



## LEMON LAW

# WHAT YOU SHOULD KNOW



## WHAT ARE "LEMON LAWS"?

Lemon Laws provide remedies against goods that fail to conform to contract at the time of delivery (e.g. through breach of express terms of contract or implied condition of satisfactory quality).

### Examples:

- 1) Seller promised that the product has certain specifications, or is fit for a particular purpose which, in fact, it did not satisfy.
- 2) Product was defective or of unsatisfactory quality upon delivery.

***Note:** The Lemon Laws do not apply if the defect was specifically pointed out to the consumer before purchase, or an examination should have revealed the defect when the buyer examined the goods before the contract was made. Consumers are therefore strongly advised to conduct visual inspection of the products prior to or at the point of purchase.*

## WHAT TYPES OF GOODS ARE COVERED?

All personal properties other than things in action and money including:

- Purchase of physical goods including purchases through online platforms.
- Secondhand goods and vehicles.
- Display sets, discounted items with minor defects, or sale items which are indicated "non-refundable" or "non-exchangeable".
- Goods purchased under hire-purchase or conditional sale agreements, but not rented or leased goods.

## WHAT IS NOT COVERED?

- Services
- Rental/leased goods
- Real estate property
- Consumer to consumer transactions
- Business to business transactions

## 6-MONTH TIMEFRAME

Unless the seller can prove otherwise, a defect proven to exist within **six (6)** months of delivery is presumed to have existed at the time of delivery. Beyond the six-month period, the consumer needs to show that the defect existed at the time of delivery in order to make a claim under the Lemon Law.

**Note:** For goods that have an expected life span of less than 6 months, normal deterioration beyond the life span of the goods will not be taken as a defect existing at the time of delivery.

**Note:** The consumer may be asked to prove from whom and when he bought the goods. Consumers are therefore advised to keep their receipts as proof of purchase.

## SITUATIONS WHEN THE LEMON LAW DOES NOT APPLY

Consumers are not entitled to a remedy if:

- They damaged the item, e.g. the defect was caused by the consumer through misuse, inappropriate storage or care or unauthorized repair



- The fault was caused by wear and tear or natural deterioration.
- They knew about the fault before they bought the goods (e.g. the defect was specifically pointed out to them before purchase, or was obvious and would have been spotted upon inspection at the point of purchase)
- The goods are not defective but the consumer simply changed his or her mind or found the item to be unsuitable for a special purpose (unless the purpose was made known to the seller)

**Note:** In some cases, sellers may seek recourse against the consumers and/or bar the consumers from their premises for causing a nuisance. Fraudulent claims may give rise to criminal liability.

## 2-STAGE RECOURSE FRAMEWORK

### STAGE 1

The consumer may first ask the seller to **repair** or **replace** the defective goods within a reasonable period of time and without significant inconvenience to the consumer. The seller may choose an alternative remedy to the one requested by the consumer if the chosen remedy by the consumer is impossible or unreasonable to the seller. For products with manufacturer's or distributor's warranty services, the seller can provide remedies via these warranty services.

The consumer may seek the **STAGE 2** remedies only if:

- Repair or replacement is impossible or unreasonable to the seller (e.g. if the repair or replacement is disproportionately costly), or
- The seller did not provide repair or replacement within a reasonable period and without significant inconvenience to the consumer

## STAGE 2

The consumer may:

- keep the defective goods and request a **reduction in price** or
- return the defective goods for a **refund\***

*\* The seller may propose a reasonable deduction from the refund for the use that the consumer has had of the goods. The seller may make the refund in cash or using the same mode of payment as the original transaction, e.g., if the payment was made in cash, the consumer has a right to a refund in cash. The consumer may choose to accept vouchers or a credit note, if offered. If the consumer made payment using credit or vouchers, the seller can choose to refund via credit or vouchers.*

**Note:** The Lemon Laws do not prevent the consumer from seeking remedies under other laws e.g. the right to reject non-conforming goods under common law. If the consumer has sought any remedy from the seller under the Lemon Laws, he must give the seller a reasonable time to provide the remedy before seeking remedies under other laws.

## IMPLEMENTATION

- Effective date: **1 September 2012**
- The Lemon Law provisions will be added to the Consumer Protection (Fair Trading) Act, with related amendments to the Hire Purchase Act and Road Traffic Act (for provisions governing motor vehicles).

## MAKING A CLAIM

- Where legal action is required, consumers as well as sellers may seek recourse through the Small Claims Tribunal (SCT), if the claim amount is \$10,000 or less (or \$20,000 by agreement of the parties).
- Consumers must lodge their claim with the SCT within one (1) year of the delivery of the goods.
- The SCT cannot hear claims for hire-purchase goods regardless of the amount claimed. Recourse can be sought in other courts or through mediation.

## FOR ASSISTANCE

- Consumers may approach the Consumers Association of Singapore (CASE) to seek guidance on whether their claim is reasonable and supportable under the law.
- They may also consider mediation at CASE as an alternative dispute resolution mechanism for disputes with sellers.

For more information on the Lemon Law, refer to CASE's website at [www.case.org.sg](http://www.case.org.sg) or the Ministry of Trade & Industry's website at [www.mti.gov.sg](http://www.mti.gov.sg)



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