

MEDIA RELEASE

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CASE FOUND ANOTHER 4 GOLD JEWELLERY RETAILERS NOT FULFILLING THE GOLD FINENESS STANDARD

The 3rd round of 'Gold Fineness Standard Testing' Survey conducted by the Consumers Association of Singapore (CASE) between November 2009 and January 2010 revealed that four out of 33 surveyed jewellery pieces did not meet the gold fineness standard for jewellery. Two out of the four surveyed pieces were clear breaches of the Gold Fineness Standard, while the other two were marginal failure.

CASE's objectives in conducting the survey are to find out if retailers are still selling gold jewellery that do not meet the claimed fineness, or charging consumers for manufacturing loss.

The 33 jewellery pieces surveyed consisted of 23 gold jewellery pieces of 916 (22k) fineness and 10 gold jewellery pieces of 999 (24k) fineness. Gold pieces of 916 and 999 fineness should contain at least 91.6% and 99.9% of gold respectively.

For the survey, CASE deployed mystery-shoppers to purchase gold jewellery pieces randomly from 33 gold jewellery retailers situated in Little India, Chinatown, Geylang Serai, Bugis, Orchard, Boon Lay, Bukit Batok, Bukit Merah, Toa Payoh, Ang Mo Kio and Yishun. The gold jewellery pieces were also randomly selected and included rings, bangles, bracelets, brooches, pendants, earrings and chains. After purchase, the gold jewellery pieces were sent to the Singapore Assay Office (SAO) for fineness standard tests using fire assay cupellation.

Out of the 33 gold jewellery pieces, four pieces did not meet the fineness standard. All of these failed pieces were sold as 916 (22K) gold. The four failed pieces had a gold content of 91.51%, 91.49%, 91.36% and 80.76%; this is below the minimum requirement of 91.60%.

Of these four failed pieces, one was purchased from a member of the Singapore Jewellers' Association and another was hallmarked by the Singapore Assay Office Hallmarking Scheme (Refer to attached [Annex A](#)).

Additional findings by CASE:

1. One retailer had charged more than the actual value of the gold jewellery based on the weight. The gold piece was only 4.7g but the retailer charged based on 4.86g; which is overcharging. This retailer has been reported to SPRING for selling short measure under the Weights and Measures Act.
2. 87.9% or 29 retailers surveyed did not initiate to weigh the gold articles. When requested to weigh, one retailer was reluctant to do so.
3. Out of 33 retailers surveyed, 23 of them did not initiate to weigh the gold jewellery pieces without the price tag.
4. When requested to remove the tag, two retailers refused to do so when weighing the jewellery pieces upon purchase.
5. The Accuracy Label, which was introduced in 1 April 2004 to help consumers identify the weighing and measuring instruments verified by SPRING, was not visible on the weighing scale of 31.3% or 10 of the retailers surveyed.
6. 72.7% or 24 retailers did not give a detailed breakdown in the receipt; information such as the gold price (per gram), labour cost and weight were left out. Most retailers left out the labour cost. Only 18 or 75.0% of those who initially did not give a detailed breakdown, did so upon request.
7. The six retailers who were found with gold jewellery pieces failing the Gold Fineness Standard test in the previous rounds of the survey were also included in this round of survey. 'Catherine Goldsmith & Jewellery' was not in operation at the time of the survey. The other five retailers had passed the Gold Fineness Standard test.
8. Consumers may be asked to pay an extra administrative fee ranging from 3% to 5% if they choose to make payment by NETS or credit card instead of cash.

In the interests of consumers, CASE urges retailers to state upfront of the price of gold and any additional charges. Jewellers who sell gold below the claimed fineness are in breach of the Consumer Protection (Trade Description and Safety Requirements) Act. This Act makes provisions for prohibiting mis-representation of goods supplied in the course of trade and prescribes requirements relating to informative marking. Both SJA and SAO have been informed of their members who had sold gold jewellery pieces that were not up to the fineness standard.

CASE has written to SAO to seek explanation on the hallmarked gold piece that failed the gold fineness test. SAO has explained that due to the nature of the sampling plan, there is still a possibility that an undercarated article may go undetected as tests (such as Fire Assay Method) are only carried out on a few samples picked from a lot. To prevent such situation from happening in future, SAO has suggested that retailers adopt a combination of the Fire Assay Method and X-Ray Fluorescence (XRF) method to determine the gold content of the jewellery.

As for the retailer who is an SAO member and found to have jewellery that failed the Gold Fineness Standard test, SAO will work with the retailer to compensate the consumer if the purchased jewellery is found to be below the stated fineness. Consumers who wish to verify the gold content of jewellery can bring it to SAO and get it tested using the XRF Method at a nominal fee of \$2.40 per article.

As for retailers who are members of SJA, SJA has given assurance that consumers can return the purchased gold jewellery to the retailer for a full refund in case of a dispute.

CASE offers the following tips to consumers:

- Compare prices and shop around before buying as different retailers offer different gold prices. Some may offer discounts.
- Buy hallmarked jewellery pieces for a greater assurance of the fineness.
- Ensure the jewellery pieces are weighed in your presence with the price tag removed.
- Errant retailers who weigh the jewellery articles with the tag and overcharge consumers are in breach of the Weights and Measure Act. Consumers can take action against such retailers by reporting such unfair practices to SPRING Singapore or to CASE.
- Avoid jewellers that charge for manufacturing loss of gold. Jewellers should charge based on the net weight of the gold piece. Under the guidelines of SJA, retailers are not allowed to charge consumers for manufacturing loss of gold; this has been the practice since August 1995.
- Insist on a detailed breakdown on the receipt.
- Consumers can report retailers to NETS or the relevant credit card companies if they charge an additional administrative fee when consumers opt to pay by NETS or credit card.
- Consumers are advised to keep all proof of purchase.

- Understand the terms and conditions of purchase and check with retailers if they have an exchange and refund policy.

CASE would again like to emphasise our commitment to protect the interest of our consumers and will continue to conduct such surveys to highlight retailers who sell gold that are of lower fineness than claimed. We advise consumers to be more discerning and take the necessary steps to protect their own interest when buying gold jewellery.

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CASE