailers the option to repair or replace the defective product instead of refunding the consumer immediately. This will also help to resolve disputes speedily and minimise arguments over the following course of action.”

Some organisations don’t set out to discriminate against or exploit vulnerable consumers but simply do not consider or know the most appropriate way of anticipating and meeting their needs. The CPFTA helps clarify what constitutes an unfair practice. By understanding and following the provisions of the CPFTA, businesses can meet consumers’ expectations of a fair transaction of goods and services. “An unfair practice is one which infringes upon the provisions in the CPFTA, whether or not there is clear or premeditated intention on the part of the retailer to do so,” says Mr Loy. “As such, if the consumer files a complaint of this nature with CASE, we will take up the issue with the retailer to seek a resolution. If there is however, an intention to cheat or commit fraud, we will refer the matter to the Police, and also advise consumers to make a police report as well. These are potentially criminal acts that could be punished through criminal proceedings.”

Under the provisions of the CPFTA, it is an unfair practice for a retailer, in relation to a consumer transaction

- a) to do or say anything, or omit to do or say anything, if as a result a consumer might reasonably be deceived or misled,
- b) to make a false claim, and
- c) to take advantage of a consumer if the supplier knows or ought reasonably to know that the consumer
 - is not in a position to protect his own interests; or
 - is not reasonably able to understand the character, nature, language, or effect of the transaction or any matter related to the transaction; or
- d) without limiting the generality of paragraphs (a), (b) and (c), to do anything specified in the Second Schedule.



“This basically means that a business ought to engage in fair and ethical transactions with consumers, or they may be liable for breach of the provisions of the CPFTA. A consumer who has entered a consumer transaction involving an unfair practice may commence an action in a court (including the Small Claims Tribunals) against the errant retailer. This will help to deter retailers from engaging in unfair practices, but instead, commit to fair and ethical business practices and implement proper dispute resolution systems,” says Mr Loy.

“The CPFTA implementation encourages consumers and businesses to act more responsibly and be accountable for their own actions. Businesses that adhere to and go beyond what is deemed to be minimally acceptable practices, will enjoy a better reputation in the market than those that don’t, which creates a positive impact on their sales and customer satisfaction levels. It will also give consumers greater confidence and peace of mind when shopping in Singapore as they can be assured that they are under the protection of the legislative framework.”

The CPFTA helps to identify best practices for businesses in terms of marketing goods and services. The Second Schedule of the CPFTA specifies 24 types of unfair practices that retailers must avoid.

For example, making false claims about the functionality or benefits of goods or services and misrepresenting goods or services to be of a particular quality or standard when they are not are unfair practices under the CPFTA. “The first could be a salesperson claiming that a vacuum cleaner could be used for wet or dry cleaning, but that particular model could only be used for dry cleaning. The second could be an educational centre that claims its lecturers are first-class university graduates from Australia but the consumer found out otherwise,” says Mr Loy.

Hence, by understanding the provisions of the CPFTA, businesses are able to implement fair practices in their transactions with consumers. The CPFTA also serves as a guide for employees to conduct themselves professionally and respectfully towards consumers during the sales transaction.

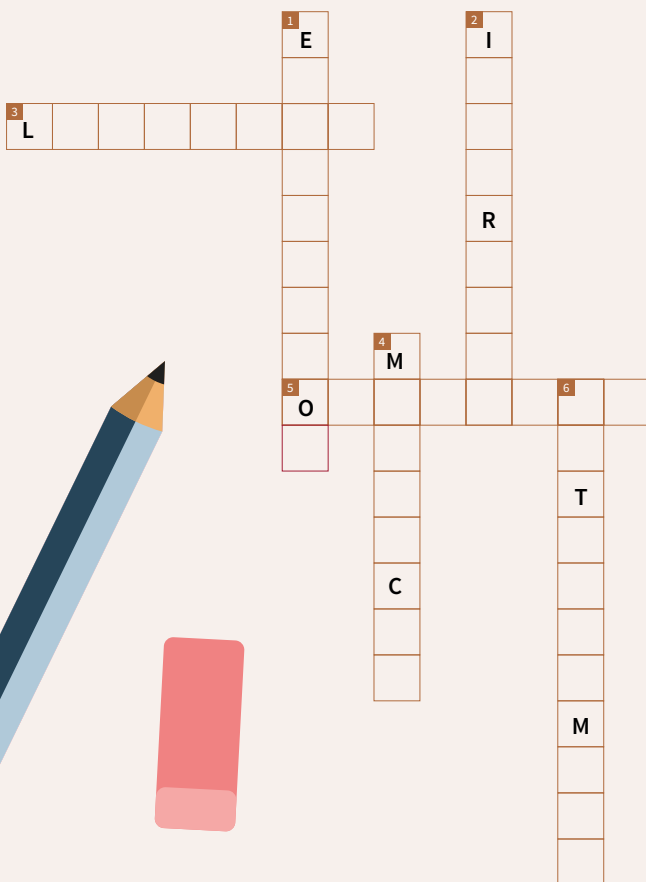


CASEPlay!

This puzzles for this issue of CASEPlay! are all related to cars. Happy solving!

Crossword

Complete the crossword with the hints below.
(Answers are provided at the bottom of this page)



DOWN

1. Consumers are advised to send the second-hand car for _____ before agreeing to the purchase.
2. Consumers are advised to buy motor _____ for protection against financial damages or losses that may arise from a motor accident.
4. A four-wheeled motor vehicle used for transportation.
6. A certificate of _____ represents a right to vehicle ownership.

ACROSS

3. A law that protects consumers from the purchase of defective cars.
5. An instrument for measuring the distance travelled by a motor vehicle.

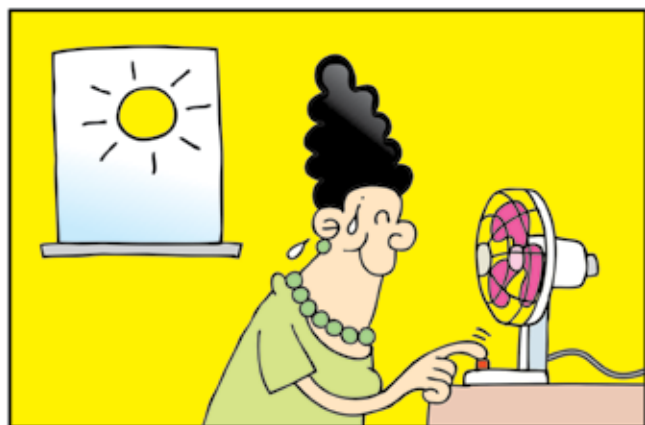
ANSWERS TO CROSSWORD
1. Evaluation
2. Insurance
3. Lemon Law
4. Motorcar
5. Odometer
6. Entitlement

Cryptogram

Solve the cryptogram! Each letter in the alphabet corresponds to a different number.
(Answers are provided at the bottom of this page)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
		20	6	21							5	17							25			9			

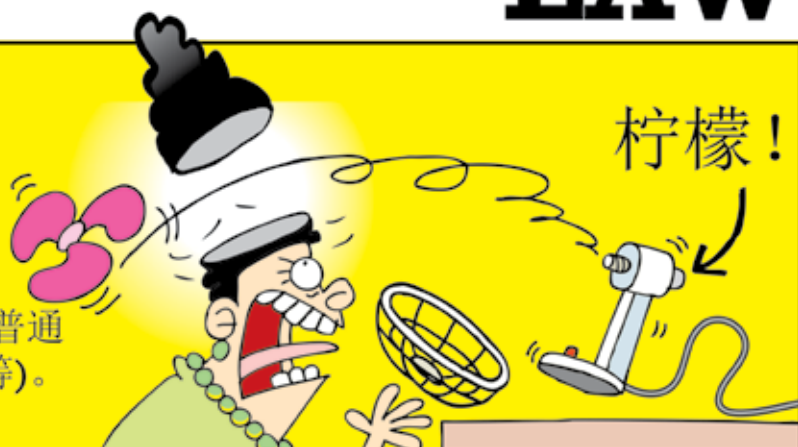
D			E		E			C	T		E			E			C		D				D			C										
6	21	24		21	20	25	16	23	21		10	21	C	D	3	12	6	15	4	12	6		20	4	19	10										
			E	C						E	E			D	D			E	T			E			L			E	M							
4	19	21			20	3	23	21	19	21	6	26	12	6	21	19		25	15	21		5	21	17	3	12										
L						W									D	E	D	T						T	E			D			E	E			C	T
5	4	9			1	19	3	23	16	6	21	6	25	15	4	25		25	15	21		6	21	24	21	20	25									
W						T			D			E			T			W			E				D			T			E					
9	4	10			12	3	25		6	26	21		25	3		9	21	4	19		4	12	6		25	21	4	19								



柠檬法 LEMON LAW

产品缺陷法(俗称“柠檬法”)是

- 保护消费者针对在货品交付时与合约不符、质量或性能不满意的产品采取行动维权的法律。
- 此类产品俗称“柠檬”。
- 柠檬法包含所有在新加坡购买的普通消费产品(例如文具, 电子产, 汽车等)。二手产品和车辆也涵盖在内。



柠檬法规定, 商家必须在合理时间内, 以尽量方便消费者的方式维修或更换有缺陷的产品; 如果无法完成, 则退还全款或部分款项。

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- 超过六个月期限的情况下, 消费者仍可以寻求赔偿, 但必须提供缺陷在交付当时已存在的证明。



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