

MEDIA RELEASE

19 April 2019

SG Vehicles to Cease Unfair Trade Practices

1. By parties' mutual agreement, the State Courts have made an order for the SG Vehicles group of companies¹ ("SG Vehicles") and their director, Ms. Tan Whye Peck, Juliet ("Ms. Tan"), to stop engaging in unfair trade practices under the Consumer Protection (Fair Trading) Act (Cap 52A) (the "CPFTA"). The Court Order takes effect from 18 April 2019.

Background

2. SG Vehicles were first placed under the Consumers Association of Singapore's ("CASE") Company Alert list in December 2015 and again, in July 2017, due to rising consumer complaints against them despite efforts by CASE to resolve these complaints through negotiation and mediation. From January 2015 to November 2017, CASE received a total of 92 complaints against SG Vehicles.
3. Specifically, these complaints cited misrepresentations over the terms and conditions of the sale agreement, mainly relating to the delivery dates of motor vehicles and the bidding for Certificates of Entitlement ("COE"). In several cases, consumers also reported being required to make additional payments due to a change in circumstances beyond their control. In July 2017, CASE requested for SG Vehicles to sign a Voluntary Compliance Agreement² to stop engaging in unfair trade practices, but SG Vehicles declined to do so.

Court Order

4. SG Vehicles did not dispute CCCS's investigations of the complaints against SG Vehicles which revealed evidence of unfair trade practices under the CPFTA. By parties' mutual agreement, the Court Order was issued, following an injunction application filed by CCCS against SG Vehicles with the court on 19 December 2017. Specifically, the Court Order prohibits SG Vehicles, whether by themselves, their directors, servants, agents or otherwise from:
 - (a) engaging in unfair practices under the CPFTA;
 - (b) doing or saying anything, or omitting to do or say anything, if as a result a consumer might reasonably be deceived or misled into believing that the purchase price and/or COE is/are fixed or guaranteed;

¹ SG Vehicles comprises the following entities: SG Vehicles Asia Private Limited, SG Vehicles Continental Private Limited, SG Vehicles Global Private Limited and SG Vehicles Trading.

² Voluntary Compliance Agreement (VCA) is a non-litigious alternative to an errant retailer before the retailer faces an injunction application in court. Under the CPFTA, CASE is empowered to enter into a VCA with errant retailers, following unsuccessful negotiation and/or mediation with the errant retailers. Errant retailers entering into a VCA will agree in writing to stop the unfair practice and in some cases, offer compensation to affected consumers or tourists.

(c) making any false claim to a consumer as to any guaranteed delivery date of a motor vehicle; and

(d) taking advantage of a consumer if the supplier knows or ought reasonably to know that the consumer is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction.

5. The Court Order also requires SG Vehicles to install a prominent sign outside their shopfront(s) stating the full text of the Order, for a period of six months from the date of the Order, and notify CCCS of any changes related to their businesses, such as changes to the premises or number of premises which they operate; corporate changes such as the conversion from a firm or company to a limited liability partnership; and in respect of Ms. Tan, the status of her employment, directorship and partnership.
6. The Court Order does not require SG Vehicles to cease its business operations. SG Vehicles are not prohibited from carrying on their businesses, and all existing sales agreements they had made with their customers remain valid and legal binding and must be honoured. Should SG Vehicles fail to do so, consumers can contact CASE for assistance at the hotline 6100 0315 or www.case.org.sg. In addition, consumers can take civil action via the Small Claims Tribunal. Please refer to **Annex A** for tips for consumers purchasing a motor vehicle.

Top Industries with Consumer Complaints

7. In 2017, the motoring industry ranked as the top industry with the highest number of consumer complaints (2,335) received by CASE. In 2018, the beauty industry overtook the motoring industry as the number of complaints against the latter decreased by over 20% (from 2,335 to 1,802). CASE received 1,829 complaints against the beauty industry in 2018, a 31% increase from 2017. 44% of the beauty complaints received were related to loss of consumers' prepayments due to abrupt business closures, and aggressive sales tactics used on consumers, such as coercing and following consumers to obtain monies for the payment of services.
8. CCCS is monitoring the beauty industry closely. Businesses in the beauty industry are reminded that it is an unfair trade practice to take advantage of a consumer by exerting undue pressure or undue influence on a consumer to enter into a transaction, or to charge a price that is substantially higher than the estimate earlier provided to the consumer, except where the consumer has expressly agreed to the higher price in advance. It is also an unfair trade practice to omit disclosing a material fact to a consumer, mislead a consumer on a material fact such as price, or demand payment for the supply of unsolicited goods or services.
9. Besides the beauty industry, CCCS is also investigating into consumer complaints into other industries such as e-commerce and food & beverage.
10. The majority of retailers in Singapore are legitimate businesses who want to serve their customers well. However, there are a small number of errant retailers who persist in unfair trade practices. CCCS will not hesitate to take action against persistent, errant businesses. It is also important for consumers to know their rights and be alert to unfair trade practices so that they can better safeguard their interest. CCCS will continue to raise general awareness of unfair trade practices among businesses and consumers.

About the Competition and Consumer Commission of Singapore

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 (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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

For media clarifications, please contact:

Ms. Nawwar Syahirah
Senior Assistant Director
Communications
Competition and Consumer Commission of Singapore
Email: nawwar_syahirah@cccs.gov.sg
DID: 6325 8313

Ms. Grace Suen
Senior Assistant Director
Communications
Competition and Consumer Commission of Singapore
Email: grace_suen@cccs.gov.sg
DID: 6325 8216

Annex A

Infographics enclosed – 6 Smarter Ways to Buy a Motor Vehicle

Annex B

ROLES OF AGENCIES UNDER THE CONSUMER PROTECTION (FAIR TRADING) ACT

The Consumers Association of Singapore (CASE) and Singapore Tourism Board (STB) remain the first points of contact for local consumers and tourists respectively to handle complaints. They will assist in obtaining redress and/or compensation through negotiation and/or mediation. Errant retailers may enter into a Voluntary Compliance Agreement (VCA) with CASE or STB, where they will agree in writing to stop the unfair practice, and compensate affected local consumers or tourists. Errant retailers who persist in unfair trade practices will be referred to Competition & Consumer Commission of Singapore (CCCS) for investigation and follow-up actions.

CCCS is the administering agency for the CPFTA and has investigative and enforcement powers to take timely actions against recalcitrant retailers. CCCS looks into cases of errant retailers who persist in unfair trade practices. Specifically, it is able to:

- Gather evidence against persistent errant retailers;
- File timely injunction applications with the courts; and
- Enforce compliance with injunction orders issued by the courts

Annex C

Top Industry with Consumer Complaints: Industry Size and Value

Industry	2015	2016	2017
Motor Vehicles Establishments	592	677	721
Motor Vehicles operating receipts (\$million)	7048.3	8853.8	9015.4
Hair Dressing, Beauty and other Personal Care Services Establishments	5875	6017	6007
Hair Dressing, Beauty and other Personal Care Services Establishments (\$million)	1461	1864.1	2015.4

* Source – Department of Statistics

Annex D

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

Case No.: DC/OSS 183/2018

In the matter of Sections 9(1) and 10(1) of the
Consumer Protection (Fair Trading) Act (Cap. 52A)

Between

COMPETITION AND CONSUMER COMMISSION OF
SINGAPORE
(ID Unknown)

...Plaintiff

And

1. SG VEHICLES ASIA PTE LTD
(Singapore UEN No. 201103837G)
2. SG VEHICLES GLOBAL PTE LTD
(Singapore UEN No. S201510315K)
3. SG VEHICLES CONTINENTAL PTE LTD
(Singapore UEN No. S201103410G)
4. SG VEHICLES TRADING
(Singapore UEN No. S33151300E)
5. TAN WHYE PECK JULIET
(NRIC No. [REDACTED])
6. SOON MENG HWEE
(NRIC No. [REDACTED])

...Defendants

Recorded before me.



KEVIN KWEK
District Judge

ORDER OF COURT

Before:

Date of Order: *18 April 2019.*

Upon the application of the COMPETITION AND CONSUMER COMMISSION OF SINGAPORE, the Plaintiff in this action coming on for hearing this day and upon hearing counsel for the Plaintiff and counsel for the 1st to 5th Defendants, and upon the 1st, 2nd, 3rd, 4th and 5th Defendants' confirmation that they do not dispute that the Plaintiff's investigation of complaints against them revealed evidence of unfair practices as defined under the Consumer Protection (Fair Trading) Act (Cap. 52A) (the "CPFTA"),

By consent, it is ordered that:

1. The 1st, 2nd, 3rd, 4th and 5th Defendants are prohibited, whether by themselves, their directors, servants, agents or otherwise, from communicating or responding to the media or any other party, or in any way suggest, to any effect, that the 1st, 2nd, 3rd, 4th, 5th and 6th Defendants had not engaged in unfair practices as defined under the CPFTA.
2. The 1st, 2nd, 3rd, and 4th Defendants are prohibited, whether by themselves, their directors, servants, agents or otherwise, from:
 - (a) engaging in unfair practice/practices as defined under the CPFTA;
 - (b) doing or saying anything, or omitting to do or say anything, if as a result a consumer might reasonably be deceived or misled into believing that the purchase price and/or Certificate of Entitlement is/are fixed or guaranteed;
 - (c) making any false claim to a consumer as to any guaranteed delivery date of a motor vehicle;
 - (d) taking advantage of a consumer if the supplier knows or ought reasonably to know that the consumer is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction.
3. Pursuant to section 9(1)(c) of the CPFTA, the 1st, 2nd, 3rd and 4th Defendants:
 - (a) shall install a prominent sign outside their shopfront(s) stating the full text of the consent order, for a period of six (6) months from the date of this Order or such other date when each of them shall permanently cease having any shopfront, whichever is earlier;
 - (b) must, for a duration of two (2) years from the date of this Order, notify the Plaintiff in writing of the occurrence of any of the following events within fourteen (14) days of their occurrence:
 - (i) A change in the premises or number of premises at which the 1st, 2nd, 3rd and/or 4th Defendants carries on business as suppliers;
 - (ii) A change in the Internet address or number of Internet addresses through which consumer transactions with the 1st, 2nd, 3rd and/or 4th Defendants may be entered into;
 - (iii) The 1st, 2nd, 3rd and/or 4th Defendants being converted from a firm or private company to a limited liability partnership under section 20 or 21 of the Limited Liability Partnerships Act (Cap. 163A), respectively;
 - (iv) The 1st, 2nd, 3rd and/or 4th Defendants undergo any arrangement, reconstruction or amalgamation under Part VII of the Companies Act (Cap. 50) (the "Companies Act");
 - (v) The 1st, 2nd, 3rd and/or 4th Defendants is/are subject to receivership under Part VIII of the Companies Act;

- (vi) The 1st, 2nd, 3rd and/or 4th Defendants is/are subject to judicial management under Part VIII A of the Companies Act;
 - (vii) The 1st, 2nd, 3rd and/or 4th Defendants is/are subject to winding up under Part X of the Companies Act; and
 - (viii) Any other event prescribed under the CPFTA;
4. The 5th Defendant is prohibited from knowingly abetting, aiding, permitting and/or procuring a supplier of motor vehicles from engaging in unfair practice/practices as defined under the CPFTA.
 5. Pursuant to section 10(6) of the CPFTA, the 5th Defendant must, if a notifiable event (as defined in section 9(15) and set out in the Fifth Schedule of the CPFTA) occurs within two (2) years of this order, inform the Plaintiff in writing within fourteen (14) days of the occurrence of that event.
 6. There shall be no order as to costs.

The 1st to 5th Defendants consent to the Orders above.

K&LG
Straits Law

K&L Gates Straits Law LLC

Solicitors for the 1st to 5th Defendants

Date: 17 April 2019.