

IN THE ACT

MAKING MARKETS WORK WELL

ISSUE 17 | OCTOBER 2023 - JANUARY 2024

A GRAVE MATTER

Funeral industry market study highlights importance of pre-planning, price transparency

TIPS WHEN BUYING PRODUCTS WITH ENVIRONMENTAL CLAIMS

Participate and Win!

CCCS-ESS ESSAY
COMPETITION 2024



CE's NOTE

SIA AIK KOR
CHIEF EXECUTIVE
COMPETITION AND CONSUMER COMMISSION OF SINGAPORE

A very Happy New Year to our readers. In this issue, I am pleased to share key work initiatives that we have concluded in the last quarter.

During the period, CCCS completed two phase 1 merger reviews. First, CCCS cleared a merger between iNova Pharmaceuticals Pte Ltd of Mundipharma's consumer healthcare business. Second, CCCS raised competition concerns on the proposed acquisition by Grab Rentals Pte. Ltd. of Trans-cab Holdings Ltd.

CCCS conducted unannounced inspections at the premises of certain businesses in the building construction sector. If our investigations conclude that the businesses had infringed the Competition Act 2004, CCCS may issue appropriate directions, including the imposition of financial penalties on the infringing business.

In November, we published the results of our market study into the funeral services industry in Singapore. To help consumers make informed decisions on funeral products, CCCS developed a checklist to encourage consumers to pre-plan funeral arrangements and to ask the right questions when consulting a funeral services provider.

A study by the National University of Singapore on greenwashing in online marketing, funded by CCCS, was also published. Based on samples surveyed, 51% of online product claims were found to be vague while 14% used technical jargon that made it difficult for consumers to understand. To address these issues, CCCS and the Consumers Association of Singapore developed a set of tips to help consumers better understand environmental claims and make more informed purchasing decisions.

A set of guidelines to provide greater clarity to suppliers on the environmental claims that could amount to unfair practices is also being developed.

The Competition Appeal Board (CAB) in November dismissed an appeal by a water feature maintenance contractor against financial penalties that CCCS imposed on them for engaging in bid-rigging conduct that spanned close to a decade. The CAB concluded that the maximum financial penalty imposed by CCCS was just and proportionate, considering the number of infringements and the seriousness of the conduct.

On the consumer protection front, CCCS obtained an undertaking from hairdressing salon Natural Salon in November to stop engaging in unfair practices. Our investigations found that the salon engaged in unfair conduct such as demanding payment for unsolicited services and falsely representing the price of a haircut at the salon.

On the international stage, CCCS took part in the ICN Annual Conference in Barcelona, Spain and the ICPEN Conference held in Warsaw, Poland in October. At the regional level, we also participated in the 31st Meeting of the ASEAN Experts Group on Competition in Cebu, Philippines in October and the 27th Meeting of the ASEAN Committee of Consumer Protection held in Siem Reap, Cambodia in November.

I would like to take this opportunity to thank our stakeholders for your continued support and partnership, which has made our work possible. I hope you 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



A GRAVE MATTER

Funeral industry market study highlights importance of pre-planning, price transparency

CCCS issued its findings and recommendations for a market study into the funeral services industry in Singapore on 17 Nov 2023. The study, conducted with the support of the National Environment Agency, sought to understand the competition landscape of the funeral services industry in Singapore and the ability of consumers to make informed decisions in their purchase of funeral products.

The study found that funeral pre-planning aids consumers in making informed decisions, as consumers who considered the purchase of funeral products only when the death of their loved ones has happened or appear imminent may be vulnerable and impaired in their decision making. The study also found that price transparency for funeral products can be improved to help consumers. This is because consumers do not generally have a good sense of how much funeral products cost, as they are not familiar with them and price information is not readily available.

To help consumers make informed decisions on funeral products, CCCS developed an “A.S.K. a FSP checklist” to encourage consumers to pre-plan funeral arrangements and to ask the right questions when consulting with an FSP. The checklist can be accessed via CCCS’s website, NEA’s website and the MyLegacy portal. Print copies of the checklist have also been distributed to selected hospices and nursing homes.

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



TANGLING WITH THE LAW

Hair salon gives undertaking to comply with CPFTA

An investigation by CCCS under the Consumer Protection (Fair Trading) Act 2003 (“CPFTA”) found that Natural Salon Pte. Ltd. (“Natural Salon”), a hairdressing salon, had engaged in the following unfair practices:

- Demanding payment for the supply of unsolicited hair service packages and unsolicited hairstyling and hair washing services;
- Falsely representing to consumers that the “member price” of a haircut was a “new opening special” when the salon had been open for at least eight months; and
- Charging prices that were substantially higher than the estimate provided to a consumer without the consumer’s prior consent to the higher price.

Following CCCS’s investigation, Natural Salon took active steps to make changes to its business

practices to comply with the CPFTA, including the removal of promotional materials with the false or misleading prices. The salon also fully refunded the consumers who were subjected to their unfair practices.

To address CCCS’s concerns from the investigation, Natural Salon gave an undertaking to CCCS that it would, among others, stop the unfair practices and not engage in any other unfair practices under the CPFTA, ensure that all necessary information is prominently shown in their marketing materials, and implement a 5-day cooling off period during which consumers may cancel their transactions.

CCCS has accepted the undertaking and issued a warning to Natural Salon.

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BUILDING A CASE FOR ACTION

CCCS inspects businesses providing building construction services

CCCS has carried out unannounced inspections at the premises of certain businesses active in the market for the provision of building construction services in Singapore.

Unannounced inspections are part of investigations into possible infringements of section 34 of the Competition Act 2004 (the "Act"). Section 34 of the Act prohibits, amongst other things, agreements or concerted practices that prevent, restrict or distort competition in Singapore.

The inspections do not mean that the businesses investigated have in fact infringed the Act; nor does it prejudice the outcome of the investigation. At the conclusion of the investigation, CCCS will consider the evidence gathered and determine whether the inspected businesses have infringed section 34 of the Act.

If CCCS finds an infringement, it may issue such directions that it considers appropriate under the Act, which may include the imposition of a financial penalty on the infringing business.

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



THROAT PRODUCTS DEAL CLEARED

Merger in consumer healthcare space

CCCS has cleared the proposed acquisition by iNova Pharmaceuticals (Singapore) Pte. Limited (“iNova”) of Mundipharma’s consumer healthcare business.

CCCS assessed the competitive effects of the acquisition with reference to the market for the supply of throat preparation products to consumers in Singapore. CCCS concluded the merger is unlikely to lead to a substantial lessening of competition, as there are multiple suppliers of throat preparation products that compete closely with the merged entity and customers are able to switch easily between suppliers.

Selected intermediate customers, such as chain pharmacies and supermarkets, may have some degree of countervailing buyer power that could constrain the merged entity.

Furthermore, the therapeutic indication and retail prices of throat preparation products displayed on the shelves of retailers are transparent and easily comparable, and there is no additional information made available to competing suppliers that would make it easier for competitors to collude.

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



IN DEEP WATER

Appeal by water feature maintenance contractor dismissed

The Competition Appeal Board (“CAB”) has dismissed the appeal by CU Water Services Pte. Ltd. (“CU Water”) against the penalty of \$308,680 imposed by CCCS for CU Water’s bid-rigging conduct which spanned close to a decade.

CCCS issued an infringement decision on 14 December 2020 after CU Water was found to have engaged in a record 521 instances of bid-rigging in tenders for the provision of maintenance services for swimming pools, spas, fountains and water features. CCCS then imposed the maximum allowable financial penalty on CU Water, which appealed against the penalty amount.

In its decision, the CAB concluded that the maximum financial penalty imposed by CCCS was just and proportionate, and noted CCCS's

shift in policy to consider higher penalties in respect of serious infringements, in line with Singapore's maturing competition enforcement policy. The CAB also acknowledged CCCS’s discretion in determining an appropriate financial penalty on the facts of each case.

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

SPOTLIGHT



SHIFTING GEARS

Phase 2 review commences for Grab & Trans-cab deal after CCCS raised competition concerns in Phase 1

CCCS completed its Phase 1 review of the proposed acquisition by Grab Holdings Limited (“Grab”) through its wholly-owned subsidiary, Grab Rentals Pte. Ltd., of 100 per cent of the shares of Trans-cab Holdings Ltd. (“Trans-cab”) on 16 Oct 2023, and raised competition concerns with the Parties on the Proposed Acquisition. Based on information furnished by the Parties and third-party feedback from industry players and members of the public, CCCS was unable to conclude that the proposed acquisition does not give rise to any competition concerns.

Grab and Trans-cab overlap in the provision of private-hire car rentals for ride-hail services and ride-hail platform services in Singapore. The third-party feedback received by CCCS had suggested concerns on the effect of Grab’s ownership of the Trans-cab fleet on Trans-cab drivers’ usage of rival ride-hail platforms, which may raise barriers to expansion and entry for Grab’s rival ride-hail platforms, given the importance of scale in the ride-hail platform industry.

On 31 Oct 2023, Grab proposed certain commitments to address the competition concerns identified by CCCS at the end of the Phase 1 review. CCCS reviewed the Commitments Proposal and found that, without the benefit of an in-depth review, it was unable to conclude that the Commitments Proposal adequately addressed the competition concerns identified.

An in-depth Phase 2 review of the Proposed Acquisition commenced on 25 Jan 2024. During this phase, Grab may propose revised commitments to address any competition concerns identified. Upon completion of the review, CCCS will decide whether to issue a favourable or unfavourable decision on the Proposed Acquisition.

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<https://go.gov.sg/grabtranscabphase2>

TALKING POINT

The essay competition, jointly organised by CCCS and the Economic Society of Singapore (ESS), is back for its 6th run!

CCCS-ESS ESSAY COMPETITION 2024



Topic:

How should Competition and Consumer Protection rules evolve in the age of **Artificial Intelligence (“AI”)**?

Prizes

1st	\$3,000
2nd	\$2,000
3rd	\$1,000
Merit	3 X \$300

Deadline: 31 May 2024



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<https://go.gov.sg/cccs-ess-essay-2024>

SHOWCASE

GREENWASHING STUDY FINDS USE OF VAGUE ENVIRONMENTAL CLAIMS AND CONFUSING TECHNICAL JARGON

CCCS awarded a research grant to the Centre for Governance and Sustainability at the National University of Singapore (NUS) Business School in March 2022 to better understand greenwashing on e-commerce websites in Singapore. “Greenwashing” generally refers to a supplier’s conduct that deceives or misleads consumers into believing that the supplier’s practices or goods and services, are more environmentally positive or have greater environmental benefits, than is indeed the case.

The NUS researchers reviewed products across 100 e-commerce websites. The study found that 51% of online product claims were found to be vague with insufficient elaboration or details to support the claims. The study also found that 14% of the online product claims use technical language that made it difficult for consumers to understand or verify the claim.

Vague Environmental Claim

Claims such as “environmentally friendly”, “eco-friendly”, “sustainable”, “good for the Earth”, “natural”, “conscious”, “responsible” are vague and prone to overstatement or exaggeration as to the actual environmental benefits of the product.

For example, a claim from a supplier that its product is “environmentally friendly” on the basis that the product is made of 10% recycled material may be misleading if it is marketed to give consumers the impression that the product was made of 100% recycled material.

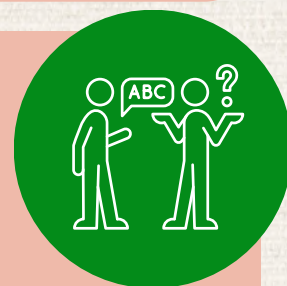
Suppliers are advised to be specific in their environmental claims, avoid making claims that would imply or convey an overall impression that the environmental benefit of the product is more than it is and ensure all claims can be substantiated with valid and credible evidence.



Confusing Technical Jargon

Claims containing technical jargon may confuse or mislead consumers on the environmental benefit of the suppliers’ goods, services, or businesses, e.g. “made of high-quality ABS eco-friendly material”.

Suppliers are advised to use language that is easier for consumers to understand and explain the meaning or implications of technical terms.



To address these and other potential greenwashing conduct by suppliers identified in the study, CCCS is developing a set of guidelines to provide greater clarity to suppliers on the environmental claims that could amount to unfair practices under the Consumer Protection (Fair Trading) Act.

SHOWCASE

TIPS WHEN BUYING PRODUCTS WITH ENVIRONMENTAL CLAIMS

BE WARY OF BROAD AND VAGUE ENVIRONMENTAL CLAIMS

Check whether the supplier has provided any other information along with the environmental claim and whether the information provided contradicts the headline claim.



LOOK UP FEATURES AND TECHNICAL TERMS

Look up the features and technical terms referred to in the environmental claim which you are not familiar with to better understand their associated environmental benefit. Compare features of competing goods or services to determine whether the feature highlighted in the environmental claim is a standard feature.

FAMILIARISE YOURSELF WITH ENVIRONMENTAL CERTIFICATIONS OR LABELS

Learn about the scope, evaluation criteria, validity and reputability of the environmental certification or label by looking up information on the certification scheme. Look for information on a supplier's environmental track record from credible sources such as news articles or reports from reputable environmental organisations.



LOOK BEYOND BRANDING AND IMAGERY

Consider whether the branding or imagery used is relevant to the product, service or business, and verify with information from credible sources.

UNDERSTAND THE ENVIRONMENTAL IMPACT OF CONSUMPTION

All goods, services or businesses have an impact on the environment. By understanding the environmental impact and trade-offs of our consumption habits and the businesses we buy from, we can make more informed decisions in our purchases and support suppliers who make genuine efforts to provide goods and services which are better for the environment.



FOR MORE INFO, VISIT WWW.CCCS.GOV.SG

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GLOBAL ACT

INTERNATIONAL COMPETITION NETWORK ANNUAL CONFERENCE



At the International Competition Network (ICN) Annual Conference held in Barcelona, Spain from 18 - 20 Oct 2023, CCCS Chief Executive Sia Aik Kor moderated the panel discussion of the Agency Effectiveness plenary session titled “Looking into the Crystal Ball: What do we see and how do we choose our priorities”. The panel discussed the priority areas of competition agencies in

the next 1-2 years, including how these areas were selected to optimise resources. In her role as the ICN Vice Chair, Ms Sia also moderated a closed-door discussion between Heads of Competition Agencies on the challenges and difficulties with sustainability-related competition issues and cases. As a co-chair of the Agency Effectiveness Working Group, CCCS organised the Agency Effectiveness plenary session as well as the breakout session on “Innovative Detection Tools”.

INTERNATIONAL CONSUMER PROTECTION AND ENFORCEMENT NETWORK CONFERENCE

Assistant Chief Executive (Legal, Enforcement and Consumer Protection) Mr Loke Shiu Meng spoke in a panel discussion titled “Showcases of newer and smaller consumer agencies” at the International Consumer Protection and Enforcement Network (ICPEN) Conference held in Warsaw, Poland, from 4 - 6 Oct 2023.



OECD COMMITTEE AND ITS WORKING PARTIES MEETINGS AND THE GLOBAL FORUM ON COMPETITION

The OECD Committee and its Working Parties meetings and the Global Forum on Competition were held from 4 - 8 Dec 2023 in Paris, France. CCCS submitted a written contribution for the topic on “Out-of-Market Efficiencies in Antitrust Enforcement”. Senior Director of the Data and Digital Division Mr Herbert Fung also shared CCCS’s experience in the field of sustainability at the working lunch for High-Level Representatives of Asia-Pacific Competition Authorities.

GLOBAL ACT

10TH ASEAN COMPETITION CONFERENCE

The 10th ASEAN Competition Conference themed “From Innovation to Impact: Synergizing Antitrust and IP Regulation for a Stronger ASEAN” was held from 29 - 30 Nov 2023 in Manila, Philippines. Assistant Chief Executive (Legal, Enforcement and Consumer Protection) Mr Loke Shiu Meng was a panelist of the session titled “Technology Transfer and Competition” which considered how strong policy frameworks are crucial in building systems with solid foundations in antitrust, IP law and technological capacity.



ASEAN EXPERTS GROUP ON COMPETITION AND ASEAN COMMITTEE ON CONSUMER PROTECTION



CCCS participated in working meetings of the ASEAN Experts Group on Competition (AEGC) held from 9 - 12 Oct 2023 in Cebu, Philippines as well as the ASEAN Committee on Consumer Protection (ACCP) held from 20 - 24 Nov 2023 in Siem Reap, Cambodia.



CCCS actively participates in regional and international competition and consumer protection platforms, such as the AEGC, ACCP, ICN, ICPEN and OECD. These platforms enable CCCS to contribute to the promotion of pro-competition and pro-consumer policies, and to exchange experiences and best practices on competition policy and consumer protection with its counterparts from around the world.

A.S.K. a Funeral Service Provider Checklist

Ascertain and consider the wishes of the deceased and the deceased's family when making funeral purchases:

- Check if the deceased has left any instructions about preferred funeral arrangements and ensure these are communicated to the FSP. Some possible sources of information on preferred funeral arrangements could be My Legacy (<http://mylegacy.life.gov.sg/>), daily conversations the deceased had with loved ones, and written instructions communicated through a will.
- Appoint a decision maker to liaise with the FSP before, during and after the funeral.
- Set aside a realistic sum of money as a budget for the funeral.

Seek important answers from the FSP, so that you know what you pay for:

- Based on the given requirements and budget, what are the available funeral products or packages?
- What are the key funeral products that would be provided (whether as part of a package or otherwise)?
- What are the mandatory and optional costs? Are there any other extra fees/charges not included in the quoted price?
- How much would it cost to customise a funeral service offering?
- Are there available samples or pictures of the funeral products?
- Do I or my loved ones need to liaise with and make payment to any third-party vendors? If so, what are the products that I will need to pay for on top of what I will be getting from the FSP?
- What are the terms and conditions, including those regarding "no refund" or "no cancellation" policies?

Know useful sources of information you can refer to, so that you can make an informed decision:

- Seek recommendations from friends and family.
- Consider publicly available information on the FSP's track record, credentials, specialisation (e.g. religious rituals), product offerings, and prices. Consult FSPs to get relevant information and compare the prices and products offered by different FSPs.
- Check online reviews and the websites of FSPs.
- Check the Consumers Association of Singapore's Company Alert List to see if any FSP you are considering has received consumer complaints.



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

NEA's website on post death matters for funeral arrangements



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

CCCS Funeral Services Industry Report