



CONSUMERS ASSOCIATION OF SINGAPORE

170 Ghim Moh Road, #05-01, Ulu Pandan Community Building, Singapore 279621

Hotline: 6100 0315 Fax: 6467 9055

Website: www.case.org.sg

MEDIA RELEASE

Embargoed till 13 March 2016, 12pm

Timeshare complaints are out of the top ten list but motorcar complaints remain as number one

On our 45th anniversary, the Consumers Association of Singapore (CASE) is pleased to share our complaints statistics for 2015. We are happy to note that complaints against the timeshare industry which had topped the chart for many years, has since fallen out of the ranking list of the top ten industries with the highest complaints. However, the motorcar industry still remains as the top industry with the highest number of complaints since 2012.

The breakdown of the top ten industries with the most number of complaints can be viewed in the table below.

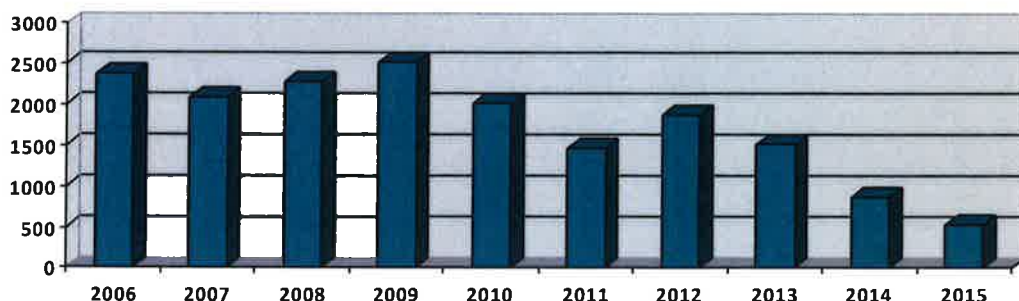
Table 1. Comparison of the ranking of the top 10 industries complained against in 2014 and 2015.

2014			2015	
No.	Industry	No. of complaints	Industry	No. of complaints
1	Motorcars	2,112	Motorcars	2,907
2	Electrical & Electronics	2,093	Electrical & Electronics	1,668
3	Travel	1,926	Beauty	1,664
4	Beauty	1,709	Contractors	1,447
5	Contractors	1,462	Furniture	1,237
6	Furniture	1,322	Travel	1,037
7	Handphones	1,318	Maid Agencies	914
8	Telecommunications	1,192	Telecommunications	836
9	Timeshare	869	Handphones	826
10	Maid Agencies	863	Clubs	623

Timeshare Industry

CASE has always been concerned about complaints against the timeshare industry because of the large number of complaints, the amount of monetary losses incurred by consumers and the unethical pressure sales tactics used. Hence, we are delighted that the number of complaints registered with us have fallen and that the timeshare industry has dropped out of the top ten industry ranking for the first time in more than ten years. From 2014 to 2015, the timeshare industry fell from the ninth rank (869 complaints) to the 11th rank (536 complaints), a decrease of 38.3%.

Figure 2. Total number of timeshare complaints received by CASE in the past ten years.



CASE is of the view that the fall in complaints is due to CASE efforts in the past decade to curb errant timeshare companies who use hard selling tactics and offer empty promises to consumers. CASE had successfully taken out several injunctions against well-known timeshare companies such as Orion's Belt Network Pte Ltd in 2006, Global Europe (Asia) Pte Ltd in 2007, Garraway Enterprises Ltd (Singapore Branch) in 2008 and Concord Developments Pte Ltd in 2011.

CASE also suggested several amendments to the timeshare provisions in the Consumer Protection (Fair Trading) Act (CPFTA) which were later adopted by the Singapore government. For example, the extension of the mandatory three days cooling-off period to five days took place in 2009 and the prohibition on timeshare suppliers collecting any advance consideration (i.e. any form of monetary payment or promise to pay money) from the consumers during the cooling-off period was introduced in 2014.

We have issued many press releases and conducted numerous talks and seminars over the years to alert and educate consumers about the unethical sales practices of timeshare vendors and their rights available to consumers under the CPFTA. CASE is glad that fewer consumers are being misled by errant timeshare sellers and look forward to a further decrease in timeshare complaints in the years to come.

Motorcar Industry

The industry with the highest number of complaints remains the same with the motorcar industry still ranked at number one. Last year, the number of complaints increased by 37.6% from 2,112 complaints in 2014 to 2,907 complaints in 2015. The motorcar industry has been at the top of the complaints ranking list since 2012.

The top nature of complaint for the motorcar industry was defective goods. Generally, around 50% of all motorcar cases taken up by CASE involved complaints on motorcars with some defective parts. Furthermore, approximately 70% of all cases taken up by CASE involved second-hand cars. From the statistics, we do see a trend that consumers are more likely to complain about buying second-hand cars with defects. This could be due to two reasons:

- Firstly, second-hand cars are more likely to have defective parts depending on their age and past use by their original drivers.

- Secondly, consumers may have different expectations when they buy a second-hand car. Some consumers expect such cars to look or function like new but it is inevitable that some parts of the car may become “defective” due to wear-and-tear after a few years.

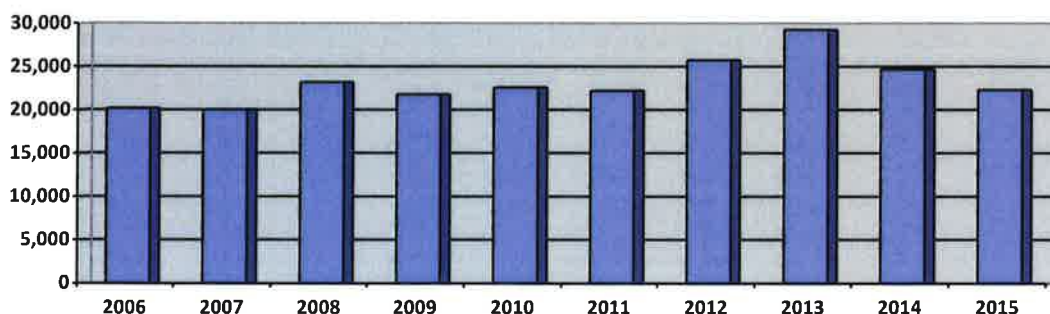
However, we note that car dealers should still ensure that second-hand cars sold are safe for use and that defects are properly rectified. One way could be to send such cars to an authorised vehicle inspection centre for checks before each sale.

In view of the high number of complaints in the motorcar industry, CASE plans to hold a “Motoring and You” seminar this year, together with our strategic partners to educate existing and potential motor vehicle owners of their consumer rights and on other relevant issues relating to the purchase of a motor vehicle. To reduce the incidents of buying defective goods, we advise consumers to request dealers to produce a workshop report from a certified vehicle inspection centre on the condition of the car before buying. This will enable consumers and businesses to have a better understanding of the sales transaction which they have committed to.

Overall Complaint Statistics

Consumer complaints received by CASE continued falling from 24,721 complaints in 2014 to 22,319 complaints in 2015. Complaint numbers have decreased by 9.7%. The resolution rate for filed cases¹ handled in 2015 fell from 85.5% in 2014 to 76.5% in 2015.

Figure 3. Total number of complaints received by CASE for the past ten years.



The fall in the number of complaints received is likely to be due to the following:

- Consumers are more knowledgeable about consumer laws and are more empowered to stand up for their rights due to better consumer education over the years.
- More businesses are committing themselves to fair trading and transparency in their transactions with consumers due to CASE’s increased collaboration with trade associations and accreditation through our CaseTrust accreditation schemes.

¹ Filed cases are cases whereby the consumer has authorised CASE to handle the dispute on his/her behalf. The CASE officer will follow up and negotiate with company directly through correspondence to seek an amicable solution for both parties.

- A few problematic industries such as electrical & electronics, handphones, timeshare and travel have seen a significant drop in complaints. We saw less cancellations and closures in the travel industry. Businesses in the handphones and electrical & electronic industry were also more forthcoming in resolving disputes about defective products with consumers directly as a result of the Lemon Law. Furthermore, the arrest of a number of errant retailers located at Sim Lim Square and the widespread publicity on the matter has led to smarter shoppers who are not misled easily and many retailers cleaning up their act.

The fall in the resolution rate was partly due to an increase in the number of complaint cases filed with CASE. The numbers rose from 1,381 filed cases in 2014 to 2,006 filed cases in 2015, an increase of 45.3%. As a result, many of the cases that were filed later in the year were still pending and had not reached a settlement. In addition, there was an increase in the number of cases filed in the contractor, motorcar and travel industry. These involve large sums of money and it usually difficult to resolve such cases due to the complexity of the situation and the large amount of monies involved.

Moving Forward

CASE will continue to work hard to champion consumer rights and promote fair trading in Singapore. However, consumers have to play their part as well, by knowing their rights and doing their own checks on businesses before making any purchases of goods and services. With the support of our strategic partners and all consumers, we look forward to building a consumer-friendly Singapore together.

Lim Biow Chuan
President
Consumers Association of Singapore (CASE)