



CONSUMERS ASSOCIATION OF SINGAPORE

170 Ghim Moh Road, #05-01, Ulu Pandan Community Building, Singapore 279621
Hotline: 6277 5100 • Website: www.case.org.sg

MEDIA RELEASE

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CASE sees a 54% increase in e-commerce complaints in the first half of 2023 compared with same period last year

The Consumers Association of Singapore (“CASE”) received 1,703 complaints involving online purchases in the first half of 2023 (“1H2023”), an increase of 54% from 1,107 complaints received in the first half of 2022 (“1H2022”). Some 7% of these complaints related to delivery issues and another 12% related to goods that were defective or did not conform to contract.

CASE received 7,316 complaints in 1H2023, a decrease of 8% compared with 7,960 complaints received in 1H2022. The five industries that received the highest number of complaints were electrical and electronics, renovation contractors, motorcars, beauty and furniture. Most industries saw a decrease in complaints except a few industries where the increase was generally marginal.

Consumers reported \$302,205 in prepayment losses in 1H2023, a 4% increase from the reported losses of \$289,842 in the same period last year. The beauty, renovation contractor, education and gym industries accounted for \$223,495 in prepayment losses, which was close to 74% of total losses reported to CASE in 1H2023.

Amidst a general decline in complaints, complaints against the airlines industry increased by 39% from 181 complaints in 1H2022 to 251 complaints in 1H2023.

Breakdown of Complaints

CASE received 653 complaints against the electrical and electronics industry in 1H2023, a decrease of 17% from the 786 complaints in the same period last year. About 46% of the complaints against the industry related to goods that were defective or did not conform to contract. One in five complaints related to failure of businesses to perform contractual obligations such as repairs under warranty terms.

There were 631 complaints against renovation contractors in 1H2023. Some 45% of the complaints were regarding unsatisfactory workmanship and defects. Another 19% were regarding delays in project timelines and completion.

For the motorcar industry, there was a marginal increase in complaints, from 618 complaints in 1H2022 to 629 complaints in 1H2023. Of the complaints received in 1H2023, almost 50% were related to vehicle rental transactions. In general, consumers disputed repair costs and penalty fees charged to them by vehicle rental businesses. Approximately 38% of the complaints were related to the purchase of pre-owned motorcars which were found to be defective.

The breakdown of complaints received for the top 10 industries in 1H2022 and 1H2023 is listed in Table 1.

January to June 2022 (1H2022)			January to June 2023 (1H2023)		
No.	Industry	Total Complaints	No.	Industry	Total Complaints
1	Contractors	807	1	Electrical and Electronics	653
2	Electrical and Electronics	786	2	Contractors	631
3	Beauty	717	3	Motorcars	629
4	Motorcars	618	4	Beauty	594
5	Travel	451	5	Furniture	407
6	Furniture	417	6	Food and Beverages	302
7	Food and Beverage	273	7	Airlines	251
8	Telecommunications	232	8	Telecommunications	235
9	Hair	207	9	Travel	234
10	Medical and Medical Consumables	202	10	Pets	231

Table 1: Breakdown of complaints received for the top 10 industries in 1H2022 and 1H2023.

E-commerce

There was a 54% increase in complaints involving online purchases, from 1,107 complaints in 1H2022 to 1,703 complaints in the same period this year. This increase can be attributed to the increasing popularity of online shopping. Of the complaints received in 1H2023, 172 of them involved the purchase of electrical and electronic products and this was a 67% increase from 103 complaints in 1H2022. Common complaints related to delivery issues, goods that were defective or did not conform to contract, and misleading and false claims.

Mr Melvin Yong, President, CASE said: “The increase in e-commerce complaints, although expected in view of the increasing popularity of online shopping, is cause for concern. To better protect consumers and provide a safer online shopping environment, CASE will be launching a new CaseTrust accreditation scheme for e-businesses in the coming months. The scheme will cover the entire range of e-commerce practices from pre-sale to post-sales and addresses common consumer pain points when they shop online.”

Prepayment Losses

There was a 4% increase in prepayment losses, generally due to sudden business closure, from \$289,842 in 1H2022 to \$302,205 in 1H2023. The increase is due to higher reported prepayment losses in the beauty, renovation contractor, education and gym industries compared with the same period last year. The beauty industry accounted for the highest amount of losses at \$87,149, which was 29% of total losses for 1H2023. Prepayment losses for the renovation contractor, education and gym industries stood at \$84,500, \$31,305 and \$20,540 respectively.

Mr Yong said: “Given the significant proportion of losses against the beauty, renovation contractor, education and gym industries, CASE calls on the government to mandate targeted prepayment protection in these industries to better safeguard consumers’ hard-earned monies. We encourage consumers who intend to purchase beauty and renovation contractor services to patronise CaseTrust accredited companies as they are required to protect consumers’ prepayments and deposits.”

Renovation Contractors

There was a 22% decrease from 807 complaints against renovation contractors in 1H2022 to 631 complaints in 1H2023. This decrease can be attributed to the easing of supply chain disruption due to COVID-19 where previously, renovation contractors could not complete projects on schedule because of manpower shortages and delays in the shipment of renovation materials.

Mr Yong said: “CASE has been engaging the renovation contractor industry in the past year to better understand the challenges they face and to encourage companies to adopt the CaseTrust Standard Renovation Contract which specifies clear work and payment schedules. Web portals such as Qanvast and HomeMatch have also started to differentiate between CaseTrust accredited contractors and non-accredited ones which helped consumers make an informed choice. We are glad that our efforts have borne fruit.”

Airlines Industry

The 39% increase in complaints against the airlines industry from 1H2022 to 1H2023 was aligned with trends in several other countries where consumer complaints against airlines were also on the rise. Common complaints against the industry received by CASE in 1H2023 included issues with booking systems, double bookings and damaged or missing baggage.

Mr Yong said: “The increase in complaints against the airlines industry corresponds to the increase in consumer travel demand. CASE is working closely with the industry stakeholders to ensure that disputes are addressed fairly and expediently. We have also advised airlines to highlight certain terms and conditions to consumers so that they can make an informed choice when purchasing their air tickets.”

Conclusion

Mr Yong said: “While we are happy to see a general decline in consumer complaints in the first half of 2023, I am deeply concerned with the sharp increase in e-commerce complaints. I hope that the introduction of the new CaseTrust accreditation scheme for e-businesses will help stem the rising trend and bring about a safer online shopping environment for consumers. I am also glad that our targeted engagement in specific sectors such as the renovation contractor industry has given us a positive outcome. CASE will continue to engage the government and industry stakeholders to strengthen consumer safeguards, promote greater CaseTrust accreditation to better protect consumers as well as put a stop to undesirable business practices.”

Melvin Yong
President
Consumers Association of Singapore

For media queries, please contact:

Elizabeth Lim

Executive, Marketing & Communications

Email: elizabeth.lim@case.org.sg

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.