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FORUM LETTER IN STRAITS TIMES

Car dealers should disclose full details

I REFER to the recent letters urging car dealers to give consumers more choices on insurance and loans.

Car dealers have a duty to disclose full details of packages, not just highlight the discounts. They should also disclose the interest for the loan, insurance premium and any other costs that are tied up with a package.

Omission of material information could give a false impression to consumers that they would be worse off by not taking the package. This may not necessarily be so.

Moreover, dealers who omit such material information may be engaging in unfair trade practices as defined under the Consumer Protection (Fair Trading) Act.

With full disclosure of information, consumers will be able to make informed choices by weighing the savings from the discounts against the interest or insurance premium when they arrange for their own financing and insurance.

Mr Tan Kin Lian ('Income on what's behind dip in car-insurance sales'; ST, Sept 8) felt that it is anti-competitive for car distributors to make it compulsory for motor insurance to be placed with their tied insurance companies. We are not able to determine whether there has been a breach of the Competition Act on the basis of Mr Tan's letter.

Businesses that feel their competitors are in breach of the Act can lodge a complaint with the Competition Commission of Singapore for the matter to be looked into.

So can anyone with information on practices that they believe infringe the Act.

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