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Overview of Nationwide Statistics on Consumer Counseling in FY1997

1 . Trends in total number of counseling cases received in FY 1997

During FY1997, (April 1, 1997 to March 31, 1998) 611,154 cases in total were received by the consumer centers and consumer organizations across the country, as shown in Table 1. This represents an increase of 33,291 cases (5.8%) from the previous year.

The total number of cases referred to JCIC during the same period came to 7,660.

599,991 cases were received by local consumer centers which is an increase of 5.6% from the previous year. In addition, 3,503 cases were received by various consumer organizations

Table 1. Trends in number of cases received by type of agency

Year	local government consumer center	consumer organization	JCIC	Total	Increase over previous year
1975	127,435	14,470	4,554	146,459	10.7
:	:	:	:	:	:
:	:	:	:	:	:
1980	176,662	12,975	5,381	195,018	6.4
1981	198,441	2,855	6,516	207,812	6.6
1982	226,298	3,710	6,708	236,716	13.9
1983	254,520	3,191	6,580	264,291	11.6
1984	314,608	3,700	5,933	324,241	22.7
1985	366,424	3,611	6,367(733)	377,135	16.3
1986	368,102	3,262	6,326(1,592)	379,282	0.6
1987	365,188	3,688	4,715	373,591	-1.5
1988	344,542	2,819	4,940(960)	353,261	-5.4
1989	346,755	3,475	6,267(757)	357,254	1.1
1990	331,859	4,017	5,969(756)	342,601	-4.1
1991	346,965	3,146	5,950(791)	356,852	4.2
1992	381,712	3,031	6,722(1,295)	392,760	10.1
1993	422,176	3,875	7,315(720)	434,086	10.5
1994	437,053	3,916	7,305	448,274	3.3
1995	499,857	3,765	6,944	510,566	13.9
1996	568,019	2,243	7,601	577,863	13.2
1997	599,991	3,503	7,660	611,154	5.8
1997 change over the previous year	5.6	56.2	0.8	5.8	

Note:1.The figures represent the total number of cases received by all agencies including unclassifiable cases.

2. The figures for the number of cases received by consumer organization after 1983 are total number of cases received by the Consumption Science Federation(~ 1993),the Japan Consumers' Association, and Japan Housewives Association(except 1996).

3. Of the cases received by the JCIC, the figures in parentheses represent the number of cases received in the "Consumer Dial 110"; a temporarily established hotline.

2 . Trends in the number of counseling cases by products and services

Out of the 611,154 counseling cases received during FY1997, the number of cases that can be classified by type of product and service, etc., was 564,071.

Table 2 broadly classifies the cases into "product," "service," and "other counseling," and shows the trends in the past four-year period based upon these classifications. The ratio of these classifications among those cases that can be classified are 50.5% related to products, 45.5% related to services, and 4.0% related to other counseling.

Table 2. Total number of cases received and their breakdown

	Total No. received	Classifiable cases	Product	Service	Other counseling
1994	448,274	417,583(100.0)	217,142(52.0)	182,401(43.7)	18,040(4.3)
1995	510,566	475,626(100.0)	247,981(52.2)	207,499(43.6)	20,146(4.2)
1996	577,863	530,020(100.0)	283,752(53.5)	225,227(42.5)	21,041(4.0)
1997	611,154	564,071(100.0)	284,762(50.5)	256,704(45.5)	22,605(4.0)

Note: The figures in parentheses represent the ratio of product, service and other counseling in relation to the total number of classifiable cases.

Also, the number of complaints was 429,866 (76.2%) out of total classifiable cases. The number and ratio of complaints in recent years have been increasing.

<Number of counseling cases by major categories of products and service >

Tables 3 and 4 show the trends of large classifications of products and services from FY1994 to FY1997. During FY1997, cases related to products rose by 0.4%, while those related to services rose by 14.0%, from the previous year.

With regard to products, the largest number of consumer counseling cases were received for the category of "cultural/entertainment products" (80,880), followed by "household products" (51,808) and "clothing" (41,236). Also, the largest rate of increase from the previous year was registered by "product unspecified" (an increase of 13.4%). (This category refers to cases related to some product, which

cannot be specified further or which need not be specified.) A high increase was registered also by "health and sanitary products" (10.3%), etc. On the other hand, "clothing" declined by 19.8% from the previous fiscal year.

Next, let us look at the situation for services. The largest number of consumer counseling cases were received for "financial and insurance services" (63,356), followed by "cultural and entertainment services" (39,480), and "transportation and communication services" (24,574).

Table 3. Counseling by product type

	1994	1995	1996	1997	1997 increase over the previous year
Product unspecified	6,893 (3.2)	8,335 (3.4)	10,042 (3.5)	11,389 (4.0)	13.4
Food products	23,238 (10.7)	25,710 (10.4)	26,817 (9.5)	27,124 (9.5)	1.1
Household products	47,096 (21.7)	47,716 (19.2)	49,666 (17.5)	51,808 (18.2)	4.3
Light, heat and water-Related products	3,428 (1.6)	3,701 (1.5)	4,015 (1.4)	4,296 (1.5)	7.0
Clothing	26,544 (12.2)	31,238 (12.6)	51,395 (18.1)	41,236 (14.5)	-19.8
Health and sanitary Products	21,512 (9.9)	25,945 (10.5)	26,427 (9.3)	29,146 (10.2)	10.3
Cultural/entertainment Products	58,577 (27.0)	70,979 (28.6)	77,721 (27.4)	80,880 (28.4)	4.1
Vehicles, transportation equipment	13,476 (6.2)	15,592 (6.3)	16,666 (5.9)	17,031 (6.0)	2.2
Land, building, Equipment	15,820 (7.3)	18,119 (7.3)	20,353 (7.2)	21,197 (7.4)	4.1
Other products	558 (0.3)	646 (0.2)	650 (0.2)	655 (0.2)	0.8
Total products	217,142 (100.0)	247,981 (100.0)	283,752 (100.0)	284,762 (100.0)	0.4

Note: 1. Cases of "other counseling" are not classified by product or service, so they are excluded from this table.

2. Figures in the parentheses represent the ratio of the total.

Table 4. Number of counseling cases by type of service

	1994	1995	1996	1997	1997 increase over the previous year
Cleaning	14,331 (7.9)	15,124 (7.3)	14,974 (6.6)	14,102 (5.5)	-5.8
Rental and lease services	19,602 (10.7)	19,236 (9.3)	23,420 (10.4)	23,653 (9.2)	1.0
Construction, building, Processing	14,171 (7.8)	16,353 (7.9)	18,666 (8.3)	18,800 (7.3)	0.7
Repair, maintenance	6,918 (3.8)	7,502 (3.6)	7,482 (3.3)	7,886 (3.1)	5.4
Management, safekeeping	463 (0.3)	460 (0.2)	515 (0.2)	585 (0.2)	13.6
Service unspecified	2,813 (1.5)	3,386 (1.6)	2,906 (1.3)	2,712 (1.1)	-6.7
Financial and insurance service	32,095 (17.6)	37,823 (18.2)	47,230 (21.0)	63,356 (24.7)	34.1
Transportation and Communication service	7,201 (3.9)	9,886 (4.8)	16,808 (7.5)	24,574 (9.6)	46.2
Educational service	3,527 (1.9)	3,888 (1.9)	4,438 (2.0)	5,300 (2.1)	19.4
Cultural and entertainment service	46,318 (25.4)	51,504 (24.3)	40,854 (18.1)	39,480 (15.4)	-3.4
Health and welfare service	14,407 (7.9)	15,820 (7.6)	18,014 (8.0)	20,385 (7.9)	13.2
Other service	11,767 (6.5)	13,587 (6.6)	13,270 (5.9)	15,791 (6.2)	19.0
Homework, side business, Market speculation	7,613 (4.2)	11,662 (5.6)	15,335 (6.8)	18,798 (7.3)	22.6
Other administrative services	1,175 (0.6)	1,268 (0.6)	1,315 (0.6)	1,282 (0.5)	-2.5
Total service	182,401 (100.0)	207,499 (100.0)	225,227 (100.0)	256,704 (100.0)	14.0

Note: 1. Cases of "other counseling" are not classified by product or service, so they are excluded from this table.

2. Figures in the parentheses represent the ratio of the total.

As for the rate of increase from the preceding fiscal year, the largest rate of increase was seen for "transportation and communication services" (an increase of 46.2%), "financial and insurance services" (34.1%), and "home-based work, side business, market speculation" (22.6%).

< Number of counseling cases by subcategory >

When we look at the trends with large classifications in terms of small classification items, the largest number of consumer counseling cases among all products and services up to FY1995 were those related to "lessons and lectures" which

cover courses for obtaining certifications and foreign language courses.

In FY1996, however, consumer counseling cases for "other financial services" related to credit sales company and consumer finance, etc., were most numerous, and in FY1997, the total exceeded 40,000 cases.

Similarly, among services, cases related to "life insurance" and "securities and bonds" became more than twice the number in FY1996. What are the reasons for such increases? With regard to "other financial service," we saw an increased number of cases related to multiple and heavy debts due to loans from consumer finance companies, and/or voluntary bankruptcies and cases related to fraudulent practice involving pretending to be a kind counseller for sorting and reorganizing debts.

As for "life insurance" and "securities and bonds," there was a sharp increase in complaints and inquiries from consumers stemming from the large number of bankruptcies of insurance companies and securities companies during FY1997.

Other than the above, a noticeable increase was registered by cases concerning "telephone and telegram" (which increased by 48.4% from 7,143 cases in FY1996 to 10,600 cases in FY1997), "other transportation and communication" such as telephone information services (which increased by 74.9% from 5,410 cases in FY1996 to 9,460 cases in FY1997).

Behind this development is the occurrence of various problems accompanying the rapid dissemination of mobile communication services such as portable telephones and PHS (Personal Handy System). Thus, there has been a sudden increase in the number of inquiries and complaints from consumers who were billed for information services that they had not used, and complaints about international telephone information services.

On the other hand, counseling cases related to "lessons and lectures" such as courses for obtaining certifications have been declining in recent years.

This is partly due to the amendment of "the Law Concerning Door-to-Door Sales" in November 1996, which now includes regulation of telemarketing.

3.Type of counseling

Table 5 shows the breakdown of consumer counseling cases by content.

Of the classifiable cases, the contents of cases related to products and services are classified into 15 items. When a case corresponds to more than one item, up to four items were counted for a given counseling case. Cases for "other counseling" are not classified by content.

Between FY1994 and FY1997, among classifiable cases, those related to "contract/cancellation" accounted for the largest number, followed by "selling method."

Table 5. Type of counseling cases (Multiple counting. Figures in parentheses represent the ratio of total number received each FY.)

	Goods				Service				Others				Total			
	1994	1995	1996	1997	1994	1995	1996	1997	1994	1995	1996	1997	1994	1995	1996	1997
Classifiable cases	217,142	247,981	283,752	284,762	182,401	207,499	225,227	256,704	18,040	20,146	21,041	22,605	417,583	475,626	530,020	564,071
Safety, hygiene	12,381 (5.7)	13,549 (5.5)	18,082 (6.4)	16,887 (5.9)	2,043 (1.1)	2,282 (1.1)	2,802 (1.2)	3,514 (1.4)					14,424 (3.5)	15,381 (3.3)	20,884 (3.9)	20,401 (3.6)
Quality, function, service quality	46,325 (21.3)	51,865 (20.9)	57,751 (20.4)	55,985 (19.7)	27,268 (14.9)	31,379 (15.1)	33,687 (15.0)	36,064 (14.0)					73,593 (17.6)	83,244 (17.5)	91,438 (17.3)	92,049 (16.3)
Law, standards	7,154 (3.3)	8,384 (3.4)	9,188 (3.2)	9,092 (3.2)	10,533 (5.8)	10,775 (5.2)	12,471 (5.5)	13,523 (5.3)					17,687 (4.2)	19,159 (4.0)	21,659 (4.1)	22,615 (4.0)
Price, fees	25,582 (11.8)	29,618 (11.9)	31,998 (11.3)	33,664 (11.8)	25,299 (13.9)	27,396 (13.2)	30,622 (13.6)	34,672 (13.5)					50,881 (12.2)	57,014 (12.0)	62,620 (11.8)	68,336 (12.1)
Weight, volume	577 (0.3)	655 (0.3)	694 (0.2)	701 (0.2)	116 (0.1)	144 (0.1)	162 (0.1)	163 (0.1)					693 (0.2)	799 (0.2)	856 (0.2)	864 (0.2)
Labeling, advertising	7,608 (3.5)	8,841 (3.6)	9,496 (3.3)	9,707 (3.4)	4,180 (2.3)	5,310 (2.6)	5,321 (2.4)	5,913 (2.3)					11,788 (2.8)	14,151 (3.0)	14,817 (2.8)	15,620 (2.8)
Selling method	73,003 (33.6)	88,817 (35.8)	105,817 (37.3)	114,409 (40.2)	47,391 (26.0)	56,561 (27.3)	53,316 (23.7)	59,504 (23.2)					120,394 (28.8)	145,378 (30.6)	159,186 (30.0)	173,913 (30.8)
Contract/cancellation	116,517 (53.7)	136,009 (54.8)	164,103 (57.8)	164,087 (57.6)	110,854 (60.8)	124,210 (59.9)	141,304 (62.7)	166,768 (65.0)					227,371 (54.4)	260,219 (54.7)	305,407 (57.6)	330,855 (58.7)
Customer service	16,769 (7.7)	20,444 (8.2)	22,068 (7.8)	22,700 (8.0)	20,511 (11.2)	23,341 (11.2)	25,912 (11.5)	27,881 (10.9)					37,280 (8.9)	43,785 (9.2)	47,980 (9.1)	50,581 (9.0)
Packaging, containers	335 (0.2)	368 (0.1)	386 (0.1)	406 (0.1)	42 (0.0)	39 (0.0)	54 (0.0)	35 (0.0)					377 (0.1)	407 (0.1)	440 (0.1)	441 (0.1)
Facilities, equipment	239 (0.1)	274 (0.1)	333 (0.1)	315 (0.1)	270 (0.1)	287 (0.1)	351 (0.2)	373 (0.1)					509 (0.1)	561 (0.1)	684 (0.1)	688 (0.1)
Shopping counseling	10,867 (5.0)	10,556 (4.3)	9,952 (3.5)	9,160 (3.2)	7,547 (4.1)	8,583 (4.1)	7,934 (3.5)	7,787 (3.0)					18,414 (4.4)	19,139 (4.0)	17,886 (3.4)	16,947 (3.0)
Knowledge related to living	8,005 (3.7)	7,901 (3.2)	6,971 (2.5)	7,177 (2.5)	3,810 (2.1)	4,496 (2.2)	4,390 (1.9)	105,264 (41.0)					11,815 (2.8)	12,397 (2.6)	11,361 (2.1)	112,441 (19.9)
Others	5,689 (2.6)	6,085 (2.5)	5,388 (1.9)	4,988 (1.8)	7,760 (4.3)	8,409 (4.1)	7,886 (3.5)	8,037 (3.1)					13,449 (3.2)	14,495 (3.0)	13,274 (2.5)	13,025 (2.3)

4 . Special selling method

Table 6 shows the number of counseling cases concerning "special selling method" and their component ratio. In FY1997, in addition to the conventional "door-to-door sales," "mail-order sales," "pyramid and quasi-pyramid sales," and "other non-store retail," listed are cases related to "telemarketing," "negative option" (a business operator sends unsolicited merchandise to a consumer and unless the consumer sends it back or states that he will not purchase it, he is later billed for the price of the merchandise based upon the assumption that he agreed to buy it), "store selling," and "others".

Table 6. Trends in number of cases related to special methods of selling

	1994	1995	1996	1997
Store selling	-	-	-	186,905
Door-to-door sales	86,062	97,324	100,350	125,116
Mail-order sales	53,634	69,625	66,128	50,952
Pyramid and quasi-pyramid sales	9,629	11,506	14,881	19,458
Telemarketing	-	-	-	41,812
Negative option	-	-	-	6,390
Other non-store retail	4,690	5,209	6,429	11,950
Others	-	-	-	121,485