



MEDIA RELEASE

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CCCS Publishes Guide on Fair Trading Practices for Renovation Industry

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has published a Guide on Fair Trading Practices for the Renovation Industry (“**Guide**”), which aims to improve business practices in the industry and help the suppliers of interior design or renovation services (“**Contractors**”) steer clear of unfair practices.
2. The renovation industry has seen one of the highest rates of complaints made to the Consumers Association of Singapore (“**CASE**”). CASE received 1,300 and 419 complaints against Contractors in 2021 and Q1 2022 respectively. Of these, CASE provided advice to 87% of the consumers on how to resolve their disputes and assisted 13% of the consumers to negotiate and/or mediate their disputes. Approximately 39% of filed cases against renovation contractors were resolved. For cases where a resolution could not be reached, 76% of the consumers opted to pursue a resolution through legal means and 24% decided not to pursue further.
3. In general, the majority of complaints received involved unsatisfactory service and failure to honour contractual obligations on the part of the Contractors, such as poor workmanship, poor quality of material used for renovation, slow progress or failure to complete renovation works on time.
4. The Guide is intended to raise Contractors’ awareness of good practices that they should adopt to enable consumers to make well-informed decisions as well as conduct which may constitute unfair practices under the Consumer Protection (Fair Trading) Act 2003 (“**CPFTA**”). The Guide covers the following five main areas, including Dos and Don’ts to highlight recommended good practices to follow and practices to avoid:

- i. Mutually Agreed Renovation Timeline

Contractors should assess their ability to undertake and complete the works in a timely manner before committing to the consumer. A mutually agreed work schedule with clear deadlines, including the projected start date and completion date, should be included in the renovation contract. There should be agreement on how work delays or contingencies should be managed.
 - ii. Transparent Pricing with No Hidden Costs

Contractors should ensure that the prices quoted to consumers are transparent, accurate, clear and itemised. Mandatory charges for the works should be stated in the quotation/ contract at the onset. If the charges cannot be calculated in advance, Contractors should disclose the existence of such charges and provide estimates of such charges to the consumer before the contract is entered into.
 - iii. Accurate Description of Goods and Services

Contractors should ensure that claims made on goods and services and claims in relation to their business are clear and accurate. A reasonably detailed breakdown and description of the goods and services to be supplied for the works involved should be stated clearly in the renovation contract.
 - iv. Clear Exchange, Repair and Refund Policy

Contractors should inform consumers on their rights and remedies, such as exchanges, repairs and refunds, and have such rights and remedies stated clearly and accurately in the contract. Agreed warranties should also be honoured.
 - v. Obtaining Consumer's Consent for the Supply of Goods or Services

Contractors should adhere to the renovation contract once it has been signed and supply goods and services that the consumer has consented to. Revisions to the contract or work order variations should be made only with the consumer's express agreement.
5. The Guide was finalised after CCCS sought feedback from CASE and stakeholders such as the Singapore Renovation Contractors and Material Suppliers Association (RCMA), the Singapore Interior Design Accreditation Council and the Ministry of National Development.
 6. CCCS's Chief Executive, Ms Sia Aik Kor said, "Home renovation typically involves a large financial commitment for many consumers. Consumers without the necessary technical knowledge would normally rely on Contractors for

advice on renovation work. Contractors should provide clear and accurate information to consumers and not make false or misleading representations regarding their services. Over the past two years, the renovation industry has had to overcome manpower and material supply shortages, which may have affected service delivery. Adopting transparent and fair trading practices will help Contractors build trust, maintain a good business reputation in the industry and attract more consumers in the long run”.

7. Contractors are also encouraged to obtain the CaseTrust mark by CASE as an assurance to consumers that they are committed to fair trading and good business practices. CaseTrust represents a white-list of businesses who have been assessed by CASE to be reliable in their dealings with consumers. Renovation businesses accredited under the CaseTrust scheme are required:
 - To use the CaseTrust Standard Renovation Contract which spells out pricing details and ensure accountability for listed deliverables in a renovation project.
 - To protect consumers’ prepayments via the purchase of a deposit performance bond which safeguards deposits against closure, winding up or liquidation before the renovation is completed.

8. CASE President, Mr Melvin Yong, said: “Prolonged shortage in manpower and raw materials, pent-up demand in the residential property market and a corresponding demand for home renovation services have led to a sharp increase in complaints. Most of these complaints could be mitigated if renovation contractors are upfront and transparent in communicating expectations and timelines with consumers. To protect their interests, consumers are advised to avoid making large sums of prepayment upfront, and to make payments progressively as each stage of the renovation work is completed. We also encourage consumers to consider engaging a CaseTrust accredited contractor as they are committed to fair trade practices and consumer-friendly policies”.

9. Consumer Advice
CASE advises consumers who plan to engage interior design and renovation services to take note of the following:
 - Research on the credibility and track record of the renovation contractor before signing the renovation contract. Insist on a written contract to protect your interests. The contract should state how work delays should be managed, and list an accurate description of goods and services to be delivered.

- If you engage CaseTrust accredited contractors, they will adopt the **CaseTrust Standard Renovation Contract** to ensure cost transparency and accountability for listed deliverables in a renovation project.
- Negotiate for the deposit to be as low as possible and negotiate for progressive payment according to the project milestones.
- Document outstanding renovation defects by taking photos. Ensure outstanding defects are fully rectified before making full payment. The photos can be used as supporting evidence in case of disputes.
- Patronise CaseTrust accredited renovation contractors. CaseTrust accredited renovation contractors are required to protect a customer's deposit via the purchase of a deposit performance bond. The bond safeguards deposits against business closure, winding up and/or liquidation before the renovation is completed. Consumers may visit the [CaseTrust website](#) to check if a business is accredited by CaseTrust. Consumers can also easily identify them by spotting the CaseTrust mark displayed at shopfronts and communication material of businesses.
- Consumers may also visit the [CASE website](#) for advice on engaging a renovation contractor.

10. The full guide on Fair Trading Practices for the Renovation Industry is available on the CCCS [website](#). CCCS will work with relevant partners such as CASE and trade associations to reach out to Contractors. Consumers who encounter unfair practices can approach CASE for assistance. CASE will not hesitate to refer errant Contractors to CCCS for investigation under the CPFTA if they persist in unfair practices. For more information, visit www.case.org.sg or call 9795 8397.

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About the Competition & Consumer Commission of Singapore (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 businesses and consumers in Singapore.

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

About the Consumers Association of Singapore:

The Consumers Association of Singapore (CASE) is an independent, non-profit organisation that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trade practices. One of its key achievements is in advocating for the Consumer Protection (Fair Trading) Act (CPFTA) which came into effect on 1 March 2004.

For media clarifications, please contact:

Ms. Nawwar Syahirah

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: nawwar_syahirah@cccs.gov.sg

Ms. Grace Suen

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: grace_suen@cccs.gov.sg

Gareth Yeo

Team Leader, Marketing & Communications

Consumers Association of Singapore

gareth.yeo@case.org.sg

Tel: 9126 3095