

2018年

消費者保護理念與趨勢研討會

2018 Workshop on Concepts and  
Trends of Consumer Protection

大會手冊



行政院消費者保護處  
Department of Consumer Protection, Executive Yuan

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# Chapter 1 : Information 會議資訊

Date/Time : October 31,2018 09:00~17:00

日期/時間 : 2018年10月31日 · 09:00~17:00

Venue : GIS MOTC Convention Center,3F

(No.24, Sec. 1, Hangzhou S. Rd., Zhongzheng Dist., Taipei City)

會議地點 : 集思交通部國際會議中心3樓(台北市杭州南路一段24號)

## Simultaneous Interpretation Service :

English/Chinese Simultaneous interpretation is available free of charge during the seminar. Please take your identity documents to the simultaneous interpretation desk to exchange your simultaneous interpretation headset. Before leaving, please remember to return the headset and get your identity documents back.

**同步口譯服務** : 大會備有中、英文同步口譯服務，請攜帶證件至同步口譯租借處兌換，離開會場時請將耳機歸還並取回證件。

## Life-Long Learning Education Accreditation :

Civil service learning hours will be provided for Civil Servant. Please make sure to sign in and sign out at registration desk.

**公務人員終身學習教育時數** : 本次研討會可以獲取公務人員終身學習，請務必至報到處簽到及簽退。

## Seminar Precautions :

### 研討會注意事項 :

- Smoking is prohibited at all times in the Venue.
- 會場內嚴禁吸菸
- Please turn your cell phones off or switch into silent mode during all sessions.
- 會議期間請將您的手機關機或轉為靜音模式。

# Chapter 2 : Agenda 大會議程

時間(Time)	議程(Agenda)
08:30-09:00	報到-Registration
09:00-09:10	開幕致詞-Opening Remarks 行政院消費者保護委員會劉春堂前秘書長-輔仁大學榮譽教授 Mr. Chun-Tang Liu, Secretary General, Former Consumer Protection Commission, Executive Yuan, Taiwan Chair Professor; Department of Law, Fu Jen Catholic University
09:10-09:15	團體合照 -Group photo
	專題演講-Keynote Speech
09:15-10:05	主講人：行政院消費者保護會-李沃牆委員 Speaker:Dr. Wo-Chiang Lee, Member of Consumer Protection Committee, Executive Yuan, Taiwan 主題：金融服務的創新、管理與消費者保護 Report:Financial Innovation, Regulation and Consumer Protection
10:05-10:20	休息時間-Break time
	第一場 Session 1 主持人:美國聯邦貿易委員會助理處長-Ms. Larissa Bungo Moderator:Ms. Larissa Bungo, Assistant Regional Director, Federal Trade Commission, U.S.A.
10:20-10:50	演講人：新加坡消費者協會林謀泉會長 Speaker:Mr.Biow-Chuan Lim, President, Consumers Association of Singapore 主題：新加坡消費者保護的理念與實務 Report:The Concept and Practice of the Consumer Protection in Singapore
10:50-11:20	演講人：香港消費者委員會投訴及諮詢部莊龍五總主任 Speaker:Mr. Lung-Ng Chong, Chief Complaints & Advice Officer,Consumer Council, Hong Kong Special Administration Region 主題：跨境消費糾紛協調解決機制-現況及海外機制探討 Report : Cross-border Consumer Dispute Resolution Mechanism – Current Situation and Overseas Mechanism
11:20-11:40	與談人Panelists 1.美國消費品安全委員會亞太地區產品安全官員-Mr. Joel Blank Asia Pacific Regional Product Safety Officer, Consumer Product Safety Commission, U.S.A. 2. 銘傳大學顏廷棟教授-Professor Ting-Tong Yen Department of Financial Law,Ming Chuan University, Taiwan
11:40-11:50	Q&A
11:50-13:30	午餐時間-Lunch

時間(Time)	議程(Agenda)
<b>第二場 Session 2</b> 主持人:新加坡消費者協會林謀泉會長 <b>Moderator:Mr. Biow-Chuan Lim, President,Consumers Association of Singapore</b>	
13:30-14:00	演講人:美國聯邦貿易委員會助理處長-Ms. Larissa Bungo <b>Speakers:Ms. Larissa Bungo, Assistant Regional Director, Federal Trade Commission, U.S.A.</b> 主題:廣告的趨勢和相關議題 <b>Report :Advertising Trends and Issues</b>
14:00-14:30	演講人:英國競爭及市場局專案處長-Ms. Cecilia Parker Aranha <b>Speakers:Ms. Cecilia Parker Aranha, Project Director, Competition and Markets Authority, U.K.</b> 主題:線上平台-消費者保護工作的挑戰 <b>Report:Online Platforms: Challenges for Consumer Protection</b>
14:30-14:50	與談人Panelists : 1.中原大學陳志民教授-Professor Andy Chen Department of Financial & Economic Law Chung Yuan Christian University, Taiwan 2. 高雄科技大學程法彰教授-Professor Fa-Chang Cheng, Graduate Institute of Science & Technology Law, National Kaohsiung University of Science & Technology, Taiwan
14:50-15:00	Q&A
14:50-15:20	休息時間-Break time
<b>第三場 Session 3</b> 主持人 : 英國競爭及市場局專案處長-Ms. Cecilia Parker Aranha <b>Moderator:Ms. Cecilia Parker Aranha, Project Director, Competition and Markets Authority, U.K.</b>	
15:20-15:50	演講人 : 泰國消費者保護辦公室專業分析師-Mr. Manop Pisetkul <b>Speakers:Mr. Manop Pisetkul, Analyst, Professional Level, Office of the Consumer Protection Board, Thailand</b> 主題 : 消費者概念和趨勢 <b>Report : Consumer Concepts and Trends</b>
15:50-16:20	演講人 : 韓國消費者院協理-Ms. Jihong Cheon <b>Speakers : Ms. Jihong Cheon, Assistant Manager, Korea Consumer Agency</b> 主題:韓國政府與消費者之關係 <b>Report:Relationship Between Government and Consumers in Korea</b>
16:20-16:40	與談人Panelists 1.美國聯邦貿易委員會助理處長-Ms. Larissa Bungo Assistant Regional Director, Federal Trade Commission, U.S.A. 2. 行政院消費者保護處陳加昇參議-Mr. Jia-Sheng Chen Senior Executive Officer, Department of Consumer Protection, Executive Yuan, Taiwan
16:40-16:50	Q&A
16:50-17:00	閉幕致詞-Closing Remarks 行政院消費者保護會游開雄委員-中華民國消費者文教基金會董事長 <b>Mr. Kai-Hsiung Yu, Member of Consumer Protection Committee, Executive Yuan Chairman, Consumers' Foundation, Taiwan</b>
17:00-17:05	貴賓合影Group Photo

# Chapter 3 : Moderator Introduction

## 主持人介紹



美國聯邦貿易委員會助理處長  
**Ms. Larissa Bungo**

**Assistant Regional Director, Federal  
Trade Commission, U.S.A.**



新加坡消費者協會林謀泉會長  
**Mr. Biow-Chuan Lim,**

**President, Consumers Association of  
Singapore**



英國競爭及市場局專案處長  
**Ms. Cecilia Parker Aranha**

**Project Director, Consumer  
Protection Enforcement, Competition  
and Markets Authority, U.K.**

# Chapter 4 : Speaker Profiles

## 講者簡介

### Keynote Speech



**Name : Dr. Wo-Chiang Lee**  
**Job Title : Member of**  
**Consumer Protection**  
**Committee, Executive Yuan,**  
**Taiwan**

### **Work experience**

Wo-Chiang Lee is a Professor at the department of banking and finance ,Tamkang University, and the Member of Consumer Protection Committee,Executive Yuan, Taiwan.He also serves on the board of directors of EUROC Venture Capital Group and Mega Venture Capital Co., Ltd. He received his PhD in Economics from National Chengchi University, Taiwan in 1998. His research interests include FinTech, financial engineering, risk management, financial econometric, computational intelligence. His work is published in the Journal of Operational Risk, Review of Securities and Futures Market, Journal of Futures and Options, Journal of Statistics and Management Systems, Asian Economic and Financial Review, The Empirical Economics Letters, and over 500 financial opinions articles, etc.



**Name : Mr. Biow-Chuan Lim**

**Job Title : President, Consumers Association of Singapore (CASE)**

**Work experience**

Mr Lim is the Deputy Speaker of Parliament and the Member of Parliament for Mountbatten SMC. He was first elected as Member of Parliament for Marine Parade GRC in April 2006. He was re-elected as Member of Parliament for Mountbatten SMC in May 2011 and again in Sept 2015.

In addition to his Parliamentary duties, he also serves in the following positions:

Chairman of Marine Parade Town Council;

President of the Consumers Association of Singapore (CASE);

Member, Government Parliamentary Committee (GPC) for Transport and Member, GPC for Manpower.

He is a lawyer and has been in legal practice since 1989. He is a senior partner in Derrick Wong & Lim BC LLP and has been appointed as a Notary Public and a Commissioner for Oaths.

He also serves actively in church and is the Chairman of the Local Church Executive Committee for Ang Mo Kio Methodist Church.

Mr Lim was awarded the National Day award – Public Service Medal (PBM) in 2001 for community services. He had served as a community leader in Jalan Besar constituency since 1990. He had also served for 3 years in the Public Transport Council.



**Name : Mr. Lung-Ng Chong**

**Job Title : Chief Complaints & Advice  
Officer, Consumer Council of Hong  
Kong**

**Work  
experience**

**Education**

LL.M. (University of London)

**Professional Qualification**

Accredited Mediator, Hong Kong International Arbitration  
Centre.

**Work experience**

Over 25-year experience in Consumer Council of Hong Kong  
Professional Qualification: Accredited Mediator, Hong Kong  
International Arbitration Centre.



**Name : Ms. Larissa Bungo**

**Job Title : Assistant Regional Director,  
Federal Trade Commission, U.S.A.**

**Work  
experience**

Larissa L. Bungo is the Assistant Regional Director for the Federal Trade Commission’s East Central Region, Ms. Bungo joined the agency in 1995, and served as a staff attorney for many years prior to her current position. On behalf of the FTC, Ms. Bungo has litigated and investigated civil fraud cases, including internet and business opportunity schemes, foreclosure rescue, national advertising, consumer credit, and debt collection matters. Ms. Bungo also served as a Special Assistant United States Attorney for the Eastern District of Pennsylvania, assisting with a mail and wire fraud prosecution of several former FTC defendants. She enjoys providing consumer education outreach, in particular, the opportunity to help vulnerable populations such as youth aging out of foster care and seniors detect, deter and defend against fraud schemes. The FTC awarded Ms. Bungo the Excellence in Supervision Award in 2014, and Janet D. Steiger team awards in 2012 and 2008. Ms. Bungo received her law degree from Case Western Reserve University and her undergraduate degree from the University of Iowa.



**Name : Ms. Cecilia Parker Aranha**

**Job Title : Director, Consumer Protection Enforcement, Competition and Markets Authority, U.K.**

**Work experience**

Cecilia Parker Aranha has been a Director, Consumer Protection Enforcement, at the UK's Competition and Markets Authority since 2014. She has led a number of high profile consumer protection enforcement projects, including the CMA's ongoing investigations into the online hotel booking sector and online gambling.

Cecilia represents the CMA in the International Consumer Protection and Enforcement Network, a global network of 60 consumer protection bodies, where, among other things, she has been co-leading work on terms and conditions in the digital economy.

Cecilia has been in lawyer in a variety of UK and Scottish Government Departments for 17 years. She has advised on a diverse range of issues from public law, human rights and devolution to social security and energy. She has been specialising in consumer protection law since 2010 and sits on the Law Society of Scotland's Consumer Law Committee. Cecilia holds a degree in Law and German and an MSc by research in Social Policy both from the University of Edinburgh.



**Name : Mr. Manop Pisetkul**

**Job Title : Analyst, Professional Level,  
Office of the Consumer Protection  
Board, Thailand**

**Work  
experience**

**Education**

- Ramkhamhaeng University Master of Political Science
- Chulalongkorn University Bachelor of Political Science

**Experience**

- Policy and Plan Analyst, Senior Professional Level – Foreign Affairs Subdivision (2017-present)
- Head of Consumer Complaint Screening Center, OCPB (2015-2017)
- Investigator at Advertising Division (2004-2015)



**Name : Ms. Jihong Cheon**

**Job Title : Assistant Manager, Korea Consumer Agency**

**Work experience**

Jihong Cheon is an Assistant Manager for Domestic & International Cooperation Team of Department of Public Affairs at Korea Consumer Agency. In that role, she is engaged in arranging international conferences such as Asian Forum and Korea-China-Japan meeting on consumer policy. Since she joined the KCA in 2013, Jihong also gained experience working at the Department of Consumer Redress and Department of Market Research. Especially at the market research department, she had dealt with consumer matters related to cross-border transactions. She received a Bachelor's degree in Economics and Trade and a Bachelor of Arts degree in Chinese language and literature from Kyungpook National University.

**Keynote Speech :**

**主講人：行政院消費者保護會-李沃牆委員**

**Speaker:Dr. Wo-Chiang Lee, Member of Consumer  
Protection Committee, Executive Yuan, Taiwan**

**主題：金融服務的創新、管理與消費者保護**

**Report:Financial Innovation, Regulation and  
Consumer Protection**

# Financial Innovation, Regulation and Consumer Protection



**Lee, Wo-Chiang**



**Member of Consumer  
Protection Committee,  
Executive Yuan, Taiwan**

Oct. 31 2018, Taiwan

## Outline

- 1 **Financial Innovation and FinTech**
- 2 **The Risk of Fintech**
- 3 **Regulation and Consumer Protection**
- 4 **Conclusion**

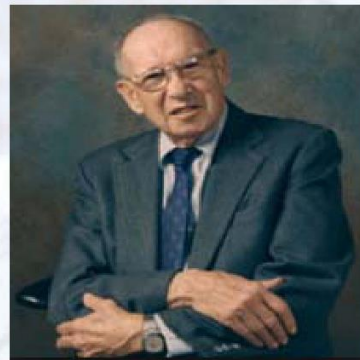
Joseph Schumpeter  
(1883-1950)



**INNOVATION, PROFITS  
AND GROWTH**

3

Peter Drucker:  
(1909-2005)



**INNOVATE OR DIE**

4

## ■ Financial Innovation

is the act of creating new financial instruments as well as new financial technologies, institutions, and markets.

## ■ Financial Technology, FinTech)

usually references an organization where financial services are delivered through a better experience using digital technologies to reduce costs, increase revenue and remove friction.

5

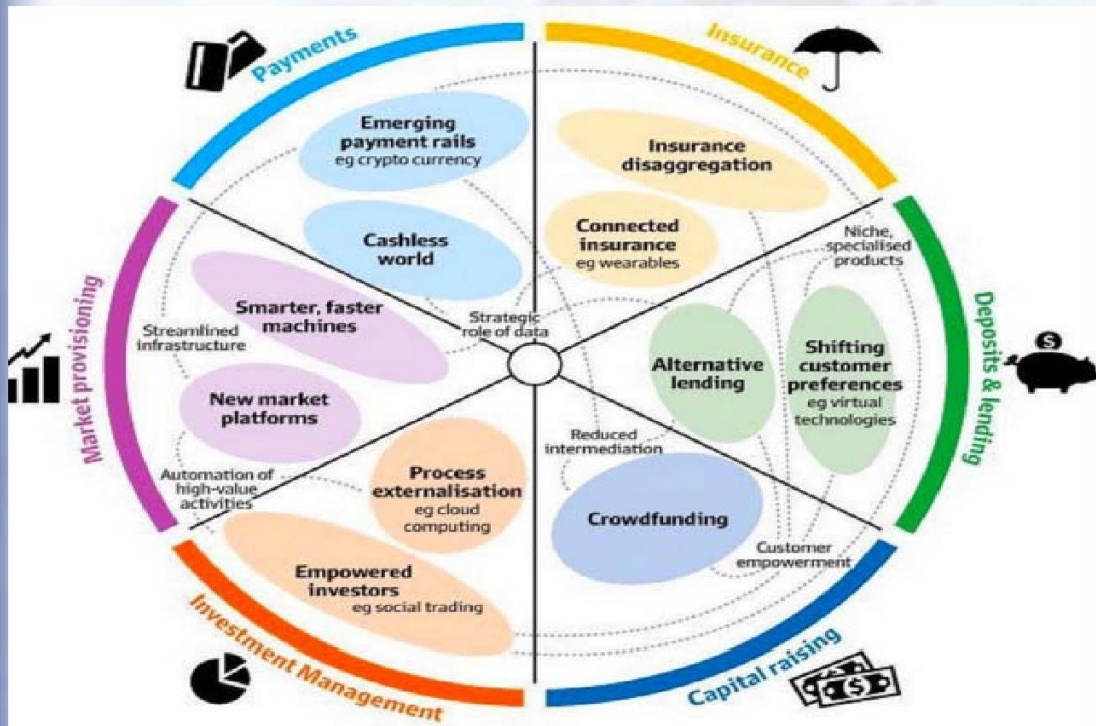
# FINTECH

Digitally Disrupting  
Financial World



6

# WEF(2015)- 6 Financial Services Innovation



7

**BANK 4.0**  
Banking Everywhere, Never at a Bank

**BANK 3.0**  
WHY BANKING IS NO LONGER SOMEWHERE YOU GO, BUT SOMETHING YOU DO

**BANK 2.0**  
HOW CUSTOMER BEHAVIOUR AND TECHNOLOGY WILL CHANGE THE FUTURE OF FINANCIAL SERVICES\_

**BANK 1.0**

**BANK**

The graphic illustrates the evolution of banking through four stages: Bank 1.0 (represented by a traditional bank building), Bank 2.0 (represented by a book cover about customer behavior and technology), Bank 3.0 (represented by a book cover about banking as an activity), and Bank 4.0 (represented by a robotic hand holding a 'BANK' sign). Blue arrows indicate the progression from Bank 1.0 to Bank 2.0, Bank 2.0 to Bank 3.0, and Bank 3.0 to Bank 4.0.

8



**FINTECH :**  
Silicon Valley takes  
on Wall Street

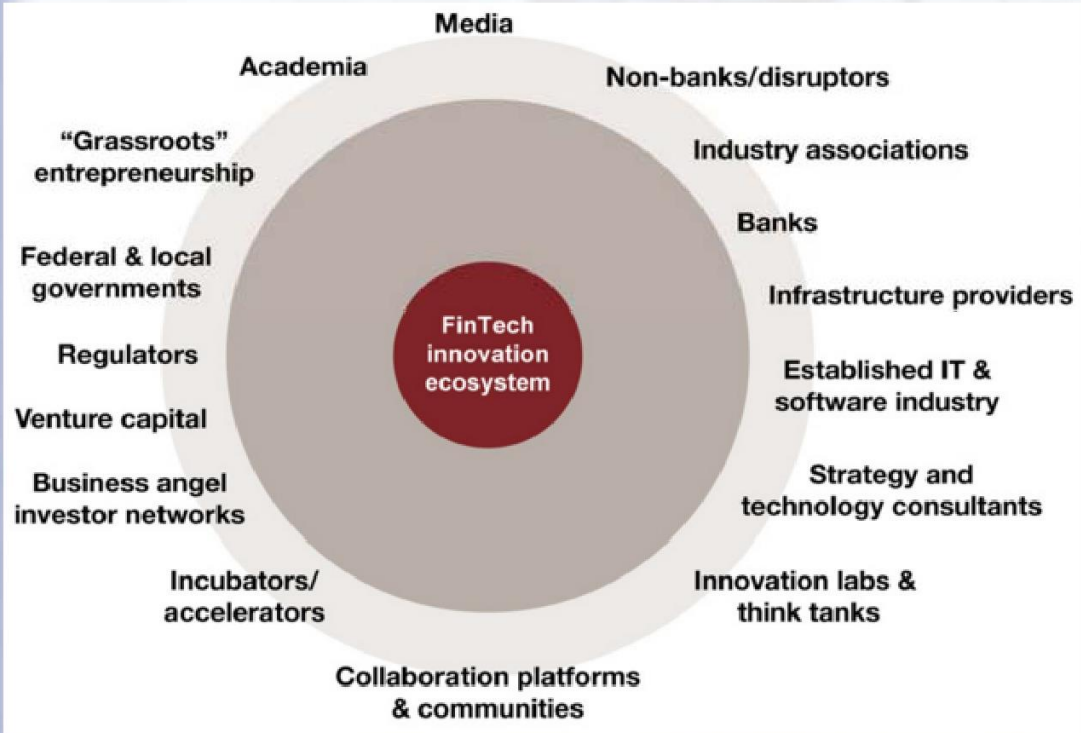


*Bill Gates*

**BANKING IS  
NECESSARY.  
BANKS ARE  
NOT.**

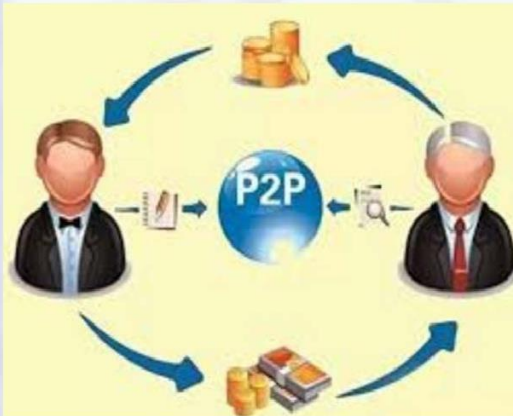
9

# THE FINTECH ECOSYSTEM

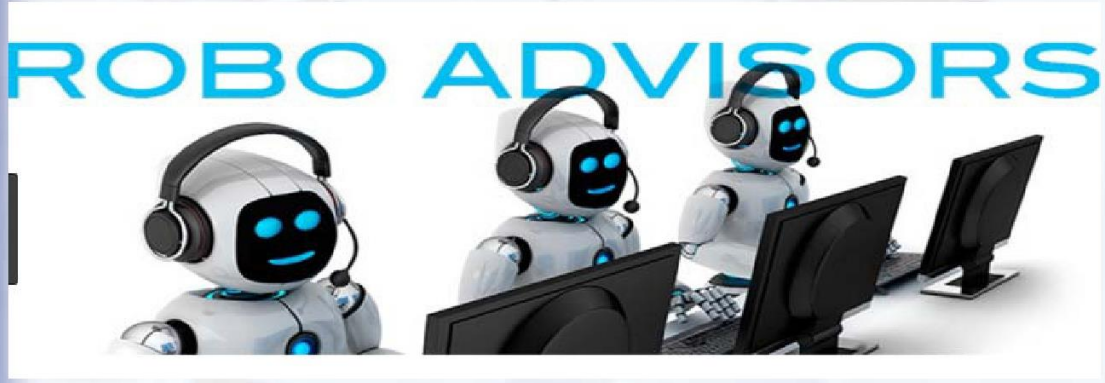


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## Mobile Payment



11



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## **FINTECH CHALLENGES TO FINANCIAL REGULATION AND STABILITY**

Fintech has undoubted technological and financial benefits, but the risks of unsupervised complexity, data leaks and threatened consumer rights require the firm hand of regulation

## 1-MOBILE PAYMENT SECURITY RISKS

- Losing your phone. It's like losing your credit card.
- Cyberthieves who spoof your mobile wallet.
- Malware on your cellphone.



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## 2- P2P LOAN DEFAULT PLAGUE

### Loan Defaults Plague Chinese P2P Industry

**P** By PYMNTS    
Posted on July 23, 2018

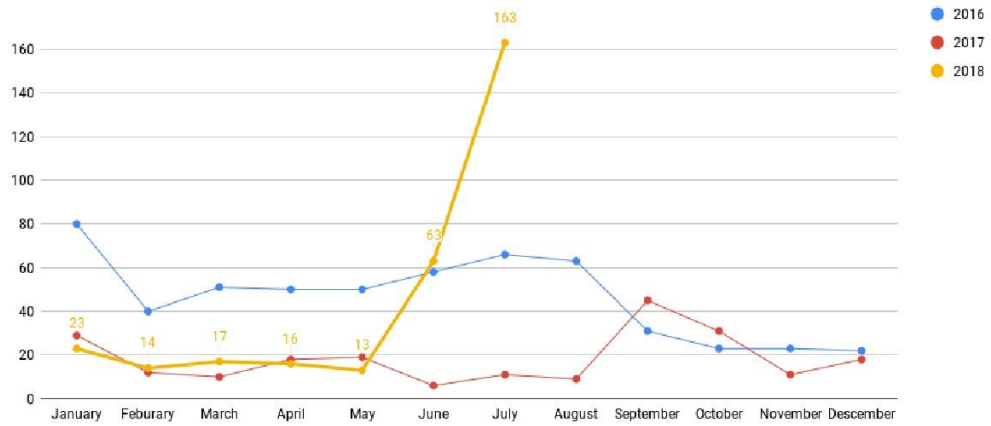


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# CHINESE P2P DEFAULT

## The number of defaulted platforms has surged since June

The number of defaulted platforms by month in the past and present



Source: Home of Online Lending; Graphics by TechNode/Jiefei Liu

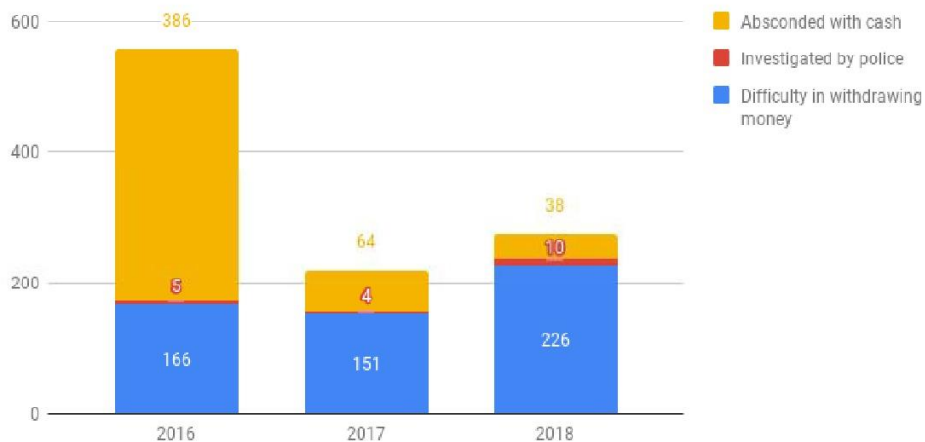
<https://techcrunch.com/2018/08/01/the-dramatic-rise-and-fall-of-online-p2p-lending-in-china/>

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# CHINESE P2P DEFAULT

## Most troubled P2P platforms are experiencing difficulties in returning capital to investors

Types of troubled P2P platforms from 2016 to July 2018



Source: Home of Online Lending; Graphics by TechNode/Jiefei Liu

<https://techcrunch.com/2018/08/01/the-dramatic-rise-and-fall-of-online-p2p-lending-in-china/>

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## 3- ICO SCAM

News > Business > Business News

# Jordan Belfort: ICOs are the 'biggest scam ever, says 'Wolf of Wall Street'

Mr Belfort's warning comes following a steep rise in the popularity of initial coin offerings

Emma Featherstone | Monday 23 October 2017 10:46 | 0 comments

     Click to follow The Independent



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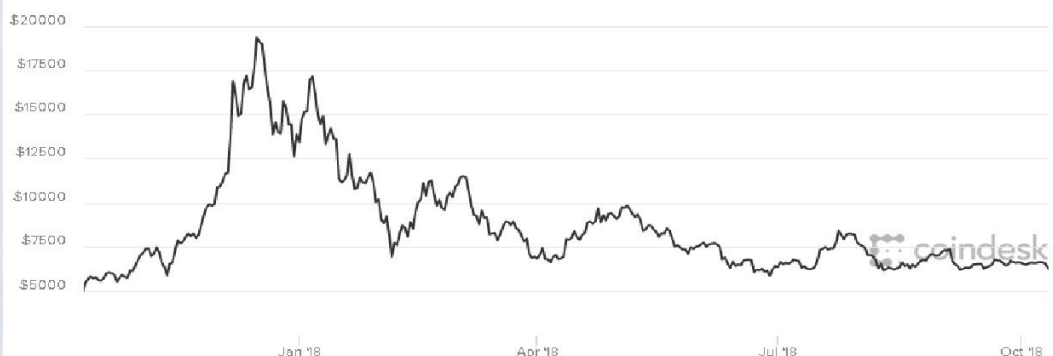
## 4- BITCOIN PRICE CRASH

### Bitcoin (USD) Price

Closing Price  OHLC

1h 12h 1d 1w 1m 3m 1y All

Oct 11, 2017 to Oct 11, 2018  Export



**\$6,217.69** ▼ -5.08%

Today's Open	\$6,550.73	Change	▼ \$-333.04
Today's High	\$6,550.73	Market Cap	\$0.108T
Today's Low	\$6,125.75	Supply	17,316,250

<https://www.coindesk.com/price/>

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# Bitcoin crash: This man lost his savings when cryptocurrencies plunged

by Michael Kaplan @CNNMoneyInvest

September 11, 2018: 7:59 AM ET



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## 5-HACKER HACK FB ACCOUNT

Facebook Flaw Allows Hackers to Steal Your Identity

Protect My Account



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## **THE FACEBOOK AND CAMBRIDGE ANALYTICA SCANDAL**

April , 2018

The personal data of up to 87 million users, mostly in the U.S., was obtained by an analytics firm that, among its other work, helped elect President Donald Trump.



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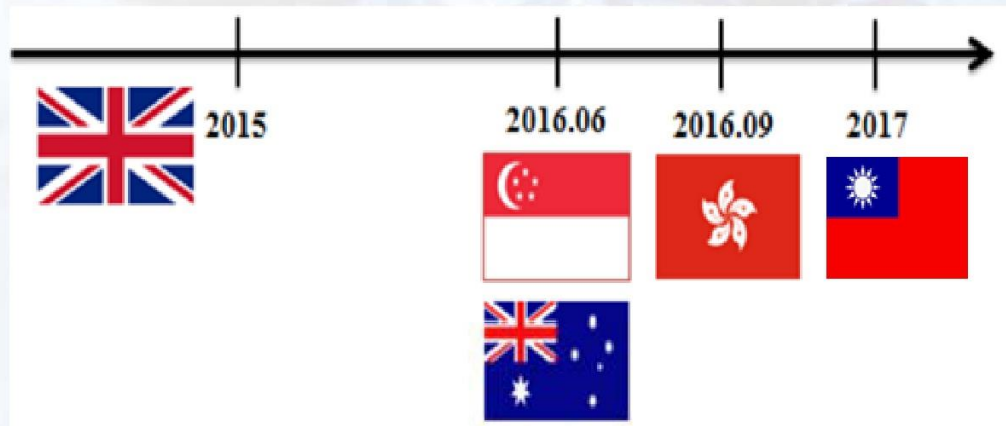
## **HOW REGULATION AND CONSUMER PROTECTION**

- **Regulatory Sandbox**
- **Responsible Innovation**
- **RegTech**
- **EU GDPR**
- **BlockChain**
- **Financial Inclusion**
- **Financial Education**

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## **I-REGULATORY SANDBOX**

The regulatory sandbox allows businesses to test innovative products, services, business models and delivery mechanisms in the real market, with real consumers.



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### **THE SANDBOX SEEKS TO PROVIDE FIRMS WITH:**

- The ability to test products and services in a controlled environment.
- Reduced time-to-market at potentially lower cost.
- Support in identifying appropriate consumer protection safeguards to build into new products and services
- Better access to finance
- The sandbox also offers tools such as restricted authorization, individual guidance, informal steers, waivers and no enforcement action letters.

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## **TAIWAN'S REGULATORY SANDBOX**

**DEC. 29 ,2017**

**Taiwan's Fintech regulatory sandbox law passes“Act on Financial Technology Innovations and Experiments”**

**Firms that have passed an assessment to use the sandbox would be allowed to bypass — in part or in full — certain regulations after gaining the approval of the Financial Supervisory Commission (FSC) , the act stipulates.**

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## **'TAIWAN ALSO HAVE**

- **Money Laundering Control Act (2016.12.28 Amended)**
- **Financial Consumer Protection Act**
- **Act Against the Threats of Hacking**

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## 2-RESPONSIBLE INNOVATION FRAMEWORK-OCC



Outreach & Technical  
Assistance



Awareness & Training

- Establishes ongoing dialogue with banks, nonbanks (including financial technology (fintech) companies), and other stakeholders
- Provides technical assistance to banks and nonbanks
- Promotes awareness and understanding of OCC positions and expectations
- Fosters OCC staff awareness of responsible innovation and emerging trends
- Improves training and enhances the skills of examiners and other OCC staff
- Develops processes to build and leverage OCC experience and expertise

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Coordination &  
Facilitation



Research



Interagency  
Collaboration

- Implements a process to streamline and coordinate innovation-related decisions to ensure transparent and timely responses to inquiries
- Creates a process for OCC participation in bank-run pilots
- Assesses continuously the landscape and trends in financial innovation
- Uses research and ongoing stakeholder dialogue to inform OCC policy, supervision, and analysis
- Uses existing communication channels to share information and collaborate with domestic and international regulators

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## 3-REGATORY TECHNOLOGY



The Financial Conduct Authority (FCA), a regulatory body in the United Kingdom, describes RegTech as the “**adoption of new technologies to facilitate the delivery of regulatory requirements.**”

- Dynamic Regulation for Innovation, knowing your customer , monitoring fraud, catching money launders. detecting fake accounts.
- Know Your Customer (KYC) transformation to Know Your Digital Account (KYD)

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## 4- EU GDPR



The General Data Protection Regulation (EU) 2016/679 ("GDPR") is a regulation in EU law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA). It also addresses the export of personal data outside the EU and EEA areas.

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## 5-FINTECH INNOVATION AND FINANCIAL INCLUSION

Access to finance, financial inclusion and financial sector development have long been major policy objectives. Over the last century, a series of initiatives have aimed to increase access to finance and financial inclusion, but these have accelerated in the last decade as technological developments combined with strategic policy support show potential for progress beyond anything that has been achieved.

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### The World Bank's 2017 Global Findex shows that

**515** MILLION ADULTS  
ACQUIRED A FINANCIAL  
ACCOUNT BETWEEN  
2010 - 2017



**>200** MILLION BUSINESSES  
AND 1.7 BILLION PEOPLE  
REMAIN FINANCIALLY  
EXCLUDED



**1.2** BILLION PEOPLE  
OPENED AN ACCOUNT WITH  
A FORMAL INSTITUTION OR  
MOBILE FINANCIAL SERVICE  
PROVIDER



**2/3**  
OF THE 1.7 BILLION  
UNBANKED ADULTS IN  
2017 HAVE A MOBILE PHONE



**80%** OF ADULTS  
IN INDIA HAVE ACCESS TO AN ACCOUNT  
IN 2017 AS A RESULT OF  
FINTECH



**31%**  
OF THE WORLD'S ADULT  
POPULATION STILL DO NOT  
HAVE ACCESS TO AN ACCOUNT



**MOBILE MONEY**  
HAS PLAYED A MAJOR ROLE  
IN ADVANCING FINANCIAL  
INCLUSION, THE MOBILE  
PHONE IS ARGUABLY THE  
MOST POWERFUL INSTRUMENT  
OF DEVELOPMENT IN HISTORY



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## The World Bank's 2017 Global Findex shows that

### PILLAR I

DIGITAL ID AND eKYC FOR IDENTIFICATION AND SIMPLIFIED ACCOUNT OPENING

### PILLAR II

OPEN ELECTRONIC PAYMENT SYSTEMS, INFRASTRUCTURE AND AN ENABLING REGULATORY AND POLICY ENVIRONMENT THAT FACILITATE THE DIGITAL FLOW OF FUNDS FROM BOTH TRADITIONAL FINANCIAL INTERMEDIARIES AND NEW MARKET ENTRANTS

### PILLAR III

ACCOUNT OPENING INITIATIVES AND ELECTRONIC PROVISION OF GOVERNMENT SERVICES, PROVIDING VITAL TOOLS TO ACCESS SERVICES AND SAVE

### PILLAR IV

DESIGN OF DIGITAL FINANCIAL MARKET INFRASTRUCTURE AND SYSTEMS THAT, IN TURN, SUPPORT VALUE-ADDED FINANCIAL SERVICES AND PRODUCTS AND DEEPEN ACCESS, USAGE AND STABILITY.

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## 6-BLOCKCHAIN

### 10 Advantages of Blockchain Technology

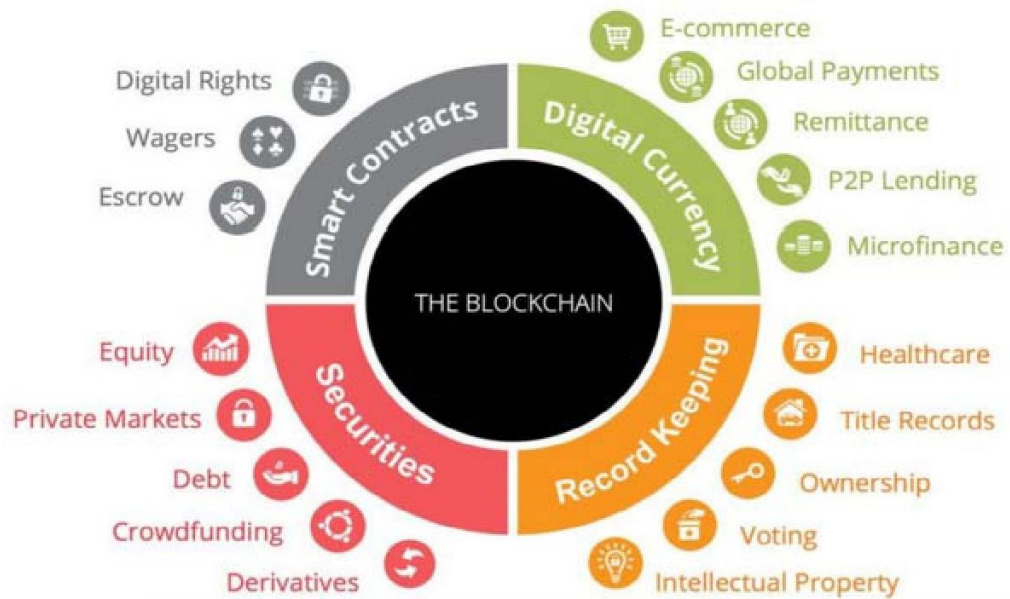
1. Transparency
2. Reduced transaction costs
3. Faster transaction settlements
4. Decentralization
5. User-controlled networks
6. Efficiency
7. Auditability
8. Traceability
9. Security
10. Feedback



36

## Blockchain Potential Applications & Disruption

The blockchain is radically changing the future of transaction based industries



37

## 7- FINANCIAL EDUCATION

### 2014 S&P GLOBAL FINLIT SURVEY

- The survey is based on interviews with more than 150,000 adults in over 140 countries.
- It also aims to provide information to policy makers, regulators, the private sector, and academics to empower them to develop effective financial education policies and programs.

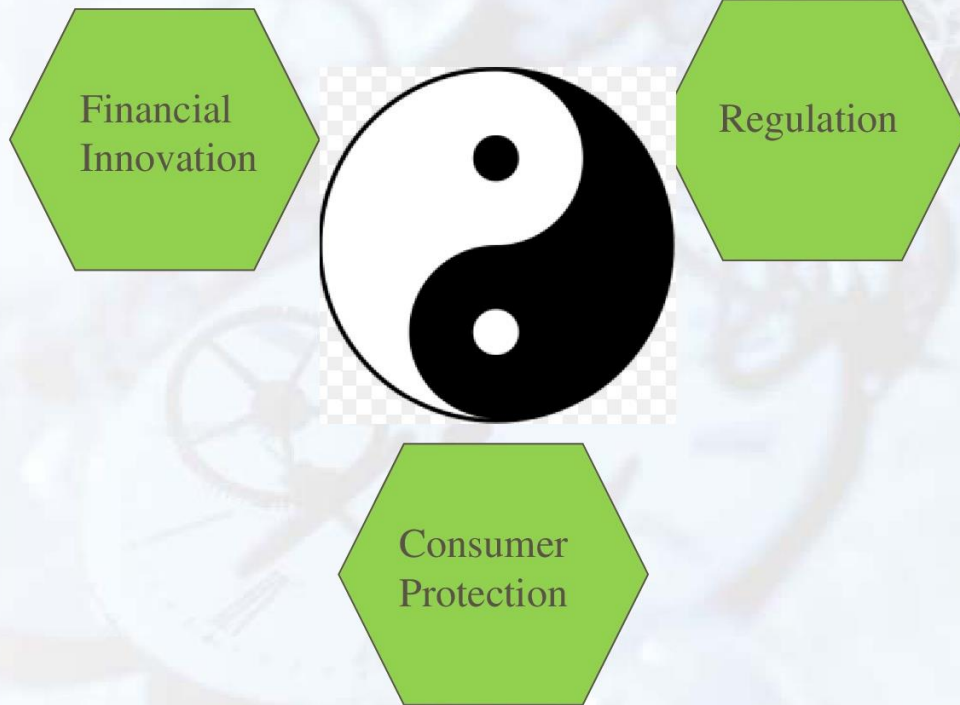
**33%**  
of adults worldwide  
are financially  
literate

**57%**  
of adults in the US  
are financially literate,  
compared to  
**33%**  
of adults  
worldwide

Worldwide,  
**35%**  
of men and  
**30%**  
of women are  
financially  
literate

38

# CONCLUSION



39

**THANK YOU  
FOR YOUR  
ATTENTION**



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## **Session 1 :**

**演講人：新加坡消費者協會林謀泉會長**

**Speaker:Mr. Biow-Chuan Lim, President,  
Consumers Association of Singapore**

**主題：新加坡消費者保護的理念與實務**

**Report:The Concept and Practice of the  
Consumer Protection in Singapore**



**CASE**

## CONSUMER PROTECTION BEST PRACTICES IN SINGAPORE

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Mr Lim Biow Chuan

President

Consumers Association of Singapore

2018 Workshop on Concepts & Trends of Consumer Protection

31 October 2018

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### Brief Introduction

- ❑ Consumers Association of Singapore (CASE) was formed in 1971 by a group of civic-conscious individuals and the Singapore National Trades Union Congress to champion the rights of consumers in the market place.
- ❑ It is a general consumer body affiliated with Consumers International
- ❑ It is a Non-Government Organisation (NGO)



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# Vision & Mission

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Vision – A consumer-friendly Singapore

Mission – To champion consumers' interests and promote fair trading



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# The Role of CASE

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1. Educate consumers on their rights
2. Assist with consumer complaints and encourage mediation
3. Promote fair trading
4. Advocate for improvements to consumer legislation to protect consumers



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# 1. Education Programmes

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CASE conducts regular talks and seminars

- Talks on consumer protection laws [e.g. Consumer Protection (Fair Trading) Act]
- Talks to consumers/businesses on “Lemon Law”
- What to look out for in different types of transactions
  - Motor vehicles
  - Insurance; banking/financial institutions
  - Jewellery
  - Beauty packages
  - Travel agencies



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## Publicity and Education

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- **Collaboration with media** to educate consumers
  - A bi-weekly consumer column in Lianhe Wanbao
  - Articles in lifestyle magazines like Her World
  - Periodic press releases to highlight unfair practices by businesses
- Number of media reports (over last 5 years)
  - 2017: 480
  - 2016: 604
  - 2015: 784
  - 2014: 707
  - 2013: 429



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# Publicity Reports

## Car industry tops Case complaints list – for 6th year

40% of all grouses in 2017 against autos, beauty, home renovation, electrical and electronic goods

ST FILE PHOTO Raffaela Nathan Charles

The car industry is again at the top of the Consumers Association of Singapore's (Case) complaints list, the sixth year in a row.

The next three industries with the most number of complaints are Beauty, home renovation, and electrical and electronic goods.

These four sectors accounted for 40 per cent of all complaints received in 2017, Case said yesterday. A total of 15,744 complaints across 47 industries were sent to Case last year.

Car-related grouses made up 15 per cent of all complaints, while the beauty industry was second, accounting for 9 per cent. Complaints about home renovation, and electrical and electronic goods were tied at 8 per cent each.

Of the cases reviewed, 77.2 per cent were resolved, an increase of 0.6 percentage point from 2016. Money recovered totalled \$2.13 million, up from \$1.95 million in 2016.

Last year, Case received 2,335 car-related grouses, with 60 per cent involving a pre-owned car.

"We observed an increasing trend in the percentage of defective car complaints over the years, from 40 per cent in 2013 to 42 per cent in 2017," Case noted. Complaints about cars with defects have risen for three years in a row.

For example, a consumer who bought a pre-owned car from a car dealer complained the engine stalled several times and emitted smoke a month later. A workshop quoted \$4,800 to replace the engine.

After the consumer watchdog intervened, the car dealer agreed to replace the engine for free. Under Case's Lemon Law, if any defect is found within six months of a car's delivery, the dealer has to prove that the car was not defective at the time of delivery.

Case received 1,401 beauty-related complaints in 2017. These included a wide range of beauty services such as brow, facial, make-up, manicure, hair and massage. Gripses about sales tactics, such as high pressure sales tactics, came up tops.

For example, a consumer was pressured for several hours to sign up for a package at a beauty salon and was told she would need to pay only several hundred dollars a month.

The consumer later realised that the package cost \$21,000, after the amount was deducted from her bank account.

Case pointed out that it was an unfair practice under the Consumer Protection (Fair Trading) Act to



Last year, Case received 2,335 car-related complaints, with 60 per cent involving a pre-owned car. ST FILE PHOTO

make misleading claims and to pressure consumers into a transaction. The consumer was able to get a full refund.

There were 1,335 complaints against renovation contractors. The top complaint was their failure to honour contract terms, such as meeting deadlines.

The electrical and electronic goods sector saw an increase in complaints, with 1,300 last year.

Case has also announced plans to enhance consumer education in the four industries topping the list. It will promote the adoption of a "Standard and Functional Evaluation Checklist" for used-car buyers

in its upcoming motoring roadshow in March.

The consumer watchdog will also raise awareness of payment protection and the five-day cooling-off period offered by Case- accredited spa and wellness businesses. It is also planning more talks and exhibitions for consumers on engaging a renovation contractor or buying electrical and electronic products.

Consumers with current unresolved disputes can approach Case for help on 6100-0315 or at [www.case.org.sg](http://www.case.org.sg)

[nathan@tph.com.sg](mailto:nathan@tph.com.sg)



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# MRT Outreach Campaign



**GOT A CASE? COME TO CASE**

Protecting consumers since 1971

For assistance/clarification, call CASE 6100 0315 or visit [www.case.org.sg](http://www.case.org.sg)

[www.facebook.com/caseorg](https://www.facebook.com/caseorg)

[www.twitter.com/caseorg](https://www.twitter.com/caseorg)



Consumers Association of Singapore (CASE)  
170 Glass Walk South, The Fusion Community Building, #05-01, Singapore 170021

## LEMON LAW

Protecting consumers against defective goods



**1** Consumer can sue business to repair or replace the defective product.

**2** Consumer may keep the defective goods and request a refund in full, or return the defective goods for a refund if:

- The business did not provide repair or replacement within a reasonable time or without significant inconvenience to the consumer, OR
- Repair or replacement by the business is not possible or incurs a very high cost.

For assistance/clarification, call CASE 6100 0315 or visit [www.case.org.sg](http://www.case.org.sg)

[www.facebook.com/caseorg](https://www.facebook.com/caseorg)

[www.twitter.com/caseorg](https://www.twitter.com/caseorg)



Consumers Association of Singapore (CASE)  
170 Glass Walk South, The Fusion Community Building, #05-01, Singapore 170021

Ads were displayed over the train panels for a period of two months  
Estimated outreach of 1.62 million commuters



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# The Consumer



Quarterly publication with the latest issues and trends in consumer matters to empower consumers to make wise purchase decisions



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## Consumer Product Safety

The Consumer Products, Standards and Testing Committee selects test projections based on the following considerations:

- ❑ Healthy/Safety
- ❑ Performance/Efficacy
- ❑ Awareness/Education



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# Testing/Survey Projects

## Jewellery that's not worth its weight in gold

Some jewellers misstate purity of gold, overcharge buyers: Case poll

By Tina Wu

Some more than 40-odd per cent. In some cases, about eight per cent of the gold is not pure gold. The rest is made up of other metals, which are sold at a lower price than gold. This means that buyers are paying for a lower quality of gold than what they are getting. The jewellers who are doing this are often found in the Singaporean market. A survey by the Consumers Association of Singapore (CASE) found that the average purity of gold jewellery is only 91.5 per cent. This is well below the 99.9 per cent that is required for gold to be considered pure. The survey also found that many jewellers are charging more for their gold than it is worth. This is because they are using a lower quality of gold than what they are claiming to be. The survey also found that many jewellers are not providing their customers with the necessary information about the purity of their gold. This means that buyers are often paying more for a lower quality of gold than they are getting. The survey also found that many jewellers are not providing their customers with the necessary information about the purity of their gold. This means that buyers are often paying more for a lower quality of gold than they are getting.

**Things to look out for**

- Check the purity of the gold. The Consumers Association of Singapore (CASE) has a list of jewellers who are known to sell low-purity gold. It is important to check the purity of the gold before buying it.
- Check the price. If the price is too high, it may be a sign that the gold is not pure. The price of gold should be around \$1,500 per gram.
- Check the weight. The weight of the gold should be accurate. If it is not, it may be a sign that the gold is not pure.
- Check the colour. Pure gold is yellow. If the gold is a different colour, it may be a sign that it is not pure.
- Check the texture. Pure gold is smooth. If the gold has a rough texture, it may be a sign that it is not pure.

## Toy test reveals toxic results

Nearly half in Case test have dangerous levels of lead and phthalates

By Tina Wu

A TEST of 16 toys in Singapore - some of them bought in well-known stores - found that nearly half had excessive amounts of lead and phthalates, which are known to be harmful to children's health. The survey, conducted by the Consumers Association of Singapore (CASE), found that 14 of the 16 toys had levels of lead and phthalates that were above the acceptable limits. The survey also found that many of the toys had levels of lead and phthalates that were above the acceptable limits. The survey also found that many of the toys had levels of lead and phthalates that were above the acceptable limits.

**Things to look out for**

- Check the age rating. Toys should be used by children of the appropriate age. If a toy is not rated for a child's age, it may be a sign that it is not safe.
- Check the materials. Toys should be made of safe materials. If a toy is made of a material that is known to be harmful, it may be a sign that it is not safe.
- Check the design. Toys should be designed to be safe. If a toy has sharp edges or small parts, it may be a sign that it is not safe.
- Check the manufacturer. Toys should be made by a reputable manufacturer. If a toy is made by a manufacturer that is not well-known, it may be a sign that it is not safe.



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# Testing/Survey Projects

Test shows reusable plastic bottles here safe

The Case test involved filling the plastic bottles with distilled water and keeping them at 40 deg C for 24 hours. The water was then tested for Bisphenol A (BPA). There have been health concerns related to human exposure to BPA, with a study showing a link between high urinary BPA levels and heart problems and diabetes. PHOTO: ONG MEE JIN



## Reusable water bottles sold here mostly did not leach BPA: CASE

Out of 20 different reusable plastic water bottles tested, Bisphenol A was only detected in one of them, and it was within the acceptable limit, says the Consumers Association of Singapore.



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## 2. Complaints Management

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- ❑ Consumers approach CASE for advise on their complaints
- ❑ Officer evaluate details
- ❑ Provide advice on options available
- ❑ Assist consumer to deal with problems directly whenever possible
- ❑ Negotiate on behalf of consumer if required
- ❑ Advise on alternatives if negotiation fails
  - Mediation
  - Small Claims Tribunals
  - Commence civil claim
- ❑ Ways to contact CASE
  - Walk-in
  - Hotline
  - Fax
  - Online



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## Consumer Complaints

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**2017**

- ❑ 15,744 complaints
- ❑ 77.12% resolution rate
- ❑ Recovered \$2.13 million



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# CASE Mediation Centre

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- ❑ CASE Mediation Centre was set up in 1999
- ❑ The mediators are volunteers from a wide array of professions, and this ensures that our mediators have no vested interest in the dispute resolution process
- ❑ 70% to 80% resolution rate for disputes



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# Mediation

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- ❑ CASE encourages businesses and consumers to attend mediation for a “win-win” solution to their disputes
- ❑ We have presently 93 active impartial mediators, who are independent of CASE
- ❑ Many of whom are professionals like lawyers, accountants, engineers, ophthalmologists
- ❑ They help parties to come to amicable solution



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### 3. Promote Fair Trading - CaseTrust

- ❑ Accreditation scheme to ensure consumer confidence
- ❑ Participating companies commit to abide by the following standards:
  - Consumer-friendly Policies
  - Ethical Advertising
  - Business Practices and Systems
  - Dispute Resolution Mechanism for Complaints
- ❑ For businesses that collect deposits, we push them to provide insurance to protect consumers from business failure



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## CaseTrust

Blue Status Accreditation Scheme for the following Industries:	
Spa and Wellness	Renovators (and RCMA Members)
Employment Agencies	Jewellers (and SJA Members)
Direct Sellers (DSAS Members)	School Bus Service Operators (SSTA Members)
Storefront Businesses	Motoring Businesses (SVTA Members)
Hair and Cosmetology Businesses (HACOS Members)	
Gold Status Accreditation Scheme:	
Applicable for any Blue Status achiever + awards/recognition by Industry	

As at 15 October 2018, there are 944 accredited entities



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# CaseTrust

Wide publicity for CaseTrust and its accredited businesses

- ❑ Information listed on government websites
- ❑ Television shows & radio programmes
- ❑ Nationwide advertisements at bus shelter and magazines



Name of PECS	Case Trust for Education	SQC PECS
1. The Centre for Health & Nutrition Studies	✓	
2. Shonan Shale School	✓	
3. National Institute of Education	✓	
4. National Institute of Education (NIE) - Singapore	✓	
5. NIE Education Centre	✓	
6. NIE Education Centre (NIE-EC)	✓	
7. NIE Education Centre (NIE-EC) - Singapore	✓	
8. NIE Education Centre (NIE-EC) - Singapore	✓	
9. NIE Education Centre (NIE-EC) - Singapore	✓	
10. NIE Education Centre (NIE-EC) - Singapore	✓	

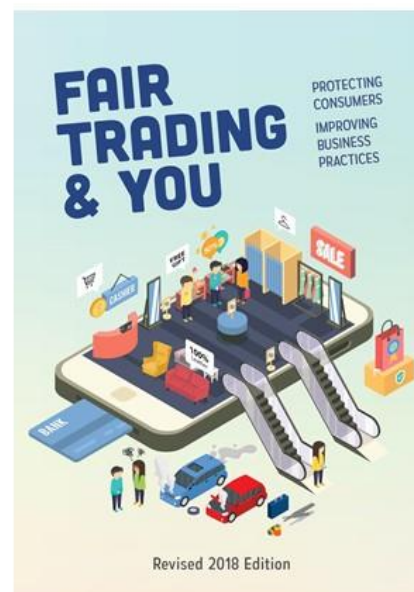


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## 4. Advocate for Improvements to Consumer Legislation

### Consumer Protection (Fair Trading) Act (CPFTA)

- ❑ CPFTA came into effect on 1 March 2004
- ❑ Amendments in 2009, 2012 and 2016
- ❑ To protect consumers from unfair business practices
- ❑ Result of years of CASE lobbying



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# Consumer Protection (Fair Trading) Act

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- ❑ Do or say anything, or omit doing or saying anything, if as a result, a consumer might reasonably be deceived or misled
- ❑ Make a false claim
- ❑ Take advantage of a consumer if the supplier knows or ought reasonably to know that the consumer
  - Is not in a position to protect his own interests
  - Is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction
- ❑ Commit any of the 24 unfair business practices specified in the Consumer Protection (Fair Trading) Act



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## 2012 Amendments

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- ❑ Amendment to introduce concept of Lemon Law on defective goods
- ❑ Took effect on 1 September 2012
- ❑ Consumers can ask retailers on defective goods for 4 remedies: Repair, Replace, Reduction in Price or Refund



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# 2016 Amendments

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- ❑ CPFTA was further amended to strengthen existing measures that may be taken against errant suppliers who persist in unfair trading
- ❑ SPRING Singapore (Competition and Consumer Commission of Singapore from April 2018 onwards) was given investigate and enforcement powers



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# Role of CASE under CPFTA

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- ❑ CASE may invite errant retailers to enter into a **Voluntary Compliance Agreement (VCA)** to agree to stop the unfair practices and/or compensate affected consumers
- ❑ Since 2004, CASE entered into 22 VCAs with errant suppliers
- ❑ An errant retailer who persist in unfair practices will be referred to CCCS for investigation, with a view of taking up an injunction against the retailer



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## VCA – Case Study

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- ❑ The business sells electrical devices claiming that their electrical devices can save up to 30% of the electrical bills, improves the power factor of household appliances, etc
- ❑ CASE's scientific testing on the products did not confirm the business' claims
- ❑ Therefore, CASE persuaded business to sign VCA



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## Injunction – Case Study

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- ❑ In 2006, CASE obtained an injunction against a photo studio business offering makeover and photo services
- ❑ The business called consumers over the telephone telling them that they had won a free makeover and photo package
- ❑ After consumer attended at the shop and completed the **free** makeover and photoshoot, he was pressured by the staff into agreeing to pay for a new makeover package costing more than \$1,000
- ❑ Consumer was held in the photo studio for few hours
- ❑ When consumer regretted, business said there could be no refunds, cancellation or transfer to third parties
- ❑ CASE stepped in to persuade business to cease such unfair practice



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# International Relations

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To assist local consumers in **overseas disputes**, CASE signed Memorandums of Understanding (MOUs) with the following counterparts:

- ❑ China Consumers' Association, 2005
- ❑ Consumer Coordination Council (India), 2010
- ❑ Federation of Malaysian Consumers Association, 2010
- ❑ Macao SAR Government Consumer Council, 2010
- ❑ National Consumer Affairs Center of Japan, 2015
- ❑ Korea Consumer Agency, 2017



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Thank you

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## **Session 1 :**

**演講人：香港消費者委員會投訴及諮詢部莊龍五總主任**

**Speaker:Mr. Lung-Ng Chong, Chief Complaints &  
Advice Officer, Consumer Council, Hong Kong Special  
Administration Region**

**主題：跨境消費糾紛協調解決機制-現況及海外機制探討**

**Report : Cross-border Consumer Dispute  
Coordination and Settlement Mechanism-Current  
Situation and Overseas Mechanism.**

# 跨境消費糾紛協調解決機制 - 現況及海外機制探討

香港消費者委員會  
投訴及諮詢部總主任  
莊龍五先生

## 跨境消費糾紛 – 主要投訴類別

外遊旅行團及  
機票酒店套餐

- 服務質素、行程延誤、  
旅程安排不周



內地訪港旅行團  
定點購物商店

- 強迫消費、價格爭議、  
貨品品質



線上交易 - 包括本地  
及跨境消費

- 送貨延誤、更改班次(機票)、  
不能提供所訂房間(酒店)



# 跨境消費糾紛個案數字

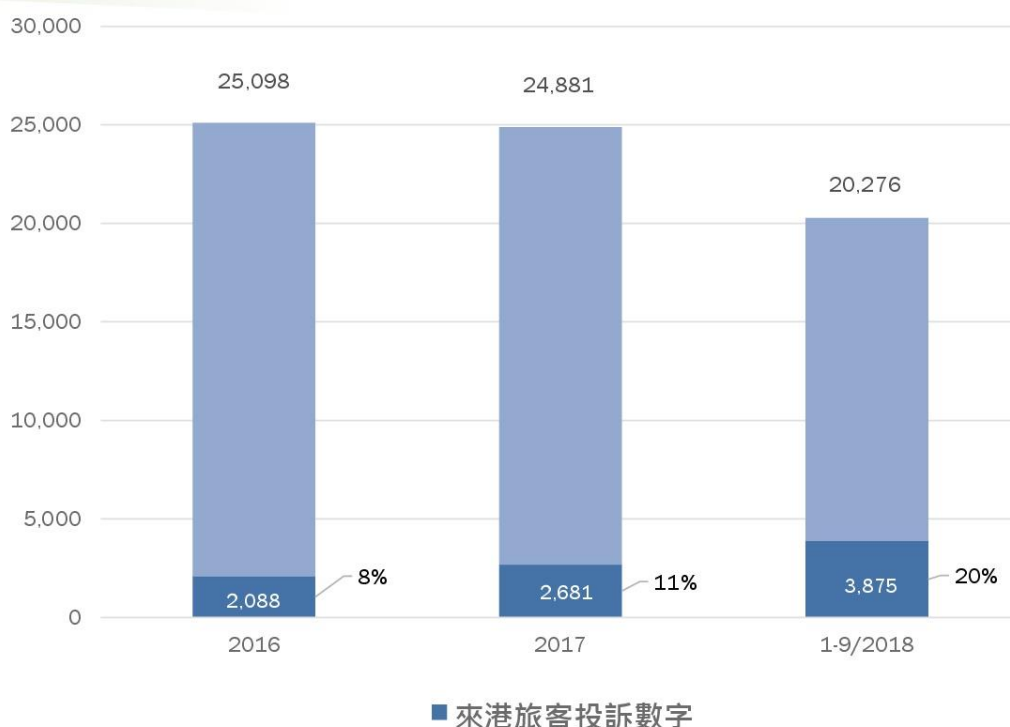
## 跨境消費投訴數字

		2016年	2017年	2018年(1-9月)
外遊旅遊 (旅行團及 機票酒店套餐)	投訴數字	252	265	276
	牽涉金額	\$3,057,000	\$3,098,000	\$4,304,000
訪港旅客 (入境旅行團)	投訴數字	160	143	55
	牽涉金額	\$1,717,000	\$1,790,000	\$692,000
線上交易 (包括本地及跨 境消費)	投訴數字	3,208	3,940	3,668
	牽涉金額	\$10,683,000	\$10,838,000	\$22,853,000

註: 以上投訴牽涉金額單位為港幣計算

3

# 來港旅客投訴佔整體投訴個案數字



4

## 跨境消費糾紛個案處理 – 現況

- 外遊旅客 – 個別跟進
  - 外遊投訴個案每年約 250 - 280 宗個案
- 香港旅遊業議會 – 內地訪港旅行團定點購物
  - 每年約少於 100多宗轉介個案

5

## 跨境/網上消費糾紛 – 新興投訴類別

消費者屢遭誤導轉錯帳 微信支付被指協助不力 騰訊遭約談作整改

子宮頸癌疫苗缺貨 打完頭兩針未必打到三針

【網購陷阱】「貨到付款」看似安全 實暗藏風險 消委會收投訴激增近14倍

多宗消費者因遭誤導而轉錯帳 騰訊計算機系統有限公司發出

今次被指嚴重貨不對辦的無錫風扇，在網上推銷，但採用「貨到付款」的方式，即是貨物未送抵買家前毋須付款，不少消費者誤以為這代表貨物可靠，致新亦激增。消委會却稱事實無關關注事件，她直言「貨到付款」不單知有公司無誠為由，要求買家先行付款讓他離開，不容買家「先驗貨後付款」，待事後消費者發現貨不對辦甚至疑騙騙假貨時，已難以追究，故她呼籲消費者要

6

## 電子支付的投訴案例



投訴人表示使用「微信支付」向在內地的賣方購買一隻小狗，付款人民幣3300元。

但賣方未有按承諾交貨，亦拒絕退款。



投訴人向微信支付公司求助，但對方只建議他向內地公安報警求助，沒有給他其他的協助。



投訴人希望透過網上向內地公安局報案，但公安局的網站只讓內地居民報案，故他求助無門

7

## 疫苗接種之消費者投訴統計

投訴分類	2016	2017	1-9/2018
銷售手法	2	0	4
服務延誤 (疫苗缺貨)	6	444	2,025
價格 / 收費爭拗	3	8	26
服務質素	8	22	12
其他	4	1	7
<b>總計</b>	<b>23</b>	<b>478</b>	<b>2,126</b>
牽涉金額	\$75,800	\$2,052,000	\$7,609,000

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## 「貨到付款」的投訴數字統計

投訴分類	2016	2017	1-9/2018
銷售手法	0	47	98
懷疑假貨	0	15	27
產品質素	0	17	15
服務質素	1	2	9
價錢爭議	1	1	9
其他	2	6	6
<b>總計</b>	<b>4</b>	<b>88</b>	<b>161</b>

9

## 跨境消費糾紛案例 – 網上消費



10

## 跨境消費糾紛個案轉介機制 – 現況

- 與內地及澳門消保機構簽訂合作協議

香港消費者委員會先後與中國消費者協會、內地多個省市的消費者組織，及澳門消費者委員會簽署合共20多個合作協定

合作協定主要原則：通過多方面的合作，妥善處理跨區域消費糾紛，充分共用消費資訊和維權資源。

主要合作範圍：

1. 消費者諮詢、投訴處理工作
2. 消費警示提示和消費指導工作
3. 消費者權益保護方面的相關資訊、資源分享
4. 消費者權益保護方面的培訓工作



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## 跨境消費糾紛個案轉介機制 – 現況

- 與海外消保機構簽訂諒解備忘錄(Memorandum of Understanding)

- 與韓國消費者院(Korea Consumer Agency)簽訂諒解備忘錄

自2017年5月至今合作處理共24宗個案  
(當中3宗由KCA轉介至本會，  
21宗由本會轉介KCA)



- 與日本國民生活中心((National Consumer Affairs Center of Japan)簽訂諒解備忘錄

自2018年6月至今合作處理共11宗個案  
(當中全數11宗由本會轉介至NCAC)



- 溝通方式 (電郵 – 英語)

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## 跨境消費糾紛案例 HKCC→KCA個案轉介

投訴人向本會申訴，表示經當地便利店職員介紹下，替兒子購買儲值卡，及後於當地乘鐵路時，職員發現該儲值卡不適合兒子的年齡使用，投訴人因錯誤使用乘車優惠而遭到罰款。

與韓國消費院經過三次的溝通後，當地便利店願意向投訴人補償罰款損失。投訴人對結果感到滿意。



本會接納該投訴個案，經申本會職員翻譯為英文後，轉交韓國消費院處理。

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## 跨境消費糾紛案例 KCA→HKCC個案轉介

本會收到韓國消費院轉介(KCA)個案，內容提及韓國消費者向香港營運的航空公司購買機票，該公司流動版網頁的韓文介面中未有提及取消機票引申的費用。當消費者申請取消機票時，發現公司收取KRW 30,000 費用。

經過與KCA及航空公司多次的溝通後，最終公司願意全數退款予消費者，沒有收取額外費用。



本會向航空公司作出投訴，公司曾最初指出的網頁上有相關條文說明有關費用，及後本會與KCA多次溝通後發現公司的流動版網頁未有展示有關條文。

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## 跨境消費糾紛個案處理 – 海外機制



### SOSA 臺北市消費者 電子商務協會

受理已加入網上糾紛解決機制 (ODR) 之網路商店。此外，SOSA 已於美國 BBBOnLine 組織相互結合，所以目前僅受理美國線上交易糾紛案件，一起共同合作協助消費者在電子商務應用上交易糾紛問題

#### ■ 申訴流程：



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## 跨境消費糾紛個案處理 – 海外機制

- 國際消費者保護與執法網路 (ICPEN)
  - 約60個各地政府消保及執法機構 (包括國家工商總局)



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## 跨境消費糾紛解決機制 – 展望

- 跨境消費頻繁 (旅遊及網上消費)
- 網上解決跨境消費糾紛平台  
ODR (Online Dispute Resolution)
  - 消保組織連系同一可靠網上平台，處理跨境消費糾紛



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## 網上糾紛解決機制 – 挑戰及機遇

### 挑戰

- 法例上的存異
- 宣傳及推廣  
(商戶及消費者參與)
- 網路安全及私隱保障
- 效益管理及監控
- 建立及維持網路平台成本  
(可持續性)



### 機遇

- 更快捷、便宜及有效的  
糾紛解決機制
- 更快掌握跨境消費資訊  
及趨勢作分析及研究
- 人工智能 + 大數據

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謝謝!


# 2018 Workshop on Concepts and Trends of Consumer Protection

## Cross-border Consumer Dispute Resolution Mechanism – Current Situation and Overseas Mechanism

Mr. Lung-Ng Chong  
Chief Complaints & Advice  
Officer Consumer Council, Hong Kong




31 October 2018




## Cross-border Consumer Disputes – Major Categories

**Outbound Tour, Air-ticket & hotel package**




- *Service quality, delay & poor schedule*

**Inbound tour designated shops**



- *Forced purchase, price dispute, product quality*

**Online reservation – local & cross-border**



- *Delay & change schedule (air-ticket), no reservation record (hotel)*

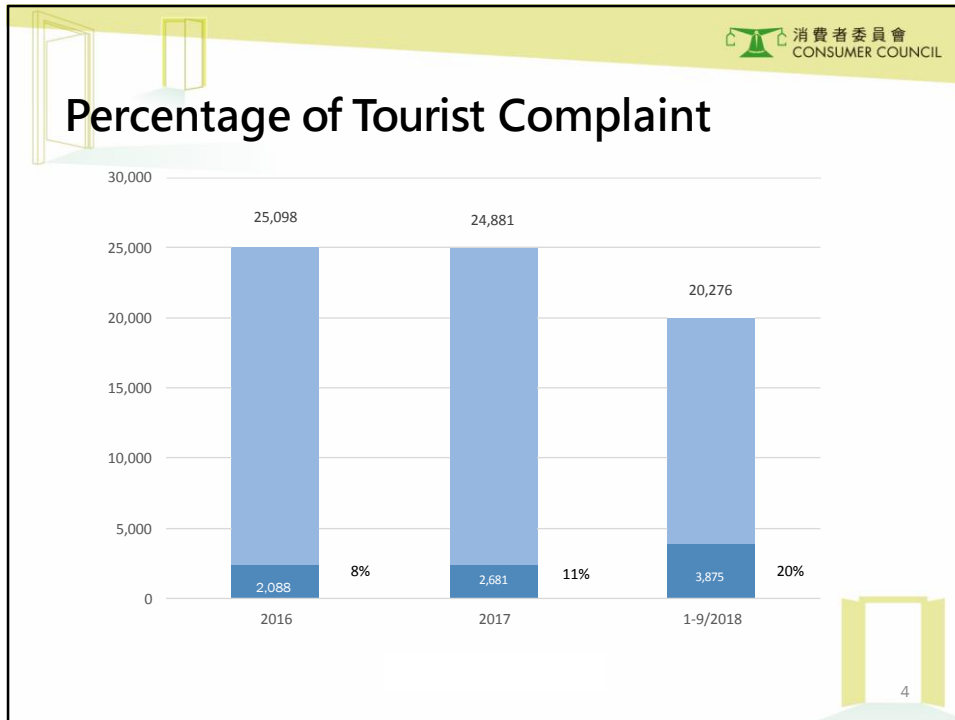
2

消費者委員會  
CONSUMER COUNCIL

## Cross-border Consumer Complaint Statistics

		2016	2017	1-9/2018
Outbound ( Tour, Air-ticket & hotel package )	No. of Complaint	252	265	276
	Amount Involved (HK\$)	\$3,057,000	\$3,098,000	\$4,304,000
Inbound Tourist ( from mainland )	No. of Complaint	160	143	55
	Amount Involved (HK\$)	\$1,717,000	\$1,790,000	\$692,000
Online reservation ( local & cross- border )	No. of Complaint	3,208	3,940	3,668
	Amount Involved (HK\$)	\$10,683,000	\$10,838,000	\$22,853,000

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## Cross-border Consumer Complaint Handling – Present Situation

- Ordinary tourists to Hong Kong
  - Conciliation
  - About 250 – 280 cases per year
- Mainland tourists of Inbound tour – shopping at designated shops
  - Case referred to Travel Industry Council of HK
  - About 150 cases per year

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## Cross-border/Online Consumer Dispute – New Categories

消費者屢遭誤導轉錯帳 微信支付被指協助不力 騰訊遭約談

子宮頸癌疫苗缺貨 打完兩針未必打到三針

【網購陷阱】「貨到付款」看似安全 實暗藏風險 消委會收投訴激增14倍

多宗消費者投訴轉錯帳而錯帳 有研究員指為玩弄公司發出

騰訊遭約談

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## Case illustration – E-payment

C made payment of \$3,300 via WeChat Pay to mainland seller for a puppy

Non-delivery of puppy, no refund by seller

C sought help from WeChat Pay but was advised to report to police in the mainland

C attempted to file an online complaint with mainland police but was told it would be available to mainland citizens only


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## Vaccination - Complaint Statistics

Nature of Complaint	2016	2017	1-9/2018
Sales Practices	2	0	4
Delay/Non-delivery	6	444	2,025
Price Disputes	3	8	26
Quality of Services	8	22	12
Others	4	1	7
<b>Total</b>	<b>23</b>	<b>478</b>	<b>2,126</b>
<b>Amount Involved (HK\$)</b>	<b>\$75,800</b>	<b>\$2,052,000</b>	<b>\$7,609,000</b>

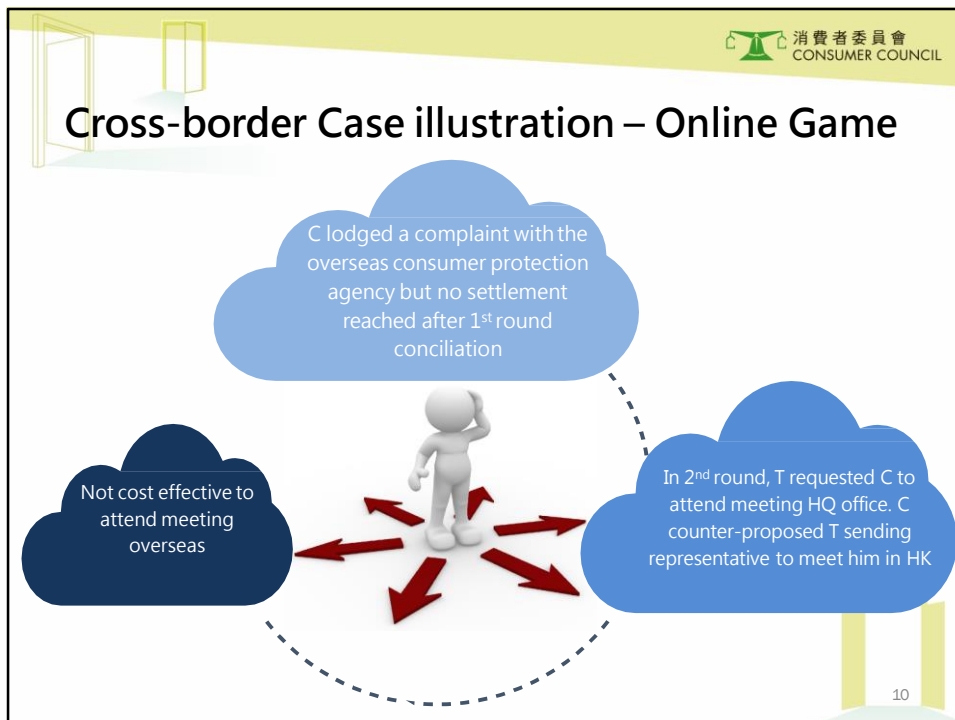
8



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## Cash on Delivery – Complaint Statistics

Nature of Complaint	2016	2017	1-9/2018
Sales Practices	0	47	98
Suspected Spurious Goods	0	15	27
Quality of Goods	0	17	15
Quality of Services	1	2	9
Price Dispute	1	1	9
Others	2	6	6
<b>Total</b>	<b>4</b>	<b>88</b>	<b>161</b>

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## Cross-border Case Referral Mechanism – Present Situation


- Memorandum of Understanding (MoU) signed with more than 20 sister organizations in Macao and mainland China

Principle of Collaboration:

- Handle cross-border consumer complaints promptly
- Information exchange for consumer alert
- Sharing and training on consumer protection



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## Cross-border Case Referral Mechanism – New Development

- MoU signed with overseas counterparts


**May 2017**

- MoU signed with Korea Consumer Agency (KCA)
- 24 cases referred since May 2017
- HKCC → KCA (22 cases)
- KCA → HKCC (3 cases)



**June 2018**

- MoU signed with National Consumer Affairs Center (NCAC)
- 11 cases referred
- HKCC → NCAC (11 cases)
- NCAC → HKCC (0 case)



– **Communication by Email in English**

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### Cross-border Case Illustration 1 Case referral HKCC → KCA

C purchased a train ticket for his son, age 13, at a convenience store in Korea. However, his son was fined for use of ticket for children below 12.

After 3 rounds of conciliation, the convenience store agreed to reimburse the find to C.

Case referred to KCA for handling.

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### Cross-border Case Illustration 2 Case referral KCA → HKCC

C purchased air-ticket from a HK airline via its mobile platform. Later, C cancelled the booking without knowledge/information of any surcharges incurred on the platform.

Airline arranged full refund to C.

Case handled by HKCC. It was found that airline did not state relevant T&C in Korean on its mobile platform.

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## Cross-border Consumer Dispute Resolution Mechanism – Overseas Mechanism



**SOSA** 台北市消費者電子商務協會  
Secure Online Shopping Association

SOSA

Handle e-trader members of Online Dispute Resolution (ODR). Besides, SOSA also handles e-shopping disputes with e-trader in US as it has affiliation with US BBBOnLine.

■ 申訴流程：



```

    graph LR
      A[我要申訴] --> B[填寫案件地區]
      B --> C[填寫申訴對象]
      C -- 會員 --> D[申訴人]
      C -- 非會員 --> E[申訴人資料填寫]
      D --> F[申訴問題]
      F --> G[資料建檔完成]
      E --> G
    
```

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## Cross-border Consumer Dispute Resolution Mechanism – Overseas Mechanism

- (International Consumer Protection and Enforcement Network)
  - A membership organisation consisting of consumer protection law enforcement authorities from across the globe.
  - Law enforcement authorities of 60 countries




**ICPEN**  
International Consumer Protection and Enforcement Network

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## Cross-border Consumer Dispute Resolution Mechanism – Way Forward

- Anticipated ever-increasing cross-border consumer transactions (travel & online shopping)
- Online Dispute Resolution (ODR)
  - Create and connect to a reliable online platform to handle cross-border consumer disputes across the globe




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## Cross-border Consumer Dispute Resolution Mechanism – Challenges & Opportunities

### Challenges

- Choices of jurisdiction
- Publicity & Promotion (trader/consumer participation)
- Network security & privacy issues
- Management & monitoring
- Sustainable & cost-effectiveness of platform



### Opportunities

- Fast, low-cost & effective dispute resolution
- Data-mining for analysis
- Use of AI & big data

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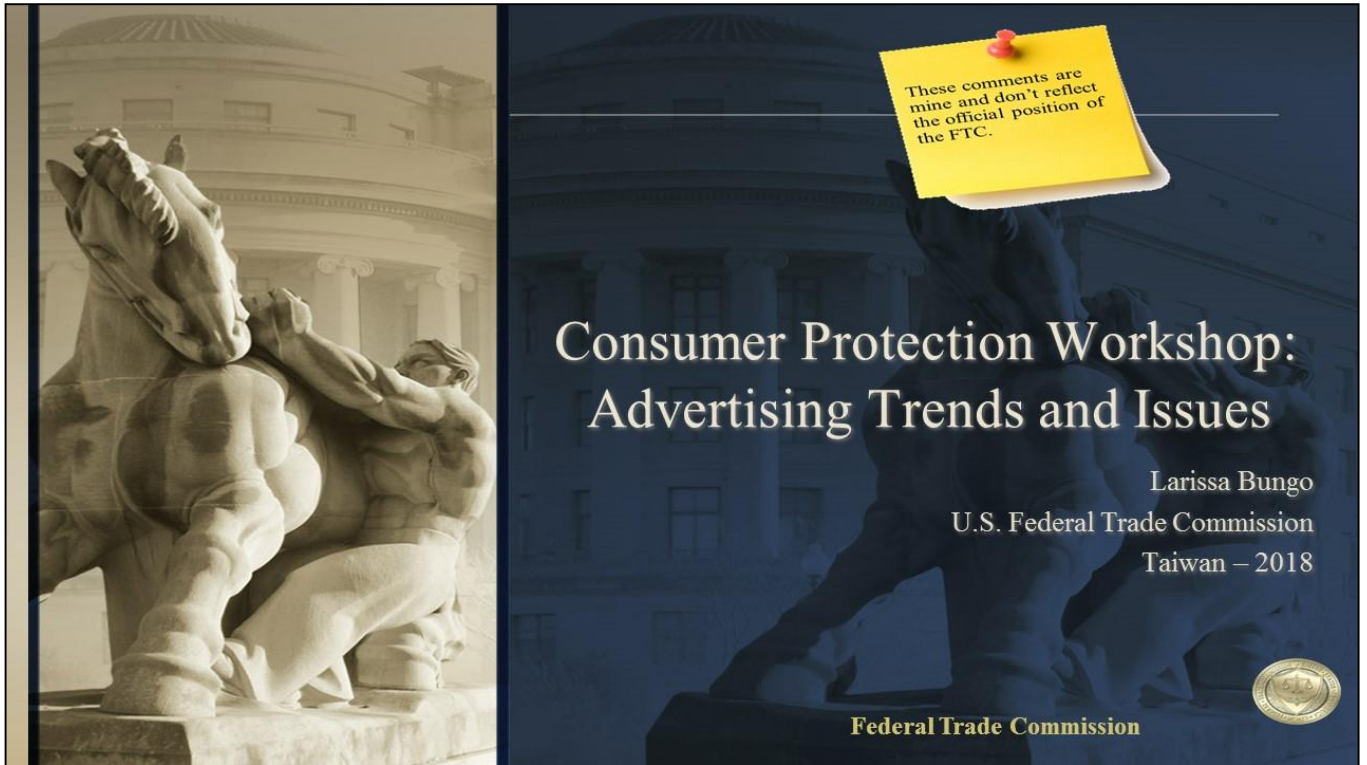
## Session 2 :

演講人:美國聯邦貿易委員會助理處長-Ms. Larissa Bungo

Speakers:Ms. Larissa Bungo, Assistant Regional  
Director, Federal Trade Commission, U.S.A.

主題:廣告的趨勢和問題

Report :Advertising Trends and Issues.

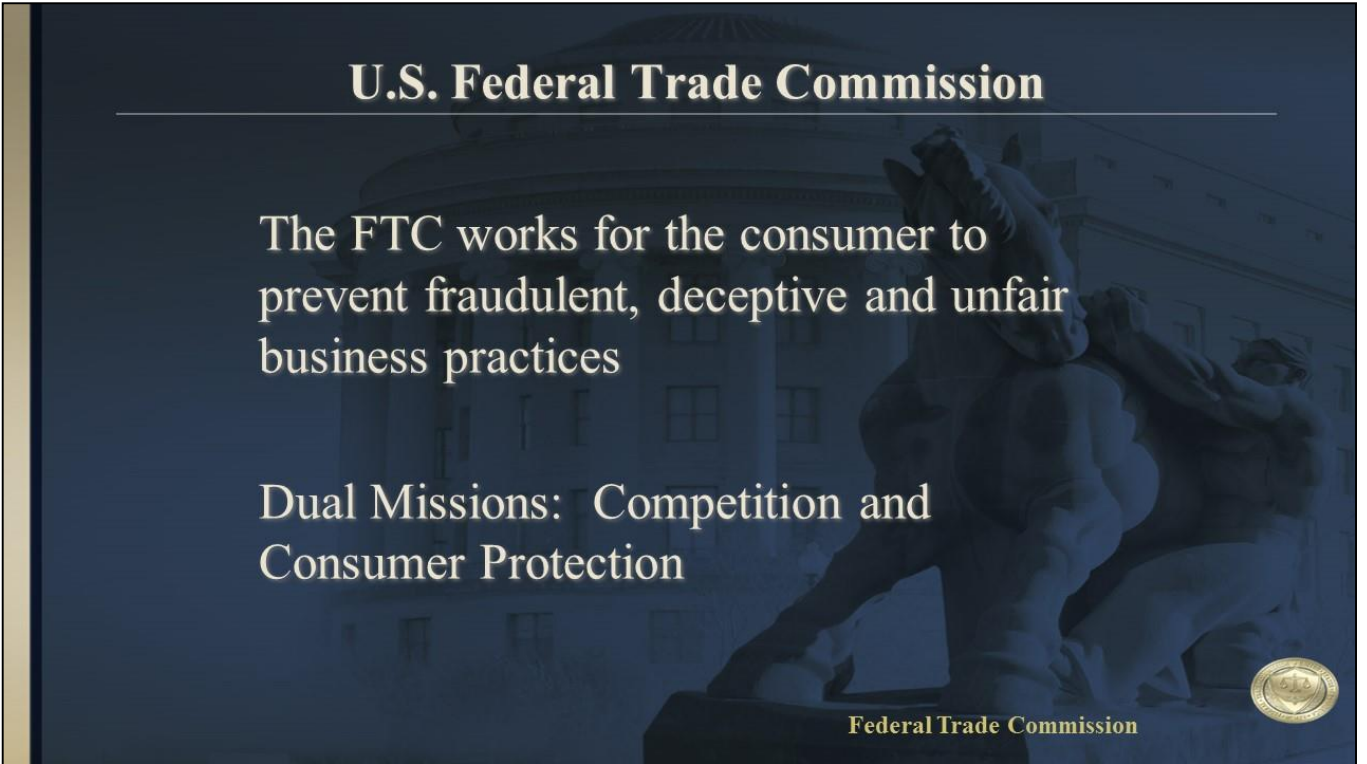
The slide features a background image of the Statue of Liberty. A yellow sticky note is pinned to the top right, containing the text: "These comments are mine and don't reflect the official position of the FTC." The title "Consumer Protection Workshop: Advertising Trends and Issues" is centered in white text. Below the title, the presenter's name "Larissa Bungo" and affiliation "U.S. Federal Trade Commission" are listed, followed by "Taiwan – 2018". The FTC logo and the text "Federal Trade Commission" are at the bottom right.

These comments are mine and don't reflect the official position of the FTC.

## Consumer Protection Workshop: Advertising Trends and Issues

Larissa Bungo  
U.S. Federal Trade Commission  
Taiwan – 2018

Federal Trade Commission

The slide features a background image of the Statue of Liberty. The title "U.S. Federal Trade Commission" is centered at the top. Below it, the text "The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices" is displayed. Further down, the text "Dual Missions: Competition and Consumer Protection" is shown. The FTC logo and the text "Federal Trade Commission" are at the bottom right.

## U.S. Federal Trade Commission

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices

Dual Missions: Competition and Consumer Protection

Federal Trade Commission

## Overview

- The FTC Act prohibits deceptive practices, including misleading advertising
- Advertising is deceptive if it misleads consumers as to its source or nature
- Advertisers, agencies and influencers are all responsible for compliance

Federal Trade Commission



## an act or practice is deceptive if:

- it is likely to mislead consumers
- who are acting reasonably under the circumstances, and
- it would be material to their decision to buy or use the product.

FTC Deception Policy Statement,  
appended to *Cliffdale Associates,  
Inc.*, 103 F.T.C. 110, 174 (1984)

Federal Trade Commission



## Outline

---

- What is an advertisement?
- Why is it important for consumers to recognize advertisements?
- What can consumer protection authorities do to ensure transparency in online advertising?

Federal Trade Commission



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What can consumer protection authorities do to ensure transparency in online advertising?

- Business guidance
- Consumer education
- Enforcement

Federal Trade Commission



Same truth-in-advertising standards apply regardless of the kind of product you sell.

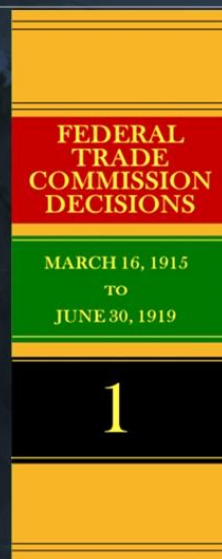
Same truth-in-advertising standards apply regardless of how and where you advertise.

Federal Trade Commission



## FTC'S INTEREST IN DECEPTIVE ENDORSEMENTS

- The connection between advertiser and endorser wasn't clearly disclosed to consumers
- The ad mimicked the look of editorial content



Federal Trade Commission



## FTC Guides Concerning Use of Endorsements and Testimonials in Advertising

- Endorsement is an advertising message that consumers believe reflects the views of someone *other than the sponsoring advertiser*
- Guiding principle: Endorsements must be honest and not misleading

Federal Trade Commission



## FTC ENDORSEMENT GUIDES

When there exists a **connection** between the endorser and the seller of the product that might materially affect the weight or credibility of the endorsement (i.e., the connection is **not reasonably expected** by the audience), the connection must be **fully disclosed**.

Federal Trade Commission



If the disclosure of information is necessary to prevent deception, the disclosure must be clear and conspicuous:



Federal Trade Commission



## Must Disclose Material Connections Between Advertisers and Endorsers

### Part IV

### Federal Trade Commission

16 CFR 255

Guides Concerning the Use of  
Endorsements and Testimonials in  
Advertising Federal Acquisition  
Regulation; Final Rule

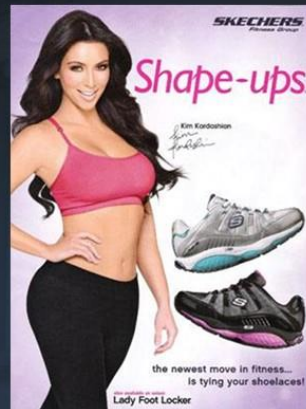
#### § 255.5 Disclosure of material connections.

When there exists a connection between the endorser and the seller of the advertised product that might materially affect the weight or credibility of the endorsement (*i.e.*, the connection is not reasonably expected by the audience), such connection must be fully disclosed.

Federal Trade Commission



## Skechers case



### Expert Endorsement:

"After performing a six-week clinical trial testing the benefits of SKECHERS *Shape-ups*, I am confident in recommending them to patients to increase their low back endurance and improve gluteal strength. Patients also benefited from weight loss and improved body composition."

— *Dr. Steve Gautreau, California*

Federal Trade Commission



## FTC v. Reverb (2010)

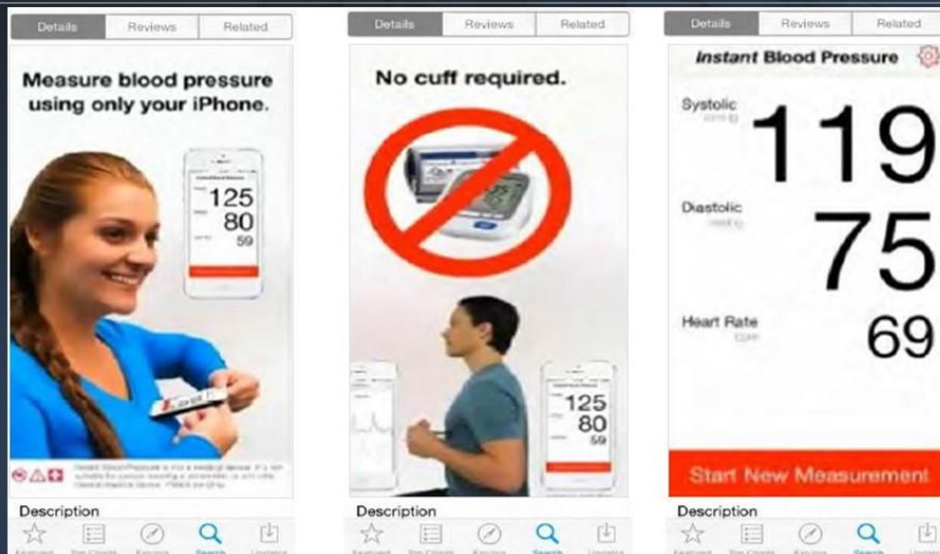


iTunes App Reviews were posted by Reverb's own employees posing as independent users or consumers:

- "Amazing new game"
- "ONE of the BEST"
- "[*Game developer*] hits another home run with [*game being reviewed*]"
- "Really Cool Game"
- "GREAT, family-friendly board game app"
- "One of the best apps just got better" and
- "[*Developer of gaming application being reviewed*] does it again!"
- Order required Reverb to remove any previously posted endorsements that misrepresent the authors as independent users or ordinary consumers

Federal Trade Commission





Federal Trade Commission



## Review in the Apple App Store

**Great start \*\*\*\*\***

by ARCHIE1986 – Version – 1.0.1 – Jun 11, 2014

This app is a breakthrough for blood pressure monitoring. There are some kinks to work out and you do need to pay close attention to the directions in order to get a successful measurement but all-in-all it's a breakthrough product. For those having connection problems, consider trying again. I have experienced a similar issue. It is also great that the developer is committed to continual improvements.

This is a great start!!!

Federal Trade Commission



# SOCIAL MEDIA and INFLUENCERS

Federal Trade Commission



## Do the Endorsement Guides apply to social media?

- Yes, principles apply to all platforms:

- Personal blogs
- Twitter
- Facebook
- Pinterest
- YouTube
- Instagram



Federal Trade Commission



## ADT LLC (2014)

- “Safety Mom” appeared on *Today* show promoting ADT’s Pulse Home Monitoring System
- ADT had paid her and two other spokespersons \$300,000 and provided two of them with free systems (worth \$4,000 each)
- *Tips to Remember From National Safe at Home Week*
- *by Alison Rhodes, The Safety Mom*
- Written by Safety Mom August 30, 2010
- This blog could go on forever since there are so many things to consider about being safe at home. But, here are a few of the top things to keep in mind:
- Get a security and home monitoring system I’ll admit, I never had one before but now that I have the ADT Pulse system I can’t imagine living with out it. We used to have dogs which made me feel much safer but now I’m a single mom living in a home without dogs . . .

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## THE FTC’S ANALYSIS



Do consumers understand that what they’re looking at is an ad?



Is the connection between the endorser and the advertiser clearly disclosed?

Federal Trade Commission








## Deutsch LA (ad agency) (2014)

- Deutsch LA urged its employees to create excitement about the “game changing” technological features of Sony’s PlayStation Vita through a Twitter campaign -- #gamechanger.
- Employees posed as consumers and failed to disclose their connection to Deutsch or Sony, Deutsch’s client.



Federal Trade Commission



-  Thumbs UP **#GAMECHANGER** – check out the new PlayStation Vita
-  One thing can be said about PlayStation Vita. It’s a **#gamechanger**
-  PS Vita [ruling] the world. Learns about it!  
[Us.playstation.com/psvita](http://Us.playstation.com/psvita) **#GAMECHANGER**
-  This is sick. See the new PS Vita in action. The gaming **#GameChanger**
-  Got the chance to get my hands on a PS Vita and I'm amazed how great the graphics are. It's definitely a **#gamechanger!**

In the Matter of Deutsch LA (consent order)



\*\*\*\*\* **I love Wild. I wear it every day as a ...**

By Sheri Matarese on July 26, 2016

Scent Name: Aromaflage Wild Size: 4 Fluid Ounce

I love Wild. I wear it every day as a perfume. It also really works to keep the bugs away. It smells very musky and woody. Its [sic] an amazing product.

\*\*\*

\*\*\*\*\* **Both men and women love it.**

By Stacey Tompkins on July 26, 2016

Scent Name: Aromaflage Wild Size: 4 Fluid Ounce

We use this at our lakehouse all summer. Both men and women love it...Our guests are happy and with no bug bites[.]

\*\*\*

\*\*\*\*\* **Finally felt like a lady outdoors**

By Melissa Matarese on July 26, 2016

Scent Name: Aromaflage Wild Size: 4 Fluid Ounce

I wouldn't have survived my last trip to Nevis without this. Finally felt like a lady outdoors. It works too. no [sic] bites!

\*\*\*

\*\*\*\*\* **Five Stars**

By Mary Denker on July 28, 2016

Scent Name: Aromaflage Wild Size: 4 Fluid Ounce

Was the must have item on my trip to the Costa Rican jungle.

In the Matter of Mikey & Momo, Inc.

## Machinima



- Machinima is a video entertainment company that paid video game influencers to create game play YouTube videos promoting Xbox One games.
- It had considerable control over the videos' content. Influencers could not say anything negative.
- Machinima did not require any disclosures and many influencers made no disclosures.

Federal Trade Commission



## Clear and Conspicuous explained

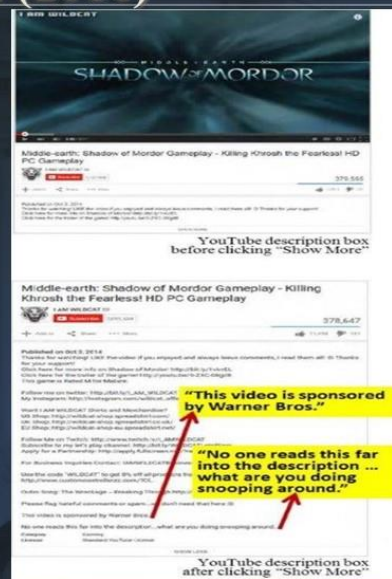
- Disclosures should be *unambiguous* – easy to understand
  - Don't use industry jargon, words or phrases that are ambiguous or unfamiliar, unfamiliar icons or abbreviations, and don't rely simply on a company logo or brand name
- Disclosures should be placed *where* consumers will look, in the advertising message to which they relate
  - Not under a “more” or “disclosure” button
- They should *stand out* so consumers will notice and read (or hear) them
  - In font size and colors consumers can easily read on screen
  - Not in a clutter of hashtags, tags, or fine print

Federal Trade Commission



## Warner Bros. (2016)

- Failed to adequately disclose it paid online influencers \$1,000s to post positive gameplay videos on YouTube and social media; sponsored videos viewed 5.5 million times
- Disclosures appeared only below “show more” fold
- Some only disclosed free advance games, not \$\$\$\$



Federal Trade Commission

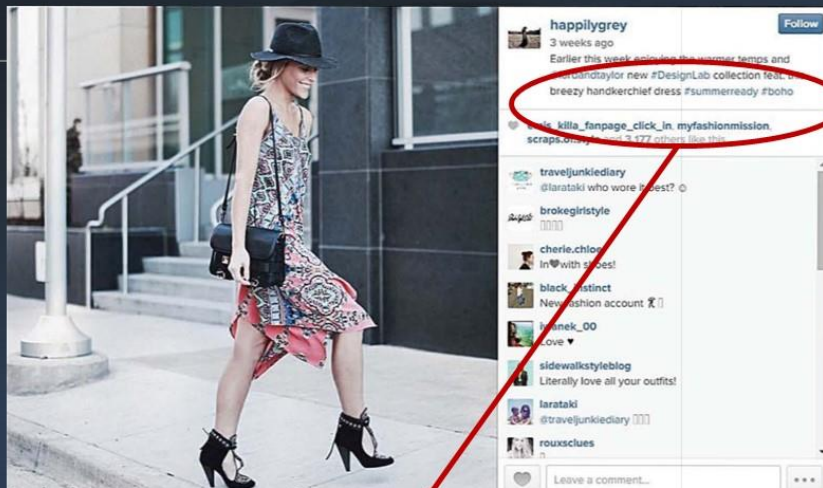


## Lord & Taylor (2016)

- Paid 50 online fashion “influencers” to use #DesignLab and post Instagram pictures of themselves wearing the same dress *without disclosing* that Lord & Taylor had given the dress + \$\$\$ and arranged for article in *Nylon*
- Cannot misrepresent that paid commercial ads are from independent source; monitoring of endorsers required



Federal Trade Commission

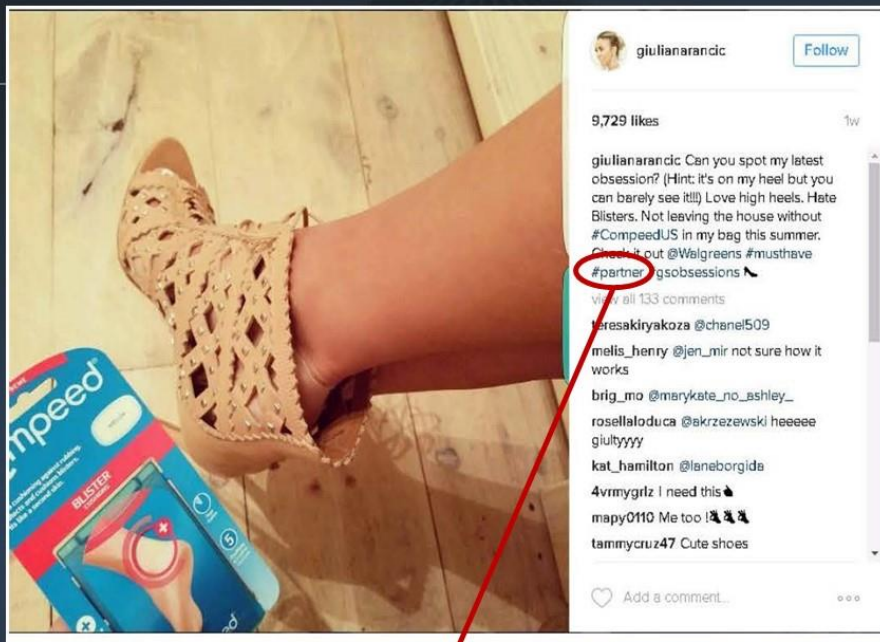


Earlier this week enjoying the warmer temps and @lordandtaylor new #DesignLab collection feat. this breezy handkerchief dress #summerready #boho

Lord & Taylor (consent order)

Federal Trade Commission





#partner

Federal Trade Commission



Cole Haan, 2014  
(closing letter)










- Entry in a contest and sweepstake to receive a significant prize in exchange for endorsing a product through social media constitutes a “material connection” that would not reasonably be expected by viewers of the endorsements.
- Just posting an image can be an endorsement.

Federal Trade Commission



## The Do's and Don'ts for Social Media Influencers

FTC RECOMMENDATIONS	PRACTICES TO AVOID
 Clearly <b>DISCLOSE</b> when you have a financial or family relationship with a brand	 <b>DON'T ASSUME</b> followers know about all your brand relationships
 Ensure your sponsorship disclosure is <b>HARD TO MISS</b>	 Don't assume disclosures <b>BUILT INTO</b> social media platforms are sufficient
 Treat sponsored tags, including tags in pictures, <b>LIKE ANY OTHER</b> endorsement	 Don't use <b>AMBIGUOUS DISCLOSURES</b> like "Thanks," #collab, #sp, #spon, or #ambassador
 On image-only platforms like Snapchat, <b>SUPERIMPOSE DISCLOSURES</b> over the images	 Don't rely on disclosures that people will see only if they <b>CLICK "MORE"</b>

Source: Federal Trade Commission

Federal Trade Commission 

## 2017 FTC INFLUENCER WARNING LETTERS

- On some devices and platforms, people see only a few lines. Disclose material connection above the “more” button.
- When multiple hashtags or links are used, readers may not read them all, especially when they’re at the end.
- Can you be sure consumers understand what your shorthand means – #sp, #collab, “thanks”?



## DOs and DON'TS for Social Media Influencers



On image-only  
platforms like Snapchat,  
**SUPERIMPOSE  
DISCLOSURES** over the  
images



Don't use **AMBIGUOUS  
DISCLOSURES** like  
"Thanks," #collab,  
#sp, #spon,  
or #ambassador

# NATIVE ADVERTISING

Federal Trade Commission



# THE FTC'S ANALYSIS



Do consumers understand that what they're looking at is an ad?



Is the connection to the advertiser clearly disclosed?

Federal Trade Commission



# DECEPTIVE FORMAT

**Men's Life & Health**

WEDNESDAY, NOVEMBER 24, 2010 at FITNESS

**SPECIAL REPORT: Will Ferrell Packs On Muscle in Just 3 Weeks Using These 2 Muscle Supplements That Celebrities Love.**

This report was created by Men's Life & Health to expose the truth behind a two new muscle building supplements.

**AS SEEN ON:** MAXIM PLAYBOY Men's Health

**REPORTER:** Bryan Stevens

**REVIEWED IN THIS ARTICLE:**

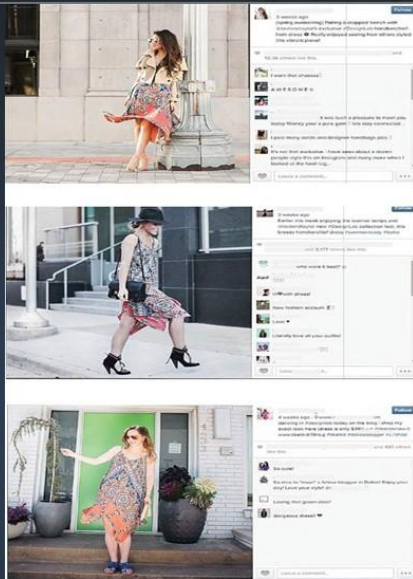
**Will Ferrell reportedly lost 18 lbs of fat and gained 20 lbs of muscle in just 3 weeks with Elite Test 360 and Ripped Muscle X.**

"I couldn't believe how easy it was I didn't have to change my diet or my daily routine at all. The fat melted off like butter while adding huge muscle."

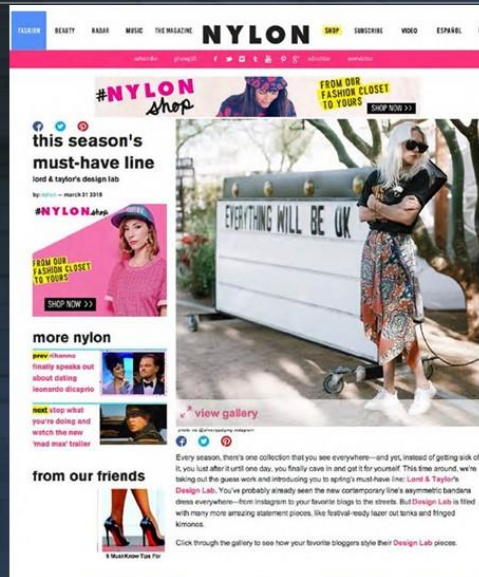
-Will Ferrell

FTC v. Tarr Inc. (stipulated order)

# NATIVE ADVERTISING







Lord & Taylor (consent order)



Federal Trade Commission



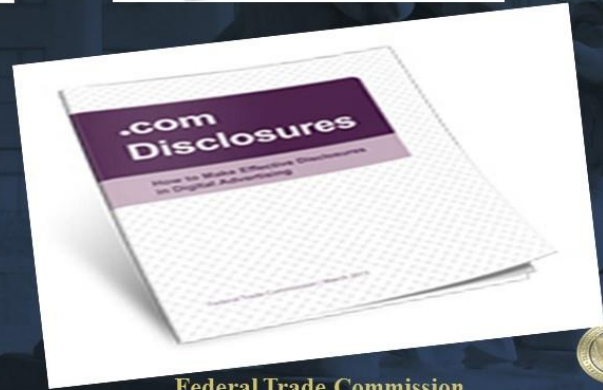
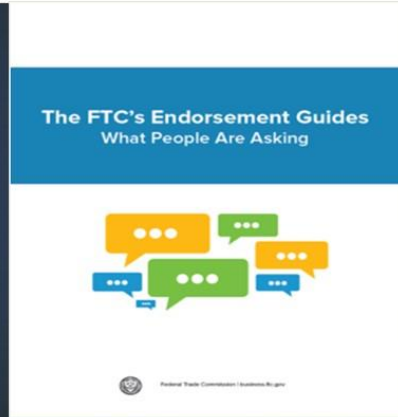
## THE FTC'S ANALYSIS

-  Ads are deceptive if they convey to consumers expressly or by implication that they're independent, impartial, or from a source other than the sponsoring advertiser – in other words, that they're something other than ads.
-  Material connection must be clearly and conspicuously disclosed.
-  Advertisers must monitor what influencers and affiliates do on their behalf.
-  Influencers and affiliates have an independent obligation to honor truth-in-advertising laws.

Federal Trade Commission



## Many guides available:



Federal Trade Commission



## Questions and follow-up welcome

*Contact information:*

Larissa Bungo  
lbungo@ftc.gov

Federal Trade Commission



## **Session 2 :**

**演講人:英國競爭及市場局專案處長**

**-Ms. Cecilia Parker Aranha**

**Speakers:Ms. Cecilia Parker Aranha, Project Director,  
Competition and Markets Authority, U.K.**

**主題:線上平台-消費者保護工作的挑戰**

**Report:Online Platforms: Challenges for Consumer  
Protection**

2018 WORKSHOP ON CONCEPTS AND TRENDS OF CONSUMER PROTECTION  
TAIPEI, 31 OCTOBER 2018

# ONLINE PLATFORMS:

CHALLENGES FOR CONSUMER PROTECTION

CECILIA PARKER ARANHA, DIRECTOR,  
CONSUMER PROTECTION ENFORCEMENT  
COMPETITION AND MARKETS AUTHORITY (UNITED KINGDOM)



## OUTLINE

- Introduction and background
- Challenges for consumers
- Challenges for enforcers
- Challenges for policy makers
- Solutions?



## INTRODUCTION TO ONLINE PLATFORMS

- Why should we care about online platforms?
  - Prevalence of platforms
  - Reliance on platforms by consumers and businesses
  - “Dominance” of online platforms
- What are online platforms?
  - Online – web, mobile, app
  - Offering services to consumers
  - Acting as intermediaries



## THE ONLINE PLATFORM ECOSYSTEM



Online Platforms: At the heart of the Digital Economy – European Commission Infographic

## CHALLENGES FOR CONSUMERS

- Too much choice
- Lack of transparency
- Predictable irrationality



## CHALLENGES FOR CONSUMER PROTECTION ENFORCEMENTS AUTHORITIES - LEGAL

- Definitions:
  - “Traders” and “Consumers”
  - “Agents” and “Intermediaries”
- Liability
- Jurisdiction and choice of law



## CHALLENGES FOR CONSUMER PROTECTION ENFORCEMENT AUTHORITIES

- Identifying breaches
  - Consumer awareness
  - “Black Box” algorithms
  - Information asymmetry
- Measuring impact/harm
- Remedies



## CHALLENGES FOR POLICY MAKERS

- Online platforms vs bricks and mortar
- Keeping up with the technology
- Innovation vs regulation
- One size fits all?



## SOLUTIONS?

- Platform transparency
- Behavioural research
- Enhanced investigation and enforcement powers
- Global regulation



## ANY QUESTIONS?

Online Platforms: Challenges for Consumer Protection  
Cecilia Parker Aranha, Director, Consumer Protection Enforcement  
Competition and Markets Authority (United Kingdom)

31<sup>st</sup> October 2018, Taipei

## Session 3 :

演講人：泰國消費者保護辦公室專業分析師

-Mr. Manop Pisetkul

Speakers:Mr. Manop Pisetkul, Analyst, Professional  
Level, Office of the Consumer Protection Board,  
Thailand

主題：消費者概念和趨勢

Report : Consumer Concepts and Trends



# CONSUMER POLICY TREND

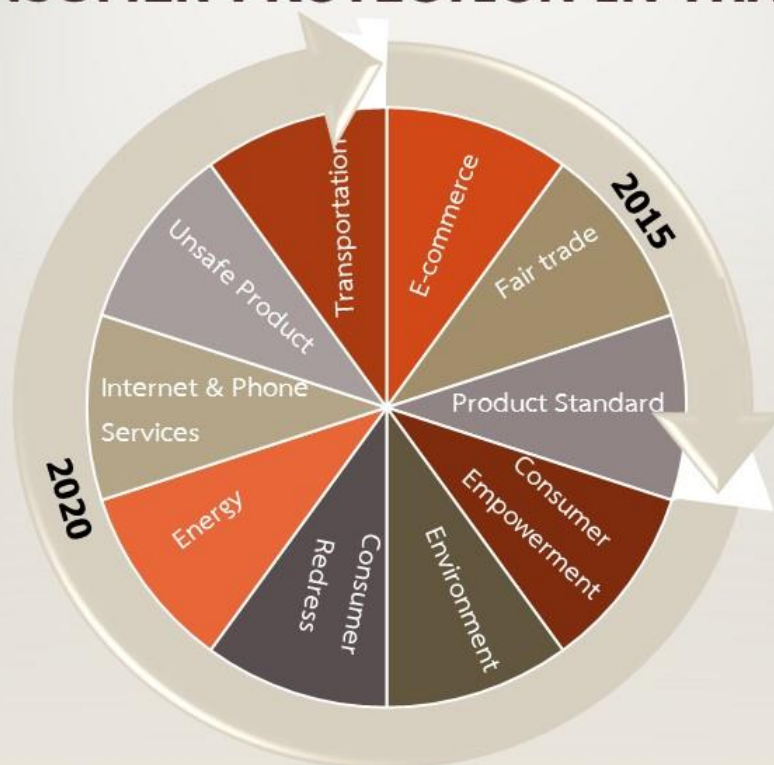
Workshop on Concepts and Trends of Consumer Protection  
Taipei, Taiwan  
31 October 2018

OFFICE OF THE CONSUMER PROTECTION BOARD (OCPB)

THAILAND



## 1. CONSUMER PROTECTION IN THAILAND

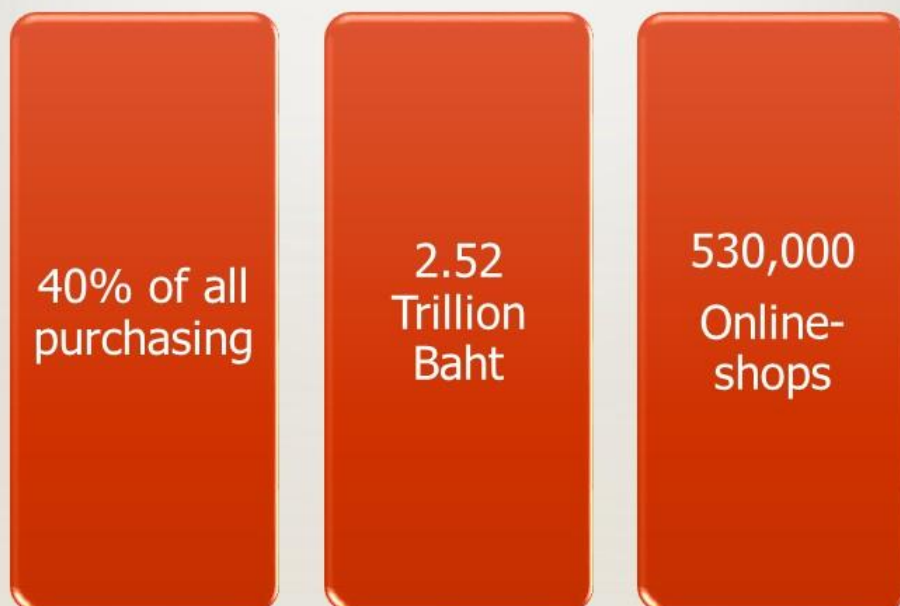


## 2. CONSUMER TREND



3

## 2. CONSUMER TREND (CONT.)



4

## 2. CONSUMER TREND (CONT.)

Unsafe product on Facebook/Amazon market

### LED Eyelash

Just using the lash adhesive and stick it on your eyelid.



5



## 2. CONSUMER TREND (CONT.)

### LED Eyelash

The close and constant exposure to UV rays could lead to the development of cataracts and macular degeneration down the road.



6



## 2. CONSUMER TREND (CONT.)

LED Eyelashes



7

## 2. CONSUMER TREND IN THAILAND (CONT.)

Unsafe product on Facebook market



### Dental braces



8

### 3. REGULATIONS BY GOVERNMENT

- Business registration
- Receive complaint
- Consumer redress
- Market monitoring
- Educated consumers

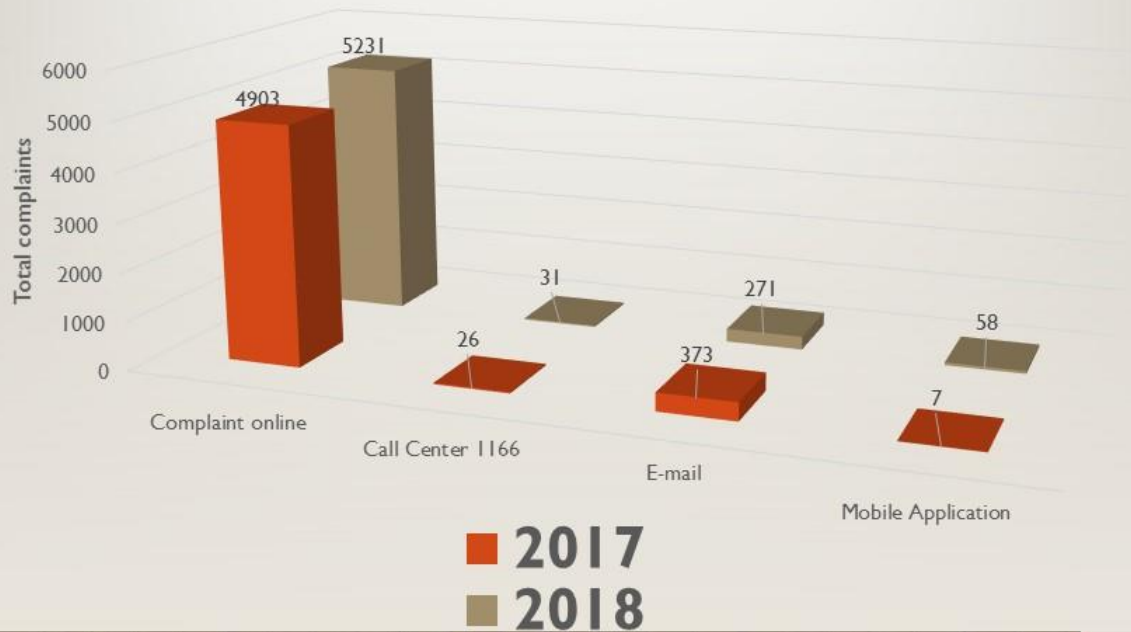


### 3. REGULATIONS BY GOVERNMENT (CONT.)



## 4. COMPLAINT DATA

### Consumer Complaint to OCPB



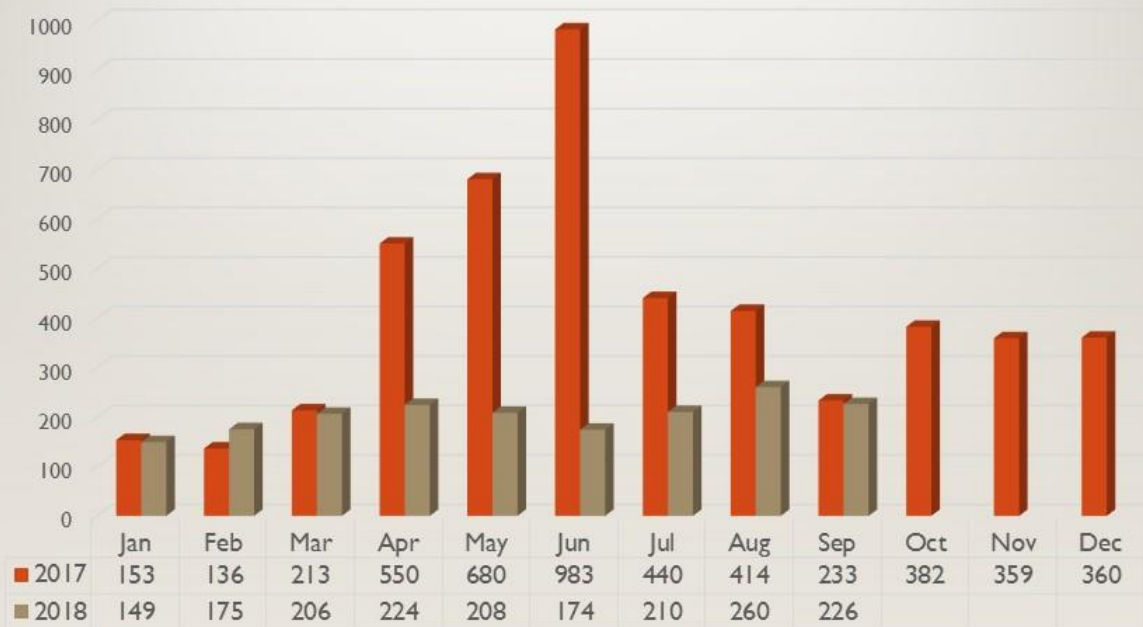
## 4. COMPLAINT DATA

### Classification of complaints



## 4. COMPLAINT DATA

### Consumer complaint on online shopping



**Manop Pisetkul (Mr.)**  
 Plan and Policy Analyst, Senior Professional Level  
 International Cooperation Section  
 Office of the Consumer Protection Board  
 The Prime Minister's Office  
 Tel. No. (66) 2141 2280

**Thank You !**

## Session 3 :

演講人：韓國消費者院協理-Ms. Jihong Cheon

Speakers : Ms. Jihong Cheon, Assistant Manager,  
Korea Consumer Agency

主題:韓國政府與消費者之關係

Report:Relationship Between Government and  
Consumers in Korea

# Relationship between the government and consumers in Korea

2018 Workshop on Concepts and Trends of Consumer Protection  
(31 October 2018, Taipei City, Taiwan)

Jihong Cheon

Assistant manager / Domestic & International Cooperation Team  
Korea Consumer Agency(KCA)

29

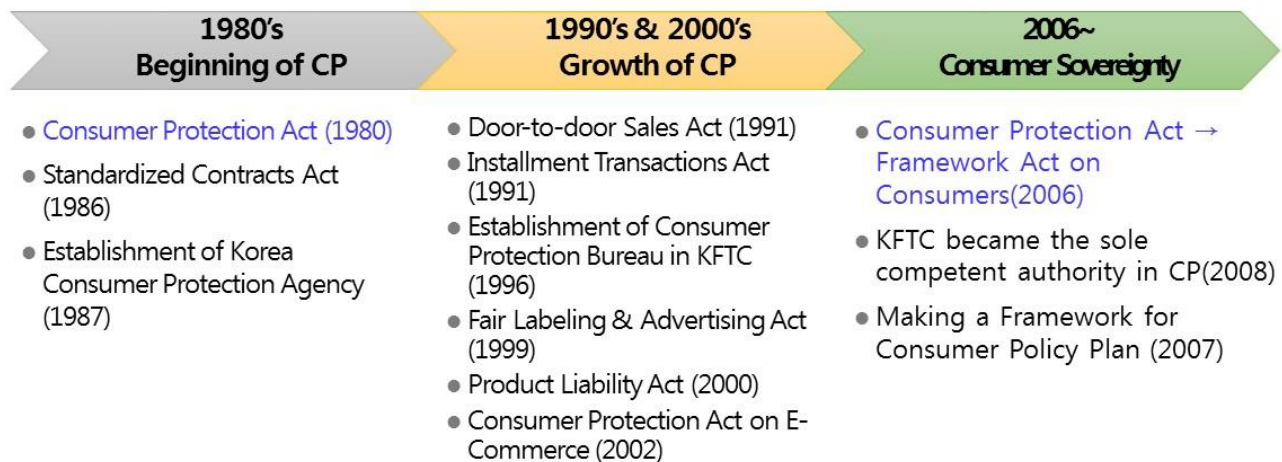
## Contents

1. History of consumer policy development in Korea
2. Rights and duties by entities
3. How Korean consumer policy approaches 'consumers'?

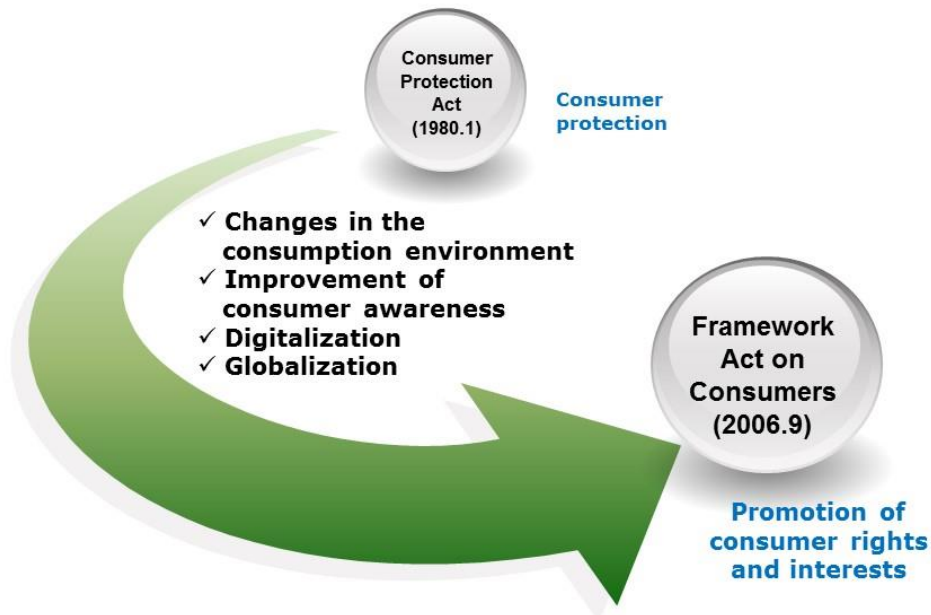
# 1

## History of consumer policy development in Korea

### History of consumer policy development in Korea



## History of consumer policy development in Korea



## Major revisions to the Framework Act

### Changes in purpose of the law and the basic direction of consumer policy

- Consumer protection → promotion of consumer rights and interests

### Changes in system of implementation of consumer policy

- Ministry of Finance → Fair Trade Commission

### Adoption of system for efficient consumer redress and prevention

- Consumer group lawsuit system, collective dispute mediation system

### Change in name of Korea Consumer Agency and adjustment of work priorities

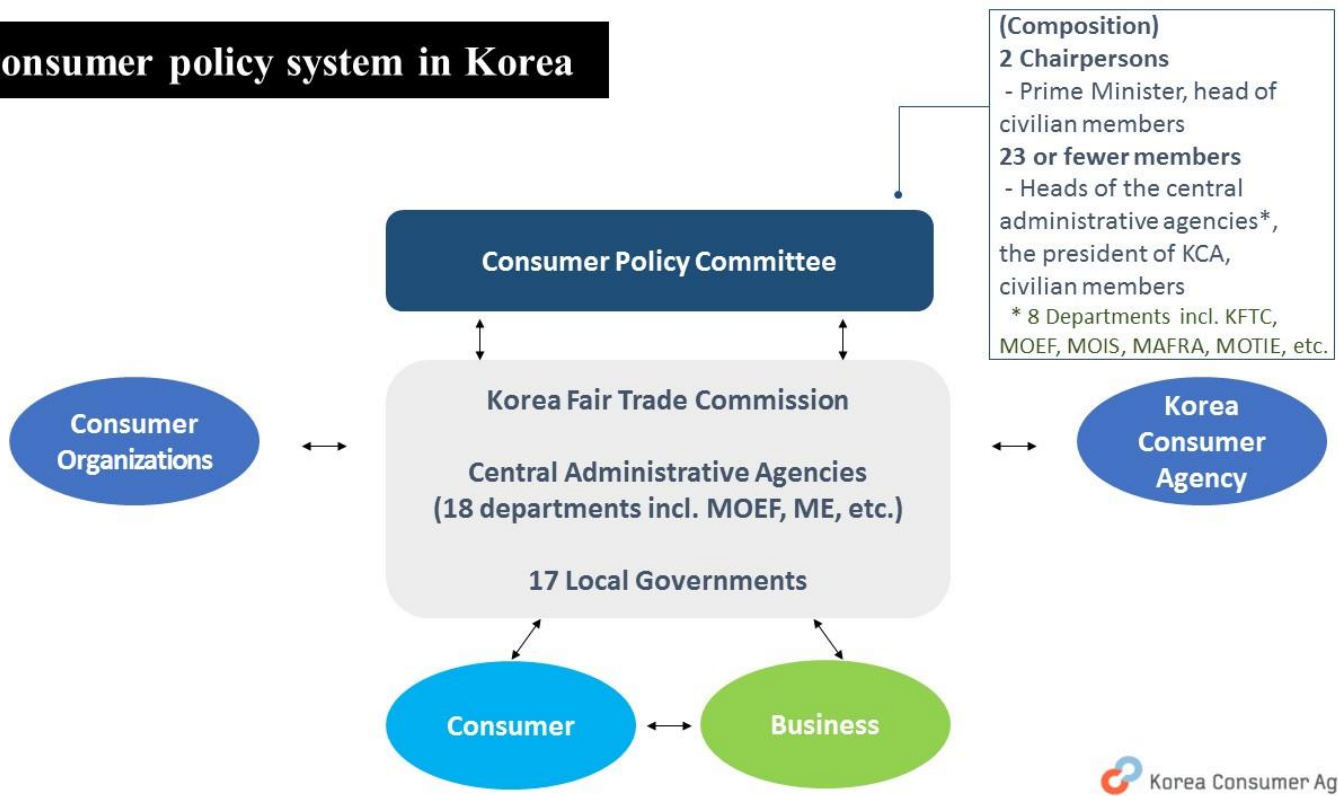
- Consumer Protection Board → Korea Consumer Agency

### Strengthened duties of each entity, such as the governments, enterprisers, consumers

# 2

## Rights and duties by entities

### Consumer policy system in Korea



## Structure of Framework Act: 11 sections, 86 provisions

Title	Contents
Section 1 General Principles	Purpose, definition, relationship with other laws
Section 2 Consumer's rights & duties	Basic rights and duties of consumers
Section 3 Duty of national and local governments and enterprisers	Duties of the national/local governments and enterprisers
Section 4 Consumer policy implementation system	Establishment of consumer policy, Consumer Policy Committee, international cooperation
Section 5 Consumer organizations	Activity of consumer organizations, registration and subsidy grants
Section 6 Korea Consumer Agency	Establishment of Korea Consumer Agency, duties, executives and BOD, accounting/auditing
Section 7 Consumer safety	Protection of vulnerable population, consumer safety measures, collection of injury information
Section 8 Resolution of consumer disputes	Complaints processing by enterprisers, remedy for damages by KCA, mediation of consumer disputes, class action
Section 9 Investigation procedure	Inspection and data submission, request for consumer information
Section 10 Supplementary provisions	Corrective measures, rights delegation, entrustment of duties
Section 11 Disciplinary measures	Penalties, fines

## Rights and duties of consumers

### 8 major rights of consumers

- ① Right to be protected from danger and injury
- ② Right to be provided with knowledge and information
- ③ Right to make free choice
- ④ Right to reflect opinions
- ⑤ Right to receive damage compensation
- ⑥ Right to receive education
- ⑦ Right to organize groups and conduct activities
- ⑧ Right to enjoy consumption in safe and pleasant environment

### 5 major duties of consumers

- ① Duty to make right choice
- ② Duty to exercise basic rights
- ③ Duty to make an effort to absorb knowledge and information
- ④ Duty to engage in independent and rational action
- ⑤ Duty to engage in resource-saving, environmentally-friendly consumption activity

## Duties of national/local governments

### Basic duties

- Enactment, revision, abolition of related laws and decrees
- Re-organization and improvement of administrative organizations
- Establishment and implementation of necessary policies
- Support and promotion of consumers' healthy and independent organization activity

### Duties by policy areas

- Local consumer protection
- Hazard prevention
- Optimization of quantity and size
- Enactment of labeling/advertising criteria
- Transaction optimization
- Consumer information provision
- Improvement of consumer ability
- Personal information protection
- Resolution of consumer disputes
- Testing and inspection

## Duties of enterprisers

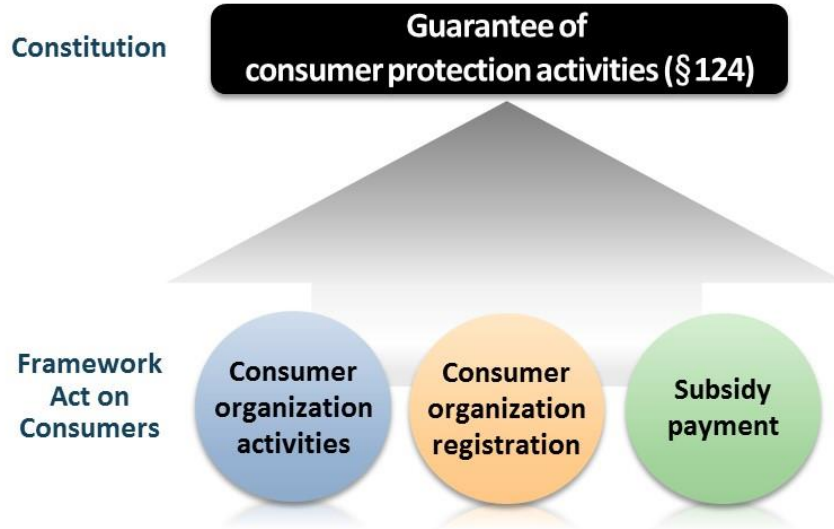
### Transaction duties

- Measures to prevent occurrence of hazards
- Prohibition of illegal transactions
- Faithful and accurate information provision
- Personal information protection
- Consumer damage compensation

### Policy duties

- Cooperation on policies to promote consumer rights and interests
- Cooperation upon request for data and information by consumer groups and the Korea Consumer Agency
- Efforts to develop environmentally-friendly technology and recycle resources
- Adherence to hazard prevention standards, labeling standards, advertising standards, personal information protection standards

## Consumer organizations



## Activities of consumer organizations

- ☑ **Recommendation** of policies related to consumer rights and interests
- ☑ **Tests and inspections** regarding size, quality, safety, environmental-friendliness
- ☑ **Investigation and analysis** regarding transaction terms and methods
- ☑ **Investigation and research** regarding consumer problems
- ☑ Consumer **education**
- ☑ Consumer **counseling, information provision**
- ☑ **Recommendation to reach an agreement**
- ☑ **Independent dispute settlement**

## Activities of Korea Consumer Agency

- ☑ **Study** and **recommendation** of systems and policies regarding consumer rights and interests
- ☑ **Tests and inspections** regarding size, quality, safety, environmental-friendliness
- ☑ Tests and **analysis** regarding transaction terms and methods
- ☑ **Information collection/provision** and **international cooperation** for promotion of consumer rights and interests, improvement of safety and consumption patterns
- ☑ **Education, PR and broadcasting** activity for promotion of consumers' rights and interests, safety and competence development
- ☑ **Consumer complaints processing and redress**
- ☑ General study and **investigation** to promote consumers' rights and interests and rationalize consumption patterns
- ☑ Investigation requested by the national or local governments for promotion of consumer rights and interests
- ☑ Other work for promotion of consumer rights and interests and safety

### Ex-ante Prevention

 **Consumer Policy Study/  
Transaction Improvement**

 **Consumer Safety/  
Test & Inspection**

 **Consumer Education**

 **Consumer Information**

### Ex-post Remedies

 **Consumer Counseling  
(Complaints handling)**

 **Consumer Redress**

 **CDSC  
(Consumer Dispute  
Settlement Commission)**

# 3 How Korean consumer policy approaches 'consumers'?

## Consumer policy considers consumers that they are..



## Consumers as subjects to be protected

### Consumer policy

- Consumer Protection Act(1980)
- Various consumer related laws and regulations
- Recall system

### Changes in environment

- The spread of the Internet
  - Reducing information asymmetry, increasing the bargaining power of consumers(group purchase, reverse auction), etc.
  - Difficulties in securing credibility of consumer reviews, new consumer problems

### Next steps

- Consumers still need to be protected with constant policy attention to some sectors and areas.
  - New consumer safety issues emerging as a result of developments in technology, problems with consumer transactions through new transaction methods
- Policies for specific consumer groups need to be pursued.
  - The elderly, the handicapped, and multicultural families, etc.

## Case : BMW fires in South Korea



- 38 cases of BMW fires occurred in 2018.
- The Ministry of Land, Infrastructure and Transport announced that BMW Korea voluntarily recalled 106,317 vehicles to fix a faulty component that might cause fires in the engine area of 42 different models.
- The number of BMW vehicles that have yet to undergo inspection fell to 15,092.(as of 15 August)
- The KCA called for BMW to make clarification regarding its vehicle-related injuries and take active recall measures.

## Consumers as subjects to self –advocate their own rights

### Consumer policy

- Full revision of Consumer Protection Act to Framework Act on Consumers
  - Establishment of Article 5 ‘Duties of consumers’
- Supporting activities of consumer organizations
- Introduction of class action by consumer organizations

### Changes in environment

- The spread of consumer rights awareness
  - Gradual increase in the number of applications for consumer counseling and redress
  - Black consumer

### Next steps

- Wide application of class action suit
- Prevention of consumer damage with consumer influence on the market

## Consumers as participants

### Consumer policy

- Consumer representatives are included as members of the committee of consumer policy
- (Consumer organizations) participation in the measures pursued by the central government
- (Individual consumers) complaints/reports of illegal acts, participation in public competitions for projects organized by governments

### Changes in environment

- Increasing consumer demands for participation in consumer policy

### Next steps

- Consumer needs to be a partner driving forward policies together, not simply a participant.

## Case : ‘radon mattress’ scandal



- 21 mattress models from a local bed-maker were found to contain the radioactive material radon
- Arousing people’s attention to consumer safety
- Strengthening policy response of the government
  - Consumer safety takes up a separate section (Section 7) of the Basic Consumer Act

**WHY IS RADON DANGEROUS?**  
Radon is responsible for

**21,000**  
lung cancer deaths per year

**58**  
DEATHS PER DAY

 Korea Consumer Agency

## Consumers as prosumers

### Consumer policy

- Develop various initiatives to promote the industries where prosumers are active.
  - Content, energy, 3D printers, etc.

### Changes in environment

- Innovation of prosumer spreads into a ‘Maker Movement’.

### Next steps

- As prosumers become active, new consumer issues arise.
  - Matters related to consumer safety and responsibilities, unfair transaction between platforms and prosumers



Thank you for listening!

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