



Malaysia Complaints

2014

annual consumer
complaints report

Published by:
National Consumer Complaints Centre (NCCC)
© Eighth Edition 2015

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Printed by:
Percetakan Asas Jaya
Malaysia

Contents

Message from the Chairman of NCCC	2
About the Malaysia Complaints Series	4
National Consumer Complaints Centre – A Brief.....	5
Summary of Complaints	6

Report According to Categories

01 E-commerce (Online Shopping)	10
02 General Consumer Products	16
03 Telecommunications.....	27
04 Automobile and Auto-Workshops.....	33
05 Travel and Leisure.....	40
06 Housing & Real Estate	45
07 Banking / Financial Sector	51
08 Wellness and Aesthetics	56
09 Retail Services	62
10 Utilities Services (Electricity, Water and Sanitation)	67
11 Food and Food Services	74
12 Postal and Courier Services	79
13 Media and Satellite Broadcasting.....	83
14 ICT Equipment Services (repair).....	89
15 Insurance	93
16 Public Transport.....	97
17 Non-Conventional Financial Service	100
18 Healthcare Services	104
19 Education Services	108
20 Maid Agencies.....	114
21 Legal Professional Services	117
22 Government Sector	119

Annexes

1. NCCC Organizational Chart.....	122-123
2. NCCC in the Media.....	124-129

Message from the Chairman of NCCC

It is with great pride that I present the 9th edition of the Malaysia Complaints Series encompassing the consumer complaints received by the National Consumer Complaints Centre (NCCC). These are complaints on goods and services purchased by consumers in the market. Consumers aware of their consumer right to “seek redress” and not being satisfied with the goods or services purchased have sought assistance from the NCCC.

The Complaints Series is primarily targeted at two parties; providers of goods and services as well as regulators. I sincerely hope that businesses will use this report to better understand consumers’ needs and expectations and seek to fulfill those needs and expectations in the market. Additionally, businesses can better understand the specific issues related to their specific industry and hopefully can move forward by taking proactive steps to address these issues.

For the regulators, I hope that they will attend to the issues in the sector they regulate and take the appropriate actions to enhance consumer protection and consumer welfare. These steps include the need for new laws, amendments to current laws, enforcement of current laws or procedures, appropriate programs or mechanisms to ensure that consumers are better protected.



For NCCC, its partner, the Federation of Malaysian Consumers Associations (FOMCA), as well as its other consumer organization partners, the Complaints Series provides concrete evidence of the nature of issues and complaints being faced by consumers. The consumer movement can thus advocate with the government and all key stakeholders in enhancing consumer protection and consumer welfare.

Consumers today, especially the young workers, are demanding for value for their monies. They are also not hesitant to complain if they are not satisfied with the goods or services they receive. Additionally, when they are not satisfied with the products or services, or the response of the seller in relation to their purchase, they are using the social media to express their anger and frustration. All of these mean that businesses to maintain their consumers and grow their business with these new consumers, have to provide goods and services to satisfy their consumers.

“FOMCA as well and other consumer organizations have been actively promoting consumer rights and the need for consumers to exert their rights.”

Also, if consumers are not satisfied and they come forward to complain, they must have a rapid and effective mechanism to address the complaint to the consumer satisfaction.

FOMCA as well and other consumer organizations have been actively promoting consumer rights and the need for consumers to exert their rights. One of the areas being emphasized is that consumers who are not satisfied with their purchase of goods or services, should not quietly accept their fate. They should come forward to complain to the seller, to NCCC or to the appropriate regulator. They should also use the Consumer Tribunals to fight for their rights.

The continuous increase of complaints over the years, shows that more and more consumers are stepping forward to exert their rights. Business should understand the consumers rights and play the appropriate role to ensure that consumers protection and welfare is enhanced.

Yet, while many businesses respond to consumers and to NCCC positively; there are still many companies who continue to be recalcitrant and treat communication by consumers or NCCC with disdain. They continue to remain aloof and indifferent to consumers concerns and expectations. I hope

that the regulators will act sternly with these business entities.

On the other hand, I invite all businesses to collaborate with us to address complaints in a timely and effective manner to the satisfaction of the consumer. This would surely win the heart of the consumer and perhaps win your customers' good will and loyalty.

NCCC looks forward to the support of industries, regulators and consumers to increase consumer satisfaction as well enhance consumer protection in Malaysia.



Prof. Datuk Dr. Marimuthu Nadason,
*Chairman,
National Consumer Complaints Centre*

About the Malaysia Complaints Series

The Malaysia Complaints Series aims to advocate consumer awareness through its annual report and to highlight to businesses what consumers want and what they generally expect in terms of quality of goods and services rendered to them. As such, it is for both the consumers and businesses to enhance the quality of exchange in the market.

The National Consumer Complaints Centre is of the view that businesses should keep abreast with Malaysian consumers as they are fast becoming more demanding and rather prudent as individual users. The advent and rampant use of social media has enabled young consumers to get in touch with consumerism globally. The younger generation of Malaysia are demanding value for every cent spent. It is no longer the days where consumers are afraid to voice their dissatisfaction openly. Consumers today are growing towards a society that demands for quality and performance in return for what they have paid for.

The Malaysia Complaints Series has always strived to close the gap that arises between consumers and goods / services providers. It allows for businesses to study the complaints trend that will subsequently enable them to understand the wants and needs of consumers. This will then lead businesses to provide not only better goods / services but also customer satisfaction and retention, which plays a vital role in any business.

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

- The state of consumer protection in Malaysia
- The areas in which improvement is needed
- Consumer satisfaction in relation to goods / services from a wide range of categories
- Initiatives that should be implemented by relevant regulating bodies

The National Consumer Complaints Centre's (NCCC) report has always been and will continue to be utilized by researchers, media, policy makers and academicians for their purposes.

Finally, NCCC urges businesses to look into complaints as a mechanism to provide better goods / services to consumers. The NCCC opines that businesses are still rather hesitant to accept that genuine complaints are not bad after all; some may even call it a gift.

On the other hand, policymakers and relevant regulating bodies are urged to review the NCCC's policy and law reform proposals to ensure that adequate consumer protection is available to all Malaysian consumers.

National Consumer Complaints Centre (NCCC) – A Brief

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



Vision

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

Mission

To be the nation's preferred one stop centre for consumer dispute resolution.

Objectives

- *Guiding consumers in reaching an amicable solution amidst a consumer dispute*
- *Empowering consumers by constantly advocating the public on the importance of consumer rights*
- *Channelling all complaints to the relevant authorities for their further and immediate action*
- *Highlighting today's consumer news and happenings in the media*

Summary of Complaints

No	Sector	2014		2013	
		No. of Complaints	Value (RM)	No. of Complaints	Value (RM)
1	E-commerce (Online Shopping)	7641	2,059,893.44*	5763	1,944,839.54
2	General Consumer Products	6318	11,500,985.00	8798	12,644,280.79
3	Telecommunications	5868	3,510,782.00	5950	3,219,783.00
4	Automobile and Auto-Workshops	3492	25,112,522.50	4915	22,182,476.30
5	Travel and Leisure	3240	1,455,316.56	2313	1,228,698.11
6	Housing & Real Estate	2034	11,450,549.49	1975	10,570,397.06
7	Banking / Financial Sector	1494	3,946,938.00	1625	3,214,435.80
8	Wellness and Aesthetics	1359	1,311,549.44	2013	1,671,350.75
9	Retail Services	1233	944,318.56*		
10	Utilities Services (Electricity, Water and Sanitation)	1315	965,837.40	1606	697,702.94
11	Food and Food Services	1230	84,720.00	812	46,389.56
12	Postal and Courier Services	927	479,905.44	900	440,089.60
13	Media and Satellite Broadcasting	898	170,674.56	600	121,504.09
14	ICT Equipment Services (repair)	792	434,396.88		
15	Insurance	684	1,510,721.30	713	1,347,040.71
16	Public Transport	612	90,853.44	725	78,113.20
17	Non-Conventional Financial Service	576	192,625.98	201	80,915.33
18	Healthcare Services	504	613,381.32	788	462,383.65
19	Education Services	450	1,226,312.25	925	879,949.62
20	Maid Agencies	378	348,197.96	396	253,507.65
21	Legal Professional Services	270	871,163.64	165	587,016.92
22	Government Sector	216	42,455.49	66	29,766.00
	Total	41,531	68,324,100.66	41,249	61,700,640.62

- Online shopping and retail services separated into two categories in 2014

Summary: Complaints by Ringgit Value

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ANNUAL REPORT 2014

Report According to Sector Category



NCCC

01

E-commerce (Online Shopping)

E-commerce is growing faster than ever in Malaysia. From an estimated value of RM1.8 billion value in 2010, it has risen to RM5 billion in 2014. This is due to the rise in the number of PCs, smart phones, WIFI services, broadband and hotspots in Malaysia and thus creates a group of consumers often known as e-consumers.

The internet has provided consumers with a powerful mechanism not only for searching for information and communicating but also buying goods and services online. The benefits of buying goods and services online include finding better quality products, cheaper products, variety of choices both locally and international products and above all, people can shop at their own comfort zone be it at home, office, or any other places as long as there is internet connection.

Most consumers do not realize the potential hazards of online shopping; they fail to understand that by agreeing to the terms and conditions, the enforceability of any contract is the same. Some of the problems that are faced by e-consumers are as follows.

Based on the nature of complaints, it appears to be that there is significant increase in the number of complaints received this year compared to the previous year.

The highest complaint received by NCCC in relation to online shopping is on product delivery which is 51.8%. Consumers are frustrated due to the fact that items purchased are not delivered on time. In a worst case

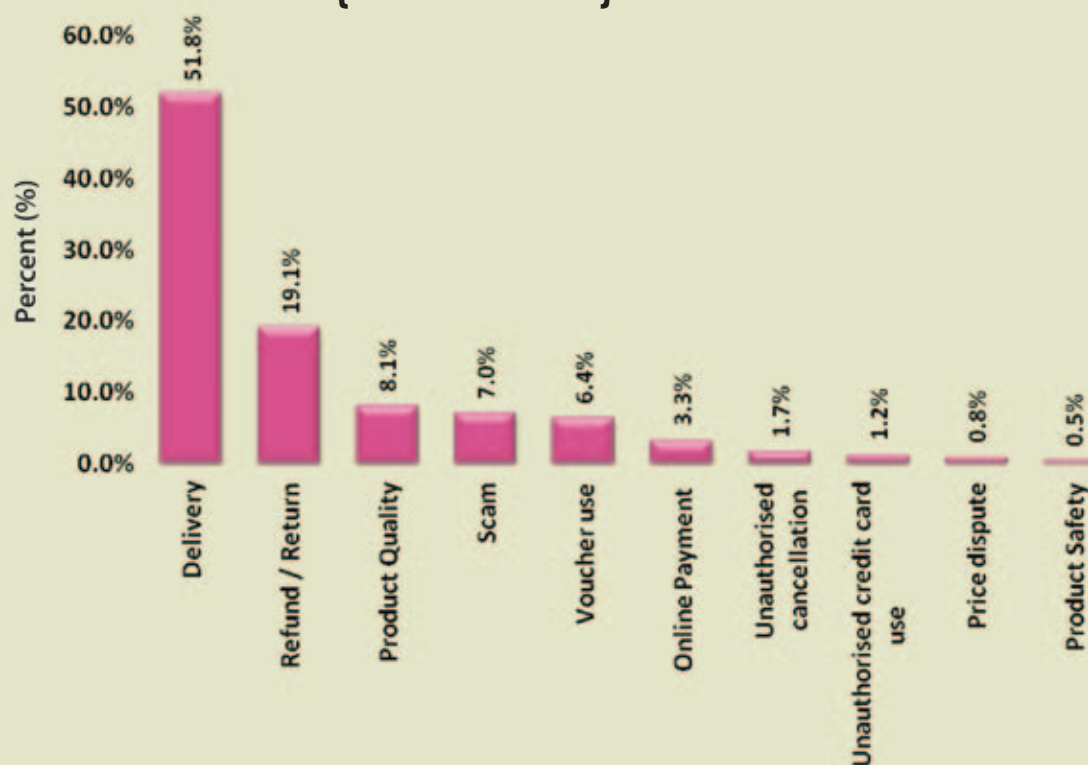


scenarios consumers did not even receive the goods purchased while payment had already been made. To locate the seller who is often not registered with the Companies Commission of Malaysia, with no contact information or other essential information, it becomes almost impossible to trace the seller and hence it is impossible to hold them accountable for their wrong doings.

The second highest complaint is on refunds / returns of the goods which is at 19.1%. For many of the complainants empty promises were made; that is their money would be refunded within a stipulated period promised by the vendor. However, upon contacting the seller at the stipulated time, often there was no response.

When the product received by consumers does not correspond with the one advertised on the website; the consumer would seek to return the

Nature of Consumer Complaints in E-Commerce (NCCC - 2014) n = 7641



goods to the seller. In this kind of scenario, usually consumers will try to contact the vendor / supplier to change the goods. Again, it is not easy to get the vendor on the phone, or to convince them to change the goods purchased and even if they succeed, it would take a long time before the consumer can actually replace the purchased goods.

One of the risks of buying goods online is the quality of the products. In 2014, NCCC recorded 8.1% of the complaints related to product quality. E-consumers buy goods online based on the description and assurance given by the seller. More often than not, e-consumers are cheated by the seller assuming the goods are of original products.

Scam is another serious concern in e-commerce; this year scams amounted to 7.0% of the complaints. Consumers often fall into the trap

of buying goods from entities which in fact did not exist. Money had been paid, but the product has not been received; upon contacting the seller, the website is no longer available. This usually happens once e-consumers make payments and thereafter the respondents cannot be reached.

Purchase of vouchers contributed to 6.4% of 2014 complaints. Complainants who purchased the vouchers encountered problem when they wanted to use the voucher. The voucher was either invalid or there was no such deal made with the trader and thus the voucher could not be used. The complainant would then call the company where the voucher had been purchased; the seller neglected and refused to entertain the complainant. Besides that, vouchers that were purchased online were not delivered to the complainant and upon the complainant asking for refund, the

company would promise to refund their money. However, the complainant never received the refund.

Method of paying online purchases is usually via online payment. The usual business practice is that once payment is made, only then the goods purchased will be delivered to the buyer. This is where e-consumers need to be careful in selecting the particular website before buying the goods. It is important to ensure that the website is safe and check whether it is registered with the Companies Commission of Malaysia (SSM) if the seller is operating in Malaysia.

NCCC reported 3.3% of complaints pertaining to online payment. Though the number of complaint is not significantly high, it is an important factor for both the government and e-consumers to be aware of.

The type of complaints received by NCCC includes items not received after payment has been made and when e-consumers tried to locate the seller, the website administrator blocked the complainant and thus the seller was not reachable.

Next, unauthorised cancellation this year has contributed to 1.7% of the complaints. The complainant's order had been cancelled without notification to the buyer and the vendor provides no explanation or proper reasoning as to why the cancellation was made.

Unauthorised credit card used can lead to serious problem. Complaints have been received by NCCC with regards to this matter. This year it has contributed to 1.2% of the complaints. Often when e-consumer purchased online goods, the seller would request for credit card details (number) to secure payment. Chances are high that there can be double charged, or money is charged when in fact no purchase was made. This is what happened to some of the complainants; deductions

were made on their credit card without their consent.

Price dispute and product safety complaints were also recorded last year. Each contributed to 0.8% and 0.5% of the complaints respectively. The price stated and the price charged thereafter was different and there would have been no mention of delivery fee; this is also known as hidden charges. Product safety cannot be compromised as it might lead to a serious problem such as serious injuries or even death. Vendor / seller need to ensure that the product is safe for use /consumption before selling the items to consumers at large.

Having understood thus far the type of complaints received by NCCC's team, now let's examine the laws that are available in Malaysia to curb these issues and some recommendations to further improve e-commerce system in Malaysia.

LAW

A. Consumer Protection Act 1999 [hereinafter referred to as CPA]

The **CPA** is the first legislation that sets out specifically in relation to the supply of goods and services for consumer. Initially before going through the amendments in 2007, the Act under **section 2(2) g** states that the "Act does not apply to any trade transactions conducted through electronic means unless otherwise prescribed by the Minister". However after the amendments took place in 2007, the Act include "any trade transactions conducted through electronic means" in order to protect the rights of the e-consumers. This simply means that the **CPA** applies to all consumers regardless of the nature of their transactions.

The relevant sections under CPA are as follows:

- **Section 32 - 34 of CPA** stipulates that good must possess acceptable quality, fit for its purpose and correspond with the description. **Section 36** on the other hand states that there shall be an implied guarantee that consumer shall not pay more than the agreed price.
- **Section 41 & 42** states that if the goods contain defects which can be remedied, then the supplier must take reasonable steps to remedy the defects.
- **Section 44** on the other hand states that if the goods purchased contradicts from its original description and could not be remedied at a reasonable time, then it will be considered as failure of substantial character.
- **Section 46** states that when consumers reject the goods rightfully, then they can exercise their options to either get their money refunded to them or have replacement.
- **Section 48** stipulates that the merchant has the duty to supply goods matches the representation.

While this amendment provided protection to consumers who traded online, the 2012 Regulations goes one step further by imposing obligations on online business suppliers and online market place operators to take certain steps to protect the interests of consumers.

The 2012 Regulations were issued under **Section 150** of the CPA.

Consumer Protection (Electronic Trade Transactions) Regulations 2012

The important rules under the 2012 Regulations are:

- **Rule 3** stipulates the kind of information the online merchant must disclose such as
 - I. Information related to business ie: owner, company's name, business name
 - II. Company registration number if applicable
 - III. Contact information ie: email address, telephone number or the business address
 - IV. Description of the goods sold
 - V. Full price inclusive transportation cost, tax and other costs
 - VI. Method of payment
 - VII. Terms and conditions
 - VIII. Estimated time of delivery of the goods to consumer
- **Rule 4** states that online merchant must provide the means for the consumer to rectify any mistake as to the information supplied by consumers. The merchants also have the duty to acknowledge receipt of any order or request from consumers.
- **Rule 5** makes it compulsory obligation for the merchant to keep a proper record of their customers for a period of two (2) years.

In addition to the above said, it is a prerequisite for online merchant to register their business with the Companies Commission of Malaysia in line with **Registration of Business Act 1956**. Fail to comply or any contravention of the Act, the Act imposes fine not exceeding RM50,000.00 or imprisonment not exceeding two years or both upon conviction.

After the amendments, a **new part 111A** which deals with unfair contract terms has been inserted into the Act which aimed to protect consumers against unfair terms in a standard form contract commonly used by traders and form the basis of most contracts in consumer transactions including online sale of goods. E-consumers may now challenge the validity of standard terms of online contracts for being either procedurally or substantively unfair or both. Now with the implementation, consumer rights will be enhanced if the Act is strictly construed.

B. Direct Sales and Anti-Pyramid Scheme Act 1993 [hereinafter referred to as DSASA]

- **Section 20** sets out the contents of advertisement in mail order sales which include inter alia the name and license number, contact number, particulars of the goods or services, cost and time of the delivery.
- **Section 21** state the offence for a person to furnish false information in advertisement and **Section 22 (1) / (2)** requires the person who supplies goods by mail to have a sample of the goods for the public to inspect at the place and time as how it is specified in the advertisement. Failure to do so is an offence under this Act.
- **Section 23** of the said Act states that cooling off period is up to 10 days which shall be in writing, printed in upper case in type not smaller than 18 point Times and shall be signed by both the vendor and the purchaser.

During the cooling off period according to **section 25(1)** no goods or services will be performed until the cooling off expired.

Cooling off period simply means that it permits the customer to withdraw from the order within a specified period of time and it varies from country to country. At the moment in Malaysia the cooling off period is up to 10 days.



ADVISE TO CONSUMERS

- Make sure to shop from secure sites
- You can verify the business address or business license number with the Companies Commission of Malaysia (SSM)
- Read and understand the terms and conditions of purchase whether you can return the goods if unsatisfied or different products delivered to your door
- Think before your click and avoid downloading the files if you don't know the sender
- Secure your phone by a mobile security solution to protect your phone
- Do use comprehensive computer security software. make sure you have up-to-date, comprehensive security software

- Do check your credit card statements
- Do not forget to check and inspect your new purchase as soon as it arrives, and if you find out that there is a problem, do notify the seller immediately

RECOMMENDATIONS FOR IMPROVEMENT:

- Amend the laws – can benchmark from other developed countries law such as EU law.

The law in Malaysia need to undergo major amendments to keep up with the current business trend i.e.: SOGA and CA are outdated.

CA is too general and does not specifically address the special characteristics of e-commerce but only focuses on formation of contract.

- For recommendation, see that in the UK as of 13/6/2014, The Distance Selling Regulations no longer apply in UK law. As of 13 June 2014 the new Consumer Contracts Regulations – which implement the Consumer Rights Directive in UK law – apply to all purchases you make at a distance. This includes shopping online, by mail order, over the phone or through a TV shopping channel
- In fact in Australia, there are e-Payments Code which regulates consumer electronic payment transactions, including ATM, Electronic Funds Transfer at Point of Sale (EFTPOS) and credit card transactions, online payments, internet and mobile banking and BPAY. Our banking law, Banking & Financial Institutions Act, 1989 (BAFIA) would have covered too but again since in current times online shopping is rapidly growing, are our banking law comprehensive enough

to cover the current issues emanating therefrom?

- Increase the time frame of the cooling off period and make it effective from the date of delivery and not before the delivery date
- Tighten the laws and to enforce the law on those who refused and contravene the Act to show that this matter will not be taken lightly
- Simplify the law and codify into one (1) single statute for easy reference. There is a need to enact a comprehensive Act for e-consumer to tackle all legal issues i.e.: in Malaysia, there are several statutes to cross refer such as CA, ECA, SOGA etc. Due to the rapid growth of electronic commerce in recent times, it is best that e-commerce law is codified into a single statute for easy reference especially when there is a dispute
- Law to cover individuals as the current regulation focuses more on companies
- Creating awareness and educate the public of their rights, the laws that are available and what are other redress mechanism available for e-consumers. The target groups should be colleges / offices / public at large

02

General Consumer Products

It is generally accepted that when a consumer purchases a product, the product must be fit for usage and free from any defects. For the amount of money spent, one would expect the product to work efficiently at least until the warranty lasts.

The increase in the number of complaints from the previous year gives clear indications that the products are not at a satisfactory level, and that the complaints are not being taken seriously by traders. The majority of complaints received by the National Consumer Complaints Centre according to Figure 1 are on repair services (19.8%). Unsatisfactory products that are sent back to the manufacturer or the shop where the item was purchased takes a very long time to repair. When asked when the items will be ready for collection, there was no concrete answer given; leaving a customer disappointed and worse, some even waited for months to get the items back. These products are new and most often below 6 months old. Often after the item has been fixed, the problem reoccurs and consumers keep sending the faulty item back to the same shop / manufacturer.

Having said that, the second highest number of complaints related to general consumer products is on deposit / refund / return of a product amounting to 18.4%. When a product is found unsatisfactory due to its defect, the consumer would want a refund. This is when the problem occurred; no refund was given or the deposit was not returned until the consumer lodged an official complaint. Often



they have to wait for a very long time before they get their money back.

The scope of warranty comes in at the third place this year at 13.2%. Warranty simply means a guarantee by a seller to a buyer that if a product requires a repair or remedy of a problem within a certain period after its purchase, the seller will repair the problem at no cost to the buyer. However, in most of the situations faced by consumers, even within the warranty period, the supplier refuses to replace the item despite the fact that the item has undergone repair several times. Some of the complaints below were / are still under warranty when the incident occurred:

- Television was found defective
- Refrigerator not cold within 4 months from the date of purchase
- Air conditioner not cold
- Fan's motor and remote control malfunction
- Defective rice cooker

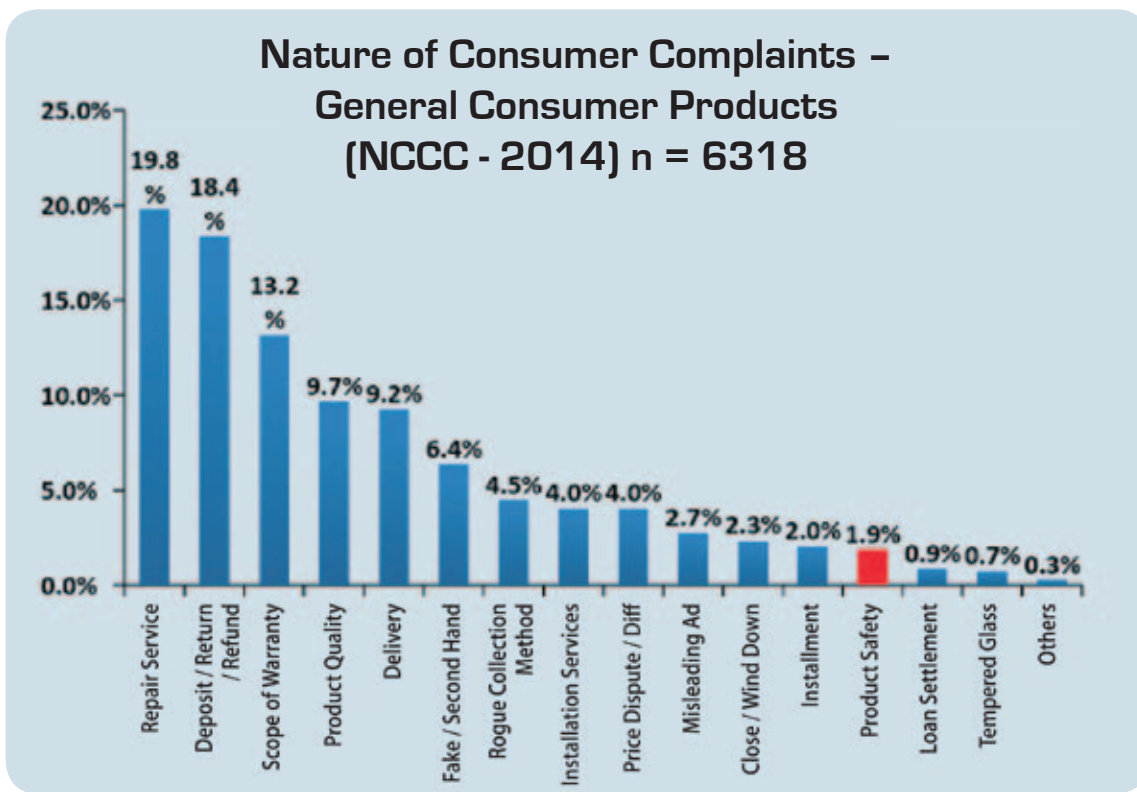


Figure 1

When a newly purchased item is sent for repair for more than 2 times, the consumer will often demand for a new product. To their disappointment, most of them do not get any replacement simply because there is no stock available for the same product. That leaves no choice for the consumer but to get a different product, or wait till the stock comes in and the time frame is usually not given by the seller.

Product quality has always been an issue as to whether the quality of the product is up to one's expectation. It is disappointing to learn that when the goods are purchased by the customers, they turn out to be defective. The quality of the product was poor as the consumer could see changes within a week. For instance, consumer bought a sofa and was assured by the seller that it was genuine leather; however the leather condition started to deteriorate and complainant could see that it started to peel off. Upon contacting the shop

owner, they refused to change the sofa set to a new one but merely offered to fix / patch the problem; worse some sellers refuse to entertain the complaint. This is why NCCC has been aggressively advocating the government to implement "lemon laws" in Malaysia to overcome these problems and to safeguard the interest of consumers depending on the seriousness of the case.

Delivery of goods, contributed to 9.2% of the complaints this year. Consumers have paid the sum due together with delivery charges (if there is any) and wait for the seller to send the purchased items such as mattress, furniture to be delivered to their door step as promised. Much to their disappointment, the delivery date / time keeps changing and worse, the items were not delivered until they lodged an official complaint. Upon checking, the company had closed down, stock finished, and all kinds of reason(s) were given by the seller. There is

no sales ethics; promises were not kept by the seller forcing consumers to lodge a complaint to NCCC.

Complaints with regards to fake parts and second hand items are 6.4% of the complaints. Complainants were surprised to receive goods that did not match with what was ordered at the shop. There was no brand stated on the goods and thus the consumer suspected that the items were fakes. When asked to change the particular goods, there was no response from the seller.

High handed or rogue collection methods this year has contributed to 4.5% of the complaints. Rouge collection methods used by sellers were inappropriate, lacked professionalism and are certainly against sales ethics. Such methods include harassing complainant's and complainant's family; often there was an element of threat by the debt collector upon contacting the complainants.

This year, complaints with regards to installation services have contributed to 4.0% of the complaints. Installation services by the service provider were poor, or and upon being promised to install a certain device, no installation service was carried out. The service provider even claimed that they will refund the complainants money; even that was not fulfilled.

Price dispute complaints also contributed to 4.0% of the complaints. Complainants were not satisfied with the price and felt that they were being over charged, there was no display of price, and hidden charges on the goods which initially had not made known to the complainant. It appears that many of the companies on which consumers relied on for food, transportation, and communication needs were treating consumers unfairly by saddling them with a plethora of hidden fees and surcharges.

Complaints with regards to misleading advertisement this year amounted to 2.7% of the complaints. Misleading advertisement such as false advertisement, misleading statements may negatively affect consumers. Marketers are constantly looking for ways in which they can sell their commodities at a profit by employing unethical marketing through misleading advertisement. For instance, there was an indication of a discount for a particular product stated on the website and upon going to the store, the discounted price was not available and the trader claimed that it will only be available upon purchasing the said product via online method. Such information however was not stated on the website.

Close / wind down of a company amounted to 2.3% of the complaints. This usually happens when consumer has already paid for the furniture, or at least has paid deposit for the items. However, no delivery was made and upon contacting the seller no one responded; the shop had closed down.

Installment payment this year contributed to 2.0% of the complaints. Based on the complaints received, most complainants who could not settle their installment had returned back the goods to the shop and was informed by the seller that there is no more outstanding or installments that need to be paid. However, the seller later claimed that there is overdue payment that needs to be settled and demanded payments from consumers.

1.9% of the complaints was with regards to product safety. Product safety is a serious complaint that can affect the consumers' safety and welfare. Again, upon asking for compensation, the responses are usually unsatisfactory.

Loan settlement complaints this year is at 0.9%. Despite the fact that the consumer has settled the payments fully, the company

still continues to demand payment through phone calls and even messages.

Nature of Consumer Complaints – Products categories

The following is an analysis based on product categories.

There has been an increase in the number of complaints as to the general consumer products categories.

- Electronics / telecommunications in 2013 were 26.9% of the complaints; this has increased to 28.6% in 2014.
- Electrical appliances in 2013 were 16.6% and in 2014 is 23.5%
- Furniture in 2013 were 20.1% and in 2014 is 22.9%

Electronics / telecommunication products recorded the highest number of complaints this year contributing to 28.6%. Complainants who bought a brand new phone and encountered problems with the phone such as it could not be charged, or the camera was not functioning would definitely seek for a new phone from the seller.

Second highest complaints this year comes under electrical appliances which has contributed to 23.5%. Complainants were not happy with the electrical appliances bought as there was apparent defects on the appliances such as it could not function properly. To carry out the repairs, the cost was just too expensive.

The third highest number of complaint is on furniture which contributed to 22.9% of the complaints. Often the complaint are related to late delivery, defects on the

Nature of Consumer Complaints According to General Consumer Products Categories (NCCC - 2014) n = 6318

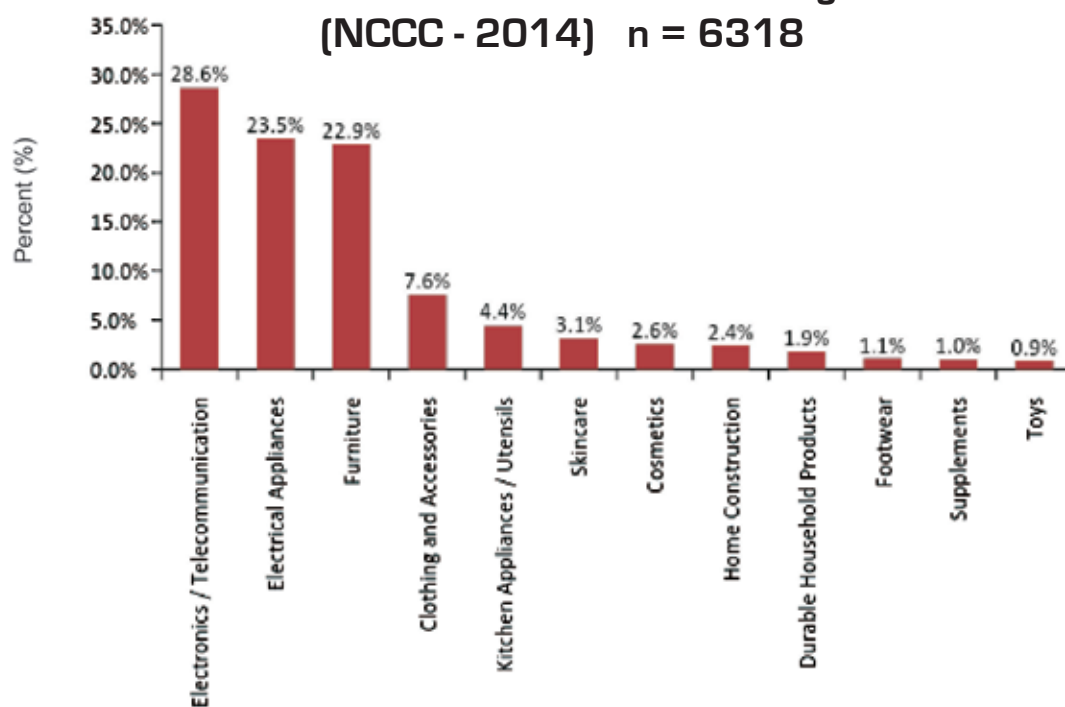


Figure 2

particular furniture and the shop had closed down without any notification made to the complainants.

These are the 3 major categories that have significantly increased and therefore they will be discussed separately later in this report.

Based on Figure 3, complaints with regards to electronics / telecommunication products, repair services is at the top, contributing to 31.1% of the complaints received. The complaints received by NCCC's with regards to repairs are usually on new items. Frustrated consumers need to send their new phone for repairs and often it takes a long time before the phone is returned. The most common problems are problems with the phone battery, that is, the phone could not function, and problems with the speaker.

On the issue of warranty, there will always be questions on the scope of warranty and how does this warranty work? One should not pay for the repair if the item is still under warranty, or one can demand for a new product after the item has undergone repairs for several times despite the fact that the item is newly purchased and still under warranty period.

This year alone, complaint with regards to warranty has increased to 17.8%. Despite the fact that it is clearly stated that it is under warranty, customers were asked to pay for the repair services. Also, though promising the complainant that new product will be provided, till to date nothing has been provided to the consumers. Items which were sent for repair take a very long time before complainant could collect it back.

NCCC – Electronics / Telecommunications Product Complaint Type (NCCC - 2014) n = 1807

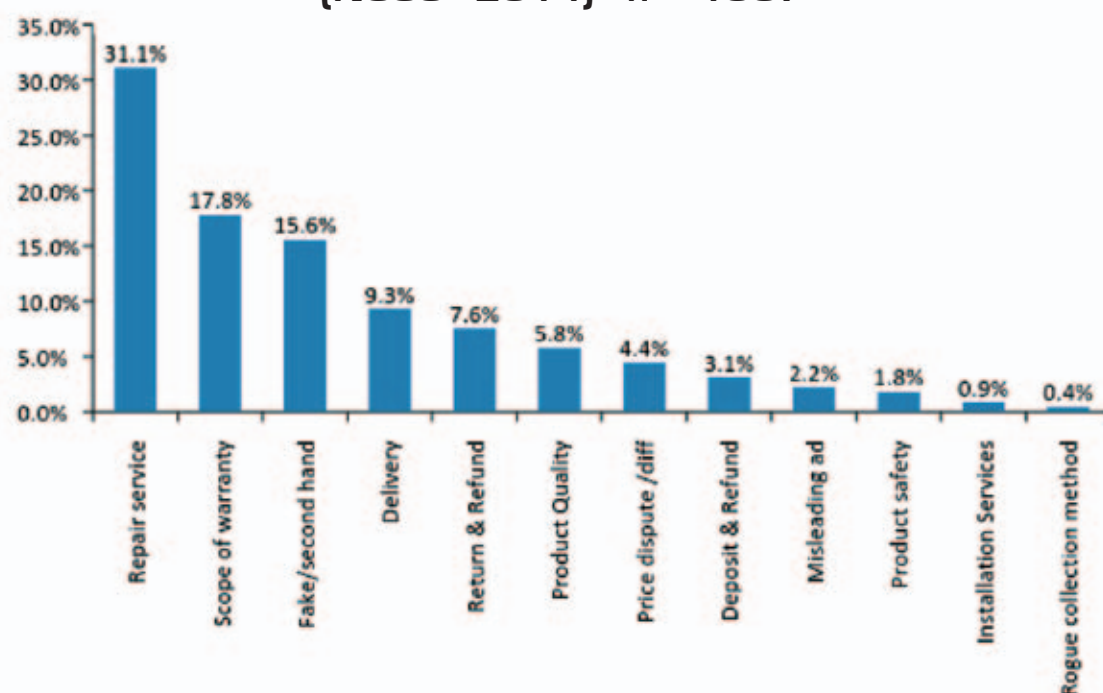


Figure 3

Fake / second hand complaints this year amounted to 15.6%. Complainants are frustrated as the seller has sold them fake / second hand products and charged them original prices. Upon finding out that the phone was not genuine, seller refused to refund; sometimes the seller could not be located.

9.3% of the complaints with regards to electronics / telecommunications is on delivery of the product. Complaints include failure in receiving goods even though payment had already been made and late delivery without giving any valid justification. Upon contacting the seller often there is no response, there is request to wait, and some were not reachable.

Almost in all sectors, return and refund has always been a problem. Some companies refused to accept the goods once they are sold and to refund. There are cases where refund is not given despite the fact that the goods has been returned to the seller and upon contacting the seller, they refused to entertain the consumer. Complaints received this year with regards to return and refund amounted to 7.6%.

Product quality on the other hand amounted to 5.8%. Quality of a product was not up to the expectation as there were a lot of issues with the items purchased as per the complaints received by the complainants. Despite sending the said items to their service centre, the quality failed to improve.

Price dispute has always been a question. This year the complaints with regards to price dispute contributed to 4.4%. According to the complaints received from complainants, the retail price and the selling price were different and upon asking the seller for a price reduction, the seller refused to reduce the price; consumers are thus often over-charged.

Deposit and refund this year is at 3.1%. Just like any other sectors, the problems

encountered by the complainants are the same with regards to deposit or refund where the seller refused to refund the deposit.

Misleading advertisement this year amounted to 2.2%. No matter how a business communicates with the purchaser, whether it is through advertising, packaging, online, endorsement or sales pitch, the purchaser has the right to receive accurate and truthful messages about the products and services one buy. However, there are complaints received whereby they have informed that they will receive prizes upon buying the item but did not receive any.

Product safety, installation services and rouge collection method recorded 1.8%, 0.9% and 0.4% respectively.

Having understood thus far the complaints received with regards to electronics / telecommunications, let's look at the second category which is electrical appliances.

Repair services, scope of warranty, refund and return and product quality are facing the similar problems like any other sector and each contributing to 20.5%, 16.2%, 14.7% and 13.3% respectively. Often the concerns raised by complainants are:

- Dissatisfaction with the repair services
- Even though the item is covered under warranty; seller refused to change the faulty items despite being sent for repair several times
- Refund and return issues has been the same; the supplier refused to comply with the request to refund or to provide new item in order to replace the faulty item
- Product quality is questionable due to the fact that product is often found defective

Loan and collection this year is at 7.9%. Those who are not capable of paying for the product often take loans and opt for monthly payment.

NCCC – Electrical Appliances Complaint (NCCC - 2014) n = 1485

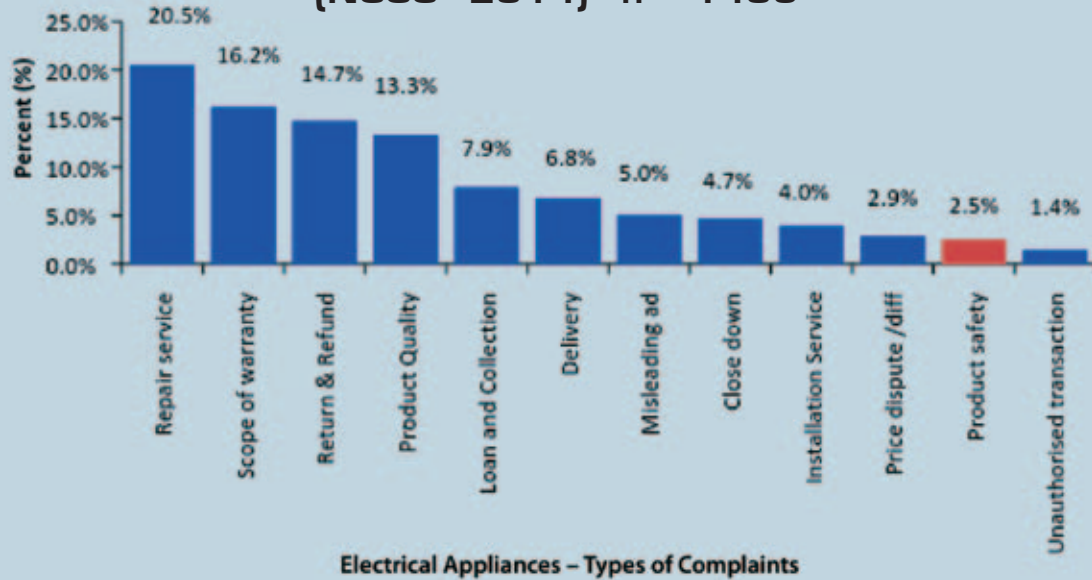


Figure 4

Complaint Related to Furniture (NCCC - 2014)

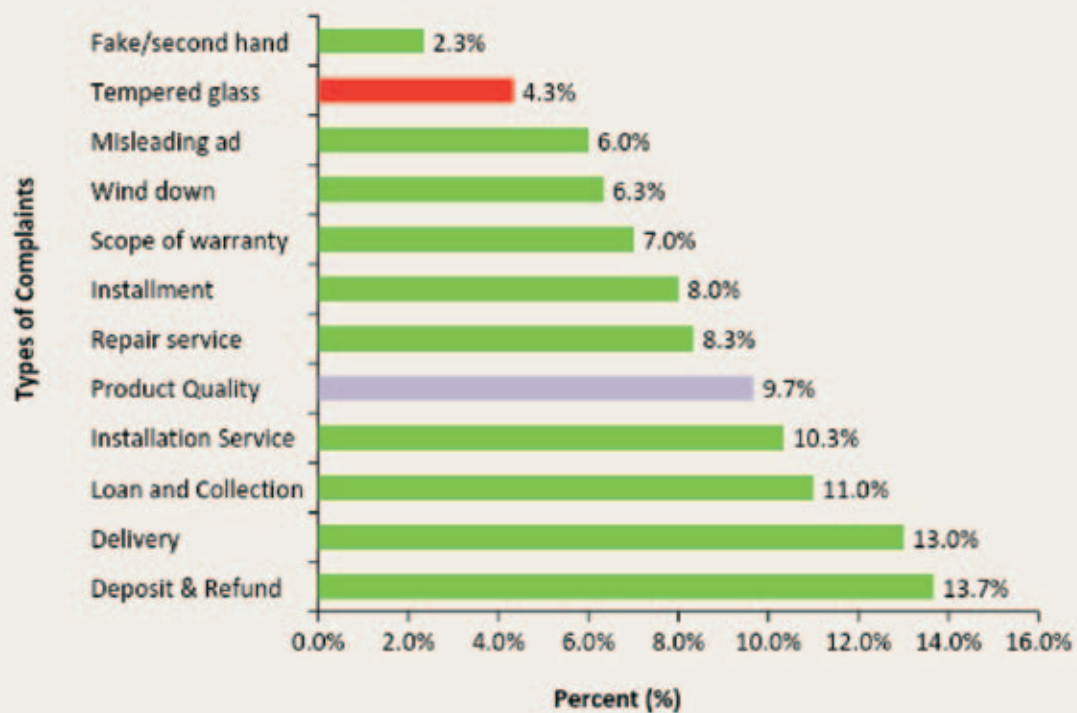


Figure 5

However, some companies did not deduct the monthly payment. After few months / years, complainant received a letter from the company demanding for payment to be made within a time frame of 2 weeks.

Product safety has always been a primary concern of NCCC and should be regarded as important to all consumers as well. This year the complaint with regards to product safety is 2.5%. Sub-standard, counterfeit, unapproved electrical equipment or equipment with fake safety labels in the market can cause internal components to overheat and thus cause harm to users. Many Malaysians are still unaware of the importance of product safety and tend to go for products which have no guarantee. Though it may be cheaper in terms of price but the consequences later one has to bear will be beyond what one could imagine and in worst case scenario could lead to fatality.

This year as per the graph above, it is apparent that the highest complaint with regards to furniture is on deposit and refund contributing to 13.7%. The common concerns raised by complainants are that they received defective / damaged furniture and upon asking for refund, the seller did not get back to the complainant and or refused to comply with the said request. There are also cases where the deposit has been held despite cancellation of the order.

Next, issues on delivery continue to occur. Often there are delays up to months, changing of delivery dates and worse, items are not delivered to the consumer and often the reason given by the seller is that the furniture is out of stock. This year the complaint with regards to delivery is 13.0%.

Such events would cause any buyer to be frustrated and thus would demand for their money back. Often the request goes unheard as the retailer will come up with excuses to brush the request off with ease.

Loan and collection, installation service and product quality contributed to 11.0%, 10.3% and 9.7% of the complaints respectively.

Often the company would provide loan for the consumers to purchase and if the consumer could not settle the loan due to some unforeseen reason(s), the debt collector will harass the consumers, and the method of collecting the goods from the consumers were unethical.

Installations were poorly done and upon calling the seller to re-install the item, it takes a considerable time for the seller to act.

Poor product quality is a major issue facing the industry today.

Tempered glass should be mentioned as it could lead to fatal injuries. This year the complaint received by NCCC is 4.3%. The issue involving tempered glass is that the glass door just collapsed and shattered on its own.

Let's look at the laws that are available and some recommendations to further improve the standard of consumer products.

LAWS

a) Product Performance

Section 32 of the Consumer Protection Act 1999 confers protection to the general consumers by stipulating that all goods purchased shall possess implied guarantee of acceptable quality.

Despite the fact that the act has stipulated the section mentioned hereinabove; a very high volume of complaints received by the NCCC in regards to general consumer products is due to the inferior quality of certain products purchased by them.

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

b) Product Safety

When it comes to safety, it is something that one cannot or should not be compromised with. NCCC urges consumers and retailers of all types of general consumer products to always be vigilant concerning safety. Safety issues attached to a product may pose all type of dangers to consumers be it in a short term basis, long one or worst may lead to fatality.

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

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

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

For Domestic Electrical Appliances

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

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

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

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

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

c) Misrepresentation

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

Alternatively, **Section 10 of the Consumer Protection Act 1999** similarly offers such protection to aggrieved consumers who were

misrepresented as to the attributed of a specific good or service.

Depending on circumstances of the contract and the misrepresentation, consumers may seek for damages accordingly. Additionally, under the Consumer Protection Act 1999, consumers may seek for redress and this too will depend on the type and nature of misrepresentation that had occurred and in view of the all the attributes attached of the goods involved.

d) Product Performance

Services here are made in reference to the acceptable time frame in which a supplier or manufacturer cures a defective product i.e. repair time and the availability of a certain spare part of a product which is an inseparable feature attached to a product in any case of a repair or restoration.

Section 41 of the Consumer Protection Act 1999 specifies strictly that suppliers of goods are expected to remedy a defect of a product within a reasonable time period.

Section 37 of the same Act stipulates that products that are supplied to the general public must be repaired as soon as practicable. This is yet again an important law. The regulating bodies should be stringent in applying such and to also ensure strict adherence by the respective parties as general consumer products such as mobile phones, laptops and other devices are used by many in their daily lives. This would go to mean that it more often than not involves loss of income, expectation and etc with today's world being highly dependent on such devices.

2) Voluntary Initiatives / Tools

a) For General Consumer Products (Excluding Furniture)

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

After having said that however, one may find that not all products available for sale to the consumers at large are in compliance with the performance and safety standard despite the development of such by the Department of Standards Malaysia. These standards are more often than not an adoption of the already available international standards while some are modified to suit our local settings.

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

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

b) For Furniture

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

- MS2284:2010 Domestic Furniture-Beds and Mattresses-Safety Requirement and Test Methods
- MS ISO 9098-1:2008 Bunk Beds for Domestic Use-Safety Requirements and Test-Part 1:Safety Requirements (ISO 9098-1:1994, IDT)

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

consumer products such as electrical products and electronic appliances as well as furniture. It has been a long overdue topic in Malaysia and the importance of implementing this law has not been given a value thus far.

- The relevant authorities need to be proactive, such as the Malaysian Competition Commission (Suruhanjaya Persaingan Malaysia). They need to look into the business practices of manufacturers especially the oligopoly and monopoly market to curb anti-competitive business practices. By doing so, consumers will have more choices to make and buy better quality products as well.

RECOMMENDATIONS

- When buying electrical appliances, the consumer should be very careful that they do not purchase appliances with questionable safety issues.
 - a) Make it a point to buy appliances from reputable stores / retailers
 - b) Check the warning labels / manufacturer's name and contact information on the packaging. If there is not any information, then consider buying different brand
- Lemon law: The significance of this law is to offer better consumer protection, promote fair or ethical domestic trading and such law obligate sellers to repair, replace, refund or reduce the price of those defective goods, fail to meet the standards of quality and performance despite sending the items to the shop for repairs several times.
 - > Currently in the United States and Singapore, lemon law has been implemented for all types of general

- Electrical & Electronics Equipment developed so fast. Therefore, NCCC once again urges the relevant regulating bodies to conduct a time to time safety and standards check to ensure manufacturers and suppliers are adhering to the laws, regulations and guidelines that are available with regards to product safety.

The NCCC recorded 5868 complaints in regards with the telecommunications sector for the year 2014 with an approximate loss amounting to RM3,510,782.00. The total value of loss has increased by almost a million ringgit in 2014 as compared with 2013 total value.

The growth in the telecommunications sector has been led by a booming mobile market with around 45 million active subscribers and penetration rate approaching 150% in 2014. The broadband internet has been expanding strongly in recent years and has almost reached an amazing 70% household penetration.

The adoption of broadband internet has been a significant development in Malaysia over the last few years. High speed broadband first started to take off in 2008; by early 2014 there were over six million broadband subscribers with around 60% of these being wireless-based. The arrival of wireless broadband overwhelmed a market previously dominated by Digital Subscriber Line (DSL) technology. Telekom Malaysia had been the dominant broadband service provider. Even this was being challenged as the market opened up and mobile broadband became more widespread especially with the introduction of 4G/Long Term Evolution (LTE) network. At the same time fibre-based broadband services have also started to impact the market.¹

Types of Complaints

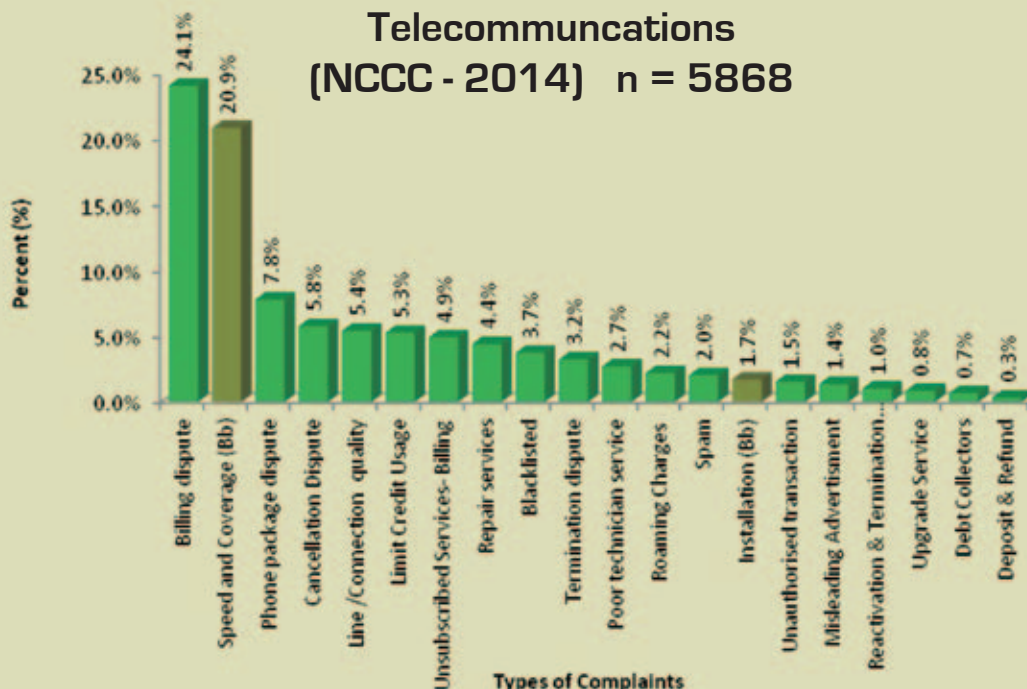
Billing disputes recorded the highest number of complaints under the telecommunication services sector, same as the previous years where billing dispute remained to be one of the highest complaints received by the NCCC. Billing dispute are interrelated with other complaints such as unsolicited SMSes, additional charges by the service provider, and issues of free SIM card which results in consumers paying a lot more than the actual usage and therefore the consumers complained that they were charged for services that had not been rendered to or subscribed by them.

It is unacceptable that an unknown third party has access to consumer's phone number and charges them directly without obtaining prior consent. This ultimately shows the lack of the service providers in adhering to data protection system, as such complaints are increasing every year. Therefore more stringent measures should be taken, mainly to reduce the amount of unsolicited SMS.

Also, wrong charges and hidden internet charges further boosted the number of complaints to 24.1% under the billing dispute and in addition to that, complainants were not provided with a rational explanation for the unnecessary charges or inefficient in resolving the dispute in a timely manner.

1 Malaysia - Telecoms, Mobile, Broadband and Forecasts - <http://www.budde.com.au/Research/Malaysia-Telecoms-Mobile-Broadband-and-Forecasts.html#sthash.6M6HgLDY.dpuf>

Nature of Consumer Complaints Related to Telecommunications (NCCC - 2014) n = 5868



Moreover, the issue of free SIM card distributed by the service providers had begun to take a toll on numbers of complaint received. These SIM cards were represented to the consumers as free and they would not be charged until or unless they activate the card. However to their surprise, they were still charged despite not using or activating the said SIM card.

The subsequent highest number of complaints received by the NCCC is pertaining to the speed and coverage dispute with regards to broadband and internet services. This is a very common type of issue in relation to broadband or internet services, where the complainants often experience difficulties with the speed of the internet and not up to what they are paying for. Often, the complainants were not able to connect to their internet service from certain locations or experienced poor quality of connection with their internet service; thus the charges imposed by the service providers often times did not reflect

the quality that they were expected to supply to the consumers. Thus, it is not fair for the consumers to pay a high subscription fee for a poorly functioning internet service, especially those who experience the problems frequently. When the frustrated complainants get weary with the service, they opt to terminate the service. However, they end up facing another issue when terminating the service as they are still under the contract and have to pay an additional fee to terminate the contract.

The dispute in regards with the phone package complaint mainly concerns with the mobile device not being delivered to the purchaser according to the plan subscribed by the complainant from their respective service provider and also issues with the device not functioning as expected. As for the issue relating with line / connection quality dispute, complainants were upset as they were having difficulties with their network services such as dropped calls, line not activated upon

registering a new number, and mainly no network services at certain areas. This issue should be taken seriously by the Malaysian Communications and Multimedia Commission (MCMC) and the telecommunication service providers to rectify this issue that has been going for many years as consumers use the local network services to communicate with others and to conduct their business via their telephone.

Complaints on limit credit usage constituted 5.3% out of the 5868 complaints under the telecommunication sector. According to the consumers, they were surprised when they were informed of their high credit usage as the line was not bared upon reaching the desired credit limit. The consumers claimed that this was all due to overpriced calling and internet fee. However, unknown to the consumers, the calling charges will only reflect on the system upon hanging up the phone and at times it will take a certain amount of time for the system to receive the figures to bar / block the line. The same applies to the internet charges for pay per use internet, however it takes even longer period for the system to receive the figures, even days. In addition, the consumers added that they were not notified by their service providers upon reaching the credit limit as supposed to. Consumers are advised to check their current balance before making lengthy calls or international calls. As for the internet services, consumers are advised to subscribe for a data plan to avoid from receiving exorbitant bills or to switch off the mobile data function on their smartphone if they do not intend to use their mobile internet at all. We should not leave everything to the service providers to update us on our telecommunication system status; consumers need to take certain amount of initiative to protect ourselves from getting into these complications.

Unsubscribed services billing dispute amounted to 4.9%, whereby complainants argued that they were charged for services that they had not subscribed to. Similar with the previous



years, unsubscribed services billing dispute are mainly due to unsolicited SMS, games, or other unsubscribed content provider that are downloaded spontaneously from a smartphone without the knowledge of the owner. These are normally 5 digit numbers and in Malaysia, it often begins with either 2, 3 and 6. For numbers which begins with 2, the content is from your cellular network provider and for numbers which starts with 3 and 6 it is from the content provider. It depends on the Terms and Conditions of the service. Normally consumers will be charged a premium rate when they receive content from short codes which starts with 3 and sometimes 2. To know if the content received is chargeable, it is shown by the price tag in front of the message. For example: "RM0." This indicates that the content you are receiving is free. However, at times such content are installed due to virus and malware that are in certain web services and can affect the smartphone consumers who generally use their smartphone to surf internet.

As for repair services issues, the complaints were mainly to do with broadband and fixed line telecommunication. Complainants were dissatisfied when their complaint was disregarded by the service provider's representative with regards to their faulty

services and when the technician made an appearance, complainant alleged that no proper maintenance were carried out as the problem with their service still persisted.

Consumer Protection Laws Applied to Manage and Voluntary Initiatives / Tools

The Malaysian Communication and Multimedia Commission (MCMC) is the regulator for telecommunication industry. **The Malaysian Communication and Multimedia Commission Act 1998** granted the power on the MCMC to take action and regulate new law in order to ensure better systems which include but not limited to conduct of service providers, consumer redress and what not within the industry itself.

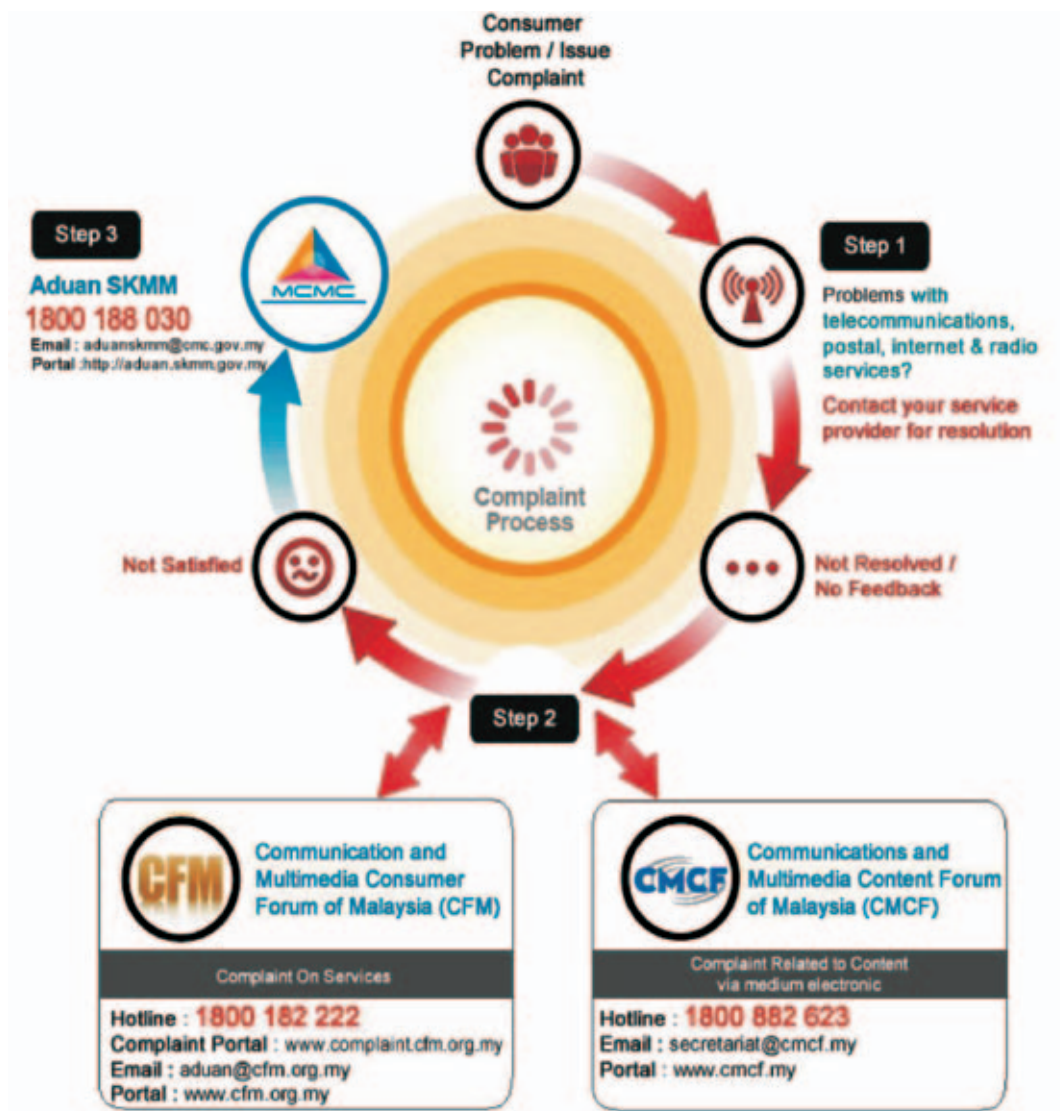
- **Section 16** provides for the powers of the Commission which cover all incidental matters in relation with the performance of the industry. This includes the legislation of law, implementation, enforcement, so on and so forth.

A law called **Communication and Multimedia Act 1998** was passed and enforced to specifically regulate functions of the industry. Breach of the act will constitute an offence and thus punishable in accordance with the Act itself.

- **Section 188** provides that any network facility provider, network service provider, application service provider shall – deal reasonably with consumers; and adequately address consumer complaints. Breach of this act will result in fine not exceeding twenty thousand ringgit or to imprisonment for a term not exceeding six months or a combination thereof.
- **Section 189** provides that the Commission has the power to form a Consumer Forum for the purpose of protecting the rights of the consumers.

- **Section 190** provides that consumer code prepared by Consumer Forum shall include model procedure for – reasonably meeting consumer requirements; complaint handling process and protection of consumer information. The matter in the code may include but not limited to – information on services, rates and performances; the provisioning and fault for repair services; advertisement and representation; matters related to credit; other matters related to consumer concerns.
- **Section 195** vested the power on the Commission to resolve complaints from consumer in accordance with the Act.
- **Section 196** provides that Commission shall establish procedures or guidelines related to consumer complaints and practices of the licensees.
- **Section 197** provides that service providers may set the rate in accordance to market rates and the rates must be published clearly to the consumers.
- **Section 198** provides that the rates set by the service provider must be based on – fairness / not discriminatory; costs oriented; no discount which will lead to anti-competitive behaviour; structured and clear explanatory of rates; and regulations and recommendations of the international organization.
- **Section 199** provides that Minister may intervene freely in setting the rates upon the recommendation of the Commission.

Besides having the Act, a body called Consumer Forum Malaysia (CFM) was formed under **section 94** of the Act by the Commission to ensure the efficiency of the law enforcement. Following this, by virtue of **section 95** the CFM issued the **General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia** in 2003 (in accordance with section 190) to further



explain and dictate the code of conduct to be complied by the industry. The Code contains 6 important parts:-

- **Part 1 Introduction:** This part provides the basic overview on the functions and objectives of Code and to what extent it covers.
- **Part 2 Rules of the Code:** There are two main subcategories under this part – provision of information and protection of personal information. Provision of information provides specifically for matter related to services provided by the industry to consumers which include

pricing, term and termination, redress, after sales support and what not. Whereas the second category deals specifically with consumers personal data and what are the protections need to be provided by the service providers.

- **Part 3** provides for complaint handling process and all matter related thereto.
- **Part 4** provides for the medium or mode that can be used by the service providers to ensure and demonstrate their compliance with the provisions contained in the Code itself.

- **Part 5** specifically mentioned about the duty of CFM in documenting the status and conduct of the service providers after monitoring has been done. The report will be publicised via Consumer Forum's publications.
- **Part 6** provides that CFM shall conduct a regular monitoring process on the conduct and services rendered by the industry to consumers and call for review or amendment when appropriate.

Recommendations for improvement

- The service provider's sales representative, whether on the phone or in the shop must be able to describe products and services accurately, in a way the consumer can understand, and not leave out important information and further, be able to provide a clear and proper explanation to consumer's dispute in proper manner.
- Even though not all the service providers are equal when comes to providing good customer service, but all service providers should be required to deal with enquiries quickly and effectively and try to resolve any problems at the first instance without taking too long. Urgent complaints must be resolved within two days and non-urgent complaints must be resolved within three weeks.
- The Code should be reviewed and updated to suit the current circumstances. Furthermore, the enforcement must be more active in penalizing service providers that likes to breach the code perpetually without taking the initiative to abide by the Code and the Act.
- The Ministry must take stern action against service providers that has been disclosing the data of consumer to third party without consent. Apart from that, content providers must also be penalized for charging consumers in absence of subscription to their services.
- Service providers must make contract as easy as possible for the consumers to understand. Standard contract must not include any 'unfair terms', which means that the service providers cannot suspend the service because of their mistake, charge for anything which is their mistake, and renew, extend, or change the contract without the consumers consent.
- The amount of fine imposed for contravention of the Code and the Act should be increased in order to have the deterrent effect.
- Service providers must not charge consumers for the services which have failed to be delivered to consumers such as poor connection (hsdpa/wifi/call, etc.) especially when the performance is totally substandard as this is unfair to consumers.
- **Section 187 of the Multimedia Act** should be amended to include liability on services providers without license.
- Panel in the Consumer Forum should comprise both representatives from the industry and consumer body in order to achieve a proper and balance organization and system.

04

Automobile and Auto-Workshops

The total number of complaints in the automobile sector was 3,492. Of this 2,070 complaints were related to automobiles, especially newly purchased cars, and 1,422 were related to automobile workshops. The total value of the complaints was RM25,112,522.50. Of all the complaints, the biggest ringgit loss for consumers was in the automobile and related automobile services.

4.1 Automobiles

The total number of complaints on automobiles was 2,070.

Complaints related to the automobile industry and its related services continue to increase. It is unfortunate that with the current laws, problems are still occurring and most complainants are still facing the same problems as in previous years.

Based on the types of complaints received by NCCC in 2014 as illustrated in Figure 1, it can be seen that slightly above 2/3rd of the complaints are related to brand new cars being faulty, problems with refunding the complainants money, sales services, repair services and warranties. These will be elaborated below.

18.4% of the complaints were related to new cars being faulty. It was reported that the highest number of complaints this year were mainly due to gearbox problems, faulty power windows, and stalling engines. Complainants



often wanted to bring an action or sue the manufacturer for producing poor quality cars not living up to the standard promised. Some companies took longer than the given time frame to fix the car and as such customer tended to lose confidence in using the same car again. This problem with faulty new cars will continue to occur if stern actions are not taken; this issue should be regarded as of high importance by manufacturers and regulators.

Sale services (14.1%) on the other hand were usually associated with sales agent promising rebates and gifts which did not materialize paperwork such as transfer of ownership or grants not fulfilled, loan process not followed, and misleading customers on models of the car.

These kinds of problem are rather frustrating as the complainants felt that their rights had been compromised despite the fact that there are laws governing consumer rights, that is, **Consumer Protection Act 1999** (hereinafter referred to as the “CPA 1999”).

Types of Complaints in Automobile Sector (NCCC - 2014) n = 2070

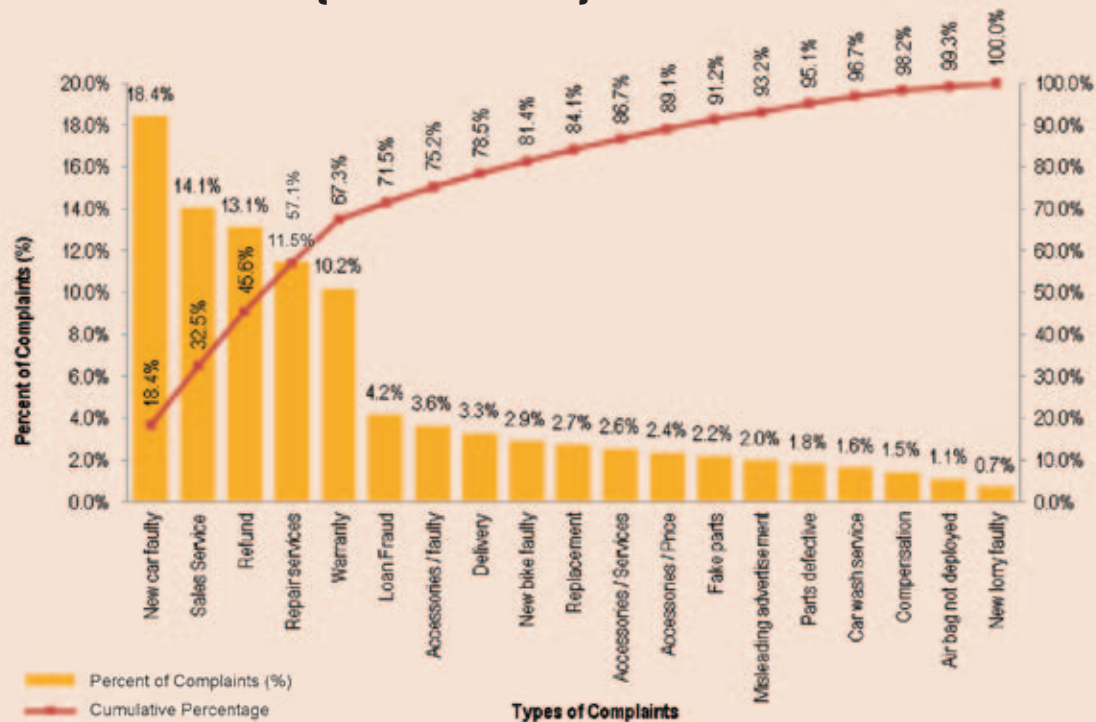


Figure 1

Refund was the third highest complaint which was at 13.1%. Consumers who cancelled their booking due to valid reason(s) for instance loan had not been approved, found that the car company refused to refund their booking fees. In some cases, the company was willing to refund the money; however it took such a long time before they got their money back. Often consumer felt that the dealers were taking their time simply because booking had been cancelled and thus making the consumer wait in order to get his / her money back.

Repair services often took very long and worse, the repairs were not even carried out properly. Consumers often complained that they had to go back to the same workshop to repair for the same problem. This year the complaints with regards to repair services were at 11.5%. The problem faced by the consumer still persists and it is the same recurring problem NCCC has been handling over the years.

Next is the issue of warranty. This year NCCC recorded 10.25% of complaints with regards to warranty alone. Typically the complaints were about warranty period and terms of warranty on parts, accessory installation services and vehicle, misinterpretation of terms.

Loan fraud this year was at 4.2%. The problem is significant and requires some attention before the number of complaints increase. The complaints associated with loan fraud were usually with regards to booking fees and deposits. Sometimes important paperwork for loan processing purposes went missing. Also there had been instances where the car had been sold to the third party without changing the name of the owner; this ended up with the owner having to pay for the insurance for some incident caused by the new owner.

Faulty accessories this year had contributed to 3.6% of the complaints. Complainants were not happy with the accessories bought;

while the product was still under warranty, it could not function just after a few days of purchase. Upon asking for it to be repaired, often the answer was unsatisfactory. Due to manufacturers refusing to fix the problem or the process of fixing the item had taken a very long time, the unhappy customer ended up buying a different product all together. Such event will cause loss in terms of money, time, and trust.

Delivery this year recorded 3.3% of the total complaints received. Complaints related to new cars which were not delivered on time or delivered much later than promised. Often customers were not happy with such treatment when the salesman did not comply with his/her promises to deliver by a particular time.

Faulty new bikes constituted to 2.9% of the complaints. NCCC received complaints that were related to complainants who purchased new motorcycles and had to deal with multiple faults such as ignition, brakes, engines etc. For the amount of money paid one would expect the bike to perform well. Some complainants had to send the bike for repair leaving them immobile and facing difficulties.

Replacement contributed to 2.7% of the complaints this year. The complainant requested replacement parts / vehicles after purchase of faulty or malfunctioned (repeatedly). However, the requests were not successful. Sometimes the incident happened just after a few days of purchased; some within the span of one year to two years of purchased.

Complaints this year in relation to accessories services amounted to 2.6% and accessories price was at 2.4%. This was usually pertaining to accessories installation which did not work; poor post installation and overprices accessories.

Fake parts on the other hand are parts or accessories bought by complainants which were not genuine. Without any exception,

all automobiles including passenger cars and two wheelers were affected by the non-genuine parts business. This year 2.2% of the complaints were on fake parts.

Misleading advertisement like in any other sectors is an offence. This year misleading advertisement complaints amounted to 2.0%. These are some of the most common types of false or misleading advertisement reported to the NCCC. Example are:

- Free insurance
- Free gifts such as GPS navigation

However none was given as advertised.

Defective parts this year had contributed to 1.8% of the complaints. Complaints were often related to tires that were of a poor quality. Due to this, tires burst in the middle of the road and this had led to road accidents.

Car wash service this year was at 1.6%, compensation was at 1.5%, air bag not deployed is at 1.1% and lastly new lorry faulty was at 0.7%. Complaints related to car wash service were often related to cars being damaged when their car was sent for washing.

Compensation complaints occur when complainants requested for compensation due to faulty cars or parts often went unheard and unsuccessful.

The nature of complaint with regards to air bag not deployed was highlighted this year as increasing number of recalls worldwide were associated with airbags malfunctioning thus endangering users / passengers. In other countries these would result in recalls and corrective actions. All complaints were associated with one of the national car makers.

New lorry faulty - these complaints were related to problems faced by people who purchased new lorries and had to deal with multiple faults such as ignition, brakes, chassis, engines etc.

4.2 Auto-Workshops

The total number of complaints against automobile workshops were 1,422.

This year according to Figure 2, repair services is at the top of the list contributing to 58.4% of the complaints. Complainants were not happy with the fact that the vehicles they sent for repair were not fixed properly. One had to return to the shop to fix the same problem again and not long after the previous repair was carried out. On top of that, the repair shop took a very long time to fix the vehicle. Some even took months leaving the complainant immobile.

Warranty dispute recently has become a “hot issue” as to how long warranty can last for, which part of the vehicle is under warranty and can the warranty be extended due to fault of the car are some of the common questions raised by the complainants. This

year, warranty dispute contributed 13.1% of the complaints.

The third highest complaint as per the pie chart is on charges dispute. Like any other sector, charges dispute had always been an issue and perhaps will continue to be in the future. Issues included being over charged and items overpriced. The complaint this year amounted to 12.4% of the complaints.

This year it appeared to be that workshop/ service centre complaint was slightly higher than complaints against the distributor and each amounted to 51.0% and 49.0% respectively.

Workshop / service centre as well as distributor complaints were associated with repair services, warranty disputes, routine services problem, time commitment, fake / second hand products, paint work quality, charge dispute and safety issues.

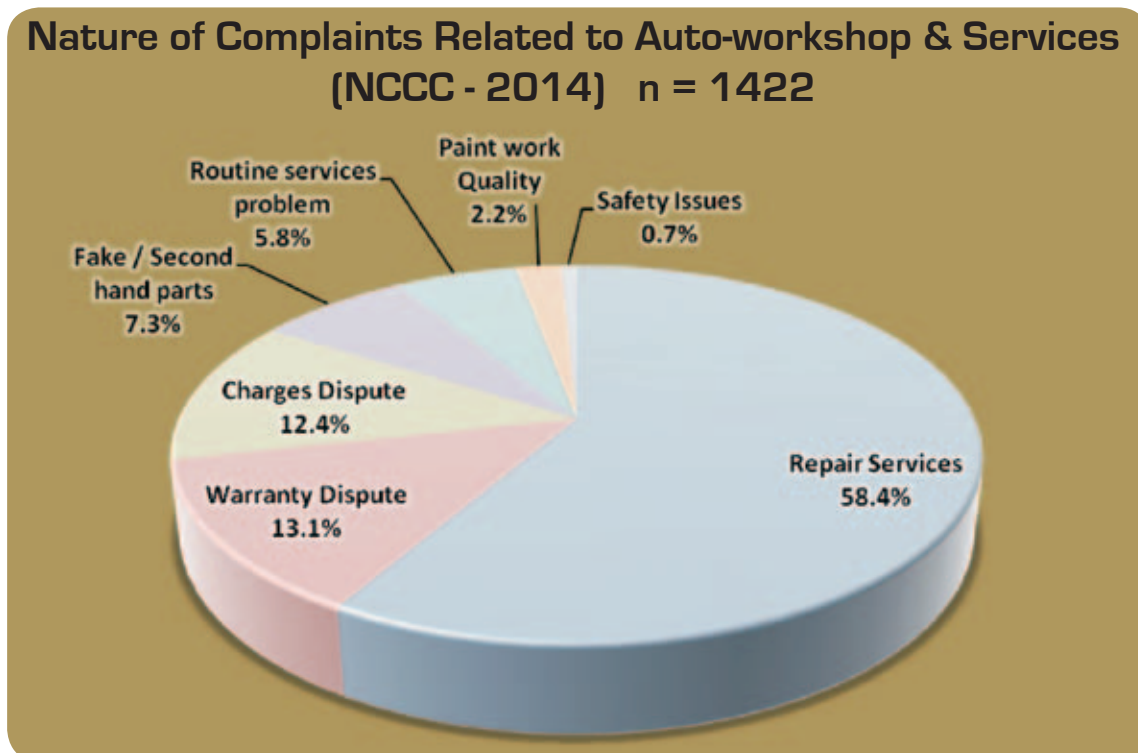


Figure 2

Types of Workshop Service Providers (NCCC - 2014) n = 1422

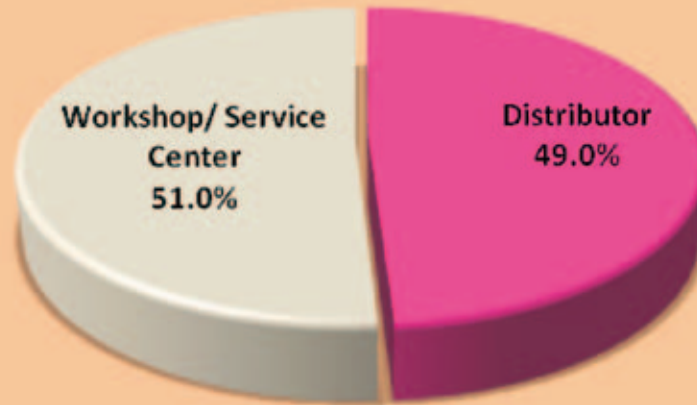


Figure 3

Complainants were mostly not happy with the poor service carried out; repeatedly going to the shop to fix the same problem, product used were not genuine, quality was not up to the standard expected.

Charge dispute and safety issues had been discussed in this report above. Safety issues like in any other sectors must not be taken lightly and should not be compromised at any cost. It is important to regulate the manufacturers to ensure that they produce an acceptable level of safe vehicles.

LAWS

The Consumer Protection Act 1999

The primary purpose of this Act is to promote the social well-being of consumers and prevent them from exploitation or harm. It is applicable to any goods or services purchased or subscribed by consumers.

- **Section 32** provides that there will be an implied guarantee by the supplier to the

consumer as to the safety, acceptable in appearance, fit for its purpose, free from defects and durability of the goods.

- **Section 34** provides that goods supplied to the consumer shall comply with the description.
- **Section 37** provides that there will be implied guarantee by the supplier and manufacturer to ensure the availability of the facilities and spare part for repair.
- **Section 42** provides that the supplier may remedy the breach of guarantee by repair the defects; replace with identical unit; or refund of money.
- **Section 46** provides that where consumer has the right to reject the goods, the consumer may choose to have a refund of money or other consideration provided by the consumer in respect of the rejected goods; or goods of the same type and of similar value to replace the rejected goods.
- **Section 48** provides that the supplier shall be bound by the representation made by the dealer on its behalf. Consumer is not prevented from the right of redress though the representation is not made by the supplier.

- **Section 52** provides that the consumer shall have the right of redress against the manufacturer by way of repairing the goods or replacing the goods with identical type. Damages are only available if the manufacturer failed to remedy the breach within reasonable time.
- **Section 53** provides that there shall be implied guarantee that services supplied to consumer shall be supplied with reasonable care and skill.

Apart from CPA, there is other Act which can be used to protect consumer interest. Section 15 of the Sale of Goods Act 1957 provides that where there is a contract for the sale of goods by description there is an implied condition that the goods shall correspond with the description. Whereas Section 16 provides that where goods are bought by description from a seller who deals in goods of that description (whether he is the manufacturer or producer or not), there is an implied condition that the goods shall be of merchantable quality.

RECOMMENDATIONS

• Law

The government and the relevant authority (ies) need to tighten the law and enforce the law on those who contravene the Act. Take up the complaints received and inspect those workshops / manufacturers to ensure that they are following the protocols and attending the consumer promptly.

Most of the complainants were dissatisfied because they were not getting any feedback nor the manufacturers / workshop were complying with the promises initially made. Though some of the manufacturers were willing to settle the complaints, but majority were not willing to settle and thus leaving the consumer calling NCCC to assist them in being the “middle person” to channel their dissatisfaction.



- **Lemon law / warranty law**

What is lemon law? Lemon Laws are enacted in some of the Western countries to protect consumers from products that are plagued with serious defects. If an item cannot be satisfactorily repaired within a certain timeframe – usually within the warranty period – or if the item is not as good as new after so many repairs, it is considered a “lemon.”

NCCC has been very keen on implementing lemon law in Malaysia to safeguard consumer rights. Not just in automobile sector but also to extend this law to electrical, electronic products and furniture as well. Hopefully in the near future such laws are implemented to further enhance consumer rights in Malaysia.

- **Manufacturers and suppliers**

Manufacturers play an important role. Both local and foreign car manufacturers need to take up the complaints received seriously and to attend to the problems actively by further improving the defects in accordance to the number of complaints received. This would assist in producing better cars and hence will reduce the number of complaints from consumers. Suppliers and manufacturers have to work hand in hand to rectify any defects and to improve automobile sector in general.

- **Service Centre**

The service centre needs to speed up the process and be more efficient in handling the cars. As per the complaints received by the NCCC’s team, the process of servicing the car takes too long leaving the customers immobile.

- **Skills**

The essence of being technicians or mechanics is the skills to assist their clients in identifying the source of the problem. Therefore it is necessary to appoint someone with skills or training should be provided in order to polish their skills to tackle the problem faced by consumers effectively.

Nature of Complaints Related to Travel and Tour

Based on the types of complaints above, it appears to be that flight / airline related complaints were the highest amounting to 1,497 complaints, followed by 765 complaints on tour packages and lastly 337 complaints relating to accommodation.

Flight cancellation complaints were the highest under the flight / airline category amounting to 17.1%. Complainants were left fuming when their flights were cancelled at the very last minute. This then led to other monetary losses as they might had to book another flight to get to their destination. The airlines policy appeared to only provide their customers with another date and time to fly.

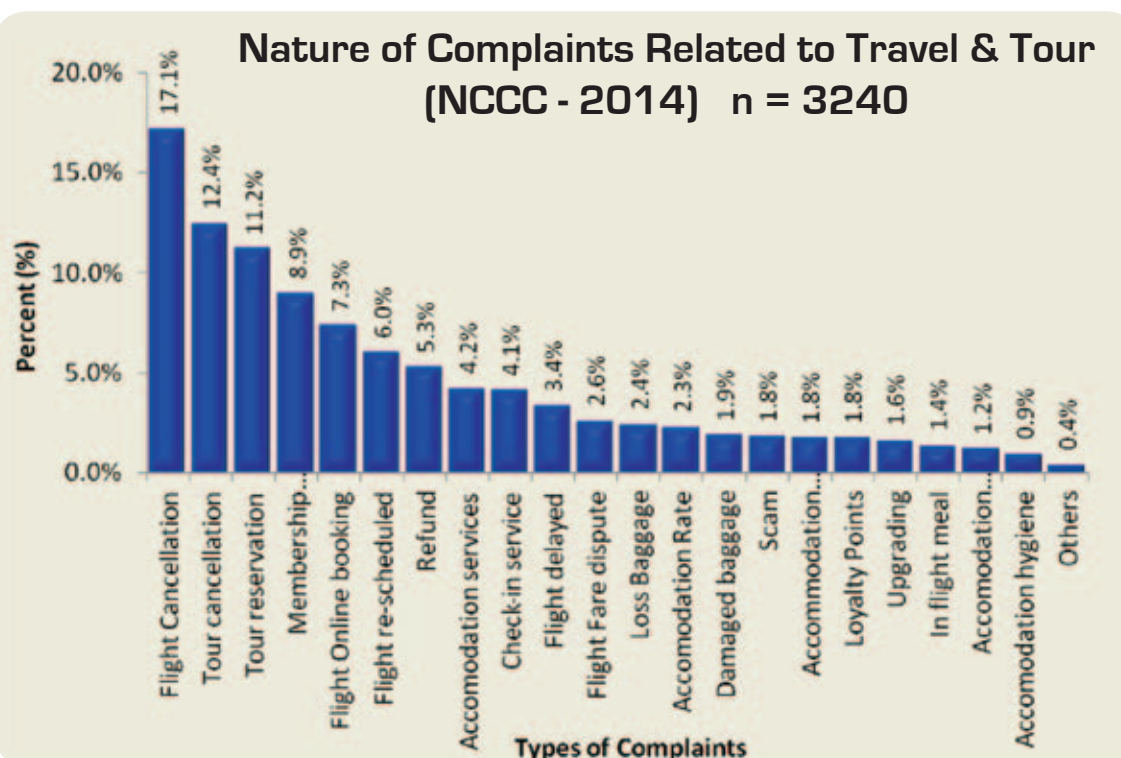
The second highest number of complaints was related to tour cancellation (12.4%). Often this situation arose after complainants made full payment for the trip, all set to travel and then the tour agency called to inform them that the trip had been cancelled. Upon requesting for refund, the tour company took a very long time to comply with the request. Even when the complainant cancelled the tour package due to valid justifications such as health complications for instance, the company refused to refund their money. The company's policy was that the complainants need to pay certain amount of money in order to cancel their tour package.

The third highest complaint this year according to the graph would be tour reservation which



has contributed to 11.2% of the complaints. Based on the complaints received by NCCC's team, it appeared to be that the tour company had failed to reserve hotel and accommodation despite the fact that money had been collected for the trip. This was only realized by the complainant after he / she called the tour company as the company had not provided the itinerary for the trip as the date for the trip was near. The answers given were not satisfactory. Disappointed with the whole incident, most of the complainant demand for their money back and often the tour company would not comply with the request for refund.

Membership cancellation this year had contributed to 8.9% of the complaints. Complainants were not happy with the fact that upon cancellation of membership with the tour company, often the complainant was asked to pay a certain amount of money. Besides, though the complainant had clearly stated his intention to cancel his membership, the company still claimed for membership fees after several years of not engaging their



services. It appeared to be that such pertinent information was not updated in their system.

Flight online booking this year amounted to 7.3% of the complaints. Based on the complaints received, there seemed to be a problem with the website. Often during booking, the system was down or there was an error message appeared on the screen. However after a few days of the initial unsuccessful transaction, complainant received a notification that the booking was made and thus his / her card was charged.

In addition to the above, there was no indication which stated that payment made was successful and therefore complainant proceeded to pay again via online payment. However upon checking the card statement, complainant found out that he / she was charged double. Upon asking for refund, the request was not entertained.

Flight re-scheduling contributed to 6.0% of the number of complaints received this year. The complainant was not informed of the changes in flight schedule and ended up missing their flight. Often the consumer had already booked a hotel and such changes in the flight schedule, definitely affected their other bookings i.e hotel and thus lead to monetary loss. The next possible recourse was to seek for refund and unfortunately some of the airline companies refused to refund complainants money due to their company policy.

Refunds this year amounted to 5.3% of the complaints. Most consumers would like their money to be refunded especially when there was cancellation without notification or when they felt that they had over-paid. Unfortunately, often the company would not comply with the complainants request; some complainants had to wait very long before they got their money back.

Accommodation services this year amounted to 4.2% of the complaints. Complainants were not happy with the hotel provided as the services were poor and maintenance was not well-kept such as

- No water heater
- Valet services provided by the hotel were bad as the complainant's car was found scratched.

These are some of the common concerns raised by complainants.

Online check-in services was found to be poorly managed. Complainant had done online check-in but could not board the flight; this caused the complainant to miss his / her flight. There were even complaints with regards to poor customer service at the check-in counter. This year check-in services complaints contributed to 4.1% of the complaints.

Flight delays can be very frustrating and it can be even more frustrating when no refunds are provided. Due to flight delays, complainants had to endure problems such as re-arranging hotel bookings due to prior booking that could not be redeemed and other kind of arrangements made by complainants. This year, as per the graph above, flight delays has contributed to 3.4% of the complaints.

Flight fare dispute on the other hand this year was 2.6% of the complaints. Complainants wanted to know the breakdown of the fare and upon asking, often they did not get the breakdown of the amount charged.

Lost baggage had contributed to 2.4% of the complaints. Consumers complained that upon arriving at the destination, their baggage was lost and it had caused great inconvenience to the complainant. Important things such as clothes and documents were lost. Due to this reason, complainant had incurred additional expenses to buy clothes and other essentials.

Accommodation rate this year had contributed to 2.3% of the complaints. Complainant argued that despite the fact that they had cancelled the booking; the complainant was asked to pay full price for the hotel.

Damaged baggage contributed to 1.9% of the complaints. Airline Company refused to take responsibility for the damaged luggage. Although the sticker indicated fragile items, it had made no difference. Therefore, the airline company is urged to be more careful in terms of handling their customer's bag to avoid from getting damaged.

Scams amounted to 1.8% of the complaints. This was often related to vouchers given by the tour company which turn out to be invalid. Sometimes payment was demanded by third parties for not paying membership fee by the particular tour company. It is highly advisable that consumers do not transfer any payment to the third party without confirming with the company he / she is dealing with.

Most of the complainants could not redeem the points as the item for redemption was no longer available and to the complainant's dismay, some points they had gained previously were not even incorporated into complainant's account. The complaints with regards to loyalty points were at 1.8% of the complaints.

Upgrading appeared to be at 1.6% of the complaints. Complainant claimed that they had upgraded their seats to premium however on the day of travelling, it was not upgraded. Though it was stated clearly that on the policy that unused credit will be refunded within 5 business day. Unfortunately to date, they had not get their refunds.

Inflight meal was at 1.4% of the complaints. The complainants who requested and paid for the food to be served were disappointed that the stewardess did not serve the food due to some technical error on the system. They admit their mistake and told the complainant

that they would rectify their mistake. However no one got back to the complainant with regards to this matter.

Accommodation security / safety, hygiene and others recorded the total amount of complaints at 2.5%. Accommodation safety and security as well as hygiene complaints require attention. Though the number of complaint is not significantly high however if such incidents occur, it will be an unpleasant experience for consumers. Some of the complainants were disappointed with the security of the hotel as personal things had been stolen from the room.

Having said that, let's look at the laws that are available and recommendations to further improve travel and leisure industry.

Consumer Protection Laws Applied to Manage Complaints

1) Laws

A number of laws are applied in relation to handle complaints under this service sector. Some of which are:

- **Consumer Protection Act 1999(599)**
- **Contracts Act 1950**
- **Companies Law, 1965**
- **Tourism Industry Act, 1992**
- **Trade Description Act**

Unethical Practices / Misrepresentation

Part 2 of the Consumer Protection Act spells out that no person shall make false representation in relation to characteristics of products or services with the intention to misrepresent consumers.

Section 18 (A to C) of the Contracts Act 1950 renders misrepresentation a breach of

duty owed while having the intention to induce a party into entering a contract. Agreements arising from such situation are deemed to be void.

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

Facility Condition

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

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

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

Termination of Contract / Refund

Section 57 and 58 of the Consumer Protection Act 1999 provides that aggrieved consumers have a right to redress against suppliers or manufacturers. Alternatively,

consumers may also seek for a refund in the event they wish to reject a service not in compliance with its implied guarantee.

2) Voluntary Initiatives / Tools

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

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

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

Advise to Consumers and Recommendations for Improvements

- Consumers need to play their part. By simply engaging in any service without prior check on the background of the company is not advisable. In this current generation people are living in, the access to information is effortless. Information can be retrieved easily or consumer can simply call the Ministry of Tourism under Complaints Investigation Unit to enquire as to the company legitimacy.
- To check whether a company is registered, one can do verification of the business license number with the Companies Commission of Malaysia (SSM).
- Keep all important documents, payment resit(s) if there is any. This is to ensure that if there is any dispute later on; consumer can present these documents as evidence.
- Airline companies need to address consumer's grievances more systematically and to ensure that their interest is well taken care off.
- Need to send customer service for training so that they will be equipped with necessary skills to assist aggrieved customer in order to increase the efficiency in dealing with complaints more systematically.
- Airline regulating bodies should also apply international standards concerning refund policies and acceptable quality of customer service. To ensure airlines do not conduct business in an unfair manner given some airlines are in a position of monopoly, relevant regulating bodies should impose stringent laws and policies with regards to hidden charges. Hidden charges are deemed to be misrepresentation of price attached to a specific goods or services and are thus a violation of consumer protection law.
- The Malaysian Competition Commission as a regulating body set up by the **Malaysian Competition Act 2010**, should ensure that company possessing economic power and who are in a position of monopoly are dealt with strictly. They should go the extra mile to curb anti-competitive behaviour to maximise consumer protection especially in the local airline industry.

06

Housing and Real Estate

Housing involves a major consumer spending and often might be the highest amount of money on a single item that one can spend in their life. In a growing economy, often house prices continue to increase and may reach a stage where it becomes unaffordable for many. Consumers do encounter problems with housing and real estate and the nature of complaints are as follows.

This year the highest number of complaints was on deposit / refund with the percentage of 20.9%. Consumers complained that though they had abided by their landlord's terms and conditions in the tenancy agreement, the landlord refused to return their deposit or refund back their money upon cancellation of the booking made.

In some cases, when the loan was rejected, the consumer had no choice but to cancel the booking made. However, the seller often refused to refund the money and if they did, they took a very long time to return back the complainants money.

The second highest complaint was on construction / renovation recorded at 19.4%. Poor quality in the construction sector had been identified as a major concern. Most of the complaints were based on renovation services, atrocious and shoddy construction work for example the roof collapsed or there were crack in walls.

Besides, there were also additional charges on top of the first quotation given (hidden



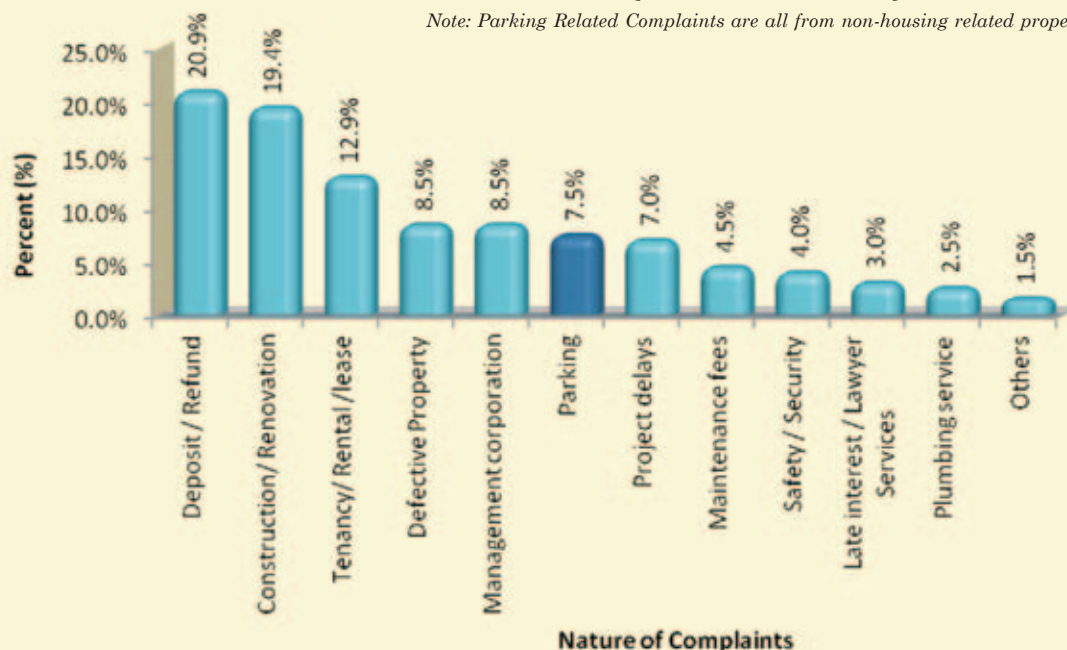
charges) which was not mentioned at the beginning stage leaving no choice for the consumer but to pay otherwise the contractor refused to complete the work.

Tenancy / rental / lease was at 12.9%. Most of the complaints were related to deposits. The owner refused and / or delayed in making payment to the tenant. Some complainants felt that they were cheated because the description given by the owner did not tally with the actual room or house. Upon cancellation, the owner refused to refund the deposit.

Defective property contributed to 8.5% of the complaints. Upon receiving keys to their new home and to their dismay, the property had many defects, ranging from minor problems to major misalignment of the walls and beams. The landscape of the property was not similar to what had been advertised in the brochures. With the defects found on the property, customers felt cheated.

Nature of Complaints Related to Housing and Real Estate (NCCC - 2014) n = 2034

Note: Parking Related Complaints are all from non-housing related properties.



Complaints with regards to Management Corporation contributed to 8.5% of the complaints this year. Property maintenance was undertaken by the management corporation and therefore any defects found in the vicinity of the property, will be handled by the management (condominium / flats / apartment). However, despite several times of complaining to the management for example that the lift was not working, the management corporation failed to attend to the complaints.

Complaints related to parking contributed 7.5% of the complaints. This included overcharging; despite being promised a flat rate, the complainant was charged based on hours going against what was stated on the notice board. Besides, upon terminating the parking contract, complainant was expecting to get his / her deposit back; unfortunately, after several months of waiting, the complainant did not get back the full deposit.

Delays in housing project have always been one of the major concerns. Delays can cause immense distress to the hapless buyers waiting to get possession of their homes. The question is not whether delays will occur, (they will), but how they are handled once they do? Based on what had been shared by complainants often no actions were taken; also they could not claim for compensation as stated in the sales and purchase agreement. Often the work was halfway done, and other contractors refused to complete the job, and if they did, they demand a very high payment. Complaints with regards to project delays contributed to 7.0%.

Maintenance fees this year amounted to 4.5%. Often consumers lodged complaints that no services were carried out despite the fact that maintenance fees were paid every month to the management and the fees were quite expensive. Upon notifying the management, no actions were taken and no refunds was

given to them. Complainants also added that though they had made monthly payment to the management, it was not reflected on the statement and thus further payments were demanded.

Complaints with regards to safety and security contributed to 4.0%. When it comes to security and safety of a consumer, it should be regarded of high importance and should not be compromised at all. Security and safety complaints as shared by the complainants were security system installed in the house not functioning and upon complaining no one came to check on the security system. Poor electrical installation by the technician had led to serious injuries suffered by the complainant. Therefore, it is important to ensure that the security and safety of a house is taken care of to avoid any major problems.

Late interest, plumbing services and other issues are indicated in the above graph. Each has contributed to 3.0%, 2.5% and 1.5% respectively. Late interest pertaining to exorbitant amount of money was charged to the complainant, and mainly not due to the complainants fault but because the bank had released the money late. Plumbing services was carried out poorly as within months there was a leakage from the ceiling due to poor plumbing work.

Having understood thus far the nature of complaints endured by consumers, let's examine the laws that are available in Malaysia.

1) Laws

The Housing Development (Control and Licensing) Act 1966 (the HDA) which came into effect on the 29th August 1969 is the main statute controlling housing development in Malaysia. The Act is under the jurisdiction of the Ministry of Urban Wellbeing, Housing

and Local Government (MUWHLG)), the main authority to control and observe private housing development.

The rights of house purchasers in Malaysia are clearly spelled out in the standard statutory sale and purchase agreement (**Schedule H and G of the HDA**). These include the right to repudiate the sale contract, damages for late delivery and unsatisfactory house quality.

Section 24(2)(d) and (f) of the HDA stipulates that only the Minister may regulate all types of payments under whatever name these may be described for the purchaser to make.

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

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

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

to compensate the purchaser in terms of liquidated damages.

Laws Regarding the Quality of Construction

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

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

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

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

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

Joint Management Body

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

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

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

- (a) To properly maintain the common property and keep it in a state of good and serviceable repair;

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

To do such other things as may be expedient or necessary for the proper maintenance and management of the building

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

- (a) To collect from purchasers maintenance and management charges in proportion to the allocated share units of their respective parcels;
- (b) To authorize expenditure for the carrying out of the maintenance and management of the common property;

- (c) To recover from any purchaser any sum expended by the Body in respect of that parcel in complying with any such notices or orders as referred to under paragraph (1)(e);
- (d) To purchase, hire or otherwise acquire movable or immovable property for use by the purchasers in connection with their enjoyment of the common property;
- (e) To arrange and secure the services of any person or agent to undertake the maintenance and management of the common property of the building;
- (f) To make house rules for the proper maintenance and management of the building; and
- (g) To do all things reasonably necessary for the performance of its duties under this Act.

RECOMMENDATIONS

- Most of the lay persons do not know their rights and the laws that are available to protect their interest. Therefore, it is important that one must do a thorough check before purchasing a house.
- Before buying a house from a developer, check how many of his past projects were delivered on time. If there was a delay, what was its quantum in each project?
- Request the developer to show his license and proof of other clearances for developing the project.
- Firstly when you buy a property, you should get the Sale and Purchase Agreement (S&P) checked by someone with proper knowledge, or appoint your own lawyer.
- Read the S&P yourself, carefully. The document contains information about buyer's rights.
- Forum for consumers to settle their trade disputes in less cumbersome, fast and at a minimal cost would be the **National Housing Department and the Tribunal for Homebuyer's Claims (TTPR)**. There are 2 types of claims that can be filed at TTPR which are as follows: Technical claims / Non-technical claims. Claims due to defective workmanship or materials and where the house or apartment has been constructed not in accordance with the plans and description as specified in sale and purchase agreement also claims for late delivery of vacant possession.

The processes to submit a claim through the TTPR are simple enough to understand even for a layperson. For more information log on to: http://www.kpkt.gov.my/kpkt_bi_2013/index.php/pages/view/370

- If there is any dispute encountered with the developers due to build material i.e. quality and etc, they may seek redress from the House Buyers Tribunal. There are strict enforcements such as fines and blacklisting the errant developers.
- Drawback: The Tribunal's jurisdiction is also restricted to claims which do not exceed RM50,000. In view of the present market value of houses in Malaysia, this limitation may deprive many house purchasers from claiming their right in the Tribunal. Therefore, they should increase the threshold.
- Many are still unaware of the existence of Housing Claim Tribunal. Consumers should be educated that they have revenue such as the Housing Claim Tribunal to complain because many complaints may

not reach them as consumers are ignorant of their rights.

In cases of a Sub-Sale

- When you are refused your earnest deposit or booking fee in the event that your loan application has been rejected by the agent or vendor, proceed to hire a lawyer to place a caveat on the property in issue.
- This will help prolong the sales of the property in issue, and in this time, make it clear that you will only remove the caveat should you be refunded in full of your earnest deposits or booking fee.
- To understand more on the sales and purchases of a property, please feel free to contact the House Buyers Association to seek for clarification. They can be viewed online and contacted at: http://www.hba.org.my/about_us/contact.htm.
- Most complainants are not aware of this and some are even misled when they verbally agree with agents or developers that their deposit will be returned in the event their loan gets rejected or for some reason they do not wish to proceed with the sale. However, as nothing is written and agreed upon in black and white, these agents or developers go back on their words and it is at this juncture complainants feel that their rights as a consumer have been violated.
- To avoid the abovementioned, consumers at large are urged to be prudent by getting a confirmation from agents, vendors or developers clearly stipulating that all booking fees or deposits will be returned to the purchaser in the event a loan application is rejected and the S&P agreement is not signed within fourteen days.
- In some cases, it takes more than 14 days to get a loan approved and as such, agents, vendors and developers should not capitalize on consumer's vulnerability by being unscrupulous. Some of the complainants have saved up for years to have available cash to be paid as deposits or booking fees and this sort of practice by agents, vendors and developers is highly frowned upon.

What consumers ought to know about refunds and deposits amidst a dispute?

- Consumers at large are usually urged to pay up to 3% of the property price as a booking fee before they apply for a loan. The norm is that they will sign a booking fee form. In this said form, there exists a clause, highly prejudicial towards the purchasers as it clearly stipulates that in the event their loan is not approved and the Sales and Purchase Agreement (S&P) is not signed within fourteen (14) days from the day the booking fee form was signed, the vendor thereby reserves the right to forfeit the earnest deposit.

07

Banking / Financial Sector

For 2014, NCCC received a total of 1,494 complaints in regard to banking and financial institutions with the monetary loss estimated to be RM3,214,435.80. The value of the amount in dispute however had increased from 2013 by RM732,502.20.

Based on the complaints received, a large number of disputes were in regard to the loan services (housing loans, vehicle loans, general loans and mutual fund loans) provided by the banks and other financial institutions. Summing all the four different loan disputes adds up to a total of 43.8% of the total complaints received by NCCC. Another significant issue was with regard to credit cards contributing to 22.7% of the total complaints under banking category.

Disputes on loan settlement were the highest issue received by NCCC under this sector, recording 24.5% of the total complaints. The issue here was mainly concerned with the housing, vehicle and general loans. Some of the common issues highlighted by the complainants were the delay in removing the complainant's name from CTOS / blacklist even after settling the outstanding sum. Some of the complainants were still receiving notices or charged for the outstanding payment even though they had settled the loan. A number of banks appeared to be practicing oppressive methods in handling arrears arising from non-performing loans by using thugs as debt collectors or threatening consumers that they would confiscate their property.

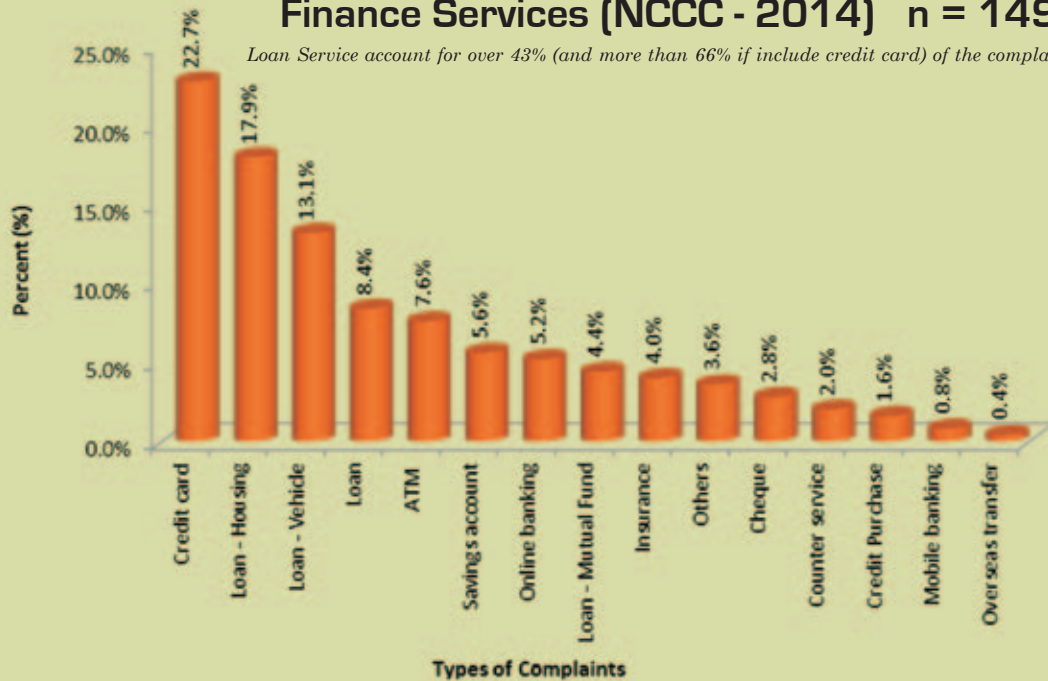


Complaints on hikes in interest rates and the auctioning off or seizing of the property without prior notice were also received by the NCCC. At times, the bank's failure to update their system had caused major complications resulting in properties being auctioned off or seized and a massive hike in the interest rates with no justification.

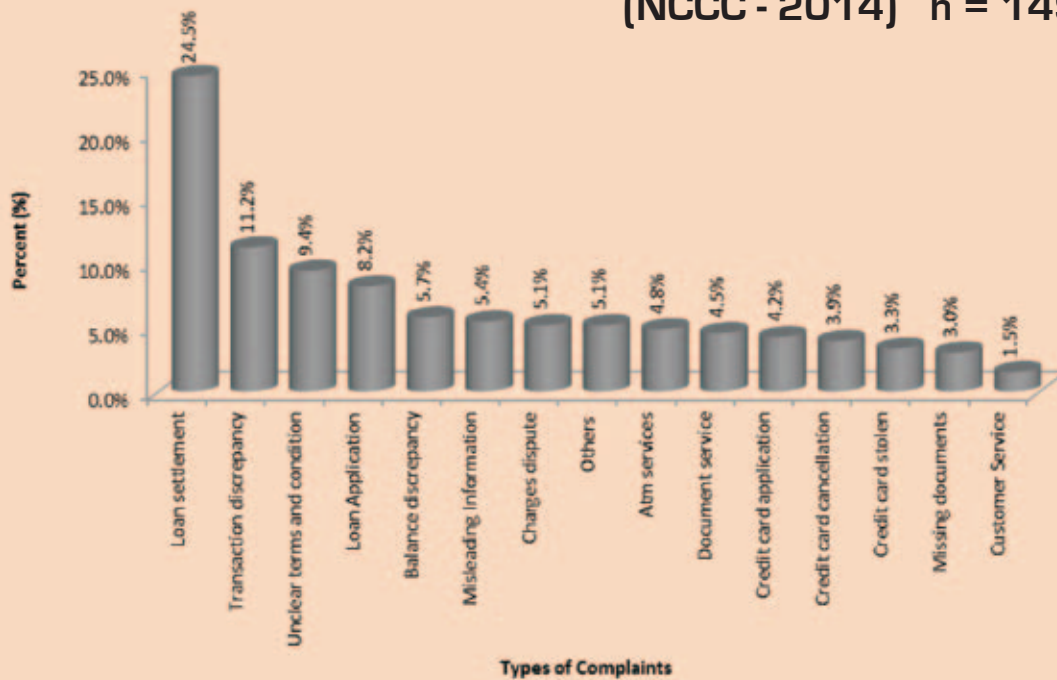
The second highest complaints received by the NCCC at 11.2% are in relation to transactions discrepancy. Some of the common issues highlighted by the complainants are the failure of the banking system in detecting the funds paid or transferred to other accounts by the complainant. Some of these transactions were accidentally transferred to the account of others; however the bank still failed to retrieve the wrong transaction despite providing evidence of the error. Some of the complainants

Nature of Complaints According to Type of Banking and Finance Services (NCCC - 2014) n = 1494

Loan Service account for over 43% (and more than 66% if include credit card) of the complaints



Nature of Complaints Related to Banking and Finance (NCCC - 2014) n = 1494



complained that unauthorised deductions were made from their account and had lodged a complaint to the bank to stop the deductions from happening again. To their surprise, this was not done by the bank and the funds were transferred again to the rogue account holder.

Many of the disputes on unclear terms and conditions were related with credit card charges. From the complaints received, it shows that many consumers were not informed properly on their credit card usage and charges during the application and some were misinformed by the bank's agent on the annual fee waiver and the discount eligible for the card holder. Others complained that the terms and conditions for loan package were not explained in full or accurately and were misled by the agent with the attractive terms into applying for the loan package; this led to the issue of misleading information being given to consumers. In relation to the banking industry, consumers are advised to read and understand the fine print of the entire terms and conditions carefully before signing any approval, as the consumer might be giving away certain rights.

About 8.2% of the complainants brought up the issue on their loan application. One of the issue that had been raised on loan application was the delay or the time taken to process the loan. Due to the delay, many complainants suffered losses as they had to resolve their matter in different ways (compensate on late payment interest, halt their contacts, and some were struck to honour their agreement without the loan approval). However, many were given inadequate reason for the refusal on their loan request, leaving the consumer in dilemma as to the reason of the rejection.

As for the issue on balance discrepancy, about 5.7% of complainants were shocked to find out that the funds in their account were missing or inaccurate. It is indeed very frustrating for consumers to realize that all the hard earned money has gone missing

from their account, especially when they have entrusted their monies in the banks for safekeeping. To aggravate the matter further, the complainants were kept waiting for the feedback by the bank and some were provided with unacceptable reasons on their missing funds. The two problems that should be questioned here are, who is at fault here and how can the money be returned safely, as this a serious issue involving others hard earning and security should be at top priority when it comes to the banking industry.

Consumer Protection Laws Applied in Managing Complaints Received on Banking and Financial Services

1. Laws

Loans

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

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

Due to such practices, all banks are free to stipulate terms and conditions via a loan

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

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

- a. the positive assertion, in a manner not warranted by the information of the person making it, of that which is not true, though he believes it to be true;
- b. any breach of duty which, without an intent to deceive, gives an advantage to the person committing it, or anyone claiming under him, by misleading another to his prejudice, or to the prejudice of anyone claiming under him; and
- c. causing, however innocently, a party to an agreement to make a mistake as to the substance of the thing which is the subject of the agreement

Recommendations for Improvement

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

eliminate the possibility of miscommunication and misunderstanding should a dispute arise.

If a customer defaults in servicing loans of any sort, banks are advised to contact them to inform them on their arrears and the possible consequences from such. However, should the customers inform the banks that they are in financial difficulties; banks are urged to ease their burden as opposed to hiking the interest rates and auctioning off properties.

A meeting should be held with these said customers to propose a repayment scheme to allow the financially burdened a breather. It is only after the banks having exhausted all possible means of amicable settlement, should they resort to an auction or hiking interest rates.

For all that has been mentioned above, **Bank Negara Malaysia (BNM)** should ensure strict compliance to guidelines with the manner all banks handle increase in interest rates and the auctioning off of a property. There is a dire need of a check and balance mechanism to ensure that banks have complied with all the standard operating procedures in a timely and judicious manner before which they are allowed to auction off a property.

Additionally, BNM should also monitor closely all banks on how they manage their complaints received from the general public at large, or even from NCCC. BNM should ensure that the complaints are addressed amicably between the banks and the consumers. Often, although BNM may send the complaint to the bank concerned; the attitude on the part of the bank is one of apathy and not at all concerned with the interests of the consumer. If banks can show such attitude towards the regulator, how much more indifferent would they be to the ordinary consumer.

The Role of AKPK under Bank Negara Malaysia

AKPK is an agency set up under Bank Negara Malaysia (BNM) to educate those who are in financial difficulties. Amongst their roles in doing so are financial education, credit counselling and debt management. The relevant bodies should ensure that their role is made known to the Malaysian public at large. All these are made available with no fee involved. For more information kindly visit <http://www.akpk.org.my/>

The Role of the Financial Mediation Bureau (FMB)

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

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

The Associations of Banks in Malaysia (ABM)

The Associations of Banks in Malaysia (ABM), is a non-governmental body that champions financial literacy and consumer protection. The ABM lends a hearing ear to consumers amidst a dispute with banks that are registered as a member with the ABM. They facilitate a meeting / mediation between aggrieved consumers and the banks for an amicable settlement. The NCCC has got a good working relationship with the ABM and they have been rather helpful in most instances.

The Importance of the National Consumer Complaints Centre (NCCC)

The National Consumer Complaints Centre (NCCC) receives and resolves complaints across all industry and as such, the same applies to the banking and financial services industry.

As such, all relevant bodies that regulate banks and other financial institutions, receives complaints on banking and financial services are urged to work hands in gloves with the NCCC to study and discuss all complaints trend made in relation to the banking and financial sector. This will further enable the regulating bodies to stringent their guidelines and at some instance demand compliance from banks or financial institution.

Additionally, it will also allow for the repeal of archaic guidelines and give way for the NCCC to propose new ones in accordance with the complaints received thereby affording further protection to consumers at large.

08

Wellness and Aesthetics



Everyday, consumers are bombarded with advertisements inviting them to use products and treatments which would make them more beautiful. According to the ads, one needs dozens of products such as creams and Botox injections and procedures to look attractive. Yet becoming beautiful can be terribly expensive.

Consumers often need to pay large sums of money to achieve “beauty” by going to the beauty parlours for skin treatment, to the slimming centre to shed off some extra pounds, and salon for hair treatment, to the gym and the list just goes on. Unfortunately often the results do not turn out the way they expected it to be.

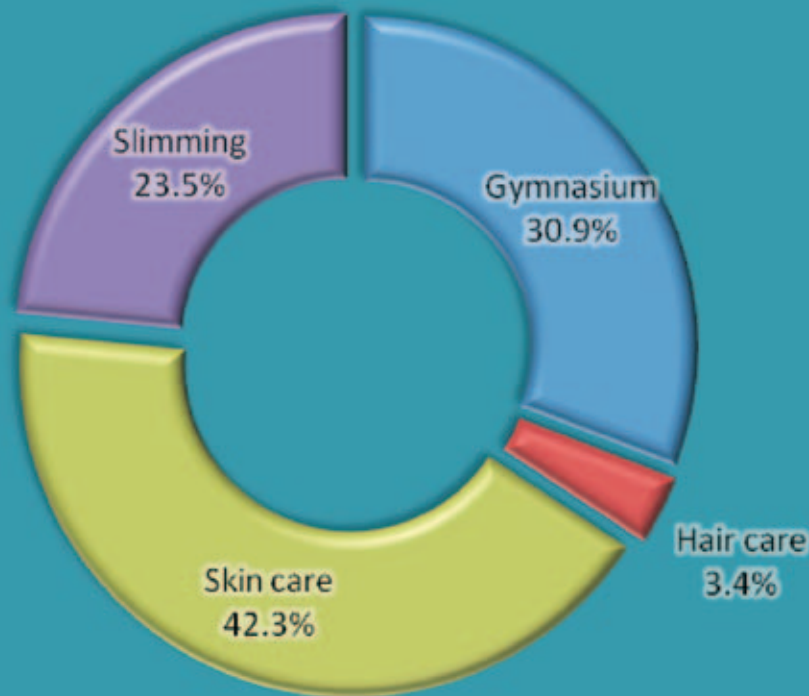
Based on the pie chart, the highest complaints received according to the types of services are

on skin care at 42.3%, followed by complaints with regards to gymnasium at 30.9%, slimming centre at 23.5% and lastly hair care at 3.4%.

Some of the common problems as received and reported by the NCCC’s team are as follows:

- The treatment did not work; difficulties in getting refund
- Skin condition worsened for example rashes, skin became sensitive, dry, or itchy
- Wrong / misleading information; seeking for refund to cancel the treatment but denied redress
- Consultant pressured the complainant to sign up for more treatments though the complainant did not want to
- Complainant cancelled the treatment, however the company refused to refund her deposit

Complaints According to Type of Services (NCCC - 2014) n = 1359



- Hidden charges
- Money back guarantee, but when asked for money back, the company declined
- Charged complainants even after terminating their membership at a fitness centre
- Branch closed down without any notification

The list given above is not exhaustive but these are some of the common concerns raised by consumers. Some cases involved huge sum of money, some lost their confidence and trust, and others with permanent damage to their skin. Damage to skin or other health consequences are the most frustrating and unfortunate cases that the complainant has to endure.

It has been a common “tactic” used by the industry to mislead consumers just to get them to engage for the particular products / services and the common phrases used by these centres are “free treatment”, “trial pack”, “money back guarantee”.

There has to be laws or regulations to stop the abovesaid from occurring, and to ensure that those who contravene with the basic guidelines and standards should be punished to hinder others from repeating and to show that such cases will not be taken lightly.

Nature of Complaints

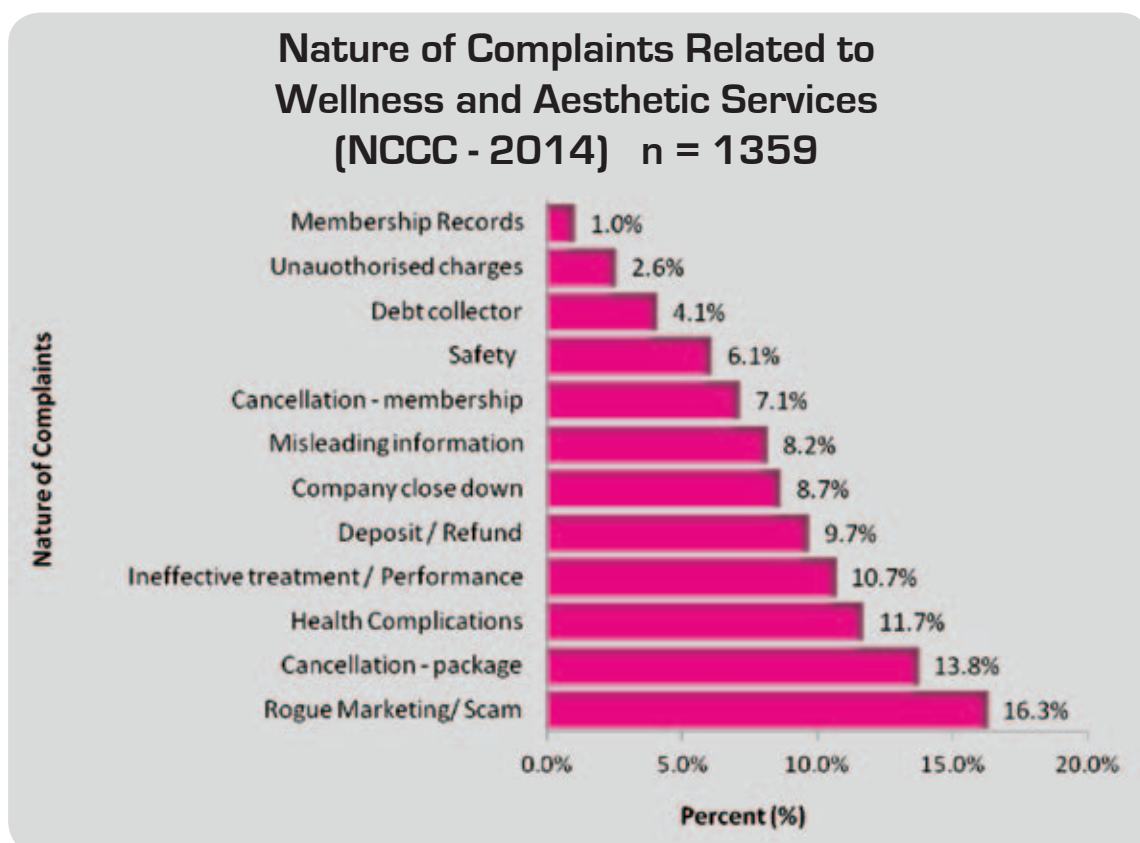
This year, the highest number of complaints received by NCCC's in relation to wellness and aesthetic services is on rogue marketing / scam which is at 16.3%. This is where complainants were misled by the centre for free trial and then pressured to become a member at the centre and asked to pay exorbitant amount of money in order to see results in case the first treatment did not work.

The second highest number of complaints was on cancellation of the package signed up by the complainant which was 13.8%. The complainant wanted to cancel the treatment because she felt cheated that the product did not work as how was promised. For instance, her skin condition worsened, she did not lose weight as represented by the sales person, or there were no changes in the skin tone (fairer skin). Besides, consumers needed to pay more

due to the fact that the treatment did not work and therefore due to these reasons, the complainant wanted to cancel the treatments / contract.

However they were often left disappointed as the centre did not accept any cancellation, and in the event if successfully cancelled, there would be no refund or deposit given back to the complainant by stating that they had "breached" the contract, or the terms and condition was worded in such a way that upon cancellation of whatsoever reason, no refunds will be given and deposits will be forfeited. In some cases this kind of clauses binds the consumers and prevents fair redress.

The third highest complaints were on health complications (11.7%). This was by far more serious compared to other types of complaints due to the nature of the complaint itself. Health complications can cause permanent



health damage; the complainant incurred more money loses as the complainant needed to pay for medical treatment. Not all the centres were willing to bear the costs and if they did, it would take time before they could carry out the process.

Some of the cases were quite severe. Based on the compilations made by the NCCC's team, these included:

- eye damage
- hair was burnt
- skin got worsened and the consumer had to go to the specialist to get her problem addressed
- 1st degree burns on skin

Therefore it is important to give attention to this kind of complaints and to ensure that these centres are run by professionals to avoid the abovesaid from occurring.

Ineffective treatment or performance this year rated the 4th highest complaint contributing to 10.7%. Consumers felt cheated as the treatment they sought for did not perform up to their expectations and as how it was advertised. There was no improvement as initially promised by the beauty centre's representative. Upon enquiring why the treatment was not up to the promised level, remarks by the company were simply unsatisfying such as it was unfortunate for the complainant.

Having said that, usually when a treatment was found to be ineffective or consumer suffered from health complications due to the treatment, by right they wanted to be refunded. Those who signed up at the gym decided to terminate their membership due to some valid reason(s); they expected to get their deposit back. However to their dismay, neither money would be refunded nor the deposits returned. The company would argue that the treatment actually worked but took time before the results could be shown, or they refused to

hold themselves responsible as the terms and conditions stated in the contract was such.

This year deposit / refund complaints were 9.7%. Frustrated complainants expressed their dissatisfaction either by suing the particular company or lodging a complaint to NCCC with the hope that solution can be provided.

8.7% of the complaints was due to the company closing down. The type of complaints compiled by NCCC is that complainants had sign up for a particular treatment and had made upfront payment before the treatment process was carried out. However, without informing their customer, the company closed down and worse ,some of the companies did not pay back their customer and even could not be reachable.

Misleading information is often the greatest concern when it comes to engaging such services or treatments. This year misleading information contributed to 8.2%. Some centres carried claims of "whitening", "lose weight in 2 weeks" were exaggerated, misleading or entirely false.

Based on the graph above, membership cancellation this year is at 7.1%. Membership cancellation can be due to many reasons. It can be due to health, not happy with the service provided, shifting to another state for instance and therefore could no longer continue to be a member at the same centre again. Having cancelled their membership, deduction on their credit card was still made despite the fact that they had clearly told the centre that they were cancelling their membership.

Safety this year had contributed to 6.1% of the complaints. This requires special attention as to the safety of the product that is used; security measures at the gym need to be tightened as a lot of complainants had suffered loss due to items that were missing.

Complaints with regard to debt collectors had contributed to 4.1% of the complaints. Debt

collector harassed the complainant or the complainant's family by calling his / her house, office asking for money. The complainant had not been informed about the automatic renewal of membership and had discontinued upon expiry of the membership. After a few months of not attending the gym assuming that the contract had ended, the debt collector began to call the complainant almost every day asking to pay despite the complainant clarifying the misunderstanding.

Unauthorised charges and membership record contributed to 2.6% and 1.0% respectively. Like any other sector, unauthorised charges are not alien anymore. Often customers were charged even though there was no confirmation to sign up for instance.

Having said that, let's look at the laws that are available and recommendations to further improve the wellness and beauty centres industry in Malaysia.

Laws

Consumer Protection Act 1999

- **Section 6** provides that the Act shall have effect notwithstanding anything contrary in the agreement.
- **Section 19** states that every service provided for in the market should be subjected to some safety standards as per set by the Ministry.
- **Section 19** provides that all goods provided for in the market are subjected to minimum standards of safety requirements.
- **Section 17** states that a consumer who cancels a future services contract may be charged in 3 methods — (i) 5% from the full contract price; (ii) the cost of any goods the consumer used or is keeping;

or (iii) the portion of the full contract of price representing services received by the consumer.

- **Section 17(5)** states that a person is entitled by law to cancel a contract either via documentation or verbally so long it is communication to the other party. Should wellness centres demand for full payment upon cancellation of a contract (for those who have paid in full), the consumer is entitled to claim for the remaining balance. This has to be **carried out within 14 days** of the contract cancellation.
- **Section 13** stipulates that no one person may advertise for the purposes of supplying a product or service with a stipulated price without the intention of providing the services.
- **Trade Description Act 1972** states that sellers or traders of goods and services shall not take unfair advantage of consumers as it is an offence under this Act to do so.
- **Section 10** provides for the rights of consumers against misrepresentation or false statement made in inducing one person into entering a contract

Recommendations

- There must be quality control check to ensure that the products used are safe for consumers.
- The Ministry of Health should monitor and ensure that beauty centres are run by professionals by conducting regular inspections.
- With regards to wellness and beauty centres, the law has to be strict in dealing

with those who contravene the law, negligently caused harm (depending on the number of complaints and severity of the case) by closing down the centre and revoke their license in serious cases.

- The gym centres need to tighten their safety measures to avoid cases such as stealing. Install CCTV camera at the locker or hire security guard.
- Consumers play an important role to check with the relevant authority (ies) before signing up at any beauty centre. Make sure the process is carried out by professionals and to lodge a report immediately upon any misconduct done by the centre
- There must be an act drafted to specially deal with wellness and beauty centre. There is a **Local Government Act 1976 - Beauty and Health Care Centre (Perbadanan Putrajaya) By-Laws 1999**. However, this Act is applicable only to Putrajaya.

A significant part of household expenditure occurs through retail transactions and therefore the retail sector is one of the most important sectors concerning consumers.

Based on the complaints received by the NCCC last year, the highest number of complaints recorded was on charge disputes (21.3%). Retailers were charging rates above what government had fixed and they were also overcharging.

Also, the price quoted was often misleading. The price indicated on the price tag did not tally with the receipt when consumers made payment. Upon enquiring from the seller, he / she was told that the price had increased. Some retailers even refused to give any justifications for their action in increasing the price of some of the goods and such actions is certainly against sales ethics. Disappointed consumers came to NCCC or to the tribunal to raise their concerns with regard to this matter.

A company's most vital asset is its customers. As consumers spend their money on goods or services, they expect that the services provided by the retailer to be up to their expectations or at least to be reasonable. Besides, there needs to be some form of professionalism especially from customer service personnel to manage consumers through effective customer service skills such as good interpersonal communication abilities, positive attitude, quality focus and problem solving.

This year, the complaints received by NCCC with regard to services were the second highest

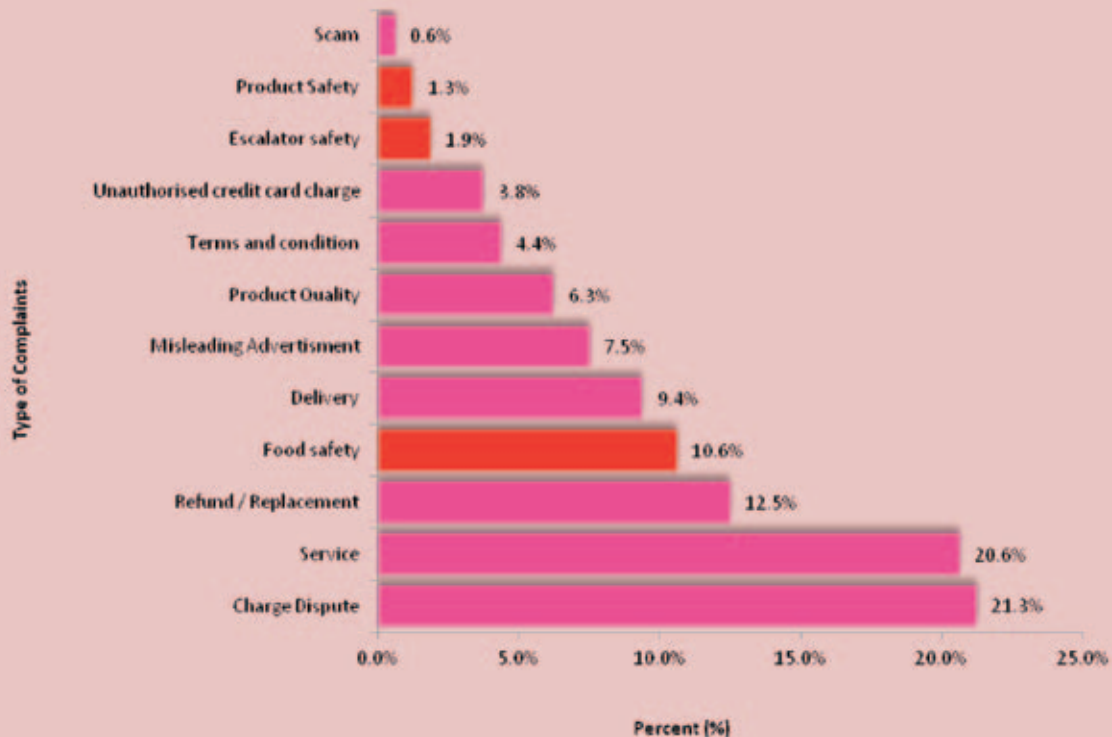


compared to other complaints, amounting to 20.6%. Some of the complaints include;

- Damages to the clothes sent for cleaning for example stains
- Wedding package paid earlier but there was a delay in providing the photo book beyond the date promised until customer had to make several calls to the shop asking for the photos. It even took years before the photos were actually delivered,
- Customer service personnel was rude and unapologetic for his / her actions
- Services provided by an event management company was poor as the sound and lighting service was not functioning properly during an important event

Complaints mentioned hereinabove are not exhaustive; however, these are some of the common concerns raised. Services provided were not up to the customer's expectations and customers felt that empty promises had been made by retailers just to sell their products and to profit from the customer.

Nature of Complaints Related to Retail Sector (NCCC - 2014) n = 1233



The third highest number of complaints was on refund / replacement, contributing to 12.5% of the total number of complaints received this year. This happened when customers were not happy with the product purchased or that the service provided was not up their satisfactory level as explained in the report above.

Therefore, the next possible recourse sought by most of the consumers would be refund / replacement. Such request(s) often fall on deaf ears; some promised to refund / replace the goods but failed to do so. For instance, vouchers given to customer were invalid and upon requesting for a new voucher, no one entertained the request.

From the graph, 10.6% of the complaints were lodged in relation to food safety. It is upsetting to learn that some hypermarkets are selling

expired goods on their shelves. It is a known fact that expired goods pose health hazard to consumers. Such actions were intolerable and stern actions need to be taken in order to prevent consumers from consuming these goods. Besides expired goods, complaints with regards to finding insects, fungus and other particles in the food items had been recorded; such foods are definitely not safe for human consumption.

Late deliveries contributed to 9.4% of the complaints this year. More often than not, the delivery took longer time than initially promised. Thus, “within 14 days” delivery or “21 days” of delivery did not take place and the retailer failed to give valid justification for their actions. Such delays caused problems to the consumer as the customer might be waiting for the package for special occasion, or

customer was travelling on a particular date bringing along the purchased items. In such situation, the consumer would suffer a great loss in terms of time and money. Therefore when such commitments were made by the retailer it must be honoured in order to gain the trust and confidence of the customer.

This year, misleading advertisements made up about 7.5% of the complaints. Misleading advertisement like any other sector be it retailer, e-commerce, or education has always been a problem and perhaps will continue to be if stern actions are not taken to curb this problem. For instance, stickers, attained through purchases were promoted to be exchanged for free gifts; however on trying to redeem the stickers, consumers were unable to do so and were told that there was no stock of free gift or it had finished. Each time the consumer sought to redeem the free gift, he was told the same story. In addition to that, some information might not even be accurate such as what was being advertised on television to what was being displayed in the shop. There is a clear misleading advertisement causing customers to lose their trust on buying products especially those that are advertised on television as they are worried that they might be cheated again by such misleading information.

Product quality is rapidly becoming an important issue. 6.3% of the complaints this year focused on product quality. A simple understanding about quality is that quality is measured by the degree of conformance to predetermined specifications and standards, and deviations from these standards can lead to poor quality and low reliability. Complainants were upset that newly purchased items were found to be defective, broken and not up the standard and quality promised by the retailer.

Terms and conditions were at 4.4% of the complaints; the terms and conditions were silent when it came to pertinent information

such as the expiry date or change of organisation leaving a customer ill-informed when such situation arose on a particular issue as the organisation refused to comply with complainants request simply because it was not stated under the terms and conditions.

Unauthorized credit card charge at 3.8% of the complaints on the other hand is very serious when there was a deduction in payment without any knowledge of the customer; sometimes the same items was charged double or triple. It seems to be that the security of a credit card had been violated and compromised either by the retailer or the credit card company.

Escalator safety was at 1.9% of the complaints. The main concern with escalator safety is the safety issues and managing risk is extremely important to building operators who have escalators and moving walkways. Operators of these carriers should be diligent in keeping the users of their service safe to avoid accidents as well as help reduce exposure to litigation.

Product safety was at 1.3% of the complaints. Product safety is very important and should not be taken lightly. Products with defects that pose substantial product hazard can lead to serious injury or death. If the products are found to be defective and that the safety of such product has been compromised, it is important for the consumer to bring this matter up. The complaints received by NCCC will ensure that it will be channelled to the right authorities to ensure that the safety of consumers are prioritised.

Last but not least would be scams which contributed to 0.6% of the complaints. Scams require serious attention of consumers. The consumers need to be able to distinguish between genuine opportunities and scams.

LAWS

Consumer rights are spelled out in the **Consumer Protection Act 1999** (hereinafter referred to as “the CPA”), **Contracts Act 1950**, **Sale of Goods Act 1957**, and therefore these Act are important to solve / unlock problems faced by consumers. The rights are stipulated in the Act and failure to adhere amounting customer having the rights to file a suit.

The spirit of the CPA is to protect consumers from misleading and deceitful conduct, for example a verbal lie by the business operator, dubious marketing, false advertising, the guarantee of safety of products and / or services, misrepresentation, misleading facts with regard to a product or service, guarantees of supply of goods and services such as date, price and volume as paid or promised upon in the transaction and protection against general liability. Therefore in this context, the Consumer Protection Act is more suitable and the relevant sections under the Act are as follows;

- **Section 12** provides that misrepresentation on price and nature of the product amounted to an offence.
- **Section 14** with regard to gifts, prizes, free offers, etc.
 - (1) No person shall offer any gift, prize or other free item
 - (a) with the intention of not providing it; or
 - (b) with the intention of not providing it as offered.
 - (2) No person shall in offering any gift, prize or other free item with the purchase of any goods or services, whether or not contingent on the purchase of other goods or services –
 - (a) charge more than the regular price for the goods or services to be purchased; or

- (b) reduce the quantity or quality of the goods or services to be purchased.
 - (3) A person who offers a gift, prize or other free item may impose any reasonable condition on the offer.
 - (4) Where a person imposes a condition on the offer, he shall –
 - (a) describe the condition clearly;
 - (b) ensure that the description of the condition is conspicuously placed near the expression “free” or “free offer”, as the case may be; and
 - (c) ensure that the print of the description of the condition is at least half as large as the print used for the expression “free” or “free offer”.
- **Part IIIA** deals with unfair contract terms with regards to all the circumstances, causes a significant imbalance in the rights and obligations of the parties arising under the contract to the detriment of the consumer. It includes both procedural and substantive unfairness. In simple terms procedural unfairness looks at the process of making a contract, whereas substantive unfairness concerns the outcome of the process, ie the content of the contract.
 - **Section 53** provides that where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill.
 - **Section 54** provides that implied guarantee shall cover matters relating –
 - (a) reasonably fit for any particular purpose; and
 - (b) of such nature and quality that it can reasonably be expected to achieve any particular result, that the consumer makes known to the supplier, before or at the time of the making of the

contract for the supply of the services, as the particular purpose for which the services are required or the result that the consumer desires to achieve.

RECOMMENDATIONS

- There should be a regular inspection to check whether the price charged by the retailers are in line with the market price (price monitoring).
- Customer service personnel should be sent for training at least once in 6 months or once a year to be fully equipped with customer service skill in order to enhance their services to customers.
- There should be a close monitoring system set up for advertisement to ensure that no misleading information / advertisement is advertised to consumers and this system should be set up by the Ministry of Domestic Trade, Cooperatives and Consumerism.
- Whatever product it may be, it is vital to make sure that it is safe. Making sure that your products comply with product safety regulations and contain no hazardous substances is essential in order to bring them into a supply chain or marketplace.
- Consumers play a role in checking for expiry dates before purchasing an item. Consumers who come across expired items, it is important for them to file a complaint and report the matter to the relevant authority(ies).
- Consumers should be educated that they have revenue as NCCC to complain because many complaints may not reach NCCC as consumers are ignorant of their rights.

If consumers are not aware of their rights and responsibilities, no matter how many legislation and how many well enforced consumer laws exist, they will be ineffectual.

10

Utilities Services (Electricity, Water & Sanitation)

Complaints against utilities encompass three sectors – electricity, water and sanitation. The NCCC received a total of 1,315 complaints in regard to utility services which amounted to a potential loss of RM965,837.40. The breakdown by sectors were 306 complaints against the electricity supply services, 857 against water services and 152 against sanitation services. The total amount of the potential loss increased substantially compared to 2013.

Looking at the graphs below (electricity supply service, water and sanitation), it is clear that billing issues have always been the major issues with these utility industries.

a. Electricity Supply Services

Based on the complaints received with regard to electricity supply services by NCCC, complaints in regard to billing disputes recorded the highest number of complaints. The consumers mainly complained that their usage or billed amount increased tremendously after the electrical meter was installed compared to the older analogue meter. In some cases, the complainants stated that the billed amount was unreasonable due to the fact that the premise was not in use or having few occupants in the premise.

The issues in regard with delay charges constituted the second highest number of complaints received, recording 20.6% of the total complaints. The complaints were



mainly to do with consumers not receiving their electricity bills for months and as such the consumers neglected paying their bills on time; consumers were thus shocked when their electricity supply were cut off or received a notice to pay a lump sum amount for the outstanding payment. Due to this many lamented on unusually high lumped up bill charges.

As for the issue on application, complainants claimed that the energy suppliers refused to send their technician for the replacement of the meter. Premises issues records 8.8% of the complaints, where the complainants claimed that they had let out their premises to the previous occupants who failed to pay their utility bills during their tenancy period. As a result, the landlord had to clear up the unusually high outstanding bills. Complaints with regard to asking for a refund / deposit, constituted 7.2% of the complaint; consumers claimed that due to the error in the system, they were charged higher than the usual or doubled charged on their bills. Lastly, the

Complaints Related to Electricity Supply Services (NCCC - 2014) n = 306

Note: Unusually High Charges dominates billing related charges, followed by Meter Tampering Claims and other Billing Disputes

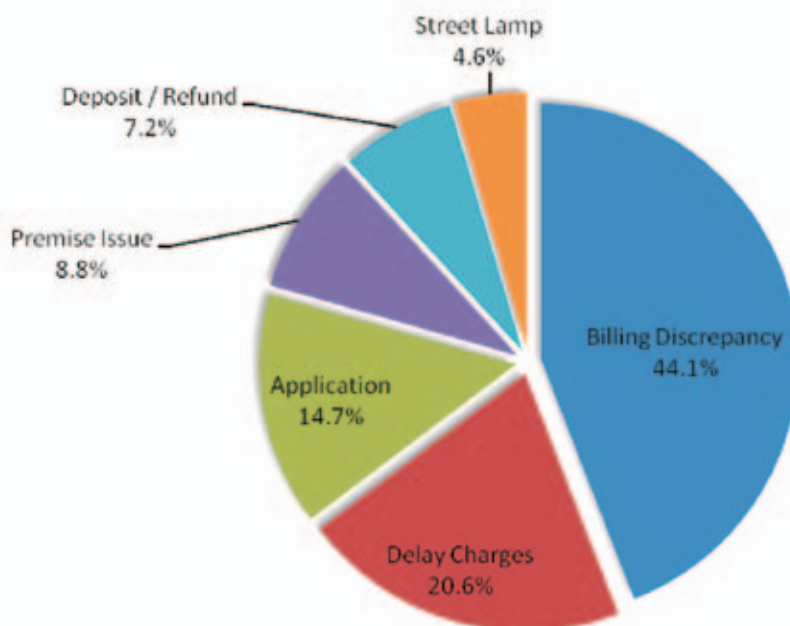


Figure 1: Nature of Complaints against Electricity Service Providers

issue on street lamp not being fixed on time or repaired add up to 4.6% of the total complaints received under the electricity sector.

Consumer Protection Laws Applied to Manage Complaint

1) Laws

The Electric Supply Act specifically provides for the rights of the licensee and nothing much on consumer protection. Nevertheless, recourse can still be made to the Act to propose for changes.

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

- **Section 37** provides that it is an offence any person who tampers with or adjusts any installation or part thereof or manufactures or imports or sells any equipment so as to cause or to be likely to cause danger to human life or limb or injury to any equipment or other property shall be guilty of an offence and for each such offence shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

Disputes in regard to utility meter can be referred under **Weights and Measures Act 1972** which come under the purview of KPDNKK. For any contravention of the law on the part of service operators, recourse can be made to the regulator and relevant Ministry.

Each electricity meter installed at the premises must comply with the standards, as follow:

- MS 62053-11:2009 – Electromechanical meter for active energy (Classes 0.5, 1, 2)
- MS 62053-21:2009 – Electricity Metering Equipment (a.c) – Particular Requirements – Part 21: Static Meter for Active Energy (Classes 1 and 2)
- MS 62053-22:2009 – Electricity Metering Equipment (a.c) – Particular Requirements – Part 22: Static Meter for Active Energy (Classes 0,2 S and 0,5 S)
- MS 62053-23:2009 – Electricity Metering Equipment (a.c) – Particular Requirements – Part 23: Static Meter for Reactive Energy (Classes 2 and 3)
- MS 62052-11:2009 – Electricity Metering Equipment (a.c) – General Requirements, Test and Test Conditions – Part 11: Metering Equipment

Note: All consumers are advised not to purchase any sort of product that claims in reducing the energy / electricity bills as such product are illegal by law and does not have proper certification of approval from

the government. Some may claim that it has approval from the energy supplier industries and other regulating body in Malaysia (SIRIM, Suruhanjaya Tenaga, or Agensi Nuklear Malaysia); however, this could be a scam and consumers are advised to further clarify this with their respective energy supplier before making a purchase of such product.

Recommendations for Improvement

- A more specific and effective redress mechanism should be provided under the law. Compensation or other relevant remedies must be given to the consumers if the error is not done by them.
- **Section 38** should be amended by changing the 24 hours' notice requirement to a longer period.
- Constant checking on the electricity meter must be done by service providers in order to ensure that the meters are working properly.
- Employees of service providers should exercise the required duty of care when billing the consumer in order to prevent double charge. Consumer grievances with regard to double charge must not be taken lightly, instead it should be remedied as soon as possible by the service providers.
- Consumers should not be forced to make any payment when an investigation is pending with regard to charges.
- **The Electric Supply Act** should contain provisions on consumer protection in order to ensure that their rights are protected under the law.

Types of Complaints Related to Water (NCCC - 2014) n = 857

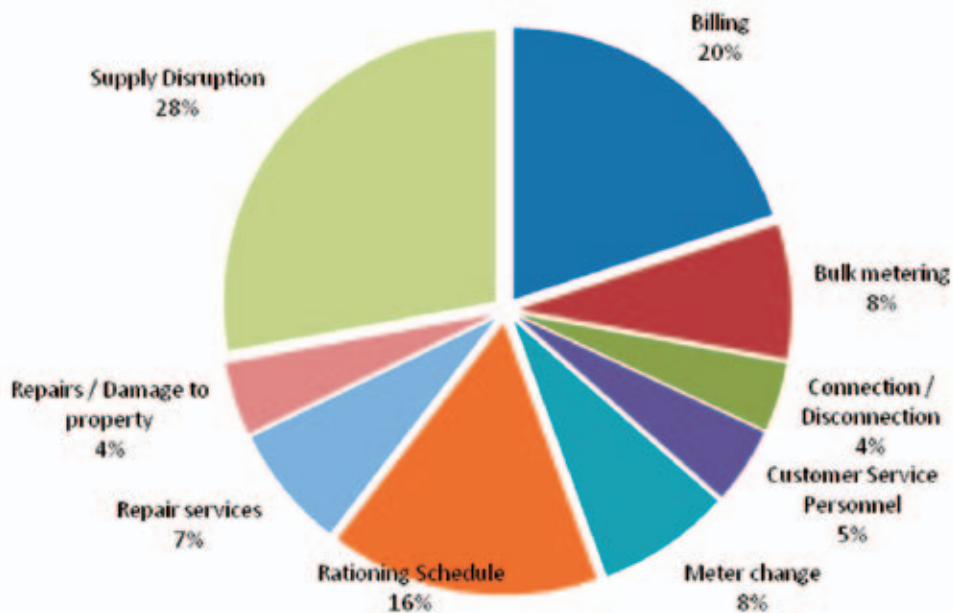


Figure 2: Nature of Complaints against Water Services

Types of Complaints Related to Sanitation (Sewerage) (NCCC - 2014) n = 152

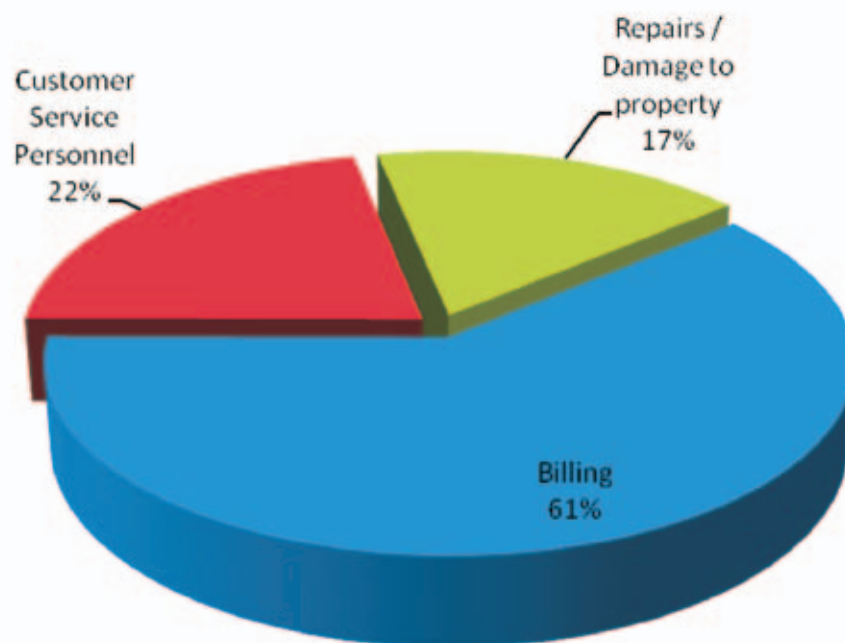


Figure 3: Nature of Complaints Related to Sanitation Services

b. Water Service Providers

Complaints about the disruption of the water supply in Selangor around February 2014 were mainly due to water rationing conducted in certain area of Klang Valley and the closure of two plants caused by river pollution, namely Batu 11 and Bukit Tampoi water treatment plants.

There was an upsurge in complaints related to water rationing schedule resulting from incorrect or incomplete information supplied to the consumers. To further aggravate the situation, the customer service centres were unable to provide assistance and accurate information to consumers with regard to this matter. In addition to that, a number of complaints were received from several other states experiencing water rationing following the long dry season in 2014.

Complaints about bills were mostly about sudden high charges compared to the usual charges. It often occurs when there is a leakage with the plumbing system in the house which is difficult to spot. Consumers are advised to be watchful over their meter readings to prevent unwanted wastage of water and receiving high bill charges. In the event of leakage in the plumbing system, consumers are advised to lodge a complaint or contact a licensed plumber for reparation work to be carried out. Apart from leakages, there were also complaints of sudden high

charges to the bills when consumers changed to a new meter.

There are still issues regarding bulk meters in condominiums and apartments. Additionally, the planned change of bulk meters to individual meters were also facing some issues, especially in Selangor. There had also been complaints that due to the meter conversion process, there was damage to property, wrong meter installed, and incompetent contractors.

c. Sanitation Service

A large volume of complaints under this category were made in relation to billing disputes. The second highest complaints were in regards with the customer service personnel, where the service centres were unable to help the consumers; the information at the service centres given were incomplete or the explanation given by the consumers service personnel were difficult to understand.

Complainant complained that sewerage work carried out by the personnel caused traffic congestion, damage of property (i.e. the entrance of the consumer's house), unannounced road closure, and the risk of danger for the road users. In addition to that, complainants claimed that no notice or warnings were provided of such work to be carried out and no information such as type of work and contact details were displayed while performing their duties.



Consumer Protection Laws Applied to Manage Complaint

1) Laws

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

- **Section 33** provides that service licensee providing water supply services or sewerage services has a general duty to deal reasonably with consumers; and adequately address consumer complaints.
- **Section 34** provides that it shall be the duty of every licensee to maintain at all times the security, integrity and safety of its water supply system and sewerage system and all other assets in relation to the system.
- **Section 35** provides that it shall be the duty of every facilities licensee to construct, refurbish, improve, upgrade, maintain and repair its water supply system and sewerage system and all other assets in relation to the system that facilities licensee continues to be able to meet its obligations under WSIA 2006 and its subsidiary legislation.
- **Section 36** provides that it shall be the duty of every service licensee providing water supply services to maintain an efficient and economical water supply system.
- **Section 40** provides that it shall be the duty of a water distribution licensee to cause the water in its water mains and other pipes used for the water supply; or having a fire hydrant fixed on them to be maintained at such pressure as may be set out by the law. Contravention of this section will render the licensee liable to a fine not exceeding RM1000 on conviction.
- **Section 41** provides that the water distribution licensee shall ensure that at the time of supply the quality of water supplied complies with the minimum quality standards as prescribed by the Minister. The licensee shall be liable to fine not exceeding RM3000 or to imprisonment not exceeding 3 years or combination thereof.
- **Section 43** provides that it shall be the duty of every service licensee operating and

maintaining a public sewerage system to
a) To manage, operate, maintain, inspect, repair, alter, arch over or otherwise improve the public sewerage system and to treat and dispose the content thereof; and b) To properly desludge the public sewerage system

- **Section 68** provides that the commission may on its own initiative or upon the recommendation of the Water Forum prepare consumer standards which are able to protect consumer rights and interest.
- **Section 70** provides that Water Forum was formed to exercise its function as the consumer representative in regards to water and sewerage services.
- **Section 89** provides that service licensee must give 14 days' notice for the consumer to remedy the default before proceed with disconnection of water supply.

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

Recommendations for Improvement

- **SPAN Act 2007** and **WSIA 2006** should extend their jurisdiction to cover Sabah and Sarawak so that all service providers in Malaysia will be subjected to one unified law.
- The regulator must review the methodology adopted by the service providers since most of the complaints are related to high charges.
- Consumer education is still the key to enhance quality of water supply services



and sanitation. But currently water operators and sanitation service providers do not invest in such activities and if they do, there is very limited reach for the activities carried out.

- Solution-oriented consumer education such as introduction to the WSIA 2006 along with other existing rules, regulations and complaints redress mechanism between both parties will be the main core of the education program. Moreover, introduction of the maintenance on internal piping systems need to be conducted too.
- All call centre personnel should be adequately trained to address consumer complaints effectively and efficiently. ISO 10000 series have been effective in helping all types of organization to improve customer satisfaction.
- The responsibility of maintenance on water meters should be placed under water service provider / licensee as they are the one who can access to the meter. It is unfair to place the responsibility on consumers as technical knowledge is

needed in order to gain access to the water meter.

- For sewerage, a proper mechanism must be established in order to facilitate the agreement between the consumers and the concessionaire. Consumer education on their responsibilities and extensive outreach program such as the desludging campaign which is done by SPAN at the moment need to be continued.
- All maintenance in regards to water meters, tanks and other related matter must be placed under the responsibility of the service providers since service providers know better about them.

Service providers must provide periodic water quality testing or assessment to domestic users and also publish the water treatment plant water quality report to the general public or make it easily available and accessible.

11

Food and Food Services

Food and Beverage (including services)

In 2014, the National Consumer Complaints Centre (NCCC) recorded a total number of 1230 complaints with potential loss of RM84, 720 under this category. This category is inclusive of complaints concerning food & beverages (F&B) and its related services.

This is an increase of 51.5% in the number of complaints compared to the previous year with more than 60% of the complaints related to restaurants (food services).

48.7% of the complaints were on price disputes against restaurants. Complaints include prices not being displayed, claims of overpricing, difference in displayed price and actual charged price and billing for items not used or requested.

Consumers do depend on food services to suit their daily lifestyle and it is undeniable convenience. Due to the increasing cost of living, it is fair, just and reasonable that consumers should have enough information to decide what their meal is going to cost. With this in mind, such unethical business that is related to price disputes requires immediate and strict enforcement.

Complaints related to service quality in restaurants made up 26.5% of the complaints, and this included delay in delivery from fast food restaurants, rude staff, long waiting time, and accuracy of order responding to enquiries.



More than half of the food retailers, that was 65.5%, of the complaints were related to food safety. Complaints were associated with foreign matters such as wires, plastics and insect remnants and maggots in food products purchased either in restaurants or at retails (like supermarkets and convenience stores). Maggots and insects had been found in chocolate. Expired products constituted the most number of complaints associated with food retailers. Food safety complaints against restaurants were related to insect remnants, unhygienic practices, spoilt food stuffs, and rodent infestation. Several food poisoning cases were also recorded. Complaints had been forwarded to the Ministry of Health for attention and further action.

Complaints Related to Pre-packaged Food and Food Services (NCCC - 2014) n = 1230

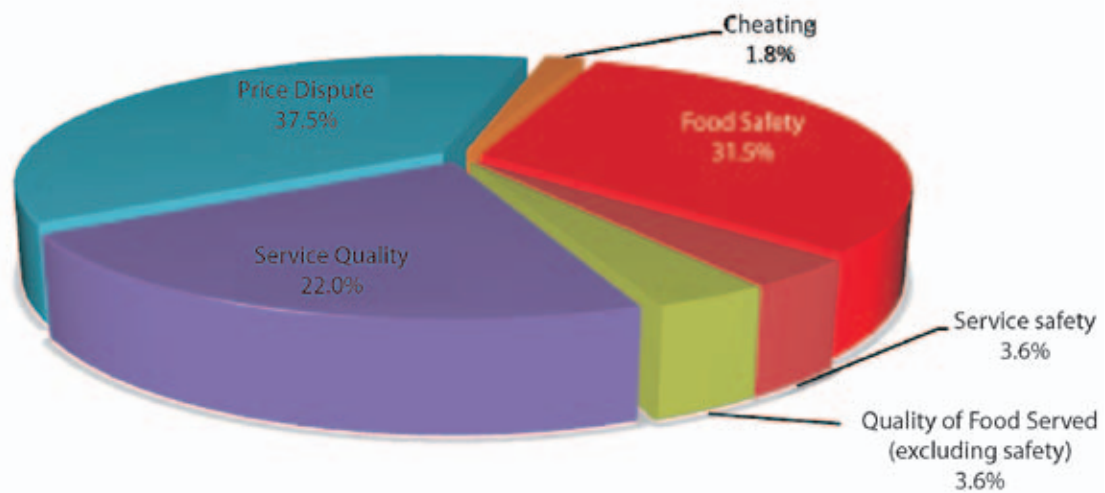


Figure 1

No. of Complaints According to Type of Food Establishment (NCCC - 2014) n = 1230

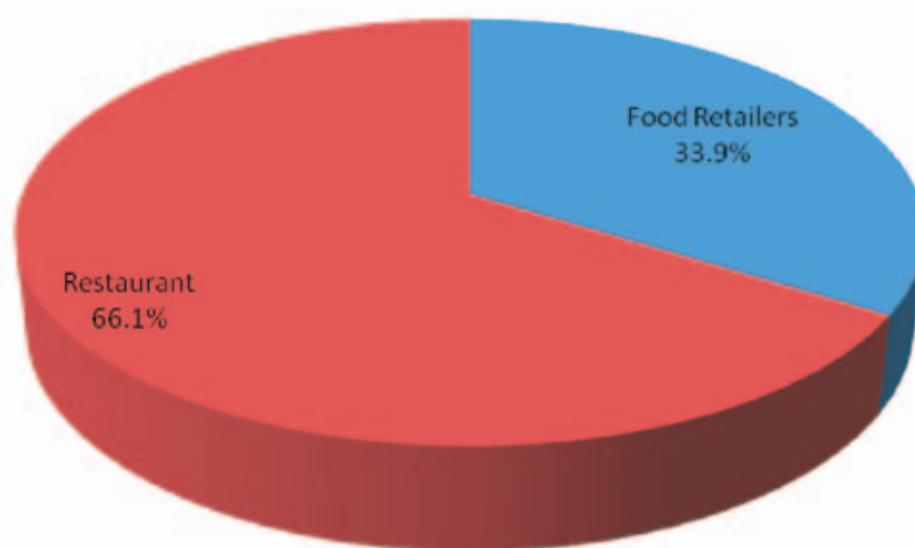


Figure 2

Complaints Related to Food Services (NCCC - 2014) n = 813

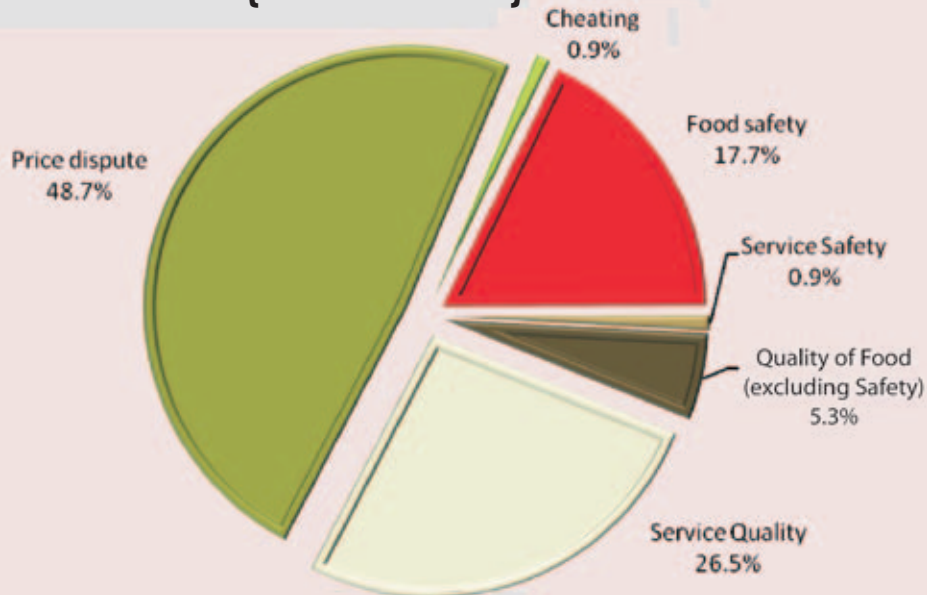


Figure 3

Complaints Related to Food Retailers (NCCC - 2014) n = 417

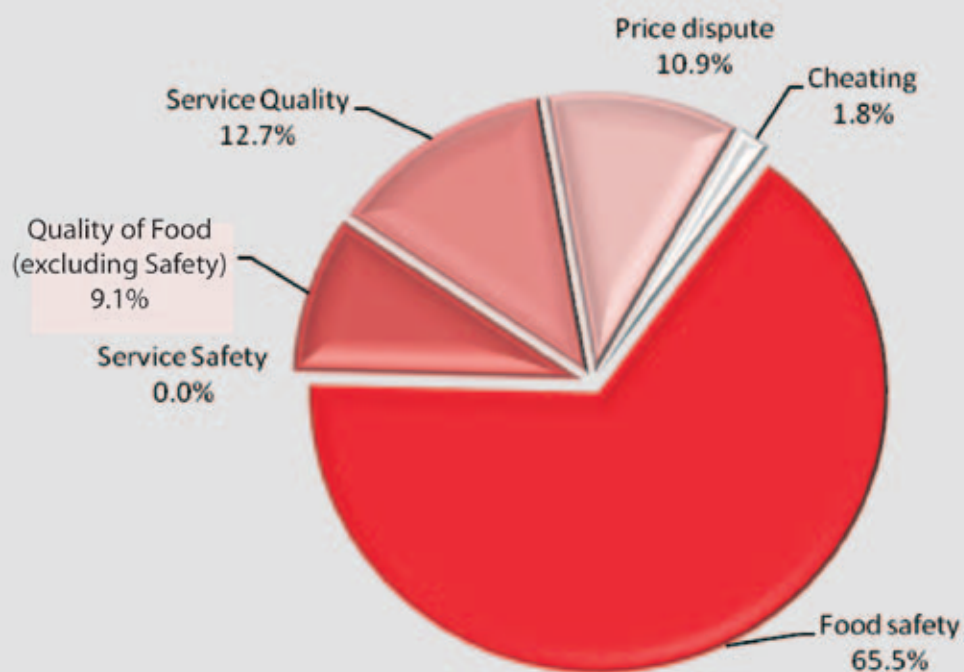


Figure 4

Legislation related to Food Safety

Among the eight universal consumer rights is the right to fulfil basic needs – air, water and food, followed by right to safe products and services. How much of this is safeguarded through laws and their implementation?

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

Section 13 and 13A of the **Food Act 1983** states that any person found guilty of instances where upon discovery that the food contains substances, which are poisonous, harmful or otherwise injurious to health, the person committing such offences shall be liable to a fine not exceeding RM100,000.00 or imprisonment not exceeding 10 years or both.

Section 11 and 12 encompasses closure of insanitary premises and conviction being published in newspapers.

Should consumer organizations call for stricter safety requirements and strong punitive measures – such as increased fine / compound or even jail sentence?

Price of prepared or cooked food has always been increasing but level of safety and hygiene is far from improving. Hiring foreign labours to wait on customers or to prepare food in the kitchen maybe counterproductive to food hygiene practices - considering their background, language barrier and lack of proper food hygiene training. Has the Ministry of Health and food hygiene training providers considered this human resource situation when developing capacity building activities?

We acknowledge the need for general practitioners or doctors to report food poisoning

cases to the Ministry of Health. Discrepancies in the system to collect this data may have grave consequences due to ‘under-reporting’ the true situation of food safety in Malaysia and its reflection on the food hygiene practices.

Consumers must have **ZERO TOLERANCE** towards poor hygiene and food handling practices in restaurants, catering services and among street food vendors.

With increasing food import bill and a volatile nature of food security we believe consumers should seize their rights to safe and secure food supply by increasing their voice of dissatisfaction with the quality of food sold to them.

Recommendations for Improvement

- We call on the Ministry of Health especially the Food Safety and Quality Division, the local governments and state health departments to work together with the Department of Standard Malaysia to harmonize restaurant grading criteria – which maybe as diverse as the food we savour. During this process, safety and health of workers and consumers must underpin the development of the grading criteria and implementation.
- Relevant authorities such as Ministry of Health (MOH), Ministry of Domestic Trade, Cooperative and Consumerism (MDTCC) and local councils should make more inspections / spot checks on food establishments and food manufacturing sites to ensure food safety measures are taken into account and food produced is safe and clean for consumption.
- Good Manufacturing Practice (GMP) and Hazard Analysis of Critical Control Points

(HACCP) standards should be made mandatory and elevated to regulations.

- Food operators and restaurants owners should train their staff on basic hygienic food preparation and customer service. Almost all the restaurants in the cities depend on foreign labours to run the business. Language and cultural differences have significant bearing on food hygiene practices in restaurants. Policy makers should develop policies and training methods in consideration of this situation.
- Industries should adopt and follow available standards on food safety and cleanliness, benefitting consumers and businesses.
- Food Safety and Quality Division should establish a food safety incident information sharing system and to encourage consumers to report any kinds of food safety incidents which is accessible on line or through development of application of smartphone. The system must also be responsive continuously to incoming reports and incidents.
- Finally, one of the most important; continuous education / campaign for consumers, reaching out to urban and rural areas nationally on food safety and consumers role to strengthen it.

12

Postal and Courier Services

Postal and courier services form a key part of the global communications infrastructure, with high economic and social importance. The developments in this sector in recent decades have undergone radical changes from the regulatory, operational and to technological perspective.

Such changes in recent decades have been accompanied by many complaints as well which will be discussed in this report.

Postal / courier services like any other sectors do encounter problems. This year, the total number of complaints were 927.

The highest number of complaint as per the graph indicates that missing items is at the top of the list amounting to 50.1%. Missing items should be regarded with high importance; some of the things reported missing were valuables which cannot be replaced by money; important documents or agreements might also be lost.

Complainants indicated that when goods went missing amidst a transit, the service providers did not take responsibility despite it being clear that it was their negligence.

The second highest complaint according to the graph is on delays. This year it had contributed to 26.5%. Often when a shipment / parcel sent out for delivery, the courier company would give an estimation of date and time for the said parcel. However, often there was a delay in delivery and the reason(s) being customer was not around during the delivery; but there were

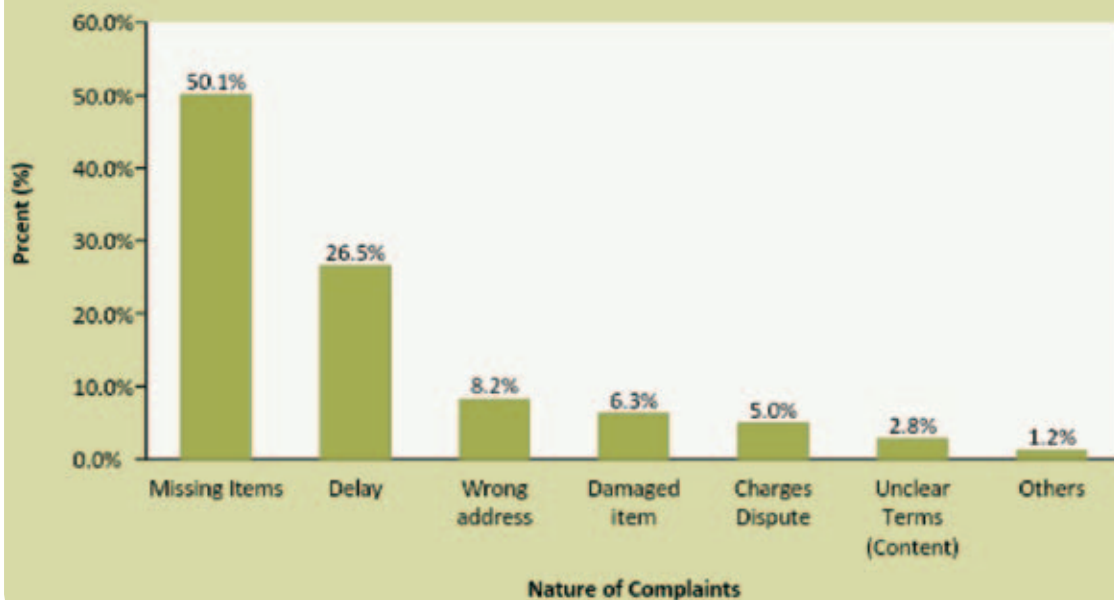


no note / sticker left on the door to indicate that they had attempted the delivery. Some of the customers claimed that they were around the whole day waiting for the parcel.

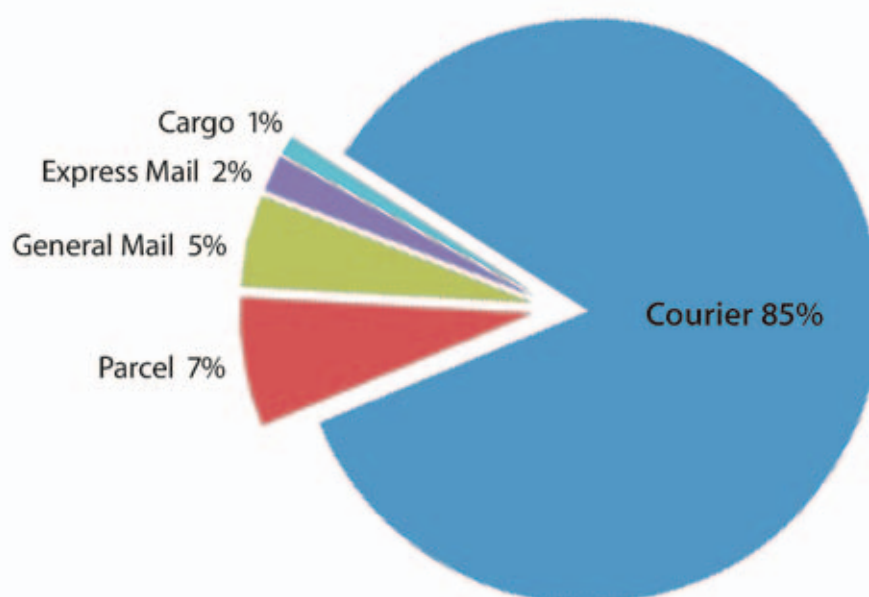
The third highest complaints were on wrong delivery address. This year, as recorded by NCCC's team, 8.2% of the complaints received were pertaining to wrong delivery address. The delivery address is the most important piece of information that must be stated on the form for deliveries purposes. However, despite stating the correct delivery address, the mistake of delivering to a wrong address still occurred.

Damaged item this year amounted to 6.3%. It is upsetting to learn that upon receiving the goods, the condition of the goods were bad and unacceptable. Often the reason(s) given by the courier service was that it was beyond their control. Putting up a notice on the parcel, seemed to have no effect; also the courier

Nature of Complaints Against Postal / Courier Services (NCCC - 2014) n = 927



Complaints Related to Postal Services Types (NCCC - 2014) n = 927



company refused to refund the complainant's money.

Charges dispute like any other sector always poses a problem. Charge disputes include overpricing and hidden charges which was not made known to the complainant such as paying for tax. Upon receiving the goods, complainant was asked to pay for very high tax which often costs more than the item itself.

Unclear terms and others recorded the lowest this year with each contributing to 2.8% and 1.2% respectively.

The highest complaint with regard to postal service type based on the pie chart is on courier services, which is at 84.7%. Often the complaints were on charges disputes where complainant had to pay high amount of tax in order to get the package released from Customs. Other issues included delay in delivering the shipment by stating that complainants were not around during the delivery time but there was no note left behind to indicate that they had attempted to deliver, items found missing, and items were sent to the wrong delivery address were amongst the common complaints received by the National Consumer Complaints Centre (NCCC).

The second highest complaint was on parcel delivery which was at 7.1%. Similar to what has been mentioned above; missing items, delivery to a wrong address, damaged items, and having to pay high taxes were all related to parcel. It is upsetting to learn that when such incident occurred, no proper remedies were provided.

When parcel are found missing, damaged beyond repair, the least one could ask for is refund, but the process of seeking for refund is extremely difficult. This is due to the paperwork; the company will take a very long time depending on the number of people who are applying and the time they spend to investigate the matter before money is

refunded. Therefore it is safe to conclude at this juncture that the process of seeking for refund is not easy taking into consideration of the above said.

The third highest complaint as per the pie chart above would be general mail which is at 5.1%. As per the complaints compiled by the NCCC's team, often complainant engaged postal service to deliver mail which contains important documents, contract, and agreement.

Upon trusting the courier company that the delivery date would be within a stipulated time given by the courier company, however, they failed to commit. Some companies delayed the deliveries and worse, mail could be found missing and delivered to the wrong address.

Next, express mail and cargo recorded 3.1% of the complaints this year. The word express in itself signifies the whole purpose of engaging this type of service, and that is to ensure that the delivery is fast, however, often there is delay in delivery.

Having understood thus far the complaints with regard to postal services, let's look at the laws and recommendations below.

LAW

In 2001, Malaysian Communications and Multimedia Commission's (MCMC) role was expanded to include overseeing the postal service sector pursuant to the **Postal Services Act 1991**. They have empowered the Commission to take over as the regulatory body of the postal industry.

The above said Act has been replaced by the **Postal Service Act 2012** and this current Act provides regulation for postal industry.

Section 52 of this Act spells out for consumer complaints as follows:

- (1) If the Commission receives a complaint from a consumer has not addressed his complaint through the complaints handling procedures of the licensee, the Commission shall refer the consumer to the respective licensee.
 - (2) The Commission may also conduct an investigation against a licensee provided that the consumer has followed the complaints handling procedures of the licensee.
 - (3) The Commission may determine the rules on the procedures for the making, receipt, handling and dispute resolution of complaints of consumers regarding the conduct or operation of licensees.
- Provide timely, reliable delivery and improved customer service across all access points.
 - The Act should also focus on the loss of goods. Due to the high volume of complaints made in connection to this, it is important that the Act clearly spells out should goods get lost in the midst of delivery, then the company providing such services shall be held liable for any loss suffered by the relevant party.
 - Improve national postal addressing and postcode system.
 - There is a need for a proper / upgraded system to channel complaints. Often when complainant called to check on the status, the system could not detect the complaint effectively.

Recommendations / Best Practices

- There is a need to increase protection to the general consumers at large and as such the **Malaysian Communication and Multimedia Commission (MCMC)** should review the **Postal Act 2012**. The Act should focus on consumer protection with regard to the delay caused in receiving goods via postal or courier services. It should clearly stipulate for a minimum time allowed for delivery failing which the postal or courier service providing entities shall be liable for any subsequent damage or loss suffered by the relevant party.
- Please double check addresses before sending the parcels or documents. If this information is incorrect, the items will be delivered to the wrong address.
- Knowledge, competencies and skills – employees can be re-trained to meet current challenges, to improve their customer service skills and deliver future value.
- Upgrade facilities and delivery systems, introduce value added collection and delivery services.

13

Media and Satellite Broadcasting

The NCCC recorded 756 complaints under the media and satellite broadcasting sector with an approximate loss amounting to RM170,674.56. The number of complaints had increased by 79% from the year 2013 under this sector.

For 2014, the breakdown of complaints is as follows:

Complaints on repair services recorded the highest number of complaints, amounting to 15.6% of the complaints. The nature of this complaint is associated with the technician coming late for their appointments or even not turning up at all for the appointment as promised. There were also cases reported that the technician did not resolve the issue in a satisfactory manner as the problem kept on occurring.

The next was on customer service that was 13.7% of the complaints. These were mainly with regard to poor service from the customer service department and many consumers were upset at not being attended by any of the representative or putting them on hold for a lengthy period by the respective department.

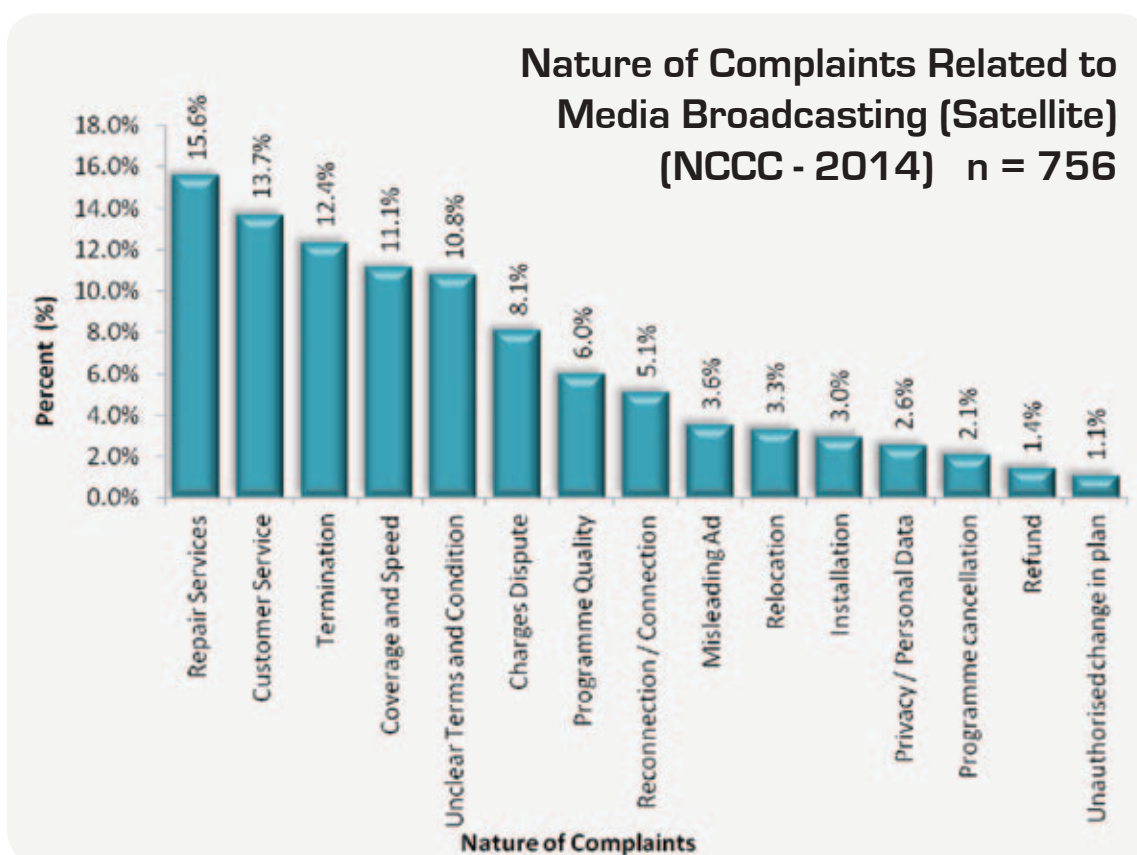
As for termination issues, NCCC recorded 12.4% of the complaints, which was the third highest for 2014 under the media and satellite broadcasting sector. Consumers continued to be charged although the account had been terminated. Consumers often face tremendous difficulty in terminating services, having to go through lengthy procedures that take a long time before the request is approved which



require 30 days of notice in advance prior to the termination. Thus consumers have to keep on paying notwithstanding their request to terminate the service.

Complaints with regard to coverage and speed recorded at 11.1% of the complaint. The issue mainly concerned about having poor connectivity, not providing the correct speed as promised in the contract and frequent service interruption. As a result, the consumers were not able to enjoy the privileges that they were paying for.

Disputes in regard with the terms and conditions added up to 10.8% of the overall complaints under Media and Broadcasting segment. Based on the complaints received by NCCC, it appears that the consumers were frustrated with the terms and conditions which contradicted with what was assured to them verbally by the service provider's representatives. Also, many of the consumers were not informed of the significant part of



the terms and conditions such as the warranty coverage and the termination terms.

As for charges disputes, it seems that the issues still remained as the previous year. Consumers claimed that there was a misrepresentation as to the additional services provided to them. They were informed that such additional services would not be included in the billing and thus it was supposed to be free of charge. However, to their surprise, the charge was included in the billing and no reasonable explanation was given for this. Moreover, the dispute with regard to raising the monthly charges appeared to be accelerating, this was due to the alteration that was done with the packages and therefore consumers had to add an additional fee to get back their preferred channels which had been removed from their former package.

Programme quality came up at 6%, where most of the disputes were concerned with the

repetition of programmes and advertisements being transmitted very frequently. There were also complaints that certain programmes were aired at the wrong time and day and certain channels were not accessible.

Reconnection or connection of subscription service disputes transpired when the customers failed to pay their bills on time or when online transaction did not complete the transaction as expected. Upon making the payment of the due bills, the consumers were kept waiting for days before being reconnected to their subscribed services, thus leaving them annoyed, which added up to total of 5.1% of complaints.

As for misleading advertisements, complaints that were recorded by NCCC were mostly related with subscribing new packages where the consumers were misled into subscribing a new package only later to find out that certain channels were not part of the package and had to pay an additional sum for the intended

channel. Some were misled by various type of promotions endorsed by the service providers to engage consumers into taking their service but only to be disappointed later on.

Based on our findings, consumers also faced complications when they relocated to a new address. This transpired generally toward consumers with new decoders who moved to a different location where they could not receive the same service they had been paying for and due to the contract that tied the party together, the consumer had to either pay a sum to terminate as provided by the contract or downgrade to a different package which was also subjected to a certain amount of fee.

NCCC was still receiving complaints in regard with faulty installation such as decoder and cables. Most of the complaints highlighted that the new high definition decoder often malfunctioned a few months after installation, hence, this also raised the question on the safety standard of the product. When requests were made for the decoder to be repaired, the service provider did not provide prompt support. At times the installation was delayed without adequate justification and further was not carried out appropriately thus leaving the consumers frustrated with the service.

Complaints regarding giving out or leakage on privacy and personal data of consumers' remained and should be taken very seriously. Consumers provided all the necessary personal information and their account data, trusting the service provider to keep it safe but this was not the case here.

Complaints concerning programme cancellation was something new for 2014, where the consumers were only informed last minute before the show was cancelled. This further added to increase the amount of complaints in regard to refund; further it was not as easy getting back the refund or compensation from the service providers. Delays in getting their refunds was a common grievance.

Unauthorised change in plan was also received whereby the complainants claimed that there was some additional package to their subscription which they had not requested. This could be due to system upgrade when some packages were revised or the system accidentally added an extra package to a wrong consumer.

Consumer Protection Laws Applied to Manage Complaints

1) Laws

All the conduct and business practices of broadcasting and multimedia industry fall under the jurisdiction of the **Malaysian Communication and Multimedia Commission**. The governing law would be none other than **Malaysian Communication and Multimedia Commission Act 1998** and the **Communication and Multimedia Act 1998**. Pursuant to these Acts its role is also to implement and promote the government's national policy objectives for the communications and multimedia sector. The Commission is also charged with overseeing the new regulatory framework for the converging telecommunications and broadcasting industries and on-line activities.

i. **Malaysian Communication and Multimedia Commission Act 1998**

- **Section 16** provides for the powers and the functions of the Commission which cover all incidental matters in relation with the performance of the industry. This includes the legislation of law, implementation, enforcement, so on and so forth.

ii. **Multimedia Commission Act 1998 and Communication and Multimedia Act 1998.**

- **Section 188** provides that any network facilities provider, network service provider, applications service provider shall – deal reasonably with consumers; and adequately address consumer complaints. Breach of this act will result in fine not exceeding twenty thousand ringgit or to imprisonment for a term not exceeding six months or a combination thereof.
- **Section 189** provides that the Commission has the power to form a consumer forum for the purpose of protecting the rights of the consumers.
- **Section 190** provides that consumer code prepared by Consumer Forum shall include model procedure for – reasonably meeting consumer requirements; complaint handling process and protection of consumer information. The matter in the code may include but not limited to – information on services, rates and performances; the provisioning and fault for repair services; advertisement and representation; matters related to credit; other matters related to consumer concerns.
- **Section 195** vested the power on the Commission to resolve complaints from consumer in accordance with the Act.
- **Section 196** provides that the Commission shall establish procedures or guidelines related to consumer complaints and practices of the licensees.
- **Section 197** provides that service providers may set the rate in accordance to market rates and the rates must be published clearly to the consumers.
- **Section 198** provides that the rates set by the service providers must be based on – fairness / not discriminatory; costs

oriented; no discount which will lead to anti – competitive behaviour; structured and clear explanatory of rates; and regulations and recommendations of the international organization.

- **Section 199** provides that Minister may intervene freely in setting the rates upon the recommendation of the Commission.

By virtue of **Section 190** (in accordance with **Section 95**) of the **Communication and Multimedia Act 1998**, a code known as **General Consumer Code of Practice for the Communication and Multimedia Industry 2003** was issued to further guide the industry on the standards required to be followed.

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



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

- **Customer Right to Redress** – service providers must inform the customer about the contractual warranty (if any) and the right to redress upon the breach of warranty.
- **Spoken Communication of Prices, Terms, and Conditions** – Spoken communication includes telemarketing, door to door sales, direct personal sales, and sale through representatives. The customers must be informed about the service provider's brand name, the person making the sale, and the purpose of communication. There are few things that must be communicated to the customer i.e. brief description of the service, the charges if any, and the nature of any special offer, discount or package.
- **Customer Billing, Charging, Collection and Credit Practices** – service providers

must ensure that customers are able to obtain information relating to the bill itself. The bill issued to the customer must be accurate, can be verified and available. The mode and method of payment must be included.

Recommendations for Improvement

- The Ministry should provide stringent rules to ensure that the quality of products and services supplied to the consumer reflects the price and charges.
- The Code of Practice should not remain idle. It should be made mandatory to the service providers so that the level and amount of dissatisfaction can be reduced.
- Compliance of the Code as stated under **Section 98** of the Act must not be treated as an absolute defence to the offence committed by the service provider before the compliance is strictly evaluated.

- Panel in the Consumer Forum should be led by Consumer organization so that better consumer protection in this sector is achieved – which is long overdue.
- The Ministry and industry should take billing matters seriously as it received one of the highest number of complaints and if not address properly, it will unjustly enrich the service providers.
- Any package that is made available or supplied to consumers should be reviewed by the Ministry or any related departments / agencies to ensure that the package offered is reasonably acceptable to consumers and not merely to increase the pricing.
- Service providers must make contract as easy as possible for the consumers to understand. Standard contract must not include any ‘unfair terms’, which means that the service providers cannot; suspend the service because of their mistake, charge for anything which is their mistake, and renew, extend, or change the contract without the consumers consent.
- Service providers must not charge consumers for the services which have failed to be delivered to consumers such as poor connection (HSDPA / WiFi / call, etc.) especially when the performance is totally substandard as this is unfair to consumers.
- The service provider’s sales representative, whether on the phone or in the shop must be able to describe products and services accurately, in a way the consumer can understand, and not leave out important information and further, be able to provide a clear and proper explanation to consumer’s dispute in proper manner.
- The service provider must ask the consumers if they are happy with its proposed solution to the problem. If the consumers are happy with it, then the service provider must do what it promised within ten working days of the consumer’s response. If the consumers are not happy with the proposed solution, or if the complaint is taking too long to work through, the service provider must offer to have your complaint referred to a supervisor or manager. If the consumers are still not happy with how the complaint was handled, the service provider must give information about how the consumer can complain to the MCMC
- **Section 187 of the Multimedia Act** should be amended so as to not exclude the liability of service providers which do not have to possess licence.

14

ICT Equipment Services (repair)

For 2014, NCCC has added an additional sector which is ICT Equipment Services. It focuses only on repair services of consumer's electronic gadgets and its supported applications.

Based on the complaints received, approximately 37% of the complainants lamented that their respective repair service centre failed to resolve the issue or repair their gadgets. Common issue highlighted were, failure in identifying the issue with the gadgets even after several attempt to rectify it; the problem became worse after sending for repair; others were denied from sending their gadgets to repair for the reason that the issue was too trivial to accept for repair services.

According to the pie chart, the second highest complaint according to this category is on delays which is 33.8%. Complainants were not happy with the services carried out at their service centre as it took a very long time to carry out the repairs. Consumers had to wait for months to get their laptops / electronic gadgets back. Some were even disappointed that no actions were taken by the service centre and they kept the gadgets there for months. When the complainant went over to the service centre, they found that nothing had been done since the day that they had sent the said gadgets.

The third highest complaint as per the pie chart is on replacements which is at 10.7%. New laptop / computer purchased by consumers had problem and thus consumers sent the said gadgets back to the service

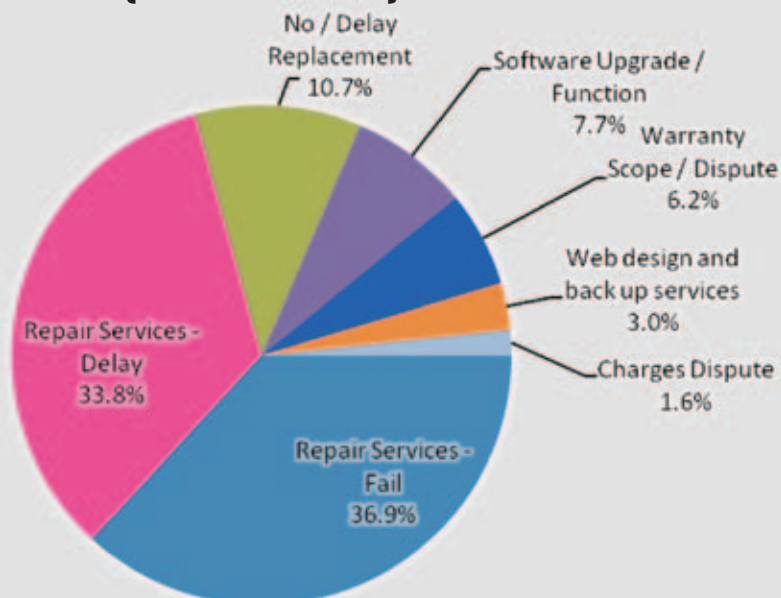


centre. Since they could not repair the gadget, they promised to provide consumer with a new gadget. Unfortunately, those were just empty promises. Consumers waited for a long time expecting them to replace the item but nothing was provided. Some service centre even offered the complainant a different model since the earlier product was beyond repair. However, complainant was given a cheaper priced product and the remaining balance was not returned to the complainant.

Complaints with regards to software upgrade and function was at 7.7%. Complainants lamented that despite paying for the software to be upgraded, the computer failed to upgrade and function effectively.

Total complaints with regard to warranty, web design and back up services as well as charges dispute were 10.8%. Within the warranty period, authorized service

Complaints Related to Repair Services (General Consumer Products) (NCCC - 2014) n = 792



provider will usually, at no additional charge; perform repair or replacement of defects in workmanship or parts covered by this warranty. However, consumers who had sent their laptops / computers to the service centre claimed that they had to wait for a long time to get their items fixed. To their disappointment, these items were new and under warranty. Reason(s) given by the service centre was that they are still waiting for the parts to arrive.

Customers complained about work not being completed, repairs being overlooked and about being charged for incomplete work. Sometimes customers just gave up on the incomplete service and paid the money.

Most customers find it difficult to prove that they have been cheated and find their complaints often get them nowhere. Consumers have a right to complain if the service or repair work is not carried out with reasonable care and skill, in a reasonable time, and for a reasonable price.

LAWS

a) Product Performance

Section 32 of the Consumer Protection Act 1999 confers protection to the general consumers by stipulating that all goods purchased shall possess implied guarantee of acceptable quality.

Despite the act has stipulated the section mentioned hereinabove; however, a very high volume of complaints were received by the NCCC in regard to general consumer products due to the inferior quality of certain products purchased by them.

In addition to the above said, goods that are supplied to consumers are to be fit for the particular purpose it is purchased. **Section 33 of the same Act** provides consumers with this specific protection. More often than not, goods under the general consumer products are purchased with the intention of the consumers

for daily consumption i.e. TVs, mobile phones and laptops. As such, consumers are highly dependent on the skills and judgement of a salesman concerning the attributes of a certain product. In the event a product does not perform for the purpose it was purchased, there is then born an aggrieved consumer. Amidst such an incident, this section shall come in handy in safeguarding their interest.

b) Misrepresentation

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

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

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

c) Product Performance

Services here are made in reference to the acceptable time frame in which a supplier or manufacturer cures a defective product i.e. repair time and the availability of a certain spare part of a product which is an inseparable feature attached to a product in any case of a repair or restoration.

Section 41 of the Consumer Protection Act 1999 specifies strictly that suppliers of goods are expected to remedy a defect of a product within a reasonable time period.

Section 37 of the same Act stipulates that products that are supplied to the general public must be repaired as soon as practicable. This is yet again an important law. The regulating bodies should be stringent in applying such and to also ensure strict adherence by the respective parties as general consumer products such as mobile phones, laptops and other devices are used by many in their daily lives. This would mean that it more often than not involves loss of income, expectation and etc with today's world being highly dependent on such devices.

Voluntary Initiatives / Tools

a) For General Consumer Products

Quality and performance are always regarded as important attributes of a product by consumers at large. Electronic gadgets and accessories must generally adhere to performance and safety standards prior to being available to the consumers for sale.

Having said that however, one may find that not all the products available for sale to the consumers at large are in compliance with the performance and safety standards despite the development of such by the Department of Standards Malaysia. These standards are more often than not an adoption of the already available international standards while some are modified to suit our local settings.

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

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

RECOMMENDATIONS

- When buying electrical appliances, the consumers should be very careful that they do not purchase appliances with questionable safety issues.
 - a) Make it a point to buy appliances from reputable stores / retailers
 - b) Check the warning labels / manufacturer's name and contact information on the packaging. If there is not any information, then consider buying a different brand
- Lemon law: The significance of this law is to offer better consumer protection, promote fair or ethical domestic trading and such law obligates sellers to repair, replace, refund or reduce the price of those defective goods that fail to meet the standards of quality and performance despite sending the items to the shop for repairs several times.
- Currently in the United States and Singapore, lemon law has been implemented for all types of general consumer products such as electrical products and electronic appliances as well as furniture. It has been a long overdue topic in Malaysia and the importance of implementing this law has not been given a value thus far.
- Electrical & electronics equipment are changing rapidly. Therefore, NCCC once again urges the relevant regulating bodies to conduct a time to time safety and standards check to ensure manufacturers and suppliers are adhering to the laws,

regulations and guidelines that are available.

- There should be time limit as to how long an item should be kept at the service centre. Failure to fix the items, one should be replaced with a new item or be refunded.
- Consumers should be educated that they have revenue such as NCCC to complain because many complaints may not reach NCCC as consumers are ignorant of their rights.
If consumers are not aware of their rights and responsibilities, no matter how many legislation and how many well enforced consumer laws exist, they will be ineffectual.
- Customer service personnel should be sent for training at least once in 6 months or once a year to be fully equipped with customer service skills in order to enhance their services to customers.

15

Insurance

789 complaints were lodged against the insurance industry for the year 2014, an increase compared to the previous year. Among all the insurance complaints involved, the highest were received in regard to General / Medical / Life insurance policy which topped the chart with 43.5%, followed by Vehicle insurance claims at 40.0%. Property claims was at 10.6%, policy relating to Natural Disaster was at 4.7% and lastly complaints relating to Travel insurance claims recorded at 1.2%.

Nature of Complaints related to Insurance Industries

The highest number of complaints recorded by the NCCC in regard with the insurance industry was with the terms and conditions of claims, recording 51.3% of the total number of complaints. The type of claims dispute that the NCCC usually receives indicates that insurance companies have the tendency to pay out less than what was promised or at least what was expected by the complainant. Furthermore, when the complainant wished to claim for the additional coverage such as “loss of use” from their insurer, such claims were often repudiated by the insurer or either compensated to the consumer with an exceptionally lesser amount than what was expected by them.

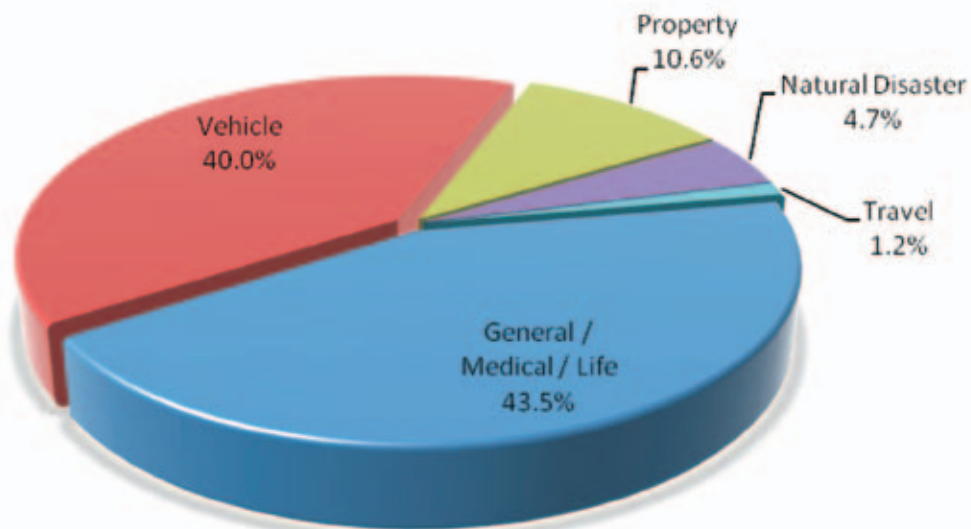
Hence, many complainants felt disappointed by the insurer and this led them to want to



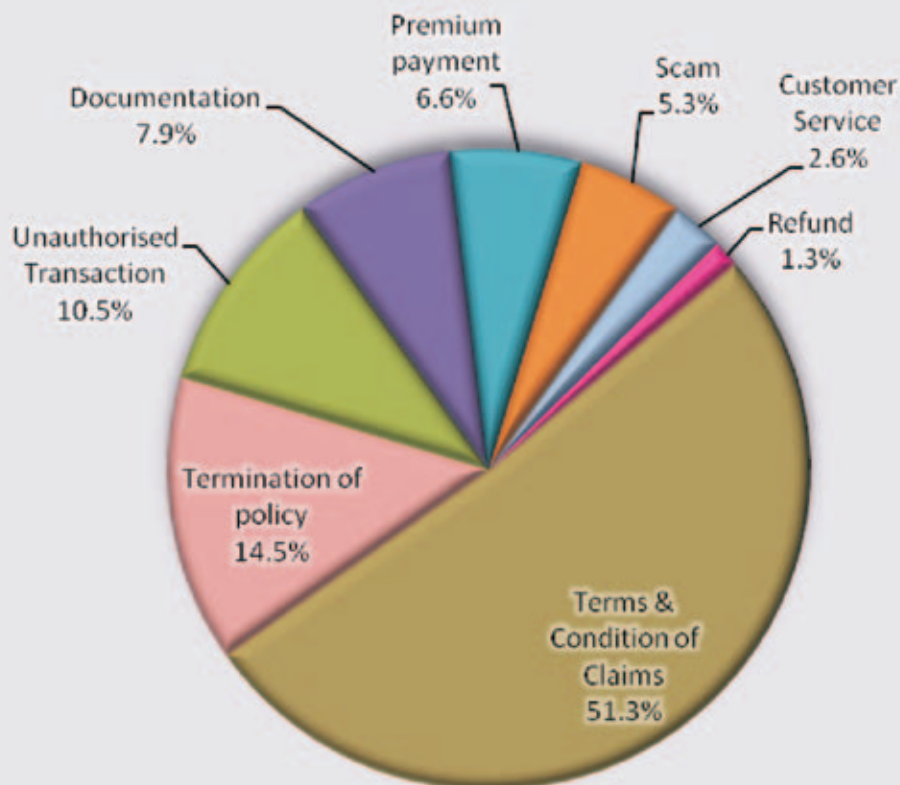
terminate their policy; however, termination procedures often led to a new set of issues and problems and thus the consumer had to continue paying for the premium until the termination of the policy. In addition, a number of complainants claimed that their policy had been terminated by the insurer without their knowledge; the complainants had been paying for the premium regularly without knowing that the policy had been terminated.

The dispute with regard to unauthorised transaction recorded the third highest at 10.5% of the complaints. Complainants alleged that their insurer collected a sum from their account, for payment purposes or for renewal of policy, without their consent or desire to continue the policy.

Nature of Complaints Related to the Type of Insurance (NCCC - 2014) n = 789



Nature of Complaints Related to Insurance (NCCC - 2014) n = 789



As for documentation disputes, complainants were distressed when the documentation processing was halted or slows down. In addition, some consumer complained that the relevant document from the insurer was not received. The common reason for the delays in processing was often documentation errors, either by the insurer or the insured themselves.

Premium payments made up 6.6% of the total complaints, where the complainants claimed that they had paid their premium on-time, however they were constantly reminded to renew their policy as the insurance company did not receive the payment as per their records. Which begged the question, where had the money been transferred to? Thus, some of these disputes led to scam issues, where the insurance agent of the complainant failed to transfer the following payment to the insurance company and the agent itself went missing. However, there were certain complaints reported with NCCC where sometimes thieves disguised themselves as insurance agents and enchanted people with their charming flattery or by intimidating, into purchasing a hoax policy and thus making up to 5.3% of scam disputes.

The dispute pertaining customer service contributed to 2.6% of the total complaints under this sector as the dispute were mainly with regard to the attitudes and behaviours of the insurer's employees and some even refused or failed to get back to the complainant.

Lastly, 1.3% of the complaints received in 2014 under the insurance sector was on the issue of refund. This complaint consisted of various issues from delay in receiving refunds; some did not received any response on their refund, and were not able to claim a refund for a service unutilized such as flight insurance where the flight was cancelled, not by the complainant's doing.

Consumer Protection Laws Applied in Managing Complaints Received

1) Laws

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

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

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

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

Section 19 of the Contracts Act 1950 states that when a "fraudulent misrepresentation"

has been made to one party, then the aggrieved party may render that contract void at his / her choice.

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

Recommendations for Improvement

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

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

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

However, should an insurance company authorize expressly or impliedly to the insured that the agent in issue is entitled to receive any payment and in the event the agent siphons away such payment, then the

insurance company should be held strictly liable for losses incurred thereafter while any policy in issue should be re-instated in cases of lapse of such.

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

The Financial Service Act 2013 is said to push the burden of compensation towards agents. This makes it extremely difficult to the aggrieved consumers as the NCCC is of the view that insurance companies should be liable for the act and misconduct of their own agents.

As such, insurance companies will be even more stringent with their selection process to only allow competent and reliable agents to represent them.

The shift of burden is also still not made known to the general public at large. As such, it is a must for insurance companies to make clear to all their customers that they will not be liable for their agent's misconduct.

The insurance industry is currently regulated by Bank Negara Malaysia (BNM). The NCCC is of the view that a special commission should be set up to hear insurance disputes alone. The industry is so vast that it deserves special attention amidst a dispute between insurance companies and its customers at large.

16

Public Transport

The NCCC recorded 612 complaints related to the public transport sector with an accumulated loss of RM90,853. Complaints on express busses topped the chart making up 63.4% of the total number of complaints. Intercity trains made up 12.7% of the complaints, city buses made up 4.2% of the complaints while taxis made up 9.9% of the complaints.

The majority of the complaints focused on services quality of the services as shown in Figure 2. Service quality is related to punctuality of the commuting time, ethics of the drivers, and comfort of using the transport system. Consumers complained that public transport was often delayed from the scheduled time so much so that it affected their trust in the system. Altogether, delays, rescheduling and cancellation of services made up 44.1% of the complaints. The delay often affected the activities or events planned; especially when the public transport is required to travel between cities. Some of the drivers be it taxi or bus drivers were often rude to passengers in terms of words uttered or their actions; driver's attitude made up 10.7% of the complaints.

Poor customer service was another complaint received from consumers whereby their enquiries and grouses were not properly attended to. No actions were taken by the operators to resolve the complaints made by consumers; indicating a poor complaint handling process or management in regard to the services provided.



15.5% of the complaints were related to fares being charged by public transport service. There were some allegations that taxis were using tampered meter and thereby making the fares to increase rapidly within a short period of time. Some consumers complained that they were forced to pay higher than the fares shown on the meter and they were scolded by the taxi driver when they refused to pay the insisted amount. Bus ticket fares during festive season were sold at a higher price and not according to the guidelines set by the Commission.

Safety issue is another concern in this sector because it involves the lives of people. Road accidents involving public transport is becoming too frequent. Thus safety issue should not be taken lightly by the Commission. Roadworthiness of the transport vehicles must be ascertained apart from ascertaining the competency and attitude of the drivers.

Public Transport (and Highway) Complaints (NCCC - 2014) n = 612

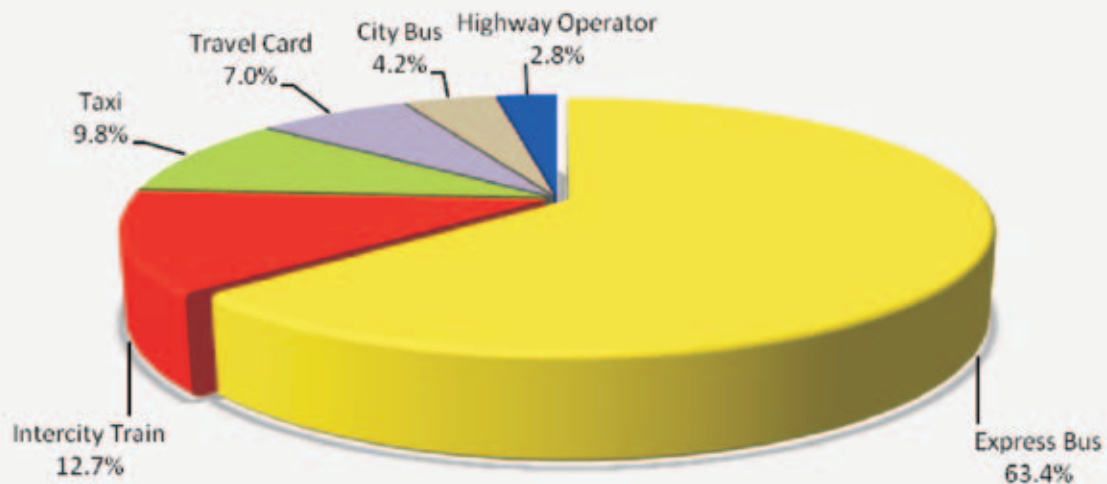


Figure 1: Complaints Related to Public Transport

Nature of Complaints in Public Transport (and Highway) Complaints (NCCC - 2014) n = 612

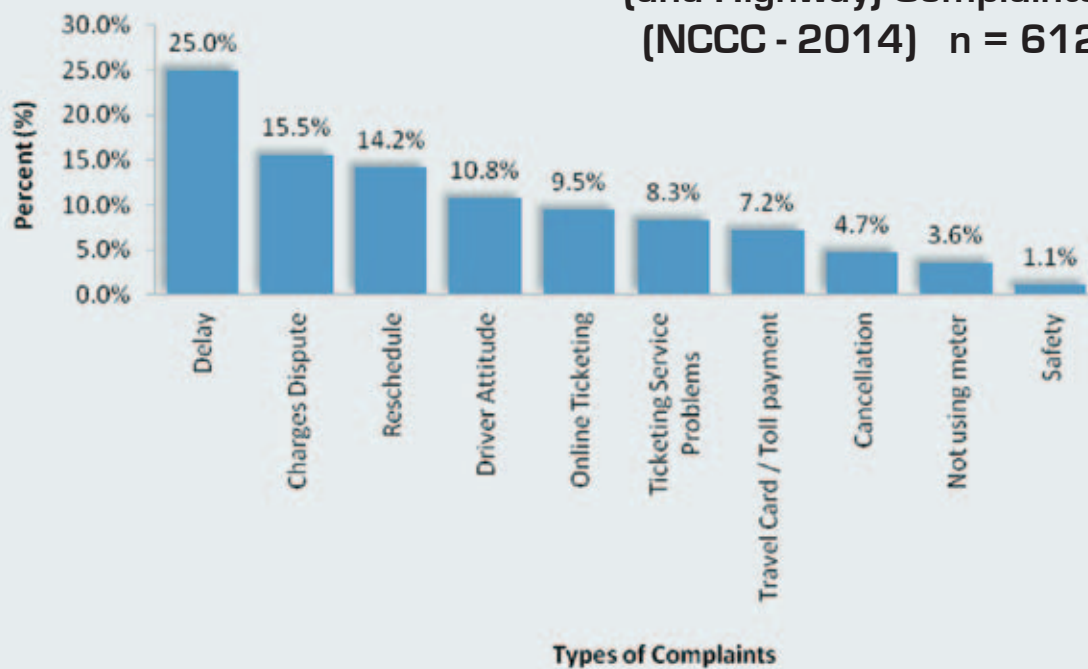


Figure 2: Nature of Complaints Related to Public Services

Consumer Protection Laws Applied to Manage Complaints Received

1) Laws

All public transport services came under the purview of **Land Public Transport Commission (SPAD)** whereas their power and jurisdiction are embodied under the Land Public Transport Act 2010. The Act governs all matters including licensing, vehicle, power to investigate, consumer protection and etc.

- **Section 3** expressly provides for the jurisdiction and power of the Commission which include policy and planning in order to ensure a better quality of services upon the approval of the Minister.
- **Section 162 & 163** provides that the Commission may conduct investigation upon receiving complaints in regard to the industry.
- **Section 166** provides that a licensee, licensed operator and terminal licensee providing land public transport services have a general duty to deal reasonably with customers and adequately address customer complaints.
- **Section 167** provides that the commission may, on its own initiative or upon the recommendation of the land Public Transport Forum, prepare or cause to be prepared customer standards which may be set out in guidelines issued under this Act.
- **Section 168** states that there shall be a forum known as Land Public Transport Forum and shall have the power to enforce its jurisdiction as spelled out under the Act which also include consumer protection.

Recommendations for Improvement

- Public transport should be frequent and reliable. Commuters should not have to wait too long before the next bus arrives. Thus the interval between the bus services should be shortened and most importantly reliable.
- The Transportation Ministry together with SPAD should regulate and ensure strict adherence to overcome the issues of delay in service rendered by public transportations. This is specifically to address the inconsistency of city buses. This should not be taken lightly due to the high volume of Malaysians depending on public transportation to commute to work.
- Constant inspection must be carried out on public transport vehicle in order to ensure its roadworthiness and thus ensuring passengers' safety.
- Public transportation service providers should always strive to ensure only competent drivers are hired. This is pivotal to the safety of the public transport users. Strict disciplinary action should be taken against drivers who have been reported acting in a reprehensive manner.
- SPAD should revoke the licence of public transportation drivers that have bad reputation for negligent and reckless driving. Firm action must be taken against taxi drivers who do not comply with laws that require them to use meters. Taxi meters must be included in the legal metrology system and governed accordingly. Additionally, recurring offenders should have their licences revoked and not be allowed to operate taxi services.

17

Non-Conventional Financial Services

What are Non-Conventional Financial Services?

They are modified loan terms or eligibility requirements that allow lending to borrowers with limited financial resources. Note that these non-conventional financial institutions have to be registered companies. Complaints against non-registered companies will be quite futile as tracking the owners or directors of such companies will be highly impossible.

The NCCC recorded a total of 576 complaints related with non-conventional financial services. This is a significant increase in comparison to the 201 complaints received in 2013 under the same sector. The same also applies on the total amount involved in the dispute where the claim had also increased for 2014, amounting to RM192,625.98.

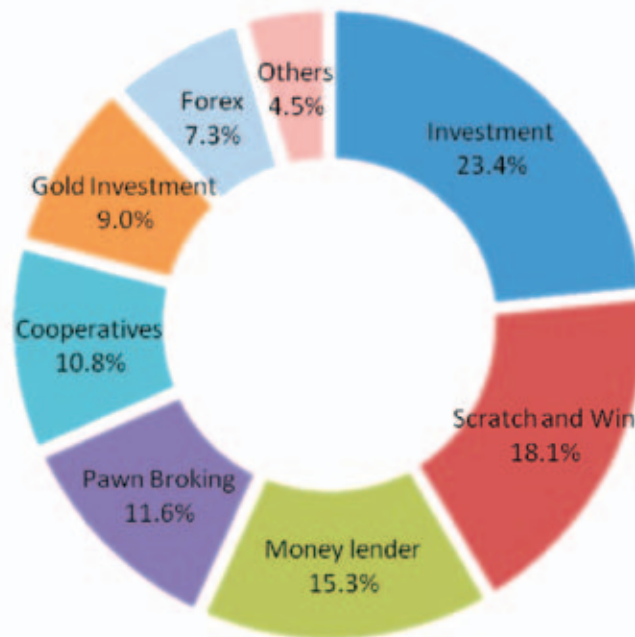
Complaints related to investment schemes raked in 23.4% of the total complaints under the non-conventional financing services. The usual complaints under this category were non-delivery of what the investment companies had initially promised; the complainants after making payments felt cheated. Hence, many complainants opted to terminate their agreement and asked for their refund. However, they were prohibited from terminating the contract without additional payment; also refunds were refused. On a further note, some complainants were scammed into investing into rogue companies that went missing upon collecting all the funds from their victims.



Surprisingly, there are still individuals being swindled or conned into the scratch and win contest despite being warned through media and to this, NCCC had recorded 18.1% of complaints under this sector for 2014. Many individuals were easily deceived by exciting offers or a chance to win something great for a lesser value and this made them an easy prey for such hoax offers. After these scammers had lured their victim into dealing with them (taking their money), they would either disappear or give numerous excuses to reap more money from their victim. Sometimes shoddy products are given to the consumer. Consumers should be mindful that these scammers usually are not registered with Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) and locating them is almost impossible.

Issues on money lender contributed 15.3% of complaints. Complainants lamented that

Complaints Related to Non-Conventional Financial Services and Investment (NCCC - 2014) n = 576



Note: more than 50% of the complaints are related to scams associated with Scratch and Win (SCAM) and Investment

they were forced by the money lender to keep on paying despite full payments being made as the debt kept on increasing due to the high interest rates. As a result, many were financially burdened and unable to settle the loan. At this juncture, the borrowers sought NCCC's assistance in representing them to renegotiating payments with the moneylender.

About 11.6% of the complaints in this sector were related to pawn broking services. Items pawned were sold off without the consent of the owners or without sending any notice to the owners. Pawnbrokers also sought to take advantage of the financially burdened by selling of their customers pawned belongings at a higher price to make profit in an unjust manner. Additionally, the consumers were sometimes pressured to pay extra to get back their items from the pawn broker.

Complaints in regard with the cooperatives contributed 10.8% of the complaints, where the complainants claimed that they did not receive the loan from the cooperatives even after the loan was approved and some claimed that they received a lesser sum than what was approved.

Dispute in gold investment mainly highlights the issue where these investment schemes promised high returns within stipulated time; yet customers did not receive the returns as promised. As for forex dispute, the conversion charges were lower as compared with the market price and some had lost their money dealing in forex market.

Other complaints under this sector were in regard with multi-level marketing (MLM) and other bogus investment scheme where consumers were pressured to make payment for service not rendered by them.

Consumer Protection Laws Applied to Manage Complaints Received

Laws

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

Additionally, **Section 53 of the Consumer Protection Act 1999** stipulates that where services are supplied to a consumer, there shall be implied a guarantee that the services will be carried out with reasonable care and skill. As such, employees representing credit service companies should strictly adhere to this law and thus provide proper information to consumers at large and to their best of capabilities, provide efficient customer service that is of acceptable standards. Failure in such may lead to misrepresentation of service provided to the consumers at large and result in companies being liable for losses suffered by an aggrieved consumer.

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

The principle of 'misrepresentation' may be also applicable in cases where employees acting on behalf of consumer credit service providers make representation, wholly or partially not true and that misrepresentation was crucial in a customer entering into a contract, then

Section 18 of the Contracts Act Malaysia 1950 may be invoked and consumers may be awarded damages should the company be held liable for misrepresentation.

Recommendations for Improvement

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

The body governing pawn broking services should come under the purview and be regulated strictly under the KPDNKK as opposed to The Ministry of Housing and Local Government. This will provide a redress mechanism for aggrieved consumers.

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

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

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

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

Recommendations for Improvement with Regards to Investment Scams

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

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

SKM should hold a meeting with the NCCC on a regular basis to discuss on consumer protection policy reforms. This will help curb the unfair manner in which companies and cooperations conduct their businesses. They should also further discuss the complaints trend of NCCC on a yearly basis to close all available loopholes in the law that leads to the scamming of the public at large.

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

The NCCC received 504 complaints on healthcare services for 2014. Potential cost of complaints went up to RM613,381. Complaints received about medical centres and specialists clinics amounted to 38.8% of the complaints.

23% of the complaints were about what consumers interpreted as ineffective treatments. Patients felt that despite the medications and procedures, their condition had not improved.

Billing is one of the common grouses related to healthcare sector whereby consumers argued that the charges imposed on them were exorbitant and the charges should have been reduced. Some even argued that they were wrongly charged for the treatment given but their claims for refund were delayed or rejected by the centre.

There were also cases whereby wrong medication were given to consumers and thus causing consumers to suffer other kind of sickness or their health deteriorated after undergoing the treatment. This usually happened at private clinics in which their pharmacist was not qualified to identify whether the prescription was correct or otherwise.

Consumers also lamented that the service provided by the centres were unethical and unprofessional in the sense that their enquiries were not properly attended. Any disputes in regards to the billing were prolonged and



sometimes no proper solution was given to consumers.

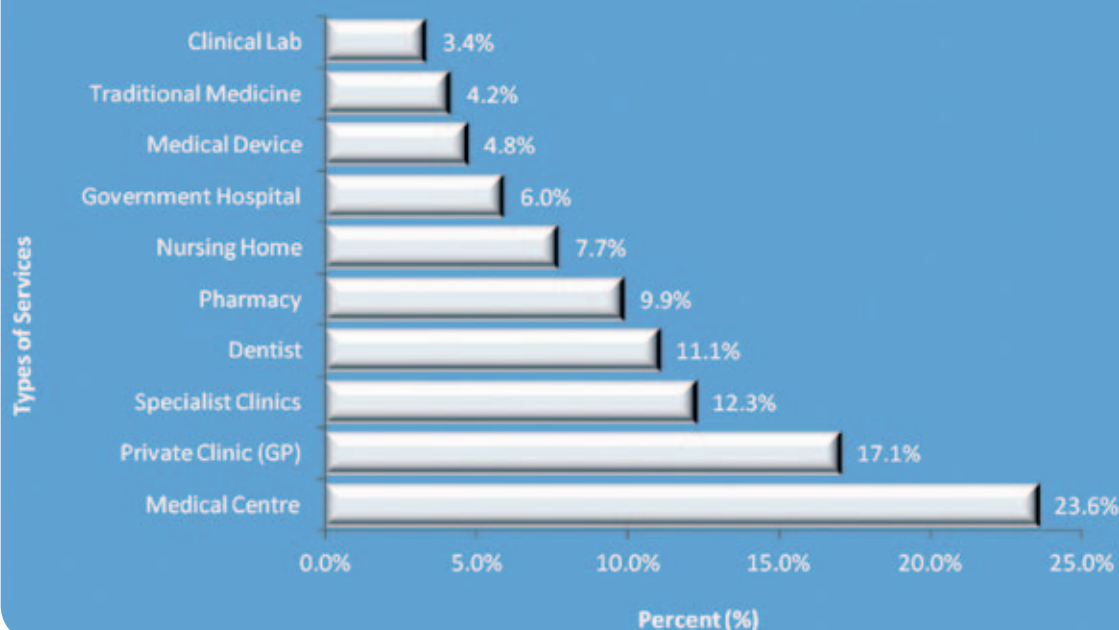
For continuous health screening services, the complaints were mostly related to the terms and condition stipulated in the contract. Some of the contracts were one sided in the sense that liability of the centre were protected and the rights of consumers were being neglected so much so that request for refunds were made impossible on the part of consumers.

Consumer Protection Laws Applied to Manage Complaints

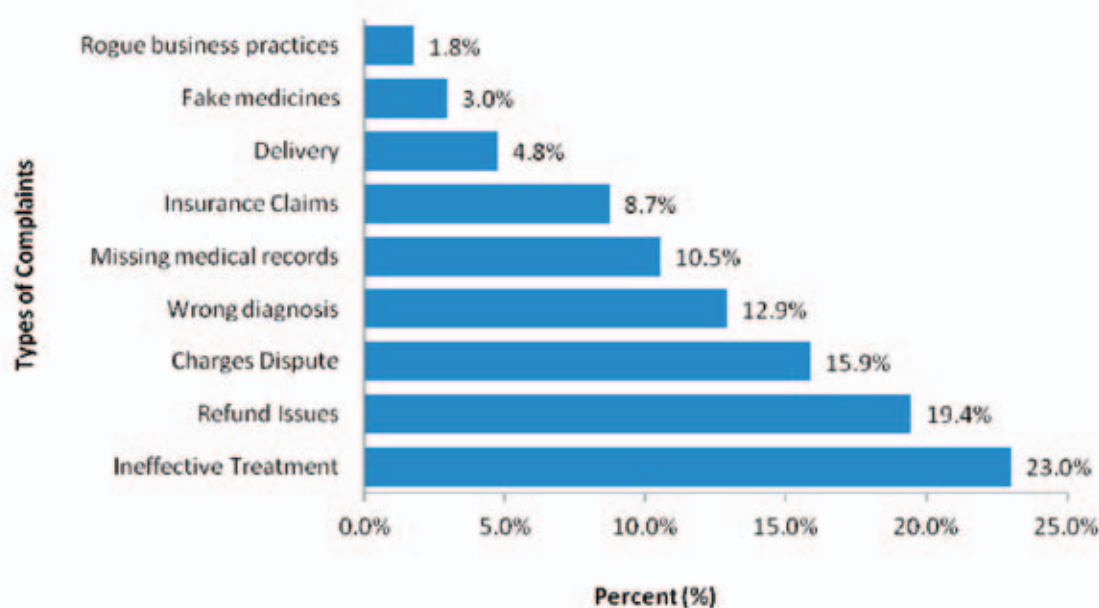
Redress Mechanism on Breach of Profession

The Malaysian Medical Council (established under **Section 3 & 4** of the **Medical Act 1979**)

Types of Healthcare Services (NCCC - 2014) n = 504



Nature of Complaints Related to Healthcare Services (NCCC - 2014) n = 504



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

- The Council may institute disciplinary proceedings when a practitioner appears seriously to have disregarded or neglected his professional duties to his patients.
- Apart from a practitioner's personal responsibility to his patients, practitioners who undertake to manage, or to direct or to perform clinical work for organizations offering private medical services should satisfy themselves that those organizations provide adequate clinical and therapeutic facilities for the services offered.
- A prescribing practitioner should choose the drug or appliance which, in his independent professional judgement, and having due regard to economy, will best serve the medical interests of his patient.
- The disciplinary proceeding shall be made in accordance with **Medical Regulations 1974**.

Policy & Ethics

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

- **Section I** provides that doctors have the duty to maintain a good standard of practice, care and behaviour.
- **Item 2 of Section II** provides that reasonable charges can be made for services provided and it is in the best interest of the practitioner to discuss this with the patient prior to investigation or

treatment. Doctors should abide by the MMA Schedule of Fees.

- **Item 7 of Section II** provides that the patient is entitled to a written report of the care that has been given to him. The doctor is obligated to provide him such a report speedily, without any unreasonable delay. The withholding of information of the care given to the patient is unethical.
- **Item 11 of Section II** provides that the doctor is responsible for the management of his patient including knowing about the safety and efficacy of the modalities of treatment or medication that he prescribes.
- **Item 5 Section VIII** provides that where a dispute arises between a doctor and his patient and a complaint is brought to the Ethics Committee, the doctor should respond to queries of the Ethics Committee as soon as possible, as provided in the Rules of the Ethics Committee.

Private Healthcare

Thirteenth Schedule of the Private Healthcare Facilities and Services (Private Hospitals and Other Private Healthcare Facilities) Regulations provides for a schedule of the cost of each medication, medical services, body part that is affected by the medical services.

Private Healthcare Facilities and Services (Private medical Clinics or Private Dental Clinics) Regulations 2006 specifically provides for regulation in regards to private clinic and dental clinic.

- **Regulation 8 and 9** provides that private medical clinic or private dental clinic shall ensure that all healthcare professional staff is registered under the law or

experience derecognition by Director General; and have such qualification, training, experience and skill to practise in his particular specialty or subspecialty in the field of medicine or dentistry, nursing or other healthcare profession

- **Regulation 10** provides that patient must be treated by registered professionals in both private clinic and dental clinic. The patient must be informed about the nature and procedure of the treatment.
- **Regulation 15** provides that private medical clinic or private dental clinic shall provide a policy statement which shall include: staff identification; billing procedure; patient's rights to — information concerning medical treatment and care; be informed of grievance procedure; and be supplied or provided with patient's medical report.
- **Regulation 17** provides that a private medical clinic or private dental clinic shall, inform the patient upon request — of the estimated charges for services based upon an average patient with a diagnosis similar to the tentative or preliminary diagnosis of the patient; and of other unanticipated charges for services that is routine, usual and customary.
- **Regulation 26 and 27** provides that patient shall be provided with grievance mechanism plan which shall include a method by which each patient will be made aware of his rights to air his grievances and the grievance procedures. Grievances may be submitted either orally or in writing.
- **Private Hospitals and Other Private Healthcare Facilities and Service Regulation** contain the similar regulations as above i.e. information in regard to the treatment, supply of medical report, preparation for emergency

situation, billing — average billing to other patient with the same sickness and itemised billing.

Recommendations for Improvement

- The Ministry of Health should regulate the billings and charges imposed by hospitals and clinics. Healthcare service should not merely be treated as a profit centre; it should also bear the responsibility and the passion to help the citizen as mentioned by the Hippocratic Oath.
- The time has come for the ministry to consider of the setting up a health tribunal as what was done in the state of New South Wales in Australia now. This is to expedite the process of hearing and award by the Medical Council which currently does not have a balanced stakeholder representation; especially those representing aggrieved patients.
- Hospitals should take the initiative to expedite the investigation process when a complaint had been lodged against them. Most of the hospitals take many months just to conduct an investigation.
- Heavier punishment should be imposed on medical practitioners in cases of gross negligence. Fines should be imposed widely as to prevent them from being irresponsible and negligent.

The importance of education has been proven to be a prerequisite for the harmonious functioning of any society. It is responsible for the economic, social, political growth and development of society in general. Therefore, the importance of education system must not be neglected and complaints lodged must not be taken lightly. Feedback on education must be used as a guidance to further improve education services and quality.

Having understood the importance of education system, let's look at the number of complaints pertaining to education services received by NCCC with the reference made to the graph. The highest number of complaint on education services was on education service related products such as language learning program (CD), amounting to 30.9%. The method of selling the product in itself was questionable. Students were deceived by the seller to make monthly payments; on investigating it was found that the monthly payments added to more than the cost of buying the product; thus the students were over-charged. At this juncture it is important to check and calculate the price before purchasing the language learning program in order to avoid from being cheated.

Complaints against Institute of Higher Learning (Private) this year recorded 21.8% of the complaints. The complaints were often associated with over-pricing but no action was taken by the institute to redress this issue, hidden charges which were not made known to

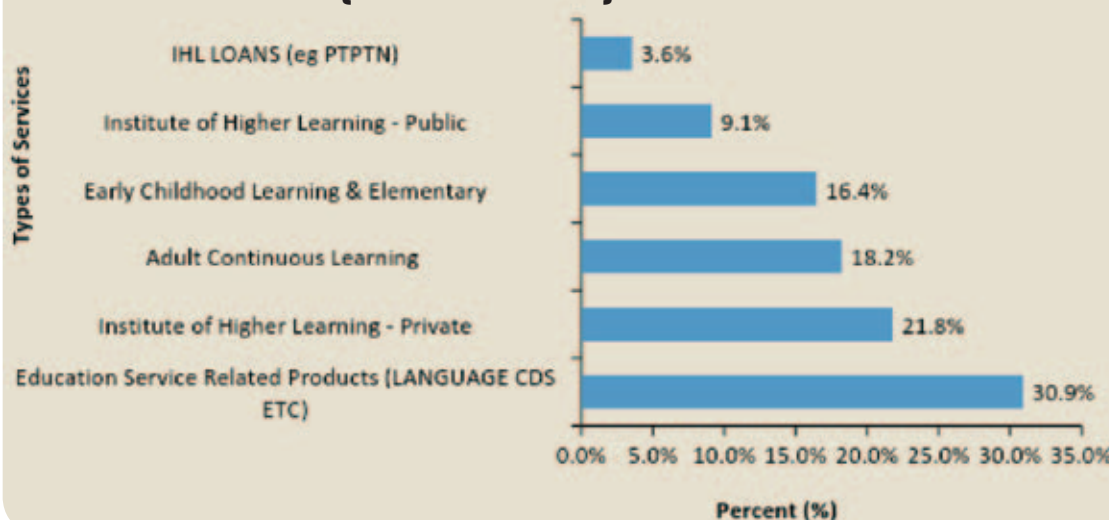


the complainant during registration, and poor facility services and management.

Adult continuous learning this year is the third highest complaint according to the graph amounting to 18.2%. The complaints are as follows:

- With regard to charges, money had been paid but the classes was not conducted and upon contacting the centre to seek for refund, they refused to entertain the complainant and kept delaying the said request;
- The service was poor and not up to the standard as the centre claimed it to be;
- The complainant had been induced and misled by the information / advertisement regarding the course he / she enrolled; and,
- Extra payment was made to the centre and upon requesting for the amount to

Complaints According to Education Services (NCCC - 2014) n = 450



be returned, such refunds took extremely long.

Early childhood learning & elementary complaint this year amounted to 16.4% of the complaints. This is perhaps one of the most important categories especially in terms of safety due to their tender age. Most of the complainants were not happy with the fact that when they decided not to send their kids to the kindergarten / day care, the remaining fees which was paid earlier was retained by the school. The kids were barely at the school for 2 weeks yet the company refused to refund the complainants money.

Parents have the right to decide whether or not to continue sending their kids to that particular school taking into consideration of several aspects such as cleanliness, their services, conducive environment for children's and most importantly the teachers need to be well equipped, competent and dedicated. If such requirements are not met, the parents have a right to send their kids to another school or day care and the remaining sum should be returned to the parents.

There were complaints lodged by complainant that his / her child was afraid to go to the school because their teachers were too "strict" with the kids. When such situation occurred, the parents bear the responsibility of raising this issue to the school management or the principal to ensure that this issue would be addressed appropriately.

Complaints against Institutes of Higher Learning (Public) amounted to 9.1% of the complaints. The complaints under this category are similar to the complaints under Institute of Higher Learning (Private). This includes poor service rendered by the University, students had to wait for so long for the shuttle bus, insufficient notice given to the students as they need to sit for additional papers and the fact that they had to sit for additional paper was not made known to them during registration. Such actions only prove that they were inefficient when it comes to managing their students.

Last but not least, complaints related to loans for education purposes this year amounted to 3.6%. Complainants complained that the

loan provider delayed in returning the excess amount of money paid by the complainant.

According to the nature of complaint as per the graph above, charge disputes recorded the highest last year amounting to 34.7% of the complaints. Students were over-charged, refund was denied, overpaying but not refunded; these are some of the major concerns raised by the complainants.

Poor services recorded the second highest number of complaints with a total of 28.7% out of all complaints under this category. Poor services in this context include for instance no follow up was made despite several complaints were lodged in terms of being over-charged, shuttle bus services were unreliable, management took a longer time before refunding complainants money.

The third highest complaint according to the nature of the complaint raised by complainants was on misleading information which was 14.2%. Complainants were misled by the

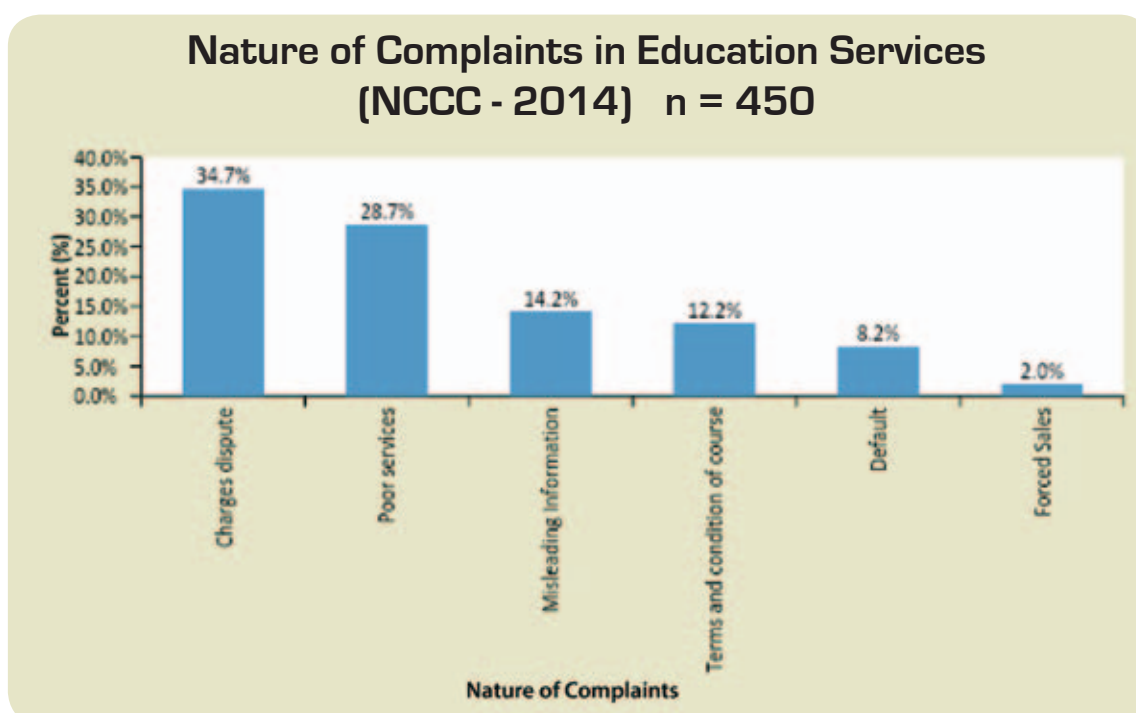
promotion offered and once complainant signed up for the package no such promotion was given to the complainant and upon request to cancel the package, no refund was given.

Terms and condition of courses this year amounted to 12.2%. The terms and conditions incorporated in such a way that it caused great injustice to the complainant. Some students were bound by the terms and conditions that they could not leave the University despite the fact that they were not satisfied with the service. Complaints on default amounted to 8.2% and lastly forced sales to 2.0%.

STRATEGY

Education Blueprint 2013

Malaysia's goal is to reach developed nation status by 2020 and it has published an Economic Transformation Programme (ETP) to support this.



Malaysia has also published The National Education Blueprint (2013-2025), covering pre-school to upper secondary education and identifying 11 operational and strategic shifts to transform the education system.

Under the national education system, the government provides 11 years of free primary and secondary education via a common national curriculum. Further education is subjected to the individual's academic performance and financial capability with school leavers choosing to continue their education in schools to obtain a pre-university qualification or further their education at public or private tertiary or higher institutions.

The government launched the Malaysia Education Blueprint in 2013 to define the course of education reform over the next decade and to respond to many of the challenges faced by the system.

LAWS

The institutes of higher education must follow the Private Higher Educational Institutions Act 1996 as laid down under the Ministry of Higher Education.

- **Section 40** provides that when granting approval for education services, the Registrar General may impose – conditions relating to the requirements for admission of students; such fee as may be prescribed; and any other conditions as he thinks fit.
- **Section 73** provides that if the Registrar General is of the opinion that any statement made in any advertisement in relation to a private higher educational institution is false, deceptive, offensive or misleading the Registrar General may take necessary action to prevent that the misleading information from continuing.

- **Section 75** provides that any person who makes a false or misleading statement in promoting a private higher educational institution shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Reference to Trade Description Act 2011 may also be made to further strengthen consumer rights.

- **Section 17** provides that no person shall make false statement either knowingly or recklessly or which is known to be able to deceive / mislead the consumers with regard to any matter related to services.
- **Section 18** further provides that no person shall make any false or misleading statement in any advertisement in relation to any goods / services.

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

- **Section 12** provides that a person commits an offence — if he gives to a consumer an indication which is misleading as to the price at which any goods or services are available; or if an indication given by him to a consumer as to the price at which any goods or services are available becomes misleading and he fails to take reasonable steps to prevent the consumer from relying on the indication.
- **Section 13** provides that no person shall advertise for supply at a specified price goods or services which that person – does

not intend to offer for supply; or does not have reasonable grounds for believing can be supplied, at that price for a period that is, and in quantities that are, reasonable having regard to the nature of the market in which the person carries on business and the nature of the advertisement.

- **Section 16** provides that no person shall demand for or accept, any payment or other consideration for goods or services, if at the time of the demand or acceptance that person - does not intend to supply the goods or services; intends to supply goods or services materially different from the goods or services in respect of which the payment or other consideration is demanded for or accepted; or does not have reasonable grounds to believe he will be able to supply the goods or services within any specified period, or where no period is specified, within a reasonable time.
- **Section 56** provides that where services are supplied to a consumer, there shall be implied a guarantee that the consumer shall not be liable to pay to the supplier more than the reasonable price for the services.
- Day care centres need to register with the **Companies Commission of Malaysia (SSM)** or the **Registrar of Societies (ROS)**. Registration Certificate will be issued by the **Social Welfare Department (JKM)** to the operators who comply with the JKM minimum standards and conditions imposed under Act 308. Without prior registration, they should not run the centre for the safety of the children.

Recommendations / Best Practices

- The Ministry of Education plays a pivotal role. It need to regularly check all the institutions in terms of the cost fee. This is to ensure that the amount charged is reasonable and equal rights are given to everyone.
- The Ministry of Higher Education need to monitor and enforce the existing laws to prevent and close the operation of many non-accredited and illegal foreign based management educational programs at both undergraduate and postgraduate level. This is to ensure students who enroll for any management or other academic programs are ensured of good quality of education, good facilities and also value for money.
- Rights to education is enshrined under the constitution and therefore government should work together in order to ensure that such rights are granted to all citizens regardless of their background (financial / ethnic).
- From time to time there is a need to check the universities in terms of the services provided to their students, to ensure that they are delivering their service up to the standard required, such as to set up an independent inspection body to evaluate the quality of the institution management.
- There have been cases reported that some Universities provide courses that are not recognised by the **Malaysian Qualifying Board**. Students and parents are urged to check with the Malaysian Qualifying Board before signing up for the course.
- In the event if students request to cancel their enrolment, deposits paid by the students must be returned and be allowed

to forfeit the sum in regards to enrolment process only. The remaining balance should be returned to the respective student accordingly.

- Ministry of Domestic Trade Cooperatives and Consumerism must take stern action against companies selling products under misrepresentation.
- In order to improve the quality of education, we need to have good quality teachers. The Minister of Education would also need to observe and assess the competency of teachers. ie send them for training in order to produce more competent and well-equipped teachers.
- Kindergarten schools should allow a grace period of 7 days to allow parents to decide whether or not to continue sending their kids to that particular school (however, they need to pay for the services engaged for 7 days). The remaining balance paid (if any) has to be returned to the complainants.

20

Maid Agencies

A total of 378 complaints were lodged with the NCCC with regards to services provided by the maid agency in 2014 and the monetary loss under this sector amounted to RM348,197.96. Comparing the data from the 2013 records, the monetary loss under this sector shows an increment of almost RM100,000.

The NCCC only deals with domestic helper (maid) related complaints as long as it is within the scope of the complainant as a consumer and NOT an employer.

Based on the chart, almost half of the total complaints under this sector is in regard with bad services and refund issues. A vast amount of complainants reported on the poor service of the agency in handling their issues; the maid provided by the agency was incompetent in undertaking the household work or caring of a child. Often, language was an issue followed by the inability to perform household task according to the complainant's expectations.

Other consumers reported that the maid provided by the agency had absconded during the contract period and no replacement was provided as assured by the agency. Many maid agencies only provide three months warranty in cases of runaway maids. After the lapse of the warranty period, these agencies will not take responsibility for any liability or obligations arising thereafter.

Some consumers were kept waiting for long periods of time to receive a maid and were given numerous excuses for the delay,

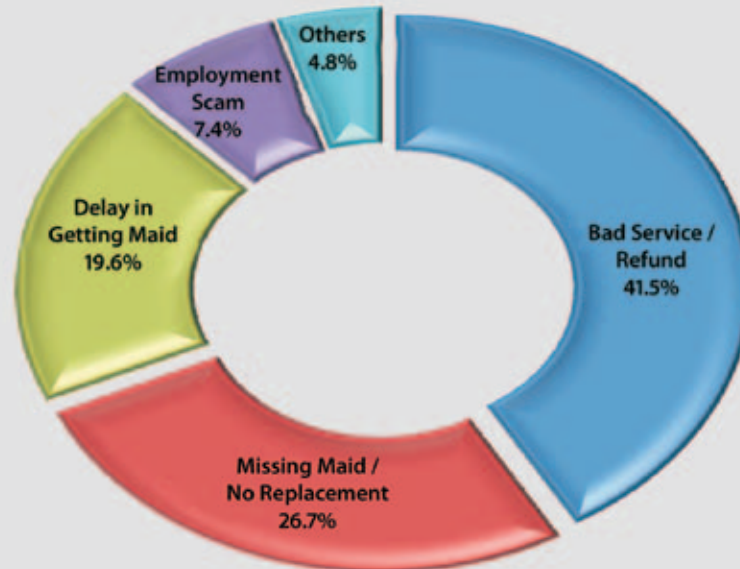


despite having obtained payment from the complainants.

Due to such many delays, many complainants asked for their refund but were further kept waiting to receive their refunds. In certain cases, some agency refused to acknowledge complainants request on their refund and were further treated poorly by the agency. Generally, maid agencies were reluctant to refund complainants for the payment made while service were not rendered. Usually these agencies will offer a replacement maid with new charges and no other compensation will be provided if the complainant wish to proceed with the termination of employment.

Referring to the above issues, most of the dispute arose due to the agreement set out by the agencies whereby the terms contained therein were more often than not unfair towards the individual / consumer hiring the maid. Since there are no standards or basic

Nature of Complaints Related to Employment (Work and Domestic Help) (NCCC - 2014) n = 378



agreement to facilitate this type of hiring, agencies are free to draft their own terms and conditions to the effect that only the interest and liability of the agency will be protected and not the party taking up the service.

The contracts often had one-sided terms such that agency would not be liable if the maid fled after the expiry of the warranty period and the other party had to bear the cost to get a new maid as well as the cost to send back the former maid to her country. In actual fact, this is usually the common problem faced by many house owners after hiring a maid. It is either the maids inform the agency that they do not want to work for the current household or they run back to the agency. In other words, the party hiring the maid had to bear all the cost regardless of the circumstances and the quality of services provided by the maid.

The agency on the other hand insisted on relying on the agreement made between the agency and the consumer,. However, the odd part of the agreement was that, only the party

hiring the maid signed the agreement and not the agency. It is a well-known fact that to make a contract enforceable, both parties must sign the contract. Although the party hiring the maid services wished to terminate the contract, the agency would impose high cancellation fees on them.

Consumer Protection Law Applied in Managing Complaint.

Since there is no specific law governing maid agency, reference of law can be made to Consumer Protection Act 1999 and Contract Law 1950.

1) Consumer Protection Act 1999

- **Section 6** provides that the Act shall have effect notwithstanding anything contrary in the agreement.

- **Section 24A** states that unfair term means any terms contained in the contract that causes imbalance on the rights and duties of both contracting parties.
- **Section 24B** provides that the provision on unfair contract terms shall prevail notwithstanding any discrepancy with Contract Act 1950, Sales of Goods Act 1957, and any other enforceable laws.
- **Section 24C** provides that the contract is procedurally unfair if it has resulted in unjust advantage on the supplier or unjust disadvantage on the consumer and for the purpose of deciding the case, the court or tribunal may take into consideration matters including but not limited to bargaining strength of both parties, fair standard of dealings so on and so forth as provided under the section.
- **Section 24D** provides that terms of contract are unfair if – (i) harsh; (ii) oppressive; (iii) unconscionable; (iv) exclude or limit the liability for negligence; or (v) exclude the liability for breaching the contract without adequate justification.
- **Section 24G** provides that the court or tribunal declare the contract or the terms to be unenforceable or void and judgment or award may be ordered as the court or tribunal thinks fit.
- **Section 24H** provides that where a contract has been executed, the court or tribunal may consider restitution or compensation where applicable and practicable.

2) Contract Law 1950

- **Section 10** provides that agreements are contracts when made by free consent for a lawful consideration, with lawful object and do not contrary to any existing laws.
- **Section 18** provides that misrepresentation includes; (a) positive assertion of a false

information which is known by the person making the assertion; (b) breach of duty which causes advantage to the person violating the duty; or (c) causing another party to make a mistake on the substance of the agreement.

Recommendation for Improvement

1. There should be proper regulatory body to govern the conducts and business ethics of maid agency as well as to take action in cases of misconduct. The regulatory body may also be helpful in terms of being able to advise consumers on the correct procedure to hire a maid from the beginning.
2. Basic guidelines of contract to hire maid should be drafted and issued by the legislator in order to facilitate maid hiring process and avoid unjust advantage as what is happening at the moment.
3. All maid agencies must provide sufficient trial period to both employers and domestic helpers before they are asked to confirm the employment for a period stipulated in their contractual agreement.

A total of 270 complaints were received by the NCCC against the professional services in 2014. The total amount involved in the dispute or complaints were RM871,163.64, which was quite substantial for the few numbers of complaints for this sector.

More than 50% of the complaints received under the legal profession sector were in regard with delays caused by the lawyer. The issue on delay mainly focused on sales and purchase agreement (SPA) of properties. Consumers were generally dissatisfied with the unreasonable delays caused by lawyers in executing the transfer of property and in their negligence in ensuring that all deals or transactions were being carried out within the stipulated time. On a further note, the complainant argued that the documents such as SPA, grant and loan agreements were executed late which subsequently caused the complainant to incur losses. Also, complaints were received pertaining to poor documentation or misplacing client's documents, adding 25.9% of complaints.

About 13% of complainants argued that lawyers were charging ridiculously high legal fees or asking for a large sum of advance payment before taking up their cases. Whilst, others complaints include negligence, misconduct and the behaviour of the lawyer itself.

However, for legal profession services, the Bar Council is the appropriate authority and regulator as lawyers are required to follow the Legal Profession Act and Rulings from the



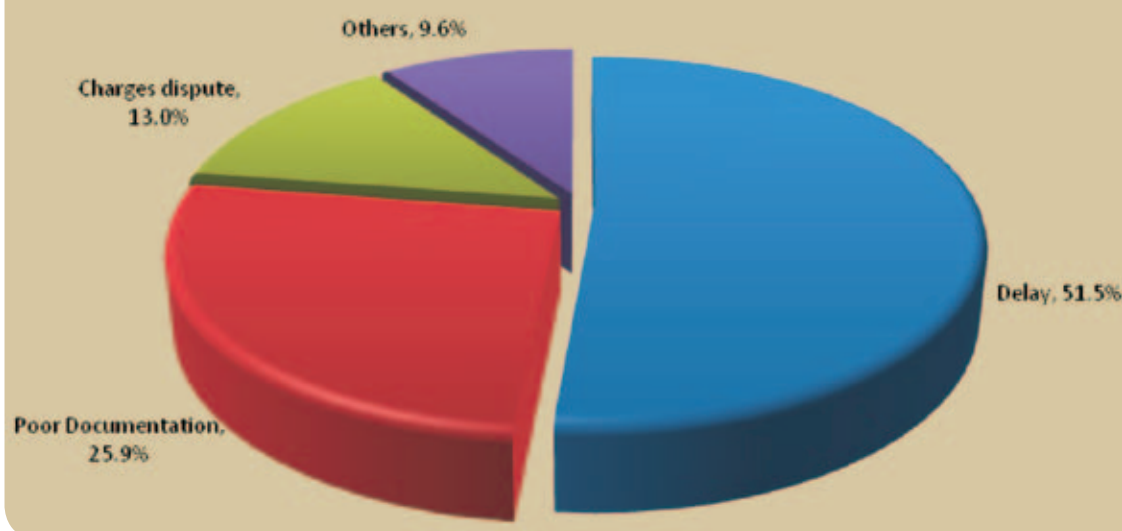
Bar Council and failure to do so will result in disciplinary action.

Consumer Protection Laws Applied to Manage Complaints Received

Laws

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

Nature of Complaints Against Legal Professional Service Providers (NCCC - 2014) n = 270



- **Rule 11 of the Legal Profession (Practice and Etiquette) Rules 1978** provides the guideline for lawyers to determine their fees in litigious or contentious matter only.
- **Rule 16** provides that lawyers have the duty to uphold the interest of client, justice and dignity of the profession. The same was provided under Rule 31.
- **Rule 35** further provides that lawyer shall refrain from any action whereby for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him by the client. He shall preserve his client's confidence and this duty outlasts his employment.
- **Part VII of the Legal Profession Act** provides about the disciplinary proceedings against the lawyers and the punishment that might be imposed.

Recommendations for Improvement

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

22

Government Sector

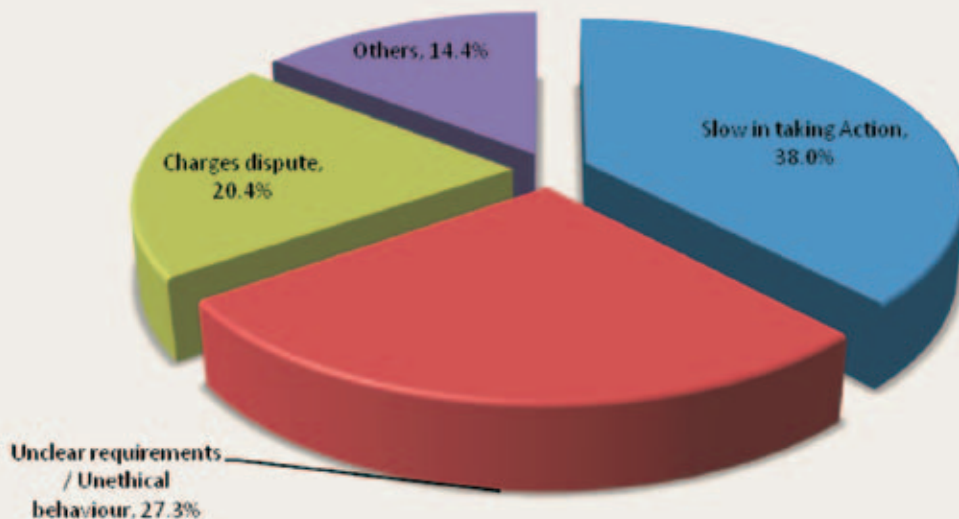


In 2014 the NCCC received 216 complaints as regard with the government sector, which was three times higher than the amount received in 2013. However, in relation to this sector, the NCCC acted as an intermediary by directing the complaints to the relevant Ministries in order for action. Apart from that, complainants were also advised to lodge a complaint with the Public Complaints Bureau (PCB) as they possess jurisdiction to receive complaint related to government bodies. Under this sector, the total amount in dispute was estimated to the sum of RM42,455.49.

Based on the chart, the general public were mainly dissatisfied with the delays in taking action by the government agencies. This delay was in both processing documents or paperwork and also in handling the public's complaints.

Approximately 27% of the complainants were disappointed with the unclear requirements / unethical behaviour of the government agencies where the publics were pushed around to different departments on their query and no clear answer or response were given to consumers on their issues. On a further note, the complainant also claimed that some of the

Nature of Complaints Against Government Services (NCCC - 2014) n = 216



government officers had poor attitude while communicating with the public, and some were dishonest while performing their duties by taking advantage of their position.

Complaints were also made to the relevant agency on the hike in the price of certain goods that had affected the consumers in managing their expenses and purchasing power. Complainants further brought up the issue whether the traders charged excessively on their product, especially groceries and food products. Other issues brought up by the complainant were in regard with the failure in sending documents or notices to the relevant party, issue of not receiving any feedback for opportunities under the government agency, not performing their duty adequately and lastly query and concerns on the Goods and Services Tax (GST) in coming early 2015.

Annexes

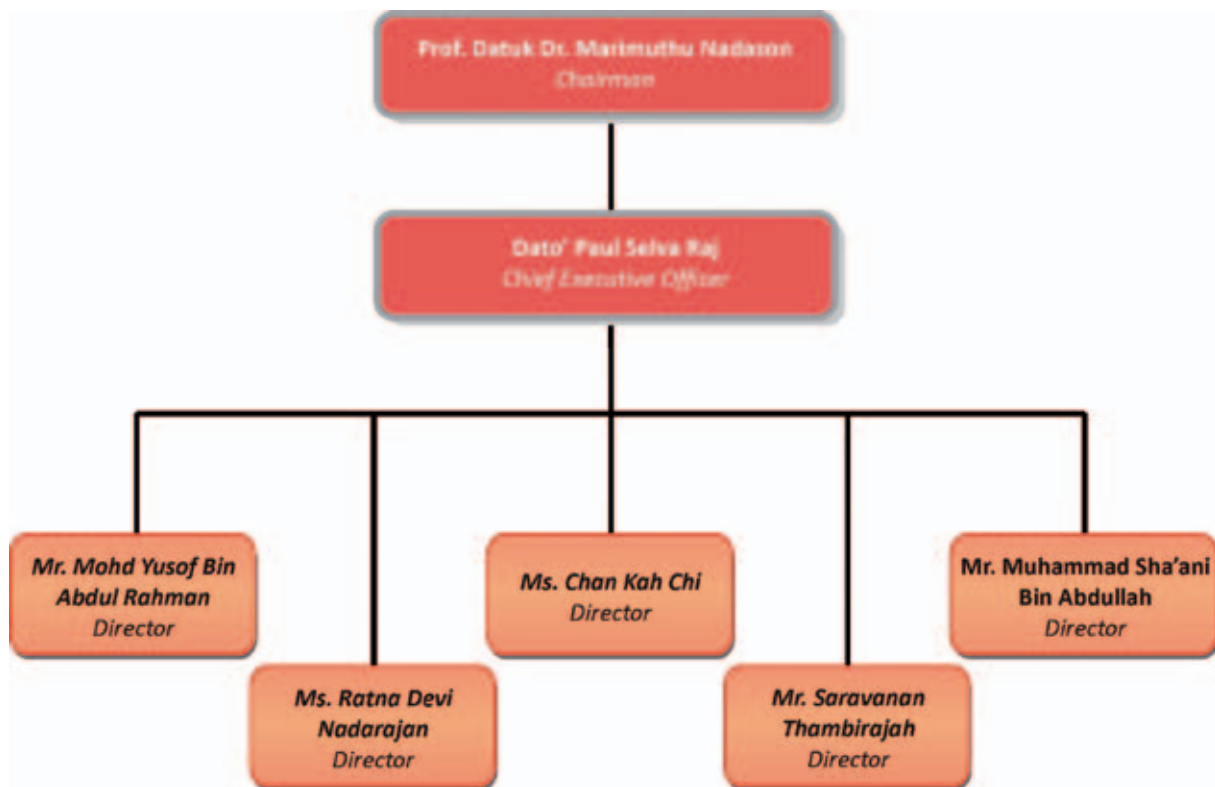


NCCC

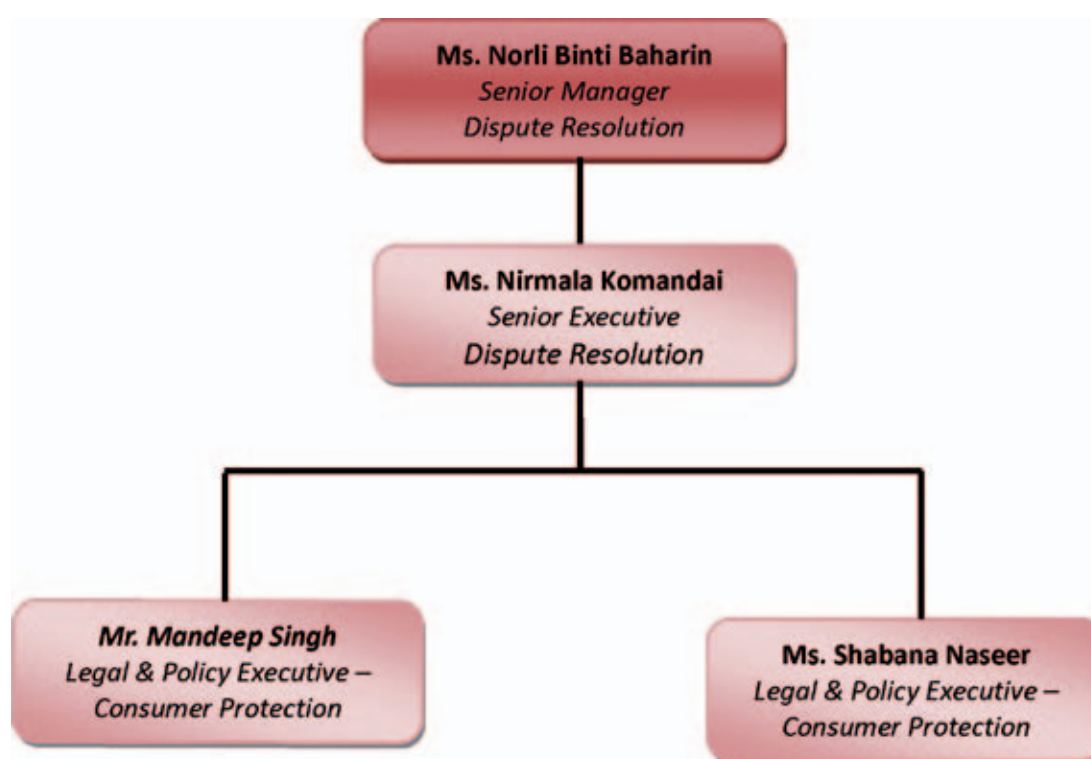
Annex 1

NCCC Organisational Chart

Senior Management



Management Staff



Annex 2

NCCC in the Media

NST- 25 June 2014

'4,915 complaints lodged against auto industry last year'

25 June 2014 @ 8:07 AM

KUALA LUMPUR: Malfunctions, refunds and deposits involving both new and used cars made up more than one-tenth of the 40,560 complaints made to the National Consumer Complaints Centre (NCCC) last year.

NCCC legal and dispute resolution manager Santhosh Kannan said it received 4,915 complaints against the auto industry and the value of the complaints was a staggering RM22.2 million, an increase of RM12.7 million compared with 2012.

"A huge number of complaints involved breakdowns and malfunctions of newly-purchased cars and poor after-sales service.

"Complainants lamented that companies were merely interested in making profits and made empty promises until the point of sale," he said after the launch of the 2013 NCCC Complaints Report yesterday.

Among the common grounds for new cars were stalling vehicles, exploding tires and malfunctioning anti-lock braking systems, gearboxes and automatic power windows.

According to the report, value of consumer complaints increased sharply from RM41 million in 2012 to RM62 million last year, although the number of complaints dipped to 40,560 in 2013 from 41,963 the year before.

The centre successfully resolved 70 per cent of the complaints recorded in the report, where amicable settlements were reached, Santhosh said.

The top five categories of complaints received by the NCCC were, in general, consumer products, telecommunications, retailers (including online), automobile and the travel industry.

NCCC chairman Datuk N. Marimuthu said consumer awareness had been increasing in the last few years and consumers were bolder in expressing their dissatisfaction and grouses.

He said companies and industries were now compelled to respond faster than before in addressing complaints.

"Industries have to be mindful of the various avenues for consumers to come out and express their anger and annoyance. They

"The sites have become the quick

Free Malaysia Today - 27 June 2014

NCCC: LESS COMPLAINTS BUT VALUE OF LOSS INCREASED

Written by Hafizan Cornelius
Friday, 27 June 2014 14:05

KUALA LUMPUR: The National Consumer Complaints Centre (NCCC) 2013 annual consumer complaints report stated that although the total number of complaints had dropped, the monetary value of the losses had however increased.

The NCCC chairman and Federation of Malaysian Consumer Association (FOMCA) president Marimuthu Nadason said that the number of complaints in 2013 had dropped to 40,560 compared to 41,963 complaints received in 2012.

"However, the loss value had increased from RM9 million in 2012 to RM61 million in 2013," he said at a press conference here today.

According to Marimuthu, the automobile sector still tops the category of value losses with an increase from RM9 million in 2012 to a drastic RM22 million.

Marimuthu said that the bulk of the automobile sector complaints were due to new cars breaking down or no proper steps being taken in the handling of the breakdowns.

General Consumer Products topped the list with 7,652 complaints received. The telecommunications sector was the second highest category and complaints against retailers, including online retail portals was third.

"The General Consumer Products complaints includes electronic telecommunications products, housing furniture and electrical equipment," said NCCC legal executive Santosh Kannan.

communications sector had not dropped for 2013

complaints," he said

MORE RECEPTIVE TO CONSUMERS' COMPLAINT

Written by KHALIL MAJEED
Friday, 27 June 2014 14:10

KUALA LUMPUR: Companies are now addressing consumer complaints more effectively and faster when channeled directly to them so much so the National Consumer Complaints Centre (NCCC) is seeing a drop in the number of complaints filed.

In revealing this, NCCC chairman Datuk Dr Marimuthu Nadason said, they received 40,650 complaints last year as compared with 41,963 the previous year.

"This could be reflective of companies addressing complaints channeled directly to them, without having the need to approach NCCC for its assistance," he told reporters at the launch of the 2014 Complainsfest and NCCC Annual Report 2013 at Cititel Midvalley.

Elaborating on some of the complaints received, he said, topping the list was 7,652 complaints against the general consumer product sector, 6,404 on the Telco sector and 5,763 on retail services and e-commerce industry.

The others include 4,915 complaints against the automobile industry and 2,313 on the travel and leisure industry.

In terms of monetary value, Marimuthu said, complaints related to the automobile sector topped

Malaysia Nanan - 25 Jun 2014

தேசிய பயனீட்டாளர் புகார் மையம் 40,560 புகார்களை பதிவு செய்தது

ஆண்டு பதிக்கப்பட்ட
பயனீட்டாளர்களிடம்
இருந்து 41,963 புகார்
களை இம்மையம் பதிவு
செய்தது.

2013ஆம் ஆண்டு
மொத்தம் 40,560 புகார்
களை மையம் பதிவு
செய்தது. இப்பதிவு
எண்ணிக்கை 2012ஆம்
ஆண்டைக் காட்டிலும்
கடத்தாண்டு ஏறும் குறை
ந்துள்ளது. பெறப்பட்ட
40,560 புகார்களில் 70
சதவீத பிரச்சினைக்கு
தீர்வு காண்பதற்கான
நடவடிக்கையை மையம்
மேற்கொண்டது என்று
அவர் செய்தியாளர்களிடம்
கூறினார்.
தொழில் துறையி
ளில் பதிக்கப்பட்ட



வர்கள், பொருட்கள்
வாங்கியதுடன், பயனீட்
டாளர் சேவையில் பதிக்க
கப்பட்டவர் ஆகியோரி
டமிருந்து சுமார் 20 வித
மான புகார்கள் மையம்
பெற்றது.

கடந்த 2012ஆம்
ஆண்டு தொலை தொட
ர்ப்பு துறையால் பதிக்கப்
பட்டவர்களிடம் இருந்து
தான் அதிகமான புகார்
களை தேசிய பயனீட்டா
அதிகம் பதிக்கின்றன.

கார் உட்பட ஆம்
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ளில் பயனீட்டாளர்கள் 2
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82,476 வெள்ளி இழந்
துள்ளனர். இத்தொகை
தான் கடத்தாண்டு பயனீ
ட்டாளர்கள் இழந்த மிகப்
பெரிய தொகையாக
விளங்குகிறது.

BIG SURGE IN COMPLAINTS ABOUT GENERAL CONSUMER PRODUCTS

Written by THE RAKYAT POST
Friday, 27 June 2014 14:29

The National Consumer Complaints Centre (NCCC) had received 40,560 complaints for 2013, a slight improvement from the 41,963 received the year before.

NCCC chairman N. Marimuthu said the numbers were derived from more than 20 different industries resulting from their purchase of goods/services.

"This year, the most complaints came from the General Consumer Products as opposed to the Telecommunications Sector that topped the list last year.

"In terms of monetary value, complaints related to the automobile sector topped the charts once again, raking in RM22,182,476.30 which is a dramatic increase from last year's total of RM9,544,831.80," he said at the 8th Complaintfest: 2014 held at Cititel Hotel.

He said there was a massive increase in the number of complaints pertaining to general consumer products.

"It topped the number of complaints received by NCCC for 2013.

"This is due to the fact that products like TVs, computers, cellphones, tablets, laptops and similar products have been made accessible to consumers at a very reasonable price attached to them.

"There was an increase of sales and usage of these products but the quality remains highly

The Malaysian Insider- 27 June 2014

GAJET PALSU, KEROSAKAN KERETA BARU KELUHAN UTAMA PENGGUNA 2013

Telefon bimbit, tablet dan kereta merupakan produk paling tinggi mendapat aduan pengguna Malaysia tahun lalu, begitu juga gajet palsu dan kereta mewah buatan Eropah yang sering rosak selepas keluar dipamerkan di pasaran, kata pemerhati aduan pengguna.

Walaupun jumlah angka yang diterima Pusat Aduan Pengguna Kebangsaan (NCCC) pada 2013 menurun, tetapi nilai kerugian yang dirasai pengguna dalam sektor automobil meningkat tiga kali ganda, kata Pengerusi Datuk Dr Marimuthu Nadason.

Produk dan perkhidmatan lain seperti televisyen, telefon bimbit, komputer riba dan tablet termasuk dalam kategori yang menerima aduan paling tinggi sebanyak 7,652 kes yang membabitkan anggaran kos RM12.644 juta.

Bagaimanapun, aduan paling tinggi direkodkan sektor automobil sebanyak 4,915 kes dengan anggaran RM22.182 juta. NCCC pada keseluruhannya menerima 40,560 aduan tahun ini, menurun berbanding 41,963 pada tahun lalu.

"Penurunan ini mungkin disebabkan respons daripada pihak peniaga yang mengambil serius aduan pengguna. Justeru, pengguna tidak lagi datang meminta bantuan kita," katanya kepada pemberita ketika membentangkan laporan tahunan 2013.

Namun berdasarkan aduan, nilai kerugian meningkat 34% daripada RM40.586 juta pada tahun 2012 kepada RM61,700 juta tahun lalu. Perkhidmatan telekomunikasi menunjukkan aduan kedua tertinggi yang dikemukakan pengguna dengan 6,404 selepas barangan dan perkhidmatan.

Kemudiannya diikuti belon secara atas talian dengan 5,763 aduan, automobil (4,915), pelancongan dan percutian (2,313) serta kesihatan dan kecantikan (2,013).

Eksekutif Undang-Undang NCCC Santhosh Kannan berkata, kebanyakan aduan datang daripada kategori produk awam dan kadang kala telefon bimbit palsu, tablet, dan komputer riba.

"Wujud spekulasi mengatakan permintaan tinggi telefon bimbit murah menyebabkan pengilang dan pengedar mendesak supaya menghasilkan gajet yang berkualiti rendah dan tidak tahan lama.

"Kami juga terima aduan daripada pengguna yang membeli telefon bimbit murah apabila hancur mendaftar secara online, mereka menerima mesej mengatakan telefon itu sudah terdaftar.

"Apabila mereka merujuk semula, penjual kata tidak tahu menahu dan enggan bertanggungjawab," katanya.

Laporan tahunan NCCC juga menunjukkan, aduan berkenaan elektronik dan telekomunikasi antara 21 produk tertinggi dalam kategori barangan awam termasuk perabot, pakaian, permainan dan kosmetik.

Antara lain, aduan mengenai kos tersembunyi menghantar gajet untuk diperbaiki sedangkan masih tempoh jaminan masih ada. "Ada aduan mengatakan pengguna dikenakan caj 'upah buruk'. Mereka diberitahu komponen adalah percuma tetapi kita fikir upah buruk juga satu jalan bagi mereka mengenakan caj terhadap pengguna," katanya.

Manakala aduan yang membabitkan kos tinggi daripada sektor automotif apabila kereta model baru buatan tempatan banyak mendudukkan masalah. Tetapi aduan daripada pemilik kereta buatan Eropah juga semakin meningkat, kata Santhosh.

MALAYSIA HARIAN

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12 Star Harian • Isnin 3 November 2014

NASIONAL

Masalah telekomunikasi: SKMM diminta lebih tegas

PETALINGJAYA—Masalah perkhidmatan telekomunikasi yang tidak memuaskan di negara ini masih berlaku walaupun isu itu telah dibangkitkan sejak bertahun-tahun lalu.

Timbalan Presiden Gabungan Persatuan Pengguna Malaysia (Fomca), Mohd Yusof Abdul Rahman berkata, ini menunjukkan masih tidak ada usaha daripada syarikat telekomunikasi untuk meningkatkan kualiti perkhidmatan mereka termasuk kes seperti panggilan terputus yang tetap dicala kepada pengguna.

Menurutnya, alasan syarikat telekomunikasi bahawa kes seperti ini yang disebabkan kepada panggilan terputus adalah alih sistem telekomunikasi yang digunakan sama sekali tidak boleh diterima.

"Mereka kata itu sistem. Apabila berlaku panggilan alih sistem telekomunikasi sebagai panggilan baharu dan pengguna akan dicala."

Tetapi bagi kita, itu adalah masalah mereka, bukan masalah kita jadi mereka tidak boleh jadikan alasan untuk caj



MOHD YUSOF

kita bagi panggilan terputus, katanya.

Menurutnya, Sumbarjaya

Komunikasi dan Multimedia Malaysia (SKMM) perlu menggunakan kuasa untuk memastikan syarikat telekomunikasi memberikan kualiti perkhidmatan yang tinggi dan pada harga yang munasabah.

"Kalau setakat denda sahaja, (syarikat) boleh bayar. SKMM perlu minta syarikat telekomunikasi perbaiki sistem mereka supaya kes seperti panggilan terputus ini tidak terus berlaku."

"Kalau SKMM hanya berikan sahaja syarikat telekomunikasi berkuasa dan buat apa

yang mereka soka, SKMM gagal dalam melaksanakan fungsinya," tegasnya.

Menurutnya, denda dikenakan SKMM kepada beberapa syarikat telekomunikasi tidak mencukupi kerana syarikat telekomunikasi yang memperoleh keuntungan berbilion ringgit setahun mampu membayarnya.

Mohd Yusof berkata, di Malaysia, caj mahal dikenakan bukan sahaja bagi perkhidmatan telekomunikasi seperti panggilan telefon tetapi perkhidmatan jalur le-

bar yang dikuasai syarikat telekomunikasi.

"Malaysia antara negara paling mahal pengguna internet di dunia. Tetapi caj kita mahal dan kualiti perkhidmatan masih lagi pada tahap tidak memuaskan."

Jadi kita harap kerajaan melalui SKMM perlu kenal pasti masalah dalam sektor telekomunikasi ini supaya ia dapat diperbaiki dan diarahkan taraf bagi memastikan pengguna tidak dibebankan dengan masalah tidak sepututnya," katanya.

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Bayar RM2,000 untuk barang RM500



Terpedaya
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dapat
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星島日報

2014年9月13日 星期六 A17



履行合約協定 保修條款才生效

【本報記者王曉明專訪】在汽車行業，「保修條款」是車主最關心的問題之一。但不少車主在購買新車時，往往會忽略閱讀保修條款，甚至不知道如何閱讀。本報記者日前訪問了多位汽車專家，探討了汽車保修的相關問題。

專家指出，汽車保修條款是車主與車廠之間的合約，也是車主維權的依據。如果車主不閱讀或理解錯誤，一旦發生意外，車主將無法獲得應有的保障。

專家建議，車主在購買新車時，應仔細閱讀保修條款，了解保修的範圍、期限、條件及程序。如果對條款有疑問，應及時向車廠或經銷商諮詢。

設特別小組處理消費者投訴

【本報記者王曉明專訪】在汽車行業，消費者投訴是一個常見的問題。為了更好地處理消費者投訴，一些汽車公司開始設立特別小組。

專家指出，設立特別小組可以加強車廠與消費者之間的溝通，提高投訴處理效率。特別小組通常由車廠的高層管理人員組成，負責處理重大投訴及與消費者進行溝通。

專家建議，車主在投訴時應提供詳細的資料，包括車輛信息、投訴問題及相關證據。這樣可以幫助特別小組更快地了解問題並進行處理。



保障汽車買賣 逐漸擴大範圍

【本報記者王曉明專訪】在汽車買賣過程中，保障買賣安全是一個重要的問題。隨著汽車市場的擴大，保障汽車買賣的範圍也在逐漸擴大。

專家指出，保障汽車買賣的範圍包括車輛信息、交易過程及後續服務。車主在買賣車輛時，應選擇信譽良好的車廠或經銷商，並保留好相關的交易記錄。

專家建議，車主在買賣車輛時，應仔細檢查車輛的質量及手續，確保買賣過程合法、安全。



星島日報

2014年9月13日 星期六 A12

屢修缺陷投訴無門

【本報記者王曉明專訪】在汽車行業，屢修缺陷是一個嚴重的問題。如果車主多次投訴問題仍未解決，他們將感到無門可訴。

專家指出，屢修缺陷通常是由於車輛質量問題或維修不當引起的。車主在遇到這種情況時，應及時向車廠或經銷商投訴，並保留好相關證據。

專家建議，車主在投訴時應提供詳細的資料，包括車輛信息、投訴問題及相關證據。如果問題仍未解決，車主可以考慮向消費者協會或相關部門投訴。



星島日報

2014年9月13日 星期六 A12

買車後車三區倒車

【本報記者王曉明專訪】在買車後，車主需要對車輛進行一些基本的檢查和調整。其中，倒車是一個重要的環節。

專家指出，倒車時車主應注意車輛的後方情況，確保安全。如果車輛有倒車影像系統，車主應正確使用該系統。

專家建議，車主在倒車時應放慢速度，並隨時觀察後方情況。如果車輛有異常情況，應立即停車檢查。



星島日報

2014年9月13日 星期六 A12

14日開始試行新法

【本報記者王曉明專訪】從本月14日起，一些新的規定將開始試行。這將對汽車行業產生一定的影響。

專家指出，新規定旨在加強對汽車行業的監管，保護消費者的權益。車主應了解新規定，並按照規定進行操作。

專家建議，車主在試行新規定期間，應注意觀察車輛的運行情況，如有異常應及時向車廠或經銷商報告。



星島日報

2014年9月13日 星期六 A12

首輪10次修不好換新車仍故障

【本報記者王曉明專訪】在汽車行業，首輪10次修不好換新車仍故障是一個嚴重的問題。這通常是由於車輛質量問題或維修不當引起的。

專家指出，如果車輛在首輪10次維修後仍無法解決問題，車主有權要求換新車。但前提是車輛必須符合相關標準。

專家建議，車主在遇到這種情況時，應及時向車廠或經銷商投訴，並保留好相關證據。如果問題仍未解決，車主可以考慮向消費者協會或相關部門投訴。



星島日報

2014年9月13日 星期六 A12

提出疑問保障利益

【本報記者王曉明專訪】在汽車行業，提出疑問保障利益是一個重要的問題。車主應了解車輛的相關信息，並提出疑問以保障自己的利益。

專家指出，車主在購買新車時，應向車廠或經銷商提出疑問，了解車輛的質量、性能及保修情況。

專家建議，車主在提出疑問時應提供詳細的資料，包括車輛信息、疑問問題及相關證據。這樣可以幫助車廠或經銷商更好地了解問題並進行處理。



星島日報

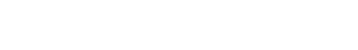
2014年9月13日 星期六 A12

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星島日報

2014年9月13日 星期六 A12

15-10-2014 (星期三) | 壹周刊 | 光明日報

出席者不到30人

廠商無視檸檬法研討會

【本報記者王曉明專訪】為保障消費者權益，汽車行業應加強對「檸檬法」的研討。但近日舉行的研討會，出席者不到30人，顯示廠商對該法並不重視。

專家指出，「檸檬法」旨在保護消費者的權益，防止他們購買到有缺陷的車輛。如果廠商無視該法，消費者的權益將無法得到保障。

專家建議，車廠應積極參與研討會，了解「檸檬法」的具體規定，並採取措施防止有缺陷的車輛流入市場。



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REPORT
2014

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ISSN 2180-1177

