

MALAYSIAN CONSUMERS COMPLAINTS 2010



**FIND OUT WHAT CONSUMERS
TELL ABOUT YOUR COMPANY**

Published by

National Consumer Complaints Centre (NCCC)

Fifth Edition 2011

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Printed in Malaysia

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Message from the Chairman of NCCC

Dear Consumers and Stakeholders,

I am proud to present the 5th NCCC Annual Report 2010 which shares our journey throughout the year. I would also like to take this opportunity to thank the team and the support that we had in compiling as well delivering this informational report. The report and its contents will benefit Malaysia's consumers and also help to add value to our Industries as well as relevant Government Bodies.

Unlike business bodies which often share their net profit (or losses) we are in business to share in the trials and tribulations (or losses) of consumers in Malaysia. In addition, there are definite challenges that we as an NGO will often experience as well. Though our responsibility is to serve against all odds, and for free, one must bear in mind that "Self Protection is always the Best Protection". We are here to serve and to educate the poor as well as the innocent consumer who more often than not seems to bear the brunt of the various bureaucracies as well. We will continue to serve despite not being in the Chair that makes decisions to alleviate the problems that consumers experience.

Despite all the challenges, the NCCC was bestowed the Corporate Social Responsibility Award Year 2010 from CCAM. The experience of handling over 138,000 consumer complaints covering 24 sectors since the year 2004 to date has helped us to gather sufficient data which interestingly tells us that the collective losses amount has risen to RM244,301,900.00 last year alone. The experience has also advanced our credibility as well as skills in the areas of dispute resolution, mediation, analysis on various issues, and interfacing with a variety of industries and government agencies. The knowledge and experiences of NCCC has now brought us into all major law and policy level consultations, including at the ASEAN level.

The NCCC data analysis has also been useful to many university researchers and academics. We believe that the NCCC has justified its existence by being the only centre which is capable of providing such greater information – and we are also in a position to take consumerism to a new phase. In the year 2010, we focused on consumerism and dispute resolution in a different manner. We utilized the repertoire of complaints and the core



issues arising as an input to assist with the amendment of related laws, policy review, task forces and councils so that changes can be brought not only for individual cases but also at the National level. The NCCC has also established a working relationship with industries over the years and has now developed a network to help and improve these industries into being more consumer-friendly and efficient.

Although there are a number of private and public complaint handling institutions in Malaysia, it must be noted that the NCCC has never been the typical complaint handling body for individual cases. We have taken greater steps by actively commenting on consumer issues, addressing the consumer's dilemmas, the difficulties, the marketing gimmicks, consumer losses, as well as the need for law and policy amendments. We have been very consistent in matters of consumer advocacy, delivering our position and memorandum to the respective authorities.

We have also brought emerging consumer issues to the government's attention in order to find ways to improve consumer protection. The year 2010 has recorded the highest complaints received about the Telecommunication and Multimedia Industry, followed Hire Purchase, Financial Institutions, Automobiles and Public Transportation; and this snapshots the sectors which need to pay more attention to consumer protection. We realize that consumers are relying confidently upon the NCCC to channel their complaints.

Though the NCCC through the years has created greater platforms to communicate and resolve disputes amicably, we have to admit that there are some industries which refuse to be consumer-friendly as they fail to understand that ignoring current trends can be to their detriment in the long run.

The automotive, communication & multimedia and transportation sectors need to be more consumer-friendly and improve the relationship through available consumer networks. The interagency coordination between the government and NGO's is essential and this will also bring huge developments that will further encourage public participation. One also has to bear in mind that mere invitations are insufficient; industries and stakeholders have to sincerely work towards improving products, services and commitment to consumers.

Although funding is our greatest barrier to expansion I am confident in the relevance and significance of the NCCC to consumers and the Nation.

We will continuously assist, educate and provide sufficient support for our Nation, industry and government and be a more relevant and important consumer advocacy organization. We also envisage that NCCC will become a centre for excellence for local and cross-border dispute resolution, mediation, and arbitration.

With best wishes,



Y. Bhg. Datuk Marimuthu Nadason
*Chairman,
National Consumer Complaints Centre*

Corporate Profile



The National Consumer Complaints Centre (NCCC) was officially opened by Datuk Hj. Mohd Shafie Hj. Apdal, Minister of Domestic Trade and Consumer Affairs on July 13, 2004. It was established at the behest of the Education and Research Association for Consumer (ERA Consumer Malaysia), Consumers Association of Selangor and Federal Territory Domestic Trade and Consumer Affairs.

The NCCC aims to be a hub for channeling complaints in order to help consumers to resolve their problems. In addition, the Centre also serves to channel the complaints to the appropriate parties to resolve problems. The NCCC also acts as the intermediary between consumers and traders to resolve disputes.

An analysis reveals that consumers are having problems in finding a suitable body and a relevant contact to help resolve their problems. Therefore, the NCCC helps fill that void and is now the only body handling cross border consumer complaints in Malaysia. Over the years, the NCCC has fostered closer ties and working relationship with the various government agencies, the private sector and other NGOs for enhancing the quality of life of consumers. As a mark of the NCCC's success, 70% to 80% of total complaints are resolved on average.

It is evident that over the years, the NCCC has received numerous complaints from the Malaysian public. 34, 381 were received in the year 2010. The NCCC through its services to consumers continues to have a powerful impact upon the activities of 24 sectors and industries.

As a dispute resolution body the NCCC is equipped to handle 24 categories of consumer complaints and these include Scams, Housing, Communications and Multimedia, Future Services, Quality of Product and Services, Public Transport, Financial Institutions, Hospitality, Government Agencies and Services, Hire Purchase, Management Corporations, Insurance, Automobiles, Retail Trade, Electricity and Energy Supply, Job Recruitment Agencies, Cheap Sales, Maid Agencies, Legal Services, Water Services, Pawn Broking, Food, Healthcare Services and Education.

In addition, the NCCC also has been instrumental in many policy and law reviews and played a key role in developing consumer protection laws in Malaysia. Publishing its annual report, including other relevant publications and publicising them via the media has helped educate corporate organisations, traders and also consumers. The NCCC website and its articles in Konsumerkini has been a major source of information for consumers.

Profile of The Board of Directors



Datuk Marimuthu Nadason

NCCC Chairman

Datuk Marimuthu is a well-known and respected consumer advocate. The NCCC was the result of his deep desire to assist consumers at all levels. He went on to establish the complaint handling centre which focuses on consumer advocacy through law and policy reviews. He has also been instrumental in building a network between the government, various industries and international organizations. He holds several key positions in major consumer bodies; and as President of the Federation of Malaysian Consumers Association (FOMCA), President of ERA Consumer Malaysia, and as the President of Malaysian Association of Standards Users.



Dato' Paul Selvaraj

Chief Executive Officer

Dato' Paul Selvaraj is the Chief Executive Officer of FOMCA, NCCC and the Consumer Research & Resource Centre (CRRC). Dato' Paul is currently the Chief Editor for the CRRC Consumer Review, a Journal dedicated to consumer related issues and also the Chief Editor of Ringgit, a monthly Bulletin focusing on financial education for the public at large. He is also an active participant in Pemudah and Pemandu's task force.



Mr. Muhammad Sha'ani Bin Abdullah

Director

Mr. Muhammad Sha'ani Bin Abdullah is a former Chief Executive Officer of NCCC and currently a Human Rights Commission Malaysia (SUHAKAM) commissioner. He is the Secretary-General of FOMCA, the President of Pahang Association of Consumers (PAC) and a director of NCCC. He was the Chairman for Communication and Multimedia Consumer Forum of Malaysia (CFM) from 2005-2007. He is a consumer activist and also the voice of human rights.



Mr. Mohd Yusof Bin Abdul Rahman

Director

Mr. Mohd Yusof Bin Abdul Rahman is a director of NCCC and President of the Selangor Consumer Association and Federal Territory. He is also the Media Relations Officer and Treasurer of FOMCA.



Ms. Ratna Devi Nadarajan

Director

Ms. Ratna Devi is the Chief Executive Officer of Standards Users and Deputy Secretary General of FOMCA. She is a member of the team drafting the International Standards on Social Responsibility or the ISO 26000 under the International Organization for Standardization or ISO. She currently oversees matters relating to consumer representation in standards development activities at national, regional and international level.



Ms. Chan Kah Chi

Director

Ms. Chan Kah Chi is the Chief Financial Officer of FOMCA and Director of NCCC.

Senior Management



DATUK MARIMUTHU NADASON
CHAIRMAN



DATO PAUL SELVARAJ
CHIEF EXECUTIVE OFFICER



MS. MATHEEVANI MARATHANDAN
SENIOR MANAGER DISPUTE RESOLUTION & POLICY REVIEW



PN NORLI BAHARIN
ADMINISTRATION MANAGER



MS. DEIVIGARANI KRISHNA
LEGAL EXECUTIVE

Volunteers Team of the Year 2010

The Malaysian Bar Council's Ruling 10.06 require pupils to serve a minimum of 14 days compulsory Legal Aid Duty. Since its existence, the NCCC has welcomed pupils from the Legal Aid Centre of Selangor. They contribute to the NCCC from 9am to 5pm everyday from Monday to Friday.

Listed below are the pupils who served at the NCCC in the year 2010.

- Norliza Bt. Rosley
- Chin Shang Yoon
- Sheryl Lona Thomas
- Gan Chee Wei
- Ng Hooi Hong
- Cheong Bee Lin
- Nur Yasmin Osman
- Lim Boon Bee
- Leong Kai Bin
- Lim Hui Yin
- Siti Syarah Bt Mohd Sudin
- Poo Long Jye
- Thong Chee Seng
- Veronica Chuah Xin



"For me, NCCC is an organization assisting public / consumer in all matter regarding consumer right. NCCC provided fully support to consumer in protecting the consumer right. NCCC provide advice, consult, lodge complain and getting positive answer from the parties who was complained by the complainant. NCCC Devi, Vani & Puan Norli the parties putting effort and contributing to the society. NCCC will grow bigger and stronger to be a medium to solve all the consumer problems."

Cheers, Jye

Helping the helpless consumers is the reason I like NCCC. Take good care ya :)

Regards, Hui Yin

"Proud to be one of the chambering students who can serve legal aid at NCCC, as NCCC not only teach us about the law regarding to consumer, but also let me know how we should dealt with the complainants when they faced with various problems."

Chee Seng

"Hello Guys...

U all guys very helpful, friendly and sporting...Happy working with u all guys Ms Vani...always comes with new useful info's also help me to build up my confidence...Thanks a lot dear.

Ms.Devi...you're such a caring person with your own style...soft spoken...so sweet... I feel like pampered when u're always ask whether I've taken my lunch/breakfast or not at least I don't feel like a stranger there..Thanks a lot dear

Pn Norli...well remind me to my mother at Kota Bharu... Very helpful and make me comfortable while I'm on duty also protective!! Like a mother - Tegas tapi lembut... (",) terima kasih Puan Norli..."

Love, Syara

"NCCC gave me the insight of how hard people work to help others without expecting anything in return. Also, it showed me that the power of information can truly make a difference."

Love, Yasmin

Dear all,

*"I am **Veronica Chuah** where previously doing my attachment at National Consumer Complaint Centre (NCCC) as part of my 9 months chambering life. I have work together with Ms. Vani, Ms. Devi and Pn Norli in NCCC and I really appreciate the time being in NCCC with them. I would like to take this opportunity to express my gratitude to all of them for their kindness and helpfulness.*

NCCC provides consumers free legal advice and solving consumers' problem in many fields. I felt that I have benefited a lot from this attachment as we learn how to deal with consumers and we learn and understand the problems that faced by most of the consumers. In furtherance thereto, officers in NCCC gave us a lot of opportunity to learn how to give appropriate legal advice to consumers by assigning cases to us and discuss with us pertaining to the issues that has been faced by the consumers.

Thus, I really think that NCCC is a great organization with great people working in it. Once again, thanks to all the officers in NCCC for their great job."

Thank you

Your sincerely, Veronica Chuah

Introduction

About the NCCC

The National Consumer Complaints Centre (NCCC) is a non-profit organization. It was launched in July 2004 and is partially funded by the Ministry of Domestic Trade, Cooperatives and Consumerism Malaysia.

Vision

To be an independent and respected organisation providing a mechanism for consumer complaints and counselling to resolve problems arising from the purchase of goods and services.

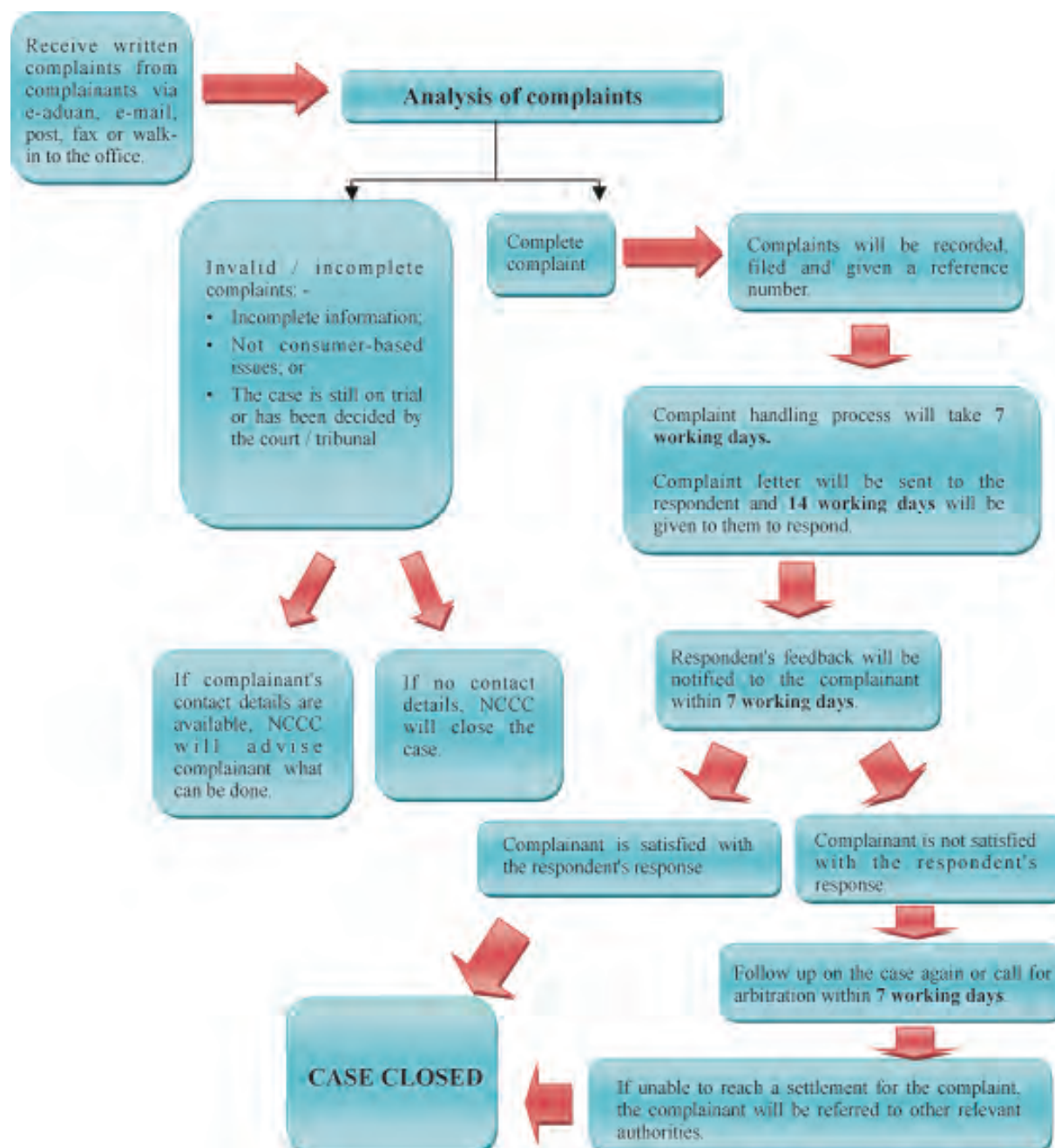
Mission

To provide consumers with an objective and timely resolution of disputes, claims and complaints with regard to their purchase of goods and services.

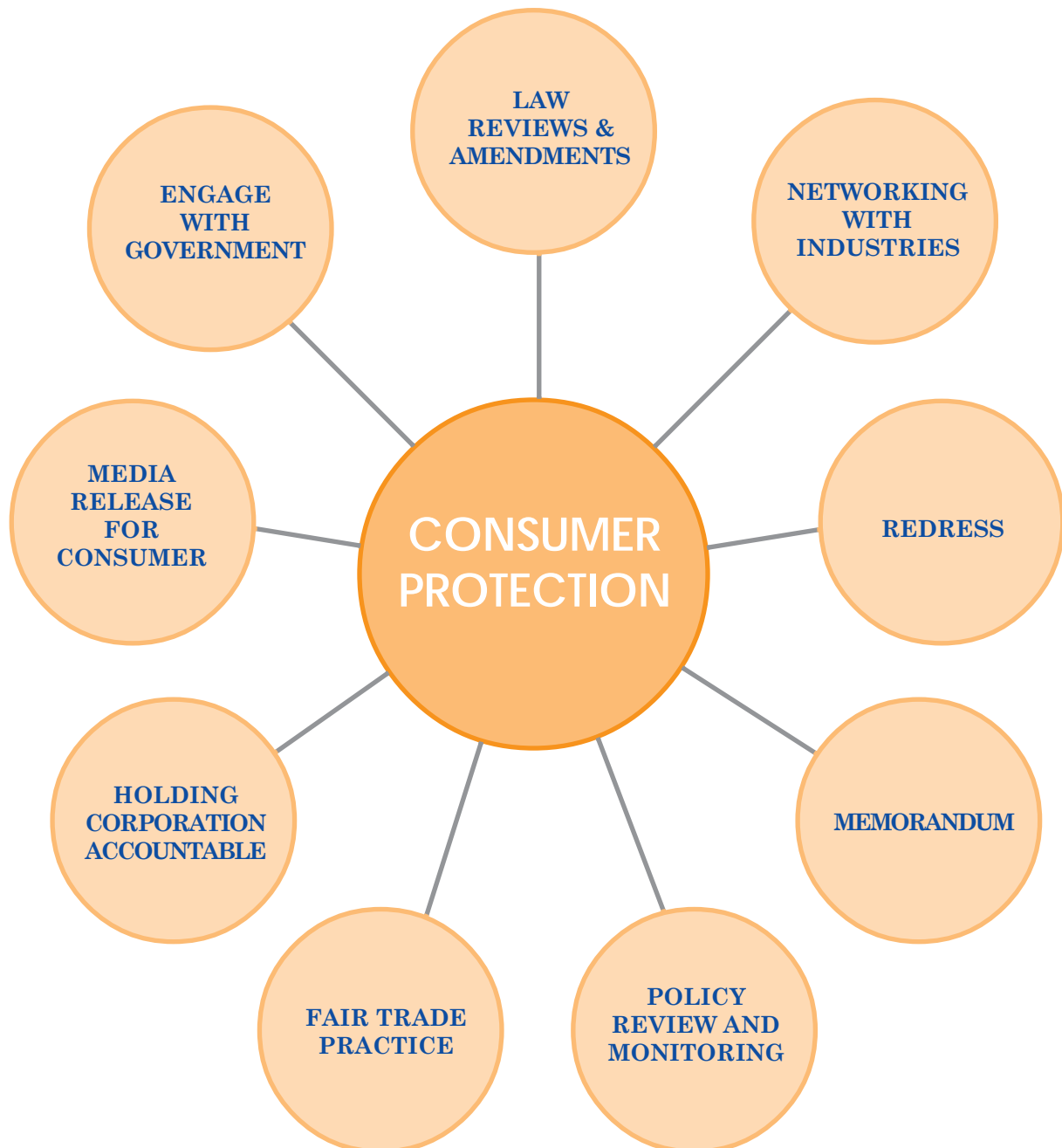
Objectives

- *Guiding consumers in finding solutions to problems related to the purchase of goods and services;*
- *Empowering consumers with information on consumer related matters;*
- *Facilitating consumers in filing claims and complaints against errant goods and service providers; and*
- *Highlighting consumers' concerns in the media*

NCCC Complaints Handling Flow Chart



NCCC and Consumer Protection



Annual Report 2010

The Annual Report for 2010 by the National Consumer Complaints Centre (NCCC) represents the fifth in its series of annual reports initiated in 2006. As in the previous years the report for 2010 contains a review and analysis of consumer complaints lodged with NCCC. The current report contains 24 categories of complaints. One new category – “Education” has been added this year.

A total of 34,381 complaints were received in 2010 up from 32,369 complaints in 2009. This represents a 5 percent increase in the number of complaints. The top category of consumer complaints for 2010 is ‘Communication and Multimedia’ with 3102 complaints. The top five categories of complaints for 2010 are Communications and Multimedia (3102), Quality of Product and Services (2523), Hire Purchase (2506), Financial Institutions (2376) and Automobiles (2244).

Purpose of the NCCC Report

The purpose of the 2010 report is to provide feedback to all relevant parties on complaints received from consumers regarding their dissatisfaction with goods and services purchased and the organizations providing such goods and services. It represents *firstly*, feedback to the business community on the complaints received against them and their responsibility to improve the goods and services provided to consumers. *Secondly* the business community must fully comply with all laws and regulations that govern business activities and *thirdly* they must meet consumer expectations by carrying out trade in a fair and ethical manner.

In these times of economic uncertainty, it is important for business organizations to remain relevant in the business environment in order to succeed. Apart from branding and rebranding exercises, they must make concerted attempts to retain the loyalty of their existing consumers

while attracting new consumers. One obvious way is to improve the quality of goods and services provided to consumers.

The modern consumer is more sophisticated and savvy. More and more consumers expect the manufacturing industry and the business community to consider their interests, adopt fair and ethical trade practices, and adopt ‘green’ production technologies. They have to give importance to sustainable production techniques and adopt proper waste disposal methods to reduce detrimental effects on the environment.

Consumers are also increasingly aware of the need for organizations to be more responsible in their operations; in particular their ability to care for the environment as well as contribute to the well-being of society beyond bringing about economic growth and providing job opportunities.

As value-based consumer consumption increases the demand for goods and services, the various industries and the business community must positively engage consumers as well as the consumer movement. This will be enabled by understanding consumer grievances and identifying deficiencies in their goods, services and delivery systems.

In this context, the NCCC Report will serve as a valuable reference.

Structure of the Report

All consumer complaints have been classified, analyzed and presented as sector reports. There are 24 sector reports in the NCCC Report for 2010. Each sector report comprises a similar format to facilitate easy reference. The heading of the sector report is followed by a ‘summary’ of the main complaints raised for that sector. Each sector report has an ‘introduction’ section which analyzes the complaints received against that

sector. The introduction section is followed by a 'consumers issues' section which analyzes the nature of complaints received and provides information on laws and regulations applicable to that sector and the report ends with 'recommendations' which list out steps which can be taken to overcome the complaints listed.

Methodology used for the Report

All complaints received by the NCCC are logged into a database. Important information about the complainant, such as name, address, age, gender and race, are collected. Complaints are classified into two categories namely complaints on goods and those on services. The specific nature of the complaint and the organisation involved is also recorded to facilitate investigation. All complaints are vetted for clarity, consistency and validity by trained NCCC counsellors. All supporting material is carefully scrutinized. The core problem of each complaint is examined to determine the category it should come under.

CONSUMER COMPLAINTS HANDLING AND COUNSELLING PROCEDURE

The NCCC counsels the complainant by making sure he or she is fully aware of the nature of the complaint, the implications arising from it, the various dispute resolution methods available and the legal action that can be taken, should he or she be so inclined. The NCCC in-house legal team facilitates the counselling process on legal remedies.

The NCCC then issues an official letter, within 48 hours of the complaint being lodged and examined, requesting the organisation involved to resolve the dispute. A period of seven working days is given to the organisation to respond. If no response is received, reminders are sent out three times, each with a further period of seven days for a reply.

Should the organisation refuse to respond, the NCCC proceeds with the second step by forwarding the complaint to the relevant regulatory authority. If this too fails, the NCCC advises and assists the complainant in filing a claim with the relevant dispute resolution body, or provides assistance from the NCCC's in-house legal team, should the complainant decide to file a legal claim against the organisation concerned.

If the complainant after guidance from the NCCC is successful in solving the problem, he is encouraged to inform the NCCC of the result, which is also entered into the database. The NCCC promotes alternate dispute resolution mechanisms available to the consumer as these are speedy, cheap and fair, compared with the costly and time-consuming litigation process.

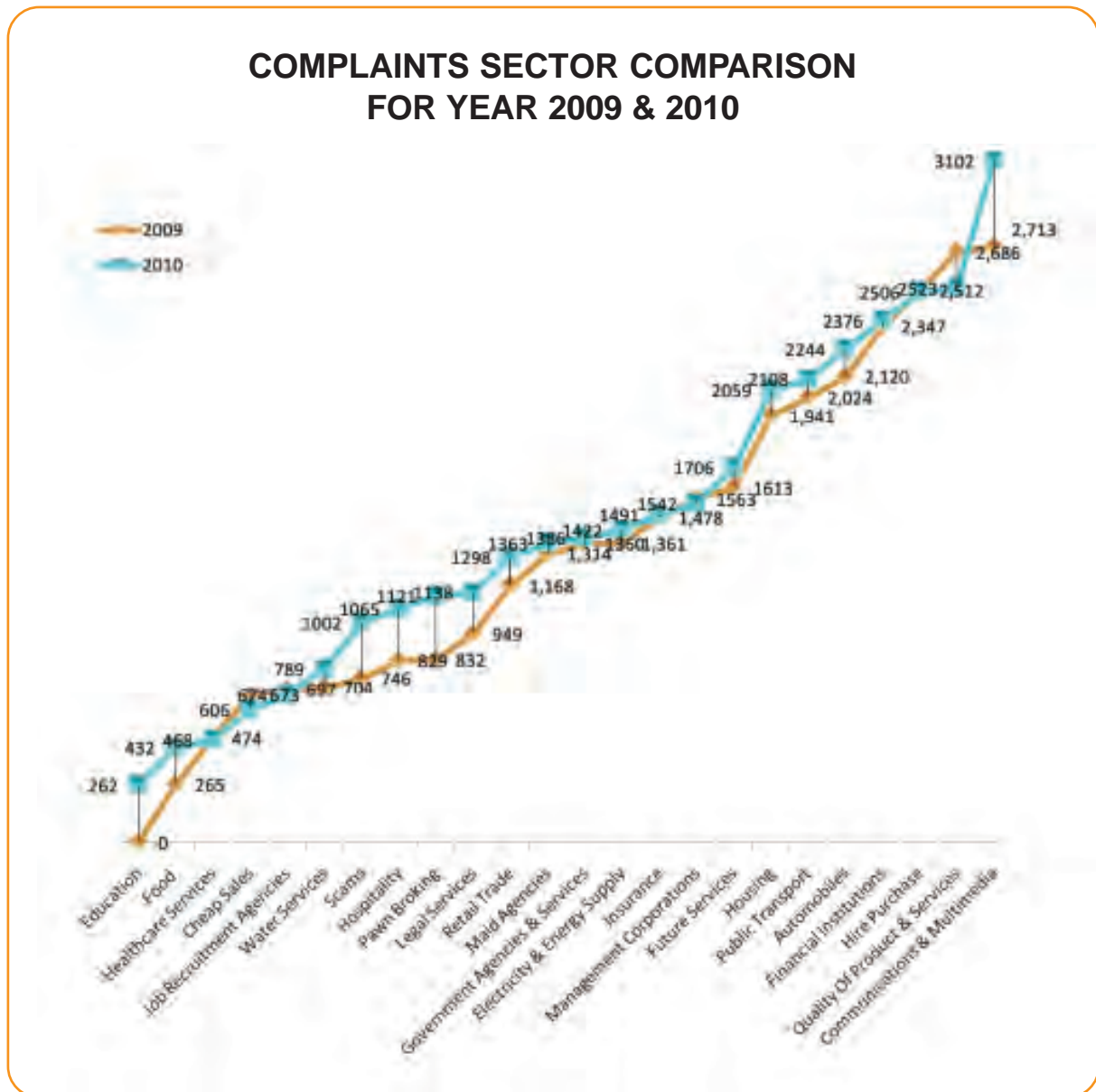
In this manner, the NCCC since its inception has successfully enhanced the lives of consumers and it hopes to change the way business is done. While it is an accepted fact that businesses and consumers should exist in harmony, as they need each other, businesses are expected to conduct their affairs in an ethical and fair manner, with consumer satisfaction as a priority.

Statistic On Consumer Complaints 2010

Category	2010												Total
	Jan	Feb	Mac	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Communications & Multimedia	200	181	201	214	200	245	281	272	318	325	336	329	3102
Quality Of Product & Services	159	201	182	211	232	189	174	165	236	251	223	300	2523
Hire Purchase	205	214	189	187	168	225	211	245	236	184	239	203	2506
Financial Institutions	209	191	185	220	193	205	198	172	183	207	212	201	2376
Automobiles	208	149	205	187	189	220	164	149	152	181	197	243	2244
Public Transport	135	103	102	189	152	162	235	168	176	217	228	241	2108
Housing	142	157	139	150	162	148	156	168	182	220	207	228	2059
Future Services	142	135	112	134	119	128	135	137	142	173	180	169	1706
Management Corporations	136	201	145	159	128	124	110	98	108	119	104	110	1542
Insurance	92	87	122	103	108	132	131	101	187	137	149	142	1491
Electricity & Energy Supply	84	105	122	112	135	158	100	105	132	117	120	132	1422
Government Services	156	128	118	68	82	132	114	108	99	108	124	149	1386
Maid Agencies	102	110	139	154	118	98	128	120	93	87	146	68	1363
Retail Trade	106	97	98	102	154	100	98	79	84	135	123	122	1298
Legal Services	132	85	78	117	128	102	88	76	106	101	71	54	1138
Pawn Broking	77	84	82	69	105	117	89	127	86	74	116	95	1121
Hospitality	69	82	79	87	75	80	92	102	114	86	93	106	1065
Scams	47	51	53	63	84	96	102	93	105	98	102	108	1002
Water Services	48	41	30	18	50	39	57	87	94	105	113	107	789
Job Recruitment Agencies	67	49	63	55	59	48	50	52	47	48	54	82	674
Cheap Sales	53	44	51	41	62	47	38	40	46	51	44	89	606
Healthcare Services	48	41	51	62	43	32	24	39	28	40	29	31	468
Food	49	38	20	28	31	32	19	39	44	50	36	46	432
Education	36	29	24	17	29	31	10	22	15	10	19	20	262
Total Complaints Received	2702	2603	2590	2747	2806	2890	2804	2764	3013	3124	3265	3073	34,381

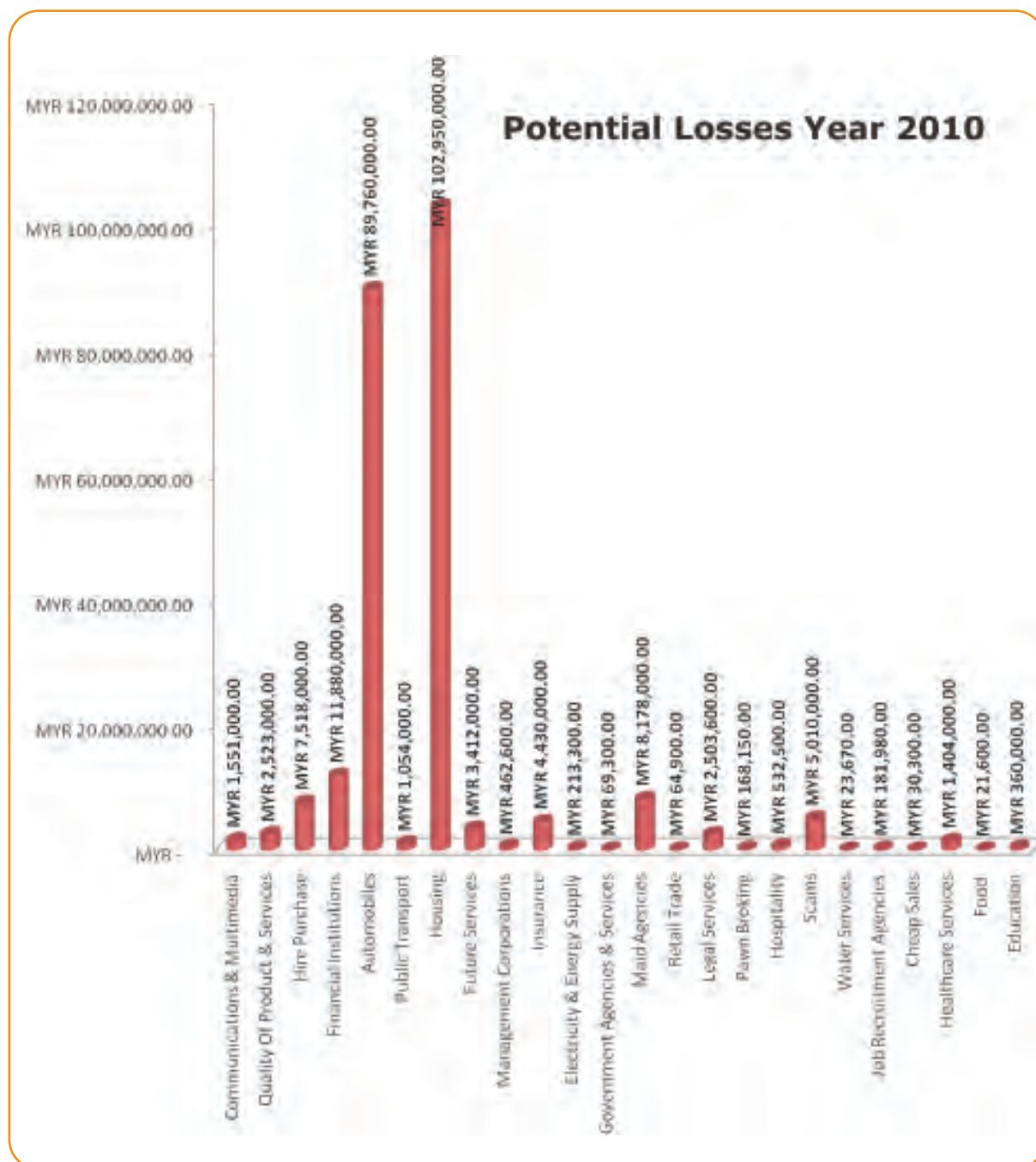
Source: National Consumer Complaints Centre (NCCC)

Figure 1: Complaints Sector Comparison for Year 2009 & 2010



Source: National Consumer Complaints Centre (NCCC)

Figure 2: Potential Losses Year 2010 by Sectors



Source: National Consumer Complaints Centre

Graphs of Complaints by Ethnicity, by Channels, and Distribution

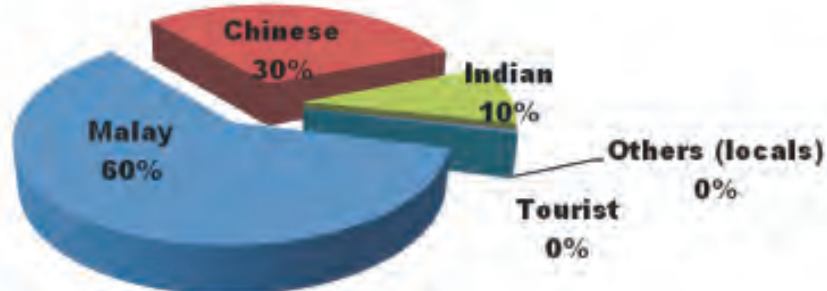


Figure 3: Ethnicity of Complainants



Figure 4: Channels used to lodge complaints

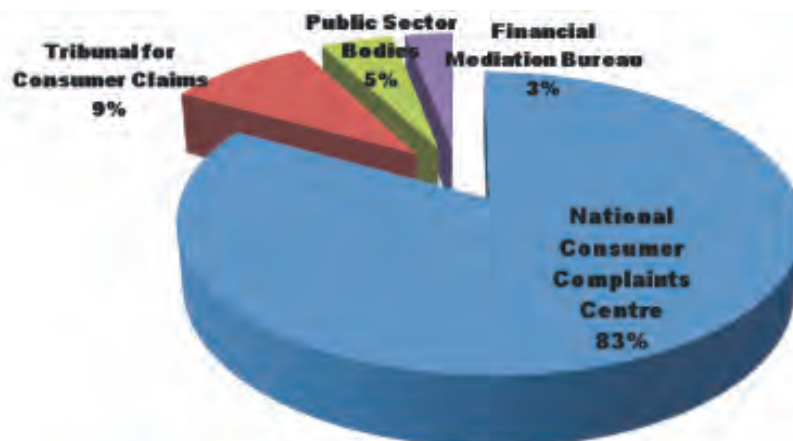


Figure 5: Breakdown of the complaints distribution channel

Award and Achievement

The NCCC was bestowed a Prestigious Award in 2010 as the Best NGO Organization in recognition of special categories of CSR NGOs from the Customer Relationship Management & Contact Centre Association Malaysia (CAM).



Consumer Testimonials



Activities

JANUARY

- o NTV 7, TV3 & TV2 News about "Kenaikan Harga Makanan"
- o Bernama TV 1 "Konsumer Issue Rapid Bet"
- o KPDNKK - Putrajaya Meeting with Y.B Menteri and NGO heads regarding consumer welfare
- o Sesi Dialog NCCC bersama Puspokom Wisma DRB Hicom

FEBRUARY

- o Roundtable discussion on subsidy for getting the system rights at Menara PGRM
- o KPDNKK meeting about the Hire Purchase
- o JKJR meeting with Minister of Transport

MARCH

- o Meeting with KPDNKK KL & SSM
- o Bengkel E-Aduan with KPDNKK at NCCC
- o Kosmo: "Terkejut wang pos disalah guna"

APRIL

- o Kosmo: "Geng auta gores lesapkan RM 42.2j"

MAY

- o Radio 24: "Masalah Perbankan"
- o Meeting with Bar Council
- o Radio 24: "Risiko membeli talipon bimbit"
- o Communication Multimedia Forum
- o 14th Malaysian Banking Summit
- o Subsidy Rationalization Lab open Day with PEMANDU
- o Konvensyen Pengguna 2010
- o Sinar Harian: "NCCC terima 32,369 aduan pada tahun 2009"

JUNE

- o Rancangan Dialog (Pengurangan Subsidi bagaimana melakukannya) at Studio 1, TV1

- o 1Konsumer @ Bernama-TV
- o Consumer Survival and Consumer Hunt Sempena Majlis Kemuncak Bulan Pengguna Kebangsaan 2010
- o Radio 24: "Pengguna perlu berfikir sebelum membeli rumah bertingkat"
- o Branding & Marketing Forum 2010
- o M-Star: "Lemah kendali ejen punca penipuan insurans"

JULY

- o Focus Group On Insurance Compensation Scheme at PIDM
- o Program Consumer Survival by KPDNKK
- o Mesyuarat Mengenai Penyelarasan Peranan KPDNKK dan NCCC Penyelesaian Aduan Pengguna
- o 13th National Housing and Property Summit 2010
- o Keluhan Pengguna terhadap pengangkutan awam

AUGUST

- o Dialogue with Bank Negara Malaysia
- o Radio 24: "Agensi Pembantu Rumah Asing"
- o Sinar Harian: "Hak Asasi Koc Wanita"
- o Sinar Harian: "31 aduan diterima daripada Pengguna bazaar ramadan"
- o M-Star: "Pemilik tak mampu tebus kenderaan"

SEPTEMBER

- o Minnal FM: "Bankruptcy Act 1967 and Banking & Financial Institutions Act 1989"
- o Minnal FM: "Buying goods through easy payments"
- o Minnal FM: "Births and Deaths Registration Act"
- o Minnal FM: "Wills Act"
- o ASEAN-USFTC regional Seminar on Consumer Protection
- o Minnal FM: "Moneylender Act"

- o Minnal FM: "Pawnbrokers Act"
- o Minnal FM: "Direct selling Act"
- o Minnal FM: "Hire Purchase Act"
- o Minnal FM: "Strata Title Act"
- o Minnal FM: "Housing Development (Control & Licensing)"
- o Mesyuarat Mengenai Pelaksanaan Skim Kawalan Harga Musim Perayaan Deepavali 2010
- o Mesyuarat SPAN Bersama Ketua Pegawai Eksekutif dan Pengarah
- o Seminar Pengenalan Akta Persaingan 2010
- o Meeting on improving Banking & Insurance Sectors Efficiency and Accountability towards consumerism (feedback session with industries)
- o Berita Harian: "Pengguna malas buat aduan galak bengkel tipu"

OCTOBER

- o Minnal FM: "Maid Agency"
- o Minnal FM: "Cheap Sales Act"
- o Minnal FM: "Online Purchasing"
- o Minnal FM: "Deepavali (Credit Card Misuse & Unplanned Expenses)"
- o Minnal FM: "Insurance Act"
- o Minnal FM: "Landlord and Tenant Act"
- o Training and workshop ISO 26000 Guidance on social responsibility
- o Mesyuarat membincangkan isu-isu Price Control and Profiteering Act 2010
- o Mesyuarat bagi membincangkan cadangan peraturan-peraturan Akta Sewa Beli
- o Radio 24: "Bengkel kereta"
- o Utusan Malaysia: "Kebanyakan Pengguna kecewa demean mutu perkhidmatan awam Negara"
- o Utusan Malaysia: "Aduan pengangkutan awam meningkat"

- o Utusan Malaysia: "SPAD tidak terkejut peningkatan aduan system pengangkutan awam"

NOVEMBER

- o Mesyuarat Penyelarasan Taklimat Pemahaman Akta Pemegang Pajak Gadi 1972 dan Akta Pemberi Pinjaman Wang 1951
- o Task force on private sector efficiency for the retail sector, at Malaysia Productivity Corporation
- o Mesyuarat Task Force on Public Utilities
- o Radio 24: "Penipuan Siber"
- o Minnal FM: Medical Act 1971
- o Minnal FM: RTM EPF
- o Minnal FM: Contract Act
- o Minnal FM: Consumer Protection Act
- o Minnal FM: SOCSO
- o Kosmo: "Kecuaian bank semakin serius"
- o Kosmo: "Penipu Siber"

DECEMBER

- o Minnal FM: "Electricity Supply Act 1990"
- o Minnal FM: "Price Control Act 1946 & Control Supplies Act"
- o TV3 Wanita Hari Ini: "Perangkap Pusat Pelangsingan Badan"
- o Radio24: "Perangkap Pusat Pelangsingan Badan"
- o Minnal FM: "Income Tax Act 1967"
- o Minnal FM: "Water Services Industry Act 2006"
- o Minnal FM: "Law Reform (Marriage & Divorce) Act 1976"

Media Releases



Sector Reports Year 2010

NATIONAL CONSUMER COMPLAINTS CENTRE
PUSAT ADUAN PENGGUNA NASIONAL



Chapter 1

Communications And Multimedia

Introduction

This sector recorded the highest number of complaints and over 16 Million people have become users of various services under this industry. It is no surprise that with the advance technology and a borderless environment literally everyone will be the recipient of this sector's products and services.

However, are consumers satisfied with service rendered? Are promotional promises fulfilled, and consumers treated in the manner they deserve to be treated or does the achievement only reflect the sales and profits achieved by the service provider despite maintaining complaints.

Once the industry has grown up and established itself, the players often forget the importance of consumers in sustaining their success. Investments are being done effectively but the customer and social responsibility are not taken seriously. The biggest players in the market disappoint consumers more than anyone. The redress mechanism should be strengthened and punitive measures must be taken against those who fail to provide services as promised.

The year 2010 has recorded various negative comments about our poor service standards and sours our reputation globally. Malaysian consumers are lamenting the fact that they have to pay higher service charges compared to neighbouring countries; while they are not receiving even minimum services. They have to pay more for faster and unlimited download speeds for example; and yet they are not getting what they paid for.

Overall this sector has recorded the most complaints and is providing the most



unsatisfactory service in the nation. Campaigning, promoting new technologies and achieving targets are not sufficient; higher importance must be given for service and quality.

Major Complaints

Poor Broadband Internet Service

58 % of complaints concern this particular service. Telecommunication products are not manufactured to include these services; and this helps to manipulate the market and consumer. Whilst consumers pay and subscribe to these services with trust, however, the complaints indicate that the services may go offline for more than two weeks; the accessibility is so poor that the consumer are unable to utilize the volume that they are paying for. The package and price ranges

do not match and consumers complain that they are unable to enjoy even minimum surfing. The service quality could be considered as downright poor because consumers do not receive what they should despite the presence of substitute services. This market is poorly regulated, and is treated more leniently compared to other regulated services.

Poor Customer Service

Customers have very often highlighted that customer service quality remains poor; including after sales technical services. Repeated promises to improve the services, to check system failures, speed, as well as the network coverage and many more have not been kept. In addition, bills paid by consumers are not updated in the system and this has created problems such as being recorded in **CTOS** etc. These events are unacceptable and before any action is taken the consumers must be alerted and investigations carried out.

Misrepresentation

The industry's often unwarranted focus upon commissions, profit, and targets is unsettling. Very often, consumers are not informed about the actual service information, the risk, the probabilities, the available network and the speed. The unlimited package is pushed to consumers and they lack even the minimal services assured. It is worth noting that misleading and deceptive conduct, false representation and unfair practices are a serious offence under Part II of the Consumer Protection Act 1999.

Subscription Television

Prices and bill disputes

There were many complaints regarding the frequent increase of charges for program packages. The service provider puts together a number of programs in a package to charge more although consumers want only particular programs. There is also frequent revision of charges where the service provider manipulates program packages. Since satellite television is a

virtual monopoly in Malaysia, consumers have no alternative but to accept the charges set.

Service disruption during rain

Satellite broadcasts are frequently disrupted during rainy weather common in a tropical country like Malaysia. The broadcasting agency has to date no solution to this problem. Subscription television does not invest enough to upgrade technology to available to provide better service to consumers.

Poor customer service

This is one of the major grievances of consumers. There are no friendly complaints handling services. Giving consumers wrong advice when billing disputes are raised or when simple inquiries are made are the some of the complaints received from consumers against the service provider. Often consumers are required to wait for long periods before getting a satisfactory answer from its staff.

Recommendations

- The companies and regulatory bodies must ensure that there is a proper redressal mechanism put in place to ensure that the consumers are compensated equitably.
- Effective monitoring tools and information transparency need to be made available for the public
- Information and promises passed to consumers must be standardised in order to avoid misleading marketing leading to signing up for telecommunication services.
- Good customer service is still lacking and consumers are often lamenting that their grievances and dissatisfaction over telecommunication services and products are not properly addressed
- A service standard and minimum commitment standard has to be in place enabling the monitoring and assessment of service providers in order to prevent poor services from affecting consumers

Chapter 2

Quality Of Products And Services

Introduction

SIRIM is a leading organization in Malaysia for certification, accreditations and testing on products released in the Malaysian market. Unfortunately, many of the products in the market today are not certified as there is currently no law that governs the requirement of having the products to be certified. It is left to the discretion of the manufacturer.

The Standards Department, an agency under the ambit of the Ministry of Science, Technology and Innovation (MOSTI), was elected to compensate the lack of the laws as stated above, to ensure that the rights of the consumer are protected by having a reasonable standard product released and to provide a credible standardisation and accreditation service to enhance Malaysia's economic, societal and environmental well-being and to reflect the rights of the consumer.

Major Complaints

Poor Quality

The majority of the cases received by the NCCC are concerned with the lack of after sale service, poor quality, and non-compliance with the description by the manufacturer, retailer and the service provider. The frustrated consumer becomes the innocent victim of unscrupulous vendors.

Section 32 of the Consumer Protection Act (CPA) 1999 states that goods purchased shall have implied guarantees of acceptable quality.

However, many a times the products generally fail to reach a reasonable standard expected by the consumer. Challenges pertaining to the poor

quality of products and customer service are made worse by terms and conditions which are usually so stringent that even a person with legal background may not detect the unfairness of the contract.

In such a situation, the unsuspecting general public will fall prey to the marketing scheme, while the reality usually falls short of value they paid for. The manufacturer and supplier are reminded of the importance of taking into account the issue of safety of the product seriously. For this issue to be taken seriously by traders, the relevant organisation must play an important role in being stringent by enforcing the laws and not delaying the prosecution of parties.

Delays

Another major area of complaints received by the NCCC over the years is on the issue of intentional delay in dealing with the consumer. The manufacturer, supplier and the retailer tend to deliberately delay their response to the complaint. These in many situations have led to a situation in which the complainant had no recourse but to manage with an unresolved problem.

Consumers have also complained about sectors in which spare parts need to be replaced. Often, consumers are not forewarned that there may be delays in securing the spares if they are to be imported from overseas or their availability is limited.

Section 37 of the CPA makes it mandatory on the manufacturer and supplier to ensure that the facilities for service and spare part shall be reasonably available and at a reasonable price for goods provided.

- Delay in repairing the products is another critical area of weakness in the products



Challenges pertaining to the poor quality of products and customer service are made worse by terms and conditions ...



and services sector in Malaysia. Many a time, the NCCC received complaints that unscrupulous traders are using these tactics to defeat the guarantee period, ending with the innocent party having to fork out additional money to repair the defective products which obviously failed within the period of guarantee.

Consumers are reminded that under Section 41 of the CPA, the traders have the obligation to remedy the defect within a reasonable time, in situations where the traders refuse to comply with the requirement or fails to rectify the defects, as consumers, they have the legal right to exercise the right to reject, to get a refund or replacement of the said product or to demand compensation from the trader.

The traders that choose to ignore such rights of the consumer have in many occasion gone scot-

free from liabilities as most of the time, the consumers themselves are not aware of the existence of such rights, and the superiority of law against the contract binding the parties.

This delay has caused huge inconvenience and financial losses to the consumer in situations where they have to rely on the products or services to go about their daily lives or to be used while on professional duty. This area is in need of improvement. Consumers are once again reminded that no person or contracts are above the law.

Recommendations

- The legislative body should formulate regulations or laws so that more products are included under the obligation to be certified by SIRIM for quality and safety of the product ensuring the basic rights of the Consumers to be protected.
- There must not be any dubious or ambiguous terms and conditions in policies resulting in a defeat of the law or avoidance of responsibility which are unfavourable to the consumer.
- The establishment of a control body is also a pre-requisite to allow for fair and justified investigations to prevent sub-standard products from entering the market.

Chapter 3

Hire Purchase

Introduction

Hire purchasing and its nuances have long been seen as something common and ordinary in the purchasing of vehicles. Although almost everyone who purchases a vehicle does it through hire purchase schemes, there are not many out there who fully understand its features.

The hike in complaints in recent years just goes to show that the lack of understanding of hire purchasing by the public allows those who run such a scheme, such as financial institutions, to directly/indirectly deprive customers of their rights and to profit from it by utilising unethical methods, particularly when it comes to repossession of goods.

Major Complaints

Repossession

Top of the list of complaints by the public in relation to hire purchase is the repossession of goods. Financial Institutions (FI) typically repossess goods when purchasers fail to make their payments on time. Although it is within the FI's rights to repossess when payments are not met, what often results from such repossession is the use of unprofessional and unethical methods in effecting it. Many a time FI will outsource repossession activities to third party repossessors (without licenses) resulting in horrible results for the purchasers. The repossessors often engage in threatening behaviour and some even trespass into the purchaser's premises in order to obtain control of the goods in question.

Purchasers are often charged an exorbitant amount for towing and storage fees. Purchasers often approach the FIs to negotiate terms and a

restructuring of their loans but to no avail. FIs are often unwilling to negotiate or come to a settlement with purchasers who are experiencing repayment difficulties and they often seek repossession as their first port of call instead of an action of last resort. The law mandates that all repossessors engaged have to be fully licensed, and **Section 16 (4) of the Hire Purchase Act 1967** clearly provides for reasonable methods in repossession. It is a wonder why these rules and procedures are often flouted without any punishment meted out by the authorities.

Misrepresentation

Another complaint about hire purchasing is misrepresentation, especially by sales agents who are looking to close a deal in a hurry. Sales agents typically work on a low basic salary, which is heavily supplemented by commissions derived from their sales. In their attempts to close as many sales as possible, some unscrupulous sales agents would indulge in misrepresentation in order to make their goods sound more appealing to their customers.

Among the most common types of misrepresentations come from the sale and purchases of vehicles, particularly date of manufacture, delivery dates, specifications and value. Furthermore, misrepresentation is hard to prove as dealers and agents themselves loathe to be held responsible and will use any excuse in the book to try to get out of a sticky situation, especially by claiming a lack of evidence on the customers' part with regard to the misrepresentation. Even though there are laws that protect customers, such as **Section 8(3) and Section 36(a) and (b) of the Hire Purchase Act 1967**, it appears that it is hard to substantiate a claim unless the misrepresentation was made in writing.



Goods, especially vehicles, are often advertised as being sold free from any down payment required and with 100% of the loan provided by reputable FIs.

Zero Down Payment And 100% Loans

Goods, especially vehicles, are often advertised as being sold free from any required down payment and with 100% of the loan provided by reputable FIs. Such advertising is carried out to entice potential buyers and to fulfil the dealers sales quotas, amongst other things. This is done with complete disregard of **Section 31(1) of the Hire Purchase Act 1967**, which mandates a minimum of 10% of the full price as down payment / deposit by the purchaser. The law seeks to protect purchasers, particularly those who cannot afford the goods in question, from overextending themselves resulting in them being unable to meet the payments. However, it appears that the provisions are not followed, and many purchasers only realise that they can't afford certain items after committing to purchasing them. This will inadvertently lead to repossession and its problems, as mentioned above.

Hire Purchase Agreements

In many cases, the complainants have stated that the hire purchase agreement was blank on all the key areas and that they were asked to sign. The consumer had no choice but to follow the instruction in order to avoid any further delay in processing and financing. There were cases of consumers receiving different vehicles after the agreement. In addition, there are complaints about the fact that the terms and conditions in the Hire Purchase Agreements are vague and ambiguous at best, with little explanation or

differing interpretations of it coming from sales agents / dealers themselves. The lengthy terms and clauses of Hire Purchase Agreements also confer FIs an added advantage in that it is almost impossible for consumers to fully read and understand the terms in a short period without expert advice.

Recommendations

- It is high time for the Ministry of Domestic Trade, Cooperatives and Consumerism ("MDTCC") to get serious in enforcing the **Hire Purchase Act 1967**. Failure to do so only serves to embolden some FIs that have broken, are currently breaking and will break the rules in the future. Punishment should also be meted out accordingly without fear or favour.
- The MDTCC should also establish a dedicated centre to register and handle complaints by purchasers in order to facilitate a timely investigation of the incidents in question.
- All FIs should only engage registered and licensed repossessioners, and towing and storage fees should be fixed. There should, in fact, be a charter for FIs to sign up, advocating their opposition against the use of unlicensed repossessioners and unethical conduct in repossession. Any FI that goes against the charter should then be suitably punished.

Chapter 4

Financial Institutions

Introduction

Complaints against financial institutions have captured almost 7 percent of total complaints received in the year 2010 out of 24 sectors and is one of the most crucial types of complaints because of the legalities involved. The National Consumer Complaints centre (NCCC) received 2,376 consumer complaints against various services of financial institutions in year 2010. Financial institutions were also among the top five highest numbers of complaints received. This shows an increasing awareness among consumers to channel their complaints and also dissatisfaction with the service.

Although financial institutions have not received the highest number complaints, it has recorded the highest potential losses for consumers. Financial institutions are controlled and supervised by the rules and regulations delineated by Bank Negara Malaysia but that doesn't resolve the consumer's problems or the problems in the industry. Overall, this sector has to be more consumer-friendly, transparent and efficient in delivering information to customers. Consumers on their part must be more prudent and aware of the consequences if they do not exercise adequate responsibility themselves.

Major Complaints

Transparency

Generally the banking services in Malaysia face a common complaint from consumers which is "I was not informed" or "I don't know". Consumers in today's context expect transparency in transactions as a fair and basic right as well. In many ways, the lack of transparency has caused ignorance and places the consumer in a difficult



In the case of defaults, banks reserve the right and discretion to review the interest at any time and for no valid reason.

position. An analysis of banking related complaints has indicated that the majority of complaints and disputes arise due to the lack of transparency and weak information-flow between both parties.

Consumers become frustrated when they were

not informed about charges and penalties. Though a basic right, service providers often rely on unregistered correspondence which at many times was allegedly not received by complainants.

Best practices like informing consumers verbally regardless of conventional correspondence can save millions and consumers rights for property. Simple additional verbal communication can go a long way and could also help to reach consumers directly. As practiced in neighbouring countries, our Banking Industry must also inform consumers about all changes, deductions, interest reviews, and clarifications on all transaction in order to improve the consumer's confidence; and to create a more favourable impression.

Unfair Interest, Charges And Penalties

There hidden agenda in dealing with financial institutions often surprises consumers. Numerous and what often looks like frivolous charges are imposed on a variety of transactions. The banking industry has the habit of throwing surprises at the public at large from time to time.

Right from ATM withdrawals to statements – consumers don't have a choice and the option to refuse does not exist. Even clarifications for charges remain somewhat elusive. Case in point: the beneficiary of a cheque (innocent) will be charged for the cheque issuers default, but these service providers will not inform the beneficiary before the deduction (this applies to the cheque issuer as well).

In the case of defaults, banks reserve the right and discretion to review the interest at any time and for no valid reason. There were several cases in which the interest rates have been revised upwards and this places the consumer in a worse off situation. Many consumers remain oblivious to the list and type of charges. Banks should be more consumer-friendly and reduce charging for basic services such as ATM withdrawals, issuance of monthly statements, A/C passbooks or ATM card renewal, transaction slips request etc.

Poor Customer Service

Service providers often fail to realize that the impact of a poor customer service experience could fail the growth of the industry and their reputation. Customer Service is the key for excellence but regrettably we have not yet achieved that standard. Service has not been given any importance because the dropout of one or two consumers may not be a loss for the service providers since banking services are essential in todays life. Complaints and resulting press releases have indicated that consumers are not happy about the service quality of the banking industry.

Consumers are frustrated because of the lack of communication. As a result, the failure to update on any changes in a customer's account and data often lead to disputes. Moreover, it is the alternate existing channels such as AKPK and FMB that are assisting consumers to resolve disputes and at the same time, counsel them as well. Consumers must be treated professionally and proper business etiquette should be adopted in order to provide effective consumer-friendly services.

Unfair Contract Terms

Often parties have the right to dispute or comment on any terms and conditions of a contract or agreement. However, this is not what happens to millions of consumers. Consumers are left with no choice but to sign the agreement in order to secure credit facilities in order to acquire a property. The situation is such that even the most prudent consumer would silently sign the agreement without reading and disputing the terms and conditions. One reason could be the notion that nothing will go wrong or nothing can be changed anyway but the simple truth is that there is an unequal bargaining position at work here. This is typical when consumers come into contact with larger companies.

Though not every consumer has problems with the impact of the contract, those that do simply accept the impositions knowingly whilst others voice their dissatisfaction and stand for their

rights. Complaints voicing dissatisfaction with locking periods circumvent the rights of consumers. On the other hand, consumer who obtained their loan by virtue of BAFIA must be protected towards the end; and any defaults should not be assigned to the private companies merely because it is incorporated into agreements since the companies are not subject to any guidelines. Some banks have allegedly released loans over and above the structural procedure completed by the developer and this will also burden consumers since they have to pay more to the bank when they are not suppose to.

Recommendations

- Bank Negara must restrain financial institutions from assigning non-performing loans to non-financial institutions.
- All correspondence must be in registered since banking services are crucial by nature.
- Regardless of written communication, verbal communication with customers must be improved to update them on all the aspects of the account.
- Banks should not be easily allowed to review interest rates and charges to consumers, justification must be given and every change must be informed to consumers.
- Release of loan to developers on structural basis
- Banks to comply guidelines and adopt best practices – verify transactions.
- Effective Investigations in the event of disputes and anomalies

Chapter 5

Automobile

Introduction

The year 2010 has recorded 2,244 consumer complaints about the automobile sector and represents an increase of 930 from 2009. Consumers are frustrated with product quality and service standards relating to the automobile products that they have obtained. The cases received and the process of complaints handling within this industry demonstrates the lack of cooperation between the industry players and therefore, huge improvements in customer service need to be made.

A redress mechanism is essential in all sectors; the automobile sector is no exception. The key factor that makes consumers unhappy with the sector is the huge amount of money that the consumer has to invest in order to purchase the products. And despite recurring problems, there are no redress mechanisms available for consumers to date.

Major Complaints

Manufacturing Defects

Manufacturing defects are the highest type of complaints received in the automobile industry. The year 2010 has seen huge complaints against those issues. Complaints such as overheating, engine break down, sub standard accessories and parts in newly purchased cars frustrate the consumer even further. Some complainants are tired of the frequent visits to the service centres; and the lame excuses given by the technical department.

What makes consumers more frustrated is the poor effort taken to assist the consumer in resolving the problems professionally. Though



Section **16 of Sale of Goods Act 1957** specifies that a product has to be in merchantable quality and fit for the purpose; in reality no one takes this seriously, as the increasing number of complaints about manufacturing defects are not eliciting any action from the industry. Consumers in Malaysia do not receive the benefit of some global best practices; such as recall mechanisms as other countries do.

Poor Customer Services

Just how many consumers are happy with the services they receive after a purchase? The fact remains that complains on poor services are on rise, complaint handling experiences have shown that consumers gets more frustrated not when they experience defects but when receiving poor repair services from the service provider. Frequent visits and unresolved disputes put them more in a heated situation. Therefore, the consumers life and safety is jeopardised; they receive no compensation and do not receive the right levels of service quality.

Quick and efficient services are essential in order to secure a place in the consumer's heart. Customers should be handled professionally and the industry should practice consumer friendly approaches in before and after sales situations.

Spare Parts

The spread of complaints in this context concerns faulty spare parts, sub standard spare parts, clone spare parts, the unavailability of spare parts, and the exorbitant charges for spare parts. Here, consumers are easily cheated, and side-stepped without any compensation, and do not receive the right information as well.

The manufacturers and service providers have to ensure that they have adequate spare parts in order to avoid any further delays to consumers. In addition, they should make available quality spares and provide sufficient information to the purchaser as well. The defective and sub-standard spare parts must also be replaced immediately; or the customer must be compensated immediately.

Redress Mechanism

The Malaysian automotive sector has no redress mechanism for consumers; which indicates that the matter has not been treated seriously. Complaints that are channelled to the NCCC do not receive an appropriate response at times due to the lack of legal provisions, and the lack of enforcement officers who are specialised in this sector. The situation is made worse by the lack of a monitoring body, the lack of cooperation by the industry, the absence of clear guidelines or principles to ensure that the industry will comply and to be held accountable.

Therefore the consumer is at the mercy of an industry that is very dominant, and with the consumer in an unequal position.

Moreover, over 90 % of consumers or car buyers cannot afford to bring their cases to court since the process is expensive. Therefore, the poorer consumer will have to live with it or sell it for a cheaper price to used-car dealers. The Industry should be responsible and be more sensitive with

regards to the quality and services provided to consumers.

In light of the millions of cars recalled all over the world in 2010 with the popularly known 'sticky gas pedal' issue, the NCCC and its partners has investigated the status of recalls in Malaysia due to similar problems. To our dismay we discovered that there were grey areas in the way automobile spare parts are regulated in Malaysia

According to the **Road Transport Act 1987**, the Road Transport Department has no power under the Act to enter a business premise in order to carry out market surveillance, collect samples for testing, seize or recall unsafe or defective automobile parts. The Road Transport Department only regulates parts which are already in the automobile.

As strange it may sound this is the sad reality of automobile spare parts safety in Malaysia to date. In the event that any laws or regulations fail to cover the consumer, the **Consumer Protection Act 1999** will be applied.

Recommendations

- An independent body should be established to monitor quality, hear disputes, decide on technical grounds, decides, policy reviews and amendments on law.
- A recall mechanism should be practiced in Malaysia since it is adopted globally.
- The Ministry of Domestic Trade, Cooperatives and Consumerism, should ensure a continuous dialogue between the industry and relevant stakeholders to ensure that the relevant laws, difficulties by stakeholders and parties involved can be discussed in a more positive manner.
- Refund and replacement mechanisms should be recognized when the newly purchased cars have a series of problems and repairs.

Chapter 6

Public Transport

Introduction

The public transportation provided by the government includes the following modes: buses, monorail, train and airlines. These services are provided in order to give more convenience to the public at large. However, problems such as poor connectivity, frequent delays and disruptions have persuaded people to buy and own a car. The purchase and usage of cars in Malaysia is much higher compared to Europe or other developed countries. [According to a report by the Ministry of Transport, the number of passengers using railways for their daily commute has increased almost 60% from 2000 (92,122,894 passengers) to 2007 (at 146,359,480 passengers)

The current transportation system has received the 6th highest number of complaints among the 24 sectors. In 2010, the number of complaints received by the National Consumer Complaints Centre (NCCC) was 2108. The question as to whether any new initiatives will resolve the prevailing problems, and will change the industry to one that will be consumer friendly remains unanswered to this day.

Major Complaints

Airlines

Frequent delays have been the main point of contention for airline passengers. Airlines are the costliest mode of transportation and create the impression that they will deliver a higher standard of service. However, the service quality and response leaves much to be desired. The customer service unit is often unreachable and the call charges are considerably high.

A number of reasons are given for the delay of



Many consumers are not satisfied with the service quality provided by this public transport. Issues that predominate include punctuality and frequency of train arrivals.

flights in departing and arriving. Some of these are attributed to technical issues involving the aircraft, check-in delays, missing passengers, airport congestion and bad weather. Last minute cancellations are also a recurring disappointing occurrence. Despite the frequency of problems, there are no redress mechanisms for travellers and moreover, it is almost impossible to obtain a refund or to recover compensation or damages from the airline companies. Some airlines cancel flights from time to time due to unknown reasons. Facilities for the disabled are not taken seriously. In conclusion, the airlines companies have to be consumer friendly, improve their service quality so that consumers will be in a better position to reach them fast and at a reasonable price.

LRT & KTM

Many consumers are not satisfied with the service quality provided by this mode of public transport. Issues that predominate include punctuality and frequency of train arrivals. There is also insufficient space to carry more passengers. The LRT is well known for frequent disruptions in the year 2010; (includes KTM as well). Surprisingly, there has been no marked improvement and the complaints seem to concern the same issue over and over again. This is why the public remain unhappy with the current system and opt to travel by taxi or other alternative modes even though it is more expensive. The year 2010 has also borne witness to a series of breakdowns and a poor response-system to restore the services. The lack of an efficient system and staff to handle the commuting public has resulted in a very negative impression on our public transportation system. There are occasions when LRT and KTM commuters have waited for almost two to three hours for the system to resume. Some have also been stuck in the train and LRT without reaching to their destination on time. Complaints also include poor customer service and inappropriate feedback whilst checking the problem. Shortages of ticket entry stiles and frequent exit machine failures also need to be looked into seriously because consumers who are paying to use the facilities often have to wait in long queues.

Buses

Poor frequencies of schedules and delays have generated enormous frustration over the years. Many complaints are concerned with drivers taking extended rest periods and chatting with colleagues while the consumers were waiting for the buses. This may stretch to almost an hour and gets worse during weekends. Many complaints point to non-compliance with timed schedules announced by bus companies. And they seem to be connected to mechanical faults. The question arises as to why the buses are maintained so poorly. Breakdowns and smoke-emissions seen by consumers are indicative of the poor condition of buses. At times, bus companies with fewer passengers are seen to delay the time schedule for cutting costs. These

can obviously frustrate the plans of passengers and the public.

Though charges have increased the service quality has remained the same. For instance, passengers have to travel by buses that are packed like sardines since they have no choice. The lack of buses during peak hours causes uneasiness and uncomfortable journeys but none of these have been viewed seriously. Then there are the lack of bus stops, vandalised bus stops and lack of services to many residential areas. The behaviour of bus drivers is another major cause for concern – reckless and dangerous driving is common. The recent shocking news of an unlicensed bus driver who was involved in a fatal crash goes to show the lack of enforcement on the part of the government in controlling the activities of bus companies.

Recommendations

- The Government must take stringent action against such public transportation companies and also monitor their service for the benefit of the public; penalties must be imposed and licenses must be issued under strict conditions for the operation of public transport.
- Other than during festive seasons, frequent investigation and controlling of the quality and condition of public transportation companies by the government should be done from time to time to avoid tragedies.
- A clear cut set of standards and rules should be provided to the public transportation companies.

Chapter 7

Housing



“... amendments are needed to bring about real change to the housing sector in Malaysia.”

Therefore, it comes as no surprise that the honourable Prime Minister in Malaysia’s 10th Plan has focused on quality and affordable homes for all. Abandoned housing projects and the developer’s poor sense of responsibility are also not uncommon for consumers and home buyers in Malaysia. In addition, a sad state of affairs exists as to the extent a buyer is protected by law or by the relevant authority. Our current housing system and housing-related laws give a negative impression and indicate that the sector needs an urgent revamp.

Introduction

The housing sector is one of the most complicated in Malaysia. It needs urgent attention since the complaints reflect the weaknesses of the industry such as the lack of monitoring, enforcement powers crucial issues which are not covered by the ministry, lack of policies and a lack of legal provisions to address current issues brought to the fore by consumers.

Hidden clauses within the sale and purchase agreement which can exclude all the duties and responsibilities towards home buyers remain a perennial issue. The agreement could be drafted such that it would be a sub-sale where the developer is deemed the vendor or sales and purchase as developer and the home buyer is not advised about the consequences and the importance of having a personal lawyer.

Major Complaints

Poor Quality Houses & Irresponsible Developers

Consumers complaints over houses that do not reflect the show-houses are frequent. That is soon followed by complaints about substandard bathroom doors, poor workmanship which results in cracked walls, and improper tiling work.

There are numerous things to be looked into. In particular, amendments are needed to bring about real change to the housing sector in Malaysia. Developers that flout laws and regulations must be punished. This is a breach of **Regulation 13 Schedule G and H of Housing Development (Control and Licensing) Act 1966**. Consumers as home buyers face the dilemma of buying a house where the cost is rather high with poor commensurate quality. And developers are rather adept at protecting themselves from all legal

Abandoned housing projects have become a nightmare for consumers.



obligations stipulated under the **Housing Development (Control and Licensing) Act 1966**.

Abandoned Projects

Abandoned housing projects have become a nightmare for consumers. They are often put into a position of hopelessness as a dream turned nightmare means that they have to service loans for abandoned projects. It is a shame that developers who abandoned projects are free from any action unlike our neighbouring countries whose laws criminalizes such developers and send them behind bars.

Consumers who spend their money and suffer without a home have to struggle between many parties. Although the Ministry Of Housing And Local Government's initiative to restore the abandoned projects is appreciated, the failure to investigate the backgrounds of the developers before approving permits seems like a systemic failure and encourages more developers to become complacent and take things for granted.

Sales And Purchase Disputes

Many consumers continue to lose their hard earned money to developers, vendors and real estate agents. Eventually they turn to the NCCC to complain because they were unable to settle

the balance 90% of purchase price within the stipulated time-frame; in most cases it is 3 months or 3 + 1 months.

It is hard for someone to accept forfeiting the entire deposit just because the forfeiture concept which at times is not part of the contract. It can be said that the consumers are partly responsible since they are not aware of their responsibilities and legal consequences of entering into a contract and the forfeiture rule is applied to prevent people from hopping in and hopping out, but at the same forfeiting the entire amount is tantamount to unfair enrichment by the vendor.

Consumers need to be educated, and be informed about the liabilities involved. They must be told about the consequences when the terms and the conditions are not fulfilled even before an offer and acceptance takes place. Consumers should be advised on their eligibility to finance the purchase of a home. A panel of Banks can help evaluate the consumers' eligibility to obtain loans. Consumers should not be lured into a marketing scheme to hit sales targets without any semblance of social responsibility.

Late Delivery And Late Charges

Often, the consumer loses the battle with developers and banks. In most cases, developers who delay the vacant possession process have

to pay damages to the purchaser. This is specified in the Sales and Purchase agreement and also by operation of law. However, developers will not pay according to the principal sum, but will pressure the purchaser to accept a lesser amount. The consumer who has no choice will accept to avoid getting entangled in a long drawn battle in the courts. On the other hand, if there is any delay by the purchaser or the bank, the developer tends not to give the key until the innocent consumer pays all dues; and regardless of where the fault lies.

- The Minister, using the power conferred under **Section 11 of Housing Development (Control and Licensing) Act 1966**, should severely punish and jail errant developers as a deterrent from abandoning projects as practiced in some Asian countries.
- The Ministry should create a check and balance system under a Commission, comprised of architects, engineers, banks, developers and consumers.

Recommendations

- The Ministry of Housing and Local Government should also review the background of the developer, monitor the quality of housing for both public and private users to ensure that they receive their moneys' worth.
- The **Housing Development (Control and Licensing) Act 1966** should be amended in order to introduce stricter liability and discipline the role players as well as enhanced consumer protection.
- Consumers are not aware of their rights, responsibilities and liabilities; they need to be educated, and counselled before getting into a sales and purchase transaction.
- The Ministry of Housing and Local Government should implement awareness campaigns, educate the general public on the all the housing and local government matters which relates to home buyers.
- Whether a purchase of a house is by the developer themselves or as a vendor, the law should bind them thus giving consumers the right for a defect liability period.
- The Enforcement Division of the Ministry of Housing and Local Government must carry out stringent periodical checks on housing development projects to avoid shoddy workmanship and abandoned housing projects.

Chapter 8

Future Services

Introduction

Women form a large percentage of complainants in this sector for the very nature of the services provided. The future services sector includes beauty and slimming programmes, tuition and skill classes, which many a time, left the hopeful consumer purchasing the services but ultimately disappointed and trapped in a scam which was so carefully drafted that the consumers are left unprotected.

The innocent consumers are often left to deal with the service providers who often have a poor sense of social responsibility, thus resulting in situations where many of the cases do not result in viable solutions which are favourable to consumers. Year 2010 has recorded 1,706 complaints in this sector

Major Complaints

Abuse Of Credit Cards

Some of the service providers had taken advantage of unsuspecting consumers and charged a large sum of money to their credit cards without their knowledge. This had lead to situations where the Consumers are left with package after package which is of no use to them. The NCCC had received complaints over the years from desperate Complainants that have no effective solution to their problem as they become victims to scams and misleading marketing methods used by the service providers.

The exaggerated advertising and misleading information relating to free trials are used to pull customers to their centre, and the trusting Consumers at the end have left a trial promotion with services worth more than what they had expected; ranging from a few thousand to more than thirty thousand and with no real benefit; thus



leaving them worse off. **Section 13 (1) (a)&(b) of the Consumer Protection Act (CPA) 1999** states that no person may advertise for the purposes of supplying any product or services at a stipulated price without the intention of providing the products and services at that price or if such promises cannot be fulfilled.

Consumers are advised to exercise reasonable awareness and care with unbelievable marketing promotions and scams. This may at the end of the day leave them with a huge debt. The relevant authority must also play the role of a scrutineering body to ensure that service providers do not take undue advantage of the credit card facility to sell to the trusting Consumers on goods or services that are of no value to them.

Misrepresentation

Section 18 of the Contracts Act 1950 and **Section 10 of the Consumer Protection Act 1999** protect the rights of the Consumer to be a victim of the false statement of fact made by one party to another party which has the effect of inducing that party to enter into a contract. Many of the Consumers are not made aware of the terms and conditions imposed by the contract on the issue of termination of the services provided. Consumers have complained that they were told that they could terminate the contract at any point of time.

However, they were only aware of the non-existence of the exit clause in the contract when the Consumers decided to stop using the service or facilities and terminate the contract. This leads to situations where the consumers are obliged to pay for the services that are of no use to them.

Many customers as a result have lost their trust in these sectors and this consequently affects the innocent service providers. Service providers must take this problem seriously, as this is a violation of law and may suggest that a contract was entered into by coercion, fraud or misrepresentation and to be void at the option of the affected party as provided under **Section 19(1) & (2) of the Contracts Act 1950**.

In many situations, the sales persons of the service providers in order to achieve their targets had used misleading marketing schemes to lure the unsuspecting Consumers into a contract which was unfair and unfavourable. Service providers are reminded that their reputation plays an important role in establishing their brand in the market. Unfortunate incidences should not mar the reputation of the entire sector.

Poor Redress Mechanism

Many a times, the majority of complaints from the unsatisfied Consumers concern the poor quality of service provided. The providers have failed to handle the Consumer's problem professionally, and this causes frustration to the Consumer who may have paid a large sum of money for a service that may have been sub-standard. This could for instance be the lack of facilities or professional trainers for classes. It could, in the case of beauty treatments, damage the skin of the consumer.

Many dissatisfied Consumers have said that they are rudely treated when they want to terminate or default on payments. Consumers have the right to receive good services from service providers but in reality many of them end-up paying huge sums only to receive poor service. In most of the complaints received by NCCC over the years, it demonstrates that the service providers are unethical. This has lead to situations where the innocent party may be left in lurch over the problems as both the parties are not able to reach a viable settlement, but in fact the Consumers are still liable for the debt incurred as a consequence.

Legal Threat

In situations where the Consumer intends to terminate the service, the Consumer is threatened

with a huge payment which if not made would lead to legal action. The Consumers are reminded that performance is the root of a contract; thus non performance will result in a breach that allows the contract to be void at the behest of the affected party.

Section 17 of the Consumer Protection Act 1999 provides that a Consumer shall only be liable to 5% of the full contract price, the cost of goods the consumer used or is keeping or the portion of the full contract price representing services received by the consumer.

Auto Renewal Of Membership

Unfair! remains the consumers outcry when they refer to future services; especially when service providers become stern when consumers opt to terminate their membership. Often, memberships are renewed without the consumers consent. In this situation, the consumers are not made aware of the renewal clause, and results in situations where the consumers are subject to payment for the membership which they intended to terminate. This auto renewal procedure is actually a form of violation on the very nature of **Contracts Act 1950** itself and **Consumer Protection Act 1999**.

Recommendations

- The relevant authority shall implement a standard code of ethical guidance that must be adhered to by the service providers, and should frequently monitor them in order to prevent the rights of the Consumers from being impinged upon.
- In many situations, the arguments are on the issue of what amounts to a future services contract, thus to prevent this confusion the relevant authority shall have a clear list of the services provided by this sector that shall be governed by **Section 17 of the CPA**.
- Educating the Consumers on their rights plays an important role in preventing unscrupulous providers from taking advantage of innocent parties. By educating the members of the public, the chances of reducing problems are greater.

Chapter 9

Management Corporation

Introduction

Management Corporation (MC) exists by operation of law upon issuance of the strata title. In Malaysia management and maintenance of high-rise residential buildings can be divided into two stages.

- (I) The first stage is before the issuance of Strata Title where the property is under the responsibility of the developer as stated in the **Housing Development (Control and Licensing) Act 1966**; and
- (II) The second stage is after the issuance of Strata Title where the property will be under the responsibility of the Management Corporation (MC) as stated in **Strata Title Act 1985**. Generally, the duties and the powers of the MC are set out in **Section 43 of the Strata Titles Act 1985**.

It is widely observed that the **Housing Development (Control and Licensing) Act 1966**, **Strata Title Act 1985** and **Building and Common Property (Maintenance and Management) Act 2007** have many loopholes. The seriousness of these problems is reflected in the growing numbers of complaints against the MC.

Types of complaints received can be categorised as below:-

- Delay in Setting up Joint Management Body (JMB);
- Delay in Applying Strata Title;
- Delay in Applying Certificate of Fitness (CF);
- Electricity Supply Disputes;
- Management Transparency in Account;

- Unprofessional Management Strategy;
- Poor Maintenance Service;
- Maintenance Fee Disputes;
- Water Bill Disputes;
- Poor Planning and Design; and
- Poor Security and Safety

Major Complaints

Delay In Setting Up Joint Management Body (JMB)

At the initial stage, the developer is solely responsible for the maintenance and management of the building and common property. Developers usually request the purchasers to enter into a Deed of Mutual Covenants (DMC) which sets out the various rules and regulations. It was important for developers to form a Joint Management Body (JMB) as it is the first stage in handing over the management and maintenance of premises to the owners. It is an offence not to set up the JMB which is aimed at putting in place the maintenance and management of high-rise dwellings, especially with regards to the collection of maintenance fees. A Building Maintenance Fund (BMF) is opened to collect all the charges from the purchasers and shall be maintained, administered and controlled by the JMB.

Under the **Building and Common Property (Maintenance and Management) Act 2007**, the developer has twelve (12) months from that date to call for the first meeting to form the Joint Management Body (JMB) where the Strata Title is not issued yet. Developers are given 12 months from the delivery of vacant possession to form a JMB. The DMC would no longer be applicable



Some developers delay or are reluctant in applying and obtaining Strata Titles because there are huge sums of money to be made in managing buildings.

after the formation of the JMB. The entire surplus in the BMF will be transferred to JMB. The duties and powers of the JMB are to be performed and exercised by a Joint Management Committee (JMC). The JMB is also required to keep a record of house rules in force and furnish them to purchasers.

Delay In Applying Strata Title

Strata title properties are parcels of properties in a building to be subdivided into separate parcels and it is also a form of ownership. It is important because once the consumers have their strata title it means they have certain rights and privileges on their parcels. For example residents of a flat, apartment, condominium and high rise buildings can form a Management Corporation (MC) to run the management and maintenance services of their property. Without a strata title they are unable to form the Management Corporation. Also when the owner decides to sell the property, the strata title enables the transfer of property to the new owner.

Some developers delay or are reluctant in applying and obtaining Strata Titles because there are huge sums of money to be made in managing buildings. Residents also cannot do much to oppose these developers because their rights are curtailed without strata titles. If the developers apply the Strata Titles within the stipulated time most of the problems can be avoided. Because

of the delay in applying Strata Titles there are residents who cannot prove their ownership and in cases where the developer becomes insolvent the financial institution concerned will dispose of the property to recover their loan. The purchasers will also lose the units that they purchased.

Section 8 of the Strata Titles Act 1985 makes it compulsory for a developer to apply within a certain period for subdivision for buildings that are capable of being subdivided. **Section 20 of same Act** makes it compulsory for the proprietor of a stratified building to apply for strata titles within six months from the date when the Certificates of Fitness for Occupation (CF) are issued.

Delay In Applying Certificates Of Fitness (CF)

Purchasers often complain that the issuance of certificates of fitness (CF) have always been delayed. **Clause 23(1) of the Housing Development Control and Licensing Act 1966** states the Certificate of Fitness (CF) is an official document issued by the Local Council to acknowledge that the building is safe and can be occupied. Prior to the application for a CF the developer would have to submit the master plan and building plan for approvals to relevant agencies such as the fire and health departments, the electricity, water, sewage and telephone service providers. The local council will only issue the CF after all the conditions stipulated have been met.

Electricity Supplies Disputes

Water and electricity supplies are ready for connection to the new housing project after the issuance of a Certificate of Fitness (CF). However, delays by developers in applying for electricity connections after the issuance of the CF has prevented consumers from moving into their new homes.

Management Transparency In Accounting

The Management practice in Malaysia seem to be too profit-oriented and also lack proper financial planning. There is no appropriate planning of the yearly expenditure and the residents are neither informed nor have any say in the early management of the budget. Residents are also not happy due to the lack of transparency in the management system. The developers did not display their accounts and update the owners regarding the status of the sinking fund and they also failed to maintain a separate account for the maintenance and managements of the common property of the building. Both the **Strata Titles Act 1985** and the **Schedule H of the Housing developers (Control and Licensing) Regulation 1989**, stipulates that the sinking fund (called 'special fund' in the Strata Titles Act) be used to meet major liabilities of the strata titles estate. In other words, it is a provision for a reserve fund to meet the major repairs and replacement of parts of the common property. The collection of a sinking fund however should not be confused with the service charges meant for the general maintenance and management of the common property.

Maintenance Fee Disputes

Management Corporations (MC) often impose exorbitant charges for the maintenance and management of the common property. The MCs also use strong-armed tactics to bully residents into paying up the management fees and a penalty clause is also included in the in-house rules and regulations for failure to pay management fees. Examples of oppressive tactics to recover

maintenance charges include harassing residents or threatening to harm the house owners' families. Another tactic is to clamp the water meter which is clearly wrong under **Section 35 of the Strata Titles Act 1985** which states that residents of high rise apartments or condominiums have the basic right to support, service and shelter, which includes access to water, and that any attempt to clamp water meters is in violation of the Act.

Unprofessional Management Strategy

The majority of property managers are inexperienced and they do not have the appropriate qualifications. The lack of experience has resulted in numerous problems for residents and the residential area. Most of them are do not have relevant knowledge of pertinent Acts. Due to this problem there is non-cooperation by the residents by not paying the maintenance fee. This is the one way of showing their frustration to the management. However the maintenance fee is the main fund used by the MC to run the office.

Poor Maintenance Service

Poor building maintenance often causes hardship to the residents. This is because poor upkeep and maintenance can become a critical factor that affects the market prices of these properties. Well-kept units generally are able to sustain their market prices and may appreciate in value over time. On the contrary, poorly kept units with deteriorating conditions located in prime areas could also suffer a price drop or value-shrinkage due to poor market demand. Common problems faced by the residents are faulty lifts due to poor upkeep. The public is aware of the incident at the Impian Baiduri Apartment where the elevator plunged from the sixth to the ground floor and causing a school boy to break his legs and another victim, his waist. Also garbage is not collected as scheduled, water tank leakages cause flooding at the highest floor etc. Unfortunately due to the poor maintenance service, there is also the failure on the parcel owners to pay monthly charges for the maintenance.

Water Bill Disputes

Residents of high-rise buildings face frequent water supply disruptions due to bills unpaid by the management. Some of the irresponsible residents who fail to pay the monthly water bill could also be the major contributors to this problem. This situation happens when the occupants share the water meter and when the building management fails to settle the water bill.

Poor Planning And Design

Developers will normally promise all sorts of facilities and services in order to increase sales. A housing project which is not properly planned will face a lot of problems especially in high-rise buildings. Types of problems from poor planning or design are insufficient car parking bays, poor internal design, poor recreational facilities, poor community facilities, poor lift facilities and others. There are also materials being used that are not up to standard specifications. For example, developers often ignore water and air-tightness materials causing the wall of the building to not be airtight and as a result cracks develop especially in the car park area. The cracks on the wall allow water to seep into the wall during rainy days and water seepages promote growth of mould and fungus on the affected wall.

Poor Security And Safety

Residents are generally unhappy with the level of security provided by the management such as inefficient security services, irresponsible security guard, failure to provide 24-hour security and this increases the frequency of thefts and break-ins. Crimes continue to occur despite the presence of security guards. Gates, fences and CCTVs help to reduce the crime; however this is no guarantee if the security guards do not monitor it.

There are also security issues on question in high rise residential units. Examples are emergency exits (staircase) being poorly lit, mail boxes always screwed in by the residents or outsiders to steal mails, lack of open space, kids playing at car park, vandalism and etc. In certain cases the security

guards also could not distinguish between residents and non-residents.

Recommendations

- The Ministry of Housing and Local Government should monitor the activities of the Management Corporation and ensure the Developers apply for the strata title within the stipulated time, so that the residents can form a Management Corporation.
- Individual water meters for new high rise housing projects.
- Commissioner of the Building (COB) should closely monitor the activities of the Management Corporation.

Chapter 10

Insurance

Introduction

The insurance industry has been in the global market over the years and the majority of people own more than one insurance policy for various purposes. There are questions though as to how many people are happy when it comes to claims.

Consumers who purchase insurance either through an agent or telemarketers will keep paying the premium with the hope that they are protected but in reality the spate of complaints show that they are left with many types of unforeseeable difficulties such as delays in getting claims, poor customer services, hidden clauses, fraud agents, or the medical report is not strong etc for claiming. In 2010, the number of complaints received by the National Consumer Complaints Centre (NCCC) was 1,491 compared to 1,360 for year 2009.

Major Complaints

Fraud

An insurance agent who is supposed to be the symbol of trust for clients in reality breaches their fiduciary duty at times to their customers. Any fraud committed by the agent puts the consumer in a difficult position to prove the case, since the companies are not willing to take any vicarious liability on behalf of the agent. Consumer complaints with the frustration against the service providers are that the companies do not want to investigate the matter.

Cases like paying through agents are one of the highest risks that consumers are taking, since irresponsible agents have been known to abscond with the money. Misabuse of personal information to obtain other matters has also been

one of the serious cases received by the NCCC. Consumers are advised to be very careful in dealing with agents and highly recommended to pay directly through available high technologies directly. Constant follow up and requests to update on the policy and account is also essential.

Misrepresentation

According to **Section 18 of the Contracts Act 1950**, misrepresentation means “positive assertion / false statement made by the representor, which induces the other party to enter into the contract”. In most of the cases that the NCCC received on misrepresentation there is an indication that the misrepresentation is done during the marketing process by the agent and telemarketers. Consumers are bluntly attracted with promises and the package and easily falls into the trap without understanding the consequences. An advantage for the wrongdoers is that the consumers leave everything until the claim process. The delay and the unequal bargaining stands to dispute the understanding of the entire policy at the time of the claim troubles the consumers.

Lack Of Professionalism

Poor services and poor complaint handlings are some of the critical weakness of this industry as indicated by the number of complaints received by the NCCC. In most cases, poor explanations and an unwillingness to resolve the matter amicably makes the consumers frustrated. Often the service providers stick to their decision and are not open to discussion. The delays in getting claims is also one of the grouses which certainly need to improved. Times have changed and consumers are expecting efficient and good services. According to **Section 53 of Consumer**



In most of the cases that NCCC received on misrepresentation there is an indication that the misrepresentation is done during the marketing process by the agent and telemarketers.

Protection Act 1999, a consumer has the right to reasonably skilled care and services.

Unfair Claims Settlement

During the selling of the insurance policies, many promises and protective measures will be promised, and the consumers will buy the policy with only one aim - which is protection; meaning that when anything untoward happens to the policy owner, the insurance policy will be the only security. Unfortunately not many are as fortunate as we think. Many consumers who suffer with unfortunate situation are further burdened with numerous excuses and denials of claims.

Cases received by the the NCCC have shown companies which rely on unfair exclusion clauses and heavy literature meanings which are unreasonable for the entire policy and will fail all claims. Medical claims on the other hand put consumers in a vulnerable situation, consumers are stuck between medical reports, bureaucracies and claim department delays.

Recommendations

- Consumers have the right to be compensated for misrepresented, and unsatisfactory services through effective redress mechanisms. Apart from the Financial Mediation Bureau, insurance companies should establish complaints redressing mechanisms at the company level to resolve consumer problems speedily.
- There must not be any dubious or ambiguous terms and conditions in policies which are unfavourable to the consumer.
- Insurance companies must comply with industry standards, and practice self regulation to ensure proper checks-and-balances.

Chapter 11

Electricity And Energy Supply

Introduction

Electricity is a core need of society and is one of the key components in ensuring that the gears of everyday life click seamlessly in motion. The uninterrupted supply of electricity is paramount to the general well being of the masses and it is no wonder that complaints are often made especially when there are interruptions to its supply and any shortages and outages.

The number of complaints made with regard to electricity and energy supply makes for bad reading. In the year of 2010 alone, there were 1422 complaints made to the NCCC and there are definitely many more complaints that have gone unrecorded. Most of the complaints stem from the dissatisfaction of customers with Tenaga Nasional Berhad (TNB) – the sole retail supplier of electricity.

Major Complaints

Power Disruptions

Frequent power disruptions have often been a major bone of contention by consumers. It is a sad sight in this current era when consumers still have to put up with power shortages, outages and surges, which is still quite common in this country. This unresolved issue has been a mainstay in relation to complaints of electricity supply and the problem does not seem to be resolved or improved anytime soon.

The two types of power outages are pre-planned ones and accidental ones. For pre-planned power outages, TNB should do a better job in disseminating information to its customers who will potentially be affected. This will ensure that they are well prepared for such incidents. For



One of the main areas of complaints arises from inaccurate billing by TNB, specifically higher charges than what is supposed to be paid for.

accidental ones, TNB should endeavour to respond immediately once a complaint is made, and not when it is convenient to do so.

In relation to power surges, it has been shown that such surges might damage electrical and electronic equipment. In the event such a surge has occurred, TNB should immediately conduct an investigation to ascertain the cause of it and if it is due to factors within its control, it should then offer compensation to its affected customers for any losses suffered.

Billing Disputes

One of the main areas of complaints arises from inaccurate billing by TNB, specifically higher charges than what is supposed to be paid for. Oftentimes TNB would provide an estimated charge arbitrarily when it had been unable to obtain meter readings, instead of making a second visit to obtain the rightful figure. The estimated readings are usually higher than what the consumer is supposed to pay and consumers are seldom notified, if at all, of how the estimation was carried out and any explanation to it.

Thus, disputes arise when a consumer, who has been provided the estimated charge, is not agreeable to the amount payable. TNB should institute a system or method, be it in writing or otherwise, advising its customers as to how the estimation and calculation of the charges were carried out.

Faulty Meters & Meter Tampering

Faulty meter readings have been one of the other areas of complaints as well. The faulty readings usually occur when meters are defective or new meters given to replace old ones providing an inaccurate reading. Such inaccuracies often result in dispute on the charges, between the consumer and TNB, and may result in long delays before the issue is settled.

When such disputes arise, customers are usually reluctant to pay for what they deem as unfair charges. Instead of attempting to investigate the matter or to resolve the issue, TNB would just stop all power supply to the premises where there is a dispute. Such unreasonable behaviour results in hardship to consumers, which often takes some effort to resolve.

Meter tampering remains as an area of concern as well, as it usually results in higher than expected charges for a consumer who has had his/her meter tampered with. TNB should provide the requisite technical assistance to an affected customer to help investigate the claim.

Recommendations

- With the coming into effect of the **Competition Act 2010** in 2012, the Government should start taking steps to ensure that TNB does not remain the sole power provider in the country. This is due to the fact that TNB's monopoly of the market has lead to complacency and an attitude of taking its customers for granted.
- TNB should set up a dedicated unit with a client charter to handle customer complaints. Such a unit should be able to handle a wide range of questions and comments, and should include a dispute resolution unit.
- Electricity meters should be recalibrated regularly and there should be more ease of access for customers to obtain billing and various information that is currently not widely available.

Chapter 12

Government Agencies And Services

Introduction

Improving government efficiency and the quality of government services is an important aspect of the government's transformation programme and the Prime Minister is focusing on the "People First Performance Now" module to ensure their satisfaction. Government servants certainly need to be very efficient and professional in delivering services to the public at large. In reality though, the service quality is yet to match public expectations.

The NCCC has received 1386 complaints in the year 2010 and the complaints were mainly about the poor services, delay of work and also involved recklessness and negligence in carrying out their tasks and services. Consumers are frustrated over the poor services and officers who merely rely on bureaucracies and reasons. These officers are not showing adequate effort to assist or resolve the problems. The Public will be very happy and satisfied if they could experience a system which focused on delivering services which are fast, efficient and one that accommodates the public's needs.

Major Complaints

Delay And Poor Service

Complaints forwarded to government agencies pertaining to consumer issues at times are not entertained and ignored without any action taken. Problems such as officers who are rude to the public during services, mistakes done in the system, last minute information, typing error on the document. Cases of a year taken to deliver a simple document to an old widow after repeated



visits by her to a government department continue to happen in Malaysia. Treating the public with low respect also causes enormous frustration. Complaints of car repossession without any information and charges to the public of RM300.00 per car when it is parked outside the parking lot are unacceptable. This in an era in which even banks have to inform the car owner before they repossess the vehicle. Government offices and officers should be very friendly and helpful and this would improve the image and our public service as a developed nation.

Negligence

Government agencies have also at times acted negligently when they deal with the public. Cases received show that officers will not look seriously into grievances suffered by consumers and often give decisions against consumers. Complaints have indicated that officers do not investigate or take any action on the matters which are forwarded to them and they will take their own time which ultimately leaves such matters unresolved. For example, they have to the tendency to avoid the problem when they are not familiar with it. Due to that, many complaints have been ignored. At times consumers have complaints that they have lost monies and precious time when documents that they sent was then informed as being not received or missing.

Recommendations

- The Public Complainants Bureau must take stringent action against such government agencies and also monitor their daily work for the benefit of the public.
- Local Councils must play a vital role in resolving any disputes between them and consumers where local government services are not satisfactory.
- Standard rules and regulations for local councils' services to the public so that an acceptable standard of performance and efficiency is implemented.

Chapter 13

Maid Agency

Introduction

Maid agencies are the one sourcing and supplying well-trained maids to the consumers. The agencies are licensed by Ministry of Human Resources (MOHR) and Department of Immigration of Malaysia under Ministry of Home Affairs. Consumers complaints on maid agencies are increasing over the years.

Consumer complaints on maid agencies are:-

- overcharging;
- non-refundable deposit;
- recycle maid;
- misleading information;
- one-sided contract;
- maid with disease; and
- attitude problem

All of the above complaints against the maid agencies are not new because there is no specific governing law in Malaysia on neither the operation of maid agencies nor the protection of consumers. Consumers can only rely on the **Consumer Protection Act 1999** and **Contract Act 1950** if there are conflicts. According to **Consumer Protection Act 1999**, the maid agencies fall under the service category where services are supplied to consumers, then there must be an implied guarantee to comply with a particular purpose, failing which consumers have the right to seek redress against the agencies. If there is a breach of contract the consumers can rely on **Contract Act 1950** for the remedies.

Major Complaints

Overcharging

At present Indonesia has declared a ban on the supply of maids to Malaysia which has caused a



shortage of maids. However as an alternative the agencies have attempted to source for maids from Timor-Leste. However, this did not meet consumer demand. The agencies make excessive profits from the current maid shortage.

The maid agencies are charge too high fees for:-

- Levy
- Permit
- Immigration process
- Ticket
- Transport
- P.A Insurance
- Food and lodging
- Documentation and postage
- Recruitment fee
- Agency fee and service tax
- Medical check-up
- Stamping and bank charges

Non-Refundable Deposit

The agencies after failing to meet their promises to supply the maid within the stipulated period did not return the deposit to the consumers. Consumers had to call them repeatedly to get a refund and they were also subjected to unfair deductions.

Recycle Maid

Maid agencies profits from runaway maids. This means that, after the three months of the warranty period the maid begins to pose a problem to the employers, and eventually flees to the agencies. The agencies will send the same maid to another employer, and this modus operandi continues. This method is known as “recycling maids”. In a year, a maid can be “recycled” four times.

Maid agencies also charge high fees to replace a new maid.

Misleading Information

Consumers rely on the information given by the maid agencies about the skills and experiences of the maids. The agencies often show a maid’s bio-data to the consumer for them to select and give false information about their skills and experience, perhaps in reality the maid may have been supplied without any experience and has not been given prior training by the agencies.

One-Sided Contract

Contracts normally drafted by the maid agencies are one-sided which means they are only for the benefit of the agencies and to protect themselves from any liabilities. When the consumers sign the contract obviously they will accept the terms and condition even though the contract may be detrimental to them.

Maid With Disease

It is a mandatory for a foreign worker to undergo a health screening test and failure to do so may not allow them to work in Malaysia. They must undergo a medical examination at the clinic

registered with FOMEMA. Although the maids underwent medical examinations, there are also cases where the agencies supplies maids with diseases; and at times even pregnant maids.

Attitude Problem

After the warranty period of three months, the maids began to change their attitude by refusing to perform their duties. They also did not listen to the instructions from the employer even after they receive counselling from the agencies. In normal cases, they always pretend to not be healthy, so that they can escape from performing their duties.

Recommendations

- The Government should enact a law to govern the activities of the maid agencies to protect consumers.
- A ministry should monitor the maid agencies activities via a special committee and form a Complaint Handling Department under the ministry to handle issues relating to maid agencies.
- Do not permit the maid agencies to renew the license if complaints are lodged against the same maid agency more than 3 times; provided the complaints should be genuine.
- The Government should encourage the employment of local maids or part-time maids so that consumers can avoid problems.
- The Government should impose a limitation fee which can be charged by the maid agencies.

Chapter 14

Retail Trade

Introduction

Retailing is a commercial transaction which offers goods and services directly to consumers. The law governing retail trade in Malaysia is the **Trade Descriptions Act 1972**, an Act that prohibits misdescription of goods provided in the course of trade and false or misleading indications as to the price of goods. Consumer complaints regarding the retail trade have been increasing and tend to vary by issue over the years.

Major Complaints

Misleading Price And Advertisement

Misleading statements in the advertisements especially during promotions and misleading price indications often persuade consumers to buy the products. The consumers become frustrated when they are charged different prices for an item at the payment counter, whereas a different amount was displayed on the price tag. According to **Section 14 of the Trade Descriptions Act 1972** it is an offence if there is a false and misleading indication as to the price of goods. **Consumer Protection Act 1999** also states that it is an offence if misleading indication of the price (**Section 12**) and bait advertising of the good without an intend to supply (**Section 13**).

Unhygienic And Dangerous Premises

Food shelves in the retails shops are often unclean and unhygienic. Improper storage of food poses a risk for consumption. Consumers often complaint about the sight and stench of rat urine and rat excrement in the premises. Some retailers fail to maintain the hygiene of their premises. Complaints about consumers slipping and falling on a slippery floor due to wet conditions have been received by the NCCC. In other situations, a



Consumers always want to be treated with courtesy and respect. Poor customer service makes them frustrated easily.

hanging sign board fell on a consumer and caused serious head injuries.

Defective And Expired Products

Defective products with limited warranty period were sold in the retail shops, and consumers were unable to obtain a replacement when the said

product fell into repair. Retailers have also been selling expired food products, especially perishable goods which spoil easily. **Section 32 of the Consumer Protection Act 1999** states there must be implied guarantee as to acceptable quality for the goods supplied and **Section 46 of the Consumer Protection Act 1999** states that the consumers have the option of a refund or replacement if the goods are defective.

Poor Customer Service

Consumers always want to be treated with courtesy and respect. Poor customer service makes them frustrated easily. Inexperienced staff or foreign workers will not be able to furnish proper information about products to consumers and the supervisor who is on duty or the duty manager is often unhelpful when the consumers need them. A long queue to the cashier is also one of the frequent complaints received about retail trade.

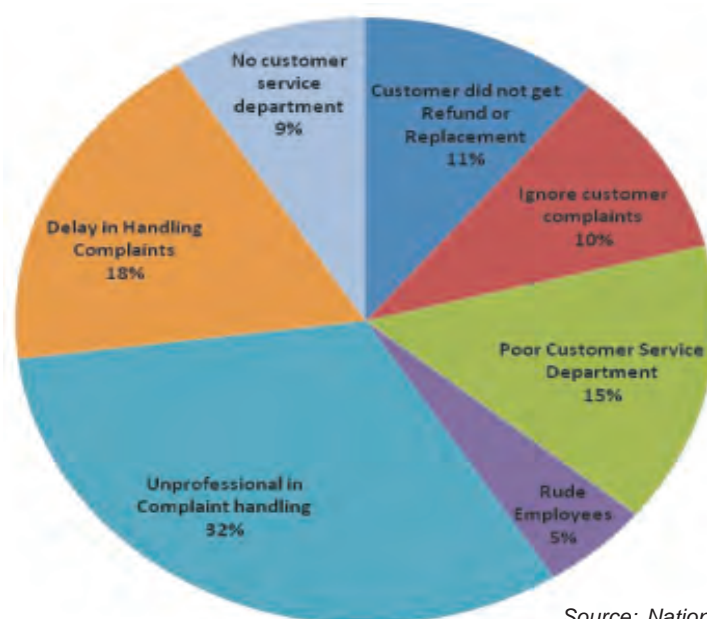
Consumers are normally dissatisfied due to:-

- o Rude Employees;
- o Ignoring Customer Complaints;
- o Poor Customer Service Department;
- o Unprofessional Complaints handling;

- o Delay in Handling Complaints;
- o No Customer Service Department; and
- o Failure to get Refund or Replacement

Recommendations

- Retailers should develop and maintain good relationships with customers and educate employees about importance of the customer. They should form a Customer Complaints Department in the organization and the customer service team should undergo customer complaints training. All the complaints must be investigated effectively, transparently and in a speedy manner.
- The Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) should inspect the retailers premises regularly.
- MDTCC must make compulsory rules on the formation of a Customer Service Department by all retailers.



Source: National Consumer Complaints Centre (NCCC) 2010

Chapter 15

Legal Services

Introduction

Consumer disputes on legal services are on delay, poor communication and service, cost and unprofessional conduct. The governing law on legal services is **Legal Profession Act 1976**, an act to consolidate the law relating to the legal profession in Malaysia. **Solicitors' Remuneration Order 2005** which contains scale fee for a lawyer to follow for conveyancing matter on Sale and Transfer Lease and Tenancy Charges, Debentures and other Security or Financing Documents Discharge of Charge and Deed of Reassignment Preparing, filing or witnessing miscellaneous documents. Trends of increasing number of complaints on legal services shows consumers lose confidence on lawyers.

Major Complaints

Delays

Most complaints regarding delays in matters of conveyancing are caused by the conveyancing solicitors. Their incompetence and delay in handling the documents in the transaction have caused the completion process to exceed the time period granted. The delays caused the consumer to bear an unwanted late payment interest. In certain cases the delay also occurs due to the difficulties in contacting the clients who did not update their change of correspondence and contact details.

Poor Communication And Service

Effective communication is one of the professional ethics of a solicitor which are not taken seriously by many. Lack of proper communication will often put consumers in deep frustration and total misunderstanding with the ongoing process on



the given case. Consumers frequently complain about solicitors who often do not return or refuse to attend their phone calls. Often the solicitors also do not to explain the procedures to the client as to what they should do next which leaves the consumers in a grey area.

Cost

Consumer complaints on lawyers who charge exorbitant legal fees for a legal service including lawyer's fees plus additional expenses. When a client has chosen the lawyer and agreed on the fees, then it becomes an agreement between the two parties but normally the problem arises when there is no agreement on the fees. As a

responsible consumer, one should ask for itemised details to make sure that they are not overcharged. Consumers are entitled for an immediate refund for whatever excessive costs charged by the lawyers in violation of **Solicitors' Remuneration Order 2005**.

Unprofessional Conduct And Negligence

Solicitors' conduct can be deemed as unprofessional by the use of threatening, abusive or offensive language to the consumers which are replicated in the complaints which received by NCCC. In certain cases consumers complaint that lawyers have given wrong advice to the customers which have even caused the loss of cases. It is high time for legal practitioners to treat consumer more friendly and provide them an informed service.

Recommendations

- The Bar Council should create public awareness about the rights and remedies and many consumers are not aware about the existence of the Legal Aid Centers and Advocates and Solicitors Disciplinary Board (ASDB).
- Consumers who lodge a complaint against the lawyer with the (ASDB) are required to pay RM 100 which is a burden.
- The Disciplinary board of the Bar Council and (ASDB) should conduct investigations transparently. Any reprimand and penalty imposed upon lawyers should move the consumers back to their original position in order that justice is upheld.
- The Bar Council should conduct random checks on lawyer's bills to take action against those who violate the Legal Profession Act.

Chapter 16

Pawn Broking

Introduction

Pawning is a type of borrowing money where the consumers will leave something of value as security with the pawnbroker who in turn will lend some money; and against which the consumers will pay interest. The governing law related to pawnbroker activities in Malaysia is the **Pawnbrokers Act 1972** which comes under the gambit of the under Ministry of Housing and Local Government. An Act for the regulation and control of the business of pawn broking, the protection of pawners and pledges pawned in the course of such business, and matters connected therewith must be passed and enforced.

A pawn shop shall not operate between 6pm to 8am and according to **Section 16** of the Act and a pawnshop should not receive any articles from a person below 18 year old, from a person who is intoxicated and of unsound mind, or is marked as government property and a suspect pawn without the consent of the owner. Lack of enforcement has resulted in an increase in the number of complaints about pawnbrokers.

Major Complaints

Unfair Auction Procedure

Many consumer complaints about the failure of the pawnbroker to notify them about the auction which is conducted after the expiration of the redemption date. When they refer this matter to the pawnbrokers, they will show evidence of a letter they had sent to the consumers by registered post. The consumers are often surprised because the letters that are usually sent by the pawnbroker as a reminder to make monthly payments were received by them. If they are sent



Many consumer complaints about the failure of the pawnbroker to notify the auction which is conducted after the expiration of the redemption date.

by registered post, it is customary for the postman to leave behind a yellow card if the owner was not at home as a reminder to collect the letter. However, according to consumers they did not receive the yellow card in their mail box. There are also complaints that the signature appearing on the acknowledgment card which was shown by the pawnbroker as a proof of acceptance is different from the consumer's signature.

Section 18 of the Act states that any article pawned should be redeemed within six months and under **Section 19** of the same Act states if the consumer wants to extend the six months time period to another three months or not less than that, they should notify the pawn shop and an approval should be made on the pawn ticket. According to **Section 23** of the Act, for the article which is not pledged within the stipulated time, is below RM200 automatically is a property of the pawn shop and is above RM200 the pawn shop should conduct an auction by a licensed auctioneer. **Section 25** states that the excess amount from the auction should be notified to the owner for them to claim within four months from the date of the notice served and **Section 26** states if the owner did not claim the excess amount within four months, the pawn shop should pay the surplus to the Accountant General.

Discrepancies On Receipts

Section 14 of the Act requires when pawning the jewellery, details of the item such as weight and length should be measured and recorded in the pawn receipt. If it is not recorded, the receipt must be considered incomplete as consumers will find it difficult to provide evidence if the pawned items are skimmed.

Lost On Originality

When the pawned item is skimmed e.g. it becomes shorter or lighter, it will lose its original value which causes the consumer a considerable loss as the current market price for gold is high.

Recommendations

- The Enforcement unit under Ministry of Housing and Local Government should make sure that the auction procedure are conducted fairly and transparently because consumers are always fail to obtain notices about the auction.
- The Current **Pawnbrokers Act 1972** needs amendments especially on the auction procedure and must include that the pawn shop should send reminder letters to the owner one month before the redemption period.
- Pawn broking issues should come under Ministry of Domestic Trade, Co-operatives and Consumerism rather than Ministry of Housing and Local Government since there are no available redress mechanisms under the MHLG for consumers

Chapter 17

Hospitality

Introduction

The tourism and hospitality industries are growing in Malaysia. Every year the NCCC receives complaints regarding time-share agreements whereby consumers lose a huge amount of investments due to unscrupulous business practices by the travel and tour agencies. There have also been complaints about accommodation services.

Major Complaints

Time-Share Agreements

Consumers purchase timeshare membership in order to have their own place to stay when they travels. Timeshare is a vacation product whereby a subscriber acquires a type of holiday ownership and the members have the rights to use a holiday accommodation unit for a certain period every year. Frequent complaints on time-share agreements are misleading information and false promises about facilities.

Misleading Information

Marketing agents, in order to obtain their commission and fulfil their quotas often attempt to sell the time share memberships by providing false information. Buyers are genuinely convinced about the information given and sign the agreement without understanding the clauses. The misleading information is usually about resale of time-share memberships, transfer of memberships and annual fees. After the signing of the contract and consumers have realised that they have been misled, the option for cancellation of the agreement is annulled by the companies even when the cooling-off period is still valid.

False Promises on Facilities

Members have to book the accommodation six months in advance in order to enjoy their time-share membership. Unfortunately, all the time there are no available accommodation and in some cases the accommodation comes with poor facilities and not as promised by the agents.

Travel And Tour Agencies

The Tourism Industry in Malaysia is regulated by the **Tourism Industry Act 1992**. Consumer grievances about tour operators are mostly regarding non-refundable deposits due to cancellation, last minute cancellations, improperly organized tours and unqualified tour operators. In certain cases, the consumer receives a confirmation via e-mail and their credit card has been charged by the tour booking agency. However, the consumer realises much later that the airline, hotel, or tour agencies themselves have no record of a booking.

The Malaysian Association of Tour and Travel Agents (MATTA) organises the MATTA Fair every year to attract consumers and to promote tourism. However the travel agencies take an advantage on this period to advertise their promotion prices to the consumers but in reality the consumers end up paying more than the normal price.

Accommodations

Consumer belongings such as laptops or cameras have gone missing from the hotel room when they were out travelling. Whenever the consumers lodge a complaint to the hotel management, the management will avoid their liabilities by pointing out **Section 4 of the**



Buyers are genuinely convinced about the information given and sign the agreement without understanding the clauses.

Innkeepers Act 1952 which states the limitation of an innkeeper's liability.

Frequently the room rates are also misleading since the rates advertised in the website are different from the actual prize when the consumers reserved the room. Booking a hotel online also can be risky because the payments can be deducted twice for the same room and the consumers are required to wait for a long period in order to get a refund. The NCCC has also received complaints about lodging facilities in the hotel especially for persons with disabilities.

Recommendations

- MATTA should ensure all their members who participate in the Fair did not manipulate consumers and follow procedures.
- Standards designed to make lodging facilities usable by persons with a wide variety of disabilities must be drawn up and implemented.
- The Ministry of Tourism Malaysia should work closely to monitor the activities of the tour and travel agencies.
- **Section 4 of the Innkeepers Act 1952** needs amendments and the hotel should be liable for consumer losses.

Chapter 18

Scams

Introduction

Over the years many Malaysians have lost millions of ringgit and have even become bankrupt due to scam investments. Pressure from consumer groups and the media to the Ministry resulted in a reduction of scam activities over the years. However consumers continue to fall into these traps despite the continuous awareness by the media. The numbers of complaints on scams have reduced in the year 2010 to 1,002 compared 2,713 of complaints in 2009.

Major Complaints

Scratch And Win

Consumers are often cheated by the companies which carry out scratch and win competitions. At present, the scratch and win tactics are carried out in a different way compared with a few years back where a salesman would approach consumers directly at the bank premises, bus stop or at their house. Now the majority of the electrical shops carry out these unscrupulous activities to cheat consumers.

When the consumers want to buy the electrical goods, or when they pass through the premises of the electrical shop, the shop workers will attract and invite them to the shop for a scratch and win contest. They will promise consumers that they can bring home electrical goods without paying. Consumers will then comply because they think they have nothing to lose. Examples of electrical goods on offer are electric ovens, blenders, abdominal exercise equipment and electric stove sets.

When the consumers scratch the card with images of the electrical goods, all the workers in the shop will pretend to be excited, giving the



After purchasing them the consumer realizes that they have been cheated by the seller, however they are unable to claim against the seller due to fact that there are no fixed retail location.

impression that these rarely happen. Consumers are also affected by the words or their reactions. This tactic is used upon all consumers in the scratch and win contest. Moreover they are shown pictures of the lucky ones who went home with great prizes. Once the consumers decide to take the electrical goods which they won earlier, a “sudden” condition appears; that the consumer must purchase the promotional items available in their magazine.

Prices that are listed in the magazine are higher than the normal price. To ensure that consumers buy the item, the workers will give them vouchers worth RM100 or say the prices that are listed in the magazine are promotional prices and promotions for one day only. After taking home

the prizes many consumers then realize that they have been cheated by the retailer. Most of the time the amount of money lost was between RM5000 to RM6000.

Direct Selling

Direct selling is marketing and selling products by door-to-door or through mail order; and direct to consumers. Normally the consumer products are sold by independent distributors, usually in the customer's home. The seller will use all sorts of gimmicks and demonstrations to make the consumer to purchase their product. After purchasing them the consumer realizes that they have been cheated by the seller, however they are unable to claim against the seller due to fact that there are no fixed retail locations.

Multi Level Marketing (MLM)

Many consumers' are always looking for the fastest and easiest way to make money. So, most of the time, they will blindly join any MLM or other schemes that promise returns that are unbelievable. MLM companies often have impressive offices which give credibility to the consumers to invest. In addition, they are legally licensed and all their activities together with agreements or certificates which signed by the consumers and the directors. Today with the growth of internet economy MLM companies are selling their products to consumers via their website. The focus is on recruiting new people to buy into the program or else to buy products which are overpriced.

Phishing

Phishing means sending false e-mails that look like real ones. Scammies are sent an e-mail from a genuine-looking web site where the consumers are asked to enter their personal information or receive an e-mail telling them that they have won something.

Online Purchasing

A recent report revealed that Malaysians spent RM1.8 billion in online shopping in year 2010,

which marked a three time increase compared to 3 years ago.



While there are advantages of purchasing goods online, there are also disadvantages of buying online such as there is no transmission after receiving the money, goods of inferior quality or are defective are sent to them, and so forth. The consumer should take into the account safety tips before purchasing products online.

- Before buying an item, visit more than one website offering the same product to compare prices;
- Each purchase of goods must be accompanied by invoices from vendors;
- Get the personal data and telephone number of the seller;
- Avoid online purchases that require the buyer to provide personal data such as identity card numbers, account numbers or credit card numbers which are considered confidential.
- Make sure to visit only recognized websites and have a good security system;
- Make sure the website address listed on 'https:// 'from' http://.' This is because 'https' is a database system and maintains the security of personal information about users;

- Save the receipt for payment;
- Be careful when paying by credit card. Do not disclose four of the last digits; and
- Understand the terms and conditions before making a transaction.

Spam

Spam is the use of electronic messaging systems to send unwanted messages to the consumers. The common mode of sending these messages are via email and short messaging system (SMS). Spam will flood inbox of the e-mail and hand phone. In certain cases the consumer received many copies of the same message and the costs of the messages especially SMS's from unknown numbers are paid by the recipient rather than by the sender.

Handphone Fair

"Discounts up to 70% for all original sets" is the common statement which attracts the consumers to buy the product. The seller will tell the consumer that the mobile phone has no installed software and they will promised to install it later and upon purchase but after the fair. After several days, when the consumer went to the address stated in the receipt they will be surprised to note that no such shop exists or a different shop operates at the address. The consumer also found that the set which was purchased was the AP set and not the original.

Original Set

- Authorized by the distributors and the consumers can service the phone at any service centers;
- 1 year warranty for the full set including charger, battery and hands free; and
- Genuine parts are used for repairing.

AP Set

- An approval products;
- Mainly imported from overseas and sold to the consumers;

- 1 year warranty for the phone and 1 month for the accessories like charger, battery and hands free; and
- Must bring the phone back to the place the phone was bought for servicing.

Recommendations

- The Ministry of Domestic Trade, Cooperativeness and Consumerism (MDTCC) should be transparent and enable people to check whether the direct selling and MLM companies are registered with the ministry. This is to prevent the consumer from falling victim to fraudulent companies.
- Suruhanjaya Syarikat Malaysia (SSM) should form a close working relationship with MDTCC to protect consumers from direct selling and MLM companies.
- The Direct Selling Association (DSA) also works closely with MDTCC and SSM to give public awareness.
- The Malaysian Communications and Multimedia Commission (MCMC) is the regulatory framework for the telecommunications industries and on-line activities. There are inadequate protection measures for the consumers who want to purchase products via online. Phishing and spam activities also cause widespread the consumers losses. MCMC needs to enforce consumer protection seriously and if necessary form a close working relationship with other ministries such the MDTCC.

Chapter 19

Water Services

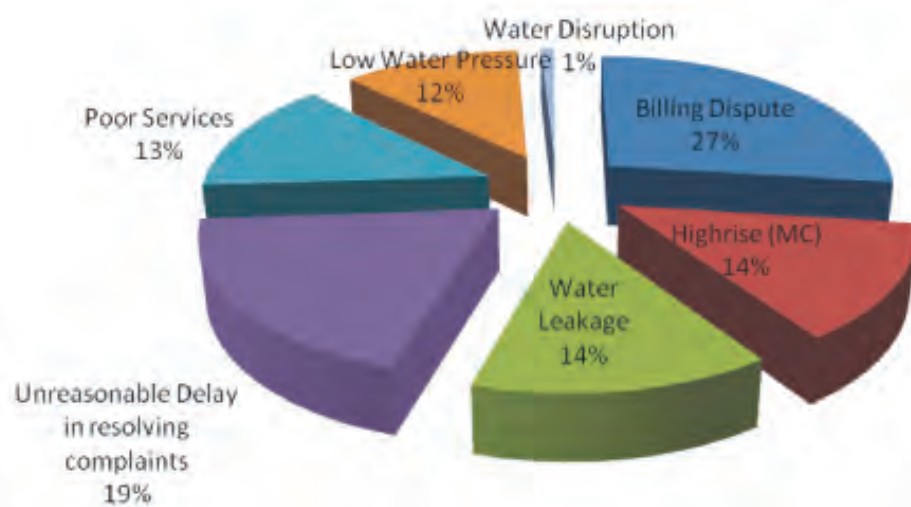
Introduction

According to the **Water Services Industry Act 2006**, a consumer is defined as a person who is supplied with water by a water distribution licensee or provided with sewerage services by a licensee providing sewerage services; or a person who has made a request to a water distribution licensee for a supply of water or to a licensee providing sewerage services for a provision of sewerage services.

Regardless of the purpose of water use the tariff will only differ for domestic charges or otherwise. Water is regarded as a sensitive issue since no one can live without but even as a developing nation we still face water services problems. As important as water, sewerage is also an essential service which consumers cannot live without. The Year 2010 has recorded 790 complaints compared

to 697 complaints in year 2009.

From the chart we can see that poor services, billing disputes and unreasonable settlements account for (53%) of the total complaints received from the public. Lack of information given in the early stages to the customer is one of the main causes of all subsequent dissatisfactions. Sewerage services complaints are also increasing indicating poor communication and interaction between the consumers and service providers. Complaints received on sewerage were mainly on over flow of septic tanks and problems arising out of communal septic tanks. We believe that the front-liners up to the decision makers in water and sewerage service providers are in a better position to deliver best services for consumers. A sense of social responsibility must be exercised for all levels of service.



Source: National Consumer Complaints Centre (NCCC) 2010

Major Complaints

Billing Disputes

Billing disputes are one of the oldest and sensitive complaints for consumers. Though the system has developed, billing disputes remain. Most consumers do not analyse the bills but some responsible ones who do may able to find mistakes at times and address it to the service providers.

The major concern is the delay and difficulties consumers face to readjust it and get a refund. Many consumers who do not check their monthly bills may risk losing their money. Beside this, consumers also have the right to information. Therefore, monthly bills must be served on the monthly basis. Otherwise, certain service providers who do not follow such best practices will develop a poor impression amongst consumers.

Poor Services

Poor services is the consumers largest frustration across the board, and this category comprises many issues such as low water pressure, poor water quality, poor customer service, poor complaint handling services, unreasonable delay in resolving disputes, unfair outcomes in settlement, unequal bargaining position, rude staffs, exorbitant charges for services, repairing and reconnection fees. Consumers are also frustrated by low water pressure and in certain areas it gets even worse – consumers that could not utilize the water, it is non consumable and that certainly affect their daily activities.

High-rise (MC)

The Public are frustrated because they do not know how much they consume and how they much they really need to pay in most high rise buildings, especially in Selangor. Here, the bulk meter is poorly managed by the management corporation; and that is the biggest problem creator. Many innocent consumers who pay their maintenance fees and water bills also suffer. If the management corporation does not pay



Among water complaints water leakage is one of the most crucial since it results in wastage of natural resource, loss of usage and a loss of money for consumers.

promptly to the water operator, the outstanding amount can be as high as RM800,000.00 and above.

The solutions are unreachable since migration (the service providers) want a 100 % consensus and settlement of total outstanding amounts which it is impossible with groups of people who are frustrated. Sadly High-rise building occupiers are also not qualified for the free water since they don't get bills based on individual consumption. In the event there is water leakage everyone in the high rise is burdened. The bulk meter tariff is so high than the domestic tariff and this has to be borne by all occupiers which is purely unfair.

Water Leakage

Among water complaints water leakage is one of the most crucial since it results in wastage of natural resource, loss of usage and a loss of money for consumers. Water leakage can be a

costly complaint since consumers in most cases have left it unrepaired, matters are unresolved and the bills keep going up. Cases have indicated that consumers have even ended up paying RM6,000.00 to RM7,000.00.

According to **Section 36 Water Services Industry Act 2006**, the duty of a water distribution licensee to maintain a public water supply system shall be up to the end of the communication pipe only. Many citizens are not even aware that after the main meter, whatever happens to the water piping system, it comes under the consumers responsibility and commonly people mistake water leakage as a billing problem and leave it to the water operators to resolve, thus resulting in further delay.

The awareness of consumers with regards to water leakage is so critical and needs urgent attention from industry and also Ministry Of Energy, Green Technology and Water Malaysia needs to focus on educating and reaching out people to educate them.

Recommendations

- A standard billing system need to be implemented throughout the nation at least for the life-line usage needs.
- Better customer service and an efficient mechanism is needed especially for refunds, bill adjustment etc
- Publicize and include reminders in water bills (for example) to create more awareness among the public
- Educate counter staff (post office, banks to sensitize consumers on unusual water bills amounts)
- Individual meters have to be introduced in all current and upcoming projects the soonest.
- Monitoring of water operators at all levels (urban, rural, IPTA/S and etc)
- Clean and safe water for all
- A uniformed sewerage system for all.

Chapter 20

Job Recruitment Agencies

Introduction

Job hunting in Malaysia is a lot easier with recruitment agencies. More employers are engaging recruitment agencies to find better candidates. At the same time the number of applicants also has been increasing dramatically. The main legislation governing the job recruitment agency in Malaysia is the **Private Employment Agencies Act 1981**, an Act to regulate private employment agencies in Malaysia.

Major Complaints

Scams

All these while job recruitment agencies have advertise in the newspaper classified ads section but now with internet facilities the agencies are advertising using web classified ad sites. Job seekers who use online job search web sites or newspaper advertisement are trapped by job scams. These job scams are usually in the form of easy home based jobs. The consumers realize that they have been scammed on a job offer after knowing that they made payment for non-existent jobs. Work at Home Position Placement is a common scam practiced by the agencies. The agencies also claim that housewives can earn generous incomes by running their own home based data entry business.

Phishing scams also appear as fake job ads, used to convince job hunters to send them personal information. Cyber criminals post their ads on legitimate job sites and often use familiar-looking or convincing company logos, language, and links to fake websites that appear to be those of real companies. Job scams also now come from abroad where the applicants are asked to bank-in an enormous amount of money for a job

vacancy.

Misleading Information

Job recruitment agencies misguide the jobseekers by offering incorrect and inappropriate job opportunities. Employers also ask the recruitment agencies to find qualified candidates with a lesser salary and jobseekers that are willing to take a pay cut instead of being jobless. The agencies often mislead the job seeker about the job description and salary.

Non-Refundable Deposits

Jobseekers are unfortunately agreeable to making a deposit if they find that there are jobs that meet their preferences; even when there are 100 applications for the same job vacancy. However, after making a payment the agencies would not fulfil their promise by search for a suitable job for the candidates.

Candidates have to pressure the agencies to search for the job after the payment is made. In many circumstances the deposits are non-refundable. According to law the agencies are should not charge registration and placement fees other than stated in the **Section 14** of the Act and a receipt shall issue for each fee received.

SCHEDULE

Registration Fees

- Not more than RM12: Fee charged for registration of all categories of local employment, the registration to be valid for multiple employments and for a period of 12 months
- Not more than RM20: Fee charged for



Contractual agreements between the agency and the jobseeker are extremely important because the consumer can claim compensation or the deposits due to failure of the act;

registration of all categories of overseas employment, the registration to be valid for multiple employments

Placement Fees

- Not more than 20% of initial month's pay: Fee charged for local placement
- Not more than 25% of initial month's pay: Fee charged for overseas placement

Note: Provided where employers have already paid the agency for the services rendered, the worker shall not be charged on placement.

Contractual Agreements

Contractual agreements between the agency and the jobseeker are extremely important because the consumer can claim compensation or the deposits due to failure of the act; and in the event a dispute arises. It is also a form of a binding contractual agreement between both parties because the unlicensed agencies will shut down their operations immediately when they feel that they are in risk. In this situation the jobseekers will find it difficult to prove if they fail to have any written documents pertaining to such contractual agreements. According to **Section 18** of the Act, for private employment agencies who advertise in any mass media the advertisement should contain the license number, correct information

relating to vacancies, qualifications and terms and conditions of employment. **Section 12** of the same Act states the business shall be carried out at the same address as in the license and according to the **Section 13** of the Act, the license shall be displayed in the premises.

Recommendations

- The Ministry of Human Resources (MOHR) should enact a new Act or amend the current **Private Employment Agencies Act 1981** which relates to online job agencies since most of the job agencies activities are presently via online.
- The enforcement units under MOHR should strictly monitor the activities of the job agencies and impose heavy penalties if they are found guilty.
- MOHR should strictly enforce the **Section 19 of the Employment Agencies Act 1981** on maintenance of records.

Chapter 21

Cheap Sales



Traders also take advantage of cheap sale periods to sell defective products and for clearing stock.

Introduction

A cheap sale is a tactic used by the traders to mark-up prices of their products and purportedly offer great bargains to lure consumers. Many consumers are trapped into this marketing tactic and do not know the actual price. The governing law for the cheap sales is the **Trade Descriptions (Cheap Sale Price) Regulations 1997** and new

requirements are under the **Trade Descriptions (Cheap Sales Price Amendment) Regulation 2010**. Under the Amended Regulation 2010 which came into operation on 11 August 2010, the traders are required to list the old and new prices and they are also required to submit a list of items to be offered for the sale along with the original price and intended cheap sale price.

Cheap sales are allowed only five times a year, with three times fixed by the Ministry of Domestic Trade Cooperative and Consumerism (MDTCC) and another two times set by the traders themselves. Cheap sale periods fixed by the Ministry are Mega Sale, Grand Prix Sale and End of Year Sale. The cheap sale items offered shall be 70 per cent of the goods in the premises.

Numbers of complaints received on cheap sales in year 2010 were reduced to 606 compared in year 2009 total 829 complaints were received. Consumers must also be responsible by not supporting illegal cheap sales and immediately inform the MDTCC enforcement unit if they come across any traders that manipulate the offer.

Major Complaints

Misleading Prices

Consumer complaints throughout the cheap sales are on misleading prices. Prices of the goods during the cheap sales are more expensive than before, and even with the discount. The traders will increase the prices of the goods three or four times more than the normal selling price. Consumer grievances after the cheap sales are, that the prices stated in the shelf are different from when they want to make a payment at the cashier counter. This situation happens when the retailers do not change the price tag after the cheap sale.

It is an offence under the **Section 12 of the Consumer Protection Act 1999** if the retailers mislead an indication of the price to consumers.

Poor Quality Of Products

Traders also take advantage of cheap sale periods to sell defective products and for clearing stock. This gives consumers the impression that they are going to buy cheap products with low quality and their perceptions often come true when the goods that they bought are defective and not last long. **Section 32 of the Consumer Protection Act 1999** and **Section 16 of the Sale of Goods Act 1957** states the products which are sold to the consumers must be in good quality and if the product is defective the consumers have an option of refund or replacement under **Section 46 of the Consumer Protection Act 1999**.

Membership Discount Card

Traders will mislead the consumers by saying that the membership card will help to save up to 60% of the purchase price. This particular statement haunts the consumer's mind which leads them to enjoy the purchase of goods during cheap sales.

Bait Advertising And Free Gifts

The retailers during cheap sales will advertise goods at a lesser price than usual but do not have a reasonable supply for consumers to purchase. They usually stock one or two at the advertised price and when the consumers attempt to purchase they are told that it is out of stock. The same situation also applies to free gifts, where the consumers are told that the free gifts are only for limited stocks. It is a wrongdoing under **Section 14 of the Consumer Protection Act 1999** to advertise on specific goods and offer free gifts but in reality do not intend to supply them.

Recommendations

- The Enforcement unit under Ministry of Domestic Trade Cooperative and Consumerism (MDTCC) must play a vital role to curb the illegal cheap sales activities. This unit should conduct unexpected and regular inspections on the premises. If they found that any traders carry out cheap sale activities against the law or do not comply with the procedure they should be impose heavy penalties and ban the licenses of the errant traders.
- It is the duty of the MDTCC to alert consumers about the premises which offer sales illegally by publishing the information in their website or in the media.

Chapter 22

Healthcare Services

Introduction

The healthcare service in Malaysia is divided into private and public sector. The Malaysian government is often striving to make the healthcare system better and of high-quality. All private medical centres in Malaysia must be approved and licensed by the Ministry of Health. Malaysian Medical Association (MMA) and Malaysian Dental Association (MDA) promotes high standard of ethics and professional conduct for its members who are registered medical and dental practitioners.

The main governing laws for healthcare services are **Medical Act 1971** and **Private Healthcare Facilities and Services Act 1998** and its **Regulations 2006**. A total of 468 complaints were lodged in year 2010, whereas 265 complaints in year 2009. The rise in the number of complaints against healthcare reflects badly on the nation.

Major Complaints

Billing Disputes

The main discrepancies on medical bills are the comparison between charges between self-paying patients and those with medical insurance. Private hospitals charge an exorbitant amount to patients without a clear breakdown of the charges imposed and in general they quote one big sum to pay. These private hospitals are also keen to treat patients who came with medical card coverage with the intention to claim a huge amount of money from the insurance company. Consumers are also dissatisfied with the non-itemised medical charges and often complain that the treatment that they received did not tally with the charges imposed.



Medical negligence will happen when a medical professional fails to act with a proper standard of care.

Expired Drugs

The NCCC has received complaints that private clinics often sold expired or nearing to expiry drugs to the patients at a cheaper cost. When the consumers alert the doctors they are told that it is safe for consumption. These private clinics normally purchase expired or near-expiry date drugs in bulk, which are available at cheap prices.

Poor Service

Both public and private hospitals are providing poor quality of service such as unfriendly staff and doctors. The patients have to wait for a long time to get their treatment. Understaffing can also be the reason for the poor service especially when an emergency situation occurs. Lack of staff has caused the hospitals to pay less attention to the outpatients when there is an emergency case to attend. In certain cases the staffs wrongly conduct important medical procedures due to inadequate training. The doctors also often change the dates for operations which caused inconveniences and inflate medical bills. Hospitals also delay in releasing medical related reports such forensic report to the patients. The patients or family members have to spend time to obtain the report and this further causes delay in their claims for insurance and SOCSO.

Negligence Of The Doctor

Medical negligence will happen when a medical professional fails to act with a proper standard of care. Wrong consultations, misdiagnosis and delays are the common consumer complaints. A doctor should practise effective communication when talking to the patients to avoid negligence on their part.

Promotion On Medical Check Up

Consumers often receive a call from a salesperson who influences them to attend their free trial Health Screening Test together with a 3 days and 2 nights hotel voucher. The salesperson successfully brainwashes the poor consumer to sign up for their medical check-up program on a yearly basis with a huge sum and promises that it is a lifetime payment. After signing the contract then the consumers realize that they are trapped. Often the consumers also receive letter from the companies demanding the yearly renewal fees after a one year completion.

Recommendations

- Inspection should be carried out at private clinics on the expiration of the drugs and the storage of the drugs. Ministry of Health (MOH) should impose heavy penalties if found guilty.
- All the public and the private hospitals should practice good standards of medical care.
- Provide a genuine professional service and care to the patients, if failing to comply with the requirements in the Act or in the Regulations, the MOH should impose fines on the hospitals.
- The MOH should terminate the Annual Practicing Certificate (APC) if there is a serious medical negligence caused by the doctor.
- Guidelines on medical charges by the private hospitals should set up by the government especially when there is a medical claim against the insurance.
- The consumers must be compensated fully if the medical negligence has caused harm to them.

Chapter 23

Food

Introduction

Food is essential for life and the increasing consumer awareness on the importance of healthy food for healthcare has created a cautious atmosphere for food industry.

The main legislation governing food industry in Malaysia is the **Food Act 1983**, where an act to protect the public against health hazards, fraud in the preparation, sale and use of food. In exercise of the powers conferred by **section 34 of the Food Act 1983** the Minister makes **Food Regulations 1985** mainly on labelling, packages for food, standards and particular labelling requirements for food. **Food Act 1983** and **Food Regulations 1985** will come under jurisdiction of Ministry of Health.

Consumers' complaints on food are as below:-

- Price
- Unhygienic Premises and Practices
- Food Contamination
- Food Expiry
- Food Packaging
- Poor Services

Major Complaints

Price

Food inflation cannot be ignored due to global factors and high consumer demand. Increases in food prices resulting in profiteering activities among the manufacturers, retailers and restaurant owners which directly transfers the burden to consumers' by increasing their household and food bills. The restaurant

operators fail to display a price board on their premises. There are also huge differences on the prices for the same level of food where the consumer only realizes after the transaction due to denial of the prices on display by the operators.

Unhygienic Premises And Practices

Unhygienic premises and poor hygiene practices cause an unpleasant environment for the consumer. The retailers fail to maintain a good standard in their premises and often, rats are found in their food display areas.

The common unhygienic problems are as below:-

- Poor level of cleanliness in kitchen, and on food service area;
- Unhygienic food handling;
- Food handler smoking in the kitchen or while cooking;
- Sighting of vermin or pests in the food premises;
- Pets or animals identified in the kitchen;
- Dirty toilet and slippery floor

Section 11 of the Food Act 1983 states that any premises preparing or selling food, which fails to comply with the sanitary and hygienic requirements and such that it is likely to be hazardous to health, commits an offence and liable on conviction to imprisonment for a term not exceeding five years or a fine or both.

Food Contamination

Unexpected foreign objects such as cockroaches, glass, metal, lizard, worm and insects are commonly found in the food contents and



If a person who prepares, packages, labels or advertises any food which does not comply with standard and is likely to be mistaken for food of the prescribed standard, the person commits an offence ..

shockingly the common complaints received are regarding reputable brands. In certain cases, the consumers swallow or bite the foreign object, and that has caused injury and a traumatic situation for them. **Section 13 of the Food Act 1983**, it is an offence if any person who prepares or sells any food that has substance which is poisonous, harmful or injurious to health and consists of any diseased substance or foreign matter or unfit for human consumption. If found committing an offence he or she is liable on conviction to imprisonment for a term not exceeding five years or to fine or to both.

Food Expiry

Expired foods are sold and continue to be on the shelf of the retailers until notified by the consumers after the purchase. In another situation the expiry date on the packages are still valid but the food inside the packages are spoiled. This situation happens when the retailers mishandle the food.

Food Packaging

Consumer complaints related to food packaging are about designs and lack of information on the package. Examples of the complaints are on:-

- Expiration date not displayed in the package;
- Hard to differentiate halal and non-halal food;

- Incomplete information on manufacturers or retailers;
- Information on ingredients';
- Information was needed on the various methods of opening packages in general (tin, can, glass, plastic bottles and jars); and
- Customer service contact information.

Section 15 of the Food Act 1983 states that if a person who prepares, packages, labels or advertises any food which does not comply with standards and is likely to be mistaken for food of the prescribed standard, the person commits an offence and is liable on conviction to imprisonment for a term not exceeding three years or to fine or to both. **Section 16 of the Food Act 1983** states, any person who prepares, packages, labels or sells any food in a manner that is false, misleading or deceptive as regards to its character, nature, value, substance, quality, composition, merit or safety, strength, purity, weight, origin, age or proportion or in contravention of any regulation made under this Act commits an offence and is liable on conviction to imprisonment for a term not exceeding three years or a fine or both.

Poor Services

Restaurant operators and the serving crew are rude to the customers while taking an order or while serving food and sometimes consumers are served with poor quality food. The moment the consumers complain to the restaurant operators



Regular unexpected inspection on the food premises must be carried out by the enforcement units

they are either bullied or chased out from the premises. The fast food restaurants are also providing poor services by not keep their promises on their delivery time and often deliver the food late which then becomes frustrating for the consumer.

Recommendations

- The Ministry of Domestic Trade Cooperative and Consumerism (MDTCC) should control the activities of restaurant owners who increased the price of food tremendously or frequently. The Ministry should come out with a reasonable price list, when there is an increase in the oil or gas price or any impact on global factors causing an increase in the price.
- Regular unexpected inspections on the food premises must be carried out by the MDTCC enforcement unit. The MDTCC should also constantly alert consumers about price increases.
- The Ministry of Health should conduct an investigation or lab tests when they receive complaints about food contamination and the laboratory test should be transparent. Food Safety and Quality Division under Ministry of Health should exercise the power to recall the batch of the products if contaminants are found in a laboratory test.
- The **Food Act 1983** should enforce strictly to avoid food poison and unhygienic premises. Ministry of Health should exercise to close the unhygienic premises if there is a proven complaint on food poison.
- The Ministry of Health is recommended to form a consumer friendly Complaint Handle Department since consumers are finding it difficult to lodge a complaint.

Chapter 24

Education

Introduction

The Government of Malaysia has initiated a move to develop world-class quality education to meet the demands and requirements of the new era. Issues relating to pre-school, primary school, secondary school and post-secondary school will be undertaken by The Ministry of Education and on the other hand issues related to tertiary education will be undertaken by The Ministry of Higher Education.

The main legislations governing education in Malaysia are the **Education Act 1996** and **Private Higher Educational Institutions Act 1996**, an Act to control the quality of education provided by private higher educational institutions. The common complaints received pertaining to education are misleading information, misleading advertisements, poor management system and non-refundable policy. The NCCC has received 262 complaints in the year 2010 on education and the complaints vary from pre-school, primary school, secondary school, post-secondary school and tertiary level.

Major Complaints

Misleading Information

The latest trend among Malaysian public universities are the setting up of 'subsidiaries' which offer courses such as diplomas or executive diplomas. In most cases the diplomas or the executive diplomas are not recognized. The students who take up these courses, however often think that they are 'recognized' courses. The private colleges persuade the students to enter into the courses with empty promises; especially during education fairs where they use their tactics to hunt students. For example they promise free



In most cases the diplomas or the executive diplomas were not recognized. The students who take up these courses however often think that they are 'recognized' courses.

scholarships, a guaranteed loan from MARA or PTPTN and assure that the courses are recognized by Malaysian Qualifications Agency (MQA). The MQA has developed guidelines on quality assurance to private colleges in offering programmes and they have to fulfil the criteria for the accreditation.

Misleading Advertisement

Misleading advertisements often claim the institution's recognition, accreditation or affiliations. In certain cases, the colleges also assure success in placement, assurance of the best result, marks and rankings by presenting the top student testimonials.

Poor Management System

A poor management system in the private colleges often causes the students to lose confidence in them particularly when there is a frequent change in the management. Since the previous management failed to maintain records or issue receipts for payment, the students need to explain about their balance fee instalments to the new management. The current management will withhold the students' exams results or send a notice of demand for the payment. Lack of equipment, facilities and a shortage of lectures are also on the list of frequent complaints about private colleges.

Non-Refundable Policy

Private colleges are unwilling to refund the balance amount of money which the students have paid in advance when they terminate the course due to the above problems or the management will only be willing to return an unreasonable sum after unfair deductions.

Recommendations

- The Ministry of Education should conduct inspections from time to time which are required under **Section 63 of the Private Higher Educational Institutions Act 1996** if there is any violation of the Act. They also should enforce strictly PART XI on closing down private higher educational institutions under **Private Higher Educational Institutions Act 1996** if they conduct any severe activities against law.
- Advertisements by private colleges must be highly monitored and according to **Section 72** of the same Act prohibits advertisements by the institution which not approved by the Ministry of Education.
- The Ministry of Education should hold back the license of the private institutions if there is a complaint filed against them.

CASE STUDIES

NATIONAL
PUSAT ADUAN
CONSUMER COMPLAINTS CENTRE
PENGGUNA NASIONAL



Case Studies

Scams

"Pada 22/1/2010 SMS yang diterima dari No telefon +601x pada 20/2/2010 jam 10.43 pg. "Congratulations! Nombor Hotlink Anda telah berjaya mendapatkan hadiah Utama, wang tunai RM 10,000 dari PR Sdn Bhd. Sila dail 017. Pin anda adalah 77ed01" Setelah menghubungi 017, Hj. Hasandin Abdullah (nama penyamaran mungkin) memaklumkan saya memenangi RM 10,000 tanpa sebarang faedah. Pemindahan hanya boleh dilakukan di mesin ATM dan mengambil masa hanya 5 minit untuk membolehkan wang hadiah RM 10,000 dimasukkan ke dalam akaun saya. Saya bersetuju untuk mengikut arahan Hj. tersebut. Di mesin ATM, saya diarah untuk memeriksa baki wang di dalam akaun saya. Kemudian di sini dia menyatakan pemindahan wang RM 10,000 hanya boleh dilakukan dengan syarat saya menuruti arahan yang bakal dia nyatakan seterusnya. Dia memanipulasi saya agar memindahkan sejumlah wang mengikut baki wang sedia ada saya di dalam akaun kepada akaun dia. Saya sebenarnya sengaja menjadikan diri saya mangsa agar saya dapat mengetahui 'modus operandi' penjenayah-penjenayah ini. Sekurang-kurangnya saya berjaya mendapatkan nombor akaun mereka yang mereka arah supaya sejumlah wang dipindahkan ke dalam akaun tersebut. No. akaun mereka adalah 100."

Nasihat NCCC: Pengguna harus berwaspada dan tidak patut membuat sebarang transaksi elektronik dengan orang asing.

Housing

"On 6th September, I made a booking (RM1000) for a house under the company Beina Sdn Bhd. At the time of booking, I also paid the remaining of 10% down payment, which came to a sum of RM2800. Unfortunately, I have not been able to secure a home loan. Now I'm trying to get a refund

of the money that I've paid (RM3800 altogether) by showing the bank's rejection letter. S&P has been signed and stamped. Beina Sdn Bhd, has told me that they will need to charge me 1% of my purchase price, which will come to RM1879. On top of that, they even want to impose interest on the amount. The lady who talked to me, Ms KL told me to write in to the company while accompanying the letter with the bank's rejection letter. She told me that they would still need to charge 1% of my purchase price. Is this legal?"

NCCC Advice: S&P agreement has been signed and stamped by the developer and purchaser. Thus, parties have entered a valid S&P agreement. Under the Housing Development (Control and Licensing) Act 1966, in the event a purchaser is unable to secure a housing loan from a bank, then the said S&P agreement is terminated. Hence, the developer collects 1% of the deposit paid by the purchaser provided the purchaser shows the proof of loan rejection by the bank, and the rest i.e. 9% of the deposit sum should be refunded to the purchaser. Important, the developer should not charge any form of interest on the purchaser.

Communications And Multimedia

"Saya sudah banyak kali membuat aduan terhadap TM tentang masalah telefon rumah saya cable yang dicuri sudah 2 bulan lebih namun masih belum diselesaikan oleh pihak TM. Tetapi bill tetap perlu dibayar dan pelbagai tarikh dijanjikan oleh pihak TM tetapi masih tiada tindakan dijalankan. mereka hanya pelbagai alasan tanpa membuat tindakan, adakan pihak TM menjalankan tugasnya atau pun sebaliknya? sehingga menyebabkan terbengkalai 2 bulan. Hal ini menyebabkan masalah pembelajaran kakak saya terganggu kerana beliau merupakan pelajar PJJ USM. Tiadanya broadband sama dengan tiada kelas dan kerja yang ingin dilakukan juga

terbengkalai. Saya berharap pihak NCCC dapat memberi perhatian terhadap masalah saya.

Nasihat NCCC: Servis putus-aduan tiada tindakan-dan masih dikenakan bayaran bulanan. Apabila servis tiada seperti disetujui dalam kontrak, TM tidak boleh dikenakan sebarang bayaran ke atas pelanggan. Pengguna boleh meminta ganti rugi dari TM dan tidak perlu bayar untuk masa-masa tiada servis.

Public Transport

"I am student. Because of the public transport poor service, I will always have to wait long and the irregular time of departure make me attend my classes late why there is no proper regulation as to the time and discipline. The bus drivers are sitting and chatting with other drivers every time and taking the buses at their own convenience. I think we are desperate for a good public transport especially buses. We have to create a confidence to public and tourist that our public transport is good."

NCCC: We escalated the matter to the attention of the Bus Company, LPKP and Ministry of Transport (MOT) and followed up with the company to improve the schedule and service.

Future Services

"On 12th Dec 2009, I have signed up the 24 months membership plan with a fitness centre. I agreed to sign up because I thought they are going to charge me based on "dues membership" (pay at the monthly dues). Please refer to the agreement attached. I have now discovered that the membership fees is charged based on "pre-paid membership" which means make a onetime dues payment for the total number of membership years. I only realized it later on, as I saw the "24 months pre-paid fitness" stamped on the agreement. N, the General Manager of the club, who approached me, did not mention about it but only explained that they will going to charge me RM 91 per month (total amount charged divided by 24 months). I complained about this to the club on 13th Dec 2009 but they refused to change the

pre-paid membership to dues membership. I wish to cancel my membership in the club effective immediately and refund the RM2202.50 charged to me by cancel my credit card transaction since I have not use their service at all."

NCCC Advice: It is very unfair to charge for the future service period and avoid the insertion of termination clause in the standard agreement of the Centre. There is no room for negotiations between the parties. The customer advised to cancel the credit card immediately, if the mode of payment is on the monthly basis immediately file a complaint in the consumer claim tribunal before the Centre pursue to a civil action. Because once a matter filed in the civil court, the tribunal does not have the jurisdiction over the same matter. The court more likely to decide the matter based on the Contract Act 1950, hence the outcome may not be in favour of complainant.

Financial Institutions

"My credit card limit in only RM 6000.00 and I agreed that I have some default and couldn't make any payments for almost few years. I lost my job and had very bad financial difficulties. But slowly I started a small business to run my family and wanted to start to pay my credit card debts but they refuse me to pay through instalment. When I'm in a good will initiated to pay and approached they start to be harsh to me and their balanced give a big shock "RM 48000.00" I said I'm just a poor old man who want to settle my debts and ask for a consideration to waive those high interest which is unfair and unbearable to me. They refused to entertain me, hereby I'm seeking NCCC's help to me "a consumer".

NCCC Advice: We understand that it is our responsibility to service any loan regardless of our situation, but at times we need some good gestures from other party to resolve a matter amicably. On this matter, we have brought over to the attention of the Head Quarters, Bank Negara and Association of Banks for their immediate attention and further action. The respective bank first offer to reduce the amount up to RM 16000.00 and the complainant appeal to us. We did appeal again to the Bank and

managed to reduce to RM 14000.00 and the complainant accepted.

Hospitality

"Membership sold on false Promises: I have signed up for a holiday membership club on October 2009 from LH Bhd and felt cheated & disappointed with their empty promises. The club never has availability of reservation at the time required. The quality of rooms & resorts are not as promised at the time of purchasing the membership. (Told us all their resort are 4 stars standard) but thru my research in the internet, most of the resort are dirty & not as what the company promised. Please refer my attachments for a clearer picture. The company lines always not answered and the agent name M does not return my call each time I ask him for my reservation status. Once I managed to get thru the company line to check on my reservation status & it seems that my booking does not exist in the system. I have already raised my concern through my agent M and ask him to return my deposit but he refused to give any refund. I demand for my refund after 1 week of payment to the company due to the lack of service he provided & the unavailability of the resorts each time I called for reservation. He told me that once I have signed the agreement the payment cannot be return but he says there is no such thing because the company does not want to return my deposit."

NCCC Advice: The benefit of 10 days cooling of period must provided to the customer before parties formally enter into any written agreement. Misrepresentation is the common phenomenon of time-share businesses. Malaysian Holiday Timeshare Developers' Federation to regulate the industries. Complainant should be entitled to get the refund as the company failed to provide the service as promised.

Government Agencies And Services

"I knew that rubbish collection at Wangsa Maju, KL is on every Tuesday, Thursday and weekend. I observed that the rubbish for my residence was not collected since 1 or 2 weeks ago. The uncollected rubbish is attracting rats, ants and other harmful insects to reside there. It is extremely unhygienic and might cause disease. I'd follow instruction of DB to use only proper dustbin and put at the appropriate area. If I'm not a responsible citizen, then I can't complain. But since I done my part as a citizen, I do not understand why the rubbish are not collected. I'd packed the rubbish in proper plastic bag each time I throw it. Not that I simply throw it. Complain has been sent to DB Wangsa Maju branch for action to be taken. I wish that rubbish to be collected on this coming Thursday, 11/3/2010 during rubbish collection routine."

NCCC Advice: Delay and poor service is common complaints that encountered by this complainant. The Ministry of Local Government and Housing should regulate the problem.

Hire Purchase

"Untuk pengetahuan pihak Tuan/Puan, saya mempunyai pinjaman kredit motosikal dengan syarikat di atas bermula pada tahun 2008. Ketika itu saya masih belajar di Politeknik Kuching, Sarawak. Sebelum saya balik ke Semenanjung (Jun 2008), saya telah menjual motosikal tersebut kepada pihak ketiga dengan persetujuan pihak ketiga tersebut akan sambung bayaran bulanan motosikal tersebut. Baru-baru ini, saya telah memohon pinjaman kereta dan dimaklumkan bahawa nama saya telah disenaraihitam atas motosikal tersebut. Setelah menyiasat dan membuat aduan kepada kedai tersebut, mereka memaklumkan bahawa motosikal tersebut telah ditarik kerana masalah pembayaran. Mereka juga memberitahu motosikal tersebut telah ditarik pada 12/06/09 dan bayaran terakhir adalah pada 02/02/09. Saya amat tidak berpuas hati kerana sepanjang kejadian ini, mereka tiada maklumkan kepada saya mahupun penjamin saya sedangkan

kami tidak pernah menukar nombor telefon sejak membuat pinjaman tersebut. Apabila saya bertanya tentang isu ini, mereka mendakwa telah menelefon saya dan penjamin saya beberapa kali sebelum motosikal tersebut ditarik sedangkan saya tidak pernah menerima apa-apa panggilan daripada pihak mereka sejak setahun lepas. Mereka juga memberitahu saya perlu menjelaskan baki pinjaman tersebut sebanyak RM2782.75 untuk membersihkan nama saya dari disenaraihitam. Saya ingin membuat aduan kerana kelemahan pihak pengurusan mereka tidak memaklumkan kepada saya tentang masalah ini. Saya yakin jika pihak mereka mengikut prosedur yang betul sebelum membuat penarikan motosikal, masalah ini dapat diselesaikan dengan cara yang betul. Saya berharap pihak tuan dapat memberi panduan dan nasihat kepada saya untuk menyelesaikan masalah ini. Kerjasama dari pihak tuan / puan amatlah saya hargai.”

Nasihat NCCC: Nama disenaraihitamkan, pihak ketiga tidak menjelaskan bayaran dan pengadu tidak dihubungi oleh pihak bank. Pengguna dinasihatkan bahawa kenderaan masih dalam kawalan syarat-syarat perjanjian sewa beli. Pengguna tidak boleh memberi/menjual kepada pihak ketiga tanpa kebenaran peminjam kewangan. Jadi pengadu terpaksa menjelaskan bayaran tunggakan dahulu dan boleh menuntut kenderaan tersebut.

Management Corporations

“The Developer has misused and over-charged our parcel owners’ public funds. (Both sinking fund and maintenance fund) The Developer never produces audited account for the public funds also. The Developer also, keeps harassing our parcel owners and our tenants by cutting off our electricity and water supply, blocking main staircase entrance, etc. Due to poor management, such as no air-cond, lack of securities, and poor cleaning service, etc. We have suffered business and rental income losses for many years.”

NCCC Advice: Over charged on services and sinking fund. The developer must adhere all

requirements under Building and Common Property (Maintenance and Management) Act 2007. All charges are must be forwarded and agreed in the meeting by the member of all parcel owners and the developer. All accounts must be audited before handover to the Management Corporation to be set up under Strata Title Act 1985. The Developer is obliged to open and maintain Building Maintenance Account, and to form Joint Management Body.

Insurance

“Saya telah membaharui cukai jalan motosikal dan diwajibkan membeli insuran peribadi sedangkan saya tidak mengetahui dan membenarkan pembelian tersebut. Saya telah menelefon MAA dan kedai motosikal di mana saya membuat pembelian motosikal. Pihak kedai menyatakan insuran peribadi bernilai RM26 untuk perlindungan RM11,000 adalah „WAJIB“. Saya kira pihak kedai dan agen berpakat ingin membuat keuntungan lebih dengan menipu pengguna seperti saya. Agen insuran seperti ini telah melanggar etika dan undang-undang syarikat. Atas kesedaran melindungi pengguna yang lain, saya mengambil keputusan untuk membuat aduan kepada Biro Aduan Pengguna. Mesej saya jelas, ingin membela nasib pengguna yang tertindas dan memberi kesedaran kepada agen insuran yang tahu membuat keuntungan berlipat kali ganda tanpa memikirkan kesusahan orang lain.”

Nasihat NCCC: Insuran adalah wajib bagi maksud cukai jalan. Insuran lain adalah pilihan dan tidak boleh dipaksa.

Education

“Saya merupakan seorang pelajar dari Kolej XXX yang mengambil diploma dalam jurusan penyiaran dan filem. Sekarang, saya berada dalam semester keempat tempoh pengajian saya. Masalahnya di sini sekarang, kami semua pelajar jurusan yang sama tidak dapat belajar dengan sepenuhnya kerana kekurangan peralatan belajar terutamanya bilik studio dan buku teks. Malah,

pensyarah pun tidak mencukupi. Bayangkan seorang pensyarah mengajar 5 subjek, keadaan menjadi tidak menentu kerana pensyarah itu sendiri pun keliru dengan jadualnya. Yang menjadi persoalan di sini, kolej tersebut masih juga mengambil duit kami sebanyak RM3900 setiap semester dan kami tidak mendapat perkhidmatan yang sepatutnya. Pihak pengurusan kolej juga bertindak biadap terhadap pelajar. Pihak kolej juga menabur janji kosong menyatakan di kolej semuanya lengkap seperti yang dipaparkan dalam iklan - iklan televisyen, brochure, surat khabar, pamphlet. padahal satu kelengkapan pun tidak disediakan."

Nasihat NCCC: Cara kolej tersebut mengiklan adalah salah sebab sebenarnya pihak kolej tidak menepati janji mereka.

Cheap Sales

"Pada 21/8/2010 saya pergi ke pasaraya ZZZ dan telah membeli dua bungkus tisu dapur berdasarkan harga jualan murah RM4.99 sebungkus seperti dipamerkan di rak di mana bungkus tisu-tisu tersebut diletakkan. Hanya apabila saya keluar dari pasaraya tersebut saya menyedari bahawa harga tisu tersebut adalah RM8.75 sebungkus. Saya kemudiannya pergi ke pasaraya tersebut dan menemui pekerja yang bertugas. Pekerja tersebut sahkan bahawa harganya adalah RM8.75 dan harga tawaran RM4.99 adalah untuk tisu muka yang diletakkan di bahagian bawah rak tersebut. Saya yakin ramai lagi pembeli telah terpedaya berdasarkan jumlah barangan tersebut yang masih ada di rak."

Nasihat NCCC: Pengguna selepas transaksi pastikan rujuk resit sebab harga berbeza dicaj di kaunter pembayaran daripada dipamerkan di rak.

Electricity And Energy Supply

"Do you compare the Meter reading on section, 'DAHULU' with previous month? In this case, the April bill on DAHULU section is 29128, SEMASA is 29380. After paid the bill, the problem comes.

The May bill come, the DAHULU section by right should show 29380. BUT NOW, it still show 29128 same per last month. If we don't compare with last month, frankly, I had HAPPILY paid for the bill and electricity provider had HAPPILY got the extra RM72 from me. At last, all the provider shareholder got smart dividend from our hard earn money. Due to this bad service, I plan to change service provider. Oops, there is no alternate service provider. The alternate is to buy your own generator or use candle. I guess no one will go for the alternative service provider. So, please check your bill and compare it month by month. Our leaders always try very hard and tell us we have to very SMART SPENDING & MUST compare. His motive is very good. Because he knew that, something will happen and lot Giant companies might use a VERY SMART way to COLLECT Money from public. Thanks to our great Leaders. I really compare the price always and notice the brilliant idea from provider. I am not sure it is mistake. But, I don't think is human error. Now, better part is, this is computer error. If you do not discover this, then you pay for the EXTRA (this case, we have to pay extra RM72.80). If you notice the problem. easy, just refund to you, BUT do you know how time consuming and trouble to get the refund? Why their mistake is our cost? Why there is no compensation on their mistake? The BEST part, how many people know they are actually, happily OVER PAID? When provider officially wants to increase the unit price, everybody jumping and complaints. How they going to get extra and no people complaint? This is an art! This is the evolution of provider's billing system. Let the computer system do the mistake and the mistake MUST FAVOURABLE to the company. Come, we should proudly said: Malaysia Boleh, Cause we really BOLEH!!"

NCCC Advice: Consumers are advised to check the bill and compare with the actual readings.

Food

"I bought some mooncakes from the restaurant. The mooncakes had the expiry date of 31st October 2009. However, on the 8th of October 2009 I noticed that the low sugar white lotus mooncake had lots of moldy white patches all over

the mooncake. On 12th of October, I called their hotline to lodge a complaint. I left a voicemail with my complaint and left my hp number asking them to contact me ASAP. No response was given so on 10th October I went to their website and wrote an E-Complaint asking the manager to call me ASAP. Still no response and on 17th October I logged another e-complaint. Until now, i still have not gotten any reply at all from them. I really doubt the quality of their mooncakes and customer service, as they obviously do not take their customer's complaints seriously. They claim to make the best mooncakes with many awards and are halal etc but moldy mooncakes so long before the expiry date? Cannot be very hygienic at their factory. In addition, their customer service is non-existent."

NCCC Advice: Expired cake, poor customer services or no response from the reputable restaurant. Hard evident, like payment receipt and the cake may require. Customer can ask for full refund and bring up the matter with government enforcement agencies.

Pawn Broking

"Saya Gadai 2 bentuk cincin emas pada 29/4/2009 dan tarikh luputnya pada 28/10/2009. Apabila saya pergi ke kedai tersebut selepas tarikh luput iaitu pada 21/1/2010, pekedai tersebut memberitahu saya bahawa cincin saya telah dilelong pada 4/1/2010. Harga gadaian cincin itu ialah RM550.00. Apabila saya tanya tentang keuntungan lebih dari lelongan itu, pekedai tersebut kata dia tak dapat apa-apa keuntungan dari lelongan itu. Pemilik pajakgadai kena bayar balik keuntungan yang lebih dari lelongan itu kepada pemajak gadai. Saya dikena tipu oleh pemilik pajak gadai. No resit B72. Berat 2 bentuk cincin 16.10g."

Nasihat NCCC: Apabila sesuatu gadaian melebihi RM200 boleh dilelong selepas tamat tempoh gadaian. Akan tetapi, jika ada lebih selepas tolak kos lelong dan wang pinjaman, lebihan tersebut harus beri balik kepada pemajak.

Healthcare Services

"My name is LYM. On 24 Sep, 2009, I went to DSK Hospital Sdn Bhd to seek treatment for Urinary Tract Infection. To my surprise, I was charged for a whopping RM352.65 for the minor treatment! I have attached the bill with the breakdown as proof of being overcharged for your attention. FYI, the consultation fee (the consultation is not much different from a GP) alone was RM120.00 and in addition the procedure fee of RM100 for which the Doctor did not performed apart from ultrasound where I was billed separately for RM42.00! The total billing to the doctor was RM262.00! A friend of mine with the same illness was only charged about RM198.00 at SJK hospital last week. I have called up the Clinic this morning to seek clarification on the procedure fee and was informed by the nurse that the doctor charged me on handling the ultrasound machine and the ultrasound fee of RM42.00 is just the machine fee! I totally felt cheated with the reply and wish to seek the association help to have the procedure fee waived and refund to me. FYI, I had also sought treatment at SMK hospital on 5 September 2009 for gynaecological check-up. The doctor had performed the procedure on me plus ultrasound, the treatment cost was RM107.00 where RM50.00 being the consultation fee and RM50.00 for the procedure fee. You may notice the inconsistency in the billing pattern by the doctors at 2 different hospitals. I am very concern of the exorbitant medical expenses borne by many other poor patients like me. I would therefore seek the Consumer Association help to investigate the above matter and seek refund of the unfair charges."

NCCC Advice: Most of the medical fees are listed one. If a consumer is not sure of any charges can be checked with Health Ministry or Malaysian Medical Council.

Maid Agencies

"I have just received my Philippine maid from my agent after i paid RM10,000, but now my maid never do any medical check-up and work permit

still on processing, I don't know when I can receive the work permit. I just got this email address on newspaper today. I know this is the channel that I can complain, because the agent's fee is too high. Agent's also never give any medical check-up before give to us. The maid never go thru any basic training, agent should give training to every maid. My maid work with us without a work permit, I just hope that I can get some solution from your organization, so I can talk to my agent, and I just came back from overseas, I'm not very sure how and what to do when I have this problem."

NCCC Advice: A maid must have cleared health checks, trainings, and possess the work permit and all other relevant travel documents before reaching the employer/complainant. The fees are regulated, and further requirement can be checked with Persatuan Agensi Pembantu Rumah Asing (PAPA).

Quality Of Product And Services

"I would like to make an official complaint on my CP v3000 series, the issue started when I found out that my notebook could not be started in Oct 08. Therefore, I sent it to co. service centre in Oct 08 for repair and confirmed the problem was cause by motherboard failure. With this co. have replaced the motherboard for me for FREE as a gesture of good will, later I found out that it is not FREE but it under their warranty. Now the co. technical engineer claims that my notebook has the same problem again, how could this same hardware failure again in less than a year? If one replace the hardware after found out the root cause the same error should not happen again right, but unfortunately the same problem occur again. Now I wonder whether co. replacing the same "faulty" motherboard series to me or not. Which means the replacement model that was provided to me is not solving the actual problem. Now I have been charge RM 690.00 to replace a new motherboard with 1 year extended warranty which have a high chance of the same error again (according the co. technical engineer). Below you will find out the information or supporting about the fact that HP is not solving the customer issue but delaying it: I wish NCCC could help me on

this as I would like co. to take full responsibility toward this and co. should not charge me as well."

NCCC Advice: Substandard product and warranty. When a product under warranty the co. should take the full responsibility and repaired it. If the repairs reoccur then the co. should rightfully replace the product without further charges. Thus, the customer do not required to pay for the replacement product or services.

Water Services

"Saluran paip air rumah bocor atas kecuaihan SYBS oleh kerana saya dan beberapa penduduk taman ini terkejut apabila menerima bil air pada bulan Disember 2009 yang melambung naik dengan serius sehingga 30 kali ganda (RM163.45) daripada bil air yang diterima pada sebelum ini. Setelah menyiasat kami mendapati pada 1 bulan lepas tekanan air dikawasan perumahan kami dengan tiba-tiba menjadi sangat kuat (selama 1-2 minggu). Saya difahamkan bahawa pihak SYBS telah menambahkan paip utama dengan melebihi taraf biasa. Dan kecuaihan tersebut telah menyebabkan saluran air yang menuju ke setiap rumah telah melebihi tekanan air yang boleh ditanggung. Ini telah menyebabkan kebanyakan saluran paip air didalam rumah bocor, sama ada dibawah tanah atau paip yang ditanam didalam dinding didalam rumah. Saya telah membuat aduan kepada SYBS, pihak SYBS datang ke rumah saya untuk membuat pemeriksaan, selepas itu mereka memberitahu bahawa paip air didalam rumah telah bocor. SYBS tidak akan bertanggungjawab keatas sebarang kebocoran yang berlaku didalam kawasan rumah. Tetapi perkara tersebut adalah disebabkan oleh kecuaihan kakitangan SYBS dan saya telah mencari tukang paip untuk mengira kos pembaikan dimana kosnya adalah lebih kurang RM3000-RM5000. Siapakah yang perlu bertanggungjawab keatas kecuaihan SYBS? Pihak SYBS kini memberitahu mereka tidak akan bertanggungjawab, saya berharap pihak tuan dapat membantu keatas perkara tersebut, ribuan terima kasih."

Nasihat NCCC: Jika ada bukti yang kukuh seperti, tekanan air lebih dari dihadkan, pecahan paip di

kawasas rumah, maka pengadu boleh membawa satu tindakan terhadap SYBS untuk ganti rugi.

Retail Trade

"I would like to lodge a complaint about the treatment I received at RQ (Located in Bukit Tinggi). Being a customer, I expect good service at RQ. Being a member, I expect it to be impeccable. However, I was left with a bitter taste in my mouth. On the 05/12/2009, a members-only sale was conducted. Naturally, being a member, I took this as an opportunity to purchase 2 t-shirts. Being that it was a Christmas present, I was not able to get the proper size measurements. However, the terms and conditions did state that I would be able to exchange the t-shirts should there be any problems with it. The t-shirts that I purchased were a tad to big, hence I returned the following day to change them for a smaller size. Unfortunately, the sales person rudely informed me that there were no other sizes available. Now, having spent a lot of money on this t-shirts, which can now be deemed useless for me, I offered to exchange the purchased t-shirts to purchase another item that was valued at a higher price, instead of holding on to 2 t-shirts which can't be worn. I was told that this was not possible. Hence, I asked to speak with the manager. I was connected via telephone to the Sunway branch. I was fed the same "Oh no that is not possible" line once again. Needless to say, my patience was wearing thin. I suggested that maybe I could head over to Sunway and exchange it there but I was rebuffed. So, I told the manager that I would exchange it during the next sale, to which I was informed that I could not. My basic discontent with the entire situation is that the terms and conditions that are not clear. It does not state that I cannot exchange it to purchase something more expensive and neither does it say that I cannot exchange it at the next sale. Compounding to this horrid situation is the attitude of the salespeople. I wrote them an email (which is directly quoted in the first three paragraphs of this email) but there was no response from them despite the fact that I called them 3-4 times. All I got was "We'll get back to you". Unfortunately, it has been almost two weeks and I doubt I will get anything back. It is not my intent to get a full money back refund

from R. I just want the products bought to be in the correct size. In fact, I am willing to exchange the products purchased with something else of a higher price. If R is allowed to treat one customer this way, they will no doubt do it with other customers. Clearly, there is no respect for the customer's desires and rights. The purpose I am writing in to you NCCC, is because I feel the need to protect my rights. If the terms and conditions are unclear, something needs to be done to rectify it. What is happening now is manipulation of customers from the R end, as this would actually ruin the trust we have in Malaysia's 'Mega sales'. Therefore, I hope NCCC to step in and aid me in my problem with R owned. Your cooperation and assistance in this matter is highly appreciated."

NCCC Advice: Dumping and poor customer's services. Consumer entitle to exchange or full refund.

Legal Services

"Diruangan yang tersedia ini, saya ingin meluahkan rasa ketidak puasan hati saya terhadap perkhidmatan yang telah diberikan oleh sebuah syarikat guaman kepada saya. Sikap peguam yang membuat kerja lepas tangan sehingga menyebabkan kecuai berlaku ke atas inoivis harga yang telah dikeluarkan. Saya bukanlah orang yang suka mempertikaikan kerja orang atau sesuka hati menunding jari mencari salah orang lain, jika ianya tidak sampai menyusahkan dan melibatkan duit Ringgit saya. Tetapi, disebabkan keterlupaannya, saya perlu memperuntukkan sejumlah wang yang lain untuk membayar yuran guamannya. *Cara bekerja yang tidak professional.* Sekiranya terdapat penambahan dari segi harga, sepatutnya saya dimaklumkan terlebih dahulu tentang itu, kerana saya yang akan membayarnya, bukan sesuka hati menaikkan harga perkhidmatannya tanpa pengetahuan saya dan ketika pembayaran ingin dibuat, baru saya megetahuinya. Sedangkan inoivis baru tersebut telah dikeluarkan pada 18 November 2009. Apalah salahnya saya dimaklumkan tentang perkara itu dari awal, tentu tidak akan jadi isu di kemudian hari seperti apa yang telah berlaku sekarang. *Penipuan dari segi harga.* Layanan yang tidak baik dan kurang mesra

dari peguam dan pekerja-pekerjanya. Saya bukanlah orang yang tidak siuman, sesuka hati memarahi orang tanpa sebab yang munasabah. Ada ke patut, saya sesuka hati dimarahi oleh keraninya?? Saya pelanggan, sepatutnya dia tidak boleh melepaskan kata-kata yang tidak enak didengari dan menaikkan kemarahan orang lain. Dia boleh kata kepada saya dan suami, "kenapa, hendak gaduh ke" ? Dahlah dia tuduh saya kaki tipu. Sikap peguam yang tidak punya banyak masa untuk mendengar dan berbincang tentang harga yang telah dinaikkan tanpa pengetahuan pelanggan (saya) seolah-olah dialah orang yang paling sibuk di dunia ini. Jika rasa-rasa terlalu sibuk, kenapa dari awal tidak menolak kes saya ini. Saya boleh cari peguam lain untuk urusan loan saya. Sikap peguam yang suka bermuka-muka seolah-olah dia tidak bersalah dalam hal ini. Firma guaman ini merupakan panel kepada bank. Saya ada membuat aduan kepada Pengurus bank cawangan Petaling Jaya dia boleh kata "dia hanya ambil lebih duit saya kerana tidak mahu menyusahkan saya untuk datang beberapa kali ke pejabatnya dan jika ada lebih, dia akan memulangkannya kepada saya, sedangkan pada saya dia tidak ada bercakap sedemikian dan saya diminta membayar RM2800 tanpa ada pengurangan walau satu sen pun.... (Mulut manis). Tak nak menyusahkan saya konon, selama ini saya sudah cukup tersusah dengan sikap dan cara dia bekerja."

Nasihat NCCC: Bidang guaman di dikawal oleh Akta Profesion Guaman 1976. Bayaran guaman dan jadual kerja dijelaskan dalam Akta tersebut. Mengikut Akta bayaran mengikut jadual kepada peguam tidak boleh ditawarkan - menawar. Jika ada salah laku oleh seseorang peguam akan di ambil tindakan ikut Akta ini.

Job Recruitment Agencies

"I am a fresh graduate was finding a suitable job for my qualification. It was very difficult to get a job without having any experience. When i was going through the paper during a weekend i found a vacancy for a fresh graduate offering training and job. I was very happy and call the company on Monday and they just asked me to bring my certificate copy and ic. I went to the place and

saw many people there filling up the form. I was a bit nervous since the place just has one girl to answer all the calls and there were two rooms inside. After about One Hour i was called in, there was a woman inside who interviewed me and confirmed immediately that i will be appointed if i agreed to pay RM 270.00. I was confused but then later she convinced me that they are recruitment agency for big companies and it will be difficult to survive without experienced and without recommendation there is no way to get in to big companies. So, i call my friend some of them advised me not to pay but some said that they too get job through agency. So i agreed to pay but after there were no news at all and they said the company not happy with my qualification and she will find other companies and till todate there's no response when i went again to the office they neighbour said the office no longer there."

NCCC Advice: We brought up the matter to Ministry Of Domestic Trade, Cooperatives and Consumerism (MDTCC) and Ministry of Human Resource (MOHR) and received a reply that the company is unlicensed company and not registered under SSM as well. Since the company cannot be located it is helpless to bring to up Tribunal as well. We did advise the complainant to make a police report to Commercial Crime Division. We would like to advise consumers to be very careful in dealing with any agencies not to trust them. Currently there are many licensed job agencies listed down in MOHR websites and labour office/Jobs Malaysia website, which can assist citizens to get a suitable job. We also remind consumers not to make any payment to the local job agency for local job since there are many job agencies, which deal directly with the companies for payments.

Automobiles

"I got my new car few months ago (5th May 09). It was the first day i got my new car Proton Persona, feel with happy and exciting, at night, I drove out to test my car with my friends and family members. I had my supper at KK food court which located at Cheras, Taman Len Sen. After my supper; I tried to start my car, but cannot. I tried it for a few times, the engine starts for 10 sec, it

broke down again. Within 24 hours, my new car broke down!! In this situation, I called my proton sales agent to come. Even though he arrived, but yet the car still cant start, nothing we can do, he called the tolling service. My car being tolled to Proton Service Centre which located at Jalan Chan Sow Lin. The next day, i went to the Proton service centre, the mechanic said is just wiring problem, so the service centre change the "chip set" for my car. And ensure that the problem already solved. So on 7th May evening, I drove my car back. Until today morning (8th May), I tried to start my car, again, it broke down! I cant imagine why a new car will have numerous problem. I contact my sales agent again, and my car was tolled to Proton Service Centre (Jalan chan sow lin). The service centre mechanic told me, they still cant figure out what is the problem, as this is a different problem with the 1st day problem. They request me to left my car at the service centre till next Monday. I really feel disappointed and dissatisfied with Proton's car. I bought it within 24 hours, it broke down in the midnight, really horrible and bad quality. I wonder, does the QC department really checked the car carefully before they gave it to the customer? Does the car really pass the PDI?"

NCCC Advice: In the event its happens at first day or within few months your good self discover any major defects or quality problems please make the complaint as soon as possible and get our advise to proceed with further steps.

1. *Send a complaint to us "include any attachment "Take photo if necessary" which is relevant, illustrate your complaint in the chronological manner so that any authorities can understand the facts clearly.*
2. *As a consumer we have the right to receive a product as promised and should meet the merchantable quality. A product which is produced to the customer should be in satisfactory quality and first for the purpose. If it's not then the consumer has all the right to demand for refund or replacement.*

ANNUAL REPORT 2010



ANNEXURE

NATIONAL CONSUMER COMPLAINTS CENTRE
PUSAT ADUAN PENGGUNA NASIONAL



Annexe 1

Tools to Enhance Customer Satisfaction

According to Hansemark and Albinsson (Customer Satisfaction and Retention: The Experiences of Individual Employees, Managing Service Quality, 14 (1), pp. 40-57; 2004), "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire". Some experts list the following factors leading to a satisfied customer: friendly, courteous and knowledgeable employees, accuracy and timeliness of billing, competitive pricing, service quality, and good value for money.

The International Organization for Standardization or ISO has developed a series of standards popularly known as the ISO 10000 suite of standards on customer service. These are:

- ISO 10001:2007: Quality management — Customer satisfaction — Guidelines for codes of conduct for organizations
- ISO 10002:2004: Quality management — Customer satisfaction — Guidelines for complaints handling in organizations
- ISO 10003:2007: Quality management — Customer satisfaction — Guidelines for dispute resolution external to organizations

ISO 10001:2007 provides guidance for planning, designing, developing, implementing, maintaining and improving customer satisfaction codes of conduct. The standard is applicable to product-related codes containing promises made to customers by an organization concerning its behaviour. Such promises and related provisions are aimed at enhanced customer satisfaction. Annex A provides simplified examples of components of codes for different organizations.

ISO 10002:2004 provides guidance on the process of complaints handling related to products within an organization, including planning, design, operation, maintenance and improvement. The complaints-handling process described is suitable for use as one of the processes of an overall quality management system.

ISO 10003:2007 provides guidance for an organization to plan, design, develop, operate, maintain and improve an effective and efficient dispute-resolution process for complaints that have not been resolved by the organization. ISO 10003:2007 is applicable to:

- complaints relating to the organization's products intended for, or required by, customers, the complaints-handling process or dispute-resolution process;
- resolution of disputes arising from domestic or cross-border business activities, including those arising from electronic commerce.

To purchase copies of the standards please visit MS ONLINE www.msonline.gov.my.

Annexe 2

Law And Amendments

Price Control And Anti-Profiteering Act 2010

Ministry of Domestic Trade Cooperatives and Consumerism reform the law on price control and enact provisions relating to prohibition on profiteering and will come into force April 2011. The purpose of the Act is to enable the Government to determine prices of goods or charges for services and at the same time to curb profiteering activities, thereby protecting the interest of consumers. This Act will determine the maximum, minimum or fixed selling prices for goods and charges for services with the minister's approval and the prices or charges also may vary according to areas. For committing these offences and for profiteering, a corporate body shall be liable to a maximum RM500, 000 fines. For second or subsequent offence, the penalty is a maximum RM1 million fine. As for a non-corporate body, the penalty is a maximum RM100, 000 fine or three years jail or both, and for the second and subsequent offence, a maximum RM250, 000 fine or five years jail or both.

Competition Act 2010

An act to promote economic development by promotes and protects the process of competition in the market. This Act will come under Ministry of Domestic Trade Cooperatives and Consumerism. This competitive environment gives foreign investors more confidence to invest. This Act will be enforced on 1st January 2012. This Act will apply to all commercial activities undertaken within Malaysia and those outside Malaysia which have effects on competition in the Malaysian market. This Act also prohibits anti-competitive behaviour and abuses of a dominant market position. This Act also encourages efficiency, innovation and entrepreneurship, which

promotes competitive prices, improvement in the quality of products and services and wider choices for consumers. The Act will be applicable to all commercial activities except commercial activity regulated under the Communications and Multimedia Act 1998 and Energy Commission Act 2001.

The Act will be enforced by Malaysian Competition Commission (MCC) and has been given considerable powers of investigation and enforcement under Competition Commission Act 2010. A person who is aggrieved or whose interest is affected by a decision of the Commission may appeal to Competition Appeal Tribunal (CAT) which has the power to review the decision of the Commission.

There are three main provisions in the Competition Act 2010.

- **Section 4: Prohibition against anti-competitive agreement**

Prohibition against any horizontal or vertical agreement which has the effect preventing, restricting or distorting competition.

- **Section 10: Prohibition against abuse of dominant position**

Dominant position means which one or more enterprises possess such significant power in a market to adjust prices.

- **Section 11: Power to conduct market review**

Competition Commission conducts market review to determine whether any feature or combination of features of the market prevents restricts or distorts competition in the market.

Consumer Protection (Amendment) Act 2010

An Act to amend the Consumer Protection Act 1999 where to provide for the protection of consumers. Ministry of Domestic Trade, Cooperative and Consumerism amends certain provisions and incorporate new part for the *Consumer Protection Act 1999*.

The Act incorporate two important parts as below:-
Part IIIA is on Unfair Contract Terms, an important part to protect consumers from unfair contract.

Parts XIA establish a Committee on Advertisement to protect consumers from misleading and deceptive conduct, false representation and unfair practice. The committee also examines complaints related to advertisements, issue or publicizes information concerning the nature and characteristics of goods or services which may be prejudicial to the rights or may cause damage to the consumers.

Hire Purchase (Amendment) Act 2010

An Act to amend the Hire-Purchase Act 1967 which regulates the form and contents of hire-purchase agreements, the rights and duties of parties to such agreements. The important amendments are as below:-

- A.** Hire Purchase (Amendment) Act 2010 imposes new conditions on the owner in relation to repossession.

Section 16. Notices to be given to hirer when goods repossessed

- If the balance loan is more than one third of the car purchase price bank can repossess the car when the borrower did not make any payments for two consecutive months and the owner must issue a notice and the notice is at least 21 days and after the 21 days and the

notice expired the owner can repossess the car; and

- If the balance loan is less than one third of the car purchase price the bank only can repossess the car when the borrower did not make any payments for two consecutive months and the owner must issue a notice and the notice is at least 21 days and after the 21 days and the notice expired the owner must obtain court order to repossess the car.

- B.** The Act also input new sections 17A on permits for repossession and 17B on offence to appoint non-permit holder where any person who is engaged in repossession activity to obtain a permit from the Controller and to require an owner to appoint only permit holders. The current practice repossessioners are gangsters or criminals.
- C.** Introduce a new section 30A into Act to regulate on booking fees where the car buyer can only pay the Booking fees of not more than 1% of the car price when the agreement is duly completed. However, car buyer will only receive 90% of the Booking fees on any cancellation of car booking after the booking fee payment.
- D.** Introduce new subsections (1A) and (1B) into section 31 regarding minimum deposits to be collected upon the signing of hire-purchase agreements and to provide remedy to the hirer in the event the owner, dealer, agent or person acting on behalf of the owner fails to deliver the goods intended for the hire-purchase agreement which means the consumer must refunded in full.

Annexe 3:

The ISO 26000:2010 – Guidance on Social Responsibility (SR)

What does it say about Consumer Issues?

Consumers show support for SR through, product labelling and certification schemes and independent assessment of SR practices. Labeling schemes such as the Marine Stewardship and Forest Stewardship Certification (MSC and FSC respectively) are two well know SR driven labelling. The former is related to sustainable fisheries and the latter is related to sustainable forest management and forestry products.

Other such labelings are the Fair Trade Labling and the Rainforest Alliance labelling.

In Malaysia many initiatives by large corporations assist consumers in making responsible consumption choices such as the Energy efficiency rating scheme for household appliances.

The ISO 26000:2010 provides equal emphasis to consumer issues; similarly to environment, labour pratics, human rights, community development, governance and fair operating practices.

ISO 26000 will be a landmark step in corporate accountability, providing consumers with unprecedented guidance on the social and environmental behavior of organizations. Among the highlights of the consumer issues in the ISO 26000 is the: recognition of consumer rights namely, consumer education, redress, health and safety, access to essential services and sustainable consumption.

In addition to making reference to the UN Guidelines on Consumer Protection, the ISO



26000:2010 also included addition principles on:

- respect for the right to privacy : that no one be subjected to arbitrary interference with their privacy, family, home or correspondence, or to attacks upon their honor and reputation, and that everyone has the right to the protection of the law against such interference or attacks;
- the precautionary approach ; concept that where there are threats of serious or irreversible damage to the environment or human health, lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation or damage to human health;
- promotion of gender equality and empowerment of women ; provides an additional basis on which to analyze consumer issues and prevent perpetuation of gender stereotypes; and
- promotion of universal design ; is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.

Annexe 4

SCAMS

JABATAN SIASATAN JENAYAH KOMERSIAL

Ibu Pejabat Polis Diraja
Bukit Aman
50560 Kuala Lumpur.
Tel : 03 - 2266 2222
: 03- 2616 3822
Fax : 03 - 2070 7500

HOUSING

TRIBUNAL TUNTUTAN PEMBELIAN RUMAH (TTPR)

Kementerian Perumahan Dan Kerajaan Tempatan
Aras 3-4,
No. 51, Persiaran Perdana,
Presint 4,
62100 Putrajaya.
Tel : 03-8891 4723
Fax : 03-8891 3087

COMMUNICATIONS AND MULTIMEDIA

SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA (SKMM)

63000 Cyberjaya
Selangor
Tel : 03-8688 8000
Fax : 03-8688 1000

FUTURE SERVICES

TRIBUNAL TUNTUTAN PENGGUNA MALAYSIA, KEMENTERIAN PERDAGANGAN DALAM NEGERI, KOPERASI DAN KEPENGGUNAAN (TTPM)

Aras 5, Podium 2,
No. 13, Persiaran Perdana,
Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan,
62623 Putrajaya.
Talian Bebas Tol : 1-800-88-9811
Tel : 03-8882 5822
Fax : 03-8882 5831

QUALITY OF PRODUCTS AND SERVICES

TRIBUNAL TUNTUTAN PENGGUNA MALAYSIA, KEMENTERIAN PERDAGANGAN DALAM NEGERI, KOPERASI DAN KEPENGGUNAAN (TTPM)

Aras 5, Podium 2,
No. 13, Persiaran Perdana,
Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan,
62623 Putrajaya.
Talian Bebas : 1-800-88-9811
Tel : 03-8882 5822
Fax : 03-8882 5831

PUBLIC TRANSPORT

SURUHANJAYA PENGANGKUTAN AWAM DARAT (SPAD)

Level 19, 1 Sentral,
Jalan Travers,
Kuala Lumpur Sentral,
50470, Kuala Lumpur, Malaysia.
Tel : 03 - 2268 5782
Fax : 03 - 2272 3744

FINANCIAL INSTITUTIONS

JABATAN KONSUMER DAN AMALAN PASARAN

Bank Negara Malaysia
Tel : 03-2698 8044
Fax : 03-2691 2990

BIRO PENGANTARAAN KEWANGAN

Aras 25
Dataran Kewangan Darul Takaf
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur.
Tel : 03- 2272 2811
Fax : 03-2274 5752

Agensi Kaunseling Dan Pengurusan Kredit (AKPK)

Level 8, Maju Junction Mall
1001 Jalan Sultan Ismail
50250 Kuala Lumpur
Talian Bebas Tol: 1-800-88-2575
Tel : 603 2616 7766
Fax : 603 2616 7601

HOSPITALITY

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Fax : 03-8882 5831

BAHAGIAN PELESENAN KEMENTERIAN PELANCONGAN MALAYSIA

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Tel : 03-2693 7111
Fax : 03-2694 1146

GOVERNMENT AGENCIES AND SERVICES

BIRO PENGADUAN AWAM (BPA)

JABATAN PERDANA MENTERI

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62502 Putrajaya
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MANAGEMENT CORPORATION

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(KPKT)**
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Perdana, Presint 4,
62100, Putrajaya, Malaysia.
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Fax : 03-8891 4088

INSURANCE

**JABATAN KONSUMER DAN
AMALAN PASARAN**
Bank Negara Malaysia
Tel : 03-2698 8044
Fax : 03-2691 2990

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Fax : 03-2274 5752

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Tingkat 3, Wisma PIAM
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50470 Kuala Lumpur
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Fax : 03-2274 5910

PENGARAH PERSATUAN INSURANS HAYAT MALAYSIA (LIAM)

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50300 Kuala Lumpur
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: 03-2691 6628 / 8068
Fax : 03-2691 7978

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Pusat Pentadbiran Kerajaan
Persekutuan
62620 Putrajaya
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Fax : 03- 8888 9645

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Persekutuan
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Tel : 03-8886 5000

LEGAL SERVICES

BADAN PEGUAM MALAYSIA
No. 13, 15 & 17
Leboh Pasar Besar
50050 Kuala Lumpur
Tel : 03-20502050
Fax : 03-20261313

**LEMBAGA TATATERTIB
PEGUAM-PEGUAM**
8th & 9th Floor, Wisma Maran
28 Medan Pasar,
50050 Kuala Lumpur,
Malaysia.
Tel : (603) 2034 1911
Fax : (603) 2031 2163

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**SURUHANJAYA
PERKHIDMATAN AIR NEGARA
(SPAN)**
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Pemantauan & Penguatkuasaan
Aras Bawah dan Satu
Prima Avenue
Block 3510
Jalan Teknokrat 6
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Tel : 03-8317 9333 / 334 / 335
Fax : 03-8317 9336 / 339

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Fax : 03-8883 1040

MAJLIS PERUBATAN MALAYSIA

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NATIONAL PHARMACEUTICAL CONTROL BUREAU (NPCB)

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FARMASEUTIKAL
KEBANGSAAN
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Peti Surat 319
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Tel : 03-7883 5400
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Malaysia
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ISSN 2180-1177



Price: RM6.00