



CONSUMERS ASSOCIATION OF SINGAPORE

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MEDIA RELEASE

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CASE signs VCAs with three beauty companies, refers one to CCCS for investigation

The Consumers Association of Singapore (“CASE”) has signed Voluntary Compliance Agreements (“VCAs”) with three beauty/hair salons – Organic Salon Pte Ltd (“Organic Salon”), Spacio TCM Wellness Pte Ltd (“Spacio TCM Wellness”)¹ and The Four Seasons Beauty Saloon Pte Ltd (“The Four Seasons Beauty Saloon”) – to cease various unfair practices. This follows consumer complaints against these entities for making false or misleading claims, and exerting undue pressure or influence on consumers to enter into a transaction.

Under the terms of the VCA, the three entities have committed to cease their unfair practices. They have also agreed to offer a five-day cooling-off period for consumers to cancel their contracts, and to compensate affected consumers.

Another beauty company, Natural Beauty Resources, has been referred to the Competition and Consumer Commission of Singapore (“CCCS”) for investigation under the Consumer Protection (Fair Trading) Act (“CPFTA”) for failure to sign a VCA with CASE.

Background

From 1 January 2019 to 31 August 2020, CASE received the following number of consumer complaints against Spacio TCM Wellness, Organic Salon, Natural Beauty Resources and The Four Seasons Beauty Saloon.

Entity	No. of complaints received
Spacio TCM Wellness	38
Organic Salon	23
Natural Beauty Resources	19
The Four Seasons Beauty Saloon	10

Table 1: Number of consumer complaints (filed, assisted and counselled) against each entity from 1 January 2019 to 31 August 2020

In general, consumers complained that they were subjected to various aggressive pressure sales tactics to buy treatment packages. In some instances, consumers complained that they were led to believe that they were paying promotional prices for treatments, but were subsequently pressured to purchase higher end treatments at higher prices. Some consumers also complained that the salon charged them for additional treatments or packages without their expressed consent.

¹ Formerly known as Spacio Beauty Pte Ltd

Under the CPFTA, it is an unfair practice for a supplier to make false or misleading claims, and to exert undue pressure or influence on a consumer to enter into a transaction. It is also an unfair practice to assert the right to payment for providing unsolicited goods or services.

The Beauty Industry

The beauty industry has consistently ranked among the top three industries in terms of the number of complaints received by CASE. In July 2019, CASE had flagged out five beauty companies² for aggressive sales tactics against consumers. Ecoin/New Station, Joyre/Jia Le and Salon One Beauty have since signed VCAs committing to cease their unfair practices, while Tokyo Bust Express and Nail Palace have been referred to CCCS for investigation.

Under the CPFTA, CASE is empowered to invite an errant supplier to enter into a VCA for unfair practices. Errant suppliers who persist in unfair practices will be referred to CCCS for investigation. For companies which have signed VCAs, CASE will continue to monitor them closely and engage them to resolve consumer complaints related to unfair practices.

CASE is monitoring the beauty industry very closely and will not hesitate to take the necessary actions provided for under the CPFTA against companies that engage in unfair practices. Consumers who encounter entities with egregious conduct can approach CASE for assistance.

Consumer Tips

Consumers who patronise beauty salons and/or plan to purchase beauty services are advised to take note of the following:

- Say “no” and walk away if you encounter aggressive pressure sale tactics which makes you uncomfortable. Be polite but firm when stating your refusal. You can call the police if you are barred from leaving.
- Beware of “special discount”, “trial” or “one-time only” offers. Staff may take the opportunity to push packages and leave little time for consideration.
- If you start to feel overwhelmed, uneasy or intimidated during the sales pitch, request to stop the treatment session and leave the premises. Refrain from making any financial commitments.
- In view of the uncertain economic climate, consumers should be mindful of the risks of purchasing packages, as they would most likely lose whatever unconsumed balance in their packages in the event of sudden business closure.
- Patronise CaseTrust accredited beauty salons. These businesses offer a five-day cooling off period for consumers to seek a refund for unutilised services if they do not wish to proceed with the packages signed. These businesses also provide stress-free treatments as they are not allowed to engage in sales pitches during the treatment.
- Consumers with unresolved disputes can approach CASE for assistance (hotline: 6100 0315, website: www.case.org.sg).

Lim Biow Chuan
President
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² The five companies are Ecoin/New Station, Joyre/Jia Le, Nail Palace, Salon One Beauty and Tokyo Bust Express.