
Published by:

National Consumer Complaints Centre (NCCC)

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Printed by:

Percetakan Asas Jaya

Malaysia

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Message from the Chairman of NCCC

With great pride and to safeguard basic consumer rights, I present the National Consumer Complaints Centre's Annual Report for the year 2012. This report extensively covers all types of complaints received across 22 different sectors. All of these said complaints were made in relation to the provision of goods or services. Additionally, it also acts as a bridge that connects consumers to goods or service providers. It is this bridge we speak about that provides a platform for manufacturer of goods and service providers to understand the wants and needs of consumers at large, resulting in better overall product or service quality. Apart from that, suggestions are also made to all relevant regulating bodies to ensure strict compliance and policy reforms in efforts to safeguard consumer rights at large.

Businesses at large have their sole aim to maximize profit and thus best business practises are pivotal in achieving their goals. To this, brand image has a direct influence on consumers buying habits and in their decision making process. Complaints lodged against the provision of goods or services of a certain entity have the capacity of tarnishing brand images they carry that results in the drop of sales of a particular brand. As such, these profitable organizations set up a complaints department with the idea of resolving consumer grievances to enhance consumer satisfaction. Such an effort is seen to be important in achieving and maximising sales target. However, some business entities do not respond to complaints despite the reputation they have and this gives birth to aggrieved consumers. It is at this point where the disgruntled consumers seek the NCCC's assistance for redress.



The NCCC compiles all complaints and studies the trend of each to propose policy reform. These reforms are proposed to help curb the way in which some business entities run their daily business. It further proposes to regulating bodies as to laws that need immediate attention and to some extend amendment pursuant to the category they fall in.

Some changes highlighted from the previous year report are the extra sectors factored into the report. There exist two additional categories of complaints when a comparison is made to last year's report.

The NCCC also witnessed a significant hike in the monetary value attached to the total complaints for the year 2012 when compared to last year with an increase from RM 33,861,721.95 to RM 40,586,511.37. This is a clear indication of the general public's confidence in the NCCC's assistance to help them seek redress in the event a dispute arises.

On a separate note, the increase in this reports significance can also be witnessed as it is often made a valid indicative tool of reference by

researchers, universities, media and other non-profitable organizations.

In achieving results in a timely and judicious manner, the NCCC has a focal person from various organizations. This helps expedite resolving complaints with regards to their respective organization. I am proud to announce that in some cases, even bodies vested with authority direct aggrieved consumers to us, the NCCC for our advice and further action. Yet again, this is an indication of not only the public's confidence but entities with limited powers of the NCCC's capabilities in providing assistance to consumers at large.

Having said all of the above, the NCCC is of the view that with economic growth, education, and effective advocacy, the Malaysian public at large are becoming rather sensitive a consumer. They are indeed very demanding of quality and performance attributed to the provision of goods and services. Hence, they are quick to retaliate in seeking for what they have paid for. It is no surprise that the importance of consumer rights in Malaysia have witnessed a significant increase especially in urban areas. The NCCC, as part of promoting basic consumer rights to the general public at large often times work closely with the Federation of Malaysia Consumers Associations (FOMCA), one of its partners to reach out to those living in the rural areas through aggressive outreach programs. These programs are carried out nationwide covering even Sabah and Sarawak, that has led to the NCCC receiving complaints from Sabah and Sarawak.

Consumer rights in today's world are to be deemed to possess equal significance as those that exist in human rights. As such, it is high time

that Malaysians work towards a more consumer orientated society for best business practises.

Although the NCCC is constantly striving to resolve complaints, there still exist companies or business entities that totally ignore complaints sent to them by the NCCC when they make representation for complainants. On the other hand, there are companies that respond positively to complaints sent by the NCCC. More often than not settlements are achieved amicably but there are instances where it is just out of the NCCC's jurisdiction. In most instances, we urge consumers to be rest assured that the NCCC is striving to ensure policy proposals and law reforms are suggested to the governing bodies.

As such, I, being the Chairman of the NCCC would like to urge all companies and business entities to work closely with the NCCC when they receive complaints from us. Additionally, the same I would stress to all regulating bodies when the NCCC proposes law reforms or policy amendments.

Last but not least, I would like to take this opportunity to thank the relentless efforts and endurance of each and every one in NCCC for their support, time and hard work in making this report a successful and useful one. Kudos team, in making this happen in such a short period of time!



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

About the Malaysian Complains Series

The famous Bill Gates, known to be one of the world's leading entrepreneurs once quoted *"Your most unhappy customers are your greatest source of learning"*. This is precisely what the Malaysian Complain Series is about in a nutshell. It aims to provide business entities across the nation of what consumers actually want and need from them.

Malaysia is fast growing into a service providing nation. Consumers across the nation are becoming prudent in making choices. They are growing towards a society that demands for quality and performance in return for what they have paid for. However, a lot of businesses tend to turn deaf ears to complaints they receive. Some sit on them for ages with no solution achieved, further aggravating the disgruntled consumers.

The Malaysian Complains Series strives to close the gap that arises between consumers and goods/service providers. It allows for businesses to study the complaints trend that will subsequently enables them to understand the wants and needs of consumers at large. This will then lead to businesses providing not only better goods / services but also customer satisfaction and retention, which plays a vital role in any business.

Published annually, this report is aimed at businesses, relevant government agencies and policymakers. It provides these entities with a better understanding of:

- The state of consumer protection in Malaysia

- The areas where improvement is needed
- Consumer satisfaction in relation to goods/services from a wide range of categories
- Initiatives that should be implemented by relevant regulating bodies and voluntarily standards adoption

On a separate note, this report may also be of a helping hand when made reference to by researchers, media and academicians for their use.

John Russell, the President of Harley Davidson quoted *"The more you engage with customers the clearer things become and the easier it is to determine what you should be doing"*.

To end this part of the report, the NCCC urges businesses to look into complains as a mechanism to provide better goods / services to consumers and solely as a problem to resolve. On the other hand, policymakers and relevant regulating bodies are urged to review the NCCC's policy and law reform proposals to ensure sufficient and adequate consumer protection are available to the Malaysian public at large.

With the Malaysia Complains Series we hope businesses and policymakers alike will be able to identify where they've gone wrong and take the necessary steps to fix the problem.

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 provide consumers with an alternative, fair, independent and efficient complaints handling mechanism while empowering them with knowledge to protect themselves from errant traders.

Mission

To create the NCCC into a household name for consumer dispute resolutions.

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*

2012 Complaints Report

Executive Summary

The NCCC witnessed an increase of 1.2% in the number of total complaints received when compared to last year. In view of this, the monetary value attached to the total complaints received by the NCCC for the year 2012 experienced a raise of 9.03% when compared to last year.

Below are summary for the top 5 complaints (number of complaints according to Industry) received by the NCCC for the 2012:

1. Telecommunications

The high volumes of complaints are due to the increase in usage of both, line connection and internet services. Service providers are seen to offer internet plans to consumers at large without properly ascertaining the quality of the service rendered. The ease of utilizing smartphone is one of the attributing factors that led consumer to subscribe internet mobile besides broadband. Connectivity and internet services pose another issue altogether in regards to tariff and billing.

2. General Consumer Product

Complaints in relation to General Consumer Products witnessed an increase when compared to last year. Once again sitting at the 2nd spot for the year 2012, complaints were mainly lodged in relation to a combination of household products. Issues raised were mainly due to the product quality and the performance attached to it. Issues on warranty were also a major concern amongst complainants.

3. Utility

Both the water and electricity sectors indicate an increase in the amount of complaints received by the NCCC. The method adopted by service providers in billing consumers which results in them having to pay an unreasonably high amount of charges when compared to normal usage history is seen to be an emerging issue. Some of them also failed to tackle the issue in a speedy manner which then dragged for months at the expense of the consumers. Issues on high charges usually related with the new meter installed at the premise or due to faulty meter and error in billing.

4. Banking

There was an increase in the total number of complaints for the banking industry. The complaints received by the NCCC focused on the quality in the general provision of services by banks and. Issues that were mainly raised by complainants were in connection to housing loans i.e. repayment, increase in interest rates. A majority of the complaints were made in relation to local banks. Complaints against international banks were rather limited.

5. Automobile

Complaints under this sector mainly focus on the quality reduction of cars supplied/offered to consumers. Regardless of the cars' origin, new cars produced by both local and foreign car companies have some issues with their product quality. The problems are mostly attributed to

faulty component and unidentifiable cause of defects. Manufacturers must enhance the expertise of their Quality Control Department and set a high standard before offering the cars to consumers.

Problems that are unidentifiable and unresolved have the potential to cause danger to consumers' safety as the danger that may occur in this instance is unpredictable.

Table 1: Number of Complaints and Value of Dispute (RM) According to Sector Category

No.	Category Description	No. of Complaints	Percent (%) of Total Complaints	Potential Loss to Consumers (RM)
1	TELECOMMUNICATION	5,985	14.3%	2,638,509.05
2	GENERAL CONSUMER PRODUCTS	5,764	13.7%	2,519,886.62
3	UTILITY	5,568	13.3%	1,305,335.22
4	BANKING	5,555	13.2%	5,433,425.14
5	AUTOMOBILE	2,986	7.1%	9,544,831.80
6	TOURISM, TOUR & TRAVEL	2,034	4.8%	877,089.39
7	HEALTH AND WELLNESS	1,839	4.4%	1,159,082.28
8	HOUSING AND REALESTATE	1,734	4.1%	5,812,541.01
9	VEHICLE INSPECTION_ WORKSHOP	1,695	4.0%	5,016,774.96
10	RETAIL CONSUMER SERVICES	1,617	3.5%	694,369.72
11	BROADCASTING AND ENTERTAINMENT	1,213	2.9%	245,640.76
12	INSURANCE	1,004	2.4%	1,796,414.69
13	ECOMMERCE	874	2.1%	146,268.02
14	TRANSPORT_ MASS	822	2.0%	88,564.21
15	EDUCATION_ SERVICE&PROD	743	1.8%	558,213.59
16	EMPLOYMENT AGENCY AND GOVT AGEN	574	1.4%	941,458.06
17	POSTAL & COURIER	456	1.1%	177,378.73
18	HEALTHCARE	391	0.9%	190,331.48
19	PROFESSIONAL SERVICE	339	0.8%	1,206,052.95
20	FOOD PRODUCTS	300	0.7%	9,807.29
21	NON-CONVENTIONAL FINANCING	274	0.7%	184,505.01
22	INVESTMENT	196	0.5%	40,031.37
	TOTAL	41,963		40,586,511.37

Table 2: Value of Dispute (RM) According to Sector Category

No.	Category Description	Potential Loss to Complainants (RM)
1	AUTOMOBILE	9,544,831.80
2	HOUSING AND REALESTATE	5,812,541.01
3	BANKING	5,433,425.14
4	VEHICLE INSPECTION_WORKSHOP	5,016,774.96
5	TELECOMMUNICATION	2,638,509.05
6	GENERAL CONSUMER PRODUCTS	2,519,886.62
7	INSURANCE	1,796,414.69
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19	ECOMMERCE	146,268.02
20	TRANSPORT_MASS	88,564.21
21	INVESTMENT	40,031.37
22	FOOD PRODUCTS	9,807.29
	TOTAL	40,586,511.37

Report According to Sector Category



Chapter I

Complaints Related to the Telecommunications Sector

About the Telecommunication Sector

The NCCC received 5, 985 complaints against the telecommunication sector in 2012 and the amount involved in the disputes / complaints totals to RM2,638,509.

The developmental effort in the telecommunications sector has been led by a booming mobile market with 37 million subscribers and a penetration approaching 130% coming into 2012. Although subscriber growth has slowed in recent years, a major move by the operators into mobile broadband has seen vigorous growth in the mobile market, with strengthening average revenue per user (ARPU) .

The adoption of broadband internet was the big news in Malaysia coming into 2012. High speed broadband first started to take off in 2008 and by March 2012 there were around 5.8 million broadband subscribers with 64% of these wireless based ¹.

The arrival of a range of wireless broadband services saw these technologies overwhelm a market previously dominated by Digital Subscriber Line (DSL) technology. Telekom Malaysia had been the dominant broadband service provider. This was being challenged to some extent as the market opened up and wireless broadband became more widespread ¹.



A major boost to the country's broadband strategy occurred when the government chose Telekom Malaysia to roll out a National Broadband Network (NBN). In what was referred to as the High-Speed Broadband (HSBB) project, Telekom Malaysia (TM) was busy building a fibre-based open system ¹.

By early 2012 the roll out was on target and the TM had already signed up some major players to make use of capacity on its network. In the meantime, TM had also signed up 400,000 customers to its own HSBB-based UniFi service. Most significantly the HSBB has put Malaysia ahead of countries such as Singapore, Australia and New Zealand in terms of NBN rollout and especially customer connections; Malaysia has also been successful in containing costs ¹.

1

Malaysia - Telecoms, Mobile, Broadband and Forecasts - <http://www.budde.com.au/Research/Malaysia-Telecoms-Mobile-Broadband-and-Forecasts.html#sthash.FWvP4jGp.dpuf>

Figure 1: Types of Services Associated with Complaints against Telecommunication Service Providers

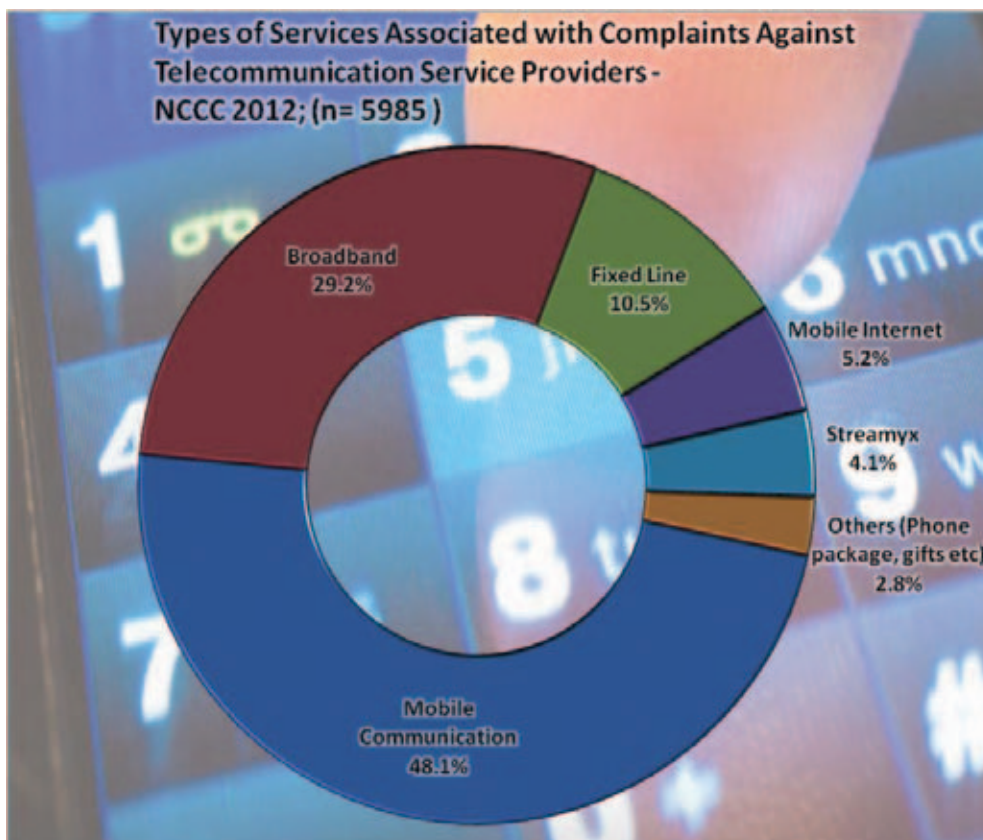
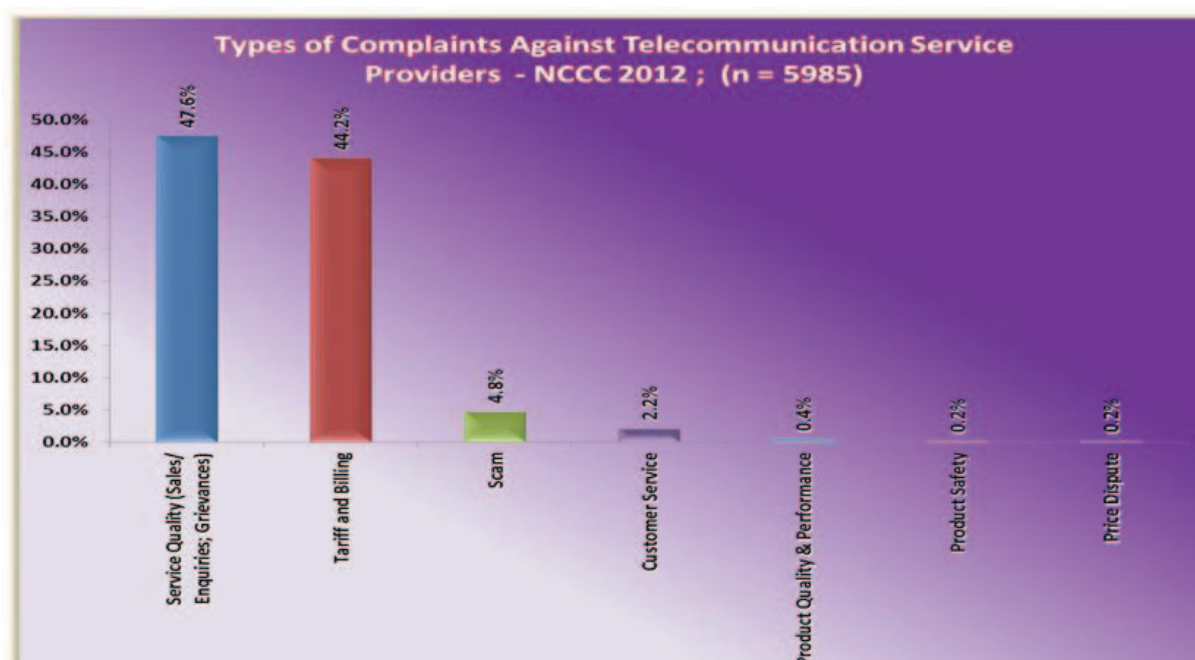


Figure 2: Types of Complaints against Telecommunication Service Providers



About the Complaints

Mobile telecommunication service providers contributed to approximately 48% out of the total complaints received under the telecommunications sector. This is followed by broadband (broadband, high speed broadband, 4G, LTE etc) comprising about 29% of the total complaints in this sector. Fixed line service providers are also seen to cause significant amount of grievance to consumers.

Complaints received were mostly centred on service quality as well as tariff and billing whereby each carries 47.6% and 44.2% respectively. The NCCC also recorded having received negligible amount of complaints on scam, customer service, product quality, performance and price disputes. This sector comprises of both communication and internet services.

Nature of Complaints – Mobile Telecommunication Services

Billing disputes make up approximately 30% of the complaints received against mobile telecommunication service providers. Complaints related to billing (general billing and unsubscribed services billing) constitutes about 48% of complaints against mobile telecommunication service providers. Added with roaming charges, this amounts to more than 50% of the complaints related to billing. In terms of general billing, consumers experienced a sudden increase in billed amount. Some argue that they are charged even after having cancelled their services.

The NCCC is extremely concerned over the sudden increase in the number of complaints related to consumer being billed for unsubscribed services. In this regard, consumers are slapped

Figure 3: Nature of Complaints Related to Mobile Telecommunication

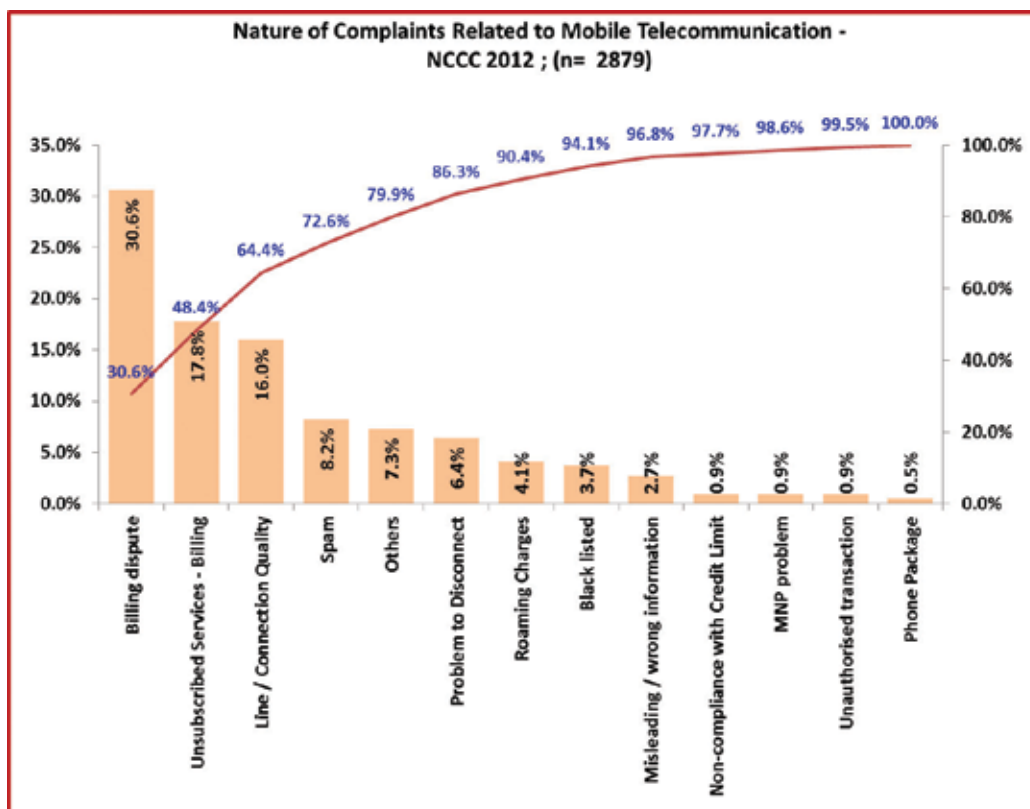
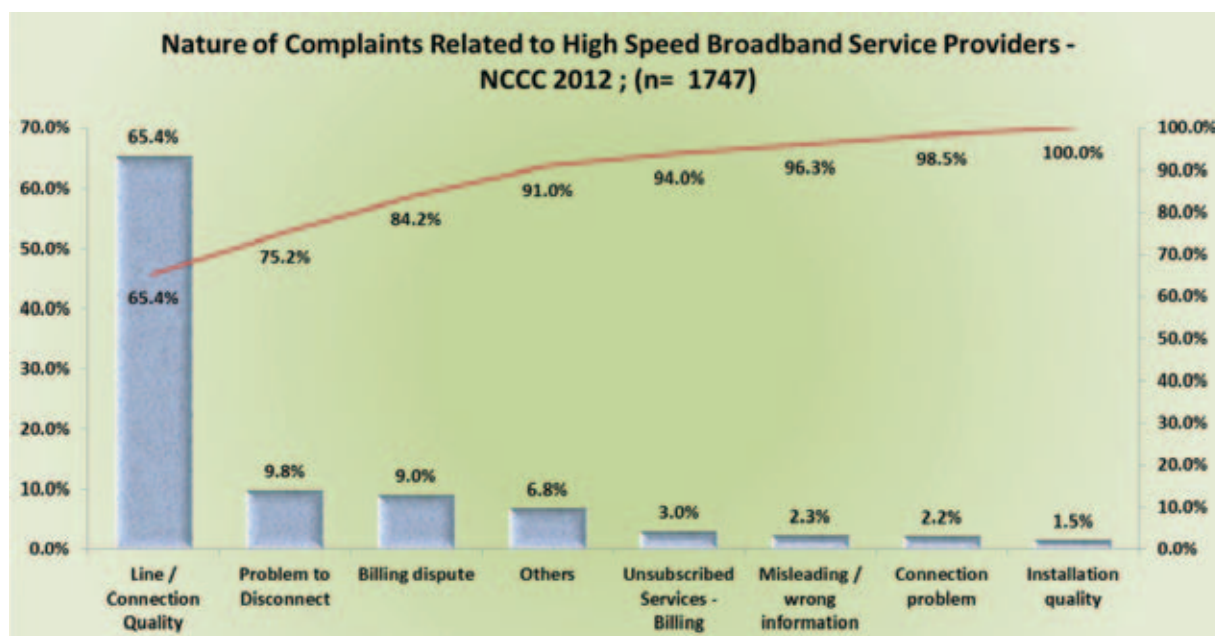


Figure 4: Nature of Complaints Related to High Speed Broadband Service Providers



with charges for services they have not subscribed. Many complain that they are cajoled into receiving SIM cards that allegedly will not cost anything if not activated. To their awful surprise, this was later followed by bills which they naturally did not expect.

There is an increasing number of complaints in relation to the quality of connection. Complainants often lament on dropped calls, clarity of connection and the inability to receive services in some places. Poor quality of connection is often associated with broadband services offered by a major telco provider and also other major players offering 4G services for mobile communication.

Spamming has made a comeback and this has caused an unpleasant surprise amongst mobile users. Unsolicited sms charges amounting up to thousands of Ringgit in value. This also touches personal data issues.

Broadband as a Focus of Complaints

The most frequent type of complaint is with regards to broadband services, mainly centred on line / connection quality which comprised 65.4% out of total complaints. Charges imposed by mobile service providers often times did not reflect the quality that they are expected to supply to the consumers at large.

Discontinuation of services pose major problems when consumers complain that they are charged continuously post termination of such services. Billing disputes and unsubscribed services billing, together contribute to 12% of the total complaints related to broadband services.

Consumer Protection Laws Applied to Manage Complaint and Voluntary Initiatives / Tools

1) Laws

All the laws and codes that govern matters pertaining to telecommunication and multimedia services are regulated by the **Malaysian Communication and Multimedia Commission**.

The Malaysian Communication and Multimedia Commission Act 1998 (Act 589) confers the power upon the commission to regulate the conduct of service providers in all aspects as well as to take any disciplinary action against them.

Apart from Act 589, the Regulator had enacted another law called the **Communication and Multimedia Act 1998**. There are few provisions under this act which provides for the duties of the service providers as well as the rights and protection of the consumers.

- **Section 188** provides that any network facilities provider, network service provider, applications service provider or content applications service provider shall — deal reasonably with consumers; and adequately address consumer complaints. Contravention of this section will render the service provider to be liable to a fine not exceeding twenty thousand ringgit or to imprisonment for a term not exceeding six months or to both.
- **Section 189** provides that the Commission may designate an industry body to be a consumer forum for the purposes of consumer protection
- **Section 190** provides that consumer code prepared by a consumer forum or the Commission shall include model procedures for — reasonably meeting consumer requirements; the handling of customer complaints and disputes including an

inexpensive arbitration process other than a court, and procedures for the compensation of customers in case of a breach of a consumer code; and/or the protection of consumer information.

- **Section 190** further provides that the matters which the consumer code may address may include, but are not limited to — the provision of information to customers regarding services, rates and performance; the provisioning and faulty repair of services; the advertising or representation of services; customer charging, billing, collection and credit practices; and any other matter of concern to consumers.
- **Section 195** provides that the Commission may use any of its powers under this Act in the resolution of complaints received from consumers in relation to matters of customer service and consumer protection including, the failure by a licensee to comply with a consumer code prepared by the Commission.
- **Section 196** provides that the Commission shall establish procedures or guidelines for the making, receipt and handling of complaints of consumers regarding the conduct or operation of licensees.
- **Section 198** provides that the rates established by a provider shall be on the basis of the following principles: rates must be fair and not unreasonably discriminatory; rates should be oriented toward costs and cross-subsidies should be eliminated; rates should not contain discounts that unreasonably prejudice the competitive opportunities of other providers; rates should be structured and levels; and rates should take account of the regulations and recommendations of the international organizations of which Malaysia is a member.

- **Section 199** provides that the Minister may, on the recommendation of the Commission, intervene freely or frequently in determining and setting the rates for any competitive facilities or services provided by a provider for good cause, or as the public interest may lecturer.

The Commission has issued a code in accordance to **Section 190 of the CMA 1998**. **The General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia** was issued by the Forum of Malaysia (CFM) in October 2003. The Codes provides for detailed guidelines in regards to requirements laid down under Section 190 of the CMA 1998. The content of the Code has been discussed under Broadcasting and Multimedia sector in this year report.

Apart from the above, a code called **The Malaysian Communications and Multimedia Content Code** was also issued by the CFM. This code provides for matters including advertisement and prices. One of the requirement under advertisement is the advertisement must be true and not misleading the consumer. However, the compliance to Code is merely 'voluntary' as stated under **Section 98 of the CMA 1998**. In order to ensure that service providers would not take advantage of the 'voluntariness' as stated under Section 98, the CMA further provides under Section 99 that the Commission may direct the service providers to comply with the registered voluntary codes.

Determination No.3 of 2009 was issued by the Commission in regards to Mandatory Standards for Quality of Service (Digital Leased Line Service). This determination is mainly provides for the standards in supplying internet services to the consumers which among others include service availability, installation and service restoration.

The Consumer Protection Act 1999 also provides some protections for the consumer in relation to supply of services.

- **Section 53** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill.
- **Section 54** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services, and any product resulting from the services, will be — reasonably fit for any particular purpose;

2) Voluntary Initiatives / Tools

The CFM or Content Forum Malaysia has not taken heed of the recommendations suggested by the NCCC in it's last years report to strengthen consumer representation. Formerly with one consumer representation among other forum, members who are predominantly industry players do not give consumer a strong enough voice in the forum.

The CFM may want to consider the format used in the Water Forum – as specified in the Water Services Industry Act 2006. It promotes balance stakeholder participation and involvement in policy development, implementation and assessment.

There are various international and regional best practices on effective stakeholder engagement – which can be carried out cost effectively. The International Telecommunication Union or ITU also promotes effective stakeholder engagement to advance application of latest telecommunication technologies for the benefits of society.

Further information on these and other initiatives can be obtained from the www.standardsusers.org/mysr

Recommendations for Improvement

1. The Regulator must review the law and enforcement measure in relations to the conduct and activities of service providers. The number of complaints indicate that there is ineffectiveness in the law and enforcement as provided under the Acts and Codes.
2. Perhaps the Commission should make the Voluntary Codes Mandatory. This will ensure that all service providers will be subjected to the rules and regulation contained therein.
3. Telco companies must not randomly expose or share their customer information with third party unless with the express consent of their customers. This is to prevent unsolicited sms and spam, which infringes consumer's privacy and incurring unnecessary charges to be born by these consumers at large.
4. The Commission should play a more active role in ensuring that consumers will be supplied with services that reflects the charges imposed on them. The Commission may do so by reviewing the rates and types of charges imposed by service providers.
5. The General Consumer Code was issued in year 2003 and it was not reviewed ever since. Perhaps the Code should be reviewed for applicability as the technology and infrastructure evolve very fast.
6. The MCMC must guarantee protection of personal data for consumers in the telecommunication sector.
7. The way CFM operates should be similar to the functioning of water forum provided for under the Water Services Industry Act 2006 which has made great improvements in the water sector in a short period of implementation of this Act.

Chapter 2

Complaints Related to General Consumer Products

An Overview of Complaints Related to General Consumer Products for 2012

From the charts and with a comparison made to last year's report, there has been a decrease in the overall number of complaints received by the NCCC with regards to general consumer products. The potential loss in monetary value amounted to approximately RM 2,519,819.24.

Consumer Electronic / Telecommunication Products Top the Complaints

The consumer electronics / telecommunication products constitute the highest number of general consumer product complaints (36%). Complaints with regards to furniture come in second highest, amounting to 23.5% while the NCCC recorded receiving 17.6% of general consumer product (GCP) complaints related to electrical appliances. A total of 11.1 % of all complaints related to GCPs are made in relation to clothing and accessories.

Consumer Electronic / Telecommunication Product Complaints

The NCCC's statistics on consumer complaints on electronics and telecommunication products indicate that a staggering 61% of the complaints are a result of the inferior quality and under-performance of these products. Additionally, the



NCCC has also recorded 25.5% of complaints arising from the quality of service i.e. after sales and enquiries that are attached to a product.

There has been several safety incidents where new mobile phone chargers cause short circuit and blackout at complainants' home. A vast majority of the complainants seem to have identified warranty as a major concern. More often than not, the complainants rant about the coverage offered by the warranty being insufficient. Some have also mentioned that they were misled with regards to the warranty while purchasing these electronic products. Some complainants suspect that the products or parts are fakes or counterfeits.

Out of all the electronic products involved, 47% of the complaints received by the NCCC are related to mobile phones. This is not surprising with the

Figure 1: Complaints Related to General Consumer Products (GCPs)

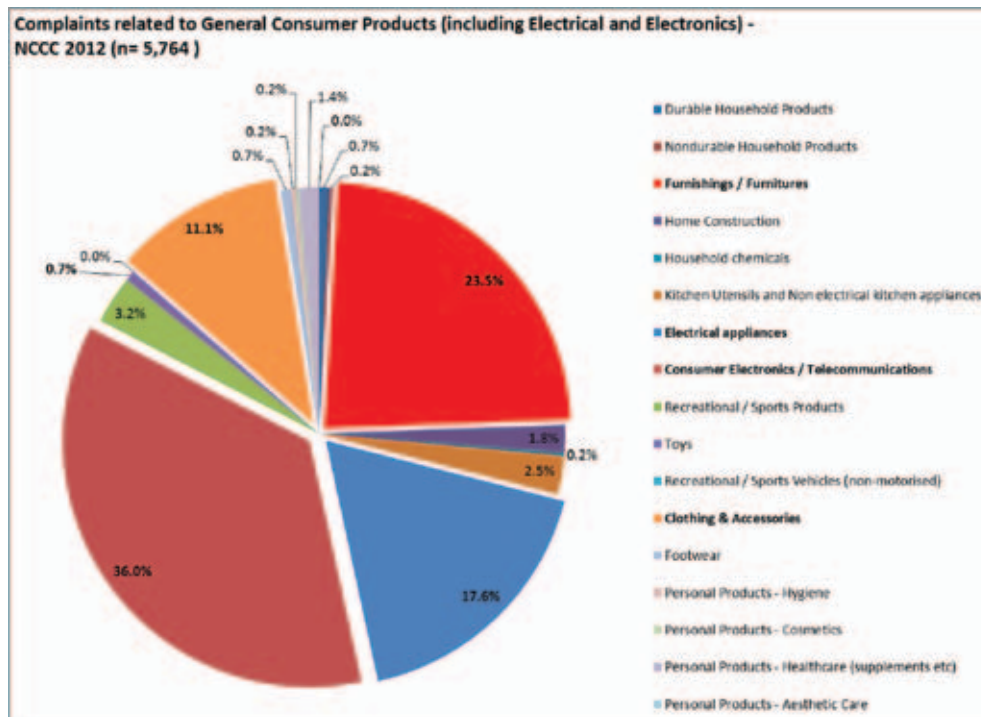


Figure 2: Types of Consumer Complaints Related to Consumers Electronics and Telecommunication Products

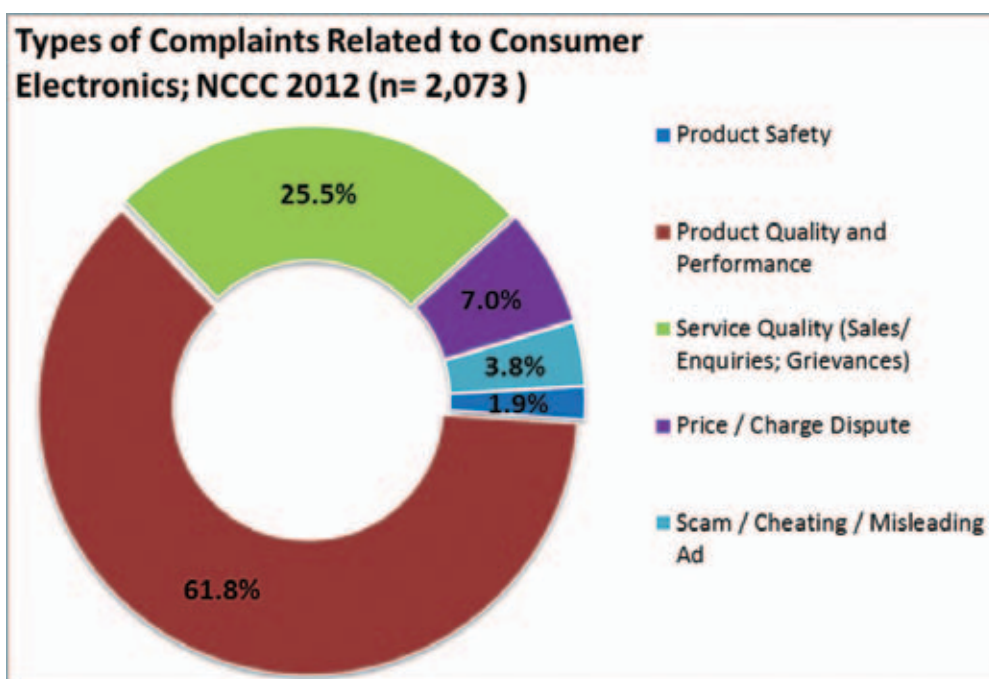
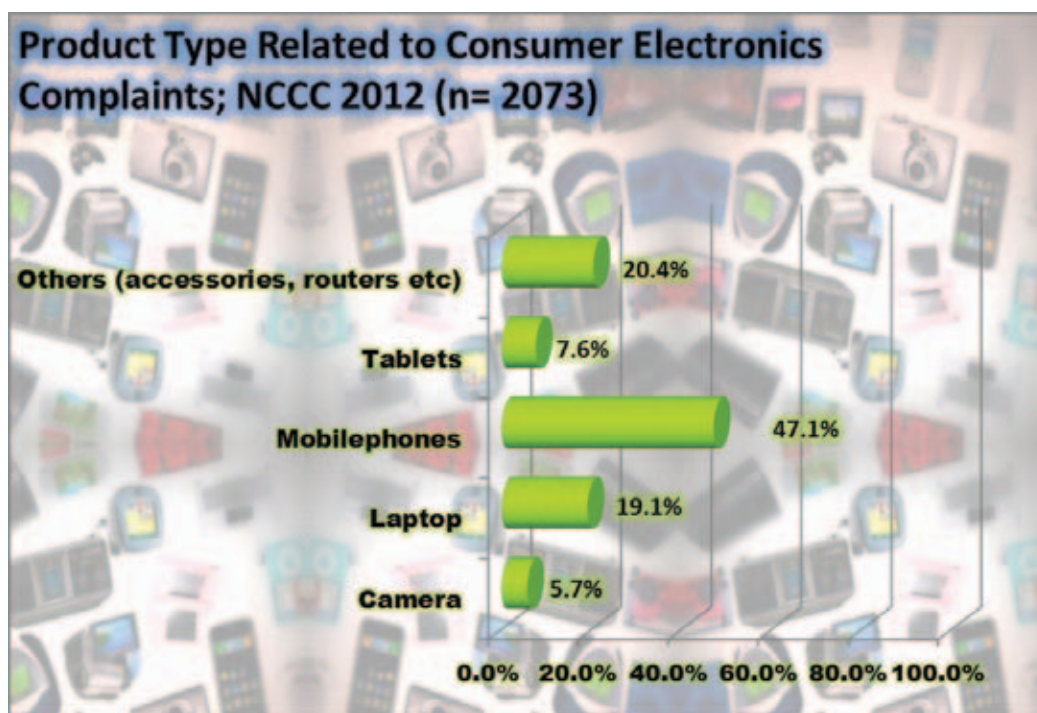


Figure 3: Product Type Related to Consumer Electronics and Telecommunication Complaints



increasing number of mobile phone users in today's world and Malaysia. As mobile phones are seen to be a necessity more than a luxury, today's consumers are very much dependant on this device for multiple reasons including work. When quality, safety and performance standards are not met considering the high dependency on this device, consumers become aggrieved.

Additionally, two major brands have been identified and this could be reflective of consumers' preference when purchasing these brands of mobile phones.

Following second with 20.4% are complaints related to other accessories that is one way or another related to either mobile phones, laptops, cameras and etc. About 19% of the total complaints under this category were made related to laptops. Similar to other complaints in this sub-sector, complainants often raise issues they face on warranties and refunds.

Consumer Complaints Related to Furniture

Sub-standard furniture continues to give problems to consumers in 2012 as they are still a significant source of complaints in the GCPs. Complaints related to furniture come in second highest this year under the general consumer product category. Complainants are seen to be aggrieved for two major reasons under this category.

Firstly and with 47.1% of total complaints received with regards to furniture, consumers are not satisfied as to the product quality and performance. Furniture purchased bears defects as soon as purchased or after a short period of use. Some result in safety incidents for example in several cases where tempered glass (or safety glass) suddenly 'explode' or shatter.

Figure 4: Types of Complaints Related to Furniture

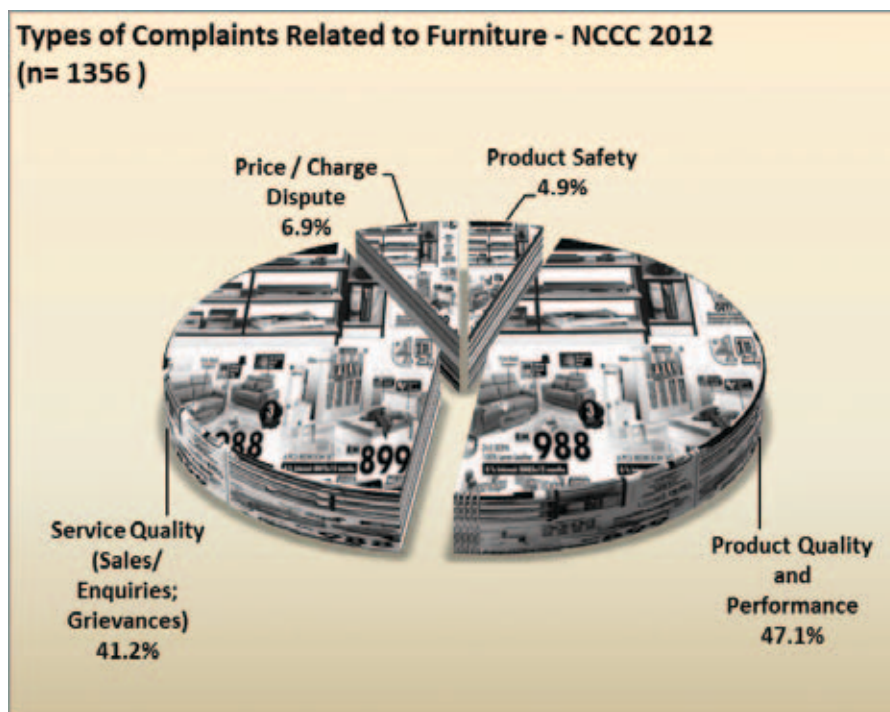
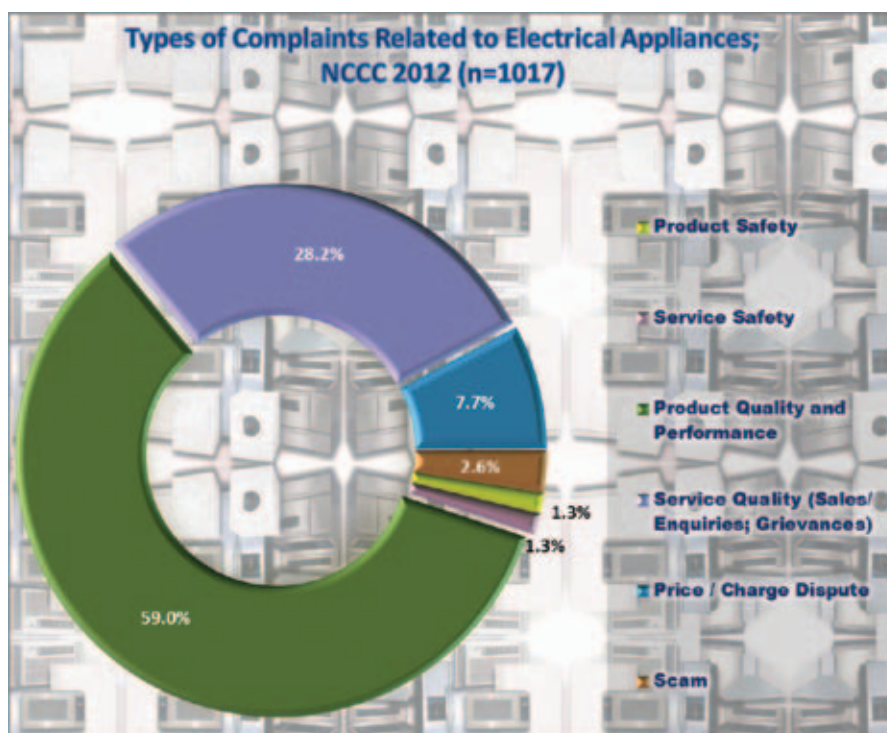


Figure 5: Types of Complaints Related to Electrical Appliances



Secondly, about 41% of complaints related to furniture were made with regards to the service quality (sales and enquiries) provided by furniture companies. Other complaints involving furniture arise due to price disputes, product safety, warranty claims, etc.

Complaints Related to Electrical Appliances

Poor quality and performance comprise 59% of complaints related to consumer electrical appliances received by the NCCC in 2012. The NCCC witnessed an identical complaints pattern made with regards to electronic products i.e quality and performance of products and service quality (especially when dealing with disputes and enquiries, seeking refunds for faulty products). There are also a significant number of complaints related to price disputes and safety complaints – for eg. where televisions explode.

Prices attached to electrical appliances are also seen to be a major concern amongst complainants. The NCCC received a total of 28.2% of complaints that were made in

relation to the pricing of electrical appliances. The NCCC has also identified that a very high number of complaints were lodged in relation to televisions from a leading brand in the product market – especially plasma screen and high definition models. On a separate note, warranty attached to electrical appliances seems to not be satisfactory as the NCCC recorded 10.3% of complaints in connection to it.

The Types of Complaints Related to Clothing and Accessories

Poor quality of clothing and accessories are the main type of complaints contributing to more than 61% of total complaints received by the NCCC on clothing and accessories. Complaints made in relation to the quality of service i.e. sales enquiries and etc. comprise 30.6% out of the total complaints under this category. The remaining types of complaints made in relation to clothing and accessories were due to complainant's either having gotten scammed or over a price dispute.

Figure 6: Types of Complaints Related to Clothing and Accessories



Complaints on watches and accessories were more than clothing. When it comes to complaints pertaining to accessories, the NCCC's complaints record indicates that they were mainly lodged with regards to watches and jewellerys. Consumers even lodged complaints suspecting that the watches they have purchased are fakes or counterfeits.

Consumer Protection Laws Applied to Manage Complaint and Voluntary Initiatives / Tools

1) Laws

a) Product Performance

Notwithstanding that **Section 32 of the Consumer Protection Act 1999** confers protection to the general consumers by stipulating that all goods purchased shall possess implied guarantee of acceptable quality, a very high volume of complaints received by the NCCC in regards to general consumer products are lodged due to the inferior quality of certain products purchased by them.

Additionally, goods that are supplied to consumers are to be fit for the particular purpose it is purchased. **Section 33 of the same Act** provides consumers with this specific protection. More often than not, goods under the general consumer products are purchased with the intention of daily consumption i.e. TV, mobile phones and laptops. As such, consumers are highly dependent on the skills and judgement of a salesman concerning the attributes of a certain product. In the event a product does not perform for the purpose it was purchased, there is then born an aggrieved consumer. Amidst such an incident, this section shall come in handy in safeguarding their interest.

In view of this, the NCCC strongly opines that all relevant regulating bodies should on a time to time basis conduct adherence check on manufacturers and suppliers of all types of general consumer goods to **ensure strict compliance** in efforts to **safeguard the interests of Malaysian consumers at large**.

b) Product Safety

Safety has and will always be one of the primary concerns of the NCCC. Although having received only 3.8% out of the total complaints under the general consumer product category, the NCCC urge consumers and retailers of all types of general consumer products to always be vigilant concerning safety. Safety issues attached to a product may pose all type of dangers to consumers be it on a short or long term basis.

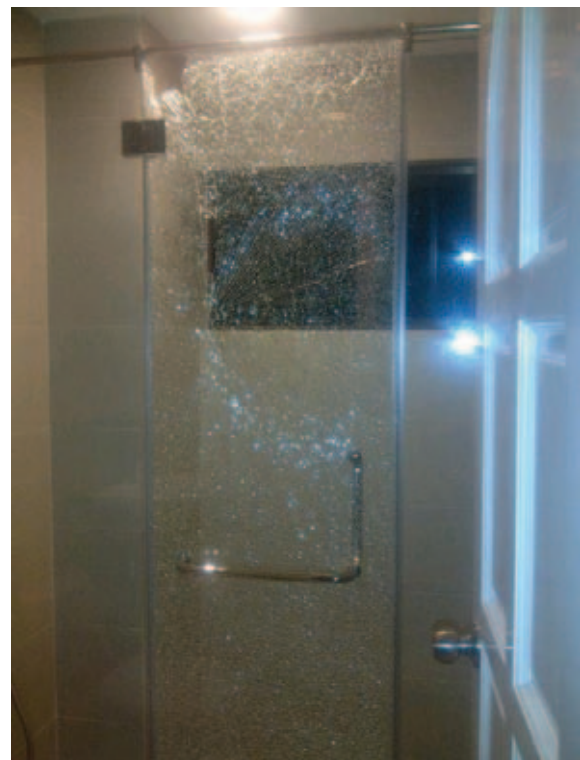


Figure 7: Shattered Tempered Glass (Safety Glass) Bathroom Screen

Section 19 of the Consumer Protection Act 1999 has been drafted to specifically tackle safety issues of products where it comprises of performance, composition, contents, manufacture, processing, design, construction, finish and packaging of a certain product.

Section 20 of the same Act reads that no person shall supply, or offer to or advertise for supply, any goods or services which do not comply with the safety standards determined under Sec 19 of the same Act.

Additionally, the **Consumer Protection (Prohibition against Unsafe Goods) Order 2011** spells out that any goods that are found to be unsafe must be recalled with immediate effect by the respective suppliers upon realization of such.

To this, the NCCC once again urges the relevant regulating bodies to conduct a time to time safety and standards check to ensure manufacturers and suppliers are adhering to the laws, regulation and guidelines that are available in regards to product safety.

For Domestic Electrical Appliances

The requirements for safety under this category is to a large extent covered by the **Electricity Regulations 1994**.

This said regulation amongst its aims is to ensure the efficient use of electricity with regards to

- Any domestic equipment
- Any equipment which is directly sold to the general public; or
- Any equipment which does not require special skills in its operation

Manufacturers, importers, exhibitors, sellers and advertisers of electrical equipment prescribed under the sub regulation 97(1), of the **Electricity Regulations 1994** must ensure that their



Figure 8: A Second hand Air-Conditioner - Blew Up!

obligations under the said Regulations are fulfilled.

In the event equipment is deemed to be unsafe or dangerous by the Commission, or has the likelihood of being unsafe or dangerous to use, then the Commission reserves the right to prohibit the manufacture, import, display, advertisement or sale of the equipment and may direct the person in sub regulation (1) to withdraw with immediate effect all equipment from use or sale and when necessary seize or remove such equipment.

c) Misrepresentation

Should a consumer be disgruntled due to the misrepresentation made by a supplier of goods and services, then they may proceed with legal action against the respective party. The rights of consumers who suffer such a faith are enriched via **Section 18 of the Contracts Act 1950**.

Alternatively, **Section 10 of the Consumer Protection Act 1999** similarly offers such protection to aggrieved consumers who are misrepresented as to the attribute of a specific good or service.

Depending on circumstances of the contract and the misrepresentation, consumers may seek for damages accordingly. Additionally, under the **Consumer Protection Act 1999**, consumers may seek for redress and this too will depend on the type and nature of misrepresentation that had

occurred in view of the all the attributes attached of the goods involved.

d) Product Performance

Services in this instances are made in reference to the acceptable time frame in which a supplier or manufacturer cures a defective product i.e. repair time and the availability of a certain spare part of a product which is an inseparable feature attached to a product in any case of a repair or restoration. **Section 41 of the Consumer Protection Act 1999** specifies strictly that suppliers of goods are expected to remedy a defect of a product within a reasonable time period. Additionally, **Section 37 of the same Act** stipulates that products that are supplied to the general public must be repaired as soon as practicable. This is yet again an important law. The regulating bodies should be stringent in applying such and to also ensure strict adherence by the respective parties as general consumer products such as mobile phones, laptops and other devices are used by many in their daily lives. This would go to mean that more often than not it involves loss of income, expectation and etc with today's world being highly dependent on such devices.

2) Voluntary Initiatives/ Tools

a) For General Consumer Products (Excluding Furniture)

Quality and performance are always regarded as an important attribute of a product by consumers at large. Electrical appliances and accessories must generally adhere to performance and safety standards prior to being made available to the consumers for sale.

After having said that however, one may find that not all products available for sale to the consumers at large are in compliance with the performance and safety standard despite the development of such by the Department of Standards Malaysia. These standards are

more often than not an adoption of the already available international standards while some are modified to suit our local settings.

It is only when the regulating bodies render these standards as compulsory requirements will the Malaysian consumers enjoy a wide product range that is available in acceptable performance and quality.

For a more detailed explanation on standards kindly visit www.msonline.gov.my

b) For Furniture

There are a number of Malaysian Standards set for the specifications and quality of furniture. However, these said standards are only voluntary in nature. Following are some of these standards:

- **MS2284:2010** Domestic Furniture-Beds and Mattresses-Safety Requirement and Test Methods
- **MS ISO 9098-1:2008** Bunk Beds for Domestic Use-Safety Requirements and Test-Part 1:Safety Requirements (ISO 9098-1:1994, IDT)
- **MS 1581-2:2012** Furniture- Storage Units Part 2;Determination of Strength and



Figure 9: Dinner Table Set: Chairs surface peeled off or flaking after a few months of use

Stability of Domestic and Contract Storage Furniture (First Revision)

- **MS 1581-1:2012** - Furniture Storage Units Part 1- Safety Requirements and Test Methods for Domestic and Kitchen Storage Units and Workshops (First Revision)
- **MS 1711: Part 2: 2003** Furniture – Office Chair (Adjustable) : Part 2: Safety Requirements
- **MS 1711: Part 1: 2003** Furniture- Office Chair (Adjustable): Part 1: Dimension-Determination of Dimensions
- **MS 1764: Part 3: 2004** Furniture –Seating : Part 3: Determination of Stability (Domestic)

Recommendations for Improvement

Firstly, we urge all enforcing and regulating bodies to work with the NCCC. This would mean to have a sit down with the NCCC every quarterly to further discuss on emerging issues in relation to consumer complaints. This would enable the enforcing and regulating bodies to have a better understanding on the trending complaints. Additionally, invitations should be extended to the NCCC to attend law reform discussion on a yearly basis to review the Consumer Protection Act 1999. Again, this should be done in efforts of filling up all loopholes that are prominent in the said Act. Additionally, it will also allow for new policies, laws and regulations to be recommended to the enforcing and regulating bodies.

The NCCC views this as being an important practice as laws need reform from a time to time basis.

The NCCC is also of the view that the **Malaysian Competition Commission (Suruhanjaya Persaingan Malaysia)** should look into the

business practices of manufacturers of the oligopoly and monopoly market. This is seen to be important as it helps curb anti-competitive business practices and promotes overall healthy market competition thereby providing the consumers with choices and better quality products.

When concerning furniture, the NCCC is of the view that the **Malaysian Furniture Industry Council (MFIC)** and their likes should collectively work closely and assist the **Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK)** and the **JABATAN STANDARD MALAYSIA** to review and recommend changes in laws, rules, regulations and guidelines. This would ensure all furniture makers and importers are in compliance with a specific standards set thereby allowing consumers to enjoy products that are of acceptable quality and safe.

A dash of 'Lemon'

The Ministry of Domestic Trade, Cooperatives and Consumerism or KPDNKK is urged to further revise the CPA and the Trade Description Act – whichever relevant to incorporate elements of 'Lemon Law' practiced in Singapore and also the United States.

The 'Lemon Law' in Singapore implemented in 2012 by *amending the Consumer Protection (Fair Trading) Act (CPFTA), the Hire Purchase Act (HPA) and Road Traffic Act. These amendments were described as consumer and business friendly. Minister Teo Ser Luck said the amendments will expand and make more explicit the remedies available to both consumers and businesses, as well as clarify timelines and burden of proof.* The amendments also provide some level of protection for consumers purchasing second hand goods.

2 What you need to know about Singapore's "Lemon Law" - at: <http://sbr.com.sg/retail/news/what-you-need-know-about-singapore%E2%80%99s-%E2%80%9Clemon-law%E2%80%9D#sthash.HfvyG2RS.dpuf>

Chapter 3

Complaints Related to Utility Services (Electricity and Water / Sanitation)

The NCCC received a total of 5,568 in regards to both electric and water services (which includes sanitation) which amounted to a potential loss of RM 1,305,335. Complaints in regards to unusually high charges topped the complaints for both sectors with 15.2%. In most cases this happens when users notice discrepancies in their utility bills. Both water providers and the sole electricity service provider in the country are unable to help them address this issues. With water the unusually high bill or sudden hike in billed amount could be due to internal reticulation problems leading to leakages which the home owners are unable to detect and unaware of.



Figure 1: Nature of Complaints against Utility Service Providers

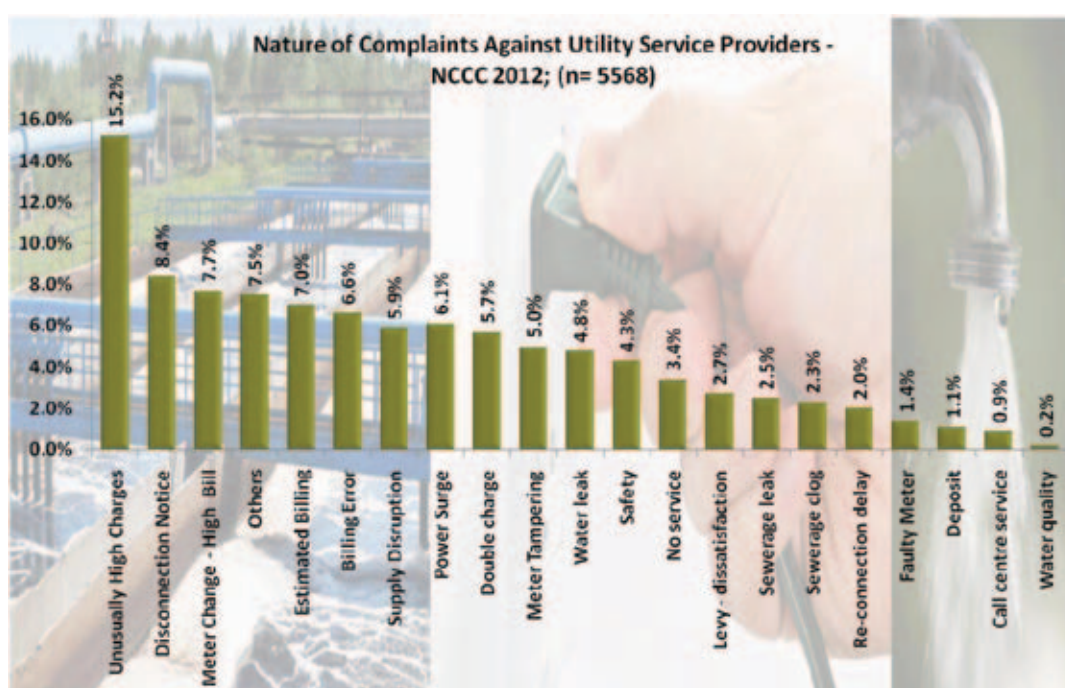
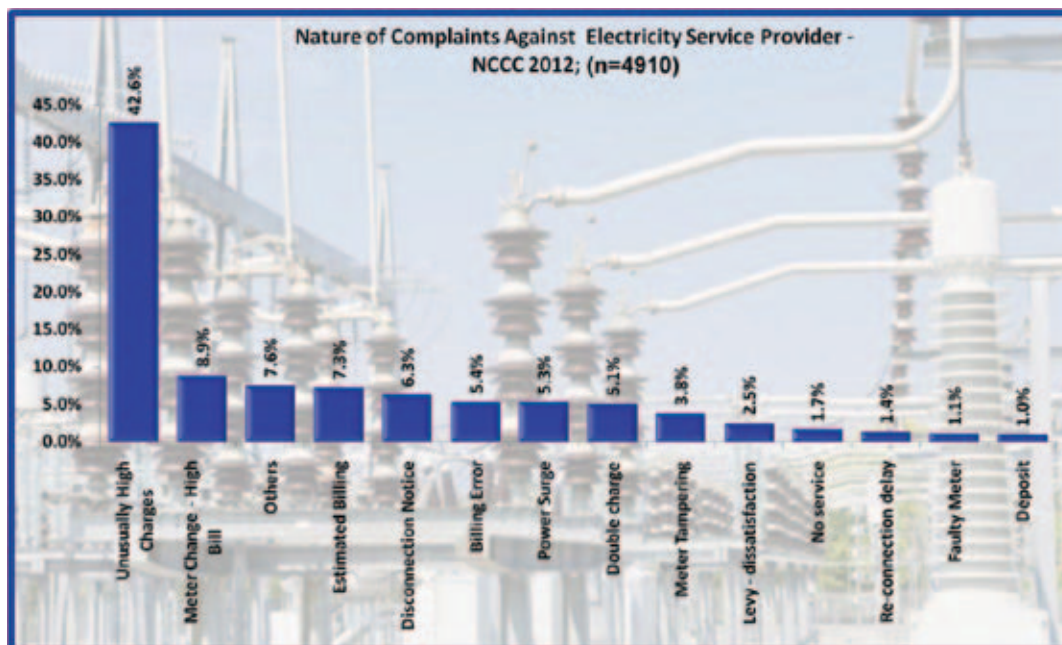


Figure 2: Nature of Complaints against Electricity Service Provider



The second highest complaints with 8.4% of total utility complaints were related to disconnection notice whereby no sufficient or adequate notice was given. Another 7.7% contributed primarily by meter changing issues that cause the monthly bill to increase compared to the usual charges.

Consumer Complaints Related to Electricity Supply Services.

About 42% of complaints against electricity service provider focus mainly on the unusually high charges stated in the bill. Many complain that their usage or billed amount increased tremendously after the electricity meter was changed – usually from an analog to a digital one. In some cases, the complainants stated that the billed amount is unreasonable due to the fact that the premise was not in use or having few occupants in the premise.

Complaints on estimated billing recorded 7.3% followed by 6.3% on disconnection notice which was not adequately given to the consumers. Some of the disconnection was done without

any prior notice and this caused hardships to the consumer especially since the reconnection usually will consume lots of time and their additional cost to consumers.

Billing error, double charge, power surge and meter tampering are still among the common complaints received by the NCCC against electricity service provider. Lesser amount of complaints were received in regards to levy dissatisfaction (Renewable Energy Levy of 1%), no service, faulty meter and deposit whereby each received less than 2.5%.

Consumer Protection Laws Applied to Manage Complaint and Voluntary Initiatives / Tools

1) Laws

The **Electric Supply Act** is almost silent on consumer protection. The Act mostly provides for the rights of the licensee and covers situation where one's right has been infringed by any individual. Nevertheless, there are some

provisions in the Act which can be used to facilitate consumer right.

- **Section 23A** provides that the Minister may, from time to time, prescribe the standards, specifications, practices and measures to be adopted and any other matters in respect of the efficient use of electricity.
- **Section 24** provides that licensee have the duty to supply electricity to the consumer upon request.
- **Section 30** provides that any party to any dispute regarding a supply of electricity may refer the dispute to the Commission for the decision of the Commission.
- **Section 38** provides that not less than 24 hours' notice must be given to the consumer in relation to disconnection of power supply. The disconnection shall not be more than 3 months.
- **Section 32** provides that where a consumer is to be charged for his supply of electricity whether wholly or partly by reference to the quantity of electricity supplied, the supply shall be given through, and the quantity of electricity shall be ascertained by, an appropriate meter
- **Section 37** provides that it is an offence any person who tampers with or adjusts any installation or part thereof or manufactures or imports or sells any equipment so as

to cause or to be likely to cause danger to human life or limb or injury to any equipment or other property shall be guilty of an offence and for each such offence shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

All utility meters are governed by the **Weights and Measures Act 1972** under the purview of KPDNKK. As such, all utility meters producers must ensure that all installations and lab equipment and meters are calibrated as per related metrology standards.

2) Voluntary Initiatives / Tools

The sole electricity distributor in Peninsular Malaysia – TNB has sought the services of the consumer association namely the Water and Energy Consumers Association of Malaysia (WECAM) and FOMCA to promote energy efficiency among domestic and commercial users of electricity.

Consumer education to create awareness and instill long term behaviour changes towards sustainable consumption of electricity is a long term process. It is NCCC's hope that such efforts grow in reach and effectiveness to ensure consumers in Malaysia are not deprived of continuous and affordable electricity supply.

Each time a tariff revision is done or another wave of subsidy rationalization is carried out on fuel, there is an increase in electricity tariff much to the discontent among domestic users. Manufacturing cost and service operations cost goes up and consumers bear the brunt of increasing living cost.

Electricity service providers and relevant government agencies must play an active role in communicating tariff revision in a transparent manner. Wastage in government agencies must be reduced. Large scale (in terms of reach)



incentive based approach is an effective short term measure to promote sustainable energy consumption – among both commercial and domestic users.

A new international standard is being developed and all electricity generator and distributor must be actively involved in the development of this standard titled ISO 17510 - Guidelines for the assessment and improvement of energy services to users.

Commercial users may want consider certification or at least application of the ISO 50001 on Energy Management System to save cost on energy consumption.

Recommendations for Improvement

1. A more specific and effective redress mechanism should be provided under the law. Consumers should not be held accountable for something that they didn't do such as wasting energy which leads to high charges. Compensation or other relevant remedies must be given to the consumer if the error was independent of their part.
2. Constant checking on the electricity meter must be done by service providers in order to ensure that meters are working properly
3. Employees of service providers should exercise the required duty of care when billing the consumer in order to prevent double charge. Consumer grievances with regards to double charge must not be taken lightly instead it should be remedied as soon as possible by the service providers.
4. Compensation must be given to consumers when their power supply is disconnected on purpose without prior notice. Consumers must be given the option to remedy their

default first before service providers can disconnect the supply in default payment cases.

5. Consumer should not be forced to make any payment when an investigation is pending with regards to charges.

Consumer Complaints Related to Water and Sanitation (Sewerage) Services

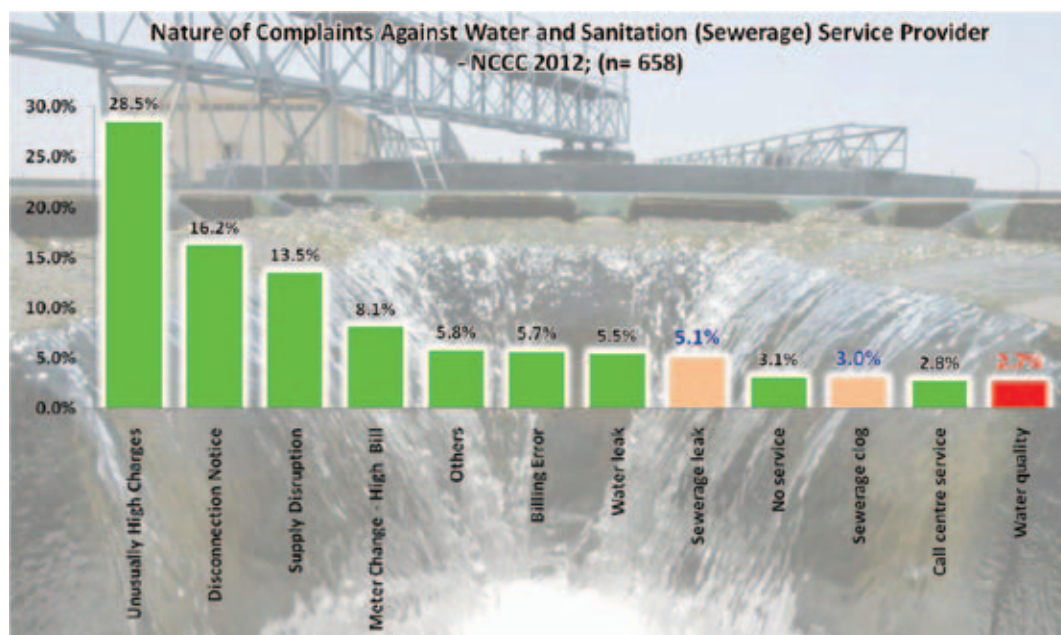
Unusually high charges are the most frequent complaints received against water supply service providers - with 29.7% of total complaints. Issues on disconnection notice were the second highest complaints. Likewise in regards to electricity, consumers also faced the same problem when it comes to water whereby no adequate or prior notice was given to them prior to disconnection.

Apart from the above, consumers often faced water supply disruption regardless whether scheduled or unscheduled. Usually the water quality will be affected by the disruption. The water quality seems compromised at the time when the supply is reconnected compared to before it was disrupted.

Both complaints on sewerage leak and clog received 5.1% and 3.0% each. The leaking and clog causes consumers to withstand the smell and bring discomfort to them. This has a bearing



Figure 3: Nature of Complaints Against Water and Sanitation (Sewerage) Service Provider



on health conditions of these people. Quality of call centers are other sources of consumer grievances in the water and sanitation sector. More often than not they are unable to provide any useful information with regards to supply disruptions or billing enquiries.

Selangor water issue

The above still remained unresolved in 2012. Allocation from federal government for upgrading works was frozen pending re-structuring of the Selangor water supply system. Current reserve capacity is maintained at a razor thin margin and if tipped may lead to a major water supply disruption and rationing exercise. If this is to be averted, all stakeholders including consumers have equally important role to play and above all, NOT to politicize water supply issue as clean water supply is a basic human right!

Consumer Protection Laws Applied to Manage Complaint and Voluntary Initiatives / Tools

1) Laws

The **Water Service Industry Act 2006** contains a number of provisions with regards to the duties of service provider which impliedly provides for the rights of the consumer

- **Section 33** provides that service licensee providing water supply services or sewerage services has a general duty to deal reasonably with consumers; and adequately address consumer complaints
- **Section 34** provides that it shall be the duty of every licensee to maintain at all times the security, integrity and safety of its water supply system and sewerage system and all other assets in relation to the system.
- **Section 35** provides that it shall be the duty of every facilities licensee to construct, refurbish, improve, upgrade, maintain and

repair its water supply system and sewerage system and all other assets in relation to the system that facilities licensee continues to be able to meet its obligations under WSIA 2006 and its subsidiary legislation.

- **Section 36** provides that it shall be the duty of every service licensee providing water supply services to maintain an efficient and economical water supply system.
- **Section 40** provides that it shall be the duty of a water distribution licensee to cause the water in its water mains and other pipes used for the water supply; or having a fire-hydrant fixed on them to be maintained at such pressure as may be set out by the law. Contravention of this section will render the licensee liable to a fine not exceeding RM1000 on conviction.
- **Section 41** provides that the water distribution licensee shall ensure that at the time of supply the quality of water supplied complies with the minimum quality standards as prescribed by the Minister. The licensee shall be liable to fine not exceeding RM3000 or to imprisonment not exceeding 3 years or combination thereof.
- **Section 43** provides that it shall be the duty of every service licensee operating and maintaining a public sewerage system to –
 - a) To manage, operate, maintain, inspect, repair, alter, arch over or otherwise improve the public sewerage system and to treat and dispose the content thereof; and
 - b) To properly desludge the public sewerage system
- **Section 68** provides that the commission may on its own initiative or upon the recommendation of the Water Forum prepare consumer standards which are able to protect consumer rights and interest.
- **Section 70** provides that Water Forum was formed to exercise its function as the consumer representative in regards to water

and sewerage services.

- **Section 89** provides that service licensee must give 14 days' notice for the consumer to remedy the default before proceed with disconnection of water supply.

Apart from the above, **Section 53 of the Consumer Protection Act 1999** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill.

2) Voluntary Initiatives / Tools

The water and sanitation service operators together with the relevant regulators must consider to be actively involved in the works of ISO TC 224 on Service activities relating to drinking water supply systems and wastewater systems - Quality criteria of the service and performance indicators – through the Department of Standards Malaysia or STANDARDS MALAYSIA. This TC's scope of work is as follows:

Standardization of a framework for the definition and measurement of service activities relating to drinking water supply systems and wastewater systems.

The standardization includes the definition of a language common to the different stakeholders, the definition of the characteristics of the elements of the service according to the consumers expectations, a list of requirements to fulfil for the management of a drinking water supply system and a wastewater system, service quality criteria and a related system of performance indicators, without setting any target values or thresholds.

The following international standards have been published:

1. **ISO 24510:2007** - Activities relating to drinking water and wastewater services --

Guidelines for the assessment and for the improvement of the service to users

2. **ISO 24511:2007** - Activities relating to drinking water and wastewater services -- Guidelines for the management of wastewater utilities and for the **assessment of wastewater services**
3. **ISO 24512:2007** - Activities relating to drinking water and wastewater services -- Guidelines for the management of drinking water utilities and for the **assessment of drinking water services**

Recommendations for Improvement

- **SPAN Act 2007** and **WSIA 2006** should extend their jurisdiction to cover Sabah and Sarawak so that all service providers in Malaysia will be subjected to one unified law.
- The regulator must review the methodology adopted by the service providers since most of the complaints are related to high charges.
- Consumer education is still key to enhance quality of water supply services and sanitation. But currently water operators and sanitation service providers do not invest in such activities and if they do there is very limited reach for the activities carried out. Solution-oriented consumer education such as introduction to the **WSIA 2006** along with other existing rules, regulations and complaints redress mechanism between both parties will be the main core of the education program. Moreover, introduction of the maintenance on internal piping systems need to be conducted too.
- All call centre personnel should be adequately trained to address consumer complaints effectively and efficiently. ISO 10000 series have been effective in helping all types of organization to improve customer satisfaction.
- The responsibility of maintenance on water meters should be placed under water service provider / licensee as they are the one who can access to the meter. It is unfair to place the responsibility on consumers as technical knowledge is needed in order to gain access to the water meter.
- For sewerage, a proper mechanism must be established in order to facilitate the agreement between the consumers and the concessionaire. Consumer education on their responsibilities and extensive outreach program such as the de-sludging campaign which is done by SPAN at the moment need to be continued
- All maintenance in regards to water meter, tanks and other related matter must be placed under the responsibility of the service providers since service providers know better about them.
- Service providers must provide periodic water quality testing or assessment to domestic users and also publish the water treatment plant water quality report to the general public or make it easily available and accessible.

Chapter 4

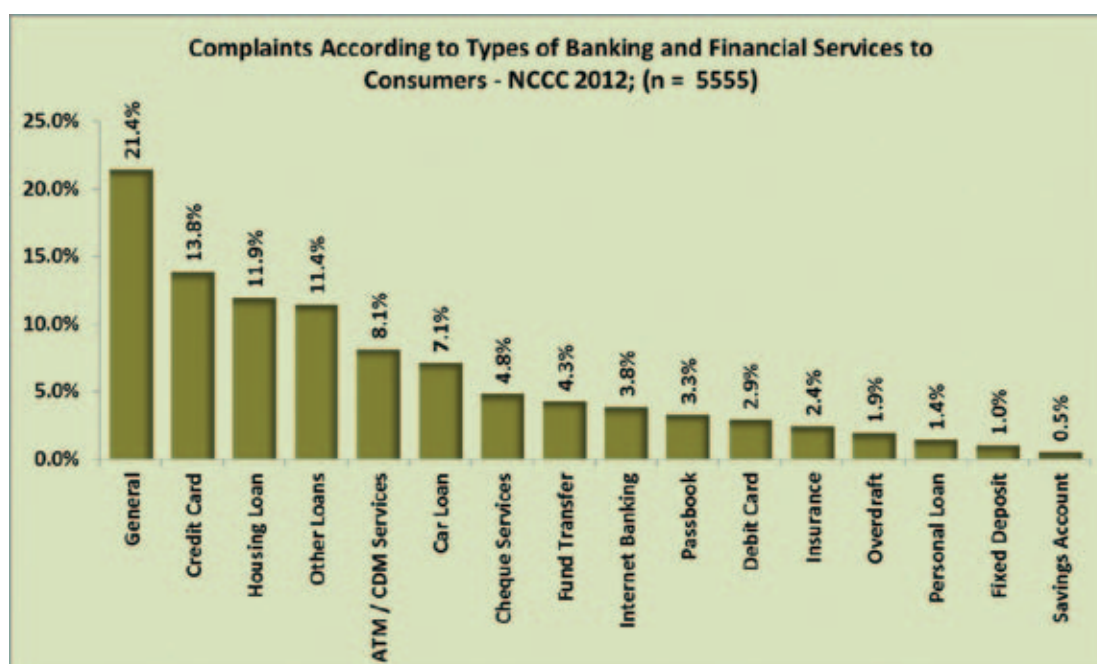
Complaints Related to Banking and Financial Services

A large number of complaints were received in regards to the general services (passbook, interest rates, fixed deposit interest, saving account discrepancies, handling of cheques etc) provided by banks throughout the nation. To this, the NCCC recorded 21.4% out of the total complaints received under the banking and financial services sector.

Credit cards seem to pose major concerns, contributing to 13.8% of the total complaints under this category. Coming in third, the NCCC recorded having received of complaints (11.9%) related to housing loans – among them being issues on interest rates, repayment, re-financing, auction and grant.



Figure 1: Complaints According to Types of Banking and Financial Services to Consumers



Other complaints with below 10% each in its own category were complaints in relation to ATM/ CDM card services, car loans, transfers, internet banking and etc.

Nature of Complaints Made in Relation to Banking and Financial Services

General complaints refer to charge disputes, withdrawal, debit issues and quality of services accounting for 29% of the complaints.

Second highest complaints received by the NCCC at 19.4% are in relation to loan repayment. Some of the common issues highlighted by the complainants are the unreasonable hike in interest rates due to the complainant's arrears in servicing the loans. Some even had their home auctioned off without proper and justified notification. Some complain that their attempts to negotiate repayment terms with selected banks were not successful as they were not

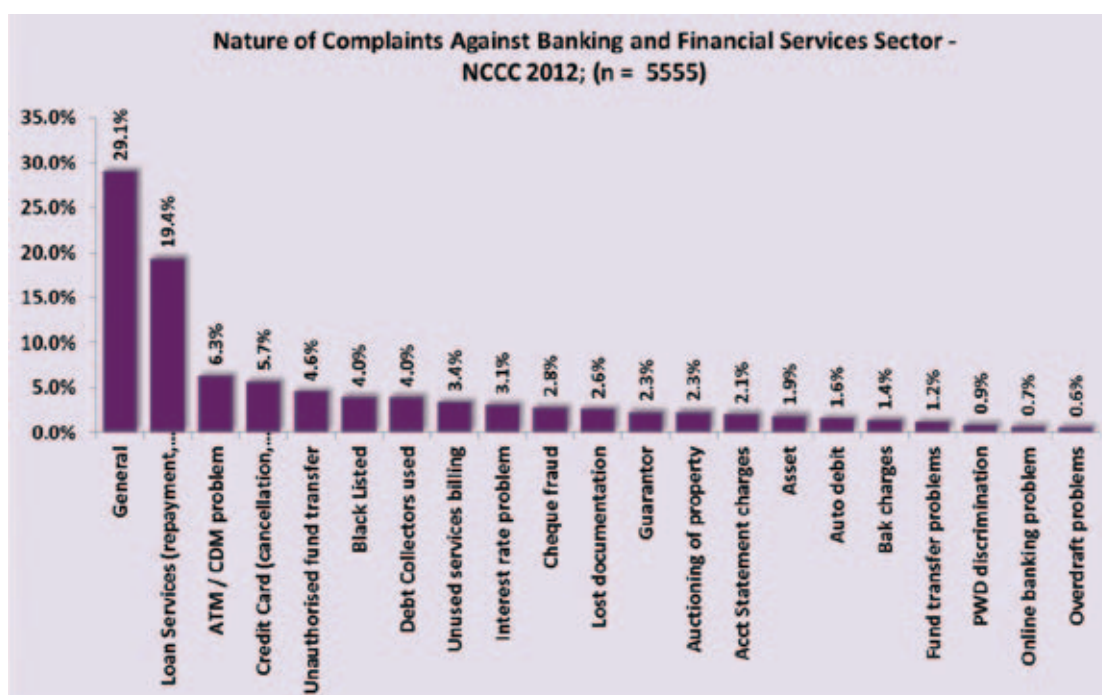
forthcoming in helping such customers fulfil their load repayment obligations.

The remaining nature of complaints under the Banking and Financial Services were made in relation to the cancellation of credit cards, Automated Teller Machine (ATM)/Cash Deposit Machine (CDM) problems, black list issues, unauthorised fund transfers and etc. Problems with ATM or CDM machines has seen a significant increase and banks are not able to provide for a speedy resolution to consumers who fear their savings or payment has been lost due to faulty ATMs or CDMs respectively.

Banks with Highest Number of Complaints

Local Banks were identified to top the complaints charts as they are frequently identified in the complaints trend study carried out by the NCCC. More often than not, these said banks provide below-par customer service (not provided with

Figure 2: Nature of Complaints against Banking and Financial Services Sector



sufficient and important information, long waiting time, rude employees, and system failures).

Delay in response, negligence in handling documents and the failure to update systems raises an important question as to whether or not banks are screening their hiring process to ensure only competent employees are hired to handle various aspect of the general public's financial status.

Re-emerging Issues

A number of banks are seen to be practising oppressive methods in handling arrears arising from non-performing loans – sometimes using 'thugs' as debt collectors. Hikes in interest rates and the auctioning off of properties without prior notice were constantly identified in the complaints trend received by the NCCC.

At times, the bank's failure to update systems had caused major complications resulting in properties being auctioned off and a massive hike in interest rates with no justification. On a separate note, faulty ATM's have been constantly reported. One local bank has been identified via complaints to have their ATM machines out of service on a frequent basis.

Consumer Protection Laws Applied in Managing Complaints

1) Laws

Loans

The old **Banking and Financial Institution Act 1989 (BAFIA)**, which has been now replaced by the **Financial Service Act Malaysia 2013**, shall regulate all banks in Malaysia. This Act provides for the regulations and supervision of financial institutions, payment systems and other relevant entities and the oversight of the money market and foreign exchange market to promote

financial stability and for related, consequential or incidental matters.

As all banks in Malaysia are regulated by **Bank Negara Malaysia (BNM)**, they set best practise guidelines for these banks to follow. This would mean that all banks in Malaysia are not bound by these guidelines but are advised to adhere to such. In other words, banks are free to operate the way in which they desire, so long their practices do not fall too far apart from these guidelines. As such, consumer protection in this sense is rather limited.

Due to such practices, all banks are free to stipulate terms and conditions via a loan agreement with no general practise code. Now this seems to pose a problem as all banks vary in the way they draft agreements for loans of any type. Being the way it is, lay people more often than not are not informed as to the exact meaning of the legal terms contained in loan agreement at large, which may be of a detriment to themselves in the future should a dispute arise from these said terms or clause stipulated in such loan agreements.

In some cases where an employee of a bank has misrepresented to a consumer and when that said misrepresentation was fundamental to the consumer entering into a contractual agreement with the bank, then he or she may seek for damages accordingly via the **Contracts Act Malaysia 1950. Section 18 of the Act** stipulates that, "**Misrepresentation**" includes-

- a. *the positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true;*
- b. *any breach of duty which, without an intent to deceive, gives an advantage to the person committing it, or anyone claiming under him, by misleading another to his prejudice, or to the prejudice of anyone claiming under him; and*

- c. *causing, however innocently, a party to an agreement to make a mistake as to the substance of the thing which is the subject of the agreement.*

Recommendations for Improvement

All banks should make clear to their customers as to the terms and conditions stipulated in agreements of any sort arising between them. Additionally, banks should also advise customers on the implications they may face in the event of default in payments. This will help eliminate the possibility of miscommunication and misunderstanding should a dispute arise.

On a separate note, should a customer default in servicing loans of any sort, banks are advised to contact them to inform them on their arrears and the possible outcome from such. However, should the customers inform the banks that they are in financial difficulties then banks are urged to adopt non oppressive methods to help them settle their financial problems in an amicable manner as opposed to blindly hiking interest rates and auctioning off properties. It is only after the banks having exhausted all possible means of amicable settlement, should they resort to an auction or hiking interest rates.

For all that has been mentioned above, Bank Negara Malaysia (BNM) should ensure strict compliance with guidelines in the manner all banks handle increase in interest rates and the auctioning off of a property.

Additionally, BNM should also work closely with all banks when they receive complaints from the general public at large. At this point, the NCCC records indicate that most of the complaints lodged to BNM are not dealt with diligently.

The complainants very often inform NCCC that all BNM does when they receive complaints is to forward it to the respective banks with an instruction to the banks to reply to the

complainants in a timely manner. This results in no amicable settlement and no involvement nor regulation by BNM.

The Financial Service Act 2013

Coming into force, this said Act should contain clauses to ensure that banks do not operate negligently. This said Act should be drafted to ensure banks hire competent enough staff to handle people's finances. This is important as finances are sensitive part of people's daily lives. A mistake may tarnish reputations and cause other sort of damage to people's individuality and personality.

The Role of AKPK under Bank Negara Malaysia

AKPK is an agency set up under Bank Negara Malaysia (BNM) to educate those who are in financial difficulties. Amongst their roles in doing so are financial education, credit counselling and debt management.

The relevant bodies should ensure that their role is made known to the Malaysian public at large. All these are made available with no fee involved. For more information kindly visit <http://www.akpk.org.my/>

The Role of the Financial Mediation Bureau (FMB)

The Financial Mediation Bureau (FMB) is an independent body set up to help settle disputes between consumers and their financial services providers who are its members.

The FMB provides consumers with free, fast, convenient and efficient avenue to refer their disputes for resolution as an alternative to the courts. These disputes may be Banking/Financial related as well as Insurance and Takaful related. For more information, kindly visit <http://www.fmb.org.my/index.htm>

Chapter 5

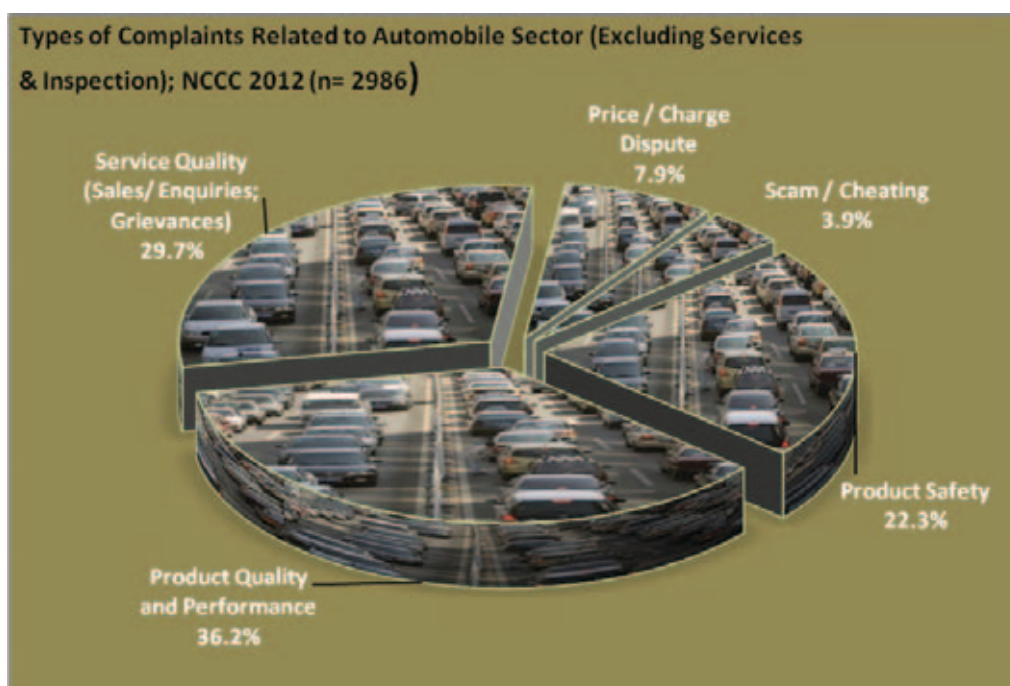
Complaints Related to Automobile Sector

The number of complaints received by the NCCC with regards to the automobile sector has marked a positive change as compared to the previous years. It indicates that both the complainants and the industry have indeed played an active role in tackling disputes.

Year 2012 has recorded a total number of 2986 complaints. Although there is decrease in the number of complaints received, the consumers are now facing a new set of problems. A high volume of the complaints received are in regards to brand new cars manufactured by some of the top companies – mostly local brand owners.



Figure 1: Types of Complaints Related to Automobile Sector (Excluding Services & Inspection)



Locally manufactured cars top the number of complaints received. Nevertheless, complaints on imported cars have also increased by a big margin in 2012. The total potential monetary loss from the automobile industry is estimated at **RM9,544,831**.

Issue in the automobile sector arises right from the delivery of the vehicle right up to the warranty and services itself. The common disputes arising in this particular industry are:

1. Quality and durability of the new vehicles
2. Services and warranty of the car whereby the same problems remains unsolved
3. Defects and description issues.
4. Misleading information and fraud in relation to the sale of the car (suspected use of fake or counterfeit or even second-hand parts) .

Safety Related Complaints

Safety related complaints accounts for 22% of the total complaints in the automobile sector. This aspect was highlighted in the past report. Enquiries flood the NCCC whenever cars are recalled in other countries and when Malaysians come to learn about it from the blogs, international news and sometimes from local media. There has not been much improvement in automobile safety issues as the nature of safety complaints are the same or at least similar.

Automakers operating in Malaysia, especially local brands are not very forthcoming with safety issues related to their brand of cars.

Another safety issue concerning automobile is the use of substandard or fake spare parts. The cannibalization of parts from accident or damaged vehicles for use on the existing vehicles, adds to the list of safety problems. Many of the safety complaints from consumers highlight that they (complainant) suspect the parts used / replaced / changed are either sub-standard (not original parts), fake or second hand.

There were complaints of cars stalling in the middle of the journey on the highway. Faulty car accessories render the vehicle being dangerous to use, i.e. brake failure, gear box problem and etc.

Gray areas in the Road Transport Act 1987 and the jurisdiction of various regulatory agencies are not helpful to improve vehicle safety specification and improving safety of drivers and road users. There is a need for a single competent authority in ensuring only safe cars are put on the road and this agency must have jurisdiction over car parts and accessories as well.

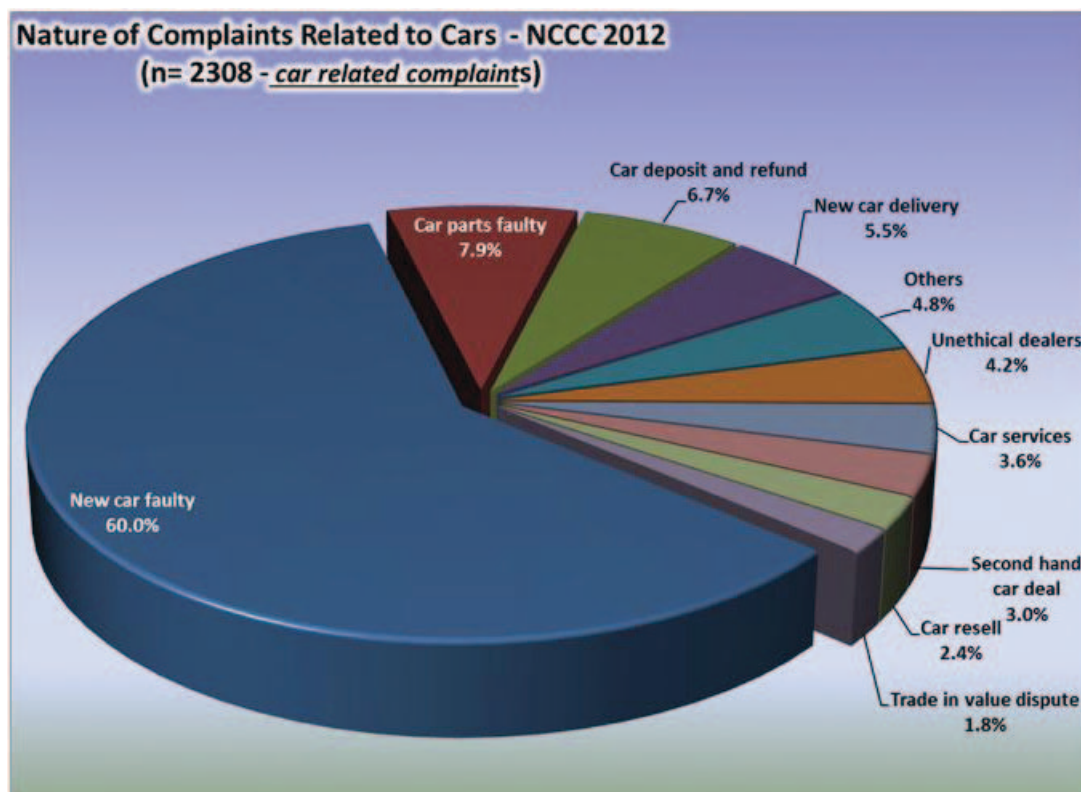
Complaints Related to Cars

Most of the complaints on cars purchased by the complainants revolved around the same subject, i.e. the cars continuously experience the same problems and the automobile companies were unable to identify the root cause of the issue. Complaints that were recorded witnessed a similar pattern some of are as follows:

1. Car produces weird sounds or breakdown after few days of use
2. Delivery of the vehicle was not according to the description / defects to the inner or outer part of the vehicle.
3. Faulty components in a brand new car
4. Problem relating to the documentation and transaction.
5. Services done were not satisfactory / unreasonable delay
6. After sales service often not resolved to the satisfaction of complainants

Faulty component has been identified to be the highlight of the complaints regarding cars. It is rather baffling and unfair to consumers as brand new cars are supposed to be free from defective components. Most of the complainants find this unjustifiable as they are denied a new

Figure 2: Nature of Complaints Related to Cars



replacement from the manufacturer or supplier despite it still being under warranty.

Another major concern amongst complainants is in regards to unsolved problems despite sending their vehicles for inspection several times. Unknown problems with regards to cars can lead to bigger issues such as road accidents or safety incidents.

Although all new vehicles come with warranty, it is futile if the same problems or defects continue to arise repeatedly. The amount that they spent on purchasing the car does not reflect the exact quality that they should enjoy.

Consumer Protection Laws Applied to Manage Complaint and Voluntary Initiatives / Tools

1) Laws

The Consumer Protection Act 1999 provides protection for consumers when it comes to goods and services. It is an Act of general application which is applicable towards a wide range of goods or services purchased or subscribed by consumers.

- **Section 32** provides that there will be an implied guarantee by the supplier to the consumer as to the safety, acceptable in appearance, fit for its purpose, free from defects and durability of the goods.
- **Section 34** provides that goods supplied to the consumer shall comply with the description.

- **Section 37** provides that there will be implied guarantee by the supplier and manufacturer to ensure the availability of the facilities and spare part for repair.
- **Section 42** provides that the supplier may remedy the breach of guarantee by repair the defects; replace with identical unit; or refund of money.
- **Section 46** provides that where consumer has the right to reject the goods, the consumer may choose to have a refund of money or other consideration provided by the consumer in respect of the rejected goods; or goods of the same type and of similar value to replace the rejected goods.
- **Section 48** provides that the supplier shall be bound by the representation made by the dealer on its behalf. Consumer is not prevented from the right of redress though the representation is not made by the supplier.
- **Section 52** provides that the consumer shall have the right of redress against the manufacturer by way of repairing the goods or replacing the goods with identical type. Damages are only available if the manufacturer failed to remedy the breach within reasonable time.
- **Section 53** provides that there shall be implied guarantee that services supplied to consumer shall be supplied with reasonable care and skill.

Apart from the Consumer Protection Act 1999, **Section 15 of the Sale of Goods Act 1957** provides that where there is a contract for the sale of goods by description there is an implied condition that the goods shall correspond with the description. Whereas **Section 16** provides that where goods are bought by description from a seller who deals in goods of that description (whether he is the manufacturer or producer or not) there is an implied condition that the goods shall be of merchantable quality:

Recommendations for Improvement

1. Local manufacturer should play a more active role in handling complaints received against them. The number of complaints received against local car has been increasing every year. Some of the complaints were settled amicably. However the remaining were not adequately attended to.
2. All cars manufactured and sold to the consumer should go through a thorough check with regards to its quality and durability, especially for the latest model manufactured by local companies.
3. Service Centres must improve their efficiency in repairing or servicing cars sent to them. Unreasonable delay in delivery to the car owners should be avoided as it causes hardship.
4. Technicians and mechanics should be equipped with competent skills, knowledge and experience in order to identify the root of the problem in relation to faulty and problematic cars.
5. Manufacturers and suppliers should strictly follow the description and specification requested by the consumers and the failure to follow the request should clearly be informed to the consumers before the sale takes place in order to avoid any grievances after sales.
6. Although the **Consumer Protection Act 1999** stipulates that services must be completed within a reasonable time, the word 'reasonable' itself is hard to define. The term "reasonable" should be elaborated to have a definitive meaning.

See also recommendations for Auto Lemon Law in vehicle service section.

7. The Consumer Claim Tribunal (CCT) should also revise the amount to provide for more than RM25,000 in the event of disputes concerning automobiles.

A Dash of Auto “Lemon”

Similar to GCPs (general consumer products) the “lemon” law applies to automobile in the US and Singapore as well. The aspects of the lemon law were included in the amendments made to Hire Purchase and Road Transport Act in Singapore in 2012.

The revised laws have provisions for both new, second hand and rental cars. With the repeated and multiple problems faced by consumers in Malaysia with new cars, it is time to revise the relevant laws to include ‘lemon law’ elements.

Considering the impending GST and its implication on cost of living, consumers shall be guaranteed quality goods and services and more so with expensive and essential goods and services. Cars are not cheap in Malaysia and an average Malaysian may be paying between one third to two third of his / her salary on car instalments.

As if adding salt to the wound, public transport at its current situation is hopelessly undependable and mobility is a basic human need. In Malaysia personal vehicle are often the only means of mobility to and from work. See report on public transport.

Chapter 6

Complaints Related to the Travel and Tourism Industry

The tourism sector is further classified according to sub-sectors with the highest number of complaints i.e: Travel and Tours, Airlines, Restaurants, Hotels and Vacation clubs.

Travel and tour related complaints contributed to about 30% of the complaints. Complaints related to restaurants and bars came in second highest having recorded 19.9% out of the total complaints. Airlines especially one particular low cost budget airline has been and still is causing a lot of grievances to consumers. Hotels and vacation clubs also contribute to significant number of complaints in this sector.

Among the main types of complaints received according to the various services are:



Figure 1: Nature of Tourism Activities Related to the Complaints

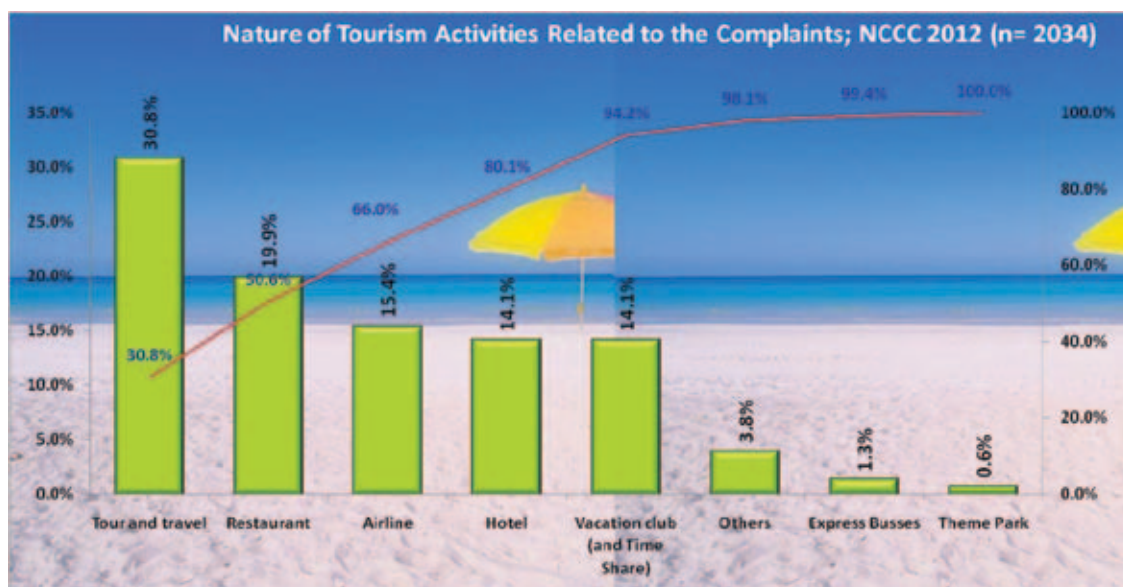
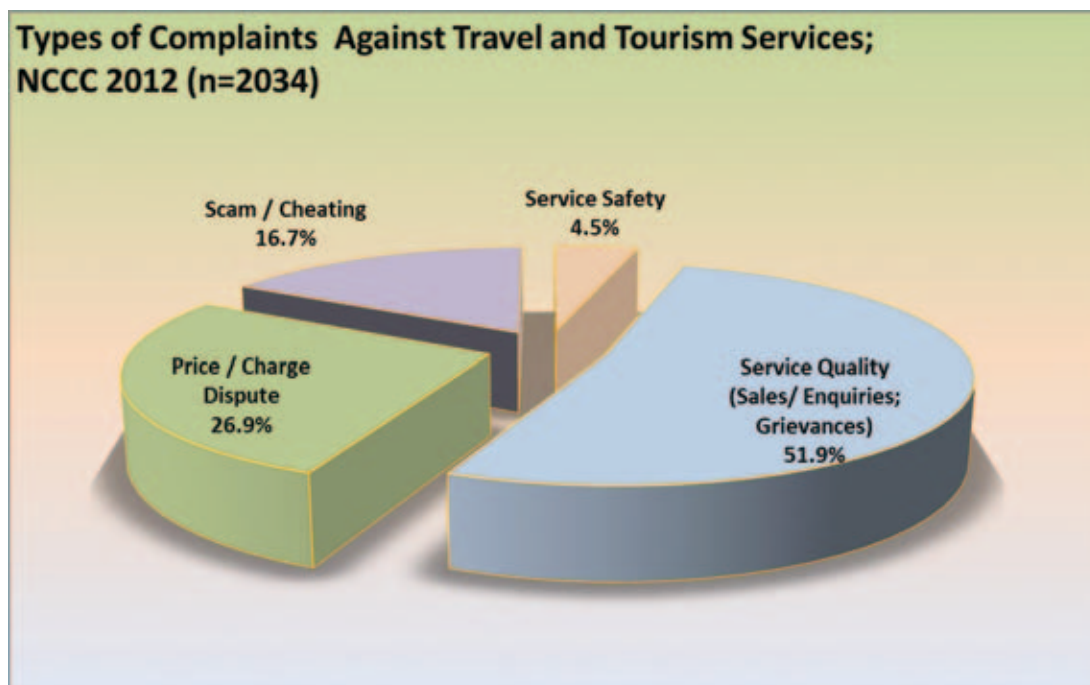


Figure 2: Types of Complaints against Travel and Tourism Services



1. **Restaurants** – poor service , price, unhygienic conditions
2. **Tours** – shady tour operators, scams, poor planning and misrepresentation of packages
3. **Airlines** – delays, refunds, hidden charges
4. **Hotels** – poor quality of accommodation, poor customer service
5. **Vacation Clubs** – shady deals, misrepresentation of packages
6. **Express Busses** – rude drivers, reckless services, etc

The NCCC recorded 51.9% out of the total type of complaints made due to the service quality (sales/enquiries). Following with a slight gap with 26.9% are complaints in relation to price / charge disputes.

Complaints related to scam / cheating came in third highest with the NCCC recording 16.7% out of the total complaints. Safety in the provision of these types of services recorded a total of 4.5% of the complaints.

Complaints Related to Airlines

A large volume of complaints under this category were lodged against one particular low cost airline carrier. The types of complaints lodged were mainly due to the refund policies of the airline. Most complainants are aggrieved due to having to go through a tedious process before which they are allowed a refund or none at all.

Additionally, the NCCC has also recorded complaint on the time taken to honour the refund. Other complaints were related to hidden charges and below par customer service by this said airline.



Consumer Protection Laws Applied to Manage Complaints

1) Laws

A number of laws are applied in handling complaints under this service sector. Such as the **Contract Law, Companies Act, Tourism Industry Act, Trade Description Act** and the laws from **Consumer Protection Act 1999**.

Unethical Practices/ Misrepresentation

The NCCC receives complaints on a string of unethical practises such as hidden charges and the quality of services rendered. These types of complaints arise due to malpractices by tour agencies and misrepresentations to consumers at large. **Part 2 of the Consumer Protection Act** spells out that no person shall make false representation in relation to characteristics of products or services with the intention to misrepresent consumers.

Section 18 (A to C) of the Contracts Act 1950 renders misrepresentation a breach of duty owed while having the intention to induce a party into entering a contract. Agreements arising from such situation are deemed to be void.

Services that are not rendered and not in compliance in a way it was advertised to the general consumers at large will be caught under **Section 13 of the Consumer Protection Act 1999** which stipulates no person shall advertise to supply at specific prices, goods or services they do not have reasonable grounds to believe can be supplied during the period stated and in the quantities advertised.

Facility Condition

No specific laws have been drafted till date to deal with facility condition. **Section 18 of the Contracts Act 1950** may be invoked when service providers fail to render services as per

advertised. Additionally, reference may also be made to **Section 7A (a) & (b) of the Trade Descriptions Act** and the **Malaysian Code Advertising Practices**.

Additionally, there is a duty of care owed to consumers at large by service providers. The vicinity in which services are provided has to adhere to safety standards that are of acceptable standards for the purpose the services are rendered. In the event of an unforeseen mishap due to the condition of the premises in which the services are rendered, then the service providers may be held liable under the occupier's liability principle.

Termination of Contract/ Refund

Section 57 and 58 of the Consumer Protection Act 1999 provides that aggrieved consumers have a right to redress against suppliers or manufacturers. Alternatively, consumers may also seek for a refund in the event they wish to reject a service not in compliance with its implied guarantee.

2) Voluntary Initiatives/ Tools

The qualities of hotels are amongst the concerns raised by complainants. The Department of Standards Malaysia or STANDARDS MALAYSIA has developed standards which may assist it classification of hotels and other type of accommodation. Some of these mentioned standards are:

- **MS 2446:2012** Accommodation Premise-Classification- Criteria and Requirement for Hotels
- **MS 2447: 2012** Accommodation Premise – Classification – Criteria and Requirement for Hotel Apartments

Having said the above, there are however no voluntary initiatives concerning travel and tour agencies/ operators. Management systems standards such as the ISO 9001 may however help improve the quality of service rendered to consumers at large notwithstanding they are only minimum requirements.

Recommendations for Improvement

The Ministry of Domestic Trade, Cooperatives and Consumerism together with the Ministry of Tourism and Culture Malaysia should as a joint initiative draft specific binding laws on the provision of goods and services under the Travel and Tourism industry.

These laws should cover all types of service and goods related to the tourism industry in Malaysia.

Additionally, the Ministry of Tourism should also as part of their efforts in protecting the consumers at large provide certification for companies who have their intention to start up a tour agency. This certification should only be provided to those who have acceptable understanding of the industry once having undergone thorough interview and perhaps even an examination.

Also, both these above mentioned Ministries should work with the National Consumer Complaints Centre (NCCC) to keep abreast with the latest trends in complaints received under this sector.

Airline regulating bodies should also apply international standards when concerning refund policies and acceptable quality of customer service. To ensure airlines do not conduct business in an unfair manner given some airlines are in a position of monopoly, relevant regulating bodies should impose stringent laws and policies with regards to hidden charges. Hidden charges are deemed to be misrepresentation of price

attached to a specific goods or services and are thus a violation of consumer protection law.

The Malaysian Competition Commission as a regulating body set up by the **Malaysian Competition Act 2010**, should ensure that company possessing economic power and who are in a position of monopoly are dealt with strictly. They should go the extra mile to curb anti-competitive behaviour to maximise consumer protection especially in the local airline industry.

Chapter 7

Complaints made in Relation to Health and Wellness Sector

The NCCC recorded having 50% of complaints under this category received in relation to aesthetic care i.e. hair, skin and beauty treatment. This is reflected by the increase of the general public in taking pride of their physical appearance while not forgetting how important the world of advertising has become.

The issue arises when procedures that are carried out does not require adherence to any specific code of conduct set for this purpose. Apart from that, there is no specific body regulating these types of services.

Coming in second are complaints made against gymnasium / yoga centres which amounts to about 26% out of the total complaints under this category. Weight loss centres recorded the



Figure 1: Complaints against Health and Wellness Sector
- According to Nature of Services

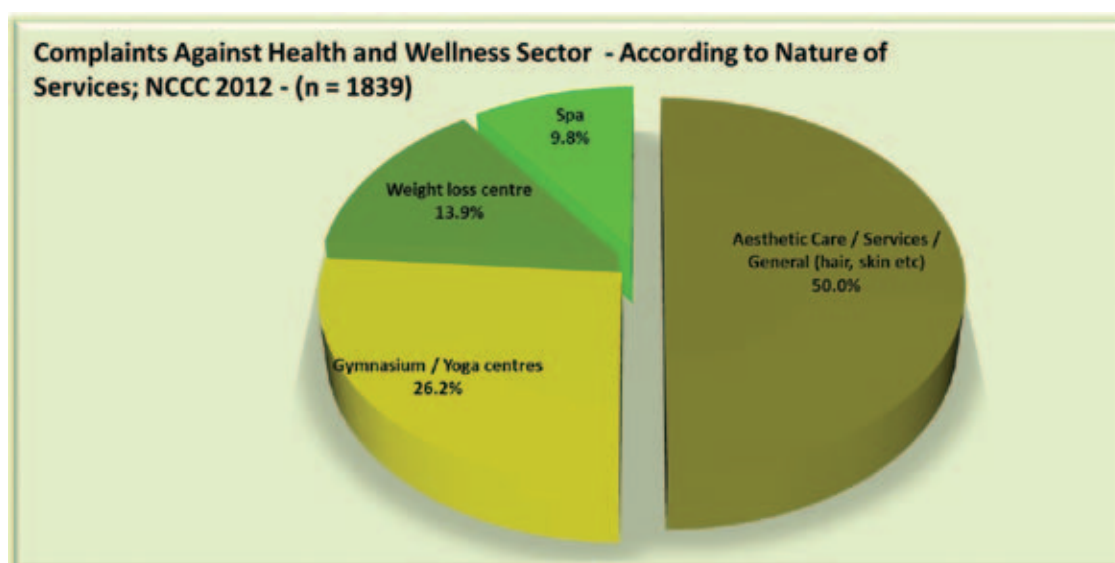
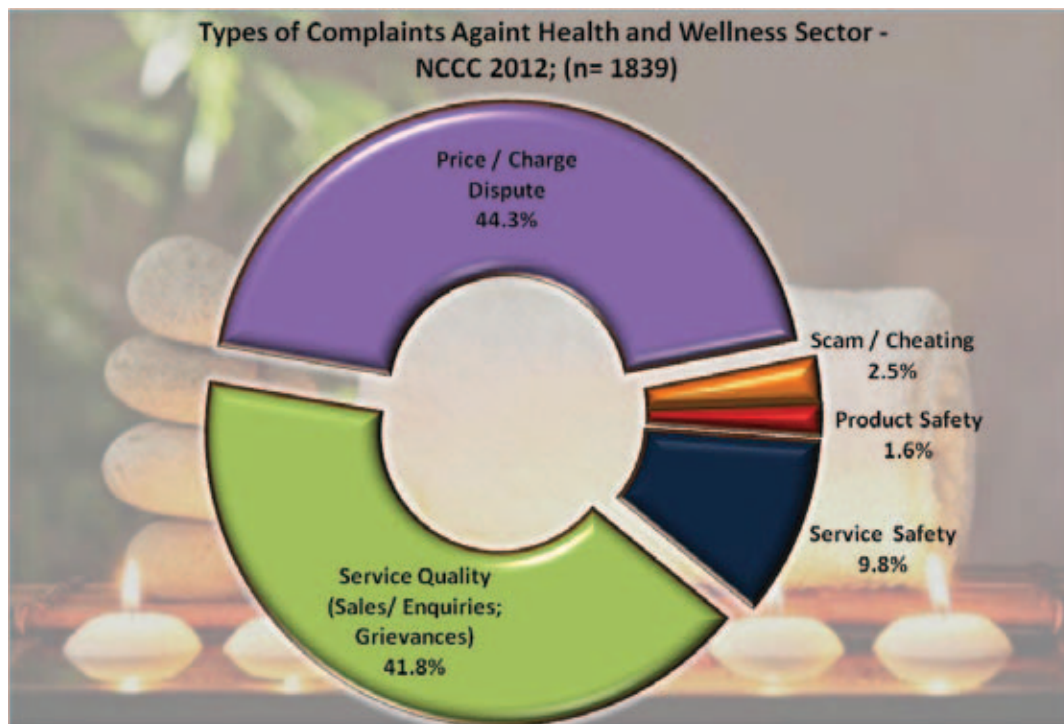


Figure 2: Types of Complaints against Health and Wellness Sector



3rd highest number of complaints with 13.9%. Not far behind, the NCCC received complaints in relation to spa services with 9.8% out of the total complaints received under this category.

The top 2 types of complaints under the health and wellness sector were lodged due to price disputes and service quality (sales/enquiries) with 44.3% and 41.8% respectively. With 9.8% and coming in third are complaints related to the safety of services rendered by companies providing this type of service. Other types of complaints recorded by the NCCC were due to scam and product safety.

Issues and Problems Arising from Complaints Made in Relation the Health and Wellness Sector

About 50% of complaints made under this sector were in relation to the issues arising from termination of contracts. Consumers that

attempted to terminate contract and obtain a refund from service providers were usually refused refunds and continued to be charged – especially through auto debits or credit cards. When confronted, consumers usually face an uphill battle in getting refunds.

More often than not, consumers choose to terminate the services rendered to them due to price disputes and the quality of services provided to them.

The reason for termination among others is due to ineffective treatment and the worsening of facial or health conditions after treatment (both of which constitute 14.2% of the types of complaints).

Other complaints were made in connection to sudden increase in prices with no prior notification or justification, unauthorised transactions and security issues.

Figure 3: Issues and Problems Arising from Health and Wellness Sector

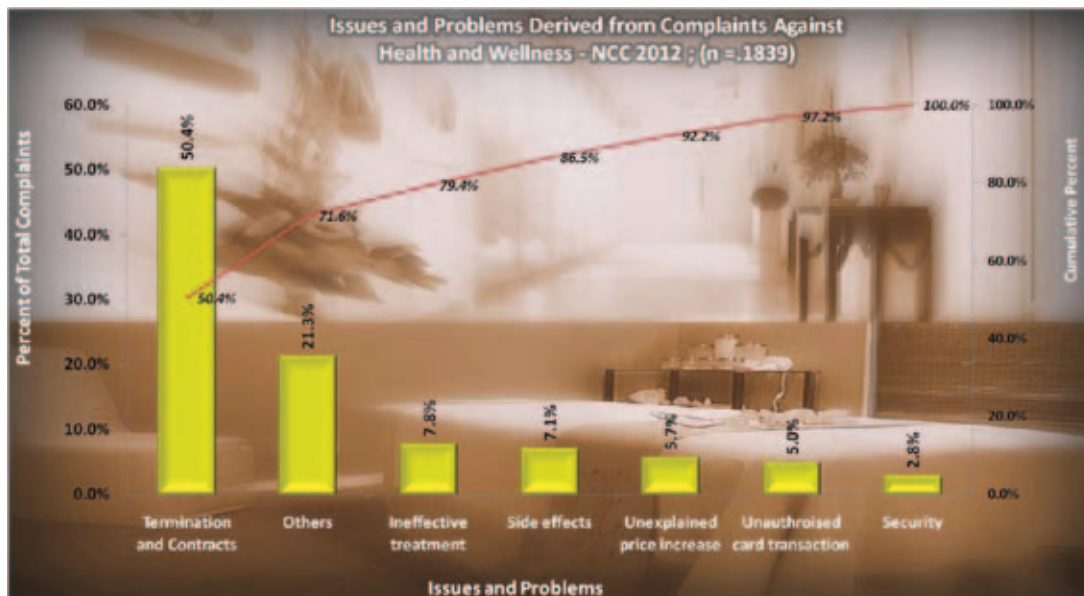
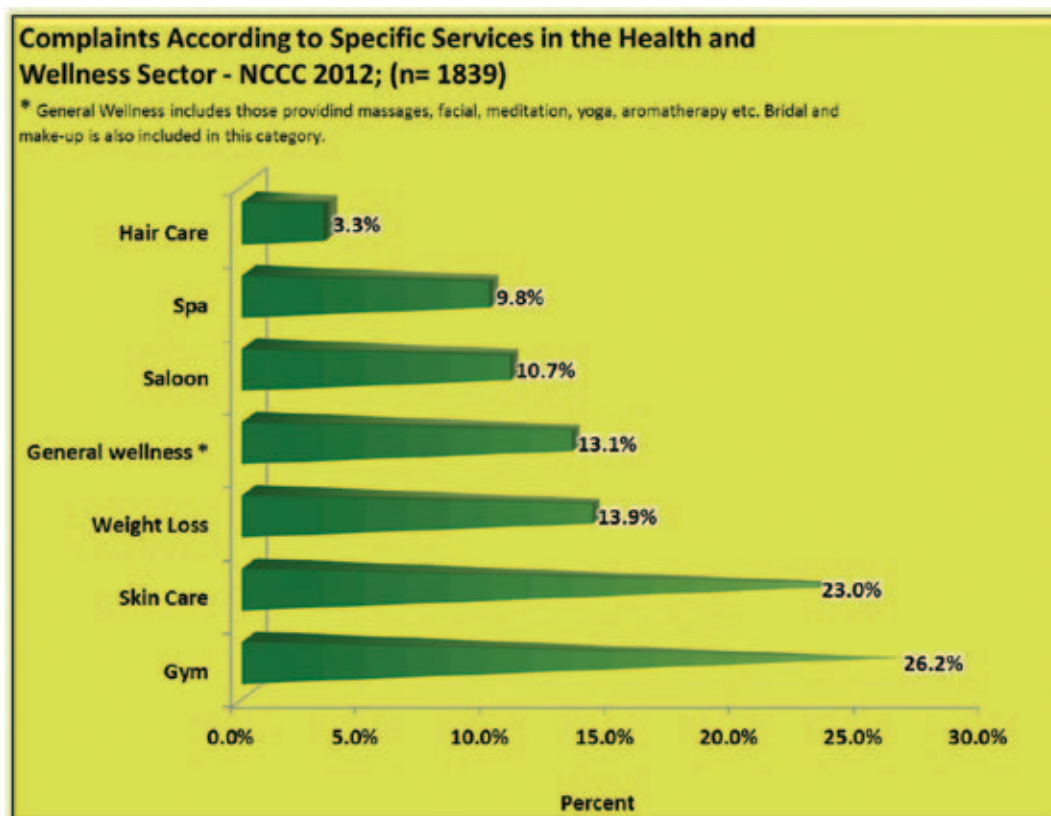


Figure 4: Complaints According to Specific Services in the Health and Wellness Sector



Complaints against gymnasium (26.2%) were the highest received by the NCCC in the Health and Wellness sector; followed by skin care (23%), weight loss (13.9%), general wellness (13.1%), saloon (10.7%) and spa (9.8%).

Several service providers often try to entice consumers into paying for their service without intending to provide the service with acceptable quality.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

There are no general laws binding on goods and services provided under this category. Neither there exist a body that regulates companies providing the above mentioned services or goods. Below are the laws related to this sector:

- a) **Safety of services provided by in wellness and health centres – Section 19 of the Consumer Protection Act 1999** states that every service provided for in the market should be subjected to some safety standards as per set by the Ministry.
- b) **Safety of products used in wellness and health centres – Section 19 of the Consumer Protection Act 1999** provides that all goods provided for in the market are subject to minimum standards of safety requirements.
- c) **Contractual Disputes – Section 17(5) Consumer Protection Act 1999** states that a person is entitled by law to cancel a contract either via documentation or verbally so long it is communication to the other party. Should wellness centres demand for full payment upon cancellation of a contract (for those who have paid in full), the consumer is entitled to claim

for the remaining balance. This has to be **carried out within 14 days** of the contract cancellation.

- d) **Misleading information / advertisement- Section 13 of the Consumer Protection Act 1999** stipulates that no one person may advertise for the purposes of supplying a product or service with a stipulated price without the intention of providing the services.

Similarly, the **Trade Description Act 1972** states that sellers or traders of goods and services shall not take unfair advantage of consumers as it is an offence under this Act to do so.

- e) **Misrepresentation –** The rights of consumers against misrepresentation or false statement made in inducing one person into entering a contract is enriched via **Section 18 of the Contracts Act 1950** and alternatively stipulated in **Section 10 of the Consumer Protection Act 1999**.
- f) **Future Services – Section 17 of Consumers Protection Act** states that a consumer who cancels a future services contract may be charged in 3 methods — (i) 5% from the full contract price; (ii) the cost of any goods the consumer used or is keeping; or (iii) the portion of the full contract of price representing services received by the consumer.

2) Voluntary Initiatives/Tools

Sinosantara Sdn Bhd has established the IPEC Certification Bureau to provide personnel certification services both nationally and internationally for various professional services in the field of beauty and health.

Locally, they have initiated certification services of Beau Therapist and Aesthetician Certification Scheme. Efforts like this may assist in providing

consumers who are in search of best practise standards when seeking for goods or services related to the health and wellness industry.

On another note, the ISO technical committee ISO/TC 228, Tourism and related services, working group WG 2, Health tourism services, is developing an International Standard which aims to define, establish, ensure the quality in, and to improve wellness spa services. This will enable these services to be monitored and provide guidelines for selecting relevant and effective measurement methods.

ISO/TC 228/WG 2 will ensure the new International Standard respects the principle of cultural identity and cultural differences.

The standard will be a much-needed and highly useful reference document for the wellness spa industry. More importantly, it will also help clients to differentiate when choosing wellness spa services worldwide.

Recommendations for Improvement

As there is an increase of products and services related to the health and wellness industry, The Ministry of Domestic Trade, Cooperatives and Consumer Affairs together with the Ministry of Health should ensure strict regulation and compliance.

These regulating bodies should work with each other in keeping abreast with the latest issues. This will ensure new laws are drafted from a time to time basis to further protect the consumers.

Additionally, these said regulating bodies should also on a time to time basis conduct quality and safety checks to ensure providers are in compliance with the minimum standards set for best business practises.

The Ministry of Health should make it mandatory to certify personnel's conducting services in the health and wellness industry. This would ensure only professionals are allowed to provide such services.

There is a need for new laws to be drafted to specifically deal with wellness centre and regulate the professionals working in these centres. Additionally, the **Medical Act** should witness amendments that will deal with medical negligence and aesthetic procedures carried out at large.

Those found guilty of violating any laws with regards to wellness should have their licence revoked thereby not allowing them to operate any further.

Chapter 8

Consumer Complaints Related to Real Estate / Housing Sector

Out of the total complaints received under this complaints category, 29% were lodged in relation to the purchase of a property/house. Delays in project completion including those that are abandoned and key handovers seem to pose problems as per the complaints received. Complaints also include those related to quality of new property and deposit and refunds.

Coming in second, the NCCC recorded having received 23.7% of complaints in relation to tenancy, lease and rental issues. Another 22.9% of total complaints in this sector is regarding construction / renovation works. Delays in completion and poor workmanship were identified to pose a major concern amongst the complainants.



Figure 1: Complaint According to Real-Estate Sector Activities

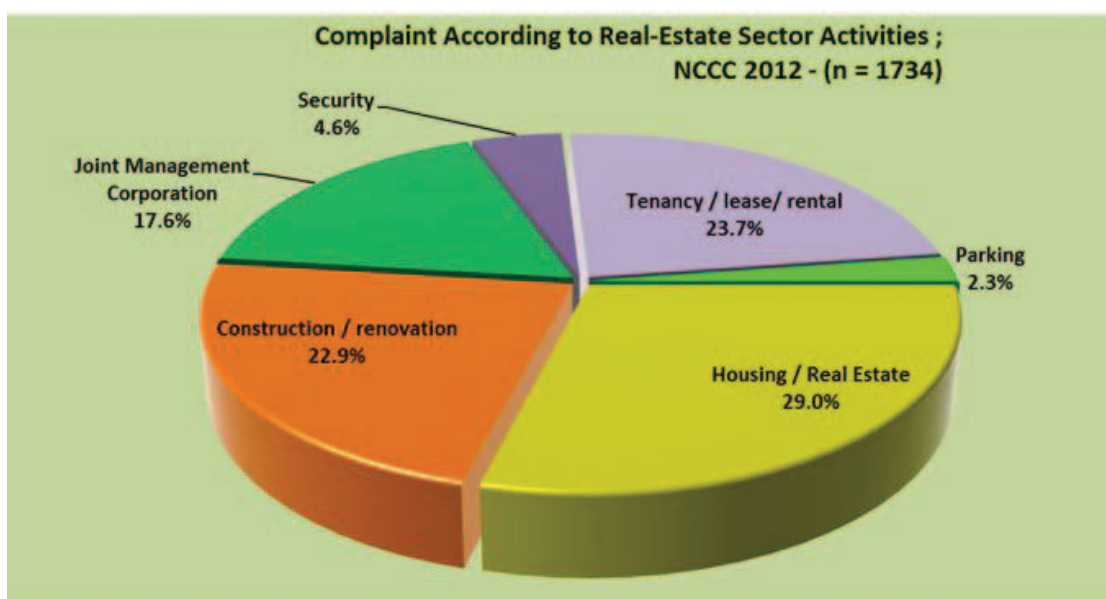
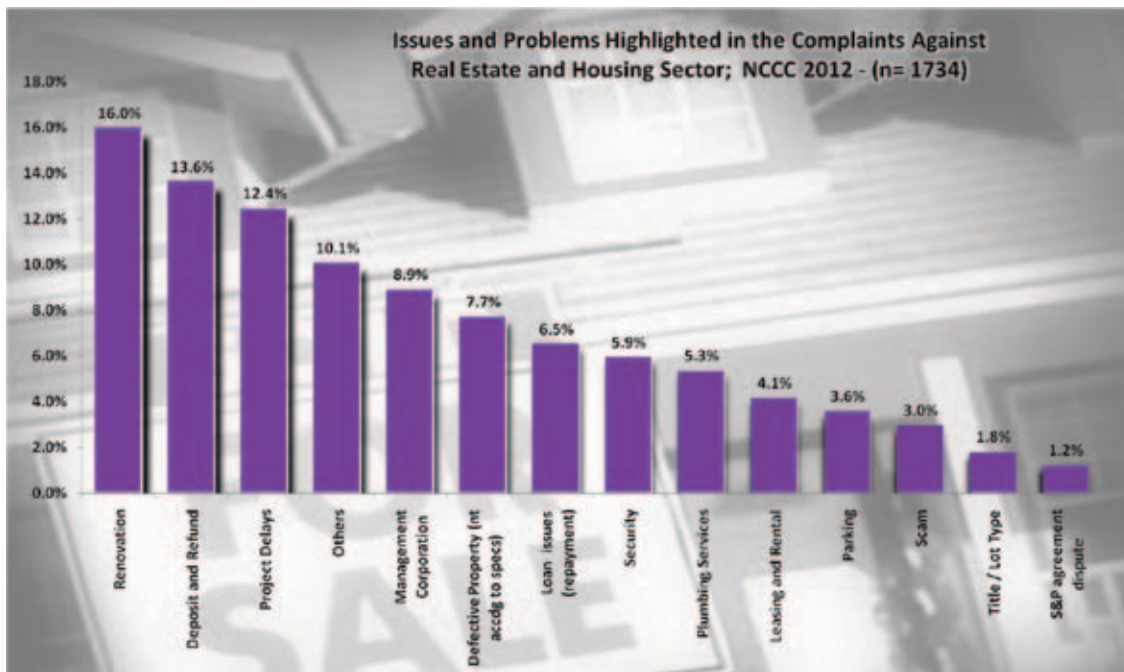


Figure 2: Issues and Problems Highlighted in the Complaints against Real Estate and Housing Sector



Complaints with regards to Join Management Body/Corporation contributed 17.6% of the total complaints received by the NCCC in this sector. Problems and issues raised here were in connection to the poor management and maintenance of properties. Additionally there were also complaints made about utility billing – discrepancies by the Join Management Body / Corporation.

Further analysis of the complaints showed that complaints were mostly due to poor quality of renovation work, types of material used, delay in works, overcharging and etc. Naturally this is mainly lodged against those in the renovation business.

Disputes arising due to deposits and refunds followed second with 13.6% while project delays followed closely with 12.4%. There are also a significant number of complaints due to defective property handed over to complainants. Considering the skyrocketing price of real estate

– especially houses, the general public expect their monies worth when it comes to quality of houses bought – especially new ones.

Consumer Protection Laws Applied in Managing Complaints

1) Laws

Section 24(2)(d) and (f) of the Housing And Development (Control And Licensing) Act 1966 (HAD) stipulates that only the Minister may regulate all types of payments under whatever name these may be described for the purchaser to make.

Additionally, the Minister prescribes or names the fee to be collected from the purchaser as stated in **Schedule G, H, I and J** of the same Act. As such, the law clearly states that the deposit is to be deemed as first payment by the purchaser.

However, deposits by purchasers are to be recognized as valid and binding by the Sales and Purchase Agreement. Should a purchaser fail to obtain a loan within a time stipulated in the Sales and Purchase Agreement, then he/she will be liable to a 1% penalty of the total purchase price of the property payable to the vendor. The balance of the deposit however, must be refunded to the purchaser. Although such is the case, some vendors refuse to abide by the law when they do not refund the purchaser with the balance of deposit.

Generally, vacant possession of a property is within the time period stipulated in the agreement between the developer and purchaser. However, under **Regulations 22(1) Schedule G and Regulations 25(1) Schedule H of the HAD**, it is a must for the developer to make available vacant possession to the purchaser within a time period of 24 months when it comes to landed property. Failure of such would require the developer to compensate the purchaser in terms of liquidated damages.

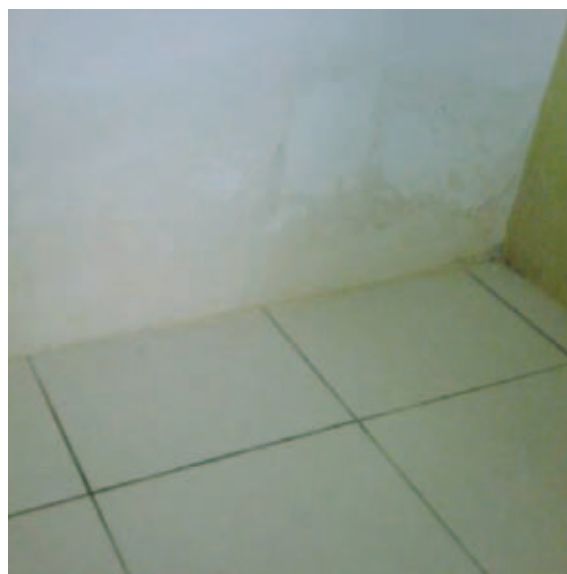
Laws Regarding the Quality of Construction

All purchasers are entitled to the purchase of property which is of acceptable quality and this can be derived from the Sales and Purchase Agreement (SPA) (Schedule G and H of the HD Regulations 1989)

Should a purchaser feel that the quality of the property he / she had purchased is not in compliance to the quality stipulated in the SPA then, he / she may make a claim for damages.

The two types of remedies available to buyers in such instances are:

- a. *Remedies arising from the breach of a contract*
- b. *Statutory Remedies afforded to the purchaser from the warranty made available to the purchaser*



Under the Statutory Remedies made available to purchasers, they possess the right to make claims within 24 months of being handed over the vacant possession.

Joint Management Body

Joint management body is regulated by **Building and Common Property (Maintenance and Management) Act 2007**.

S 8 of the Building and Common Property (Maintenance and Management) Act 2007 states the powers and duties of joint management body as follows:

(1) The duties of the Body include the following:

- (a) To properly maintain the common property and keep it in a state of good and serviceable repair;
- (b) To determine and impose charges that are necessary for the repair and proper maintenance of the common property;
- (c) To insure and keep insured the building to the replacement value of the building against fire and such other risks as may be determined by the Body;

- (d) To apply insurance moneys received by the Body in respect of damage to the building for the rebuilding and reinstatement of that building;
- (e) To comply with any notices or orders given or made by the local authority or any competent public authority requiring the abatement of any nuisance on the common property, or ordering repairs or other work to be done in respect of the common property or other improvements to the property;
- (f) To prepare and maintain a register of all purchasers of the building;
- (g) To ensure that the Building Maintenance Fund is audited and to provide audited financial statements for the information to the purchasers;
- (h) To enforce house rules for the proper maintenance and management of the building; and
To do such other things as may be expedient or necessary for the proper maintenance and management of the building

(2) The powers of the Body shall include the following:

- (a) To collect from purchasers maintenance and management charges in proportion to the allocated share units of their respective parcels;
- (b) To authorize expenditure for the carrying out of the maintenance and management of the common property;
- (c) To recover from any purchaser any sum expended by the Body in respect of that parcel in complying with any such notices or orders as are referred to under paragraph (1)(e);
- (d) To purchase, hire or otherwise acquire movable or immovable property for use by the purchasers in connection

with their enjoyment of the common property;

- (e) To arrange and secure the services of any person or agent to undertake the maintenance and management of the common property of the building;
- (f) To make house rules for the proper maintenance and management of the building; and
- (g) To do all things reasonably necessary for the performance of its duties under this Act.

Recommendations for Improvement

The level of protection afforded to property purchasers at large in Malaysia is comparatively very low. Being lay people, most purchasers are quick to jump the gun when signing an SPA, negligently not reading the terms and conditions stipulated in the SPA.

It is thus recommended that prior to the purchase of a property; all purchasers hire a lawyer or someone with the ability to examine the SPA in ensuring the purchasers right is at all times guarded and to understand in depth what the purchaser is signing up for.

Most standard SPA's do not afford purchasers the necessary protection in the event a dispute arises due to deposits, the usage of sub-standard quality goods for construction and many other issues that may be unforeseen.

As such, purchasers should get the advice of a lawyer prior to signing the SPA to afford them the necessary protection in the event a dispute arises.

Additionally, the Ministry of Housing and Local Government (MHLG) and Construction Industry Development Board (CIBD) should

regulate strictly to improve protection afforded to purchasers.

With the skyrocketing prices of properties, these bodies must include as part of their initiative to ensure quality construction. This is important as most developers in the present day are seen to utilize substandard materials despite charging a high price for properties.

The Ministry of Housing and Local Government should be strict to ensure all methods developers adopt in receiving payments, fees and monies should not be biased towards them and additionally must result in a fair and just outcome for purchasers.

Before the certification of occupancy is approved, the relevant bodies and authorities should perform quality check on the property to ensure that the materials used are of acceptable standards and safe for dwellers.

The government should work closely with consumer organisations namely with those championing house buyers rights such as the HBA (House Buyers' Association) and NCCC in ensuring all complaints are dealt with effectively, promptly and without bias.

The role of Housing Claim Tribunal for redress purposes should also be made known to the general public. Homebuyers having problems can seek the help of the Tribunal provided they meet certain conditions and their problems are within the jurisdiction of the Tribunal.

Chapter 9

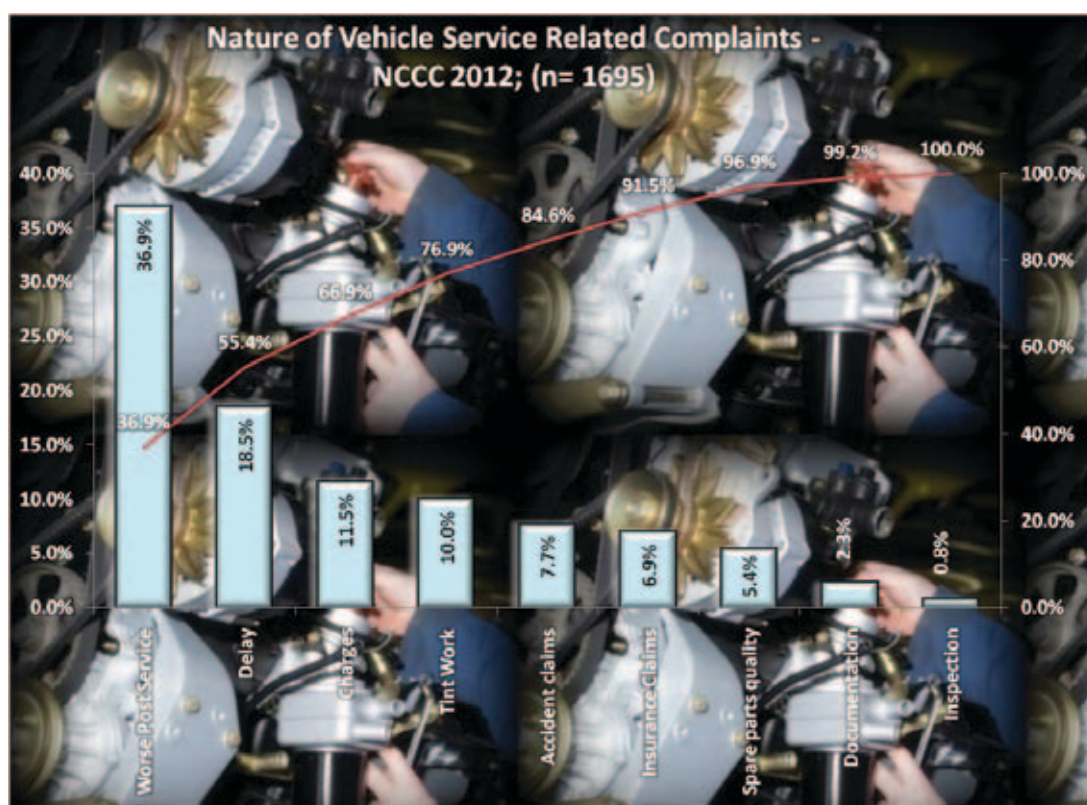
Consumer Complaints Related to vehicle Services (Workshops)

The NCCC received 1,695 complaints for the year 2012 with regards to vehicle service (or workshops). About 90% of the complaints focused mainly on service quality provided by service centres. Complaints on vehicle services alone amounted to a potential loss of RM5,016,774 to consumers in year 2012.

Approximately 37% of the complaints received by the NCCC were in relation to complaints whereby cars sent to service centre becomes worse than before it was sent for service.



Figure 1: Nature of Vehicle Service Related Complaints



Delay in completing service constitutes the 2nd highest complaints. More than 11% of the complaints here in relation to dispute over charges. Often complainants claim that workshops have done more work on the car than necessary or changed parts which were not defective.

Dissatisfaction over tint work constitutes a significant percentage of total complaints received against workshops – i.e 11.5%. Quality of tint and warranty period is often the source of the grouses or dissatisfaction among consumers.

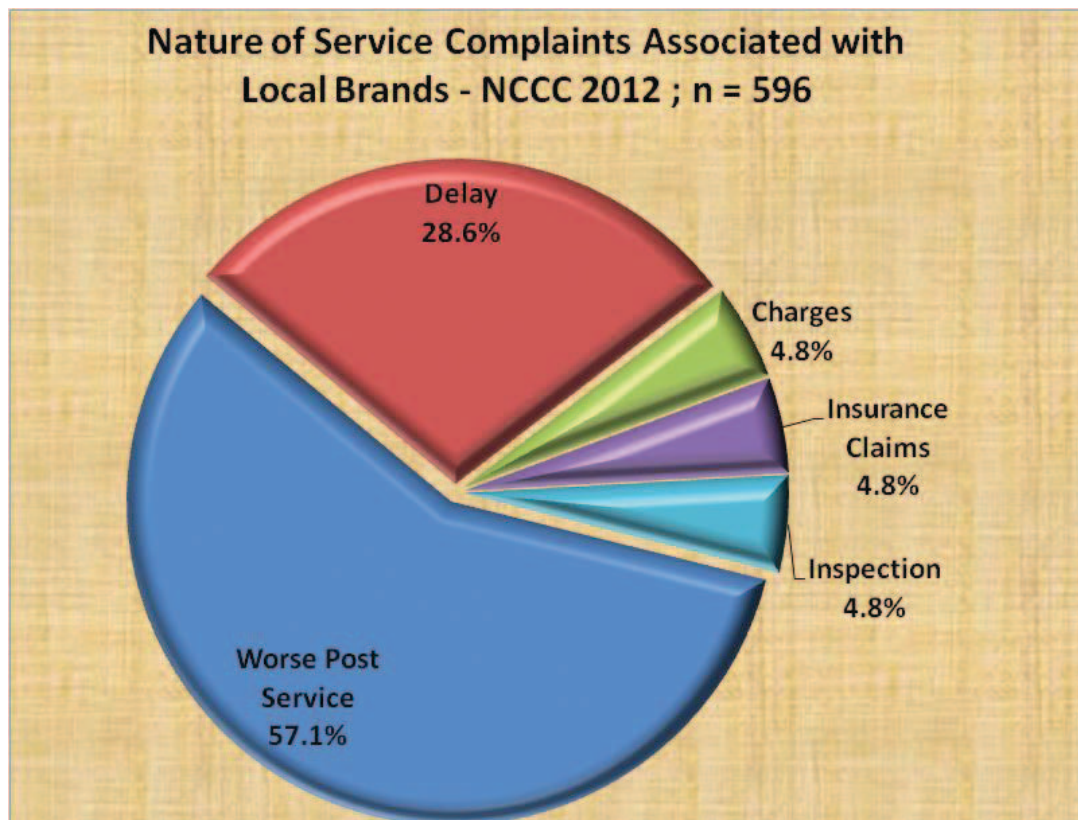
More than 14% of the complaints are made due to delay in work completion and paperwork. The consumers were unable to claim for insurance due to the incomplete documents.

Some service centres or workshops were alleged to not provide original spare parts (fake, or second hand) but charged consumers the price of original spare parts. This among others could lead to safety issues involving either drivers or other road users.

Local Car Brands – Service Centres / Workshops

About 35% of the service centre complaints are against those associated with local brands. The rest of the complaints can be divided into a very small percentage for the non-local car and mostly general workshops. Among the leading types of complaints against workshops associated with local car brands is the condition of cars becoming worse than before they were sent to these workshops.

Figure 2: Nature of Service Complaints Associated with Local Brands



Second is with regards to delay in service followed by charges, insurance claims and inspection whereby each carries 4.8%.

Consumer Protection Laws Applied in Managing Complaints

1) Laws

The **Consumer Protection Act 1999** provides some remedies which can help to address most of the complaints related to vehicle services. Furthermore the Act is also supported by some of the Regulations or Guidelines laid down by the Ministry.

- **Section 37** of the Consumer Protection Act provides that both supplier and the manufacturer have the duty to ensure that spare parts are available for repair service.
- **Section 53** of the Consumer Protection Act 1999 provides that there shall be implied guarantee that services supplied to consumer shall be supplied with reasonable care and skill.
- **Section 55** provides that there shall be implied guarantee that the service will be completed within reasonable time if the time is not specifically determined by the contract or the parties.
- **Section 56** provides there shall be implied guarantee that the consumer shall not be liable to pay more than the reasonable price to the supplier. The reasonable price will be determined according to the fact of each case.

The Ministry has drafted **Trade Descriptions (Marking of Replacement Part of Brake Lining) Order 2013** which will be enforced on 1st September 2014. This Order is mainly concerning the marking of brake lining.

The Need for Lemon Law in Malaysia

Lemon laws were passed in some American states to provide remedy for purchasers of cars and other consumer goods by compensating for products that repeatedly fail to meet standards of quality and performance. Similar law was passed in Singapore on March 9, 2012 driven by demands made by consumers through Consumer Association of Singapore or CASE. This applies not only to cars and workshops but all types of consumer products. See media report below:

Lemon laws refer to laws protecting consumers against defective goods that fail to conform to contract, or meet satisfactory quality or performance standards at the time of purchase, colloquially known as "lemons". It comprises amendments to the Consumer Protection (Fair Trading) Act (CPFTA), the Hire Purchase Act (HPA) and Road Traffic Act and covers all general consumer products purchased in Singapore (e.g. stationery, apparel, electronics, bedding, and big-ticket items such as motorcycles and cars). The amendments will make the transactional process between buyer and seller more open and transparent, with clearer rules on the burden of proof, and more certainty about the recourses available.

With this in place, there will now be additional remedies beyond just rejecting the goods and getting a refund.....

To assist motor traders to defray costs and encourage them to offer replacements for lemon vehicles, the Ministry of Transport and the Land Transport Authority have also proposed amendments to the Road Traffic Act.

The amendment would allow the transfer of the Additional Registration Fee (ARF) and Certificate of Entitlement (COE) from a defective vehicle to a replacement vehicle, provided the defective vehicle meets a set of criteria. (source AsiaOne. <http://www.asiaone.com/Business/News/SME%2BCentral/Story/A1Story20120309-332599.html>)

In some of the states in the US, the law allows the manufacturer three repair attempts for the same problem. If the repairs are unsuccessful, you may demand a refund or replacement vehicle. Also, if a car is at the dealership for any repairs for a cumulative total of thirty days during the first 12 months or 12,000 miles, consumers may demand a refund or replacement. The manufacturer is allowed to receive a reasonable offset for consumers's use of the vehicle that he/she is having problems with. That refund offset can total no more than 10% of the purchase price of the vehicle or \$.10 for each mile driven before the first reported repair. If the manufacturer cannot replace a particular model or year, consumers must be given a comparable vehicle of equal value.

in service centres possess the required skilled.

3. All spare part must be made available at all times to avoid delay in completion or the spare part should be made available within reasonable time.
4. Courtesy car should be provided to the consumers while waiting for their car to be repaired or checked if the process of doing so will consume a long period.
5. Consumers should be informed about the charges and the condition of spare part either original or reconditioned before the service centre proceed with repairing the vehicle.
6. Penalty should be imposed on the service centre if they fail to complete repairs on the car within the agreed period without reasonable justification.
7. Credibility of service centre should be reviewed time to time basis by the Regulator in order to ascertain whether the licence can be maintained or otherwise.
8. More effective measure in insurance claims has to be adopted by insurance companies to expedite repair process.

Recommendations for Improvement

1. Study the implementation of Lemon Laws in Malaysia to protect consumers – especially those buying cars and seeking services from workshops.
2. Service centres should provide skilled technician to repair and service car that is sent to them. This is also to reduce the complaints on worse post service. This may only be done if all technicians and mechanic

Chapter 10

Complaints Related to Consumer Retail Services

The NCCC received 28.9% of complaints under this category for specialized consumer services (laundry, computer repairs, photos, opticians etc.). Following closely with 24.6% are complaints lodged against improvement retailers i.e. Courts Mammoth, Harvey Norman etc.

At least 22% of the complaints are related to broadline retailers i.e. Giant, Tesco, AEON and etc. Another 18.4% are complaints made in regards to specialty retailers – watch shops, musical instruments, signature stores etc. Other retail services such as animal / pet care / sales

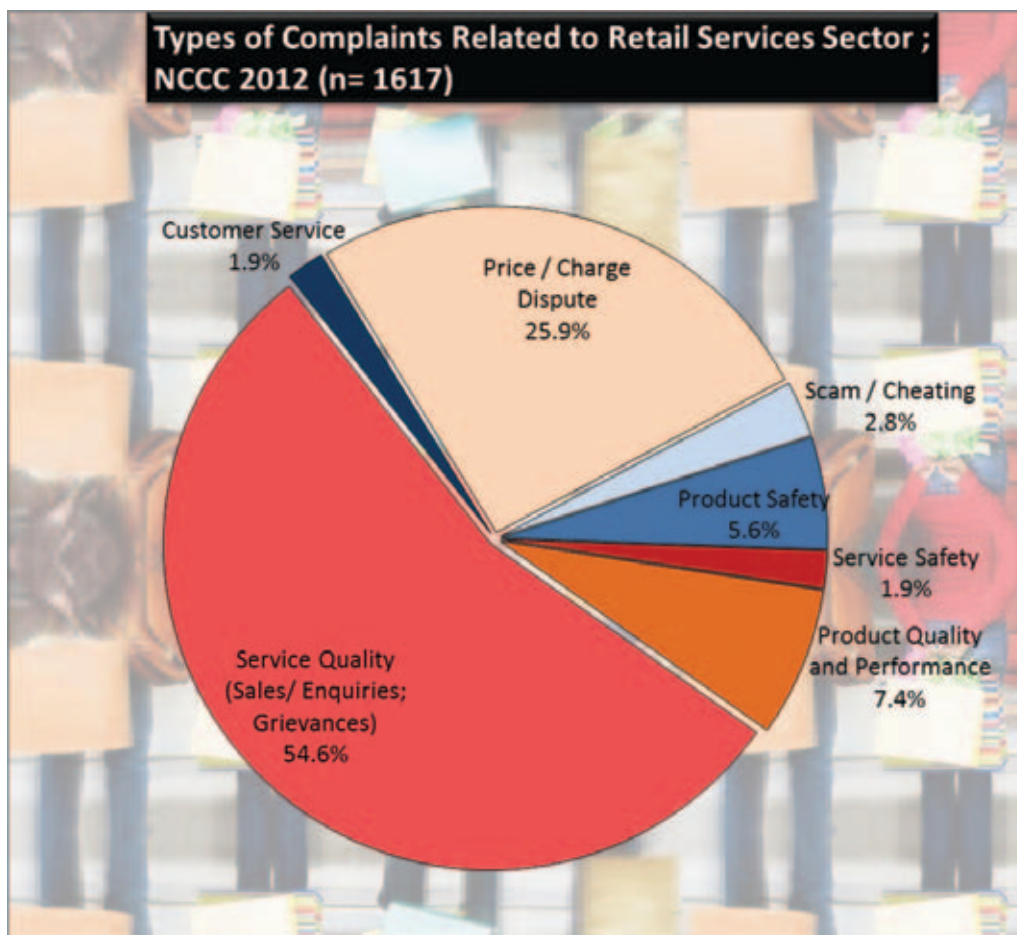
/ grooming and convenient stores raked in less than 4% each of the total complaints under this sector.



Figure 1: Complaints Related to Retail Services Sector
(According to type of retail service)



Figure 2: Types of Complaints Related to Retail Services Sector



54.6% out of the total type of complaints were lodged due to the dissatisfaction of the quality of services rendered. Following second with 25.9%, are complaints arising due to price / charge disputes. All other complaints with below 10% each in it's category are complaints made in connection to performance / product quality, product safety, scams, customer service, and the safety in the service rendered.

Several major hypermarkets and a particular small / medium retail chain often pose problems with price display and actual price paid by consumer at the check-out counter.

A high volume of complaints related to consumer services received by the NCCC were lodged in relation to credit / instalment services for home

improvement products purchased – including furniture and appliances. One company was identified to have been practising oppressive recovery methods, as its brand name occurred repetitively on the NCCC's complaints records.

Additionally, a high number of complaints were made in relation to refund policies. Complainants very often seem to be dissatisfied when they are not allowed a refund when they wish to cancel a purchase or return a defective product.

Other complaints were related to loyalty programmes offered. Complainants are at times required to top up money for redemption of a certain type of service, which was not mentioned to them beforehand.

Consumer Protection Laws Applied to Manage Complaints Received

Consumers at large are very often dependent on the type of services rendered to them when purchasing a product. Hence, the service rendered prior and after purchasing a product is seen to play a vital role in improving consumer protection not to mention loyalty.

1) Laws

Section 53 of the Consumer Protection Act provides where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill.

Section 54 of the same Act stipulates that:

- (1) Where services are supplied to a consumer, there shall be implied a guarantee that the services, and any product resulting from the services, will be -
 - (a) Reasonably fit for any particular purpose; and
 - (b) of such nature and quality that it can reasonably be expected to achieve any particular result, that the consumer makes known to the supplier, before or at the time of the making of the contract for the supply of the services, as the particular purpose for which the services are required or the result that the consumer desires to achieve.
- (2) The implied guarantees referred to in subsection (1) shall not apply where the circumstances show that -
 - (a) The consumer does not rely on the supplier's skill or judgment; or
 - (b) It is unreasonable for the consumer to rely on the supplier's skill or judgment.

The NCCC witnessed large number of complaints with regards to price disputes. Kindly take note of the **Consumer Protection Act 1999** via **Section**

13 wherein it is stated that is in an offence to mislead a person in terms of price of a product or service.

Recommendations for Improvement

The Ministry of Domestic Trade, Co-operatives and Consumerism should set up a unit to closely monitor advertisements to ensure misleading advertisements are not displayed to the general public at large.

The establishment of a Price Commission is long overdue and the NCCC and its members urge the Ministry to look into this seriously.

Additionally, the Malaysian Communication and Multimedia Commission (MCMC) should increase their efforts to take stern action against those putting up misleading advertisements online that have their intention to allure the general public into purchasing their services without the intention to supply them as per advertised.

As the NCCC recorded quite a number of complaints in relation to credit/Instalment services, the NCCC is of the view that regulating and enforcing bodies should monitor strictly the way in which retail outlets conduct their instalment plan. The vast majority of complainants under this category are from the lower income group of the society thus, the regulating and enforcing bodies should curb unfair practices that will allow retail outlets to make continuous profits out of consumers financial constraints.

Chapter 11

Consumer Complaints Related to Broadcasting & Entertainment

Under this category, the NCCC received 1213 complaints which amounted to an estimated potential loss of RM245,650. Complaints lodged against satellite television recorded 73.1% of the total complaints in 2012 followed by other broadcasting and entertainment service providers. Those under the 'others' category comprise of magazines, gadgets and gaming etc.

Faulty installations such as decoder and cables contributed to the third most significant number of complaints against satellite television or pay television services. A vast majority of complaints highlight that the new high definition decoders



Figure 1: Complaints According to Types of Broadcasting and Entertainment

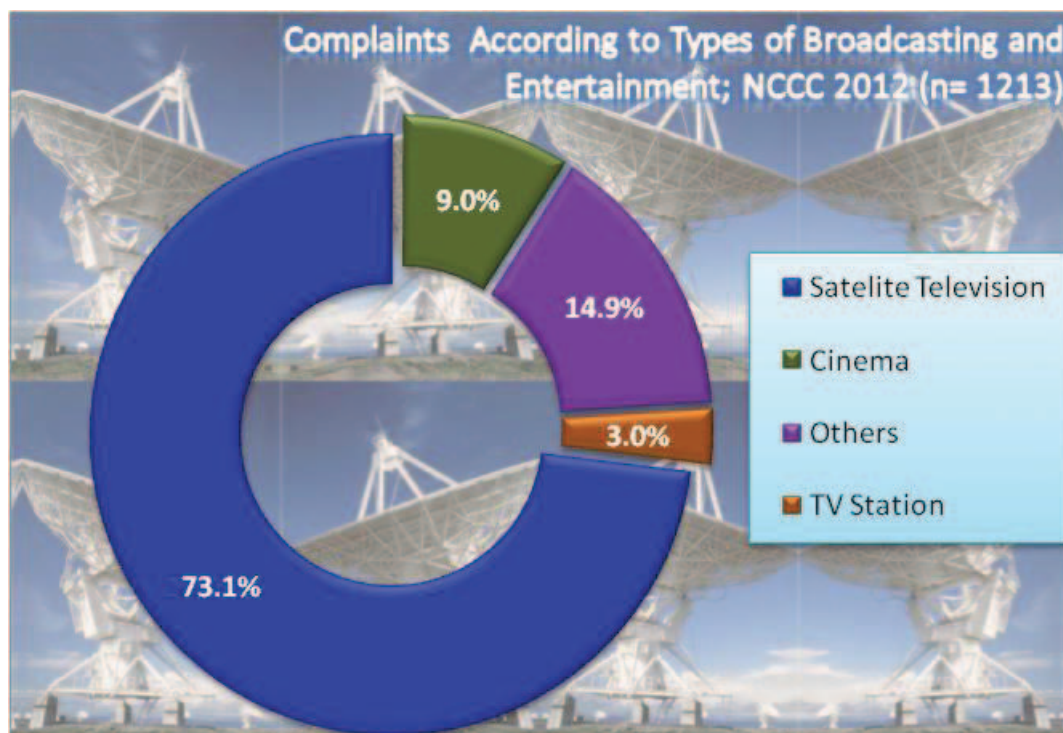
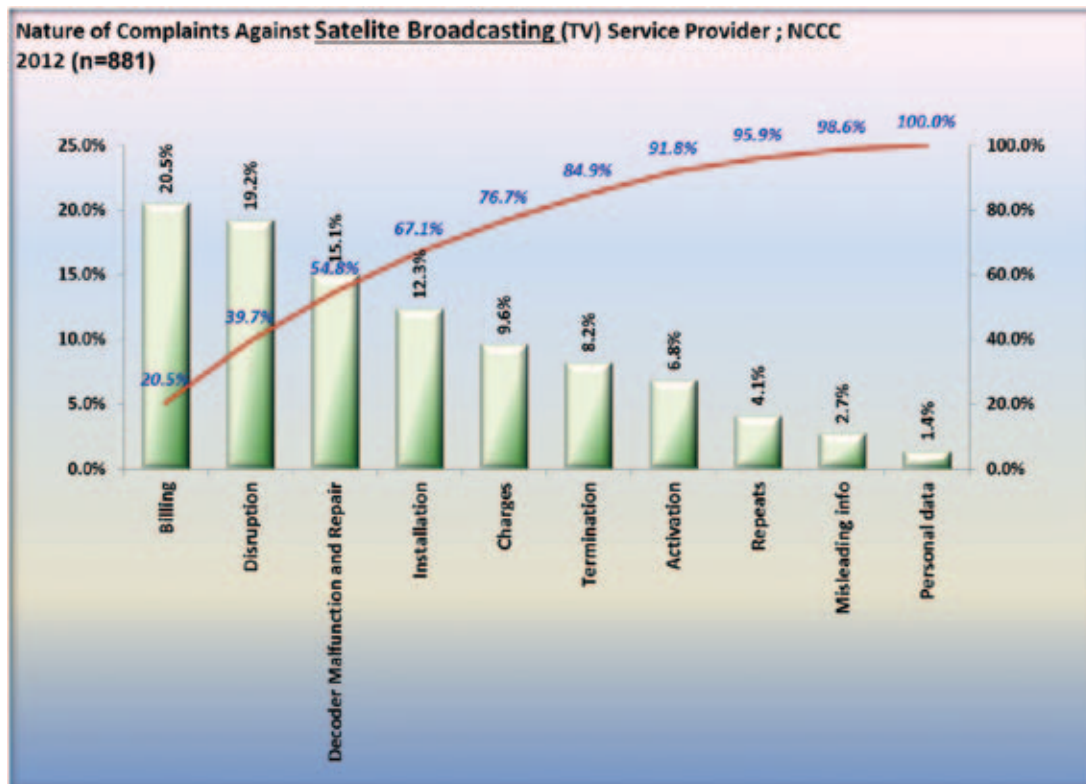


Figure 2: Nature of Complaints against Satellite Broadcasting (TV) Service Provider



and installations often malfunction a few months after installation. When requests are made for the decoders to be repaired, the service provider do not provide prompt support.

Both cinemas and television station received lesser complaints with regards to their services.

Services rendered by satellite television are the biggest concern in the broadcasting and entertainment sector. The major source of complaints are regarding charges. One of the major service providers in Malaysia has upgraded the type of decoder to cater for high definition viewing. In light of this, when customers' old decoders malfunction, they are unable to get the same model and are 'forced' to install the new model of decoders. The service provider claim that there are several free channels with the installation of the new model decoder but there will be an additional RM 20.00 monthly

charges thereon. This situation constitutes to an anti-competitive environment, whereby the consumers are left with no choice but to adhere to the new charges imposed by the service provider given that the service provider is the only entity providing a vast majority of sought after channels.

Due to the deteriorating quality of programme and services, many customers decide to terminate their satellite television or pay television services. This leads to another problem which has become a significant source of complaints – problems with the termination of service.

Customers often face tremendous difficulty in terminating services having to go through lengthy procedures and after having done so, they are still charged for the service in subsequent months.

New complaints related to satellite or pay TV are associated with the service providers sharing personal data to other contractors. This leads to complainants lamenting about being 'harassed' to modify their subscription packages.

The effects of 'rain fade' is still seen to pose problems. Many complainants relate the problem of disruptions with the installation of new decoders.

When decoders are suspected to have malfunctioned, complainants are aggrieved at the lack in promptness in repairing faulty installations. There are also a high number of complaints with regards to the delay in installing services. In some instances, there are also delays in activation.

1) Laws

1. The Communication and Multimedia Act 1998 includes Part VIII to specifically address issues on consumer protection.

- **Section 188** provides that any facilities or service provider must deal reasonably with consumers and adequately address consumer complaints. Failure to comply will result in liability to pay a fine not exceeding RM20, 000 or to imprisonment not exceeding 6 years or combination thereof.
- **Section 190** provides that a consumer code shall be prepared by a consumer forum to include model procedure for any matter related to customer complaints i.e. services, rates, performances, charging, billing, collection, credit practices and other relevant matters.
- **Section 195** the commission may use any of its power to find solution in relation to complaints regarding customer services and customer protection.

- **Section 197** provides that the rates may be determined in accordance with the market rates.
- **Section 198** provides for the principle in determining the rates which include fair or unreasonably discriminatory, rates should be oriented towards costs and in general cross subsidies should be eliminated.

2. Malaysian Communications and Multimedia Commission came out with a **General Consumer Code of Practice for the Communication and Multimedia Industry Malaysia** in year 2003 with the intention to enhance the quality of multimedia and broadcasting sector and at the same time to protect the consumer's right.

- **Fundamental Principle for Service Providers** - service providers should furnish all information relating to the services to the customer which is up to date, clear and unambiguous. Service providers also have to respond to the customer within 7 days in whatever reasonable means of communication upon receiving the request for information from the customer.
- **Description of Service** – before entering the contract, all description must be made known to the customer in plain language by the service provider and shall provide information on the performance details.
- **Pricing information** – any matter relating to charges must be made known to the customer i.e. amount, description of charges, and the frequency or circumstances to render the charges payable.
- **Terms and Termination** – all the terms and conditions must be furnished to the customer in clear and unambiguous

words. The terms provided in the contract must cover all angle and circumstances that can reasonably be foreseeable. Service providers also have to state the circumstances and the conditions relating to termination of the contract itself.

- **Customer Right to Redress** – service providers must inform the customer about the contractual warranty (if any) and the right to redress upon the breach of warranty.
- **Spoken Communication of Prices, Terms, and Conditions** – Spoken communication includes telemarketing, door to door sales, direct personal sales, and sale through representatives. The customer must be informed about the service provider's brand name, the person making the sale, and the purpose of communication. There are few things that must be communicated to the customer i.e. brief description of the service, the charges if any, and the nature of any special offer, discount or package.
- **Customer Billing, Charging, Collection and Credit Practices** – service provide must ensure that customer are able to obtain information relating to the bill itself. The bill issued to the customer must be accurate, can be verified and available. The mode and method of payment must be included as well.

All of the above are supposed to assist consumers to enjoy quality services. However, they do not seem to be effective considering the number and nature of complaints received.

Recommendations for Improvement

- The Ministry should provide stringent rules to ensure that the quality of products and services supplied to the consumer reflects the price and charges.
- The Code of Practice should not remain idle. It should be made mandatory to the service providers so that the level and amount of dissatisfaction can be reduced.
- Compliance of the Code as stated under **Section 98** of the Act must not be treated as an absolute defence to the offence committed by the service provider before the compliance is strictly evaluated.
- Panel in the Consumer Forum should be lead by Consumer organization so that better consumer protection in this sector is achieved – which is long overdue.
- The Ministry and industry should take billing matters seriously as it received the highest number of complaints and if not address properly, it will unjustly enrich the service provider.
- Any package that is made available or supplied to consumers should be reviewed by the Ministry or any related departments/agencies to ensure that the package offered is reasonably acceptable to consumers and not merely to increase the pricing.
- **Section 187 of the Multimedia Act** should be amended so as not to exclude the liability of service providers which does not have to possess licence.

Chapter 12

The Nature of Complaints against the Insurance Industry

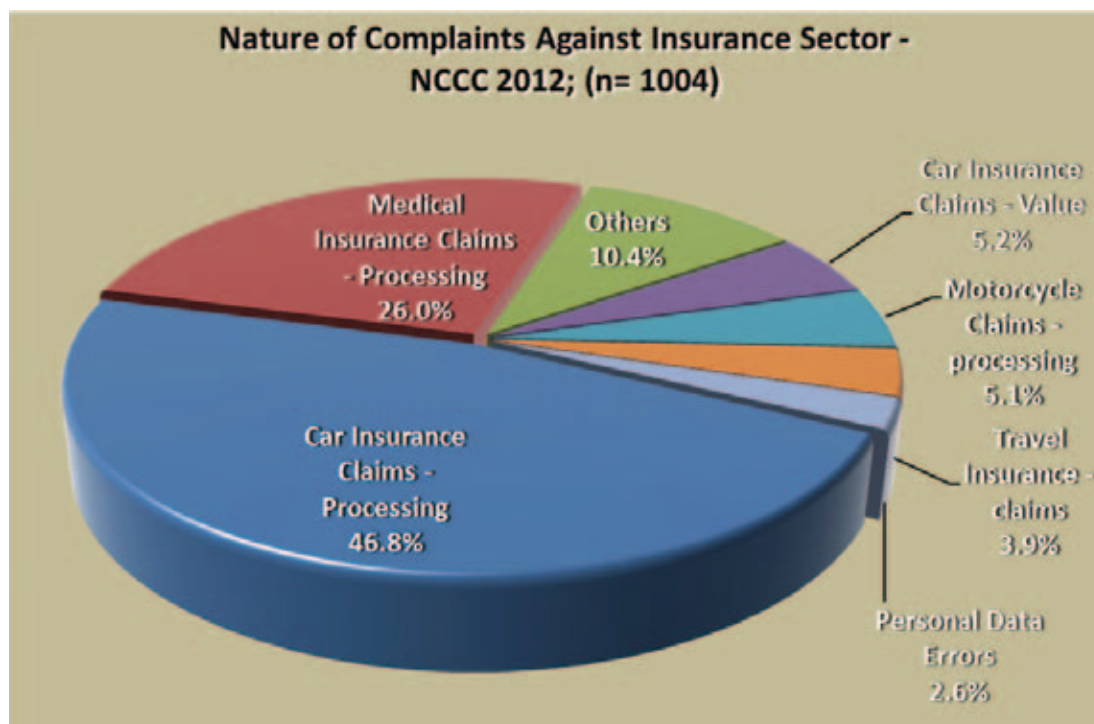
Amongst all the insurance complaints involved, the highest were received in regards to car insurance claims, with a large volume related to the processing time involved. To this, the NCCC recorded having received 46.8% of the total complaints in this sector.

Most of the complainants were dissatisfied with the time taken by insurance companies in honouring their claims. Some insurance companies tend not to pay out as per claimed in their contract.

About 26% out of total complaints received were related to medical insurance claims. Once



Figure 1: Nature of Complaints against Insurance Sector



again, complainants were dissatisfied with the time taken by insurance companies in honouring their claims. While there are some insurance companies that release the amount as per stipulated in the agreement, some don't.

The complaints pattern highlighted that when some policies becomes a liability to insurance companies, they are quick to terminate the policy. More often than not, in cases like this, the insured are left helpless as no other insurance companies are willing to provide them with financial coverage due to their health status. When contracts were examined, the NCCC found that such biased termination clauses do exist. This raises a question as to the validity and legitimacy of such unfair clauses.

Out of the total type of insurance complaints, 57% were made in relation to Auto Insurance i.e. car and motorcycle insurance. This could probably be reflective of the increase in vehicle usage throughout Malaysia. The types of complaints made concerning Auto Insurance were in regards to accident claims, road tax and renewals.

From the abovementioned, it can be deduced that a very large volume of complaints were made in relation to the processing of claims i.e. time taken by insurance companies to honour the insured when a claim is filed.

Consumer Protection Laws Applied in Managing Complaints Received

1) Laws

The Insurance Act 1996 is an Act to provide laws for the licensing and regulation of insurance business, insurance broking business, adjusting business and financial advisory business and for other related purposes.

In cases where the agent has misrepresented the insured to enter a contract, then the agent shall be held on a personal capacity under the principle of "misrepresentation" spelt out via **Sec 18 of the Contract Act Malaysia 1950**. More often than not, complainants are aggrieved when they make a claim and it gets rejected on the basis that he / she is not covered under the policy for that particular claim.

To this, the complainants are often unacceptable to the excuse provided to them as they claim the agents represented to them differently prior to the policy agreement. When reference is made to the contract, it is indeed very prejudicial towards policy holders as there always exists a clause stating that the policy may be at any time cancelled at the company's discretion by way of notice serving to the policy holder.

Additionally, the schemes and schedules made available via insurance policies are more often than not confusing to lay people. To this, the agents sometimes take advantage of lay people's innocence, representing to them differently, and that representation is deemed to have been crucial in a person entering into a contract. Such actions amount to fraud.

Section 19 of the Contracts Act 1950 states that when a "fraudulent misrepresentation" has been made to one party, then the aggrieved party may render that contract void at his / her discretion.

The Code of Ethics and Conduct for the Life Insurance Policy clearly states that all insurance agents must as a duty owed to their prospective clients make clear to them they are mere agents who sell policies for the company they are attached to, make know to the insured the company they are acting for and explain clearly the type of insurance they are selling.

Recommendations for Improvement

As a large volume of complaints were made in relation to the time taken to process a claim, there should be laws governing this situation. Should a policy not stipulate the time taken in honouring a claim, then the law should spell out a maximum time allocation for such failing which the insurance company shall compensate the insured with additional charges incurred due to the delay that has taken place.

Additionally, should an insurance company provide the insured with no valid reasons for delays then they will be charged a penalty to further compensate the insured.

In cases where agents act for insurance companies, their agents should only be held liable in the event of a misrepresentation or fraud (receiving premium on behalf of the company from the insured with the intention to siphon) should the insurance company discharge their duty by informing the insured that all payments should only be made directly to the company.

However, should an insurance company authorize expressly or impliedly to the insured that the agent in issue is entitled to receive any payment and in the event the agent siphons away such payment, then the insurance company should be held strictly liable for losses incurred thereafter while any policy in issue should be re-instated in cases of lapse of such.

Additionally, Persatuan Insurance Am Malaysia (PIAM) and Life Insurance Association of Malaysia (LIAM) should work closely with the NCCC in resolving complaints in a timely and judicious manner.

Chapter 13

Consumer Complaints Related to E-Commerce Sector

The NCCC received a total of 874 complaints on E – Commerce for the year 2012 which amounts to a potential loss of RM146,268 to consumers. This is a new classification in the NCCC's report which corresponds to the growing trend in the use of e-commerce in Malaysia.

With a population of 28 million people, Malaysia has an internet penetration of 61%, behind New Zealand (86.2), Korea (81.5), Australia (78.9), Japan (78.7), Singapore (75.1), and Hong Kong (75) (source: Google). Better and cheaper online payment solutions are catalyzing e-commerce activities in Malaysia.

In 2011, the total e-commerce transaction was RM842 million and is expected to surpass RM1.9 billion by 2016 (Euromonitor). A Nielsen study estimated an even higher growth rate – RM5 billion by 2015. In the inaugural AT Kearney's 2012 E-Commerce Index, Malaysia ranked seventh behind only to China in Asia¹.

In the past couple of years, e-commerce movers and shakers are capturing the beachhead. Since October 2011, the Samwer brothers have launched the Malaysian operation of its online ventures – Lazada, Zalora, Home24, and Foodpanda. MIH (a shareholder of China's largest online gaming and social networking company, Tencent) acquired 34% interest in Malaysia's leading online auction and e-commerce company, Lelong. In 2012, Southeast Asia leading online games payment provider, MOL AccessPortal, formed an e-commerce payment company, MOLPay.



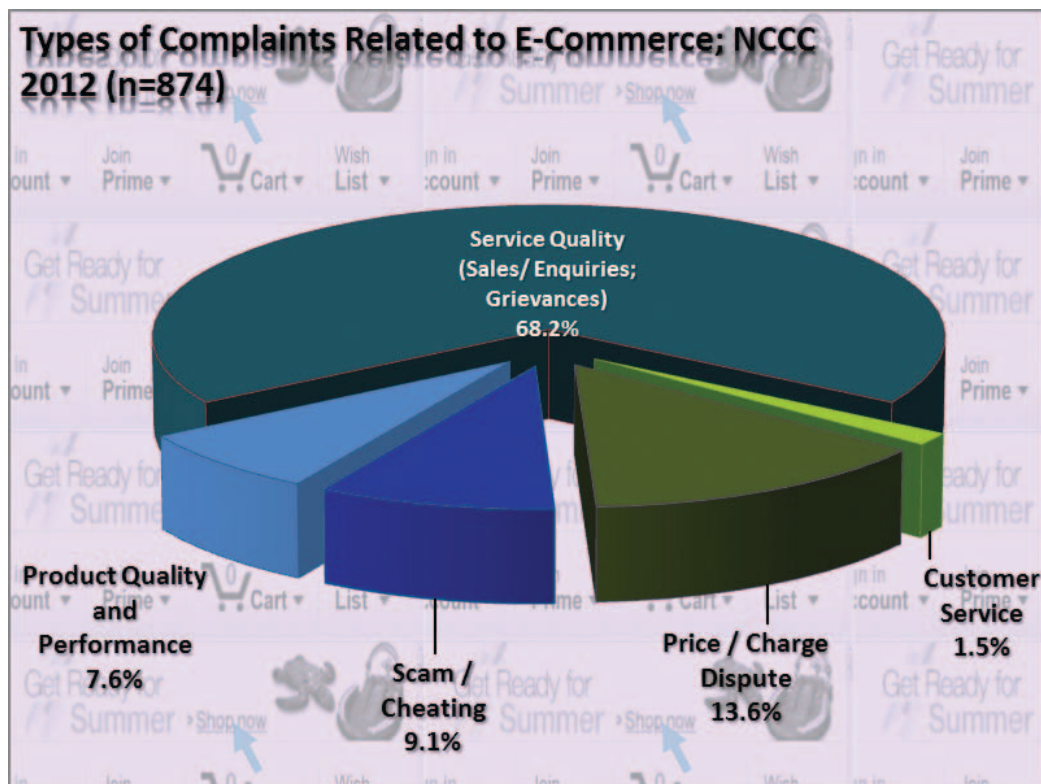
A Pay Pal study produces these findings:

Malaysia - The size of the Malaysian online shopping market reached RM1.8 billion in 2010 according to PayPal's "Online and Mobile Shopping Insights" study. PayPal estimates the market to grow to RM5 billion in 2014 and the study, conducted by The Nielsen Company, supported the country's reputation for being sophisticated and affluent online shoppers.

The survey results also showed that there were 1.1 million Malaysian online shoppers last year (above the age of 18) with an average spend per head of RM2,461, yet 70% of the total online shopping spend came from the middle income and above groups. The study also mentions that: Malaysians

¹ Forbes - Asia's Rising E-Commerce Nation <http://www.forbes.com/sites/limyunghui/2012/12/28/asias-rising-e-commerce-nation-a-qa-with-rakuten-malaysia-ceo-masaya-ueno/>

Figure 1: Types of Complaints Related to E-Commerce



spent the majority of their online retail purchases worth RM825 million on local websites (45%), compared to RM627 million on overseas websites (35%), and the remaining RM371 million (20%) on websites with unknown countries of origin².

About Complaints Related to E-Commerce (on-line shopping)

Service quality in regards to sales and complaints handling topped the chart with the highest number of complaints in this sector – business practices with 68.2% of the total complaints. Most of the complainants found it difficult to lodge a complaint or to voice out their dissatisfaction about a particular product or service purchased from the internet, as there is a lack of effective

channels in resolving disputes amidst receiving complaints.

Another common complaint received by NCCC is in regards to the quality of products sold on the internet. Most goods sold were alleged to be low in quality and it did not match the price.

This probably occurs because consumers do not get the opportunity to see and feel the product bought as they have to rely solely on photographs and visuals on computers / mobile phones. Additionally, when sub-standard products or products which do not meet expectations of the consumers need to be replaced or to be refunded, consumers are unable to get a replacement or refund – sometimes even after heated arguments! (*Note: inability to return, refund or replace is included in the service quality complaints*).

The second highest complaints in this industry are in regards to pricing and charges imposed - amounting to 13.6% of the total complaints. The common complaint is that merchants do not display the nett price of a product or service that is being marketed for sale. The consumers only realize the difference when making payment.

An estimated 9% of the complaints are in regards to cheating and scams that are associated with an e-commerce transaction. In some instances, products and services are advertised online by bogus companies that are non-existent.

The most common type of service related complaints are with regards to the delivery of products which amounts to 62.7% of the total complaints. In these cases, the delivery of products were delayed without reasonable justification.

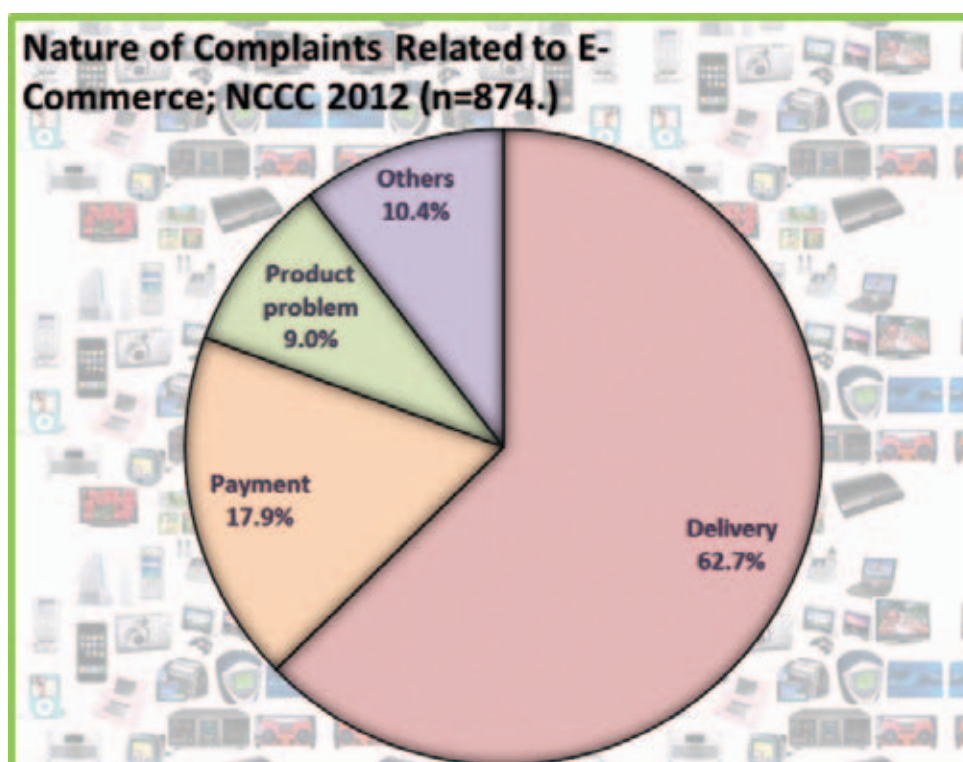
Complaints made in relation to the mode of payment were recorded being the second highest received by NCCC, whereby a dispute usually takes place between the purchaser (consumer) and seller on the usage of online banking and manual banking.

Consumer Protection Laws Applied in Managing Complaints Received

1) Laws

The redress mechanisms available in regards to e-commerce disputes are rather weak. The NCCC as mediators, represent consumers to channel their grievances to merchants to seek compensation. Most of the established companies that conduct online transactions provide sufficient and accurate contact details to facilitate amicable settlement in the event of a dispute.

Figure 2: Nature of Complaints Related to E-Commerce



The enactment of a new Regulation

The **Consumer Protection Act 1999** has been amended to include provisions regarding online purchases. The new amendment known as **Consumer Protection (Electronic Trade Transactions) Regulations 2012** is to be enforced starting July 2013. Upon coming into force, online purchases will fall under the purview of the Act and cases in regards to e-commerce could be brought to the Consumer Claims Tribunal (CCT). Below are the overviews of the amendment:

- **Rule 3** provides that there must be a disclosure of information which relates to the business carried by the merchant. Failure to do so will be considered as an offence.
- **Rule 4** provides that, consumer must be given the opportunity to rectify any error prior to the confirmation of order. The merchant is also obliged to acknowledge the order made and provide receipt to the consumer without unnecessary delay.
- **Rule 5** provides that online market place operator has the duty to keep record of the supplier's particulars.
- Schedule to the Regulations provides for the necessary information that need to be disclosed to the consumer, i.e. merchant's name, business address, contact number, types of good / services sold to the consumer, method of payment, terms and condition as well as the delivery itself.

When the Regulations are complied with by the merchant, it will help in facilitating dispute resolution process and recourse to tribunal shall be possible since all merchants are required to provide complete details.

2) Voluntary Initiatives / Tools

ISO 10008:2013 - Quality management - Customer satisfaction - Guidelines for business-to-consumer electronic commerce transactions.

ISO 10008:2013 provides guidance for planning, designing, developing, implementing, maintaining and improving an effective and efficient business-to-consumer electronic commerce transaction (B2C ECT) system within an organization.

It is applicable to any organization engaged in, or planning to be engaged in, a business-to-consumer electronic commerce transaction, regardless of size, type and activity.

ISO 10008:2013 aims to enable organizations to set up a fair, effective, efficient, transparent and secure B2C ECT system, in order to enhance consumers' confidence in B2C ECTs and increase the satisfaction of consumers. It is aimed at B2C ECTs concerning consumers as a sub-set of customers.

The guidance given in ISO 10008:2013 can complement an organization's quality management system such as the ISO 9001.

There is also the ISO 10000 (***ISO 10001 - Quality management -- Customer satisfaction -- Guidelines for codes of conduct for organizations and ISO 10002 - Quality management -- Customer satisfaction -- Guidelines for complaints handling in organizations***) series of standards which is intended to help organization improve customer satisfaction and complaints handling. In fact these standards are applicable to all sectors referred in this report. Both these standards have been adopted as Malaysian Standards (MS) and can be purchased online through <http://www.msonline.gov.my> (MS online).

Recommendations for Improvement

Since the new amendment to the Consumer Protection Act only comes into force on July 2013, there is not much assessment that can be made of its effectiveness. Nevertheless, the new amendment is expected to address dispute arising from online purchase transactions.

However, below are some recommendations in regards to this sector.

- Main webmaster advertising products and services for sale or rent should monitor the activities of the merchant and dealers posting the advertisement. Proper record of information should be kept by the webmaster itself.
- Contact number displayed on the webpage should be constantly updated and contactable. This is because, some of the contact number displayed on the online store cannot be reached. In such cases, an update of contact details should be a mandatory action that is carried out.
- Consumers should be more cautious in buying product online because in some instances the business could be driven by the motif to deceive the public at large.

- Every online store should provide a redress mechanism. The terms and conditions are to be displayed clearly and unambiguously.
- All costs, prices, methods and manner of delivery should be clearly stipulated so as to avoid confusion to the customer.
- The consumer's options in the event of a default by the merchant should also be included to protect the consumer.
- Provisions should be made to facilitate return, replacement and refunds.

NCCC and other consumer organizations are looking towards certification of trusted e-commerce sites to provide confidence to consumers when shopping online.

Chapter 14

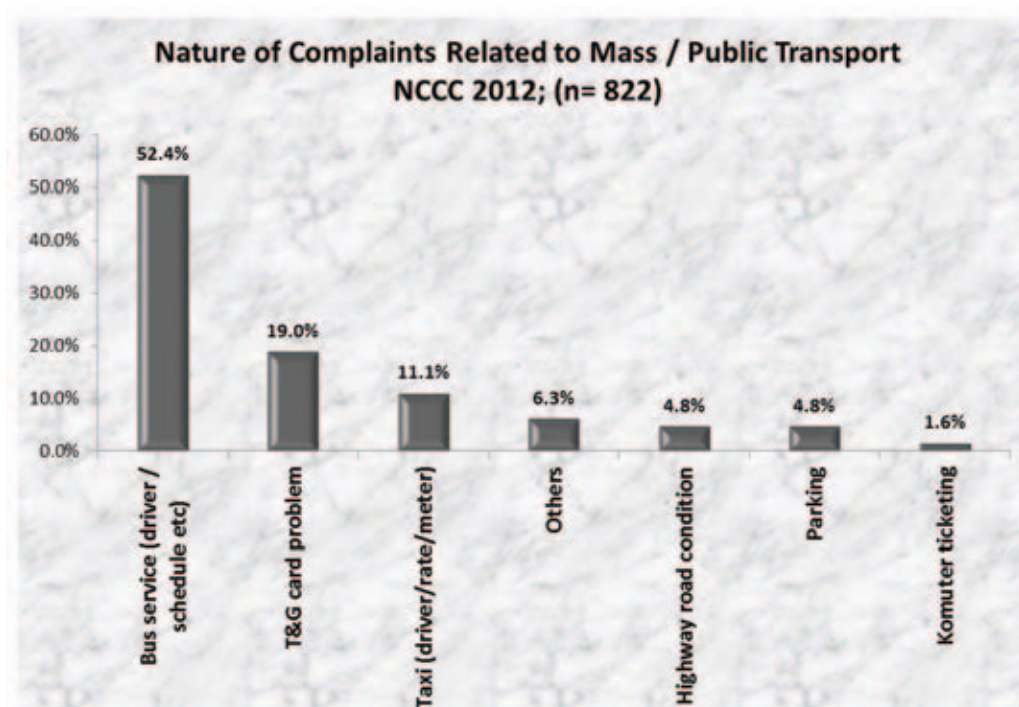
Consumer Complaints Related to Mass / Public Transportation

Complaints in relation to bus services topped the chart under this category with a total of 52%. Amongst the issue that were highlighted were in relation to ticketing and reckless driving, drivers using abusive language and profanity that results in the intimidation of passengers and delay.

The NCCC also received a high volume of complaints made in connection to Touch & Go (T&G) cards. This contributed to 19% of the complaints received. Issues raised in light of this were unreadable cards and the lack of avenue for top ups. Some of the complainants were dissatisfied with the unavailability of top up service where they were made available for



Figure 1: Nature of Complaints Related to Mass / Public Transport



e.g. ATM machines. Complainants were also very dissatisfied with the RM0.50 service charge and other additional charges for the use of T&G cards in parking lots.

The use of smart cards for mass public transport is an important element to facilitate smooth operations of mass public transportation services. All countries and cities with excellent public transport (and integrated public transport) use a common smart card for all types of public transport transactions. In Hong Kong the 'Octopus Card' can also be used in many retail outlets and even restaurants. The card operators and public infrastructure operators ensure that top up, purchase and the use of smart card is hassle-free and is preferred among the general public.

About 11% of the total complaints were against taxi services. Major concerns were in relation to the behaviour of taxi drivers discrepancies in charges due to dispute over use of taxi meters. Some taxi drivers do not use meters and blindly charge a prices of their discretion. Taxi services are an important component of an efficient integrated public transportation system.

The policy makers need to integrate taxi services into the public transport system and ensure that drivers' welfare and taxi conditions are able to support an integrated public transportation system in Malaysia.

Highway operators, namely in the southern region are said to provide poor maintenance in terms of street lighting and road conditions. This is deemed to be an important issue as it concerns the safety of road users at large. Monies raked in from toll should be used to maintain and constantly upgrade infrastructures in highways to ensure safety at all times.

Although the number of complaints received against KTM commuter service, problem with ticketing has been a sticking point in the complaints received. A complainant voiced out that one of the ticketing machine in Setia Jaya

station has been out of commission for the past one year and manned ticketing services is often not manned!

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

Suruhanjaya Pengangkutan Awam Darat (SPAD) is a body that regulates all public transportation at large in Malaysia. Governed by the **Land Public Transport Act 2010**, this said Act clearly spells out that SPAD is to propose on policies to enhance the overall public transportation in Malaysia.

SPAD officers are, under this said Act, are allowed to carry out on site investigation should they feel the necessity to do so. This shall include inspection of public transports to ensure they are safe for public usage, are licensed, to conduct inspection on drivers (competence), inspection on ticketing etc.

Section 166 of the same Act provides that the Commission, on its own, may set out guidelines to ensure customer standards are met.

The safety of consumers at large, are enriched via **Section 190** of the same Act.

Recommendations for Improvement

The Transportation Ministry together with SPAD should regulate and ensure strict adherence to overcome the issues of delay in service rendered by public transportations. This is specifically to address the ridiculous inconsistency of public buses at large. This should not be taken lightly due to the high volume of Malaysians depending on public transportation to commute to work.

Public transportation service providers should always strive to ensure only competent drivers are hired. This is pivotal to the safety of the public transport users at large. Strict disciplinary action should be taken against drivers who have been reported acting in a reprehensive manner.

SPAD should revoke the licence of public transportation drivers that have a bad reputation for negligent and reckless driving.

Taxi drivers who do not comply with laws that require them to use meters and not to tweak them for profiteering should be penalised in the event they violate the law. Taxi meters must be included in the legal metrology system and governed accordingly. Additionally, recurring offenders should have their licence revoked and not be allowed to operate taxi services.

Chapter 15

Consumer Complaints Related To Education

The NCCC received a total of 743 complaints in relation to the education sector which amounted to an estimated potential loss of RM 558, 213.

Education products (mainly language product) top the chart with 43.9% followed by complaints against institute of higher learning with 29.8% and education loans with 12.3% respectively for the year 2012. The remaining complaints comprises of less than 5.3% of the total complaints.

Consumer grievances in regards to education products were not related to defective goods but primarily focuses on the attachment and effects on them in a long term. Language enhancement



Figure 1: Complaints According to Education Sub-Sectors

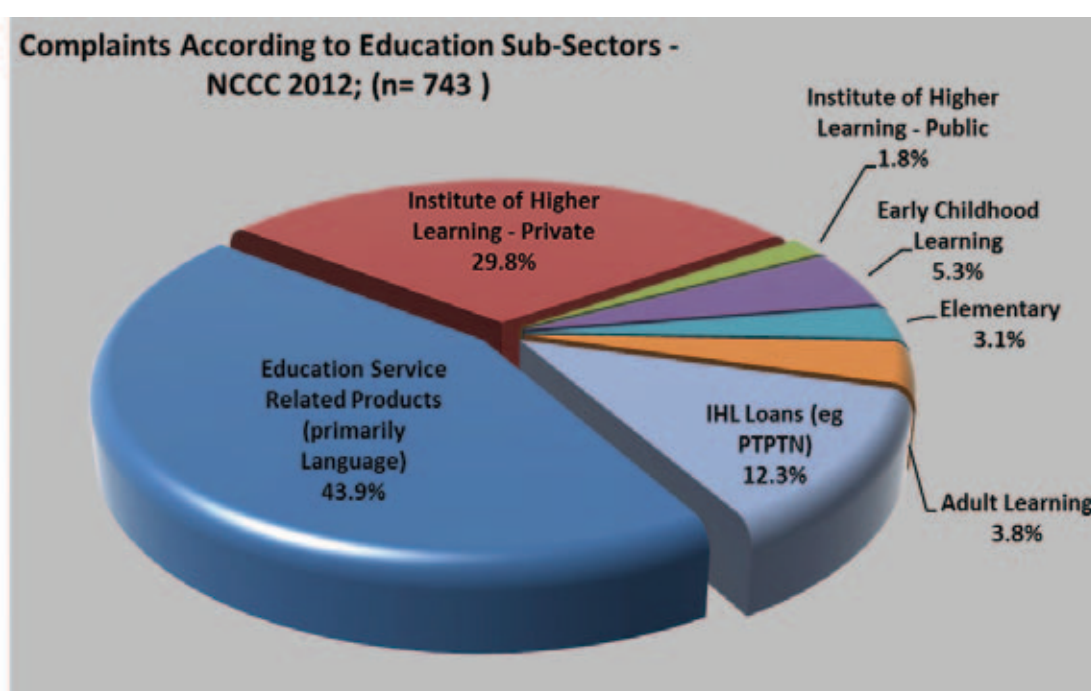
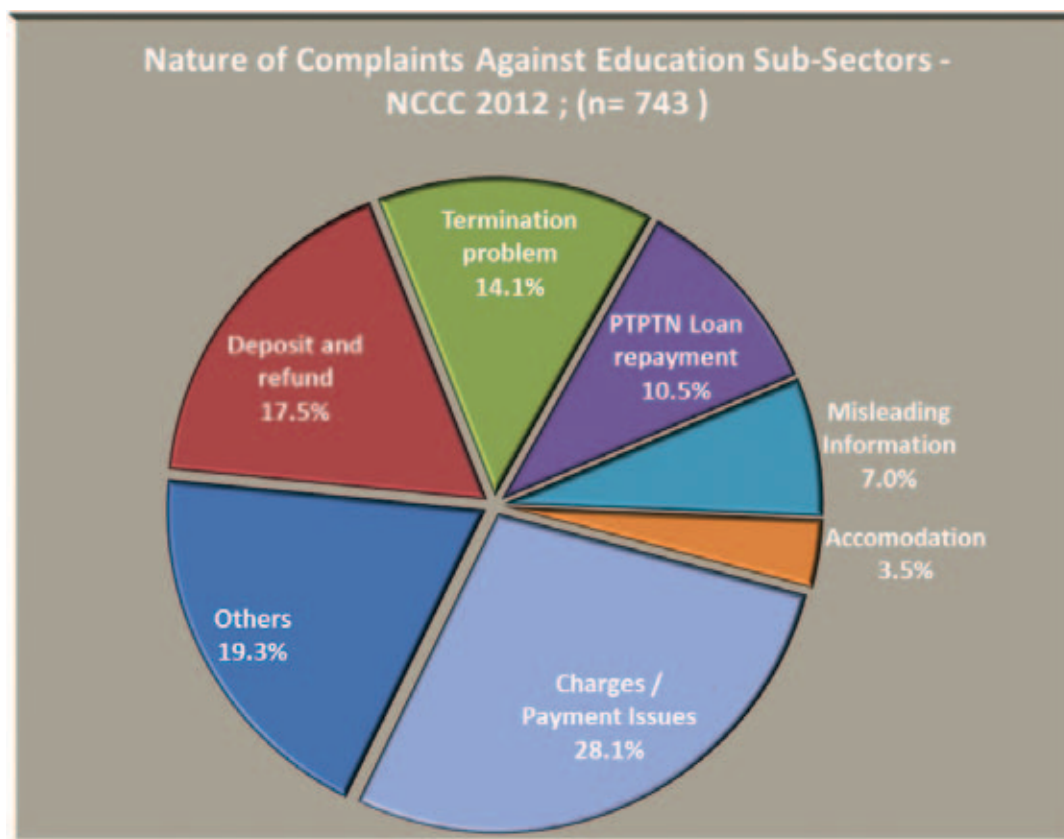


Figure 2: Nature of Complaints against Education Sub-Sectors



products related to a specific brand has been posing constant problems to consumers since the NCCC began analysing complaints and publishing annual reports i.e from 2006. A particular brand operates by hard selling and has very poor customer service. Consumers constantly suffer from inaction by this company selling language enhancement products worth thousands of Ringgit.

Charges / payment issues were the major concerns raised by consumers. The complainants are not limited only to students at universities and schools, but include other individual who intend to upgrade or enhance their soft skills i.e. communication, motivation, etc. Complaints on charges / payment comprise 28.1% of the total complaints. Some of the charges / fees were not made known to the consumer prior to engaging such services.

The third highest complaints were in regards to deposit / refund, approximately 17.5% from the total complaints. Majority of the consumer finds it difficult to cancel education service once they have registered with an institute. In most cases, the Institute would be reluctant to refund the deposit back to the consumer due to the term "deposits are non refundable" adopted by them in the enrolment agreement. Some institutes are not able to offer courses as advertised in the flyers and are reluctant to return the money taken from complainants but rather sell them other services which many a times are not needed by the complainants. The same happens with regards to educational products purchased by consumers. They were not allowed to return the product within a reasonable period of time.

Issues on deposit and refunds are closely related with termination. Consumers were not provided the option to terminate the service or

cancel the product. Complaints on termination alone constitute 14.1% of total complaints. Complaints on study loans on the other hand, constituted to 10.5% of total complaints, mostly due to repayment, charges, as well as delay in processing documents for loan application.

Other types of complaints (about 19%) are due to the quality of tuition services, quality of lecturers / teachers / instructors, student visa application for foreign students etc.

Consumer Protection Laws Applied to Manage Complaints Received

1) Law

The Consumer Protection Act 1999 was designed to protect the consumers in any matters connected to the purchase of goods and services. Since most of the complaints are related to educational product / services sold/ offered to students, thus the CPA is able to help them in protecting their rights.

- **Section 12** provides that a person commits an offence—if he gives to a consumer an indication which is misleading as to the price at which any goods or services are available; or if an indication given by him to a consumer as to the price at which any goods or services are available becomes misleading and he fails to take reasonable steps to prevent the consumer from relying on the indication.
- **Section 13** provides that no person shall advertise for supply at a specified price goods or services which that person - does not intend to offer for supply; or does not have reasonable grounds for believing can be supplied, at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.

- **Section 16** provides that no person shall demand for or accept, any payment or other consideration for goods or services, if at the time of the demand or acceptance that person - does not intend to supply the goods or services; intends to supply goods or services materially different from the goods or services in respect of which the payment or other consideration is demanded for or accepted; or does not have reasonable grounds to believe he will be able to supply the goods or services within any specified period, or where no period is specified, within a reasonable time.
- **Section 56** provides that where services are supplied to a consumer, there shall be implied a guarantee that the consumer shall not be liable to pay to the supplier more than the reasonable price for the services.

Apart from the above, the institutes of higher education must as well follow the **Private Higher Educational Institutions Act 1996** as laid down under the Ministry of Higher Education.

- **Section 40** provides that when granting approval for education services, the Registrar General may impose – conditions relating to the requirements for admission of students; such fee as may be prescribed; and any other conditions as he thinks fit.
- **Section 73** provides that if the Registrar General is of the opinion that any statement made in any advertisement in relation to a private higher educational institution is false, deceptive, offensive or misleading the Registrar General may take necessary action to prevent that the misleading information from continuing.
- **Section 75** provides that any person who makes a false or misleading statement in promoting a private higher educational institution shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Section 17 of the **Trade Description Act 2011** provides that no person shall make false statement either knowingly or recklessly or which is known to be able to deceive/mislead the consumers with regards to any matter related to services.

Section 18 further provides that no person shall make any false or misleading statement in any advertisement in relation to any goods/services.

Recommendations for Improvement

- **The Ministry of Domestic Trade, Co-Operatives and Consumerism** should investigate vendors which sells language enhancement products to consumers. This is because there are quite a number of parents who purchase products by instalment and at the end of the day they find themselves being blacklisted by the merchant for default in payment.
- **The Ministry of Education** should examine the fees imposed by private institutions to ensure the amount charged is justifiable and not excessive. Private Institutions should only impose fees which are reasonable according to the course undertaken and facilities used and provided for students.
- Deposits paid by student for their enrolment in institutions must not be totally forfeited in the event students request to cancel their enrolment. These institutes should only be allowed to forfeit the relevant sum in regards to enrolment process. The remaining balance should be returned to the respective student accordingly.
- Malaysian Qualifying Agency together with the Ministry of Education must conduct frequent screening on the ability and credibility of higher institutes in providing education services to students. Courses offered must be conducted with adherence to standards set by the Ministry of Education.

Chapter 16

Complaints Related to Employment Agencies

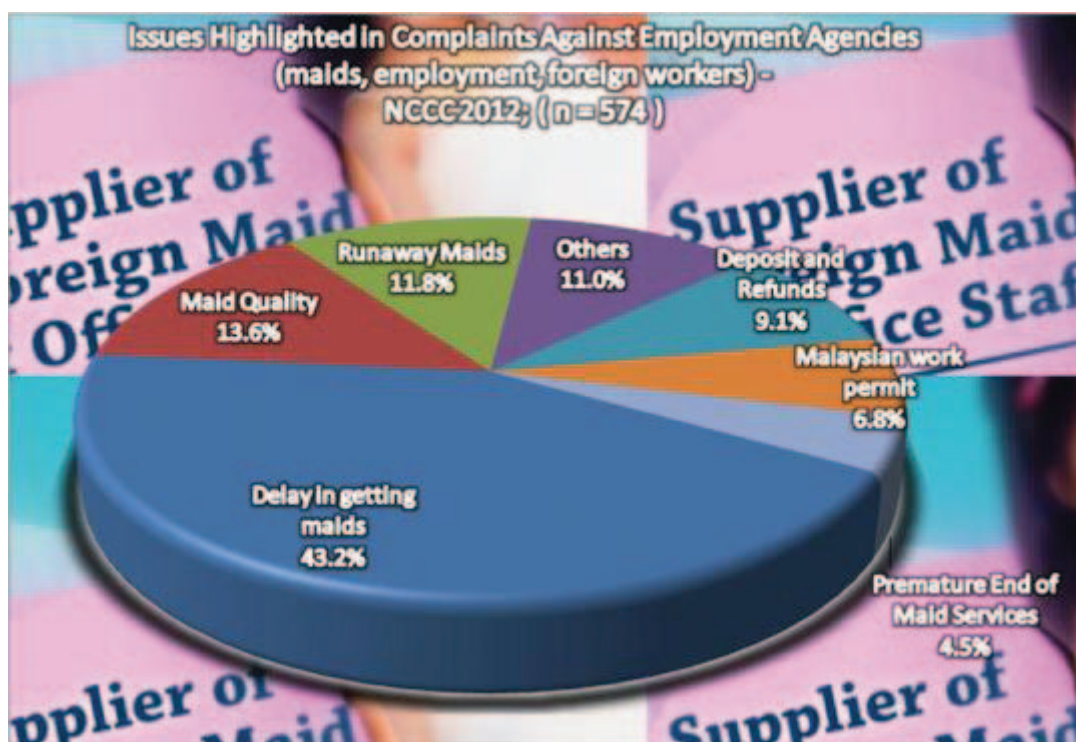
The NCCC received 574 complaints against employment agencies. Majority of these complaints were lodged against foreign maid employment agencies.

A vast majority of domestic helpers coming into Malaysia are sourced from Indonesia. Others come from Philippines, Cambodia, Vietnam, Myanmar, India and even Sri Lanka.

Maid abuse scandals still made headlines in 2012 - among them being the murder of a Cambodian maid and the employer being charged and found



Figure 1: Issues Highlighted in Complaints against Employment Agencies (maids, employment, foreign workers)



guilty of the murder. Following the ban by the Indonesian government on its citizens to work as domestic helpers in Malaysia, the Cambodian government followed suit.

This had an impact on the nature of complaints received by the NCCC in 2012.

About 43% of the complaints were related to the delay in getting a maid – after the necessary payment has been made and procedures are followed.

The NCCC only deals with domestic helper (maid) related complaints as long as it is within the scope of the complainant as a consumer and NOT an employer. Thus, maid abuse and human resources related issues are not handled by the NCCC.

Common reasons or excuses given by the agencies for the delay are:

- change in government policies making it difficult to get domestic helpers
- visa and work permit problems despite having obtained payment from the complainants.

Difficulty in getting a refund due to undelivered services or unfulfilled terms are also a significant

source of grouse amongst complainants. Maid agencies are normally reluctant to refund complainants for payment made while services are not rendered. Usually these agencies will offer a replacement maid with new charges or no refund at all if the complainants wish to proceed with termination of employment.

Maid Quality recorded the second highest complaints with 13.6%. Usually language barriers is an issue followed by the inability to perform domestic tasks according to the complainants' expectations. Herein lies the thin line between dealing with consumer issues and dealing with employment issues.

Another major source of complaints is due to 'runaway maids'. This problem can be related to employer-employee relationship or the quality of the services. Maid agencies only provide 3 months warranty in cases of runaway maids. After the lapse of the warranty period, these agencies will not take responsibility for any liability or obligations arising thereafter.

Last year in 2012, Indonesia's Manpower and Transmigration Minister, Muhaimin Iskandar was quoted in the Jakarta Post as saying that the Indonesian government will resume the



Figure 2: A screenshot from the Malaysian Insider - Dec 2012

labour supply after receiving assurances from Malaysia on several crucial issues, such as monthly payments, cost structures and standards of competence. Both sides will have to monitor one another to ensure the protection of migrant workers .

As mentioned in the last year's NCCC report, wages paid to maids or foreign domestic helpers in Malaysia are among the lowest in the region. There were also reports on the level of household income and the affordability in employing maids (foreign or local). Household income, wages and quality of foreign domestic helpers are interrelated.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

Since there exists no specific Act enforced by the **Ministry of Human Resource** to govern matters pertaining to Maid Agencies, reference can be made to the **Consumer Protection Act 1999** to protect the rights of consumers.

- **Section 54** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services, and any product resulting from the services, will be — reasonably fit for any particular purpose; and of such nature and quality that it can reasonably be expected to achieve any particular result, that the consumer makes known to the supplier, before or at the time of the making of the contract for the supply of the services, as the particular purpose for which the services are required or the result that the consumer desires to achieve.
- **Section 55** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services will be completed within a reasonable time.

- **Section 57** provides that consumer has the right to redress against a supplier or services that fail to comply with any of the implied guarantees.
- **Section 63** provides that a cancellation of the contract may be communicated by words or conduct or both which communicate the intention of the consumer to cancel the contract, and it shall not be necessary to use particular form of words, so long the intention to cancel is clear.

Recommendations for Improvement

- **The Ministry of Human Resource** should draft laws to govern maid agencies. Mere guidelines are not able to make the maid agencies abide by the law. A more stringent law is required to prevent consumers from being cheated by the maid agencies.
- Consumers should NOT bear the responsibility of charges when the delay is due to a party independent of the consumers.
- There should be a basic / standard contract to be used by all the maid agencies and unfair contract terms must not be allowed in the contract i.e. maid agencies limit all the liability and consumers have to bear all the risk arising from the execution of the contract.
- All maid agencies must provide sufficient trial period to both employers and domestic helpers before they are asked to confirm the employment for a period stipulated in their contractual agreement.

Chapter 17

Consumer Complaints Related to Postal and Courier Services

The delay in receiving goods via post or courier seems to pose major concern amongst the complainants. To this, the NCCC recorded having received 37.1% out of the total complaints received under this sector.

About 34% of the total complaints for this sector arised from the loss of goods (parcels) sent through post or courier. Complainants seem to be rather frustrated with the negligence of some postal and courier service providers when their goods go missing and are not traceable.



Figure 1: Nature of Complaints Received against Postal and Courier Services

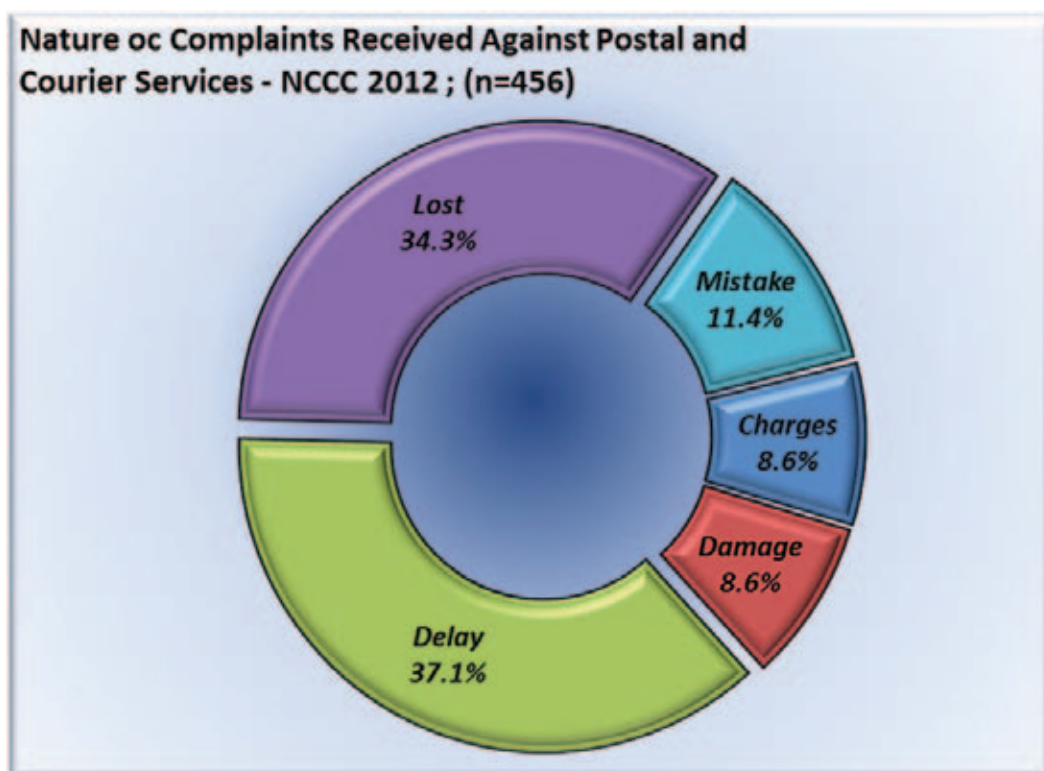
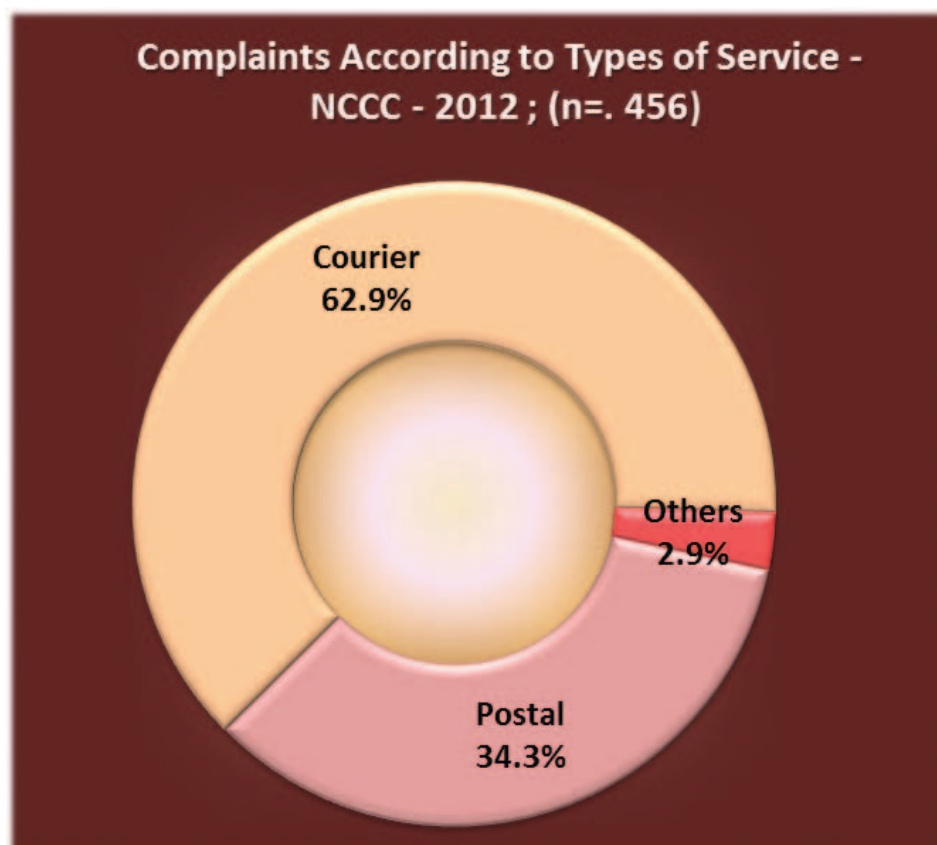


Figure 2: Complaints According to Types of Service



Another 11.4%, of the complaints in this sector are due to mistakes made by the service providers in sending packages or documents to wrong addresses / recipient. Other complaints under this category were made in connection to charges imposed and the damage of goods with no compensation.

Courier service providers are the main respondents (close to 63%) to complaints in this sector, followed by postal services (34%).

Consumer Protection Laws Applied in Managing Complaints Received

1) Laws

As of 1st November 2001, the **Postal Industry** came under the purview of the **Malaysian Communications and Multimedia Commission**, under the **Postal Services Act 1991**, empowering the Commission to take over as the regulatory body of the Postal Industry.

The Postal Service Act 1991 has been replaced by the **Postal Service Act 2012**.

As such, this said Act provides for the licensing of postal services and the regulation of the postal services industry.

Section 52 of this Act spells out for Consumer Complaints as follows:

- (1) If the Commission receives a complaint from a consumer that has not addressed his complaint through the complaints handling procedures of the licensee, the Commission shall refer the consumer to the respective licensee.
- (2) The Commission may also conduct an investigation against a licensee provided that the consumer has followed the complaints handling procedures of the licensee.
- (3) The Commission may determine the rules on the procedures for the making, receipt, handling and dispute resolution of complaints of consumers regarding the conduct or operation of licensees.

Also, the fact that 62.9% out of the total complaints were made in connection to Courier service. The NCCC suggest that a separate Act should be enforced to govern the Courier service industry in Malaysia.

Recommendations for Improvement

The Malaysian Communication and Multimedia Commission (MCMC) should review **The Postal Act 2012** to include further protection to the general consumers at large.

As the issues were highlighted in earlier paragraphs, the Act should focus on consumer protection with regards to the delay caused in receiving goods via postal or courier services. It should clearly stipulate for a minimum time allowed for delivery failing which the postal or courier service providing entities shall be liable for any subsequent damage or loss suffered by the relevant party.

Additionally, the Act should also focus on the loss of goods. Due to the high volume of complaints made in connection to this, it is pivotal that the Act clearly states that should goods get lost in the midst of delivery via postal or courier service, then the company providing such services shall be held liable for any loss suffered by the relevant party.

Chapter 18

Consumer Complaints in the Healthcare Sector

The NCCC received a total of 391 complaints in the year 2012 which amounted to an estimated potential loss of RM 190,331.

The highest complaints were in regards to services provided by Private Hospitals followed by general clinics and dental clinics. Other alternative means of medical services such as specialist centres, traditional and complementary medicine including medical supplies and equipment gathered the lowest number of complaints, contributing less than 5% each to the total complaints received in the healthcare sector.



Figure 1: Complaints Related to Healthcare Sector
(According to type of establishment)

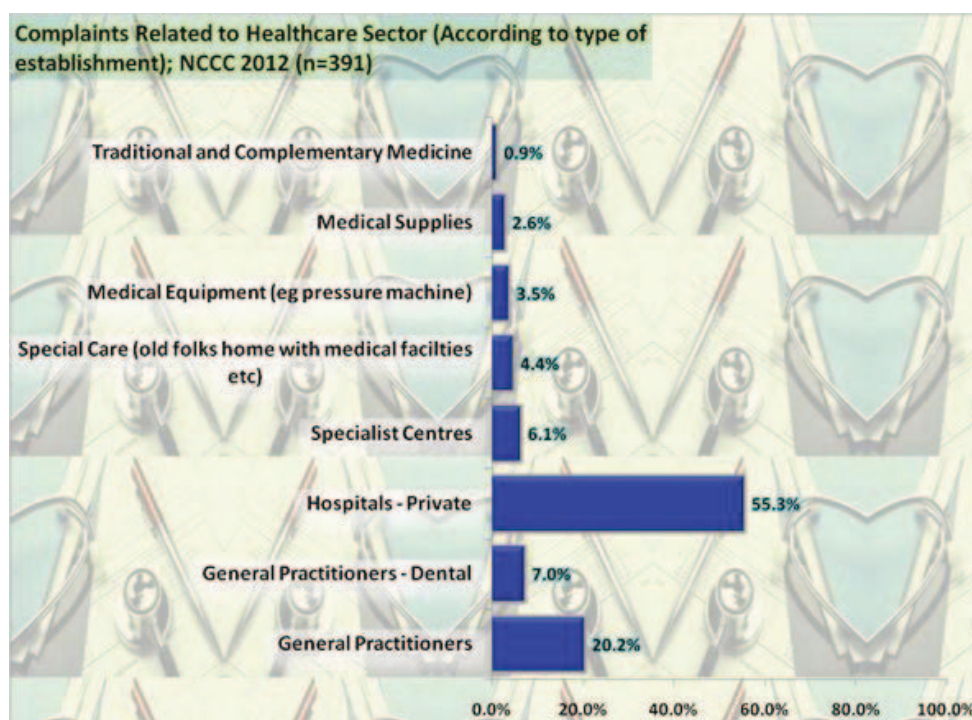
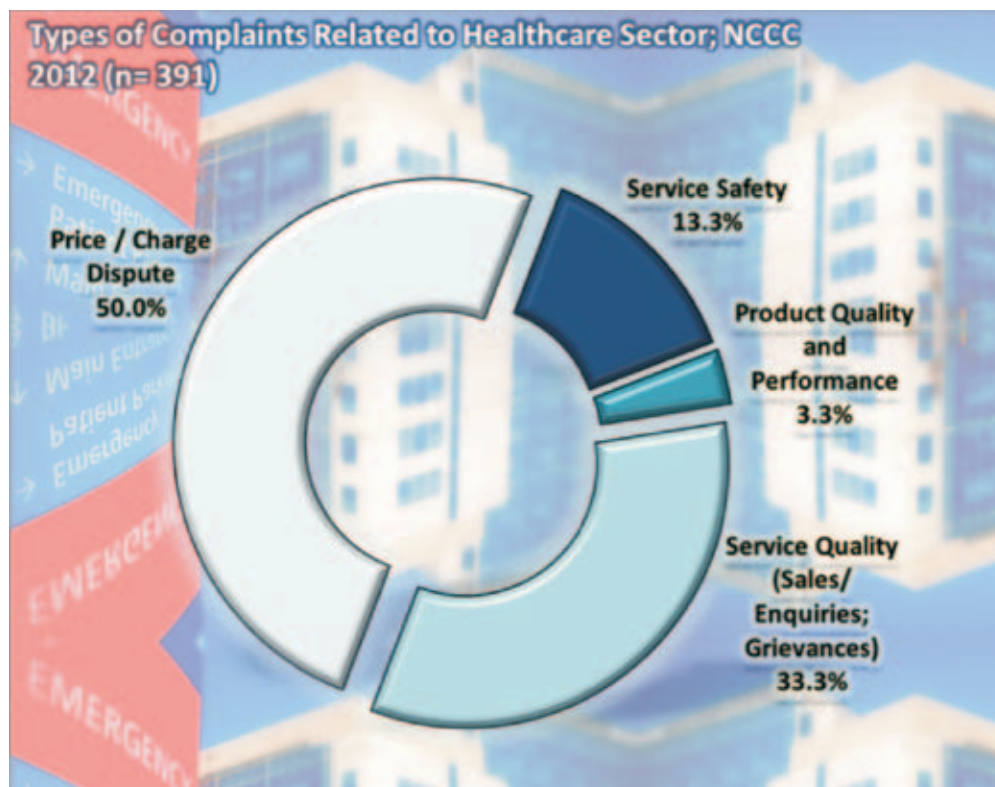


Figure 2: Types of Complaints Related to Healthcare Sector



Similar to last year, the highest number of complaints were centred on the billings and charges imposed by hospitals. The complainants' main grouses were that the price and / or charges of medicines and / or the medical treatments conducted were too expensive and unreasonable.

A sizeable amount of complaints were on on the quality of the treatment provided, whereby in some cases these patients' health deteriorated after undergoing treatment. Apart from being dissatisfied on the credibility and ability of these medical practitioners, consumers are also dissatisfied with the way these centres handle enquiries.

Another common complaint among consumers are that enquiries were not properly addressed or given no response. When complaints are forwarded to the management, the matter was not resolved in a timely manner, whereby the

delay in response was without a reasonable justification.

One particular private healthcare institution was identified as a regular respondent to the complaints received under this sector. The Ministry of Health must monitor their practice closely.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

- **Section 3** of the **Medical Act 1971** provides that there is established a body corporate with perpetual succession and a common seal to be called the Malaysian Medical Council.

- **Section 4 of the Medical Act 1971** provides that the Council shall perform such duties and functions and exercise such powers as may be provided under this Act or any regulations made thereunder.

Private Healthcare

- **Thirteenth Schedule of the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations** provides for a schedule of the cost of each medication, medical services, body part that is affected by the medical services.
- **Private Healthcare Facilities and Services (Private medical Clinics or Private Dental Clinics) Regulations 2006** specifically provides for regulation in regards to private clinic and dental clinic.
 - > **Regulation 8 and 9** provides that private medical clinic or private dental clinic shall ensure that all healthcare professional staff is registered under the law or experience derecognition by Director general; and have such qualification, training, experience and skill to practise in his particular specialty or subspecialty in the field of medicine or dentistry, nursing or other healthcare profession
 - > **Regulation 10** provides that patient must be treated by registered professionals in both private clinic and dental clinic. The patient must be informed about the nature and procedure of the treatment.
 - > **Regulation 15** provides that private medical clinic or private dental clinic shall provide a policy statement which shall include: staff identification; billing procedure; patient's rights to — information concerning medical treatment and care; be informed of grievance procedure; and be supplied or provided with patient's medical report.
- > **Regulation 17** provides that a private medical clinic or private dental clinic shall, inform the patient upon request — of the estimated charges for services based upon an average patient with a diagnosis similar to the tentative or preliminary diagnosis of the patient; and of other unanticipated charges for services that is routine, usual and customary.
- > **Regulation 26 and 27** provides that patient shall be provided with grievance mechanism plan which shall include a method by which each patient will be made aware of his rights to air his grievances and the grievance procedures. Grievances may be submitted either orally or in writing.
- **Private Hospitals and Other Private Healthcare Facilities and Service Regulation** contain the similar regulation as above i.e. information in regards to the treatment, supply of medical report, preparation for emergency situation, billing — average billing to other patient with the same sickness and itemised billing.

Policy & Ethics

Code of Medical Ethics was adopted since 2001 and it has served as the basic guideline to the etiquettes and conduct of the medical practitioner.

- **Section I** provides that doctors have the duty to maintain a good standard of practice, care and behaviour.
- **Item 2 of Section II** provides that reasonable charges can be made for services provided and it is in the best interest of the practitioner to discuss this with the patient prior to investigation or treatment. Doctors should abide by the MMA Schedule of Fees.
- **Item 7 of Section II** provides that the patient is entitled to a written report of the

care that has been given to him. The doctor is obligated to provide him such a report speedily, without any unreasonable delay. The withholding of information of the care given to the patient is unethical.

- **Item 11 of Section II** the doctor is responsible for the management of his patient including knowing about the safety and efficacy of the modalities of treatment or medication that he prescribes.
- **Item 5 Section VIII** provides that where a dispute arises between a doctor and his patient and a complaint is brought to the Ethics Committee, the doctor should respond to queries of the Ethics Committee as soon as possible, as provided in the Rules of the Ethics Committee.

Redress Mechanism

The Malaysian Medical Council is vested with the power to impose disciplinary action against medical practitioners that have committed a breach of the profession itself. This power is conferred by **Section 29 of the Medical Act 1971** and it covers the following matters and situation:

- The Council may institute disciplinary proceedings when a practitioner appears seriously to have disregarded or neglected his professional duties to his patients.
- Apart from a practitioner's personal responsibility to his patients, practitioners who undertake to manage, or to direct, or to perform clinical work for organizations offering private medical services should satisfy themselves that those organizations provide adequate clinical and therapeutic facilities for the services offered.
- A prescribing practitioner should choose the drug or appliance which, in his independent professional judgement, and having due regard to economy, will best serve the medical interests of his patient.

- The disciplinary proceeding shall be made in accordance with **Medical Regulations 1974**.

Recommendations for Improvement

1. The time has come for the ministry to consider of the setting up a health tribunal as what was done in the state of New South Wales in Australia now. This is to expedite the process of hearing and award by the Medical Council which currently does not have balanced stakeholder representation – especially those representing aggrieved patients.

The Medical Tribunal

The primary role of the Medical Tribunal is to adjudicate on allegations of professional misconduct which, if proven, could warrant suspension or de-registration, and as an appeal body on decisions made by the Medical Council. The Tribunal is legally separate from and independent of the Council. Each specially constituted Tribunal consists of four members. The Chairperson of the Tribunal is appointed by the Governor and must be a judge of the District Court. After the Chairperson advises the Council of the appointment of himself or a Deputy Chairperson to deal with a matter, the dates set for the hearing and estimated length of hearing, the Council appoints the other three members. The three Tribunal members appointed by the Council comprise one lay person appointed from a panel nominated by the Minister of Health and two registered medical practitioners.

The Tribunal may dismiss a complaint, application or appeal or make any finding or exercise any power or

combination of powers available to the Tribunal. When the Tribunal makes a finding that a doctor is guilty of professional misconduct and/or unsatisfactory professional conduct, it may exercise any of the powers available to a PSC or it may suspend or de-register a practitioner.

Only the Tribunal has the power to suspend or de-register a medical practitioner if it is satisfied: the medical practitioner is not competent to practise medicine; is guilty of professional misconduct; has been convicted of an offence (either in or outside New South Wales) and the circumstances of the offence render the person unfit in the public interest to practise medicine; or is not of good character.

2. Hospital should take the initiative to expedite the investigation process when a complaint had been lodged against them. Most of the hospitals take months just to conduct an investigation.
3. The Ministry of Health should always review treatment procedures and achievement records to evaluate a medical practitioner's competency before renewing or issuing licences that will enable them to practice.
4. Heavier punishment should be imposed on medical practitioners in cases of gross negligence. Fines should be imposed widely as to prevent them from being irresponsible and negligent.
5. The Ministry of Health should always be made aware of the billing and charges imposed by hospitals and clinics. Healthcare service should not be treated as business transaction per se, but it should also bear the responsibility and the passion to help the citizen as mentioned by the Hippocratic Oath.

Chapter 19

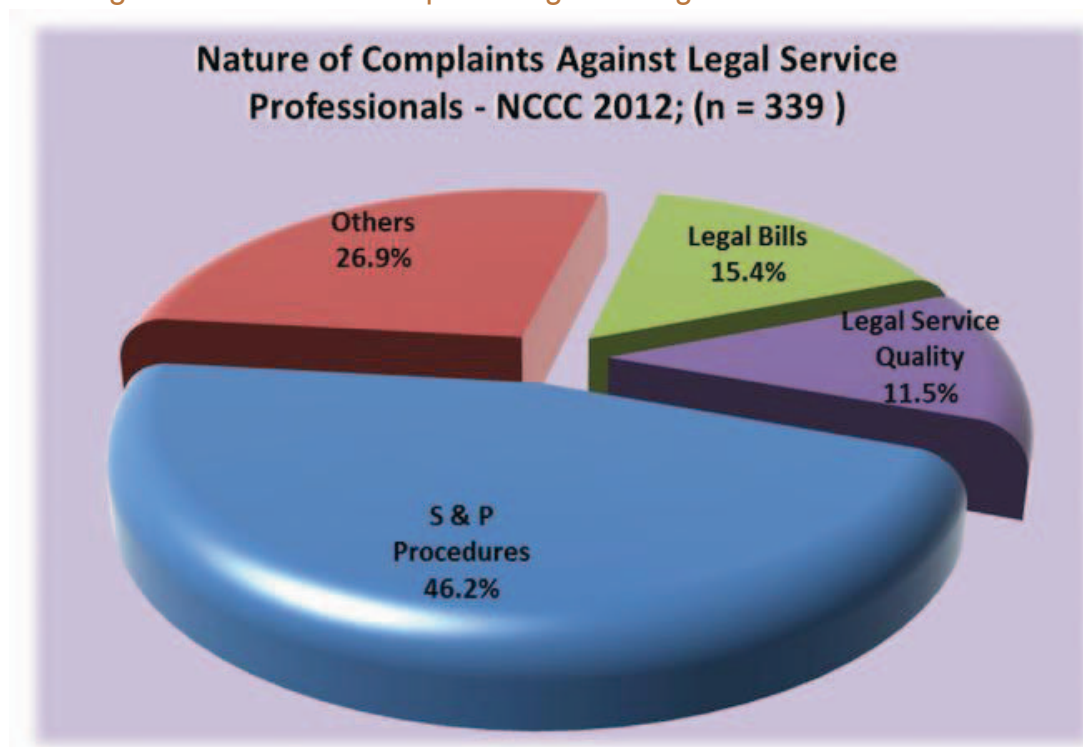
Complaints Related to Legal Professional Services

A total of 339 complaints were received by the NCCC against professional service providers – all of which were against legal professionals. Although the amount of complaints are lesser compared to other sectors and those received in 2011, the amount involved in the dispute or complaints were RM1,206,052.95.

It is important to note that 46.2% of the complaints received against legal professionals focuses primarily on sales and purchase agreements – especially those related to properties. Consumers were generally dissatisfied with the unreasonable delay caused by lawyers in executing the transfer of property.



Figure 1: Nature of Complaints against Legal Service Professionals



Legal bills were also a significant source of grouses among complainants, whilst others include negligence and misconduct.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

Lawyer fees have been specifically stated under **Solicitor Remuneration Order 2005**. **Order 2** expressly mentions about the remuneration that lawyers are entitled to receive. Thus lawyers are not allowed to randomly charge fees without adhering to the Order especially for matters concerning conveyancing.

Rule 11 of the Legal Profession (Practice and Etiquette) Rules 1978 provides the guideline for lawyers to determine their fees in litigious or contentious matter only. **Rule 16** provides that lawyers have the duty to uphold the interest of client, justice and dignity of the profession. The same was provided under **Rule 31**.

Rule 35 further provides that lawyer shall refrain from any action whereby for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him by the client. He shall preserve his client's confidence and this duty outlasts his employment.

Part VII of the Legal Profession Act provides about the disciplinary proceedings against the lawyers and the punishment that might be imposed.

Recommendations for Improvement

- The conduct of lawyers and firms must be looked at closely by the Malaysian or State Bar. Disbar period or suspension should be long enough to deter and punish lawyers involved in misconduct.
- Investigation in regards to complaints made by the consumer must be conducted as soon as practicable without unnecessary delay.
- Lawyers that have been found liable for misconducts should be monitored closely in order to ensure that they would not repeat the same act. The status of their practice – whether disqualified, pending investigation, etc must be available on a website dedicated to monitoring and assessing the quality of legal professional services.

Chapter 20

Consumer Complaints Related to Food Products

The National Consumer Complaints Centre recorded having received 300 complaints related to food products. This is a significant drop in comparison to the 860 complaints received in 2011. However, it has to be noted here that the complaints in 2011 were inclusive of complaints received on services provided by restaurants, fast food and / or bakeries whereas the 2012 statistics is only in regards to processed food products.

As reflected in the chart, product safety dominates the total complaints with 60.9%. Although the amount of estimated loss in this industry is much lower compared to other industries such as banking and housing, its significance should not be neglected. Complaints in regards to food

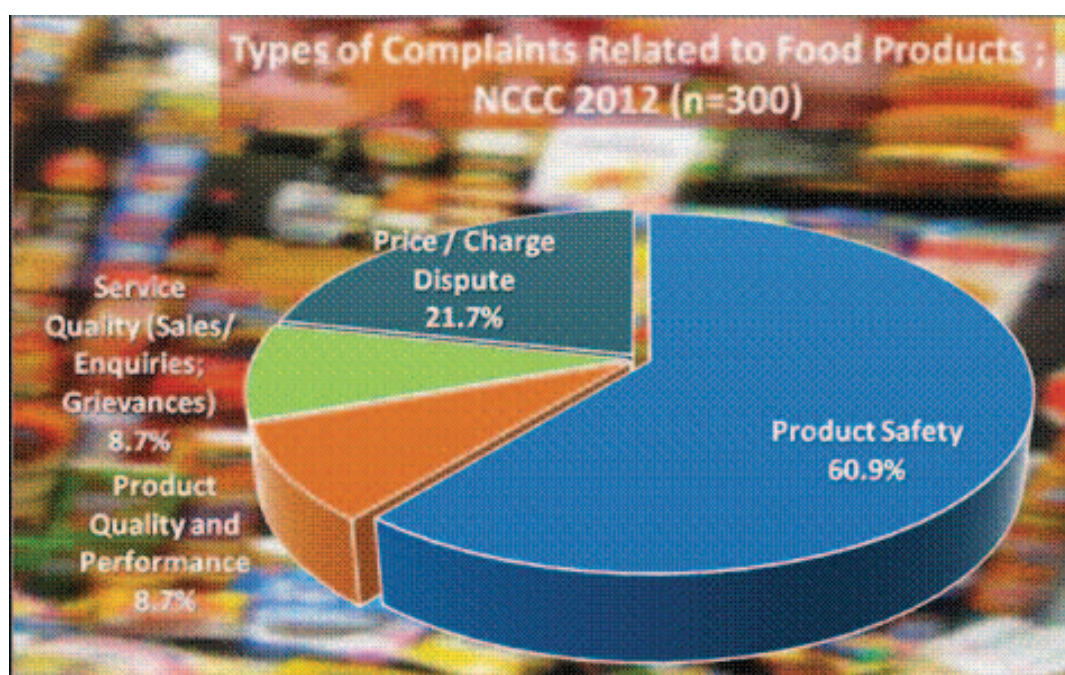
products are estimated at RM9,807.

Among the complaints are issues related to

- Physical contamination such as:
 - o Screw in cake
 - o Strings running through a loaf of bread
 - o Glass shards in pizza
 - o Plastic components inside a fried chicken
- Biological contamination
 - o Insects in infant milk powder
 - o Maggots in chocolates

The second highest complaint is in regards to price dispute with 21.7% of the total complaints. A sudden increase in food items, especially

Figure 1: Types of Complaints Related to Food Products



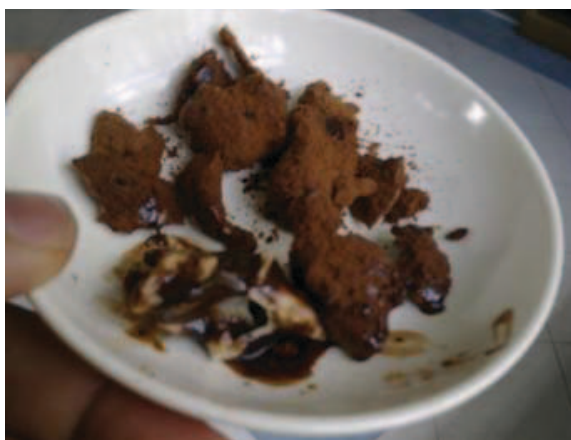


Figure 2: Dead insects in malt powder



Figure 3: Needle in cereal mix



Figure 4: Slimy chocolate

essential ones during festive period and in rainy season, contribute to the complaints that NCCC receive.

Apart from that, some even complaint that the counter price of a food items vary from the shelf price. Service quality and product quality recorded 8.7% each of the total complaints received by the NCCC.

Consumer Complaints Related to Restaurants

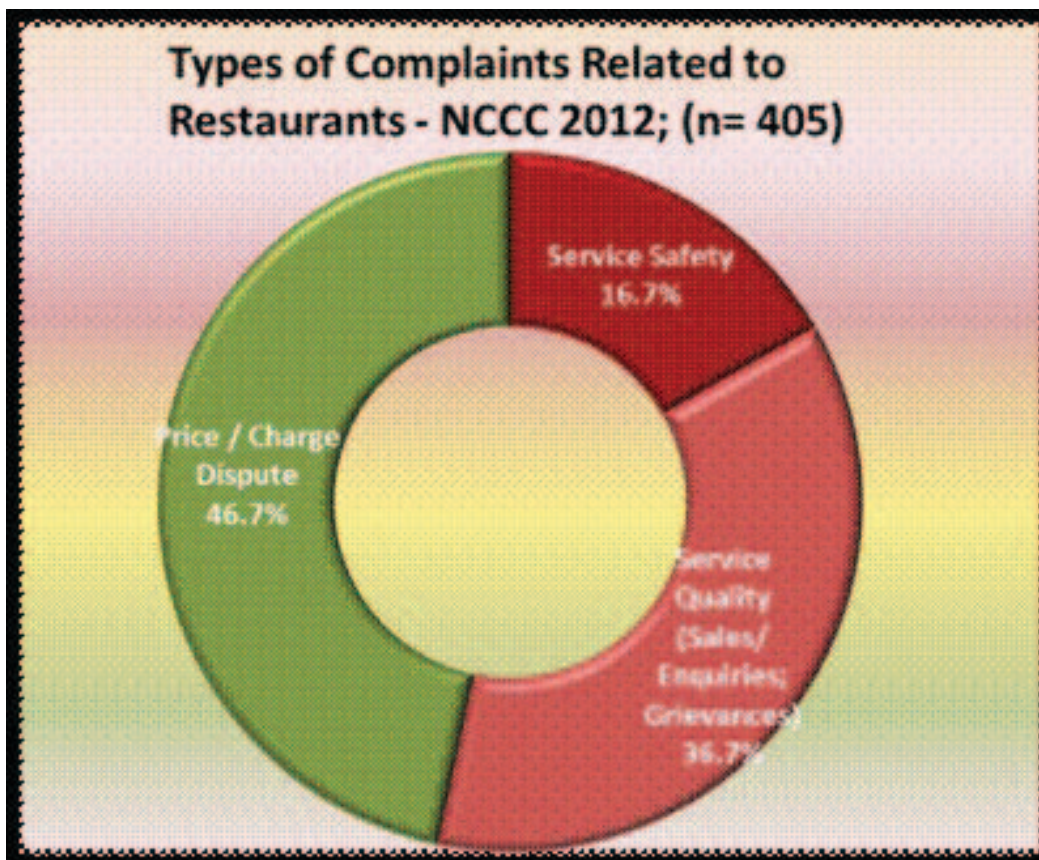
The NCCC received a total of 405 complaints related to restaurants in 2012. Nowadays more young couples eat out as both spouses work. With increased spending capacity and lesser time to cook, more people tend to eat out which

increases exposure to unsafe or unhygienic practices in restaurants and dissatisfaction with the quality of food and services.

The highest complaint is on price / charge disputes at 46.7% of the total complaints received related to food services and restaurants. Among the complaints are excessive charges for example, RM1.00 charged for a glass of warm water and RM0.50 charged for an empty glass. Some complaints are that the price stated in the menu is different from the bill and the remaining complaints are about the unavailability of food list with its price.

About 36% of the complaints are in regards to service quality and the remainder 16.7% is on service safety. Although 16.7% is not a huge sum, but as mentioned earlier, it should not be

Figure 5: Types of Complaints Related to Restaurants



taken lightly as food safety is closely linked to the consumer's health and if not given proper care and attention, it can lead to serious health setbacks and maybe even cause death in some instances.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

Apart from the overarching law of **Consumers Protection Act 1999** that cuts through all consumer related issues, the complaints received under the food sector is addressed by the **Food Act 1983**.

Section 13 and 13A of the Food Act 1983 states that any person found guilty of instances where upon discovery that the food contains

substances, which are poisonous, harmful or otherwise injurious to health, the person committing such offences shall be liable to a fine not exceeding RM100,000.00 or imprisonment not exceeding 10 years or both.

Section 13A also further states that it is an offence to prepare or sell food which is unfit for human consumption. The Food Act also provides provision which outlaws false labelling and advertisements that compromises the safety of food.

Although there is no specific laws that regulate the service of restaurants, bars, bistros, cafes or business of similar nature, that does not mean these operators are above the law. Complaints of these nature are addressed by **Section 53 of the Consumer Protection Act** which provides that where services are supplied to a consumer, there



Figure 6: Plastic in chicken burger



Figure 7: Cockroach in 'sirap bandung'

shall be implied a guarantee that the service will be carried out with reasonable care and skill.

In cases where food products or cooked food are sold at an unreasonably high price, **Section 36 and 56 of the Consumer Protection Act** states that where goods / services are supplied to a consumer, there shall be implied a guarantee that the consumer shall not be liable to pay to the supplier more than the reasonable price of the goods / services.

Recommendations for Improvement

- Enforcement units of relevant Ministries such as Ministry of Health (MOH), Ministry of Domestic Trade, Cooperative and Consumerism (MDTCC) and local councils should make more regular spot checks to restaurants and food manufacturing factories to ensure safe and clean operations. Those who fail to meet the minimum standard should then be fined or sanctioned accordingly.
- Guidelines such as Good Manufacturing Practice (GMP) and Hazard Analysis of Critical Control Points (HACCP) should be made mandatory and elevated to

regulations.

- Food operators and restaurants owners should train their staff on basic hygienic food preparation and customer service. Almost all the restaurants in cities depend on foreign labours to run the restaurant business. Language and cultural differences have significant bearing on food hygiene practices in restaurants. Policy makers should develop policies and training methods in consideration of this situation.
- Food Safety and Quality Division should immediately adopt and impose stricter standards and enforce them industry wide.
- Industries on the other hand should adopt and follow the many available guidelines which promote high standards on food safety and cleanliness.
- Policy makers must establish a food safety incident information sharing system and encourage the general public to report any kind of food safety incidents online or through the use of special (free) application in their smartphones.

Chapter 21

Consumer Complaints Related to Non-Conventional Financial Services

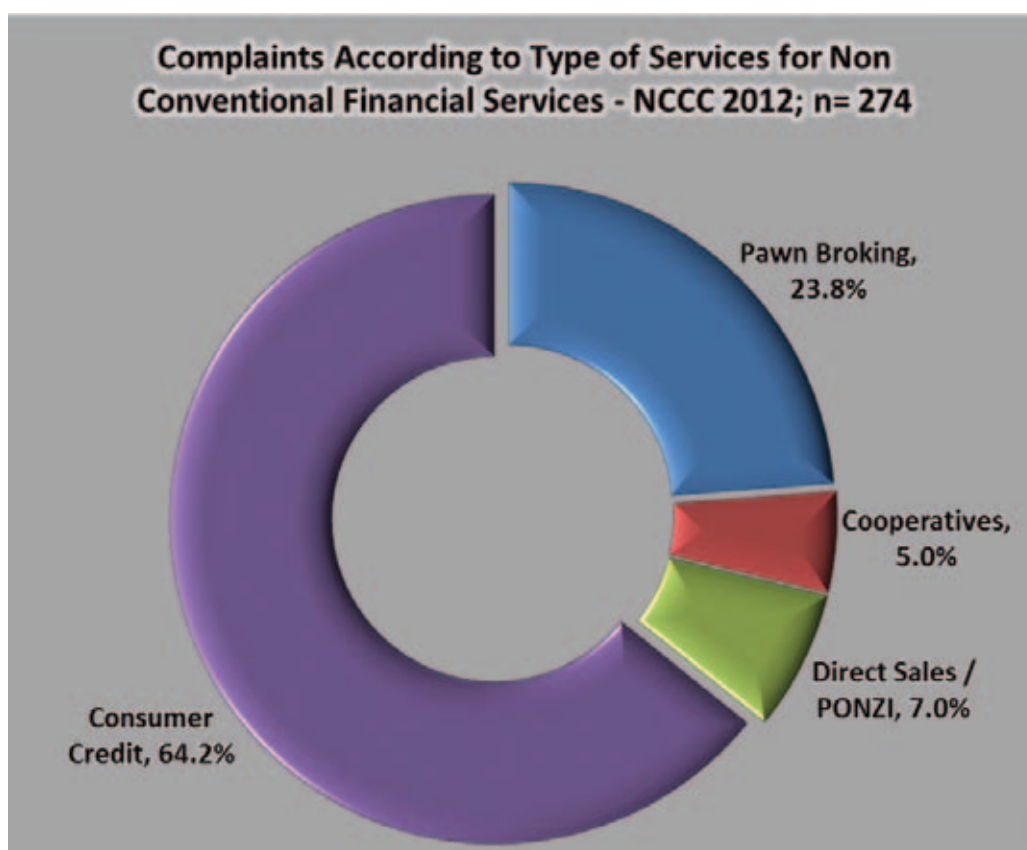
What are Non-Conventional Financial Services?

They are modified loan terms or eligibility requirements that allow lending to borrowers with limited financial resources.

Complaints According to the Type of Non-Conventional Financial Services

A large volume of complaints under this category were made in relation to Consumer Credit Services. To this, the NCCC had recorded 64.2% out of the total complaints received. One company providing credit services was identified

Figure 1: Complaints According to Type of Services for Non Conventional Financial Services



as a recurring respondent according to the complaints trend. The nature of complaints for this said company were made mainly due to their below-par services such as over-charging in interests, and the use of thugs as collectors.

Almost 24% of the complaints in this sector are related to pawn broking services. More often than not, items pawned were sold off without the consent of the owners. Pawnbrokers also seek to take advantage of the financial burden by selling off their customers jewellerys at a higher price to make profit in an unjust manner.

The get rich quick scheme although not as prominent as it was in 2006 and 2007, seem to be a significant source of complaints in this sector constituting about 7% of the complaints. Licensed money lenders these days offer investment schemes to lay people with the promise of high returns resulting in the investors losing their capital. Other complaints were related to the various types of get rich quick schemes.

Consumer Complaints Related to Investment (n = 196)

The NCCC has noticed increasing trend in complaints made towards cooperatives drawing up investment schemes with a promise of high returns. Sadly, these said schemes are targeted to the lower income group of people. Innocently placing all their saving with the hope of yielding benefits that sounds too good to be true, these corporations are more often than not found to be 20cents entities set up with their aim to con the less fortunate and to enrich themselves in a short term period.

These said cooperatives are registered with the Suruhanjaya Koperasi Malaysia (SKM). When complaints are forwarded to this said regulating body for their perusal and action, more often than no adequate actions are taken.



On a separate note, there are companies set up introducing their gold investment schemes to the public at large with the promise of higher returns within a stipulated time. In some instances, customers are not provided with the returns promised.

Other investment complaints were related to internet scams, misrepresentation and etc.

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

Credit services by cooperatives in Malaysia falls under the purview of the **Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK)** and is regulated by the **Suruhanjaya Koperasi Malaysia (SKM)**.

Additionally, **Section 53 of the Consumer Protection Act 1999**, stipulates that where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill. As such, employees representing credit service companies should strictly adhere to this law and thus provide proper information to consumers at large and to their best of

capabilities provide efficient customer service that is of acceptable standards. Failure in such may lead to misrepresentation of service provided to the consumers at large and result in companies being liable for losses suffered by an aggrieved consumer.

To deal with pawn broking issues, reference is more often than not made to **Section 23(1) (a) and (b)** of the **Pawnbrokers Act** which spells out that pawnbrokers are bound by the duty to inform the borrowers the time, date and place of auction to be held. Additionally, the auction has to be publicised. Apart from that, via **Section 25** of the same Act, all pawnbrokers are to notify their respective borrowers within a week of an item sold or auctioned.

The principle of 'misrepresentation' may be also applicable in cases where employees acting on behalf of consumer credit service providers make representation, wholly or partially not true and that misrepresentation was crucial in a customer entering into a contract, then **Section 18 of the Contracts Act Malaysia 1950** may be invoked and consumers may be awarded damages should the company be held liable for misrepresentation.

Recommendations for Improvement

The **Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK)** and the **Suruhanjaya Koperasi Malaysia (SKM)** should strictly scrutinise all cooperative credit service providers at large. They should ensure strict adherence to the way in which these credit service providers are allowed to operate, hence offering further consumer protection to the general public at large.

The body governing pawn broking services should come under the purview and be regulated strictly under the KPDNKK as opposed to The

Ministry of Housing and Local Government. This will provide a redress mechanism for aggrieved consumers.

Laws relating to an auction without notice to borrowers should be strictly applied to curb pawn brokers from profiteering on the financially burden.

Consumer Protections Laws Applied in Managing Complaints with Regards to Investment Scams

There are no clear laws in Malaysia pertaining to Investment scams.

Should the NCCC receive complaints in relation to a cooperative; we forward them to the Suruhanjaya Koperasi Malaysia for their perusal and immediate action.

Recommendations for Improvement with Regards to Investment Scams

More often than not, complaints sent to the Suruhanjaya Koperasi Malaysia (SKM) are not dealt with adequately with sufficient care. Complainants on a very often basis come back to the NCCC and inform us that no proper action has been taken against the cooperation.

To this, the KPDNKK should ensure that the SKM are diligent in handling and resolving complaints with utmost care.

SKM should hold a meeting with the NCCC on a regular basis to discuss on consumer protection policy reforms. This will help curb the unfair manner in which companies and cooperation's conduct their businesses. They should also further discuss the complaints trend of NCCC

on a yearly basis to close all available loopholes in the law that leads to the scamming of public at large.

Other credit service providers should come under the purview of the central bank – Bank Negara Malaysia and the **Financial Services Act** must apply to them as well.

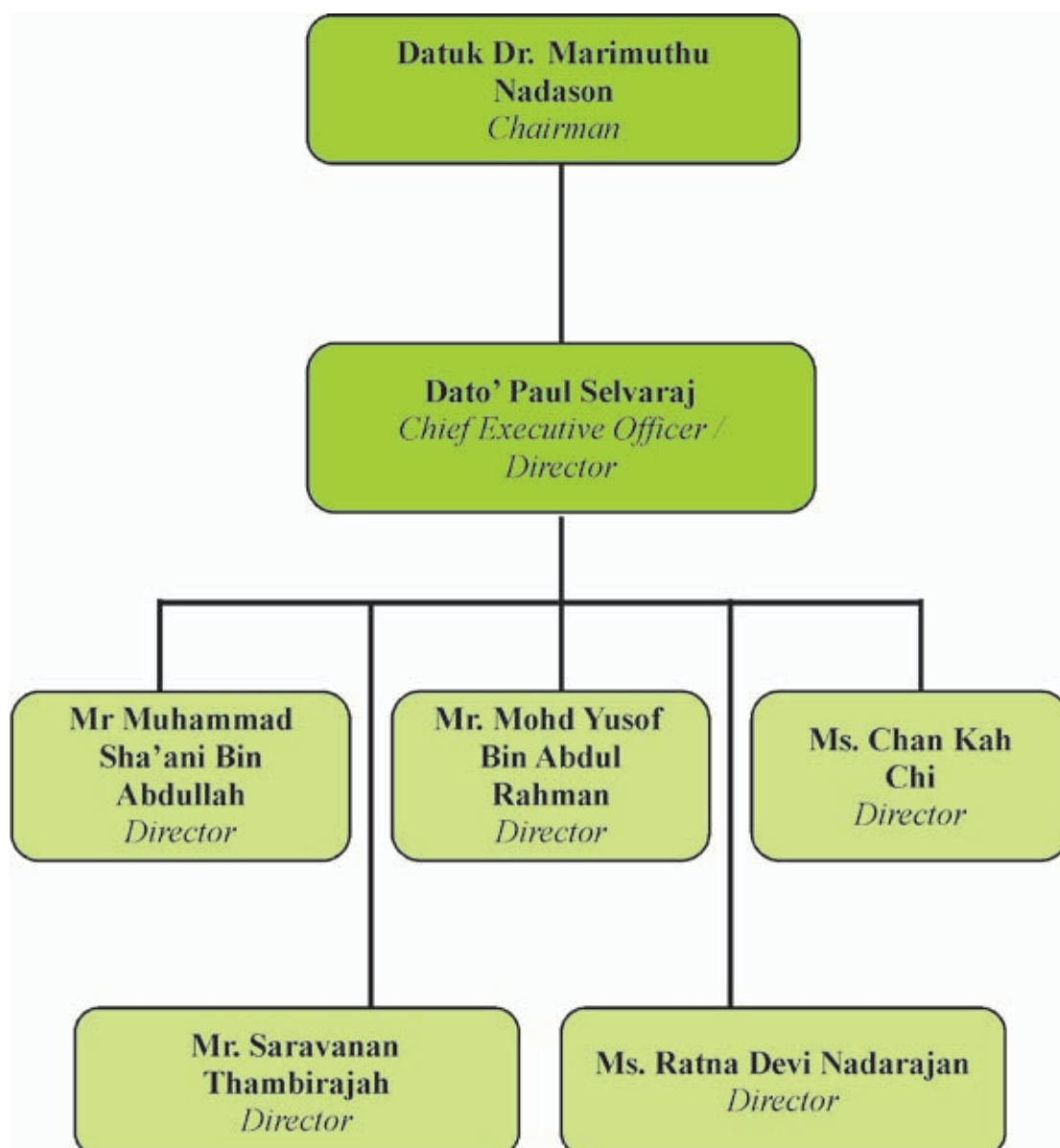
Annexes



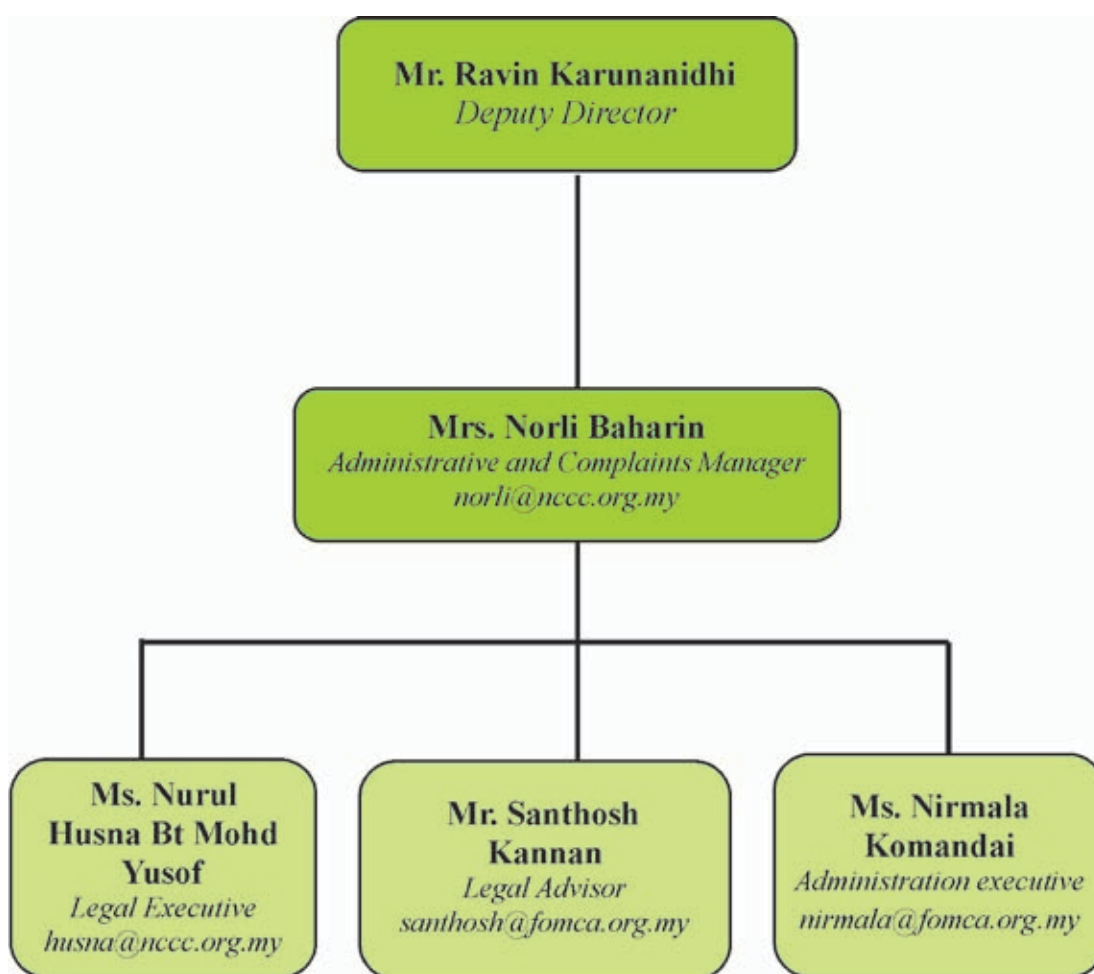
Annexe 1

NCCC Organisational Chart

Board Members



Management Staff



Annexe 2

NCCC in the Media

40,637 aduan direkod

KUALA LUMPUR: Sebanyak 40,637 aduan berhubung isu pembelian barangan dan perkhidmatan direkodkan Pusat Khidmat Aduan Pengguna Nasional (NCCC) sepanjang tahun lalu, membabitkan kerugian mencecah RM33.86 juta. Angka itu meningkat 18.2 peratus berbanding jumlah aduan diterima NCCC pada tahun sebelumnya iaitu 37,216 kes.

Menurut Pengerusi Lembaga Pengarah NCCC, Datuk N Marimuthu, aduan tertinggi membabitkan produk pengguna (9,349 aduan) yang majoritinya dimonopoli barangan berkaitan telekomunikasi.

"Kami percaya jumlah aduan

sebegini meningkat kerana masyarakat semakin ramai bergantung kepada perkhidmatan telekomunikasi, termasuk Internet dan jalur lebar," katanya pada sidang media selepas merasmikan Seminar dan Pelancaran Laporan Tahunan 2011 NCCC, semalam.

Marimuthu berkata, jumlah kerugian tertinggi membabitkan sektor kenderaan yang mencatatkan nilai perikatan sebanyak RM13.96 juta.

"Secara keseluruhannya, terdapat lima kategori aduan tertinggi bagi tahun 2011, antaranya produk pengguna, telekomunikasi, kenderaan, perkhidmatan kesejahteraan serta bekalan elektrik.

"Produk pengguna mencatatkan aduan kedua tertinggi, sebanyak 8,181 kes diikuti kenderaan (5,292), perkhidmatan kesejahteraan (2,470) dan bekalan elektrik dan tenaga (2,382).

"Bagaimanapun daripada 40,637 aduan diterima, 80 peratus dapat diselesaikan merangkumi kepuasan dan kerugian pengadu," katanya.

Marimuthu berkata, NCCC sentiasa membantu, mendidik, memberikan sokongan serta menjadi pusat



MARIMUTHU, 80 peratus aduan selesai



N. MARIMUTHU (tengah) mempersembahkan laporan tahunan NCCC 2011 pada sidang media di Kuala Lumpur, semalam.

FOMCA minta tumpu lima sektor

KUALA LUMPUR 30 Sept. - Gabungan Perindustrian Perkhidmatan Malaysia (FOMCA) meminta perhatian kerajaan dalam lima sektor yang dilihat penting dalam perkhidmatan pengguna sejak 2011 nanti.

Presidennya, Datuk N. Marimuthu berkata, lima sektor tersebut ialah pengangkutan, pertanian, kesihatan, pendidikan dan isu kewangan.

"Kita berharap kerajaan dapat membina perkhidmatan kesihatan dirangsang supaya dapat membina perkhidmatan kesihatan perantara kepada rakyat.

"Selain itu, sektor pendidikan di luar sektor penting agar kita dapat melahirkan modal insan dan rakyat yang matang dan bertanggungjawab. Pelajar pendidikan dalam

40,637 complaints over poor telco service

CRYING SHAME: Bad coverage, hidden charges and service top list of complaints

stemmed from a lack of proper information. "Consumers are not being given precise information about the types of services offered and the costs involved. "Sometimes, they are blatantly charged for services they did not even request for. "They only discover the costs when the bill arrives," he told reporters at the launch of the NCCC Complaints Report 2011 yesterday.

According to the report, consumer complaints last year involved RM33.8 million worth of products and services.

The top five types of complaints received by the NCCC were in consumer products, telecommunications, motor sector, wellness services and

electricity and energy supply. The highest amount of losses incurred were in the motor sector, where the value of complaints involved was RM13.9 million.

NCCC chairman Datuk N. Marimuthu urged consumers to be more aggressive in pushing for more efficient services. "You have to be 'angry' consumers and put more pressure on the biggest offenders, whether through consumer groups or through the various media.

"This is especially true for large companies which prefer to spend more on public relations exercises rather than on improving the quality of their products and services," added Marimuthu, who is also president of the Federation of Malaysian Consumer Associ-

ations (Fomca). He also called for more consumer protection laws in the finance and banking sectors to curb unscrupulous practices. "Right now, banks are introducing a lot of new e-services such as online transfers and payment modes. "While there are a lot of laws regulating banking systems, there are not enough provisions to protect consumers' rights, or which set out the banks' obligations and responsibilities towards their customers."

He said 80 per cent of the complaints recorded in the report have been settled, including those referred to the Consumer Claims Tribunal.

"We believe companies, particularly the large telco companies, should set a target to deal with public complaints within five days."

The number of complaints recorded showed an increase of 18.2 per cent compared with 37,216 in 2010.

Aduan-aduan PERUMAHAN

MERUMAHAN adalah sektor yang paling banyak menerima aduan pengguna. Menurut laporan tahunan NCCC 2011, terdapat 9,349 aduan berkaitan perumahan, meningkat 18.2 peratus berbanding 7,904 aduan pada tahun 2010.

Perumahan adalah sektor yang paling banyak menerima aduan pengguna. Menurut laporan tahunan NCCC 2011, terdapat 9,349 aduan berkaitan perumahan, meningkat 18.2 peratus berbanding 7,904 aduan pada tahun 2010.



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Utusan Malaysia 21/9/2012

Aduan pengguna meningkat 18.2%

KUALA LUMPUR 20 Sept. - Pusat Khidmat Aduan Pengguna Nasional (NCCC) melaporkan aduan pengguna bagi 2011 telah meningkat sebanyak 18.2 peratus iaitu 40,637 berbanding 34,381 pada 2010.

Pengerusinya, Datuk N. Marimuthu berkata, peningkatan tersebut menunjukkan pengguna di negara ini semakin bimbang dengan kualiti perkhidmatan dan yakin terhadap NCCC.

"NCCC telah berjaya menyelesaikan sebanyak 80 peratus daripada jumlah aduan yang diterima manakala nilai pertikaian keseluruhan bernilai RM33,861,721.95.

"Lima aduan tertinggi bagi 2011

karala yang wujud dalam setiap sektor dan cadangan kepada kerajaan, industri serta pengguna.

Tambahnya, lima aduan tertinggi dari segi nilai pertikaian pula ialah kenderaan (RM13,967,336.23), kewangan (RM4,966,387.93), perumahan (RM4,270,225.08), produk pengguna (RM2,519,819.24) dan perkhidmatan penjagaan kesihatan (RM1,779,177.96).

"Syarikat-syarikat yang memberikan perkhidmatan atau produk perlu proaktif dalam menangani aduan pengguna mereka. "Sekiranya mereka tidak menjaga aduan pelanggan, maka pengguna akan mencari syarikat lain atau memboikot, akhirnya menjayakan perniagaan," ujarnya.

Marimuthu berkata, pengguna perlu 'garang' dan tegas dalam mempertahankan hak mereka apabila terdapat masalah daripada pihak syarikat seperti caj resembunyi dan lain-lain.

Untuk sebarang aduan kepenggunaan boleh menghubungi NCCC talian 03-78779000/787748096 atau melayari laman web www.nccc.org.my.

INFO	
Keseluruhan jumlah aduan 2011-40,637 aduan	
Keseluruhan jumlah nilai pertikaian aduan 2011-RM33,861,721.95	
Jumlah lima aduan pengguna tertinggi bagi 2011:	
1. produk pengguna (9,349)	
2. telekomunikasi (8,181)	
3. kenderaan (5,292)	
4. perkhidmatan kesejahteraan (2,470)	
5. bekalan elektrik & tenaga (2,382)	
Jumlah lima nilai pertikaian tertinggi dari aduan pengguna 2011:	
1. kenderaan (RM13,967,336.23)	
2. kewangan (RM4,966,387.93)	
3. perumahan (RM4,270,225.08)	
4. produk pengguna (RM2,519,819.24)	
5. perkhidmatan penjagaan kesihatan (RM1,779,177.96)	

மொத்தம் வெ.3 கோடியே 38 லட்சம் இழப்பு-என்.சி.சி.க்கு 40,637 புகார்கள்

சேவை, பொருள்களை வாங்கியதன் அடிப்படையில் கடந்த ஆண்டு 3 கோடியே 38 லட்சம் வெள்ளி இழப்பை உட்படுத்திய பொருள்கள் 40,637 புகார்கள் என்.சி.சி.சி. எனப்படும் தேசிய பயனிடலாளர் புகார் சேவைப் பிரிவு பெற்றது.

கடந்த 2009 ஆம் ஆண்டு பெறப்பட்ட 37,216 புகார்களைக் காட்டிலும் கடந்த ஆண்டு 18.2 விழுக்காடு புகார்கள் அதிகரித்திருப்பதாக என்று என்.சி.சி.சி. நிர்வாகத் தலைமை இயக்குநர் டத்தேன் என். மாறிமுத்து தெரிவித்தார். பெறப்பட்ட புகார்களில் 80 விழுக்காட்டு புகார்கள் தீர்க்கப்பட்டுவிட்டதாகவும் அவர் கூறினார். தலைநகரில் நேற்று 2011 ஆம் ஆண்டுக்கான என்.சி.சி.சி. ஆண்டறிக்கையை வெளியிட்ட நிகழ்வில் கலந்து கொண்டபோது செய்தியாளர்களிடம் அவர் இவ்வாறு கூறினார். பொருள்களில் பலர் தற்போது இணையும், அகண்ட ஆலோசனைகளின் வழியான சேவைகளை அதிகமாகப் பயன்படுத்துவதால் பல்வேறு பிரச்சினைகளுக்குள்ளாகின்றனர். அதன் காரணமாக இழப்புக்குள்ளாவோரின் புகார்களும் என்.சி.சி.சி.க்கு அதிகமாக வருகின்றன என்று அவர் தெரிவித்தார்.



MALAY MAIL 7 NOVEMBER 2012

Make sure products not past expiry dates

EXPIRY dates are important for a consumer. However, there are some marketing tactics where the packaging or stickers are put to cover expiry dates and the products are sold during sale.

The National Consumer Complaints Centre (NCCC) has received queries where consumers bought certain products and on opening the packaging found that the expiry date was too near. As a result they were not able to consume the product fully.

Consumers who are oblivious about such information end up falling for such unscrupulous marketing or selling tactics. Cosmetics are a good example where most of the items on the shelf have manufacturing date but not expiry date. Few actually have expiry dates.

According to the Guidelines for Control of Cosmetic Product in Malaysia (REV 2009), Clause 8 on Labelling Requirements says: "Indication of the expiry dates shall be mandatory for cosmetic product; the minimum durability of which is less than 30 months."

When checked with the National Pharmaceutical Control Bureau (NPCB) in Malaysia, the expiry date only becomes mandatory for cosmetics with a shelf life of less than 30 months.

This is fine but for products with longer shelf life, the product still needs to be labelled with either manufacturing or expiry date.

So here, the manufacturers have an option for products that has shelf life or more than 30 months: which consumers need to be aware of.

Consumers need to know what they are consuming and be more alert in buying cosmetic products. Even though, cosmetics are regulated by NPCB, somehow consumers still end up buying sub standard products or counterfeit products from unauthorised sellers or shops and end up being victim.

It is a must for consumers to check the manufacturing and expiry dates and the registration number given by NPCB in cosmetics products so that they can be sure of what they are buying.

In the event where there is sale or promotion, consumers must make sure that the product that they are buying has reasonable expiry date and labelling and make sure the product can be used.



Annexe 3

Case Studies

Category: General Consumer product

Saya membeli sebuah telefon bimbit jenama [REDACTED] pada 19/10/2011 dengan jaminan selama satu (1) tahun. Pada 03/09/2012 telefon bimbit tersebut tidak berfungsi dan saya telah menghantarnya untuk dibaiki. Pada 06/09/2012, ejen penjual tersebut telah memeriksa telefon bimbit tersebut dan menyatakan bahawa telefon bimbit berkenaan telah dimasuki air serta tiada pembaikan dibawah tanggungan jaminan. Saya tidak berpuas hati dan menghantar semula telefon bimbit berkenaan untuk diperiksa sekali lagi memandangkan telefon bimbit itu tidak pernah dimasuki air sepanjang tempoh penggunaannya. Namun, jawapan yang sama diberikan oleh pihak penjual dan menunjukkan bahawa terdapat satu kesan tanda pada papan litar yang didakwa sebagai kesan air. Mengikut pengalaman saya selama 10 tahun sebagai juruelektrik, air tidak akan meninggalkan kesan sebegitu pada papan litar. Penjual mencadangkan supaya telefon bimbit tersebut dibaiki atas tanggungan saya sendiri dan saya bersetuju. Namun, beberapa hari kemudian, pihak penjual memaklumkan kepada saya bahawa telefon tersebut tidak dapat dibaiki.

Action / tindakan:

Pihak yang diadu telah menyelesaikan masalah tersebut dengan pengadu. Aduan selesai.

Category: Retail Consumer Services

On 27 March 2012, I bought 1+2+3 sofa set for RM3, 200.00. Later, it was found out to be of poor quality. The top layer of the sofa came

off bits and pieces. The supplier would not compensate in any way. We felt cheated to have bought the set that cannot last even for a year. We felt that the supplier should bear the cost of repair or change for another set or reimburse us.

Action / tindakan:

The respondent replaced a new sofa set to complainant. Case closed.

Category: Health and Wellness

I signed a slimming package and done the first treatment on 31/01/2013. The whole package cost RM 2550.00. The night after the treatment, I was having strong pains on my legs, irregular fast heart beating and was not able to sleep the whole night due to the pain and discomfort. Right until 01/02/2013 morning, I found my leg to be bruised (from the treatment) and was feeling dizzy and shivering with the same irregular heart beating. I went back to the slimming centre requesting for a cancellation to terminate my package because I do not want to continue suffering with discomfort. I was told of the possibility of having slight pain but was not told of the irregular heart beat and insomnia. The manager told me that there is no refund policy. They told me that the receipts are stated with no refund once payment made. I said to them that I will pay for the treatment that was done but I do not want to continue for further treatment or to change to other packages that available. It was not possible according to them. I believe that consumers have the right to voice out their dissatisfaction towards the service given and terminate for further treatment. Please help!

Action/tindakan:

*Respondent undertake to refund accordingly.
Case closed.*

I paid RM3, 360.00 to the respondent for ten (10) times facial packages. Later, I was induced to pay another RM1, 680.00 for another five (5) times facial packages. Their service is terrible and keeps asking me to pay more and more money. I only use two (2) times and now I want to cancel my package and get refunded. However, they did not allow me to be refunded.

Action / tindakan:

This matter has been referred to Consumer Tribunal and a Settlement Agreement has been made. Case closed.

Category: Automobile

Saya pemilik motor [REDACTED]. Peristiwa ini berlaku semasa perjalanan pulang ke kampung dari Kuala Lumpur ke Johor. Ketika itu, jalan penuh dengan kenderaan dalam kelajuan anggaran 90-100 kmj. Saya memandu dalam kelajuan 110-120 kmj di lorong sebelah kanan. Lagi 300 meter hendak ke susur masuk tol Port Dickson, skru sproket hadapan telah patah dan sproket terkeluar dari shaftnya lalu menghentam shaft gear dan melekat di shaft gear tersebut. Minyak enjin habis terkeluar. Tayar belakang motor saya tidak boleh bergerak dan terseret hampir 100 meter di lorong kanan dan berhenti di lorong tengah. Nasib baik pada ketika itu kenderaan di belakang sempat memperlahankan kenderaan masing-masing dan mengelak. Saya bukan orang pertama yang mengalami kejadian seperti ini.

Action / tindakan:

Pihak yang diadu bersedia untuk menggantikan sebahagian alat ganti yang rosak iaitu Gearshift lever comp dan Oil seal 15x25x5 serta upah pemasangan dan pengiriman alat ganti adalah percuma. Aduan selesai.

I drive a [REDACTED] auto purchased in 2009. I do regular services at [REDACTED] as it is near my home. Since June 2012, my car has been having engine starting problems. The engine is unable to start and when I turn my car key, the "check engine" list is always missing. When I took my car to [REDACTED], they told me first it was the car battery, then some other parts. This was for at least 6 times. Then I called up [REDACTED] which referred me to [REDACTED] Showroom and Service Centre at Setapak. After the service there, 2 days later my car could not start. I sent my car back to them on the 5th of January 2013. When the technician tried starting my car, it did not start and he said he will check. I called them up on 8th January 2013 and they said the car can now start and so they cannot check. They told me nothing is wrong with the car and they cannot do anything. They said, "tow the car in when it cannot start. Only then can we check". I just took my car back and when I parked it at my home and tried starting after 1 hour, my car again could not start. So can you please look into my problem as I have spent my time, energy and money taking off from work just to attend to this.

Action / tindakan:

Pengadu memaklumkan bahawa aduan telah selesai. Pihak yang diadu telah menghubungi pengadu bagi menyelesaikan aduan.

I purchased a brand new [REDACTED] from the showroom on 28/12/2012. to my dismay, the car which I bought less than one and half week broke down. I had to jump start and take the car to the service centre. They checked everything around 2 hours and said the car was in good condition. The next day, I went to work in heavy rain when the engine dies off by itself in the middle of the road. The car was again jump start and I took it back home around 6 pm. The next day, I tried to start the car but it failed to start. I called [REDACTED] help line centre to towed my car to the service centre in Kelang Lama. The car has been sent for service twice since purchased. Now, the service manager told me that they can never

change any of the engine parts because the car is now in good condition. I was worried to take back my car if the same thing happen again. For one week my car was kept in their service and who is going to pay for the charges and so on.

Action / tindakan:

Complainant informed that the case is settled. He took back his car from the respondent.

Category: Telecommunication

I just signed the 2 years contracts with [REDACTED] which is transferred the line from [REDACTED] to [REDACTED] on May'13. I was told that my mum phone number will become a main line and my phone number will be sub-line. Meantime, i was clearly defined that the data planned will be put under my phone no. My [REDACTED] line was active on 9th or 10th June 2013. Initially, i thought everything has been done and start to use the data for internet services. On 13th June 2013, i was going to use the 3G services again, i was found out unable to connect to the 3G services, so that i immediately called [REDACTED] customer helpline to check. After checked, the customer services officer told me that my line do not have any data planned. I was shocked and been told that the outstanding amount for data usage is cost about RM441.00.

Action / tindakan:

The respondent has given airtime rebate of RM240 which was agreed upon by the complainant. Case closed.

Category: Housing Developer/ Real estate

Saya telah menghubungi Syarikat yang melakukan kerja renovation dan wakil mereka telah dating dan berunding tentang renovation rumah saya. Anggaran kos adalah RM40,000.00. Hari ini telah masuk 4 bulan sejak kerja dimulakan namun belum hamper 50% kerja telah selesai. Kerja yang dilakukan tiada

perancangan yang jelas dan hasil kerja tidak memuaskan. Pekerja juga tidak mahir. Tidak ada pemantauan dari bos mereka . mereka meminta wang secara berperingkat dengan menyatakan kerja yang akan di2lakukan tetapi mereka tidak melakukan kerja tersebut sepenuhnya sedangkan wang telah pun diberi. Saya merasa tertipu dan menelefon syarikat berkenaan supaya tidak meneruskan kerja pengubahsuaian dan memulangkan wang saya kerana kerja yang dinyatakan masih belum dibuat.

Action / tindakan:

Responden enggan memberikan kerjasama. Pengadu dinasihatkan supaya membuat tuntutan di Tribunal Tuntutan Pengguna.

Categories: Utility

We had a tenant staying there for more than a year and when they left the water bill was around rm500 plus. We closed the main pipe and thinking that the water dept will cut the supply and then we can make the payment. But after 6 months they have still not cut the water supply and the bill has ballooned to rm1600 plus. There might be a leakage in the house but if they would have cut the main the bill would not have gone so high and we could have fixed the problem. Appreciate if you could assist in solving this prob-lem.

Action / tindakan:

Pihak Bekalan Air telah menelefon pengadu untuk memberikan penjelasan berkenaan pemotongan dan pengadu bersetuju dengan penjelasan yang diberikan. Kes selesai.

Category: Banking

I was a credit-card customer of [REDACTED]. The main reason for me to apply this credit card last time was because this credit card could offer me 0.5% rebate for every Ringgit that I spent and the reward-point collection as

well. Moreover, I was told that I can earn 3X points whenever I use this credit card for any purchase in overseas. I have started to use this credit card since 2010. There was no problem so far. However, suddenly they stopped all the reward-point and cash-rebate programs of my credit card without informing me personally in advance. They eliminated all these benefits, which the credit-card users ought to have and enjoy, since 1 Jan 2013 without any official letter to cardholders. I just discovered this matter from my credit card's monthly statement in March 2013. I called to the Bank to complain about this, but the answer I received was not satisfactorily. Ultimately, I cancelled my credit card by losing all the shortage of my cash rebate and reward points for Jan, Feb, Mar and Apr 2013, which I spent more than RM 20k by using this credit card in Malaysia and overseas.

Action / tindakan:

The respondent called the complainant to clarify and settle the matter after NCCC forward the complaint.

Category: Tourism, Tour & Travel

Saya pernah di offer untuk terima membership card dari sebuah syarikat pada tahun 2005. Pihak yang menghubungi saya menyatakan kad tersebut adalah free for life. Hanya perlu buat pembayaran sekali sahaja sebanyak RM599. Saya bersetuju untuk membuat bayaran dengan menggunakan kad kredit kerana banyak faedah yang ditawarkan. Saya tidak pernah menggunakan membership card tersebut hanya menggunakan voucher percutian percuma yang mereka berikan. Selepas 3 tahun saya memegang kad keahlian itu pihak tersebut menghubungi saya untuk upgrade kad keahlian saya kepada gold card, supaya saya dapat lebih kelebihan dan tidak perlu buat bayaran tahunan kemudian hari, saya jadi keliru sebelum ini saya diberitahu kad keahlian saya adalah free for life. mengapa saya perlu upgrade kad. Saya tidak hiraukan panggilan tersebut. selepas 10

tahun pihak syarikat tersebut menyuruh saya membayar yuran tahunan untuk kad tersebut. Namun setelah beberapa tahun saya menerima panggilan lagi yang mengatakan bahawa mereka merupakan peguam syarikat tersebut. Dengan ini saya harap pihak berwajib dapat mengambil tindakan ke atas syarikat ini kerana telah membuat pengguna rasa tertipu serta mengelirukan fakta. Sekian terima kasih

Action / tindakan:

Pengadu dinasihat untuk membuat aduan kepada Kementerian Pelancongan kerana syarikat tersebut berada di bawah siasatan pihak kementerian.

Category: Vehicle Services

Saya telah menghantar sebuah motokar milik saya di sebuah bengkel kereta untuk diselenggara radiator. Semasa pekerja bengkel tersebut sedang menyelenggara motokar saya, terdapat sedikit kemalangan yang menyebabkan cermin besar hadapan motokar saya retak memanjang. Saya kemudian berbincang dengannya untuk meminta ganti rugi kerosakkan daripadanya tetapi pihak bengkel enggan membayar ganti rugi terhadap kerosakkan motokar saya.

Action / tindakan:

Responden berjanji akan berbincang dengan pengadu mengenai penyelesaian. Jika masalah tidak dapat diselesaikan, pengadu dinasihatkan untuk rujuk pada tribunal.

Annexe 4

Law Reform And Implementation For 2011 & 2012

Hire Purchase Act (Amendment) Act 2010

The Act was amended in 2010 by including a provision in regards to booking fee as well as amending few provisions in relation to repossession of vehicle. This Amendment was fully come into force on 15 June 2011. By virtue of the amendment, hirers are not obliged to pay down payment whenever they wish to purchase a vehicle. Payment of 1% from the total purchase price is sufficient as booking fees.

The intention of the law is to facilitate the process of obtaining the loan from the bank. If the loan is rejected and the hirer decided to cancel the purchase, the dealer may only take 10% from the booking fees paid by the hirer and the remaining must be returned back to the hirer.

Another important highlight of this amendment is repossession of vehicle must be done in accordance with the steps regulated under the new Act. Compliance with notice is a must and vehicle may only be repossessed when the balance is more than 75% and the hirer has defaulted in 2 consecutive months. Court order is needed when the balance is less than 75% or the vehicle is in the premise.

Consumer Protection (Electronic Trade Transactions) Regulations 2012

The Consumer Protection Act 1999 was amended to include the above Regulations which shall come

into force on 1st July 2013. The main purpose of the amendment is to regulate e-commerce transaction since consumers are more involve into purchasing goods and services online.

Merchants are required to furnish sufficient and adequate details on the web which reflect the standard operating procedures and information like other types of business. Failure to furnish the details as prescribed under the schedule will constitute an offence by the seller. The regulations also laid down other duties and responsibilities on the part of the seller such as proper record maintenance, acknowledgement of receipt and etc.

Trade Description Act 2011

The Act was gazetted on 18th August 2011 and came into force on 1st November 2011. The purpose of the Act is to further enhance the protection on supply of goods and services. The Acts concerns about the prohibition of misleading advertisement, false trade and price as well.

Part II of the Act dealt specifically with the prohibition of false trade description which includes trademark, order, supply, advertisement and goods. Part III on the other hand focuses on the misstatements other than false trade descriptions. Part III includes matter pertaining to goods, services and statement in relation to contest, games, etc.

Non compliance of Part III amounted to an offence whereby the offender on conviction will be liable to a fine not exceeding RM500,000.00 and

RM1,000,000.00 for the subsequent or second offence for body corporate. Whereas for non body corporate, a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 3 years or both and greater punishment for second or subsequent offence.

Annexe 5

The Difference between Guarantee and Warranty

A guarantee has its aim to safeguard the rights of the consumer with no legal binding according to consumer law once one purchases an item while a warranty is a legal contract. Moreover, a warranty is only provided by retail sellers or distributors and guarantees are dealt with by manufactures.

A warranty refers to a service provided in case the quality of a service or a product is not met. A guarantee on other hand is a security or an assurance to return money if set terms are not obeyed. A warranty offers repair of goods sold within a given duration.

Guarantees

Often times, goods that are purchased may come with a manufacturer's guarantee. To this, there will be a registration card that needs to be completed and returned. Before you leave the shop, ensure the seller has filled in any details of the purchase he needs to otherwise the guarantee may not be valid. Once the necessary is filled up, you should keep all the documentation in a safe place in case you need to make a claim later.

Several businesses and service providers will offer guarantees. Whilst this is the case on a norm, be careful not to choose a business just because of a guarantee. The guarantee they provide may be of no use in the event of a bankruptcy. Only those backed by insurance may be of use in situations like this.

It is important to remember that guarantees are there to increase your protection and they cannot

be used to limit or exclude responsibility of a business for selling faulty products.

Warranties

A warranty is a formal statement of a fact and is part of the contract, or a contract in its own right.

A vast majority of warranties are specific to the item they are covering. For example, if you get new brakes on your car, the work and materials may be guaranteed to work for a specified number of miles or a certain time period. On the other hand, if an item is 'sold as seen' it is unlikely to be covered by a warranty.

All warranties vary and most will have limitations. These limitations may be in relation to time or use of the product. Additionally, the coverage is limited to a certain things, for example motorbike may not include things like tyres or brakes. Most warranties specify the parts that are covered under them.

What you should do?

When facing a problem with a particular good or service, conduct a check to see if the particular good or service is covered by a warranty or guarantee. If you are still uncertain, contact the seller or service provider.

Always speak professionally when seeking for information. Jot down all relevant information and the names of those providing such. If no settlement is reached, then resort to complaints

writing with a request from them to respond to you within a time stipulated by you.

Try to be realistic in what you are trying to achieve and keep details and evidence in support of any of those losses. If you are made an offer, consider it carefully and don't immediately disregard it. You may not get any more by going to Court. If both parties are reasonable you may well be able to come to an agreement that suits everyone.

Should the organization you write to not reply your complaints letter, resort for an alternate avenue to seek redress such as consumer organizations that make representation on your behalf or file a case in the consumer tribunals to get a hearing.

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ISSN 2180-1177

