

COMPETITION & ANTITRUST AND TRADE

# Consumer Protection in Singapore – Five Key Observations for Businesses in a Heightened Enforcement Climate

## Introduction

The Competition and Consumer Commission of Singapore ("**CCCS**") has stepped up enforcement action against businesses that engage in unfair practices in violation of the Consumer Protection (Fair Trading) Act 2003 ("**CPFTA**"). CCCS continues to work closely with the Consumers Association of Singapore ("**CASE**"), which typically acts as the first point of contact for consumer complaints. CCCS does its own monitoring and also acts on complaints received. From the enforcement trends, it can be observed that CCCS is clamping down on business practices that mislead or are unfair to consumers.

Over the past two years, CCCS has pursued action against a range of businesses, both online and brick-and-mortar, for conduct ranging from pressure tactics to false and misleading advertising. To address CCCS' concerns, errant businesses have had to change their business practices, including amending their marketing materials, putting in place an internal compliance policy and providing refunds to customers. There have been more drastic consequences for errant businesses who do not seek to comply. Importantly, errant retailers have faced court-ordered fines and even individual criminal liability, including jail terms, pointing towards the robust consumer protection regulatory environment.

In going to market, businesses must be especially alert not to do the following:

- Make false or misleading claims;
- Make false reviews;
- Leave false reviews on your website or social media;
- Use pushy tactics or dubious claims to sell products or services;
- Give consumers the false impression of a good deal; or
- Provide generically that terms and conditions apply.

In this Update, we highlight key developments in consumer protection enforcement and highlight five important observations for businesses to take note of.

## 1. Caution against False and Misleading Claims

In recent years, CCCS has issued a series of warnings and, in the case of continued non-compliance, enforcement actions against suppliers for making false and misleading claims regarding their products on their websites and social media platforms.

This includes several actions taken against various water filtration systems suppliers regarding their claims on the unsubstantiated health benefits of filtered water and the accreditation of their products.

On 22 February 2023, CCCS obtained court orders against a supplier of water dispensers, alkaline water filtration systems and maintenance service packages, for engaging in unfair practices under the CPFTA. The State Courts declared that the business had falsely claimed that its products were accredited and used by a medical centre, that its water dispenser was free for a limited time (although no such price benefit or advantage existed), and that alkaline and/or filtered water may prevent or improve the condition of various diseases. The State Courts issued an injunction order against the business to stop its various unfair practices, and a separate injunction to stop the business' sole director and shareholder from knowingly abetting, aiding, permitting or procuring the business to engage in unfair practices. The State Courts also issued orders for the business and the individual in question to publish a full-page notice with details of the court orders in four national newspapers, and to notify potential consumers in writing about the court orders before concluding any contracts with them.

Separately, and as part of ongoing market monitoring of the water filtration system industry, CCCS issued two warnings in 2024:

1. On 21 March 2024, CCCS accepted undertakings and closed investigations against one water dispenser and filtration systems supplier for, among other things, making false claims about the accreditation, certification and health benefits of its products.
2. On 30 August 2024, CCCS concluded a second case against a business which had falsely claimed in an online advertisement that Singapore's tap water is unsafe for direct consumption without being filtered by water purifiers sold by it.

Both cases were concluded after the respective business gave undertakings to CCCS that it would stop engaging in unfair practices under the CPFTA. These undertakings included cooperating fully with CASE to resolve consumer complaints and implementing an internal compliance policy to ensure that marketing materials are CPFTA-compliant.

More recently, on 13 February 2025, CCCS publicised that it had found concerns regarding the marketing practices of a prominent wellness products manufacturer in Singapore, including the following misleading practices:

1. The use of a "Stanford Medicine" logo in promotional materials for one model of its massage chairs, which could mislead consumers into thinking that the product was endorsed by institutions that were associated with this logo. In reality, the technology used in the product was instead endorsed only by a medical consultant who had lectured at the Stanford University School of Medicine.
2. Indicating on its website that some products were "CE Certified", where "CE" is generally understood to refer to "Conformité Européenne", which could potentially mislead consumers into

thinking that the products were certified by an authority. In reality, the "CE" mark is a self-declared mark by manufacturers who assert that their product conforms with relevant European legal requirements *without* the need for certification processes.

*A common thread in these cases is that CCCS took firm action against retailers which made false and misleading claims about the benefits of their products and represented that their products were accredited or of a certain quality, when these claims were untrue.*

It follows that when advertising your claims, whether online or otherwise, it is critical to ensure that any representations made are truthful and aid in helping consumers to make informed decisions. If there are claims concerning purported health benefits, accreditations or endorsements, these claims must be backed up with credible evidence. This is especially important since digital materials have a large public reach and the risk of spreading false claims is much greater with the same.

## 2. Clamping Down on Fake Online Reviews

Fake customer reviews were the subject of an investigation concluded by CCCS against a home furnishing business on 21 June 2024. CCCS had received customer complaints that the business' website contained glowing reviews of the quality of its products, using customer initials and actual photos of the furniture in their homes. After CCCS' investigations revealed that the business was posting fake five-star reviews, the business undertook to stop the practice and remove the fake reviews.

The posting of a fake review by a business in relation to a consumer transaction is an unfair trade practice, as consumers might be deceived or misled into thinking that the review was genuine and might make their purchasing decisions on the basis of such misleading information.

Recognising that online reviews play an important role today in helping consumers make their purchasing decisions, *CCCS has indicated that it will make this an area of enforcement priority going forward.* CCCS has also advised consumers to spot signs of fake reviews and to seek assistance from CASE if they believe they have suffered harm as a result of fake reviews.

Given the heightened attention to reviews on the part of both CCCS and consumers, businesses should ensure that all reviews posted on their websites and on various social media platforms are genuine, and do not seek to mislead consumers.

With the focus on online reviews, businesses should also review and ensure compliance with the Guidelines on Interactive Marketing Communication and Social Media published by the Advertising Standards Authority of Singapore (ASAS). In particular, businesses should make disclosures in the event that there exists a connection (e.g. commercial relationship, complimentary samples, special invitations, etc.) between the endorser of a product and the business/marketer, which could affect the weight or credibility of the endorsement. Further, marketing communications should not take the form of social media content that appears to originate from a credible and impartial source, when it was, in fact, created by a marketer for the purpose of promoting a product or service.

## 3. Pressure Tactics are an Unfair Trade Practice

The beauty, massage and several other industries are notorious for how they sell packages. In 2023 and 2024, CCCS and CASE stepped up enforcement against businesses offering beauty services for using pressure tactics against vulnerable consumers. These include the following cases:

1. On 2 October 2024, CCCS commenced investigations with unannounced visits at three salons under the same business name, after receiving numerous complaints about their sales tactics. These complaints pertained to targeting and exploiting elderly consumers, concealing payment amounts during Network for Electronic Transfers (NETS) transactions, and billing consumers for unwanted services without their clear consent. The salons have been placed on CASE's Company Alert List.
2. On 18 May 2023, CCCS accepted undertakings and closed investigations against a beauty salon operator with eight branches. Among other unfair practices, it was found that staff had persistently engaged in sales talks which pressured customers into purchasing certain services or products, despite the customers already declining or expressing no interest to purchase these. The group of salons was required to take all reasonable steps to ensure that staff do not exert undue pressure on customers to purchase services or products, implement an internal compliance policy, and conduct staff training on types of conduct that would amount to unfair practices under the CPFTA.

Sales and growing the business are important. However, these cannot be done by, simply put, pressurising and forcing consumers to take up offers. In other words, businesses must *train their consumer-facing employees on what constitutes unreasonable behaviour and to avoid conduct such as using pushy sales tactics, making dubious claims, or giving offers that seem too good to be true.* Whilst this may be especially pertinent for the beauty industry where such marketing practices were found to be employed, the same principles would apply to all businesses. At a broader level, businesses must be careful that their marketing campaigns do not create unwarranted pressure or a sense of urgency for consumers to make an immediate purchase.

#### 4. Lack of Price Transparency is an Unfair Practice

Following the issuance of the Guidelines on Price Transparency, which came into effect on 1 November 2020, misleading pricing practices are front and centre of CCCS' enforcement:

1. In the case involving the wellness products manufacturer (mentioned above) in February 2025, CCCS noted that, apart from making false claims about product endorsement and product standards, the business had also presented "*usua*" prices alongside promotional prices for several products. However, the purportedly "*usua*" prices were not genuinely "*usua*", as they were not prices offered to retail customers for a significant period prior to the relevant promotion.
2. On 20 November 2024, CCCS issued a warning and closed investigations against a food delivery platform for misleading advertisements pertaining to its paid subscription services. The platform promised "*unlimited free delivery*" for subscribers, when, in fact, over 40% of food delivery transactions made by subscribers on all restaurants over the period of the advertisements required a residual delivery fee to be paid after the discounts were applied. These advertisements were displayed, not just on billboards and signage at public areas, but also on the business' Instagram page and in-app marketing. Among other things, the business undertook to provide a full refund of subscription fees to customers and review its marketing materials for the subscription service.

These examples emphasise the importance of transparent pricing. *Any purported discount must be genuine, and retailers must not give consumers the impression of a good deal by putting a false "usua" price for comparison.* Further, businesses must be careful about using absolute terms like "\$0" or "free", because consumers would understand this to mean that nothing will be charged. If there are

qualifiers, exclusions or incidental costs, these must be stated prominently with the "free" claim or any promotional pricing.

*Importantly, CCCS has expressly clarified that a generic disclaimer such as "terms and conditions apply" is not usually sufficient.*

As a matter of best practice, when offering promotions or "free" goods or services, businesses should refer to the CCCS' Guidelines on Price Transparency.

## **5. Refusal to Comply with CPFTA Subject to Court Enforcement and even Jail Term**

In a landmark case for consumer protection law, a beauty service provider with two salons was found guilty of contempt of court on 10 September 2024 after failing to comply with a court-ordered injunction on unfair practices. This marked the first time that CCCS instituted contempt proceedings against an errant business and its manager for breaching such court orders. Each of the two salons was fined S\$15,000, while the managing director was sentenced to four months' imprisonment.

This case demonstrates CCCS' commitment to taking errant businesses to task should they choose to not only persistently engage in unfair conduct but also flout court orders. Contrary to the view that the CPFTA is toothless, the substantial fines imposed on the businesses involved, and the custodial sentence imposed on the responsible individual, show that there are real consequences for continued egregious conduct.

## **Conclusion**

These recent developments clearly demonstrate that CCCS is on full throttle to ensure consumers are protected.

Within this heightened enforcement climate, businesses must be very careful with their marketing and promotional efforts, as they seek to differentiate themselves from their competitors, and to get their messages out to consumers in a catchy and succinct manner. This is especially so for online marketing practices which can be more easily picked up and monitored by the relevant authorities.

Given the authorities' willingness to publicise investigations and seek court enforcement against errant retailers, there can be significant impact to business operations and negative publicity arising from any non-compliance with the CPFTA and the various guidelines on advertising and marketing.

Let us know if you would like to discuss issues raised in this Update further, or if you would like us to come in and do a training session for your organisation. Note that having a proper compliance programme in place can aid in minimising liability.

Please do not hesitate to reach out to our Team if you have any questions regarding this Update or on your marketing practices.

# Contacts

## COMPETITION & ANTITRUST AND TRADE

Kala Anandarajah

**HEAD**

D +65 6232 0111  
[kala.anandarajah@rajahtann.com](mailto:kala.anandarajah@rajahtann.com)

Joshua Seet

**PARTNER**

D +65 6232 0104  
[joshua.seet@rajahtann.com](mailto:joshua.seet@rajahtann.com)

Tanya Tang

**PARTNER**

D +65 6232 0298  
[tanya.tang@rajahtann.com](mailto:tanya.tang@rajahtann.com)

Please feel free to also contact Knowledge Management at [RTApublications@rajahtann.com](mailto:RTApublications@rajahtann.com).

## Regional Contacts

### Cambodia

#### Rajah & Tann Sok & Heng Law Office

T +855 23 963 112 / 113  
kh.rajahtannasia.com

### China

#### Rajah & Tann Singapore LLP Shanghai & Shenzhen Representative Offices

##### Shanghai Representative Office

T +86 21 6120 8818  
F +86 21 6120 8820

##### Shenzhen Representative Office

T +86 755 8898 0230  
cn.rajahtannasia.com

### Indonesia

#### Assegaf Hamzah & Partners

##### Jakarta Office

T +62 21 2555 7800  
F +62 21 2555 7899

##### Surabaya Office

T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

### Lao PDR

#### Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

### Malaysia

#### Christopher & Lee Ong

T +603 2273 1919  
F +603 2273 8310  
www.christopherleeong.com

### Myanmar

#### Rajah & Tann Myanmar Company Limited

T +951 9253750  
mm.rajahtannasia.com

### Philippines

#### Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8248 5250  
www.cagatlaw.com

### Singapore

#### Rajah & Tann Singapore LLP

T +65 6535 3600  
sg.rajahtannasia.com

### Thailand

#### Rajah & Tann (Thailand) Limited

T +66 2656 1991  
F +66 2656 0833  
th.rajahtannasia.com

### Vietnam

#### Rajah & Tann LCT Lawyers

##### Ho Chi Minh City Office

T +84 28 3821 2382  
F +84 28 3520 8206

##### Hanoi Office

T +84 24 3267 6127 / +84 24 3267 6128  
vn.rajahtannasia.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.



# Our Regional Presence



Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Rajah & Tann Singapore LLP or email Knowledge Management at [RTApublications@rajahtann.com](mailto:RTApublications@rajahtann.com).