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NATIONAL  
CONSUMER  
COMPLAINTS  
CENTRE

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ANNUAL  
REPORT

20  
08



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## Message from The Chief Secretary to The Government



*Assalamu'alaikum Warahmatullahi  
Wabarakatuh*

I wish to thank the Federation of Malaysian Consumer Associations (FOMCA) for giving me the privilege to include a message in the annual report of the National Consumer Complaints Centre for the year 2008.

### The National Consumer Policy

I wish to bring to your attention the National Consumer Policy (NCP) and its provisions which should be activated and implemented by all parties to promote consumer interests and enhance consumer protection.

The NCP was launched by the government in July 2002. The NCP sets out guidelines for the promotion of consumers interests by all government agencies, the private sector and consumer organizations. It contains a comprehensive and detailed set of actions, which if implemented diligently by all parties, will go a long way in solving consumer problems.

Under its *social strategy* for providing optimum consumer protection for instance, the NCP suggests the setting up of a 'special body' comprising the government, consumers and suppliers/manufacturers to handle consumer issues. Additionally it commits the government

to funding the consumer movement to enable it to carry out consumer related activities. It further encourages the involvement of consumer associations in the formulation and implementation of programs of government agencies at the state and district levels.

In the area of *consumer protection legislation*, it calls on the government to enhance laws and regulations of its enforcement agencies and identify where consumer associations can assist enforcement. The government must amend old laws and enact new laws in addition to ensuring that all laws related to consumers have consumer protection provisions. Under standards, it recommends the setting of standards for goods and services with special standards for imported goods and services.

The NCP recommends two *resolution mechanisms* for consumer problems. One for complaints and compensation which should be set up by every consumer organisation, supplier/manufacturer and the public sector to compensate consumers for faulty goods and services. The other dispute resolution mechanism should be set up by the government and industry for their respective categories and sectors.

In the area of *fair and ethical trade* the NCP recommends the involvement of suppliers/manufacturers in consumer activities and the

formulation of self regulation codes by suppliers and manufacturers in line with the NCP.

Under the NCP everybody needs to be involved in educating consumers. The government should raise the level of *consumer awareness* with formal and informal consumer programs and activities. It should set up a comprehensive infrastructure for effective *consumer education*. Consumer groups should be established at all levels and in both urban and rural areas. Consumer education should also be expanded to schools and institutions of higher learning. Importantly consumer education should be made a subject or integrated in all existing subjects at school and institutions of higher learning. A point to note is that the NCP recommends that consumer education be provided to suppliers and manufacturers through their associations.

At the *global level* the NCP recommends involvement with consumer movements worldwide for exchanging information especially in the area of sustainable consumption.

At the enforcement level the NCP recommends closer relationship, cooperation and enforcement among the various government agencies to protect consumer interests in the era of globalisation and liberalisation.

The NCP strongly recommends the formulation of an *Action Plan for Consumer Protection and Sustainable Consumption* consistent with government policies in meeting the challenge of globalisation and liberalisation. Every government policy must take into consideration the welfare of consumers and sustainable consumption.

The NCP recommends a compensation mechanism for *electronic commerce and commerce across borders*. The NCP recommends that the government enact laws

to protect consumers and suppliers/ manufacturers because of risks in electronic commerce. Suppliers and manufacturers involved in electronic commerce should provide a compensation mechanism and include a complaints facility in the websites.

In my opinion the NCP is a very comprehensive document clearly setting out the governments stand on consumer issues. It provides detailed guidelines on how to enhance consumer welfare and consumer protection in the country. It is important that all parties mentioned in the NCP should sit together and formulate actions plans for their respective roles under the NCP.

The Ministry of Domestic Trade, Co-operatives And Consumerism formulated the NCP under its portfolio of promoting and protecting consumer interests in the country. It is therefore the main player in the urgent task of drawing up action plans to implement the various strategies outlined in the National Consumer Policy.

**Y.Bhg Tan Sri Mohd Sidek Hassan**  
*Chief Secretary To The Government*

## Message from The President of FOMCA

I am pleased to present the National Consumer Complaints Centre's (NCCC) Annual Report on consumer complaints for 2008. This report represents our third comprehensive analysis of consumer complaints resulting from their purchase of goods and services

In 2008 a total of 28,080 complaints were received by the NCCC compared to 24,873 in 2007, an increase of 13 percent. Of the 23 categories in the 2007, the 'Private Higher Education' category had to be dropped in 2008 because of few complaints received. Two new categories have made it to the 2008 report namely 'Job Recruitment Agencies' and 'Healthcare Services' resulting in a total of 24 categories for the 2008 report.

### Review of the Consumer Portfolio of the Government

It seems to me that much of the effort put into consumer awareness, education programs and enforcement of consumer laws by the government since 1990 has not resulted in a corresponding improvement in the welfare of consumers in the country. Neither has it created much impact in terms of fair and ethical trade by the business community despite ethical trade guidelines formulated by the government. After nearly 20 years in operation, it is time to carry out a serious review of the consumer portfolio of the government. We have to identify the *critical success factors* that have been missing in consumer programs implemented and consumer laws enforced. It is time for us to review objectively, '*achievements*' to date in consumer awareness and education programs, consumer smart partnerships and law enforcement. It is only through measuring



achievements against targets that we can determine overall performance. This review must be done by an independent body in the interest of accountability, transparency and credibility.

Consumer protection and welfare specifically 'consumer well being' in Malaysia is very much dependent on the government. The formulation and implementation of consumer programs and enforcement of consumer laws and regulations nationwide is the responsibility solely of the government. It is therefore of concern that consumerism as a whole in Malaysia has not progressed very much since the beginning of consumer activism in the early seventies compared to the status of consumerism and the achievements of consumer movements in other countries. This is evident from the increasing number of consumer complaints with NCCC, the regular shortages of some essential goods in the market, the financial and organizational state of the Consumer Movement and the degradation of the environment.



'Market forces' in the country have been delegated the task of promoting fair and ethical trade by generating competitive and efficient organizations. Therefore regulation by the authorities to protect consumers has been minimal in order not to hinder free trade. Consumer organizations are often asked to be partners with and assist the government in protecting consumer interests. The *National Consumer Policy* lays it down in black and white. However without specific arrangements drawn up and sufficient funds provided, consumer organizations can not do much as their role is limited by both lack of funds and manpower.


The National Consumer Policy sets out clear guidelines and strategies for promoting consumer welfare and consumer protection by the government and the private sector. It has been in existence for more than seven years since its launch in 2002 and is to be implemented by all ministries, departments and agencies of the government. We are not clear on the status of its implementation or its achievements to date.

The lack of sufficient planning in the implementation of consumer programs and the lack of consistent and sustained enforcement of consumer laws is one of the major causes of the poor state of consumerism in the country. The Consumer Protection Act 1999 for example, which was achieved after two decades of advocacy by the consumer movement seems to be in limbo. Statistics on penalties imposed under this Act indicate that there has been little enforcement of this comprehensive legislation over the last 10 years. There has been virtually no progress on the various follow-up actions required under Part II of the Act namely '*Misleading and deceptive conduct, false representation and unfair practice*'. This is the most comprehensive provision to protect consumers compared to any other law in the country. However its main success ingredient is '*proactive action*' by the government. This

means that enforcement agencies must scan the business environment regularly to ensure that the provisions of this part of the law are being followed by the business community. Preventive action is a must to make this part of the law effective.

Part III of the Act on '*Safety of Products and Services*' does not have any regulations setting out procedures to be followed by traders where unsafe products have been identified. There is no procedure laid down for the recall of such products or the collection of data on injuries through unsafe products although this is often reported by the media.

In conclusion FOMCA is of the view that a great deal of sincere and sustained effort by the agencies concerned is required to improve the lives of consumers. No amount of consumer awareness and education programs and smart partnerships will make much difference if basic consumer protection laws are not consistently enforced and consumer programs are not evaluated and reviewed regularly.



**DATUK MARIMUTHU NADASON**

*President*

*Federation of Malaysian Consumer Associations (FOMCA)*

## About NCCC

The National Consumer Complaints Center (NCCC) is non profit foundation registered on 17th September 2008. The NCCC is currently funded by the Ministry of Domestic Trade and Consumer Affairs Malaysia.

## Vision

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

## Mission

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



## Objectives

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



# Introduction

## The NCCC Annual Report 2008

The Annual Report for 2008 by the National Consumer Complaints Centre (NCCC) represents the third in its series of annual reports initiated in 2006. As in the previous years the report for 2008 contains a review and analysis of consumer complaints lodged with NCCC. The current report contains 24 categories of complaints. One category from the 2007 report namely 'Private Higher Education' has been dropped because of few complaints in 2008. However two new categories have been added to the 2008 report. These are the 'Job Recruitment Agencies' category and the 'Healthcare Services' category. Another change in the 2008 report is that the 'cut-off' point to establish a separate category of complaints has been reduced from 300 to 200 complaints. This was done to accommodate the two new categories which presented serious problems to consumers.

A total of 28,080 complaints were received in 2008 as against 24,873 complaints in 2007. This represents a 13 percent increase in the number of complaints registered with NCCC. The top category of consumer complaints for 2008 is 'Direct Sales' with 2,339 complaints taking over from the 'Housing Developers' category which was the top category in 2007 with 2,076 complaints.

The top four categories of complaints for 2008 with more than 2,000 complaints each were 'Direct Sales' (2,339), 'Housing Developers' (2,316), 'Telecommunications' (2,136) and 'Management Corporations' (2,021). Together they accounted for a total of 8,812 complaints or 31 percent of all complaints lodged by consumers with NCCC for the year 2008.

## Purpose of the NCCC Report

The purpose of the 2008 report is to provide feedback to all relevant parties on complaints received from consumers regarding their dissatisfaction with goods and services purchased and the organizations providing such goods and services. It represents *firstly*, feedback to the business community on the complaints received against them and their responsibility to improve the goods and services provided to consumers. *Secondly* the business community must fully comply with all laws and regulations that govern business activities and *thirdly* they must meet consumer expectations by carrying out trade in a fair and ethical manner.

In these times of economic uncertainty, it is important for business organizations to remain relevant in the business environment in order to succeed. Apart from branding and rebranding exercises, they also must try and retain the loyalty of their existing consumers while attempting to attract new consumers to their products and services. One way is to improve the quality of goods and services provided to consumers.

Consumers are now more sophisticated and savvy these days. Increasingly they want manufacturing industry and the business community as a whole to take into consideration the interests of consumers, adopt fair and ethical trade practices, and adopt 'green' production technologies which are environment friendly. In other words they have to give importance to sustainable production techniques and adopt proper waste disposal methods to reduce detrimental effects on the environment.

As value based consumer consumption increases the demand for goods and services, industry and the business community must engage positively with consumers and the consumer movement. This is by understanding consumer grievances and identifying deficiencies in their goods, services and delivery systems. This is where the NCCC Report should be a valuable reference point.

### **Structure of the Report**

All consumer complaints have been classified, analyzed and presented as sector reports. There are 24 sector reports in the NCCC Report for 2008. Each sector report comprises a similar format to facilitate easy reference. The heading of the sector report is followed by a 'summary' of the main complaints raised for that sector. Each sector report has an 'introduction' section which analyzes the complaints received against that sector. Beginning with the 2008 NCCC report, a chart has been inserted in this section to indicate the number of complaints for this sector over three years. The introduction section is followed by 'consumers issues' section which analyzes the nature of complaints received and provides information on laws and regulations applicable and the sector report ends with 'recommendations' which list out steps which can be taken to overcome the complaints listed.

### **Methodology used for the Report**

All complaints received by the NCCC are logged into a database. Important information about the complainant, such as name, address, age, gender and race, is collected. Complaints are classified into two categories namely complaints on goods and those on services. The specific nature of the complaint and the organisation involved is also recorded to facilitate investigation.

All complaints are vetted for clarity, consistency and validity by trained NCCC counsellors. All supporting material is carefully scrutinized. The core problem of each complaint is examined to determine the category it should come under. A "cut-off" point of 200 complaints has been adopted for the 2008 report before complaints qualify to be classified as a category.

### **Networking with the relevant parties**

Networking with relevant parties is highly valued and pursued by NCCC in order to arrive at speedy, just and amicable solutions between the parties. The media has ably assisted NCCC in highlighting the severity of certain consumer issues and bringing them to the notice of the public. On other occasions the media has been helpful in publishing opinion pieces and letters from NCCC highlighting our stand on various issues affecting the Malaysian public.

# Consumer Complaints Handling and Counselling Procedure

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

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

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

If the complainant after guidance from NCCC is successful in solving the problem, he is encouraged to inform NCCC of the result, which is also entered into the database. The NCCC promotes alternate dispute resolution mechanisms available to the consumer as

these are speedy, cheap and fair, compared with the costly and time-consuming litigation process.

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



# Statistics on Consumer Complaints 2008

Table 1. Number of Complaints Received

| Category                         | 2 0 0 8 |       |       |       |       |       |       |       |       |       |       |       |        |        | 2007 | Change |
|----------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|------|--------|
|                                  | Jan     | Feb   | Mac   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Total  | Total  | %    |        |
| 1 Direct Sales                   | 198     | 195   | 201   | 200   | 188   | 196   | 186   | 193   | 190   | 207   | 192   | 193   | 2,339  | 1,933  | 21.0 |        |
| 2 Housing Developers             | 194     | 178   | 187   | 195   | 198   | 196   | 197   | 203   | 208   | 187   | 195   | 178   | 2,316  | 2,076  | 11.6 |        |
| 3 Telecommunications             | 200     | 177   | 174   | 170   | 167   | 166   | 161   | 152   | 164   | 204   | 200   | 201   | 2,136  | 1,721  | 24.1 |        |
| 4 Management Corporations        | 152     | 181   | 171   | 174   | 172   | 165   | 170   | 166   | 158   | 163   | 169   | 180   | 2,021  | 1,739  | 16.2 |        |
| 5 Sub-Standard Products          | 157     | 147   | 210   | 217   | 137   | 207   | 136   | 127   | 97    | 87    | 147   | 108   | 1,777  | 1,519  | 17.0 |        |
| 6 Cheap Sales                    | 90      | 150   | 107   | 108   | 120   | 148   | 135   | 158   | 141   | 140   | 176   | 200   | 1,673  | 1,410  | 18.7 |        |
| 7 Public Transport               | 127     | 115   | 128   | 129   | 116   | 127   | 124   | 127   | 130   | 121   | 127   | 122   | 1,493  | 1,254  | 19.1 |        |
| 8 Financial Institutions         | 123     | 124   | 120   | 113   | 115   | 116   | 105   | 113   | 105   | 104   | 103   | 113   | 1,354  | 1,044  | 29.7 |        |
| 9 Hypermarkets                   | 91      | 101   | 98    | 97    | 90    | 94    | 92    | 103   | 92    | 98    | 92    | 98    | 1,146  | 975    | 17.5 |        |
| 10 Hire Purchase                 | 89      | 96    | 91    | 93    | 93    | 94    | 97    | 90    | 95    | 96    | 98    | 100   | 1,132  | 946    | 19.7 |        |
| 11 Misleading Advertising        | 97      | 94    | 93    | 93    | 99    | 99    | 101   | 92    | 89    | 92    | 85    | 95    | 1,129  | 917    | 23.1 |        |
| 12 Maid Agencies                 | 71      | 95    | 80    | 86    | 70    | 98    | 87    | 74    | 87    | 90    | 85    | 99    | 1,022  | 805    | 27.0 |        |
| 13 Time Share Facilities         | 83      | 86    | 78    | 91    | 84    | 90    | 95    | 81    | 75    | 85    | 65    | 95    | 1,008  | 892    | 13.0 |        |
| 14 Fitness Club                  | 81      | 88    | 80    | 82    | 76    | 87    | 81    | 88    | 69    | 80    | 89    | 70    | 971    | 771    | 25.9 |        |
| 15 Electricity Supply            | 76      | 80    | 66    | 77    | 81    | 77    | 65    | 79    | 87    | 76    | 78    | 84    | 926    | 793    | 16.8 |        |
| 16 Insurance                     | 72      | 64    | 68    | 73    | 68    | 69    | 66    | 60    | 70    | 64    | 63    | 72    | 809    | 686    | 17.9 |        |
| 17 Legal Services                | 64      | 62    | 58    | 66    | 71    | 60    | 65    | 59    | 68    | 63    | 66    | 61    | 763    | 646    | 18.1 |        |
| 18 Pawn Broking                  | 66      | 60    | 64    | 62    | 55    | 68    | 63    | 55    | 70    | 61    | 57    | 69    | 750    | 686    | 9.3  |        |
| 19 Food                          | 61      | 64    | 63    | 59    | 57    | 62    | 58    | 64    | 57    | 61    | 62    | 59    | 727    | 664    | 9.5  |        |
| 20 Job Recruitment Agencies      | 20      | 40    | 129   | 91    | 75    | 105   | 50    | 30    | 35    | 45    | 20    | 10    | 650    | -      | -    |        |
| 21 Travel & Tour Agencies        | 67      | 46    | 58    | 56    | 51    | 60    | 53    | 48    | 54    | 48    | 57    | 50    | 648    | 587    | 10.4 |        |
| 22 Water Supply Services         | 58      | 55    | 56    | 53    | 51    | 64    | 45    | 51    | 45    | 57    | 51    | 49    | 635    | 546    | 16.3 |        |
| 23 Satellite Television Services | 36      | 35    | 34    | 43    | 48    | 43    | 34    | 33    | 36    | 34    | 34    | 35    | 445    | 407    | 9.3  |        |
| 24 Healthcare Services           | 49      | 1     | 20    | 20    | 40    | 10    | 9     | 11    | 20    | 10    | 15    | 5     | 210    | -      | -    |        |
| 25 Private Higher Education*     | -       | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -      | 1856   | -    |        |
| Total                            | 2,322   | 2,334 | 2,434 | 2,448 | 2,322 | 2,501 | 2,275 | 2,257 | 2,242 | 2,273 | 2,326 | 2,346 | 28,080 | 24,873 | 13.0 |        |

\*The total of 24,873 complaints for 2007 included the category Private Higher Education with 1,856 complaints. However in 2008 NCCC did not receive a significant number of complaints for this sector. As such this category of complaints has been dropped.

Table 2: Ethnicity of Complainants

| No.          | Race            | Total         | %          |
|--------------|-----------------|---------------|------------|
| 1            | Malay           | 19,151        | 68.2       |
| 2            | Chinese         | 6,739         | 24.0       |
| 3            | Indian          | 2,022         | 7.2        |
| 4            | Others (locals) | 140           | 0.5        |
| 5            | Tourist         | 28            | 0.1        |
| <b>Total</b> |                 | <b>28,080</b> | <b>100</b> |

Table 3: Channels Used for Lodging Complaints

| No.          | Channel    | Total         | %          |
|--------------|------------|---------------|------------|
| 1            | Phone Call | 10,951        | 39.0       |
| 2            | Email      | 5,335         | 19.0       |
| 3            | Website    | 4,212         | 15.0       |
| 4            | Walk-In    | 3,931         | 14.0       |
| 5            | Letters    | 3,370         | 12.0       |
| 6            | Fax        | 281           | 1.0        |
| <b>Total</b> |            | <b>28,080</b> | <b>100</b> |

Table 4: Proportion of Complaints Handled by NCCC and those Channeled to Other Organizations

| No.          | Organization                        | No. of Complaints | %          |
|--------------|-------------------------------------|-------------------|------------|
| 1            | National Consumer Complaints Centre | 23,728            | 84.5       |
| 2            | Tribunal for Consumer Claims        | 2,331             | 8.3        |
| 3            | Public Sector Bodies                | 1,151             | 4.1        |
| 4            | Financial Mediation Bureau          | 870               | 3.1        |
| <b>Total</b> |                                     | <b>28,080</b>     | <b>100</b> |

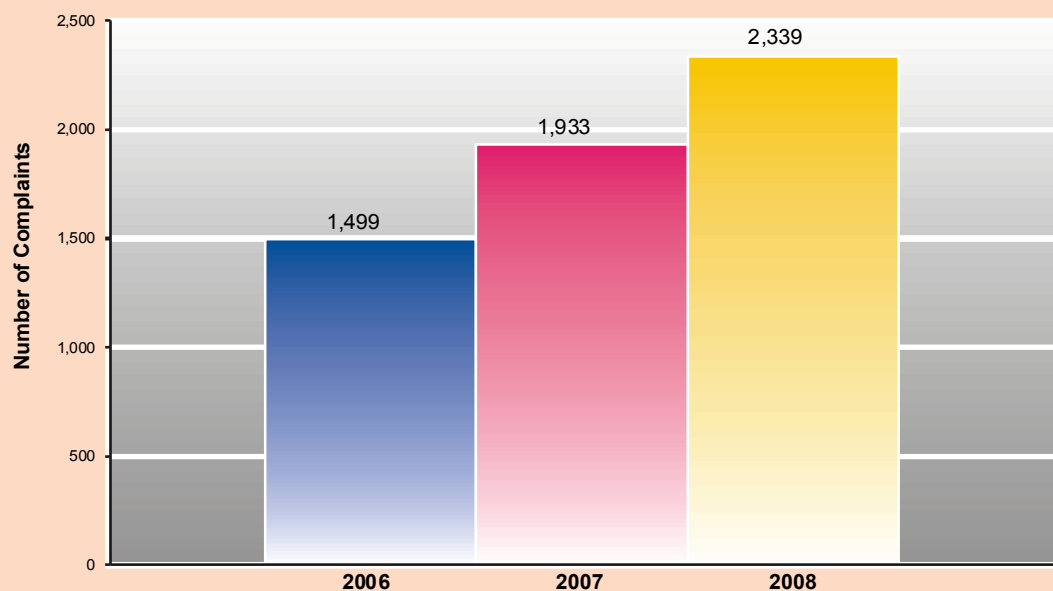
## Report 1

# Direct Sales

| No. | Types of complaints        |
|-----|----------------------------|
| 1.  | Scratch & Win scam         |
| 2.  | Payment by credit card     |
| 3.  | Cooling-off Period         |
| 4.  | Lack of information        |
| 5.  | Defective products offered |



**Direct Sales**





## 1.0 INTRODUCTION

The number of complaints received by NCCC in 2008 was 2,339 compared with 1,933 complaints lodged in 2007. This indicates a substantial increase of 21 percent. For the first time since 2006 the 'Direct Sales' category has topped the number of complaints received by NCCC. Consumers continue to suffer losses at the hands of unscrupulous direct selling companies and their agents.

## 2.0 CONSUMER ISSUES

### 2.1 Scratch & Win Scam

Scratch & Win involves direct selling, pressure selling, misrepresentation and even coercion, all of which violate the provisions of **Direct Sales Act 1993, Contracts Act 1950 and Consumer Protection Act 1999**. Scratch & Win scams usually entice the people by promising them cars, expensive gifts and products in return for swiping their credit cards or allowing their ATM cards to be used by unscrupulous Scratch & Win scammers.

These so-called prizes or gifts are not genuine and serve as a bait to trap the unsuspecting consumer into parting away with hard earned money. There is no intention on the part of the scammers to honour their part of the contract, since such prizes do not exist in the first place.

**Section 14 of Consumer Protection Act 1999** states that no person shall offer gifts or prizes without the intention of providing or supplying the products or services. Any person found to be doing this is liable for prosecution under the provisions of this law.

### 2.2 Payment by Credit Card

Many consumers paying by credit card for products purchased in a direct sales agreement often find out that their cards have

been swiped more than once for the same product. This is normally done by giving false or incorrect information as to the mode of payment. When the consumer wishes to cancel the transaction, the banks respond that it is up to the merchant (direct sales companies) to cancel and to refund the monies paid. This creates an unfair burden and hardship on consumers.

The approach taken by the direct sales companies by passing the responsibility back to the consumer is an irresponsible act since it was the fault of the company in the first place, swiping the credit card twice, without the consent or knowledge of the card holder. Essentially, this is a binding contract between the customer and the company and a clear element of fraud in the transaction. Under the **Contracts Act 1950, Section 19(1)&(2) on Voidability of agreement without free consent** states that when consent to an agreement is obtained by fraud, coercion or misrepresentation, the affected party can make the agreement voidable at their option.

### 2.3 Cooling-off Period

The cooling-off period is essentially to protect consumers, whereby upon signing a contract with a direct sales company, consumers can reconsider whether to proceed with the contract or not. Misrepresentation or omission of material facts by direct selling salespeople occurs often since majority of the salespeople tend to close a deal as quickly as possible in order to lock in their commissions. Hence, very often, salespeople tend to give wrong information to consumers.

**Section 23 of Direct Sales Act 1993** states that direct sales contracts are "subject to a cooling-off period of 10 working days", which means that the purchaser is given the time and liberty as to whether to continue with the contract or to terminate it. In reality, purchasers are coerced into signing the contract without

being given the opportunity to think about it or to cancel if it is deemed unfit.

Similarly under sub-section (3) of this Act, the purchaser is entitled to a duplicate copy of the contract upon signing it. In many instances, these requirements are ignored by the direct selling companies. This is a direct violation of the law. A purchaser has every right to cancel the contract and sue for misrepresentation under the law of contract.

## 2.4 Lack of information

The issue of lack of information given by these agents or their companies to consumers is in fact a breach of business ethics. Lack of information may include details on the price of the goods or other material facts about the product or services, including warranties and procedure on termination of contract.

**Section 30 of Contracts Act 1950** states that any agreement that is not certain or incapable of being certain is void, making the contract ineffective and invalid. Similarly, a lack of information would also mean misrepresentation, which is a breach of duty, with or without the intention to deceive an innocent party by giving an unfair advantage to the person providing the information (**Section 18 (b) of the Contracts Act**).

## 2.5 Defective products offered

Another issue that has constantly been a problem is that products delivered to consumers upon their signing a contract or winning a prize are often defective or of poor quality. Consumers argue that they were initially told the products are “branded” or are of good quality. However, most of the products turn out to be defective in terms of quality, lack after-sales service or even warranty in the event the products turn out to be faulty.



**Section 32 (1) and (2)(a) and (b) of the Consumer Protection Act 1999** states products offered for sale must be of acceptable quality, acceptable in appearance and finish, free from minor defects, safe, durable and exclude hidden defects.

## 3.0 RECOMMENDATIONS

- 3.1** The Ministry of Domestic Trade And Consumer affairs (MDTCA) must revamp its Enforcement Division to make it more effective, since only a handful of errant traders have been prosecuted under the Direct Sales Act 1993. Merely revoking the licences of direct sales companies that break the law is not a solution to the problem.
- 3.2** Additional provisions are needed in order to curb unscrupulous practices. However mere amendments to the law itself are insufficient. Constant monitoring is needed, not only by the MDTCC but also by the public, so that unscrupulous traders do not take advantage of consumers.
- 3.3** Direct Selling Associations (DSA) must be pro-active in reprimanding members guilty of taking unfair advantage of consumers, including striking off their membership and imposing punitive measures on them.

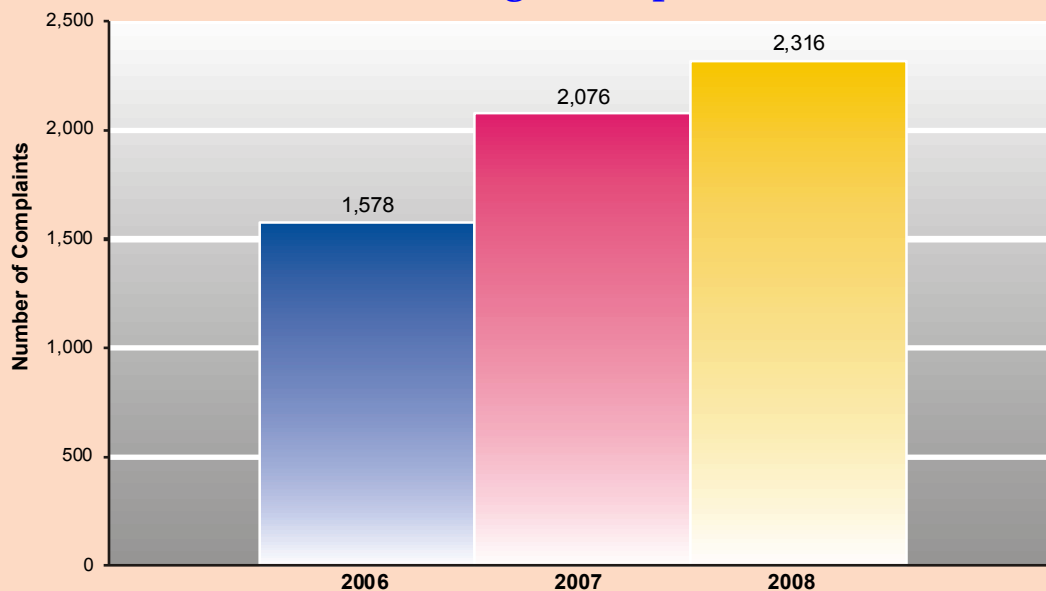
## Report 2

# Housing Developers

- | No. | Types of complaints                     |
|-----|---|
| 1.  | Abandoned housing projects              |
| 2.  | Shoddy workmanship                      |
| 3.  | Late delivery penalty                   |
| 4.  | Booking fee-non-refundable              |
| 5.  | Mortgage Reducing Term Assurance (MRTA) |



**Housing Developers**





## 1.0 INTRODUCTION

The NCCC received 2,316 complaints in 2008 relating to housing developers, against 2,076 in 2007 indicating an increase of 12 percent. The 'Housing Developers' category received the most number of complaints in both 2006 and 2007. In 2008 it is the category with the second highest number of complaints. It is quite clear that the housing sector remains a major problem for consumers with the same issues reported each year. There has been no substantial improvement since our first report in 2006.

## 2.0 CONSUMER ISSUES

### 2.1 Abandoned housing projects

As highlighted before in the two earlier annual reports, abandoned housing projects continue to be one of the major complaints against the housing industry. The burden of having to pay a housing loan without even owning the property is heavy. Many face financial difficulties servicing loans despite the fact that the project is not going to be completed. Many also face legal suits from banks for not paying up the loan. In addition they also have to pay for renting a house elsewhere.

The concept of "build-then-sell" must come into force to curb this problem before it spirals out of control. One major problem in the implementation of build-then-sell is that financial institutions are reluctant to shoulder the risk, arguing that purchasers could defer the Sale and Purchase Agreement upon completion of the housing project.

The implementation of a non-compulsory 10:90 concept (10 per cent down payment and 90 per cent upon completion of the unit) in December 2007 through amendments to the Housing Development (Control and Licensing) Regulations 1966, where developers have the choice of adopting the 10:90 concept

voluntarily, defeats the purpose of tackling the abandoned housing projects problem. The Ministry of Housing and Local Government must be clear of the seriousness of this problem and ensure compulsory implementation of the build-then-sell concept for the benefit of the people.

### 2.2 Shoddy workmanship

The use of poor quality building materials causing buildings to crack, sink or roofs to leak are the common complaints against developers. The use of sub-standard materials is, more often than not, to minimise cost and maximise profit. House buyers are entitled to inspect for defects in the units they buy during the defect liability period of 18 months, during which developer has to rectify the defects the buyers report.

Many complaints were from buyers being told that they would have to bear the cost of rectifying the defects. This move by the developers is very unethical and goes against provisions of the Housing Developers (Control and Licensing) Regulations, 1989.

Under **Regulation 26, Defect Liability Period**, any defect or other fault in a building/unit that becomes apparent within 18 months from the date vacant possession is handed over, and which is due to defective workmanship, must be repaired by the developer at its own cost within 30 days of having received written notice on the defect or fault from the buyer.

Developers often take unfair advantage of buyers and illegally get them to pay for the rectification work. Also, there are instances where the buyers, after paying for the cost of rectification, find out that the quality of the job has been poor and the problems crop up again a few months later.

The **Housing Developers' Act, 1966, Clause 21 (2), Schedule H** (which is the standard Sale and Purchase Agreement for Subdivided buildings) and **Clause 23 (2)** state that upon the expiry of 14 days of the Vendor's notice to the Purchaser to take possession of the property, whether or not the Purchaser has entered into possession or occupation of the property, the Purchaser shall be deemed to have taken delivery of vacant possession. Based on this clause, certain developers are forcing house buyers to take vacant possession even before the Certificate of Fitness for Occupation (CFO, or now, the Certificate of Completion and Compliance) is issued.

Many believe that this law was designed to benefit housing developers at the expense of buyers. There are irresponsible developers who will patiently play a game with their buyers. They keep delaying defect rectification work until the buyers run out of patience and rectify the defects themselves.

### 2.3 Late delivery penalty

Complaints against developers deliberately not paying up or delaying payment of liquidated damages to buyers for late delivery have been on the rise in 2008. Similarly in 2008, there have been complaints where developers were excluded liability for late delivery of vacant possession, on grounds of "external problems".

This is in direct contravention of **Regulation 23(2) (Manner of delivery of vacant possession) of the Housing Developers (Control and Licensing) Regulations 1989**.

### 2.4 Booking fees

Complaints on the issue of booking fees have also been increasing the past few years despite NCCC highlighting this in the annual

reports. NCCC received similar complaints in 2008. Developers' refusal to refund the booking fee to purchasers is in violation of **Regulations 5(3) and 11(2) of the Housing Developers (Control & Licensing) Regulations**.

The Sale and Purchase Agreement is a valid and binding contract and a buyer who fails to get his or her housing loan after signing the S&P should be refunded the booking fee by the developer, since the validity of the agreement is based on the purchaser getting his loan from a bank. **Section 74(1) and (3) of the Contracts Act 1950** allows the affected party to sue and claim compensation for loss or failure of the other party to discharge the obligations stated under the contract.

There are laws governing the conduct of housing developers but there are weaknesses on the part of the Housing and Local Government Ministry in enforcing these provisions.

### 2.5 Mortgage Reducing Term Assurance (MRTA)

Other types of problems that NCCC received concerning housing are on the issue of MRTA. There have been instances where the purchaser did not get the Mortgage Reducing Term Assurance (MRTA) to insure the property purchased. When purchasing a property, the most important type of insurance a purchaser would need is the MRTA. Basically, the MRTA is to ensure that the purchaser's house will be paid for in full in the event of his or her death or total permanent disability. Normally, end-financiers would have their panel of insurers and include the purchaser's annual premium into the loan amount.

### **3.0 RECOMMENDATIONS**

- 3.1** The number of complaints concerning shoddy workmanship and abandoned housing projects will not be an issue if the concept of “build-then-sell” is strictly enforced. The system is in practise in Singapore and Australia. In Singapore, its Housing Development Board (HDB) comes under the purview of the Ministry of National Development. The Malaysian Government must similarly come up with a uniform agency to oversee property development, so that only developers that have sufficient funds are allowed to implement housing projects in the country.
- 3.2** The concept of “build-then-sell” should work. Only houses that are at least 90 per cent completed should be offered for sale to the public. The developer must offer the unit, together with the Certificate of Completion and Compliance (CCC), to the purchaser only after the completion of the remaining 10 per cent.



- 3.3** Constructive measures must be taken by the Government to amend laws governing housing projects and developers to protect consumers. Comprehensive changes must be made to provisions such as the Housing Developers (Control and Licensing) Act 1966, the Housing Developers (Control and Licensing) Regulations 1989 and the Road, Drainage and Building Act 1974 to provide special provisions to monitor and supervise the activation of abandoned housing projects.



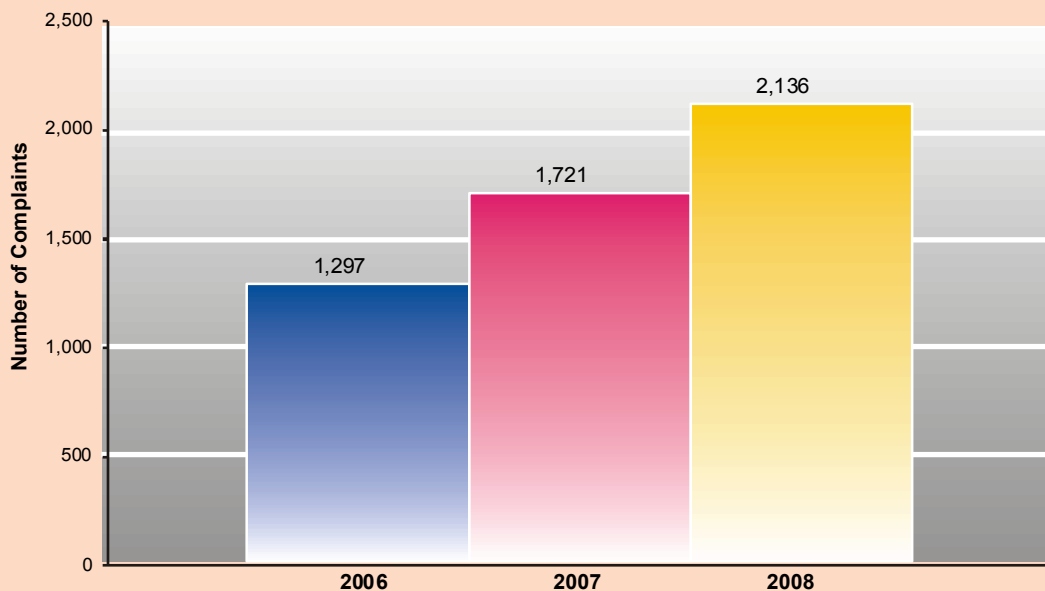
## Report 3

# Telecommunications

| No. | Types of complaints |
|-----|---------------------|
| 1.  | Broadband services  |
| 2.  | Billing disputes    |
| 3.  | Terms of contract   |
| 4.  | Free SIM card       |



**Telecommunications**



## 1.0 INTRODUCTION

In 2008, a total of 2,136 complaints were received from consumers, compared to 1,721 complaints in 2007. This indicates a significant increase of 24 percent compared to the number of complaints received in 2007. Consumers are increasingly disillusioned with the quality of services such as broadband services, and the unethical activities by telecommunication companies.

## 2.0 CONSUMER ISSUES

### 2.1 Broadband services

The most common complaint received in 2008 was on broadband services, with the majority being frequent breakdown, poor handling of complaints highlighted by customers and ineffective and slow resolution of complaints by service providers. Many customers also said the service providers did not take seriously their complaints on the frequency of internet service breakdown.

Under **Part VIII, Section 188 (1)(a)&(b) of the Communications and Multimedia Act 1998**, service providers are required to deal reasonably with consumers and adequately address consumer complaints. But this has not been the case, judging from the many problems consumers have raised. **Subsection (2)** stipulates the punitive action against service providers if they fail to adhere to the provisions of Subsection (1). The penalties include a fine of not more than RM20,000 or not more than six months' jail, or both.

### 2.2 Billing disputes

Billing disputes form another bulk of complaints received by NCCC. This basically deals with the issue of misrepresentation or misleading statements made by agents of the



service providers who have misrepresented to customers terms such as "no access fee" and "no deposit" when signing up for the service. The customers then find in their bills at the end of the month that they have been charged the access fee and deposit.

Other issues such as customers being billed for non-subscription of a service was another frequent complaint in 2008, besides being billed a different rate on a particular package offered and signed up for.

### 2.3 Terms of contract

This usually happens to customers with post-paid lines, under which they have to sign up for a specific fixed period, usually a minimum of 24 months. However, the terms in the contract are one-sided and generally favour the service providers. There is usually no exit clause in the contract for an unsatisfied customer to cancel the service. Even when customers put in writing their intention to cancel the service, the telco companies would continue to bill them.

## 2.4 Free SIM card

In 2008 saw a rise in the number of complaints against a certain telco company giving free SIM cards to the public. Here, it was proved that agents of this service provider did not inform the public of the hidden charges that would be incurred upon usage of the card. False and misleading statements made by the agents were not addressed clearly by the service provider. Such inaccurate statements will have dire consequences on consumers who will have to pay higher fees or charges imposed by the service provider.

## 3.0 RECOMMENDATIONS

**3.1** The Malaysian Communications and Multimedia Commission (MCMC) has to be more vigilant and proactive by ensuring the 1998 Act is properly adhered to. The MCMC complaints centre ([www.aduanskmm.com.my](http://www.aduanskmm.com.my)) is not effective in resolving disputes forwarded by the public. The bulk of these complaints are re-directed back to NCCC.

**3.2** MCMC must review, and if necessary, cancel the licences of service providers who continue to flout the law. The current practice of imposing compound fines is not deterrent enough to stop the companies from sending spam messages.

**3.3** Enforce a stricter Standard Operating Procedure (SOP) whereby an emergency service response unit is dispatched to customers who continue to face a problem for more than 24 hours and if necessary, give the customers a one month charge as refund as a matter of courtesy.



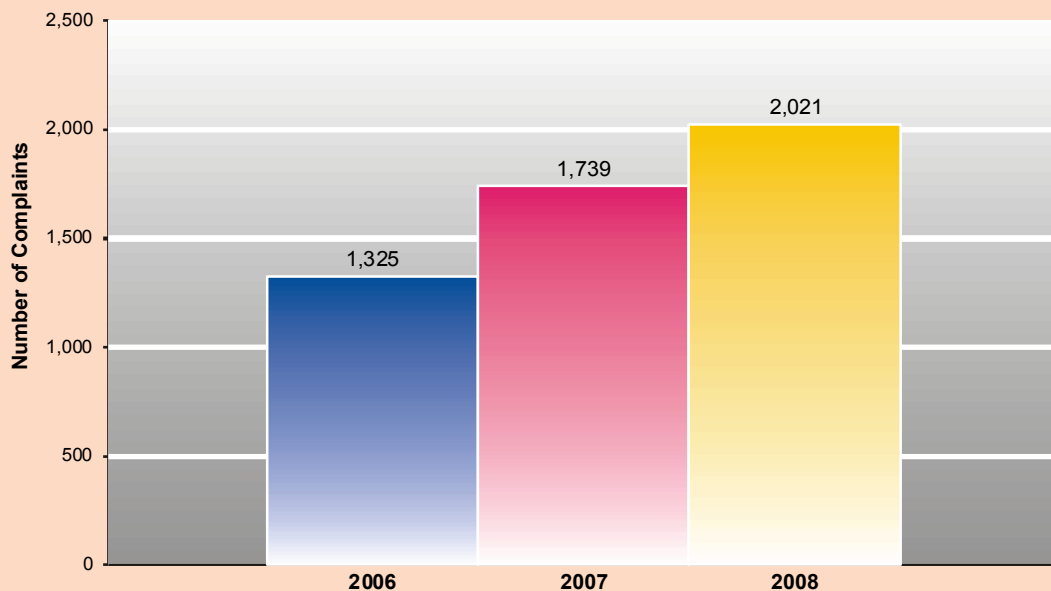
## Report 4

# Management Corporations

- | No. | Types of complaints                    |
|-----|--|
| 1.  | Right to impose and collect fees       |
| 2.  | Oppressive tactics                     |
| 3.  | Liabilities of management corporations |



### Management Corporations



## 1.0 INTRODUCTION

In 2008 there were 2,021 complaints against management corporations (MCs) that is organizations that provide services to residents of apartments and condominiums. This represents an increase of 16 percent compared to the 1,739 complaints received in 2007.

Both **Section 46 of the Strata Titles Act, 1985 and Schedule H of the Housing Developers (Control and Licensing) Regulation 1989 (amended in 2002)** stipulate that a sinking fund (called “special fund”) in the Strata Titles Act be used to meet major liabilities of the strata estate and is to be made available to purchasers of high-rise units. The collection for the sinking fund should not be confused with service charges, which are meant for the general maintenance and management of the common property and for the other services the developer has agreed to provide. Evidently, this provision is being ignored by the MCs and the developers themselves, based on the current problems faced by many residents of high-rise buildings.

## 2.0 CONSUMER ISSUES

### 2.1 Right to Impose and Collect Fees

Many MCs currently operating are not registered with the Board of Valuers, Appraisers and Estate Agents. **Section 21 of Valuers, Appraisers and Estate Agents Act 1981** requires that any MC collecting or charging management fees has to be registered with the Board.

Where apartment or condominium units have not yet been issued with strata titles, then it is the duty of the developer to manage the property. Developers who outsource the management of the property to a third party must ensure that the company is registered with the Board.

### 2.2 Oppressive Tactics

MCs often use oppressive tactics to recover management fees owed by the owners, including harassing them or threatening to harm their families if they do not pay up the fees owed. Another tactic is to clamp the water meter. This is an unfair and oppressive practice, but is included in the rules and regulations of contracts between MCs and residents. Such a move by the MC essentially denies the resident's right to access water, which is a basic human right.

**Section 35 of the Strata Titles Act 1985** states that residents of high-rise apartments or condominiums have the basic right to support, service and shelter, which includes access to water. Among the other types of oppressive tactics used by MCs are to switch off the car park and corridor lights to “teach a lesson” to residents who fail to pay the monthly fee charges.

### 2.3 Liabilities of Management Corporations

Residents and owners of apartments or condominiums must know that the law is on their side and every endeavour must be made to protect their rights. If owners find that MCs have not discharged their duties properly, they can file their grievances with the State Authority to appoint a body to exercise/discharge the duties of the MCs.

It is up to the State Authority to decide whether or not there is merit to the complaints from the affected owners. **Section 50 of Strata Titles Act 1985** empowers the State to appoint another body to take over the functions of the current MC. Expenses incurred by the affected owners will be charged to the management fund of the property.

**Schedule H of the Housing Development Act 1966** states that it is the developer's duty



to take control and manage a high-rise property before the MC is set up. However, under the Strata Titles Act, the MC is responsible for all issues concerning the common property after the strata titles are issued. One of the common complaints received by NCCC is delay in the issue of strata titles, during which the developer takes charge of the common property.

### 3.0 RECOMMENDATIONS

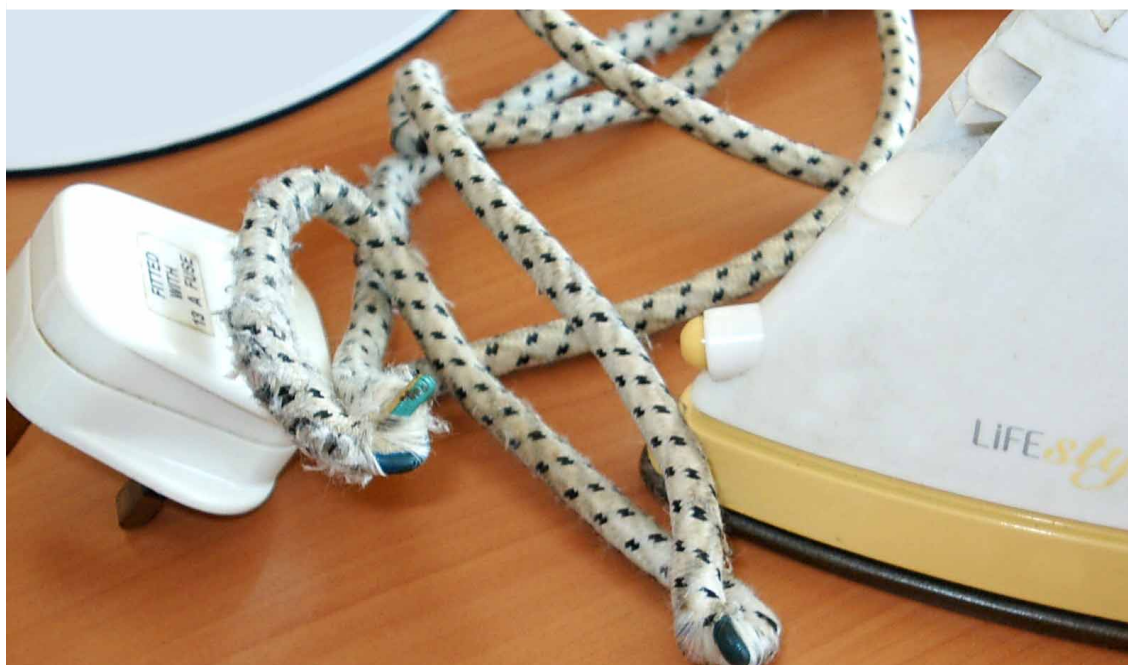
- 3.1 All the legislation available will be of no use to high-rise property owners if there is no proper and effective enforcement on the part of the State Authority. The State Government and the local councils have to combine their efforts to provide better protection and to ensure the people are given a sense of ownership of their property, without any fear or favour.
- 3.2 Consumer education is imperative in educating residents. They have to be familiar with the **Building and Common Property (Maintenance and Management) Act 2007** so that they will have fewer problems with MCs. The MCs too must change their attitude and do away with high-handed tactics that go against the laws of the country.
- 3.3 Comprehensive understanding is also needed of the Housing Development Act 1966 and the Strata Titles Act 1985. This is because Schedule H of the 1966 Act states that it is the duty of the developer to manage and control high-rise units, whereas the 1985 Act states that it is the duty of MCs to do so.



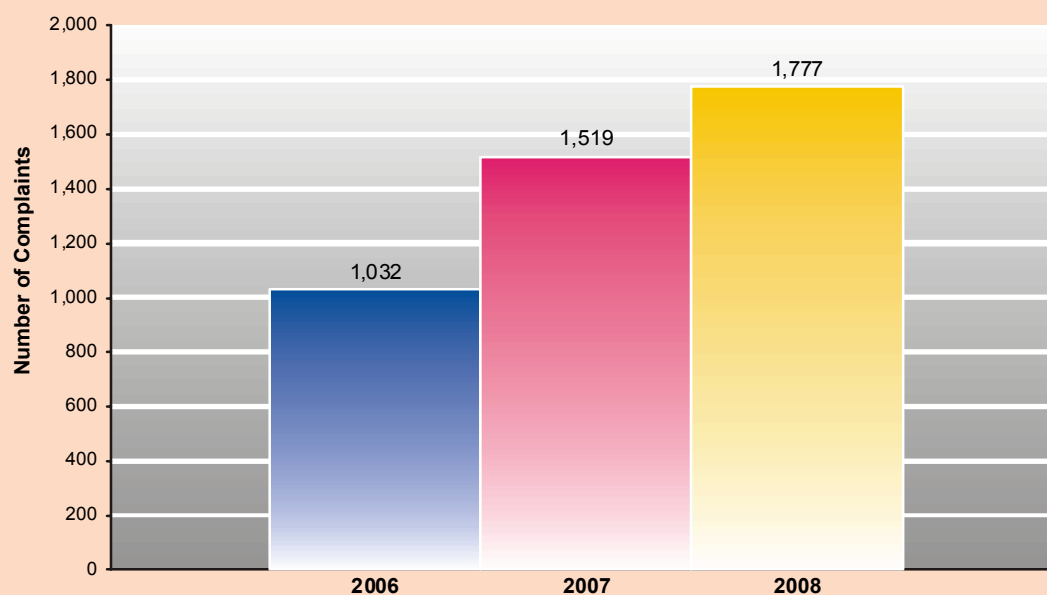
## Report 5

# Sub-Standard Products

- | No. | Types of complaints           |
|-----|-------------------------------|
| 1.  | Warranties                    |
| 2.  | Delay in repairing products   |
| 3.  | Product safety                |
| 4.  | Unavailability of spare parts |



**Sub-Standard Products**



## 1.0 INTRODUCTION

1,777 complaints were received from consumers regarding sub-standard products. In 2007 there were a total of 1,519 complaints regarding the same subject matter. This shows a significant increase of 17 percent over the number of complaints in 2007. The complaints were mainly about electrical appliances including television sets. One contributing factor could be the large number of cheap, low quality imported electrical appliances that are available to consumers.

## 2.0 CONSUMER ISSUES

### 2.1 Warranties

The problem is that most manufacturers and retailers do not provide warranties, and even if they do, there are severe limitations through terms and conditions of the warranties. In cases where there is no warranty given, “in-house” warranties are provided, very often verbally. This is not acceptable because many have complained that they were denied their right to reject the goods when a particular product had defects, despite having a warranty. Many retailers claimed they were not given warranties by manufacturers, which made it “acceptable” not to provide this to customers. In some circumstances, the manufacturers and the retailers do not even know what the term “warranty” means.

### 2.2 Delay in repairing products

Consumers have complained that the products they bought often do not function properly or were defective. This is particularly evident in hand phones, electrical appliances, electronic gadgets and others, for which it takes a very long time to fix the problem. Delays have always been an issue, with complaints that repairs took weeks, and in some cases months. **Section 41 of the CPA 1999** states that all faulty products must be rectified by the



supplier within a “reasonable time”. Reasonable time would mean as soon as possible.

### 2.3 Product safety

Product safety is an integral aspect of any product or goods put on sale. NCCC has received complaints of engines of brand new cars falling off, electrical items exploding and hand phones sent for repair not being returned. All electrical goods must be certified by SIRIM. In the event a particular product is defective, the entire batch of the product must be recalled and for safety reasons, the sales stopped. **Section 16 of the Sale of Goods Act 1957** states that all goods sold must be fit for the purpose for which they are sold, and should be of merchantable quality.

Similarly, **Section 19 (Part 3) of CPA 1999** gives the presumption that the Minister may, by regulation, prescribe the safety standards of any product put on sale. And under **Section 20 of the CPA**, no supplier or manufacturer should supply or offer to supply any product that does not comply with the safety standards set.

## 2.4 Unavailability of spare parts

NCCC has received numerous complaints on unavailability of spare parts for particular products. In reality, this just a tactic by the traders to charge more for a service on the pretext that the spare part requested is temporarily not available. The rogue trader will therefore charge an excessive rate just to repair the product to make a bigger profit at the expense of the consumer. **Section 37 of the CPA** makes it mandatory on the manufacturer and the supplier to ensure that facilities for repair and spare parts are reasonably available for a reasonable period after the goods are supplied.

## 3.0 RECOMMENDATIONS

**3.1** The MDTCC must regulate and enforce the provisions of the **Consumer Protection Act**, in particular provisions regarding the safety of goods and services. SIRIM's endorsement on the safety of consumer goods should be incorporated into **Part III of CPA 1999** which concerns the safety of goods and services supplied to consumers. Relevant regulations should also be formulated without further delay to activate and enforce Part III of the CPA 1999

**3.2** Insufficient surveillance of products and services in the market and weak enforcement of mandatory standards also result in the dumping of sub-standard products in Malaysia. Despite the Energy Commission spelling out mandatory standards for 31 household electrical items, consumers are still being offered sub-standard products, including TV sets. The Energy Commission must play a bigger, more active role to prevent the sale of sub-standard products to the public.

**3.3** Government agencies have to review provisions for consumer protection under the various laws and regulations to give the law more bite. Safety standards must be made mandatory for all products put on sale in order to safeguard users. There are currently 4,000 standards available in the country, of which only a handful is mandatory and the rest, voluntary. Mandatory safety standards cannot fulfil the safety needs of consumers without proper surveillance, monitoring and enforcement. Educating consumers is very important and adequate resources must be made available for this purpose.



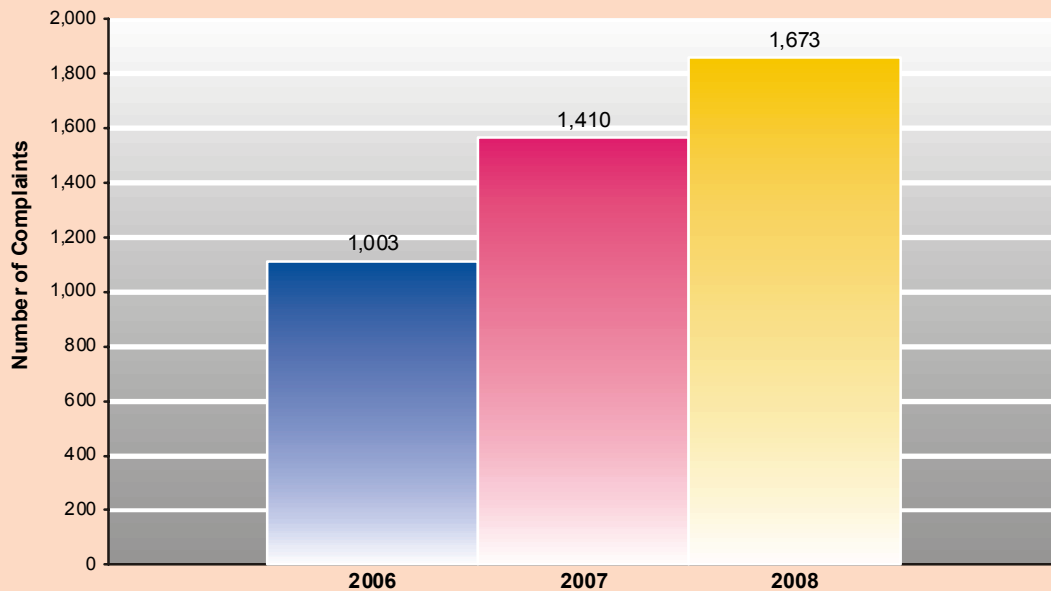
## Report 6

# Cheap Sales

- | No. | Types of complaints               |
|-----|-----------------------------------|
| 1.  | Misleading indication as to price |
| 2.  | Misleading advertisements         |
| 3.  | Poor quality of products sold     |



**Cheap Sales**



## 1.0 INTRODUCTION

Complaints recorded with NCCC in 2008 totalled 1,673 compared to 1,410 in 2007. That represents a significant increase of 19 percent in the number of complaints. Complaints are particularly evident during festive seasons when mega sale promotions are held. Consumer complaints indicate that traders manipulate prices and try to clear old stock during such promotions. Despite the various laws and regulations traders still manage to mislead consumers on the issues of price and quality.

## 2.0 CONSUMER ISSUES

### 2.1 Misleading Indication as to Price

Consumers complain that traders mislead them by falsely indicating prices. A common practice is to increase the prices of goods on sale and then offer a discount, so that the so-called reduced price is similar to that before the “discount”. Some consumers even complain that prices charged during a sale are higher than the normal presale prices.

“Cheap sale” is defined in **Section 2(1) of Trade Descriptions (Cheap Sale Price) Regulations 1987** as the prices of products offered that are less than the prices before the sale. **Regulation 6 (1)** states that the previous and current prices are to be displayed during a “cheap sale”. However, traders commonly use the percentage symbol when indicating a price reduction. This has confused consumers as they are unable to figure out the reduced amount.

The law clearly states that the “cheap sale price” should be less than the previous sales prices of the products offered. There were also traders who carried out “cheap sales” without the necessary approvals from the Ministry, as required under the regulations.

### 2.2 Misleading advertisements

This problem has always been an issue and the matter has been highlighted in NCCC’s past annual reports. Consumers have complained that prices of some of the products sold were much higher than before the cheap sale period. **Regulation 4A of the Trade Descriptions (Cheap Sale Price) Regulations** states in a cheap sale promotion, at least 70 per cent of the products displayed in an outlet are to be offered at cheap sale prices.

Similarly, **Regulation 6(1)(a)&(b)** states that in a cheap sale offered to the public, traders must notify the differences in prices of the goods before and after the promotion. Any person who sells products where there have been elements of false or misleading description is guilty of an offence under **Regulation 9(1)&(2) of Trade Descriptions (Cheap Sale Price) Regulations 1987**.

### 2.3 Poor quality of products sold

Generally the public’s perception is that goods offered at discounted rates during a cheap sale promotion are of sub-standard quality and such products can be dangerous and hazardous to one’s safety and health.

Under **Section 20 of the Consumer Protection Act 1999**, no person shall supply, or offer to or advertise for supply, goods or services that do not comply with the safety standards determined under Section 19 of the Act. **Section 19** states that the Minister may, by regulation, prescribe the safety standards for goods or classes of goods and services or classes of services, and may prescribe different safety standards for different goods or services, or classes of goods or services.



### 3.0 RECOMMENDATIONS

- 3.1** The Ministry of Domestic Trade and Consumer Affairs must strictly enforce the cheap sale regulations and **Part II of the Consumer Protection Act 1999** namely '**Misleading and deceptive conduct, false representation and unfair practice**'. Spot checks and unannounced visits by the Enforcement Division must be conducted constantly, not just during festive seasons.
- 3.2** Self-regulation is the best medicine in terms of preventing consumers from falling victim to unscrupulous traders taking unfair advantage of consumers during a cheap sale. NCCC strongly advises the public that "prevention is better than cure" is very much applicable in cheap sale offers.



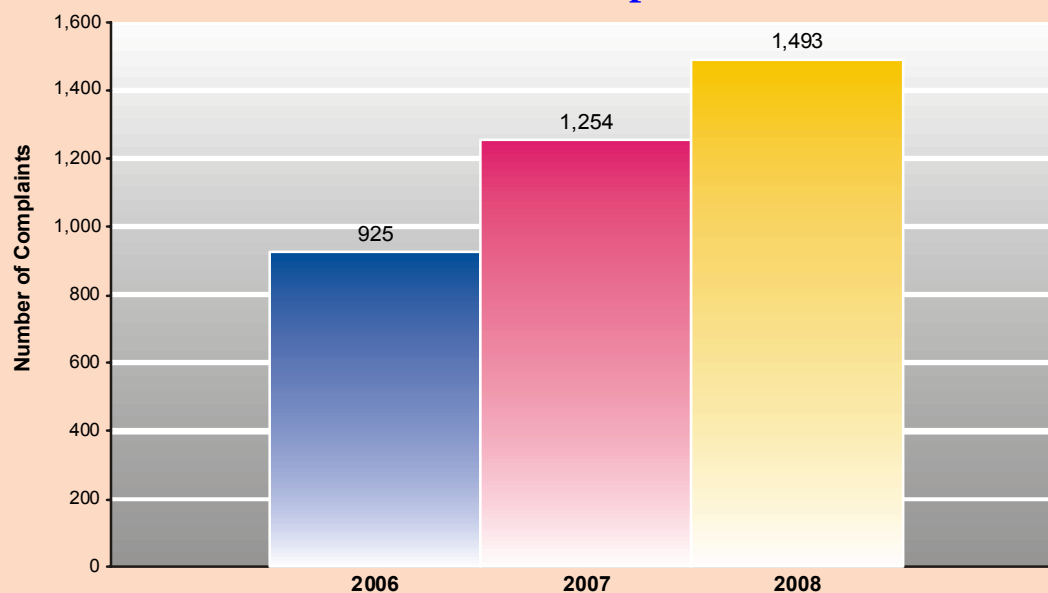
## Report 7

# Public Transport

- | No. | Types of complaints             |
|-----|---------------------------------|
| 1.  | Frequency of service            |
| 2.  | Lack of adequate infrastructure |
| 3.  | Undisciplined drivers           |
| 4.  | Poor CLVB response              |



Public Transport



## 1.0 INTRODUCTION

In 2008 NCCC received 1,493 complaints about public transport (buses, taxis, light rapid transport lines and Keretapi Tanah Melayu services-KTM and KTM Komuter). This represents a significant increase of 19 percent over the 1,254 complaints recorded in 2007. Among the common complaints were that buses, taxis and trains do not adhere to time schedules thus interrupting the frequency of service. This creates an unnecessary burden on commuters especially the low income group.

## 2.0 CONSUMER ISSUES

### 2.1 Frequency of service

In 2008 there were a large number of complaints on poor time schedules kept by public transport vehicles. The number of people using public transport increased after fuel prices shot up, but the quality of the service provided by the service providers dropped. Complaints to the Commercial Vehicle Licensing Board (CVLB) hotline number numbers proved futile.

### 2.2 Lack of adequate infrastructure

Many commuters have complained to NCCC about the deplorable conditions of public buses, including express buses, and taxis. That some of these public transport vehicles are not in a roadworthy condition also poses health risks (through dust and the emission of thick black exhaust smoke) and danger (rusty, ageing bus and taxi fleets) to passengers. Consumers have questioned the effectiveness of the Road Transport Department and the Department of Environment in preventing such vehicles from operating on the road.

Similarly, complaints pertaining to inadequate or vandalised bus stops have been on the rise.



Many commuters complained that some of the bus stops are not “user-friendly”, with some stops not having enough sitting space or without a roof.

Other complaints were on the inaccessibility of public transport to the disabled. All of these issues have raised many questions on the efficiency of the public transportation system.

### 2.3 Undisciplined drivers

Rude and undisciplined drivers have always been a bane to many commuters. Many consumers complained that some drivers have threatened and insulted them when they tried to correct the drivers of their faults or mistakes. Some of the commuters do not pursue the matter further, since it is time consuming. Others, who did complain to the Road Transport Department, found it frustrating and disappointing because of no follow-up on their complaints.

### 2.4 Poor CVLB response

Many consumers have reported that there has been no feedback or action taken on their

complaints to the Commercial Vehicle Licensing Board on the public transport service and about errant bus or taxi operators. Commuters have also complained that the SMS short codes for complaints provided in buses and taxis go unanswered or are out of service.

schedules, routes taken must be viable, easily accessible and available to the commuting public. Enforcement by the Transport Ministry and the Road Transport Department must be done spontaneously and continuously to ensure errant operators do not continue to flout the law.

### **3.0 RECOMMENDATIONS**

**3.1** The present public transportation system must be revamped. IT systems have to be improved to include computerised and systematic time

**3.2** The proposed Public Land Transportation Commission should be implemented quickly to rectify these problems.



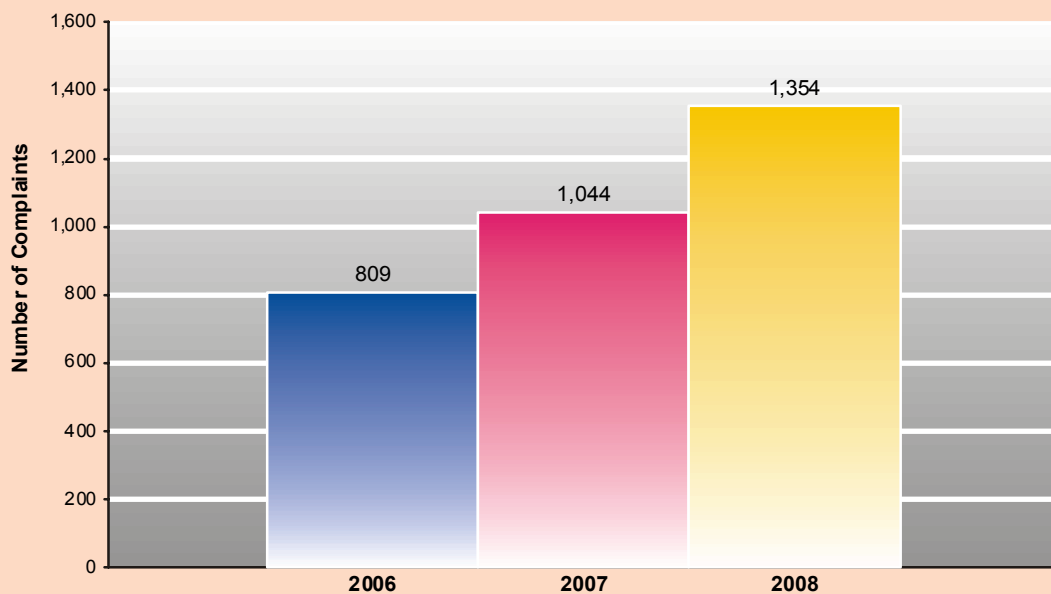
## Report 8

# Financial Institutions

| No | Types of complaints                     |
|----|---|
| 1  | Misleading advertisements               |
| 2  | Excessive interest, charges / penalties |
| 3  | One-sided loan agreements               |
| 4  | Debt collection tactics                 |
| 5  | CTOS / CCRIS                            |



### Financial Institutions



## 1.0 INTRODUCTION

NCCC received 1,354 consumer complaints against financial institutions in 2008 compared to 1,044 received in 2007. This represents a major increase of 30 percent compared to the complaints lodged by consumers in the previous year. The average consumer has to cope with numerous new charges which are being imposed by financial institutions in comparison to the meagre returns given on their deposits.

## 2.0 CONSUMER ISSUES

### 2.1 Misleading advertisements

This is a common ploy to entice the public. Misleading advertisements and promotions put the consumer at the losing end. Usually, when financial institutions advertise their services or products, the terms and regulations are in fine print that not everyone is bothered to read them. The use of one of the most favourite phrases in the country, *"terms and conditions apply"* is another way of limiting the liability of banks that decide to stop the offer of a certain product or service.

There is increasing concern among the public that banks are getting away with their irresponsible actions. Consumers have been lodging the same complaints against the banks yet no affirmative action has been by Bank Negara. There are sufficient laws governing the conduct of financial institutions, yet Bank Negara seems powerless to act.

**Section 28 (a)-(c) [Marketing and Advertisement] of the Banks and Financial Institutions Act 1989 (BAFIA)** states that it is an offence to publish any misleading, false or deceptive statement or to conceal any material fact in relation to deposit taking. The offence committed is reckless, whether made dishonestly or not.

**Section 35(1)(a)-(c) (Control over advertisements produced by the financial institutions)** make note that Bank Negara has wide and specific powers to take action against banks on misleading or false advertisements. This specific provision regulates the conduct and content of advertising by banks, which the general public is not aware of.

Under **Section 35(1) & (2)**, Bank Negara is empowered to issue a written notice or a show cause letter to a bank for misleading advertisements. Consumers who find that a particular advertisement made by a bank or financial institutions is misleading, should lodge a complaint with Bank Negara for the central bank to take punitive action.

This usually happens when someone applies for a credit card, where the bank offers "special and limited" promotions. However, consumers tend to take things for granted by not reading the terms and conditions of the contract that come in tiny, fine print. Such actions by banks must be stopped because once there is non-fulfilment of the contract, these financial institutions will rely on the fine print to penalise their customers.

### 2.2 Excessive interest, charges / penalties

Unfair bank charges, interest and penalties is a major complaint among consumers. Customers have been charged from RM5 right up to RM40 for unauthorised overdrafts, bounced cheques or failed direct debit. Banks and financial institutions have long been accused of cheating customers with the high charges they impose for minor account problems. Customers who slip into minor difficulties can see a mountain of debts piling up as banks charge several Ringgits or more to send a letter and charge large amounts for overdrafts and missing direct debit.

Credit card interest is very high and also comes with hidden charges that customers are not informed of when they sign up for a card. The current 18 per cent interest a year, coupled with other miscellaneous charges, adds up to a considerable amount that the average consumer may not be able to cope with, especially with the prices of goods and services shooting up.

### 2.3 One-sided loan agreements

Agreements drawn up by financial institutions are usually in their favour. These contracts contain many unfair clauses. This practice in the financial industry has to be stopped. There are many ways banks do this, such as incorporating provisions that: *"... the interest rate will be automatically changed to a higher rate in the event there has been default of payment or failure to pay."*

The current practice of incorporating exemption clauses or limitations to their liabilities, found in the fine print of their agreements, creates the presumption that financial institutions in Malaysia are immune to the law. This must be so, because numerous complaints have been sent by NCCC to these banks and to Bank Negara as well, but no action has been taken on any complaint. Malaysia does not have any **Fair Trading Regulations** for banks, unlike the United Kingdom or the European Union.

### 2.4 Debt collection tactics

As a general rule, when someone defaults on a payment, debt collection is standard practice. However, some of the methods used by the banks and debt collection agencies are nothing less than harassment or criminal intimidation. Threats have been made to loan defaulters and their families that they would lose everything if payment is not made. Although



collection agencies are allowed to collection sums owed, the criminal manner in which this is done has to be stopped.

### 2.5 CTOS / CCRIS

**CTOS** or Credit Tip-Off Service essentially provides background financial information on a person to financial institutions that want to assess if a person is credit worthy. Typically, CTOS acts as a buffer and feeds information to these institutions. CTOS, which has been operating since 1988, stores information on bankruptcies, civil suits, winding-up of companies, proclamations of sale and directorships. Such a move is in fact illegal, and NCCC's concerns have been raised since the 2007 annual report.

It must be noted that the Government declared illegal the searching of financial records of customers through CTOS in June 2007. However, the system continues to operate and CTOS has also included in its credit listing summonses from the police or local authorities, delayed instalment payments on household appliances and unsettled hospital bills.



It must also be noted that in 2007, the board of directors of CTOS was charged with several offences under the Companies Act of 1965, including its failure to file in the audited accounts and annual reports of CTOS, besides its failure to hold annual general meetings.

### 3.0 RECOMMENDATIONS

**3.1** Bank Negara must enforce rules on financial institutions in Malaysia and regulate the system with greater efficiency. There are several issues that need to be addressed, especially on the conduct of banks in issuing credit cards and in preventing unfair clauses in agreements.

**3.2** BAFIA too has to be revamped to give importance on consumer protection, as

is the situation in the UK. For example, overdraft charges here are never “reasonable” as required for service fees under the **Supply and Services Act 1982** in the UK. There, if you have been unfairly penalised by your bank, you may be entitled to your money back.

**3.3 Section 104(a)&(b)-Part 14 [Offences] of BAFIA**, which deals very generally on penalties for contravention of rules, must be reviewed. This is because there is no definition here of the types of offences committed.

**3.4** Concrete measures have to be taken by Bank Negara to provide for transparency and adequate disclosure in the relationship between financial institutions and their customers.

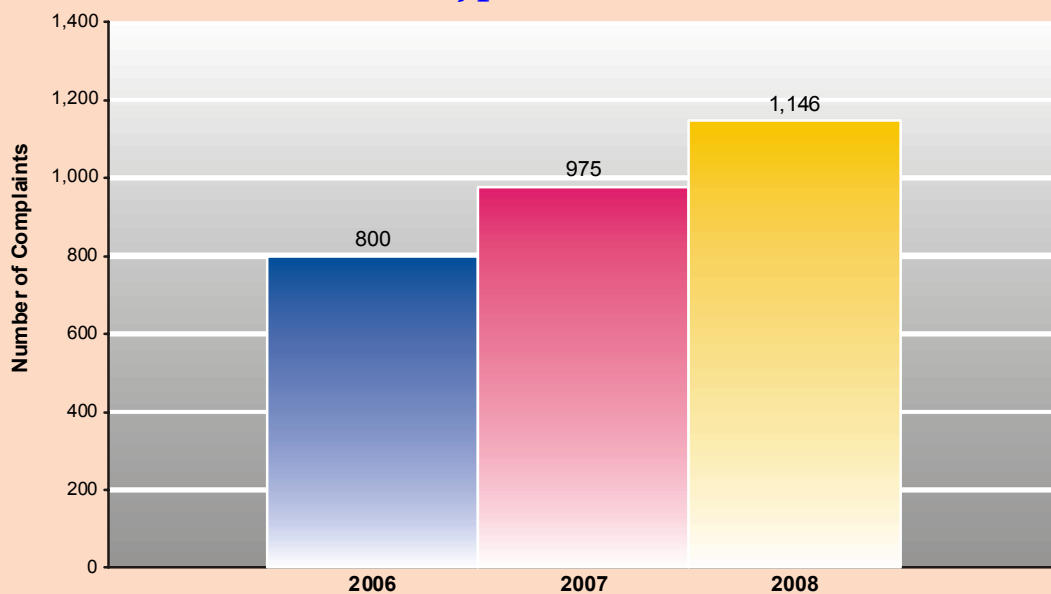
## Report 9

# Hypermarkets

- | No. | Types of complaints                      |
|-----|--|
| 1.  | Misleading advertisements and promotions |
| 2.  | Sale of damaged products                 |
| 3.  | Misleading pricing of products           |
| 4.  | Poor customer service                    |



**Hypermarkets**



## 1.0 INTRODUCTION

NCCC recorded 1,146 complaints against hypermarkets in 2008, against 975 cases in 2007. The marked increase of 18 percent in 2008 compared to 2007 is a cause for concern. Consumers generally feel that they are being taken advantage of by hypermarkets, although hypermarkets claim that they help reduce the cost of goods to the consumer through their bulk purchasing.

## 2.0 CONSUMER ISSUES

### 2.1 Misleading advertisement and promotions

Terms and phrases such as “specific time period” or “while stocks last” are merely catch phrases to attract buyers to products that promise to be “a good deal”. In reality, this is not the case. When buyers go to the counter to pay, it is only then that they are told these products are rated at the normal price.

Under, **Section 14 (1) of the Trade Descriptions Act 1972**, any person offering to supply goods of any description who gives a false indication of the price shall be guilty of an offence. Similarly if the seller or retailer advertises goods for the purposes of selling them at a discounted rate without any real intention of doing so, then they too are subject to provisions under **Section 13(1) of Consumer Protection Act 1999**.

### 2.2 Sale of damaged products

Malaysians have some time or other encountered this problem but many choose not to pursue it, either due to lack of commitment or being plain ignorant. Punitive measures must taken against these hypermarkets because the seriousness of selling expired and damaged products reflects

lack of commitment and disregard for public safety.

Under the **Food Regulations 1985 (For Damaged Products)**, **Regulation 35** states no person shall import, prepare or advertise for sale or sell any food contained in any damaged package or container. Similarly, under **Regulation 14 (7)**, no person shall prepare or advertise for sale or sell any food, unless the packaging contains the dates of manufacture and expiry.

Under **Section 15 of Food Act 1985 (Label Not Complying With Standard Of Food) [Part III Offences And Evidence]**, any person who prepares, packages, labels or advertises any food that does not comply with that standard is liable upon conviction to imprisonment for a term not exceeding three years or a fine.

### 2.3 Misleading pricing of products

The most common excuse hypermarkets give when consumers question ambiguous or misleading pricing of products is that this was caused by human error and the hypermarket takes the easy way out by offering a refund.

As for the punitive measures against sellers committing such price fixing or dubious pricing, **Section 25(1)&(2) [PART IV-OFFENCES, DEFENCES AND REMEDIES IN RELATION TO PARTS II&I of Consumer Protection Act 1999]** states that any person found guilty of price fixing shall be liable to a fine not exceeding RM250,000 and for a second or subsequent offence, to a fine not exceeding RM500,000.

### 2.4 Poor customer service

Common grouses from consumers under this area are a lack of awareness of public



relations, inexperience in attending to complaints from customers and inaction towards complaints against their staff. The general rule of proper customer service is to attend every complaint professionally because failure to do so would mean that these hypermarkets would be projecting a poor image and loss of potential customers. This can spell disaster for a hypermarket since the industry is very competitive in nature, with customer satisfaction and efficient customer service determining the success or failure of a business.

### 3.0 RECOMMENDATIONS

**3.1** The Ministry of Domestic Trade and Consumer Affairs (MDTCA) must exert effective and constant enforcement on pricing, advertisement of goods and services of hypermarkets. It should conduct fortnightly check on hypermarkets and retailers so as to show that complaints lodged by consumers are indeed taken seriously.

**3.2** The **Food Safety Information System of Malaysia (FOSIM)** must give priority to promoting consumer awareness to the public on food safety issues in all programmes propounded by the Ministries involved.

**3.3** The MDTCA must also conduct comprehensive evaluation studies with consumer groups on the impact of the hypermarket's pricing mechanism on consumers.

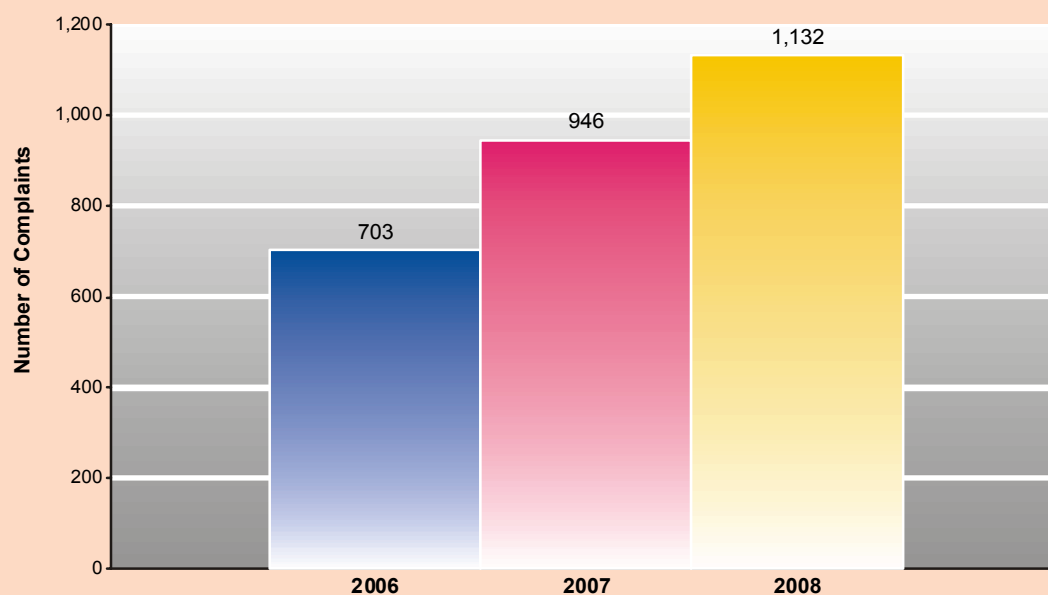
## Report 10

# Hire Purchase

| No. | Types of complaints                 |
|-----|-------------------------------------|
| 1.  | Repossession of vehicles            |
| 2.  | Content of Hire Purchase agreements |
| 3.  | Misrepresentation                   |
| 4.  | Defective cars                      |
| 5.  | Zero down payment                   |



**Hire Purchase**



## 1.0 INTRODUCTION

A total of 1,132 complaints were received in 2008 compared to 946 complaints in 2007. The 20 percent jump in complaints between 2007 and 2008 is a cause for concern. The large number of complaints in 2008 should be viewed seriously because of the fact that many items are obtained by consumers through hire purchase. Hire purchase transactions especially the repossession of vehicles by financial institutions is a major problem for consumers.

## 2.0 CONSUMER ISSUES

### 2.1 Repossession of vehicles

There are many cases of buyers facing difficulty in servicing their loan payments, resulting in financial institutions hiring car repossessioners. The most common methods used by the repossessioners are threats and intimidation. Normally, car repossessioners are thugs or act like gangsters whose action and conduct is in direct violation of the law.

**Section 16 (4) of the HPA 67** lists the proper method of repossessing a hirer's car. The first is to give sufficient notice in the event of default of payment. Once the owner takes possession of the goods, he shall provide the hirer a document acknowledging receipt of the goods.

Under Sub-section (5), the document acknowledging receipt of the product must give a brief description of the product and place where the owner took possession of it. In reality, these procedures are ignored.

Car repossessioners trespass into the hirer's house or office without the knowledge of the hirer and usually threaten the hirer or their families when taking control of car. By right, the hirers can sue the banks and the repossessioners for criminal intimidation.

### 2.2 Content of Hire Purchase agreements

Complaints on the confusing or dubious content of HP agreements lodged with NCCC are also numerous. Many have said the agreement does not specify certain terms or conditions, nor does it attempt to elaborate the rights and responsibilities of the hirer. These terms are open to interpretation and hence it would further lead to abuse of power by financial institutions.

**Part II of HPA 67** states that the HP agreement is invalid if requirements such as the procedure, form and contents are not fulfilled. Since the agreement is a valid contract, it must be noted that **Section 92 of the Evidence Act 1950** prohibits a party to an agreement from contradicting, varying, adding or even subtracting the terms of the contract. Therefore, any complaint on the contents of a HP agreement must contain the basic requirements of what makes an enforceable contract.

### 2.3 Misrepresentation

Misrepresentation in a Hire Purchase agreement occurs in situations where false statements are given by the car salesperson to buyers on the delivery date of the car, specifications, mode of payments and other material aspects about the car. This is basically negligent misrepresentation, arising out of the breach of duty of care to the buyer by the agent. Therefore, once misrepresentation has been established, the offending party is liable for an offence of misleading the hirer.

**Section 8(3) of the HPA 67** gives the presumption that the hirer can claim for damages or losses for any false statement made by the agents or dealers. Under **Section 36(a) and (b) of the Act**, the dealer or its agents commit an offence if an agreement is





known to include a false statement or a representation that is false.

## 2.4 Defective cars

This is another issue arising from hire purchase agreements. Hirers complain the cars they bought are of not a merchantable quality, meaning that they have inherent problems. This goes back to the issue that any product sold to any person should be of good and merchantable quality, as provided in **Section 7(2) of the HPA 67**. There have been arguments about dealers trying to exclude liability by stating that the hirer already examined the car and if there were defects, the hirer should have pointed these out then, not later. However, the Act does not penalise a hirer for failure to discover defects.

In relation to second hand cars, the implied condition as to its merchantable quality may be excluded if the agreement contains a

statement that the car is a used model and “all conditions and warranties as to quality are negative”. However, it must be pointed out that even if the parties are aware that it is a used car, the implied conditions in relation to merchantable quality, fitness for purpose and roadworthiness cannot be excluded unless the agreement contains a statement that it is a used car.

## 2.5 Zero down payment

NCCC has received complaints and enquiries from consumers concerning car dealers offering zero down payments on certain types of cars. Such practice must be stopped because not only it is wrong but misleading at the same time. **Section 31(1) of the HPA 67** states that it is an offence for an owner to enter into a Hire Purchase agreement without the stipulated payment of 10% deposit on the cash price of the car. In reality, car dealers often advertise that they do not require the minimum deposit payment in order to attract potential buyers and fulfil their sales quota. It is only at the later stage that the hirer gets caught up with provisions that require the 10% down payment.

Such business practices must be stopped since they contradict **Section 32(1)(a)(iii) of the HPA 67**. Section 32(1) is intended to eliminate the practice of overvaluing products, while Section 32(3), makes it an offence for any person to knowingly enter into an agreement for zero own payment.

## 3.0 RECOMMENDATIONS

- 3.1 The Ministry of Domestic Trade and Consumer Affairs (MDTCA) should play a major role in enforcing the **HPA 67** which comes under its purview. Punitive action must be taken on hire purchase dealers who do not follow provisions in

the law prescribed. Consumers' woes will only cease if the MDTCA plays its role proactively and not reactively i.e. waiting for a report to be lodged. MDTCA should conduct regular spot checks on hire purchase dealers so that they do not victimise consumers.

- 3.2 The other major problem of consumers in this area is the unprofessional and unlawful manner in which thugs employed by financial institutions repossess vehicles from hirers. There have been many cases reported where such thugs have forcefully possessed vehicles at all kinds of places and at all times without adhering to the rules governing repossession under the **Hire Purchase (Recovery of Possession & Maintenance of Records by Owners) Regulations 1976**.
- 3.3 MDTCA and Bank Negara should discuss this problem and find ways to overcome it since both are major players in the business of hire purchase. Alternatively MDTCA should call in the financial institutions to examine their repossession methods.
- 3.4 MDTCA should put out bulletins asking vehicle owners who have been victimised to report to them for action to be taken. Consumers have reported that in some cases vehicle hirers have been asked to report to the police when approaching the MDTCA Enforcement Division for assistance.

- 3.5 As for new cars that are defective, Malaysia must adopt the position and stand similar to the United States in protecting consumers in dealing with problematic cars. The "*Lemon Law*" principle works on the basis that when a manufacturer cannot repair consumer goods after a reasonable number of attempts, it must either replace the defective product or refund the consumer's money. Generally, the manufacturer of the vehicle bears the final responsibility of repurchasing the defective car.
- 3.6 Late delivery charges must be included in the Vehicle Sales Order (VSO) to compensate car buyers and better enhance consumer protection against late delivery of cars.
- 3.7 Financial institutions that are the hire purchase companies must stop the practice of zero down payments for cars. This practice goes against the **Hire Purchase Act** and must be stopped. Under the current economic situation, it will be in the best interest of consumers if hirers raise the 10% down payment in order to increase financial prudence.

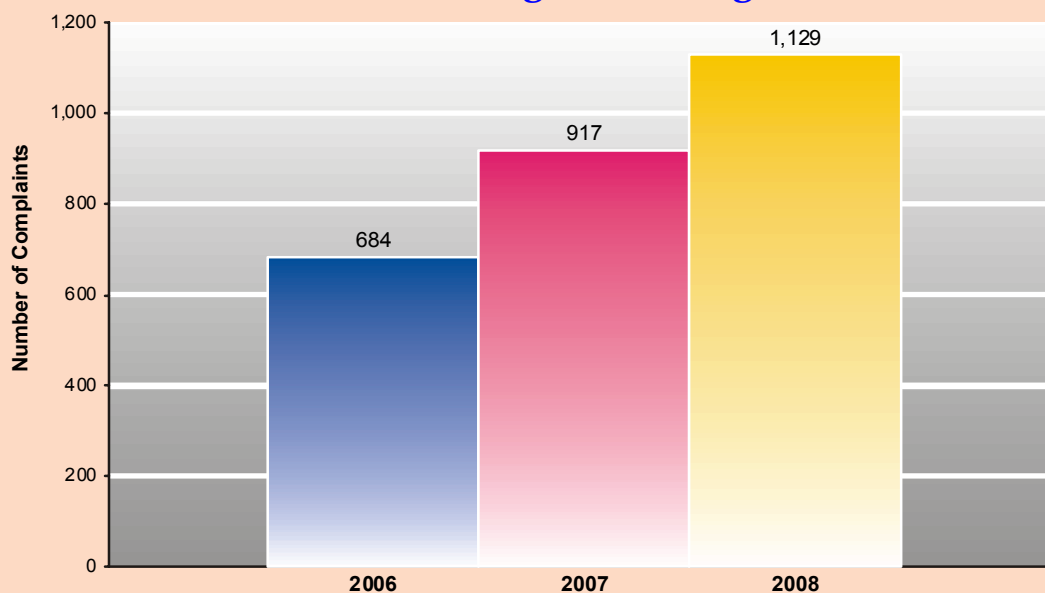
## Report 11

# Misleading Advertisements

| No. | Types of complaints             |
|-----|---------------------------------|
| 1.  | Deceptive advertisements        |
| 2.  | Consumers being victimised      |
| 3.  | Ambiguous meanings              |
| 4.  | Non conformity with description |



**Misleading Advertising**





## 1.0 INTRODUCTION

In 2008 a total of 1,129 complaints were lodged with NCCC regarding misleading advertisements compared to 917 complaints in 2007. A 23 percent increase between 2007 and 2008 is a cause for concern. Despite the comprehensive protection provided under Part II of the Consumer Protection Act 1999 against misleading and deceptive conduct, false representation and unfair practice, this problem continues to trouble consumers. Proactive enforcement is urgently required to overcome these unfair and unethical trade practices which mislead consumers.

## 2.0 CONSUMER ISSUES

### 2.1 Deceptive advertisements

Many consumers complained that advertisements in the electronic and print media contain deceptive elements that mislead the public. **Section 7(3) of Trade Descriptions Act** outlines the types of trade descriptions that can be used in an advertisement.

**Section 12 of the Act** on misleading prices is particularly relevant during festive seasons and school holidays, when misleading advertisements or promotions proliferate for the primary purpose of attracting buyers. Under **Section 3 [Prohibition of false trade description] of the Act** makes it an offence for anyone (traders) to supply or offer to supply goods about which a false description is made.

An example is a company that advertises cheap rates for flights but does not disclose the other extra charges involved. This constitutes elements of misleading the public through advertising and also, wrongful labelling of the full price to sell a service.

### 2.2 Consumers being victimised

Most of the complaints received by NCCC are about traders taking unfair advantage of consumers during festive seasons when many consumers tend to spend more money to purchase goods. **Section 7A of the Trade Descriptions Act** puts the presumption of liability on advertisers, therefore advertisers or traders must be held responsible for goods and services advertised.

Similarly, **Section 14 (1)&(2) of the Act** deals with false and misleading information on price. This normally happens during cheap sales during festive seasons when unscrupulous traders take unfair advantage of consumers. Consumers need to be aware of such unfair trade practices which are quite rampant.

### 2.3 Ambiguous meanings

We may have at some purchased a product on the basis of what the advertisement stated, and after that learn the advertisement carried a different meaning, with different rules and liabilities. Often, consumers purchase products relying on advertisements that promise low prices or discounted rates without comparing the prices at other retail outlets. This often results in them paying much higher prices, or getting products of sub-standard quality.

Consumers must be made aware of the provisions of the Consumer Protection Act, especially under **Section 10(1)(a)-(l)**. Section 10 essentially states what constitutes false or misleading representation by traders and this is particularly important when consumers are misled not only on the price but also on the features of the products and services. As far as Malaysian law is concerned, the principle of *ignorancia non excusa*, which means ignorance of the law is no excuse, applies.

Consumers must exercise due care and diligence when buying on the basis of what is advertised.

## 2.4 Non conformity with description

**Section 3(1)(a)&(b) of the Trade Descriptions Act** prohibits traders from offering or supplying products to the public products that constitute false trade description. Similarly, **Section 5(1)-(4) of the Act** should serve as a warning to traders who try dispose of sub-standard products by relying on false advertisements for a quick profit.

## 3.0 RECOMMENDATIONS

**3.1** The Ministry of Domestic Trade and Consumer Affairs must be more concerted in enforcing laws governing false advertisements and act swiftly on companies or persons with intent to deceive the public. MDTCA must carry out proactive monitoring and action to solve this problem. **Part II of the Consumer Protection Act 1999** must be enforced to protect consumers in this regard.

**3.2** Since all consumers are protected in this regard MDTCA must take the initiative to call for a discussion among the various agencies which enforce regulations of their own regarding advertisements.

**3.3** All relevant departments and agencies must take note of the serious implications of misleading advertisements as a whole. The relevant Ministries must take a proactive role in enforcing rules and regulations and terminate the licences of companies that practise such abhorrent trade practices.

**3.4** The Malaysian Communications and Multimedia Commission (MCMC) should strictly regulate online advertising since there are many websites that contain false and misleading advertisement to scam the unsuspecting public.

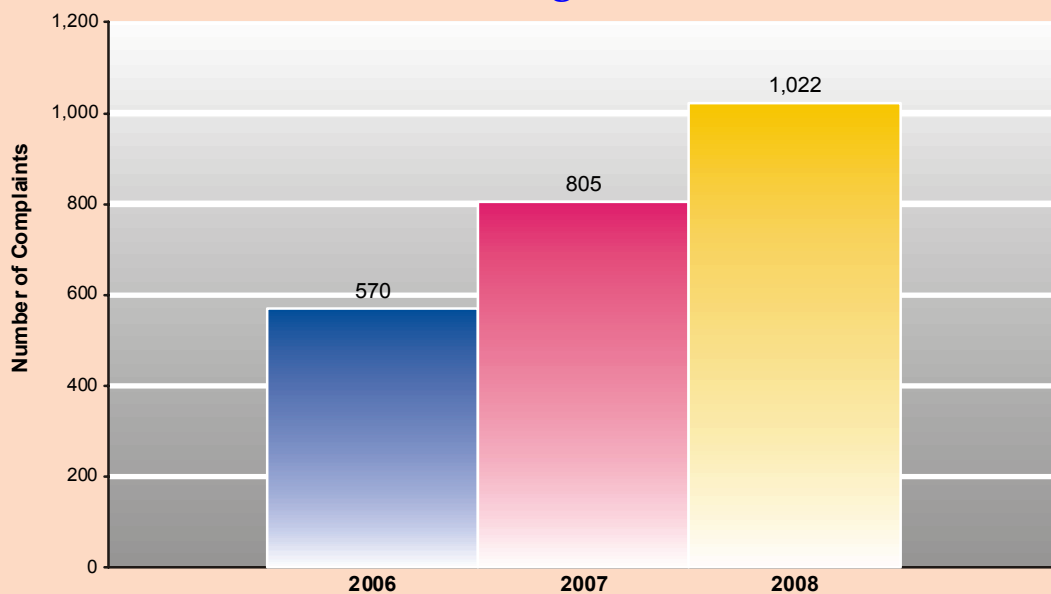
## Report 12

# Maid Agencies

- | No. | Types of complaints                         |
|-----|---|
| 1.  | Excessive charges and rates                 |
| 2.  | One-sided contracts                         |
| 3.  | Failure to return deposit upon cancellation |
| 4.  | Untrained maids                             |
| 5.  | Recycled and runaway maids                  |



**Maid Agencies**





## 1.0 INTRODUCTION

NCCC received 1,022 complaints in 2008 against maid agencies as opposed to 805 in 2007 indicating a substantial increase of 27 percent. Consumers who require maids are often at the mercy of maid agencies which impose high charges for their services. Contracts are one sided for the benefit of the agencies and employers are often faced with numerous problems related to maids they employ.

## 2.0 CONSUMER ISSUES

### 2.1 Excessive charges and rates

The practice of overcharging on fees, especially in relation to replacement of maids, has been the norm in the industry for quite some time and is accepted by many. Employers complain that this practice has gone unchecked by the Ministry of Human Resources. Some of the charges can run as high as RM8,000 a maid. The amount set is very high considering the fact that the standard rate for an Indonesian maid is RM2,415, set by the Persatuan Agensi Pembantu Rumah Asing (PAPA).

### 2.2 One-sided contract

Contracts that are drafted by foreign maid agencies are often oppressive and one-sided. Generally, the terms and conditions stated in the contract do not allow the maid employer (client) to re-negotiate with the agency in the event something goes wrong. The clauses are ambiguous and often there is no exit clause, nor are the rights and liabilities of the both agency and the employer stated. The contract puts the employer at a disadvantage in that if the maid runs away, or other unforeseen circumstances come into play, the contract still holds "since it is already signed".

### 2.3 Failure to return deposit upon cancellation

This forms a large portion of the complaints brought to NCCC. In the event the maid runs away or for unforeseen circumstances that is no fault of the client (maid employer), the agency is not obliged to fully return the deposit the employer paid. Such unfair practice must be put to a stop. Unscrupulous maid agencies tend to rely on exclusion clauses to escape liability. Under the **Contracts Act**, the element of undue influence is an offence, allowing the party alleging it to take the matter to the courts or to the Consumer Claims Tribunal to claim damages.

### 2.4 Untrained maids

The issue of untrained maids has been highlighted in NCCC's annual reports since 2006 and this problem continues to persist. Most of such complaints were about maids not understanding basic instructions, not understanding simple English or Bahasa Malaysia, being rude and in some cases, stealing from their employers. From the above, it is clear that the agencies are not doing their job properly in training maids. Employers are left with no choice but to put up with the incompetent maids.

### 2.5 Recycled and runaway maids

Many employers also had their maids run away or "recycled", meaning that these maids were brought from an employer who turned them out for incompetence. In some circumstances, the faults could be the very serious and demanding on the part of the employers. These maids are put under great pressure by being made to work long hours and are even physically and mentally ill-treated, causing them to run away.

However, in most cases of this nature, it has been found that the maid agencies are themselves responsible for maids running away. The agencies get these maids to run away within a few days or weeks of settling with an employer, or after the three-month “replacement period” in order to be recycled and offered to another employer at the original price.

### **3.0 RECOMMENDATIONS**

**3.1** The Ministry of Human Resources must wake up to the fact that new legislation is required to regulate maid agencies. The agencies must be made to follow the prescribed guidelines on maid wages and cost of hiring foreign maids. It can safely be said that none of these agencies adhere to the prescribed fee structure.

**3.2** The Immigration Department can, if it wants to, get unscrupulous agencies taking unfair advantage of employers to be shut down.

**3.3** A uniform contract between the parties must be introduced and implemented by the Government so that all agencies are held responsible for the domestic maids, should anything go wrong on their part or on the part of the maids they bring in.

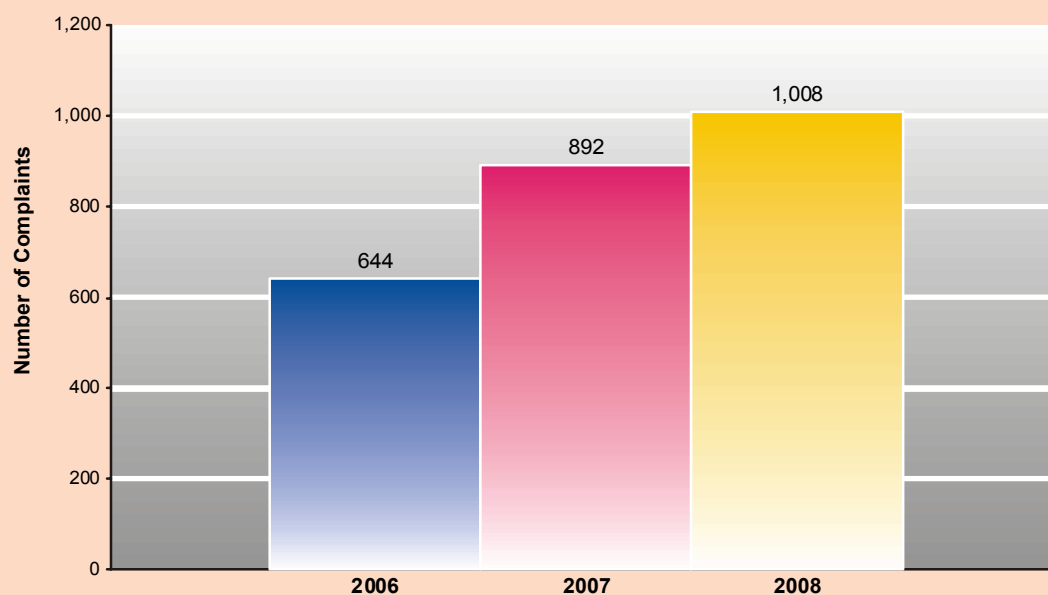
## Report 13

# Time-Sharing Facilities

- | No. | Types of complaints             |
|-----|---------------------------------|
| 1.  | Resale of time-share membership |
| 2.  | Misrepresentation               |
| 3.  | Availability of facilities      |
| 4.  | Cooling off period              |



**Time Share Facilities**





## 1.0 INTRODUCTION

There has been a 13 percent increase in the number of consumer complaints against time-share facilities with 1,008 complaints being recorded in 2008 compared to 892 in 2007. The high cost of holiday accommodation locally has made time-sharing attractive. However time-share operators have chosen to profit by leasing a few units in condominiums with few facilities, usually far from towns resulting in consumers having to book months in advance to secure holiday accommodation for their families. Promises by time-share operators to build holiday resorts have seldom materialised.

## 2.0 CONSUMER ISSUES

### 2.1 Resale of time-share membership

This is a common scam. Companies act as agents and obtain full particulars of members of other time-share packages. These scammers then call up the members and offer to buy their membership at higher price. But, for this to take place, the member has to purchase another time share membership, which obviously will be cheaper. The scammers are so good that the member will be convinced to buy first – and in the end is burdened with two time-sharing facilities to pay for.

### 2.2 Misrepresentation

This is done with the intention of persuading members to maintain their membership. The members are promised that they will be able to sell their membership back to the company in the event they want to give it up, but in reality this is not the case. Misrepresentation occurs when the sales agent of the time-share company gives untrue facts about a particular

product or services. A classic example is to tell potential members that the company would buy back the membership whenever they wish to give it up, or if they are not able to use their allotment. In reality, this is not possible.

Then there are sales agents who make all kinds of misrepresentations in order to get people to sign up so that they can fulfil their commission quota. This is clear indication of inducement on the part of the time-share companies, where accurate information is not provided to consumers. **Section 18(a)-(c) of the Contracts Act 1950 (CA 1950)** make misrepresentation a breach of duty with the intention of misleading another party into entering a contract. The affected party can rely on **Section 19(1)&(2) of the Act** to make void the contract on grounds of such misrepresentation. Any affected party has the right to insist that time-share companies honour their part of the contract, should any breach be discovered.

### 2.3 Availability of facilities

One of the many complaints is that accommodation units are not available because they were not booked in advance. Others are that the accommodation units are located in remote areas, without proper access to transport or other facilities. Members feel they are not getting good value for the tens of thousands of Ringgits they spent on the membership. Many of the problems could be due to the fact that time-share companies try to minimise their overhead costs and at the same time, sell more memberships without even bothering about the limited number of accommodation units available.

This is a breach under the Contracts Act 1950 and the member can sue and claim damages from the time-share company under **Section 74(1) of the Contracts Act**. Similarly, aggrieved members may also rescind the

contract and claim compensation through non-fulfilment of the contract under **Section 76 of the Act**.

## 2.4 Cooling-off period

The **Direct Sales Act 1993** governs selling by time-share companies. **Section 23** states that door-to-door sale of goods or services must be by contract and subject to a cooling-off period of 10 working days. A copy of the contract must be given to the buyer. These procedures are, in reality, not practised. Sales agents also do not inform buyers of the cooling off period whereby they can reconsider their options and cancel the agreement if they wish to.

The elements of pressure selling and undue influence are apparent in the manner these agents conduct their sales talk in order to convince the consumers to purchase the membership package and enter into contract with the time-share companies. **Section 16(1) of the Contracts Act** states that a contract is said to be influenced when a sales agent in a domineering position takes an unfair advantage and influences the will of the consumer.

## 3.0 RECOMMENDATIONS

**3.1** The current problems faced by the time-share industry are scattered. The Malaysian Holiday Timeshare

Developers' Federation (MHTDF) must take proactive steps to ensure the industry is regulated, especially so as there are many time-share companies operating in Malaysia that are not registered with the MHTDF, and neither do they have direct sales licences to operate.

**3.2** The Ministry of Domestic Trade and Consumer Affairs and MHTDF must speed up their efforts to draft a unified code of ethics and introduce policy guidelines for stronger consumer protection.

**3.3** The **Direct Sales Act** and the **Companies Act** and their policy guidelines have similar provisions governing the time-share industry. The protection and liabilities stated in these two provisions are too fragmented. There is a need to convert these provisions into a single, comprehensive law.

**3.4** Currently, the policy guidelines under the Companies Act 1965 that requires time-share companies to display prominently the terms and conditions of this cooling off period are not adhered to. The Ministry has to check on these errant companies and take punitive action against them.

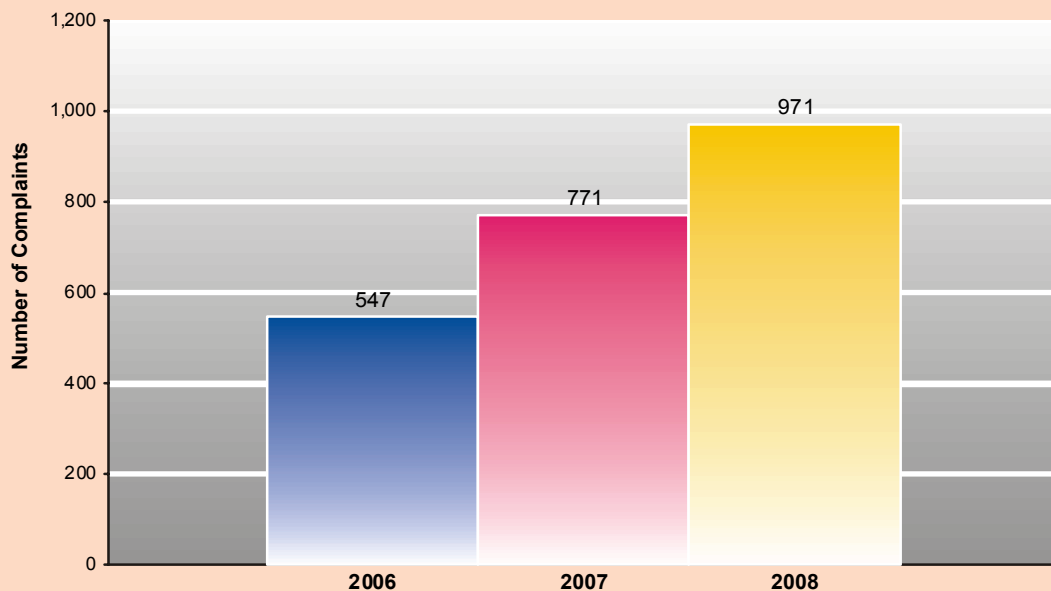
## Report 14

# Fitness Clubs

- | No. | Types of complaints                      |
|-----|--|
| 1.  | Misrepresentation                        |
| 2.  | Misleading advertisements and promotions |
| 3.  | Lack of facilities                       |
| 4.  | Ambiguous terms of contract              |
| 5.  | Poor customer service                    |



**Fitness Club**





## 1.0 INTRODUCTION

In 2008, there were 971 complaints received, compared with 771 in 2007 indicating a hefty increase of 26 percent in the number of complaints against fitness clubs. Many of the complaints were regarding ambiguous terms of contract cancellation, misrepresentation, misleading advertisements, lack of facilities and bad customer service.

## 2.0 CONSUMER ISSUES

### 2.1 Misrepresentation

This happens when sales agents misrepresent a particular product or service rendered by a fitness centre to customers in order to achieve their sales quota. The more the customers, the higher the commission the agent gets. This is a common practice in the industry. Customers usually accept what the agents say and sign up for the package without reading the terms of the contract.

The **Contracts Act 1950** deals specifically with this issue. **Section 18(a)-(c)** lists what constitute “acts of misrepresentation”. This is basically “a breach of duty which, with or without intent to deceive, gives an advantage to the person committing it, or anyone claiming under him, by misleading another to his prejudice”.

Consumers can use the provisions available in **Section 19(1) & (2) of the Act**, which sums up that when a contract entered into was either by coercion, fraud or misrepresentation, becomes void at the option of the affected party.

### 2.2 Misleading advertisements and promotions

The fitness club industry tends to exaggerate facilities and services in order to gain profit

from potential customers. These advertisements are used as bait.

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

**Section 15A (1)** of **Trade Descriptions Act** defines states what constitutes to misleading statements in relation to the services of a particular product. Essentially, it means any statement made which is known to be false or any person recklessly making a statement which is false or any person making a statement with the intention to deceive or mislead the public.

### 2.3 Lack of facilities

One of the common complaints against fitness clubs is that they advertise the offer of the best and state-of-the-art facilities for their members if they sign up for their packages. This may be part of the marketing strategy, with elements of false claims being made. Generally, consumers are attracted to the promises of fitness clubs without even inspecting the facilities.

Under **Section 18(a)-(c) of the Contracts Act**, false claims and misrepresentation are an offence and under **Section 19(1)&(2)**. Consumers can take action against such fitness clubs since consent to the contract with the fitness club was caused by fraud, making the contract voidable.

### 2.4 Ambiguous terms of contract

Many people do not read carefully the terms of contract and most membership contracts are drafted in such a way that terms on the

cancellation of the membership are ambiguous. It is imperative that one should read these terms carefully before signing up.

It must be pointed out that **Section 30 of the Contracts Act** deals with “**uncertainty of terms**”, under which agreements that are not certain or capable of being made certain are void. **Section 17(5) of the Consumer Protection Act 1999 (CPA 99)** allows a person to cancel a contract in writing, by actions or verbally.

**Section 17(2) of CPA 99** specifies three types of charges that fitness clubs can impose on consumers upon termination of the membership agreement. These are:

- a. Five per cent of the full contract price;
- b. The cost of any product the consumer used and;
- c. The portion of the full contract price representing services received by the consumer.

This means that members who have made lump sum payments are entitled to claim back the balance for services that have not been provided by the fitness clubs within 14 days of the termination of the contract.

## 2.5 Poor customer service

This usually happens when the member decides to cancel or terminate the membership with the fitness club. The cancellation request by the customer is often ignored by the management even written notice has been given. One of the common grouses is that the Customer Service Department chooses to ignore the member's request by not replying to the notice or giving answers when queried. Often, those who end their membership complain that their telephone calls are cut off, or that they are shouted at and even threatened by the club

management. This should not be the way. Lack of courtesy is a primary concern in this area.

## 3.0 RECOMMENDATIONS

- 3.1 Greater importance must be given to strengthening current laws such as the **Consumer Protection Act 1999** and the **Trade Descriptions Act 1972** so that there is consumer protection at every level. A standard code of ethical business practice should be introduced for fitness clubs, which must be consistently monitored by the Ministry of Domestic Trade and Consumer Affairs.
- 3.2 The Ministry must play a bigger role by regulating and monitoring fitness clubs that flout the law and or take an unfair advantage of the general public. There are sufficient existing laws governing consumer protection, but there is a serious lack of enforcement on the part of the authorities in taking action against such clubs.
- 3.3 It is best if consumers exercise more caution in picking a fitness centre according to their budget and the facilities offered. Consumer education is also crucial to prepare consumers for any eventuality.

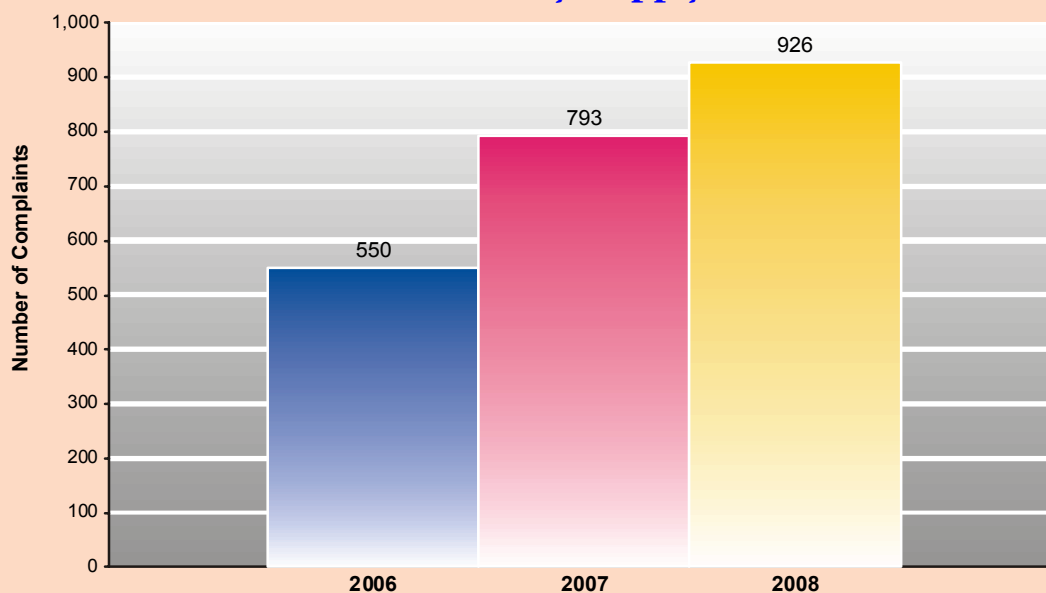
## Report 15

# Electricity Supply

| No. | Types of complaints |
|-----|---------------------|
| 1.  | Power surge         |
| 2.  | Faulty meters       |
| 3.  | Billing disputes    |
| 4.  | Power disruptions   |
| 5.  | Meter tampering     |



Electricity Supply





## 1.0 INTRODUCTION

There were 926 complaints in 2008, against 793 in 2007 indicating a substantial increase of 17 percent in the number of complaints. A major consumer fear is the regular hike in electricity tariffs which will cause a spiral of cost increases in all sectors of the economy. Tenaga Nasional Berhad as the sole supplier of electricity to households must come up with ways to encourage consumers to reduce power consumption in addition to investing in alternative energy sources.

## 2.0 CONSUMER ISSUES

### 2.1 Power surge

Many consumers have complained about electrical and electronic goods destroyed as a result of high voltage or power surges. Tenaga Nasional, on the other hand, denies responsibility. Such incidents do not occur, it says, and rejects compensation demands for losses claimed.

A power surge happens when the flow of electricity is higher than the voltage specified, over and above that regulated by the service provider. This power surge will damage the goods of any user who operates equipment that run on the specified voltage. The service provider therefore has to take full responsibility in compensating the losses incurred by the affected consumers. The incurred cost can run into hundreds of thousands of Ringgits, depending on the numbers of consumers affected.

### 2.2 Faulty meters

Complaints concerning high meter reading due to defective or faulty meters have caused severe problems to consumers, especially when they are charged rates above the normal reading. Consumers complain that they have



been made to pay exorbitant charges in the event the meters are changed. Failure to settle the amounts charged would mean a power cut. Such an act is oppressive.

### 2.3 Billing disputes

There are many aspects to billing disputes. Service providers often provide estimated billing charges that are not accurate. Consumers have complained about being billed sums higher than their normal use. Such a practise of estimating bills must be stopped.

### 2.4 Power disruptions

These have been on the rise, affecting the daily routines of consumers. Power disruptions often take place without notice, consumers say. Where notices are given earlier, consumers can prepare themselves for the power cut. The service providers must ensure that the necessary steps are taken to address the issue of power cuts.

### 2.5 Meter tampering

Meter tampering has been highlighted before and it remained an area of concern in 2008, with consumers complaining of excessive charges despite their electricity usage being less. A recurring complaint is that their meters

could have tampered by the service provider's field staff, since the layman does not have the technical knowledge to do so.

### 3.0 RECOMMENDATIONS

- 3.1 TNB as the national service provider of electricity must improve its service, especially in the area of power surge, since the losses suffered can be very high and contribute to the financial suffering of the average income earner. TNB must be fair and reasonable in handling these complaints from consumers.
- 3.2 As propounded in earlier reports, the Energy Commission must set up a dispute resolution body to hear the problems of aggrieved consumers so as to better facilitate and resolve the complaints.
- 3.3 The current practice of TNB in imposing retrospective charges on landlords whose tenants abscond leaving huge



outstanding bills behind must be stopped. The service provider has to take a more subtle approach in resolving such issues, such as disconnecting the power supply when the monthly bills are not settled on time. TNB should not allow the bills to be accumulated over a long period, and then go after the landlord for payment.

- 3.4 The service provider, on the other hand, must play an active role in checking and ensuring that these meters are correctly calibrated so as not to inconvenience consumers, since this can result in higher bills.

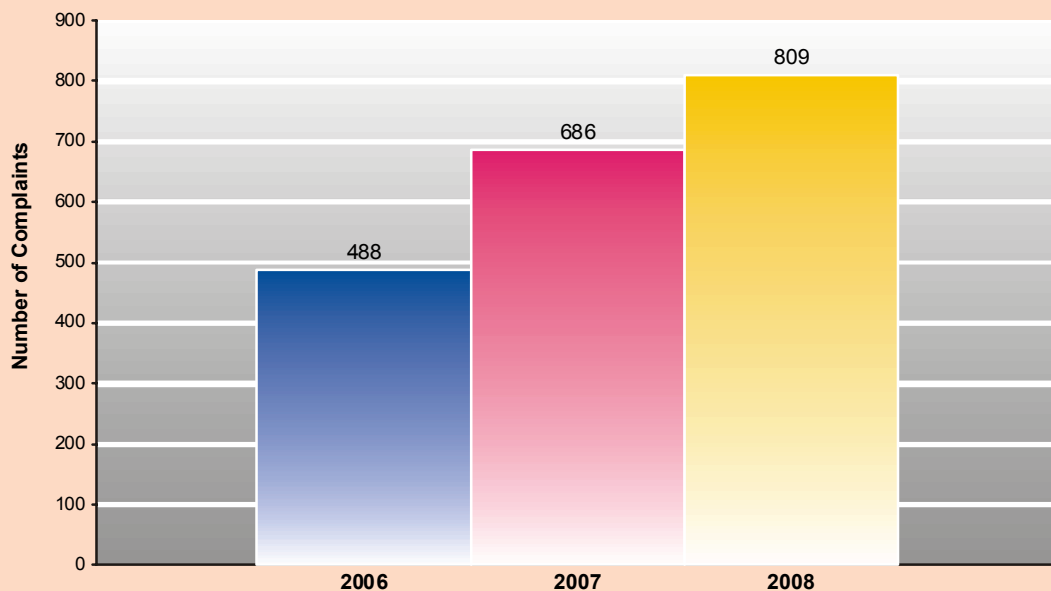
## Report 16

# Insurance

- | NO. | Types of complaints                    |
|-----|--|
| 1.  | Fraud                                  |
| 2.  | Misrepresentation                      |
| 3.  | Lack of professionalism                |
| 4.  | Low surrender value of policies        |
| 5.  | Pressure selling                       |
| 6.  | Unfair claims settlement               |
| 7.  | Unreasonable delay in insurance claims |



### Insurance





## 1.0 INTRODUCTION

In 2008 the number of complaints received was 809, compared with 686 recorded in 2007 indicating a substantial increase of 18 percent over 2007. The continued convergence of financial markets, growing consumer awareness of their rights and the depressed investment conditions following the current global economic crisis have resulted in insurance companies undermining policyholders' rights by delaying the settlement of insurance claims and practising unfair settlement tactics.

## 2.0 CONSUMERS ISSUES

### 2.1 Fraud

The issue of fraud by agents is not restricted to any particular group of people. People in urban and rural communities fall victim to such cheating by insurance agents. Although the number may not be high, this problem is best handled by the police as there is the element of criminal cheating involved.

The insurance agent acts with express or implied authority from the insurance company to enter into a contract with a potential policyholder on behalf of the company. This is known as the Law of Agency. If there is an element of fraud established against the agent, then such agreement resulting from the prescribed contract is deemed to be void.

**Section 17 of Contracts Act 1950** defines fraud as "acts committed by a party to a contract with the intent to deceive the other party".

### 2.2 Misrepresentation

Misrepresentation by insurance agents is tarnishing the image of the insurance industry worldwide. Consumers place their trust and

money in insurers with good faith, that they and their properties will be protected, not to be cheated or financially burdened. Some of the cases NCCC received involve agents making false claims to clients on the financing of their policies. Agents promise that if the insured pays a certain amount in premium for a certain period of time, the policy would automatically finance itself afterwards. However, the insurance company still demands premiums even when this period is over, and upon checking the consumer finds out that the contract was misinterpreted and misrepresented by the agent.

According to **Section 18 of the Contracts Act 1950**, misrepresentation means "positive assertion/false statement made by the representor, which induces the other party to enter into the contract".

### 2.3 Lack of professionalism

Some of the terms or clauses in the contract signed by the policyholder are either intentionally or negligently drafted, leading to ambiguity and give negative effect to the insured/policyholder. When a problem arises, the companies interpret it to the insured's disadvantage. Insurance agents must adhere to the code of ethics of the insurance industry. Policyholders in the rural area and those not well educated are the ones who largely fall victim to these tactics of some insurance companies/agents.

Insurance agents must have a Registered Intermediary Authorisation (RIA) card issued by the Life Insurance Association of Malaysia (LIAM) on behalf of the insurance company the agent is contracted to.

### 2.4 Low surrender value

In Malaysia, a policy must be in force for a minimum of three years to have some

surrender value, which is less than 10% of the total premium paid. A life policy of less than three years has no surrender value. Usually, a charge for administrative expenses is deducted from the sum an insurance company pays the insured upon cancellation of a life insurance policy before death, which is usually a specific figure assigned to the policy. The cash surrender value of an insurance policy is not based upon its actual value, but upon the reserve value – the face amount of the contract discounted by a specific interest rate according to the insured's life expectancy. Not all life insurance policies have cash surrender values.

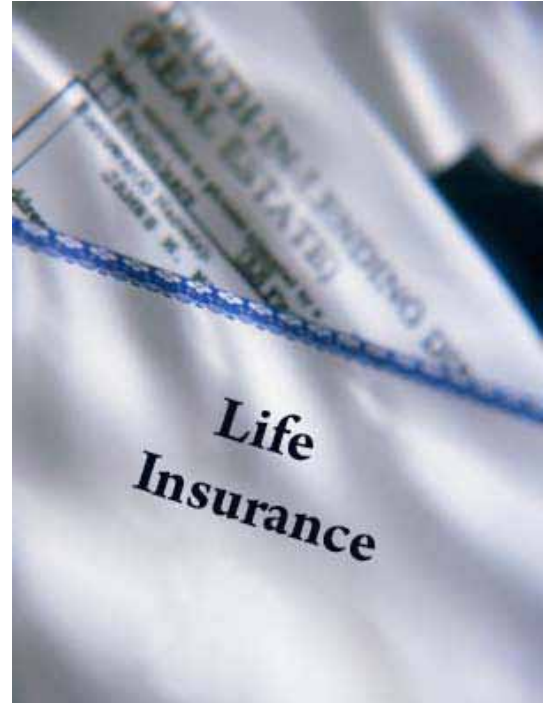
## 2.5 Pressure selling

Unscrupulous insurance agents are known to resort to pressure selling in order to achieve their sales target and increase their revenue. Instead of promoting the benefits and advantages of insurance, they resort to using various tactics such as incessant phone calls and relentless marketing pursuits, becoming a nuisance to consumers. Under such harassment, some consumers buy an insurance policy they don't need or are duped into signing up for unfavourable policy terms.

Pressure selling also amounts to undue influence and to a certain extent, coercion. Undue influence means where one party is in a position to dominate the will of the other person and uses that position to obtain an unfair advantage over that person, as stated under **Section 16 (1) of the Contracts Act**.

## 2.6 Unfair claims settlement

In instances of road accidents involving repairs to vehicles, some insurance companies refuse to honour claims on grounds that the workshop used by the client is not on their panel. However, insurance contract do not list any panel of workshops, hence the insurer is free



to go to any workshop. This problem can be traced back to the contract signed by the policyholder and the insurance company – and our finding is that almost all of the problems arise because of false promises or ambiguous terms of the contract.

Ambiguous terms mean agreements that are not certain and open to different types of interpretation, usually unfavourable or lopsided against the insured.

## 2.7 Delay in settling claims

Numerous complaints regarding the delay in processing the insured's claims has led to many complaints against the agent and the company itself. This exposes the insurance industry's poor quality of service. Some claims can take up to several years before the insured is reimbursed.

NCCC believes that there has to be a combined effort on the part of industry players, Bank Negara Malaysia as the regulator and the insurance associations (PIAM, LIAM) to

reduce these cases of delay in the settlement of claims.

### 3.0 RECOMMENDATIONS

**3.1** Consumers, particularly vulnerable groups such as senior citizens, face numerous problems with the insurance industry and they must be able to channel these through an effective redress mechanisms provided by the insurance companies at company level without having to resort to the Financial Mediation Bureau.

**3.2** Consumers do not seem able to obtain proper information on products and services from the insurance industry. Industry players must be able to provide excellent product information and services. There must not be any dubious or ambiguous terms and conditions in the policies.

**3.3** Insurance companies must comply with the industry standards, not just at national or regional level but at international level as well. The industry has to practise self-regulation to ensure proper check-and-balance and instil a greater degree of competency.



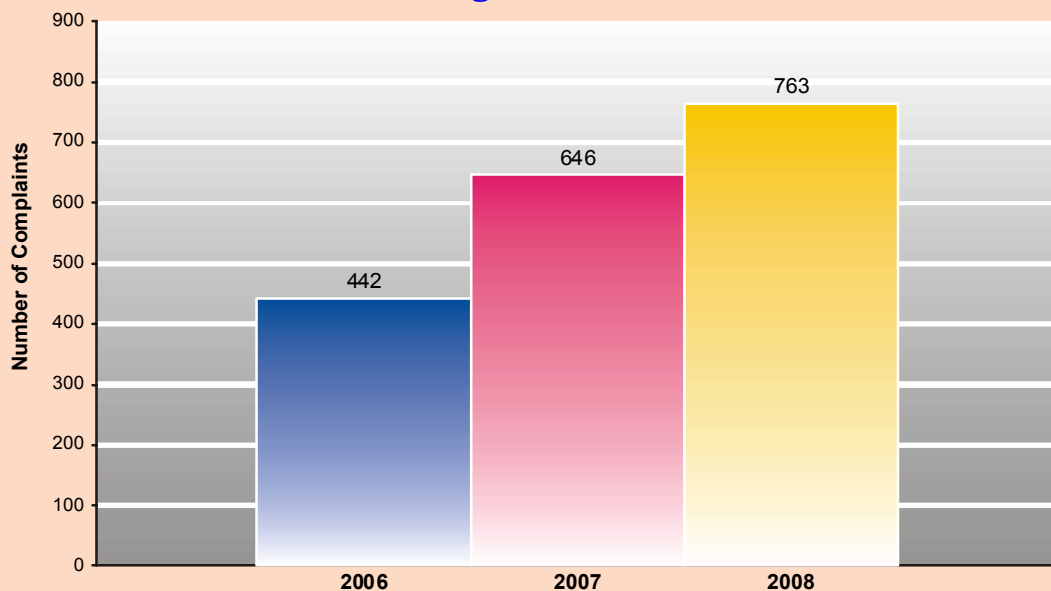
## Report 17

# Legal Services

| No. | Types of complaints   |
|-----|-----------------------|
| 1.  | Delay                 |
| 2.  | Touting               |
| 3.  | Excessive fee         |
| 4.  | Negligence by lawyers |



**Legal Services**



## 1.0 INTRODUCTION

In 2008, the number of complaints received against the legal profession increased to 763 complaints against 646 lodged with NCCC in 2007, a hefty increase of 18 percent. Most of the complaints centred on lawyers taking unfair advantage of clients who are generally ignorant of the laws and unaware of their rights.

The problems associated with the legal profession have long been a bane to Malaysians who have had unfortunate encounters with bad, irresponsible lawyers. Negligence and incompetence on the part of these lawyers has led to many Malaysians being denied justice. The public at large demands greater accountability and responsibility from the lawyers. The judiciary must also take a proactive step in ensuring lawyers minimise unwarranted problems.

## 2.0 CONSUMER ISSUES

### 2.1 Delay

As highlighted in the previous reports, 2008 saw similar complaints against lawyers on delays, in particular in conveyance work. This problem is rampant in area of real estate matters.

Under the **Legal Profession (Practice and Etiquette) Rules 1978**, in particular **Rule 31 (Advocate and solicitor to uphold the dignity of the profession)** and **Rule 12 (Advocate and solicitor cannot handle civil cases intended to delay proceedings)**; lawyers must not delay their client's matters and must carry out their duties with due diligence.

### 2.2 Touting

Touting is still an issue. Most people today forward their complaints to the Disciplinary Committee of the Bar Council, but yet lawyers continue to use touts. Investigations against these lawyers often take a long time. For the people, time is of the essence and they cannot afford any delays in their case.

There are ample laws governing the conduct of lawyers on the issue of touting, yet many lawyers continue to flout the law. **Section 94 (3) (h) of the Legal Profession Act 1976** clearly states that accepting employment through a tout is a misconduct. Similarly, **Rule 51** states that an advocate and solicitor must not commit acts of touting, while **Rule 53** states advocates must not practise the principle of agency by means of commission on profit costs under the **Legal Profession (Practice and Etiquette) Rules 1978**.

### 2.3 Excessive fee

This is one of the most common complaints from those who engage a lawyer. Lawyers in general have to abide by a fee structure and Malaysian lawyers are governed by the **Solicitor Remuneration Order 2006**.

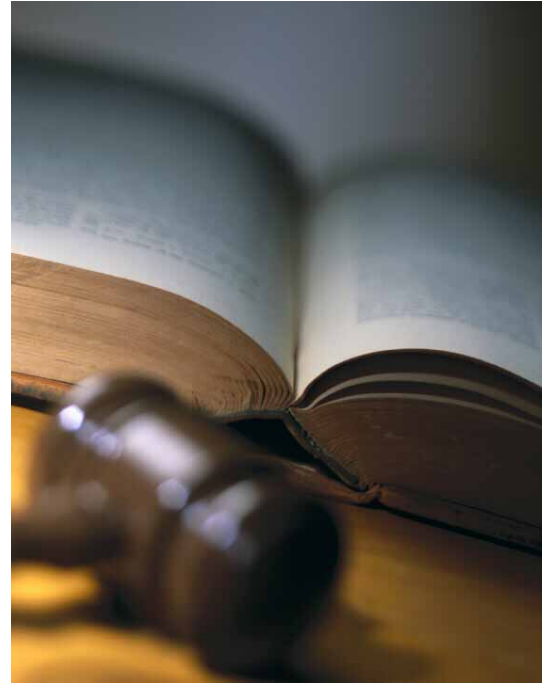
Lawyers must refer to **Rule 11 (Fees for litigation/contentious matters)** of the **Legal Profession (Practice and Etiquette) Rules 1978** to set their fees. Costs may vary, from the complexity of the case to the skills required in handling it.

In reality, most lawyers do not adhere to Legal Profession (Practice and Etiquette) Rules 1978 on fees. The Bar Council's Disciplinary Board has to respond swiftly and investigate complaints in order to win public confidence.

## 2.4 Negligence by lawyers

Negligence on the part of lawyers is often related to their own disregard for the law and to their fiduciary duty to clients. The most common problem that people face is wrong advice given by lawyers, resulting in their losing the case, and money as well.

**Rule 16 of Legal Profession (Practice and Etiquette) Rules 1978** requires lawyers to uphold the interests of the client, justice and the dignity of the legal profession. Similarly, **Rule 9** states that lawyers are to act and conduct cases fairly and honourably for their clients.



## 3.0 RECOMMENDATIONS

**3.1** Evaluations must be carried out every year to assess the performance of lawyers and test their competency. Since the majority of complaints are on property transactions, importance must be given to any complaint where clients have lost money in relation to interest payments as a result of delay by the lawyers. Such complaints must be investigated as soon as practicable.

**3.2** Punitive action, such as suspension from practice or even disbarring, must

be imposed in order to gain the public's confidence in the Malaysian Bar as a whole.

**3.3** Property purchase transactions must be dealt with efficiently in order to save time and costs. The Bar Council too must act swiftly, especially when money is involved.



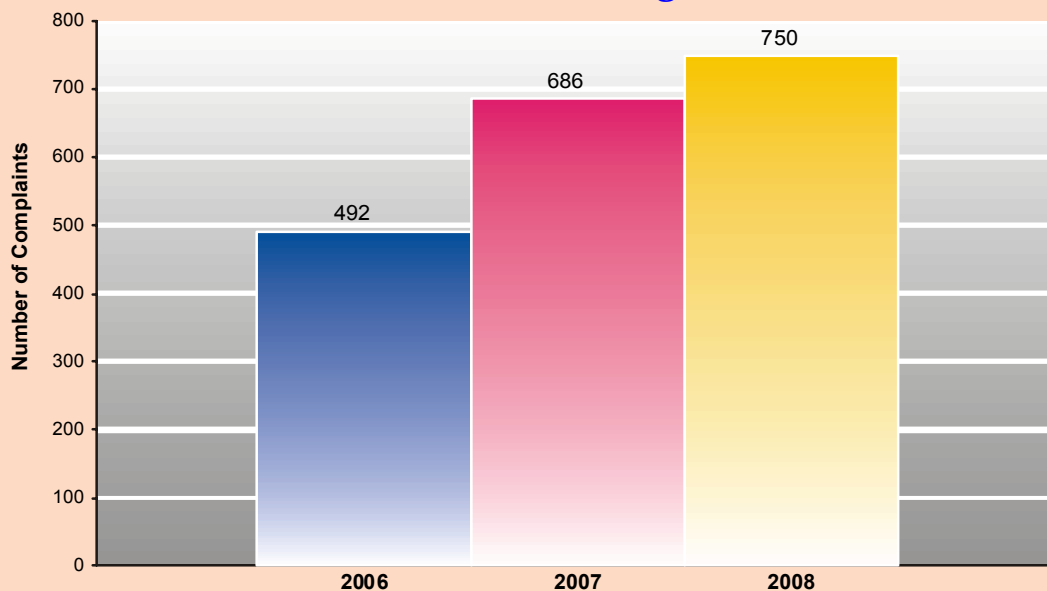
## Report 18

# Pawn Broking

| No. | Types of complaints            |
|-----|--------------------------------|
| 1.  | High interest rate             |
| 2.  | Low compensation on items lost |
| 3.  | Irregular auction procedures   |
| 4.  | Auctioned items skimmed        |



**Pawn Broking**



## 1.0 INTRODUCTION

Pawnshops play an integral role as a source of ready credit in Malaysia. In 2008 there were 750 complaints as opposed to 686 complaints in 2007. This indicates an increase of 9 percent in the number of complaints over 2007. The lower income groups are those mostly affected by the unscrupulous dealings of pawnbrokers. The lower income group which earns less than RM500 a month is a higher credit risk and as such is unable to get loans from financial institutions. The most common complaints were that gold chains or bangles pawned were not weighed or measured, and therefore the weight was not recorded in the pawn receipt. Items pawned were also found to be shorter or lighter upon redemption, which basically meant that the items had been skimmed.

## 2.0 CONSUMER ISSUES

### 2.1 High interest rate

The Pawnbrokers Act allows an interest rate of 2% a month or 24% a year, which is very high considering the fact that the interest rate under the Moneylenders Act 1951 about 12% a year is for secured loans. Many have complained that the rate is very high for the lower income group and that until now, there has been no change to the Pawnbrokers Act to bring the interest rate down to 1% a month.

### 2.2 Low compensation on items lost

Compensation paid by pawnbrokers to people whose items are either lost due to theft, robbery or fire, despite being the fault of the pawnshop, at below the value of the items pawned or their market price is a common complaint. **Section 22(3) of the Act** allows the pawnbrokers to pay compensation for the pawned item together with an additional sum of 25% of the pawned sum. Although it is legal since the law allows it, the amount is grossly

inadequate since the compensation does not take into effect the original purchase value or the current market value of the items lost.

Pawnbrokers must be collectively responsible for the losses incurred by any means for as long as the goods are under their possession. If the items are not delivered to the owner or the items have been rendered of less value due to the negligence on the part of the pawnbrokers, the Magistrate should order the pawnbroker to compensate the owner with a reasonable sum calculated at the market price.

### 2.3 Irregular auction procedures

Another common complaint forwarded to NCCC is irregular auction procedures. There are complaints that written notices were not given to the owners of items due for auction. **Section 25 (1) of the Act** provides that in the event an auction of the pawns items is held, written notice must be given and must be made within a week before the auction. **Section 23 (1) (a)&(b) of the Act** gives broad powers to pawnbrokers to buy over the items during an auction if the owners are not present, as provided under the **Pawnbrokers Regulations 1972**.

### 2.4 Auctioned items skimmed

This issue has been on the rise since 2006. Many complained that the items they pawned have been skimmed. This means that gold items when pawned were not weighed nor measured accordingly and these measurements were not recorded in the pawn receipt. Eventually, the owners discover that their goods are either shorter or lighter as a result of cheating by the pawnbrokers. However such claims are difficult to prove, since nothing is in writing. Hence these irresponsible pawnbrokers continue to take unfair advantage of the unsuspecting poor.

### **3.0 RECOMMENDATIONS**

**3.1** Proper steps must be taken by the Ministry of Housing and Local Government in checking the correct structure charges in storage fees and interest for goods pawned. There must be stronger measures in disclosing effective interest rates and the Ministry should also take steps to lower the interest rate for the benefit of people in the lower income groups.

**3.2** The Government must play a bigger role to protect consumers against abusive lending and collection practices and ensure borrowers are given accurate and transparent information on costs of pawn broking interest rates. The reason for this is because borrowers tend to be over indebted, resulting in higher repayment defaults.

**3.3** The Government should also consider the application of the Syariah principles to the conventional pawn broking system.



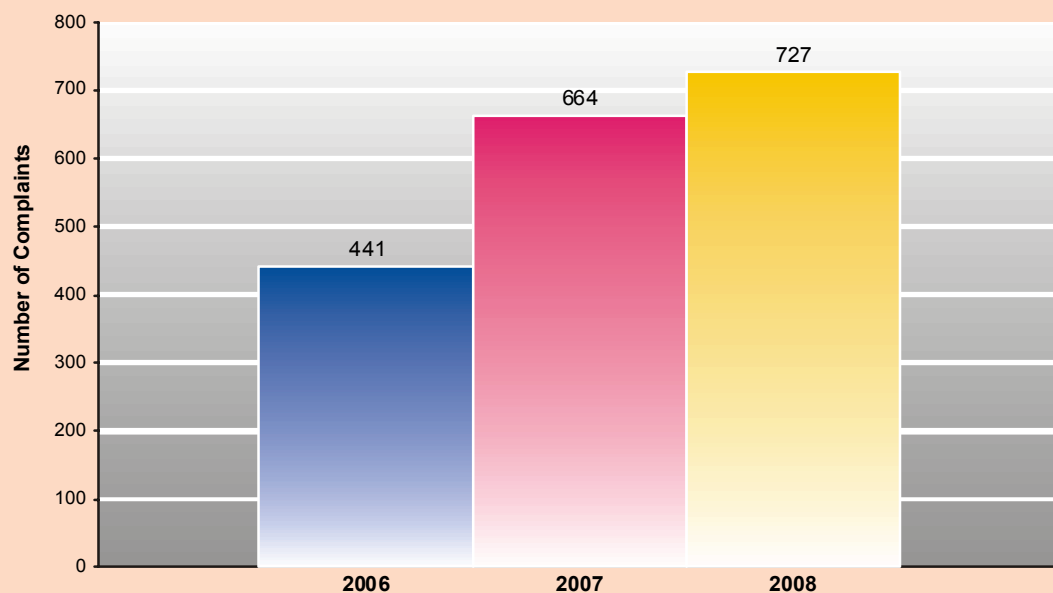
## Report 19

# Food

- | No. | Types of complaints                |
|-----|------------------------------------|
| 1.  | Biological materials found in food |
| 2.  | Sale of expired products           |
| 3.  | Unhygienic premises                |
| 4.  | Melamine poisoning                 |



**Food**



## 1.0 INTRODUCTION

NCCC received 727 complaints related to food and food safety in 2008, compared with 664 in 2007 an increase of 10 percent. Among the many complaints was the rise in food prices after the petroleum price hike in June 2008. Out of the total complaints on food received in 2008, 492 were related to food safety, of which 120 complaints were related to the melamine tainted infant formula scandal and other dairy products from China.

## 2.0 CONSUMER ISSUES

### 2.1 Biological materials found in food

Problems on foreign material contamination are persistent. Lizards and cockroaches seem to be consistently found in packaged food sold in retail outlets such as hypermarkets and supermarkets. Apart from biological materials, foreign materials such as pieces of metal or glass are also found in food. Although complaints on these matters were numerous, manufacturers have not been very co-operative in resolving the problem. They always have excuses or take a defensive stand by issuing a legal notice to complainants in order to intimidate them.

Manufacturers and producers alike must take heed of **Section 13A of the Food Act 1983**, which makes it an offence to prepare and sell food that is unfit for human consumption. The law also provides that in the event complaints are made and proven true, the manufacturer or producer concerned can be fined RM30,000 or jailed for a term of 5 years.

### 2.2 Sale of expired products

There were also a number of complaints on expired food products sold to public in 2008. This is another food safety problem.

Hypermarkets seem to treat this lightly in terms of managing their food stock and expiry dates. Complaints on expired food products being sold abound during special promotions, festive seasons and during bundle sale events. The attitude taken by retailers and hypermarkets is generally to belittle consumer behaviour in order to make a quick profit.

**Section 4, Part V of the Food Regulations** states that all food product labels must indicate the manufacturing and expiry dates. It is illegal to sell products without the expiry date or to offer for sale products with the expired "use before" date.

### 2.3 Unhygienic premises

Many restaurant and eatery owners are not responsible to their customers. They operate unclean premises and practise poor hygiene. Unhygienic restaurants and eateries are another common complaint forwarded to NCCC. Complainants are aware that food handlers must wear caps and aprons and also handle food with gloves, etc. The problem is very much evident in restaurants and eateries that are less frequented by Health Ministry or the local council health department enforcement officers.

Complaints centre on the lack of proper and adequate facilities, such as poor drainage, limited or lack of garbage disposable containers and irregular collection of garbage by the waste collection companies. **Section 11 of the Food Act** states that a food premise may be ordered to be put in "a hygienic and sanitary condition".

### 2.4 Melamine poisoning

NCCC has received complaints from parents about certain infant formula still kept on the shelves of retail outlets despite their being banned for containing traces of melamine.

There were also complaints from the East Coast states that some biscuits and cookies banned because they were contaminated by melamine were still on sale. The industry has not been forthcoming in the response to these complaints. Responses came very late and the companies have also been reluctant to investigate the complaints.

### **3.0 RECOMMENDATIONS**

- 3.1** The Food Safety Quality Division and the Ministry of Health must compel food manufacturers and distributors to operate an effective complaints management system and report injury or hospitalisation due to consumption of food sold by manufacturers, distributors and retailers to the Food Safety Division. It is crucial to establish a database on the safety of food sold in Malaysia.
- 3.2** Enforce stricter measures for compliance with Good Manufacturing

Practice (GMP) and the Hazard Analysis of Critical Control Points (HACCP) standards on all sectors of the food industry and bring the GMP and HACCP under the Food Act 1983 and the Food Regulations 1985 to better protect consumers.

- 3.3** Companies have a moral obligation to ensure their brands or products are compliant with the laws of the nation. Education in these areas must play a bigger, more vital role to instil cleanliness and awareness among food handlers and restaurant/eatery operators.
- 3.4** The Ministry of Health should establish a comprehensive Complaints Bureau specifically to handle complaints concerning food and health. Public information programmes must be carried out to explain to consumers the working and mechanism of the bureau and its procedures.



## Report 20

# Job Recruitment Agencies

| No. | Types of complaints          |
|-----|------------------------------|
| 1.  | Offers of non-existent jobs  |
| 2.  | Failure to refund deposits   |
| 3.  | No written contract provided |
| 4.  | Misrepresentation            |
| 5.  | Unlicensed agencies          |



### 1.0 INTRODUCTION

The problem of job agency scams has been around for a long time in Malaysia and has taken a toll on not only the young but on the older generation as well. Most of the victims were looking for jobs, either on part-time basis or fulltime. Under the current economic situation, many people have lost their jobs and are susceptible to bogus or false job offers. NCCC received 650 complaints about employment scams in 2008.

There are many ways the people are scammed on promises of jobs, regardless of their educational background. Data entry jobs and stuffing of envelopes "from the comfort of the home" are some of the common scams. These catchphrases especially deceive those who are about to enter the workforce.

## 2.0 CONSUMER ISSUES

### 2.1 Offers of non-existent jobs

Unsuspecting applicants for jobs promoted are asked to pay a fee, supposedly for consultation purposes. The contractual agreement they sign with the employment agency, which it terms as a "consultation agreement", does not hold any value since there is no intention by the agency to honour the contract. Essentially, this is a scam by a bogus job agency making false or empty promises just to collect fees from hopeful applicants. Such actions of these agencies are fraudulent under **Section 17(a)-(d) of the Contracts Act**.

### 2.2 Failure to refund deposits

Victims are usually fresh graduates or school leavers who are eager to find a job. They generally do not carry out any prior checks on the job recruitment agencies they go to. Illegal or unscrupulous agencies would impose fees of between RM130 and RM180 on unsuspecting job applicants, promising them that they will get a job.

Upon discovering there is no job offering, many victims ask for a refund but more often than not they will not get their money back. **Section 14 (1) (Fees for Services) of the Private Employment Agencies Act** states that no private employment agency shall charge a fee for its services other than for that stated in the Schedule, and issue a receipt for every fee received.

Similarly **Paragraph (iii) of the Act on Registration Fees**, states that:

- i.) Fee charged for registration of all categories of local employment, to be valid for multiple employment and for a period of 12 months: **Not more than RM12.**



- ii.) Fee charged for registration of all categories of overseas employment, to be valid for multiple employment: **Not more than RM20.**

### 2.3 No written contract provided

Entering into a contract with a job agency requires a written contract between the parties as there is element of obligation on the parties. **Section 38(1), Part V (Performance of Contract) of the Contracts Act** requires the parties to a contract to perform or offer to perform their respective promises.

Similarly, **Section 40 (Effect of refusal of a party to perform promise wholly) of the Contracts Act** states that when a party to a contract refuses to perform the contract, the affected party may rescind it and claim compensation. The contract then becomes void as per **Section 76, Part VII (Consequences of Breach of Contract) of the Act**. In reality, many fraudulent job agencies do not provide written contracts, since there is a possibility dissatisfied job applicants will take action against them.

## 2.4 Misrepresentation

There is always the element of inducement and or misrepresentation made to unsuspecting job applicants. False claims are illegal. The most common fraud is to promise unsuspecting applicants that a job will be secured for them upon signing up and paying a certain “prescribed fee” for the service. This is a clear indication of misrepresentation on the part of the job agency.

**Section 17(a)-(e) of the Contracts Act** defines the elements of fraud as basically a promise made without any intention of honouring it. By law, a contract that contains elements of fraud, coercion or misrepresentation is voidable at the option of the affected party.

**Section 28 (Offences) of the Private Employment Agencies Act** states that any person who provides any written information that tends to be false shall be guilty of fraud under this Act.

## 2.5 Unlicensed agencies

It has been found that most recruitment agencies that carry out these scams are not registered with the Ministry of Human Resources. A registered recruitment agency needs to possess a licence to operate. **Section 13 (Display of Licence) of the Private Employment Agencies Act** requires all private employment agencies to display its licence in a conspicuous place in the premises.

**Section 18 (1) (Advertisements) of the Act** states that no private employment agency may advertise in any mass media unless the advertisement contains the licence number and correct information relating to vacancies, qualifications and the terms and conditions of employment. Failure to do so is an offence under **Section 32 (3) of the Act**, under which

a person convicted is liable to a fine not exceeding RM3,000 or not more than a year in jail or both.

## 3.0 RECOMMENDATIONS

- 3.1 There must be concise and unified efforts by the Ministry of Human Resources, Ministry of Domestic Trade and Consumer Affairs and the Companies Commission of Malaysia to put an end to the operations of illegal job recruitment agencies.
- 3.2 Greater enforcement powers must be given to the enforcement divisions of the two Ministries to raid such premises, shut them down and arrest the operators.
- 3.3 The **Private Employment Agencies Act** must be given greater bite in its penalty provisions.
- 3.4 The Company Commission of Malaysia must also be actively involved in cancelling the licences of illegal job agencies.



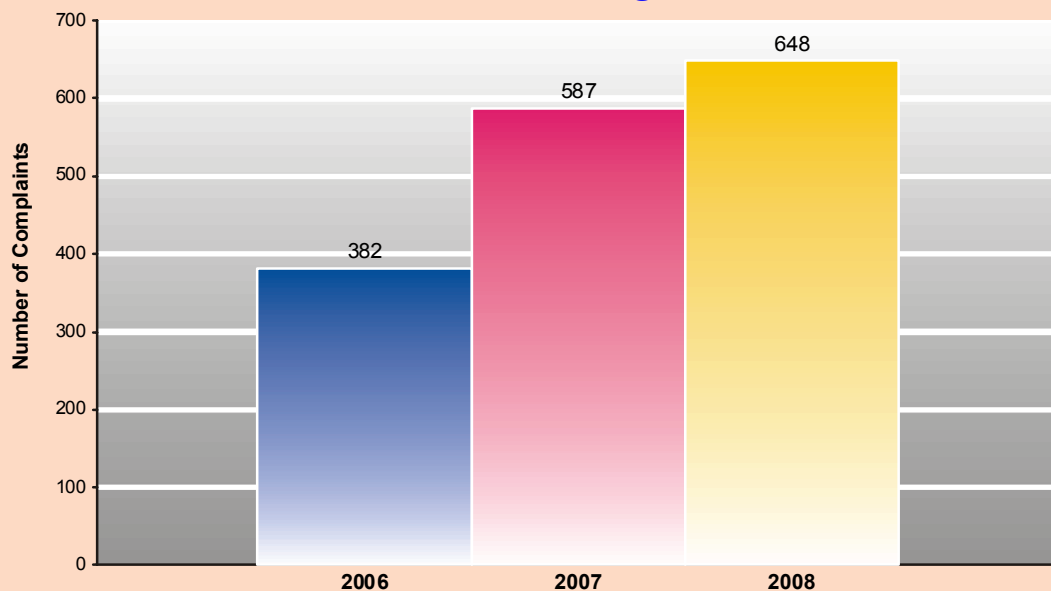
## Report 21

# Travel & Tour Agencies

- | No. | Types of complaints          |
|-----|------------------------------|
| 1.  | Misleading advertisements    |
| 2.  | Unethical business practices |
| 3.  | Last minute cancellations    |
| 4.  | Hidden charges               |
| 5.  | One sided agreements         |



**Travel & Tour Agencies**





## 1.0 INTRODUCTION

The tourism industry in Malaysia is regulated by the Tourism Industry Act 1992. Many travel and tour agencies offer competitive prices to people wanting to travel abroad or within the country. More and more of such agencies are cropping up in Malaysia to cater to the demand to travel. However, at the same time, quite a number of these agencies tend to cheat consumers of their hard earned money.

In 2007 alone, NCCC received 587 complaints against tour and travel agencies, but this increased to 648 complaints in 2008, an increase of 10 percent with the majority of the complaints in 2008 being on misleading advertisements and hidden charges.

## 2.0 CONSUMER ISSUES

### 2.1 Misleading advertisements

Travel and tour agencies often gave wrong or misleading indication on prices or their services. In many cases, consumers would end up paying more for the packages than the advertised rates. This is particularly rampant during travel promotions such as the MATTA Fair.

**Section 18 (a)-(c) of the Tourism Industry Act** lists the requirements for advertisements by travel and tour agencies. Licensed tour agencies must state their licence number, business name and specify the services offered to the public.

**Section 7A (a)&(b) of the Trade Descriptions Act** outlines the liabilities of advertisers related to trade description in any advertisement. Hence, travel and tour agencies must be responsible for information advertised in the electronic and printed media. However, in reality this is not the case since many have complained that these travel and tour agencies often omit material facts on

prices and services offered.

A misleading advertisement is considered “bait advertising”. **Section 13 of the Consumer Protection Act** states that no person shall advertise to supply at specific prices goods or services they do not have reasonable grounds to believe can be supplied at during the period stated and in the quantities advertised.

### 2.2 Unethical business practices

Among the complaints received were undue pressure exerted by some tour operators. Travellers upon reaching China were taken to a particular shopping destination and were “forced” to buy products there for the simple reason that the tour agents could collect their commissions or rebates. Such trade practices are quite rampant in Malaysia and must be stopped before the industry tarnishes the country’s image.

### 2.3 Last minute cancellations

NCCC has detected a growing tendency among travel and tour agencies to make last minute departure cancellations. One of the most common excuses is that there aren’t enough participants in the tour. This causes great inconvenience and financial loss to participants who have made their travel preparations. This unethical practice too must be stopped immediately.

### 2.4 Hidden charges

Consumers when signing up for a travel and tour package must read the contract before signing and question the agency on hidden charges so as to avoid any future problem.

Under **Part 2 Section 10 (1) (False or misleading representation) of the Consumer Protection Act 1999**, no person

shall make false representations with regard to any characteristics of a product or service with the intention to deceive the public.

Similarly, **Part 2 Section 9 (a) of the same Act (Misleading conduct)** relates to services that are misleading or deceptive, with or without the intention to deceive the public by the company in relation to the description of the services offered. Consumers must therefore be more alert and vigilant when signing up for a tour package.

### 2.5 One-sided agreements

This usually happens when consumers allow themselves to be pressured into signing agreements without reading the fine print. Upon signing up for a particular tour package, customers are also made to sign acceptance of certain terms and conditions pre-determined by the companies. Consumers are usually not made aware of the implications of these terms, nor are they given an understanding of what the terms mean. In reality, these are one-sided and usually favour the travel and tour companies. If something untoward were to happen, the agencies would have exclusion clauses in the agreement to stave off claims or action from the customers.

Contracts between two or more parties are essentially binding and if there a breach, the aggrieved party can cancel the agreement and claim damages. **Section 38(1) of Contracts Act** stipulates the obligations of parties to the contract: parties to a contract must perform their respective duties and failure to do so means breach of the contract. Similarly, under **Section 40 of the Act**, when a party to a contract may cancel it if the other parties refuse to perform the contract.

## 3.0 RECOMMENDATIONS

- 3.1 The Ministry of Tourism (MoT) must ensure all travel and tour agencies formulate a codified Standard Operating Procedure to ensure comprehensive consumer protection in instances where consumers are held at a disadvantage by the terms and conditions of a tour and travel agreement.
- 3.2 The trade practice of selling tour groups should be monitored closely. Agencies must choose reputable destination operators and keep a check on the terms and conditions of written contracts between the parties.
- 3.3 Formulate the setting up of an alternative Dispute Resolution Body to handle disputes between travel and tour agencies and aggrieved consumers.
- 3.4 The Malaysian Association of Tour and Travel Agents must ensure its members refrain from unethical trade practices, such as pressuring consumers to purchase or join optional tour programmes. The prices of optional tours must not be raised without written notice to their customers or the public.
- 3.5 The Malaysian Code of Advertising Practice must be geared to checking and imposing stricter measures against travel and tour agencies found guilty of misleading advertisements with intent to deceive the public.

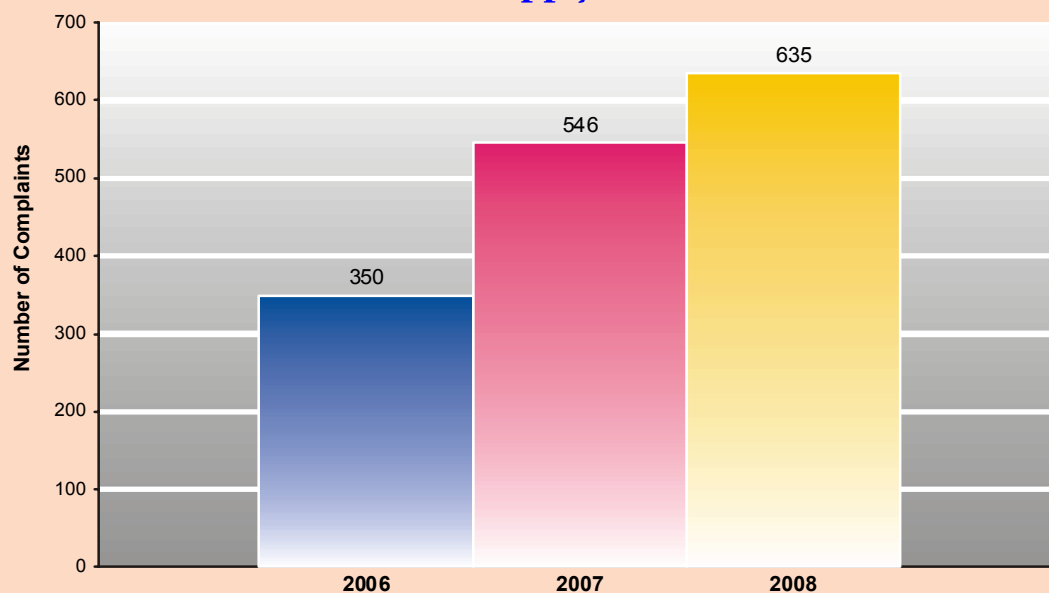
## Report 22

# Water Supply Services

- | No. | Types of complaints                   |
|-----|---------------------------------------|
| 1.  | Water bills issued to vacant premises |
| 2.  | Reconnection fees                     |
| 3.  | Water supply disruption               |
| 4.  | Backdated bills                       |
| 5.  | Waterworks repairs                    |



Water Supply Services





## **1.0 INTRODUCTION**

Water, besides being a commodity, is a basic right to consumers. NCCC has received many complaints on water supply services causing hardship to the people. In 2008 NCCC received 635 complaints, compared with 546 recorded in 2007, a substantial increase of 16 percent. The many problems identified throughout 2008 are similar to those recorded in 2007. Vacant premises are issued with water bills, reconnection fee disputes, water supply disruption, back dated bills and insufficient notice of supply disruption, among others.

## **2.0 CONSUMER ISSUES**

### **2.1 Water bills issued to vacant premises**

This has been an issue since 2007, with property owners complaining of residential and commercial premises being billed for water supply despite being unoccupied. Although the water services agreement imposes a minimum payment on the monthly bill, the fact that premises are billed for water usage despite being vacant does not make sense.

### **2.2 Reconnection fees**

The RM50 penalty to reconnect supplies of consumers who defaulted on their bills is simply too high. It must be borne in mind that these consumers are from the lower income group, whose monthly bills wouldn't reach RM50 anyway.

### **2.3 Water supply disruption**

Water supply disruptions are another major frustration for the people. Any disruption will affect the daily routine of a family. Water service providers have to come up with proactive measures, such as distributing flyers to alert people in areas where supply will be disrupted, besides the usual announcements

over the mass media.

### **2.4 Backdated bills**

The practice of collecting backdated charges creates unnecessary hardship on consumers. Among the complaints to NCCC are that new buyers of a property are billed an excessive sum because of bills not settled by the previous owner. Such bills also come about if a faulty water meter is replaced. Failure to pay can invite a lawsuit.

### **2.5 Waterworks repairs**

Waterworks repairs have caused much ire to the public since such repairs by water service providers create traffic jams, besides damaging roads and posing danger to road users. The surfaces of these roads end up with potholes and other construction debris.

## **3.0 RECOMMENDATIONS**

- 3.1** The National Water Services Commission has to be effective in monitoring and evaluating all water service providers because many of the problems raised in the past continue to recur.
- 3.2** We propose the setting up of a Dispute Resolution body to specifically handle and hear water supply related issues so as to speedily resolve complaints brought by consumers.
- 3.3** More concerted measures must be taken by the water service providers to educate the public on the procedures involved in billing for water supply since any change to the system will have a big impact on consumers. Some of the water service providers have promoted their Standard Operating Procedures, but more can be done further to educate the public.

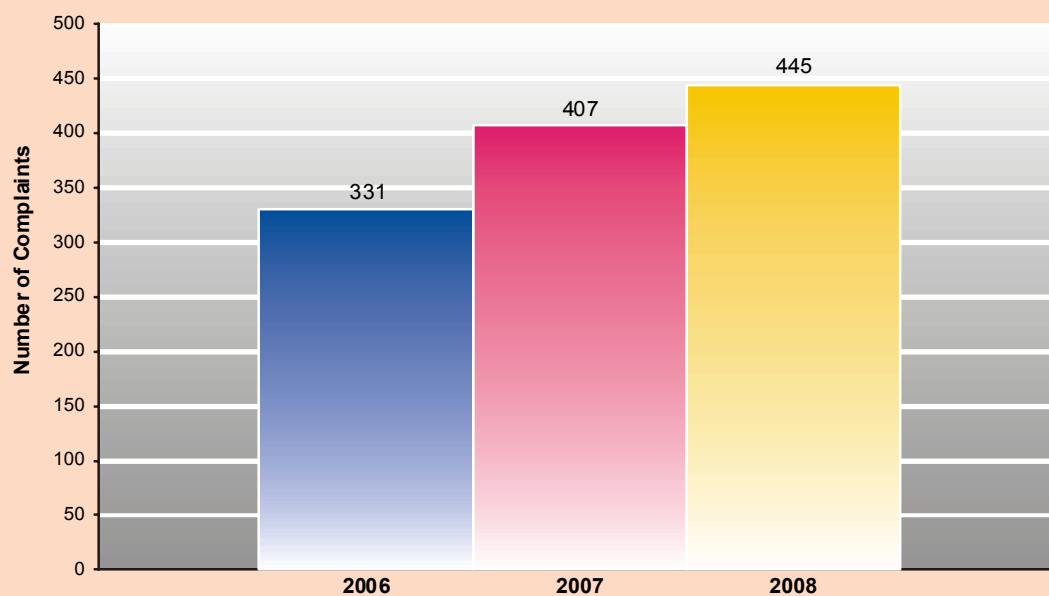
## Report 23

# Satellite Television Services

| No. | Types of complaints             |
|-----|---------------------------------|
| 1.  | Pricing and billing of services |
| 2.  | Service disruption during rain  |
| 3.  | Poor customer service           |
| 4.  | Repetitive programmes           |



Satellite Television Services



## **1.0 INTRODUCTION**

Complaints received about the satellite television service stood at 445 in 2008, compared with 407 in 2007 an increase of 9 percent. The increase in complaints shows that there is growing concern among Astro subscribers who are not happy with the services rendered. Many consumers are of the opinion that the increase in the subscription charges is not justified considering the poor services rendered. Complaints recorded in 2008 mirror the ones highlighted in the 2007 report. Again, this shows the lack of proper understanding of customers' needs by Astro, nor its comprehension of the demand for quality programmes and efficient customer service.

## **2.0 CONSUMER ISSUES**

### **2.1 Prices and billing of services**

Since its inception, Astro has increased its cost of service quite frequently and drastically. This is a major cause for concern among Malaysians since Astro offers a wide range of programmes. For many, the satellite TV network is the only source of information and entertainment – but the increases in the cost of its packages do not justify the service that is rendered.

There is no swift action taken on customer complaints, and this causes frustration and distress to subscribers, some of whom pay premium prices for their packages.

### **2.2 Disruption during rain**

Service interruption whenever it rains is a very common complaint, and has been going on for years. Astro must take heed and improve its services if it wishes to expand further. As Malaysia heads towards a technologically improved society, it is imperative that Astro also improves its technology and services. It must remember that its customers determine its success.

### **2.3 Poor customer service**

As pointed out in the previous annual reports, complaints about poor customer service continue, with no improvement in the quality of Astro's customer care centre staff. Among the complaints are giving customers wrong advice when billing disputes are raised or when simple inquiries are made; and the poor command of Bahasa Malaysia and English of the staff. These complaints continue to be raised despite Astro giving NCCC the assurance that its customer care unit has recorded an improvement in service.

### **2.4 Repetitive programmes**

Another major complaint against Astro is that customers continue to be provided with reruns of programmes and movies. Also, some of the programmes shown contain too many advertisements.

## **3.0 RECOMMENDATIONS**

- 3.1** As highlighted before, Astro has to revamp its programme content. It must also evaluate and overcome the shortcomings as highlighted by NCCC and its customers.
- 3.2** The Ministry of Energy, Water and Communications must open up the industry to foreign players as well in order to make this sector more competitive. This will bring about a better service and value for money for customers.
- 3.3** Regular feedback sessions between Astro, the Malaysian Communications and Multimedia Commission and various consumer groups are needed to help bring about a better service for the public.

## Report 24

# Healthcare Services

| No. | Types of complaints                         |
|-----|---|
| 1.  | Unprofessional conduct                      |
| 2.  | Medical negligence                          |
| 3.  | Non-itemised billing and exorbitant charges |
| 4.  | Unethical marketing and advertising         |



### 1.0 INTRODUCTION

Quality healthcare means treating the right thing at the right time in the right way given to the right person – and getting the best possible result. Although we would like to think that every health plan, doctor, hospital and other healthcare provider gives high quality care, this is not always so. Quality varies, for many reasons. Getting quality healthcare can help one stay healthy, or recover faster if ill. However, we know that often people do not get quality care. What exactly is healthcare quality? Some think

it means getting to see the doctor right away, being treated courteously by the doctor's staff, or having the doctor spend a lot of time with them.

In 2008, NCCC received 210 complaints about healthcare services, ranging from poor quality services to exorbitant fees, all of which violate consumers' right to safety and hinders access to basic health needs.



## **2.0 CONSUMER ISSUES**

### **2.1 Unprofessional conduct**

Unprofessional conduct complaints have been about lack of communication, rudeness, incomplete and delayed medical reports and also unresponsive doctors and health services. NCCC received complaints of doctors and hospital staff failing to provide the medical attention required by patients. Patients were made to wait long hours, and no attention was paid unless the patient took the initiative to approach the hospital staff. This is at private hospitals as well, where the charges are a lot higher and the services, poor and substandard.

There are also complaints about doctors not providing a complete medical report for the patient, thereby exposing them to significant health and safety risks when subsequent treatment is sought at a different medical centre, besides complaints on delayed reports that hinder patients from making insurance and SOCSO claims.

Rude medical staff include allied health workers and support staff, who have been accused of shouting at and even scolding patients.

### **2.2 Medical negligence**

Medical negligence cases received included unintended side effects after treatment that rendered patients unable to perform their normal daily activities.

### **2.3 Non-itemised billing and exorbitant charges**

The bulk of the complaints received were on the payment mechanism, on transparency of the services provided and the exorbitant fees private hospitals imposed. Consumers often



complained about unclear billing: many did not know what they were charged for as the bills were not itemised.

While consumers do expect to pay more at private hospitals, dissatisfaction arises when the charges at some private hospitals are particularly high when compared with others. Consumers often felt cheated and questioned the rationale for such high charges, especially when the treatment and services provided have been simple, uncomplicated procedures.

### **2.4 Unethical marketing and advertising**

Complaints were also received about unethical marketing and promotional tactics on the part of private healthcare providers. Medical check-up services are heavily promoted to consumers in the form of packages, normally for a few months to a few years, and are relatively promoted as inexpensive. Pressure selling aside, various promises was pitched as well, such as guaranteed transferable or resale of membership and refund options. Consumers have found cancellations and transfers very difficult to make.

Aside from this, complaints have also been received on “viral marketing”, where private

healthcare providers are able to obtain the personal information of consumers and send them promotional offers.

### 3.0 RECOMMENDATIONS

- 3.1 The Fees Schedule under the Private Healthcare Facilities and Services Act should be reviewed to take into account the burdening cost of living consumers face today. Since government hospitals are overburdened, many turn to private healthcare providers. Consumers suffer from expensive private healthcare costs and overload at public healthcare centres.
- 3.2 More and more medical packages are being promoted to the public, such as wellness centre memberships, medical check-ups and medical tourism. Since consumers often fall prey to the unethical marketing and promotional pitches, stricter regulations and at the least, guidelines, should be in place to control and monitor healthcare marketing practices.
- 3.3 Greater focus and training must be given to improve interpersonal and communication skills of healthcare personnel. The healthcare sector is a “caring sector”. Patients already suffer from ailments and illnesses and they should not be further burdened by mental anguish and frustration.



*Annexure 1*  
**Complaint  
Form**





**PUSAT KHIDMAT ADUAN PENGGUNA NASIONAL**  
**NATIONAL CONSUMER COMPLAINTS CENTRE**

833117 P

*Sila catatkan rujukan apabila berhubung*

**ADIL, MUDAH & EFISYEN / FAIR, EASY & EFISYEN**

No. Ruj: NCCC / \_\_\_\_\_ / \_\_\_\_\_

**Butir-butir Pengadu**

Nama \_\_\_\_\_  
No. Kad Pengenalan \_\_\_\_\_ No. Pasport \_\_\_\_\_  
Telefon \_\_\_\_\_ Faks \_\_\_\_\_ E-mail \_\_\_\_\_  
Alamat \_\_\_\_\_  
Bandar \_\_\_\_\_ Pos Kod \_\_\_\_\_ Negeri \_\_\_\_\_

**Aduan Terhadap**

Nama Syarikat/Agensi \_\_\_\_\_  
Alamat Syarikat/Agensi \_\_\_\_\_  
Bandar \_\_\_\_\_ Pos Kod \_\_\_\_\_ Negeri \_\_\_\_\_  
Telefon \_\_\_\_\_ Faks \_\_\_\_\_ E-mail \_\_\_\_\_  
Pegawai Perhubungan \_\_\_\_\_ No. Tel. Bimbit \_\_\_\_\_  
Industri \_\_\_\_\_ Kod kategori  Kod Sub-kategori

Keterangan ADUAN :

Standard (jika ada): \_\_\_\_\_

*Sila gunakan muka belakang atau lampiran untuk rungan tambahan*

**UNTUK KEGUNAAN PEJABAT**

Tindakan \_\_\_\_\_  
Status Aduan \_\_\_\_\_  
Catatan \_\_\_\_\_  
Pegawai Aduan \_\_\_\_\_ Tarikh Aduan \_\_\_\_\_

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PUSAT KHIDMAT ADUAN PENGGUNA NASIONAL  
NATIONAL CONSUMER COMPLAINTS CENTRE [833117P]

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