



## MEDIA RELEASE

31 March 2020

### **Wishing Well Beauty Centre and Ruby Beauty Pte Ltd to cease unfair trade practices following CCCS's investigation**

1. Following an investigation by the Competition and Consumer Commission of Singapore ("**CCCS**"), two beauty parlours --- Wishing Well Beauty Centre ("**Wishing Well**") and Ruby Beauty Pte Ltd ("**Ruby Beauty**") --- were found to have breached the Consumer Protection (Fair Trading) Act ("**CPFTA**") by engaging in various unfair trade practices that misled consumers into purchasing beauty services.
2. In 2019, CCCS initiated investigations into Wishing Well and Ruby Beauty.<sup>1</sup> The investigations revealed that the staff of both beauty parlours would loiter in the vicinity of Bencoolen Street and approach consumers to entice them with a one-time offer of a discounted facial treatment at \$38 and/or mole/skin growth removal service at \$5 per removal. When a persuaded consumer arrives in the beauty parlour for the service, the staff would not provide the service as agreed earlier. Instead, without the consumer's consent, the staff would perform unsolicited services such as removing other moles or skin growths so as to charge a higher price for the services, or a more expensive facial treatment without revealing the price difference until after commencement of the treatment. By the end of the treatment, the consumers would have chalked up a substantial amount due to the unsolicited treatment/service provided.
3. In lieu of full payment for the unsolicited treatment/service provided, the staff would then pressure the consumer to purchase a 10-session beauty package. Faced with such circumstances, the consumer would end up purchasing beauty packages ranging from a few hundred to a few thousand dollars, which were considerably higher than the prices originally quoted and which the consumer did not know or agree to when approached earlier by the staff along Bencoolen Street. Consumers were also led to believe that the packages they purchased were transferable with an unlimited validity period, while printed invoices and appointment cards stated otherwise.

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<sup>1</sup> Ruby Beauty is owned by a husband-and-wife pair, while Wishing Well is owned only by the husband. The wife runs the day-to-day operations of both entities.

4. Under the CPFTA, it is an unfair practice for a supplier to mislead, make a false claim or take advantage of a consumer if the supplier knows or ought to know that the consumer is not in a position to protect his own interests or is not reasonably able to understand the transaction or any matter related to it.
5. CCCS's investigations found that Wishing Well and Ruby Beauty have engaged in the following unfair trade practices as specified in the Second Schedule of the CPFTA:
  - i. Charging a price for goods or services that is substantially higher than an estimate provided to the consumer;
  - ii. Representing that a transaction involving goods or services involves or does not involve rights, remedies or obligations where that representation is deceptive or misleading;<sup>2</sup>
  - iii. Omitting to provide a material fact to a consumer, using small print to conceal a material fact from the consumer or misleading a consumer as to a material fact, in connection with the supply of goods or services; and
  - iv. Purporting to assert a right to payment for the supply of unsolicited goods or services.
6. Wishing Well and Ruby Beauty have since signed an undertaking (see Annex A) to cease the unfair practices and not to engage in any other unfair practices under the CPFTA. Both beauty parlours have undertaken not to use any other deceptive or misleading methods in order to entice customers to sign up for packages that the customers would not otherwise have agreed to, in lieu of payment for unsolicited treatments.
7. CCCS has closed its investigations as Wishing Well and Ruby Beauty have taken the necessary steps to address CCCS's concerns. CCCS will, however, continue to monitor the conduct of both beauty parlours, and reserves the right to investigate and take necessary actions against any breach of the undertaking or any other unfair practices by both businesses.
8. In recent years, the beauty industry has consistently been ranked among the top three industries with the most complaints received by the Consumers Association of Singapore (CASE) and it was ranked the top in 2018. CCCS is also closely monitoring other businesses in the beauty industry and will not hesitate to take enforcement action against egregious businesses. Businesses are reminded to not engage in any unfair practices that mislead consumers.

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<sup>2</sup> Refers to misleading representations whereby consumers were misled to think that the transactions give or exclude them from certain rights or obligations such as limitations to the validity of the beauty packages or transferability of the beauty packages.

9. Consumers who come across unfair practices can approach CASE as the first point of contact (hotline: 6100 0315, website: [www.case.org.sg](http://www.case.org.sg)) for assistance in seeking redress through negotiation and/or mediation.

- End -

**Encl. Infographic: How did Wishing Well and Ruby Beauty carry out unfair trade practices?**

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

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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## **Annex A**

Ruby Beauty Pte Ltd and Wishing Well Beauty Centre have agreed to:

- a. Cease and desist the unfair practice described in paragraphs 8, 9, 20 and 22 of the Second Schedule of the CPFTA (the “Practices”);
- b. Not engage in any other unfair practices as defined under section 4 of the CPFTA or specified in the Second Schedule of the CPFTA; and
- c. Not use the Practices or any other deceptive or misleading methods in order to entice customers to sign up for packages or packages that the customers would not have agreed to, in lieu of payment for unsolicited treatment.

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

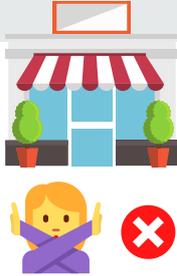


1

## Enticed customers with promotions

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

2



## Failed to provide initial agreed treatment

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



3

## Performed unsolicited services

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

4



## Pressured to buy package

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



5

## Ended up buying expensive packages

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

6



## Misled on terms & conditions

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

## ! TIPS FOR BEAUTY RETAILERS

1

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

2

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

3

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

4

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