

MEDIA RELEASE

For Immediate Release

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CASE uncovers unfair practices in the gold jewellery industry

The Consumers Association of Singapore (CASE) has uncovered questionable practices adopted by gold jewellery retailers when conducting our fifth round of the gold fineness test in November 2013. CASE randomly picked 20 retailers from different parts of Singapore, including a retailer who failed in the previous round of testing in 2011.

Several questionable practices were observed, such as retailers failing to initiate weighing the gold jewellery or removing the tag when weighing, providing receipts without a detailed breakdown of the gold jewellery cost or using weighing scales that were inappropriate for gold jewellery retailing. On the other hand, all 20 gold jewellery pieces passed the fineness requirement for hallmarking standards in accordance to the Singapore Standard for Determination of Fineness of Precious Metal Jewellery.

All 20 retailers did not initiate to weigh the gold jewellery until being prompted. Two retailers in Geylang Serai refused to weigh the jewellery pieces even upon request. We have written to them and they gave varying replies.

One of the two retailers, Kedai Emas Kampung Melayu Pte Ltd, claimed that the salesman who attended to our surveyor was "new" and therefore failed to adhere to their normal practice of weighing the gold jewellery pieces in the presence of all

customers. This retailer assured us that all salespersons had since been briefed on the importance of professional business practices.

However, the other retailer, Lam Liang Kwang Goldsmith & Jewellers, claimed that the shop's normal practice is to weigh only for regular customers. This practice is unacceptable, and a notice has been given to the retailer to weigh their gold jewellery pieces for all consumers who make purchases at their shop.

13 out of the 18 retailers who weighed the gold jewellery pieces, did not initiate to remove the tag upon weighing. When requested to remove the price tags, most retailers obliged except for one retailer in Little India, which refused to do so. We have written to this company for an explanation on their refusal to weigh without the price tag. The retailer claimed that it was their normal practice to remove the price tag when weighing gold jewellery pieces and promised to investigate the matter and emphasise the fair practices to his salespersons, so as to avoid such incidents in future.

Out of the 18 retailers who weighed the gold jewellery pieces, four retailers were found to have used weighing scales that failed to display the Accuracy Label. SPRING has been informed and it has acted on the four retailers.

Upon investigation, SPRING found that three of the four retailers were using battery-operated weighing scales. Such scales are not approved for gold jewellery retailing and SPRING has issued warning letters to these retailers. Although the fourth retailer used an appropriate weighing scale, SPRING issued another notice to send the scale for accuracy verification as it was carrying an outdated Accuracy Label.

CASE surveyors also found that four retailers were less than transparent in their presentation of receipts. We expect retailers to provide a detailed breakdown on the receipt (e.g. gold price, workmanship, etc.). Without the breakdown, consumers would not be able to determine the exact amount charged for the gold piece vis a vis other charges.

The gold fineness test was done in accordance to the Singapore Standard for Determination of Fineness of Precious Metal Jewellery published by SPRING

Singapore in 2012. Among the 20 tested gold jewellery, 15 pieces are of 916 fineness, while the remaining 5 pieces are of 999 fineness. All gold pieces were randomly picked from a wide selection of rings, bangles, bracelets, pendants, earrings and chains. Test results by the Singapore Assay Office (SAO) showed that all gold pieces of 916 and 999 fineness contained at least 91.6% and 99.9% of gold at the main body respectively, which complied with the Standard. It was found that all 20 gold jewellery pieces have passed the fineness requirement for hallmarking standards.

CASE would like to call upon the retailers who adopted the above unfair business practices to desist from such practices again. This survey also serves as a reminder to all other retailers who were not picked in this test to adopt fair trading practices with their consumers and that their gold jewellery pieces comply with the Singapore Standard for Determination of Fineness of Precious Metal Jewellery.

CASE would like to highlight these useful tips to consumers:

- Consumers are advised to check the net weight of the jewellery (i.e. without the tag) when making a purchase.
- Consumers should ensure that a non-battery operated weighing scale with the Accuracy Label is used to weigh the jewellery and that the scale is sealed with a tamper-proof paper seal.
- Consumers should insist that the jewellery is weighed in their presence.
- Consumers can request for a detailed breakdown on the receipt.
- Consumers are advised to keep all proof of purchases (i.e. receipts).
- Consumers are advised to understand the terms and conditions of the purchase and check with retailers if they have an exchange and refund policy.

CASE is committed to protecting the interests of consumers and we will continue to highlight any unfair practices in the marketplace. At the same time, we also urge consumers to be more discerning and exercise caution to protect their own interests.

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President

Consumers Association of Singapore