



NCAC NEWS

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—Inside of this issue—

- *Two fatal accidents have taken place relating to jelly products that contain 'konnyaku'*
- *Safety of foot stools*
- *Be aware not to suffer burns from a steam inhaler!*
- *Henna blended hair dye containing oxidation dye*
- *Pay attention to mobile phone packet charges! They could be unexpectedly high*
- *Consumer issues relating to unlisted shares have been escalating amongst university students*
- *Facts and problematic areas of consumer issues taking place when purchasing a pet animal*
- *The 37th Survey of Trends in People's Livelihood*
- *Problematic areas and challenges of the Consumer Contract Law by referring to instances of consumer inquiries and complaints (interim report)*

(1) Consumer Affairs Climate

◇ Two fatal accidents have taken place relating to jelly products that contain 'konnyaku'

The National Consumer Affairs Center of Japan (hereinafter 'NCAC') has repeatedly been providing information for consumers regarding accidents caused by jelly products that contain 'konnyaku' (alimentary yam paste) from the viewpoint of preventing consumer damages and stopping such damages becoming more widespread. NCAC released precautionary information in November, 2006, stating as follows: "Accidents caused by jelly products containing konnyaku - special attention must be paid towards infants and the elderly when they consume such food! -." Nevertheless, two fatal accidents have recently taken place that were caused by jelly containing konnyaku.

○ Outline

[Case 1]

On March 23, 2007, a seven-year old boy ate jelly containing konnyaku which was provided as a snack in the after-school care center whereby the food became stuck in his throat. He died after having been transported to the hospital by ambulance.

[Case 2]

On April 29, 2007, a seven-year old boy ate jelly containing konnyaku at his grand parents' place whereby the food became stuck in his throat. Although he was transported to the hospital by ambulance, he died on May 5.

○ Advice for consumers

'The Fiscal 2007 Hospital Monitoring Report regarding Health Hazards relating to Household Goods' (issued by Evaluation and Licensing Division, Pharmaceutical and Food Safety Bureau, Ministry of Health, Labor and Welfare) contains the following statement: 'Special attention needs to be paid when consuming food such as a candy and jelly containing konnyaku as they are highly likely to cause accidental swallowing due to size, shape and hardness. It is difficult to remove these types of food once they have entered into an airway and this may cause a serious breathing problem. It is absolutely inadvisable to give such food in their original state to an infant.'

Under the present circumstances where serious accidents caused by jelly containing konnyaku have continuously been taking place, such products should be given neither to children nor the elderly since no specific preventive steps have been provided at the moment in order to avoid a reoccurrence of these accidents.

(2) Activities of NCAC

① Product tests

◇ Safety of foot stools

A step ladder, foot stool and stepstool (commonly used for car wash) are used in a general household when something needs to be reached somewhere high above. Since the Fiscal 2001, the Injury Information System, which is operated by NCAC, has gained knowledge of 79 accident cases whereby consumers were injured when they were using a foot stool or stepstool. In one of these cases, for example, the relevant consumer was injured in the right ankle, knees and right wrist due to the top board of the product collapsing and the consumer consequently falling down.

Under these circumstances, NCAC carried out a product test for domestic use foot stools and stepstools to see if these products had any problems in terms of their strength. Furthermore, for the sake of accident recurrence prevention, NCAC looked into these products to examine the following matters: 1) if the main bodies of such products could become deformed when used in an ordinary manner which is assumed to be adopted by referring to the actual accident cases, 2) if there were any risks to hands and fingers being caught in such products, and 3) if the safety of each product varied according to its shape, mechanism or materials.

The outline of the above product test findings is described below:

- Although accidents involving the elderly were the most noticeable, there were also cases whereby infants and children were injured.
- When applying a load onto the top board or a platform of the tested products, the basic strengths of these products did not differ significantly even though their shapes, mechanisms or materials were different. Nevertheless, the supporting columns of two tested products became greatly deformed during the bending test for supporting column edges.
- Two tested products showed significant deformation when applying a load intensively onto the outside of the top board.
- There were a number of tested products where it was noticeable that they contained moving parts which could possibly catch hands and fingers.
- The legs of some tested products were prone to slip easily.
- Product labeling in the main bodies of some tested products was inadequate.

NCAC provided the following advice for consumers by taking into account the above product test findings:

- Do not stand on the edge of the top board or bend forward when using the product.
- Store the product in a place which is out of reach of infants and do not let infants use it.
- Do not apply a load in excess of the maximum load limit of the product. Do not use the product on a slippery place or on a slope.
- The elderly must use the product with great care as accidents involving the elderly have been noticeable.

Furthermore, NCAC made the following requests to the industry by taking into account the above product test findings:

- Products must have equal or better quality when comparing with products that are in compliance with the strength criteria.
- It is required to develop products that pay more attention to product safety.

◇ Be aware not to suffer burns from a steam inhaler!

Domestic use inhaler products are used at home to inhale steam in such occasions as having a cold; the air being dry; and the throat and/or nose showing allergic reactions to pollens and other factors. Major inhalers available include steam inhalers and ultrasonic inhalers.

NCAC's Injury Information System has gained knowledge of accident cases whereby consumers suffered burns when using an inhaler. It also received consumer inquiries relating to the temperatures of the steam. NCAC consequently carried out a product test to see whether or not consumers could suffer burns depending on how an inhaler was used. NCAC then provided information gained from the findings of the above product test for consumers.

The outline of the above product test findings is described below:

- When tilting or knocking over the tested steam inhalers, hot water of over 70°C spurted out from some of these inhalers, while it leaked out from others. These products thus had a risk of causing a burn.
- When rocking the tested steam inhalers while in use, hot water of over 90°C leaked out from some of these inhalers. These products thus had a risk of causing a burn.
- It was difficult to continue inhaling the steam when placing the mouth and nose close to some tested products producing steam of nearly 60°C.
- Although the instruction manuals of the tested products contained precautionary information regarding burns, it was considered necessary for the main bodies of these products to have an additional easy-to-understand precautionary label containing drawings.
- Although the tested products were operated in a state different from an ordinary state, hazardous consequences such as hot water spurting out from these products or an abnormal temperature rise in the main bodies of these products did not take place.

NCAC provided the following advice for consumers by taking into account the above product test findings:

- Be aware that hot water could spurt or leak out from the product if tilting or moving its main body while in use.
- An adult must be present when children need to use the product.
- Inhale the steam only after checking how hot it is.

Furthermore, NCAC made the following requests to the industry by taking into account the above product test findings:

- Products should be designed so that hot water does not spurt or leak out even if the main bodies of such products have been tilted or rocked.
- Some products should be improved so that they produce steam at a safe temperature.
- Precautionary labeling to the main bodies of products should be specific and easy-to-understand by means of containing drawings.

In addition, NCAC made the following request to governmental organizations by taking into account the above product test findings:

- A product safety standard and/or criteria should be established in order to prevent accidents, such as burns, caused by products.

◇ Henna blended hair dye containing oxidation dye

Amongst hair coloring agents that are widely used to dye gray hair, there exist non-pharmaceutical agents that contain oxidation dye that produce chemical reactions in the hair. Although these agents may maintain the color well, they may also cause irritation to skin. In the Fiscal 2006, NCAC carried out a product test regarding 'henna blended products that proclaim to dye gray hair.' The above product test discovered that the dye ingredient of henna, which is plant dye, had poor dyeing effects and was rather unsatisfactory in dyeing gray hair black. Nevertheless, NCAC subsequently received a request from a consumer to perform another product test. This consumer had used a

particular henna blended hair dye product that stated: 'Your hair will be dyed jet black.' The consumer had assumed that the product would not cause irritation to the skin and therefore used it. Nonetheless, the product triggered eczema and itchiness in the skin. The consumer thus wished NCAC to examine if the product of concern contained problematic dye. According to the details of the request, it was suspected that this product contained oxidation dye. NCAC consequently carried out a product test on this particular product alongside other similar products.

The outline of the above product test findings is described below:

- All tested products contained p-phenylenediamine, which is an oxidation dye that dyes gray hair black, though it may also cause an allergy. These products could thus conflict with the Pharmaceutical Affairs Law.
- Hair dye paste, which was prepared following the directions of use provided by the tested products, contained oxidation dye within the range from 2.0 to 4.9%. These percentages were quite high compared to blending percentages of oxidation dye contained in general hair dye agent products.
- All tested products had product labels which gave the impression that they were to be used for dyeing head hair. Nevertheless, four of these products provided labeling indicating that they were to be used for 'human hair wigs.' These labels were confusing as they may give the impression that these products were not to be used for head hair.
- Although all tested products could possibly be used for head hair, only one of these products provided labeling concerning the ingredients and this was considered to be problematic.
- Five of the tested products provided precaution labeling concerning allergies and only three products provided labeling stating that people who had developed an allergy to Diamine 'must not use the product.'

NCAC provided the following advice for consumers by taking into account the above product test findings:

- People who have developed an allergy from using hair dye agents should be discouraged from using hair dye products indicating that it uses 'chemicals.'
- The above product test discovered that henna blended products indicating that they are to be used for 'human hair wigs' and 'sundries' contain ingredients that, unless obtaining approval, are banned to be blended with ingredients originally intended to be used for head hair. Products that have such labeling must not be used for head hair.

Furthermore, NCAC made the following requests to the industry by taking into account the above product test findings:

- Non-approved henna blended products containing oxidation dye should not be sold in a manner whereby consumers may assume that these products could be used for head hair.
- Products that are sold to be used for 'human hair wigs' and 'sundries' should improve their labeling in order to avoid giving the wrong impression to consumers and ensure that consumers will not use such products for their head hair.

In addition, NCAC made the following requests to governmental organizations by taking into account the above product test findings:

- Some of the henna blended products, that are distributed giving the impression that they could possibly be used to dye head hair, contain oxidation dye such as p-phenylenediamine. These products are considered to conflict with the Pharmaceutical Affairs Law. The industry should thus be supervised and given instructions regarding this matter.
- Furthermore, there exist products that have labeling giving the wrong impression that they are to be used for head hair, even though they are sold to be used for 'human hair wigs' and 'sundries.' The industry should thus be supervised and given instructions regarding this matter as well.

② Surveys

◇ Pay attention to mobile phone packet charges! They could be unexpectedly high - consumer issues that have come to light due to consumer inquiries and complaints relating to mobile phone packet telecommunication -

Mobile phones are widely used to connect to the internet. According to the 'mobile phone services' related consumer inquiries and complaints that were received by PIO-NET, the number of consumer inquiries and complaints relating to packet telecommunication has been showing an upward trend. Amongst these cases, there are a significant number of consumer inquiries and complaints in which, although a mobile phone company offered a fixed packet charge system, consumers were billed with quite high packet charges and they were subsequently discontented about it. Under these circumstances, NCAC analyzed the background and problematic areas of this issue to understand why consumers had to be charged so highly.

The outline of the above analysis findings is described below:

- When looking at changes regarding the number of 'mobile phone services' related consumer inquiries and complaints that were received by PIO-NET, it was discovered that the number has been increasing year by year. In the Fiscal 2006, it demonstrated an increase of 17.3% compared to the identical time in the previous year.
- In the total number of consumer inquiries and complaints relating to 'mobile phone services,' the proportion of those relating to packet telecommunication has also been increasing. While it was only 3.6% in the Fiscal 2002, it has been increasing since the Fiscal 2004 within the range of approximately 15 to 16%.

The following problematic areas were discovered by analyzing instances of consumer inquiries and complaints:

- The explanation regarding packet charges is inadequate in that consumers are not able to fully understand the details of such charges.
- Consumers are not adequately reminded that there are services that are not covered by the fixed packet charge system.
- Packet charges may unimaginably jump up if a person other than the holder of the phone uses the phone.
- Consumers are not aware of the sizes of internet files they have downloaded.
- There are cases where a consumer is not able to confirm which provider he or she has connected to.

NCAC provided the following advice for consumers by taking into account the above analysis findings:

- Examine the contents of your packet charge plan and optional service contract to the fullest extent and ask for a further explanation if you have found anything that is not clear.
- Be aware that, depending on a mobile phone company, there are services that are not covered by the fixed packet charge system even though the company offers such a system.
- When allowing your child to use a mobile phone, hold a family discussion regarding how the child should use the phone.
- Examine charges frequently.

◇ Consumer issues relating to unlisted shares have been escalating amongst university students - new students must also take precautions -

In recent years, there has been a high incidence of consumer issues relating to unlisted shares. One of the examples of these issues is as follows: A consumer was told that particular unlisted shares 'will be listed shortly' and 'you can earn easy money for sure.' Although the consumer purchased the shares of concern, they have not been listed as yet and the purchasing contract cannot be cancelled. Problematic unlisted shares solicitation targeting university students have been

showing an upward trend lately. When looking at instances of consumer inquiries and complaints involving unlisted shares, the following cases came to light: a student could not decline to start the transaction due to it being solicited by a classmate, a student spent all his or her savings in order to come up with the large investment sum, and a student was persuaded to take out a loan from such a company as a student loan company or a consumer loan company. Furthermore, one of the problems of this issue is that a margin will be paid to a student who has successfully solicited another student to initiate a transaction. A remarkable number of consumer issues relating to unlisted shares are currently taking place in universities located in metropolitan areas.

The following problematic areas were discovered by analyzing instances of consumer inquiries and complaints:

- The details of the investment being unclear:
In some cases, even though the transaction of concern is titled as 'investment in unlisted shares,' the student will neither be registered as a shareholder nor receive share certificates with his or her name printed on. In these cases, the investment target is merely 'the right to receive part of capital gains from unlisted shares held by a certain individual.' Furthermore, students are not provided with any documents concerning the company handling the issuance of unlisted shares; the business details or the financial state of such a company are thus completely unaccounted for.
- Solicitation using relationships of trust
There are cases where a university student was solicited to start 'an easy job' or was told that 'there is a way to earn easy money' by his or her personal connection at the university such as classmates or elder or younger members of a club. There are other cases whereby students were solicited at a part time job location or in a blind date party. According to instances of the consumer inquiries and complaints relating to unlisted shares, multilevel marketing has been taking place to a significant degree. For example, a student, after participating in an investment circle, receives a margin when he or she has successfully solicited another student and this newly solicited student in turn solicits another student.
- Solicitation manuals
There are solicitation manuals and memos provided for students. These documents contain precautionary points to be heeded during solicitation and also provide solicitation methods such as the following: '*You must not use the phrase "you can earn easy money for sure" as this breaches laws.*' Students refer to these instructions and cleverly solicit other students in a manner that does not breach laws. Nevertheless, even if such phrases as 'for sure' and 'absolutely' are not used, it may still breach laws to provide explanations in a way that the person being solicited could misapprehend something that is not certain as otherwise.
- Large investment sum
The most common investment sum is within the range of 600,000 yen which is quite large for university students. While some students used up all their savings, other students, although declining to start the transaction saying "I have no money for the investment," were taken to a consumer loan company which was introduced as a 'place that is easy to borrow money from' and were persuaded to take out a loan.

NCAC provided the following advice for consumers by taking into account the above analysis findings:

- Do not trust a get-rich-quick scheme when being told 'you can earn easy money when these shares are listed' or 'you can receive a margin if you solicit someone else.' Refuse such offers point-blank.
- If you run into any trouble, consult the student administration office of your university or the nearest local consumer center.

◇ Facts and problematic areas of consumer issues taking place when purchasing a pet animal - how to 'purchase' a pet animal with peace of mind -

There are a considerable number of pet animals kept in household; especially dogs and cats that are common household pets. The numbers of pet dogs and cats are approximately 12.09 million and approximately 9.6 million, respectively. The number of animal handling traders that sell pet animals has accordingly been increasing, which reached more than 15,000 in 2006 (at present). However, since a significant number of pet dealers have been creating consumer issues, the Law concerning the Protection and Control of Animals underwent an amendment in June, 2005 and came into effect from June, 2006. As a result of this amendment, pet dealers now hold a degree of accountability towards consumers. Nevertheless, local consumer centers located throughout Japan receive over 1,500 consumer inquiries and complaints every year relating to purchase of pet animals. Under these circumstances, NCAC sorted out and analyzed facts and problematic areas of consumer issues relating to purchase of pet animals.

The following problematic areas were discovered by analyzing instances of consumer inquiries and complaints:

- Issues involving sales methods

Some sales representatives use sales talk that gives the wrong impression to a consumer or fuels the buying inclinations of the consumer. Furthermore, mail order services are prone to cause problems such as the actual animal delivered to the consumer was different from the image in the photo. In these mail order cases, it is particularly difficult to relieve the damages suffered by a consumer, who have paid for the animal in advance and is then not able to reach the dealer, since there is no means available for the consumer to receive a refund.

- Issues involving purchasing provisions

When selling pet animals, dealers often provide consumers with purchasing provisions alongside statutory documents that, as regulated by the Law concerning the Protection and Control of Animals, are compulsory to be provided for consumers. Nevertheless, it is also often the case that dealers do not provide consumers with an adequate explanation regarding the contents of such provisions and this consequently triggers consumer issues.

While some purchasing provisions set forth policies regarding problems arising after the pet animal was purchased including the animal falling ill, some provisions impose a burden on the consumer when a problem arises with the animal. These provisions are considered to be problematic when taking into account the Consumer Contract Law.

- Issues involving studbooks

A studbook is commonly explained as 'the proof that the breed of the dog of interest is genuine.' Nevertheless, such a document is not recognized by law and is a discretionary certificate. Furthermore, it does not necessarily mean that 'a dog with a studbook is superior or healthier.' It is thus recommended to recognize such a document as merely a reference in order to predict the future development of the dog.

- Issues involving complaints handling

There are cases whereby a dealer does not make a sincere response when a complaint has been forwarded from a consumer.

NCAC provided the following advice for consumers by taking into account the above analysis findings:

- Select a dealer with care and do not hasten to sign the contract.
- Examine the contents of the contract when concluding it.
- Take the animal to the vet when it has fallen ill and contact the dealer as well.
- Consult a governmental consumer counseling organization such as a local consumer center.

③ Others

◇ The 37th Survey of Trends in People's Livelihood

During the period from August to September, 2006, NCAC carried out 'The 37th Survey of Trends in People's Livelihood,' targeting 3,000 married women living in government-designated cities of Japan. NCAC conducts a Survey of Trends in People's Livelihood annually in order to 1) look into phenomena that have attracted a large number of consumer inquiries and complaints and have become social issues and 2) carry out a 'fixed-point observation' to understand environments surrounding consumers and changes in consumer awareness.

The outline of the above survey is described below:

- Consumer recognition of NCAC and local consumer centers and the consumer issues that need to be addressed by the above consumer organizations
 - 85% of consumers knew of NCAC and local consumer centers. 61.6% of those learned about the above consumer organizations through 'TV and radio' and 48.9% through 'newspapers and magazines.'
 - Consumer issues that consumers wished NCAC and local consumer centers to address were 'consumer issues relating to safety of products' (73.8%) and 'consumer issues relating to solicitation and contracts of products and services' (63.4%).
- Complaints and damages involving products and services
 - 37.1% of consumers felt dissatisfied with or suffered damages from products and services.
 - 50.6% of those who felt dissatisfied and suffered damages made inquiries and complaints to an organization.
 - Amongst those who felt dissatisfied and suffered damages, 29.2% made inquiries and complaints to 'distributors and sales representatives,' 22.8% to 'manufacturers' and 4% to 'governmental consumer counseling counters such as local consumer centers.'
- Solicitation by means of door-to-door sales and telemarketing - uninvited solicitation -
 - Regarding solicitation of products and services by means of door-to-door sales carried out within this year, 50.1% of consumers said it was associated with 'newspapers' and 28.3% with 'communication services such as telephone and internet services.'
 - Regarding solicitation of products and services by means of telemarketing carried out within this year, 52.7% of consumers said it was associated with 'condominiums' and 44.2% with 'communication services such as telephone and internet services.'
 - 92.7% of consumers 'expressed no wish to receive' door-to-door sales and 91.4% 'expressed no wish to receive' telemarketing.
 - Regarding requests to solicitation operators, 56.8% of consumers considered that door-to-door sales 'must be banned in principle and may be carried out only when a consumer has requested for it.' Likewise, regarding telemarketing, 72.3% considered that telemarketing 'must be banned in principle and may be carried out only when a consumer has requested for it.'

◇ Problematic areas and challenges of the Consumer Contract Law by referring to instances of consumer inquiries and complaints (interim report)

The Consumer Contract Law, which was enacted in April, 2001, covers overall contracts concluded with consumers. It cancels contracts derived from unfair solicitation activities and also invalidates unfair contract clauses. This law has been utilized in consumer counseling cases as an effective means to solve consumer issues. Nevertheless, since consumer transactions have become more diversified and complicated and sales activities carried out by traders have become more malicious and skilled, cases have arisen whereby damages suffered by consumers were unable to be relieved. Consequently, NCAC sorted out instances of consumer inquiries and complaints relating to contracts concluded with consumers and repeatedly examined the challenges faced by this law and the directions the law should take in the future. In March, 2007, NCAC organized the interim report regarding this issue. NCAC will look into the status of the Consumer Contract Law that has been utilized in consumer counseling cases and organize the final report in August, 2007.