



CONSUMERS ASSOCIATION OF SINGAPORE

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MEDIA RELEASE

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CASE sees sharp rise in complaints against home renovation contractors in 2021

As an early sign that consumer purchasing behaviour and habits in Singapore have stabilised to pre-pandemic levels, the composition of consumer complaints received by the Consumers Association of Singapore (“CASE”) in 2021 returned to pre-2020 levels.

CASE received 15,515 complaints in 2021, a 15.3% decrease from the 18,335 complaints received in 2020. The decrease is largely attributed to a significant drop in the number of complaints against the travel and medical and medical consumables industries. The number of complaints received in 2021 is slightly higher than the 14,867 complaints received in 2019.

Notably, the number of complaints against renovation contractors jumped by almost 50% from 869 complaints in 2020 to 1,300 complaints in 2021. Close to half of the complaints against the industry were about renovation contractors failing to complete projects on schedule and unsatisfactory workmanship.

Complaints against the beauty industry took top spot, accounting for almost one in 10 complaints received in 2021. About one quarter of complaints against spas and beauty salons related to pressure sales tactics and misleading claims.

The number of complaints against the travel industry fell significantly from 1,800 in 2020 to 673 in 2021. The majority of the complaints pertained to consumers seeking refunds for flights or tour packages which were cancelled or postponed due to COVID-19.

Breakdown of Complaints

CASE received 15,515 complaints in 2021. Of these, CASE provided advice to 86.7% of the consumers on how to resolve their disputes with businesses. CASE assisted 13.3% of the consumers to negotiate and mediate their disputes with businesses. 64.7% of these cases were resolved, with \$2 million (in-cash and in-kind) recovered for consumers.

The breakdown of the complaints received for the top 10 industries in 2019, 2020 and 2021 is listed in Annex A.

Beauty Industry

CASE received 1,434 complaints against the beauty industry in 2021, a 5% increase over 2020. Approximately 25% of the complaints pertained to pressure sales tactics and misleading claims.

Complaints regarding pressure sales tactics include beauty salons not allowing consumers to leave the premises unless they purchased higher price beauty packages and performing higher end treatments on consumers without their expressed consent and charging them afterwards. Complaints regarding misleading claims include beauty salons misleading consumers on the number of sessions in the packages and how certain treatments can cure or alleviate pre-existing health ailments.

To safeguard consumers against such unfair practices in the beauty industry, CASE signed a Voluntary Compliance Agreement (“VCA”) with one beauty salon and referred three beauty salons to the Competition and Consumer Commission of Singapore (“CCCS”) for investigation in 2021 as provided under the Consumer Protection (Fair Trading) Act (“CPFTA”).

Mr Melvin Yong, President, CASE, said: “To address perennial complaints from consumers that they were pressured to buy a package deal, CASE has called on the Government to extend the coverage of the mandatory cooling-off period under the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations to spa and beauty purchases. The mandatory cooling off period will allow time for consumers to consider their purchase and provide them an avenue to cancel their purchases.”

Renovation Contractors Industry

CASE received 1,300 complaints against home renovation contractors in 2021, an increase of almost 50% over 2020. The increase is attributed to the prolonged shortage in manpower and raw materials arising from the continued COVID-19 border restrictions, and pent-up demand in the residential property market and a corresponding demand for home renovation in 2021.

CASE observed that the delay in the completion of renovation works has resulted in some smaller renovation firms facing cash flow issues. Mr Yong added: “To protect their interests, consumers are advised to avoid making large sums of prepayment upfront, and to negotiate for progressive payments to be made as each stage of the renovation work is completed.”

Travel Industry

The travel industry saw a significant 62.6% drop in the number of complaints in 2021 compared to 2020. A substantial proportion of the complaints pertained to travel bookings made before the onset of COVID-19. Some consumers complained that they were unable to get refunds for expired travel vouchers previously given for flights or tour packages which were postponed in 2020.

In addition, there were 18 complaints related to Vaccinated Travel Lane (“VTL”) flight bookings and bus tickets. Most of these complaints pertained to changes in flight bookings and quarantine issues.

Mr Yong advised: “Given the evolving global travel restrictions, consumers are advised to purchase tickets from airlines which offer complimentary rebooking of flights. Consumers are also advised to read through the terms and conditions of the flight booking or tour package, and to take note of written provisions for refunds and cancellations.”

E-commerce Complaints

CASE received 2,206 complaints relating to online purchases in 2021, accounting for approximately 14% of total complaints received. This is a 49% decrease over the 4,366 complaints received in 2020. The decrease is due to a sharp drop in complaints related to face masks, hand sanitisers, airline tickets and tour packages. The two most common types of e-commerce complaints in 2021 pertained to defective or non-conforming goods and delivery issues such as delayed deliveries, incomplete deliveries and wrong deliveries.

Mr Yong said: “As the digital economy evolves, new retail practices will emerge, and consumer shopping habits will change accordingly. To help consumers resolve e-commerce complaints quickly and efficiently, CASE launched the [Standard Dispute Management Framework for E-marketplaces](#) (“the Framework”) in 2021. The Framework provides guidance to e-marketplaces to align dispute resolution processes and give consumers assurance when they shop. I am glad that Lazada Singapore has signed a Memorandum of Understanding (“MOU”) with CASE to adopt the Framework and we

hope that more e-marketplaces will come on board soon, so that their customers can have peace of mind shopping on their platforms.”

Prepayment Losses

Consumers suffered more than \$520,000 in prepayment losses in 2021, a sharp increase from the \$190,000 reported by consumers in 2020. The beauty and bridal industries saw the greatest amount of prepayment losses in 2021. Consumers who made prepayments for beauty and bridal packages were unable to get a refund of their monies due to business insolvency.

Mr Yong said: “Prepayment protection is an area of deep concern for CASE. To better protect consumers against hefty financial losses due to company closures, we have called on the Government to consider mandating prepayment protection in industries which collect large sums of prepayment, and as part of licensing conditions, require the industry to better inform consumers of the steps they can take to protect themselves against business closure.”

CaseTrust

CASE would like to encourage consumers to patronise CaseTrust accredited businesses, which are committed to fair business practices and consumer-friendly policies. CaseTrust accredited businesses are also required to attend mediation with consumers should disputes reach a deadlock. In 2021, the resolution rate of consumer disputes involving CaseTrust accredited businesses is 73.6%, higher than the 64.4% resolution rate for non-accredited businesses.

Businesses accredited under the CaseTrust Renovation and Spa and Wellness scheme are required to protect consumers’ prepayments or deposits. CaseTrust accredited spas and wellness businesses also offer a five-day cooling-off period for consumers if consumers do not wish to proceed with the spa or beauty package purchased.

CaseTrust accredited renovation contractors are required to protect consumers’ prepayments via the purchase of a deposit performance bond. The bond will safeguard deposits against closure, winding up or liquidation before the renovation is completed.

Conclusion

Mr Melvin Yong, President, CASE, said: “Complaints against the beauty and renovation contractor industries remain a concern, and CASE will continue to engage the Government and industry stakeholders to strengthen consumer safeguards and stamp out unfair practices in a timely manner. We will also work with trade associations to increase the CaseTrust accreditation rates for industries with a high number of complaints, so as to reduce undesirable business practices and better protect consumers.”

Melvin Yong
President
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About the Consumers Association of Singapore:

The Consumers Association of Singapore (CASE) is an independent, non-profit organisation that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trade practices. One of its key achievements is in advocating for the Consumer Protection (Fair Trading) Act (CPFTA) which came into effect on 1 March 2004.

For more information, please visit the CASE website at www.case.org.sg or follow us on:

Facebook: www.facebook.com/casesg

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Annex A - Breakdown of complaints received for the top 10 industries from 2019 to 2021

2019			2020			2021		
No.	Industry	Total	No.	Industry	Total	No.	Industry	Total
1	Motorcars	1,683	1	Travel	1,800	1	Beauty	1,434
2	Beauty	1,598	2	Beauty	1,363	2	Electrical & Electronics	1,343
3	Contractors	1,144	3	Electrical & Electronics	1,362	3	Contractors	1,300
4	Electrical & Electronics	1,046	4	Medical & Medical Consumables	1,256	4	Motorcars	1,061
5	Furniture	756	5	Motorcars	1,180	5	Furniture	947
6	Telecommunications	591	6	Furniture	873	6	Travel	673
7	Travel	517	7	Contractors	869	7	Food & Beverages	526
8	Maid Agencies	496	8	Airlines	746	8	Hair	495
9	Educational	369	9	Telecommunications	691	9	Telecommunications	485
10	Food & Beverages	361	10	Food & Beverages	644	10	Medical & Medical Consumables	469