

# IN THE ACT

*MAKING MARKETS WORK WELL*

ISSUE 6 | FEBRUARY 2020 - MAY 2020

## A PRETTY BAD DEAL

2 BEAUTY PARLOURS TO STOP MISLEADING CONSUMERS INTO MAKING PURCHASES

### IN HOT WATER

3 firms caught bid rigging in pool tenders

## CCCS ON MONEYFM 89.3

Listen to the podcast on tips for consumers purchasing beauty services



# CE's NOTE

SIA AIK KOR  
CHIEF EXECUTIVE  
COMPETITION AND CONSUMER COMMISSION OF SINGAPORE

The COVID-19 pandemic has placed the global environment into unprecedented times. Singapore, like many countries in the world face the twin crises of a public health threat along with an increased risk of an economic recession. Measures were put in place to slow the spread of the virus, including border control and keeping as many people at home as possible. When heightened measures against COVID-19 were implemented in Singapore, CCCS remained operational with staff telecommuting from home and enforcement work remains active.

In March, CCCS secured an undertaking from beauty parlours Wishing Well and Ruby Beauty (which has since changed its name to Sun Beauty) to cease unfair trade practices. The beauty parlours had performed unsolicited services, then pressured customers into purchasing beauty packages substantially higher than original prices quoted. They also misled customers to believe packages were transferable when it was stated otherwise in print.

In April, CCCS issued a Proposed Infringement Decision against 3 companies for bid rigging in swimming pool and water feature maintenance tenders. CCCS also concluded an investigation into alleged anti-competitive conduct in the property

valuation industry, following changes made by the Singapore Institute of Surveyors and Valuers.

In addition, CCCS cleared 2 proposed acquisitions which involved the supply of waste collection services, and the warehouse space rental and fund management services for industrial real estate assets.

With more people staying home, online retail sales have surged. Online shopping is convenient, but it also carries risks. We urge consumers to be vigilant, conduct their own research and compare different prices and product offerings before making any purchases.

Businesses can play their part by acting responsibly and adhering to the Consumer Protection (Fair Trading) Act. Fair practices include: providing clear and accurate information of goods and services upfront, sourcing from reliable suppliers, and avoiding misleading claims. Fair trading and good business practices can go a long way in building a solid reputation as a trusted trader.

Meanwhile, stay healthy and shop wisely.

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## ABOUT 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 (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.

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## A PRETTY BAD DEAL

### Wishing Well & Ruby Beauty stop unfair trade practices

Following CCCS's investigations, two beauty parlours - Wishing Well Beauty Centre ("Wishing Well") and Ruby Beauty Pte Ltd ("Ruby Beauty") - were found to have breached the Consumer Protection (Fair Trading) Act by engaging in various unfair trade practices that misled consumers into purchasing beauty services.

Investigations initiated in 2019 revealed that staff of both parlours enticed consumers with discounted treatments and would perform unsolicited services without revealing the price difference until after the treatment has begun, subsequently charging consumers a substantially higher price. The staff would then offer to offset the payment for this by pressurising consumers to purchase more expensive beauty packages. Consumers were also misled on the terms and conditions of their purchased packages such as the validity and the transfer terms.

#### Undertaking by Wishing Well and Ruby Beauty

Both parlours have signed an undertaking to cease the unfair practices and not to engage in any other unfair practices under the CPFTA. They have also undertaken not to use any deceptive or misleading methods in order to entice customers to sign up for packages that the customers would not otherwise have agreed to, in lieu of payment for unsolicited beauty services.

Ruby Beauty has since changed its name to Sun Beauty. While investigations against both beauty parlours have closed, CCCS will continue to monitor their conduct and reserves the right to investigate and take necessary actions against any breach of the undertakings provided or any other unfair practices engaged by these parlours.

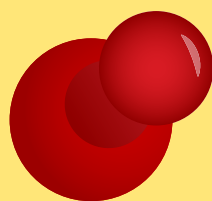
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### Beauty and Wellness Industry

In recent years, the beauty industry has consistently been ranked among the top three industries with the most complaints received by the Consumers Association of Singapore (CASE) and it was ranked the top in 2018. CCCS is also closely monitoring other businesses in the beauty and wellness industry and will not hesitate to take enforcement action against egregious businesses for unfair practices. Businesses are reminded not to engage in any unfair practices that harm consumers.



Scan to read more about the case



### **Reminder for Suppliers in the Beauty & Wellness Industry**

- *State the price and terms clearly and accurately; including the refund policy, transferability and validity period.*
- *Always obtain consumers' consent to prices before proceeding with any treatment.*
- *Do not use scare tactics or pressure selling on the consumer to make purchases.*
- *Honour any free trials/discounts promised. Do not entice consumers with false offers, and then pressure them to buy something more expensive.*
- *Ensure that any efficacy claims made are scientifically proven.*
- *Provide receipts and treatment records for consumers with a clear listing of sessions purchased and any free treatments/gifts included.*
- *Do not promote packages to consumers during treatment when they are unable to comprehend or respond clearly, or when they are in a state of undress.*

# HOW DID WISHING WELL & RUBY BEAUTY CARRY OUT **UNFAIR TRADE PRACTICES**?



1

## Enticed customers with promotions

Staff loitered in the street and enticed passers-by with one-time, discounted facial treatment.



2



## Failed to provide initial agreed treatment

Staff did not provide discounted beauty treatment as initially agreed after consumer was inside the beauty parlour.



3

## Performed unsolicited services

Instead, staff performed unsolicited services by providing a more expensive beauty treatment without consumer's prior consent.



4

## Pressured to buy package

Staff then pressured consumer to buy a beauty package and the charges for earlier unsolicited services would be waived off.



5

## Ended up buying expensive packages

Consumer ended up buying beauty packages ranging from a few hundred to a few thousand dollars, which was not what consumer had initially wanted.

6



## Misled on terms & conditions

Consumer was misled that package bought was transferable with unlimited validity period, while invoices stated otherwise.

## ! TIPS FOR BEAUTY RETAILERS

1

State clearly and accurately upfront the price and any other material terms & conditions of any service or product offered to consumers

2

Always obtain consumers' consent before proceeding with any treatment or service

3

Do not exert undue pressure or influence on the consumer to make purchases

4

Do not entice consumers with 'discounts/offers' which are not genuine, then persuade consumers to buy something more expensive

# SPOTLIGHT



## IN HOT WATER

### Proposed Infringement Decision against 3 companies for bid rigging

On 31 March 2020, CCCS issued a Proposed Infringement Decision (“PID”) against three companies for infringing section 34 of the Competition Act by engaging in bid rigging conduct for tenders to provide maintenance services for swimming pools and water features.

The three companies are CU Water Services Pte. Ltd. (“CU Water”), Crystalene Product (S) Pte. Ltd. (“Crystalene”) and Crystal Clear Contractor Pte. Ltd. (“Crystal Clear”).

CCCS’s investigations revealed that there were agreements between (i) CU Water and Crystalene, and separately between (ii) CU Water and Crystal Clear, to collude by bid rigging tenders for the provision of maintenance services for swimming pools, spas, fountains and other water features to privately-owned developments, including but not limited to condominiums and hotels, in Singapore.

By rigging the bids, there was no competitive pressure on them to submit their best offers. As a result, customers were unable to obtain offers that can best meet their requirements and which provide the best value.

The three companies can make representations relating to the PID against them. CCCS will make its final decision following careful consideration of any representations received together with other relevant information available.

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about the  
case



# SPOTLIGHT



## CASE CLOSED ON SISV

### CCCS ends investigation into property valuation sector

CCCS has concluded its investigation into alleged anti-competitive conduct by the Singapore Institute of Surveyors and Valuers ("SISV"), following steps taken by SISV to promote greater competition, innovation and use of technology in the property valuation industry.

These steps, including a revision of its byelaws and a reiteration of its support for the use of technological tools in the performance of property valuations, have addressed competition concerns raised by CCCS.

Following a complaint, CCCS's investigations found that SISV's byelaws contained provisions which could restrict price competition and facilitate market-sharing amongst its members. Such byelaws restrict competition among SISV members and limit choices for consumers.

CCCS also considered if those byelaws could have a dampening effect on innovation and the adoption of technological tools such as automated valuation models, which would further harm competition in the industry.

The steps taken by SISV are in line with CCCS's objective of promoting competition to make markets work well for the benefit of businesses and consumers.

CCCS will continue to monitor market practices and reserves the right to investigate any anti-competitive practices in the industry.

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about the  
case







## WASTE MANAGEMENT

### CCCS clears SembWaste's proposed acquisition of VESS

CCCS has cleared the proposed acquisition by SembWaste Pte. Ltd. ("SembWaste") of 100% issued shares of Veolia ES Singapore Pte. Ltd. ("VESS") from Veolia Environmental Services Asia Pte. Ltd.

Sembwaste and VESS overlap in the supply of Public Waste Collection ("PWC") and General Waste Collection ("GWC") services in Singapore. PWC includes the collection of domestic/municipal waste from HDB estates, landed properties, condominiums, government properties and small trade premises, while GWC includes the collection of commercial and industrial waste.

In its assessment, CCCS found that the merged entity would continue to face sufficient competition in the relevant markets from other suppliers in Singapore and overseas.

In the market for PWC services, CCCS found that, amongst others, the National Environment Agency ("NEA") is the sole customer and possesses some bargaining power to constrain any increase in market power by the merged entity.

In the market for GWC services, CCCS found that, amongst others, the combined market share of SembWaste and VESS is below CCCS's indicative threshold, suggesting that competition concerns are unlikely to arise, and customers are able to switch to several other alternative suppliers.

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## PROPERTY PARTNERS

### CCCS clears ARA Logistics' proposed acquisition of LOGOS shares

CCCS has cleared the proposed acquisition by ARA Logistics Ventures I Limited ("ARA Logistics") of shares in LOGOS China Investments Limited ("LOGOS").

The ARA Group is a fully integrated investment and fund management platform with in-house resources, and extensive experience in investing, managing and and divesting real estate assets. The LOGOS Group's principal business is the management of funds which acquire, develop and operate logistics properties in Asia Pacific, including Singapore.

In its assessment, CCCS found that in the relevant market for the supply of warehouse space for rental in Singapore, amongst others, the merged entity's combined market share is below CCCS's indicative threshold, suggesting that competition concerns are unlikely to arise and also customers

have the ability to self-supply warehouse space for rental and counter price increases by ARA Logistics and LOGOS.

In the relevant market for the global supply of fund management services for industrial real estate assets, CCCS found that, amongst others, both companies are unlikely to be each other's closest competitor as their investment portfolios differ in scope, and the ability and likelihood of expansion by existing fund managers would likely continue to be a competitive constraint on the merged entity.

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# SPOTLIGHT



## DIALYSIS DUO

### CCCS clears Fresenius Medical Care's proposed acquisition of RenalTeam

CCCS has cleared the proposed acquisition by Fresenius Medical Care Singapore Pte. Ltd. ("FMC SG") of RenalTeam Pte. Ltd. ("RT").

FMC SG and RT both operate private centres providing kidney dialysis to End Stage Renal Disease ("ESRD") patients in Singapore. The FMC Group provides haemodialysis ("HD") and peritoneal dialysis ("PD") services through its clinics and provides outsourced HD services to outsourced clinics. FMC SG also sells dialysis products and consumables. RT supplies HD services through its clinics and provides outsourced HD services to outsourced clinics.

In its assessment, CCCS found that in the market for the provision of outpatient HD services to ESRD patients, amongst others, the merged entity will be the largest market player in Singapore. However, barriers to entry and expansion are unlikely to be high. Other service providers are

able to set up new dialysis centres to compete with the merged entity as seen by some new entrants in recent years. Patients can also switch to alternative HD service providers.

In the market for provision of outsourced HD services, CCCS found that, amongst others, the outsourced clinics could have bargaining power through the ability to self-supply and may source for other service providers through competitive tenders.

As for the market for provision of HD products and consumables, CCCS found that HD service providers have sufficient alternative suppliers to choose from.

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# SHOWCASE

## CCCS INTERVIEW WITH HONG KONG COMPETITION COMMISSION



### AGENCY IN FOCUS

#### The Republic of Singapore Competition and Consumer Commission of Singapore



CCCS was featured in “Competition Exchange”, a competition law information portal by the Hong Kong Competition Commission. Titled “Agency in Focus”, the report highlighted CCCS role and functions as circumscribed by the Competition Act, its enforcement work for competition and consumer protection as well as its international activities. The report also includes CCCS’s future plans in terms of its key work initiatives and continued efforts to making markets work well for the benefits of both businesses and consumers.

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## GCR ASIA-PACIFIC ANTITRUST REVIEW 2020

GCR INSIGHT

ASIA-PACIFIC  
ANTITRUST REVIEW 2020

CCCS contributed to the Singapore Chapter of the Global Competition Review’s (GCR) Asia-Pacific Antitrust Review 2020. The write-up highlights CCCS’s major achievements for 2019 in the areas of enforcement and outreach & advocacy, as well as our involvement in the international and regional arena.

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# TALKING POINT

## CCCS ON MONEYFM



To listen to  
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CCCS's Director for Consumer Protection, Mr Jack Teng was interviewed by Claressa Monteiro from radio station MoneyFM 89.3 on the topic "Don't be a victim, be a smart consumer" on 28 April 2020.

The discussion covered issues relating to the role of CCCS, consumer protection in Singapore, and tips on being a smarter consumer when shopping online or when purchasing beauty services. Based on statistics by the Consumers Association of Singapore (CASE), the beauty and wellness industry has been consistently ranked among the top three industries with the most complaints received. In 2019, approximately one-third of the complaints involved salespersons taking advantage of consumers by exerting undue pressure or influence on them. During the interview, Mr Teng also shared the following tips with MoneyFM listeners:

### Tips for Consumers Purchasing Beauty and Wellness Services

- Firmly say 'No' to pressure selling or scare tactics. Consumers can simply walk away if they are not interested in making the purchase.
- If a consumer feels overwhelmed, uneasy or intimidated at any point, tell the staff to stop the treatment session and leave the premises.
- Request for cost breakdown of the package, including terms and conditions and refund policies before making any purchase. Be careful when making huge prepayments (try to make prepayments in small parts or tranches to minimise risk of financial loss).
- Do not hand over bank/credit cards to staff prior to the completion of the service. For payments, the consumer ought to be present at the counter.
- Request for time to consider a costly purchase. Costly purchases made on impulse may prove financially straining in the long run and may cause regret.
- Be wary of "special discounts", "one-time only" offers or "free trials" as well as treatments that guarantee favourable results. These may be marketing gimmicks used to entice consumers into making purchases.
- Consumers can go to CaseTrust accredited beauty/spa and wellness businesses which offer a five-day cooling off period for consumers to seek a refund of unutilised services if they do not wish to proceed with the packages signed.
- Practice the "buyers beware" mindset. Do necessary research before committing to a purchase.
- Ask for a receipt upon payment and do not throw it away until the product, service or prepaid value of the package has been fully utilised.
- Consumers with unresolved disputes can approach CASE ([www.case.org.sg](http://www.case.org.sg)) for further assistance. CASE can give consumer advice, negotiate with the supplier on consumer's behalf or facilitate mediation between parties.



## ASEAN REGIONAL CONSUMER PROTECTION INFORMATION CAMPAIGN

Tips on safe online shopping from the ASEAN Committee on Consumer Protection:

# ONLINE SHOPPING

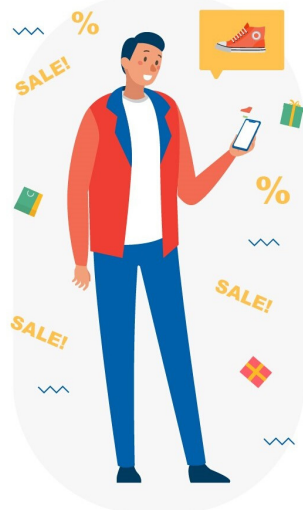


**ONLINE SHOPPING IS CONVENIENT BUT IT ALSO HAS RISKS**

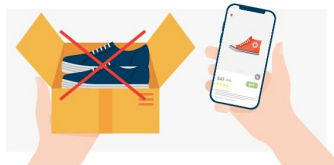
More than 120 million consumers in ASEAN now shop online. This is more than twice the number in 2015.

Source: e-Conomy SEA 2019. Southeast Asia's internet economy hits an inflection point

What are common complaints when shopping online?



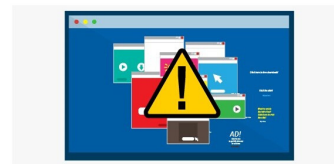
PRODUCTS ARE NOT THE SAME AS ADVERTISED



FAILURE TO DELIVER PRODUCTS



PAYMENT ERROR/UNSAFE



### 1 BEFORE PURCHASE

- Check for **reviews** and research the product well.

### KNOW YOUR RIGHTS AS ONLINE CONSUMERS AND FOLLOW THESE SIMPLE TIPS

### 2 DURING PURCHASE

- Make sure that the website is **safe** and **secure**.

<https://...>

The lock icon symbolizes a digital certificate which enables encrypted connections.



- Pay attention to the **terms and conditions**, particularly on the delivery, cost, and company's return and refund policy.

### 3 AFTER PURCHASE

- If anything goes wrong, do not hesitate to contact the company to demand appropriate **compensation**.

