



CONSUMERS ASSOCIATION OF SINGAPORE

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MEDIA RELEASE

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CASE survey on business practices and terms & conditions of 30 laundry shops

A 2015 survey conducted by the Consumers Association of Singapore (CASE) at 30 laundry businesses showed that 27 out of 30 shops failed to adopt the good business practice of explaining the important points in their terms & conditions (T&C) clearly to the consumer, resulting in confusion over liability claims. As liability coverage for lost and/or damaged items often varies from shop to shop, there is a need to explain such terms clearly to the consumer.

BACKGROUND

The survey was conducted due to feedback that laundry shops were refusing to pay the compensation requested by the consumer after damaging or misplacing their articles. From January 2012 to November 2015, CASE handled 71 complaint cases involving the laundry industry and approximately 60% of such disputes were on unsatisfactory services. Consumers complained that laundry shops damaged or misplaced their article sent for cleaning and they have difficulties seeking compensation.

The disputes were mainly about:

- i. Laundry shops failing to explain the extent of their liability coverage for lost and/or damage of articles to the consumers, resulting in disputes over compensation of the lost or damaged articles.
 - The liability coverage varies from shop to shop. For example, a shop may state that they do not bear any liability for any fading of colour of the article, while another shop may agree to bear liability if the fading of colour was caused by their staff's carelessness and not due to the nature of the fabric.
- ii. Laundry shops failing to explain the liability cap for lost and/or damage of articles to the consumers, resulting in disputes over the maximum amount of compensation that consumers could request for.
 - The liability cap varies from shop to shop. For example, a shop may state that the liability for loss and/or damage of articles should not exceed five times the rate charged for cleaning the article and the claim should not exceed \$100 for each article, while another shop may state that the liability for loss and/or damage of articles should not exceed 10 times the rate charged for cleaning the article and the claim should not exceed \$150 for each article.
- iii. Laundry shops denying liability over the lost and/or damaged articles despite having a clearly stated set of terms & conditions on liability claims.

Hence, earlier this year, mystery shoppers from CASE visited 30 different laundry shops island wide for laundry or dry cleaning services. The business practices of each shop were observed carefully by the mystery shoppers and the terms and conditions of each shop was collected and reviewed.

The survey results showed that 29 out of 30 shops had some form of liability coverage for consumers written in their terms & conditions but 27 of these shops failed to explain their liability coverage clearly to the consumers. On top of this, only seven shops asked for the consumer's signature to acknowledge the existence of the terms & conditions (*view Table 1*).

Some shops do not specify the extent of their liability coverage and liability cap. CASE noted that 10 out of 30 shops do not indicate any cap on their liability. However, most shops do limit their liability to a certain multiple of the rate charged for cleaning the article. Furthermore, stated liability for loss and damage of items varied across the shops. There were 21 shops that had liability coverage for both loss and damage of articles, five shops had liability coverage for lost articles only and three shops did not state the extent of their liability coverage.

In addition, CASE found out that one laundry shop - *Choon Kee Laundry* did not have a standard set of terms & conditions or a price list for consumers. The shop claimed that they are a family operated business and the cost will be quoted depending on the type of laundry service requested and the type of article.

Based on the results of the survey, CASE believes that there is a need for the adoption of a standard set of guidelines on industry practices for the laundry industry and plans to look further into the matter.

Meanwhile, CASE would like to offer the following tips to consumers when patronising laundry shops.

- Consumers should always ensure that there is a proper refund policy for lost or damaged articles before signing on the dotted line.
- Consumers should take note of the small print on their sales invoice or receipt specifying the terms and conditions of the laundry service. Consumers should pay special attention to the clauses concerning damaged or lost articles. Some laundries may limit their liability for damaged or lost articles up to a number of times of the cleaning service charged or impose a liability cap on the service.
- Consumers should check their returned articles thoroughly upon collection or delivery and feedback any problems such as loss or damage of articles promptly. Some laundry shops may state that liability claims (if any) must be made within 24 hours of the collection of the article.
- Consumers should always keep all original receipts or invoices. Most laundry shops will ask for the receipt or invoice if consumers make a claim for damage or loss of articles. The consumer would be expected to show the receipt to claim back the items sent in for cleaning.
- Consumers should pay attention to the care labels on their article and highlight the cleaning instructions to the vendor. If unsure, consumers should ask the vendor for advice on the suitability of the material to be washed or dry cleaned.
- Consumers can lodge a claim with CASE or the Small Claims Tribunals (SCT) if they are unable to resolve their dispute with the laundry business.

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.

Lim Biow Chuan
President
Consumers Association of Singapore

Table 1. Comparison of the liability coverage and liability cap across the 30 surveyed laundry shops as written in their terms & conditions.

No.	Name of Laundry Shop	Address	T&C Stated?	T&C Explained?	Customer's acknowledgment of T&C?	Liability X times of service charges ¹	Liability cap	Stated liability on Loss and Damage
1	Charis Launderette Pte Ltd	1 Vista Exchange Green #01-39A	Yes	No	Yes	10	\$100	Both Loss and Damage
2	Chip Lee Seng Laundry & Dry Cleaning Services	21 Ghim Moh Road #01-165	Yes	No	No	10	Not stated	Only Lost
3	Choon Kee Laundry	3 Jalan Kukoh	No	No	No	Nil	Nil	Nil
4	Clean Living	50 East Coast Road #01-94 Roxy Square 2	Yes	Yes	No	10	\$180	Both Loss and Damage
5	Dah Lok Dry Cleaners	598 Geylang Road	Yes	No	No	5	Not stated	Both Loss and Damage
6	Express Wash Pte Ltd	6 Eu Tong Sen St #B1-50 The Central	Yes	No	No	10	\$80	Only Lost
7	FabricPro Dryclean & Laundry Services	930 Yishun Ave 2 #B2-32A North Point Shopping Centre	Yes	Yes	Yes	10	\$100	Both Loss and Damage
8	Hi-Tech Dry Cleaning & Services	10 Jalan Serene #01-11 Serene House	Yes	No	No	10	Not stated	Only Lost
9	Hui Yih Laundry & Stationery services	644 Hougang Ave 8 #01-277	Yes	No	No	0.5x cost of item	\$50	Both Loss and Damage
10	Jelita DryCleaners	293 Holland Road #02-13 Cold Storage Jelita	Yes	No	Yes	10	\$150	Both Loss and Damage
11	Johnson Laundry Services	146 Potong Pasir Ave 1 #01-145	Yes	No	Yes	10	Not stated	Not stated
12	Joy Laundry Center	400 Balestier Road #01-23 Balestier Plaza	Yes	No	No	5	\$100	Both Loss and Damage
13	Laundry Affairs	175 Bencoolen Street #01-19 Burlington Square	Yes	Yes	No	10	\$100	Both Loss and Damage
14	Laundry Link	441 Pasir Ris Drive 6 #01-54	Yes	No	No	10	\$150	Both Loss and Damage
15	Laundry Queen	1 Kim Seng Promenade #B1-12 Great World City	Yes	No	No	10	\$200	Both Loss and Damage

¹ This means that liability of the shop is limited to X times the cleaning charges for each article. For example, if a jacket is washed for \$10, the shop's liability is limited to 10 x \$10 = \$100, provided that this amount does not exceed the liability cap. Please also note that the survey results are accurate as of July 2015.

No.	Name of Laundry Shop	Address	T&C Stated?	T&C Explained?	Customer's acknowledgment of T&C?	Liability X times of service charges ²	Liability cap	Stated liability on Lost and Damage
16	Lido Dry Cleaning	160 Upper East Coast Road	Yes	No	No	10	Not stated	Both Loss and Damage
17	Mrs Dobi Laundry Services	261 Serangoon Central Drive #01-31	Yes	No	No	10	Not stated	Both Loss and Damage
18	My Laundry Services 88	414 Yishun Ring Road #01-1867	Yes	No	No	10	\$150	Both Loss and Damage
19	My Millennium Laundry	168 Bedok South Ave 3 #01-479	Yes	No	Yes	10	\$150	Both Loss and Damage
20	Ocean Laundry	151 Serangoon North Ave 2 #01-07	Yes	No	No	10	Not stated	Both Loss and Damage
21	Prestige Laundry & Dry Cleaning	11 Telok Blangah Cres #01-66	Yes	No	No	10	\$150	Only Lost
22	Prominent Laundry & Dry Cleaning Centre	528 Bukit Batok St 51 #01-66	Yes	No	No	6	Not stated	Both Lost and Damage
23	Rosabelle Launderette	10 Haig Road #01-37	Yes	No	No	5	Not stated	Not stated
24	Shanghai Chen Hin Dry Cleaning Co	346 TanjongKatong Road	Yes	No	No	5	\$50	Both Lost and Damage
25	Shanghai Newton Dry Cleaning Co.	226E Ang Mo Kio Ave 1 #01-701	Yes	No	No	10	Not stated	Both Lost and Damage
26	SPL Laundrymart	56 Amoy St	Yes	No	Yes	5	\$100	Only Lost
27	Systematic Laundry & Healthcare Services Pte Ltd	301 Upper Thomson Road #01-61 Thomson Plaza	Yes	No	No	Not stated	\$250	Not stated
28	The Laundry Corner	10 Sinaran Drive #04-12 Square 2	Yes	No	Yes	10	\$180	Both Lost and Damage
29	Ultraclean Laundry & Drycleaning	632 Bedok Reservoir Road #01-860	Yes	No	No	10	\$50	Both Lost and Damage
30	Zoom Laundry & Dry Cleaning Centre	81 Marine Parade Central #01-628	Yes	No	No	10	\$100	Both Lost and Damage

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