



## CONSUMERS ASSOCIATION OF SINGAPORE

170 Ghim Moh Road, #05-01, Ulu Pandan Community Building, Singapore 279621

Hotline: 6100 0315 Fax: 6467 9055

Website: [www.case.org.sg](http://www.case.org.sg)

2 October 2015

Forum Editor  
The Straits Times Forum  
[stforum@sph.com.sg](mailto:stforum@sph.com.sg)

### **More needs to be done to protect consumers' prepayments**

We refer to Mr Albert Wong Kwan Wei's letter "Do more to protect consumers from firms that cheat" (The Straits Times Forum, 27 Sep 2015).

We agree with the writer that the issue of companies closing down or becoming uncontactable after collecting prepayment ought to be addressed. CASE has lobbied for such prepayment to be protected under the Consumer Protection (Fair Trading) Act (CPFTA) which is currently being updated.

While that is taking place, our CaseTrust accreditation scheme for spas and wellness businesses continues to provide some measure of protection for customers. These businesses are required to buy insurance to protect consumers' prepayment or join a programme where prepayments are held by EZ-Link as a custodian. These measures assure consumers of refunds of the unutilised amount of the prepaid packages should the businesses abruptly ceases operations. We would like to see such protection extended to all industries that collect prepayment.

Meanwhile, consumers who patronise businesses that require prepayment without protection can still protect themselves. They can negotiate to pay a small deposit instead of the full amount upfront before the good or service is delivered. They can also purchase insurance, if available. Also, they can do their own research, such as checking popular online forums, on whether the business has a track record of delivering their goods or services promptly.

Lim Biow Chuan  
President  
Consumers Association of Singapore (CASE)