



NCAC NEWS

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2005's Top Ten Issues in Consumer Consultations

In December 2005, NCAC prepared the data regarding 2005's top ten consumer issues from all the consumer consultation cases registered on PIO-NET (Practical living Information Online-NETwork) and subsequently released this data. These top ten consumer issues include; consumer issues that accounted for a large percentage of the total number of consumer consultation cases that took place between January to October 2005, consumer issues where the number of consumer consultations increased rapidly in the same period, and consumer issues that attracted public interest in the same period. Since 1992, the data regarding the top ten consumer issues has been released annually in order to review the particular year and to contribute to consumer education. The data published on this occasion is the 14th publication. 2005's top ten consumer issues and their summaries are described below:

1. Shady door-to-door sales concerning housing renovations — The elderly and people without strong judgment became the most fragile victims and suffered from serious damages

Although there have always been shady business methods targeting the elderly and people without strong judgment, these methods have become more malicious and skillful with the contract sums involved showing an upward tendency in recent years. This may be contributed to by the changing living environments where consumer damages are difficult to identify such as the increased number of residences where an elderly person lives by him/herself.

2. The full enactment of the Personal Information Protection Law — Consumer consultations relating to personal information started to take place

It was found that issues relating to the Personal Information Protection Law drew broad public interest due to the fact that the Law applies not only to business operators but also to other organizations such as class reunion bodies and residents' associations. A number of these organizations asked the advice of local consumer centers concerning personal information. Meanwhile, there were a number of consumer consultation cases that were perceived to be the consumers' overreaction against the Law.

3. A spate of life insurance related consumer consultation cases took place (concerning breach of duty of disclosure and non-payment related problems)

Although life insurance products are familiar financial products for consumers, the life insurance industry is facing a serious predicament due to the Financial Service Agency taking administrative measures towards a number of insurance companies in order to right size their business operations. It is therefore necessary for each insurance company to do its very best to improve the situation.

4. A growing number of skimming and hidden camera related crimes targeting bank cards

Previous banking provisions had difficulties in compensating consumers for damages caused by the above mentioned crimes. Consumer relief rules have therefore been streamlined commencing with the development of laws.

5. An increased number of consumer issues concerning insurance sales taking place at bank counters

Insurance sales will be made available at different bank's counters sequentially. It is therefore necessary for product sales to be made by taking suitability rules (*) into account. Meanwhile, it is also important for consumers

to have a full understanding of the product of concern when concluding a contract.

- (*) Suitability rules : By coming to an understanding of the consumer's purposes for the product purchase and the details of his/her assets and by directing the consumer's awareness towards possible risks that may be caused by financial products, a business operator must not recommend any products to the consumer other than those suitable for him/her.

6. Consumer issues concerning multiple debts have remained serious

The number of consumer consultation cases concerning this issue has increased rapidly. Although definite causes for this issue have not been identified as yet, it may have been triggered by; the prolonged economic recession, a trend where people have lost their inhibitions about borrowing money and an established environment that has created an easy-to-borrow-money atmosphere.

7. A growing public concern towards asbestos issues

As it is now known that products containing asbestos have long existed in our daily lives and that serious health consequences may take place after a long incubation period, and adding to this the wide media coverage, asbestos issues have become an everyday concern.

8. A rapidly increasing number of consumer consultation cases concerning health food proclaiming medicinal virtues and effects

The number of consumer consultation cases concerning health food has rapidly increased this year. This may have been caused by the recent fitness boom that has boosted the overall demand for health food.

9. A decade after the enforcement of the Product Liability Law (PL)

It has been a decade since the Product Liability Law was enforced. During this period, the amount of safety hazard related information received by local consumer centers has shown an ever-increasing upward tendency. In particular, the number of consumer consultation cases concerning consequential damages (*) has dramatically increased.

- (*) Consequential damages : Loss or damages to life, physical health and assets caused by product defects and faults.

10. The number of consumer consultation cases concerning fictitious bills has eased, while the total number of consumer consultation cases has remained high

The number of consumer consultation cases concerning bills asking for a sum that a consumer is not aware of (fictitious bills) has eased to a large extent compared to the previous year. Nevertheless, the number of consumer consultation cases, excluding the cases concerning fictitious bills from the total number of consumer consultation cases, was almost identical as the previous year.

◇Activities of the NCAC

—Product Testing—

Desktop dishwasher-dryer

Like in many other countries, dishwasher-dryers have long been popular in Japan. In recent years, products with various washing mechanisms have been released on the market providing consumers with a wide range of alternatives. Given the circumstances, NCAC conducted the following product tests and examinations concerning recently released dishwasher-dryers and provided the related information and advice for consumers:

- Energy-saving performances and possible risks of burns caused by steam
- Appropriateness of product displays regarding water consumption, power consumption and usability
- Basic washing performances

As a result of the above mentioned product tests and examinations, NCAC provided the following information and advice for consumers:

- ◎Key points from the product test findings
 - The average cost of one full-cycle dishwasher-dryer operation was found to be more expensive than the average cost of one hand wash.
 - There were a number of occasions whereby the surfaces of expensive lacquered tableware showed peeling in places and plastic tableware became deformed.
 - Dishwashing operations using kitchen detergent and salt was found to have more difficulty in washing stains away compared to dishwasher detergent.
 - Washing performances differed depending on the types of tableware and food.
- ◎Key points from the findings regarding product displays

- A number of product displays and explanations were found to contain misdescriptions.
- Concerning water consumption and cost of hand washing, the gap between the values displayed by manufacturers and the actual values obtained in the product tests was found to be double and above.

◎Advice for consumers

1) Precautions for use

- Dishwasher-dryers are more effective than hand washing in terms of water saving. Nevertheless, the average cost of one full-cycle dishwasher-dryer operation is more expensive than the average cost of one hand wash.
- Do not wash expensive lacquered tableware and plastic tableware (and all other tableware to avoid found in the instructions) in dishwasher-dryers.
- Do not have high expectations regarding a dishwasher-dryer's washing performance when washing stubborn stains which are known to be difficult to cleanse away such as gratin baked on a dish or lip stick.
- Work out your own methods such as combining both dishwasher-dryer usage and hand washing in an effective way.
- Place tableware in the dishwasher-dryer in an appropriate way. Use tableware that is suitable for the machine in size and shape.

2) Precautions for purchasing

- Choose a product by taking into account your own kitchen space.
- Choose a product by taking into account the type of tableware and the amount of tableware you often use.
- Additional costs for purchasing a branch water faucet and installing the faucet are required.
- An independent plug rated 15A and above is required.

Based on the findings of the product tests and the examinations that took place on this occasion, NCAC made the following requests to the Japan Electrical Manufacturers' Association:

- The information concerning water consumption and cost of hand washing displayed on a product should be more appropriate.
- Important displays such as warning displays should be located in an appropriate place on the body of the dishwasher-dryer.
- Standby power should be more power saving.
- Displays concerning the cleansing performance of the dishwasher-dryer should be more specified.
- Washing performances should be further improved.

Safety of hair dye cream containing lead acetate

It is reported that lead acetate has various harmful effects on the human body including nervous system disorders, renal dysfunctions and reproductive function disorders. Under the Pharmaceutical Affairs Law governed in Japan, lead acetate can only be used in pharmaceutical products and is prohibited in cosmetics and non-pharmaceutical products. In recent years, however, foreign-made products containing lead acetate have been available for purchase through the Internet. There is concern that these products may have the risk of causing harmful effects to the human body.

Due to the circumstances described above, NCAC received a request made by a consumer to conduct a product test on a hair dye cream product. The consumer explained the situation as follows: "I have individually imported a certain hair cream product proclaiming hair dye effects to hide grey hair. In the product display, however, I learned that lead acetate is contained as one of the ingredients. I would be grateful if you could make a product test to examine the lead content." To identify issues involving products containing lead acetate, NCAC conducted product tests and verified the correctness of product displays. The findings are described below:

- All the five test subject brands contained lead acetate in their products with the acetate and lead ranging from 0.27 to 0.43%.
- All brands had a product display concerning hair dye effects stating that their products will gradually dye grey hair black when using them continuously.
- All brands' product usage instructions failed to state that the product will come into direct contact with the skin (hands, fingers and scalp) and remain on the skin for a long period of time when following their instructions.

Given the above findings, NCAC provided the product test related information and the following advice for consumers:

- As lead acetate is reported to have various harmful effects on the human body, it is wise not to purchase any hair dye cream products containing lead acetate as one of the ingredients.
- Pay careful attention when using any hair dye cream products that were individually imported as they are outside the control of the Pharmaceutical Affairs Law and therefore the safety of such products cannot be assured.

Furthermore, based on the above product tests and their findings, NCAC made requests to the responsible departments and agencies of the Ministry of Health, Labor and Welfare to supervise products containing lead acetate in a stricter manner as some of their products are considered to run afoul of the Pharmaceutical Affairs Law and furthermore to

provide instructions to manufacturers of such products.

Safety of infant toys

The Injury Information System, which is managed by NCAC, received 1,820 cases of safety hazard related information involving toys (between 2004 and the end of September 2005). The information contained 159 cases relating to five infant toy products (pacifiers, building blocks, stuffed toys, toy instruments and balloons) that an infant is highly likely to put into his/her mouth.

Given the circumstances, NCAC conducted product tests and examinations on 89 brands of toys such as pacifiers that are meant to be sucked in an infant's mouth and building blocks and toy blocks that have a high risk of being put into an infant's mouth. The findings are described below:

- Toys manufactured by 11 brands targeting infants below the age of one and half were found to have a risk of reaching the back of an infant's mouth.
- No toys targeting infants below the age of three were found to have a risk of being stuck in an infant's throat when the infant puts the toy into his/her mouth.
- There were toys that were likely to be stuck in an infant's throat if they were dropped and broken and the infant puts the debris of such broken toys into his/her mouth.
- There were toys that developed sharp angles when bent due to a certain force.
- A great number of rubber balloon products and cloth toys was found to have eluting materials.
- A number of painted wooden toys showed a tendency to dissipate hazardous substances including toluene and xylene.
- As a result of sanitation tests, bacteria were found to remain on toys even two days after initial contact.
- It was found that bacteria tended to remain on toys that had projections or depressions in their shapes, toys that had structures where water could easily enter and toys that were made of cloth.
- Products manufactured by 8 brands did not have a product display stating target ages.
- It was found that a large number of brands set target ages by taking safety aspects into account. They assumed that their products were used "within the sweep of an eye of parent (s) /guardian (s)".

Based on the above findings, NCAC provided the below advice for consumers:

- Choose toys by inspecting the product display stating target ages and keep sight of your child/children playing with toys.
- Inspect your child/children's toys daily.
- Be cautious with painted wooden toys as they tend to dissipate a considerable amount of toluene and xylene.
- Pay attention to toys that have projections or depressions in their shapes, toys that have structures where water can easily enter and toys that are made of cloth as it is difficult to maintain the hygiene of such toys. Simply rinsing these toys with water is still an effective way of maintaining hygiene.

Furthermore, NCAC made the following requests to the Japan Toy Association, the Ministry of Health, Labor and Welfare and the Ministry of Economy, Trade and Industry based on the above mentioned findings:

◎Requests to the Japan Toy Association

- Each product should meet the safety standards of the ST Mark (Safety Toy Mark*) in order to assure safety.
(* The Safety Toy Mark is attached to toys that meet the safety standards which were established by the Japan Toy Association in consultation with governmental organizations, academic experts and consumer representatives. Damages such as injuries and accidents that are caused by toys with ST Marks can be compensated.
- The safety standards of the ST Mark should be made clearer as it is difficult to understand what they are meant to protect against.
- It is necessary to reduce the amount of VOC (i.e. formaldehyde and toluene) dissipated from infant toys.
- An industry unified product display should be adopted for important displays relating to safety.

◎Requests to the Ministry of Health, Labor and Welfare and the Ministry of Economy, Trade and Industry

- It is necessary to consider providing instructions to the toy industry to reduce the amount of VOC (i.e. formaldehyde and toluene) dissipated from toys.

—Surveys and Studies—

Trends and issues in current consumer consultation cases regarding personal information

It has been more than half a year since the Personal Information Protection Law was fully enacted in April 2005. After the full enactment of the Law, organizations handling a great amount of personal information such as business owners and class reunion bodies (hereinafter "business owners/organizations") have been working hard to establish measures to protect personal information. Consequently, the following trends have become noticeable:

- Sales of shredders have grown as there are now more occasions to dispose of papers containing personal information.
- Public interest towards measures to prevent personal information leakage from electronic equipment such as computers and photocopiers has grown.
- It has become common for business owners/organizations to state their privacy policies and purposes of personal information use on their home pages.

Moreover, in May 2005, a financial institution, which was responsible for a personal information leakage incident received a governmental recommendation for the first time. In this manner, the Personal Information Protection Law has been working effectively.

Meanwhile, NCAC mainly handles the following consumer consultation cases regarding the recently enacted Personal Information Protection Law:

- Consumers' overreaction against personal information protection
- Business owners/organizations that do not pay adequate attention to the Personal Information Protection Law or do not endeavor to understand the Law

According to the above mentioned consumer consultation cases, it will take a long time until the philosophy and the coverage of the Personal Information Protection Law is fully understood by the public.

Given the circumstances, NCAC summarized consumer consultation cases related to the Personal Information Protection Law that took place during the six months immediately after the full enactment of the Law. The outline of the summarized consumer consultation cases is described below:

◎Consumer consultation cases concerning consumers' overreaction against the Personal Information Protection Law

- In the derailment accident that took place in the Kansai region in April 2005, there was confusion among the hospitals handling the casualties in determining whether or not to respond to casualties' families contacting the hospitals regarding the condition of their loved ones. In this case, an overreaction towards the Personal Information Protection Law was revealed as priority was given to complying with the Personal Information Protection Law instead of relieving the families' concerns.
- A number of daycare centers and schools showed a tendency to voluntarily cancel the sales of field day photographs to parent (s) and guardian (s) and also stopped making school yearbooks. Consequently, a number of parent (s) and guardian (s) made inquiries to local consumer centers asking if conducting these activities breach the Personal Information Protection Law.
- Other than the above mentioned consumer consultation cases, a significant number of consumers has made inquiries regarding school contact lists and membership lists of class reunions that contain a large amount of personal information.

◎The gap between consumers' expectations towards the Personal Information Protection Law and the existing reality

- Local consumer centers have received a great number of complaints from consumers asking "how to stop unwanted soliciting calls from business practices." Unfortunately, consumers are not eligible to ask such business practices to stop using their personal information unless they are able to make it appear that such business practices obtain their personal information in an improper way or use their personal information for the wrong purposes.
- There is a remarkable number of consumer consultation cases where consumers wished to know how business practices obtained their personal information and complained that business practices did not divulge how they obtained the consumers' personal information. Regrettably, it is difficult to discover the root of personal information acquisition if such business practices do not record such information.
- The above mentioned consumer consultation cases support the belief that there is a gap between consumers' expectations to the Personal Information Protection Law and the existing reality.

◎Business owners/organizations that do not pay adequate attention to the Personal Information Protection Law or do not endeavor to understand the Law

- The above mentioned business owners/organizations show a tendency to abuse personal information causing consumer damages and also display a lack of understanding of the Law.
- The above mentioned business owners/organizations that handle personal information without care or adversely demand excessive procedures are problematic.

◎Future issues

- It is necessary to provide clear interpretation standards and to realize the necessity of providing such standards to solve consumers' "overreactions" towards the Personal Information Protection Law.
- Business practices must handle and use personal information by showing respect to consumers in order to reduce consumers' distrust.

A rapidly increased number of consumer issues concerning asbestos

In Japan, health damages caused by asbestos became a huge social issue by the end of June 2005. Since then, a large number of consumers who were concerned about the safety of asbestos have made inquiries to local consumer centers regarding products containing asbestos.

Given the circumstances, NCAC analyzed the details of these consumer consultation cases involving asbestos and provided the related information for consumers. The summary of the provided information is described below:

◎The current situation involving asbestos

- While the number of asbestos related consumer consultation cases in the Fiscal 2004 was 75, the number between April to October in the Fiscal 2005 reached more than 1,000 cases.
- The largest number of consumer consultation cases involved house related products and services accounting for 60% of the total.
- The remaining 40% were related to; fish grill mesh, home appliances (i. e. kotatsu, heating pads and ventilating fans) and health/sanitation products (i.e. mosquito coil mats and baby powder) .
- A large number of consumer consultation cases was related to products that were widely covered by the media.

◎Advice for consumers

- Be calm when handling issues concerning asbestos.
- Ask for professional opinions regarding anti-scattering measures of asbestos when renovating or demolishing your house.
- When a tradesman visits your house and says, "You had better do something to respond to asbestos issues" , do not necessarily accept this or other explanations the tradesman gives and do not conclude a contract immediately.

A rapidly increasing number of consumer issues concerning online games

As the internet has now become widely used, "E-mail for Consumer Problems*" which is managed by NCAC has received a significant number of emails concerning problems caused by online games (games that can be played via the internet using a computer or a home video game machine) .

- (*) A website established within NCAC's home page in order to understand the current status of consumer damages in real time and to make a contribution in preventing such damages in the future. It started its operation in April 2002. The number of emails received containing consumer damage information reached 5,967 in the Fiscal 2004.

The details of common complaints found in the information received were; "The administrator overlooks users breaching the Terms of Use", "The games are not playable as connection errors occur frequently" and "My account was suddenly suspended although I have no memory of having done anything wrong." Based on the information received by "E-mail for Consumer Problems", NCAC made requests to problematic online game administrators for improvement. Nevertheless, a number of complaints heard from online game users showed no sign of significant decline. NCAC therefore summarized issues concerning online games and provided the related information for consumers. The outline of the provided information is described below:

◎Common issues found in the information received by "E-mail for Consumer Problems"

- The administrators' handling of users who breach the Terms of Use is inadequate.
- The compensation for users when connection errors occur is insufficient.
- No detailed explanation is given to a user whose account is canceled without notice.
- A complaint handling system is not well established.

◎Advice for consumers

As online game administrations have a large number of issues, users should have a clear understanding of the current status involving online games and play the games by complying with the Terms of Use appropriately.

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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