



NCAC NEWS

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Consumer Affairs Climate

Outline of consumer inquiries and complaints collected through PIO-NET during FY2008

The National Consumer Affairs Center of Japan (hereinafter 'NCAC') has summarized consumer inquiries and complaints collected through PIO-NET (Practical Living Information Online-NETwork) during FY2008. PIO-NET is an online system designed to connect the NCAC and local consumer centers. For further details, please refer to the Annual Report on Consumer Affairs 2009 published by the NCAC in October 2009.

Major characteristics observed in consumer inquiries and complaints collected through PIO-NET during FY2008:

- (1) The total number of consumer inquiries and complaints showed a downward trend, falling below 1 million cases for the first time in the past 6 years.
- (2) The number of cases in relation to 'fictitious billing' declined by 15% in comparison with the peak periods.
- (3) A notable increase was observed in the number of cases involving 'oil products,' 'fresh fish (i.e. crabs),' 'sales of condominiums' and 'housing loans.'
- (4) The number of cases associated with 'transactions' demonstrated a downward trend, while an increase was seen in the number of cases involving 'safety/quality.'
- (5) While exhibiting a continuous downward trend, the number of cases involving 'sales carried out based on marketing methods that do not involve an outlet' still accounted for nearly half of the total. A remarkable decline was however observed in the number of cases relating to sales through 'mail orders' and 'door-to-door sales.'
- (6) The sum total of cases associated with 'loan contracts' and 'credit contracts' accounted for nearly 30% of the total. While a significant decrease was observed in the number of cases related to 'installment for particular products,' the number of cases involving other types of credit contracts increased.

Outline of safety hazard and risk information registered with the Injury Information System during FY2008

The NCAC has summarized the safety hazard and risk information collected through PIO-NET as well as the safety hazard information reported from cooperating hospitals during FY2008. PIO-NET is an online system designed to connect the NCAC and local consumer centers. Safety hazard information refers to information detailing cases where consumers suffered life-threatening or physical hazards from faulty products or services, and risk information signifies information detailing cases where consumers were potentially subject to life-threatening or physical hazards from faulty products or services. This summarized data does not include consumer inquiries and complaints reported by local consumer centers to the NCAC since FY2007. For further details, please refer to the Annual Report on Consumer Affairs 2009 published by the NCAC in October 2009.

Major characteristics observed in the safety hazard and risk information registered with the Injury Information System during FY2008:

- (1) The total number of cases reported was approximately 20,000, a decline of 11% year-on-year. This is a result of the number of cases related to 'cooked products' (which was remarkably high in the previous year due to tainted Chinese frozen food) having decreased significantly.
- (2) The total number of cases reported through PIO-NET alone was approximately 12,000, with the ratio of 'safety hazard information' and 'risk information' being 2:1. The top three products/services that caused safety hazards were 'cosmetic products,' 'medical services' and 'beauty treatments' while the top three products/services that triggered risks of causing safety hazards were 'automobiles,' 'heaters' and 'microwaves.'
- (3) The number of safety hazard cases reported from cooperating hospitals reached approximately 8,000, with the top three products/services being 'stairs,' 'bicycles' and 'cooking knives.'

Implementation status of ADR procedures and summary of outcomes

The NCAC's Conflict Resolution Committee begun carrying out ADR (Alternative Dispute Resolution) procedures from April this year, and has released the implementation status of ADR procedures and the summary of outcomes.

ADR procedures are designed to be carried out by a third party that provides a fair judgment to individuals attempting to solve a civil conflict without taking out legal proceedings in order to facilitate resolution of such a conflict. The NCAC examines consumer applications so as to identify 'important conflict cases' that have taken place

between consumers and business owners and are considered to be national issues that need to be solved.

During the period from April to mid-August, the total number of applications lodged by consumers was 30 and ADR procedures are currently being undertaken for 23 of these cases. The remaining seven cases were seen thru to completion using ADR procedures: two of these cases came to a settlement, 2 cases did not reach a settlement, one case was rejected and two cases were withdrawn.

One of the two cases that reached a settlement as mentioned above was a conflict derived from a 'mail order service for a how-to book for successful subsidiary business.' One of the two cases that did not reach a settlement as mentioned above was a conflict related to an 'ETC card issuer that begun charging annual fees.'

Activities of NCAC

(1) Surveys

Resurfacing of consumer issues triggered by transactions of prelisted shares: A spate of new business practices have been employed including 'multiple operators working in collaboration to produce theatrical effects during solicitations' and 'operators claiming to be able to help recover damages derived from prelisted share transactions carried out in the past.'

Although consumer issues related to transactions of prelisted shares eased during FY2007, the number of these cases has been on the rise recently. An example of such cases is that, although a consumer 'purchased the shares of a company having been previously informed that it would be listed in the near future, the company has still not gone public.' The NCAC released precautionary information due to the recent emergence of more inventive solicitation methods including the following:

- 'Multiple operators working in collaboration to produce theatrical effects during solicitations':
A number of operators working in collaboration to carry out an effective solicitation.
- 'Operators posing as public institutions':
Operators claim that they work for the Financial Services Agency or a local consumer center in an attempt to gain the confidence of consumers.
- 'Operators requesting consumers to purchase prelisted shares on their behalf':
Operators convince consumers to purchase prelisted shares on their behalf with the assurance that agency costs will be covered and the shares purchased will be bought out at a high price.
- 'Operators claiming to be able to help recover damages derived from prelisted share transactions carried out in the past':
Operators approach people who have bought prelisted shares and suffered damages in the past by claiming that they are able to help recover such damages and offering a new prelisted share transaction.

Advice for consumers

- Never trust any tempting money-making offers claiming, "*You are the only one who will profit from this transaction,*" and reject such offers firmly.
- There have been cases of persistent solicitations targeting people who have bought prelisted shares and suffered damages in the past. These people tend to be solicited by multiple operators and some operators attempt to make these people believe that 'damages can be recovered.' For this reason, those who have purchased prelisted shares in the past must particularly stay alert.
- If you have been unable to reject a prelisted share solicitation and have signed a contract, or if you are even slightly suspicious, consult a family member and/or a local consumer center immediately.

Don't be deceived by illegal business operators that pose as companies working for the Consumer Affairs

Agency:

There have been consumer inquiries and complaints reported to the NCAC and local consumer centers detailing business operators posing as companies conducting a survey commissioned by the Consumer Affairs Agency in order to sell financial products. It is believed that these operators intend to gain the confidence of consumers by mentioning a business relationship with the Consumer Affairs Agency. These consumer inquiries and complaints were received prior to August and, in the wake of the establishment of the Consumer Affairs Agency on September 1, similar illegal business practices are expected to become more widespread. Consequently, the NCAC has released precautionary information to enhance consumer awareness.

According to the case examples of these consumer inquiries and complaints, business operators stated that the 'Consumer Affairs Agency requested them to carry out a survey' or that they were 'commissioned by the Consumer Affairs Agency to conduct a survey.' In this manner, these operators attempt to gain the confidence of consumers by indicating a business relationship with the Consumer Affairs Agency. Furthermore, as it is possible that the lists of people who have suffered from fraudulent prelisted share transactions in the past have been leaked and accessed by these shady operators, secondary damages have been triggered by operators taking advantage of these people wishing to recover damages.

Advice for consumers

- Do not be tricked by any groundless sales talks. Remember that the Consumer Affairs Agency never hires a company in order to help recover and relieve consumer damages derived from fraudulent business practices.
- Due to the strong likelihood of an increase in the number of illegal business operators mentioning a business relationship with the 'Consumer Affairs Agency' so as to deceive people, anyone who has been approached by such an operator and has even the slightest doubt is urged to contact the Consumer Affairs Agency directly (Consumer Information Number: 03-3507-9999). It is also recommended to consult with the nearest local consumer center in such cases.

(2) Product testing

The safety of cookware [Part 1]: 'Electric blenders'

Electric blenders are generally used to make fruit and vegetable juice at home. In 2007, domestic shipment of these blenders was approximately 648,000 units according to data provided by the Japan Electrical Manufacturers' Association.

The NCAC has been contacted by a consumer asking that a particular electric blender be tested due to the occurrence of the following incident:

'When the consumer was trying to replace a component of the electric blender, the blender suddenly turned on and its cutter began to turn despite the safety device that is installed. The consumer accordingly suffered cuts to the left thumb and index and middle fingers and wishes to know why the power came on.'

Apart from this particular case, a total of 16 injury cases have been reported to NCAC's Injury Information System since FY2004 (i.e. injuries to hands and fingers) and one of these cases saw a particularly severe outcome:

'When inserting the plug before placing the glass jug onto the jug base, the cutter suddenly began to turn due to the power switch having been left on. The user accordingly suffered severe injuries to the right index finger requiring 12 stitches and could have possibly resulted in an amputation.'

Under these circumstances, the NCAC tested a number of electric blenders highlighting their safety mechanism designed to prevent injuries to hands and fingers in order to provide consumers with precautionary information.

The above product test targeted 8 electric blenders (8 manufacturers) with a jug that can be removed from the jug

base. 6 other electric blenders that come with a non-removable jug were also examined to obtain reference information.

Test findings:

- (1) Actuation testing when the cutter was left exposed:
When the jug was not placed on the base, leaving the cutter exposed, 4 of the tested products could be turned on to initiate rotation of the cutter, and were therefore found to be hazardous.
- (2) Presence of a safety device designed to prevent the actuation of the blender when the jug is not placed on the base:
3 out of the 4 tested products mentioned above do not come with a safety device. Although the remaining product does have such a device installed in its main body, there is no such device installed in the jug base and the safety mechanism of this product is therefore unsatisfactory.
- (3) Type of power switch provided:
All of the tested products come with a push-button power switch that may be pressed accidentally. Furthermore, none of these products are provided with a safety mechanism to ensure that the blender can only be turned on after performing a number of procedures in order to prevent the power button from being accidentally pressed before the intended use.
- (4) Product labeling concerning the safety mechanism:
Although some of the tested products contain labeling stating that the 'blender cannot be turned on unless the jug is placed on the jug base,' it was verified that the power actually came on and the cutter began to turn when the jug was not placed on the base. It is therefore misleading that these products contain labeling that provides false information to consumers.

Advice for consumers

- Be sure to remove the plug when the electric blender is not in use in order to prevent injuries to hands and fingers.
- Select a product fitted with a safety device that ensures the product can only be turned on when both the jug and jug base are placed on the main body.

Request to the industry

- Ensure that a safety device is installed in electric blenders where the cutter is exposed when the jug and jug base are not placed on the main body.

Request to business owners

- Install a safety device in electric blenders in order to ensure that the power does not come on when the cutter is left exposed.

The safety of cookware [Part 2]: 'Slicers'

When it comes to slicers that are designed to be used to slice vegetables, a total of 292 injury cases have been reported to the NCAC's Injury Information System since FY2004 including injuries to hands and fingers. One such case was particularly serious where the user of a slicer suffered a severe cut to the tip of their right little finger while slicing a cucumber, and the nail was peeled off, requiring a transplant of artificial skin.

Despite the NCAC's previous efforts to provide precautionary information detailing the possible risks of injuries to hands and fingers when using a slicer, the number of cases of injuries has shown no sign of a significant decline thus far. Under these circumstances, the NCAC performed testing on a number of slicers in an attempt to identify any potential risks of injuries to hands and fingers, and accordingly released precautionary information once again to

enhance consumer awareness towards the safe use of slicers.

The above product test targeted a total of 9 products (6 manufacturers): 6 products with a single-edged flat blade, a product with a double-edged flat blade and 2 products with a V-shape blade.

Test findings:

(1) Slicer plate flexibility:

Slicers are generally hazardous as their blade is designed to be left exposed. Some tested products with a plate that is particularly flexible in the area right in front of the blade were discovered to cause a higher risk of injuries. This is due to the fact that, with these slicers, a vegetable portion is sliced quicker, causing the fingers to come close to the blade quicker than expected.

(2) Testing using monitors to examine slicer plate flexibility:

When it came to a particular product that has a plate displaying the highest flexibility in the center area, the majority of monitors stated that the 'vegetable was sliced quicker than expected.'

(3) Usability of the safety holder

The safety holder, designed to slice a vegetable portion that has become too small to be held by hand, did not work properly depending upon the type and size of vegetables.

Advice for consumers

- When using a slicer, be fully aware that it contains a blade.
- Do not look away while slicing a vegetable portion.

Requests to the industry

- Improve the level of safety of slicers using a highly flexible plate by lowering the flexibility level of such a plate.

Safety of home-use ozone generators

Ozone is highly oxidative and has therefore bactericidal and deodorizing effects and, for this reason, home-use ozone generators are available. These products are claimed to have a variety of benefits, such as being effective in 'eliminating indoor bacteria and odors' and 'removing food additives and pesticides by applying ozone water generated by the product to food.' Nevertheless, although highly concentrated ozone produces significant negative physical effects, there is no regulation or standard to restrict the amount of ozone generated by home-use ozone generators. It is therefore a concern that the users of home-use ozone generators that produce ozone of high concentration are likely to suffer from health hazards. According to the Japan Society for Occupational Health, a person feels irritation to the nostrils and/or the throat when being exposed to ozone with a concentration level of 0.1ppm, which is the ozone threshold limit value in compliance with room environmental standards and labor and environmental standards. Further, breathing problems are observed with a concentration level ranging from 0.5 to 1.0ppm, and a life-threatening hazard occurs with a concentration level of 50ppm.

When it comes to ozone generators, a total of 410 consumer inquiries and complaints have been reported through PIO-NET over a period of approximately 5 years since FY2004. 67 among these cases were associated with the safety of these products, with one example being when a consumer 'felt ill while the ozone generator was in use.'

The NCAC accordingly examined 7 home-use ozone generators to measure ambient ozone concentration levels in order to verify whether or not any of these products are capable of producing highly concentrated ozone. The appropriateness of product labeling for these products was also examined and precautionary information was then released to improve consumer awareness. The tested 7 products consisted of 4 products designed to be used in both the open air and water and 3 products designed to be exclusively used in the open air.

Major findings:

1. Use in the open air:

- The 4 products designed to be used in both the open air and water were discovered to be hazardous displaying an extremely high level of ozone concentration, ranging from 2.2 to 10.2ppm, in the vicinity of the generator outlet. When running these particular products in a room size of approximately 13.5m² (8.7 tatami mats) over the duration of half an hour, the concentration level was observed between a range of 0.1 to 1.0ppm, surpassing the ozone threshold limit value of 0.1ppm previously mentioned.
- One of the three products designed to be exclusively used in the open air occasionally demonstrated an ozone room concentration level higher than 0.1ppm when used over a long period of time, while the ozone room concentration level displayed by the remaining two products barely rose.

2. Use in water

- When using the tested products with a small amount of water in an indoor situation, ozone emitted into the water barely dissolved and was mostly diffused into the air. This accordingly increased the ozone room concentration level, and these particular ozone generators were therefore found to be hazardous.

3. Product labeling

- Some of the tested products provide usage directions that may result in the user inhaling highly concentrated ozone, while two tested products scarcely provide any precautionary information concerning ozone.
- Some of the tested products provide product labeling and advertisements that proclaim medical effects and are hence likely to breach the Pharmaceutical Affairs Law.
- When it comes to information concerning ozone generation (i.e. amounts of ozone generated and concentration levels), no common rules exist for describing such information including the use of different units of measurement. Furthermore, some of the tested products display values that are significantly different from the values actually measured during product testing. The product labeling of these products is therefore not useful in aiding consumers to identify the potential negative physical effects.

Advice for consumers

- It is not recommended to purchase an ozone generator due to some products being likely to produce dangerously concentrated ozone depending upon the usage status. It is also believed to be difficult for general consumers with no special knowledge about ozone to comprehend the potential risks when looking at product information (i.e. amounts of ozone generated) and to use such products safely.

Requests to the industry

- Develop safe and effective products that do not expose the user to highly concentrated ozone.
- Ensure to improve the labeling and advertisements of some products that are likely to conflict with the Pharmaceutical Affairs Law.

Requests to the government

- Consider the development of the necessary standards concerning the safety and effectiveness of home-use ozone generators.
- Provide instructions to the industry to improve the advertisements of some products that are likely to conflict with the Pharmaceutical Affairs Law.