

Consumer Protection - How You Are Protected As A Consumer

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About CASE

- Consumers Association of Singapore (CASE) was formed in 1971 by a group of civic conscious individuals and the Singapore National Trade Union Congress to champion the rights of consumers in the market place.
- It is a general consumer body affiliated with Consumer International
- It is a Non Government Organisation (NGO)



Complaints Management

- Evaluation of the case details
- Provide advice on options available
- Assist consumer to deal with problems directly whenever possible
- Negotiate on consumer behalf if need be
- Advice on alternatives if negotiation fails
 - Mediation
 - Small Claims Tribunal
 - Engage Counsel

Complaints Received

- CASE received the following number of cases against direct sales / door to door sales
 - 2006 – 23 filed cases
 - 2007 – 31 filed cases
 - 2008 – 43 filed cases
 - 2009 (till date) – 20 filed cases
- Filed cases are cases whereby consumers authorise CASE to handle on their behalf.

Complaints Received

- CASE received the following number of cases against the MLM industry
 - 2006 – 30 cases
 - 2007 – 37 cases
 - 2008 – 66 cases
 - 2009 – 161 cases (till Sep)
- Cases pertaining to the MLM industry involved the following type of products
 - Sleeping mattress
 - Magnetic mattress
 - Undergarments
 - Health supplements
 - Skin care products

CPFTA

- Consumer Protection (Fair Trading) Act (CPFTA) came into effect on 1 March 2004
- Amendments on 15 April 2009
- To protect consumers from unfair practices
- Result of years of CASE lobbying

CPFTA

Unfair Practices

- Do or say anything, or omit doing or saying anything, if as a result, a consumer might reasonably be deceived or misled
- Make a false claim
- Take advantage of a consumer if the supplier knows or ought reasonably to know that the consumer
 - Is not in a position to protect his own interests
 - Is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction
- Commit any of the 20 unfair practices specified in the Second Schedule of the Act

Cooling off Period

- Contracts entered on and after 1 March 2004
 - 3 working days
- Contracts entered on and after 15 April 2009
 - 5 working days
- 5 days Cooling off period excludes Saturday, Sunday and Public Holiday
- Cooling off period starts only when the consumer is given the Consumer Information Notice (CIN)

Cooling off Period

- Exercising the cancellation
 - Put in writing and send the company informing them that you would like to cancel the contract within the cooling off period
 - The cooling off period begins the working day after the day of purchase
 - Eg. If the item was purchased on Monday (9 November), the cooling off period will start from Tuesday (10 November)

Role of the Consumer

- Do not be pressured into making purchase; if you are not ready to make a purchase, let the agent know that you need more time to think through
- Do research on the product and their functions
- Check goods to ensure that they are in good condition
- Ask about refunds and replacement policies
- Keep all the receipts
- Read carefully the contract and appendices (if any)
- Scrutinise the fine prints
- Commit all verbal promises to writing
- Ensure that there is a warranty
- Ask about post-sales services

Role of the Agent/Company

- Highlight the important terms and clauses in the contract and/or sales agreement
- Inform the consumer of the cooling off period and how he/she can go about exercising that option
- Provide follow up service if the consumer needs it
- Assess the needs of the consumer before introducing the product
- Ensure that the consumer has the warranty card
- Do not pressure the consumer into making a purchase

CASE & DSAS

- DSAS is a CASE Institution Member
- We have regular meetings with DSAS to work towards improving the ethical standards of the direct selling industry for better consumer protection, through self regulation and public education
- Work closely with DSAS on regulations like the recommendations to the changes to the MLM Act



Case Study

- A renovation contractor went to a consumer's house and claimed that HDB had advised all residents to replace the old pipes to prevent leakage.
- Though the consumer told him that he did not receive any such notices from HDB, the contractor further misled the consumer by saying that he is from HDB and proceeded to survey the consumer's premises.
- The contractor then told the consumer that he needed to replace the pipes and patch the ceiling at \$1270.
- The consumer paid \$300 and subsequently found out from his neighbours that HDB had not sent such notices
- The consumer wanted want to terminate the contract and seek a refund

Case Study

- A salesperson went to the consumer's house to demonstrate his product.
- The salesperson then pressured the consumer with hard-sell tactics and claimed that the 10 years warranty is only good for the day itself.
- The salesperson also refused to leave the consumer's house unless he paid a deposit buy the product.
- Under pressure, the consumer purchased the product that cost over \$3000.

Case Study

- Consumer was approached at her home by a salesperson who wanted to conduct free cooking demonstrations.
- After the demonstration, the salesperson pressured her to trade in her old cooking set for another set of cooking set. The total contract value is over \$3,000 and the consumer paid a deposit of \$50.
- After consideration, the consumer wanted to exercise her right under the cooling period and terminate the purchase agreement. She also wanted a refund of the \$50.