



# CONSUMERS ASSOCIATION OF SINGAPORE

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## MEDIA RELEASE

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**For Immediate Release**

**9 June 2023**

### **CASE alerts consumers on complaints received against Prestige Carz Rental**

The Consumers Association of Singapore (“CASE”) wishes to alert consumers to complaints received against vehicle rental company, Prestige Carz Rental Pte Ltd (“Prestige Carz Rental”), regarding the forfeiture of consumers’ security deposits due to alleged speeding and damage.

From 1 July 2022 to 5 June 2023, CASE received 23 consumer complaints against Prestige Carz Rental. There were no complaints before July 2022. In general, consumers complained that their security deposits, ranging from \$1,000 to \$2,500, paid to Prestige Carz Rental were forfeited. Some consumers also disputed claims by Prestige Carz Rental that the vehicles were damaged while under hire and the repair fees that they were asked to pay for the alleged damage.

CASE advises consumers who intend to rent vehicles to go through the vehicle rental company’s Terms & Conditions thoroughly before signing the vehicle rental agreement. In particular, consumers should pay attention to the terms of use, the amount they are liable to pay and the treatment of security deposits in the event of breaches to the terms of use or damage to the vehicle.

### **About Prestige Carz Rental**

Based on what is marketed on their website, Prestige Carz Rental offers short-term and long-term vehicle rentals. Short-term rentals are charged a daily rate and lasts less than a month.

According to Prestige Carz Rental’s Terms & Conditions, consumers are required to pay a deposit, which varies from vehicle to vehicle, when collecting the vehicle. Prestige Carz Rental is allowed to deduct from the deposit any amount which is owed to them by consumers. Where the deposit paid by the consumer is insufficient to cover the amount owed to Prestige Carz Rental, the company will charge the outstanding amount to the consumer.

The Terms & Conditions also specify instances which could result in forfeiture of deposits and these instances include driving the vehicle outside Singapore, traffic violations and speeding.

For damage to the vehicle by consumers, they are liable for excess damages of S\$20,000 or as charged, whichever is higher.

### **Complaints Received**

The majority of complaints received against Prestige Carz Rental were related to the forfeiture of consumers' security deposits due to alleged speeding and repair fees imposed on consumers due to alleged damage to the vehicles.

Consumers disputed these claims on the grounds that there were no fines or notices issued by the Traffic Police, the Land Transport Authority or other forms of evidence on the speeding presented to them except Prestige Carz Rental's records of Global Positioning System ("GPS") trackers installed in the vehicles.

In some instances, affected consumers disagreed with the claims on the basis that they were not driving the vehicle at the specific location during the time of the alleged speeding.

Consumers also claimed that clauses pertaining to the forfeiture of deposits were not highlighted to them before they signed the vehicle rental agreement.

For complaints where consumers disputed that the vehicles were damaged while under hire, they disagreed with Prestige Carz Rental's justification of the damage and the repair fees. Some consumers reported that Prestige Carz Rental engaged the services of third-party debt collectors to collect the outstanding fees from them.

Refer to **Annex A** for a case study on the complaints received.

CASE has engaged Prestige Carz Rental on several occasions for them to resolve outstanding consumer complaints and review the deposit forfeiture clauses in their Terms & Conditions. However, Prestige Carz Rental maintained their position on the basis that their insurer does not cover instances where consumers are speeding.

### **Consumer Advice**

Consumers who intend to rent vehicles from vehicle rental companies are advised to take note of the following:

- Ensure that the driver adheres strictly to traffic laws and speed limits at all times.
- Compare rental fees, deposits and other charges across different vehicle rental companies to find options that are suitable for their needs.
- Go through the Terms & Conditions thoroughly to ensure that they are agreeable. In particular, they should pay attention to the terms of use, the amount they are liable to pay and the treatment of security deposits in the event of breaches to the terms of use or damage to the vehicle.
- If consumers do not agree with the Terms & Conditions, they should not rent from the vehicle rental company.
- Inspect the rented vehicle carefully when collecting it. This includes checking for any existing damage, ensuring that the vehicle is in working order and familiarising themselves with the controls and features of the car. Where appropriate, take photos of the vehicle as proof of its condition at the point of collection. If they discover any pre-existing issues or damage with the vehicle at the point of collection, they should highlight this to the vehicle rental company immediately. Communication or verbal commitments with the vehicle rental company should be documented in writing.
- When returning the rented vehicle, they should ensure that the relevant paperwork such as checklists are completed accurately to reflect the condition of the vehicle.
- Consider patronising CaseTrust-Singapore Vehicle Traders Association ("SVTA") accredited motoring businesses as they are committed to fair trading, transparency and consumer-friendly policies.

- Consumers who encounter disputes with vehicle rental companies can approach CASE for assistance (hotline: 9795 8397, website: [www.case.org.sg](http://www.case.org.sg)). Where disputes reach a deadlock, consumers may wish to consider mediation at the CASE Mediation Centre for an amicable resolution.

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**About the Consumers Association of Singapore:**

The Consumers Association of Singapore (“CASE”) is an independent, non-profit organisation that is committed towards 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.

For more information, please visit the CASE website at [www.case.org.sg](http://www.case.org.sg) or follow us on:

Facebook: [www.facebook.com/casesg](http://www.facebook.com/casesg)

Twitter: [www.twitter.com/casesg](http://www.twitter.com/casesg)

## **Case Study on Complaints Received**

### **Case Study #1**

In August 2022, Consumer A paid \$2,000 (\$500 rental fee and \$1,500 refundable deposit) to rent a car from Prestige Carz Rental for four days. On the third day of the rental, Prestige Carz Rental repossessed the car and presented Consumer A with an internal speeding report. Based on that report, Prestige Carz Rental claimed that Consumer A had violated their policy and forfeited his security deposit of \$1,500. Consumer A reviewed the report and disputed it as the speed limits for certain roads were inaccurately reflected and there were no traffic fines from the Traffic Police. Consumer A also complained that the clause on the forfeiture of security deposit was also not explicitly mentioned to him when he signed the agreement with Prestige Carz Rental. Consumer A sought a refund of the security deposit and two days' worth of rental due to repossession of the car by Prestige Carz Rental but to no avail.