



annual consumer complaints report

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National Consumer Complaints Centre (NCCC)

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Message from the Chairman of NCCC

The NCCC Annual Consumer Complaints Report for 2016 is our eleventh publication of this annual report. The Annual Report encompasses the consumer complaints received by the National Consumer Complaints Centre (NCCC) during the year 2016. 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 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 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. "

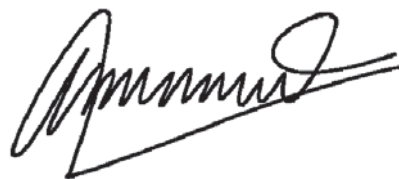
FOMCA as well and other consumer organizations have been actively promoting consumer rights and the need for consumers to exert their rights. One of the areas being emphasized is that consumers, who are not satisfied with their purchase of goods or services, should not quietly accept their fate. They 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 Malaysian Complains Series

The Malaysian Complains 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 Complains 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 (NCCC) was launched by the Minister of Domestic Trade and Consumer Affairs on July 2004 as a Division of the Selangor and Wilayah Persekutuan Consumer Association. NCCC published its first annual consumer complaints report in 2006. On the 19 September 2008 it was restructured as a Company Limited by Guarantee.

The NCCC's vision is to be an independent and respected organization which provides a mechanism for consumer complaints and counselling to resolve problems arising from the purchase of goods and services.

The NCCC's mission is to provide consumers with an objective and timely resolution of disputes, and complaints with regard to their purchase of goods and services.



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 2016

No	Category Description	No. Of Complaints	Potential Loss to Complaints (RM)
1	E-Commerce	7,371	5,011,383.00
2	General Consumer Product	6,578	22,993,633.00
3	Telecommunication	5,681	16,118,284.00
4	Automobile & Auto- workshops	3,874	79,181,869.00
5	Travel & Leisure	3,458	6,575,725.00
6	Housing	2,665	53,975,896.00
7	Postal & Courier	2,340	1,271,959.00
8	Food & Food Services	2,340	662,246.00
9	Wellness	2,197	5,327,634.00
10	Retail Service	2,158	2,124,252.00
11	Utilities Services (Electricity, Water and Sanitation)	1,724	1,071,629.00
12	Banking / Financial Sector	1,664	19,640,543.00
13	Media and Broadcasting	1,417	1,362,673.00
14	Insurance	1,053	14,608,087.00
15	Public Transport	1,001	806,871.00
16	Non- Conventional Financial Services	637	9,883,393.00
17	Healthcare Service	637	4,375,514.00
18	ICT Equipment Service (Repair)	572	726,193.00
19	Education Services	442	1,662,167.00
20	Maid Agencies	351	2,869,425.00
21	Government sector	286	3,867,422.00
22	Legal Professional Services	117	1,506,908.00
	Total	48,563	255,623,706.00



NCCC

Report According to Sector Category

Annual Report 2016

E-commerce (Online Shopping)

E-commerce is growing at a significant rate not just in Malaysia but all over the world due to its efficient business transaction. The best features of online shopping are that the choices are almost infinite, and consumers are no longer restricted to just buying locally or through mail order catalogues. There's no need to bother with opening hours, pushy sales staff, parking, traffic and the hundred other problems that accompany any shopping trip. The process can take as long as you like – or be over in a matter of minutes.

While e-commerce brings about many benefits, consumers are still exposed to risks due to the nature of online shopping. Just as in the previous year, e-commerce has again topped the number of complaints received by the National Consumer Complaints Centre (NCCC) with the total number of **7,371** complaints.

The highest number of complaints according to the graph above is on the delivery of the purchased goods with the percentage of **34.4%**. The complaints relating to delivery is the web vendor fails to live up to his promise on product delivery. For example, consumers are given empty promises such as the items ordered will be delivered within 2 weeks. In reality, consumers had to wait for months for their items to be delivered and worst, the items ordered were delivered to a wrong address and they did not receive the products ordered.

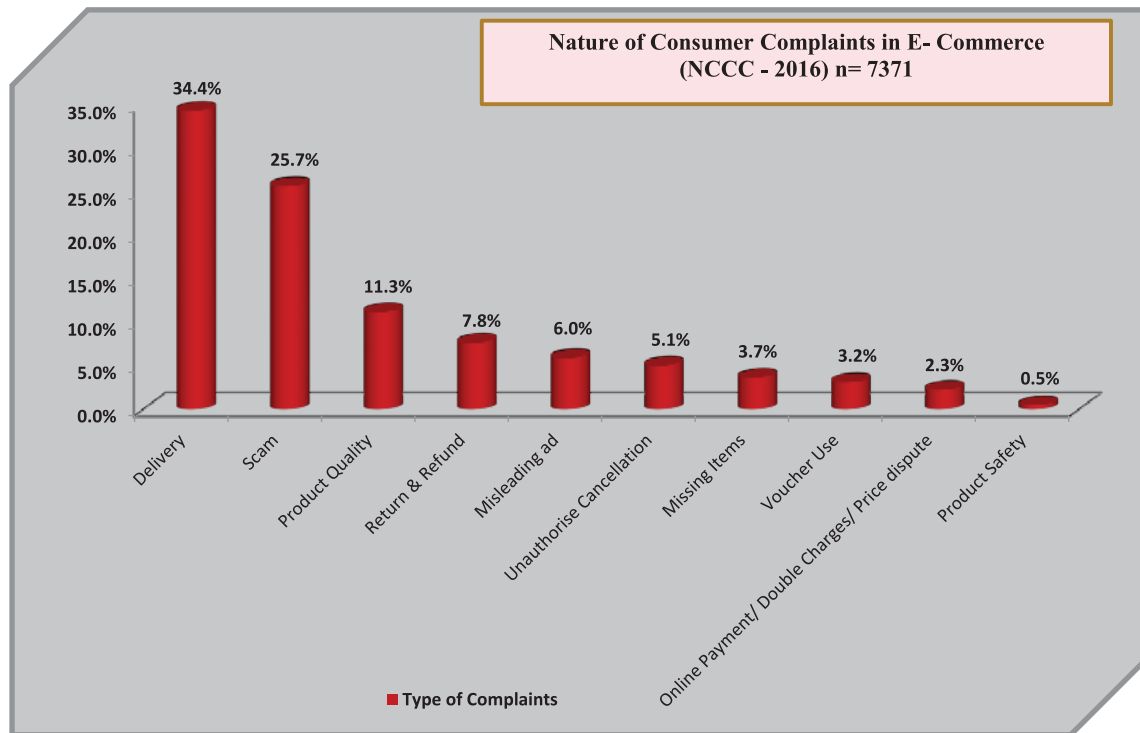
The consumers had to keep calling and send numerous emails to the web vendor to enquire about their product for weeks. Many consumers claimed that calls and emails made to the web vendor were not entertained; the vendor could not



be reached, thus making it very difficult to know the reason for the delay.

Many consumers were disappointed due to the delays and not being able to get the items delivered on time. Some products were bought as a gift and it was important to be delivered on the date intended. In such situation, consumers would opt to get back their refund, however, their request were denied on the grounds that the delay was beyond their control; both the courier service provider and the vendor blame each other and refused to take responsibility.

The second highest type of complaints according to the graph above is on scams which is **25.7%**. NCCC is seeing a trend of complaints whereby consumers are being cheated by scammers who pretends to be a legitimate seller by setting up a fake website. Complainants were often asked to bank in to a personal account and after having done so, the seller could not be contacted.



Some scams are so well organized and convincing for the potential victims and it is difficult to know whether or not they are legitimate sellers. Very often the complaints in relation to scams is associated with social media, whereby the scammer advertises items at a price much lower than the market price and this would be the number one reason consumers made a quick decision without giving a second thought to it.

It is important to check the market price of the particular items that one is intending to buy, if it's too good to be true, it probably is. For example, high-end products discounted up to 70%. Legitimate vendors will never discount a price so drastically unless they are getting rid of excess inventory or it is an old product.

The third highest type of complaints received is on product quality which is at **11.3%**. Consumers were given assurance that the product would last for a few years. However, after few times of usage, the item was found to be defective and was sent for to be fixed several times for the same issue. Despite the fact that the product was still under warranty, the consumers felt cheated. It is as if the quality of the product has been compromised. There were some complaints whereby the Complainant had paid premium or the item that they thought as original and only realised that the item bought

was not original upon bringing it to the service provider to fix the item. Upon contacting the merchant, the issue was often neglected and or difficult to contact the web vendor to raise this issue in the first place.

Return and refund is at **7.8%** this year. Overall. Many of the complaints are associated with return and refund. This is because, an aggrieved consumer who is not satisfied with the product will demand for refund or would return the product to be diagnosed and fixed. Many complainants were not satisfied with the refund process as it takes a very long time. There are cases whereby the consumers were given empty promises that they would be getting back their money. In other cases, newly purchased products which were found to be defective had to be sent back to the merchant several times for the same issues at the expense of the consumers.

There has been an increase in the complaint for misleading advertisement. From 4.1% last year to 6% this year. Advertising is seen as misleading if it involves false, misleading or deceptive information that is likely to cause the average consumer to act in a way they might otherwise not.

Under the **Malaysian Consumer Protection Act 1999** states that it is lawfully wrong to make a

false or misleading representation of the goods or services that a person or business organisation sells which includes standard, quality, grade, quantity, grade, quantity and composition of the product or service.

Although many advertisements proclaim based on evidence, some are overly exaggerated. This is mainly to encourage consumers to buy their products / services. For example *"skin whitening in 30 days"*, *"less wrinkles in only 1 minute"*, *"free seats to XYZ destination"*. Some of the advertisements have even been proven to be outright lies. Many consumers have come forward complaining that the products advertised online do not match with the actual product. For example, the product was found to be smaller than the photographs advertised online.

Due to the nature of this business, most of the consumers are heavily relying on the description and pictures that are available on the website. Consumers should know that those who place misleading advertisements on slimming products and services may be slapped with a hefty fine of up to RM50,000.

8.8% of the complaints comprised of unauthorised cancellation and missing items. There were instances whereby consumer claims that their orders were cancelled without prior informing the complainant of the cancellation despite the fact that the payment had already been made. This is usually due to no availability of stocks.

Missing items on the other hand happens when the consumer did not receive the products ordered. Upon questioning the merchant, often they claim that they have sent the parcel and further requested the complainants to check with the courier services. Both the parties, that is, the courier services provider and the web vendor blame each other and refuse to take responsibility for the missing items. Often in this situation the consumers are the ones who are effected and at loss.

Complaints with regards to voucher use this year was 3.2%. Based on the complaints lodged by consumers, complaints with regards to voucher is often associated with lack of information. For example, the Complainant has received an email

from online retailers who has offered 50% voucher to buy within a stipulated time period. When the consumer wants to utilise the voucher, the consumer was then denied to use the voucher because the item the consumer intended to buy was a promotional item. The consumer was upset as such information was not revealed in the beginning.

Online payment; double charges and price dispute complaints were at 2.3% this year followed by product safety complaints at 0.5%. There are instances whereby consumers are charged twice that were reflected in their bank statement. It is important that consumers cross check their statements from time to time to avoid this issue.

Product safety complaints should be taken seriously by the authorities as it could lead to serious injuries to the consumers. It is important that consumers lodge a complaint if the product is not safe for consumption / use and stern action would be taken against the seller.

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**.
- Advertisements of weight loss products will only be allowed if they comply with new guidelines issued on January 25 by the Malaysian Communications and Multimedia Commission (MCMC)'s independent body Communications and Multimedia Content Forum of Malaysia (CMCF).

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 RM50,000.00 or imprisonment not exceeding two years or both upon conviction.

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

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:

- Increase the cooling off period and make it effective from the date of delivery and not before the date of delivery (from the date of purchase).
- Insert consumer review in the website so it gives a platform for consumer to let out their satisfaction / dissatisfaction of the product.
- 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:

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

- 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.

Guide For Consumers

1. Avoid buying products that are advertised on the Web site that does not give a clear description of their products.
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. Before you type your card details into a website, ensure that the site is secure. Look out for a small padlock symbol in the address bar (or elsewhere in your browser window) and a web address beginning with **https://** (the s stands for 'secure').
4. Buying products from social media sites can be risky. Therefore, be selective and careful in the website that you chose to buy the products unless you know the seller and comfortable to purchase item from that seller.
5. You can easily do a check by doing a search on Google.
6. Opt for cash on delivery.
7. If the product is defective, the complainant should contact the company immediately. If the complaint is disregarded altogether, the complainant may lodge a complaint.
8. Before making payment, please make an inquiry - whether the payment is made to the company or individual.
9. Understand the terms and conditions of purchase such as how long are the process for refund and the process of returning the product.
10. 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.
11. Be suspicious of offers that seem too good to be true. This could indicate that a site might be selling illegal or pirated items.
12. You need to know about the latest market price of the collection you want to buy.
13. Avoid making online purchases when you are in a public place. When you're using a wireless internet service (also known as 'Wi-Fi') in public, you cannot guarantee that the network is secure. This applies even if you have been given a password to use.
14. Don't wait for your bill to come at the end of the month. Go online regularly and look at electronic statements for your credit card & debit card

General Consumer Products



In 2016, as in the previous year, General Consumer Product's (GCP) complaints are the second highest complaint out of 23 sectors of complaints that the National Consumer Complaints Centre (NCCC) received. The total numbers of complaints were 6,578.

Under GCP's complaints, the three highest categories of complaints are on furniture complaints, electronic appliances complaints, electronic / telecommunications product complaints. According to this sector, product quality is the highest type of complaint which is at **30.2%**. It is disappointing to learn that when the goods are purchased by the customers, it turns out to be defective. The quality of the product is so poor that it deteriorates within days, proving that either the items sold are not genuine or the manufacturers are no longer producing quality products in the market.

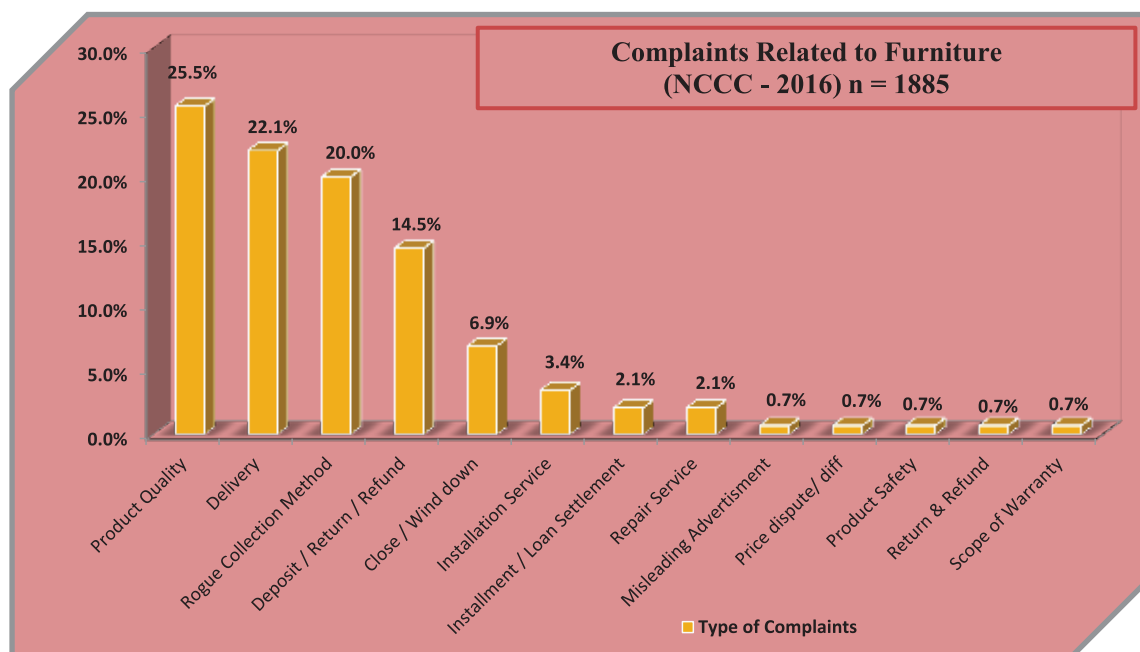
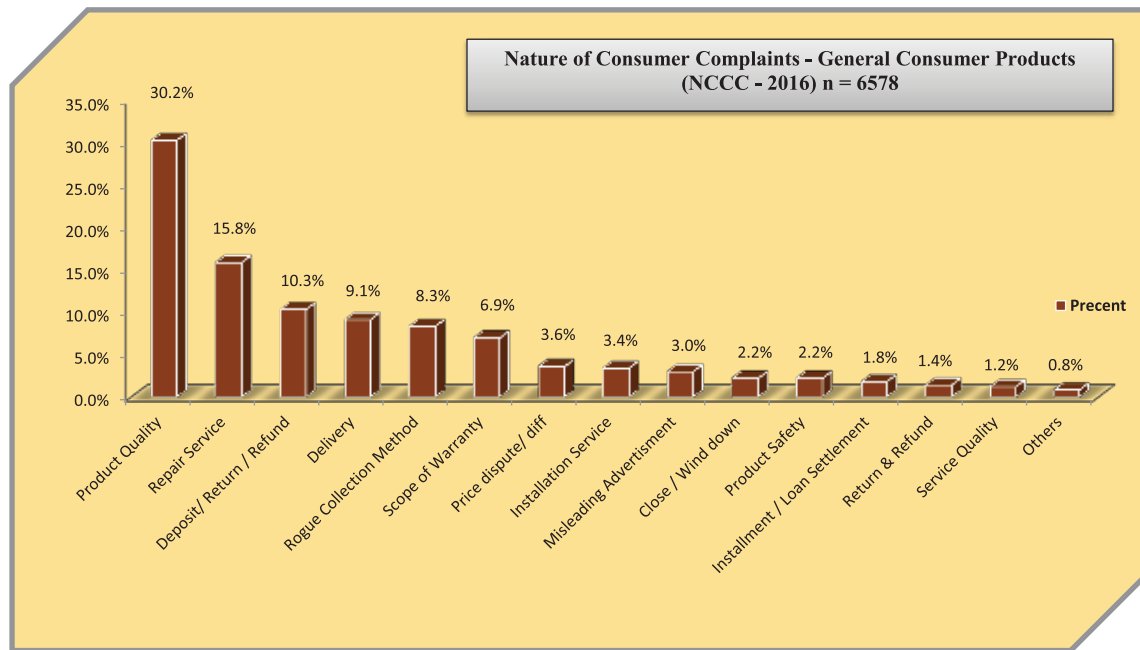
Repair service comes at the second place in 2016 with the percentage of **15.8%** of the total number of complaints. Problems keep occurring despite having sent the product several times for repairs. Besides that, it takes a very long time for the product to be fixed and when asked when the items will be ready for collection, there is no definite answer given, leaving customers

disappointed and upset. Some even had to wait for months before they got their items back.

Deposit / return / refund is the 3rd highest complaint which is at 10.3%. Often when a product does not turn out to be up to one's expectation, consumer would want their money back or return the product to exchange it. However, this often seems to be difficult, as the manufacturers / retailers refused to do so on the grounds that the product cannot be exchanged / refund once it is being sold.

Next, is complaints on delivery which is at 9.1%. Complaints on delivery according to the consumers are on late delivery. They were promised at a certain date for delivery but the supplier failed to honour it. In worst cases, the items ordered were never delivered and hence consumer had to drive all the way to the shop / factory to pick it up themselves. There were many reasons given to consumers such as not enough staff to deliver the items, or peak seasons.

There were complaints on the scope of warranty which is at 6.9%. Most of the complaints received by consumers was that even though the product was still within the warranty period the supplier refused to replace the item with a new one despite



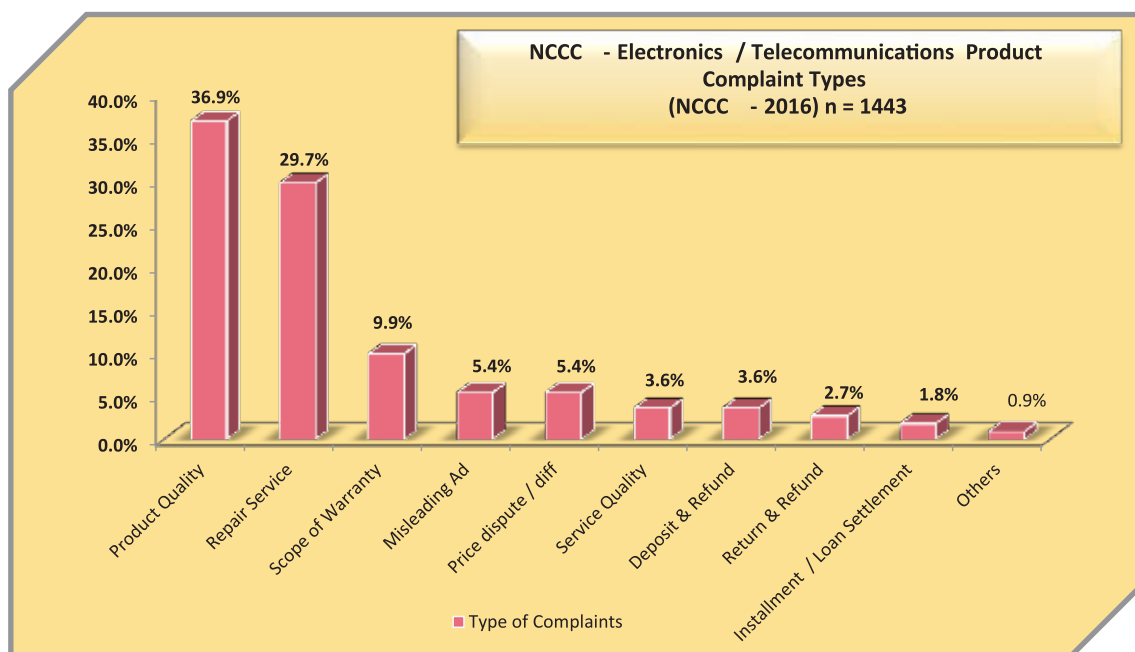
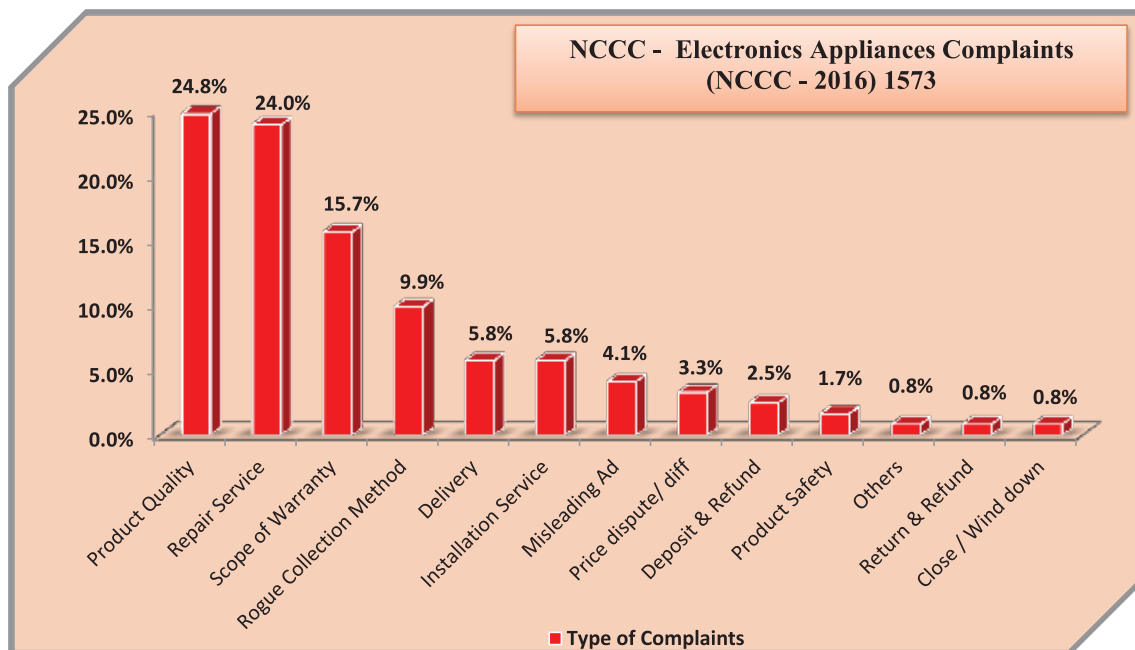
the fact that the item had undergone repair several times.

Price dispute complaints are at 3.6%. Complainants have reported that the retailers were selling products at a very high price and in most cases it was above the market price. The regulators should from time to time do an inspection to check on the price that the retailers are selling.

Installation services complaints this year is at 3.4%. When a product is bought from the shop

for instance items like furniture / electrical items, often it may require installation services. There were complaints received from consumers that the sellers did not send any person to do the installation, some came after few weeks and worst they have done a shoddy work leaving a consumer to get outsiders to install the product.

Misleading advertisement complaints is an offence under the law and is punishable if one is found guilty. Misleading advertisement are still detected as a major problem, because there



are still a number of consumers who fall into the trap of buying products solely believing in the advertisement put up by the bogus merchants. Misleading advertisements complaint according to the graph above is at 3%.

Complaints on shops closing down / wind up are at **2.2%**. Though it is not significantly high compared to the rest, it is still worth mentioning as there are many consumers have been cheated. Mostly the complaints are related to products that are being sold which is not genuine and fake. When consumers wanted to make claims, the shop had

closed down leaving consumers wondering as to what to do and where to make their claims.

Complaints on product safety are also at **2.2%**. Though the complaint is not significantly high, however it should not be disregarded as it could lead to a serious problem and even may cause death. NCCC urges consumers to lodge complaints and action should be taken against those who are responsible for selling such products that did not go through proper inspection before it was sold in the market.

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 extend 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 developed so fast. Therefore, NCCC once again urges the relevant regulating bodies to conduct a time to time safety and standards check to ensure manufacturers and suppliers are adhering to the laws, 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, complaint can be lodge 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.

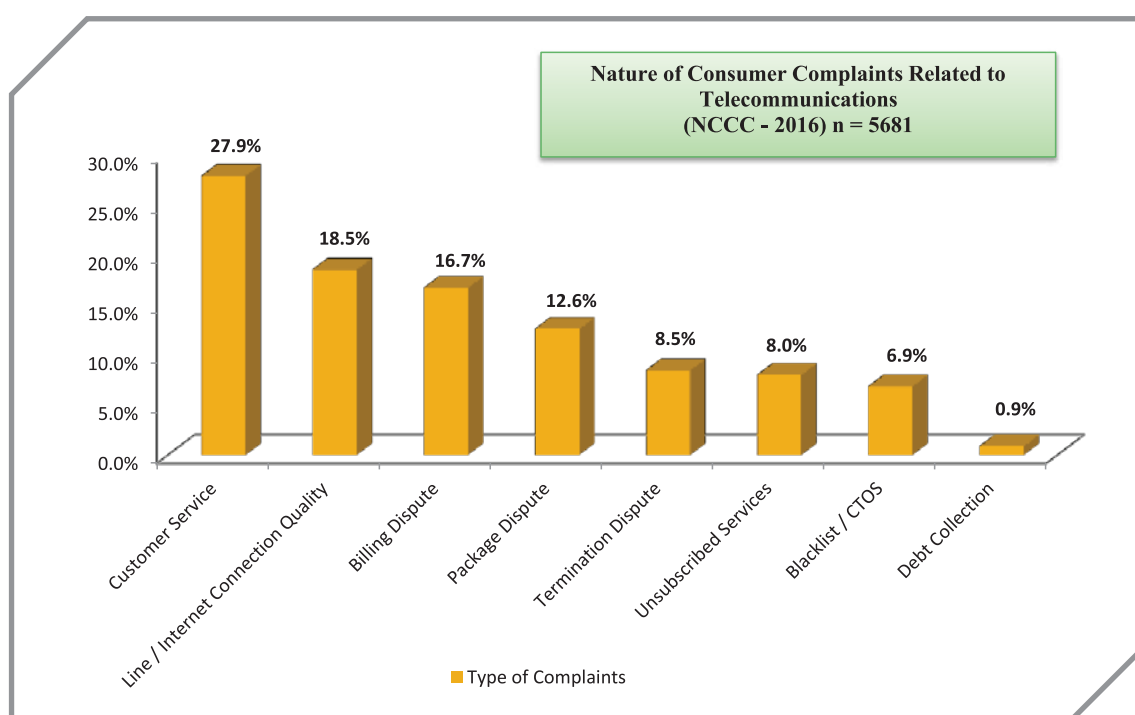
03 Telecommunications

For the year 2016, the NCCC recorded 5,681 complaints in regards with the telecommunication sector, at an approximate loss amounting to RM16,118,284.00. The total value of loss has increased by almost two million ringgit in 2016 as compared with 2014 total value.

With its widespread application of modern technologies such as fibre optics, wireless transmission, digitalisation and satellite services, Malaysia has built one of the more advanced telecom networks in the developing world. According to BuddeComm report, a global independent telecommunications research and consultancy company, the penetration of fixed lines in Malaysia continues to fall as the mobile segment continues to expand and dominate the market, especially the mobile broadband segment. Market penetration of fixed lines has dropped from 15.7% in 2012 to 14.0% in 2016. Their report

further claims that there has been a reduction in mobile subscriber penetration in Malaysia since 2014, due to a saturated market and challenging market conditions. After peaking in 2014 at 149%, market penetration has dropped to 146% in 2015 and 138% in 2016.

The broadband market in Malaysia is growing rapidly. With the mobile market reaching its peak, broadband and mobile broadband in particular, is seen as a growth driver in the local telecom industry. The Malaysia broadband market is currently dominated by mobile broadband driven by strong growth in the mobile sector. There has been very strong growth in the mobile broadband subscriber base in Malaysia since 2012. Penetration has increased from 12% in 2012 to 58% in 2013, 74% in 2015 and 95% in 2016. On the contrary, a moderate growth has been observed for fixed broadband as market penetration has increased





from 10% in 2014 to 10.4% in 2015 and 10.8% in 2016. Market growth in the fixed broadband segment will continue to be moderate over the next five years to 2021.

Types of Complaints

Complaints lodged in relation to customer service recorded 27.9% from the total complaints received under this sector, the highest number of complaints under the telecommunication services sector for 2016. Complainants mainly lamented that the customer service department was 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 that the service provider claimed that they had not received such a complaint.

The second highest number of complaints received by the NCCC is pertaining to the 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 at 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 these problems frequently.

For the previous two years, that is 2014 & 2015 - billing disputes have has the highest type of complaint under this sector. For 2016, billing disputes recorded 16.7% of the total number of complaints, the third highest number of complaints under the telecommunication services sector. 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 they did not request or subscribe to.

According to consumers, charges from unsolicited SMS 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. 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.

The complaints with regards to package dispute mainly concerns consumers being tied up to a new contract after being advised by the sales representative to upgrade their current package. To make things worse, the upgraded speed was still not up to par and no proper communication or information were given during the upgrading process on the phone. As some consumers had to fork out extra cash to carry out the new upgraded installation and some had to pay the termination fee for those who wish to opt-out from the new contract. To that, NCCC received 12.6% of complaints under this sector.

When the frustrated complainant gets weary with the service, they opt to terminate the service, which bring us to the fifth highest complaints received by NCCC, recording 8.5% 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 had 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 8% from total complaints received under this sector, whereby complainants complained 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.

Disputes on blacklists amounted to 6.9% 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. Some argued they were not aware of the charges as they were informed that they would not be charged for the service and some were informed years after terminating the service.

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.

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.

Automobiles and Auto-Workshops

In 2016 the number of complaints with regards to the Automobile Sector was 3,874. Of the total number of complaints, 1,898 complaints were related to automobiles, especially newly purchased cars, and 1,976 were related to automobile workshops. The total potential loss in value to the consumer of these complaints was RM 79,181,869.00. 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 1,898.

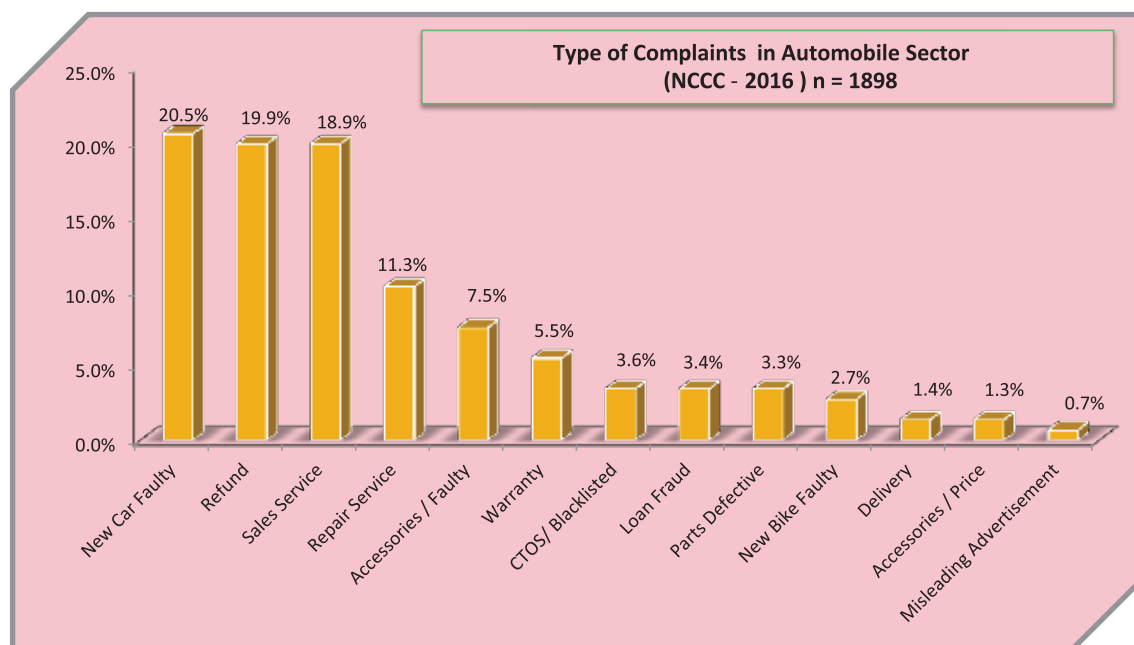
According to the graph above, the highest number of complaints in 2016 was that of **new cars purchased that were faulty** with the percentage of **20.5%**. Despite numerous complaints by the purchaser to the car dealer, the issue was not resolved.

Most of the complaints are associated with the reverse sensor not working, engine malfunction, and problems 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, the problem with the car could not be detected and the problem kept recurring. Moreover, manufacturers were not willing to replace the vehicle despite the fact that the problem could not be rectified after numerous visits to the service centre. Many consumers were angry and disappointed especially when the warranty period lapsed and they needed to pay with their own money to repair the manufacturer's defect.



The second highest complaint in 2016 according to the graph was on **refunds** which is at **19.9%**. Complaints under this category had 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 was willing to refund the Complainant's money; however it took a long time before they got their money back.

Third highest number of complaint in 2016 was with **sales service** with the percentage of **18.9%**. Complainants are not happy with the sales agent for not honouring their words. There were many empty promises such as free gifts and rebates for purchase; none was fulfilled. There were reported cases whereby money had been paid to the sales person, however, the sales man had 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.



Repair services often take very long and worse the repairs were not even carried out properly. Consumers often complain that they have to go back to the same workshop several times to repair for the same problem. This raises the question of the expertise level of the workshops. This year the complaints with regards to repair services are at **11.3%**. The problem faced by the consumer still persists and it is the same recurring problem NCCC has been handling over the years.

The fifth highest complaint this year was on **faulty accessories** with the percentage at 7.5%. 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 is the issue of **warranty**. This year NCCC recorded 5.5% 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.

As for issues on **Blacklist**, consumers mainly lamented that they were blacklisted by the car dealers after years of repossessing the vehicle from the consumers. This usually happens when the car dealer or the repossessing agent fails to communicate with the consumer that they still

need to pay their outstanding loan even after repossessing the vehicle. Many consumers are not aware that the loans still need to be settled even after repossessing the consumer's vehicle or goods.

Loan fraud recorded **3.4%** 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 new owner having to pay for the insurance for some accident caused by the previous owner.

Next complaints are on **parts defects** are at the percentage of 3.3%. 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.

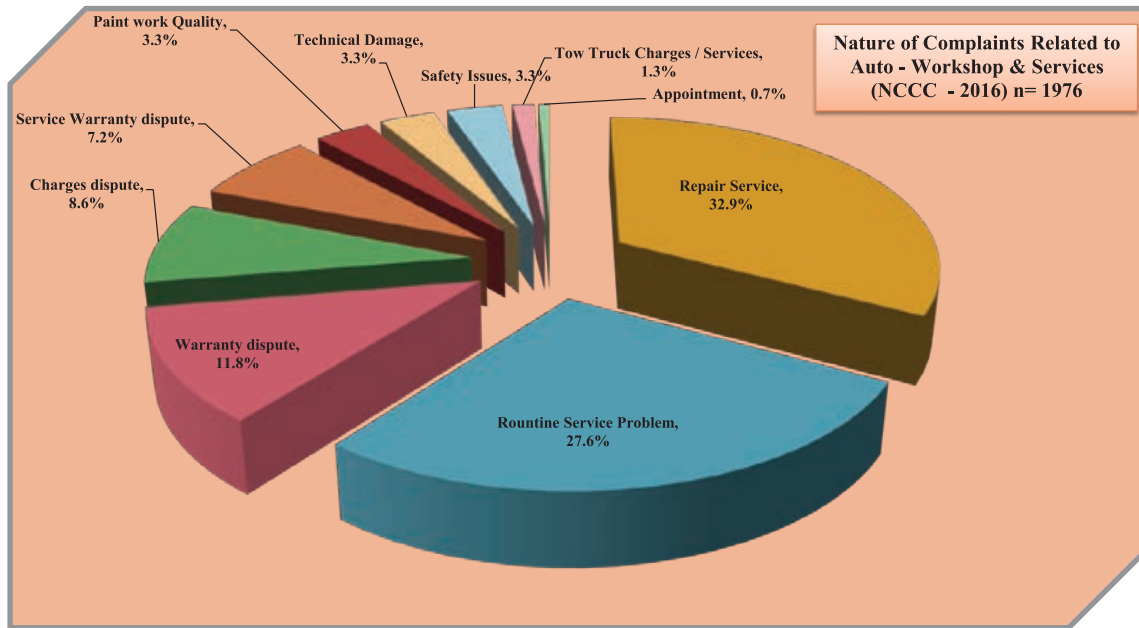


FIGURE 2

4.2 Auto-Workshops

The total number of complaints against automobile workshops was 1,976.

In 2016, according to Figure 2 above, as in previous years, repair services still was at the top of the list contributing to 32.9% of the complaints. Complainants were not happy that the vehicles they sent for repair was not fixed properly. One had to return to the shop to fix the same problem several times. On top of that, the repair shop took a very long time to fix the vehicle and 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 some were unlucky because they were not provided with a warranty after purchasing the second-hand car.

Issues on routine service problems recoded 27.6% 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 11.8% 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 by 8.6% from previous year, which made up to 84.2% for the year 2016. While workshop/service centres recorded 15.8% for the year 2016.

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

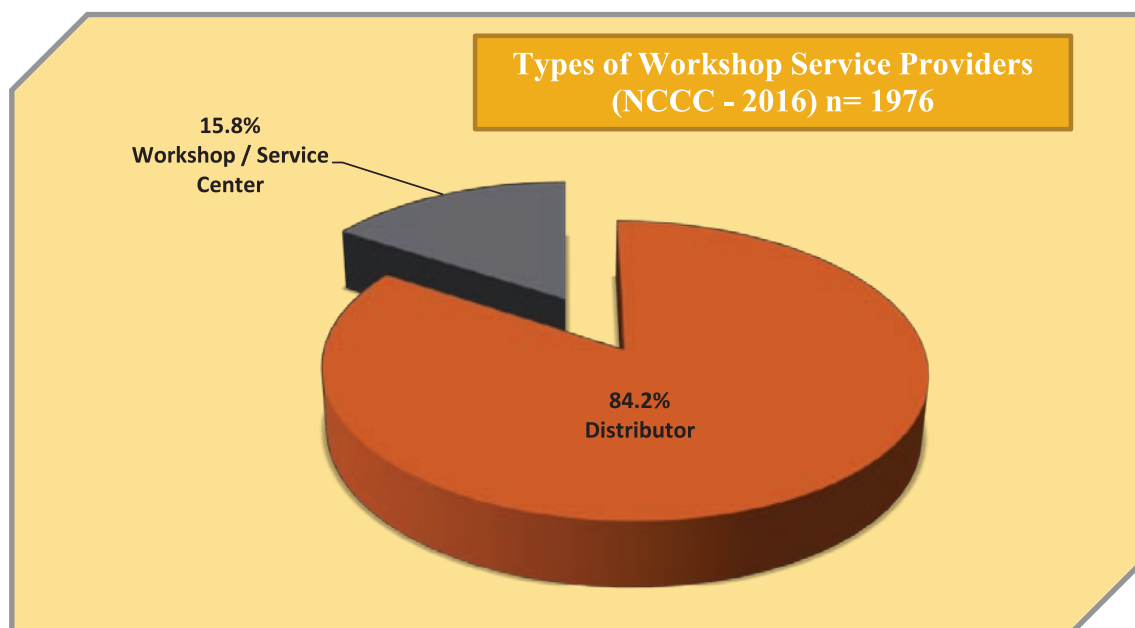


FIGURE 3

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.

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

Tourism is indeed a major industry for Malaysia and it generates a significant revenue for the economy.

For 2016, the increase of complaints under this sector is alarming. The total number of complaints in 2016 year is 3,458. The highest number of complaints under this sector is on flight booking that are made online which is at **17.7%** of the total number of complaints. According to the complaints received, 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 serious issue which continues to affect consumers every year, has not been given serious attention by the airlines.

The second highest number of complaint is on cancellation of flights which is at **16.5%**. Like the previous year, complaints on cancellation are often associated with last minute cancellation with no proper redressed mechanism. This leaves passengers in great disappointment especially those who are going for important business meetings. This inadvertently leads to monetary losses as they might have had to book another flight to get to their destination.

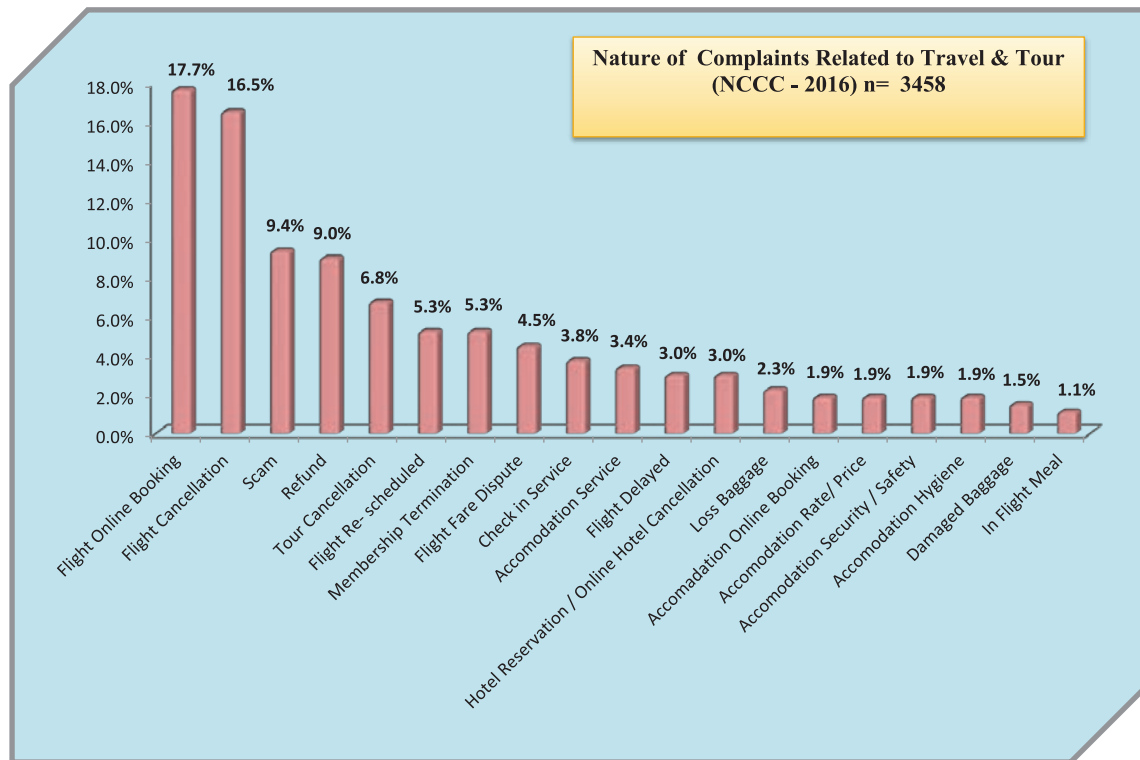
Complaints on scams appeared to be the third highest complaint last year amounting to **9.4%**. From the complaints received, it appears to be that there are a lot of travel agencies operating without licenses and have been cheating consumers by providing lucrative holiday package. The prices offered for the tour package was very affordable compared with similar tour packages offered by other agents with additional attractive offers such as including transportation and food at the



destination country. Often they have had to pay 6 – 8 months in advance to do the booking. When the travelling date was nearing, the consumer calls the company in order to get the ticket and the itineraries for travelling; however they could not locate the agent or the company. Often these companies operate online and payments are made via online transaction.

Complaints on refund complaints are at **9%** of the total number of complaints. Often consumers will seek for refunds in cases of cancellation, double charges and poor services. However, often the companies take a long time to process the refund. Some complainant alleged that company gave empty promises that their money would be refunded but in reality they never received their refunds.

Tour cancellation complaints at **6.8%**. Many consumers reported that the tour agency companies cancelled their tour package at the last minute. This has affected their hotel booking and flight ticket that they had bought in advance. In some cases, when the consumers cancelled their tour package a few months in advance,



the company refused to refund their money by simply stating that it is the company policy. These terms can be construed as being detrimental to consumer's rights.

Flights reschedule & membership termination complaints are at **5.3%**. The major problem here arises when the complainant was not informed of the changes in flight schedule thus inadvertently ending up missing their flight. Membership termination on the other hand happens when Complainant wants to cancel their membership with the tour company; often the complainant is asked to pay a certain amount of money or be blacklisted. Despite the fact that the consumers had made it clear that they want to terminate their 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 to include the new details of the customers. Due to this fact, some of the complainants receive constant harassment demanding payments.

8.3% of the total number complaints comprised of flight fare dispute and check in services. Complainants were not happy as they were not given the full breakdown of the price thus leading to confusion and disputes. A proper explanation

upfront should be implemented so that this confusion does not arise. Many have complained that poor service at the check in counter has caused to miss their flight. Despite having access to the online booking system, the counter could not detect and refused to allow the passengers to board and therefore the consumers had to spend more money in order to buy new flight ticket.

2.3% of the complaints was due to poor services rendered by the airline companies. Complainants were not happy because the airline companies did not respond to the complaints or took very long before they responded to the complainants. Due to this reason, the complainants came to NCCC in order to settle their dispute. Since the airline company did not respond, NCCC would engage with the Malaysia Aviation Commission to act through a thorough investigation.

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.
- If the airline, airport or aviation service provider has not resolved your complaint after 30 days from your initial complaint, you may submit a complaint to MAVCOM. <http://www.mavcom.my/en/consumer/make-a-complaint/>
- 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 Housing

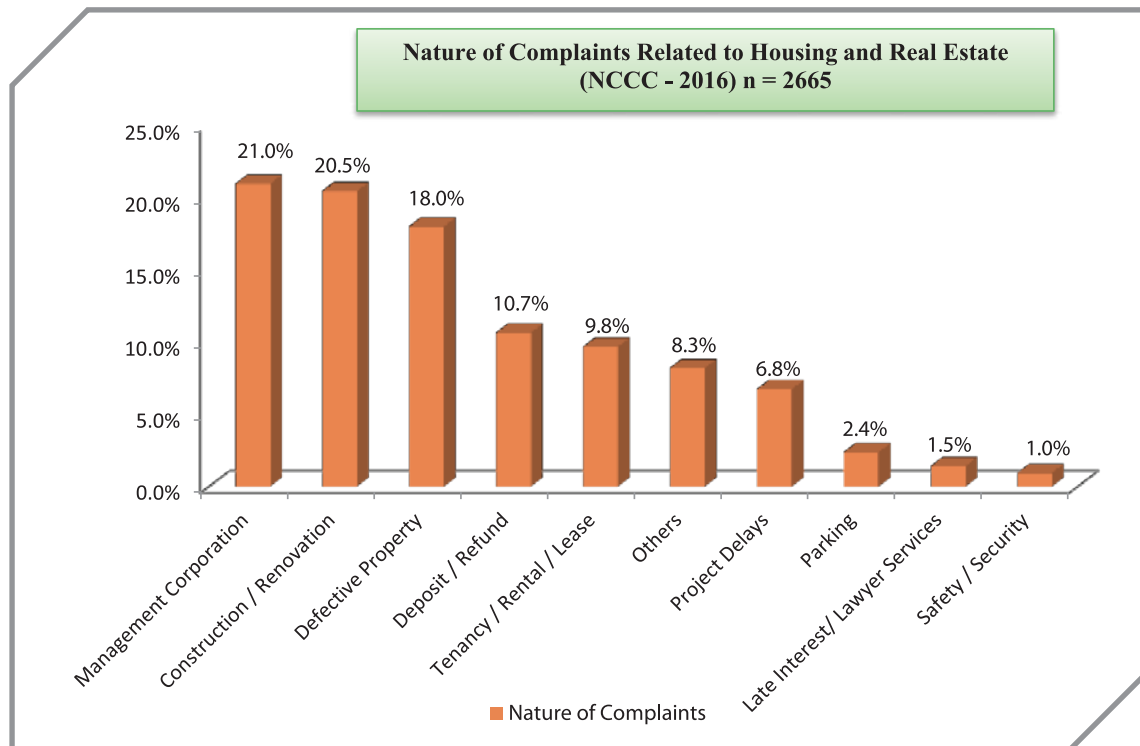
The total number of complaints under this sector has increased compared to 2015. For 2016, the total numbers of complaints are 2665.

According to the graph above, it appears to be that complaints against Management Corporation are the highest under this category with the percentage of **21.0%** of the total number of complaints. Based on the complaints received it appears to be that residents are not happy with the management which had failed to maintain the property adequately. Problems include leaking roofs and lifts that were not working. It took months to repair the broken elevator and residents have to endure walking up and down the stairs of their high – rise building. Complaints by consumers were also on high charges despite the maintenance level being so poor.

Despite numerous complaints to the management body, it seemed to have fallen on deaf ears. It took months to carry out the repairs; some problems were not even rectified until the residents had to seek assistance from NCCC and the local council.

Second highest complaint appears to be on construction / renovation work which is at **20.5%** of the total number of complaints. Most of the complaints were on shoddy workman job; after repairs were carried out; the same problem kept recurring. Secondly, the contractors abandoned their job half way and absconded with the Complainants money. Thirdly, the renovation work was delayed for month's way beyond the completion date given. Finally, 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.





Third highest complaint according to the graph above is on defective property which is at **18%** of the total number of complaints. Many of the house buyers were not happy with the condition of the house that they had purchased. 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 these issues to the attention of the developer, the house developer or previous house owner, no action was taken to rectify the said issues.

Complaints with regards to deposit / refund are at **10.7%**. 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. Besides that, NCCC has received complaints whereby consumers had paid the agent to secure the house; unfortunately the agent absconded with the Complainant's money. Upon checking with the company, they have no information of the agent whereabouts and the company refused to take responsibility for his actions.

Tenancy / rental / lease complaints according to the graph above are at **9.8%**. The owner refused and or delayed in making payment to the tenant of the deposit money given. Some complainants felt that they were cheated because the description given by the owner did not tally with the actual room or house advertised for renting.

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 **6.8%**.

4.9% of the total complaints comprised of parking, late interest / lawyer services and safety & security. Recently there have been disputes about parking complaints among the residence in their condominium whereby their vehicles were scratched and hit. Upon checking with the management, nobody appear to know what happened as there was no CCTV in the vicinity. This led to one questioning on the level of safety and security in the condominiums.

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.

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

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

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

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

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

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

Recommendations / 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. When you sign, scrutinise that all spellings of names and IC numbers are correct, as most following documents use these spellings and numbers
- The Letter of Offer / Offer to Purchase usually spells out a period during which you must sign the SPA, which is usually two to three weeks.
- 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

- 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.

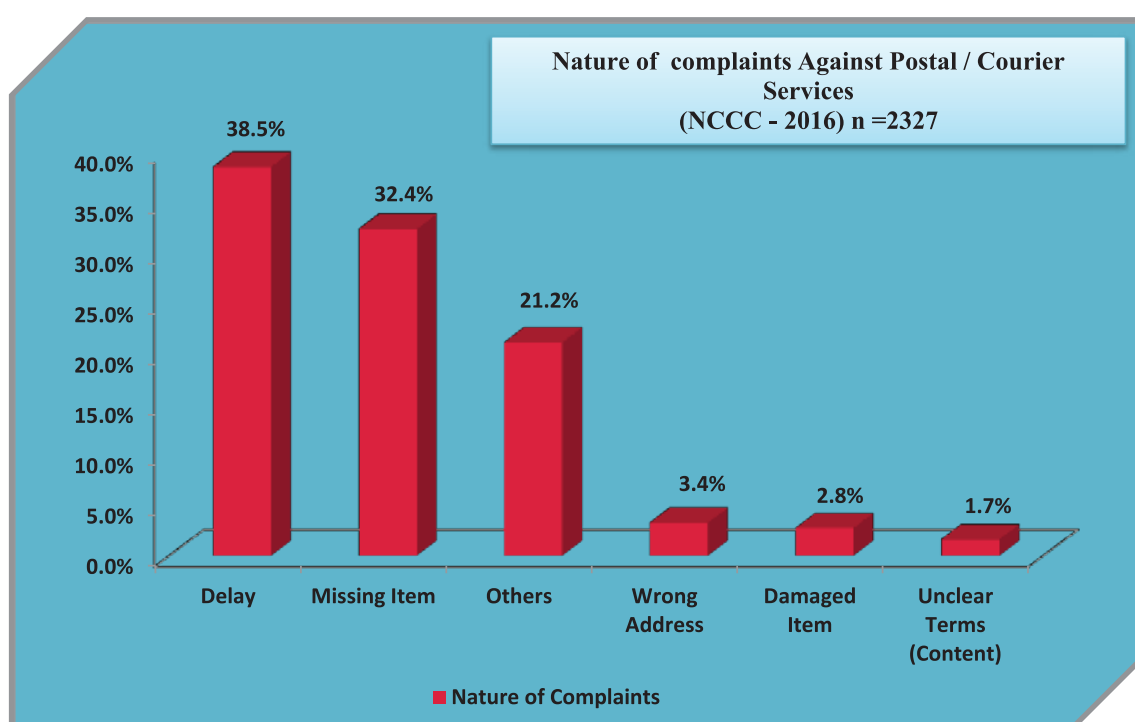
07 Postal and Courier Service

Postal service is one of the most popular medium of communication. In spite of the development of faster and easier means of communication, it has not lost its utility. A person may write different letters to his / her friends, relatives or organizations. Similarly an office may prepare hundreds of mails (i.e letters and documents) to the parties in and outside the country. The postal system ensures the delivery of the mail and parcels from the sender to the receiver in consideration to certain charges.

NCCC continues to receive a lot of complaints under this sector. Compared to 2015 complaints, there has been a significant increase in the total number of complaints. For the year 2015, the total number of complaints was 1,512 and while for 2016 it has increased to 2,327.

According to the graph above, the highest number of complaints under this sector is on delivery delays which is at **38.5%**. According to the complaints received, delays are often associated with parcels that were sent for an urgent delivery; however it did not reach the consumers on time. There are instances whereby consumers claims that they had waited for the parcel whole day and upon checking the tracking number online, it shows that delivery failed due to the reason that the complainant was not at home and hence delayed the delivery.

The second highest complaint according to the graph above is on missing items which is at **32.4%**. Many consumers are unhappy with the service provider for not being responsible for the missing items and the compensation awarded to the consumers were far below the price of the items and the amount that it was insured for.





To make things worse, consumers alleged that the parcel that they received had no items inside. It is as if someone has opened their package and stolen the items. Despite lodging complaints, the postal companies denied the allegations and consumers were not compensated for their loss. 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 items go missing amidst a transit, the service providers do not take responsibility despite it being clear that it was their negligence.

The third highest complaint is categorised as “others” amounting to **21.2%**. It includes complaints such as package being held up at customs and consumers were asked to pay excessive amount of money in order to release the package from the customs department. In addition to that, many consumers’ claims that they had to wait very long before their money were refunded.

Wrong address complaints last year amounted to **3.4%** of the total number of complaints. Their package was delivered and signed by another person at a wrong address and often the courier

service provider takes time to recover the item back.

Damaged items last year amounted to **2.8%** 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. Last but not least, **1.7%** of the complaints are on unclear terms (content) stated in the agreement by the courier companies. The terms are unclear in cases like missing items / damaged goods and the terms are too general and not benefiting the end consumers.

Law

The Postal Services Act 2012 (*Malay: Akta Perkhidmatan Pos 2012*), is a Malaysian law which enacted to provide for the licensing of postal services and the regulation of the postal services industry, and for incidental or connected matters.

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.
- 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

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.

08 Food and Food Services

For 2016, the National Consumer Complaints Centre (NCCC) recorded a total of 2,340 under the food and food services category with potential losses amounting up to RM 662,246.00. It is an increase of 39.5% in number of complaints compared to 2015. This category is inclusive of complaints concerning food & beverages (F&B) and its related services.

IN relation to the types of food establishments, **81.1%** of the complaints were related to restaurants, which comprise the larger part of complaints received while the rest of the complaints were on processed food.

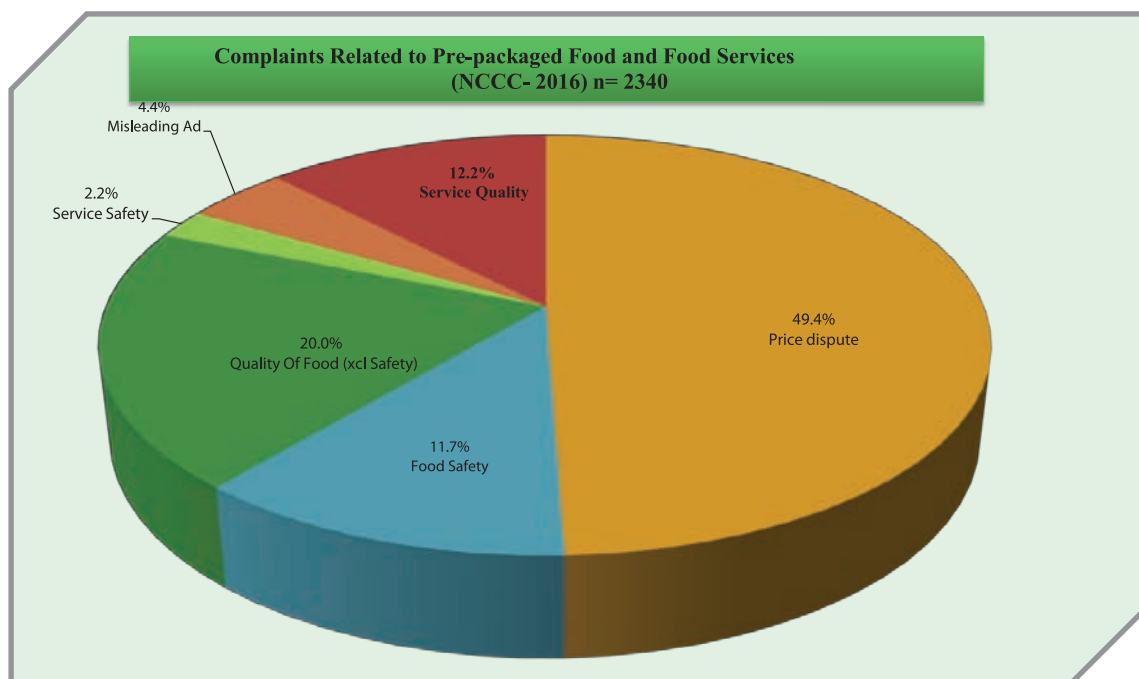
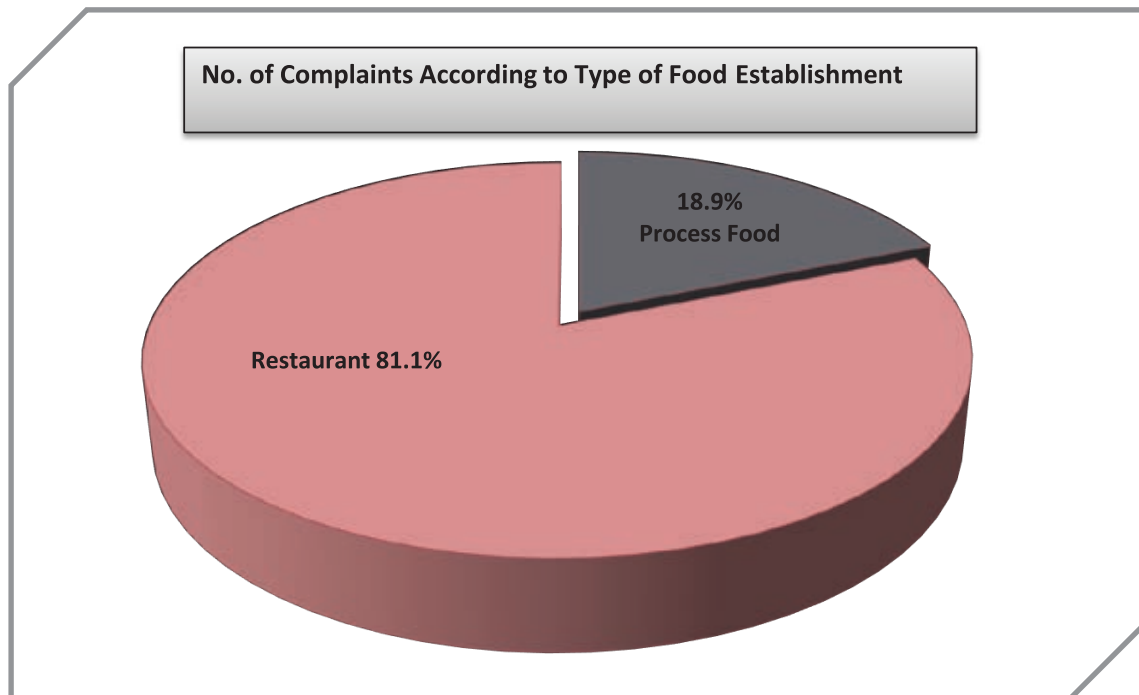
In 2016 year, the major of complaints relating to food services were on price disputes (**56.8%**). Due to the implementation of 6% GST tax in 2015 and also the 10% service charges, there have been

complaints in terms of price displayed or paid at the end of a meal. Complaints range from differences between the displayed price and final price as well as seller unable to produce a receipt. Another complaint is on overpricing. The prices are set way above the standard or normal prices found in other food establishment.

Restaurant and food establishment are part and parcel of life, especially for working adults who depends on these services. Therefore consumers should be given enough information to make informed choices. Unjustified food prices set by irresponsible vendors require immediate action attention by enforcement agencies.

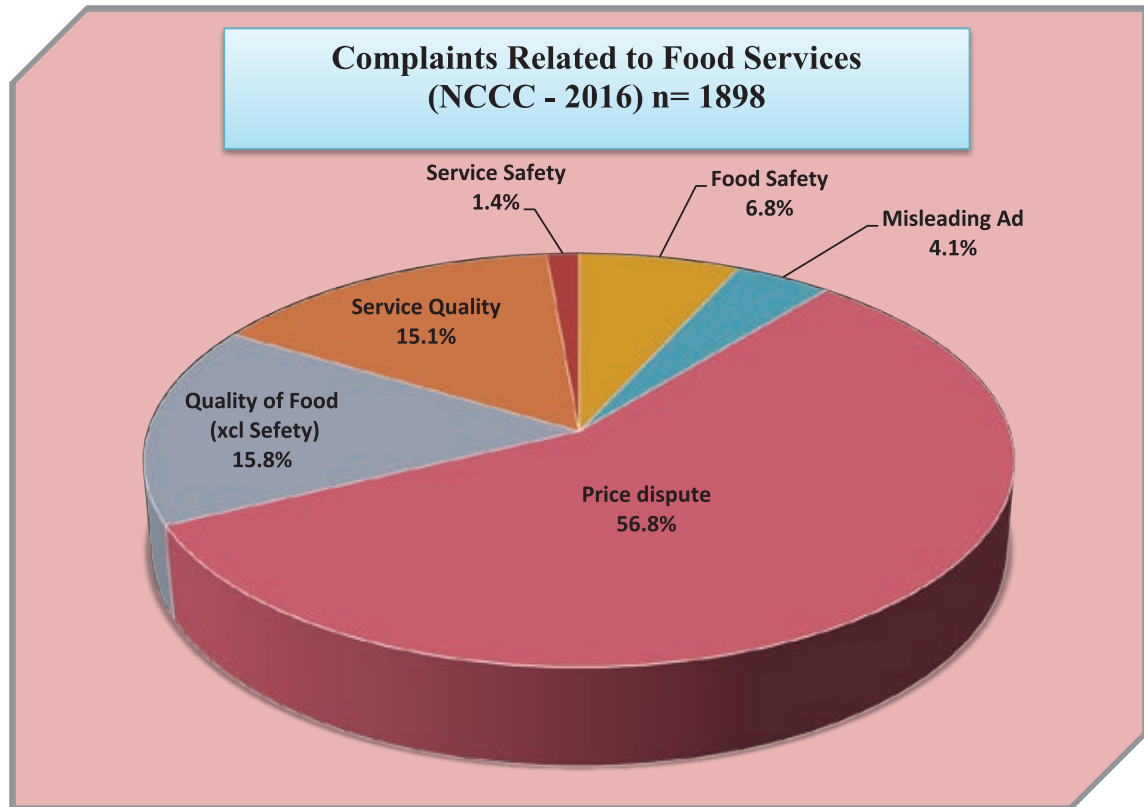
Complaints relating to the quality of food (excluding safety) makes up **15.8%**, service quality makes up **15.1%**, and food safety makes up **6.8%**





of total food services complaints. For issues like presence of pests in food premises and serving of spoilt food enforcement action needs to be taken quickly, as it affect consumer's health and well-being. Several food poisoning cases were also recorded. In overall food products and food establishment complaints, food safety has becomes a major segment of complaints that requires immediate attention. Food products

complaints range to presence of foreign material (ex: glass) in the product and spoilt before expiry date. In some of these cases producers did not give satisfactory answer or take satisfactory action to resolve the matter. Complaints (food products and food establishments) were forwarded to the Ministry of Health for attention and further action.



Legislation related to Food Safety

Apart from protection for consumers through Consumers Protection Act 199, the complaints received under the food sector are addressed by the **Food Act 1983**.

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

Section 9 of the **Food Hygiene Regulation 2009** states food establishment owners shall provide and make available a food safety assurance programme in the food premises, the person committing such offences shall be liable to a fine not exceeding RM10,000.00 or imprisonment not exceeding 2 years or both. The Food Hygiene Regulation is also highlights premise owner responsibility to ensure premise cleanliness and avoid any potential

contamination to food prepared.

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.

In addition, the popularity of e-commerce brings a new challenge. Cross-border products bring new food safety risk. Are the labelling of the products provides sufficient information to consumers in our country? And what are enforcement's plans to ensure food products through e-commerce platform are safe for consumption.

Recommendations for Improvement

1. We call on the Ministry of Health especially the Food Safety and Quality Division (FSQD), the local governments and state health departments to work together with



Department of Standards Malaysia to harmonize restaurant grading criteria and work together with all relevant parties to be implemented nationwide. During this process, safety and health of workers and consumers must underpin the development of the grading criteria and implementation.

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. This includes food services sector.
3. Relevant authorities such as Ministry of Health (MOH), Ministry of Domestic Trade, Cooperative and Consumerism (MTDCC) and local councils should strengthen the enforcement by continuously conducting inspection/ spot checks and food premises and food manufacturing sites.
4. Food operators and restaurants owners should train their staff on hygienic food preparation and customer service. A significant number of restaurants in cities depend on foreign labours to run the restaurant business. Language and cultural difference have significant bearing on food hygiene practices in restaurants. Policy makers should develop policies and training method 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 kind 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 or incidents. Make statistics on nationwide food poisoning cases, food premises closed and relevant statistic public.
7. Continuous consumer education to public on food safety and rights of consumers, through collaboration with stakeholders in F&B field.



The worlds of dermal therapy, wellness and cosmetic medicines are rapidly increasing. On a daily basis, consumers are bombarded with advertisements inviting them to use products and treatments which would make them more beautiful.

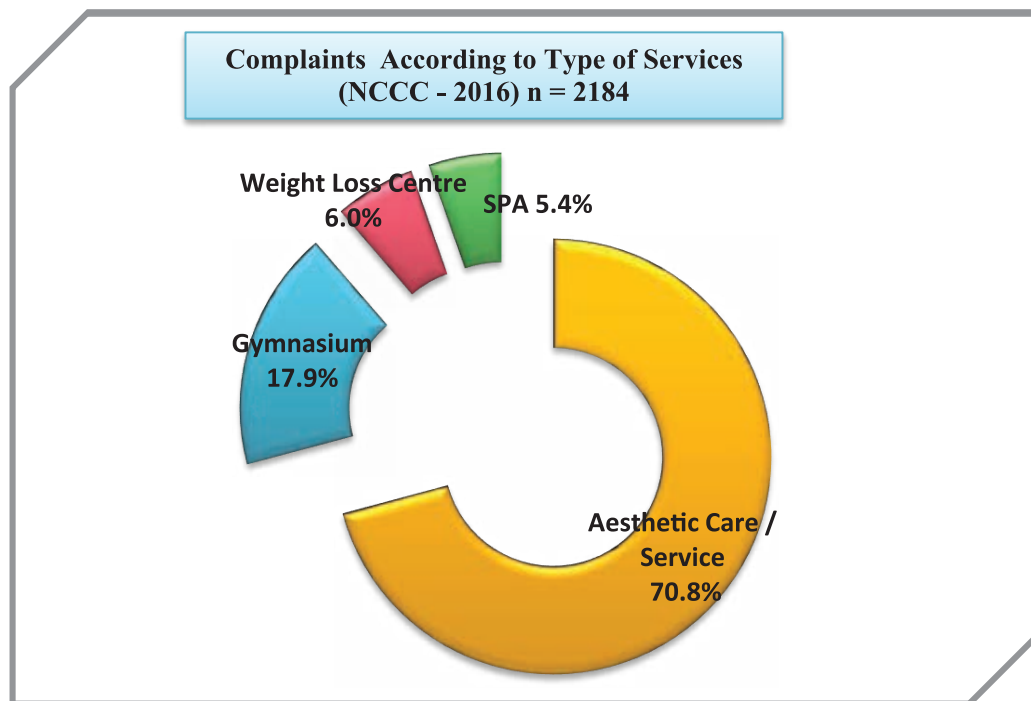
This includes, spa therapies, progressing to nutrition, weight management, skin and hair care and cosmetic surgery. There are a lot of centres available which provides all the above services and consumers are often willing to pay substantial sums of money to engage these services. The question is, does the treatment fulfil the expectations of the consumer? Does it justify the huge costs? Unfortunately not all the consumers' expectations were met.

Based on the pie chart above, it appears to be that wellness and aesthetic complaints are the highest in relation to the other services, at **70.8%**; followed by complaints against gymnasiums at **17.9%**, weight loss centres at **6.0%** and finally complaints on spas at **5.4%**. The nature of these complaints will be explained as follows.

In 2016, NCCC received a total of **2,184** complaints. There has been an increase of **18%** in the number of complaints compared to the previous year which was at **1,848**.

The highest complaint under wellness and aesthetics according to the graph above is close down / relocation which is at **31%**. Consumers complain that many aesthetic and wellness centres closed down without informing their members. These complainants are active paying members who have signed up for future services and have made upfront payments. Due to the sudden closure, the merchant could not be contacted and hence consumers could not claim back their money.

There are instances whereby the beauty centre and gymnasium had relocated to another location without informing their clients. The Complainants wanted to terminate their contract because it was not convenient for them to travel to another location for the treatment. One of the main reasons for signing up the treatment in the first place was because of the location. It was convenient, near

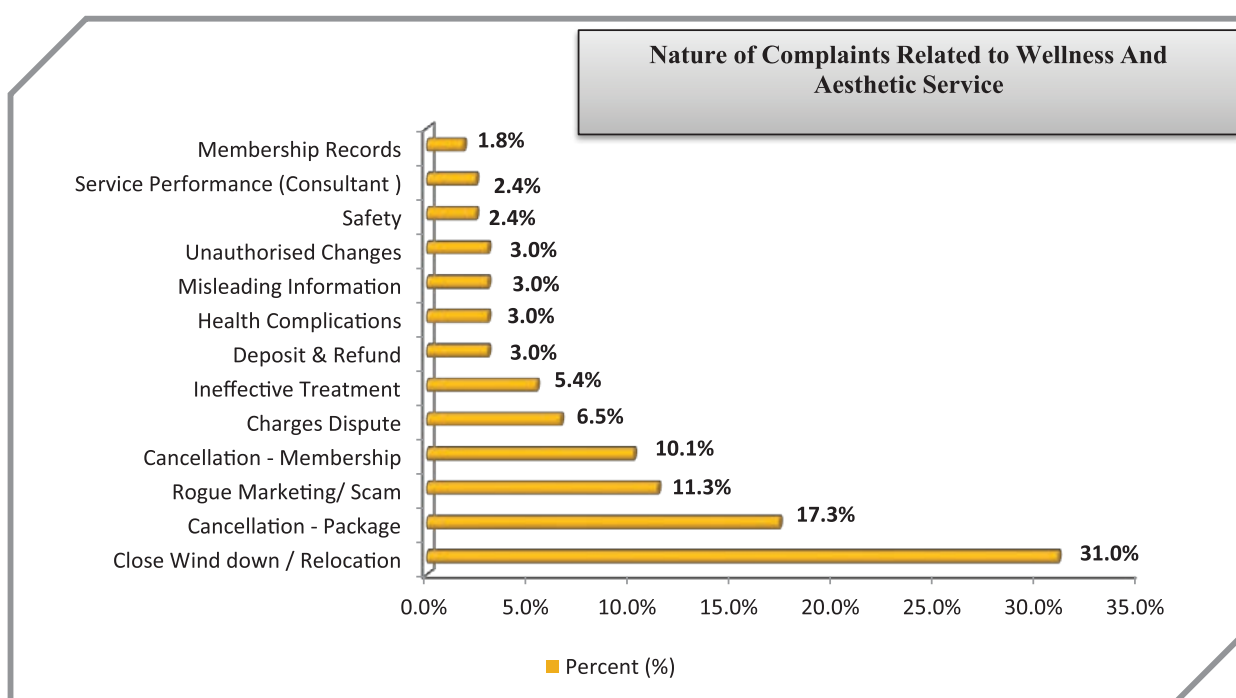


to their home / work place. However, consumers were denied their request to cancel the contract.

The second highest complaint is on cancellation of package which is at **17.3%**. Most of the cancellations were due to ineffective treatment promised by the centres. It usually starts from providing free treatment to the clients and thereafter requesting them to sign up. Despite the consumers wanting more time and refusing

to sign up, the merchants were quite aggressive in their sales tactic and "over promised" many of the consumers of the end results. After signing up for the treatment and realising that the treatment did not work, many consumers want to terminate the service.

Third highest complaint is on scams which is at **11.3%**. Scam is not something new. In order to make quick profits, seller tends to allure consumers



into believing something that is not true just to make some money. Some of the beauty centres had given assurances and guarantees to their clients that their skin would be flawless etc. In actual fact, nothing as such happened. Consumers were asked to pay in advance for treatment and consumers had to attend sessions regularly depending on their condition; some treatment would take months. Suddenly, consumers were shocked to find out that the shop had close down and all the money paid was gone. They could not trace the owner as the company was not even registered with the Companies Commission of Malaysia.

Next, cancellation membership is at **10.1%**. Consumers cancel their membership for many reasons. It could be due to health reasons, relocation of the centres, or dissatisfaction with the services; there were complaints that despite cancelling the membership, companies were still charging their clients. Often when consumers signed up for membership, they had been given the assurance that they could cancel their membership at a certain date / reasons. However when they attempt to do so, their money was not refunded, the process took a very long time and they were denied from cancelling their membership by stating that they have signed the contract and can only be cancelled when the term of the contract ends. Despite giving proof such as medical certs, bills, their request was not taken into consideration.

Dispute on charges is at **6.5%**. Many consumers claim that initially they were quoted a different and later on the price had increased without informing them. Some treatments which supposed to be "free", however there were some hidden costs which was not made known to the consumers.

Ineffective treatment based on the graph above is at **5.4%**. Whether it's a spa, beauty centres, hair treatment, usually all the Complainants who lodged complaints with NCCC often stated that they were promised that the treatment would work. When the treatment did not work, the merchant often blamed the consumers by saying that the products works differently to different consumers. This information was not given when the consumers signed up with them.

Most of the nature of the complaints as mentioned hereinabove has to do with refunds. In 2016, complaints with regards to refund & deposit are at **3.0%**. Usually consumers who were not happy with the results or had decided not to continue with the treatment found it very difficult to get their money back. Companies do not want to entertain their request for refunds. Despite the fact that Consumers rights are clearly spelled out in the Act and consumers are entitled for refund / replacement provided that they can proof that they have been deceived, companies are still adamant and refused to do so.

One issue worth mentioning even though is only makes up at **3%** of the complaints is regarding health complications. 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 needed to pay for medical treatment. Not all the centres are willing to bear the costs and if they do, it would take time before they could complete the process and make the payment.

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

Misleading Advertisements

- Those who place misleading advertisements on slimming products and services may be slapped with a hefty fine of up to RM50,000. Advertisements of weight loss products will only be allowed if they comply with new guidelines issued on January 25 by the Malaysian Communications and Multimedia Commission (MCMC)'s independent body Communications and Multimedia Content Forum of Malaysia (CMCF)
- If these products are categorised as medicine, their advertisements need to be given the nod by the Ministry of Health's Medicine Advertisement Board

Recommendations

- There must be quality control check to ensure that the products used are safe for consumers.
- Products that are used by aesthetic centres must have a notification number.
- Gyms / aesthetic centres that are 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.
- Keep receipts / pics before & after the treatment.

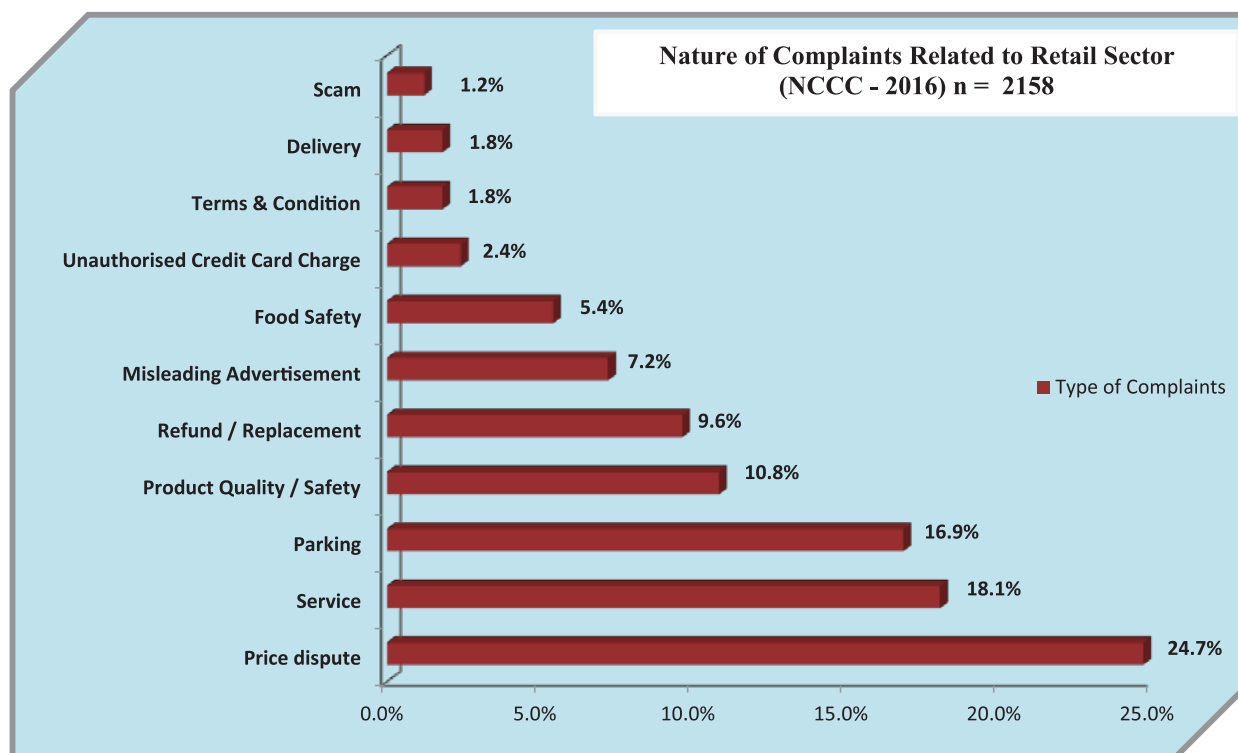
Based on the complaints received by the NCCC in 2016, the highest number of complaints recorded in relation to the retail sector is on price disputes making up 24.7% of the total number of complaints. A significant part of household expenditure occurs through retail transactions thus making the retail sector one of the most important sectors for 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 being 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 recorded the second highest complaints amounting to 18.1% of the total number of complaints. 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. 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 2016, NCCC saw a rise in complaints pertaining to parking which amounts to 16.9% of the total number of complaints. Many consumers were frustrated with the unreasonable hike in price for parking around Klang Valley and at certain places the retailer failed to indicate the parking charges signboard. There were instances where consumers were forced to pay the parking fee despite making a wrong turn leading directly to parking basement, with no U-turn option and where they spend less than 15 minutes to exit the parking basement.

In terms of product quality / safety, the main issue is that the product was not up to the standard of the consumer. A simple understanding about

quality is that quality is measured by the degree of conformance to predetermined specifications and standards, and deviations from these standards can lead to poor quality and low reliability. Complainants were upset that newly purchased items were found to be defective, broken and not up to the standard and quality promised by the retailer.

The complaints on refund / replacement are at 9.6% of the total number of complaints received in 2016. This happens when customers are not satisfied with the product purchased or that the service provided is not up to 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.

In 2016, issues on misleading advertisement recorded 7.2% 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 that they might be cheated again by such misleading information.

Complaints regarding scams, contributed to 1.2% of the complaints under this sector. 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.



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.

Utilities Services (Electricity, Water & Sanitation)

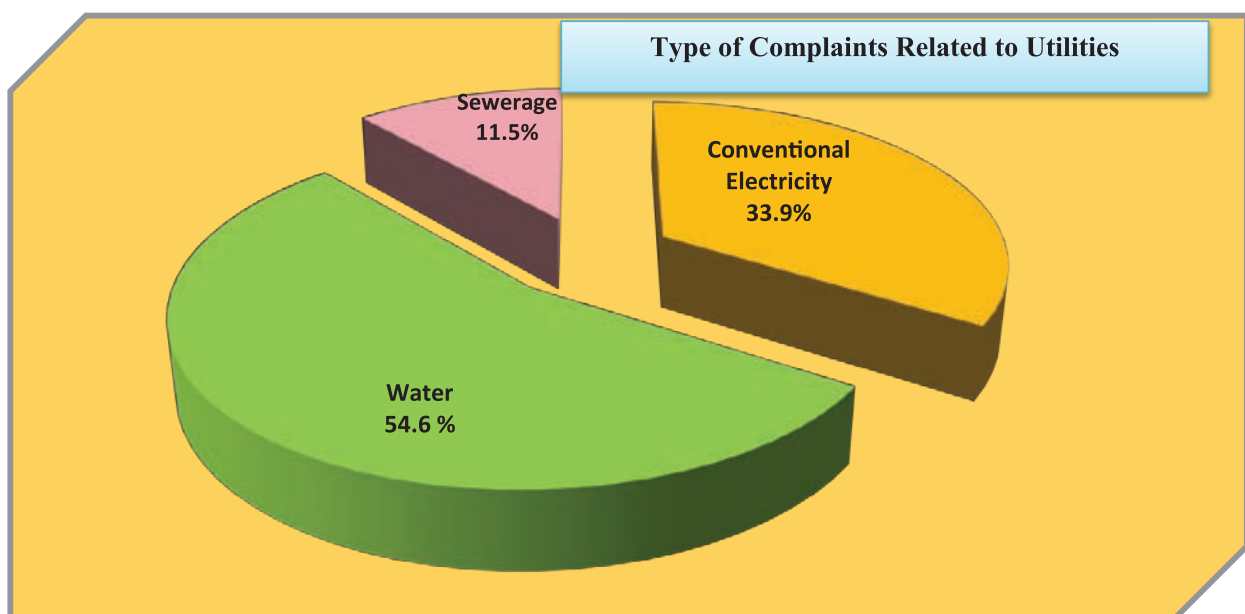
Complaints against utilities encompass three sectors – electricity, water and sanitation. The NCCC received a total of 1,724 complaints in regards to utility services which amounted to a potential loss of RM1,071,629.00. The breakdown by sectors are 585 complaints against the electricity supply services, 941 against water services, and 198 against sanitation services.

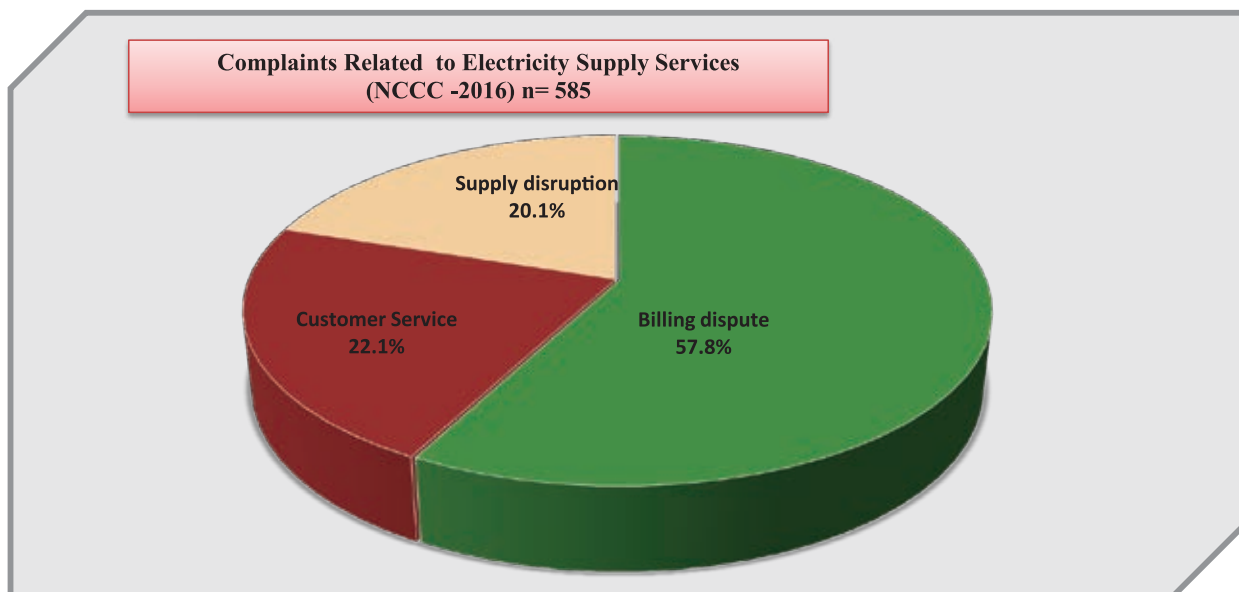
a. Electricity Supply Services

More than half of the complaints received in relation to the electricity supply sector are on billing disputes, recording 57.8% of complaints received. Most of the complaints were in regards to high billing charges and late delivery of bills which required 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 at commercial tariff rates 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.

22.1% of complaints were in regards with the customer services, whereby consumers were unhappy with the quality of services provided to them. The usual complaints on customer service were difficulties in contacting the customer service department, late in taking action on complaints by consumers, delay in returning the consumers' deposit and failing to send notices on time / earlier.





There were instances where the customer service officer informed the new landlord to clear the unsettled bills left by the previous occupants in order to reconnect the electricity supply. This is a clear case of injustice done by the service providers towards the innocent new landlord who is unaware of the unsettled bills that can reach up to thousands of ringgit. Knowing the fact that the new landlord has nothing to do with the unsettled bills, but yet they are being forced to settle past dues.

The remaining 20.1% of the complaints focused on supply disruption and consumers were unhappy as 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.

Consumer Protection Laws Applied to Managing Complaints

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

The problem of water supply disruption and rationing had the highest number of complaints in 2016 with rationing schedule problems being at 38.2% and supply disruption at 29.5%. The complaints rose sharply during the river pollution case which caused several shutdowns of water treatment plants.

Although there was a schedule for the water rationing, many complained that the water companies never followed the schedule. Some had to wait for the water tanker till late hours at night just to get water to bath, while others did not even receive their water at all. For areas that did get their water late, the quantity is reported to be too little after such a long disruption.

The next highest complaint was regarding billing disputes at 17.5%. Many consumers were shocked with sudden increases in bills even though their water usage was unchanged, with some even receiving high water bills for an empty house. These led to complaints to the consumer's respective water operators but they did not get a satisfactory solution.

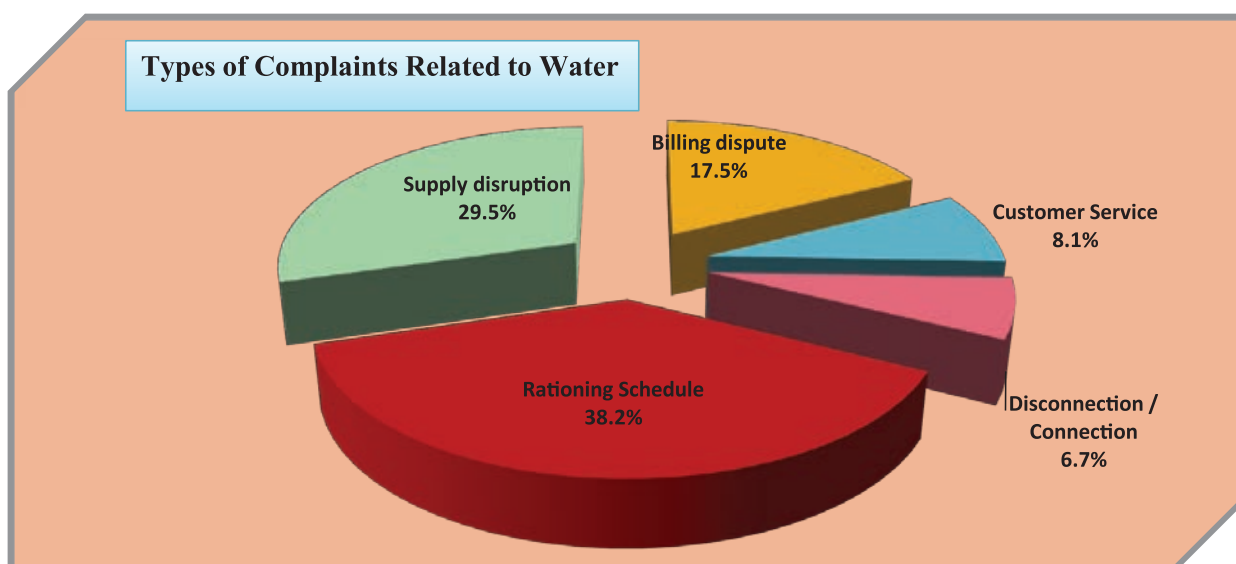
Consumers felt that it is unfair when the reason behind the bill hikes were beyond their control, such as disconnection and reconnection of service

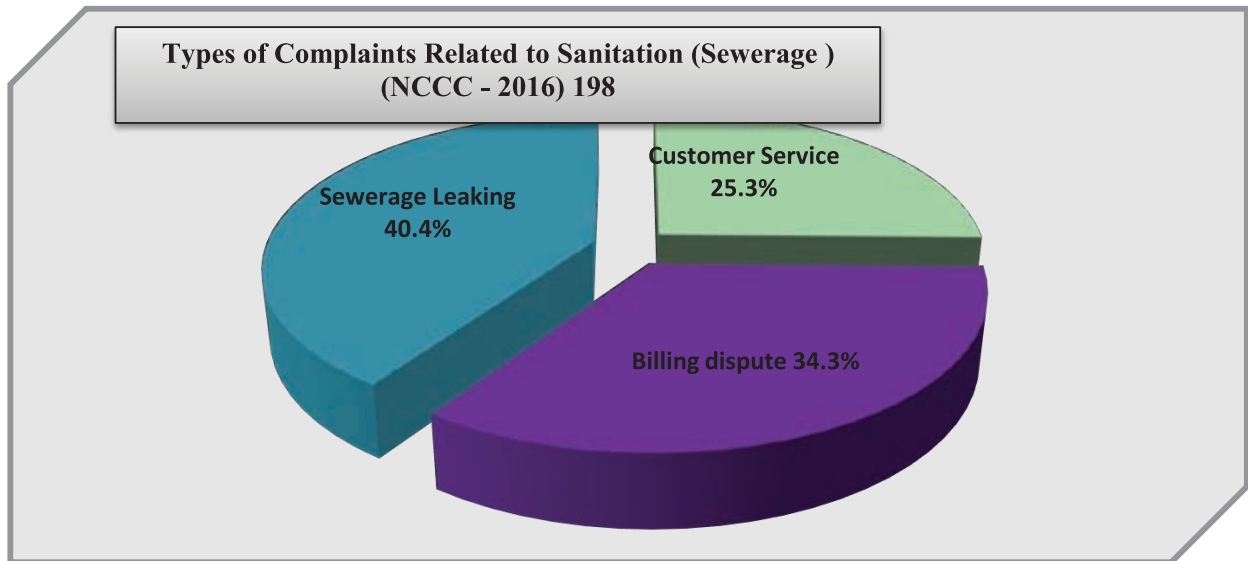


for no reason, reported leaks or incorrect meter reading.

Complaints regarding customer service were at 8.1%. Complaints to water operators were not properly dealt with and neither party is willing to bear the cost of the wrongly charged bills. There is also quite a number of dissatisfied consumers during the major water rationing period because many of the calls to water operator hotlines were unanswered.

Connection and disconnection problems consist of 6.7% of the 2016 water services complaints. Incidents such as stolen water meters from new





houses, delays in reconnection and sudden disconnection are among the issues raised in this category.

not directly affecting a consumer's home, it still affects the consumer in the long run as the damage to the environment will eventually our own health.

c. Complains related to Sanitation (sewerage)

The highest complaints received in the sewerage sector are regarding sewerage leaking (40.4%). Cases such as sewerage leaking out into the environment due to poor maintenance of sewerage infrastructures are one of them. Though

There are housing areas with failed sewerage systems causing sewage to fill up their roads, parks and once beautiful lakes. Consumers who paid high amounts for a property on a nice landscape were surprised by the polluted lakes and unpleasant smell of their new houses.

Another significant portion of complaints regarding sewerage was regarding billing disputes at 34.3%.



Among the issues are those that involved the Joint Management Bodies of apartments and flats. These consumers had to pay double sewerage charges, one for their individual houses and another for the charges to the shared bulk meters.

Complaints regarding customer service on the other hand were at 25.3%. The complaints are usually about the sewerage company not taking actions even though complaints to them have already been made. There are also cases where the sewerage operator tried to offer a solution to the consumers but the solution does not solve the consumer's problem.

Consumer Protection Laws Applied to Manage Complaint

1) Laws

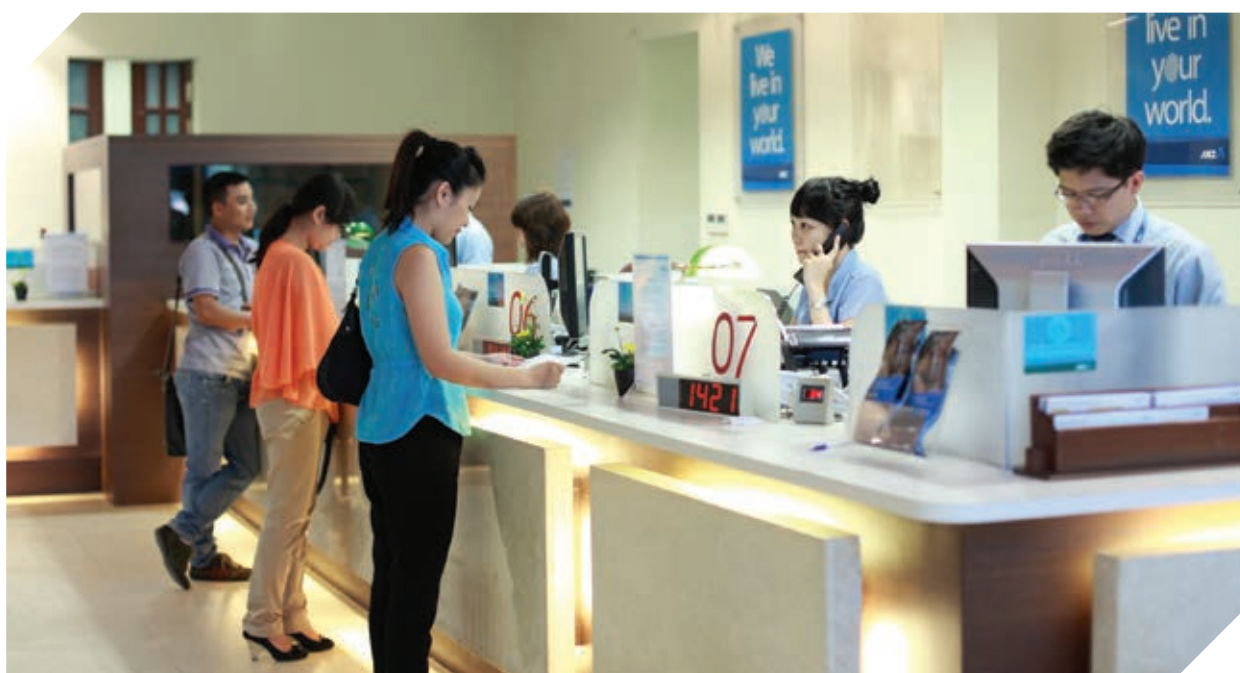
The Water Service Industry Act 2006 contains a number of provisions with regards to the duties of service provider which impliedly provides for the rights of the consumer

- **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.
- 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 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.
- Laws governing how a Joint Management Body of a flat, apartment or condominium charges for water or sanitation should be better enforced so the management bodies cannot incorrectly charge for water and sanitation services.
- Even though it is mandatory for everyone to switch over from bulk meters to individual meters, many are not able to do so due to the lack of a Joint Management Body and arrears of the bulk meter. Regulations regarding this switch should be made easier for consumers.
- The federal authorities and local authorities need to enforce environmental protection laws to prevent any more sudden treatment plant shutdowns. Current regulations as insufficient as it allows for local authorities to easily hand out licenses causing over development in critical areas.
- A more efficient and systematic Standard Operating Procedures for water distribution during water disruption should be set up. Considerations for large scale disruptions should be made and enough infrastructures should always be available.
- Consumer education is vital to reduce the current problems because many are still unclear of their own rights. Many consumers that called the complaint centre called simply to ask for legal advice that they are unsure of before actually making a complaint.
- All call centre personnel should be adequately trained to address consumer complaints effectively and efficiently. Capacity to accept calls during large scale water crisis should also be considered. ISO 10000 series have been effective in helping all types of organization to improve customer satisfaction.
- Maintenance of sewerage services should be properly managed even in non-urban areas because all consumers, urban or rural have the right to a safe environment.
- 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.
- Billing systems and should be relooked into as consumers are frequently facing errors in the bills they receive regardless of state or company.

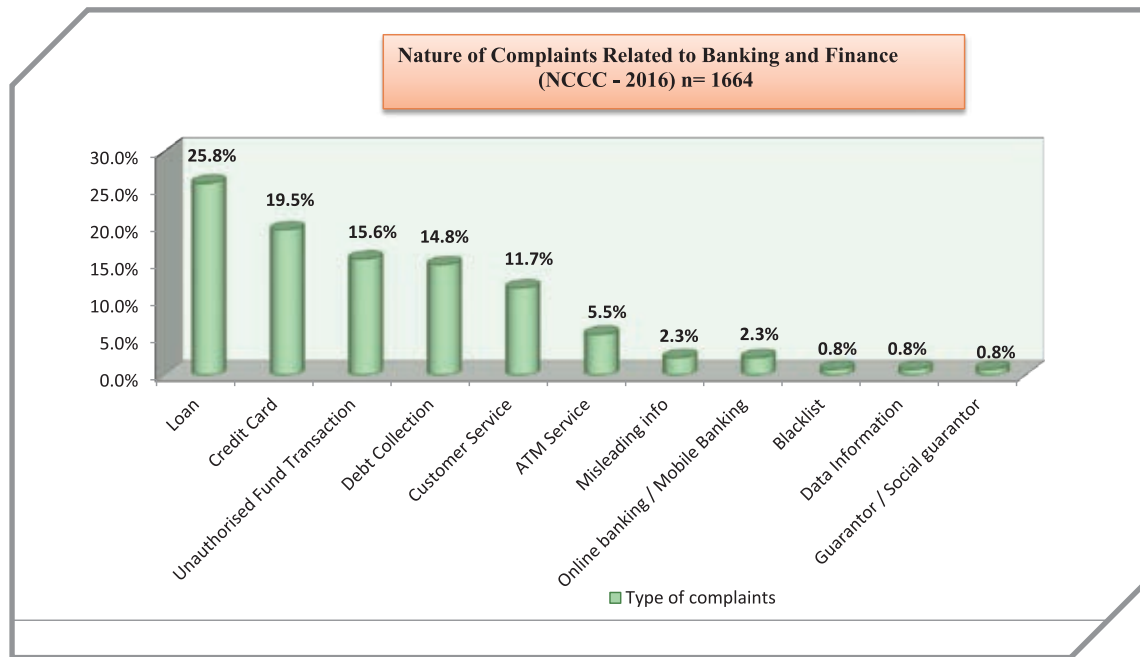


In 2016, the NCCC recorded a total of 1,664 complaints against the banking / financial sector. The potential loss to complainants amounted to RM19,640,543.00

Most of the complaints on the banking / financial sector have been on loans services that is 25.8% of the total number of complaints. 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 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 have often been 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 complaint for 2016 under Banking and Financial sector is on Credit Card, amounting to 19.5%. The usual types of complaints



were credit cards were stolen and often the 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.

The third highest complaint received by the NCCC at 15.6% 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. These so called debt collectors uses strong arm tactics to instil fear in those who have fallen short in servicing their loans. There were complaints where consumers have expressed that the car towed by the debt collectors were not handed over to the bank and instead was used by other third parties. Even after having made police reports, no further action from the authorities were

taken and when this was highlighted to the bank, no action was taken.

Bank Negara has come up with a circular on Fair Debt Collection Practices to protect defaulting borrowers but it applies only to institutions that come under the supervision of Bank Negara. Thus debt collectors have a free hand as there are complaints that debtors have been harassed at ungodly hours and 'served' with letters that threatened to have them 'arrested' if the debt is not paid up. There were instances where debt collector will disguise themselves as lawyers or other authority body to deceive the debtor which is clearly illegal.

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. Complaints on ATM services recoded 5.5% under this sector whereby complaints were on faulty ATM which did not dispense any cash but the amount was deducted from consumers' account, while other ATMs were out of service on a frequent basis.

Complaints of misleading information concerns mainly on consumers being misled 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.

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 advise customers on the implications they may face in the event of default in payments. This will help eliminate the possibility of miscommunication and misunderstanding should a dispute arise.

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.

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.

13 Media & 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 86% from the year 2015 under this sector.

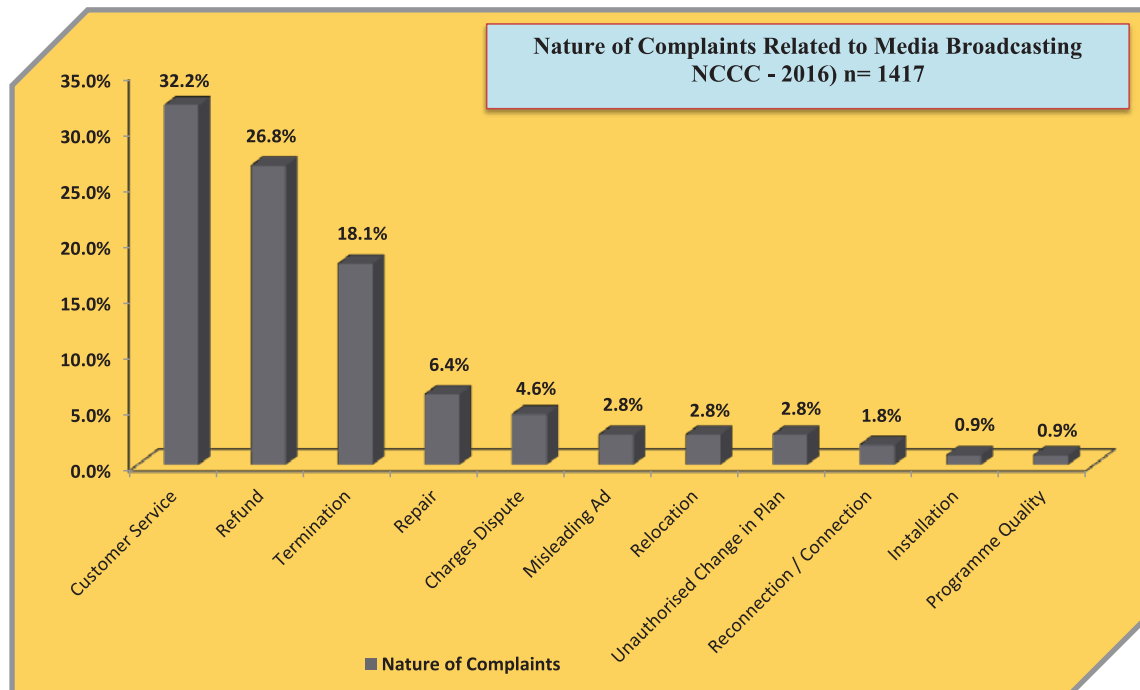
For 2016, the breakdown of complaints is as follows.

Complaints on customer service recorded the highest number of complaints, amounting to 32.2% of the complaints received under this sector. 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.

Complaints on refunds recorded 26.8% of the complaints, whereby the issue was mainly with regards to delays 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.

About 18.1% 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 despite 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.

Complaints on repair services recoded 6.4% of the complaints 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 was not able to resolve the issue in a satisfactory manner as the problem kept on recurring even after several visits and repairs on the same issue.

As for charges dispute, 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 would not be included in the billing and thus it was supposed to be free

of charge. However, to their surprise, the charge was included in the billing and no reasonable explanation was given for this. Others contended that they were still being charged as per their previous bill (higher amount) even after numerous reminders for downgrading package. While some complained 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. Consumers were misled into subscribing a new package only to find out later that certain channels were not part of the package and they had to pay an additional sum for these channels.

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.

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.

Reconnection or connection of subscription service disputes occurs 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 1.8% of the total number of complaints.

Installation complaints recorded 0.9% of complaints received under this sector, whereby the issue mainly was concerned with delays 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 yet others, were kept waiting for the installer to visit the premises to activate the upgraded package.

The programme quality comes up at 0.9%, 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.

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.

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

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

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

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.

1,053 complaints were lodged against the insurance industry for the year 2016, with the potential loss to complaints amounting to RM14,608,087.00. Among all the insurance complaints involved the highest were received in regards with terms and conditions of claims, policy termination, unauthorised transaction and premium payment.

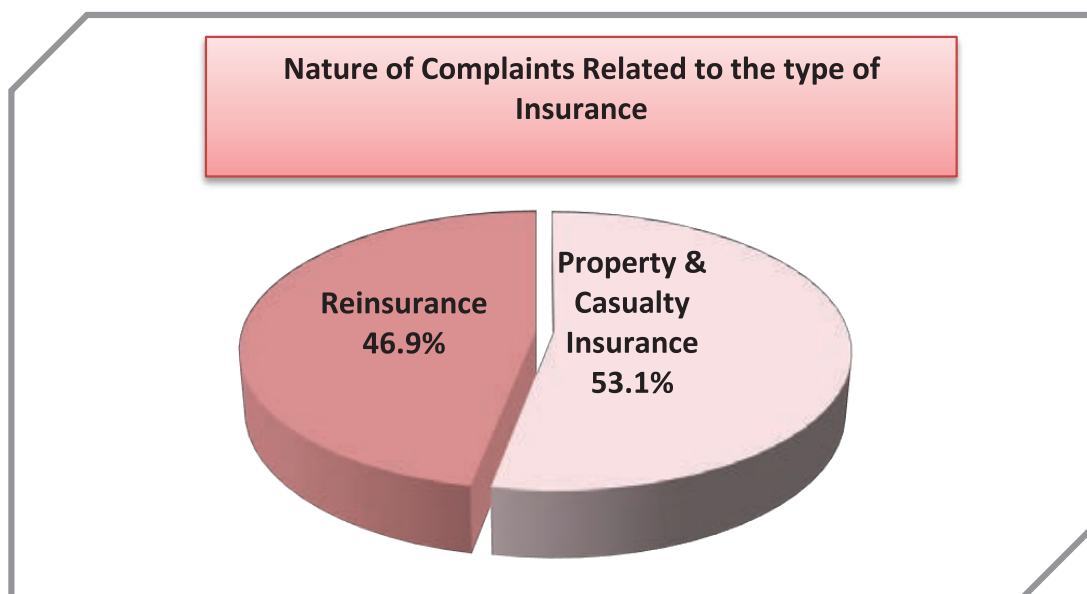
Nature of Complaints related to Insurance Industries

The highest number of complaints recorded by the NCCC in regards with the insurance industry is with the terms and condition of claims, recording 40.7% of the total number of complaints. The type of claims dispute that the NCCC 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. Some were even confused with the reasons for a lesser reward from the insurer as compared to what was insured in the policy. Also, most of the complaints were dissatisfied with the time taken by insurance companies in honouring their claims. From the above description, we can safely conclude that many consumers fail to understand the terms included in their policy and the claim procedures, especially for the "loss of use"¹ which is difficult for a lay person to understand and many do not have the luxury of



1. Loss of use is the damage a person suffers from the inconvenience of not having their car after it has been in an accident. For example, Driver A is at fault and hits Driver B's car. Driver B's car has to go to an auto shop for 30 days to be fixed. During those 30 days, Driver B is without the car, and has suffered a loss of use of that car. Driver B's inconvenience can sometimes be a collectible damage.



going through the whole content in the policy which is usually seen protecting the insurance company.

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.

The dispute with regards to unauthorised transaction records the third highest at 8.6% 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.

Premium payments comes up to 8.6% 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.

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 know to the insured the company they are acting for and explain clearly the type of insurance they are selling.

Recommendations for Improvement

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

15 Public Transport



The NCCC recorded 1,001 complaints relating to public transport. There was an estimated loss of RM 806,000. The highest number of complaints at 37.7% were on express buses. This was followed by 19.5% on the komuter and 15.6% on highway services.

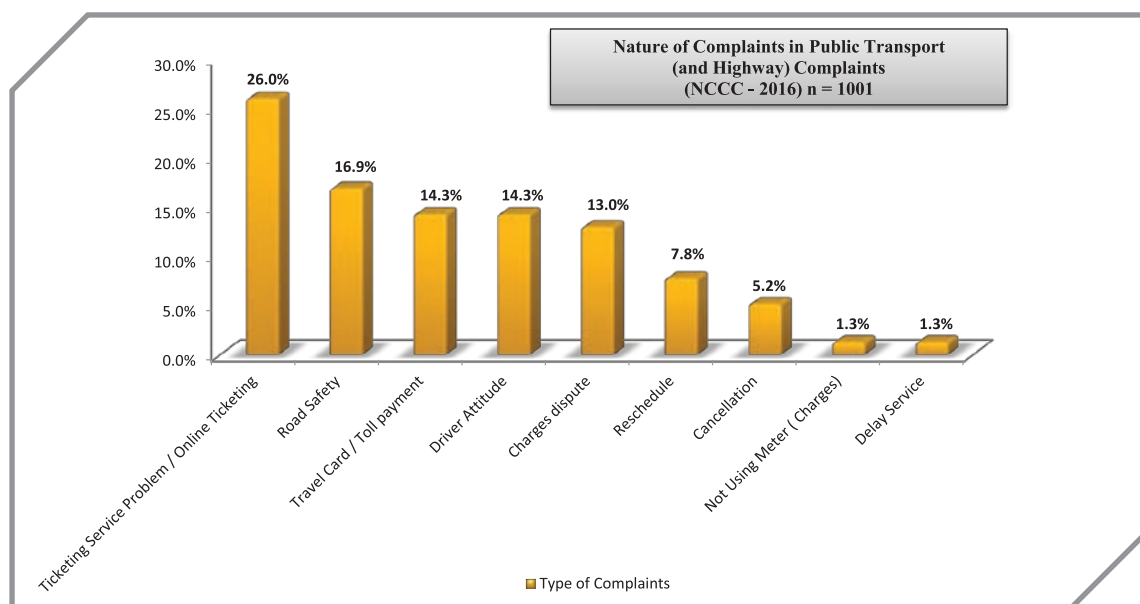
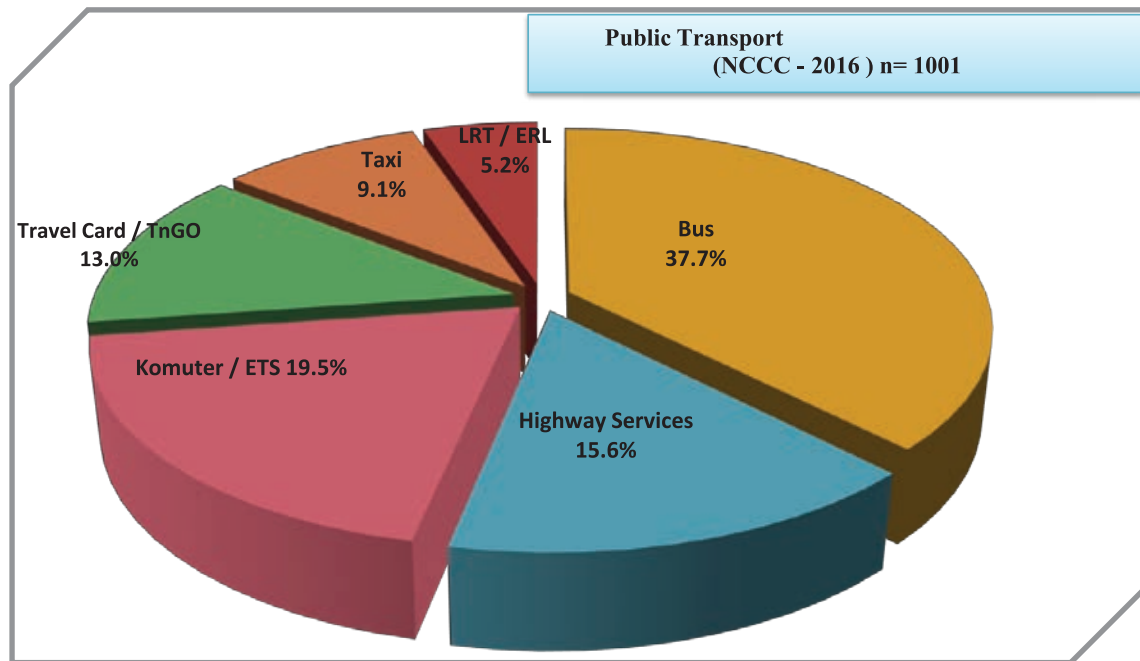
The majority of complaints were on issues of electronic payment issues. Ticketing issues made up 26.0% of the total number of complaints while travel cards / Tol payment made up 14.3% of the total number of complaints. The problem faced by consumers in ticketing is that they purchase the tickets online, 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.

Safety issue is a major in this sector because it involves the lives of people. Road accidents involving public transport is becoming too frequent. In 2016, 16.9% of the complaints were on safety issues of consumers. 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. 14.3% of complainants complained on the attitude of the drivers.

13.0% of the complaints were related to fares being charged by public transport services. 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.

Rescheduling and cancellation of services made up 7.8% and 5.2% of the total number of complaints respectively. Rescheduling and cancellation of services cause tremendous difficulties for consumers, especially if they were planning to attend a work-related and family related function.

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.

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 seeking redress against non-registered companies will be quite futile as tracking the owners or directors of such companies will be extremely difficult.

The NCCC recorded a total of 637 complaints related to non-conventional services, with potential loss to consumers amounting to RM 9,883,393.00 in the year 2016.

A large number of complaints under this sector were made in relation to investment schemes, amounting to 22.4% of the total number of complaints. The complaints under this category were non-performance on 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. Some complainants were scammed into investing into rogue companies that went missing upon collecting all the funds from their victims.

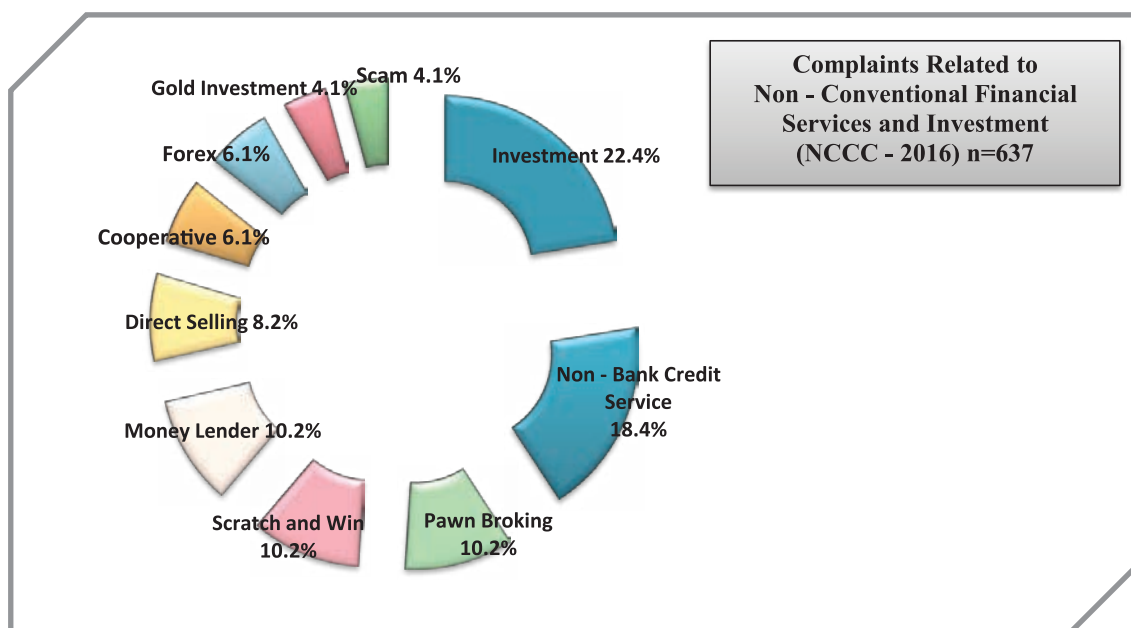
18.4% of complaints were in regards with non-bank credit services under this sector. Non-bank credit service is a financial institution that does not have a full banking license or is not supervised by the national regulatory bank, Bank Negara Malaysia. Such credit services are commonly practice among automobile industries and some retailers. Consumers were mainly unhappy with the attitude of the credit providers who were often



rude and imposed high monthly interest rates.

10.2% of the complaints in this sector were related to pawn broking services. Items pawned were sold off without the consent of the owners or without sending any notice to the owners. Pawnbrokers also sought to take advantage of the financial burden suffered by consumers 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.

Consumers are still being swindled or conned in the scratch and win contest despite being warned through media and on this, NCCC has recorded 10.2% 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.

Issues on money lenders contributed 10.2% of complaints. Complainants lamented that they were forced by the money lender to keep on paying despite full payments being made as the debt kept on increasing due to the high interest rates. As a result, many were financially burdened and unable to settle the loan. At this juncture, the borrowers sought NCCC's assistance in representing them to renegotiate payments with the moneylender.

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

Complaints in regards with cooperatives contributed 6.1% of the complaints, where the complainants

claimed that they did not receive the loan from the cooperatives even after the loan was approved and some claimed that they received a lesser sum than what was approved. As for forex dispute, the conversion charges were lower as compared with the market price and some have lost their money dealing in forex market.

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.

17

Healthcare Services

NCCC received 637 complaints on healthcare services in 2016. This was an increase of 96% from 2015. Total losses to consumers were estimated at RM 4,375,000.

The majority of complaints on healthcare that is 36.7% of the total complaints were on charges dispute. Billing is one of the common grounds 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.

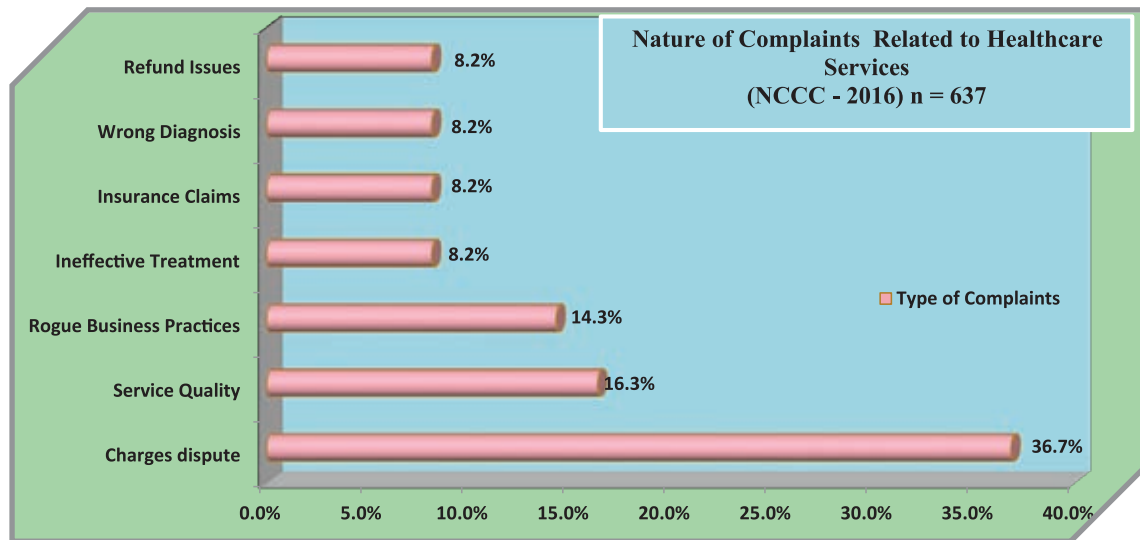
Service quality of healthcare services made up 16.3% of the total number of complaints; the second highest number of complaints in the healthcare services sector. Consumers complained

that the services provided by the centres were 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.

Rogue business practices are practices where talks, seminars or other forms of communication are undertaken to market a certain product or service in 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 for 14.3% of the total number of complaints.

8.2% 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.

Next, complaints relating to insurance claims made 8.2% of the total number of complaints. 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.

8.2% of the total number of complaints were about what the consumer felt was the wrong diagnosis by the doctor. At least from their perspective, they felt that their treatment and medications were not appropriate for their illnesses.

Refund issues are the next highest number of complaints accounting 8.2% 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.

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.

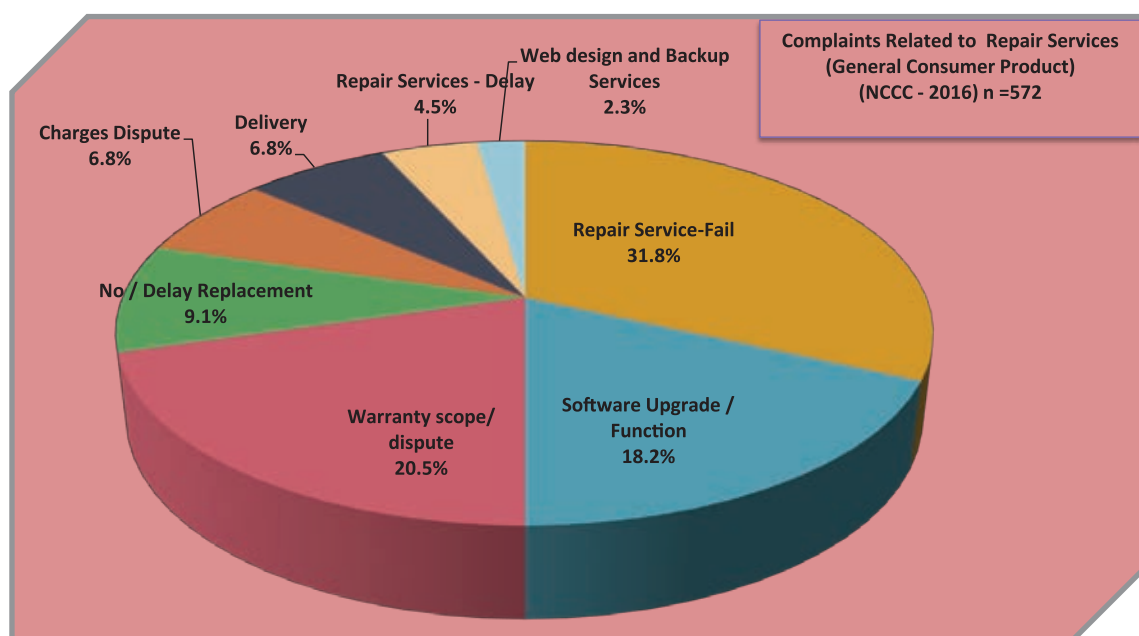
ICT Equipment Services (Repair)

For the year 2016, the NCCC recorded 572 complaints in regards with the ICT Equipment Services (Repair) sector, an approximate loss amounting to RM726,193.00. Among all the complaints involved under this sector, the highest were received in regards with repair services – failure of repair services, warranty dispute, and software malfunction.

Based on the pie chart, **31.8%** out of the total number of complaints were pertaining to repair services which failed to address the underlying problem of the gadget or could not fix the gadget at all. The problem with the gadget keeps recurring despite the complainant sending the product to the service centre several times. The complainant does not just lose considerable amount of money but also confidence with the product they purchased.

The second highest complaint this year is on the scope of the warranty at the percentage of **20.5%**. 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 problems 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 third highest complaint was on software upgrade / function which is at **18.2%**. 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 was 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 the software, the company refused to neither compensate or change the software due to the terms and conditions stated in the agreement.

About **9.1%** of complaint under this sector was on failure to replace or delay in replacing equipment. 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 it took up to 6 months to fix a small problem. In a worst case scenario, there were no replacement parts at all and hence the item could not be fixed.

Issue pertaining to charges recorded **6.8%** under this sector for 2016. Some of the common concerns raised by the Complainants are that they had been over charged by the vendor and the price to fix the faulty item was just too expensive.

Some consumers faced issue with the delivery, whereby delivery date was way beyond the time and date promised by the service provider and on some occasions items were not delivered even after several reminders.

Complaints on repair services delay recorded **4.5%** in 2016. Complainants were frustrated that the product which they had sent for repair took very long for the service centre to carry out the repairs. Sometimes it can 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 centre 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.

Lastly on web design and backup services, NCCC recorded **2.6%** under this sector whereby complainant were unhappy with the time and effort taken to complete the web design.

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.

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.

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

19 Education Services

The total number of complaint under the education sector in 2016 was 442. There has been an increase in the number of complaints compared to the previous year, which was 324 complaints.

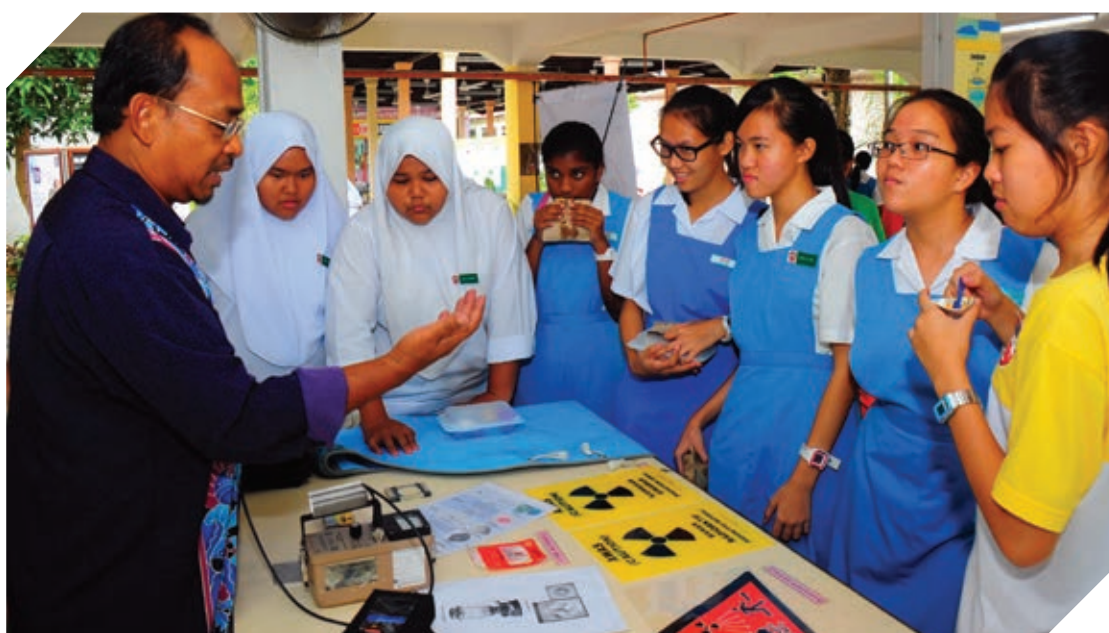
50% out of the total complaints according to the pie chart above is on poor services rendered by the learning institution. There were many cases reported that courses had been cancelled and management has not been refunding the students despite many reminders that had been sent. Though parents had stopped enrolling their kids in the school, despite stating their reasons / justifications for their action, the school had not updated their records and continued charging the parents for the semester.

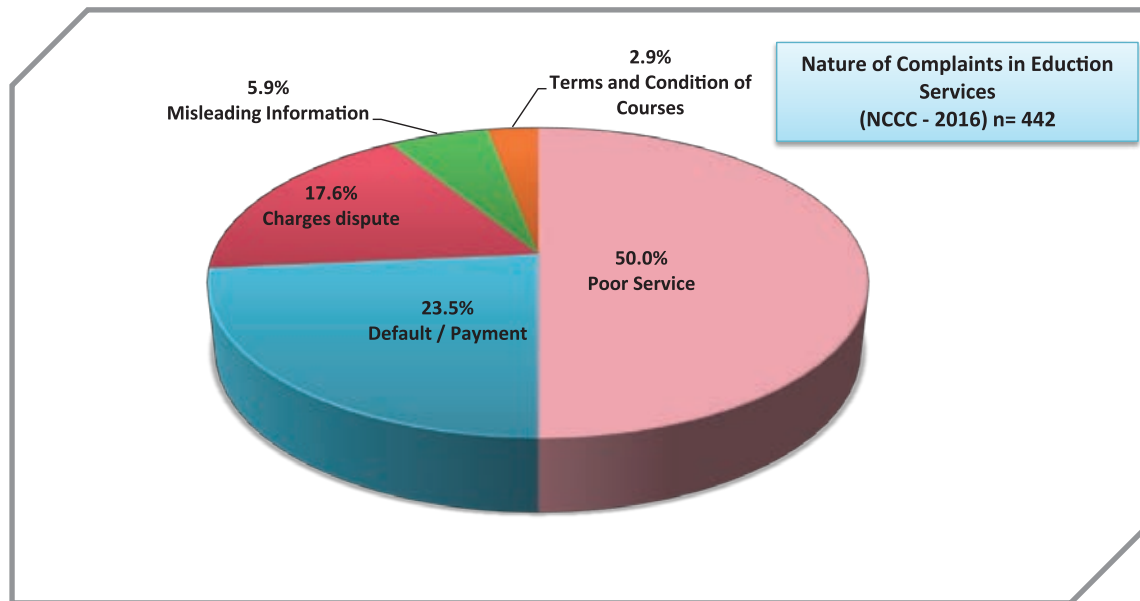
23.5% of the complaints were on payments. Often students were over-charged and refund was denied. On appealing by the complainant, no action were taken by the institute and this has

become one of the major concerns raised by the Complainants.

Charges dispute is at 17.6%. Many complainants alleged that after a year of enrolment in the university there were additional charges imposed on the students which was not mentioned during the registration and the fees had been increased as well. Upon asking for justification, they simply state that it is their policy and it may change from time to time.

Misleading information complaints were at 5.9% of the complaints in 2016. Complainants were misled by the promotions offered and once the 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.



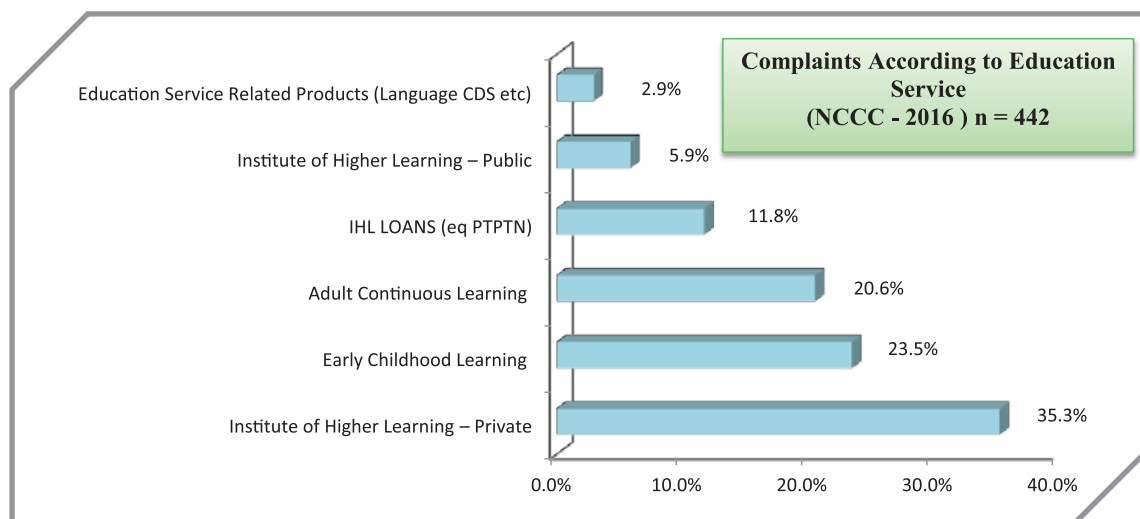


Last but not least, complaints were with regards to terms and conditions of courses. Many consumers reported to NCCC revealed that the contract was drafted one sided and were unfair. It made it very difficult for the Complainant to seek for refund or leave the university despite the fact that they were not satisfied with the course and the services provided by the management.

Complaints according to the education service according to the graph above shows that institute of higher learning (private sector) are the highest with the percentage of 35.3%. Complaints in the institute of higher learning are often associated with poor services rendered by the management, classes were often cancelled and delays in returning back the deposits.

The second highest complaint according to the graph above is on early childhood learning which is at 23.5% of the total number of complaints. When it comes to tender age children, parents have all the rights to decide as to which school or day care centre they would want to sign up. 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.

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.

Adult continuous learning complaints were the third highest complaint according to the graph above which is at 20.6% of the total number of complaints. Complaints pertaining to adult continuous learning have basically to do with charges and poor service rendered by the centres.

Institute of Higher Education loans complaints which includes PTPTN loans last year accounted for 11.8% of the total number of complaints. There were 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. Some complainants have also reported that despite making payments, the agency had not been updating the system and the complainant continue to receive letters asking to pay the balance due.

Complaints relating to institute of higher learning (Public) amounted to **5.9%**. Last year, the complaint under this category was only **3.7%**. There has been an increase in the number of complaints. The complaint under this category is very similar to complaint under institute of higher learning (private) and the complaints have mostly to do with deposit, poor management of services and despite the fact that the students has lodged several complaints, no actions were taken by the institute.

Next, complaints last year on education service related products (ie: language CDs) were at **2.9%** of the total number of complaints. Consumers are still being cheated by the method by which this product is being sold. They were told that the agent would 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.

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.

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 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).

20 Maid Agencies

Maid agency complaints this year has increased from 288 in 2015 to 351 in 2016. According to the chart above, complaints on refund are the highest with **48.1%** of the total number of complaints.

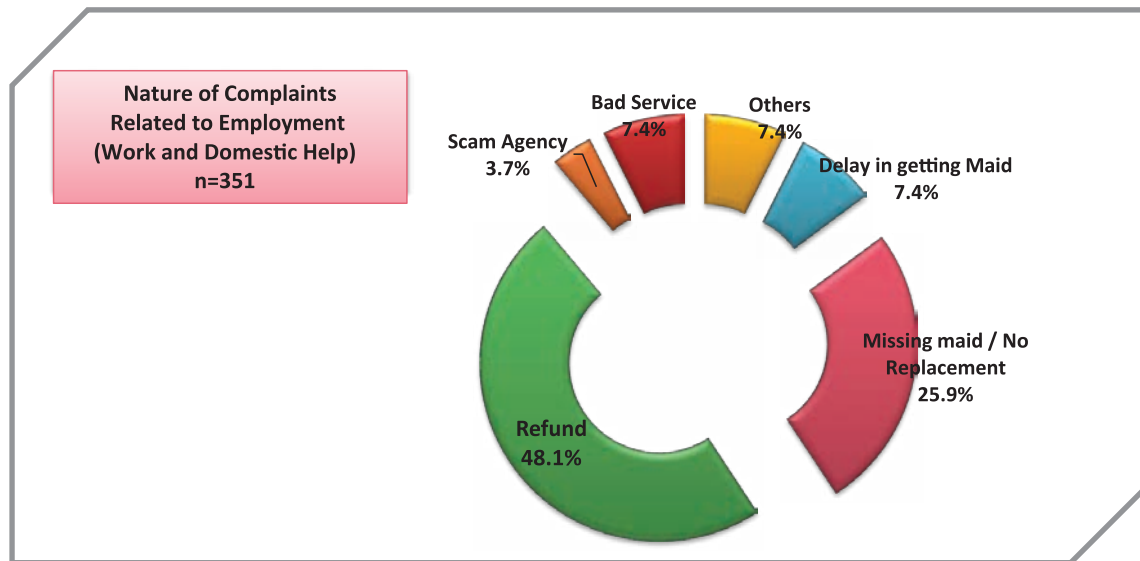
There have been a lot of issues with maid running away after barely few months working with the original owner. Upon highlighting this matter to the maid agency, the agency refused to take responsibility and requested the owner to pay additional charges if they required a new maid. Besides that, the owners are often given empty promises such as the maids are well equipped and well trained to carry out certain tasks such as household work or caring of a child. In reality, the services provided by the maid did not reflect the promises made by the agency. Hence, due to this reason, owners felt cheated and demand for their money back.

The second highest complaint under this sector is missing maid / no replacement which is at **25.9%** of the total number of complaints. As mentioned in the earlier paragraph, there have been a lot of complaints received whereby maids were running away. There has been cases reported that the maid had run away within weeks and she was later found in the maid agency. According to the terms and conditions of the contract, if the maid runs away within 2 weeks of employment, then the owner will get a replacement / refund. However, if they run away after the time stated in the contract, the maid agency will replace a maid but the owner has to pay additional charges. The maid often ran away after the time stipulated and ended up at the maid agency. This creates suspicion that the maid was in collusion with the agency.

There have been many promises made by the agency that the consumer will get a replacement of a maid soon. However no replacement was given to the owner who was given the assurance. Due to this reason, many consumers decided to terminate the contract.

Third highest complaint according to the chart above is on delay in getting maid which is at **7.4%** of the total number of complaints. In the earlier paragraph, there were complaints whereby complainants did not get their maids as promised, however there are instances that there has been a delay in getting their maids. Some of the consumers then decided to take a maid from another company instead as they could not wait any longer.





From the complaints received by NCCC, it appears to be as if there is no basic agreement to fall back on and the agencies have been stating their own terms and conditions which only have the effect of protecting their own interests and liability. Therefore, consumers are advised to read the terms and conditions thoroughly to ensure they understand the terms and negotiate to get a fair deal.

One issue worth mentioning here even though the complaint is only makes up **3.7%** of the complaint is regarding scam agency. There have been cases whereby the agency is not a licensed one and some consumers fall prey to this scam and have paid a substantial amount of money for a maid which is illegal and without proper documentation.

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

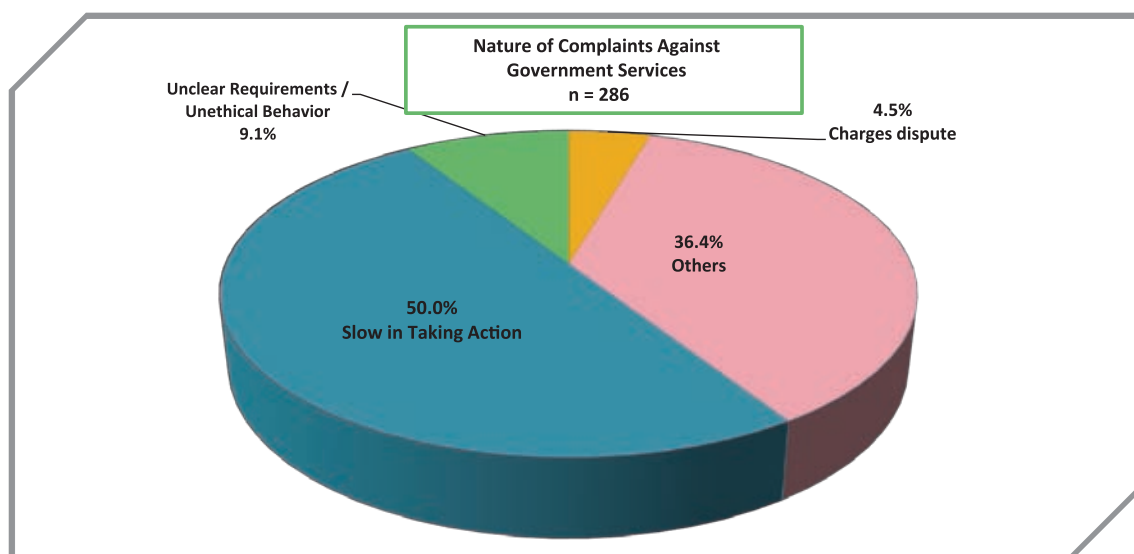
consider restitution or compensation where applicable and practicable.

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 / Advice for Improvement

1. There should be a 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 to 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.
4. Consumers must keep a copy of the contract for record keeping purposes.
5. Lodge a complaint immediately upon learning that the maid has run away / problem with getting back the refund. Consumers may lodge a report with the police / NCCC.
6. Check the background of the company before deciding to engage their service ie whether they're licensed



In 2016 the NCCC received 286 complaints regarding the Government sector. However, in relation to this sector, the NCCC acted as an intermediary by directing the complaints to the relevant Ministries in order for action. Apart from that, complainants were also advised to lodge a complaint with the Public Complaints Bureau (PCB) / (*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 3,867,422.00, an increment of more than two million ringgit compared to 2015.

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.

Second highest complaint were categorise under others (36.4%) as it consisted of various grouses mainly against the local councils. Consumers were disappointed with the local council for not sending their garbage truck on time or the garbage truck

leaving the area with an unpleasant smell. There were instances where the council was not helpful in resolving consumers' concerns and failed to update their system on time that caused hardship to certain consumers. There were also some complaints whereby consumers were unhappy with the government's online portal which caused hardship to a number of consumers especially for renewing foreign workers' permit. While a few complained that they did not receive their retirement fund on time.

About 9.1% of 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 a negative attitude while dealing with the public. Another issue is the dissatisfaction with the length of time taken by these government agencies in dealing with the customers' queries.

A total of 117 complaints were received by the NCCC against the legal professional services in 2016. The total amount involved in the dispute or complaints were an estimated RM 1,506,908.00, which is a substantial considering the few numbers of complaints received for this sector.

About 45.4% of the complaints received under the legal profession sector were in regards with delays caused by the lawyer. The issue on delays 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.

Others issues encompassing 43.4% of the total number of complaints related to negligence, misconduct and the behaviour of the lawyer itself. There were complainants who alleged that the lawyer did not perform their duty in an honest and fair manner. Also, complaints were received pertaining to poor documentation or misplacing client's documents, making up 11.2% of the complaints.

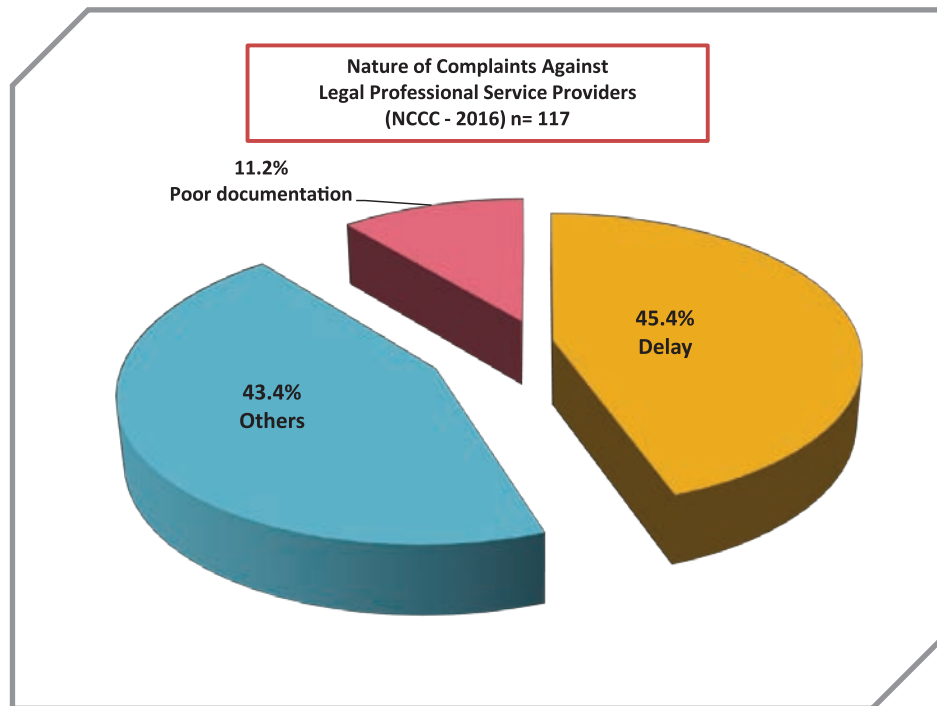
However, for legal profession services, the Bar Council is the main authority and regulator as lawyers are required to follow the Legal Profession Act 1976 and Rulings from the Bar Council and failure to do so will result in disciplinary action.

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.
- **Rule 35** further provides that lawyer shall refrain from any action whereby for his personal benefit or gain he abuses or takes advantage of the confidence reposed in him by the client. He shall preserve his client's confidence and this duty outlasts his employment.
- **Part VII of the Legal Profession Act** provides about the disciplinary proceedings against the lawyers and the punishment that might be imposed.

Recommendations for Improvement

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



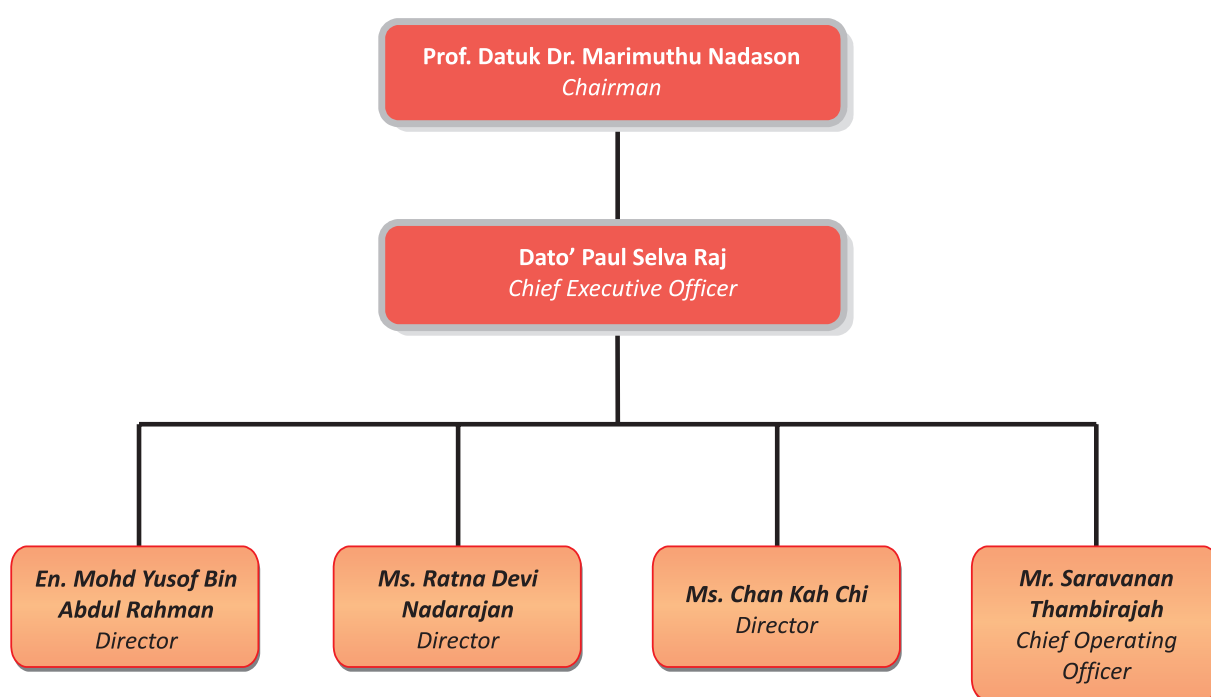
Annexes

Annual Report 2016

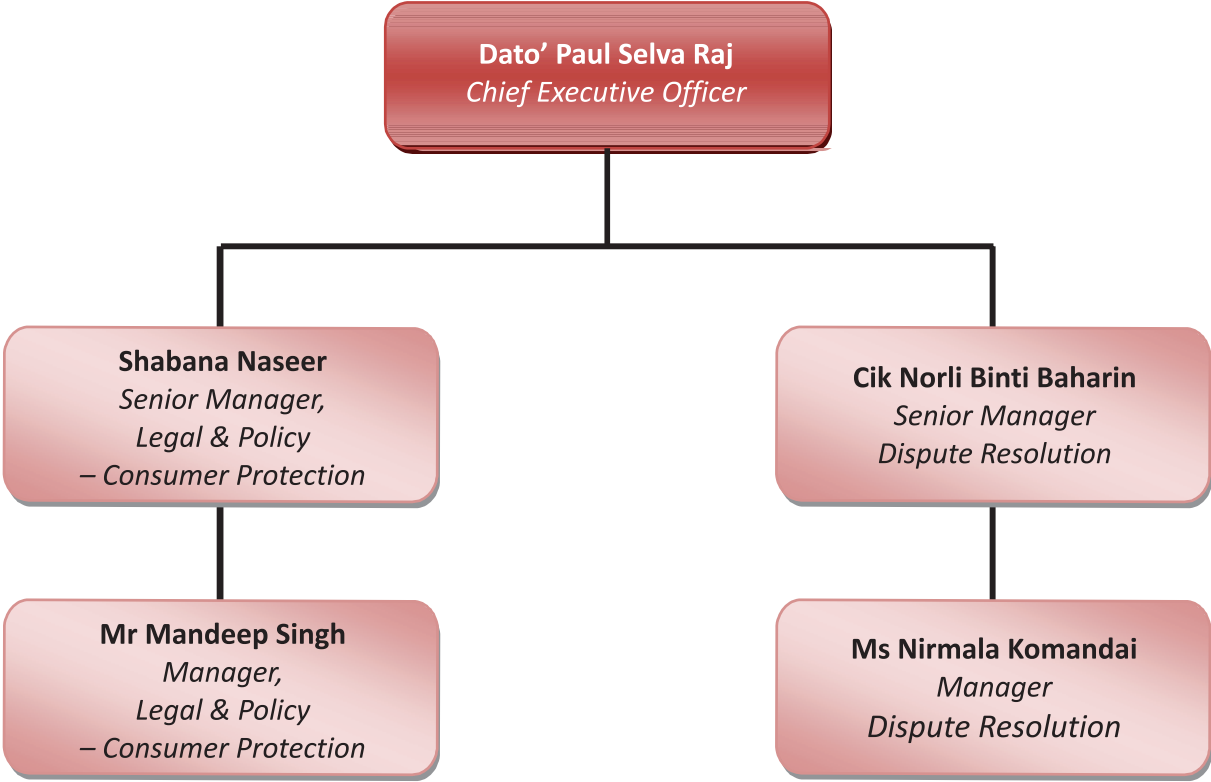
Annex 1

NCCC Organisational Chart

Senior Management



Management Staff



Annex 2

NCCC in the Media



●叶富康(左起)、曼迪普及曼迪普向政府提交网络购物备忘录。
RONG WAH YIT POH

(吉隆坡4日讯) 全国消费者投诉中心(NCCC)法律及策略执行委员会沙芭娜指出,该中心将向政府提交备忘录,建议政府修订法令,以保障网络购物消费者的权益。

她说,该中心在2014年接获的消费者投诉中,网络购物占大多数,达7641宗,而这些案例所损失的总高达百万令吉。

她没有收到货品、交货失败、退款等说明不齐全、货品损坏、低劣品质、货不对办,以及没有清楚列明投诉管道等。

她说,由于以消费者地位,该中心认为有必要更加关注网络购物所引发的问题,并及时予以修正。

沙芭娜指出,由于马来西亚在网络购物上的法律不够与时俱进,因此,他们决定在农历新年后向政府提交备忘录,要求政府修订过时的法律,并让人们知道他们在法律上的权利。

她补充,他们也将向人民提交网络购物消费指南,希望人民可以通过指南了解网络购物所注意事项及他们的权益,以避免受

6 news

'Most grouses from online shoppers'

Complaints centre says undelivered, damaged and dubious-quality products, among the common grievances

story, photo and video by GRACE CHEN

gracechen@stn.com.my

SEVEN thousand six hundred and forty-one. That's how many complaints the online shopping industry garnered at the National Consumer Complaints Centre (NCCC) in 2014.

This makes it the sector with the highest number of complaints in the 2014 NCCC annual consumer complaints report, said its legal and policy executive Daniel Yap.

Undelivered goods, damaged products and dubious quality make up the list of consumer grievances. Many have also fallen prey to scams.

Mandeep Singh, one of the centre's legal executives, tells of customers who thought they were buying genuine designer brands but were delivered fake goods instead. The buyers only realised they had been cheated when attempts to contact the seller came to naught.

"These sellers don't have a physical office. They can change their contact numbers the very next day," said Mandeep.

To avoid these pitfalls, he advised consumers to carry out their own due diligence before clicking on "buy".

"Know the product. If it's too cheap, chances

are high that the seller may not even have the product in hand to start with. Investigate the company. See if it's legitimate. If you can go directly to the seller and inspect the product, even better. Meet at a place so you can check to see if the product is genuine and if it meets your expectations. Only then do you agree to the transaction," he said.

Cash-on-delivery is the best way consumers can safeguard themselves when it comes to online shopping, said centre legal and policy executive Shuhana Nasser Ahmad.

"This is the best arrangement because the buyer would be able to see the goods before making payment," she said.

This agreement also saves customers from disappointment as sometimes, there is a risk that the real thing may not be what is advertised.

To protect Malaysian consumers, NCCC will be drafting a memorandum to the Government to amend outdated laws and to educate consumers on their rights in the e-commerce sphere.

Coming in second place after online shopping, is the general consumer products sector. Televisions, refrigerators and air conditioners fall in this category. Post repair services make up a majority of complaints here. Taking third place is the telecommunications sector where billing disputes have been cited as the major cause of consumer discontent.

The National Consumer Complaints Centre is a non-profit organisation. You may reach them at 03-7877 9000.



消費者投訴中心建議修法 向外國網購也應獲保障

【八打灵再也4日讯】全国消费者投诉中心(NCCC)指出,该中心将向政府提交备忘录,建议政府修订过时的法律,以保障网络购物消费者的权益。

她说,该中心在2014年接获的消费者投诉中,网络购物占大多数,达7641宗,而这些案例所损失的总高达百万令吉。

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她补充,他们也将向人民提交网络购物消费指南,希望人民可以通过指南了解网络购物所注意事项及他们的权益,以避免受



多巴特(中):网络购物的风潮网络必须获得重视,包括修改过时的法令。左为叶富康,右为曼迪普。

消費者的網上購物指南

- 避免网购有风险功能解除的产品
- 确定对方是否为马来西亚公司或合法的合格公司;也即能要求马来西亚公司委员会以确认对方是否为合法公司
- 支付时选择更好的方法,在付款前,先向卖家索取,并索取收据,消费者可直接退货,不需付款
- 若卖家不回应,消费者可立即报警
- 如果卖家提供的价格过低,有可能卖家没有实际的产品或只是虚报价格,因此需要了解卖家的信誉,比较价格再做出决定,以免受骗

东方日报 2015年1月14日 星期四

生活资讯 / 同学会 L05



货物出门不退换?

一搬到商店购物时, 就会看到不少商家打出「货物出门, 恕不退换」(Goods sold are not refundable) 的告示, 究竟买到不对应的商品, 是否真的无法退换? 消费者该如何应对?

Q 经常看到商家在收银台打出「货物出门, 恕不退换」, 消费者买了商品, 是否真的无法退换?

A 商家打出「恕不退换」, 并不表示「恕不退换」。消费者买了商品, 商家并没有义务退换, 但消费者可以要求退换。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 「货物出门, 恕不退换」是否合法?

A 「货物出门, 恕不退换」, 这个告示并不违法, 但商家没有义务退换。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 消费者买到不对应的商品, 可以要求退换吗?

A 无论「货物出门, 恕不退换」的告示, 消费者买到不对应的商品, 都可以要求退换。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 万一消费者买到不对应的商品, 在退换时遇到商家, 该怎么办?

A 商家拒绝退换时, 消费者可以要求退换。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 商家拒绝退换时, 消费者该怎么办?

A 商家拒绝退换时, 消费者可以向消费者委员会投诉。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 是否有对退换货物品及不退换货物品的区分?

A 商家在退换货物品及不退换货物品的区分上, 应该要有明确的告示。

Q 消费者在退换货时应该注意什么?

A 消费者在退换货时应该注意什么? 消费者应该注意什么? 消费者应该注意什么?

Q 现在流行送货上门服务, 商家拒绝退换货, 该怎么办?

A 商家拒绝退换货时, 消费者可以向消费者委员会投诉。如果商家拒绝, 消费者可以向消费者委员会投诉。

Q 对于退换货的问题, 是否有相关法律?

A 对于退换货的问题, 是否有相关法律? 消费者应该注意什么? 消费者应该注意什么?

Q 商家拒绝退换货时, 消费者该怎么办?

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消费人投诉案日增 Guang Ming DAILY 建议修令保障“网购”权益

【八打尼再电4日讯】基于“网购”投诉案日增, 连续2年成为全国消费者投诉中心(NCCC)投诉案件的特首, 因此中心将拟定备忘录, 建议修定网购法案, 包括把从外国网站购物也列入保护范围内, 以加强保障消费者的权益。

中心法律及政策执行员廖巴德强说, 备忘录可在农历新年后拟好, 并会尽快给政府。“中心也会推出网购消费指南小册子, 以教导消费者正确使用网络购物。”

他说, 中心2014年接获的电子商务(E-commerce)的投诉案件多达7641宗, 涉及的款项达百万令, 是2014年接获最多的投诉案件。“2015年的报告尚未出炉, 但依统计, 高居榜首的依旧是涉及网购的投诉案。”

他提到, 这些投诉案中, 没有收到货品或交货失败的投诉案最多。“2014年, 投诉没有收到货品的案件就占了51.9%; 接着是退款和退货的投诉, 占19.1%; 品质低劣(8.1%), 欺骗(7%), 违约(6.4%)及网上付款(3.3%)。

叶开富说, 网购消费者权益, 消费者委员会、政府、前修法律及政策执行员廖巴德强说, 备忘录可在农历新年后拟好, 并会尽快给政府。“中心也会推出网购消费指南小册子, 以教导消费者正确使用网络购物。”



Waranti boleh dilanjut jika kenderaan kerap rosak

Komentar



Dr Marimuthu Nadason

President Gabungan Pensuara Persatuan Pengusaha Malaysia (FONCA)

Adakah kenderaan anda sering mengalami kerosakan? Memang menjadi kebiasaan bagi pemilik kenderaan untuk mengalami masalah kerosakan kenderaan selepas tempoh tertentu. Biasanya kenderaan itu akan dihantar ke bengkel untuk dibaiki. Mereka juga mungkin terpaksa membelanjakan wang untuk membaiki kereta itu, jika tempoh jaminannya tamat.

Pada 2014, aduan tertinggi yang membabitkan nilai kerugian sektor automotif dan khs bengkel kenderaan. Sektor ini menerima 3,492 aduan membabitkan kerugian RM425,112,532.50. Jumlah aduan ini meningkat pada 2015 sebanyak dua kali, dan menunjukkan masalah yang dihadapi dengan baik. Antara aduan yang sering

terima Pusat Khidmat Aduan Pengguna Nasional (NCCC) ialah kotak gear rosak, waranti tidak dipatuhi, mengambil masa lama membaiki kenderaan, pembaikan tidak sempurna, alat ganti palsu. Walaupun dibayar untuk alat ganti, tuler, deposit tidak dipulangkan dan sebagainya.

Pengadu mempunyai hak untuk membaiki kenderaan yang selamat, bebas daripada sebarang kecacatan atau rosak. Ini adalah satu jaminan terasir dinyatakan dalam

bayar untuk membaiki kenderaan. Jika pengadu tidak puas hati, pengguna boleh minta supaya syarikat pengedar atau pengeluar kenderaan untuk memberi lanjutan waranti jika masalah berlaku lebih dua kali.

Wujud syarat terasir
Selain Akta Pengguna 1999, ada akta lain yang boleh digunakan untuk melindungi kepentingan pengguna.

daripada perhai itu (sama ada ia adalah pengeluar atau pengedar atau pengedar, wujud satu jaminan terasir bahawa barang itu adalah daripada kualiti yang boleh dipertanggungjawabkan. Ada beberapa cadangan yang boleh dilaksanakan oleh kerajaan mengenai masalah kerosakan kereta baharu ini. Antaranya, memperkenalkan undang-undang lemon. Undang-undang lemon telah digalib beberapa negara untuk melindungi pengguna da-

Product recall system needed

Sunday, 29 May 2016

The star online

A MORE effective and specific product recall system, similar to the one in EU, to better protect consumers from faulty and potentially dangerous products.

Malaysian Association of Standards Users technical policy (product safety) Asyikin Aminuddin says such a system is important to help consumers identify products to avoid.

"The system should also be easy for consumers to refer to by having a user-friendly recall list uploaded online," she says.

Nur Asyikin adds that the European Commission's Rapid Alert System enables about dangerous products found in the market to be exchanged among countries.

The European Commission also updates a list of alerts on products reported authorities every week.

"The association wants such a product recall system because it is very important to protect consumers from faulty and potentially dangerous products."

30 | Setempat

RM40,000 dilari ejen jongkong emas

Pekerja cari gali minyak putih mata terpengaruh potongan harga 30 peratus



Seorang pekerja cari gali minyak putih mata terpengaruh potongan harga 30 peratus. Pekerja cari gali minyak putih mata terpengaruh potongan harga 30 peratus. Pekerja cari gali minyak putih mata terpengaruh potongan harga 30 peratus.

Mainan elektrik tiada pengesahan SIRIM

Kita boleh belajar banyak perkara dari sini. Kita boleh belajar banyak perkara dari sini. Kita boleh belajar banyak perkara dari sini.

Kita boleh belajar banyak perkara dari sini. Kita boleh belajar banyak perkara dari sini. Kita boleh belajar banyak perkara dari sini.

Harga runtuh akhir tahun

Rakyat akan akhir tahun. Rakyat akan akhir tahun. Rakyat akan akhir tahun.

Rakyat akan akhir tahun. Rakyat akan akhir tahun. Rakyat akan akhir tahun.

"Only when problems occurred and they had it checked at the service centre or repair shop did they realise that the items were not genuine," she says, adding that there have also been complaints of batteries overheating or their cases bulging.

According to the NCCC's 2014 Annual Consumer Complaints Report, the number of complaints regarding electronics and telecommunications increased from 26.9% in 2013 to 31.1% in 2014.

Among the complaints received were that brand new mobile phones and cameras that did not work.

Shabana advises consumers to demand for a refund or replacement of their right to do so.

"If merchants refuse to comply with the request, complainants can approach the Consumer Claims Tribunal, the Domestic Trade, Co-operation and Consumer Affairs Department or the NCCC at nccc.org.my," she says.

New Straits Times - 29 Jan 2016

The scammers target jobseekers from overseas using the promise of huge salaries, work permits and paid travel to entice victims to part with their money. Sometimes the victims are very smart people who fall for the scam in a moment of weakness. Job scammers can put up a website mimicking the site of a real employer. Their websites are so similar to the legitimate site that even smart jobseekers will find it difficult to differentiate between a scam and a genuine job opening.

To avoid being victims of these scammers, jobseekers must reject any offer that requires them to pay a fee in advance. No legitimate company or recruiter will ask for money upfront. Job scammers typically do not have a company's website and contact details.

However, if they have a fake company's website then compare the contact number with the official company's website.

A recruiter or company that corresponds through a free email account such as Yahoo, Live, Hotmail or Gmail is very likely a scammer. Legitimate job-related emails will come from corporate email accounts.

Any job offer without an interview is most probably a scam. A reputable company will never offer a job without interviewing the prospective employee.

Jobseekers receive offers for positions they did not apply for. This is a common tactic used by scammers to lure victims into a scam.

Scammers often use a proper job description and where experience or qualifications are required.

Scammers often use the promise of a high salary to lure victims who are willing to do anything to get rich the easy way.

Scammers often use the promise of a high salary to lure victims who are willing to do anything to get rich the easy way.

Sedia kemudahan lengkap, selesa tarik rakyat bekerja di restoran

KUALA LUMPUR 7 Feb. - Pengusaha restoran India Muslim dicadangkan agar menyediakan kemudahan yang lengkap dan selesa untuk menarik minat rakyat bekerja di restoran-restoran tersebut.

Ahli Lembaga Pemegang Amanah, Pusat Khidmat Aduan Pengguna Nasional (NCCC), Muhammad Shukani Abdullah berkata, antara usaha yang boleh dilakukan adalah dengan menambatkan bakul persekitaran restoran.

Katanya, perkara tersebut boleh dipertimbangkan oleh pengusaha restoran berikutan peningkatan kadar levi yang perlu ditanggung sekiranya mengajal pekerja luar. "Selain itu, ia diyakini menjadi satu platform dalam usaha membantu rakyat tempatan mendapatkan pekerjaan kerana ramai dalam kalangan mereka tidak mempunyai pekerjaan yang tetap pada masa ini. "Jika alasan rakyat tempatan tidak mahu bekerja di situ disebabkan cuaca panas atau tidak selesa, pengusaha perlu tangani perkara itu dengan baik agar ramai pekerja

Kenaikan levi: Makanan di restoran India Muslim akan turut meningkat

KUALA LUMPUR 6 Feb. - Pengusaha restoran India Muslim sudah bersedia untuk menghadapi kenaikan levi yang akan dikenakan kepada makanan di restoran-restoran tersebut. "Kami akan menyesuaikan harga makanan kami dengan kadar levi yang akan dikenakan," kata Muhammad Shukani Abdullah, Ahli Lembaga Pemegang Amanah, Pusat Khidmat Aduan Pengguna Nasional (NCCC).

Katanya, perkara tersebut boleh dipertimbangkan oleh pengusaha restoran berikutan peningkatan kadar levi yang perlu ditanggung sekiranya mengajal pekerja luar. "Selain itu, ia diyakini menjadi satu platform dalam usaha membantu rakyat tempatan mendapatkan pekerjaan kerana ramai dalam kalangan mereka tidak mempunyai pekerjaan yang tetap pada masa ini. "Jika alasan rakyat tempatan tidak mahu bekerja di situ disebabkan cuaca panas atau tidak selesa, pengusaha perlu tangani perkara itu dengan baik agar ramai pekerja

beberapa pekerja asing kepada dua minggu lalu, kerana mereka sudah bersedia untuk menghadapi kenaikan levi yang akan dikenakan kepada makanan di restoran-restoran tersebut. "Kami akan menyesuaikan harga makanan kami dengan kadar levi yang akan dikenakan," kata Muhammad Shukani Abdullah, Ahli Lembaga Pemegang Amanah, Pusat Khidmat Aduan Pengguna Nasional (NCCC).

Katanya, perkara tersebut boleh dipertimbangkan oleh pengusaha restoran berikutan peningkatan kadar levi yang perlu ditanggung sekiranya mengajal pekerja luar. "Selain itu, ia diyakini menjadi satu platform dalam usaha membantu rakyat tempatan mendapatkan pekerjaan kerana ramai dalam kalangan mereka tidak mempunyai pekerjaan yang tetap pada masa ini. "Jika alasan rakyat tempatan tidak mahu bekerja di situ disebabkan cuaca panas atau tidak selesa, pengusaha perlu tangani perkara itu dengan baik agar ramai pekerja

THE STAR, TUESDAY 1 NOVEMBER 2016

Refer maid complaints to the NCCC

To cope with the increasing cost of living, many households today are two-income families with the husband and wife both working. To manage their homes, including taking care of the children, families hire maids.

These days, though, it is not only expensive but also problematic to employ maids.

The National Consumer Complaints Centre (NCCC) continues to receive a lot of complaints on the issue of hiring maids. Loss suffered by consumers due to problems with their maids amounted to more than RM2m in 2015.

The most common issue is of the maid running away, which entails getting a replacement for which the consumer has to pay an additional fee. This is because of the unfair nature of the contract between the consumer and the maid agency where, if the maid runs away within three months (or

depending on the time frame stated in the contract), the owner has to pay additional fees.

The agreement between the maid agency and the consumer appears to be one-sided and favours the former. Many maid agencies only provide three months' warranty in the case of runaway maids. Once the warranty period expires, the agencies will not take responsibility for any liability or obligations arising.

Another major complaint by consumers is the poor service provided by some maid recruitment agencies. It appears that the maid is often incompetent in doing domestic chores or caring for a child. Furthermore, if consumers want another maid in exchange for the incompetent one, they have to wait for long periods. They are not even told how long they have to wait and the reasons cited for the delay include the need to apply for

visas, medical vetting and various immigration issues.

In some cases, consumers who get fed up of waiting will ask for a refund. Some complaints received by the NCCC are lodged against agencies that refused or were reluctant to comply with the request for a refund.

From the complaints seen by the NCCC, it looks like the agencies have been stating terms and conditions which only protect their own interests and liability. Therefore, consumers are advised to read the terms and conditions thoroughly to ensure they get a fair deal.

Those who are facing problems of this nature or have any questions are advised to get in touch with the NCCC at www.nccc.org.my or call 03-78769000.

SHABANA NASEER
National Consumer Complaints Centre

Be on the lookout for scams

Friday, 29 January 2016

A SCAM is defined as a dishonest scheme or fraud. While there are many types of scam committed in Malaysia, the top two currently are job scams and love scams.

In 2015, almost RM200mil were reported lost in scams. Technology and the Internet are catalysts in scamming people. The perpetrators carry out their scams online because it is easier to track them since they would certainly use a fake identity and fake profile picture.

Love scammers normally take advantage of people looking for romantic partners on websites, apps or social media by pretending to be prospective companions. They play on the victims' emotions to get the victims to provide money, gifts or personal details.

A love scam is not easy to detect since there are lots of people chatting online and finding love through online dating sites. However, there are a few signs to look out for.

The scammer is quick to share pictures of himself/herself, even within hours after starting the chat. But most of the pictures would be photos of models or friends of the scammer. In Malaysia, the love scam is also known as African scam because the scammers are mainly from Nigeria, Uganda, Zimbabwe, Liberia, Sierra Leone and Ivory Coast. These scammers normally use fake profile pictures of good-looking Europeans.

Praise for RM50,000 fine for misleading ads

Tarrence Tan
| March 28, 2016

National Consumer Complaints Centre says misleading ads on electronic media are among the most common complaints it receives.

PETALING JAYA: The National Consumer Complaints Centre (NCCC) has hailed the decision to curb misleading advertisements on electronic media by slapping a RM50,000 fine.

NCCC Legal and Policy Executive Shabana Naseer Ahmad said such measures and guidelines announced by the Malaysian Communications and Multimedia Commission (MCMC) earlier today, were important, noting that misleading advertisements were one of the issues the centre dealt with.

"Most of the consumers are getting cheated. Now that they are going to take action, it is a very good move."

"Stricter action needs to be taken and I'm glad the MCMC has addressed the issue when contacted."

Shabana also revealed that she had in the past forwarded the complaints to the relevant authorities for action to be taken.

Earlier today, The Star reported that MCMC's decision to impose heavy fines on misleading advertisements promoting health and slimming products.

Communications and Multimedia Content Forum of Malaysia (CMCF) executive director Mohd Mustaffa Fazil Mohd Abdan told the English daily that vitamins were often marketed as miracle loss products.

She estimated that the actual losses suffered were much higher than indicated in the data because not all affected shoppers would have lodged complaints against online merchants.

"Many consumers are ignorant of their rights," she said. "Many also do not realise the potential problems that can arise from e-commerce. They fail to understand that any contract becomes enforceable once they have agreed to its terms and conditions."

She said NCCC would be submitting a memorandum to the government to suggest amendments to outdated laws and to call for a campaign to educate online shoppers on their rights.

NCCC will also be publishing guides on online purchasing.

"Brochures containing simple guidelines and best practices to be adopted in order to avoid becoming victims will be circulated to the public," Shabana said.

Malaysiakini- 25 August 2016

Is it safe to shop online?

With the fast-growing technology that is taking place currently, the Internet has become a tool for consumers to gather information, make purchases at any time, compare prices and above all, save all the hustle and bustle of the city from going through the bad jam just to get to a shopping mall.

It is undeniable to say that the number of online shoppers is steadily increasing and will continue to increase with the increasing number of computers and the availability of Wifi, hotspots and broadband. Thus emerges the group called e-consumers.

FMT, 4 February 2016

Online shopping is risky business, says NCCC



The centre will suggest amendments to outdated laws and a government campaign to educate online shoppers on their rights.

NCCC PETALING JAYA: The National Consumer Complaints Centre (NCCC) is seeking improved legal protection for online shoppers as one of several measures aimed at reducing the risks involved in e-commerce.

NCCC Legal and Policy Executive Shabana Naseer Ahmad told a press conference today that the bulk of complaints received by the organisation in the last two years concerned experiences with online shopping.

"It looks like the risk associated with online shopping is higher compared to traditional shopping," she said.

"We received 7,641 complaints in 2014 involving losses amounting to millions of ringgit. We're in the midst of preparing the data for 2015 but I can assure you that the highest number of complaints we received were still regarding e-commerce and our forecast is that it will be the same for 2016 as well."

The data for 2014 showed that the top three complaints pertaining to online shopping were late delivery of purchased goods (51.8%), problems associated with returning wrongly described or faulty products (19.1%) and poor product quality (8.1%).

According to Shabana, in some cases the products weren't delivered at all.

But online shopping is that besides comparing prices and avoiding the jams, it offers more choices offered by online retailers. Not just within Malaysia, but also the goods outside of the country with great discounts. Besides that, who would not be ordered to be delivered right at our doorstep?

It is to be that there are many good reasons allowing consumers to shop online, if the coin says otherwise. There are, however, risks associated with online shopping. One has to take care with what you are buying, from whom, and how you pay for your purchase, which is unknown to many out there.

The National Consumer Complaints Centre (NCCC) has received just too many complaints back to back to the e-commerce sector and this has topped the complaints compared to the other sectors.

In 2014, the centre received 7,641 complaints with total loss amounting to RM2 million, and in 2015, it received 7,692 with losses amounting to RM4 million. Compared to 2014, the number of complaints in 2015, which indicates that not only are people shifting from the traditional shopping, but that there is a need for consumers to be vigilant when buying online.

One of the most common complaints we have received are on non-delivery of goods purchased. Despite the fact that the time line of the delivery which is usually in the span of two (2) weeks, to the consumer, the product was not delivered and some were delivered at a much later date.

Another common complaint is the complainant being cheated by receiving fake equipment being unable to get a refund from the merchant has been the common trend we have received at NCCC.

Some of the common complaints are:

1. Avoiding online shopping scams:

2. Products advertised on websites that do not give a clear description of their quality.

3. A company is registered before buying, you can verify the business address or telephone number with the Companies Commission of Malaysia (SSM);

4. Understand the terms and conditions of purchase - whether you can return the goods or how many days;

5. Check and inspect your goods as soon as they arrive, and if you find out that there is a problem, notify the seller immediately;

6. Late delivery;

Malaysiakini- 25 August 2016

If the price offered was too low, there can be a possibility that the seller does not have the items or the online retailer is trying to sell you a fake item. You need to know about the latest market price of the item that you want to buy;

Do not be afraid to ask common questions before you decide to buy.

The rapid increase of e-commerce needs support from the law in order to build trust and confidence among the consumers and it needs to keep up with the changes in technology to suit modern business practices. The regulators need to be strict in handling bogus merchants by either revoking the and or shutting down their websites based on the number of complaints received against the company.

While there are legitimate companies and individuals who are honest in trying to sell their products to consumers, on the other hand, there are still many online retailers out there who are just waiting for the innocent buyers. Whichever way one look at it, it is important to safeguard ourselves and to some simple guidelines as mentioned above in order to avoid being cheated online.

If you are facing the same problem or have any questions, please do not hesitate to contact NCCCC at www.nccc.org.my or myaduan@nccc.org.my / 03-78769000 or shabana.naseer@nccc.org.my

SHABANA NASEER
Senior Manager, legal and policy,
(Fomca/NCCCC).

Published 10 Oct 2016, 6:16 pm Updated 10 Oct 2016, 6:19 pm

Read more: <https://www.malaysiakini.com/letters/358568#ixzz4ZHnSNWby>

To face the increasing cost of living, many families today are two-income families; with both the husband and wife working. To manage their homes then, including taking care of their children, the families hire maids. Yet consumers continue to suffer from the entire maid employment process.

It has indeed become very expensive today to employ a maid. Yet, the National Consumer Complaints Centre (NCCC) continues to receive complaints concerning the issue of hiring maids. The monetary loss by consumers due to their maid problems was more than RM2 million in 2015.

The most common issue is that of the maid running away. And then in order to get a replacement, the consumer had to pay an additional fee. This is because of the unfair nature of the contract between the consumer and the maid agency that is if the maid runs away within a span of three month (depending on the time frame stated in the contract) the owner has to pay additional fees.

It appears to be that the agreement between the maid agency and the consumer are one-sided and it's favouring the maid agencies. Many maid agencies only provide three (3) months warranty in cases of runaway maids. Once the warranty period lapse, these agencies will not take any responsibility for any liability or obligations arising thereafter.

Another major complaint by consumers is the poor services of the agency in handling the maid recruitment. It appears that very often the maid provided by the agency was incompetent in undertaking the household work or caring of a child.

Further, if due to the incompetency of the employed maid, the consumers seek for an exchange of the maid, the complainant has to wait for long periods and no time frame was given. The reason given is that the delay is because of the need to apply for visa, medical report, and immigration issues.

Due to this delay, often the complainant will seek for a refund and in some cases received by the NCCC, the agencies refused or were reluctant to comply with the complainant's request for a refund.

From the complaints received by NCCC, it appears to be as if there is no basic agreement to fall back on and the agencies have been stating their own terms and conditions which only have the effect of protecting their own interests and liability. Therefore, consumers are advised to read the terms and conditions thoroughly to ensure they understand the terms and negotiate to get a fair deal.

If you are facing the same problem or have any questions, please do not hesitate to contact NCCC at myaduan@nccc.org.my/www.nccc.org.my/03-78769000

Malaysiakini-

Beauty centres are not that beautiful after all

In 2014, according to the National Consumer Complaints Centre (NCCC), the number of complaints under wellness and aesthetics sector were 1,359, with losses amounting to over RM1 million. Worrying is that in 2015, the complaints under this sector has increased to 1,848 with losses of over RM1 million.

On a daily basis, consumers are bombarded with advertisement inviting them to use products that would make them beautiful. Becoming beautiful can be terribly expensive nowadays, in which consumers are willing to fork out thousands of dollars to achieve it. Unfortunately, the results did not turn out the way they expected it to be.

There has been a rise in the number of complaints according to the National Consumer Complaints Centre in recent years over beauty centres and the common types of complaints received are sales personnel using aggressive sales tactic, undue pressure to the complainants to sign treatments despite the fact that the complainant didn't want to and or needed more time to think.

Difficulties in obtaining refunds upon terminating the contract is very common and despite the fact that the complainant could not proceed with the treatment due to allergic or other more serious reasons, the company does not wish to negotiate further.

Often, consumers claim that the beauty consultants are very convincing in trying to sell them products to the extent of allowing them to think that their skin was actually getting better and giving false promises to boost their self-esteem.

However in reality, some of the products as claimed by the complainants have caused allergic reactions on their skin and did not show any improvements even after months of using their products. There are cases whereby the branch has closed down without informing their existing consumers, causing the complainant to be terribly upset, apart from monetary loss.

The bigger responsibility is on the regulators that should monitor the wellness centre activities and regular inspection upon receiving complaints over the beauty centre and to take proper action against aggressive sales tactics. However, NCCC strongly believes that the public play an important role in urging consumers to be aware and to think twice before signing up for any treatment/procedure. Unlicensed treatments can be dangerous and hazardous to health.

Here are some tips to avoid being scammed:

1. Learn to say NO. You can't buy a product just to please anyone or feeling fear of offending. If you need time to think about it, then say no in a polite manner and be firm about it.
2. Make sure to check the background of the company. Whether they are registered and licensed before they could carry out any procedure. Whether the company is registered, you may contact the Companies Commission of Malaysia (CCM).
3. Before signing up for any sort of treatment, consumers must read the terms and conditions of the contract. Consumer should never sign a contract without reading, sign any blank paper or give out their credit card details.
4. Do consult with friends and family before deciding, and use your own judgment to make your own decision and should not be fooled by some selling methods used by the sales personnel.
5. Do lodge a complaint immediately upon receiving a bill.

If you are facing the same problem or have any questions, please do not hesitate to contact NCCC at myaduan@nccc.org.my / 03-78769000

Time for reliable billing system

CONSUMERS would get outrageous charges of utility bills on occasions. In 2006, a Malaysian man was reported to have received a bill from a telephone service provider for more than RM806 trillion. It was more than the revenue the company made in a year. When he disconnected his late father's phone line, a factory worker in Taiwan received a shocking RM58,000 electricity bill. It was later discovered that the bill was because of a mistake during keying in the meter. A few years ago, an Internet service provider was also known to charge their customers with bills that could reach thousands of ringgit due to billing mistakes.

The National Consumer Complaints Centre (NCCC) 2014 annual report listed billing disputes as the highest number of complaints that they received related to telecommunications, at 24.1 per cent of the total complaints, while billing

discrepancy related to electricity supply services was reported at 44.1 per cent of the total complaints. It was also reported that the complaints were dominated by unusually high billing charges and other billing disputes. The same disputes are also reported to be high in complaints related to water service providers (20 per cent) and sanitation services (61 per cent).

Customers are often experiencing problems such as inaccurate bills, unclear pricing, complicated bills and payment methods difficulty, unclear information on extra charges, offers or services which often result in overpayment. Not only does this bring burden the customers, the service provider companies are in a way affected by these complaints and lose a lot of valuable resources.

Recently, the International Standards Organisation have come out with a new

standard which is the ISO 14452 Network Services Billing Requirement to meet these global challenges. The standard could serve as a framework for utility services to ensure their customers receive clearly comprehensible, accurate, timely and complete bills. The standard defines the minimum requirements for billing and payment collection, prevents or reduces complaints by tackling key issues, ensures that suppliers assist customers by billing appropriately and consistently, creates and sustains a fairer, longer-term supplier-customer relationship, provides benchmarks for customer expectations, allows for the implementation of smart metering technology and provision of improved customer information and facilitates innovation in billing, enabling suppliers to differentiate their services.

The standard ISO 14452 covers all bills or

statements for utility network services where there is an ongoing account relationship between the customer and the supplier. This standard was developed by a team of experts representing various countries that came out with a solution for the same problem everyone is facing all over the world. With such convenience, it is only logical for related companies to take the advantages and make a difference.

What better way to gain customers confidence on their supplier's performance than to at least provide a reliable billing system especially in some sectors where customers have no varied option in choosing which service provider they are subscribing or using.

CALIDYA IDEM
MALAYSIAN ASSOCIATION OF
STANDARDS USERS

去年消費損失2億多

電子商務投訴居冠

(八打灵再也24日讯) 全国消费者投诉中心 (NCCC) 《2015年消费者投诉常年报告》提及, 该中心去年共接获4万4540宗消费者投诉个案, 损失总额达2亿3376万零348令吉。

马来西亚消费者联合会 (FOMCA) 署理主席莫哈末尤索夫, 今日偕同属下机构全国消费者投诉中心两名法律与政策执行员曼迪星和莎蒂娜召开记者会。

他说, 根据报告统计, 消费者投诉电子商务案列共高达7692宗, 损失为491万5752令吉, 为23项投诉类别中居冠。其他顺序投诉类别是一般消费品、通讯服务、汽车与汽车维修工业、旅游与休闲。

他提到, 其他只有区区数百宗投诉的个案林林总总, 包括消费税、保险、保健服务、教育服务、女佣中介中心、资讯工艺维修服务、法律专业服务及非传统金融服务。

他声称, 当中损失最大的工业是汽车与汽车维修业, 数额高达8106万5376令吉。

电子商务便利普及化

“人们进行电子商务或网购已愈来愈普及, 甚至有关活动已是无孔不入; 相比到商店或市场购物, 消费者通过网购主要为了避开塞车、节省时间。此外, 人们只要在电脑前一个按键就可轻易完成交易, 还可在不同场合进行, 不管是家里或公司, 之后货品还会送上门。”

莫哈末尤索夫促请消费者进行网购时需谨慎, 避免掉入诈骗集团的骗局。

他提到, 大马消费者联合会认为, 执法当局应制定法律管制电子商务诈骗案, 以加强消费者对网购的信心。

他认为, 政府需不时检讨相关方面的法律, 以迎合科技的快速变化, 避免消费者成为不法之徒的牺牲者。(TMJ)



■莫哈末尤索夫 (中) 偕同曼迪星 (左) 和莎蒂娜召开记者会, 公布《2015年消费者投诉常年报告》。

車業再居首失8千萬歷年來3倍

莫哈末尤索夫说, 汽车业与汽车维修工业投诉类别的损失, 自2011年起已高居榜首, 而去年的损失更是再度增长。中心所接获的案例显示, 消费者在此领域的损失最大, 高达8000万令吉, 为历史来的3倍。

曼迪星则拒绝向媒体披露哪一家汽车公司最多投诉, 只表明消费者投诉外国车多过国产车。

全国消费者投诉中心自2004年成立以来, 协助消费者解决不少消费纠纷, 成功解决率高达60至70%。

常故障售後服務不佳

買進口車投訴多

(八打灵再也24日讯) 《2015年消费者投诉报告》指出, 去年电子商务和汽车服务领域接获投诉个案最多, 包括有消费者在购车后, 发现新车经常发生故障, 当中发生故障最多的汽车种类都是进口车。

该中心法律和政策执行员曼迪星指出, 除了上述问题, 有些外国品牌汽车售后服务不佳, 即使进行多次维修, 都未能将问题汽车修好。

“在新车发生故障方面, 消费者在开始使用新买的汽车后, 就会面对许多问题, 譬如引擎故障、零件失灵等, 一些消费者甚至面对投诉无门, 售后服务员工态度不好的情况。”

曼迪星汽车出现故障后, 不但向客户道歉, 甚至还挑战客户做出赔偿, 对此曼迪星希望当局能够协调各部门来协助维护消费者的权利。

“单是掌管汽车事务的部门就有三四个之多, 政府必须统一管理相关部门, 才能有有效的解决相关问题。”

《2015年消费者投诉报告》显示, 汽车领域的投诉额居各领域之首, 达到8106万5376令吉, 为历史来的3倍。



■曼迪星 (左起), 莫哈末尤索夫和莎蒂娜, 推介《2015年消费者投诉报告》。

Malaysiakini- 24 Jun 2016

E-commerce tops list of consumer complaints, says NCCC

Published 24 Jun 2016, 5:50 pm Updated 24 Jun 2016, 6:02 pm



E-commerce transactions top the list of customer complaints the National Consumer Complaints Centre (NCCC) received this year.

"The e-commerce sector recorded a total of 7,692 complaints from 2013," NCCC legal and policy executive launching of the 2015 NCCC Annual Report this morning.

Pembelian secara online catat kes penipuan paling tinggi pada 2015

PETALING JAYA - Penipuan pembelian menerusi talian (online) mencatat kes paling tinggi melibatkan pengguna-pengguna di Malaysia berbanding dengan kes-kes lain bagi tahun 2015.

Presiden Gabungan Persatuan-Persatuan Pengguna Malaysia (FOMCA), Prof Datuk Dr. Marimuthu Nadason berkata, pihaknya telah menerima sebanyak 7,692 aduan mengenai penipuan online tersebut dengan membabitkan kerugian berjumlah lebih RM4.9 juta.

"Antara aduan yang kami terima daripada pengguna yang membeli secara online ini ialah penipuan dalam segi kualiti, produk barangan dan juga urusan penghantaran," katanya dalam sidang akhbar mengenai Pertandingan Kepenggunaan sempena Hari Pengguna Malaysia (HPM) 2016 di pejabat FOMCA di sini, sebentar tadi.

Kes-kes penipuan lain yang melibatkan kerugian tertinggi ialah sektor automobil (RM81 juta, 3,768 aduan), sektor perbankan dan kewangan (RM31.3 juta, 1500 aduan), perkhidmatan kewangan bukan konvensional (RM25.9 juta, 708 aduan), perumahan (RM21.6 juta, 1,704 aduan) dan pelancongan (RM13.3 juta, 3,468 aduan). - K! ONLINE

2015年投訴案類別	宗數	損失總額 (令吉)
電子商務	7692	491万5752
汽車及維修	8374	8106万5376

Malay Mail, 4 Julai 2016

Cars, complaints and consumers: Damned if you do and damned if you don't — Marimuthu Nadason

JULY 4 — The general public has presumably been on their toes lately due to multiple sources of concerns to their safety when driving their cars. Reports of Honda having no stocks of parts to correct the potentially fatal airbag installation in their fleet and several other brands recalling cars due to the same problems are plaguing the media and causing distress to car owners. It looks like Malaysians are stuck between a rock and hard place when it comes to airbags — damned if you do and damned if you don't.

We have been down this road many times. What advice do we give drivers of cars with these airbags? Some say make sure no one sits at the passenger sit next to the driver! What about Should she or he wear a helmet and a bulletproof vest?

The Malaysian Association of Standards Users monitors consumer product recalls and also complaints and recalls related to passenger cars never fail to overwhelm us. Several thousand complaints are received annually totalling millions of ringgit of potential loss to consumers. Complaints are received by the National Consumer Complaints Centre (NCCC). Most complaints related to new cars not performing as intended and brand owners and service centres alike these problems. In addition to poor quality services consumers in Malaysia put up with unsatisfactory which are not taken off the road in a timely manner.

Standards Users is utterly disappointed with both regulators and car manufacturers for the way they protect the general public from unsafe vehicles. We seek to know the one authority in Malaysia to enforce laws that guarantees only safe vehicles are placed on the roads and if at all safety recalls are notified, the general public responds accordingly to get their problems fixed promptly without any additional problems thereafter.

Go to some of the automobile websites and you only find safety alerts (if you are lucky) buried under several promotional information. Recalls are rarely called recalls. They are called service campaigns or product updates by some brand owners websites. There are international guidelines already in place to manage effective recalls. If the same car manufacturers can call recalls as recalls in the US and Singapore why is it called anything but in Malaysia? Why the double standards? Are Malaysians to give an arm and a leg to own cars not qualified to get products which are safe and perform as intended?

Standards Users and consumer organisations are not regulators but we have gone to great lengths to bring the issues and problems related to car safety to the attention of the relevant authorities and manufacturers. We hope the general public will collectively take action to send strong messages to car owners that safety of Malaysian drivers is top priority if their brands is to thrive in Malaysia. We have collectively taken such measures in the not so distant past with one brand of car with gear problems and a telecommunication service provider for poor service plans. Taking collective action is one of the universal responsibilities of consumers globally and getting safe products is one of the eight rights of consumers. Businesses must respect these rights.

* Prof Datuk Dr. Marimuthu Nadason is the president of Malaysian Association of Standards Users.

The sun daily – 4 February 2016

NCCC proposes amendments for consumers-related legislation

Posted on 4 February 2016 - 01:09pm
Last updated on 4 February 2016 - 02:31pm

Adrian Phung

PETALING JAYA: The National Consumer Complaint Centre (NCCC) will submit a memorandum recommending amendments to several consumers-related legislation to relevant government ministries.

NCCC legal and policy executive Shabana Naseer Ahmad said the proposed amendments to the law is to handle the complex nature of e-commerce.

She added it is also to help further strengthen and safeguard the interest of e-consumers in Malaysia.

"The centre has been receiving numerous complaints from consumers, with the number rising annually, especially those related to online shopping," said Shabana during a press conference today.

Citing an example, she said, in 2014 they received 7,641 complaints involving a few million ringgit loss and are expecting the number to be higher for last year.

"Based on complaints, it looks like the risk associated with online shopping is higher as compared to traditional shopping," Shabana said.

The top three complaints received by NCCC pertaining to online shopping are late delivery of purchased goods (51.8%), problems associated with returning wrongly described or faulty products (19.1%), and poor product quality (8.1%).

To overcome these problems, Shabana said, they intend to publish a guideline for consumers on online purchasing which will be distributed to consumers.

"The lemon clause has been implemented in Singapore but there is no provision in our law," he said.

The lemon law, first introduced in the United States, allows purchasers of cars and other goods to be compensated for products that repeatedly fail to meet standards of quality and performance.

The defective products are referred to as lemons and the maximum number of repairs allowed is four.

Utusan Online – 25 Jun 2016

"Kami dapati aduan terhadap pusat kecantikan dan penjagaan badan semakin meningkat pada waktu ini," ujarnya.

Mandeep pula mendedahkan terdapat banyak kes aduan daripada pengguna yang mendapati kereta yang baharu dibeli mereka tidak sempurna serta tidak berfungsi seperti yang sepatutnya.

Katanya, satu daripada aduan mengenai kereta baharu adalah mengenai aksesori yang ditawarkan oleh syarikat penjual kenderaan.

"Paling banyak aduan yang kami terima adalah bagi pembeli kenderaan model keluaran luar negara berbanding kenderaan nasional," ujarnya.

- See more at: <http://www.utusan.com.my/berita/nasional/terima-44-540-aduan-1.346730#sthash.xFuvWlQ8.dpuf>

The Star 25 June 2016

Hefty losses due to car trouble

PETALING JAYA: Consumers who complained about automobiles and unsatisfactory services provided by the auto-workshop industry suffered RM81mil in losses last year.

This group of consumers was just fourth on the list of complainants to the National Consumer Centre (NCCC) but chalked up the highest amount of losses.

Federation of Malaysian Consumers Association (Fomca) deputy president Mohd Yusof Abdul Rahman who released NCCC's annual report yesterday, said online shoppers had the highest number of complaints at 7,692, with an increase of almost 2,000 complaints from 2013.

Overall, consumers lost RM233.8mil last year due to unsatisfactory products and services. This was a triple that of 2014. The complaints came from 44,540 people who reported their grievances to the NCCC.

NCCC is the centre for consumers to lodge their complaints to Fomca. Other major grouses were related to general consumer products, telecommunication services, and the travel and tour industry.

NCCC legal and policy executive Mandeep Singh said the RM81mil losses that consumers suffered to the automobile and auto-workshop industry had gone up more than three-fold compared with previous year.

"The sudden dramatic increase was due to consumers being unhappy with their newly purchased cars and demand to be fully refunded or exchanged for a newer model," he said.

Mandeep said the types of complaints for automobile included empty promises or salesmen who took their money.

As for those who bought new cars, they complained about faulty reverse sensors, engine malfunction and alignment issues, among others.

The operating parts such as brakes and engines kept failing despite numerous efforts to repair the cars, he said.

"Among the complaints we receive are related to safety issues such as the car jerking or vibrating while stalling in the middle of the road, and airbag malfunction," he said.

Other complaints were refusal to refund booking fees or delays in refunding them, counterfeit products and accessories not functioning properly, he said.

"The stiff competition among car manufacturers to make affordable cars has resulted in some using cheaper material and this affected the quality," he said, adding that more complaints came from car purchasers.

Mohd Yusof said a paper had been handed to the Domestic Trade, Cooperatives and Consumer Affairs Ministry and other authorities in April to include the lemon clause so that consumers could get a car replaced after several repair efforts fail.

Help at hand for Rayani Air customers

More than 200 passengers were stranded at Langkawi International Airport after Rayani Air Flight 180 to Kuala Lumpur was cancelled because of technical problems on February 9. — Malay Mail pic

PETALING JAYA, April 11 — Consumer bodies are willing to represent customers of Rayani Air seeking refunds from the airline that suspended operations on Saturday.

Malaysian Consumers Association chairman Datuk Nadzim Johan said those wanting to do so should register with the association.

"This is a small gesture on our part. This way we can speak to the airline owners on their behalf. However, I think the suspension is temporary and if customers are willing to bear with the situation a little longer, Rayani Air's owners will likely ensure they are properly refunded," he said.

Consumers Association secretary-general Datuk Amarjit Singh Gill said legal action would be expensive if undertaken by individuals.

"It would be expensive if you do it yourself," he said, adding the association was not taking the owners of the airline.

Individual legal action is not worth it compared to the relatively small amount of compensation. "I understand Rayani Air is going through a difficult period but so are its owners, especially since this occurred out of the blue," he said.

Terima 44,540 aduan

Utusan Online - 25 Jun 2016

Pengguna hadapi kerugian RM233.76 juta - NCCC

AZMAN IBRAHIM | 25 Jun 2016 1:11 AM



MOHD. YUSOF ABDUL RAHMAN (tengah) bersama Shabana Naeer Ahmad (kanan) dan Mandeep Singh menunjukkan laporan tahunan aduan NCCC dalam sidang akhbar di Kuala Lumpur, semalam. Utusan/SHIDDIQUE ZON

KUALA LUMPUR 24 Jun - Pusat Khidmat Aduan Pengguna Nasional (NCCC) menerima 44,540 aduan daripada pengguna pada tahun lalu dengan nilai kerugian sebanyak RM233.76 juta meliputi 23 sektor perkhidmatan dan perniagaan.

Pengarahnya, Mohd. Yusof Abdul Rahman berkata, jumlah aduan pada tahun lalu meningkat sebanyak 38 peratus berbanding 2009 dan pihaknya menyelesaikan kes-kes yang dilaporkan setiap tahun kira-kira 60 hingga 70 peratus.

Katanya, aduan tertinggi adalah pembelian atas talian yang merekodkan peningkatan hampir 2,000 aduan berbanding tahun sebelumnya.

"Selain pembelian atas talian, aduan-aduan lain yang mempunyai rekod tertinggi adalah pengguna am sebanyak 6,324 aduan, perkhidmatan telekomunikasi (5,922 aduan) dan bengkel (3,816) serta industri pelancongan dengan 3,468 aduan," katanya dalam sidang akhbar dan pelancaran laporan tahunan aduan NCCC dekat sini hari ini.

Yang turut hadir dua Eksekutif Dasar dan Perundangan NCCC, Shabana Naeer Ahmad dan Mandeep Singh.

Shabana semasa membentangkan laporan tahunan itu turut mendedahkan menerima kes penipuan pusat kecantikan dan penjagaan badan yang menipu dengan memberi tawaran percubaan produk atau perkhidmatan secara percuma.

Namun, hakikatnya, pusat tersebut mahu pengguna menjadi pelanggan dengan membelanjakan puluhan ribu ringgit.

Federation of Malaysian Consumers Association president Datuk Marimuthu Nadason was confused as to how Rayani Air could operate without meeting conditions imposed by the authorities.

"If we are asked to, we will contact the Malaysian Aviation Commission to find out precisely what went wrong," he said.

Marimuthu echoed Nadzim and Amarjit's sentiments on the prohibitive costs of individual legal action against Rayani Air, but suggested the Domestic Trade, Co-operatives and Consumerism Ministry's consumer tribunal as an alternative for irate customers.

Meanwhile, lawyer Datuk Arunan Selvaraj said consumers had the right to obtain restitution if providers of services failed to do so.

He said compensation, however, would depend on the circumstances surrounding the issue.

"It is possible for customers who had booked with the airline to take legal action should they be unhappy with ticket refunds," he said.

The country's first and only shariah-compliant airline suspended operations over a pilot strike.



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