



NCAC NEWS

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◇ *Consumer Affairs Climate*

*Travel related consumer issues as well as revisions to
the Travel Agency Law and the Travel Agency Provisions*

Travel services have the following characteristics:

- Consumers are not able to examine the details of the services in advance as travel services are not material objects
- Evaluation of the services all depends on the consumer's individual value judgment

Due to these characteristics, NCAC and travel industry organizations have received a diverse range of complaints and inquiries.

According to the Japan Association of Travel Agents, it receives complaints and inquiries that mainly relate to the following points:

- “Travel agency's treatment of travelers”
- “Cancellation fees”
- “Issues occurring when travel conditions unexpectedly altered”

Recently, a growing number of complaints and inquiries has been noticeable relating to “consumer's misapprehension” and “misleading information” as well as “improper representation” by travel agencies. Furthermore, as the Personal Information Protection Law has been enacted fully since April 2005, a number of complaints and inquiries concerning the handling of personal information is likely to increase more than ever.

The travel related environments of both home and abroad have changed dramatically in recent years. This is due to travel demands declining because of the slumping Japanese economy, terrorist attacks and wars. The decline in travel demands is also a result of the diversification in consumer tastes and an increasing number of IT-oriented business trades. In order to provide one of a number of countermeasures in response to such changing environments, the travel industry and the Ministry of Land, Infrastructure and Transport started considering reviewing the legal frames relating to travel by revising the Travel Agency Law and the Travel Agency Provisions. The Travel Agency Law is the law in which the government supervises and regulates travel agencies. The purposes of the Travel Agency Law are to maintain fairness in travel trades, provide safety in travel and improve convenience for travelers. Concerning the Travel Agency Provisions, which was established by the Ministry of Land, Infrastructure and Transport, travel agencies use them as contract templates. The massive volume of travel trades is therefore able to be processed in a prompt, safe fashion.

After examining these matters, the Travel Agency Law and the Travel Agency Provisions were revised and the revised versions came into effect from April 1 2005. These revisions were made based on the following purposes:

- To improve the convenience for consumers
- To provide safety in travel trades
- To establish easy-to-understand contract procedures and to clarify where responsibility lies based on such a contract
- To improve the added-value of travel products

The main revised matters of the Travel Agency Law are described below:

①Review of travel contract definitions

An “organized tour contract” has been newly introduced. This is a travel contract that enables a travel agency to be in charge of pricing as well as sales of products. When a travel agency is only responsible for arranging transportation and lodging in response to a traveler’s wish, such a contract is called an “arranged tour contract.”

②Establishment of a new term replacing “Travel Service Manager” and expansion of such personnel’s business service scope

The term “Travel Service Manager” has been renamed as “Travel Service Supervisor.” Travel Service Supervisors are now responsible for handling the following services in addition to the services they are currently in charge of:

- Preparing and supervising travel plans
- Displaying travel service handling fees
- Displaying the Travel Agency Provisions or making leaflets of the Provisions available
- Promoting smooth operations of organized tours
- Recording important matters in travel contracts and safekeeping related documents

③Review of the “deposits as security for dealing” and “deposits for refund” systems

The party to whom the deposit can be re-paid is now restricted to the traveler.

④Additional explanatory items to the Terms and Conditions

The following explanatory items have been added to the Terms and Conditions:

- Provision of specific details of travel eligibility if any eligibility criteria is set
- Provision of health and safety related information, sources and contact numbers

⑤Additional prohibitions regarding misleading advertisements

The following items have been added to the Prohibitions:

- Advertisements that contradict the facts regarding health and safety issues
- Displays that go beyond the coverage of the services

The main revised items of the Travel Agency Provisions are described below:

①Classification of organized tour contracts

Organized tour contracts are now divided into two types: “offering type” and “ordering type.” The “offering type organized tour contract” is identical with traditional package tours. The “ordering type organized tour contract” applies where a travel agency plans travel and sells it to customers who order it.

②Expansion of the special compensation system coverage

- The amount of benefits to the “death/permanent disability indemnity” has been increased.
- The amount of “hospital admission benefits” has been increased.
- “Outpatient benefits” have been newly established.
- The definition of the term “during the participation” in an organized tour has been reviewed.

③Revision of the travel plan guarantee system

- Addition of standard documents in the event of travel details being altered
- Expansion of the compensation coverage in the event of travel details being altered

④Obligations of travelers

- Being aware of their rights and obligations that are described in the contract
- Contacting the local agency immediately if they receive services that differ from what are described in the contract

⑤Costs that travelers are responsible for

- Costs for traveler’s own special needs such as using wheelchair during a travel.
- Cancellation fees payable to the travel agency by a traveler who has altered or cancelled the contract
- Costs to the travel agency incurred when a traveler becomes ill or is injured during travel

The revisions set forth that travel agencies are to take the initiative in developing products and are therefore liable for any issues arising from such products. At the same time, they clarify consumer’s responsibilities. The revisions have adopted the concept of “support for consumer’s independence” which is set forth in the Consumer Affairs Fundamental Act and clearly specify the traveler’s obligations.

◇Activities of the NCAC

—Product Testing—

Health food proclaiming weight loss effects

There are a large number of products proclaiming weight loss effects amongst the health food product range. In particular, products proclaiming to resolve obesity problems by eliminating/improving constipation problems have been popular for a long period of time. These products often contain stems of senna as their raw materials. Although stems of senna can be used as food, other parts of senna such as its leaves and rachises cannot be used as food and are specified only to be used in pharmaceutical drugs. Nevertheless, some products that indicate they contain purely the stems of senna actually contain leaves and rachises of senna hit the market.

Given these circumstances, NCAC carried out a product test on 20 brands of health food that proclaim weight loss effects and contain stems of senna as their raw materials. The major viewpoints of the test are: ① amount of sennosides contained in a product (as a purgative reaction may be triggered depending on an amount of sennosides), ② sanitation requirements (to check if there are any bacteria or foreign materials mixed in a product), ③ amount of pesticide remaining in a product, and ④ product displays. The major findings are below:

●Test Results

- Sennosides, which are known to cause a purgative reaction, were detected in products produced by 18 brands out of 20.
- Depending on the manner of product consumption, consumers may consume an amount of sennosides that may cause a purgative reaction by using products produced by 14 brands.
- Rachises (pharmaceutical use only) of senna were detected from tea products produced by 3 brands.
- It was found that a larger amount of sennosides can be consumed if tea products are boiled in a kettle or a tea bag is soaked for a long period of time.
- Some products were suspected of having been manufactured in unsanitary environments.
- The amount of pesticide (total BHC, total DDT) remaining in all products was below the standard level.
- Many products had displays emphasizing weight loss effects.
- Although products produced by 18 brands contained sennosides, there were no displays found that gave precautions to consumers regarding health issues.

●Advice for consumers

- When using health food containing stems of senna, it is important to start using it in small amounts.
- Be cautious when using tea products. You may consume a larger amount of sennosides if tea products are boiled in a kettle or a tea bag is soaked for a long period of time.
- It is necessary to understand that health food proclaiming weight loss effects differs from those that are officially acknowledged on a scientific basis.

Based on the above described test findings, NCAC made the following requests to the Ministry of Health, Labor and Welfare, the Japan Fair Trade Commission and the Japan Health Food & Nutrition Food Association:

●Requests to the industry

- Improvement measures should be taken regarding products that were found to contain rachises of senna.
- Depending on the manner of product consumption, consumers are able to consume an amount of sennosides that may cause a purgative reaction. It is therefore necessary to improve product displays in order to give precautions to consumers.
- Products should be manufactured in more sanitary environments.
- Product displays concerning germicidal treatment should be improved.
- Product displays emphasizing weight loss effects without having a scientific basis should be removed.

●Requests to the government

- Some products were found to contain an amount of sennosides that may cause a purgative reaction, although the part of senna used in such products was not able to be recognized in the shape discrimination test. It is therefore necessary to provide instructions to the industry in terms of setting up a rough guide for the standard amount of sennosides that are able to be consumed in a day. This should be done to ensure that products are safe concerning possible purgative reactions.
- It is necessary to provide strict instructions for the brands that were found to provide products containing rachises of senna.
- It is necessary to provide instructions to brands to improve their product displays that were found to emphasize weight loss effects.

Performance tests of bicycle lamps

—In order to prevent bicycle accidents taking place at nighttime—

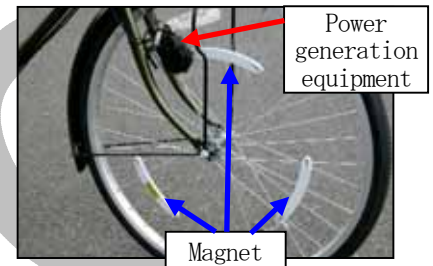
Bicycle lamps are essential when riding a bicycle at nighttime in regard to ensuring clear vision. They are also essential for pedestrians and car drivers in recognizing the existence of a bicycle. In Japan, however, people often ride bicycles without the lamp on at nighttime and this has caused a number of accidents. Given these circumstances, NCAC conducted a consumer questionnaire



concerning riding a bicycle at nighttime. Also, as various types of bicycle products have been sold in recent years, NCAC carried out a product performance test to examine the performance and usability of these products. The major findings of the test are below:

●Test Results

- According to the consumer questionnaire, the common reasons of riding a bicycle without the lamp on at nighttime are; “the street is lighted up and bright” and “the extra load that comes with pedaling becomes greater when turning on the lamp.” 70% of the respondents who do not turn on the lamp occasionally felt in danger without the lamp on.
- Under circumstances where it was difficult to recognize the existence of a bicycle without the lamp on, it was found that turning on the lamp enabled the bicycle to be clearly recognized. Side reflectors were found to have beneficial effects as they enabled the bicycle to be recognized by the car driver when crossing in front of the car.
- Hub dynamo type lamps and LED lamps produced sufficient brightness at low running speeds. Nevertheless, the brightness of hub dynamo type lamps and light bulb lamps largely varied depending on the running speed.
- Some dry battery lamps and LED lamps were able to maintain sufficient brightness when using the lamps for a long period of time.
- Hub dynamo type lamps and noncontact power generation (See a photo on the right. It generates electricity, in case the magnet attached in the wheel passes the side of power generation equipment) lamps only produced a small amount of extra load between the lamp being on and off. Because of this, a great difference was not felt regarding the load when pedaling the bicycle with the lamp on.
- Hub dynamo type lamps and noncontact power generation lamps of all brands automatically turned on when it started to become dark.



●Advice for consumers

- A bicycle lamp must be turned on when riding a bicycle at nighttime so that pedestrians and car drivers are able to recognize the bicycle more easily.
- Reflectors have beneficial effects as they reflect the head lights of a car and enable the car driver to recognize the bicycle more easily.
- The brightness and range of a lamp vary depending on each brand. The load that comes with pedaling with the lamp on also differs depending on each brand. It is recommended to select a bicycle with a hub dynamo type lamp or a LED lamp if riding a bicycle frequently at nighttime. These two types of lamps produce a relatively bright light at low running speeds and pedaling with the lamp on is easier.
- When installing a dry battery type lamp, check the installation location in advance.
- Adjust the angle of the lamp in a downwards direction.

Based on these test results, NCAC made the following requests to the Ministry of Economy, Trade and Industry, the Cabinet Office, the National Police Agency, the Bicycle Association Japan and the Japan Bicycle Lamp Industries Association:

●Requests to the industry

- A lamp that is mounted on a bicycle should be able to turn on automatically when it starts to become dark. This type of bicycle lamp should be encouraged as the most suitable to consumers.
- Some product displays regarding dry battery lamps were found to contain a number of abstract or incoherent descriptions. It is therefore necessary to improve such displays.
- Dry battery lamps need to have a device so that the battery spent amount can be recognized easily.
- The brightness of a lamp should be maintained above a certain level.

●Requests to the government

- Regulations and standards need to be streamlined in response to new types of bicycle lamps.
- In order to maintain road safety at nighttime, it is necessary to take measures to prevent people riding bicycles without the lamp on.

From “The Annual Report on Consumer Affairs 2005”

NCAC publishes “The Annual Report on Consumer Affairs” every October. It contains consumer counseling cases handled by local consumer centers, product tests and research study results that NCAC handled mainly in the previous fiscal year. In this chapter, the main matters contained in “The Annual Report on Consumer Affairs 2005” are introduced. Please refer to “The Annual Report on Consumer Affairs 2005” (Japanese version only) for further details.

●Future outlook for the government offices responsible for consumer affairs

The current economic society is becoming more computerized, complicated and diversified. Furthermore, due to the promotion of deregulation in each industry, there have been a number of more relaxed business structures that go beyond the existing industry frameworks. Consequently, products and services that are available for consumers have become more complicated. Consumer issues have accordingly become more varied and more difficult to solve. In order to tackle a variety of consumer issues, laws related to consumer affairs are now more frequently revised and enhanced.

This is equally applied to the “Consumer Protection Fundamental Act (established in 1968)” which once formed the basis of the consumer relation laws. The Act, once solely a “protector” of consumers, has been revised to be reborn as the “Consumer Affairs Fundamental Act” and become a “proactive main body” of consumer affairs. This new law contains an underlying philosophy which includes support for consumer’s independence, respect for consumer’s rights and consideration of the consumer’s individual characteristics (suitability rule). The Consumer Affairs Fundamental Act is unique in specifying the following points:

1. Utilization of agency work in order to make the government, local governments and business owners more responsible in dealing with consumer issues as well as solving conflicts.
2. Roles of NCAC

Based on this revised law, the government established the “Basic Consumer Plan” which is a guiding principle in promoting consumer-oriented policies. This contains specific tasks that the government must engage in including; ① strengthening and expanding the recall system, ② establishing cross-cutting business trade rules, ③ promoting consumer education, and ④ introducing the Consumer Organizations Lawsuit System (in other words, Corrective Claims by a group of consumer) .

In compliance with the Basic Consumer Plan, NCAC will engage in a variety of tasks described below:

- ① Establishing close cooperative relationships with related government offices
- ② Promoting stronger ties with local consumer centers
- ③ Providing flexible responses to a wave of consumer issues
- ④ Providing information by utilizing product test results and the PIO-NET (Practical living Information Online NETwork) data
- ⑤ Promoting more interaction with consumer organizations
- ⑥ Supporting the introduction of the Consumer Organizations Lawsuit System

By pursuing the above tasks, NCAC aims to prevent consumer damages and expansion of consumer damages.

●Outline of the Fiscal 2004 from the aspect of consumer counseling cases

[Summary of consumer counseling cases reported to PIO-NET]

In the Fiscal 2004, the total number of consumer counseling cases which were handled by local consumer centers and reported to PIO-NET was over 1,830,000. This number shows an increase of 320,000 cases compared to the previous fiscal year and is about seven times larger compared to a decade ago. The most increased number of consumer counseling cases of all was related to “information providing service by telephone line (*)” which reached 810,000, indicating an increase of 280,000 cases compared to the previous fiscal year. The number of consumer counseling cases involving fictitious bills also increased rapidly reaching a total of 640,000.

(*) Information providing services via mobile phones, telephones and facsimiles.

The consumer counseling cases relating to “transportation/communication services” accounted for the highest proportion which was approximately 60% of the total. This may be a result of the growing computerization in recent years. These consumer counseling cases were mostly in regard to “contract/contract cancellation” which reached close to 90% of the total.

When looking at the number/proportion of products and services that were related to the consumer counseling cases handled in the Fiscal 2004, the number of consumer counseling cases caused by services showed an increase of 350,000 cases, indicating an upward trend for the second year. On the contrary, the number of consumer counseling cases caused by products experienced a decline of 30,000 cases, indicating the first ever downward trend since 1995. The total proportion of service related cases has been outweighing the total proportion of product related cases since the Fiscal 2000. In the Fiscal 2004, the total proportion of service related cases accounted for over 80% compared to the total proportion of product related cases.

[Safety hazard/risk related information reported to the Injury Information System]

PIO-NET contains a system called the "Injury Information System" which mainly collects information of cases relating to safety hazards and risks (*). The total number of cases reported to the Injury Information System by local consumer centers and cooperating hospitals throughout the nation in the Fiscal 2004 was approximately 16,000 which indicates a downward trend for the second consecutive year.

(*) Safety hazard/risk related information

Safety hazard related information : Information detailing cases where consumers suffered life-threatening or physical hazards from products or services.

Risk related information : Information detailing cases where consumers were subjected to risks that may have caused a safety hazard from products or services.

The top three safety hazardous products were; "health food", "cosmetics" and "beauty salon services. Although there have been some variations in the rankings in each fiscal year, these three products have been dominating the top three since 1986. When looking at the details of the safety hazard related cases, "skin problems" accounted for the largest proportion which was approximately 30% of the total. Nevertheless, the total number of safety hazard related cases decreased compared to the previous fiscal year. According to the safety hazard related cases reported by the cooperating hospitals, "stairs", "bicycles" and "play equipment" were the top three causes of safety hazards for four years in a row.

When looking at risk related cases, "vehicle" related cases (including automobiles and bicycles) accounted for the largest proportion which was approximately 45% of the total. This indicates an increase of about 200 cases from the previous fiscal year. Following this was "home appliances" related cases (including heaters, microwaves and room lightings) which accounted for approximately 22% of the total. After this, "food" related cases (approximately 7%) and "cultural/entertainment products" related cases (approximately 6%) followed.

When sorting the cases by products/services, the risk related cases concerning "automobiles" were approximately 37%, which by far dominated the total. The major contributing cause was that a large number of incidents were reported in the Fiscal 2004 concerning an automobile company failing to announce recalls. Another contributing cause was the record high number of car recalls reported in the Fiscal 2004. Looking at the details of the risk related cases, "malfunctions" accounted for the largest proportion which was approximately 27% of the total. Following this was "repair services" for automobiles or daily essential products.

● Major surveys, analyses and product tests carried out by NCAC

NCAC conducts a variety of surveys, analyses and product tests on the basis of complaints and inquiries obtained from consumers and safety hazard/risk related cases reported to PIO-NET. The followings matters are contained in "The Annual Report on Consumer Affairs 2005":

[Surveys/analyses]

- A wave of new methods regarding fictitious bills/unreasonable charges
- Trends and issues found in consumer counseling cases regarding commodity futures
- An increasing number of consumer issues involving "marriage partner introduction services"
- Problems caused by phishing activities that attempt to pry out personal information
- Problems caused by inappropriate credits made by credit companies
- Results of the survey targeting business owners regarding personal information leakages
- Prevention of consumer damages involving beauty related medical treatments
- Research study concerning consumer issues occurring in group homes involving the elderly with cognitive impairments, people with intellectual disabilities and people with mental disorders as well as research study concerning the advocacy of their rights
- Housewife's attitude and behavior toward health food
- An increasing number of accidents caused by "eye lash perms", including eye inflammation or skin irritations
(A scientific verification was also carried out in the product tests)
- Accidents caused by the explosion of soft drink containers that have part of the beverage remaining
(A scientific verification was also carried out in the product tests)

[Product tests]

- Actual usability of washing/drying machines, which automatically wash and dry clothes once switched on
- Quality of tofu (bean curd) and sanitary conditions in its making
- Test on aerosol-type handy extinguishers
- Performance of Anti-Crime Window panes and films

The National Consumer Affairs Center of Japan is an independent administrative agency for consumer protection affiliated to the Cabinet Office. The main activities are consumer education, consumer consultation, research and product testing.

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