

#### MEDIA RELEASE

#### 30 August 2024

# Sterra Apologises and Undertakes to Stop False and Misleading Marketing Practices

- 1. Sterra Tech Pte. Ltd. ("Sterra") has given a public apology and provided an undertaking to the Competition and Consumer Commission of Singapore ("CCCS") that it will cease making false and misleading claims on the quality of Singapore's tap water, as well as other claims relating to its air and water purifiers.
- 2. CCCS initiated the investigation earlier this year under its fair trading laws after receiving several complaints¹ on an online advertisement by Sterra in February 2024, which had falsely claimed that Singapore's tap water is unsafe for direct consumption without being filtered using water purifiers sold by Sterra ("the Advertisement").²
- 3. Investigations by CCCS also revealed that Sterra had made other false and misleading representations on its website between February 2023 and March 2024, namely that:
  - (a) **False Country of Manufacture Claims**: Three models of air purifiers<sup>3</sup> sold by Sterra were made in Singapore when they were in fact made in China;<sup>4</sup>
  - (b) **Misleading "Korean" Labelling**: Two models of Sterra's water purifiers were marketed as "Korean" when they<sup>5</sup> were neither sourced from nor manufactured in Korea, but were in fact manufactured in China; and<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> This includes a complaint from PUB, Singapore's National Water Agency

<sup>&</sup>lt;sup>2</sup> The Advertisement purported to feature a microscopic view of Singapore's tap water, when it was in fact footage of beach water, to mislead the viewer into forming the impression that Singapore's tap water contains harmful microorganisms like bacteria and algae. The Advertisement also falsely claimed that footage of clean water seen under a microscope was filtered by a Sterra water purifier when it was, in fact, footage of bottled water

<sup>&</sup>lt;sup>3</sup> "Sterra Mars", "Sterra Moon" and "Sterra Breeze"

<sup>&</sup>lt;sup>4</sup> Refer to Annex A for the screenshot for illustration

<sup>&</sup>lt;sup>5</sup> "Sterra Y Tank Tabletop Hot & Cold Water Purifier" and "Sterra Y Tank Standing Hot & Cold Water Purifier"

<sup>&</sup>lt;sup>6</sup> Refer to Annex B for the screenshot for illustration

- (c) **False Discounts**: The "usual" (i.e. pre-discount) prices that Sterra claimed for comparison with its discounted price were not genuine previous prices and, in fact, never offered to any customer.<sup>7</sup>
- 4. Following the investigation, Sterra has given an unequivocal apology and provided an undertaking to CCCS that it will, amongst other things:
  - (a) Stop its unfair trade practices and put in place an internal compliance policy to ensure that its marketing materials comply with fair trading laws;
  - (b) Put up a public apology in relation to its Advertisement on its website and social media channels for 30 days; and
  - (c) Cooperate with the Advertising Standards Authority of Singapore ("ASAS") and Singapore public agencies including PUB, Singapore's National Water Agency to resolve all complaints by consumers and publish clarifications in relation to any advertisements that are found to be misleading by ASAS or the public agencies.
- 5. Sterra's directors, Lim Liangzhi and Lim Wei Hou, have similarly given personal undertakings to CCCS that they will not engage in any unfair trade practice, or facilitate Sterra to do so in future.
- In closing the case, CCCS has accepted the undertakings and issued warnings to Sterra and its directors. CCCS will take action if the undertakings are not complied with.
- 7. "CCCS takes a firm stance against businesses that make false or misleading claims in their marketing. Such practices hinder the ability of consumers to make informed decisions, which is essential for well-functioning markets. They also erode consumer trust and undermines the ability of honest businesses to compete on a level playing field," said CCCS's Chief Executive, Mr. Alvin Koh.
- 8. CCCS records our appreciation for the vigilance of Mr. Clarence Sim, who called out Sterra's misleading advertisement earlier on 1 February 2024. While CCCS will continue to monitor the industry, consumers must also remain vigilant and conduct their own research before making any purchasing decision.
- 9. Consumers who encounter unfair trade practices can approach CASE for assistance. For more information, please visit www.case.org.sg or call 6277 5100.

-

<sup>-</sup> END -

<sup>&</sup>lt;sup>7</sup> Refer to Annex C for the screenshot for illustration

#### **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 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 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 businesses and consumers in Singapore.

For more information, please visit <a href="www.cccs.gov.sg">www.cccs.gov.sg</a>.

#### For media clarifications, please contact:

Ms. Grace Suen
Senior Assistant Director
Communications
Competition and Consumer Commission of Singapore

Email: grace\_suen@cccs.gov.sg

DID: 6325 8216

Ms. Ashley Tuen
Senior Executive
Communications
Competition and Consumer Commission of Singapore

Email: ashley\_tuen@cccs.gov.sg

DID: 6991 7059

### **Annex A: False Country of Manufacture Claims**

O) STERRA

Water Purifiers V Massage Chairs V Mattresses V Vacuums V Filters & Subscriptions V Accessories V Review



Find the perfect air purifier for you.

🌟 7k+ Verified Reviews 🌟 Made in Singapore







STERRA MARSTM

STERRA MOON  $^{\text{TM}}$ 

STERRA BREEZE™

#### Annex B: Misleading "Korean" labelling

## **About Sterra**

Sterra is a homegrown brand set out to improve people's lives at home. We believe everyone deserves a more convenient, health, and comfortable life so they can focus on things that matter more instead.

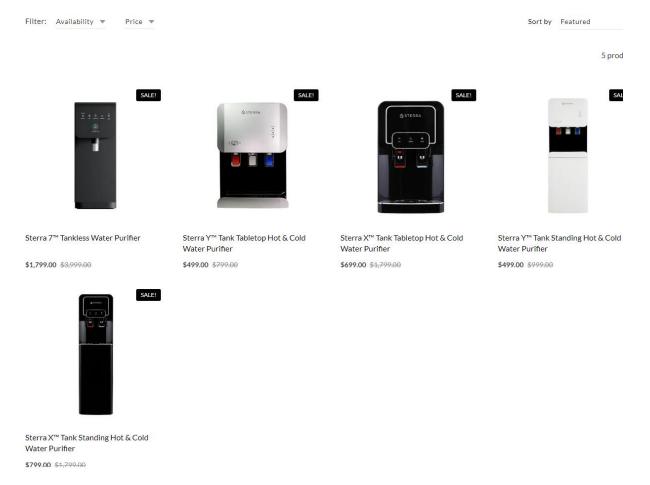
It started when the founder witnessed how Koreans effortlessly get hot and cold clean water anytime—and now, its mission is:

"To help families live more convenient, healthy, and comfortable day-to-day lives by providing effective, minimalistic, and premium home wellness products but at the most affordable prices."

Sterra offered Korean water purifiers initially—which have helped Singaporeans to save time and effort boiling water—and now a full spectrum of home wellness products:

Refreshing hot and cold clean water in seconds with Korean water purifiers (Click here to see the products)

#### **Water Purifiers**



The hyperlink does not distinguish between Korean water purifiers (Sterra 7, Sterra X Tank Tabletop, Sterra X Tank Standing) and those made in China (Sterra Y Tank Tabletop, Sterra Y Tank Standing)

#### **Annex C: False Discounts**

## **Shop Best Sellers**





Sterra 7™ Tankless Water Purifier

**\$1,799.00** \$3,999.00

Sterra Moon™ True HEPA-13 Air Purifier

\$189.00 <del>\$479.00</del>





Sterra Sun™ Dehumidifier

Sterra Breeze™ True HEPA-13 Air Purifier

\$349.00 \$549.00 \$279.00 \$539.00