

Malaysia Complaints

2015



annual consumer
complaints report

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National Consumer Complaints Centre (NCCC)

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Malaysia

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Message from the Chairman of NCCC

The NCCC Annual Consumer Complaints Report for 2015 is our tenth publication of this annual report. The Annual Report encompasses the consumer complaints received by the National Consumer Complaints Centre (NCCC) during the year 2015. 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 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 for 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 product 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. 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.

“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. ”

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, show 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 industry, 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 Malaysian 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 of Malaysian consumer's views and expectation, as they are fast becoming more demanding and rather prudent as individual users. The advent and growth of the use of social media has enabled young consumers to get in touch with consumers globally. The younger generation of Malaysia are demanding value for every cent spent. Consumers are no more afraid to voice their dissatisfaction openly. Consumers today are growing towards a society that demands quality and performance in return for what they have paid for.

The Malaysian Complaints Series has always strived to close the gap that arises between consumers and goods/service 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 agencies 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 aren't 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 put in place for 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 2015

No	Sector	No. of Complaints	Potential Loss to Complaints (RM)
1	E-Commerce	7,692	4,915,752.00
2	General Consumer Products	6,324	23,273,364.00
3	Telecommunication	5,928	5,451,600.00
4	Automobile & Auto-workshops	3,816	81,065,376.00
5	Travel & Leisure	3,468	13,318,908.00
6	Wellness	1,848	6,884,280.00
7	Housing	1,704	21,691,560.00
8	Postal & Courier	1,512	1,182,852.00
9	Banking / Financial Sector	1,500	31,380,900.00
10	Retail Service	1,476	853,224.00
11	Food & Food Services	1,416	1,141,800.00
12	Utilities Service (Electricity, Water and Sanitation)	1,306	909,876.00
13	Public Transport	1,080	702,588.00
14	Media and Broadcasting	1,020	182,784.00
15	Government service tax (GST)	946	450,456.00
16	Insurance	744	7,776,108.00
17	Non-Conventional Financial services	708	25,925,172.00
18	ICT Equipment services (repair)	624	905,580.00
19	Government sector	408	1,355,604.00
20	Healthcare Service	324	488,592.00
21	Education Services	324	1,069,080.00
22	Maid Agencies	288	2,047,224.00
23	Legal Professional service	84	787,668.00
	Total	44,540	233,760,348.00



NCCC

Report According to Sector Category

01 E-commerce (Online Shopping)

Online shopping is expanding rapidly. Today's approach to shopping has drastically shifted from outdoor market shopping to online shopping. The reasons for this drastic change from traditional way of shopping to online shopping includes avoiding traffic jams, saving time and it's ease and convenience; simply by just a click, one can purchase one's desired items at any time.

One of the key factors of online growth is access to internet; one can shop either at home, office or through other facilities as long as there is internet connection. Some of the best features of online shopping are it delivers goods right at the consumer's door step, it creates a wider choice for consumers, and it enables easy online payment method, additionally, one can often buy items at a cheaper price due to the competitive market.

Despite its ease and convenience, there are risks and challenges for the consumer. The National Consumer Complaints Centre (NCCC) has received many complaints related to online shopping. Compared to the previous year, the number of complaint received in 2015 has increased which indicates that not only are people shifting to online shopping, but there is also a need for consumers to be vigilant when buying goods online.

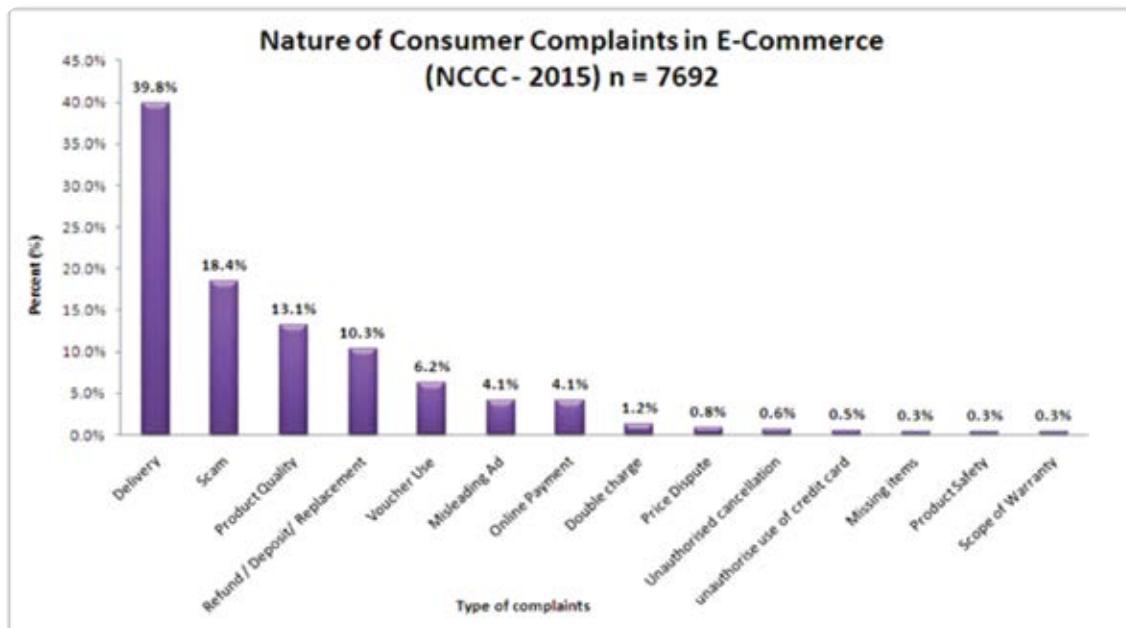
According to the graph above, it appears that delivery of goods has topped the complaint with the percentage of 39.8%. Most of the complaints related to delivery are that consumers failed to receive the product that they have paid for. When they then tried to contact the merchant, they failed.

Besides not getting the products purchased, consumers are also been given empty promises



such as the items will be delivered to them within a period of 2 to 3 weeks. However, consumers often had to wait for months before they finally received the products. Some of the items were bought as a gift, or for personal use; with such poor services, it has caused a great disappointment to many. In a worst case scenario, after a month of waiting for the product to be delivered, when the consumer called the merchant to enquire about the delivery of the product, he was then informed that the product ordered was out of stock. There were no previous notifications from the merchant to the consumer on the issue.

Despite several calls and emails to the merchant, the items failed to be delivered. Only some of the "lucky" ones were able to get the items but not on the date as promised. As claimed by many consumers, the telephone number given on the website could not be reached and emails sent to them were not entertained. Therefore it makes it even more difficult for consumers to seek for refunds. Often their hard earned money cannot be recovered. Items purchased



includes branded hand phones, watches, apparels, and cameras.

The second highest number of complaints, amounting to 18.4%, are that of consumers being scammed by bogus merchants. Online shopping scams involve scammers pretending to be legitimate online sellers, usually by setting up a fake website. According to the complaints received by NCCC, consumers were directed to make online payment to a personal account and after payment was made, there was no news from the merchant.

Secondly, many consumers claimed that they were informed that their products has been held up at custom and would take time to be delivered. However upon checking with the courier company and the Custom Department, they found out that their product was indeed not held up at the Customs.

Besides that, usually after making payment to the merchant, the website is closed down and therefore the merchant is untraceable. Most of these bogus merchants sell products on social media and therefore it makes it very easy to block the consumer; often they just close their webpage.

Third highest complaint this year is on product quality amounting to 13.1%. Compared to the previous year, the number of complaints pertaining to product quality has increased. It is rightfully fair for consumers to seek for the quality product that they had paid for. However, this is often not the case. NCCC has received complaints that the product after two to three times of usage were found to be defective, or broken; the quality of the product has been compromised. Upon bringing this matter up to the attention of the merchant, the issue is neglected and often it is very difficult for the complainant to claim for refund. Some may not get back their money, others may have to wait very long for their claims.

Fourthly, the complaints on refund, deposit and replacement is 10.3% of the complaints. An aggrieved consumer who is not satisfied with the product received, would like to get back their money or at least replaced with a product of the same type and or similar value. Often they're given empty promises that they will be getting back their money. Often there are long delays in the process of refunding or replacing the product.

Vouchers given to consumers have been a common tactic manipulated by the merchant. Complaints



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pertaining to voucher are at 6.2% this year. Most of the complaints are always pertaining to the expiry of the voucher. It expires too soon. Secondly, the voucher is found to be invalid and there was no such deals provided by the merchant. Upon asking the merchant to replace the voucher, often such claims will be neglected.

Misleading advertisement and online payment are both at 4.1% this year. Misleading advertisements is a norm in the cyber world and are mostly made to encourage consumers to buy particular products or services. The common tactic to lure online shoppers into buying their products is by putting up false description on the website. For instance, goods are not offered at sale prices but advertised as such, 'free delivery' but actually involves a fee or charge. When the consumer receives the product, the product does not match with the description online, for example the product is smaller compared to the picture advertised online. Due to the nature of this business, most of the consumers will pay via online transaction. Often after payment has been made and goods were not delivered it is extremely difficult for the consumer to retrieve their money as the merchant could not be contacted. Sometimes, the complainant was even charged doubled and this matter was only known to the complainant after checking their bank statement. This year complaints in relation to double charged is at 1.2%. It is important for the consumers to check their bank statement in order to ensure those merchant are not charging more than what the product actually costs.

3.1% of the total complaint consists of seven types of complaints. These 7 types of complaints are price disputes, unauthorised cancellation, unauthorised use of credit card, missing items, product safety, purchase from individuals and scope of warranty, and several more which will be explained as follows.

Price dispute usually happens when the displayed the price on their website is different when what is actually charged; often price charged is higher. To get a refund of the difference between the price stated and the price sold to the consumers is often difficult.

Unauthorised cancellation of the purchase means the merchant cancelled the purchase and failed to inform the complainant of the cancellation despite the fact that the complainant has made payment for the purchase.

Unauthorised use of credit card is dangerous and could lead to serious problems. There have been complaints made by online shoppers that the merchant has wrongly deducted money from their credit card. The process to refund back their money has always been a problem.

Missing items has becoming a trend nowadays. NCCC has been receiving complaints from consumers that often the merchant does not want to take responsibility when they did not get the items. The merchant simply state that the item has gone missing while being sent to the end consumer. Consumers are often confused as to who to claim it from, either the merchant or the courier company?

Product safety cannot be and should not be compromised as it may lead to serious injuries. This can be due to fake quality products. If consumer receives such product, it is important that they come forward and lodge a complaint so that stern action can be taken against the merchant.

There has been a new category added this year, which is buying a product from an individual. Often when the seller is an individual, not a company, the risk of being scammed is higher. This is usually when the seller advertises to sell a product on social media site such as Facebook / Twitter and after the consumer has transferred the money to the seller, the seller will simply close the account and thus could not be contacted.

Last but not least is issue on scope of warranty. Consumers claimed that most of the items purchased were not under warranty and therefore the faulty item could not be replaced. Even though after few days of purchased, the merchant refused to replace by simply stating that the item is not under warranty.

Having understood this far the type of complaints received by NCCC, now let's look at the laws that are

available in Malaysia to curb these issues and some recommendations to further improve e-commerce system in Malaysia.

LAW

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.

False or misleading advertisements are an offence and action can be taken under Consumer Protection Act 1999 and Trade Descriptions Act 2011.

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 customer 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 RM 50,000-00 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.

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.

RECOMMENDATION FOR IMPROVEMENT:

- **Amend the laws.**

The law in Malaysia need to undergo major amendments to keep up with the current business trend i.e.: **SOGA** and **Contracts Act 1950 (CA)** is outdated.

CA is out dated and too general, it does not specifically address the special characteristics of e-commerce but only focuses on formation of contract. Therefore it needs to undergo major amendments to keep up with the current business practice/trend.

For example:

- o it does not state when a contract is concluded
- o Elements such as fraud, duress needs to be re-examined in order to accommodate to online shopping

- 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 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 date of delivery (example date of purchase).
 - 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. 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.
 - E-consumers lack awareness when using internet services especially when shopping online. The online traders may exploit the buyers uncertainty and violate e-consumers' rights by shirking their legal responsibility to remedy situations by offering refunds, repairs or replacing the items. Therefore, it is vital to create awareness, educating the public of their rights and the laws that are available for e-consumers.
2. Make sure the company is registered before buying. Users can check the background of the company with the Companies Commission of Malaysia (SSM), which is the statutory body responsible for regulating companies and businesses in Malaysia through the administrative law of the Companies Act 1965 [Act 125] and Business Registration Act 1956 [Act 197]
 3. Buying products from social sites like Facebook are very risky. Therefore, avoid buying items via Facebook / WhatsApp unless you know the seller and comfortable to purchase item from that seller.
 4. Choose to pay through Cash on Delivery. When accepting the product, check the product before paying. If the product does not appear tally with the description stated on the website, you can return it immediately and do not have to pay to the seller.
 5. If the product is defective, the complainant should contact the company immediately. If the complaint is disregarded altogether, the complainant may lodge a complaint.
 6. Before making payment, please make an inquiry – whether the payment is made to the company or individual.
 7. Understand the terms and conditions of purchase such as how long are the process for refund and the process of returning the product.
 8. If the product images shown are not clear and small, ask the seller to email a clearer picture of the products until you are satisfied.
 9. If the merchant offered the price of the product too low, there is a possibility that the seller does not have the product or he is trying to sell you a fake collection. You need to know about the latest market price of the collection you want to buy.
 10. Ask relevant questions before deciding to buy such as the warranty of the product, and if found broken, what is the procedure to return the product.

Guide for Consumers

1. Avoid buying products that are advertised on the Web site that does not give a clear description of their products.

02 General Consumer Products

For the year 2015 product quality has the highest number of complaints with the percentage of 22.2% of the total number of complaints; a significant increase from 9.7% the previous year.

Product quality is one of the most important features one looks for when buying an item regardless of what the product it is. It is disappointing to learn that when the goods are purchased by the customers, it turn out to be defective. The quality of the product is so poor that the consumer can see the product deteriorate within days of purchase; this could only mean that either the items sold are not genuine or the manufacturers are no longer producing quality products in the market.

Repair service comes at the second place this year with the percentage of 13.3% of the total number of complaints. Problems keep recurring despite the products being sent several times for repair. Besides that, it takes a very long time for the product to be fixed and when asked when the items will be ready for collection, there is no concrete answer given, leaving the customer disappointed and worse sometime the customer has to wait for months to get the items back.

The third highest complaint this year is rogue collection method which is at 11.8%. Rouge collection method, such as harassing complainant's and complainant's family, used by some of the sellers were inappropriate. Some companies even threatened that they would seize the property.

One of the most important aspects of buying a product is the scope of warranty. This year the percentage of complaint for warranty is at 11.2%. Most of the complaints received were that though

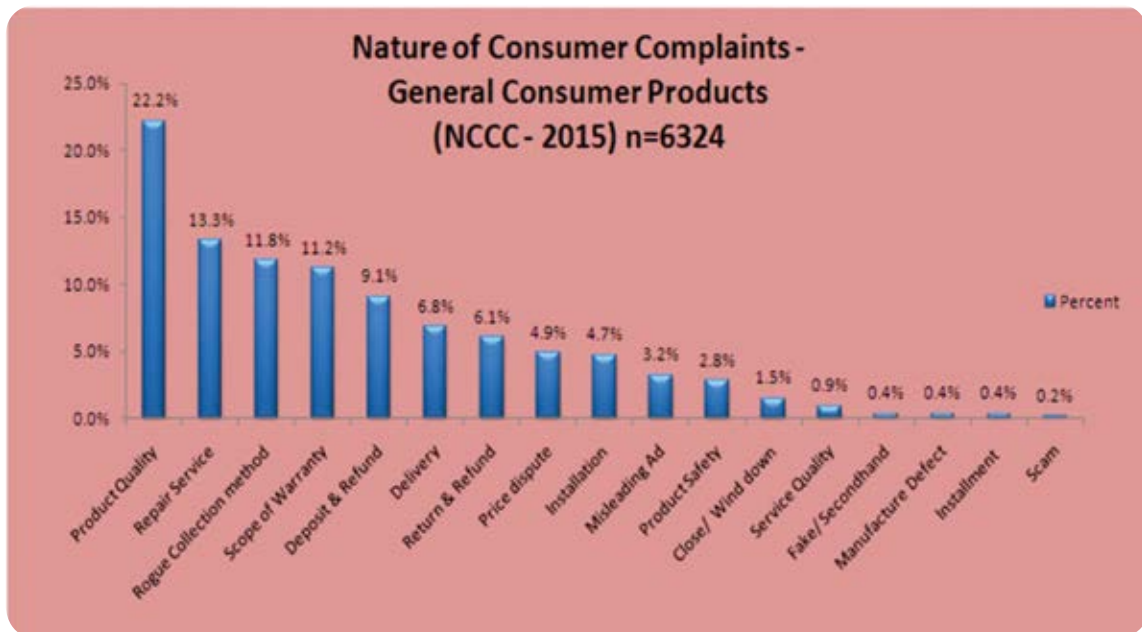


the product was still within the warranty period the supplier refused to replace the item with a new one despite the fact that the item had undergone repair several times.

Return and refund like any other sector has always been a problem. This year under this sector, the percentage of complaints is at 6.1%. When a product is found unsatisfactory due to its defect, consumer would want a refund. No refund is given back or the deposit is returned. Once a complaint is lodged with the NCCC, it assists the consumer in getting back the refund. Despite returning the product as it was found to be defective, the complainant had to wait very long before they got back the replacement.

Price dispute complaint this year is 4.9%. Again when it comes to price dispute, the issue has always been the retailers selling their products at a very high price. The regulators should from time to time do an inspection to check on the price that the retailers are selling. Many sellers are selling their products at a very high price; that is above the market price.

Some products purchased, for instance items like furniture / electrical items, requires installation



services. There were complaints received by the consumers that the sellers did not send any person to do the installation. In some cases the installer came after a few weeks and their work was shoddy, leaving the consumer to find outsiders to fix it at their own cost. This year, complaints pertaining to installation are at 4.7%.

Another complaint, that is, misleading advertisements that allure consumers to purchase products are still a major problem, because there are still a number of consumers who fall into the trap of buying products solely believing in the advertisement by the bogus merchant. Misleading advertisement complaint according to the graph is at 3.2%.

Complaints in relation to product safety on the other hand should not be taken lightly as it could lead to serious problems for the consumer. Such complaints should be taken seriously to ensure those who are responsible for selling such product will be held liable. This year, the percentage of complaint for product safety is 2.8%.

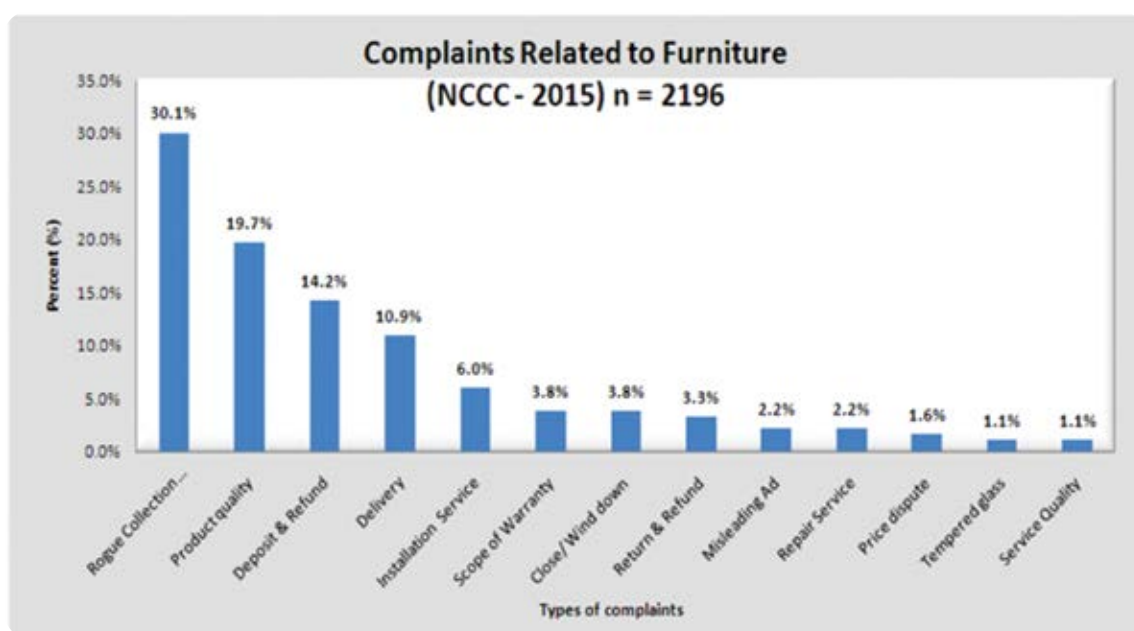
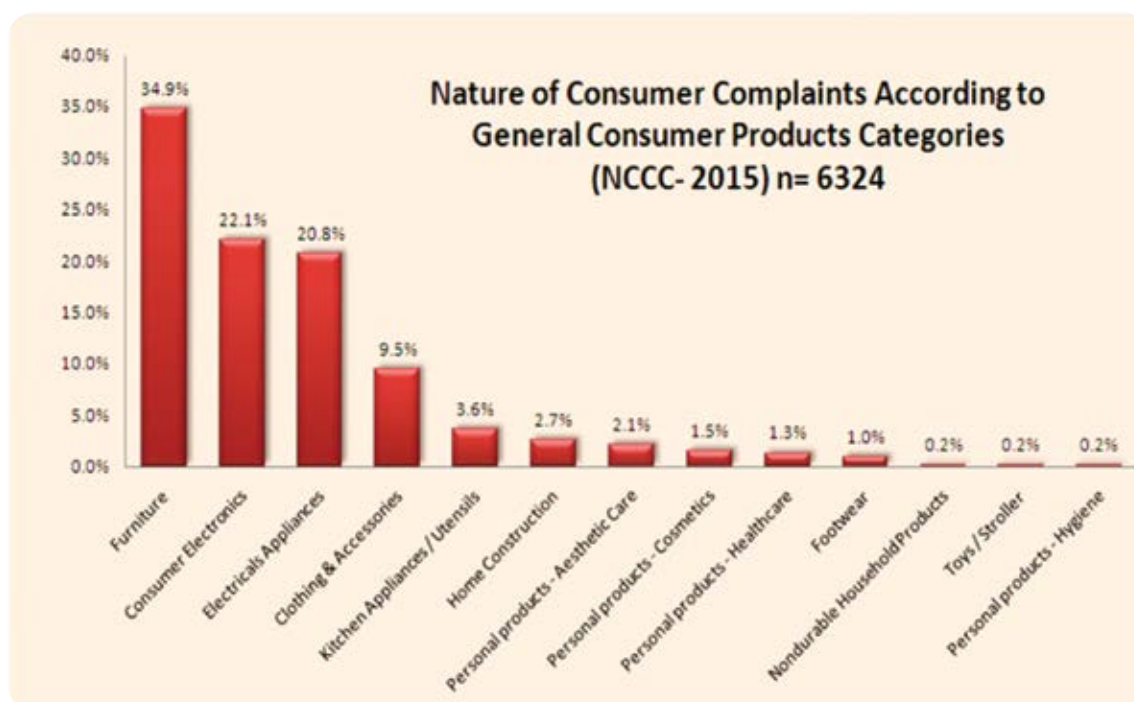
There are other complaints such as shops being closed down, poor service quality, selling fake product, manufacturing defects / installments and scams. Total number for these types of complaints are 3.8%.

Having understood this far of the complaints pertaining to general consumer products, now let's look at the categories of the complaints according to the type of products based on the number of complaints received by NCCC.

Based on the graph above, the top three highest complaints under product categories are furniture, electronics items and electrical appliances which will be dealt with separately later in this report.

Other complaints that are generally received by NCCC's are accessories & clothing. Often Complainant claims that the clothes were of a poor quality. The color of the apparel fades off or the material tore after just a single wash. Kitchen appliances were not properly fixed; personal products such as cosmetics were sold to the consumers which had exceeded the expiry date. Some of the Complainant had to endure skin problems such as rashes and required to go for medical treatment as a result.

Having said, let's look at the first three highest complaints according to the graph above which are furniture, electronics and electrical appliances as follows.



The first category are complaints related to furniture. Under this category, it appears to be that rogue collection method has the highest amount of complaints with the percentage of 30.1% of the total number of complaints.

The collection methods by the sellers were business ethics and decorum. The seller harassed the

Complainant and Complainant's family to make payments despite the fact that the Complainant had return back the item to the seller. There were complaints whereby the Complainant received letter from the seller that they will seize their property if the complainant failed to make the payment.

Product quality is the second highest number of complaint this year with the percentage of 19.7%. Poor product quality is a major issue facing our industry today based on the complaints received by NCCC. There were complaints received where newly bought furniture broke within days, Complainant started noticing marks and flakes on the leather surface, and saw that the two seams had split. The leather of the sofa was peeling off within months despite being assured that it was genuine leather sofa. This is why NCCC has been aggressively requesting 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.

Complaints on deposit and refund this year in 2015 is 14.2%. This happens when Complainant had paid the deposit for the furniture that he/she intended to buy; the remainder would be made after the furniture was delivered to them. When the seller did not honor the delivery date, the Complainant decides to cancel the order and proceed to ask for refund. More often than not, the seller would not return the deposit. Besides that, when the Complainant found out that the seller was selling double the price of the furniture compared to other shops, the Complainant would seek to cancel the booking. However, often the seller will not refund their money.

Complaints in relation to delivery this year is 10.9%. Often there’s a delay up to months, the delivery date keeps being changed, and worse of all the items are not delivered to the consumer and often the reason given by the seller is that the furniture is out of stock.

Installation services by the service provider were poor such as causing scratches, and dropping the item during the process of installation. Despite promising the Complainant that the installation would be done within a stipulated date and time; the installation team never arrive. This year, the percentage of complaint is 6.0%.

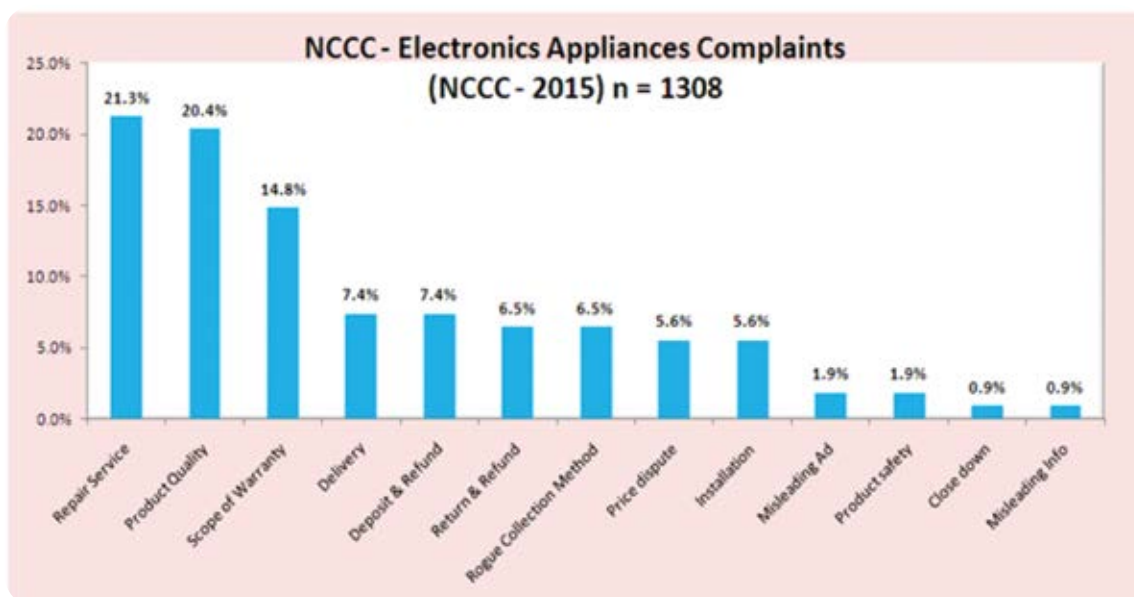
Scope of warranty complaint this year is 3.8%. In most of the situation faced by consumers, the supplier refused to replace the item with a new one despite the fact that the purchased item such as a sofa had

undergone repair several times. The material was peeling off within few months of purchase. Upon asking the seller to change to a new set, the seller totally ignored the Complainant’s request.

Close / wind down of seller complaints this year is also at 3.8%. It is so frustrating to those Complainants who have made full payment for the furniture they intended to buy to only find out later that the shop had closed down without informing the Complainant.

11.5 % of the remaining complaints comprises of return & refund, misleading advertisements, repair services, price dispute, tempered glass and service quality. Return and refund basically occurs when the complainant returns the faulty item, he/she expect the seller to refund their money. Only some of them are fortunate enough to get back their money whilst others had to wait for months to get back their hard earned money and some of them unfortunately did not received it at all.

Misleading advertisements has been increasingly used as a tactic by some of the bogus merchant as a tactic to allure consumers into buying their products. However, the advertisement does not contain full information of the product advertised. The consumers are cheated by the advertisement. Despite the advertisement indicating that there is a promotion; the consumer ended up paying the actual higher price inclusive of other hidden costs. Poor repair services as the consumer had to keep sending the same furniture over and over for the same problem and the costs of each service carried out by the seller has to be borne by the Consumers. This goes to prove that the service quality is not up to the standard expected. Though tempered glass complaints are not relatively high however it should not be disregarded due to the nature of the complaint itself. Tempered glass is very dangerous and could cause serious safety problems to the consumer.



Based on the graph above, it appears to be that repair services and product quality complaints are very high this year with each contributing to 21.3% and 20.4% of the total number of complaints.

Phone and the accessories that are still under warranty were sent to service centre to be fixed. However Complainants are not happy with the fact that the repair services took so long to carry out the said repairs. Further to their dismay, no time frame was given and the Complainant had to keep calling the centre to find out when it will be ready for collection.

This lead to one questioning over the quality of a product the manufacturers are producing in the market these days. One has the right to buy products which are free from any defects. Consumers purchased the new item and then had to spend more in fixing the item.

It is acceptable to some extent that a product can have minor defects, but if the service centre could not rectify the issue (new product / still under warranty) then the Consumer is entitled under the law to get a refund or be replaced with a new product.

Scope of warranty like has been explained in this report plays a major role when a consumer purchased a product. It serves as a means to change or replace or fix the problem without any payment required. However many Consumers did not enjoy this right. Most of the service centers refuse to exchange the item despite knowing that the product has some serious defects. The Complainant had to send the product for repairs repeatedly for the same problem. Upon asking for an extended warranty, the Complainant was asked to make additional payment. This year, scope of warranty comes in at the third highest complaint contributing to 14.8%.

The fourth highest complaint according to the graph above is on delivery with the percentage of 7.4%. Most of the Complainants alleged that the bogus merchant did not just delay the process of delivering the items but some had failed to deliver it; despite consumers having made full payment for the item. Numerous calls and emails sent to the merchant were not entertained.

Return and refund continues to be an issue for electrical products. When the product is not fit for usage, generally as a consumer one would want to return the item and get back their money. However, many complainants had returned back the product

but unfortunately did not get their refund due to the terms stipulated by the seller that no refund would be provided. The merchant had in fact blamed the consumers for the faults. This year the complaint percentage for return and refund is 6.5%.

Rogue collection method has the same amount of complaint with the percentage of 6.5% this year. Again, the collection method/ approach undertaken by the merchant were unethical. The type of complaint NCCC has received this year includes threatening the Complainant, non-stop calling the house and office and threat to seize their property if they failed to pay the money owed.

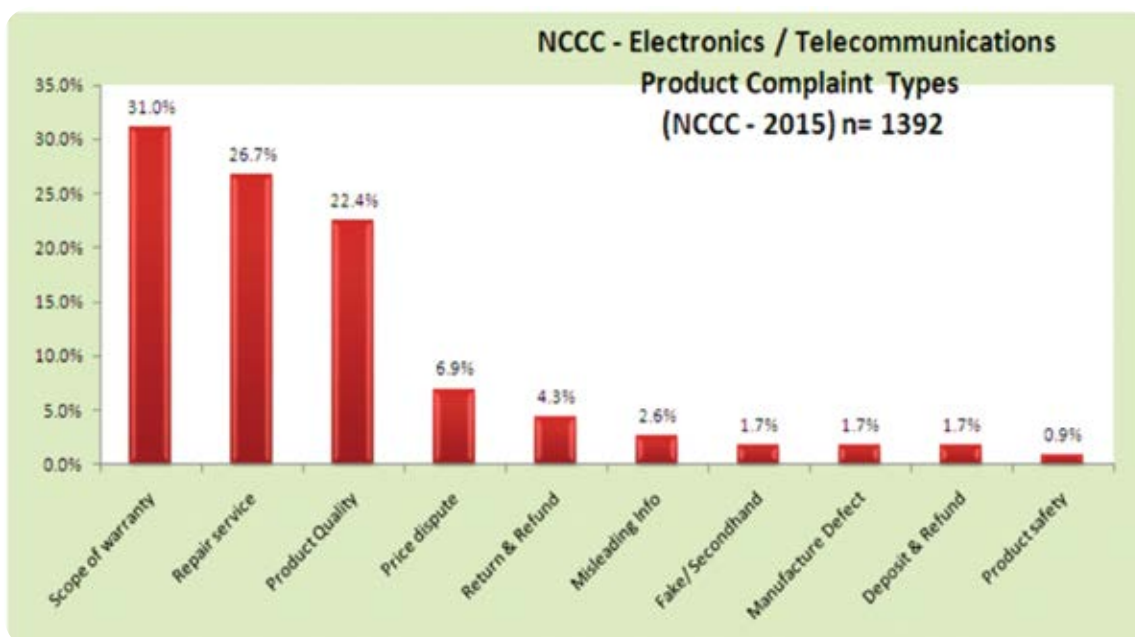
The rest of the Complaint such as price dispute basically the Complainant has been over charged, poor installation services carried out by the merchant/ service provided by the company, misleading advertisements and the information contained therein is to deceive the consumers, product safety was questionable as some of the product purchased by consumers such as phone battery over heated. Lastly, there were complaints received by NCCC that the retailers had closed down their shop and thus could not be contacted. Therefore they could not make any sort of claims for their faulty items as the merchant could not be located.

For electronics/telecommunications products, this year the percentage of complaint on scope of warranty is the highest at 31%.

It is time for the authorities to pay attention to this and to address this problem as the complaints highlighted by the consumers for the past few years has been the same; they have been denied their rights to claim under the warranty. The service centre refused to exchange neither do they want to extend the warranty for the Complainant despite the same product undergoing several repair on the same issue.

When a product has undergone repairs for several times for the same issues can only mean two things, either the product has manufacturing defect or the service centre did not carry out a proper repair service. This year complaint in relation to repair services is the second highest complaint with the percentage of 26.7%. It is argued that the repair services was not at a satisfactory result as the problem keep persisting and Complainant had to bear the costs to carry out the repairs.

Third highest complaint is on product quality which is at 22.4% this year. Consumers are not happy after paying a considerable amount of money for a product with such a poor quality. Less than a month of usage,



the product could not work, for example air condition was not cold.

Other complaints such as price dispute; return and refund have been a problem throughout the years. Some merchant are over charging compared to other retail shops and upon questioning as to the price of the product, the merchant would simply reply that it is fixed price, either the consumers can buy it in their shop or don't buy it all. Having said that, return and refund which is at 4.3% this year under this category is the same like other categories stated in this report. Despite returning the product to the merchant, there were no refund nor was there any compensation given.

Fake/second hand product this year has contributed to 1.7%. Many complainants were not aware the hand phones and other electronic products purchased were not genuine and in fact was a second hand product. Only when there was a problem, upon checking at the service centre/ repair shop it came to their knowledge that is not genuine. Manufacturing defect complaints, deposit and refund as well as product safety complaints in total are 4.3%.

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 received by the NCCC in regards to general consumer products 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. TV's, 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) Product Safety

When it comes to safety, it is something that one cannot or should not be compromised with. Although having received very few complaints, the 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 on 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 it 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 quality of furniture. However, these said standards are only voluntary in nature. Following are some of these standards:

- **MS2284:2010** Domestic Furniture-Beds and Mattresses-Safety Requirement and Test Methods
- **MS ISO 9098-1:2008** Bunk Beds for Domestic Use-Safety Requirements and Test-Part 1:Safety Requirements (ISO 9098-1:1994, IDT)
- **MS 1581-2:2012** Furniture- Storage Units Part 2;Determination of Strength and Stability of Domestic and Contract Storage Furniture (First Revision)
- **MS 1581-1:2012** – Furniture Storage Units Part 1- Safety Requirements and Test Methods for Domestic and Kitchen Storage Units and Workshops (First Revision)
- **MS 1711: Part 2: 2003** Furniture –Office Chair (Adjustable) : Part 2:Safety Requirements
- **MS 1711: Part 1: 2003** Furniture- Office Chair (Adjustable): Part 1: Dimension- Determination of Dimensions
- **MS 1764: Part 3: 2004** Furniture –Seating : Part 3: Determination of Stability (Domestic)

RECOMMENDATIONS / BEST PRACTICE

- 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 isn't any information, then consider buying different brand
- Lemon law: The significance of this law is to offer better consumer protection, promote fair or unethical 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 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.
- Electrical & Electronics Equipment are changing rapidly. Therefore, NCCC once again urges the relevant regulating bodies to conduct safety and standards check to ensure manufacturers and suppliers are adhering to the laws, regulation

and guidelines that are available with regards to product safety.

- Consumers have rights to demand for refund / replace the faulty products. if the merchant refused to comply with the request, a complaint can be lodged at the Tribunal for consumer claims, KPDNKK or to NCCC.
- Consumer must ensure to keep receipt of purchase for at least 6 month after purchase and most importantly keep the warranty card in order to change / repair the products at no cost.

03 Telecommunications



For the year 2015, the NCCC recorded 5,928 complaints in regards with the telecommunication sector, an approximate loss amounting to RM5,451,600.00. The total value of loss has increased by almost two million ringgit in 2015 as compared with 2014 total value.

There has been strong development in the telecom sector over the last decade, but the progress has not been consistent across the sector. The number of fixed-line services, after growing rapidly at first, has been relatively slow for the past few years. However, mobile penetration has reach 145% by early 2015 with relatively strong competition between mobile operators. Although total subscriber growth has slowed considerably in the mobile market, the move by the operators into next generation platforms and mobile broadband has seen vigorous activity in the

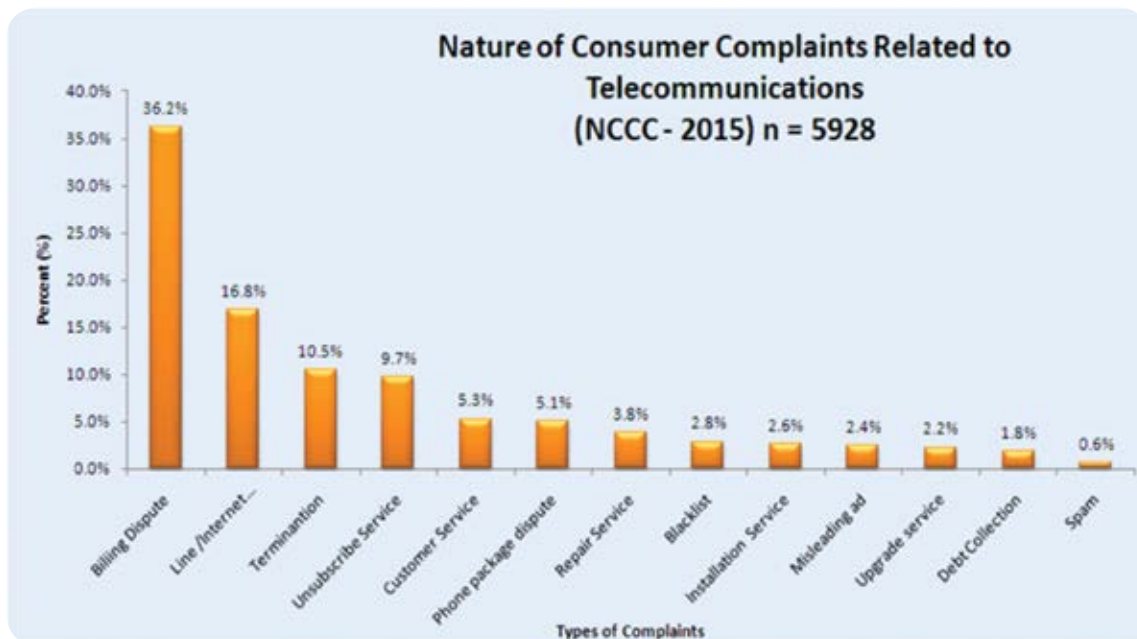
market, with strengthening average revenue per user (ARPU).

At the same time, the broadband internet sector has been boosted by the advent of mobile broadband. With an effective combination of fixed and mobile broadband, household broadband penetration in Malaysia had reached 72% by mid-2015, according to the MCMC. Fibre-based broadband services are expanding rapidly and started to impact the market; at the same time DSL subscriber numbers were flat or in decline.¹

Types of Complaints

Billing disputes recorded 36.2% of the total number of complaints, the highest number of complaints

¹ Malaysia – Telecoms, Mobile, Broadband and Forecasts – <http://www.budde.com.au/Research/Malaysia-Telecoms-Mobile-and-Broadband.html>



under the telecommunication services sector, same as in the previous years where billing dispute remains to be one of the highest complaint received by the NCCC. Billing dispute are mainly due to unsolicited SMSes, and additional / wrong charges by the service provider which results in consumers paying a lot more than the actual usage and therefore the consumer complained that they were charged for services that has not been rendered to or subscribed by them.

According to consumers, charges from unsolicited SMSes results in them paying a lot more than their actual usage. 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 indicates that the service providers are not adhering to the 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.

The second highest number of complaints received by the NCCC is pertaining to line / internet coverage dispute with regards to broadband and mobile internet services. This is a very common type of issue in relation to broadband or mobile internet services, where the complainant often experience difficulties with the speed of the internet which is 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 are 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 complainant gets weary with the service, they opt to terminate the service, which bring us to the third highest complaints received by NCCC, recording 10.5% of complaints under this sector. According to the consumers, they were asked to pay a certain penalty in order to terminate the account although they have given a valid justification of not receiving or having any connectivity in their area which is admitted by the service provider as well. Furthermore, in some cases consumers were still billed for services that had been terminated. Due to absence of release letter or confirmation stating that the account had been terminated or closed, consumers are forced to settle the arrears.

Unsubscribed services dispute amounts to 9.7% from total complaints received under this sector,

whereby complainants argued that they were charged for services that they had not subscribed to. Telco subscribers' complained that they were charged for internet usage and auto data renewal which was not subscribed or approved by the users. Users complained mainly due to unsolicited SMS, games, or other unsubscribed content providers that are downloaded from a smartphone without the knowledge of the owner. These are normally 5 digit numbers and in Malaysia, it often begins with 2, 3 or 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: "RM 0." this indicates the content you are receiving is free.

Complaints lodged in relation to customer service formed 5.3% from the total complaints received under this sector, whereby the complainant argued that the customer service department were slow in handling their issues and some went unanswered for months after lodging their case with their service provider. Upon checking with the service provider, complainants were upset to find out that no such report was lodged with them.

The dispute in regards with the phone package mainly concerns the mobile device bought at service provider's store / centre being faulty and consumers were told to send for warranty repair by themselves. To that, NCCC received 5.1% of complaints under this sector.

As for repair services issues, the complainants were dissatisfied when their complaint was disregarded by the service provider's representative; and when the technician did makes an appearance, the complainant felt that no proper maintenance were carry out as the problem with their service still persisted. Some were dissatisfied with the service as almost all the time there was an interruption with the service. Thus, consumers are not getting the expected service that

was promised to them when contracting with the service provider. This is a classic case of consumers being taken for a ride by the service providers.

Dispute on blacklists amounted to 2.8% of the complaints, whereby complainants argued that they were blacklisted or bared by the service provider for not paying their bills. The reason given were, the charges incurred were not fair as it did not match the service that was provided to them and some argued they were not aware of the charges as they were informed that they would not be charged for the service and the free sim card.

Issues on installation services amounts to 2.6% of complaints received, whereby consumers were frustrated with the inadequate installation carried out by the service provider's personnel as the consumers argued that the installer did not show up for their appointment and also came late for their appointment which caused difficulties to those who have to take leave and stay back at home waiting for the installer.

Complaints on misleading advertisement were mainly on misleading of subscription price and information luring new consumers to contract with their services and current subscribers to upgrade their current package. Later, to their surprise, subscribers were astound to find the information given were inaccurate with the facts displayed on the service provider's website. As for upgrade service, the usual grouse were delay or failure in upgrading, incorrect package upgrade, and experiencing slower speed after upgrading.

Issues on Debt collection recorded 1.8% of complaints, whereby complainants claimed that they were harassed into making payment even after numerous reminders to provide them with an itemized bill to make the payment. While some complained that they were harassed to pay for the service which was terminated during the trial period. Spamming has caused an unpleasant surprise among mobile users, receiving offers from unknown source which touches personal data issues.



Consumer Protection Laws Applied to Manage and Voluntary Initiatives / Tools

1) Laws

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 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 protection 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 categories deal 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.

Recommendation 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; 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 for 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 breach the code frequently without taking the initiative and effort to abide by the Code and the Act.
- The Ministry must take stern action against service providers that have been disclosing private data to third party without the consent of the consumer. 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 specially 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

In 2015 complaints with regards to the Automobile Sector was 3,816; it was 3,492 in the previous year. This year, of the total number of complaints, 2,244 complaints were related to automobiles, especially newly purchased cars, and 1,572 were related to automobile workshops. The total potential loss in value to the consumer of these complaints was RM 81,065,376.00. Of all the complaints received from various sectors by the NCCC, the biggest potential loss in ringgit for consumers was the in the automobile sector.



4.1 Automobiles

The total number complaints on automobiles are 2,244.

According to the graph, the highest number of complaint this year is with sales service with the percentage of 22.5%. Complainants are not happy with the sales agent for not honouring their words. There were many empty promises such as free gifts will be given and rebates for purchase; none was fulfilled. There were reported cases whereby money had been paid to the sales person, however, the sales man has absconded with the money and could not be contacted. Upon checking at the centre, only then the Complainant realized that the salesman had gone missing with his money.

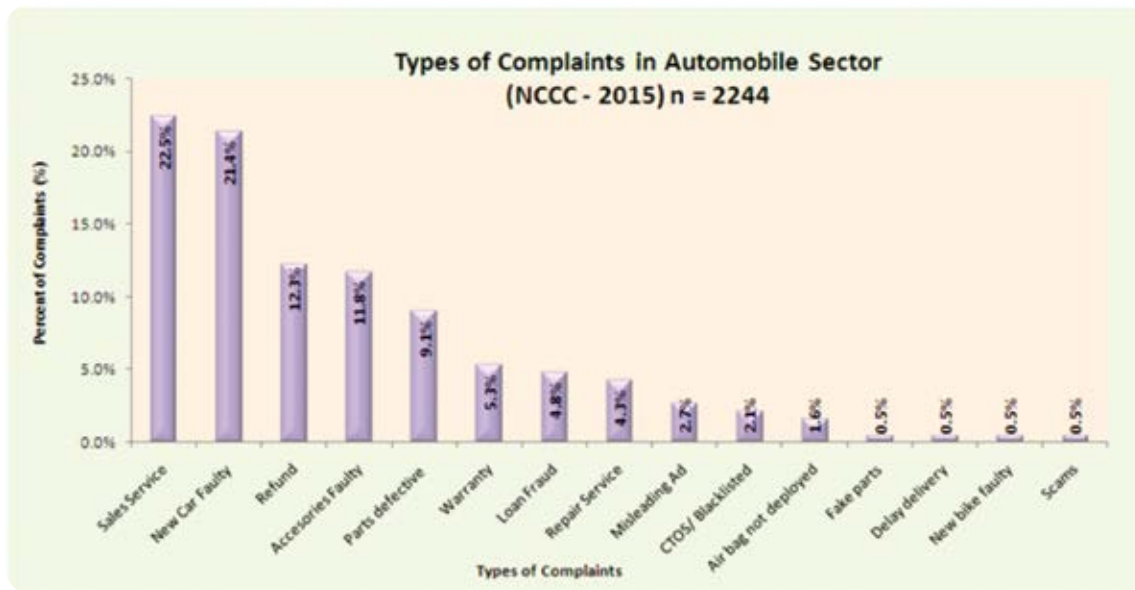
The second highest complaint was that the new car purchased was faulty with the percentage of 21.4%. Despite numerous complaints by the purchaser to the car dealer, the issue was not resolved

Most of the complaints are associated with the reverse sensor not working, engine malfunction, and

problem with the alignment of the car. Consumers have no choice but to send the car to their service centre and to their disappointment, no courtesy car was given, problem with the car could not be detected and the problem keeps recurring.

Third highest complaint this year according to the graph is on refund which is at 12.3%. Complaints under this category has to do with consumers who cancel their booking due to valid reason(s) for instance their loan has not been approved, find that the car company refused to refund their booking fees. In some cases, the company is willing to refund the Complainant's money; however it took a long time before they got their money back.

The fourth highest complaint this year is on faulty accessories with the percentage of 11.8%. Consumers had paid for original products, however they received counterfeit products. The accessories purchased were not functioning and upon returning back to the shop where the Complainant had purchased it, the company refused to refund.



Next complaints are on parts defects at the percentage of 9.1%. Modern automobiles have become remarkably complex, involving a considerable number of different parts which must function properly in order for the vehicle to be safe for its users. However, based on the complaints received it appears to be that there are many parts found to be defective and such matters should not be taken lightly as defective car parts can pose a serious potential for damage to drivers, passengers, and anyone else who uses the road.

Next is the issue of warranty. This year NCCC recorded 5.3% of complaints with regards to warranty. Typically the complaints are about warranty period and terms of warranty on parts, accessory installation services and vehicle, misinterpretation of terms.

Loan fraud recorded 4.8% of the total number of complaints. The complaints associated with loan fraud are usually with regards to booking fees and deposits. Sometimes important paperwork for loan processing purposes goes missing. Also there have been instances where the car has 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 accident caused by the new owner.

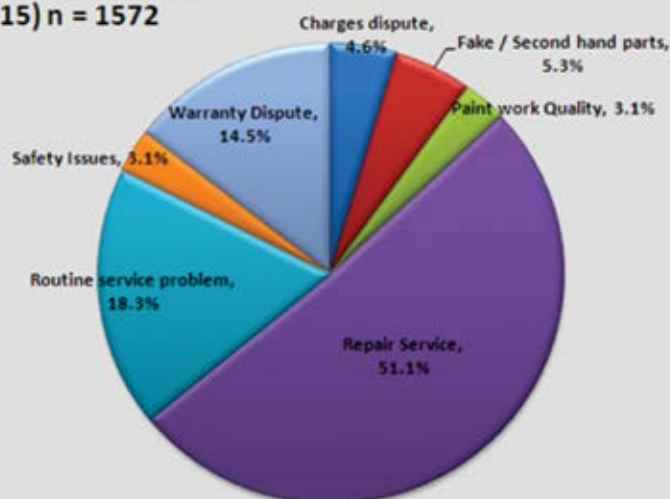
Repair services often take very long and worse the repairs are not even carried out properly. Consumers often complain that they have to go back to the same workshop several time to repair for the same problem. This year the complaints with regards to repair services are at 4.3%. The problem faced by the consumer still persists and it is the same recurring problem NCCC has been handling over the years.

4.2 Auto-Workshops

The total numbers of complaints against automobile workshops were 1,572.

This year according to Figure 2, repair services is still at the top of the list contributing to 51.1% of the complaints. Complainants are not happy with the fact that the vehicles they sent for repair was not fixed properly. One has to return to the shop to fix the same problem several times. On top of that, the repair shop takes a very long time to fix the vehicle and some consumers were given numerous excuses for the delay in the repair work. Some repairs even take months, leaving the complainant immobile as no courtesy car was provided to consumers. There were also complaints from consumers with regard to sending their cars for repair just after purchasing and

**Nature of Complaints
Related to Auto-workshop & Services
(NCCC - 2015) n = 1572**



some were unlucky because they were not provided with a warranty after purchasing the second-hand car.

Issues on routine service problems recoded 18.3% under auto-workshop and services. Consumer claimed after sending their car for servicing, another new problem emerged and some were receiving new warning indicators regarding their car. Long waits has also been an issue during the service period, leaving consumers waiting long hours. While some complained that although an appointment date was given, they had to wait very long in the workshop for their cars to be services / repaired. There were also cases reported that consumers were charged by the workshop for an unperformed task supposedly done during service.

Warranty dispute has contributed to 14.5% of the complaints under this sector. The common questions raised by the complainants are “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”. Other complained that payment was demanded even when the vehicle was still under the warranty coverage and some were denied to claim under warranty. While, others were unsatisfied with the task performed by mechanics while the vehicle was still under warranty.

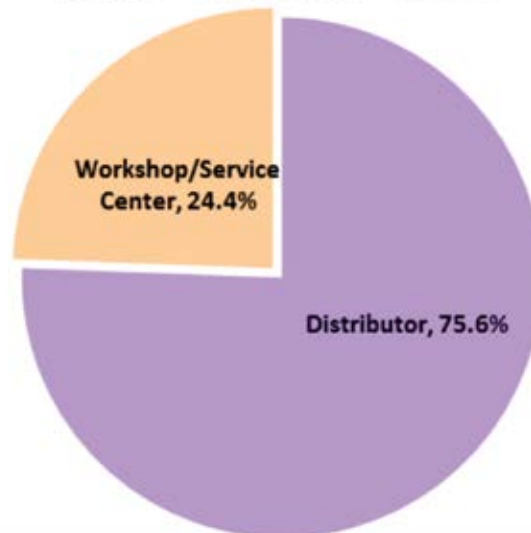
Complaints against distributors have increased, up to 75.6% for the year 2015.

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

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

Types of Workshop Service Providers (NCCC - 2015) n =1572



LAWS

The Consumer Protection Act 1999

The primary purpose of this Act is to promote the social well-being of consumers and prevent their 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 workshop / manufacturers to ensure that they are following the protocols and attending to the consumer promptly.

Most of the complainants are dissatisfied because they are not getting any feedback nor the manufacturers / workshop are complying with the promises initially made. Though some of the manufacturers are willing to settle the complaints, but majority are 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 a 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 skill and hence could tackle the problem faced by consumers effectively.

05 Travel and Leisure

Nature of Complaints Related to Travel and Leisure

In 2015, NCCC received a total of 3,468 complaints relating to travel and leisure causing a staggering estimated loss amount of about RM 13,318,908 to the complainants. This is a highly popular sector as people usually would spend money to travel. Tourism is indeed a major activity for Malaysians.

The three highest number of complaints were related to flight / airline cancellation, complaints on flight online booking and finally complaints relating to membership termination. These are the top three complaints this year in the travel and leisure sector making up 17.6, 12.1% and 10.7% respectively.

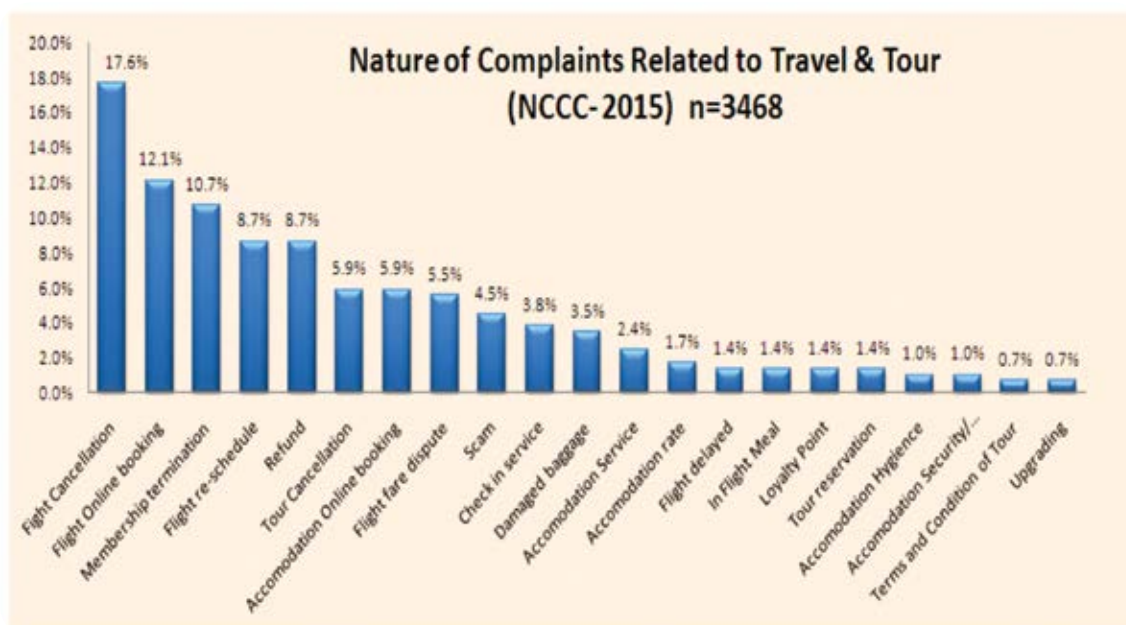
Complaints regarding flight cancellations are the highest under the flight / airline category amounting to 17.6%. The complaints concerning flights were that the flights would be cancelled at the very last minute. This leaves the passenger in a lurch as most of the people would have certain plans at specific timings such as meetings, business lunches or even personal meetings. This inadvertently leads to monetary losses as they might have had to book another flight to get to their destination. Most of the airlines policies appear to only provide their customers with another time to fly but does not compensate the passenger for losses incurred by consumers.

Flight online booking came in the second highest amount of complaints (12.1%). This is a considerable increase from 2014 which had 7.3% of the complaints relating to this matter. Most of the complaints by the consumers were regarding problems with the airlines' website. Glitches would occur such as over booking



or double charging. Often during booking, the system is down or there's an error message that 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. This error does not seem to be taken seriously by the airlines concerned.

Membership cancellation this year has contributed to 10.7% of the complaints. The grouses received by the NCCC team were that upon cancellation of membership with the tour company, often the complainant is asked to pay a certain amount of money or be blacklisted. Besides that, though the complainant had clearly stated his intention to cancel his membership, the company still claimed membership fees after several years of not engaging their services. It appears that the company's system is not updated or upgraded to include the new details of the customers. Due to this fact, some of the complainants receive constant harassment demanding payments.



Flight re-scheduling contributed to 8.7% of the number of complaints. That is a total of 300 reports made with the NCCC. The major problem here arises when the complainant was not informed of the changes in flight schedule thus inadvertently ending up missing their flight. In other instances, the new rescheduled date is not one which is suitable to the passengers timing, often the consumer has already booked a hotel and such changes in the flight schedule. This definitely affected their other bookings such as hotel booking and tour packagers. The next possible recourse is to seek for refund, causing a long and messy process.

8.7% of the complaints received in this sector are concerning refunds. Most of the time the complainants were promised refunds within a stipulated time (30 days to 90 days depending on the company) but do not get the refunds after waiting. This causes much distress and annoyance to the complainant.

The next complaint is related to tour cancellations (5.9%). Often this situation arises after complainants made full payment for the trip, all set to travel and then the tour agency calls to inform them that the trip has been cancelled. When it comes to the refund process, the tour company takes a very long time to

comply with the request. As there are no clear terms spelt out or rules governing his refund process, the complainant has no choice but bring this matter up to the NCCC in the open that this issue can be solved. In some of the companies, the policy is that the complainants need to pay certain amount of money in order to cancel their tour package. These terms can be construed as being detrimental to consumer's rights.

Based on the chart above, accommodation online booking made up 5.9% of the complaints received. Consumers were upset that the booking that they have done online is different to what they actual get when they stay in the room. As like the situations above, it is upsetting as the accommodation providers do not provide quick and fast solutions when any problem arises.

5.5% of the complaints were on flight fare disputes. Here the complainants were not given the full proper breakdown of the price thus leading to confusion and disputes. A proper explanation upfront should be implemented and be explained to the complainant so that this issue does not arise in the future.

4.5% of the complaints related to scams. The bulk of the complaints were concerning customers who

purchased packages only to find out that it was not valid or that the terms and conditions had changed over the period of time. This is a very costly practice as consumers are easily fooled into buying these fake packages, with no proper redress.

Online check in services was found poor. Complainant had done online check in but due to website failures it failed. This caused the complainant to miss his / her flight. There were even complaints with regards to customer service being poor and unhelpful at the check in counter. This year online check in services complaint contributed to 3.8% of the complaints.

Grouses concerning, damaged baggage, accommodation services and accommodation rate made up 3.5%, 2.4% and 1.7% respectively. The airlines companies are urged to take more responsibility for the damaged / loss goods as some goods cannot be compensated monetarily. Consumers complained that upon arriving at the destination, their baggage was lost and it has caused great inconvenience to the complainant. Important things such as clothes and documents were lost. With relation to accommodation services the issue was that the accommodation provided was not up to the expectations of the consumer. Complaints such as bad customer service, over bookings, dirty environment and irresponsible customer service were received at the NCCC.

Flight delays, inflight meals, loyalty points, rogue collection method and tour reservation all totalled an amount of 5.6% of the complaints with each comprising of 1.4%. Flight delays are very frustrating and it can be even more frustrating when no refunds are provided. Complainants had to endure re-arranging hotel bookings due to prior booking. Cases with inflight meals were to do with meals which were being served well past its due date. There were also complaints where the passengers got sick when they ate the food served. This is something very serious as more serious health complications could arise in the future.

In tour reservation complaints, 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 complainants demanded for their money back and often the tour company would not comply with the request for refund.

With all the problems briefly explained about, below are the available laws and recommendations by the NCCC's team 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 classification of hotels

and other type of accommodation. Some of these mentioned standards are:

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

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

Advise to Consumers and Recommendations for Improvements

- Consumer need to play their part. By simply engaging any service without prior check on the back ground 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.
- With the setting up of the Malaysian Aviation Commission in March 2016, an independent regulatory body, consumer protection has been included amongst the commission's responsibilities.
- To check whether 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 produce these documents as evidence.

- Airline Company 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.
- 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 Wellness And Aesthetics

On a daily basis, consumers are bombarded with numerous ways on how to look beautiful. These consumers are bombarded with advertisements inviting them to use the 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.

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

This year there has been a total of 1,848 complaints recorded by the NCCC. The amount disputed rose drastically from RM1,311,549 in 2014 to RM6,884,280 in 2015, an almost a 500% increase. Based on the pie chart, the highest complaints received by the NCCC in 2015 according to the types of services are on hair care at 89.6%, followed by complaints with regards to gymnasium at 4.5%, slimming centre at 3.2% and lastly spa at 2.6%.

This is a huge increase for the complaints regarding hair care as it merely constituted 3.4% of the complaints in our previous 2014 NCCC report. This sudden spike in hair care complaints must be looked into detail by the relevant government bodies.

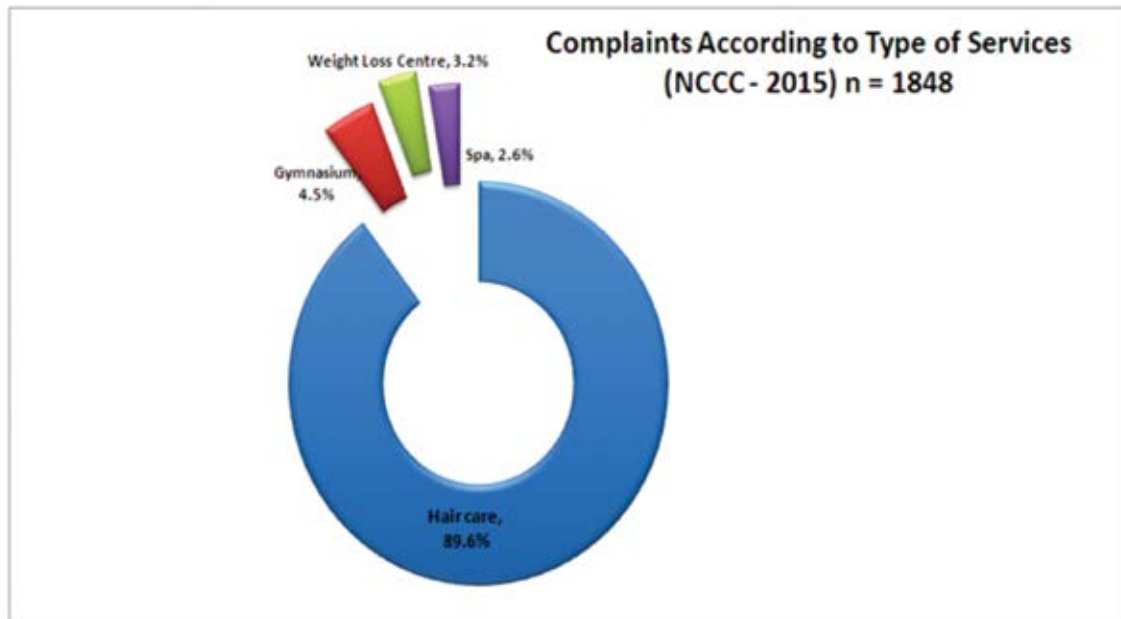
Some of the problems recorded at NCCC are:

- The treatment didn’t work and in certain occasions failed entirely to work;
- Skin condition worsened for example rashes, skin becomes sensitive, dry, or itchy;



- Hair treatment does not show any signs of improving the balding of the complainant;
- Difficulties in obtaining a refund;
- Wrong / misleading information. Seeking for refund to cancel the treatment but denied redress;
- Consultant giving undue stress and pressure to 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;
- Hidden charges by some companies;
- Money back guarantee, but when asked for money back, the company declined;
- Charged complainants even after terminating their membership at a fitness centre; and,
- Branch closed down without any prior notification to their customers.

Some of the cases involved large sums of money as well as permanent health damage to the customers such as skin burns, or rashes. In some instances, the



consumer feels so cheated by the way the business that they had to bring this problem to NCCC's attention.

Strict enforcement and laws must be put into place to protect the interest of the consumers when they are faced with the problems mentioned above. A basic guideline or standard should be enforced as to prevent these complaints from occurring multiple times. A basic standard with proper enforcement will indeed reduce the complaints by the unhappy consumer.

Nature of Complaints

This year the highest number of complaints received by NCCC's in relation to wellness and aesthetic services is on the closing down of the company. Most of the time in this instance, the fitness centre operating would shut their operations without prior and sufficient notice to their customers. This situation leaves the customer in a lurch as they do not have anywhere else to go or even ask for a refund. In other cases, the closed branch of the fitness centre would transfer the customer to another branch which location may be an inconvenience to the consumer.

The second highest number of complaints in this sector is on the cancellation of the membership signed up by the complainant. 18.2% of the complaints received were regarding this issue. This can occur due to various reasons e.g. unhappy with the service / amenities provided; person moving to other location; health and personal reasons. Despite the cancellation, disputes arise when the customer is still being billed even though the membership has been cancelled. Monthly credit card statements still show auto-debit charges.

The next issue is concerning rogue marketing / scams which is at 9.7%. In some instances the companies would offer a free trial or a 1st trial that is very affordable. Once the complainant is enticed by this offer, these sales personal would pressure the consumer 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. Not enough information is given by these health consultants thus clouding the consumers' judgements in making wise and carefully calculated decisions.

Based on the graph, ineffective treatment consists of 7.1% of the complaints. Here, the types of complaints received are when the treatment sought by the consumer does not work as advertised. Some

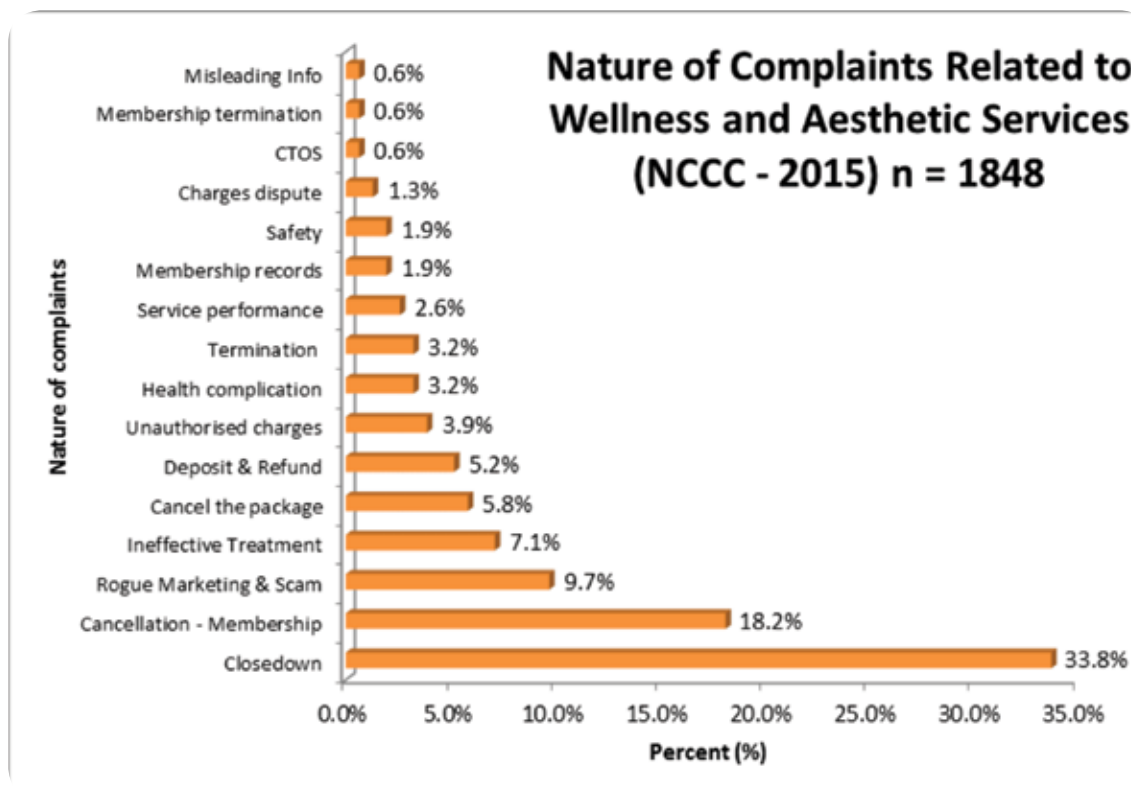
examples are when the product / service advertised does not show results as promised. The consumers' skin, hair or face do not show an improvement or worse still show further deterioration. When the consumer complaints or brings this issue up to the company, the request of refunds are usually dismissed. Further problems arise when the consumer wants to cancel the package due to the ineffective treatment, or the product did not work as was advertised; their requests will normally go unheeded.

Complaints with regards to cancelling the package amounts to 5.8% of all the complaints received in this sector. A refund is highly unlikely when it comes to this sector, as the wellness company would argue on the basis that a contract has been signed in the beginning. The consumers are often left disappointed as the centre do not accept any cancellation, and in the event if successfully cancelled, there will be no refund or deposit given back to the complainant by stating that they have "breached" the contract, or the terms and condition is 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 them from seeking a fair solution.

The next highest complaints are on deposits and refunds (5.2%). As mentioned above, the refunding process here is not clearly written out and there have been instances where the consumer does not even get the initial deposit back.

One issue worth mentioning even though is only makes up 3.2% of the complaints is regarding health implications. This is 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 needs to pay for medical treatment. Not all the centres are willing to bear the costs and if they do, it will take time before they can 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
- no improvement on hair balding; even more balding occurring
- skin got worsened and the consumer had to go to the specialist to get her problem addressed
- skin condition worsen compared to condition prior treatment; rashes, itchiness, skin peeling off

Safety this year has contributed to 1.9% of the complaints. Though the number is not significantly high, it requires a special attention as to the safety of the product that is used; safety measured at the gym needs to be tightened as a lot of complainants have suffered loss due to items that were missing. If not taken care of properly, serious injury resulting in death may occur which is even worse.

The relevant laws and recommendations are as follows

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 subject 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.
- Gyms moving or closing down should give adequate time and sufficient notice to its members so that proper arrangement can be made.
- Consumer must be more aware and alert if something is too good to be true e.g. a cheap 1st trial, some packages being offered at a price way below market value.
- The Ministry of Health and other relevant government authorities should monitor and ensure that beauty centres are only run by qualified professionals. This will give the public more confidence in regards to this area of business
- Before signing up for any sort of treatment / fitness centre a consumer must always be alert and read the terms of the contract.
- A consumer should never sign a contract without reading through it or sign a blank contract
- With regards to wellness and beauty centre, the law has to be strict dealing with those who

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

- A consumer should not be bought in by some selling methods used by the sales personal in this regard and use their own judgement to make their own decision
- 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 new act should be drafted and be done to encompass the whole of Malaysia, not just Putrajaya.

07 Housing and Real Estate

Total number of complaints pertaining to housing and real estate received were 1,704. It starts before purchasing a house right after owning a house and based on the complaints received, it appears to be that problems get more complicated after purchasing a house.

Problems before purchasing the house are usually to do with deposit / refunds. As in the previous year, this year too it appears to be the highest complaint under this category with the percentage of 21.8%. Often this happens when the complainant has made some payment to secure the house in which they intended to buy but could not proceed due to their bank being rejected. Despite showing the proof to the owners and the house agent of their failure to secure a bank loan, the sellers refused to return their deposit.

Other instances of refunds include where the booking fee has been paid, has been given, unfortunately the agent absconded with the complainants money. Upon checking with the company, they have no information of the agent whereabouts and the company refused to take responsibility for his actions.

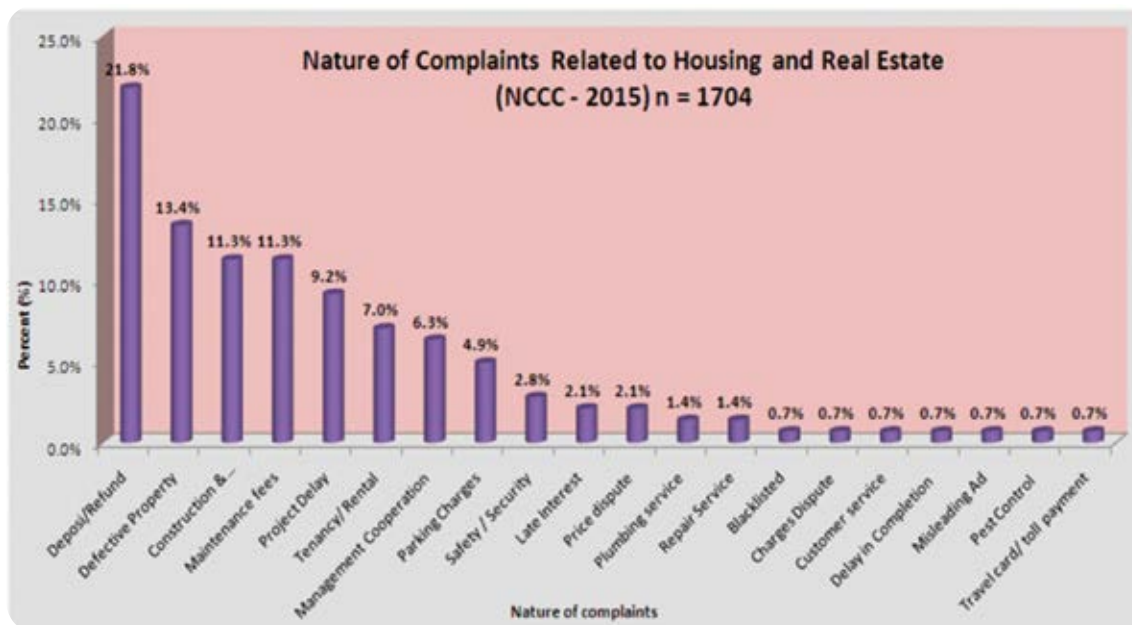
The second highest complaint this year is that of defective property which is at 13.4% of the total number of complaints. Many of the house buyers were not happy with the condition of the house that they had purchased it. There were complaints that the house was leaking from the roof top or the paint on the walls peeled off just weeks after occupying the house. Upon bringing this to the attention of these problems to the house developer or previous house owner, no action was taken to rectify the said issues.

Construction and renovation works appears to be at the third highest complaint under this sector with



the percentage of 11.3% this year. The complaint under this category did not just cause frustration to the consumers but also involved a lot of money with no solution to this problem. The most obvious ones are shoddy workman job; after repairs were carried out the same problem keeps occurring. Secondly, the contractors abandoned their job half way and absconded with the Complainants money. Thirdly, the renovation work was delayed for months way beyond the completion date given. Finally, there were several price increases on top of the original quotation that was agreed upon and the price kept increasing and the contractors refused to carry out the work if payment was not made.

Complaints with regards to maintenance fees is at 11.3% this year. Often consumers lodge complaints that despite the fact that maintenance fees are paid every month to the management; no services are carried out. Upon notifying this to the management,



no actions were taken and no refunds was given to them. In addition to this, complainant stressed that they had made regular payments to the management every month; however, it was not reflected on the statement and thus the service provider demanded for new payment.

Project delays in construction of residential projects are increasing and are still a common phenomenon of the housing industry in Malaysia. Based on the complaints gathered this year, the percentage of complaint for project delays are at 9.2%. Many complainants alleged that despite the full amount being paid and bank having released the loan applied; upon asking for the keys, the developer couldn't hand it over. Some of the house were still in the process of construction; past the due completion date.

Tenancy and rental this year according to the graph is at 7.0%. The owner refused and or delayed in making payment to the tenant of the deposit money given. Some complainant felt that they were cheated because the description given by the owner did not tally with the actual room or house advertised for renting.

This year, NCCC has added a new category in this sector which is the Management Corporation and

the percentage of complaint is 6.3%. Most of the complaints are pertaining to maintenance. The management fails to manage and properly maintain the property despite residents several times highlighting the problems to the management.

Complaints relating to parking contributed 4.9% this year. This includes, the price is overcharged. Farther, upon terminating the parking contract with the management, the Complainant was expecting to get the deposit back; unfortunately after several months of waiting the Complainant did not get back the deposit.

This year, complaints relating to security and safety are at 2.8%. There were complaints received whereby condominium lifts were not working and at times the lift just stopped for good 15minutes before it resumes and hence it is very dangerous for the residents who are using the lift. Despite highlighting this matter to the management, the problem still occurs.

There are other types of complaints received under this sector. These include late interest payment, disputes over price of properties, and poor repair and plumbing services. Some of the consumers were blacklisted because of the loan that they had undertaken to buy a house. Unfortunately

the housing project was abandoned and the bank which the Complainant had taken the loan for had blacklisted the Complainant. Poor customer service, misleading advertisement as to the description of the house, complaints on pest control that keeps occurring in the house are some of the other complaints received by NCCC.

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.

Since its implementation, the HDA 1966 has undergone a number of amendments in the effort to better regulate residential developers and tackle the many issues arising in the industry. Each amendment has always resulted in stricter rules being imposed on developers and greater protection of purchasers. This is precisely the impact of the latest amendment of HDA 1966. Parliament has now clarified the legislative intent of the HDA by expressly stating that the HDA is for “the protection of the interest of purchasers”. This will enable the Courts to adopt a purposive approach in interpreting the provisions of the statute.

The **Housing Development (Control & Licensing) (Amendment) Act 2012** has recently come into force on 1st June 2015. Implementation of the HDA 2012 is supplemented by the **Housing Development (Control and Licensing) Regulations 2015** which will come into effect on 1st July 2015.

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.

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

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

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.

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.

Purchasers' Right to Terminate Agreement

Prior to the amendments, the statutory right to terminate the sale and purchase agreement was accorded to the developer only. Purchasers are now allowed to apply to the Minister for approval to terminate the sale and purchase agreement within six months after the execution of the first sale and purchase agreement where a minimum of 75% of the purchasers and the developer agree to the termination. The developer is precluded

from unreasonably withholding its consent to the termination. The efficacy of this amendment is limited as the six-month deadline within which such right is to be exercised means that purchasers may resort to the provision only in cases where a project is abandoned during the early stages of the development.

Offences relating to Abandonment of Housing Development

To address the issue of abandoned housing developments, a new section s.18A is inserted in the HDA 1966. Scope of this section is rather wide in that a development will be considered as abandoned the moment a developer “refuses to carry out or delays or suspends or ceases work continuously for a period of six months or more or beyond the stipulated period of completion as agreed under the sale and purchase agreement.”

A developer convicted under this section shall face punitive punishment of fine between the range of RM250,000 and RM500,000 or imprisonment for a term not exceeding 3 years or both.

Collection of Payment outside a Sale and Purchase Agreement

Previously only developers were prohibited to collect any payment such as ‘booking fees’ or ‘earnest deposit’ before signing of a sale and purchase agreement. To further protect purchasers, the amended **Regulation 11(2)**, HDR 1989 expressly expands this prohibition on stakeholders:

“No person including parties acting as stakeholders shall collect any payment whatever name called except as prescribed by the contract of sale”

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**.

S8 of the Building and Common Property (Maintenance and Management) Act 2007 states the powers and duties of joint management body as follows:

- (1) The duties of the Body include the following:
 - (a) To properly maintain the common property and keep it in a state of good and serviceable repair;
 - (b) To determine and impose charges that are necessary for the repair and proper maintenance of the common property;

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

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

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

by the purchasers in connection with their enjoyment of the common property;

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

RECOMMENDATIONS / BEST PRACTICES

- 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 carefully. The document contains information about buyer's rights.
- 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?
- 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.
- Request the developer to show his license and proof of other clearances for developing the project.
- 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).

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](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 enforcement 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

- Where you are refused your earnest deposit or booking fee in the event 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 purchase of a property, please feel free to contact the House Buyers Association to seek clarification. They can be viewed online and contacted at: http://www.hba.org.my/about_us/contact.htm.

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

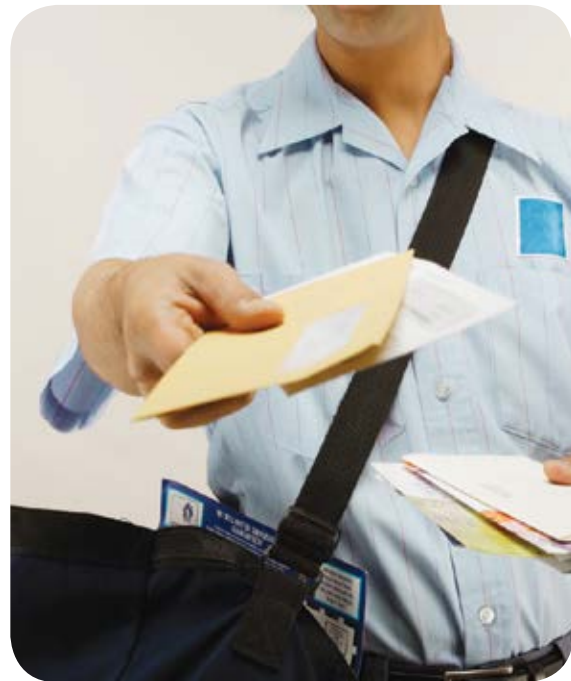
- Consumers at large are usually urged to pay up to 3% of the property price as a booking fee before they apply for a loan. The norm is that they will sign a booking fee form. In this said form, there exists a clause, highly prejudicial towards the purchasers as it clearly stipulates that in the event 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.
- Most complainants aren't 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 by 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 practise by agents, vendors and developers is highly frowned upon.

08 Postal and Courier Service

Postal and courier services are an integral part of domestic and global communication. This year there was an increase of complaints from 927 to 1512 amounting to a value of RM1,182,852.

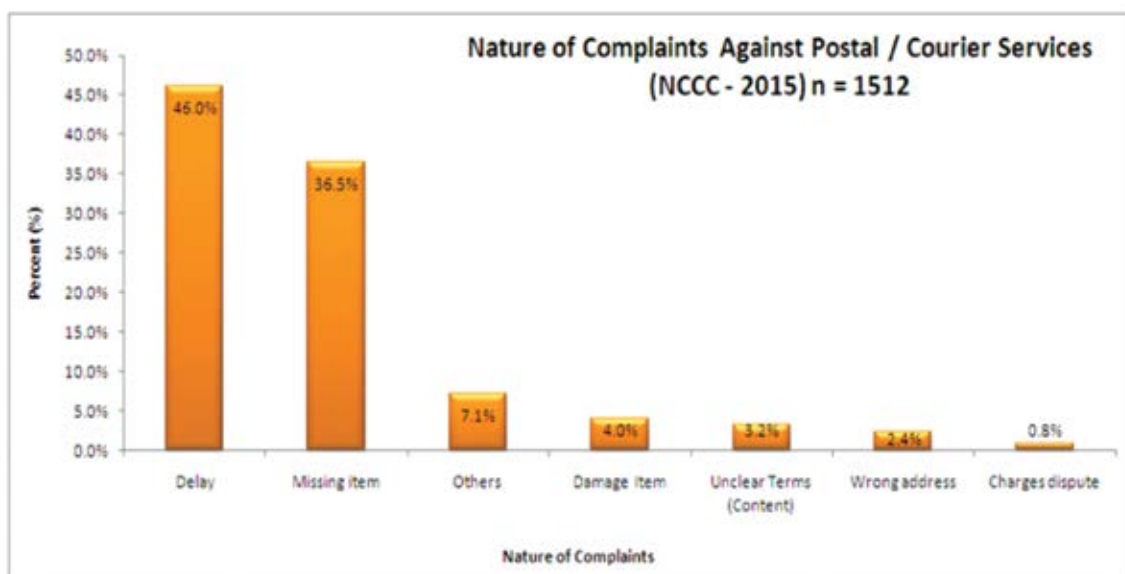
The highest number of complaints in 2015 is on the delays in delivery; making up almost half of the total number of complaints received. Often when a shipment/ parcel is sent out for delivery, the courier company will give an estimated delivery of date and time for the said parcel. However often there is a delay in delivery and the reason(s) given are that the customer was not around during the delivery; however, there was no note/ sticker left on the door to indicate that postal/courier department have attempted the delivery. Some of the customers claim that they were around the whole day waiting for the parcel. In some cases, some of the items sent are of importance or items that have a deadline to be sent. In these cases, a consumer may inadvertently lose out or even bare losses due to the item/document not arriving at the stipulated time promised by the courier company.

Next, 552 complaints recorded by the NCCC were regarding the case of missing items. This is 36.5% of the complaints regarding this sector. A consumer's trust in the company will definitely drop if their items are missing. A missing item should be taken seriously as sometimes a lost item may be an irreplaceable thing, thus making it priceless or of high value to the consumer. Complainants indicate that when goods go missing amidst a transit, the service providers do not take responsibility despite it being clear that it was their negligence. There have also been complaints regarding the lackadaisical attitude shown by the staff of these companies. The couriers need to be serious when dealing with the issue of missing items.



Damaged items this year amounted to 4% of the total number of complaints. It is upsetting to learn that upon receiving the goods, the condition of the goods was bad and unacceptable. Often the reason(s) given by the courier service is that it was beyond their control. Placing a notice e.g. a 'fragile' or 'handle with care' sticker becomes redundant. This frustration on the part of the consumer as they do not have the peace of mind whether their item would be damaged.

Charges dispute recorded 0.8% of complaints. 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 a very high tax rate which might have cost more than the item itself. It is upsetting to learn that when such incidents occur, no proper remedies are provided for.



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.

RECOMMENDATIONS / BEST PRACTICES

- **The Postal Act 2012** should be reviewed by the Malaysian Communication and Multimedia Commission (MCMC) in a bid to increase more protection to the general consumers at large in this area. The Act should focus on consumer protection with regards to the delay caused in receiving goods via postal or courier services. It should clearly stipulate for a minimum time allowed for delivery failing which the postal or courier service providing entities shall be liable for any subsequent damage or loss suffered by the relevant party.
- Providing timely, reliable delivery and improved customer service across all access points should be taken seriously by the couriers companies providing these services.
- 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 that 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 thus making the problem of wrong delivery less likely to occur.
- 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.
- 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, and introduce value added collection and delivery services

09 Banking / Financial Sector

In 2015, the NCCC recorded a total of 1,500 complaints against the banking / financial sector. Compared to the previous year however, the amount of potential loss to complainants has increased tremendously; losses amounting to RM31,380,900.00

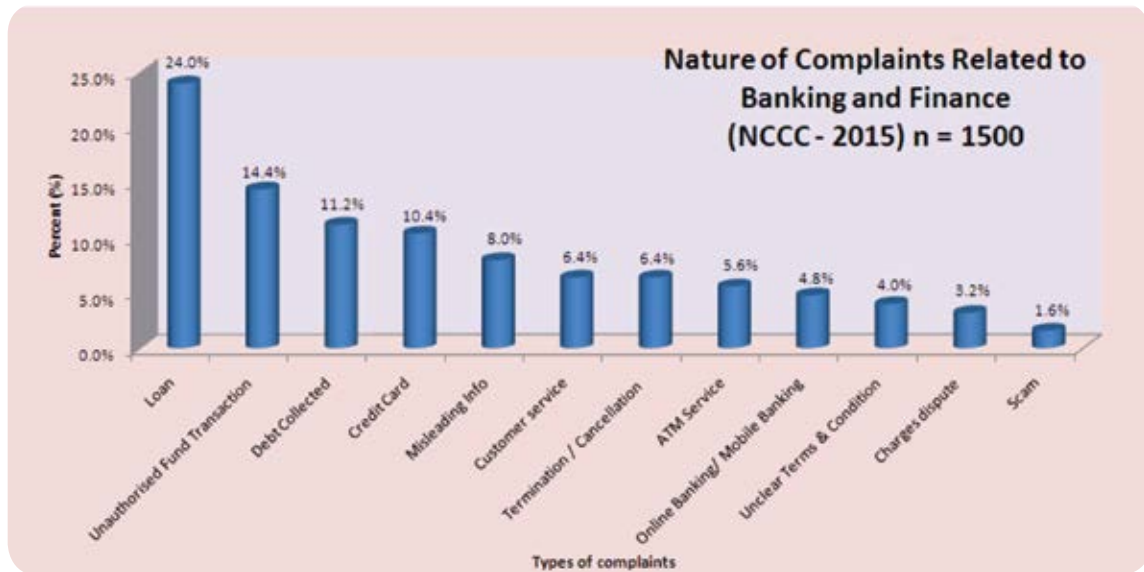
Most of the complaints on the banking / financial sector have been on loans services. For 2015, the issue on loan services encompasses hire purchase, repayment of loans, personal loans and housing loans dispute. Some of the common issues highlighted by the complaints are the unreasonable hike in interest rates due to the complainant's arrears in servicing the loans. Some even had their home auctioned off without proper and justified notification. Some complained that their attempts to negotiate repayment terms with selected banks were not successful as the banks were not forthcoming in helping customers fulfil their loan repayment obligations.

The usual types of complaint made on hire purchase are repossession of cars without proper documentation and with the use of force from third party (using strong arm tactics to instil fear in those who have fallen short in servicing their loans). Victims are usually women as they tend to succumb under pressure. When payments are finally made, they find their cars in a bad shape forcing them to repair all damages caused by those who repossessed the car. It is evident that the cars that have been repossessed are often used by third parties, which is clearly illegal. Even after having made police reports, no further action from the authorities were taken. In some cases, cars have also gone missing while in the possession of those who repossess and when this was highlighted, no action was taken.



The second highest complaints received by the NCCC at 14.4% was in relation to unauthorized transactions. Unauthorised transaction is a very serious matter, especially when there are deductions in your bank account without your consent. Even worse for the consumer, the financial institutions were unable to help the consumers to retrieve their funds or compensate for their loss due to inadequate security system.

A number of banks are seen to be practising oppressive methods in handling arrears arising from non-performing loans, at times using thugs as debt collectors. The usual types of complaints concerning credit card were stolen cards that were used even after reports have been made, bundle in products (having to accept a credit card that comes with an application of loan with no option of rejecting them) and the issuance of a credit card under an individual's name without them applying for such. In some cases, complaints were recorded where consumers credit cards were fraudulently misused to make withdrawals without the owner's consent.



Complaints of misleading information concerns mainly on consumers being mislead by the financial institution's sales agents into accepting offers not knowing it is just an empty promise to achieve their sales target. Some complained that they were deceptively allured with attractive remunerations.

Dispute on customer service mainly concerns with consumer being unhappy with the service provided by the financial institution's personnel and delays in handling consumers' task in given time frame.

Termination / cancellation recorded 6.4% complaint under this sector, whereby complainants continued being charged even after terminating their credit card services. Faulty ATM's have been constantly reported while some out of service on a frequent basis. Issues on online banking / mobile banking mainly concerns with transaction not getting through successfully using both online and mobile app service offered by the service providers. The remaining complaints were on the unclear terms & conditions, charges dispute and lastly on scams issues.

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 outcome 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 consumer. 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.

10 Retail Services

Based on the complaints received by the NCCC in 2015, the highest number of complaints recorded in relation to the retail sector is on price disputes which makes up 34.1% of the total number of complaints. A significant part of household expenditure occurs through retail transactions thus making the retail sector one of the most important sectors concerning consumers. Price disputes mainly arose from the fact that retailers did not put the correct pricing at the product; thus pricing differs at point of sale and point of purchase with the price at the point of purchase substantially higher than that at the product site. Some of the complaints received include:

- a drastic unexplainable higher price of a same good at a different retailer
- no proper pricing indicated at the product.
- the pricing of the good differs when the consumer first sees the item and then proceeds to pay at checkout

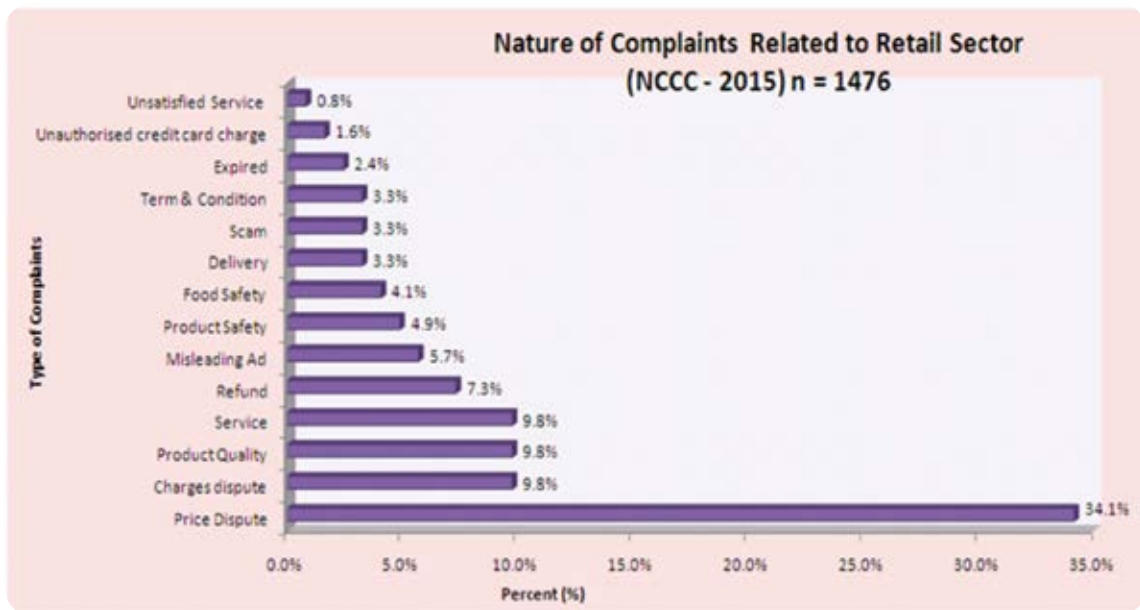
Also in most cases, the price quoted is often misleading. The price indicated on the price tag does not tally with the receipt when consumers make payment. Upon enquiring from the seller, he / she is told that the price has increased. Some retailers even refuse to give any justifications for their action for increasing the price of some of the goods. Such actions are certainly against sales ethics and very irresponsible on the part of the retailers towards the consumer.

This year, the complaints received by NCCC with regards to services, charged disputes and product quality were the joint second highest compared to other complaints amounting to 9.8% each. Some of the complaints include that the rendered services



provided were not up to the customer expectations. Customers felt short changed in these instances. There have been instances where traders were unwilling to help the consumer as well as complaints of and unprofessionalism on the part of the retailers in dealing with the issue at hand. This had caused great distress to the customers who then voiced their grievances to the NCCC.

A company's most vital asset is its customers. As consumers spend quite a sizable amount of their hard earned money on goods or services, they expect that the services provided by the retailer are up to their expectations or at least to be reasonable. Besides that, there needs to be some form of professionalism required 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.



In terms of product quality, the main issue is that the product was not up to the standard the consumer held it to. 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 are upset that newly purchased items are found to be defective, broken and not up the standard and quality promised by the retailer.

The complaints on refund / replacement are at 7.3% of the total number of complaints received in 2015. This happens when customers are not satisfied with the product purchased or that the service provided is not up their satisfactory level as explained in the report above. The next logical step here would be for the unsatisfied consumers / customers to seek for a refund / replacement. The problem arises when the retailers do not take this responsibility seriously. Such request(s) often fall on deaf ears; some promised to refund / replace the goods but failed to do so.

From the graph above, there is a sizeable amount of the complaints in relation to misleading advertisement. Last year it comprised of 5.7% of the total number of complaints received. Misleading advertisements has always been a problem and perhaps will continue to be if no stricter enforcement is taken to address

this pressing problem. For instance, stickers, attained through purchases, are promoted to be exchanged for free gifts; however on trying to redeem the stickers, consumers are unable to do so and are told that there is no stock of free gift. Each time the consumer seeks to redeem the free gift, he is told the same story. There is a clear misleading advertisement causing customers to lose their trust on buying products especially those which are advertised on television as they are worried they might be cheated again by such misleading information.

This year saw an increase in the number of complaints regarding scams, which contributed to 0.6% of the complaints in 2014 to 3.3% in 2015. Scams require serious attention by consumers. The consumer needs to also be more aware in being able to distinguish between a genuine promotion and a scam designed deliberately to cheat a person.

Meanwhile there were a small but significant amount of complaints regarding retailers selling expired goods on their shelves (2.4%). Expired goods poses a health hazard to consumers. This problem is unacceptable and stern action must be taken in safeguarding consumers from consuming these expired goods. Besides expired goods, complaints with regards to finding insects, fungus and other foreign particles in the food items has also been recorded; such foods

are definitely not fit for human consumption. All complaints received by NCCC are channelled to the appropriate authorities to ensure that the rights of consumers are protected.

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 problems faced by consumers. The rights are stipulated in the Act and failure to adhere to these statutes amounts to a consumer instantly having his / her rights to file a legal 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** misrepresentation on price and nature of the product amounted to an offence.
- **Section 14** with regards 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 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 inspections to check whether the prices charged by the retailers are in line with the market price (price monitoring).
- Customer service staff 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.
- There should be a close monitoring system set up to ensure traders do not advertise misleading information / advertisement to consumers and this system should be set up by the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC).
- Whatever product it may be, it is vital to make sure 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 should play a role by checking for expiry dates before purchasing an item. Consumer who comes across expired items; it is important for them to file a complaint and report the matter to the relevant authorities.
- Consumers should be educated that they have an avenue 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 laws are passed no matter how well enforced consumer laws the laws are, they will be ineffectual if consumers do not act to protect their own rights.

11 Food and Food Services

Food and Beverage (including services)

In 2015, the National Consumer Complaints Centre (NCCC) recorded a total number of 1,416 complaints with losses amounting up to of RM 1,141,800.00. Complaints in this category includes services concerning food & beverages (F&B)

75.4% of the complaints, which is the bulk of the complaints, were related to restaurants (food services) while the rest were with processed food purchased by the consumers.

This year, the majority of the complaints were on price disputes against food services (65.5%) and pre-packaged food (51.7%). With the implementation of the Goods and Service Tax (GST) in April 2015, more disputes and confusion arose regarding the pricing as there was no clear method in explaining the amount of GST charged. Complaints include prices not being displayed, claims of overpricing and the difference between the displayed price and final price.

Also, there were a lot of complaints concerning the rise of food prices by some unscrupulous food operators. Sometimes the increase in the prices of the food was just way too high and beyond logic. The main reasons given by traders on the escalating food prices are the increasing price of daily goods as well as the GST.

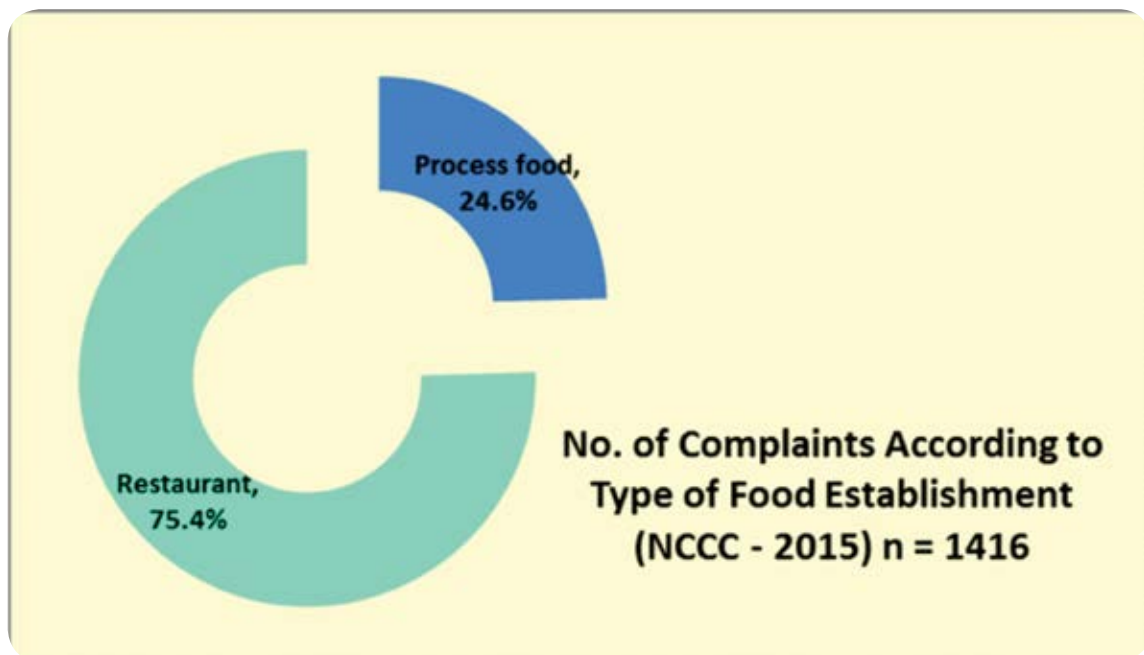
It is a well-known fact that food and food services are part and parcel of life. There cannot be a day that goes by without at least some sort of interaction food and the services that come with it. Thus it is only fair for the consumers that they should be given enough



information as well as correct pricing together with strict enforcement from the relevant government ministry to prevent overpricing and profiteering by sellers.

Complaints relating to the quality of food make up the second largest percentage of the complaints with 12.7%. The Complainants have various issues under food quality including finding objects such as insects, plastics, tops the grouses. Rotten or expired food being served to the customers is another of the complaints received by our centre. Several food poisoning cases were also recorded. Complaints were forwarded to the Ministry of Health for attention and further action.

A small but sizeable amount of complaints were received (8.5%) regarding product safety. Consumers deserve the right to be able to enjoy their food with peace of mind but with the safety of the consumer compromised this has to be taken seriously.



Legislation related to Food Safety

Whilst the consumers are protected by the **Consumers Protection Act 1999**, all complaints under this category are addressed under 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.

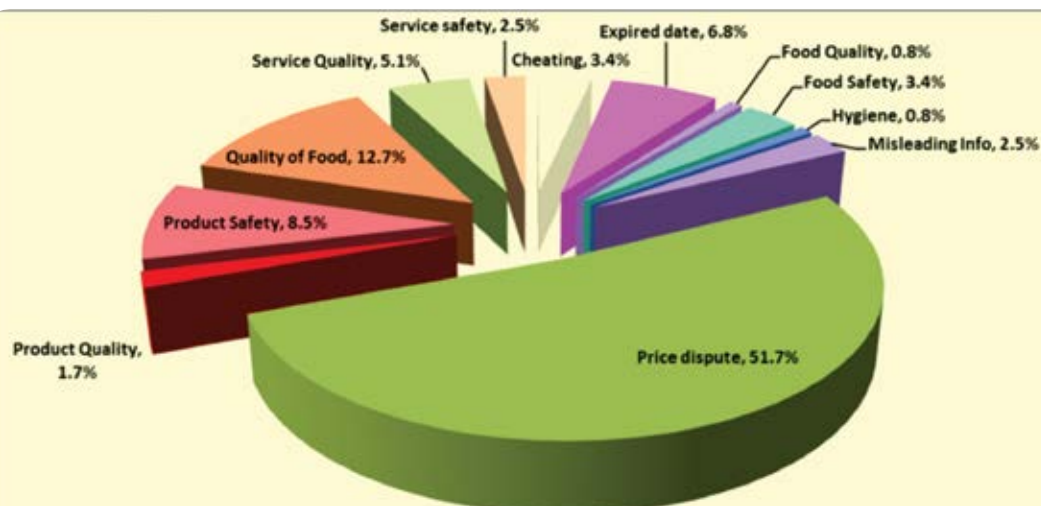
We acknowledge the need for general practitioners or doctors to report food poisoning cases to the Ministry of Health. Discrepancies in the system to collect this data may have grave consequences due to 'under-reporting' the true situation of food safety in Malaysia and its reflection on the food hygiene practices.

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

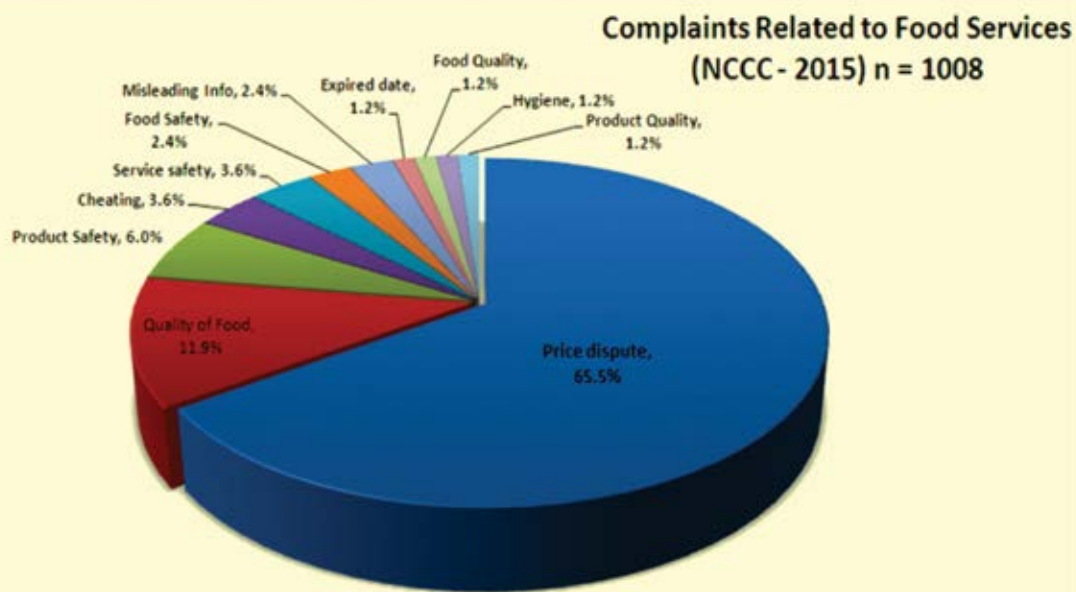
With increasing food import bill and a volatile nature of food security we believe consumers should seize their rights to safe and secure food supply by increasing their voice of their dissatisfaction with the quality of food sold to them.

Recommendations for Improvement

1. 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.



**Complaints Related to Pre-packaged Food and Food Services
(NCCC - 2015) n = 1416**



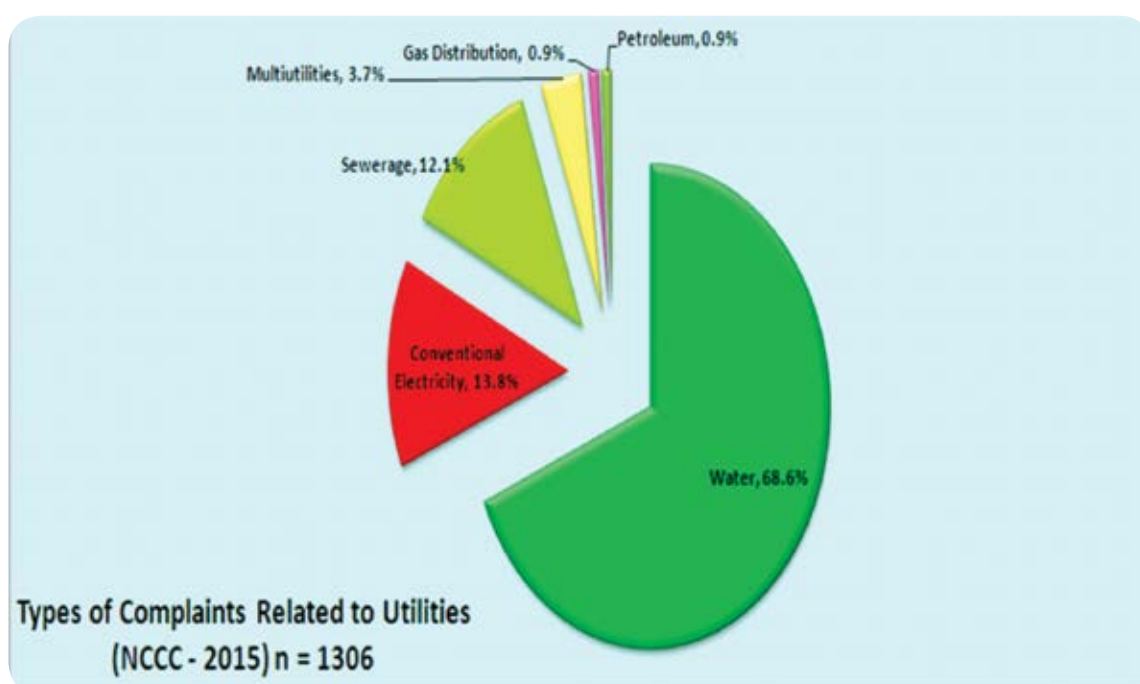
**Complaints Related to Food Services
(NCCC - 2015) n = 1008**

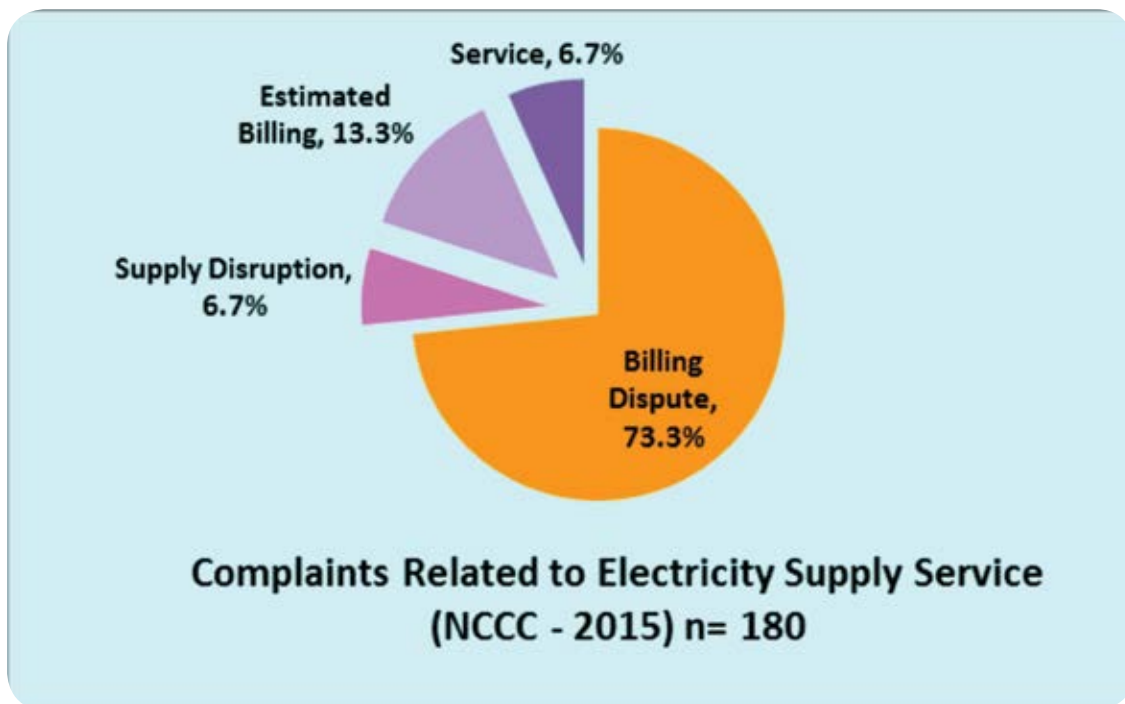
2. The Ministry of Domestic Trade, Cooperative and Consumerism (MDTCC) should take the pricing of items seriously and enforce a ruling that require all food operators to show one price that includes GST as to not confuse the public.
3. Relevant authorities such as Ministry of Health (MOH), Ministry of Domestic Trade, Cooperative and Consumerism (MDTCC) and local councils should make more inspection / 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.
4. Food operators and restaurants owners should train their staff on basic hygienic food preparation and customer service. Almost all the restaurants in cities depend on foreign labours to run the restaurant business. Language and cultural differences have significant bearing on food hygiene practices in restaurants. Policy makers should develop policies and training methods in consideration of this situation.
5. Industries should adopt and follow available standards on food safety and cleanliness, benefitting consumers and businesses.
6. Food Safety and Quality Division should establish a food safety incident information sharing system and promote 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 responsive continuously to incoming reports and incidents.

12 Utilities Services (Electricity, Water & Sanitation)

Complaints against utilities encompass three sectors – electricity, water and sanitation. The NCCC received a total of 1,306 complaints in regards to utility services which amounted to a potential loss of RM909,876.00. The breakdown by sectors are 180 complaints against the electricity supply services, 896 against water services, 158 against sanitation services and the remaining 72 complaints were on others such as multi-utilities, gas and petroleum issues. The total amount of the potential loss increased substantially compared to the 2013.

For all three sectors, billing issues are one of the most critical complaints faced by consumers.





a. Electricity Supply Services

More than half of the complaints received in relation to the electricity supply sector are on billing disputes, recording 73.3% of complaints received. Most of the complaints were in regards to high billing charges and late delivery of bills which requires consumers to make a substantial payment for all the past bills in one payment. Consumers lamented that the charges in the billing often contained errors. There are cases whereby the consumer was charged twice in the bill. Residential premises being charged for commercial tariff is not an uncommon problem. It is clear that the service providers failed to ensure that the billings were accurate based on the building category, before it was issued to consumers. 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.

Complaints on estimated billing recorded 13.3%, whereby consumers lamented that they were charged based on estimation and not per the meter reading which causes difficulties after receiving high charges or incorrect charges.

6.7% of the complaints focused on supply disruption and it was not remedied at the earliest possible time. From the business entrepreneur point of view, constant and long electricity supply disruption can damage their business activity and subsequently incur losses. For the consumers generally, disruption on power supply may also cause hardship for them to conduct their activities at home besides feeling uncomfortable. While, the remaining 6.7% of complaints were in regards with the services of the supplier's personnel, whereby consumers were unhappy with the quality of services provided.

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.

Dispute in regards 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 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 consumer 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 consumer 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 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 regards to double charge must not be taken lightly instead it

should be remedied as soon as possible by the service providers.

- Consumer should not be forced to make any payment when an investigation is pending with regards to charges.
- The Electric Supply Act should contain provisions on consumer protection in order to ensure their rights are protected under the law.

b. Complaints Related To Water

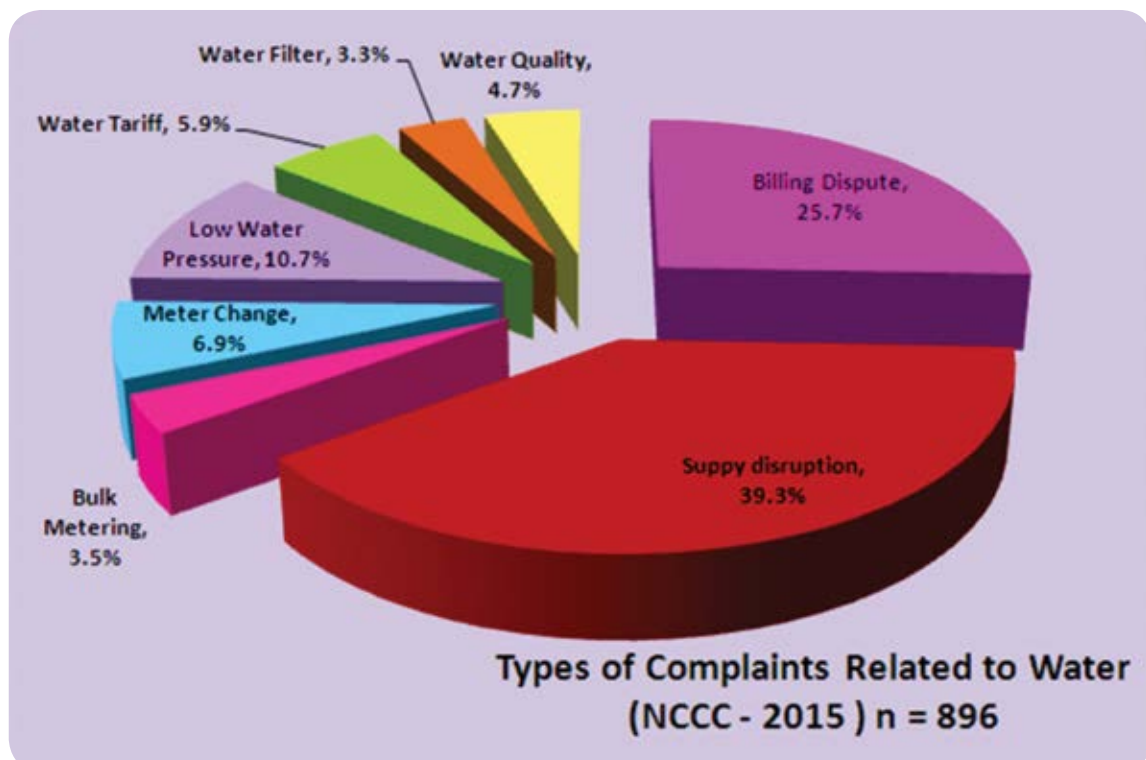
Disruption of water supply (39.3%) was the highest number of complaints received in 2015. Most complainants experienced water supply disruptions; from daily up to several months despite complaints has being lodged with the service provider.

In addition to the above, most of the water interruption that occurred is unscheduled interruptions as a result of leaking pipes, or pollution. No prior notice was given to the residents in the area. This has led to disruption of their daily lives.



Second highest complaint was on water bills (25.7%). Consumers were unhappy over the increase in their water bills; further, they did not get any response from the water company despite informing them about the matter several times.

Third highest complaint for 2015 was on low water pressure which is at (10.7%). According to the complaints received, often the low water pressure was due to the new development in the nearby area. Due to the development, the water pressure in the upper level (terraced house) and high-rise apartment



have been affected. There were even cases reported that high rise apartment did not get any water supply.

This year there are also complaints against the water tariff (5.9%). Consumer's complaint about the increase in the minimum charge in the state of Johor as there was increased in the amount from RM 5 to RM 7.

Next, complaints on bulk meters (3.5%) and meter conversion (6.9%) were received. There appears to be still complaints about difficulties in the process of conversion of bulk meters to individual meters in apartments because they still do not have a joint management body (JMB). There were complaints that their meters were switched without their knowledge.

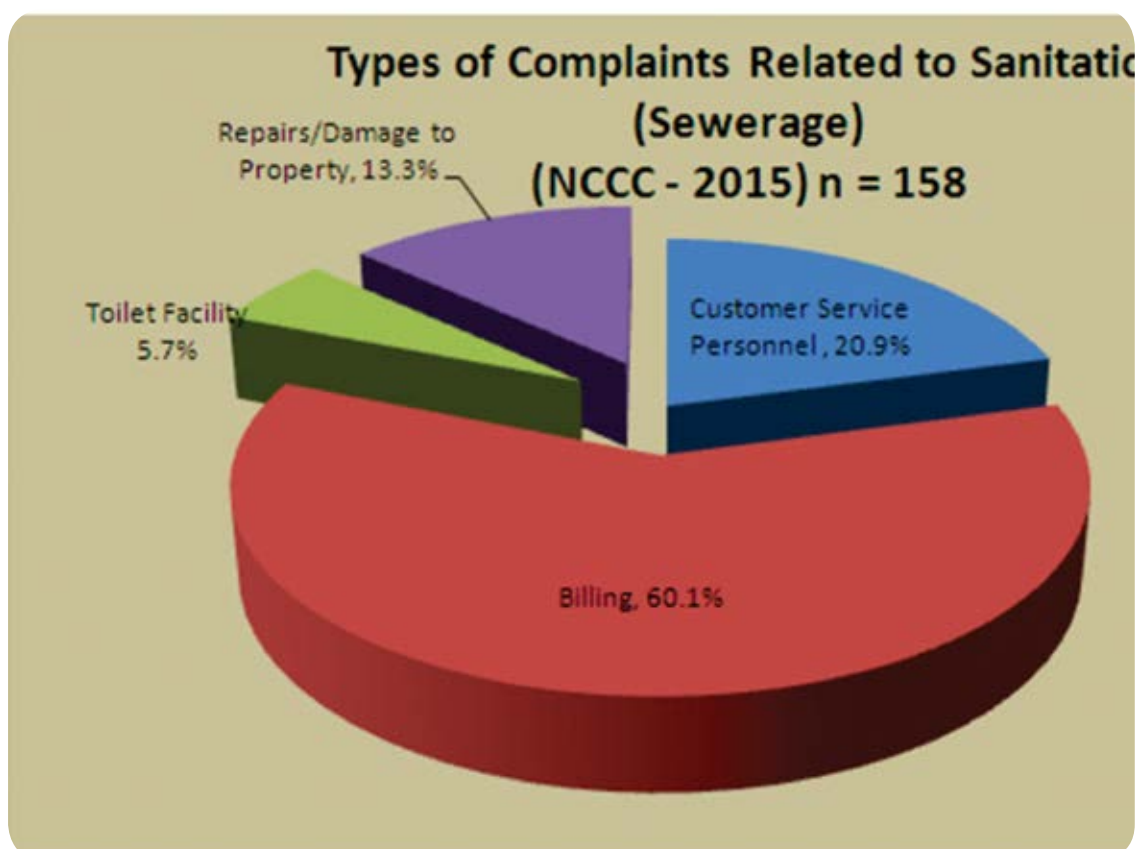
Water filter complaint is at 3.3% while water quality complaints is at 4.7% in 2015. Consumers are confused on the authenticity of the multiple benefits of water filter being installed in their premises. In addition, there are also complaints of water filters

installed that does not effectively filter the water. Unclean (yellowish) water supply is unsafe for users, especially those who have sensitive skin, infants and the elderly.

c. Complain related to Sanitation (sewerage)

Most of the complaints received in the sewerage services are related to bills with the percentage of 60.1%. Billing complaints is very significant in the sewerage services; this includes sewerage bills being issued to users, who use individual septic tanks that have never received IWK services before.

Next are complaints about customer service centres; staff often lack the skills to help users in terms of billing management, information and other related matters. The percentage of complaints was 20.3% in 2015.





In addition, there are still complaints about damage / repair (13.3%). Most of the complaints are due to road damage, traffic disruptions, damage to property such as door entry, and leakage of underground water pipes during sewerage works.

There is a new complaint which is the complaint about public toilet equipment (5.7%). Users complained about the cleanliness of toilets and toilet fittings such as broken toilets, and no water in the toilet. It shows consumers are very concerned over the cleanliness of public toilets.

Consumer Protection Laws Applied to Manage Complaint

1) Laws

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

- **Section 33** provides that service licensee providing water supply services or sewerage services has a general duty to deal reasonably with consumers; and adequately address consumer complaints
- **Section 34** provides that it shall be the duty of every licensee to maintain at all times the security, integrity and safety of its water supply system and sewerage system and all other assets in relation to the system.
- **Section 35** provides that it shall be the duty of every facilities licensee to construct, refurbish, improve, upgrade, maintain and repair its water supply system and sewerage system and all other assets in relation to the system that facilities licensee continues to be able to meet its obligations under WSIA 2006 and its subsidiary legislation.
- **Section 36** provides that it shall be the duty of every service licensee providing water supply services to maintain an efficient and economical water supply system.
- **Section 40** provides that it shall be the duty of a water distribution licensee to cause the water in its water mains and other pipes used for the water supply; or having a fire hydrant fixed on them to be maintained at such pressure as may be set out by the law. Contravention of this section will render the licensee liable to a fine not exceeding RM1000 on conviction.
- **Section 41** provides that the water distribution licensee shall ensure that at the time of supply the quality of water supplied complies with the minimum quality standards as prescribed by the Minister. The licensee shall be liable to fine not exceeding RM3000 or to imprisonment not exceeding 3 years or combination thereof.
- **Section 43** provides that it shall be the duty of every service licensee operating and maintaining a public sewerage system to:
 - a) To manage, operate, maintain, inspect, repair, alter, arch over or otherwise improve the public sewerage system and to treat and dispose the content thereof; and
 - b) To properly desludge the public sewerage system
- **Section 68** provides that the commission May on its own initiative or upon the recommendation of the Water Forum prepare consumer standards which are able to protect consumer rights and interest.
- **Section 70** provides that Water Forum was formed to exercise its function as the consumer representative in regards to water and sewerage services.

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

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

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 meter, tanks and other related matter must be placed under the responsibility of the service providers since service providers know better about them.
- Service providers must provide periodic Water quality testing or assessment to domestic users and also publish the water treatment plant water quality report to the general public or make it easily available and accessible.

13 Public Transport

The NCCC recorded 1,080 complaints related to the Public Transport sector with an accumulated loss of RM 702,588. Complaints on express busses topped the chart making up 48.9% of the total number of complaints. Travel cards / TouchNGo made up 21.1% of the complaints, highway services and komuter services made up 11.1% of the complaints respectively and taxi services made up 6.7%.

The majority of complaints were on issues of electronic payment issues. Ticketing issues made up 22.2% while travel cards / Tol payment made up 21.1% of the total number of complaints. The problem faced by consumers in ticketing is that they purchase the tickets online, but when they reach the bus station to travel to their destination, they are informed that their tickets are not valid. They often need to purchase new tickets, while the earlier payment is “burnt”. The complaints faced by consumers in travel card payments, is that they top-up their travel card at some outlet and when they reach the toll for payment, the payment has not been recorded, and thus they have to make another payment.

The authorities seriously need to re-examine the entire electronic payment systems for ticketing and travel cards. It serves no purpose to encourage electronic transactions, when they are so many flaws in the system. The customer not only faces financial losses and great inconvenience but is often faces embarrassment when his ticket / card cannot be used.

15.6% of the complaints are related to fares being charged by public transport service. There were some allegations that taxis were using tampered meter and



thereby making the fares 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.

Next, complaints were focused on services quality, that is 8.9% of the complaints were on service quality, Service quality is related to punctuality of the commuting time, ethics of the drivers, and comfort of using the transport system. Consumers complained that that public transport was often delayed from

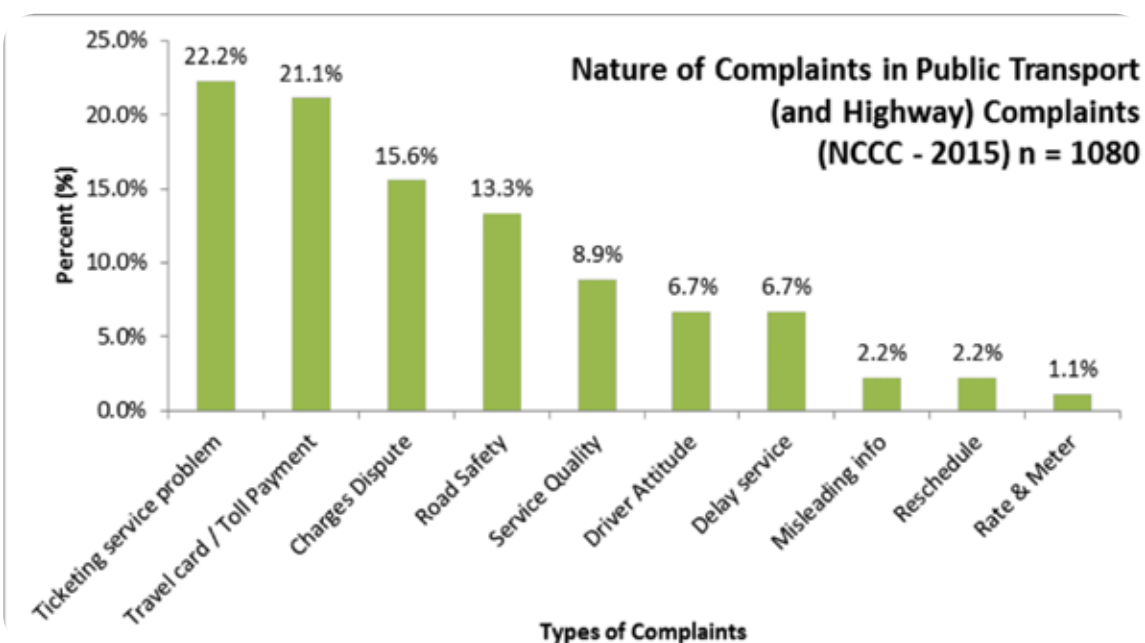
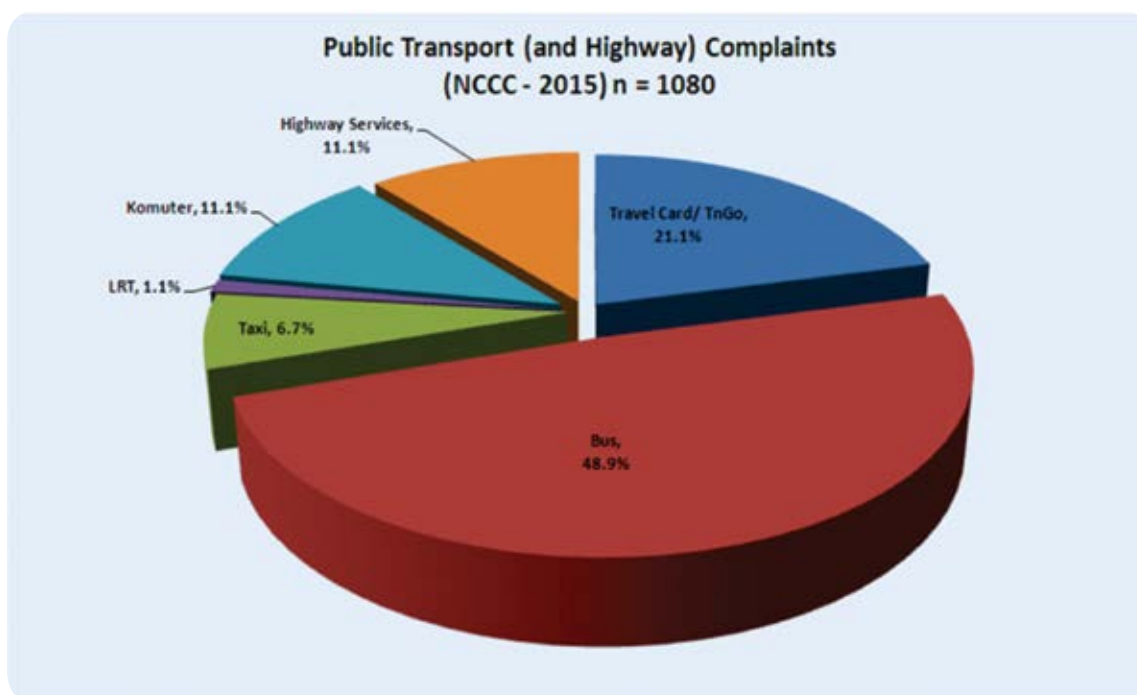


Figure 2: Nature of Complaints Related to Public Services

the scheduled time so much so that it affected consumer's trust and reliability of the system.

Altogether, delays, rescheduling and cancellation of services made up 8.9% 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 6.7 % of the complaints.

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 in regards 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 a 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.

14 Media and Satellite Broadcasting

The NCCC recorded 1,020 complaints under the media and satellite broadcasting sector with an approximate loss amounting to RM 182,784.00. The number of complaints has increased by approximately 25% from the year 2014 under this sector.

For 2015, the breakdown of complaints is as follows:

Complaints on repair services recoded the highest number of complaints, amounting to 15.3% of the complaints received under this sector. The nature of this complaint is mostly associated with faulty decoders and also the technician coming late for their appointments. In some instances, the technician completely failed to turn up for the appointment as promised, leaving consumers waiting and some had to apply for leave just to attend the appointment agreed by both parties. There were also cases that the technician were not resolving the issue in a satisfactory manner as the problem kept on recurring even after several times visits and repair on the same issue.

Complaints on refund recorded 12.9% of the complaints, whereby the issue were mainly with regards to delay and rejection in getting their refund back from the event management / organizer and the broadcaster. This was mainly due to the fact that the event organiser / broadcaster failed to notify consumers promptly on the cancellation of the show. Others complained of errors in the online payment system which resulted to making double payment and the consumer was unable to retrieve the confirmation code after making payment.

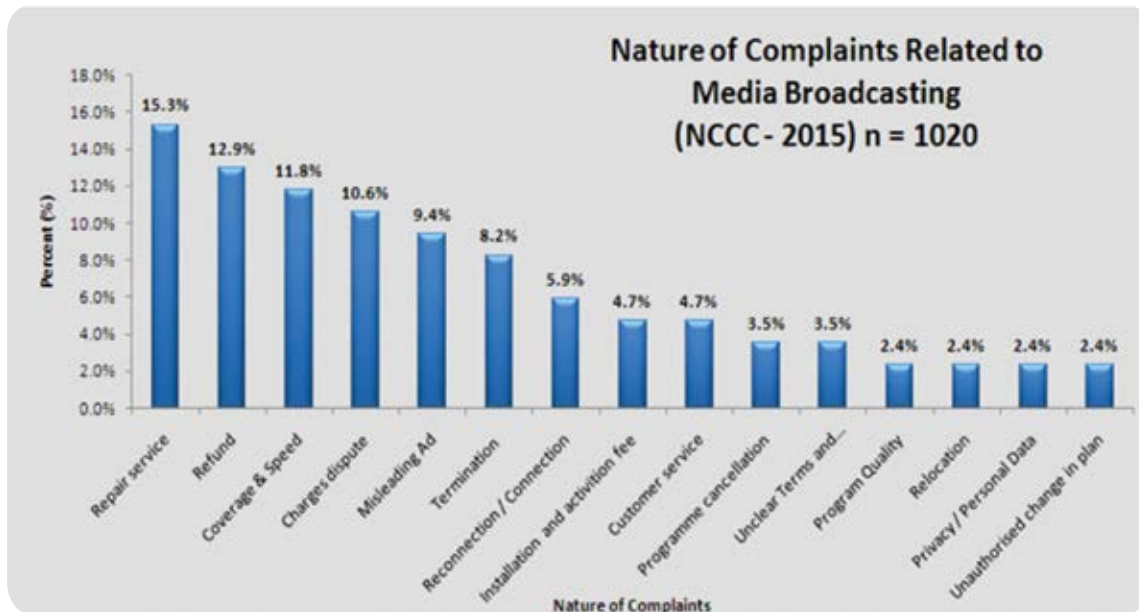
Complaints with regards to coverage and speed recorded at 11.8% of the complaints. The issue mainly



concerns having poor connectivity, and not providing the speed as promised in the contract. There were also there were frequent service interruptions. As a result, the consumers were not able to enjoy the privileges that they were paying for. Consumers argue that they are paying more for poor quality of service. The quality worsens during rainy season. Thus, based on the poor service quality, consumers argue that they should be charged equivalent with the quality of service rendered to them.

As for charges dispute, it seems the issues cover a diversified nature of grouses. Consumers claimed that there was a misrepresentation as to the additional services provided to them. They were informed such additional services will 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. Others contended that they were still being charged as per their previous bill (higher amount) even after numerous reminders for downgrading package. While some argued that they were not reconnected even after payment was done on their subscription.

As for misleading ads, complaints that were recorded by NCCC were mostly related with subscribing new



packages where the consumers were misled into subscribing a new package only to find out later that certain channels were not part of the package and had to pay an additional sum for these channels.

About 8.2% of total complaints under the media and satellite broadcasting sector focused on termination whereby consumer lamented that they were still being charged although the account had been terminated. Some complained that the termination process takes a long time before the request is approved. Thus consumers have to keep on paying notwithstanding their request to terminate the service which is subjected to 30 days' notice prior to termination. Some argued that the reason for termination was due to bad network coverage, especially those portable broadband devices. It would not be fair for consumers to bear the termination cost when they did not actually enjoy the services given. Service providers should look into this, either remove such terms or improve their services for better consumer satisfaction.

Reconnection or connection of subscription service disputes transpires when the customer fails to pay their bills on time or when online payment does not complete the transaction as expected. Upon making the payment of the due bills, the consumers

were kept waiting for hours or days before being reconnected to their subscribed services, thus leaving them annoyed and frustrated with the service. This adds up to total of 5.9% of the total number of complaints.

Installation and activation recorded 4.7% of complaints received under this sector, whereby the issue mainly was concerned with delay in installing the service and further actions were not carried out appropriately, leaving the consumers frustrated with the service. Some lamented that no installation was carried out even after receiving approval / confirmation from the service provider. While others, were kept waiting for the installer to visit the premises to activate the upgraded package.

Complaints on customer service recorded 4.7% from the complaints received in 2015. These were mainly with regards to poor service from the customer service department and many consumers were upset at not being attended by any of the representative or being put on hold for a lengthy period. While, others complained that the services of the personnel were not to their satisfaction.

Programme cancellations were mostly associated to certain channels not being received under their

current package after the service provider conducted an update in the system. Consumers were pressured into paying an additional sum for the intended channels which were included in the new packages. While, others complained that shows booked were cancelled at the very last minute and not giving sufficient notifications.

Disputes in regards with unclear terms and conditions recorded 3.5% of the overall number of 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.

The programme quality comes up at 2.4%, where most of the dispute concerns with not receiving all the subscribed channels. Others lamented that they were unhappy with the repetition of programmes and the programme showed as it is does not justify the fee being paid by the consumers.

Consumers often faced complications when they relocated to a different address. This transpires generally toward consumers with new decoders who move to a different location where they cannot receive the same service they have been paying for and in certain instances, delays in reconnecting at the new address while the monthly payments continued to be paid by the consumer.

Complaints regarding leakages on privacy and personal data of consumers' remains and should be taken very seriously. Consumers provide all the necessary personal information and their account data, trusting the service provider to keep it safe but this is not the case here.

Unauthorised change in plan was also received whereby the complainant 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 adds 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 function 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 protection 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.
- **Fundamental Principle for Service Providers** – service providers should furnish all information relating to the services to the customer which is up to date, clear and unambiguous. Service providers also have to respond to the customer within 7 days in whatever reasonable means of communication upon receiving the request for information from the customer.
- **Description of Service** – before entering the contract, all description must be made known to the customer in plain language by the service provider and shall provide information on the performance details
- **Pricing information** – any matter relating to charges must be made known to the customer i.e. amount, description of charges, and the frequency or circumstances to render the charges payable.
- **Terms and Termination** – all the terms and conditions must be furnished to the customer in clear and unambiguous words. The terms provided in the contract must cover all angle and circumstances that can reasonably be foreseeable. Service providers also have to state the circumstances and the conditions relating to termination of the contract itself.
- **Customer Right to Redress** – service providers must inform the customer about the contractual warranty (if any) and the right to redress upon the breach of warranty.
- **Spoken Communication of Prices, Terms, and Conditions** – Spoken communication includes telemarketing, door to door sales, direct personal sales, and sale through representatives. The customer must be informed about the service provider's brand name, the person making the sale, and the purpose of communication. There are few things that must be communicated to the customer i.e. brief description of the service, the charges if any, and the nature of any special offer, discount or package.
- **Customer Billing, Charging, Collection and Credit Practices** – service provide must ensure that customer are able to obtain information relating to the bill itself. The bill issued to the customer must be accurate, can be verified and

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.

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 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 provider.
- Any package that is made available or supplied to consumers should be reviewed by the Ministry or any related departments / agencies to ensure that the package offered is reasonably acceptable to consumers and not merely to increase the pricing.
- 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 specially 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 consumer 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 consumer is still not happy with the 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 not to exclude the liability of service providers which does not have to possess licence.

15 Good and Services Tax (GST)

GST was implemented in Malaysia on the 1st April 2015. It replaced the Sales and Service Tax (SST). The rationale for introducing GST in Malaysia was:

- Heavy dependence on petroleum revenue (40%) that could not be sustained;
- A global trend to move from indirect taxes (income tax and corporate tax) to direct tax (GST);
- GST represents a more stable source of revenue; less susceptible to economic downturns;
- GST is a more transparent, efficient and effective system that would eliminate some of the inherent weaknesses of the SST system.

GST is a broad based consumption tax imposed on goods and services purchased in the country. It is based on the concept of value added, which means GST is imposed on value and components or activity at every level of the supply chain. That is to say it is applied to all levels of distribution or supply chain including importers, manufacturers, wholesalers, retailers and consumers.

GST has been implemented in more than 160 countries in the world. In the ASEAN region, all countries, except Brunei and Myanmar, have implemented GST. Each country has its own unique model. In Malaysia, the tax rate implemented was 6%. In Malaysia, there are three types of tax on goods and services: standard rated, exempt rated and zero-rated. Many of the basic food items, all medicines, and reading materials are zero rated, meaning that there is no GST imposed on the products. This step was to ensure that the poor and low income have access to affordable food.



To address the issue of profiteering, the government strengthened the Price Control and Anti-Profiteering Act. Further a substantial number of enforcement officers were recruited to ensure that traders did not use GST as an excuse to increase prices beyond the actual impact of the GST. Further, the Competition Act was also passed to prevent price manipulation by traders through various anti-competitive practices such as price fixing.

FOMCA supported the GST with the concerns being:

- Traders would use GST to make excessive profits and harm consumers welfare;
- Tax collected must be channeled to the rakyat to improve their quality of life;
- Leakages in all forms must be stopped;
- Need to develop a honest, transparent system of governance

To monitor the impact of GST, the NCCC opened up its phone lines for complaints related to GST. Further NCCC collaborated with FOMCA on monitoring the impact of GST on prices.

The Complaints received after the implementation of GST, with the first month are as follow:

Issues	No. of Complaints
Price increases <ul style="list-style-type: none"> Raw food, cooked food, medicines, etc. 	293
Top-up Cards <ul style="list-style-type: none"> Imposition of GST 	271
Imposition of Service Charge	153
No receipts / no GST code	72
No receipt / GST charged	65
Queries on GST	58
Zero rated / charged GST	25
Not registered / Charged GST	9
Total	946

Clearly, the unwarranted price increases were the highest number of complaints. NCCC further monitored price increases in several outlets and found often that prices many items had risen substantially beyond the 6% increase. There were also many complaints from rural areas where price increase had been substantial; further often receipts were not given.

After one year of implementation, price increases continues to have a significant negative effect on consumer welfare. While there are many factors impacting prices, including, subsidy rationalization, the depreciation of the Ringgit, global supply and demand factors and climate change factors, consumers often feel that the price increase is substantially caused by GST.

Traders continue to increase prices unfairly and make excessive profits that impact negatively on consumers. Further, prices are also distorted by market manipulation all along the supply chain. The government needs to enforce the Price Control and Anti Profiteering Act and the Competition Act vigorously to bring prices down and enhance consumer welfare. The Government also need to enhance programmes and projects to enhance consumer's quality of life.

16 Insurance

7 44 complaints were lodged against the insurance industry for the year 2015, with the potential loss to complaints amounting to RM7,776,108.00. Among all the insurance complaints involved the highest were received in regards with claims, premium payment, policy termination and the terms of the policy.

Nature of Complaints related to Insurance Industries

The highest number of complaints recorded by the NCCC in regards with the insurance industry is with the claims dispute, recording 25.8% of the total number of complaints. The type of claims dispute that the NCCC usually receives indicates that insurance companies tend not to pay out as per claimed in the contract or at least what was expected by the complainant. Furthermore, when the complainant wishes to claim for the additional coverage such as “loss of use” from their insurer, such claims are often repudiated by the insurer or either compensated to the consumer with an exceptionally lesser amount than what was expected by them. Also, most of the complaints were dissatisfied with the time taken by insurance companies in honouring their claims.

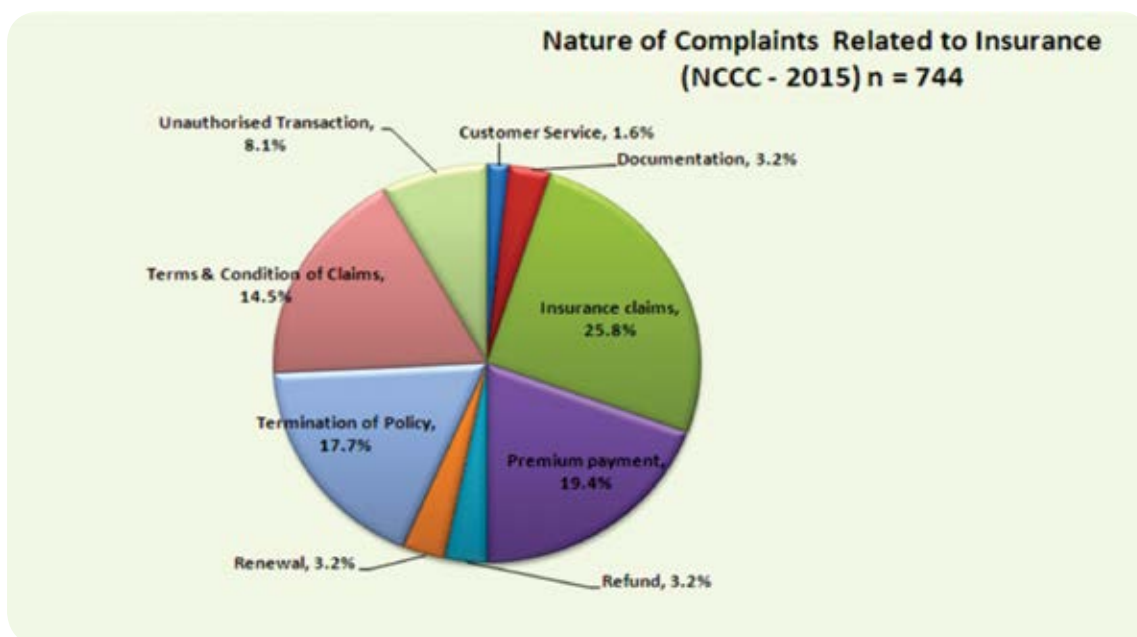
Premium payments comes up to 19.4% from the total complaint received in this sector, where the complainant claimed that they had paid their premium on-time; however they were constantly reminded to renew their policy as the insurance company did not receive the payment as per their records. Which begs the question, where has the money been transferred to? In some instance, consumers tends to transfer their premium fee to



their agents’ account and this causes a huge risk if the agent delays the transfer from his part or goes missing with the funds.

Many complainants felt disappointed by the insurer and this led them wanting 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, some of the complainants claimed that the insurer has been taking funds from their account even after numerous notifications from the consumer that the policy has been terminated not too long ago.

About 14.5% complained on the terms and condition of the policy, whereby many fail to understand the terms included in their policy and the claim procedures, especially for the “loss of use” claim. Some were even confused with the reasons for a lesser reward from the insurer as compared to what was insured in the policy.



The dispute with regards to unauthorised transaction records the fifth highest at 8.1% 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.

Consumer Protection Laws Applied in Managing Complaints Received

1) Laws

The Financial Service Act 2013 (repealed the **Insurance Act 1996**), An Act to provide for the regulation 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.

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 they are mere agents who sell policies for the company they are attached to, make known to the insured the company they are acting for and explain clearly the type of insurance they are selling.

Recommendations for Improvement

As a large volume of complaints were made in relation to 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, their 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.

17 Non-Conventional Financial Services

What are Non-Conventional Financial Services?

Non-Conventional Financial Services 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 708 complaints related with non-conventional services, with potential loss to consumers amounting to RM 25,925,172.00. This is a huge increase in the amount as compare to 2014 which recorded at RM192,625.98.

A large number of complaints under this category, 30.5% of the total number of complaints, were made in relation to investment schemes. The complaints under this category are 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.

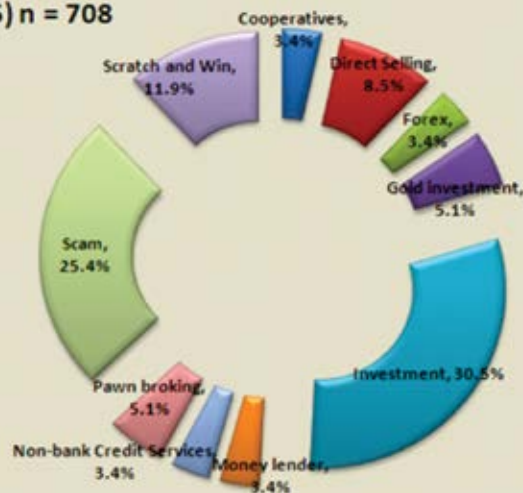
About 25.4% of complainants claimed that they were scammed by various unknown companies to engage with their services. Most of the complainants argued that they were scammed into transferring funds into



the company's account and not receiving what was promised to them.

Consumers are still being swindled or conned into the scratch and win contest despite being warned through media and to this, NCCC has recorded 11.9% of complaints under this sector. Many consumers were deceived by exciting offers or a chance to win something great for a lesser value. Thinking they were gaining something for nothing or much less than its real value they became easy prey for such hoax offers. After these scammers have lured their victim into dealing with them (taking their money) they will either disappear or give numerous excuses to reap more money from their victims. Sometimes shoddy products are given to consumers that are not worth the money they have paid for. 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.

Complaints Related to Non-Conventional Financial Services and Investment (NCCC - 2015) n = 708



Issues on direct selling were mostly focused around rural areas. Victims were mostly villagers and senior citizens, alluring consumers to purchase their dubious health benefitting products or engaging with their bogus services.

About 5.1% 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 seek to take advantage of the financial burden 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.

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.

Complaints on Forex, cooperatives, non-banking credit services and moneylenders, each contributes 3.4% of complaints received under this sector.

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 in 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 Bank Negara Malaysia 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 burden.

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

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

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

Recommendations for Improvement with Regards to Investment Scams

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

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

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

18 ICT Equipment Services (Repair)

Complaints related to repair services in the pie chart above focuses only on repair services of consumer's electronic gadgets and its supported applications.

Based on the pie chart, 26.9% out of the total number of complaints pertaining to repair services is related to warranty. Warranty simply means that it is an expressed or implied condition of sale. It's your assurance that the product will do what it's supposed to and will be free of defects. Therefore if the product is found to be defective, broken or not functioning, the seller will either repair or replace a faulty part, for free, within a fixed period of time after a purchase.

However, based on the complaints received by NCCC, most of the complaints are related to brand new laptops; after a month of usage, it started to give problems such as the keyboard was not functioning, it could not be switched on, or there was problem with the hard disk. Upon sending the product back to the service centre to be fixed, often consumers are asked to pay in order to carry out the repair despite the fact that the product is still under warranty. The argument was that the parts are not covered under warranty and some complainants had to pay for the repair services. In a worst case scenario, warranty was not even given to the Complainant and was promised to be given within one week. After a week had passed, the Complainant went over the shop to find out that the sales agent was no longer working in that shop.

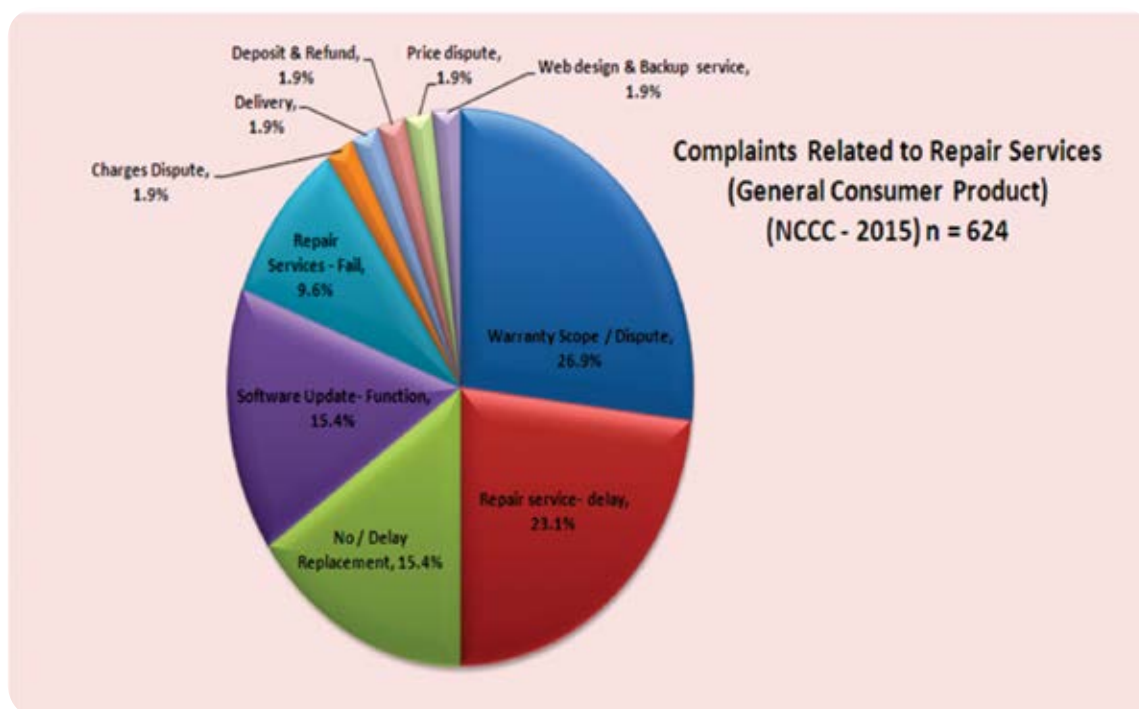
The second highest complaint this year appears to be on repair services delay at the percentage of 23.1%. Complainants are frustrated due to the fact that the



product which they have sent for repair takes very long for the service centre to carry out the repairs. Some take months before the product is returned and each time the consumers themselves had to call up the centre to ask when it would be ready for collection as the centre does not keep them updated. Sometimes, the repair center could not give any definitive answer. Some of the complainants are students who need the laptop in order to do assignments and such delays definitely have a huge impact on their assignments.

The third highest complaint is on delay / no replacement complaint which is at 15.4% this year followed closely by software update function which is also at 15.4%.

Complaints in relation to replacement have always been an issue when it comes to fixing the faulty items. It is argued that each time the item was sent to the service centre, it takes very long to fix simply because they need to order the parts from another



country. It is understandable when such situation arises as the item may not be a Malaysia product. However, they should be equipped with enough stock to help consumers.

Even if the service centre has to order the parts, it should not take too long of a time. Some complainants argued that they take months to fix a small problem; this is totally unacceptable. In a worst case scenario, there were no replacement parts at all and hence the item could not be fixed.

Complaints pertaining to software update function are commonly on legitimacy of the software purchased. Consumers argued that the software was not genuine despite being assured that it is original software. Some software could not even function as an important component of the software was not included at the time of purchase. Despite raising this matter to the company where the Complainant had purchased software, the company refused to neither compensate nor change the software due to the terms and conditions stated in the agreement.

Another big portion of the complaint according to the pie chart above is on repair services which failed

to address the underlying problem of the gadget or could not fix the gadget at all. The percentage of complaint received is 9.6%. The problem with the gadget keeps recurring despite several times the complainant had sent the product to the service centre. Complainant do just lose considerable amount of money but also confidence with the product they purchased.

Lastly, 9.5% of the complainants are combination of five (5) other types of complaints which are relatively not high compared to the rest of the complaints as stated above. These complaints include charges / price dispute, delivery, deposit & refund and web design& backup services.

Some of the common concerns raised by the Complainants are that they have been over charged. The price to fix the faulty item was just too expensive, delivery date is way beyond the time and date promised by the service provider, delays in getting back their deposit and no refund was given due to the terms and conditions stated in the invoice.

LAW

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 received by the NCCC in regards to general consumer products 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. TV's, 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 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.

c) Product Services

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.

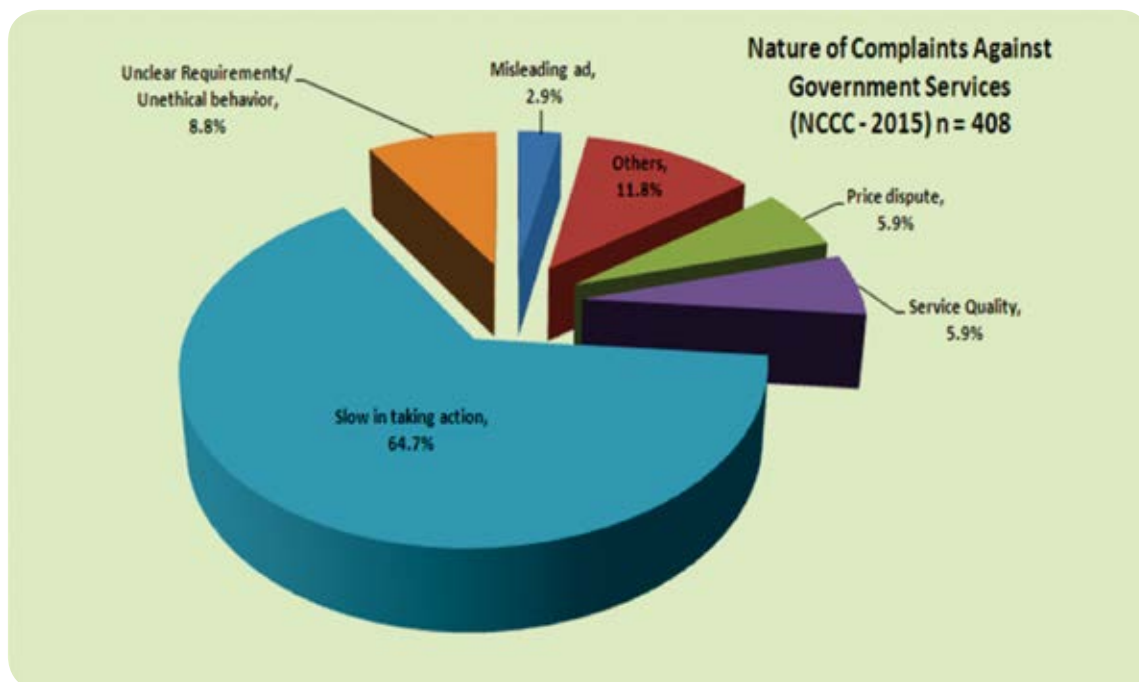
RECOMMENDATIONS

- **Lemon law:** The significance of this law is to offer better consumer protection, promote fair or unethical 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 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.
- NCCC once again urges the relevant regulating bodies to conduct a time to time safety and standards check to ensure manufacturers and suppliers are adhering to the laws, regulation and guidelines
- There should be a time limit as to how long an item should be kept at the service centre.
- If the supplier / service centre fail to fix the items, one should be replaced with a new item or be refunded (depending on whether the item is still under warranty and the severity of the damage)
- NCCC urge the government to educate the public on their rights. It is important for consumers to be aware of their rights and responsibilities stipulated in the **Consumer Protection Act 1999** as the act is enacted solely for the benefit of the consumers.
- Service centre technical workers should be sent for training in order to further enhance their skills to better serve the consumers.

19 Government Sector

In 2015 the NCCC received 408 complaints regarding the Government sector, which was an 89% increase from 216 received in 2014. However, in relation to this sector, the NCCC had 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) / (Biro Pengaduan Awam) as they possess jurisdiction to receive complaints related to government bodies. Under this sector, the total amount in dispute is estimated to be in the sum of RM 1,335,604.00, a significant jump from RM 42,455.49 last year.





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Based on the chart above, the general public were mainly dissatisfied with the delays in taking action by the government agencies. These delays were for both for processing documents and also in handling complaints from the general public.

The other bulk of the complaints were with the unclear requirements / unethical behaviour of the government agencies where the public were pushed around to various different departments on their issue with no clear answer or response given to consumers on their issues. With regards to this issue as well, the complainants also claimed that some of the government officers had poor attitude while dealing with the public. Another issue here is the dissatisfaction with the length of time taken by these government agencies take in dealing with the customers' queries.

Other issues brought up by the complainant were in regards to the proper pricing not shown by certain businesses, seeing that this year saw the implementation of the Good and Services Tax (GST). Complainants felt that the government was not enforcing effectively against traders taking advantage of GST to excessively charging consumers.

20 Healthcare Services

The NCCC received 324 complaints in 2015. Potential cost of complaints was RM 488, 592.

The majority of complaints on healthcare that is 29.6% of the total complaints were on charges dispute. Billing is one of the common grouses related to healthcare sector whereby consumers argued that the charges imposed on them are 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 was delayed or rejected by the centre.

18.5% of the complaints were about what consumers interpreted as ineffective treatments. Patients felt that despite the medications and procedures, their condition had not improved.

There are also cases whereby wrong medication were given to consumers and this resulted in consumers suffering or their health deteriorated after undergoing the treatment. This usually happens at private clinics in which their pharmacist is not qualified to identify whether the prescription is correct or otherwise.

Consumers also lamented that the service provided by the centres are unethical and unprofessional in the sense that their enquiries were not properly attended to. Any disputes in regards to the billing were prolonged for a long time and sometimes no proper explanation was given to consumers. The number of complaints relating to services in healthcare was 14.8% of the total number of complaints.

Seminars or talks, are sometimes organised by healthcare providers which promotes a certain product or service of the hospital, for example

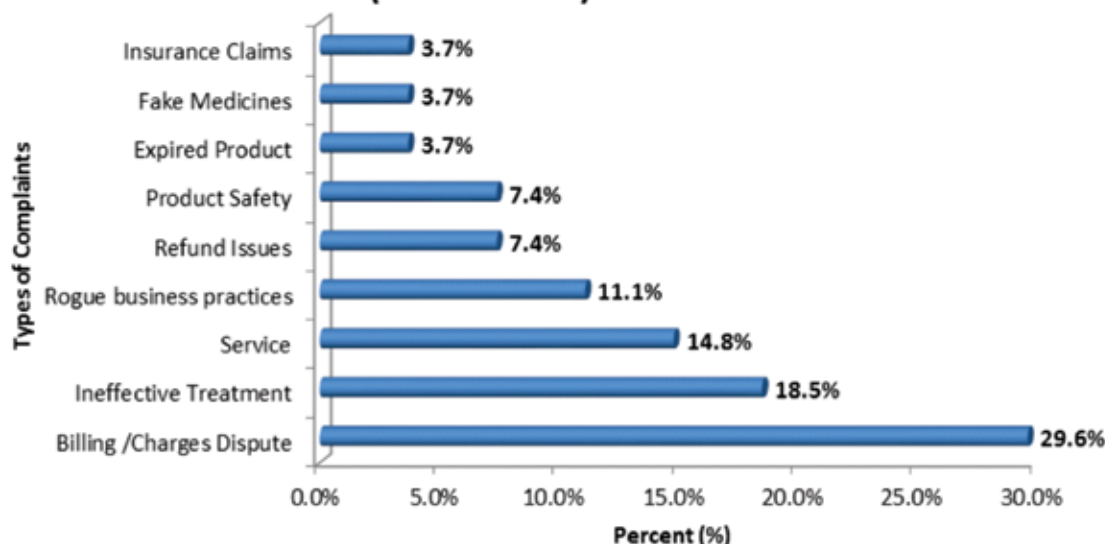


health screening. Then after the talks, the consumers attending are pressured to sign up for the service. This constitutes what has been classified as rogue business practices and this accounts to 11.1% of the total number of complaints.

Refund issues are the next highest number of complaints accounting 7.4% of the total number of complaints. For example in continuous health screening services, the complaints are mostly related to the terms and condition stipulated in the contract. Some of the contracts are one sided in the sense that liability of the centre are protected and the rights of consumers are being neglected so much so that request for refund is made impossible on the part of consumers.

Product safety issues continues to occur; at 7.4% it constitutes a significant issue detrimental to the safety and welfare of consumers

Nature of Complaints Related to Healthcare Services (NCCC - 2015) n = 324



Other complaints relating to healthcare services are on expired products (3.7%), fake medicines (3.7%), and conflicting insurance claims between the insurance agents and the hospital (3.7%).

A significant and growing issue in healthcare services is the conflicting claims on medical insurance and hospital bills. Patients often find out at the time of payment that the insurance coverage is not as comprehensive as they had been made to believe. This results in patients having to pay out of pocket for the difference. Also, there are issues when the insurance company claims that certain charges are not covered; when the patient feels that their premiums cover the particular charges.

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) 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** 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 regulation as above i.e. information in regards to the treatment, supply of medical report, preparation for emergency situation, billing – average billing to other patient with the same sickness and itemised billing.

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.
- Hospital 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.

21 Education Services

The importance of education is undeniable for every single person. Therefore, the complaints that are channelled to NCCC are not taken lightly; NCCC will ensure that the aggrieved students and their parents who have dispute over charges, services or misled by the information given by the centre / college will be addressed.

The highest complaint is poor services which are at 25.9% of the complaints received this year. According to the complaints received, the parents who had enrolled their child for additional classes were not satisfied with the service rendered due to too many classes have being cancelled. Upon asking for refund, the management refused to refund the complainants money.

The second highest complaint is on charge dispute and misleading information with the percentage of 14.8% for both categories this year. Often students were over-charged and refund was denied. On appealing by the complainant, no actions were taken by the institute and this has become one of the major concerns raised by the Complainants. Complainants were also misled by the promotions offered and once Complainant signed up for the course, to their dismay they find that there is no such promotion; upon request to cancel the registration for the course, no refund was given despite the fact that the cancellation was made within the cooling off period.

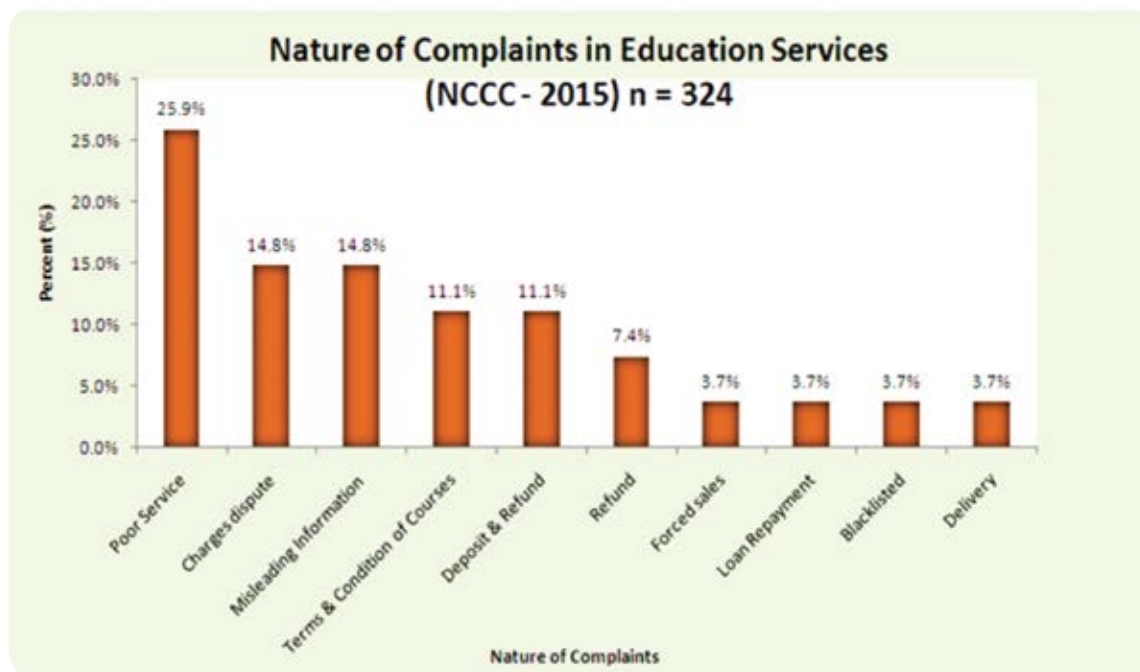
Third highest complaint was on deposit / refund and terms and conditions of courses with the percentage of 11.1%. Deposit and refund seems to be a problem not just under this sector but every other sector as discussed in this report book. Some of the Complainant was deceived by the Respondent



that is they were informed that they could get back the deposit or their money will be refunded if they chose to change the course. To their dismay, the college neither returned the deposit nor refunded the Complainant's money.

Terms and conditions stipulated in the contract / agreement were unfair and one sided. It made it very difficult for the Complainant to seek for refund or leave the university despite the fact that they were not satisfied with the course and the services provided by the management.

Complaints such as blacklisted, non-delivery, forced sales and loan repayment complaints are at 3.7% each. Complainant are listed as blacklisted due to buying the education product without knowing that they had to make monthly payments. This information was not made known to them, and due to their failure to make payment, the Complainant name was listed under CTOS.



Delivery also has to do with purchasing education product. The Complainant was asked to make payment first and thereafter the company will deliver the product to them. However, to their dismay, the product was never delivered and upon contact. Often the company, they could not be contacted.

In forced sales, the sales agent basically uses their sales pitch technique alluring the Complainant to buy the product with the guarantee that they can have a free trial of the education product. Complainants were pressured by the sales agent and bought the product. However after buying the product, the product did not serve its purpose and failed to operate as promised by the sales person. Upon looking for the sales agent, he could not be contacted.

Based on the graph, the highest complaint this year appears to be adult continuous learning and early childhood learning with the percentage of 22.2%.

Complaints pertaining to adult continuous learning are basically to do with charges and poor service rendered by the centres. For example:

- instructor coming late for classes

- classes were often cancelled
- delays in returning back deposits
- the course was not suitable and despite cancelling it within cooling off period, the centre refused to return back the Complainant's deposit

Issues with early childhood learning have to do with fees that were paid to the kindergarten or day care centre. Despite the fact that parents only sent their kids for less than a week after which they wanted to stop, the fees paid to the school and day care centre were forfeited. Even though valid reasons were given, the school refused to take into consideration the reasons given by the parents. Complaint under this category is interrelated with complaints in relation to elementary school with the percentage amounting to 3.7%.

When it comes to tender age children's, parents has all the rights to decide as to which school or day care centre they would want to sign up their children to. Taking into consideration several factors such as whether the centre has followed certain guidelines for example, whether the place is well kept (clean), whether the teachers are competent and whether

the environment is conducive for their children to study.

Moving on, the second highest complaint this year is on IHS loan (PTPTN) with the percentage of 18.5%. Compared to last year which was only 3.6%, complaints relating to loan for education this year have increased drastically.

The Complainant has made full payment for the loan she undertook as she received a notification that if full payment is made, complainant is entitled to 20% discount. However to her dismay, complainant did not get the 20% discount.

Besides that, there were a lot of complaints that the agency delayed in returning the excess amount of money paid by the Complainant despite several times informing this matter to the relevant agency.

Third highest complaint this year is on education service related products (ie: language CDs) with the percentage of 14.8%. Most of the complaints is related mainly to the method by which this product was sold. They were been told that the agent will come over to their house to teach them and guide them on how to use the product. However, after

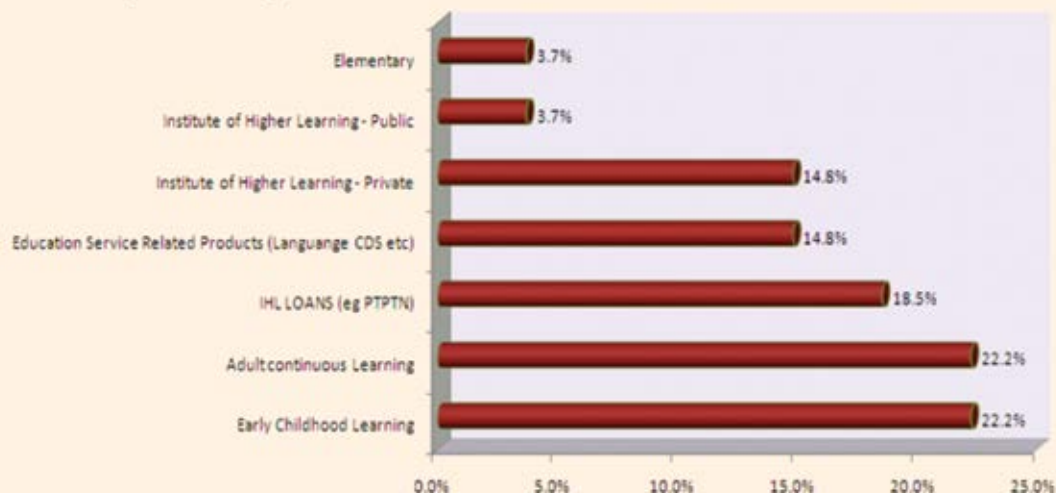
payment was made, no agent or sales person from the company came or contacted the complainant.

Some of them (mostly students) are lured into getting the product and cheated by the scheme of paying monthly. However upon calculating it, they found out that they were paying more than what the actual cost of the product. Upon complaining to the seller, the seller refused to entertain the complainant. It is suggested that before buying these products, it is vital to calculate the actual monthly payments to ensure that the seller is not over charging.

Complaints pertaining to Institute of higher learning (Private) this year with the percentage of 14.8% are mostly to do with deposit money were not returned despite the fact that the University had promised to return it back if the Complainant did not enrol for the course. The complainant needed to give back the offer letter. However, the university failed to return back the money.

Complaints relating to institute of higher learning (Public) amounted to 3.7%. The complaint under this category is very similar to complaint under institute of higher learning (private) and the complaints are mostly to do with deposit, poor management of

**Complaints According to Education Services
(NCCC - 2015) n = 324**



services and despite the fact that the students has lodged several complaints, no actions were taken by the institute.

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 regards to any matter related to services.

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

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 product / 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's.

the Malaysian Qualifying Board before signing up for the course. Stern action should be taken on Universities that did not comply with the regulations and running courses that are recognised.

- In the event if students request to cancel their enrolment, deposits paid by the students must be returned. Minus any administrative costs, 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.
- 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).

RECOMMENDATIONS / BEST PRACTICES

- The Ministry of Education plays a pivotal role. They need to regularly check all the institution in terms of the cost. Some universities are charging too high.
- There is a need to check on the universities in terms of the services provided to their students, to ensure that they are delivering their service up to the standard required.
- 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.
- There have been cases reported that some Universities providing courses that are not recognised by the Malaysian Qualifying Board. Students and parents are urged to check with

22 Maid Agencies

There were a total of 288 complaints recorded by the NCCC with regards to services provided by maid agencies in 2015. The estimated monetary loss under this sector amounted to RM 2,047,224.00 a huge increase from the 2014 estimated monetary loss of RM348, 197.96. Comparing the data from the 2014 records, the monetary loss under this sector shows an increment of about RM1.7 million in this sector.

It must be noted that 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 from the chart, 37.5% of the total complaints under this sector were in regards to missing maids / no replacement for missing maid. One of the critical issues in relation to this complaint is the fact that some agreements between the consumers and the maid agencies are one sided in favour of the maid agencies. Some of the terms are such that the agency bares no responsibility once the 'maid warranty' period of 3 months is up. Also most of the time, the consumer has to bear the cost of getting a new maid.

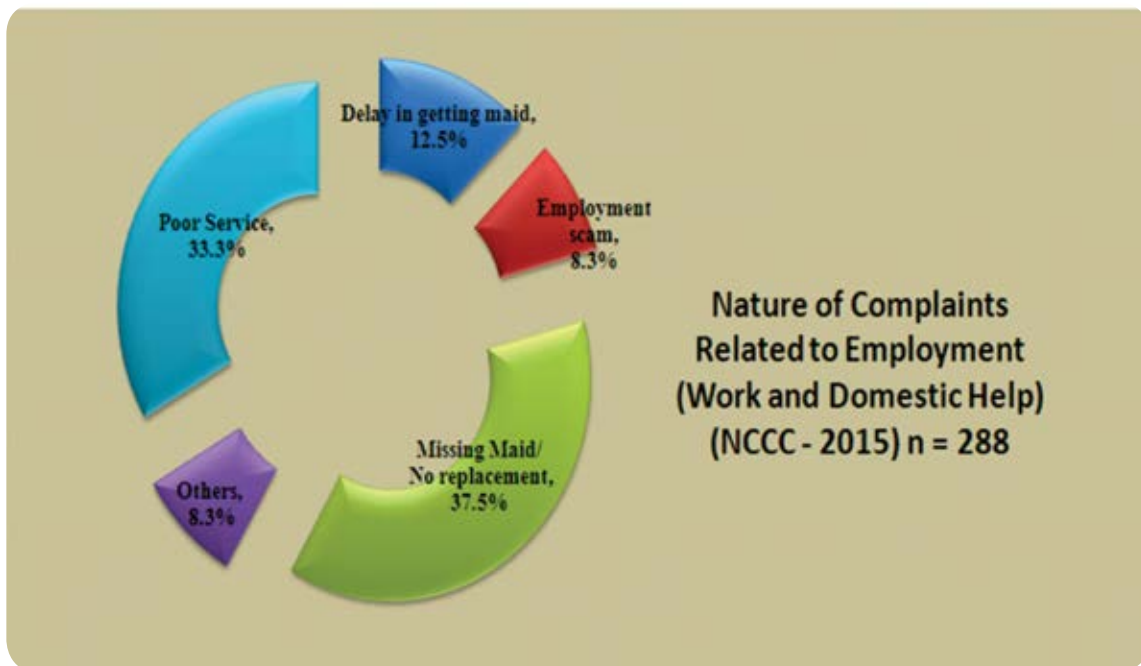
The second highest number of complainants at 33.3% was reported on the poor service of the agency in handling their issue; the maid provided by the agency was incompetent in undertaking the household work or caring of a child. Other consumers reported that the maid provided by the agency has absconded 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 as mentioned in the previous paragraph. 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, such as having to wait for the maid's visa, medical report and immigration issues 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 agencies refused to acknowledge complainant's request on their refund and were further treated poorly by the agency. Generally, maid agencies are 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.



From the complaints received, it can be concluded as there are no standards or basic agreement to facilitate this type of hiring of domestic helpers; agencies have a freehand in drawing up their own terms and conditions to the effect that only protects the interest and liability of the agency with total disregard to the consumers' interests. In some cases, the maid would inform the agency that they do not want to work for the current household or they would run back to the agency. In these circumstances, the party hiring the maid commonly would have to bear all the cost regardless of the circumstances and the quality of services provided by the maid.

The agency on the other hand would always insist on relying on the agreement made between the agency and the consumer prior to the hiring of the domestic helper. However, what is often puzzling and certainly unacceptable part of the agreement is that, only the party hiring the maid signs 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 wishes to terminate the contract, the agency will 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 is 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 does 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 conduct 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.

23 Legal Professional Services

A total of 84 complaints were received by the NCCC against the professional services in 2015. The total amount involved in the dispute or complaints were an estimated RM 787,668.00, which is a substantial considering the few numbers of complaints received for this sector.

More than 50% of the complaints received under the legal profession sector were in regards with delays caused by the lawyer. The issue on delay mainly focuses 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 complainants argued that the documents such as SPA, grant and loan agreements were executed late which subsequently caused the complainant to incur losses.

Complaints on refunding and charges disputes were about 28% of the total number of complaints. The complainants argued that lawyers were charging ridiculously high legal fees or asking for a large sum of advance payment before taking up their cases. Others issues encompassing 14.3% were made up of complaints relating to negligence, misconduct and the behaviour of the lawyer itself.

However, for legal profession services, the Bar Council is the main authority and regulator as lawyers are required to follow the Legal Profession Act 1976 and Rulings from the Bar Council and failure to do so will result in disciplinary action.



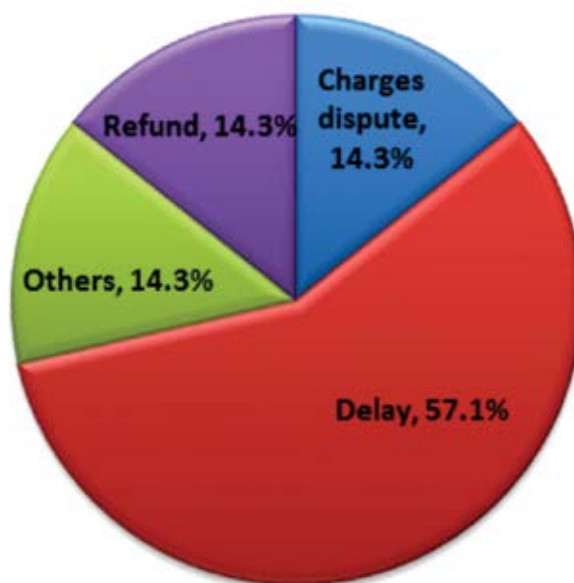
Consumer Protection Laws Applied to Manage Complaints Received

Laws

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

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

Nature of Complaints Against Legal Professional Service Providers (NCCC - 2015) n = 84



- **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.
- Investigation in regards to complaints made by the consumer must be conducted as soon as practicable without unnecessary delay.
- Lawyers that have been found liable for misconducts should be monitored closely in order to ensure that they would not repeat the same act. The status of their practice – whether disqualified, pending investigation, etc must be available on a website dedicated to monitoring and assessing the quality of legal professional services.

Recommendations for Improvement

- The conduct of lawyers and firms must be looked at closely by the Malaysian or State Bar. Disbar period or suspension should be long enough to deter and punish lawyers involved in misconduct.



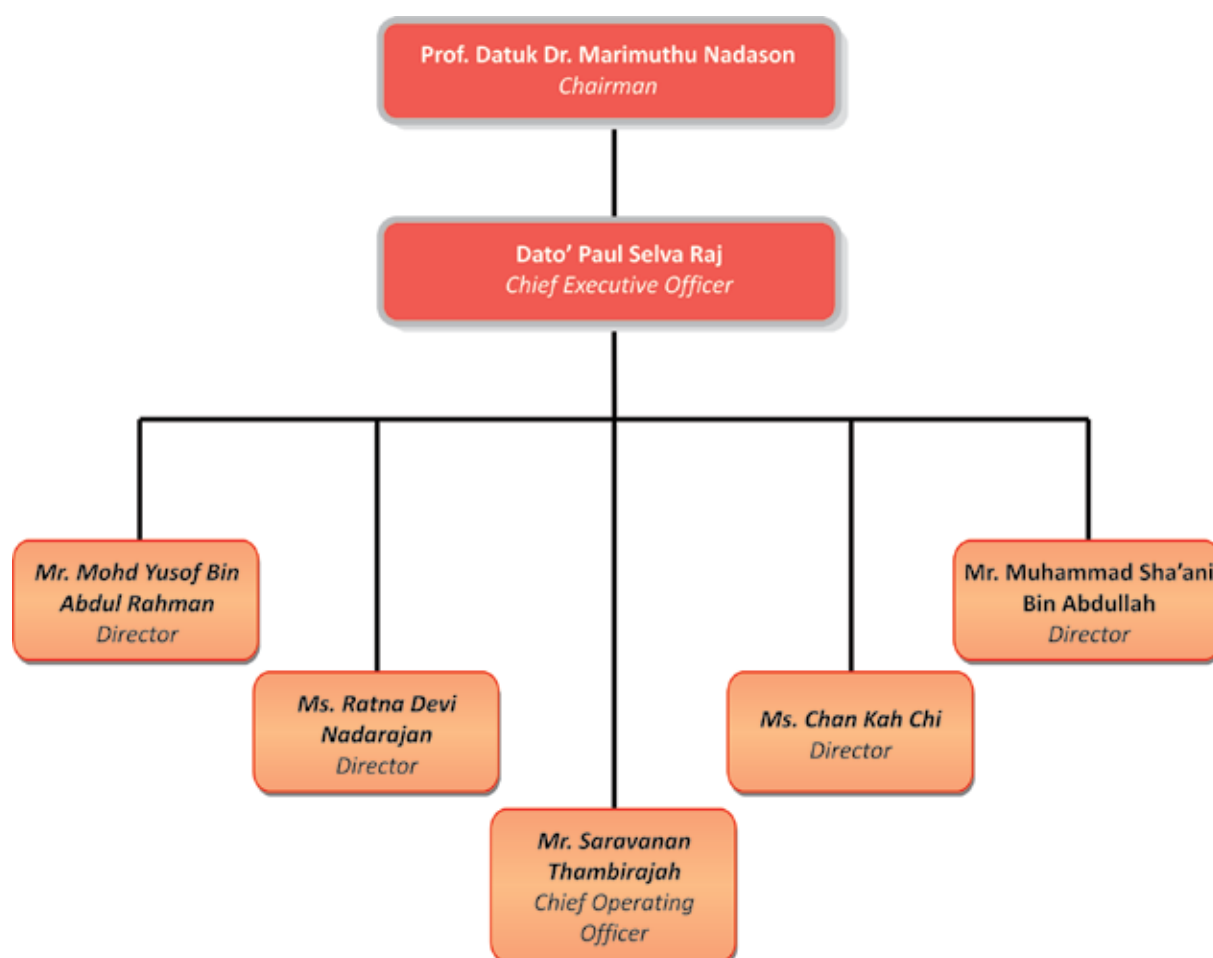
NCCC

Annexes

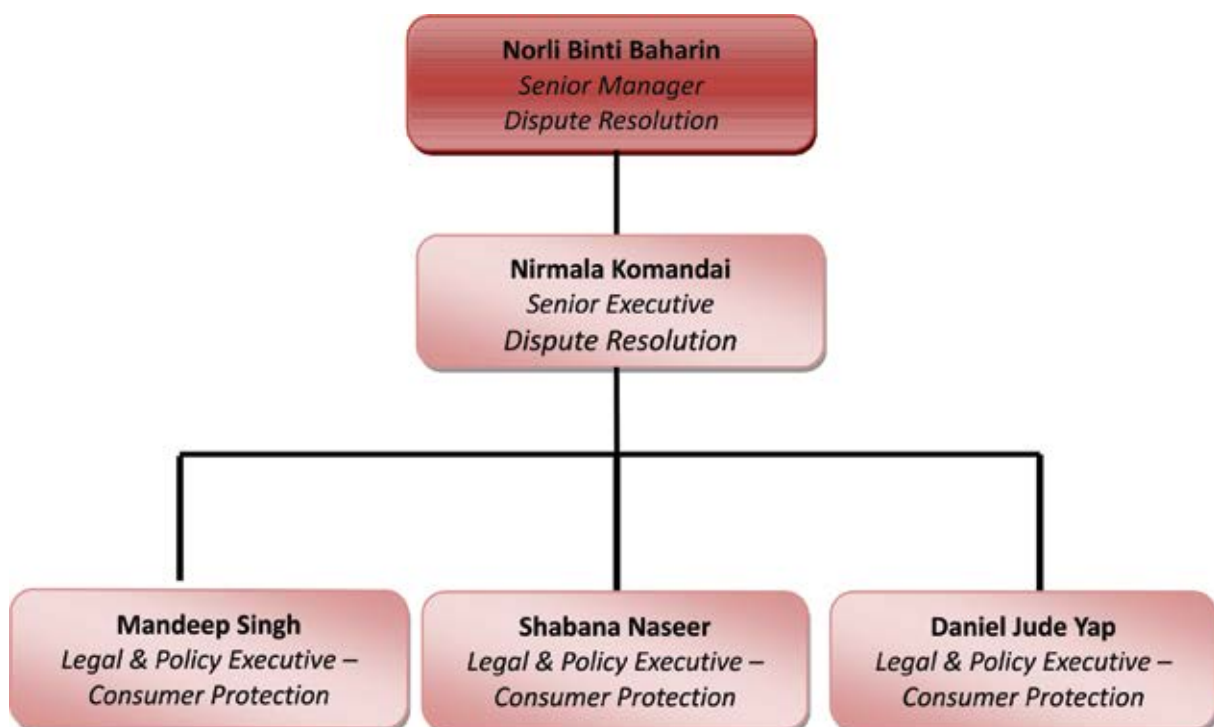
Annex 1

NCCC Organisational Chart

Senior Management



Management Staff



Annex 2

NCCC in the Media

MST- 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 Farhan 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 Complifest 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 the list with RM22.2 million. While telecommunications losses increased to RM61 million from RM9 million in 2012.

Malaysia Namban - 25 Jun 2014

தேசிய பயனீட்டாளர் புகார் மையம் 40,560 புகார்களை பதிவு செய்தது

ஆண்டு பாதிக்கப்பட்ட பயனீட்டாளர்களிடம் இருந்து 41,963 புகர்களை இம்மையம் பதிவு செய்தது.

2013ஆம் ஆண்டு மொத்தம் 40,560 புகர்களை இம்மையம் பதிவு செய்தது. இப்பதிவு எண்ணிக்கை 2012ஆம் ஆண்டைக் காட்டிலும் கடத்தலுக்கு ஏற்ற குறைந்தது. பெறப்பட்ட 40,560 புகர்களில் 70 சதவீத பிரச்சினைக்கு தீர்வு காண்பதற்கான நடவடிக்கையை மையம் மேற்கொண்டது என்று அவர் செய்தியாளர்களிடம் கூறினார்.



வர்கள், பொருட்கள் வாங்கியதுடன், பயனீட்டாளர் சேவையில் பாதிக்கப்பட்டவர் ஆகியோரிடமிருந்து சுமார் 20 விதமான புகார்கள் மையம் பெற்றது. கடந்த 2012ஆம் ஆண்டு தொலை தொடர்துறைமயம் பாதிக்கப்பட்டவர்களிடம் இருந்து தான் அதிகமான புகர்களை தேசிய பயனீட்டாளர் புகார் மையம் பெற்றது. ஆனால் கடத்தலுக்கு ஏற்ற குறைந்தது. இம்மையம் பதிவு செய்தது. இப்பதிவு எண்ணிக்கை 2012ஆம் ஆண்டைக் காட்டிலும் கடத்தலுக்கு ஏற்ற குறைந்தது. பெறப்பட்ட 40,560 புகர்களில் 70 சதவீத பிரச்சினைக்கு தீர்வு காண்பதற்கான நடவடிக்கையை மையம் மேற்கொண்டது என்று அவர் செய்தியாளர்களிடம் கூறினார்.

கார் உட்பட ஆல் போமோவில் துறைமயம் பயனீட்டாளர்கள் 2 கோடியே 21 லட்சத்து 82,476 வெள்ளி இழந்தது. இத்தொகை தான் கடத்தலுக்கு பயனீட்டாளர்கள் இழந்த மிகப் பெரிய தொகையாக விளங்குகிறது. இதுபோன்று பாதிக்கப்பட்ட மக்கள் தேசிய பயனீட்டாளர் புகார் மையம் புகார் அளித்து வருகின்றனர். அவர்களின் புகார்களை பெற்றுக் கொள்வதுடன் அதற்கு தீர்வு காண நடவடிக்கையையும் மையம் மேற்கொண்டு வருகிறது.

The Rakyat Post - 27 June 2014

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 dirasakan 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 hendak mendaftar secara online, mereka menerima mesej mengatakan telefon itu sudah berdaftar.

"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 rasmi ada. "Ada aduan mengatakan pengguna dikenakan caj 'upah suruh'. Mereka diberitahu komponen adalah percuma tetapi kita fikir upah buruh 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 tempatan mendedahkan masalah. Tetapi aduan daripada pemilik kereta buatan Eropah juga semakin meningkat, kata Santhosh.



Jangan terpedaya iklan jualan murah

Sebelum ini, pada masa perayaan, pedagang perniagaan banyak menawarkan harga murah. Tetapi, apabila perayaan berakhir, harga barang-barang itu kembali ke harga asalnya. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja. Setelah perayaan berakhir, harga barang-barang itu kembali ke harga asalnya. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja.

Hanya sekadar gimik

Promosi jualan murah pada masa perayaan tertentu di lihat hanya sekadar gimik dan gimik untuk menarik perhatian pelanggan sahaja. Setelah perayaan berakhir, harga barang-barang itu kembali ke harga asalnya. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja.

Jadi pengguna bijak pilih barang

Banyak orang yang terpedaya dengan iklan jualan murah. Mereka membeli barang-barang yang sebenarnya tidak memerlukan. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja. Setelah perayaan berakhir, harga barang-barang itu kembali ke harga asalnya. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja.

PANDUAN UNTUK MEMBUAT

1. Menetapkan sasaran

Menetapkan sasaran yang jelas dan spesifik. Sasaran yang jelas dan spesifik akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

2. Menetapkan strategi

Menetapkan strategi yang sesuai dengan sasaran yang telah ditetapkan. Strategi yang sesuai akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

3. Menetapkan taktik

Menetapkan taktik yang sesuai dengan strategi yang telah ditetapkan. Taktik yang sesuai akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

4. Menetapkan anggaran

Menetapkan anggaran yang sesuai dengan taktik yang telah ditetapkan. Anggaran yang sesuai akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

5. Menetapkan jadual

Menetapkan jadual yang sesuai dengan anggaran yang telah ditetapkan. Jadual yang sesuai akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

6. Menetapkan penilaian

Menetapkan penilaian yang sesuai dengan jadual yang telah ditetapkan. Penilaian yang sesuai akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

ADUAN SEKTOR AUTOMOTIF MENINGKAT 12 PERATUS

KUALA LUMPUR 24 Jun - Pusat Khidmat Aduan Pengguna Nasional (NCCC) menerima 4,915 aduan daripada pengguna terhadap pengeluar kereta tempatan membabitkan jumlah kerugian RM22.2 juta sepanjang tahun lalu.

Jumlah itu meningkat sebanyak 12 peratus berbanding tahun sebelumnya dengan nilai kerugian RM9.5 juta.

Pengerusi NCCC, Datuk N. Marimuthu berkata, kebanyakan aduan berkaitan kereta baharu yang mengalami kerosakan dan tidak ada langkah sewajarnya diambil pihak pengeluar kenderaan bagi mengatasinya menyebabkan ia berlarutan dalam tempoh lama.

"Kami juga menerima aduan berhubung khidmat selepas jualan yang tidak mencapai tahap memuaskan, tidak menepati jaminan malah pengguna kesal kerana syarikat-syarikat itu hanya memintakan keuntungan semata-mata," katanya dalam sidang akhbar pada seminar dan pelancaran Laporan Tahunan Aduan NCCC 2013 di sini hari ini.

Laporan itu antara lain mengandungi analisis, tindakan undang-undang, kaedah penyelesaian dan pertialan yang dilaksanakan oleh NCCC. Marimuthu yang juga Presiden Gabungan Persatuan-Persatuan Pengguna Malaysia (FOMCA) berkata, NCCC mengedalikan 20 jenis aduan pengguna dari pelbagai industri termasuk pembelian barang dan perkhidmatan.

Tambahan belia, aduan tertinggi adalah berkaitan produk air, diikuti sektor telekomunikasi, perkhidmatan perumitan dan e-dagang, automotif dan industri pelancongan.

"Mana-mana syarikat yang memberi perkhidmatan atau produk perlu proaktif dalam menangani aduan pengguna mereka.

"Sekiranya mereka tidak beri perhatian terhadap aduan pelanggan, pengguna akan mencari syarikat lain atau membodot dan akhirnya menjejaskan perniagaan mereka sendiri," katanya.

K

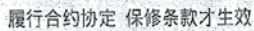
Kebanyakan pengguna yang membeli barang-barang di pasaran sering terpedaya dengan iklan jualan murah. Mereka membeli barang-barang yang sebenarnya tidak memerlukan. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja. Setelah perayaan berakhir, harga barang-barang itu kembali ke harga asalnya. Ini berlaku kerana pedagang perniagaan itu hanya menawarkan harga murah untuk menarik perhatian pelanggan sahaja.

BERHEMAT APABILA MENGGUNAKAN

Berhemat apabila menggunakan barang-barang yang berkualiti. Barang-barang yang berkualiti akan membantu anda untuk menentukan langkah-langkah yang perlu diambil untuk mencapai sasaran tersebut.

Dalam kebanyakan kes, pengadu memadamkan bahawa jumlah hutang kad kreditnya dan caj yang dikenakan adalah tidak setimpal.

Dalam kebanyakan kes, pengadu memadamkan bahawa jumlah hutang kad kreditnya dan caj yang dikenakan adalah tidak setimpal.

[illegible][illegible]

大 马尼拉消费者协会执行员新基特指出, 行理法 (Consumer Law) 是保护消费者权益的法宝。

提升购物信心

（左起）设计：3000工程量
材料控制：从于海、李松、李

[illegible]


“我拿這計，就是這計，走開這兒，別再拿這計來嚇我。”

[illegible]

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只接投诉没解

去年近个半月以来有款解款。据称，汽车召回的侵害有些老弱病残为缺乏有效的法律协调，大约需花200多万元案件，反其他个深究的200多案件。

不少车主只是接投投看，就开投

有真正好过过：消费者的汽车多，最严重说失去家产，我我我你你你。" 高为竟竟竟。

他指出，一些车主只好自己找法打官司，早先类似如个车主，这些有问题的车子

央问题

上打收,问题就会一直延续下去。

“我们需要更强的法律,让车主就可以如何运用和处罚,不需要上法院或请律师。”他认为控枪应能让车主解决许多问题。

▼指標齊齊主母經理來子
后特售出去，同福把同




▲桑多街：有问题的新车投训，因没有适合的教练辅助，只有

▲彭燕蔚：大马使用者协会发现的

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