

CASE and Shopee sign MOU to better protect consumer rights through adoption of CASE framework

*Collaboration in conjunction with launch of **Shop Safe with Shopee**, a new consumer protection initiative to promote online safety when transacting online*



SINGAPORE, 27 April 2023 – The Consumers Association of Singapore (CASE) and Shopee Singapore (Shopee) today signed a Memorandum of Understanding (MOU) reaffirming both parties' dedication to protecting consumer rights through the adoption of CASE's Standard Dispute Management Framework for E-marketplaces. The collaboration marks the launch of **Shop Safe with Shopee**, a consumer protection initiative focused on promoting a safe, reliable and worry-free user experience online.

Complementing Shopee's in-app consumer protection features and policies, the programme will include educational campaigns and activations, which are developed in collaboration with industry partners like CASE and law enforcement agencies.

The MOU was signed by Mr Melvin Yong, President, CASE and Mr Ian Ho, Vice President, Shopee and witnessed by Ms Low Yen Ling, Minister of State, Ministry of Trade and Industry and Ministry of Culture, Community and Youth.



Reinforcing Commitment to Consumer Protection

The MOU signifies the joint commitment of CASE and Shopee in protecting consumer rights and focuses on the following areas - Verification and Reliability of Merchants, Information to Consumers, Timeframe, Resolution, Refunds and Exchanges and Facilitating Resolution.

In support of this, Shopee will work closely with merchants to maintain high-quality listings, and strict adherence to its prohibited listings policy. Shopee will also ensure merchants include comprehensive and useful descriptions such as regulated labels (e.g. Nutri-Grade labels for beverages) and Trust Marks (e.g. Safety Mark for household appliances) in their product listings. In addition, Shopee will further expand seller verification efforts on the platform.

Shopee is also committing to an average resolution time of two and a half working days for Returns and Refunds requests. This improves upon CASE's recommendation of seven days in the current Standard Dispute Management Framework for E-marketplaces. With this update, users can now anticipate a faster resolution for their Returns and Refunds requests.

Setting the Benchmark for the Industry

CASE's Standard Dispute Management Framework for E-marketplaces¹ was launched in 2021 with the aim of aligning dispute resolution processes across e-marketplaces operating in Singapore. It serves as a guide for efficient and equitable resolution of consumer disputes to give consumers greater assurance when they shop on e-marketplaces.

The collaboration comes at a time when CASE has observed an increase in consumer complaints pertaining to online purchases, from 2,206 complaints in 2021 to 2,530 complaints in 2022, accounting for approximately 14% and 17% of total complaints received by CASE in 2021 and 2022 respectively. Common complaints include missing items, failed deliveries and defective or non-conforming goods.

Ms Low Yen Ling, Minister of State, Ministry of Trade and Industry and Ministry of Culture, Community and Youth, said: "Consumers will well appreciate the presence of strong consumer safeguards as the degree of risks associated with online purchases has grown with the breadth and speed of online shopping. Digital marketplaces that adopt fair trading practices and a robust dispute management framework will enjoy a higher level of trust from consumers. Shopee's adoption of CASE's Standard Dispute Management Framework for e-marketplaces is a step in the right direction. It will not only boost consumer confidence but also strengthen the Shopee brand. CASE and Shopee's partnership is a testament to the industry's efforts to strengthen safeguards for consumers and provide them with greater assurance on their purchases. The Government will continue to work closely with CASE and the retail sector to deepen consumer protection and promote fair business practices for a healthy and vibrant retail industry."

¹ Refer to link for more information on CASE's Standard Dispute Management Framework for E-marketplaces: https://www.case.org.sg/wp-content/uploads/2022/08/325_pdf.pdf



Mr Melvin Yong, President, CASE, said: “Online shopping has become an integral part of our daily lives. While e-commerce and online transactions have made life easier for many of us, they also carry significant risks and dangers. To address these emerging concerns, CASE has called for e-marketplaces to authenticate sellers, establish escrows to protect consumers’ monies and improve dispute resolution processes. I am therefore happy that Shopee, a major e-marketplace for Singapore consumers, has agreed to implement the Standard Dispute Management Framework for E-marketplaces with a shortened resolution time period for Returns and Refunds requests. I also applaud Shopee for its new Shop Safe initiative to promote a safe, reliable and worry-free experience for those who shop on its platform.”

Mr Ian Ho, Vice President, Shopee, said: “With e-commerce becoming an intrinsic part of our everyday lives, we know that safety has become the benchmark for Singaporean shoppers. This partnership with CASE, and the launch of Shop Safe with Shopee, builds on our commitment to cultivate a safe and reliable e-marketplace environment where shoppers and sellers alike can transact with peace of mind.”

Refer to **Annexes** below for an overview of CASE’s Standard Dispute Management Framework and new clauses inked with Shopee.

- END -



For media queries, please contact:

Zane Ang

Executive, Marketing & Communications
Consumers Association of Singapore
E: zane.ang@case.org.sg
M: +65 9652 1620

Cheryl Ng

Public Relations
Shopee Singapore Private Limited
E: cheryl.ngwl@shopee.com
M: +65 8388 1268

About the Consumers Association of Singapore:

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

About Shopee:

Shopee is the leading e-commerce platform in Southeast Asia & Taiwan. Shopee promotes an inclusive and sustainable digital ecosystem by enabling businesses to digitalise and grow their online presence, helping more people access and benefit from digital services, and uplifting local communities.

Shopee offers an easy, secure, and engaging experience that is enjoyed by millions of people daily. Shopee is also a key contributor to the region’s digital economy with a firm commitment to helping homegrown brands and entrepreneurs succeed in e-commerce.

Shopee is part of Sea Limited (NYSE: SE), a leading global consumer internet company. Sea’s mission is to better the lives of consumers and small businesses with technology through its three core businesses: Shopee, Garena and SeaMoney.

Annexure A: Standard Dispute Management Framework For E-Marketplaces

1. Verification and Reliability of Merchants

- 1.1 E-marketplaces should verify the identity of the Merchants, such as business-registered names, identification numbers, and addresses.
- 1.2 E-marketplaces should provide a means for consumers to assess the Merchants' reliability. A rating score may be used to indicate the Merchant's reliability.

2. Information to Consumers

- 2.1 E-marketplaces should ensure that the information in their standard dispute management framework is clear and easy-to-understand, easily accessible and operational at all times. Terms and conditions, a simple step-by-step guide and Frequently Asked Questions to consumers who face and seek resolution for disputes should be included.
- 2.2 Information should be available on common and multiple communication channels, such as website and/or mobile application.
- 2.3 E-marketplaces should ensure their communication tools for dispute management is effective, easily accessible and operational at all times. Communication tools such as online chat system are encouraged.

3. Timeframe

- 3.1 E-marketplaces should ensure that their Merchants process consumer complaints within 7 days of Merchants' receipt of the consumer's complaint.
- 3.2 E-marketplaces should process consumer complaints within 7 days of the E-marketplaces' receipt of the consumer's complaint.
- 3.3 E-marketplaces should conclude the dispute within a reasonable time but may extend the timeline where appropriate, including in instances where there is suspicion of fraud by either the consumer, the merchant, or by both parties.
- 3.4 E-marketplaces should ensure that their Merchants provide consumers with regular updates on the status and provide clear justifications for closure of the disputes.

4. Resolution, Refunds and Exchanges

- 4.1 E-marketplaces should have and ensure that their Merchants comply with their Exchange and Return policy (where relevant). The Exchange and Return policy should include these terms: Merchants should complete the delivery of goods and services within the stated timeframe. Otherwise, a refund should automatically be offered. Consumers should not have to pay for the postage fees and other relevant costs incurred for the return of non-conforming and/or defective products to merchants.
- 4.2 E-marketplaces should provide options for payment where funds of the consumers are secured, and, in instances of dispute, to ensure that refunds to consumers remain possible.

5. Facilitating Resolution

- 5.1 E-marketplaces should document details of correspondences of all disputes clearly to facilitate the resolution.
- 5.2 E-marketplaces should work with consumers to resolve their disputes in an economically feasible manner.



Annexure B: Shopee's commitment to uphold new clauses in reference to CASE's Standard Dispute Management Framework for E-marketplaces

- 1. New clause 1.3.** E-marketplaces should ensure that the Merchants do not sell products which are prohibited, counterfeit and with intellectual property infringements to consumers.
- 2. New clause 2.4.** E-marketplaces should ensure that the Merchants do not place spam product listings which will adversely impact consumer experience.
- 3. New clause 2.5.** E-marketplaces should ensure that the Merchants include comprehensive and useful descriptions such as Regulated labels (e.g. Nutri-Grade labels for beverages) and Trust Marks (e.g. Safety Mark for household appliances) in their product listings.
- 4. Further to 3.4,** merchants should also treat all consumers with respect and care.
- 5. New clause 4.3.** E-marketplaces should provide for guaranteed refunds in the event committed services levels are not met. Such refunds would be made through the original methods of payments where the processing time would differ.