



## CONSUMERS ASSOCIATION OF SINGAPORE

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### MEDIA RELEASE

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**For Immediate Release**

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#### **CASE sees increase in prepayment losses for the beauty industry in the first half of 2025**

In the first half of 2025 ("1H2025"), the Consumers Association of Singapore ("CASE") recorded over \$108,000 in prepayment losses suffered by consumers in the beauty industry, approximately a 464 per cent increase from \$19,000 in the same period last year ("1H2024").

For 1H2025, CASE recorded a 19 per cent decrease in consumer complaints with a total of 6,253 complaints compared to 7,721 in 1H2024, as 2024 had a few high-profile incidents such as the botched Sky Lantern Festival, which accounted for over 400 complaints in 1H2024.

The five industries that received the highest number of complaints were motorcars, electrical and electronics, beauty, renovation contractors and telecommunications.

There was an approximately 40 per cent increase in complaints against online travel agents ("OTAs"), as well as a sharp rise in prepayment-related losses in the beauty industry.

#### **Breakdown of Complaints**

The motorcar industry remained the top complaint category with 573 cases. This was about a 16 per cent decrease compared to 681 complaints received in 1H2024. Of the complaints received in 1H2025, about 28 per cent were regarding vehicles that were defective or did not conform to the contract.

The electrical and electronics industry rose to second highest complaint category with 571 complaints, with an approximately four per cent decrease in complaints compared to 1H2024. About 47 per cent of the complaints were related to products that were either defective or did not conform to contract terms. These included small electronic devices purchased online and larger household appliances, such as televisions and washing machines, bought at physical retail outlets.

Complaints pertaining to the telecommunications industry rose from 319 complaints in 1H2024 to 353 complaints in 1H2025, with approximately 24 per cent of complaints due to customer dissatisfaction with the services they had paid for.

The breakdown of complaints received for the top 10 industries in 1H2024 and 1H2025 is listed in Table 1.

January to June 2024 (1H2024)			January to June 2025 (1H2025)		
No.	Industry	Total Complaints	No.	Industry	Total Complaints
1	Motorcars	681	1	Motorcars	573
2	Entertainment	670	2	Electrical and Electronics	571
3	Beauty	600	3	Beauty	558
4	Electrical and Electronics	594	4	Contractors	408
5	Contractors	485	5	Telecommunications	353
6	Furniture	449	6	Food and beverages	264
7	Food and beverages	423	7	Furniture	252
8	Telecommunications	319	8	Travel	246
9	Travel	202	9	Hair	167
10	Finance	197	10	Airlines	161

*Table 1: Breakdown of complaints received for the top 10 industries in 1H2024 and 1H2025*

### **Motorcars Industry**

In 1H2025, complaints related to the motorcar industry fell by about 16 per cent from 681 cases in 1H2024 to 573.

Complaints involving car-sharing services dipped slightly from 109 to 97, but consumers continued to raise concerns about poor vehicle maintenance, billing problems, high insurance excess, and service reliability.

There was a 42 per cent increase in complaints pertaining to electric vehicles (“EVs”), from 33 complaints in 1H2024 to 47 complaints in 1H2025. In general, consumers complained of defective components, such as the battery, and issues pertaining to the charging of the EVs.

Mr Melvin Yong, President, CASE said, “As more EVs take to Singapore’s roads, CASE expects to see EV-related complaints increase in tandem. Consumers seeking to purchase an EV should be mindful of issues related to charging and battery lifespan. Car-sharing services also remain a popular choice among consumers and there needs to be stronger standards for the shared mobility space. CASE is working with car-sharing operators to develop a CaseTrust accreditation scheme for the sector. This will allow consumers to patronise operators who have committed to consumer-friendly policies and provide an efficient dispute resolution mechanism.”

### **Beauty Industry**

In 1H2025, the beauty industry recorded 558 consumer complaints, a slight decrease from 600 in 1H2024. Despite the drop in overall complaint numbers, it ranked highest in prepayment-related losses, with consumers reporting losses of over \$108,000, approximately a 464 per cent increase from \$19,000 in 1H2024.

A key concern raised by consumers was the use of aggressive or misleading sales tactics, which made up about 28 per cent of all complaints in the beauty sector during this period. Many of these cases involved consumers being pressured into signing high-value packages under unclear or exaggerated promises. In one notable case, CASE received a complaint involving a contract value of over \$370,000. The consumer alleged that the business engaged in aggressive, high-pressure sales tactics, made false promises that were not fulfilled, offered misleading discounts and ultimately overcharged.

Mr Melvin Yong, President, CASE said, “Despite a slight drop in complaint numbers, the beauty industry remains a concern due to the sharp increase in prepayment-related losses. CASE encourages consumers to patronise CaseTrust-accredited spas and beauty salons, which offer a five-day cooling-off period, refunds for unutilised packages, and stress-free treatments without sales pressure.”

### **E-Commerce**

Complaints related to e-commerce fell by 32 per cent in 1H2025, from 2,611 cases in 1H2024 to 1,769, largely due to an 85 per cent drop in entertainment-related complaints, which had spiked the previous year due to the botched Sky Lantern Festival.

However, CASE observed an increase in complaints against OTAs, with 139 cases reported. These complaints involved a range of issues, including misleading descriptions of hotel accommodations, website glitches that led to duplicate or inflated charges, and confirmed bookings that were not honoured. Consumers had approached OTAs to book flights, hotels, and land tours, but encountered problems that disrupted their travel plans and caused financial stress.

Mr Melvin Yong, President, CASE said, “To better protect consumers and raise industry standards, CASE is looking to drive wider adoption of our CaseTrust scheme for e-businesses. As part of its review to enhance consumer protection in Singapore, the Consumer Protection Review Panel is looking at unfair practices commonly used by online merchants, with the aim of recommending enhancements to our consumer protection regime to better protect consumers in the age of e-commerce.”

### **Conclusion**

Mr Melvin Yong, President, CASE said, “With more transactions taking place online, we need to strengthen consumer protection in the e-commerce space such as mandating merchant verification, establishing escrow accounts for e-commerce transactions, and having a clear dispute resolution framework for consumers to seek recourse. Another area of concern is the rising transaction value of the disputes lodged with CASE. For example, the values of home renovation contracts today commonly exceed \$20,000. CASE calls on the government to review the current \$20,000 jurisdiction limit of the Small Claims Tribunals, so as to provide consumers with continued access to low-cost dispute 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 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”) 2003 which came into effect on 1 March 2004.

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