

MEDIA RELEASE

16 October 2020

ABC Bargain Centre, Valu\$ and ABC Express outlets to cease “Closing Down Sale” and “Fire Sale” advertisements

1. The owners and operators¹ (the “Parties”) of “ABC Bargain Centre”, “Valu\$”, and “ABC Express” retail outlets (collectively known as the “**Retail Outlets**”) have voluntarily undertaken to cease the use of “Closing Down Sale” and “Fire Sale” advertisements at all Retail Outlets, as from 30 September 2020.
2. The Parties approached the Competition and Consumer Commission of Singapore (“**CCCS**”) in 2019 to discuss certain advertisements in the Retail Outlets. Prior to approaching CCCS, advertisements bearing the language “Closing Down Sale” and “Fire Sale” were displayed at the Retail Outlets. Advertisements bearing such language convey the impression that the reason for the discounted price is due to impending closure of the business², and that the discounted price would only be available for a limited period of time³. As the “Closing Down Sale” and “Fire Sale” advertisements were displayed continuously at the Retail Outlets without any end date, CCCS is of the view that such advertisements can mislead consumers into believing that there is a price benefit, and the benefit would only be available for a limited period. Advertisements which mislead consumers constitute an unfair practice in breach of the Consumer Protection (Fair Trading) Act (Cap. 52A) (“**CPFTA**”).
3. The Parties have voluntarily undertaken to:
 - a. Remove any and all advertisements containing the word “Fire Sale” at the Retail Outlets;
 - b. Not advertise any products as being available at a discounted price for a limited period of time at the Retail Outlets, where the Parties knows or ought to know that the products will continue to be so available for a substantially longer period, unless the Retail Outlet in question is genuinely ceasing operations; and
 - c. Not advertise products as being available at a discounted price at the Retail Outlets where no genuine price benefit or advantage underlying the advertisement exists.

¹ ABC Bargain Centre Pte. Ltd. owns and operates retail outlets trading as “ABC Bargain Centre”, DD Pte. Ltd. owns and operates retail outlets trading as “Valu\$”, and ABC Express Pte. Ltd. owns and operates retail outlets trading as “ABC Express”.

² Paragraph 19 of the Second Schedule to the Consumer Protection (Fair Trading) Act (“**CPFTA**”) states that it is an unfair practice to represent that goods or services are available at a discounted price for a particular reason that is different from the fact.

³ Paragraph 18 of the Second Schedule to the CPFTA states that it is an unfair practice to represent that goods or services are available at a discounted price for a stated period of time if the supplier knows or ought to know that the goods and services will continue to be so available for a substantially longer period.

4. Certain Retail Outlets trading as “ABC Bargain Centre” and “Valu\$” are operated by franchisees. The Parties have undertaken to use all reasonable efforts to notify and ensure that all franchised Retail Outlets adhere to the abovementioned obligations. The Parties have also undertaken to co-operate with CCCS on an ongoing basis to ensure that the abovementioned obligations are met, so as to ensure continued compliance with the CPFTA.
5. In accepting the Parties’ voluntary undertakings, CCCS has noted the Parties’ co-operation to ensure that its advertising practices comply with the CPFTA. However, CCCS reserves the right to investigate any breach of the undertakings or any other unfair practices by the Parties.
6. CCCS is closely monitoring other businesses that engage in similar unfair practices, where consumers are made to believe that there is a price benefit, and a scarcity in the availability of discounted prices for goods or services through misrepresentation of discounts or promotion periods. CCCS welcomes efforts by suppliers to review their business practices in order to comply with the CPFTA.
7. In their review to ensure compliance with the CPFTA, suppliers may take reference from the CCCS Guidelines on Price Transparency⁴ (“**Guidelines**”), which serve to provide greater clarity on which pricing practices could potentially infringe the CPFTA. The Guidelines also include actions that suppliers should take. When suppliers offer a discount to represent a price benefit, the Guidelines state that such offers should be based on genuine previously offered prices to provide a basis for the price comparison so that consumers are not misled by the savings they may achieve from purchasing the discounted product/service. To improve transparency, it is good practice to retain records of volumes of and prices at which goods or services are sold as well as to state the time period of the sale clearly and prominently.⁵
8. Consumers who encounter unfair practices can approach the Consumers Association of Singapore (CASE) for assistance. For more information, please visit www.case.org.sg or call 6100 0315.

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Encl. Infographic: Using “Closing Down Sale” and “Fire Sale” Advertisements when not ceasing operations or in financial distress

⁴ The CCCS Guidelines on Price Transparency are available [here](#). The infographic summary of the four key pricing practices set out in the CCCS Guidelines on Price Transparency are available [here](#).

About The Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore (“**CCCS**”) is a statutory board of the Ministry of Trade and Industry. CCCS is the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) which protects consumers against unfair trade practices in Singapore. CCCS also administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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

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Using “Closing Down Sale” and “Fire Sale” Advertisements

when not ceasing operations or in financial distress



Misleads consumers into believing there is a genuine price benefit and scarcity for the products offered



Creates false or unwarranted sense of urgency in consumers to make hasty purchases



Gives the errant supplier an unfair advantage over other suppliers who do not make misleading representations of discounts or promotion periods

Good Practices for Retailers on Offering Discounts:



Use genuine previously offered prices when making comparisons



Record evidence of past sales and prices



State time period of discounts clearly and prominently



Advertise 'Closing Down Sale' only when the retail outlet is genuinely ceasing operations