

# IN THE ACT

MAKING MARKETS WORK WELL

ISSUE 15 | FEBRUARY 2023 - MAY 2023

## THE ALKALINE MIRAGE

COURT ORDERS  
ALKALINE WATER  
COMPANY TO STOP  
UNFAIR PRACTICES



**THINK TWICE BEFORE YOU BUY!**

**WATCH EDUCATIONAL VIDEOS ON THE BEAUTY SECTOR TO PROTECT YOU FROM UNFAIR PRACTICES**



# CE's NOTE

SIA AIK KOR  
CHIEF EXECUTIVE  
COMPETITION AND CONSUMER COMMISSION OF SINGAPORE

In this issue of In the Act, I would like to share some of CCCS's key consumer protection enforcement work in the last quarter. In March, the State Courts, on the application of CCCS, ordered that Triple Lifestyle Marketing Pte. Ltd. ("TLM") and its sole director and shareholder, Tan Jia Huang ("TJH"), cease its unfair practices involving the supply of its alkaline water filtration systems and maintenance service packages. CCCS's investigations found that TLM had engaged in a number of unfair practices such as misleading consumers on the health benefits of its products and making false claims on their accreditation, which induced consumers to make purchases. TLM persistently and egregiously engaged in unfair practices, and caused harm to consumers. As part of the Court order, TLM and TJH published details of the orders against them in four major newspapers.

In May, CCCS issued a warning to Salon One Beauty Salon Pte. Ltd. and its related entities after investigations uncovered unfair practices including false representations of discounts to consumers, unsubstantiated claims that a certain spa treatment had health benefits such as the prevention of chronic diseases, and pressure selling tactics. The Salon One entities have since taken active steps to change their business practices in compliance with the Consumer Protection (Fair Trading) Act ("CPFTA") and provided an undertaking to stop engaging in unfair practices.

To raise awareness of consumers and retailers on unfair practices in the beauty and wellness sector,

CCCS has kickstarted a series of outreach efforts for the sector. We have recently published two educational videos on our YouTube page: "[Think Twice Before You Buy](#)" and "[Auntie Rosie Learns Fair Trading Law](#)". We will also be putting out educational ads which will be displayed island-wide on digital display panels. Do look out for them!

On the competition front, CCCS cleared four mergers in the first quarter of 2023, covering different sectors like aviation, consumer and retail measurement, maritime and manufacturing.

To facilitate discussion on emerging competition issues, CCCS organised a roundtable in March with the Economic Society of Singapore on the topic of "Competition and Supplier Network Resilience", which brought together stakeholders from the industry, academia and practitioners.

CCCS continues to be active in the regional and international competition and consumer protection fora. In May, we participated in the International Consumer Protection and Enforcement Network (ICPEN) meetings in Sydney where we joined agencies from around the globe to share innovative best practices to address consumer protection issues.

Enjoy reading this issue of In The Act. For the latest updates, follow our Instagram (@cccs\_sg) and Facebook (facebook.com/cccs.sg/) accounts.

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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 2004 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 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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# SPOTLIGHT



## THE ALKALINE MIRAGE

### Court orders alkaline water company to stop unfair practices

Alkaline water filtration systems retailer, Triple Lifestyle Marketing Pte. Ltd. ("TLM") has been ordered by the State Courts to stop engaging in unfair practices which includes making false and misleading claims on its products and maintenance service packages. The courts also ordered its sole director and shareholder Tan Jia Huang ("TJH") to stop knowingly abetting, aiding, permitting or procuring TLM to do the same.

Between January 2018 and October 2022, the Consumers Association of Singapore ("CASE") received 469 complaints against TLM, following which CCCS investigated and interviewed consumers on their complaints. CCCS applied for a court order against TLM in November 2022.

The unfair trade practices that TLM engaged in, in respect of the supply of its alkaline water filtration systems and maintenance service packages include: (a) TLM misled consumers that alkaline or filtered water can prevent or improve the

condition of diseases such as osteoporosis, cancer, diabetes, arthritis, kidney or colonic disorders and psoriasis; and (b) TLM made several false claims, including that TLM or TLM's products were accredited, that Thomson Medical Centre was one of its customers, and that it would repair or replace faulty water dispensers or provide the requested change of water filters under its maintenance service packages.

As part of the judgment, TLM and TJH have published a full-page public notice with details of the court orders in The Straits Times, Lianhe Zaobao, Berita Harian and Tamil Murasu at their own expense.

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<https://go.gov.sg/tlmtjh>

# SPOTLIGHT

## FALSE AND MISLEADING CLAIMS BY TRIPLE LIFESTYLE MARKETING PTE. LTD.

CCCS's investigations revealed that TLM:

**Falsely claimed** that TLM or TLM's products were **accredited** and that Thomson Medical Centre was one of its customers.



**Falsely claimed** that its water dispenser was **free for a limited time**.

**Misled consumers** that it would repair or replace faulty water dispensers or provide the change of water filters under its maintenance service package when requested by consumers to do so, or **gave false excuses about its delay or inability to perform such services**.



**Accepted payment** from consumers for its maintenance service packages which included a 1-year warranty for its water dispenser, when TLM knew or ought to have known, in that period, that **it would not be able to repair or replace faulty water dispensers with functioning units within the warranty period**.

**Misled consumers** that alkaline and/or filtered water **can prevent or improve the condition of diseases** such as osteoporosis, cancer, diabetes, arthritis, kidney or colonic disorders and psoriasis.



### Important Information for Suppliers

- Ensure that claims made about your goods and services and any accreditation claims in relation to your business are clear, accurate and substantiated.
- Do not entice consumers with promotions or offers which are not genuine.
- Do not accept payment from consumers for goods or services if you know or ought to know that the goods or services cannot be provided as agreed.
- Conduct due diligence to verify that any health benefit claims you make are true, accurate and based on credible evidence.

# SPOTLIGHT



## BEAUTY UNMASKED

### Salon investigated by CCCS stops unfair practices

An investigation by CCCS found that Salon One Beauty Salon Pte. Ltd. located in Ang Mo Kio and seven other related entities engaged in false and misleading claims and pressure sales tactics.

Such unfair practices took place between October 2017 to August 2022, and included:

- Falsely representing to consumers that there were price discounts for basic haircuts, where in fact, these perceived discounts never existed as they were discounted from prices never offered;
- Making unsubstantiated claims that their treatment could prevent conditions such as Alzheimer's disease and brain stroke as well as enhance memory. These claims were made to certain consumers who were not able to reasonably ascertain if the claimed efficacy and health benefits of the treatments existed.

In addition, some of the Salon One entities engaged in persistent sales talks which caused consumers to feel pressured to purchase services and products, despite declining or expressing no interest to purchase.

Following intervention by CCCS, the Salon One Entities actively took corrective action to stop its unfair practices in compliance with the CPFTA and along with its sole director, gave an undertaking to CCCS to stop these practices.



<https://go.gov.sg/salon1>

# SPOTLIGHT



## READY TO TAKE FLIGHT

### Merger of cargo handlers cleared

CCCS has cleared the proposed acquisition by SATS International SAS, a wholly-owned subsidiary of SATS Ltd. (“SATS”), of Promontoria Holding 243 B.V., a holding company which indirectly owns WFS Global Holdings S.A.S. (“WFS”).

CCCS found that the parties do not compete in the provision of any products and services in Singapore, and potential competition between them is limited. Competition concerns are unlikely to arise from the vertical links between the parties, where SATS provides ground handling services and other peripheral services to WFS at the JetQuay CIP Terminal.

Competition concerns are also unlikely to arise for the supply of ground handling services, cargo handling services, premium lounge services and premium bespoke passenger services. Competitors in these markets are unlikely to be foreclosed as they can retain and compete for customers, barriers to entry would not be materially impacted, and the parties are unlikely to tie or bundle bespoke passenger services with ground handling services or cargo handling services given the distinct target consumer groups. Customers can also refuse or reject any form of tying or bundling, procuring services based on their own requirements instead.

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<https://go.gov.sg/satspromont>



## MARKET RESEARCH MERGER

### Market research companies merger gets CCCS's approval

CCCS has cleared the proposed acquisition by AI PAVE Dutchco I B.V. (“Advent Topco”) of GfK SE (“GfK”). The merger combines the businesses of GfK and NielsenIQ (“NIQ”), which is wholly owned by Advent Topco. GfK will also be a wholly-owned, indirect subsidiary of Advent Topco.

CCCS focused the assessment on competition in the market for customised market research (“CMR”) services which provide insights into consumer behaviour and preferences.

CCCS found that it would not be difficult for customers to switch from one CMR service provider to another due to a diverse and wide range of suppliers, consisting of large and small players. The parties are also unlikely to hold significant market power post-merger. Further, the barriers to entry and expansion are likely to be low and collusion between competing CMR service providers is unlikely due to limited transparency in the procurement process of CMR services. The parties are also unlikely to bundle or tie CMR services with other forms of research services.

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<https://go.gov.sg/topcogfk>

# SPOTLIGHT



## DYNAMIC DUO SAILS AHEAD

### CCCS clears merger of Korean maritime companies

CCCS has cleared the proposed acquisition of Daewoo Shipbuilding & Marine Engineering Co., Ltd. (“DSME”) by the Hanwha Group.

CCCS is of the view that the relevant markets comprise the global supply of dynamic/turbo air compressors and dynamic/turbo gas compressors (“relevant upstream markets”), as well as the global supply of LNG carriers, offshore plant production facilities and offshore plant storage facilities (“relevant downstream markets”).

CCCS found that upstream input foreclosure is unlikely as Hanwha Group is not a major supplier in the relevant upstream markets. Customer foreclosure is unlikely as there are other competitors with comparable or larger market shares than DSME in the relevant downstream markets that can continue to procure from upstream suppliers. The merger will also not reduce the number of existing players or increase barriers to entry such that it becomes easier for players in each of the relevant markets to collude.

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<https://go.gov.sg/daewoohw>

# SPOTLIGHT



## FLYING TO NEW HEIGHTS

### Merger of Japanese technology companies cleared

CCCS has cleared the proposed acquisition by Oki Electric Co., Ltd. (“Oki”) of the aviation equipment business (the “Target Business”) of Yokogawa Electric Corporation and its subsidiaries, Yokogawa Manufacturing Corporation and Yokogawa Electric Asia Pte. Ltd..

In Singapore, the Target Business is involved in manufacturing flat panel displays for commercial aircraft cockpit systems (“Flat Panel Displays”). CCCS is of the view that the relevant markets comprise the upstream market for the global supply of rigid circuit boards (“MRCBs”) and the downstream market for the global supply of Flat Panel Displays.

CCCS found that Oki is unlikely to foreclose competitors of the Target Business in the downstream market as it is not a major supplier

in the upstream market and does not currently supply competitors of the Target Business in the downstream market. As MRCBs are generic products, even though Oki may have significant market shares in the downstream market post-merger, its demand for MRCBs is unlikely to be large or significant enough to be considered as a major customer. Also, coordination between competitors in the relevant markets is unlikely as the number of existing players in each of the markets is unlikely to be reduced because of the merger.

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<https://go.gov.sg/oki/kgw>

# SHOWCASE

## THINK TWICE!: EDUCATIONAL VIDEOS ON THE BEAUTY SECTOR

The beauty and wellness sector has consistently seen a high rate of consumer complaints. To educate businesses on unfair practices to avoid and to empower consumers to exercise their right to say “No”, CCCS has produced two videos – **“Think Twice Before You Buy”** and **“Auntie Rosie Learns Fair Trading Law”** – as part of its outreach efforts.



In **“Think Twice Before You Buy”**, a consumer who has just completed a salon treatment session almost gives in to the pushy sales tactics of two employees but is ultimately able to assert her consumer rights, and declines the offer.

[Click the thumbnails or scan the QR codes to watch the videos.](#)



In **“Auntie Rosie Learns Fair Trading Law”**, David visits his Aunt Rosie, who has recently opened a new hair salon. He explains to her that some of the promotional tactics she intends to use may constitute unfair trade practices and she should not engage in them.

[Click the thumbnails or scan the QR codes to watch the videos.](#)



# TALKING POINT

## CCCS-ESS ECONOMICS ROUNDTABLE 2023: COMPETITION AND SUPPLIER NETWORK RESILIENCE

CCCS and the Economic Society of Singapore jointly held an Economics Roundtable on the topic of "Competition and Supplier Network Resilience" on 20 March 2023. The session discussed the importance of competition in building resilience in our supply networks, including physical and digital ones. The session also explored the vertical relationships between retailers, suppliers and platforms, their bargaining dynamics, as well as the economics foundations behind various policy and regulatory responses.

- (Roundtable Chair) Prof. Chang Youngho, Associate Professor, School of Business, SUSS
- Ernie Koh, President, Singapore Retailer's Association
- Prof. Julian Wright, Lim Chong Yah Professor, NUS
- Richard May, Competition Expert, OECD
- Lynette Ooi, Senior Corporate Counsel, Amazon
- Rachel Lee, Economic Policy & Regulations Lead, APAC, Amazon Web Services
- (Moderator) Herbert Fung, Senior Director, Business & Economics, CCCS



CCCS Chief Executive Ms Sia Aik Kor presents a token of appreciation to Ms Rachel Lee

The panel of speakers



## CCCS PARTICIPATES IN THE ICPEN ANNUAL EVENTS 2023

Hosted by the Australian Competition and Consumer Commission under the 2022/2023 Australian Presidency of the International Consumer Protection and Enforcement Network (ICPEN), the ICPEN Annual Events 2023 was held in Sydney, Australia from 8 to 12 May 2023.

Ms Sia Aik Kor, CCCS Chief Executive, was a keynote speaker at the Asia-Pacific Regional Engagement Forum. She shared on CCCS's observations on emerging issues such as dark patterns, sustainability claims and concerns surrounding digital platforms. In addition, she presented Singapore's perspective on the benefits of regional engagement and cooperation efforts with foreign counterparts, especially in the face of evolving market trends, technological developments, and an uncertain post-pandemic economic recovery.

She also spoke at the Australia and New Zealand Free Trade Area Consumer Affairs Program

(AANZFTA CAP) Consumer Protection Leaders Roundtable on CCCS's efforts and challenges faced to strengthen consumer protection online, and shared ways that national consumer authorities of the AANZFTA can cooperate to ensure consumers are protected in e-commerce transactions and digital markets.

Ms Sia was also a moderator for the panel session on "Innovations

in Consumer Protection" during the ICPEN Conference. The Panelists on this session include senior representatives from the Federal Trade Commission (USA), the European Commission, the Competition Authority of Kenya and the Portuguese Consumer Agency.



The ICPEN is a global network of consumer protection law enforcement authorities to facilitate cross-border cooperation. The ICPEN Annual Events is a key event for members to share and exchange experience and best practices on the prevention and enforcement of consumer issues.

Singapore is an ICPEN partner. CCCS hopes to be able to contribute further to the international consumer protection community by becoming an ICPEN member in 2023.

# BLUEPRINT

## Be a Trusted Supplier in the Beauty Industry

### Businesses Should:



Provide clear and accurate information on prices, discounts and promotions to consumers before providing the product/service.



Ensure any discount or price benefit offered is genuine.



Ensure claims made regarding any product/service such as treatments and packages are accurate and can be substantiated.

### Businesses Should Not:



Pressure customers into buying products/ services.



Promote products/ services to consumers in circumstances where consumers are unable to clearly understand and assess the product/ service's characteristics and make an informed decision.



Make claims or guarantees about the results or effects of their products/services which are unsubstantiated.

### QUICK TIPS

## For Consumers

- 🔥 Be wary of exaggerated, dubious or unsubstantiated claims.
- 🔥 Be wary of claims or offers that seem too good to be true.
- 🔥 Enquire and research products/services before a purchase.
- 🔥 It's OK to stop a sales pitch and just say "NO" if you are not interested.
- 🔥 Be aware of what is included and not included in the sales agreement and package before purchase.