

NATIONAL CONSUMER AFFAIRS CENTER of JAPAN

# NCAC NEWS

Vol. 12, No.3

国民生活センター

December 2000

## JCIC Changes Its English Name at 30th Anniversary

On welcoming its 30th anniversary in October, the Kokumin Seikatsu Center changed its English name from the Japan Consumer Information Center to the National Consumer Affairs Center of Japan.

On October 1 this year, the NCAC commemorated its 30th anniversary, holding a Symposium in Commemoration of the 30th Anniversary in Tokyo on October 6 under the theme "For the Soft, Amenity-rich 21st Century: The Roles and Linkage of Citizens, Companies, and Government."

To begin with, Mr. Nukaya, President of the NCAC, gave an opening address, announcing the NCAC's mid-to-long-term vision. He was followed by Mr. Sakaiya, Minister of State for Economic Planning, who gave a keynote lecture. This was followed by a panel discussion with Ms. Arima, Chairperson of the NCAC, as Coordinator.



## Trends in Consumer Issues

### Trends in Consumer Issues

#### A National Consumers Congress Held

On November 9 and 10, the 39th National Consumers Congress was held in Tokyo. On the first day, nine section meetings took place as listed below: 1) How are consumers rights today? Thinking of the consumer administration of local governments; 2) What do we do with the environment of the 21st century? 3) The first year of nursing care insurance: For future improvements; 4) Signs of higher taxes: We can't take any more tax wasting; 5) Let's make justice and law ours; 6) Food safety revisited now: Production, distribution, and consumption; 7) Thinking for the 21st century; Life, the National Constitution, and peace; 8) For families, communities, and schools where children can grow peacefully; 9) Security, safety and comfort; Let's think together of housing where we can continue to live.

At night, seminars were held on legal systems for private information protection, consumer credit, e-commerce and other operations.

On Day 2, Ms. Kamiyama, an attorney, gave a lecture on "Issues of Food Safety for the 21st Century." This was followed by a relay talk on the recent international trends and national efforts in food safety.

- **Revision of the Door to Door Sales, etc. Act and the Installment Sales Act**

Sales at locations other than shops involve many cases where consumers persuaded to purchase products and services that they do not need. The Door to Door Sales, etc. Act therefore sets forth the cooling-off right of consumers, and acts that business operators are prohibited to conduct, as well as other details. In recent years, a rapidly increasing number of cases are reported where a salesperson makes a business proposition to a consumer and persuades him or her to buy a product that is claimed to be necessary for the business. Since these cases are difficult to regard as consumer trading, the aforementioned act was difficult to apply to such cases. Furthermore, the overrun of hype and wicked conduct are seen in multi-level marketing. These trends prompted lawmakers to revise the said act, thus regulating product sales in connection with a business proposition and reinforcing multi-level marketing regulations. In addition, the Instalment Sales Act was revised to redefine the concept of the "credit card" so that the said act can also regulate transactions made by giving only the card number and date of expiry instead of presenting the actual card, as is done in trading on the Internet and other operations today.

## **Activities of the NCAC**

### **Top Ten Topics of 2000**

The NCAC announced its top ten topics of 2000 in consumer consulting on December 6.

#### 1) Consumer Contract Law Established

The Consumer Contract Law was established as a set of civil rules designed for all consumer contracts and will be enforced from April, 2001. Against the background of the establishment of this law, there was a rise in consumer consulting regarding consumer trading and service consulting exceeded product consulting.

#### 2) Government-run Nursing-care Insurance Program Launched

Nursing-care used to be provided as a 社 easure taken by the central government. A new program has now been launched for providing "contracts" with a private firm for receiving nursing-care service. Subsequent competition among nursing-care service providers will allow consumers to receive better services. However, there may also be contractual trouble.

#### 3) Life and Non-life Insurance Companies Go Bankrupt, One after Another

Due to the prolonged depression and low interest rates, insurance firms are going bankrupt one after another, resulting in a rise in consumer consulting.

#### 4) Quick Rise Seen in Consulting Concerning Internet-related Trouble

The Number of Internet users is rising quickly

throughout the world. In Japan, the Internet is now used by as many as 27 million people, accounting for one-fifth of Japanese. Consumer trouble related to the Internet is also rising rapidly.

5) Door to Door Sales, etc. Act Revised

In view of the fact that cases never ceased to exist where salespersons solicit business starters and persuade them to buy their products and services and due to the hype and illegal solicitations in multi-level marketing, the said act was revised.

6) Resumed Increase in Consulting Concerning License-taking Courses Sold Over the Telephone

Trouble concerning salespersons persuading people to obtain licenses over the telephone had settled down temporarily, but is now on the rise again.

7) Increased Trouble Concerning Beauty Technique Operators

A rise was noted in trouble due to the bankruptcy of beauty technique establishments and skin disorders due to peeling.

8) Series of Cases of Food Poisoning and Food Containing Foreign Matter

In the summer, a major food poisoning case caused by milk occurred. A series of cases took place where manufacturers had to recall foods containing foreign matter.

9) Large Firms Found to Hide Their Defects

The tendency of large firms hiding their information was spotlighted as an issue in society, such as the hiding of recalls of more than 600,000 vehicles and the hiding of information about fire accidents due to defects in TV sets.

10) A Warranty Program Launched for Newly-built Houses

Many grievances are raised about housing, such as tilted houses and rain leakage. Under these circumstances, a new law was enforced in April 2000 to promote the securing of quality of residential houses. For the basic structures of newly-built houses, the new law obligates the seller to provide warranty for any defects for ten years. Efforts were also made to found a program for displaying housing performance and arrange a program for settling conflicts.

**Product Testing**

• **Clothing Drier (October Issue of Tashikana Me [Critical Eyes])**

The NCAC tested five branches of electrical and gas-type driers having a 4.0kg dry capacity. The gas-type models were advantageous in their shorter drying times, while the electrical models were easy to install. They showed no significant difference in drying performance.

• **Household-use Kitchen Waste Disposer (November Issue of Tashikana Me)**

Because of their environmental concerns, consumers wishing to reduce garbage from their homes are on the rise. For that reason, suppliers are beginning to sell household-use kitchen waste disposers and a growing number of self-governing bodies are subsidizing consumers who buy such units. The NCAC then tested seven brands of microbe-decomposition units and two brands of hot air drying units. It is true that they can reduce garbage. However, since they use an electric heater and chips, they cost around 7 to 25 dollars per month to run. Consumers may spend a certain degree of energy, cost, and time to reduce garbage in their homes. If they do not use the subsequent product as compost for their homes and take them out as combustible garbage, it will be doubtful whether this will really resolve the problem of garbage.



- **Vegetable Drinks and Other Foods (December Issue of Tashikana Me)**

A growing number of food items are available on the market, claiming that they allow consumers to absorb vegetables easily. The NCAC then tested ten brands of vegetable drinks and four brands of processed vegetable foods (in both powder and tablet form). The nutrients obtained through these items are considerably different from those obtained from real

vegetables. Consumers should understand that these items are only foods that assist daily eating habits rather than a substitute for actual vegetables.

- **Steam Cleaners**

Steam cleaners are available on the market. They remove dirt by spraying hot steam instead of removal by suction. Some suppliers even claim that their products produce steam at 150°C. The NCAC then tested four brands. If the nozzle lets out steam into the atmosphere (one atmosphere), the steam will theoretically not be higher than 100°C. Actual measurements indicated 100°C. At a point 3cm from the nozzle, the temperature was no more than 80°C. This means that the area having a cleaning effect due to hot steam is very small.

### Surveys and Studies

- **New Personal Services by Banks and Financial Establishments**

Japan had lagged behind in financial deregulation. The financial big ban policy was then implemented. The result is that banks have begun to compete in personal services, such as ATM use at convenience stores, telephone banking, and Internet banking. The NCAC then compared the services offered by different banks.

- **Internet-related Consumer Trouble: Its Reality and Solutions**

Internet-related consumer trouble has been growing rapidly. The NCAC therefore compiled a report summarizing the characteristics of the Internet, the

causes of consumer trouble, the current solutions to damages, international solutions taken, future challenges, and other issues.

- **Eye Disorders Caused by People Playing with Laser Pointers**

Laser pointers are used at lectures and seminars. Fourteen cases have been reported since 1997, where children were using laser pointers and caused eye disorders. They are sold in the form of keyholders, pens, and other toys and used by pupils of elementary and junior high schools for playing. Some cases involved burned retinas, and some cases were serious enough cause after-effects remaining in the field of view for more than a year. Even though it may be difficult to prohibit the use of laser pointers, it is necessary to control the purchase and ownership of such products by children.

- **Reality of Consulting about Nursing-care Contracts**

With the foundation of the government-run nursing-care insurance program, nursing-care for the aged switched from being a governmental measure to a system provided under a private-sector contract. The NCAC surveyed the current status of this program as a contractual issue.



- **Burst of Spray Cans**

Many spray cans use combustible and high-pressure gases, and often burst accidentally. In one case, a can that happened to be in front of a fan heater heated up and burst. In another case, a person was drilling a hole in a can in an attempt to make it suitable for disposal, however a nearby fire spread to the gas in the can, which resulted in an explosion. A total of 229 such accidents have been reported to the NCAC.

- **Visitors from Abroad**

- \* Dr. Sothi Rachagan, Regional Director for Asia and the Pacific, Consumer International (on Sep. 9)
- \* Dr. Viravat Chantachote, Prof. Pokpong Srisanit, Faculty of Law, Thammasat University, Thailand (on Oct. 2)
- \* Ms. Saree Aongsomwang, Office Manager, Foundation for Consumers, Thailand (on Oct. 18)
- \* 23 members of the Korean Organization of Consumer Affairs Professionals (OCAP) (on Nov. 2)