

MCI (P) 060/08/2021 | 2024 ISSUE 1

ISSN 0217-8427 | S\$5.00

# The Consumer

A publication of the Consumers Association of Singapore

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# President’s Message



“We have just released the consumer complaints report for 2023, which found that consumers reported \$476,000 in prepayment losses in 2023, primarily due to sudden business closures.

*My fellow consumer protection advocates,*

We have just released the consumer complaints report for 2023, which found that consumers reported \$476,000 in prepayment losses in 2023, primarily due to sudden business closures.

One area of concern is the gym and fitness industry, which saw a sharp increase of prepayment losses from \$12,000 in 2022 to almost \$110,000 in 2023. This highlights the need for regulatory safeguards. In our cover story, we explore the psychological dynamics between gym-goers and fitness centres, the impact of sudden closures on consumers and what the government can do to better protect consumers.

If you use air purifiers to remove pollutants, do read the article contributed by our Consumer Products, Standards and Testing Committee which highlights common safety concerns and how to address them. This article follows a test of seven air purifiers commissioned by CASE which found ozone emissions in all samples to be within recommended guidelines.

Gold jewellery in Singapore is not only seen as dazzling accessories but also as a potential form of investment. In this issue, we shed light on how industry practices such as assaying and hallmarking give consumers confidence when they buy gold jewellery. We also share about the benefits of buying gold jewellery from businesses jointly accredited by CaseTrust and the Singapore Jewellers Association.

Our complaint statistics also found the motorcars industry accounted for the highest complaints received in 2023. That is why CASE encourages consumers intending to purchase cars to patronise CaseTrust accredited motoring businesses.

A notable example of CaseTrust accredited businesses’ commitment to fair trading and customer satisfaction is seen in August last year when CarTimes Automobile, faced with an employee’s alleged misappropriation of funds from a customer, honoured the deal with the customer despite ongoing investigations. Read on to learn about how they value customers over profitability.

I hope this issue of The Consumer, which includes other useful tips from our partners, will provide you with insightful knowledge to make informed purchasing decisions.

**Melvin Yong**  
President  
Consumers Association of Singapore



# The Psychology of Prepayments: ADVOCATING FOR GYM AND FITNESS INDUSTRY REGULATIONS

Elizabeth Lim, Executive, Marketing & Communications Department

Over the past five years, the gym and fitness industry has seen a notable increase in prepayment losses due to sudden closures. According to complaint data from CASE, 2023 stands out with prepayment losses for the sector hitting a high of close to \$110,000. In contrast, prepayment losses in the preceding years were approximately \$24,000 and \$12,000 in 2021 and 2022 respectively. This sharp rise reflects the challenges consumers faced due to sudden closures of gyms and fitness clubs.

## What are prepayments?

The prepayment system is a financial arrangement wherein customers pay in advance for goods, memberships or services. This is common in many industries, including the gym and fitness sector where individuals commit to a pre-determined duration (e.g. monthly, quarterly or annually) and make full payment at the start of the agreement.

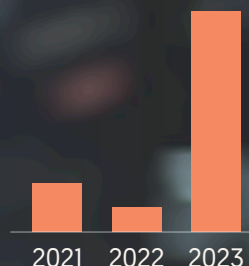
Prepaying for services carries various risks, including the unexpected closures of gyms and fitness centres which may lead to individuals losing their prepayments without receiving the agreed services.

Changes to membership terms after payment has been made may also impact the overall value of the services and benefits to customers. There is also a risk that the quality of services and facilities do not meet expectations, causing dissatisfaction among customers.

Access limitations, contractual disputes and challenges in obtaining refunds further contribute to the complexity of prepayment risks and they collectively underscore the need for careful consideration and stronger safeguards for consumers making prepayments for gym and fitness centre services.

## \$110,000

prepayment losses  
for the sector in 2023



## Understanding the psychological dynamics between gym-goers and fitness centres

For consumers, the act of making prepayment is more than a monetary transaction. It signifies commitment and investment. The upfront payment serves as a psychological anchor, solidifying the individual's commitment to the services or products they have chosen to prepay for. This commitment is a powerful motivator, often compelling the individual to make full use of the service they have paid for.

From the viewpoint of operators, getting upfront payments ensures a steady cash flow for business operations. This financial stability allows operators to upgrade their facilities, purchase new equipment and improve operations. A steady cash flow also has a big impact on how confident operators feel about expanding, innovating and making their services better.

Looking at this from a psychological perspective shows a good cycle for operators. The financial security from prepayments lets operators offer good deals and bring in more customers. As gyms and fitness centres grow, this cycle continues, increasing customer satisfaction and loyalty. To put it simply, prepayments are like a catalyst, building a strong relationship between customers and operators.

## Impact of sudden closures

The industry, contending with escalating rental costs and evolving consumer habits, witnessed the closure of two Pure Group branches in Suntec City on 8 October 2023 due to insufficient membership numbers. The industry also witnessed other closures such as the closure of UFC Gym in May 2023. In the central business district, operators faced heightened challenges with rising rents, leading to an increase in gym unit listings and average rental hikes. This trend has affected gyms and fitness centres of various sizes such as Ritual Gym which decided not to renew its lease in Raffles Place. Larger gyms and fitness centres, in particular, grappled with significant obstacles as consumer preferences shifted towards flexible pricing models.

Gladys (not their real name) is a victim of sudden business closure. The sudden closure, communicated on Facebook, left her with unused sessions and financial loss. Despite paying through interest-free instalments, attempts to contact the operator for resolution were unsuccessful. This situation, however, is not unique to Gladys, as 2023 has seen a recurring trend of sudden closures.





Jane [not their real name] is another victim of sudden business closure. She had just joined the gym less than a month before it was placed under provisional liquidation. She had just purchased a 48-classes package but only attended four classes thus far.

Against the above backdrop, it may be time for the government to look into safeguarding consumers' prepayment in the gym and fitness industry.

## Need for government intervention

While prepayment protection guidelines are well-established in sectors like travel, there is a lack of clear guidelines and enforcement in the gym and fitness industry.

A review of gym and fitness centre websites in Singapore reveals a deficiency in information about refund policies and prepayment protection, often complicated by complex legal language. Additionally, the existing legal framework inadequately safeguards consumers in cases of a company's insolvency, where the appointed administrator prioritises settling secured and preferential creditors before unsecured ones.

One potential solution involves legislative measures to establish clear prepayment protection mechanisms. This could include limits on deposit amounts. Clear refund policies, accurate information about financial stability and proper documentation of contractual terms could be explicitly outlined.

The Ministry of Trade and Industry (MTI), however, has reservations about introducing regulations to safeguard consumers' prepayments. In response to a 2023 Parliamentary question, MTI said that its approach has been to help consumers make informed decisions and manage prepayment risks.

## Regulatory measures

In 2016, the Office of Fair Trading (OFT) in the United Kingdom responded to concerns regarding gym memberships by conducting a thorough investigation. A notable outcome was the implementation of restrictions on gym contracts, limiting their duration to a maximum of 12 months.

For the gym and fitness industry in Singapore, robust regulatory measures are crucial to minimise prepayment risks. These measures could include mandating operators to establish escrow accounts, introducing a mandatory cooling-off period and setting prepayment caps.

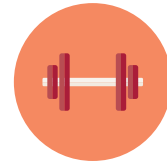
Mandating operators to establish escrow would benefit consumers in that their prepayments are held in a secure and dedicated account, reducing the risk of misuse by the gym or fitness centre.

A mandatory cooling-off period would give customers time to reconsider their decision, evaluate the facility's offerings and policies more thoroughly and reduce instances of post-payment regret.

Finally, prepayment caps are useful in limiting the financial exposure of consumers, preventing them from making excessively large prepayments that could lead to significant losses. These caps would also encourage operators to develop sustainable business models.

That said, establishing and managing escrow accounts may pose administrative challenges for operators, as they require additional resources and compliance efforts. Tying funds in escrow accounts could also negatively affect the immediate cash flow of operators and influence business operations.

A mandatory cooling-off period may delay the receipt of revenue for operators, impacting their immediate cash flow. Consumers might also exploit the cooling-off period for short-term use of services without a long-term commitment.



# Common Safety Concerns When Using Air Purifiers And How To Address Them

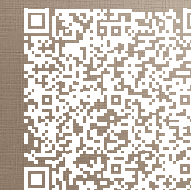
Nurul Syafiyah, Secretariat, CASE Consumer Products, Standards and Testing Committee

Imagine your home as a haven—a place of comfort and rejuvenation. Yet, lurking within your home might be unseen enemies: indoor air pollutants. Allergens can sneak in, causing breathing difficulties, triggering allergies and contributing to a range of health issues.

That's where air purifiers come in. They are designed to kick out these nasties from the air, giving us cleaner, healthier spaces. However, it is crucial to be aware of potential risks associated with air purifiers, particularly those that emit ozone.

CASE recently conducted a test on seven air purifiers to determine the level of ozone emitted by them and the outcome was reassuring. The level of ozone emitted by all samples of air purifiers were found to be within the recommended guidelines.

Scan the QR code for the samples on air purifier testing.



The burgeoning prepayment losses within the gym and fitness industry over the past five years, culminating in an alarming peak of \$110,000 last year, necessitate regulatory intervention. The prepayment system, though advantageous for both consumers and businesses, exposes inherent risks, particularly when companies shut down unexpectedly. As seen in the gym and fitness industry, such closures leave consumers vulnerable to financial hardships. To rectify this, stringent rules and regulations are imperative. These safeguards not only shield consumers from monetary losses but also foster trust between consumers and operators.



## Ozone emissions: Understanding the risks

Ozone is a colourless and unstable gas used in these purifiers. Ozone air purifiers are devices that utilise ozone gas to eliminate pollutants such as mold or smoke from the air. Ozone can mask odours by altering the chemical composition of particles or other gases in the air, creating an impression of fresher and cleaner air. However, it is important to note that not all ozone air purifiers are entirely safe. Ozone can pose health risks if prolonged exposure.

Advise to opt for air purifiers with both high-efficiency particulate absorbing (“HEPA”) and carbon filters if they want to address haze and dry weather conditions. HEPA or carbon filters rely on non-electronic technologies which provide effective air purification without emitting ozone if consumers are concerned about ozone emission levels.

Excessive inhalation of ozone, even within a short period of just 30 minutes, can cause tightness in the chest or irritate the lungs and throat. Extended exposure over several hours might lead to disruptions in regular breathing patterns, potentially resulting in respiratory discomfort or shortness of breath. Exercise caution and ensure proper ventilation while using ozone air purifiers to minimise health risks linked to ozone exposure.

To make informed air purifier choices and mitigate health risks, understanding each model’s unique filtration methods is vital. For example, air purifiers with HEPA filters are great at trapping allergens and airborne particles like dust, pollen, and bacteria. Assessing your needs before buying ensures you choose a purifier that suits your specific requirements, effectively cleaning the air and addressing health concerns.



## Filter upkeep: Maintenance and safety

Air purifiers rely on a fan system and filters to clean the air. As the air passes through these filters, pollutants and particles in the air are captured by the filters. The purified air is then circulated back into the living space. These filters play a crucial role in removing all the harmful pollutants and particles from the air. But if we neglect to look after them, the purifier loses its effectiveness.

Cleaning or changing filters regularly is crucial. It helps the purifier work better, keeps the air cleaner, saves energy and makes the purifier last longer. Always turn off and unplug the purifier before touching the filters. And remember your gloves and mask to avoid touching any harmful substances caught by the filter.

Ignoring filter care can mean trouble. A dirty filter means the purifier would not clean the air properly, and it might even lead to moulds growing, which is not good for anyone, especially people with allergies or breathing issues.

## Electrical safety concerns

Air purifiers, like other electronic gadgets, can cause problems if not handled properly. Take note

of general safety tips such as plugging air purifiers into a stable electric outlet, checking wires for damage and keeping them away from water can save you from electrical shocks or damage.

Look out for strange smells or sounds from the purifier—they might mean electrical trouble. Stop using the device immediately and seek professional assistance if such signs arise.

Lastly, always choose air purifiers with proper safety standards and certifications such as the SAFETY Mark. These marks indicate that the product has undergone rigorous testing for electrical safety. Also do consider reputable manufacturer and look out for good reviews.

## Emphasising safe usage

The next time Singapore faces haze, consider getting an air purifier on standby at home to keep the air clean. Knowing how air purifiers work, choosing good purifiers and looking after them keeps us safe from haze.



# How To Avoid Any Unfair Practices When You Shop For Jewellery

Adita Tian Permata Sari, CaseTrust Department

Gold jewellery in Singapore is not only seen as dazzling accessories but also as a potential form of investment for the layperson.

Gold has been regarded as a precious commodity that consumers use to protect their wealth or as a form of portfolio diversification in their investments. In Singapore, the common gold purities retailed are 999 (24 Karat), 916 (22 Karat) and 750 (18 Karat). These figures are used as indicators of the purity of gold.

## Assurance for jewellery businesses How do assaying and hallmarking work?

Jewellers in Singapore are encouraged to follow Singapore Standard (SS) 581, a national standard on labelling, assaying and hallmarking of precious metals.

When a precious metal is submitted for assay, it is tested to determine its ingredient and purity. When it is determined to have met industry standards, it is then given a unique hallmark which will attest to its quality. Assaying and hallmarking function as independent checks on precious metals sold in Singapore, giving consumers certainty that the jewellery they buy conforms to jewellers’ claims on purity and value.

In Singapore, the Singapore Assay Office (SAO) performs assaying and hallmarking services. It is recognised by local and international conformity bodies such as the Singapore Laboratory Accreditation Scheme administered by the Singapore Accreditation Council (SAC) and the London Bullion Market Association.



**In Singapore, the common gold purities retailed are 999 (24 Karat), 916 (22 Karat) and 750 (18 Karat).**

Customers and businesses can approach SAO to have their jewellery assessed. The batch of jewellery submitted to SAO will be randomly picked to undergo fire assay and x-ray fluorescence (XRF) analysis.

Fire assaying is an internationally accepted test method to determine the gold content present by taking advantage of the metal’s inertness to high temperatures and acid treatment. The sample is subjected to heating in a furnace at 1065 degree Celsius and subsequent nitric acid treatment to remove impurities. The remaining gold is then weighed to determine its gold content.

XRF analysis is a non-destructive method used to determine the homogeneity of a batch of samples. In this process, the sample is screened with x-rays at selected spots to determine the gold content.

If the batch tested meets industry standards, SAO would hallmark every piece of jewellery with a SAO mark that bears the symbol of a lion’s head.

Hallmarking can be carried out by hand marking whereby articles are hand-struck with a metal punch and a hammer, or by laser marking which is done using a fine, high-powered laser beam.





## Hallmarking symbols

The complete set of hallmarks consists of the SAO mark, a fineness mark and the responsibility mark. The SAO mark is a lion's head. The fineness mark certifies the minimum purities of the precious metal assayed [e.g. 999 (24K), 916 (22K), 750 (18K)]. The responsibility mark – usually a jeweller's trademark – can be a simple logo or wording to represent the company or producer from which the articles are produced or retailed.

## CaseTrust- Singapore Jewellers Association (CaseTrust-SJA) Accreditation for Jewellery Businesses

To protect consumers against unfair practices when they shop for jewellery, CASE partnered the Singapore Jewellers Association (SJA) to administer the CaseTrust-SJA Accreditation for Jewellery Businesses since 2005.

Accredited jewellers provide:

### ✓ Certified gold jewellery

Gold jewellery that has been certified by a reputable body accredited by SAC or mutually recognised partners of SAC, ensuring authenticity and quality

### ✓ Transparent weighing policy

Commitment to weigh gold jewellery without attached price tags or labels upon customer's request after the confirmation of a sale. This practice allows customers to verify the weight of their purchased items.

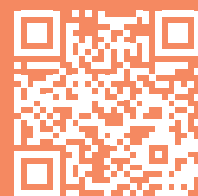
### ✓ Gold loss policy

No additional charges for gold loss incurred during the manufacturing process, such as vaporisation, or for customary levies imposed by craftsmen. This policy ensures fair pricing and transparency.

### ✓ Detailed receipts

Comprehensive receipts that include details such as the retail gold price, labour charges, net gold weight and gold fineness. Providing these details enhances transparency in the pricing of jewellery items.

Consumers are encouraged to patronise CaseTrust-SJA accredited jewellers or to look out for the hallmarks on their gold jewellery as this is a form of consumer protection and guarantee of the purity of precious metals. For more information about CaseTrust, you can visit the website at [case.org.sg/casetrust](https://case.org.sg/casetrust).



For more information about SAO, you can visit their website at [singaporeassayoffice.com.sg](https://singaporeassayoffice.com.sg).

# Consumer Happenings



Mr Melvin Yong (fourth from left), President, CASE and Ms Low Yen Ling (fourth from right), Minister of State, Ministry of Trade and Industry and Ministry of Culture, Community and Youth with the industry stakeholders

## Launch of CaseTrust Accreditation Scheme for E-businesses

On 13 October 2023, CASE launched the CaseTrust Accreditation Scheme for E-businesses co-developed with Nanyang Polytechnic's Singapore Institute of Retail Studies. With the scheme, consumers can identify online businesses that adopt consumer-friendly practices, while e-retailers and service providers can distinguish themselves from their competitors.



Mr Melvin Yong, President, CASE spoke on the dangers of online shopping

## "Embracing Health, Protecting Wealth" Public Forum

On 25 November 2023, CASE, the Direct Selling Association of Singapore and the Health Supplements Industry Association of Singapore jointly organised the "Embracing Health, Protecting Wealth" Public Forum. The event brought together consumers, healthcare professionals and distributors to discuss issues pertaining to consumer protection and the safety of health products. Mr Melvin Yong, President, CASE spoke on the dangers of online shopping and CASE's approach to strengthening consumer protection in the e-commerce sphere.



The CASE team with the CrowdServe team

## Visit to CrowdServe

On 12 December 2023, CASE visited CrowdServe, a local start-up in the event ticketing industry, to better understand how they use blockchain technology to combat ticket scalping and fraud in the ticketing industry. We had a productive conversation about how ticketed event organisers can leverage technology to ensure legitimacy and traceability of tickets, a significant step to enhancing Singapore's status as a regional entertainment hub.



# Good Money Management Habits To Build

Credit Bureau Singapore

The key to growing wealth can be in the simplest things. Here are some daily habits you can adopt to grow your savings.

Your anticipated payday is here, but do you sometimes feel demoralised when it seems like you are not getting anywhere near your financial goals? Well, you do not always need a high-income job or to win a lottery to reach your financial goals; even simple daily habits can help you grow your wealth! Read further to understand more.

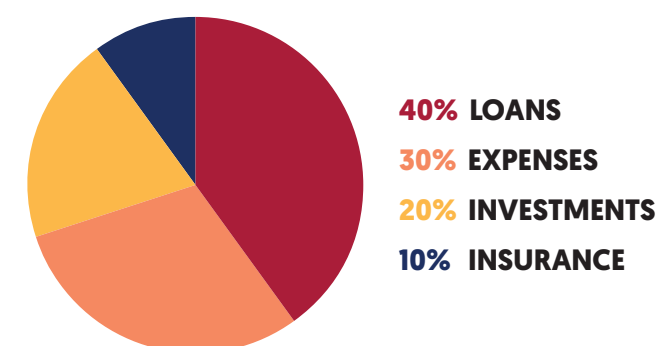
01

## Create a budget plan

Budgeting is crucial as it helps you to limit your spending, manage and track your expenses and save more money. Additionally, setting a budget helps you make better financial decisions and be prepared for emergencies. It also enables you to stay focused on your long-term financial goals.



The simplest method of budgeting is to portion out your income into different sections, so you can limit your expenditure for each segment and prioritise the necessities. Budgeting can sometimes require a lot of discipline, but it is ultimately a quintessential skill to master for good money management, as it helps you curb overspending while having tighter control over your finances. The 4-3-2-1 approach is one of the many ways one can budget, but you can still adjust the portions according to your financial situation. Here is an example you can adopt:



Consider allocating up to 40% of your income for paying off any outstanding loans. Loans such as car loans, housing loans, credit card loans or even education loans have longer tenures and accumulative interests over time. Therefore, whenever possible, we suggest you apportion a bigger load of your income to pay off these outstanding loans. For Central Provident Funds (CPF) members, you can also use your CPF Ordinary Account (OA) savings to pay your existing housing loans. That said, it is always ideal to strike a balance between the use of your OA savings and cash for your housing loan repayment, as your OA savings are for your future retirement needs too.

Consider keeping your expenses within 30% of your income. Expenses refer to your everyday spending on necessities such as utility bills, household goods and transportation fees. You can further cut down on these expenses if you follow saving tips such as switching off your electric appliances when not in use, cultivating a habit of using public transport or even packing your own lunch to work.

If you have the financial means to start investing, you can look to allocate around 20% of your income for investments to meet your long-term goals. Some of these goals would include saving for your child's education, setting up a business or for retirement. Setting aside this sum of money early would allow it to grow and meet these long-term goals in a shorter span of time.

The remaining 10% of your income should be sufficient to cover insurance payments for yourself and your loved ones, which will be exceptionally useful in times of emergency. Currently, all Singaporeans and Permanent Residents are covered under MediShield Life, a long-term care insurance. You can also opt for private healthcare insurance plans if you wish to have a wider spectrum of coverage to suit your needs. For beginners, you can always start off by assessing your insurance needs or seeking advice from a licensed financial advisor. Reviewing your insurance plan not only helps you ensure that you are sufficiently insured, but also prevents overconsumption on insurance coverage.

02

## Distinguish needs from wants



The inability to segregate needs from wants often leads us to overspending or worse, accumulating unexpected debts. 'Needs' can be broadly defined as the basic necessities that must be fulfilled in order for one to survive. Examples could be safety needs like paying off your rent to ensure you have a safe home to go back to or physiological needs like your daily grocery expenses for food. 'Wants' are "wish to have" desires that give you added comfort or accomplishment in your life.

You can make a conscientious effort to spend on your needs first, followed by your wants. A simple example would be to choose to meal prep your lunch instead of eating out, so that you can cut down on your expenditure on food. The most important lesson here is to always stick to a lifestyle habit that you can afford in the long term.





03

## Avoid getting into further debt



Paying your bills and loan repayments on time is another way to manage your money wisely, as it helps to avoid unwanted late fees and accumulating loan interests. Furthermore, a strong prompt payment history can help to improve your credit score (which indicates your capacity to repay a loan to potential lenders) and build your credit reputation. Here are some suggestions you can employ to ensure timely payment:

- ✓ Mark down all your different payment dates on your calendar so you do not miss out any payments. Alternatively, you can also request to change all your bill payment cycles to the same due date;
- ✓ Set up a bank GIRO transfer for automatic bill payment; and
- ✓ Make full payment all the time; this will prevent you from incurring unwanted interest rates and adding onto your existing loans.

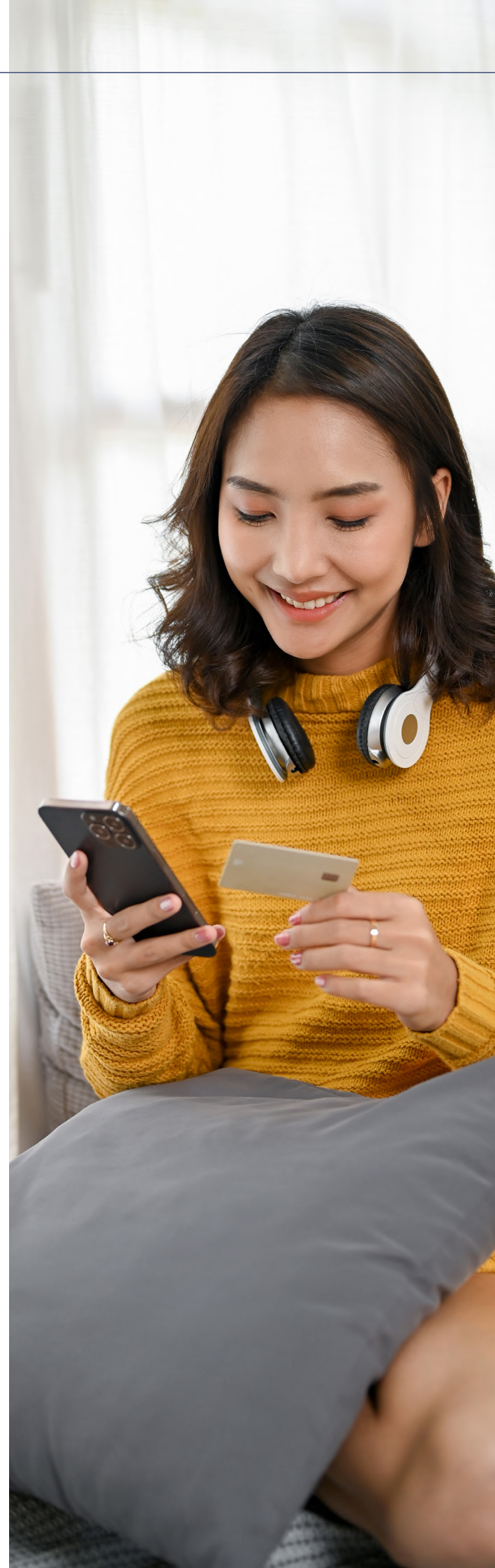
04

## Your credit reputation matters



Your credit report is a summary of all your credit facilities holdings across retail banks and major financial institutions in Singapore. Lenders also rely on your credit report to assess your overall credit reputation through your personal credit score and credit-related information. The report is inclusive of all credit facilities contributed by banks and major finance institutions. Some examples are: secured/unsecured credit cards, personal loan, mortgage loan, car loan and renovation loan. Through this report, credit providers such as banks or financial institutions will also be able to make better lending decisions quickly and objectively.

You will be able to see the long-term benefits when you consistently practice good money management habits like the examples given above. A preventive measure to falling into debt is to put in consistent efforts to exercise good money management and make your repayments on time.



# CASE 2023 Complaint Statistics

## 13,991 consumer complaints in 2023



**24%▼**  
decrease from 15,144 complaints in 2022

**\$2.5 million**  
recovered, up from \$2.1 million in 2022



## E-commerce



**3,711 COMPLAINTS RECEIVED**

**47%▲**  
increase from 2,530 complaints in 2022

**85%**  
E-businesses

**15%**  
E-marketplace



Common complaints received involved consumers **not receiving their orders within agreed delivery timelines and not receiving refunds** within the timelines committed by businesses.

## Motorcars



**1,306 COMPLAINTS RECEIVED**

**8%▲**  
increase from 1,213 complaints in 2022

Complaints involving rental or shared cars increased:

**152**  
in 2022

**435**  
in 2023

Common complaints involving rental or shared cars pertained to disputes on **pre-existing defects, damages and repair charges** imposed on consumers due to alleged damages.

## Prepayment losses



**\$476,000 IN PREPAYMENT LOSSES**

**26%▼**  
decrease from \$645,000 in pre-payment losses in 2022



**Beauty industry** accounted for the highest losses at \$116,000. **Gym and fitness club industry** accounted for the second highest losses at \$110,000.

## Travel & airlines



**38%▼**  
decrease from 757 complaints in 2022 to 471 in 2023 in the travel industry

**22%▼**  
decrease from 478 complaints in 2022 to 375 in 2023 in the airlines industry

Complaints for both industries have returned to pre-2020 levels, largely due to global **travel restrictions easing**, resulting in fewer complaints about trip cancellations.



## Beauty



**19%▼**  
decrease from 1,441 complaints to 1,166 complaints in 2023



The drop in complaints can be attributed to extensive and concerted efforts by **CASE and the Competition and Consumer Commission of Singapore** to promote fair trading in the industry and to educate consumers.



# Consumer Issues & Solutions

Dear CASE,

I ordered a queen-sized bed frame in late June, and after enduring months of waiting, the bed frame finally **arrived with incorrect dimensions**. I have been communicating with the vendor for the past three months. However, the issue is still not resolved. What can I do?

Jane

Dear Jane,

Under Part 3 of the Consumer Protection [Fair Trading] Act, commonly known as the Lemon Law, if a consumer encounters a product that does not conform to contract, he may first ask the business to repair or replace the product. If repair or replacement cannot be done within a reasonable time frame and without causing significant inconvenience to the consumer, he may ask for a reduction in the price of the product or return the product for a refund. In your situation, you can **consider accepting the bed frame in return for a reduction in price or returning the bed frame for a refund**.

Ensure that you meticulously document all communication, including emails and phone calls, with the business as supporting proof to facilitate resolution of your complaint. You can approach CASE for assistance [hotline: 6277 5100; website: case.org.sg].

**We want to hear from you!**

Have a story to share?

Email it to [editorial@case.org.sg](mailto:editorial@case.org.sg)

[max. 200 words]

Dear CASE,

I encountered an advertisement by an energy company that featured claims that their gas water heaters are environmentally friendly. The advertisement also claims that their gas heaters are more cost-saving and sustainably beneficial compared to electric heaters. How can I **verify these claims**?

Mr Lee

Dear Mr Lee,

One way to verify environmental claims by a business is to check if the business holds certifications or endorsements from reputable environmental organisations. Keep an eye out for third-party certifications and labels that signify adherence to specific environmental standards and be wary of self-proclaimed labels that lack credibility.

You can also verify the claims by consulting trustworthy sources such as scientific studies, government reports or reliable publications. Additionally, consider seeking advice from experts or environmental organisations.

Under the Consumer Protection [Fair Trading] Act, it is an **unfair practice for a business to make misleading or false claims to consumers**. Such claims may include claims made by businesses about how their products and services contribute to or impact the environment when they are not so. Consumers who encounter such unfair practices may seek recourse through CASE [hotline: 6277 5100; website: case.org.sg].



## CUSTOMER PROTECTION BEFORE PROFITABILITY

Zane Ang, Executive, Marketing & Communication Department

In August 2023, a local automotive dealer, CarTimes Automobile (CarTimes), faced an unfortunate incident involving an employee's alleged misappropriation of funds from a customer.

According to CarTimes, their employee allegedly misappropriated payments totalling \$67,000 from a customer. The customer traded in her Honda Shuttle, valued at \$105,000, to purchase a new Toyota Yaris Cross for \$172,000. The salesman went to the customer's house and provided quick response [QR] codes for payment transfer. However, the money went into his personal account – \$67,000 in total.

When the company realised that something was amiss, they reported the matter to the police. The salesman was terminated. CarTimes also enhanced their financial controls to prevent any future occurrences.

Interestingly, despite ongoing investigations, CarTimes decided to honour the deal with the customer which was unusual. In most cases, businesses are likely to freeze transactions until investigations are concluded.

But CarTimes took a different stand. What led to their position?



To honour the deal, CarTimes activated its fidelity insurance, which was \$100,000. However, the amount exceeded the insurance coverage, which was \$172,000. CarTimes bore the loss of the remaining \$72,000.

Mr Eddie Loo, CarTimes founder and managing director, said: “Even if the loss exceeds our coverage amount of \$100,000 per customer, we will bear the loss because keeping our customers’ trust is more valuable to us. We cannot continue with our business if our customers no longer trust us.”

Mr Eddie Loo added that CarTimes’ priority was to fulfill their commitment to the customer who had come to them to purchase a car. Despite also being victims, they remained resolute in honouring the deal entirely.

By prioritising the customer, CarTimes went the extra mile and showcased the qualities of a business accredited with CaseTrust.

Established in 2001, CarTimes has been accredited under the CaseTrust-Singapore Vehicle Traders Association (SVTA) Accreditation Scheme for Motoring Business since July 2009. The scheme was co-developed by CASE and SVTA in 2008.

Since the incident, CarTimes said that they received positive feedback from both customers and industry players. Customers valued their transparency and commitment to resolving the issue, while industry players recognised their dedication to ethical practices in challenging circumstances.

Notably, CarTimes promptly extended assistance to the affected customer and honoured the deal even before receiving insurance coverage payouts.

According to Mr Loo, accreditation with CaseTrust has played a pivotal role in fostering positive outcomes for the business. He believes that it has significantly influenced the overall consumer-friendly business landscape and contributed to smoother transactions.

“CaseTrust accreditation is a testament to our commitment to fair trading and consumer protection. It helps build confidence among our customers and reinforces our reputation as a trustworthy and reliable automotive dealer,” said Mr Loo.

**By prioritising the customer, CarTimes has showcased the qualities of a business accredited with CaseTrust.**



**CaseTrust**  
Be Sure



**For motoring businesses interested in knowing more about the CaseTrust-SVTA accreditation, scan the QR code for more information.**

# BEWARE OF Supposedly Herbal Or Natural Products

**You may have come across herbal or natural products marketed to help with weight loss, pain relief or sexual enhancement. Such products may come in the form of beverages, candy, or capsules. Have you wondered if their herbal or natural claims are genuine?**

Health Sciences Authority

The Health Sciences Authority (HSA) regularly samples and tests some of these products as part of market surveillance. Contrary to the claims, some are not purely herbal or natural. In fact, some of these contained various undeclared synthetic medicinal substances that can be harmful.

Often, the undeclared synthetic medicinal substances are added intentionally and sometimes in high amounts to achieve quick effects and deceive consumers into thinking that these products work wonders. These products also may have been manufactured under poor quality control or unhygienic conditions, resulting in product quality lapses such as contamination with microorganisms or heavy metals. Consuming these products can potentially lead to serious adverse effects, overdosing or poisoning, and even death in some cases.

These non-HSA approved products may be sold online, on social media, by street peddlers or by word-of-mouth recommendations. Not only do consumers not get what they paid for in the first place, they put their health at risk. There is also no way of keeping track of these online dealers, or contacting them should any problem arise. Consumers would have no recourse should there be any serious health consequences.

Here are some examples of products that HSA has tested to contain undeclared ingredients, and which caused serious adverse effects on consumers.







### ‘AK-II Phenomenal King’

‘AK-II Phenomenal King’ was marketed as a natural product for sexual enhancement. The product claimed to be “devoid of animal element, devoid of stimulants, devoid of side effects”. However, in contrast to its claims, it contained over 60 times the usual dose of tadalafil, a prescription medicine used to treat erectile dysfunction that should only be given under medical supervision.

The inappropriate use of tadalafil is dangerous and can increase the risk of serious adverse effects, including heart attacks, stroke, palpitations, irregular heart rate and priapism (painful and exceedingly long erections). Tadalafil can also pose serious risks to certain individuals, including those with heart-related problems and those who are on certain heart medications.



### ‘Traditional Herbs Preparation XPE’

‘Traditional Herbs Preparation XPE’ listed a variety of natural herbs as ingredients and was marketed for general health. However, a woman in her 60s who had been taking the product for over nine months to alleviate her joint pain found her pain worsening when she stopped taking it or reduced the dose. HSA tested the product and detected six medicinal ingredients: dexamethasone (a steroid), chlorpheniramine (an antihistamine), ibuprofen (a non-steroidal anti-inflammatory drug), lovastatin (a cholesterol-lowering medicine), chloramphenicol and tetracycline (both antibiotics).

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 face or ‘moon face’ appearance, and upper body obesity with thin limbs), and other serious adverse effects.



### ‘BB Body’

Several weight loss products that HSA tested were found to contain sibutramine<sup>1</sup> or excessive levels of it, but their packaging or labels did not state this. Instead, they claimed to contain natural ingredients and to be free of side effects. Certain products even contained painkillers or laxatives that were not declared.

‘BB Body’ was marketed as having “no side effects” and being able to deliver fast weight loss within days. However, a woman in her 50s who consumed the product for 3 months developed an extremely fast heart rate (ventricular tachycardia), and loss of consciousness. She had to be resuscitated to save her life. As a result, she suffered severe heart failure, and was implanted with a defibrillator (device to regulate heart rhythm). She also requires long-term heart failure medications. She had purchased ‘BB Body’ from an online seller based in Malaysia after coming across an Instagram post of the product. Tests by HSA found that the product contained the banned substance, sibutramine, which can cause serious side effects.

<sup>1</sup>Sibutramine was previously available as a prescription-only weight loss drug but has been withdrawn from Singapore since 2010, due to an increased risk of heart attacks and strokes. Other serious adverse effects associated with the use of sibutramine include high blood pressure, irregular heartbeats, hallucinations and mood swings.



### ‘Anyang Herbal Products’

‘Anyang Herbal Blue’ and ‘Anyang Herbal Red’ were labelled as containing “100% natural ingredients” and sold online and through direct selling. ‘Anyang Herbal Blue’ was also touted to have “no side effects”. Contrary to what was on the labels, very high levels of sibutramine were detected in the products. Consumers who took either product based on their labelled dosing instructions would have taken as high as eight times the maximum dosage of sibutramine per day. ‘Anyang Herbal Red’ was also tested to contain undeclared diclofenac (a painkiller) and phenolphthalein (a laxative). A female consumer in her late 20s who took ‘Anyang Herbal Blue’ suffered heart palpitations, nausea, trembling of hands and legs, sweating, insomnia and illusions.

Consumers should, therefore, be very wary of products that are touted to be purely herbal or natural and with “no side effects”. Such products may also claim to be fast acting and carry testimonials that cannot be verified.



## Tips for consumers when deciding to purchase and/or consume certain products that are supposedly herbal or natural:

01

**Know the risks** – you could seriously damage your health and lose money.

02

**Stay safe** – Follow 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, consumers are strongly encouraged to purchase from businesses with established retail presence.

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 an illegitimate product or business or both.

C

**Check** the claims. Not all advertised claims are true and they can be exaggerated or over-promised. Do not gamble with your health.

D

**Discuss** with your doctor or pharmacist on the suitability of a product if you are unsure.



# The 5 Stages Of E-Commerce Scams

Discover the techniques behind the scam and red flags to look out for

## 01 Advertising

Beware of scammers selling fake products and services online.

**POPULAR PLATFORMS USED BY SCAMMERS**



32.28%



27.95%



18.50%



### TECHNIQUES USED BY SCAMMERS



#### Unbelievable deals

Scammers tempt victims with prices even lower than those of second-hand sellers.



#### Being relatable

Scammers use likeable usernames to relate to victims.



#### False truths

Scammers generate fake reviews to build their credibility.



#### Legitimacy

Scammers impersonate real companies to gain victims' trust.

## 02 Grooming

### Fake offers

Scammers will lure victims with perks to deal directly with them and off-platform.

### Misrepresented goods

Scammers show proof of authenticity like warranty cards or receipts to convince victims that the products are genuine.



### TECHNIQUES USED BY SCAMMERS

#### Assurance

Scammers will also assure victims that they are genuine via text messages.

#### Urgency

Scammers will pressure victims into making hasty decisions with limited-time offers.

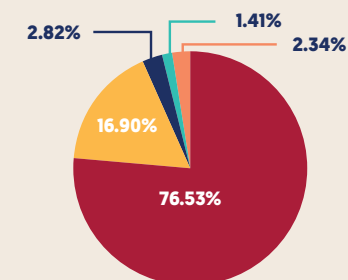


## 03 Dealing

When asking for payment, scammers may show receipts and tracking numbers to gain trust.



### POPULAR PAYMENT MODES



\*Mostly misrepresented goods

## 04 Demanding

Scammers may use different reasons to scam more from victims.



### TECHNIQUES USED BY SCAMMERS

#### False truths

Once a victim has made an initial payment, scammers may demand additional payments citing reasons like taxes or insurance.

#### Emotions

Scammers instil fear in victims by threatening to harass them and their family, or publishing their personal information.



## 05 Realisation

Victims realise they have been scammed through:



Not receiving the product



Being asked to pay more money



The scammer not replying them/blocking them on messaging apps



Not receiving a refund on their incomplete purchase



SPOT THE SIGNS. STOP THE CRIMES.





# In The Next Issue

CASE will be celebrating the Silver Jubilee of CaseTrust and CASE Mediation Centre. We review the histories and milestones of CaseTrust and CASE Mediation Centre, with a spotlight on key individuals and organisations that made significant contributions in the past 25 years.

## Protect Your Online Shopping Sprees With CaseTrust

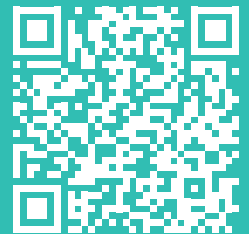
CASE has launched the new CaseTrust Accreditation Scheme for E-Businesses offering consumer confidence when shopping online. Unique features of this scheme include:

- **Information security:** secure payment mechanisms to safeguard consumers' data,
- **Identifiable merchants:** consumers can easily contact sellers for further enquiries or to resolve disputes,
- **Price transparency:** to safeguard against hidden charges, e.g, no pre-ticked boxes,
- **Ethical advertising:** communication towards elderly and children are age-appropriate and non-exploitive.

There are various CaseTrust accreditation schemes tailored to the unique needs of different industries. Consumers can look out for the CaseTrust logo on the businesses' shopfronts or e-commerce websites as a sign of their commitment to good business practices.



Find the list of CaseTrust accredited companies



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\* Delete where inapplicable