



MEDIA RELEASE

20 November 2024

CCCS Warns Foodpanda Over Misleading “Free Delivery on All Restaurants” Claims

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has issued a warning to food delivery platform Delivery Hero (Singapore) Pte. Ltd. (more commonly known by its lead brand “**Foodpanda**”) for its misleading advertisement in a recent advertising campaign for its “Pandapro” subscription service (**the “Advertisement”**).¹ The Pandapro Advertisement promoted “Unlimited Free Delivery on All Restaurants” for the subscription service which ran from 1 July to 30 September 2024 (“**the Advertising Period**”). This was displayed across multiple platforms including Foodpanda’s Instagram page, its in-app marketing, billboards and signages at public areas such as bus stops.

CCCS’s Investigation

2. In August 2024, CCCS commenced an investigation following a complaint on the Advertisement. The Advertisement promised “unlimited free delivery on all restaurants” for Pandapro subscribers. Without any qualifiers, it could mislead consumers into thinking that Pandapro subscribers would enjoy free delivery on all restaurants available on Foodpanda. In fact, in respect of food delivery fees, Pandapro subscribers only received a \$3 discount for all restaurants, or a discount of up to \$6 for selected restaurants.² Contrary to the advertised “free delivery on all restaurants” CCCS found that over 40% of food delivery transactions made by Pandapro subscribers on all restaurants over the Advertising Period required a residual delivery fee to be paid after the discounts were applied.

3. Following the investigation, Foodpanda has acknowledged CCCS’s concern and agreed to take the following actions:

- (a) Provide a full refund of subscription fees to customers who subscribed to Pandapro during the Advertising Period;

¹ Annex A shows images of the advertisement for Pandapro.

² Annex B shows the actual benefits for subscribing to Pandapro.

- (b) Provide clarification to customers who had subscribed to Pandapro during the Advertising Period and the public on the terms of the Pandapro subscription; and
- (c) Review its existing and future marketing materials for Pandapro subscription to ensure compliance with Singapore's fair trading laws.

4. In closing the case, CCCS has issued a warning to Foodpanda. CCCS will not hesitate to take stronger enforcement action against Foodpanda if it engages in any misleading advertisements.

Businesses Should be Careful When Using Absolute Terms like “Free”

5. Businesses must ensure that any representation about the price of a good or service as being “\$0” or “free” is not false or misleading. Any explicit representation must clearly and unambiguously reflect what is offered to consumers. If not, any qualifier, exclusion and incidental cost must be stated prominently together with the “\$0” or “free” claim³ -- a generic disclaimer such as “terms and conditions apply” is not usually sufficient.

6. “When a business offers “free” services to entice the consumer to try a service, it is not unreasonable for an average consumer to understand “free” to mean that nothing will be charged. It is crucial that businesses ensure that their claims are accurate. Transparent pricing is crucial for consumers to make informed purchases and to allow all businesses to compete fairly,” said CCCS’s Chief Executive, Mr. Alvin Koh.

7. Members of the public who encounter similar cases of unfair trade practices in relation to advertisements may contact the Advertising Standards Authority of Singapore (ASAS)³ to have them reviewed. For more information, please visit <https://asas.org.sg/feedback/online-complaint> or call 6461 1888.

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³ Paragraph 3.4.2 of CCCS Guidelines on Price Transparency

About the Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop or prevent anti-competitive activities, and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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Annex A: Advertisements on Pandapro subscription



Fig. 1: Foodpanda's Instagram Story
(Captured on 6 Sep 2024)



Fig. 2: Foodpanda's bus stop signage advertisement
(Captured on 7 Sep 2024)

Annex B: Pandapro subscription benefits listed in Foodpanda App

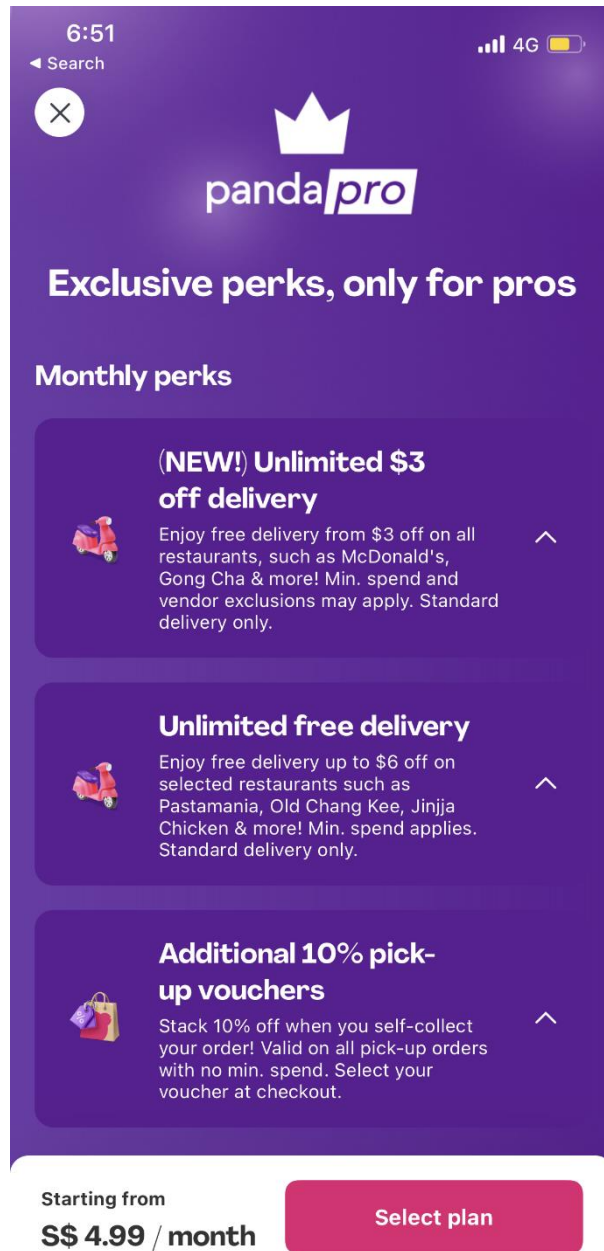


Fig. 3: Landing page for Pandapro subscription in Foodpanda App

(Captured on 26 Sep 2024)