

## Trends in Consumer Issues

### ● The National Consumer Congress Takes Place

The 40th National Consumer Congress took place in Tokyo over two days (November 15 and 16), sponsored by an executive committee consisting of representatives of 61 consumer organizations nationwide. It attracted a total of 1,100 attendees. This year's main theme was "Establish consumers' rights and make social justice a reality, in cooperation with Asian consumers." On the first day, sectional meetings were held. Lectures and discussions were held at different places with six themes: environment, personal information, judicial system reforms, taxes and nursing care insurance, food, and the IT revolution. On the second day, a general assembly took place at the Bengoshi Kaikan (The Japan Federation of Bar Association Hall).

At the general assembly, Dr. Sothi Rachagan, Director, Regional Office for Asia and the Pacific, Consumer International (CI ROAP) gave a lecture entitled "The Roles of Asian Consumer Organizations Today." The lecturer mentioned that 75% of the people below the poverty line in the world are concentrated in Asia, that their cereal consumption and calorie intake are only one third of those in advanced countries, and that 515 million people in the Asia-Pacific region are malnourished.



Given these facts, the doctor expressed strong concerns about the continuing trend towards trade liberalization and globalization, which he saw as further aggravating these problems. The doctor then emphasized the importance of Asian consumer organizations maintaining a broad outlook when implementing their policies because of the rapid change which the international community is undergoing.

### ● NCAC Announces the Ten Biggest News Items for 2001

The NCAC records consumer consultations and other cases handled by consumer centers nationwide, on an online basis with the Practical Living Information Online Network System (PIO-NET). PIO-NET obtains a great deal of information each year, with a total of about 4.42 million consultations by the end of October 2001. This information is an important resource in monitoring trends in consumer-related issues and consumer concerns.

The NCAC listed, organized, and announced the ten most frequently registered issues from those accumulated on PIO-NET for 2001 (January through October), a period which saw a sharp rise in the number of contacts. These issues were the main focus of attention in the consultation room.

#### 1. The Consumer Contract Law Put into Effect: Consultations Related to Transactions Reached a Record High in Percentage Terms

On April 1, 2001, the Consumer Contract Law, a set of comprehensive civil affairs rules related to consumer transactions, was put into effect, and this new law was accompanied by a growing consumer interest in contracts. Of the consumer-related consultations entered in PIO-NET, 499 consultations involved the use of the Consumer Contract Law to solve problems.

The number of consumer-related consultations on PIO-NET exceeded 500,000 in 2000. Of those, sales methods and contract enrolment and cancellation

accounted for an even higher percentage this year, reaching a record high of 83.2%.

## **2. With the Interest Rates Remaining Very Low, More Consumers Seek Advice about Financial Products**

Similar to the Consumer Contract Law, the Law Concerning the Sale, etc. of Financial Products was put into effect on April 1, 2001. A close look at consumer consultations concerning financial and insurance services reveals increases across all categories of consultations with the exception of those related to life insurance. With interest rates remaining very low, particularly high growth was evident in consultations regarding stocks, investment trusts and mortgage securities such as those related to bankruptcies.

## **3. Increases in Problems with Consumer Finance and Other Moneylenders and in Multiple Debtors**

Due to the prolonged recession, the number of persons filing for personal bankruptcy is also rising year by year. The number of personal bankruptcies, as monitored by the Supreme Court, was 139,281 for all of 2000 but had already reached 111,126 by September in 2001 (111.7% compared to the same period a year ago).

The consumer centers nationwide had also attracted more than 28,000 consultations related to consumer finance and other loan problems by October this year. The average age of multiple debtors falls within the middle-to-elderly age bracket. As classified by profession, salaried corporate employees and other wage earners, along with unemployed people, are increasingly represented in the statistics.

## **4. Internet-related Problems Still on the Rise**

With the quick spread of the Internet and cell phones, consumers asking for advice about Internet-related problems, mainly from young people, are still on the rise. Growth was seen in the number of consultations about e-commerce, telecommunications services, Internet service providers, line connection problems and other difficulties.

## **5. Growing Numbers of Consultations about Apartment Rental Contracts**

For the past few years, consultations about apartment rental contracts have been on the rise. There are persistent problems stemming from landlords and landladies refusing to return the deposits to their tenants or even claiming extra money, saying that they need the money for cleaning the dwellings after the tenants leave.

## **6. Growth in Problems with Debt-collection Agents**

Consumers have frequently been asking for advice about debt-collection agents claiming that they are owed money for information provided on telephone and other communications lines (such as Dial Q2, Two-shot Dial, and pay sites on the Internet). They maintain that use charges and arrears charges on rental videos and other software are outstanding and behave as if they had a legal right to such payments. The activities of these debt-collection agents are problematic in that they are claiming payments from people who are not in debt or, if they are actually indebted, there is no legal basis for the collection of the supposed debts. In some cases, consumers persistently accosted by such money collectors become fearful or suffer from anxiety states.

## **7. The Specified Commercial Transactions Law Put into Effect: Declines in the Numbers of Consumers Asking for Advice about Fraudulent Monitoring Business**

On June 1, 2001, the Law Concerning Door-to-door Sales, etc. was renamed the Specified Commercial Transactions Law. The renamed law contains new regulations on fraudulent side job business (business methods for selling commodities or services, in exchange for side jobs to be introduced) and fraudulent monitoring business (business methods for selling products or services in exchange for payments to cover monitoring). Because the law was put into effect as well as for other reasons, the numbers of consumers asking for help in relation to this fraudulent monitoring business declined after peaking in 1999.

## **8. Consumers Asking for Advice about Mad-cow Disease**

The first cattle with bovine spongiform encephalopathy (BSE, commonly known as the mad-cow disease), which Japan had hitherto been considered free of, was found in Chiba Prefecture on September 10, 2001. Immediately following this discovery, consumer anxiety grew, resulting in a sharp drop in demand for beef and foods containing beef products. The consumer counselors fielded questions from 291 consumers asking for advice. The NCAC has been working hard to provide relevant information by making available a number of mad-cow disease links on its homepage. The homepage was accessed by 27,297 visitors from October 12 through November 11.

## **9. A Ban on the Sale of Laser Pointers Not Conforming to the Law Concerning the Safety of Consumer Products**

Since 1997, PIO-NET has received 48 reports providing information on cases where "a laser beam has caused eye injury" as a result of a child playing with a laser pointer. This prompted the NCAC to alert consumers and request related organizations to take prompt safety measures.

As a result, on January 31, 2001, laser pointers were designated as products falling under a "specially designated product" category as per the Law Concerning the Safety of Consumer Products. On March 1, 2001, a ban was implemented on all laser pointers unless they had been inspected by an independent third-party organization, found to meet the specified technical standards, and marked accordingly.

## **10. A Sharp Increase in the Number of Consumers Asking for Advice about Cancellations of their Overseas Trips Since the Terrorist Attacks of September 11.**

Since the terrorist attacks that occurred in the USA on September 11, 2001, an increasing number of consumers are asking for advice about overseas trips. Of those, 180 were about the terrorist attacks. In particular, a sharp rise has been seen in the number of consumers asking for advice about canceling overseas trips, saying that, when they requested that their scheduled package tours be cancelled because of their anxiety about flight safety, their travel agents said that the airplanes would fly as scheduled, so that they had to pay the cancellation fees.

## **Activities of the NCAC**

### **NCAC Holds a National Consumer Forum**

The NCAC held a national consumer forum on November 27 in Tokyo. The forum aimed to provide an opportunity for consumer organizations and students to report and discuss the present status and future trends in consumer issues. The forum was attended by 600 people, including consumers, consumer organization executives, academics, and students.

In the morning, Prof. Yoshio Tsukio of Tokyo University gave a keynote lecture entitled "The Consumer Society of the 21st Century to Be Born Out of the IT Revolution." In the afternoon, the

attendees were divided into five sectional meetings, each of which was attended by about 8 reporting participants. Advisors then gave comments and suggestions. These themes were: Life and Service in an Aging Society," "Making a Society Based on Recycling a Reality," "A Safe and Healthy of Life," "Various Consumer Contracts and Making Them More Appropriate," and "Consumer Activities Becoming Increasingly Information-based and Diversified, and the Process of Networking."

## **Product Testing**

### **● Telephone Set for Elderly Citizens (Tashikana Me [Critical Eyes], October 2001)**

Household telephone sets that their manufacturers claim are easy for elderly citizens to use are now available. These products are, as the manufacturers claim, designed to compensate for the problems often faced by elderly citizens, such as hearing loss or diminished eyesight. The NCAC tested five brands from five manufacturers, along with one brand from a manufacturer that does not make such claims as a control. They were tested by a total of 32 elderly monitors with an average age of 73.

The functions designed for elderly citizens included the capability to increase receiver volume, increase ringer volume, a large screen, big push buttons and the capability to record and play back the speaker's speech slowly.

Monitors' comments included "the operation manual is difficult to understand" and "the unit is hard to operate." Regarding the capability to record and play back the speaker's speech slowly by the aid of electronics, monitors said "it is a little easier to catch than on earlier models." But some monitors raised such complaints as difficulty in catching the end of a sentence, occasional changes in the speed of the recorded speech, and the presence of static.

### **● New-type Electric Vacuum Cleaners (Tashikana Me, November 2001)**

Recently, there has been much discussion and interest in vacuum cleaners of the exhaust circulation type (which discharges no or little exhaust from within the unit), cordless cleaners which are claimed to be user-friendly, cleaners needing no paper packs, and other cleaners of unique and original design. However, some consumers have complained that, "exhaust-circulating cleaners show poor performance in removing dust" and "cordless cleaners did not last as long as I expected." The NCAC then chose ten brands from six manufacturers occupying the top rank in terms of market share, and then tested them

for dust-removal capacity, safety, exhaust, noise, and operability.

Exhaust-circulating cleaners from different manufacturers displayed differing levels of dust removal capacity for carpets and bare floors. However, they performed excellently in terms of exhaust cleanliness and reduced noise emissions. On the other hand, in terms of ease of cleaning, cordless lightweight models were excellent. However, cordless models took 1 to 5 hours to charge their internal batteries, showing considerable variance among brands. They were able to clean continuously for only 19 to 35 minutes.



#### ● Humidifiers (Tashikana Me, December 2001)

Humidifiers are used to prevent rooms in increasingly airtight houses and equipped with heating equipment in the winter from becoming too dry or to protect against influenza. These days, steam types are part of the mainstream. However, since they use hot steam, they have been responsible for some babies and infants getting burned. Steam types include steam fan types equipped with a fan on the steam type model, along with hybrid types which combine a vaporization type with a heating type. The NCAC examined seven brands of humidifiers in terms of the steam they produce and the possibility of burns stemming from hot water flowing out from the humidifier should the unit topple over, and enumerated the particular characteristics of each humidification system.

Steam types involved rather high steam temperatures, from 64 to 71°C. The temperature of the water flowing out from a unit in the event of an accident was also high (62 to 87°C). These characteristics disqualify these models as products suitable for homes with babies and infants. Steam fan types varied depending on the brand, including models with a steam temperature of 75°C and an outflow

temperature of 91°C when it falls, thus with high temperatures and high outflow rates. In addition, models with a steam temperature of 49°C, thus rather low, and models with a low outflow rate of hot water when the unit falls over were also checked. These models are also better avoided in households with babies and infants.

Hybrid types involve steam temperatures of 17-18°C and water temperatures of 24-25°C for the water flowing out when the unit falls over. These temperatures are not high enough to cause burns. Some models, however, heat the water up to a temperature sufficient to kill any bacteria during operation.

In terms of performance, all types achieved the same level of humidification as the specified level. Hybrid types are the most economical in terms of electricity consumption.

## Surveys and Studies

### ● Consumers Seeking Advice about Nursing Care and Nursing Care Goods

The NCAC and its consumer advice centers located at various parts of Japan received enquiries from 606 consumers asking for advice about nursing care in fiscal 2000. The breakdown of these consultations into services and products is 504 about nursing care and 102 about nursing care goods. Nursing care was formerly provided by public institutions. With the startup of the nursing care insurance program, Japanese nationals 40 years old and older are supposed to pay nursing care insurance premiums, with nursing care to be provided by agents on contracts.

#### Consultations about Nursing Care

- Many of the consultations are about private nursing homes and home-visit nursing care.
- The classification of these consultations by category indicates that many of them are about the quality of nursing care. That is followed by consultations about nursing care costs and cancellations.
- Many of the consultations about private nursing homes are about cancellations.
- Many of the consultations about home-visit nursing care are complaints about the quality of services offered by professional helpers.
- Some consultations are about the nursing care insurance program. Most of them are complaints about the insurance premiums.

## Consultations about Nursing Care Goods

- As classified by product, consultations about wheelchairs and beds stand out.
- The breakdown of these consultations by category showed that many of them are complaints about quality and functionality (such as poor fit in relation to body size and difficulty of handling), followed by cancellations, refunds, safety, pricing, and repair expenses.

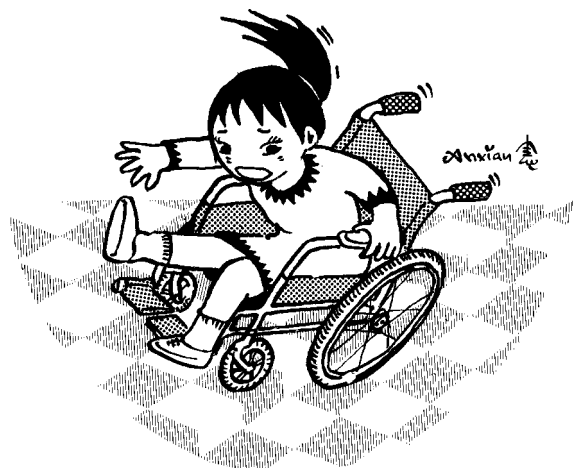
## ● Accidents on Wheelchairs

Wheelchairs are divided into manual and motor-driven ones. The market size for these wheelchairs in Japan was 22.9 billion yen (about 190 million US dollars) for manual models and 1.9 billion yen (16 million US dollars) for motor-driven types (in 1999).

The NCAC's Consumer Injury System has for the past decade received 14 reports of injury while in a wheelchair from local consumer advice centers, and 58 reports from affiliated hospitals, 72 reports in total. Injured persons consisted of 42 women, 28 men, and two were unidentified as to sex. An analysis of these numbers by age group indicates 19 persons in their 80s, 11 in their 70s, 10 persons in their 90s, meaning that people 70 years old and above account for the majority.

A close look at the statistics by degree of injury indicates, based on the information given by the hospitals, 1 death, 2 major injuries, 10 moderate injuries (needing hospitalization), and 45 minor injuries.

The breakdown of the causes of these 72 accidents is as follows: 55 falling or dropping (accounting for 76%), with cutting and pinching accounting for 5% each. The causes included careless operation by the user, careless operation by the care provider, poor arrangement of roads or other facilities, and breakdowns of motor-driven wheelchairs.



The NCAC also conducted a questionnaire survey of daily users of wheelchairs and received 155 responses. People having experienced some kind of danger accounted for 87%, while people who have actually fallen accounted for 25%. Their safety-related complaints indicated that 29% complained of "a heavy vehicle," 22% "difficulty in changing direction," and 20% "difficulty in operating the pedals." Based on these findings, the NCAC compiled a list of recommendations for the industry and government authorities, and advice to consumers in the form of a report.

## Visitors from Foreign Countries

- \* Associate Professor Lu Chunyan and five academics from Chinese universities and research institutes (Oct 3.)
- \* Mr. Qian Jiading and 7 officers of Shenzing city, China (Nov. 12.)
- \* Minister Tan Sri Muhyiddin Mohd. Yassin, Ministry of Domestic Trade and Consumer Affairs, Malaysia, and government officers (Nov.13)
- \* Mr. Lin Fang Jong, Director, Supervision and Coordination Dept., Consumer Protection Commission, Taiwan, and 13 government officers of the committee and local governments (Dec 10.).
- \* Ms. Chung Kwang Mo, President and 2 executives, Consumer Union of Korea. (Dec. 17)