

MEDIA RELEASE

5 May 2010

CASE survey of 150 retailers found most have exchange or refund policy

In a survey of 150 retailers conducted between November 2008 and March 2010, the Consumer Association of Singapore (CASE) found that 133 of them have an exchange and/or refund policy.

This was the first time that CASE conducted an 'Exchange and Refund Policy Survey'. The objective was to find out if retailers in general offer an exchange and/or refund policy to consumers. The survey provides a snapshot of the exchange and refund policies practised by retailers across various sectors in Singapore.

CASE sent out a questionnaire to 1,000 retailers from 15 industries and 150 retailers responded. The 15 industries were chosen due to the tangible nature of their products. The retailers were requested to respond to CASE, providing information with relevant documents (if any) on the store's exchange and refund policy. Even though the response rate was low, the findings provide some understanding of how refund and exchange policies are practised in Singapore.

The key findings are as follows:

1. Out of 150 retailers, 71 of them have both an exchange and refund policies in place. 62 of them only offer consumers an exchange policy.
2. The period of exchange and/or refund set by retailers varies. From our survey, the median number of days for the exchange and/or refund is set at 7 days. (Please see [Annex A](#) for more details).
3. Almost all retailers require consumers to present proof of purchase (i.e. receipts) for the exchange or refund.
4. The items returned have to be in good, original or saleable condition.
5. 74 out of 133 retailers responded that they would inform consumers that they have an exchange and/or refund policy in place at the point of purchase.
6. 89 retailers responded that they have a notice displayed in the store to inform consumers of their exchange and/or refund policy. The locations of the notices are at shop interior, cashier counters or storefront. Consumers can also find out about it on the receipts or company's website.
7. In case of disputes, retailers also offer other resolution methods to consumers. These include mediation, issuing of gift voucher, discount for products, trade-in of products, free gifts, free servicing or repair of products or referrals to suppliers or distributors.

Mystery shopping exercise

To reinforce and validate the findings of the survey, CASE conducted a separate mystery shopping exercise on selected retailers between August and September 2009. For this exercise, 38 retailers in three categories were selected and our objectives were:

1. To check if CaseTrust accredited retailers practise the exchange and/or refund policy
2. To check on retailers who responded to our survey and validate the exchange and/or refund policy
3. To check on retailers who did not respond to our survey and find out whether the exchange and/or refund is in place even though they did not participate in the survey

From our mystery shopping exercise, we found the following:

1. All the nine CaseTrust accredited retailers allowed an exchange when our mystery shoppers requested to return the purchase within the stipulated timeframe.
2. All 11 retailers who responded to our survey stating that they have an exchange and/or refund policy in place, allowed an exchange and/or refund in accordance with what they said in the survey.
3. 18 other retailers who did not respond to our survey also allowed an exchange for merchandise returned during the stated timeframe for return. Most of them allowed exchange within 7 or 14 days. However, CASE is glad to find out that retailers like Baleno and Giordano allowed consumers to exchange anytime (no time limit) as long as the products were in unused conditions.
4. There are some types of products which retailers would not accept return and they are items on promotion, or items like earrings, underwear or bodywash due to hygiene concerns.
5. Most retailers surveyed asked for the reason when the item was returned. There were a few retailers who requested the mystery shoppers to fill in the forms to declare the reasons.

More details are available in [Annex B](#).

Through this survey, we hope to give consumers a better understanding of the type of exchange and refund policy generally practiced by retailers in Singapore. As consumers, these are some of the good practices that you can adopt:

- Check the merchandise before leaving the store, especially for items that are not exchangeable or refundable.
- Keep the receipts until the end of the return period. Consumers should also check with the retailers on the return period if they are unsure.
- Maintain the merchandise in original, saleable condition if you wish to return the items. For instance, the price tags should not be cut away or clothes should not be washed before.

Having a clear return or refund policy is a good and fair business practice and CASE urges all retailers who currently do not have one to consider implementing them at their stores. Such customer friendly policies will enhance the confidence of consumers who

patronise them. Moving forward, CASE will continue to conduct relevant surveys which can keep consumers updated on latest business practices and trends in the market which can affect them.

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