

The Consumer

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President's Message



Dear Friends,

More Singapore consumers have taken to online shopping over the last few years, and this trend is expected to continue as consumers' buying habits evolve. According to Facebook and management consultancy Bain & Company, e-commerce sales in Singapore are expected to grow to US\$10 billion (S\$13.4 billion) by the end of 2026.

The growing number of online purchases can be partially attributed to the COVID-19 pandemic. COVID-19 health concerns and movement restrictions drove consumers to shop on retail websites and e-commerce platforms. As consumers grow more comfortable in using these platforms, the desire to shop online does not seem to be waning even as the pandemic eases off.

In this issue, we look at the rising popularity of e-commerce and social commerce, and illustrate how shopping on social media channels differs from shopping on e-commerce platforms. We also discuss some of the risks of buying products via digital live streams and chat groups, and provide some tips on how you can safeguard your interests.

In addition, we take a closer look at some of the e-commerce complaints which the Consumers Association of Singapore (CASE) has received over the past few years, and examine the causes of these complaints and how they can be prevented.

As more consumers transact on e-commerce and mobile platforms, unscrupulous sellers are also taking the opportunity to cheat unsuspecting consumers. The Ministry of Home Affairs (MHA) highlights common e-commerce scams which consumers are falling for, and advises how you can stay vigilant and protect yourself.

Finally, with the festive season just around the corner, the Competition and Consumer Commission of Singapore (CCCS) shares some useful tips on how you can shop safely and securely online while looking for that perfect gift for your family and friends.

I hope you enjoy reading this issue of The Consumer.

Melvin Yong

President

Consumers Association of Singapore

“

More Singapore consumers have taken to online shopping over the last few years. E-commerce sales in Singapore are expected to grow to US\$10 billion (S\$13.4 billion) by the end of 2026.

Can't Get Enough Of Social Commerce?

Beware Of These Five Risks

Gareth Yeo, Team Leader, Marketing and Communications Department

Gladys tunes in to an Instagram live session of an avid traveller, known to help Singaporeans purchase branded bags directly from boutique shops overseas. During the live streaming session, Gladys places an order in the “live comments” section, and pays the full amount for a branded bag by doing a direct bank transfer to the seller’s account.

Gladys is among the growing number of Singaporeans who have taken to social commerce in recent years. According to a study conducted by Taiwan-based artificial intelligence solutions firm iKala, online shopping through social media platforms jumped 29 per cent in the first half of 2021, compared with the same period in 2020¹. The study had surveyed 1,600 shoppers and more than 23,600 businesses in Singapore, Malaysia, the Philippines and Thailand in the first half of 2021.

In addition, the study found that 90 per cent of Singapore respondents preferred to shop via e-commerce platforms, followed by social media (73 per cent), retail websites (45 per cent), offline stores (43 per cent) and coupon websites (21 per cent).

What is social commerce?

Social commerce is the use of social media platforms to promote and sell products and services. It encourages and allows users to discover and buy products directly within the social media platforms. With social commerce, you might see a pair of limited-edition sneakers on your Instagram feed, hit “shop now”, add it to your shopping cart and complete the purchase within the app. Or you could spot a discounted pair of gaming headphone as you’re scrolling through TikTok, and click “Buy”. Once you are done with the purchase, you can continue to watch the TikTok video without missing a beat.

The growing popularity of social commerce among consumers can be partially attributed to the COVID-19 pandemic. As Singaporeans worked from home and avoided crowded shopping malls during the peak of the COVID-19 outbreak, more consumers took to purchasing products via e-commerce and social media platforms. In particular, social media platforms such as Facebook Live provided much needed entertainment and social interaction for consumers who felt isolated by COVID-19 restrictions.

Risks of social commerce

With all its convenience, buying products through social media channels do carry some risks that consumers need to be aware of. What are they?

¹ todayonline.com/singapore/watch-out-e-commerce-social-commerce-gaining-ground-singapore-and-other-southeast-asia



01

Tendency to buy things on impulse

For consumers, the experience of buying things from social media platforms differ somewhat from buying through e-commerce websites.

Consumers who are looking to buy products from retail websites or e-commerce platforms will usually compare prices among different merchants and look through the product description and user reviews before making a purchase.

When it comes to social media platforms such as live streaming, a celebrity or presenter will sell the benefits of the product to consumers. At times, the presenter will state that the product is a limited edition item, or on discount for a limited time, so as to urge consumers to make an immediate purchase. Such pressure sales tactics, combined with the subconscious influence of watching others snap up the items, creates additional pressure on consumers to make a purchase, as they do not want to miss out on a good deal.

Before splashing out on that designer T-shirt or non-stick frying pan, pause to ask yourself if you really need the item. The last thing you want is to buy the item and chuck it into the storeroom a few months later, after realising that you do not actually need the product.

02

Misuse of personal data

When you key in personal information during the transaction process, there is always a risk that the data may be used in the wrong way, or exposed on various online platforms.

For example, you come across a product that you want to buy within a Telegram group chat selling artisan chocolates. You indicate your interest to make a purchase and share your name, mobile number and delivery address in the chat group. By revealing your personal information to all the anonymous users in the chat, there is always a risk that the information will be mis-used in one way or another.

So the next time you wish to share private data, do ensure it is done through a secure and confidential manner.

03

Making prepayments to unverified sellers

You may have read a recent news report of a couple who went missing after allegedly failing to deliver \$32 million worth of luxury watches to consumers who placed their orders via a Telegram chat group².

As the barriers of entry are low, almost anyone with a laptop or mobile phone can start selling things on social media platforms. To avoid falling prey to scams, consumers need to be extra careful and do thorough research on the credibility and track record of the seller before parting with their money.

Consumers should also note that social media platforms do not verify or authenticate the identity of the seller. Hence, there is always a risk that after making advance payment for a product, you discover that the seller is committing fraud, and you end up not receiving the item.

Hence, before making a purchase, do your due diligence by finding out more about the identity and track record of the seller, and by reading customer reviews. It is always better to be safe than sorry.



To keep your credit card information secure, shop with e-commerce platforms or online merchants which offer Two-factor authentication (2FA) for online payment processing. 2FA also protects consumers against fraud by ensuring that only authorised cardholders can make payments.

² [straitstimes.com/singapore/courts-crime/interpol-alerted-as-couple-go-missing-after-allegedly-failing-to-deliver-32m-of-luxury-goods-180-police-reports-made](https://www.straitstimes.com/singapore/courts-crime/interpol-alerted-as-couple-go-missing-after-allegedly-failing-to-deliver-32m-of-luxury-goods-180-police-reports-made)

04

Difficulty in obtaining refunds

Social media platforms such as Facebook Marketplace and livestreaming, Telegram and WhatsApp do not offer a secure transaction platform or escrow service. Often, the only way for buyers to make payment for items is to do a direct transfer of funds from their own bank account to the seller's account.

If the product is undelivered or turns out to be defective, it is often challenging for consumers to get back their monies, especially if the seller becomes uncontactable.

In contrast, it is generally safer to purchase items from e-commerce platforms with prepayment protection. These platforms will hold on to buyers' monies and only release it to the seller once the buyer receives the product in good working condition.

05

Risk of buying fake or counterfeit products

The wide reach of popular social media platforms like Facebook, Instagram and TikTok have made them popular platforms for unscrupulous sellers to hawk fake or counterfeit products. This is especially so for branded items such as watches and handbags that costs anywhere from a few thousand to tens of thousands of dollars.

When consumers visit a branded boutique store, they are able to physically see and touch the product, and verify its authenticity through examining the authenticity labels and serial numbers within the bag.

However, it is much harder for a consumer to verify the authenticity of a brand name item when buying through a social media channel. They can only verify its authenticity after receiving the item. If they discover then that the item is counterfeit, it is challenging to seek recourse.

So the next time you decide to buy something from a social media channel, do take a step back and consider some of these risks before parting with your hardearned money.





The Consumer interviews Mr James CH Fong, Senior Lecturer and Lead, Tech Partnerships & Projects, Singapore Institute of Retail Studies, Nanyang Polytechnic, who shares his insights on social commerce.



Can you define social commerce in simple terms?

How does it differ from e-commerce?

Social commerce is basically the selling of products and services through social media platforms.

A key difference between social commerce and e-commerce is that the audience intent and purpose differ. For social commerce, since the main intent is to consume social media content, making purchases via the platform is a by-product of the process. For e-commerce, there is already a clear intent to make purchases and hence the audience's attention is focused on the products or services available.

This difference can also be seen in the way the audience communicates with the business. For e-commerce, buyers usually reach out to ask specific questions about the products and services. For social commerce, it is more engaging and interactive, with sellers initiating communication. To drive engagement, sellers can upload product postings which will appear on consumers' social media news feed – buyers can engage with this material by commenting and liking the post or even tagging their friends.

Why do you think more individuals/businesses are using social commerce to sell their products?

Social commerce is an expansion of available channels for businesses to offer their products and services. For brands with a large following on their social media pages, they could use the followers' brand trust and affinity to reach out to more consumers.

Why do you think more consumers are drawn to buying goods via social commerce (e.g. Livestreaming on FB/IG and e-commerce apps, sale of products via WhatsApp/Telegram)?

Social marketers use the phenomena of social proof – basically when someone says the product is good, it can drive the desire to buy, try or engender the fear of missing out (or FOMO). This is a deep sense that others

are experiencing better things than they are, seeing products and services offered in their social media feeds could increase the desire to make those purchases.

Hence, influencer marketing is another driver for social commerce, and this is especially evident in livestreaming sessions.

In a 2022 report by Stackla, 79 per cent of respondents stated that user generated content (UGC) highly impacts their purchasing decisions. Celebrities endorsing a brand on their social media platforms help to establish brand loyalty and allow consumers to grow a community – by opening conversations between brands and consumers. Some examples include Kourtney Kardashian promoting Manuka Doctor, Beyoncé for Pepsi and David Beckham for Adidas. Additionally, user reviews on platforms such as TripAdvisor and HungryGoWhere influence purchasing decisions.

What are some of the risks of buying products through social commerce platforms?

Consumers may make purchases based on impulse and later regret their decisions. This may result in higher requests for returns of goods sold for businesses that are selling through social media platforms. Many social commerce sellers also currently adopt a "no return policy" and this implies higher risks undertaken by the consumer.

Unlike e-commerce platforms, social commerce is not fully regulated. For example, when you buy something on Facebook, payment is usually made to the seller directly. For e-commerce, the platform acts as an intermediary – your payment will be withheld from the seller until he fulfils your order and you have certified that purchases have been received.

Overall, social commerce may be deemed as less trustworthy, as the requirement to setup shop is less rigorous than that of e-commerce. For example, as part of the process to set up shop on platforms such as Shopee and Lazada, there are checks on Accounting and



Corporate Regulatory Authority (ACRA) and importation certificates, setting up payment gateways, etc.

Regarding the risks, what can businesses do to reassure consumers buying through social commerce channels? How can consumers better protect their interests when buying via social commerce channels?

As social commerce platforms traditionally are not well regulated, businesses need to establish their credibility and do their best to ensure that the audience is given correct information about their businesses, and goods and services. For example, to complement its social commerce channel, a business may also set up a shopfront on an established e-commerce platform and drive new consumers to the e-commerce platform to complete their purchase, thereby enhancing trust.

Consumers should perform background checks on the business to ensure that it is authentic and trustworthy – especially when buying from relatively new sellers.

Live streaming and social commerce became more popular among Singaporeans during the COVID-19 pandemic. Do you think this trend is set to continue? How do you see the growth of social commerce in Singapore?

Live streaming saw an upward trajectory over the last two years as sellers could no longer solely rely on foot traffic. According to a report published by artificial intelligence company iKala, more Southeast Asian consumers preferred social commerce compared over traditional retail³.

Looking at the growth of TikTok users in Singapore which grew by 187 per cent from Q2 2019 to Q2 2020, alongside Instagram's response in creating Instagram reels, this shows that live streaming is here to stay⁴.

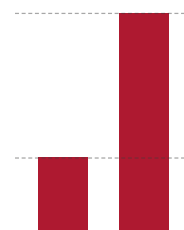
What are some of the new trends in social commerce?

In Singapore, we will continue to see more video content in social commerce as the adoption of 5G networks increases.

TikTok Shop is also changing the way sellers and buyers engage on social platforms, which is somewhat like traditional e-commerce platforms. TikTok Shop now acts as an intermediary between buyers and sellers, adding a layer of protection for both parties – this is a good development.

In addition, merchants will also leverage new platforms like the metaverse and virtual reality to engage consumers and sell their products and services.

187%
**TikTok user growth
in Singapore from
Q2 2019 to Q2 2020**



³ martechasia.net/features/will-social-commerce-overtake-e-commerce-in-apac ⁴ channelnewsasia.com/singapore/tiktok-facebook-covid-pandemic-social-media-big-read-2878506

E-COMMERCE COMPLAINTS:

Temporary Trouble Or Permanent Problem?



An analysis of what consumers are complaining about

Kow Xue Li, Zhao Siqi, Consumer Relations Department

Before COVID-19, e-commerce was already a growing trend. When the pandemic swept across the world in early 2020, health concerns and safe management measures and restrictions forced consumers to shop online, and this accelerated the growth of e-commerce.

According to a study conducted by global financial services company Visa⁵, e-commerce shopping activities have risen significantly since the pandemic, with 74% of consumers making purchases online more frequently, driven by COVID-19 movement restrictions.

The same study found that one in five Singaporean consumers expect to continue shopping at large online marketplaces after the pandemic ends.

Clearly, the COVID-19 pandemic has created a permanent shift in consumers' shopping habits. Many consumers now prefer to shop online due to the convenience and lower cost of products.

⁵ sbr.com.sg/retail/news/online-shopping-surged-amidst-covid-19-study

E-commerce disputes spiked during COVID-19 outbreak

However, things are not always rosy and fuss-free when it comes to online shopping. There are instances when online transactions can lead to disputes. This happened quite frequently during the height of the COVID-19 restrictions from January 2020 to June 2022.

CASE received 1,703 e-commerce related complaints in 2019. The number of e-commerce complaints rose significantly during COVID-19, reaching a high of 4,366 complaints at the end of 2020. In 2021, the number of e-commerce complaints came down to 2,206 as COVID-19 restrictions eased.



Given the surge in e-commerce complaints from 2019 to 2020 which coincided with the COVID-19 pandemic, one may wonder if the spike in e-commerce complaints is temporary and transitional due to the sudden impact of COVID-19 on global supply chain and logistics, or the complaints are due to the nature of e-commerce transactions, which is a permanent problem.

To answer this question, it is worthwhile to look deeper into three sectors with the highest growth in online complaints between 2019 and 2021: travel, electrical and electronics, and furniture..

Improving dispute resolution processes

The tremendous growth in travel-related complaints can be attributed to the outbreak of the COVID-19 pandemic in early 2020, which caused many flights and travel plans to be cancelled or postponed indefinitely.

As many of the travel bookings were made via online travel portals, many consumers had difficulty contacting the help desk to cancel or reschedule their flights due to the overwhelming number of requests during the early stages of the COVID-19 outbreak. Also, the majority of online travel agents did not have physical offices, and many consumers were left frustrated when they could not contact the agent through phone, email and online chat to seek refunds. Consumers cited difficulty in getting refunds due to merchants being slow to respond, sometimes taking up months just to update consumers that their refund was still being processed.

As businesses move fully to an online only operating model, they need to ensure that they are able to provide a satisfactory level of customer service through various digital communication channels. If they are unable to handle consumers' disputes in a timely and efficient manner, the number of consumer complaints against online businesses will continue to remain high.



However, if they are able to improve their customer service standards and complaint handling procedures, more consumers will have peace of mind when making online purchases.



Catering for surges in purchases

COVID-19 restrictions and subsequent work from home policies resulted in consumers spending more time at home. As a result, there was a higher interest in home electrical products, and more consumers chose to purchase these products online.



To cope with the surge in online orders, many retailers outsourced their deliveries to third party couriers. However, by outsourcing the deliveries, merchants were unable to effectively track the status of their customers' orders. As a result, CASE received many complaints relating to partial deliveries, delayed or missing deliveries, and the wrong items being delivered. What made the situation worse was that sellers could not reply promptly to customers' enquiries on their orders.

The number of complaints received against electrical and electronic products increased by almost two-fold from 2019 to 2021.

In recent years, major e-commerce platforms have been increasing the number of monthly sales events. Monthly sales events such as 9.9, 10.10 and 11.11 have led to an increased volume of e-commerce deliveries as more consumers make purchases during these events. Unless e-commerce platforms can accommodate seasonal surges and cater for surplus capacity, as well as strengthen their logistical processes and exercise greater oversight over third-party couriers, delivery-related complaints are likely to continue.



**Monthly sales events
lead to increased volume
of e-commerce deliveries**



Leveraging technology

During the COVID-19 lockdown, consumers were unable to visit brick-and-mortar stores to buy furniture, so many decided to shop online. While online listings generally provide product specifications, consumers may not be able to accurately gauge the material and actual size of the furniture just by reading the specifications. The mismatch between perception and reality on the consumer's end often results in disputes after the furniture is delivered. The number of complaints regarding online furniture purchases more than doubled from 2019 to 2022.

One way which we can lessen disputes is by leveraging technology. The use of augmented reality (AR) by some furniture retailers has allowed brands to offer unique and immersive digital experience and engage consumers in a memorable way. It also enables consumers to feel like they are in a physical store. For instance, Ikea has launched an AR app called Ikea Place which allows users to place virtual furniture in a room, so consumers can have an idea of how the new furniture will fit in their home.

With consumers getting more familiar and tech savvy, AR can assist consumers to make better informed decisions, thus lessening the likelihood of post purchase disputes.

Temporary trouble or permanent problem?

With or without COVID-19, e-commerce is here to stay. According to the Straits Times article, "E-commerce sales in Singapore are expected to reach \$19.6b by 2027, despite slower growth this year", Singaporean consumers spent more per transaction in 2021, with the online basket size increasing to US\$131 in 2022 from US\$119 in 2021. The Sync South-east Asia study, conducted in June 2022, was based on a survey of about 16,000 digital consumers across six countries in the region, including Singapore⁶.

Whether e-commerce complaints are temporary or permanent would depend on how well businesses adjust to consumers' expectations, how much they improve dispute resolution procedures, and how quickly they can ramp up to cater for surges in demand during peak periods.

If businesses can improve in the above areas, the rise in consumer complaints are likely to be transitional. But if businesses fail to adapt and adjust, consumer complaints are unlikely to go away anytime soon.

2021		2022
US\$191	→	US\$131
per transaction		per transaction

⁶ [straitstimes.com/business/e-commerce-sales-in-singapore-expected-to-reach-196b-by-2027-despite-slower-growth-this-year](https://www.straitstimes.com/business/e-commerce-sales-in-singapore-expected-to-reach-196b-by-2027-despite-slower-growth-this-year)



\$19.6B
expected growth in
e-commerce sales in
Singapore by 2027

In A Nutshell

5 Tips On Engaging A RENOVATION CONTRACTOR



Engage a
CaseTrust accredited
renovation contractor
for peace of mind



Insist on a written
CaseTrust Standard
Renovation Contract
with clear deliverables
and timelines



Refrain from
making large sums
of **prepayments**
upfront



Make payments
progressively as each
stage of the renovation
work is completed



Ensure outstanding
defects are rectified
before making
full payment

Beware Of Tactics By Fraudulent “Direct Selling” Companies

Dr Dora Han, Chairman, Direct Selling Association of Singapore

The COVID-19 pandemic has resulted in consumers spending more time on their laptops and mobile phones. As people spend more time online and on their digital devices, fraudulent “direct selling” companies are coming up with new ways to target unsuspecting consumers. It is not uncommon these days to receive unsolicited marketing calls and SMSes from unknown sources.

To avoid falling prey to such unscrupulous companies, look out for these six signs.

01

Offering free gifts

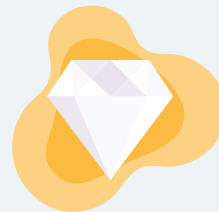
Some companies would offer free gifts in exchange for the right of their salesperson to visit your home to sell a product or market a service. As the saying goes, “There is no such thing as a free lunch.” Such visits usually involve hard selling of products or services, so if you are not that keen on the product, firmly turn down the free gift.



02

Using fake prizes and celebrity endorsements

Another tactic used by such companies is to send fake notices to inform consumers that they have won a lucky draw prize. Their real intention is to obtain personal information which may be used for illegitimate activities. These companies may also resort to using well-known politicians or celebrities to endorse their products, so as to boost their credibility and gain consumers’ trust. Always double check the claims to ensure you don’t unwittingly fall for such tactics.



03

Making false or exaggerated claims on the product's efficacy



Some companies will try to exaggerate the efficacy of their products to entice consumers to make an immediate purchase. Examples of misleading claims include the ability of a health product or supplement to treat cancer, or that the product is made with valuable raw materials like placenta or stem cells that can cure all diseases. Such claims will lend justification to the product's high selling price. Hence, it is vital that we thoroughly check the credibility and track record of the company before making a purchase. One way is to research the company's background and read past customer reviews.

04

Using pressure sales



Salespeople from unethical companies often resort to using pressure sales when going door to door to make sales. Consumers should be aware of such tactics and not give in to pressure sales, as it can become difficult to obtain a refund should we regret our purchase later on.

05

Not allowing exchanges or refunds



Reputable direct selling companies allow customers to repair or replace defective products within a certain time period. In addition, under the Consumer Protection (Fair Trading) [Cancellation of Contracts] Regulations 2009, consumers are allowed to cancel a direct sales (door-to-door) contract within five days [excludes Saturdays, Sundays and Public Holidays] after the date of the contract. By contrast, dubious companies typically do not allow customers to exchange or return goods once sold. Before placing an order, always check the company's exchange and refund policy. Be careful about making a purchase if they do not have a clear exchange and refund policy.

06

Unethical business practices



There are some dubious companies which do not promote any products or they only promote a single high price product. High quality products are usually the core focus of reputable companies, but this is often not the case for fraudulent companies. In addition, such companies usually require consumers to buy a certain value of products (at least a few thousand dollars worth) or pay a hefty membership fee.

Some fraudulent direct selling companies call themselves multilevel marketing companies. Instead of selling goods or services, they make money by recruiting people, and they offer income only for those who recruit a certain number of new members. This kind of business model is considered pyramid selling. Other companies would resort to tactics like displaying cheques, income amounts or luxury cars to create a false impression that anyone who invest money in their products can make money easily. These fraudulent companies would usually ask people to invest a certain sum and promise high returns.

In addition, there are fraudulent direct selling companies which claim to be legitimate direct selling companies or corporate members of Direct Selling Association of Singapore (DSAS) when they are not. These companies would leverage on their legitimacy and try to justify their products and business practices.

How to authenticate a direct selling firm

You can visit dsas.org.sg to check whether the company is a DSAS corporate member. As DSAS members are strictly regulated and supervised, they are all trustworthy direct-selling companies.

Consumer Happenings

Sheng Siong adds all house brand products on Price Kaki

On 1 July 2022, CASE signed a Memorandum of Understanding (MOU) with Sheng Siong Supermarket to list all Sheng Siong house brand grocery products on Price Kaki. Through this collaboration, more than 950 Sheng Siong house brand products are available on Price Kaki for consumers to compare amidst concerns over inflationary pressures and cost of living issues.



From left: Mr Lim Hock Chee, Chief Executive Officer, Sheng Siong and Mr Melvin Yong, President, CASE

CASE extends consumer dispute resolution services to over one million NTUC members

On 1 July 2022, the National Trades Union Congress (NTUC) and CASE signed an MOU to enable over one million NTUC members to utilise CASE's dispute resolution services free of charge. Under the terms of the MOU, all NTUC members will enjoy a fee waiver on membership and administrative charges for CASE's dispute resolution services, which include the handling and negotiation of contractual disputes on their behalf.



From left: Mr Steve Tan, Director of Membership Services Division, NTUC, Mr Melvin Yong, President, CASE and Assistant Secretary-General, NTUC and Ms Lee Siow Hwee, Executive Director, CASE



NTUC FairPrice presented with CaseTrust Gold

On 17 August, Mr Melvin Yong, President, CASE made a special visit to NTUC FairPrice's store at Kallang Wave Mall to present them with the CaseTrust Gold award for their superior service quality and business excellence. As a social enterprise, the supermarket chain has implemented several initiatives and policies to promote consumer confidence, freshness and quality of produce, and sustainability.



Mr Melvin Yong, President, CASE (third from right) presenting the CaseTrust Gold award to Ms Elaine Heng, Chief Executive Officer, FairPrice Group's Retail Business (third from left)

Chang Cheng adds cooked food and beverage offerings onto Price Kaki

On 22 August 2022, CASE signed an MOU with Chang Cheng to add more than 900 items sold in 23 of Chang Cheng's coffee shops and foodcourts onto Price Kaki. The collaboration with Chang Cheng kick-starts CASE's drive to expand Price Kaki's coverage of cooked food items beyond the hawker centres, and helps consumers make better informed purchasing decisions.



Ms Low Yen Ling, Minister of State, Ministry of Trade and Industry looking on as Mr Melvin Yong, President, CASE shares about Price Kaki with a stall operator



Consumer Issues & Solutions

Dear CASE,

I purchased a toilet bowl but later realised that the **item was defective**. Upon washing, a portion of the ceramic started peeling off. When I contacted the company and requested for an exchange, they informed me that the defect is not covered under warranty. I have used the toilet bowl for less than three months only. What should I do?

Ms Wong

Dear Ms Wong,

Under Part III of the Consumer Protection (Fair Trading) Act (CPFTA), colloquially known as the Lemon Law, **a consumer can make a claim for a defective product sold to him or her within six months of delivery**. You may first request for repair or replacement. If repair or replacement is not possible, you may request for a refund or a reduction of the price of the defective product. When purchasing goods from retailers, consumers are advised to check their track record by **reading past customer reviews of their products and services**.

If you require further assistance, you may approach CASE.

Dear CASE,

I visited a hair salon to redeem a \$2 haircut. The hairdresser cut the hair of one side of my head, before washing my hair. He then started to hard-sell hair and scalp treatments. I rejected the offers and informed that I only needed a haircut. Without my consent, he applied some gel on my head, placed a steamer over it and left the room. He returned after 10 minutes and continued to **pressure me to buy the treatments**. After he was unable to convince me, he demanded payment for the treatment he had done. Since I did not sign any treatment package, he charged me \$598 for the treatment which was done without my consent.

Later, I went back to the hair salon to request for a full cash refund. I was given a partial refund in cash, and the rest in vouchers. What can I do to get back a full cash refund?

Josephine

Dear Josephine,

Under the Consumer Protection (Fair Trading) Act (CPFTA), it is an **unfair practice for a supplier to make false or misleading claims, and to exert undue pressure or influence on a consumer to enter into a transaction**. It is also an unfair practice to assert the right to payment for providing unsolicited goods or services. Consumers are advised to say "no" and walk away if they encounter aggressive pressure sale tactics.

If you require further assistance, you may approach CASE.

We want to hear from you!

Have a story to share?

Email it to editorial@case.org.sg

[max. 200 words]



Transacting Safely with Standards

ANTI-SCAM UPDATES TO TR 76

Enterprise Singapore



Pre-purchase

- Implement appropriate monitoring and screening policies/procedures to ensure authentic customer transaction reviews



Customer support

- Enact mechanisms in-house or through a third-party service provider to resolve transaction disputes



Purchase

- Provide customers with e-payment solutions that are commonly accepted, easy to use and secure



Merchant verification (for e-marketplaces)

- Conduct due diligence and verification on merchants to ensure merchant authenticity
- Retain merchant identifiers and transaction records (where relevant and available) for at least two years



Post-purchase

- Adopt payment protection mechanisms to help customers avoid losses in disputes or when orders are unfulfilled
- Reschedule/reconsider the self-collection transaction if unable to verify the recipient



These guidelines are not exhaustive. For more guidance on safe transactions, scan the QR code to view TR 76 for free.



Learn more about standards at enterprisesg.gov.sg/standards

Singapore Standards Council

Enterprise Singapore

Getting To Know The E-COMMERCE MARKETPLACE TRANSACTION SAFETY RATINGS

Ministry of Home Affairs

	NO. OF REPORTS	AMOUNT LOST
2017	1,907	\$1.3M
2018	2,161	\$1.9M
2019	2,816	\$2.3M
2020	3,359	\$7.1M
2021	2,707	\$5.9M

▲ 40% ▲ 4x

E-commerce scams have consistently been the top three scam types in Singapore. Over the past five years, the number of reported cases has increased by more than 40%, with reported losses increasing by close to four-fold.

E-commerce scams typically involve culprits posing as sellers of items online, and cheating victims by failing to deliver the goods and services purchased after victims have paid for them. Instead of using the in-platform payment options which have buyer protection built-in, victims are directed by the scammers to take communications off the platform, and asked to make advance payment or direct bank transfers before the goods would be delivered.

Some common examples of e-commerce scams include:

HOTEL ROOM BOOKING

Scammers post staycation or hotel room booking deals on e-commerce platforms. After transferring monies to the scammers, victims discover that they do not actually have a genuine hotel booking.

FAKE CONCERT TICKET

Scammers post concert ticket deals on e-commerce or messaging platforms. Scammers would also claim that ticket sales are time-sensitive or limited, to pressure victims to make payment. Victims would either fail to receive the tickets, or find out that the tickets are invalid on the day of the concert.

PROPERTY RENTAL

Scammers post fake property listings on e-commerce or messaging platforms, pretending to be property agents. Scammers then contact victims using spoofed numbers, and ask victims for deposits to secure appointments to view the properties. Once the deposit monies are transferred, the scammers cease contact with the victim.

ELECTRONICS/GAME-RELATED ITEMS

Scammers post advertisements on electrical items or game-related items on e-commerce platforms. Victims would fail to receive the items after transferring monies to the scammers.

Enforcement against such scams is extremely challenging. The scammers are well-resourced, and adept at using technology to cover their tracks.

How consumers can play their part

The first line of defence has to be a vigilant and discerning public. The authorities cannot detect and stop every scam attempt. Members of the public can protect themselves by practising healthy skepticism. They can take steps to verify the legitimacy of online sellers, such as by checking the seller's track record, reliability and reviews before making payment. If a deal appears too good to be true, it could be a scam.

The public can also make use of in-platform secure payment options or escrow payment options when transacting online where available. If this is not possible, buyers may wish to opt for in-person transactions, and make payment only after receiving the items in-person.

Enforcement against such scams is extremely challenging. The scammers are well-resourced, and adept at using technology to cover their tracks.

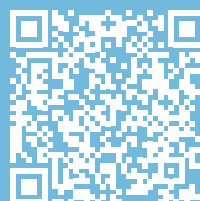


E-commerce Marketplace Transaction Safety Ratings (TSR)

Launched by the Ministry of Home Affairs (MHA) in May 2022, the E-commerce Marketplace Transaction Safety Ratings (TSR) informs consumers on the transaction safety of different e-commerce marketplaces, based on the range of anti-scam measures they have in place. The TSR covers e-commerce marketplaces with a significant local reach or a significant number of e-commerce scams reported. For the inaugural TSR Report, six e-commerce marketplaces were assessed – Amazon, Lazada, Qoo10, Shopee, Carousell, and Facebook Marketplace.

In the TSR, marketplaces are assigned an overall safety rating, which indicates the extent to which they have implemented anti-scam measures that ensure (a) user authenticity, (b) transaction safety, (c) availability of loss remediation channels for consumers, as well as (d) the effectiveness of their anti-scam measures. These measures have been identified as safety features which are critical in combating e-commerce scams. The ratings range from one to four ticks, with four ticks being the best rating.

Consumers can also refer to the TSR Report for advisories on safety features to look out for, and specific features provided by each e-commerce marketplace. Through the TSR, the government aims to raise consumer awareness on features that keep e-commerce transactions safe and encourage the use of safety features and good practices when transacting online.



The TSR is hosted on MHA's website, and can be found at mha.gov.sg/what-we-do/e-commerce-market-transaction-safety-ratings.

Overall Platform Rating

Platform	Rating
Amazon, Lazada, Qoo10	✓ ✓ ✓ ✓ *
Shopee	✓ ✓ ✓
Carousell	✓ ✓
Facebook	✓

* Platforms with all the critical anti-scam measures in place will be awarded four ticks.

Overview of Criteria Considered in Platform Rating

- ✓ Improving seller authenticity
- ✓ Improving transaction safety
- ✓ Enhancing loss remediation experience for consumers
- ✓ Effectiveness of anti-scam efforts

Figure 1:
Overall Platform Rating

What Should You Do When Transacting Online?



Transact with sellers whose identities are verified by the marketplaces.



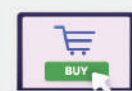
Utilise in-platform secure payment solutions, where available.



Check the reviews of the seller before making direct payment.



Report all unfulfilled transactions, disputes, suspicious listings and errant sellers promptly, via the marketplaces.



Protect yourself by keeping transactions within the platform.



Figure 2:
Safety features to look out for when transacting online

Staying Safe While Shopping Online For Health Products

Health Sciences Authority

The Internet has become a very popular avenue for purchasing many things, including health products such as those for weight management, pain relief, male vitality enhancement, skin whitening and those related to COVID-19.

These products are easily available through various online platforms such as e-commerce websites, social media and online pharmacies. However, consumers need to be aware of the potential risks such as false or misleading claims, fake products, unsafe products, and poorly manufactured or poor quality products. The risk is greater when you are buying products from dubious online sources.

Play it safe, don't purchase from unknown or dubious sources

Don't buy from online sellers that you are unfamiliar with, or sellers who cannot prove that their products come from established manufacturers or suppliers. Such products have a higher chance of being contaminated with hidden or harmful ingredients, or fake or sub-standard ingredients, which can harm your health.

As much as possible, buy from reputable retailers with an established presence in Singapore.

“

The Internet has become a very popular avenue for purchasing many things, including health products.

Risks of buying health products from unknown or dubious online sources

You may be buying health products that contain dangerous ingredients.

As part of market surveillance, the Health Sciences Authority (HSA) regularly samples and tests health products sold in Singapore. Some of these products contain undeclared synthetic medicinal ingredients or banned substances that can be harmful. There have been cases where consumers have suffered serious adverse effects or even died after consuming health products purchased from dubious sources due to undeclared potent medicinal ingredients in these products.

You may be buying health products that have not been assessed for safety or approved for use in Singapore.

Even if the packaging and contents look similar to the one you have been purchasing, there is a chance that they may be counterfeit products. This means that the health product may be of different strengths or concentration, or may not contain the necessary active ingredient at all or contain a wrong ingredient.

Little is known about the seller, and where or how the product is manufactured.

Health products bought online from unknown sources are often supplied by dubious sellers. These products may have been manufactured under poor quality control or unhygienic conditions, resulting in product quality lapses such as contamination with microorganisms or excessive heavy metals. There is also no way of keeping track of these online dealers, or contacting them if problems arise.



Case Study: BB Body

In 2019, a woman in her 50s experienced an extremely fast heart rate and became unconscious after taking 'BB Body' which was marketed on Instagram. HSA tested the product and detected sibutramine, a prescription-only weight loss medicine that has been banned since 2010 due to an increased risk of heart attacks and strokes. While the woman was successfully resuscitated, she has suffered lifelong debilitating consequences, including requiring the implantation of a defibrillator to help her heart to function. Examples of other serious adverse effects experienced by consumers who took products that were adulterated with sibutramine include nausea, dizziness, insomnia, hallucinations and suicidal thoughts.



Case Study: X-Gout

A woman in her 40s developed Cushing's syndrome, a life-threatening steroid-induced condition after taking 'X-Gout' for one year for her knee pain. The product was purchased via an overseas e-commerce platform. The woman gained 22 kilograms over a few months, experienced shortness of breath and swelling of the lower limb. Her doctor diagnosed her with diabetes. HSA tested the product and detected four medicinal ingredients - dexamethasone (a steroid), indomethacin and piroxicam (non-steroidal anti-inflammatory drugs), and paracetamol (an antipyretic). Long-term unsupervised use of steroids such as dexamethasone can cause increased blood glucose levels (which may lead to diabetes), Cushing's syndrome (characterised by a round or 'moon face' appearance, and upper body obesity with thin limbs), and other serious adverse effects.

Buyers Beware

To minimise your risks when buying health products online, remember the A-B-C-D steps to check that you are not endangering your health:

- A** **Avoid making purchases from suspicious sources.** Find out who you are buying from and what you are buying. As a general guideline, buy from reputable sources such as a pharmacy or established retail store/chain. When purchasing from e-commerce platforms or over the internet, buy from businesses with an established retail presence. If you buy from unfamiliar or dubious sellers, you might not be able to claim any damages or get any refund should anything go wrong. This includes receiving expired, damaged or poorly manufactured products.
- B** **Beware of deals that sound too attractive.** If the price is much lower than expected, or product information sounds too good to be true, it probably is.
- C** **Check the claims.** Not all advertised claims are true and they can be exaggerated or over-promise.
- D** **Discuss with your doctor or pharmacist** on the suitability of a product if you are unsure.

Members of the public who encounter illegal, counterfeit or other suspicious health products are encouraged to contact the Enforcement Branch of HSA at Tel: 68663485 or email: hsa_is@hsa.gov.sg

Stress Less This Holiday Season – **CONSUMER TIPS FOR A SAFE AND SECURE ONLINE SHOPPING EXPERIENCE**

Competition and Consumer Commission of Singapore

The holiday season is just round the corner and many of us may be thinking of showing our appreciation to our loved ones by buying that special gift for them, perhaps through online purchases. But before you click “Buy Now”, here are some tips to keep your online shopping stress-free, your holiday cheer intact, and safe from those retailers that might be on the “naughty list”:

Before making a purchase:

- ✔ If the retailer claims to operate in Singapore, do some checks to ensure that the retailer’s business location checks out (e.g. by looking at store locations in the retailer’s website, contact details, or social media posts)
- ✔ Research the authenticity of accreditation/awards linked to the product being sold
- ✔ Exercise caution where claims made by the retailer cannot be verified
- ✔ Check terms & conditions, and return/refund policy on the retailer’s website or advertisement

When making a purchase:

- ✔ Buy on verified and secured websites with a padlock symbol in the address bar
- ✔ Use escrow payment whenever available

Receiving purchases:

- ✔ Check products when delivered. If they do not match the description given by retailer:
- ✔ Reject products
- ✔ Do not make payment if you are paying by cash
- ✔ If payment was made by credit card, initiate a return/refund or raise a chargeback request with credit card issuing bank



Don't fall prey to these common online tactics by errant retailers

False or misleading information on business location

Online advertisements may allege that the retailer's business has a physical presence in Singapore when that is not true. Alternatively, the URL of the retailer's website could deliberately contain the abbreviation "sg" [e.g. "productssg.com"] to give the impression that the retailer is based in Singapore, when that may not be the case.



False or misleading claims about the product sold

The errant retailer may include claims in its advertisements, website or social media posts relating to the product, such as the brand, quality, country of origin or accreditation/awards received. The product eventually delivered may turn out to be different.



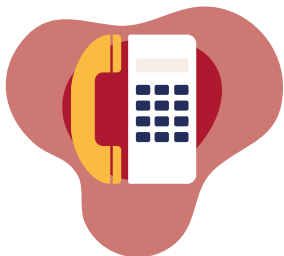
Seemingly large discounts

Errant retailers may advertise extremely low prices as "special" discounts for purportedly branded products, citing reasons such as warehouse clearance or closing down sales, when the discounts may not be genuine.



False contact information for consumer refunds and redress

Errant retailers may attempt to mislead consumers by giving them the impression that refunds or redress may be sought through the use of fictitious contact information (e.g. hotlines or email addresses).



Need help with a dispute? Here's what you can do

- You can directly approach or write to the retailer to seek specific redress, e.g. refund.
- You can approach the Consumers Association of Singapore (CASE) for assistance on your dispute with the retailer. CASE can assist in seeking redress, and in some instances, compensation through negotiation or mediation. CASE can also warn or enter into a Voluntary Compliance Agreement with errant retailers to stop them from engaging in unfair practices.
- You can approach the Small Claims Tribunal (SCT) of the State Courts. These tribunals resolve specific types of low-value disputes between consumers and retailers in a quicker and less expensive way (i.e. if your claim is for a sum of up to \$20,000, or up to \$30,000 should both parties agree).
- If necessary, you may consider seeking advice from a lawyer regarding the legal issues surrounding your circumstance.



Support CCCS in dealing with errant retailers that persist in unfair practices

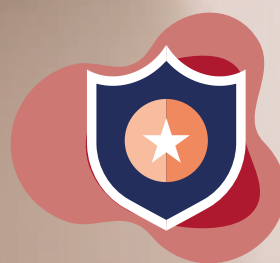
The Competition and Consumer Commission of Singapore (CCCS) works closely with CASE to investigate and take enforcement action under the Consumer Protection (Fair Trading) Act against errant retailers who persist in unfair practices, including those that operate in the online space.

One such instance of enforcement taken by CCCS resulted in an online retailer, Fashion Interactive, being issued in January 2020 with an order by the State Courts to cease unfair practices, after it was found to have misled customers into unknowingly signing up for a recurring subscription on its shoe shopping website “myglamorous.sg”.

For its conduct, Fashion Interactive is required to do, among other things, the following for three years:

- Display the details of the declaration and injunction on the landing page of its website;
- Notify customers of the declaration and injunction before entering into a contract; and
- Include in every invoice or receipt that a declaration and injunction has been granted against the company.

Such conduct is sometimes known as a ‘subscription trap’, and typically involves consumers making a seemingly one-off online transaction with a retailer, only to find out later that they have been unwittingly locked into a subscription contract and end up paying recurring subscription fees to the retailer via the credit or debit card used to pay for the online transaction.



If you are approached by CCCS to support an investigation, please do that, so that, together, we can put a stop to unfair practices that harm consumers in Singapore.

In The Next Issue

As the COVID-19 pandemic eases, more countries are opening up to travellers. In the next issue, read about how travel insurance can protect you against unforeseen circumstances, and find out how you can become a more sustainable traveller on your next overseas trip.

Fancy a booster shot to protect your purchases?

Enjoy better protection when shopping with companies that display the CaseTrust mark.

CaseTrust accredited businesses are assessed by CASE for good business practices.

Some CaseTrust schemes require companies to offer complimentary protection for their customers. This includes deposits paid to renovation contractors and the remaining value of expensive beauty packages that are not utilised.



Find the list of CaseTrust accredited companies



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* Delete where inapplicable